



Shire of Esperance

Annual Report

2022 / 2023



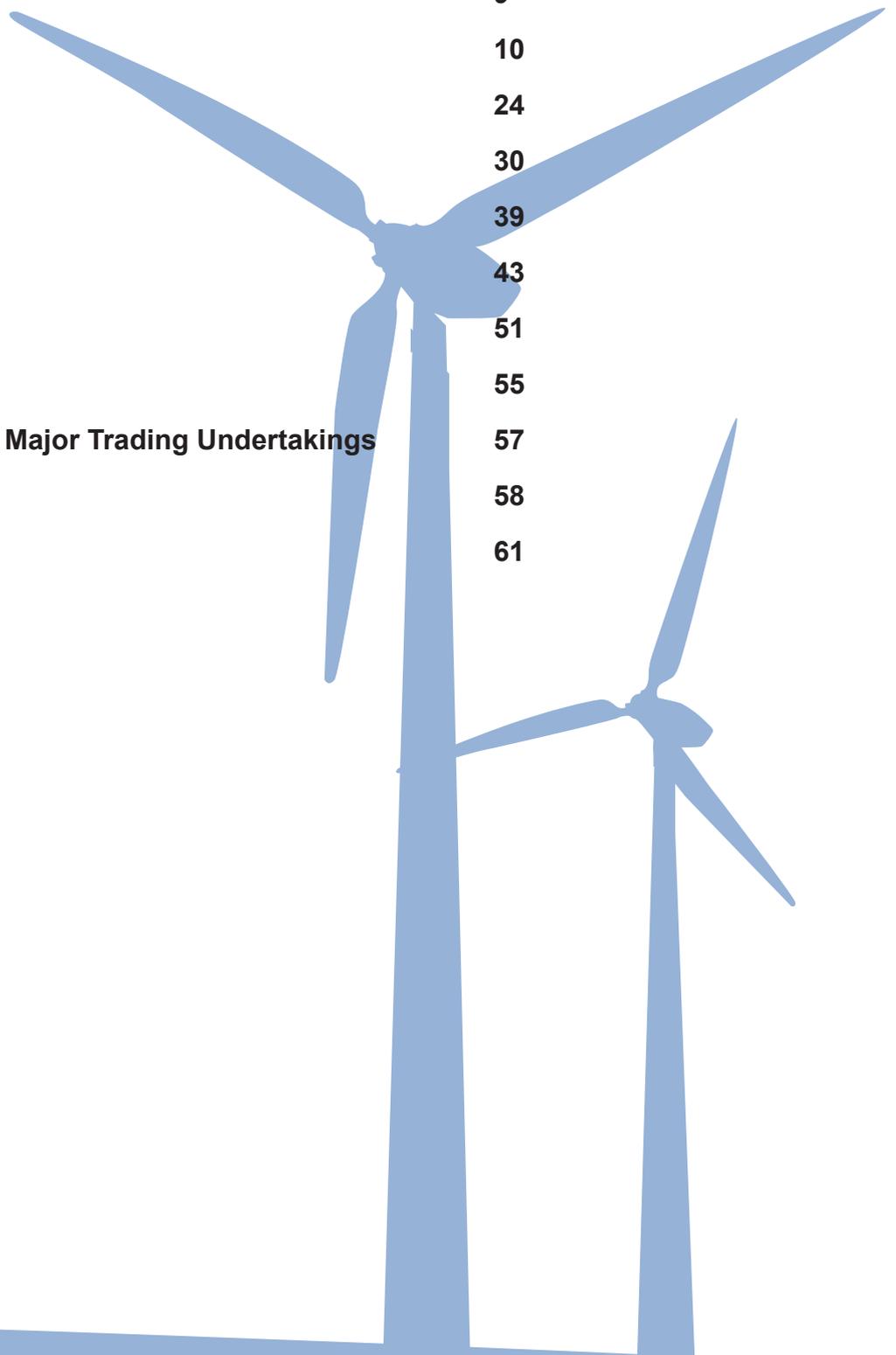
Acknowledgment of country

The Shire of Esperance acknowledges the Kapa Kurl Wudjari people of the Nyungar nation and Ngadju people who are the traditional custodians of this land, and their continuing connection to land, waters and community. We pay our respects to Elders past, present and emerging and we extend that respect to other Aboriginal Australians today.



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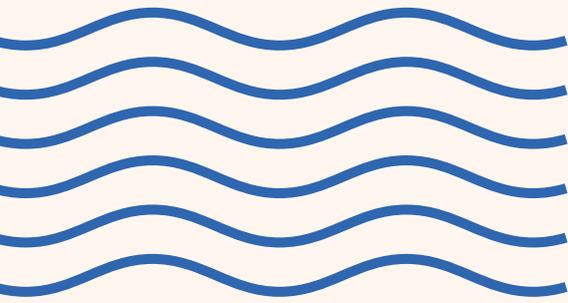
Our Purpose

The Shire of Esperance exists to meet the needs of current and future generations through an integration of environmental protection, social advancement and economic prosperity.

Our Vision

Esperance, together we make it happen.





Shire President Report 2022/2023

It is with pleasure that I present the 2022/2023 Annual Report for the Shire of Esperance. There has been a number of highlights during the past 12 months.

Council had a Special Civic Reception to honour Dr Walter Byrne for his 42 years of dedicated service as a Medical General Practitioner to the Esperance region. I had the great privilege of presenting the “Key to the Shire” to Dr Byrne at an event that was attended by over 100 family members, friends, and colleagues.

Over the past year, Council has spent important time advocating on a number of topics for the wider Esperance community. Following the pandemic, the Regular Passenger Air Service contracted by the WA Government, became very unreliable. Council met with officials from the contractor; Rex Airlines, and officers from Department of Transport; Aviation Branch, seeking assurance that the service would become reliable once again. Unfortunately, we were unable to receive any assurances of better service. Council will continue to relay our community’s feedback regarding this vital service.

Council’s advocacy for regional education continued as we joined with key members of the Esperance Senior High School to lobby the WA Government for a major upgrade to the school buildings and facilities. We will continue to work with our community in pushing for a constructive outcome, and to have the Minister of Education and the WA Premier visit Esperance to experience the site first hand.

Once again, Edge of the Bay, Citizen of the Year Awards, and New Year’s Day have been great community events with large crowds attending and many volunteers assisting. We sincerely thank the Rotary Clubs, Stallholders and everyone involved for their great efforts. Following these events, the Shire Community Development Team promoted to Council that although these are popular events,

they all happen in the Spring/Summer season, and recommended a mid-winter event. The first Winter Wonderland event is scheduled for July 2023 and is shaping up to be a spectacular family day out, complete with a snow pit, ice slides, movies and market stalls.

The Council is very pleased with the public consultation and architectural design work done by CHRISTOU for the James Street Cultural Precinct. The proposed development incorporates the historical Goods Shed, and I believe it will bring a vibrancy to the area for all to enjoy.

This year, Council held many briefing sessions, discussions and workshops on the construction of the budget. The significant change in the economic environment, with cost of living and input increase, were a major concern. The positives that helped the budget are the sale of 27 industrial blocks at the Shark Lake Industrial Park and the demand for more to be developed. All developed housing blocks in Flinders Estate have been sold and we plan to have additional blocks for sale early-mid 2023.

Another positive is the interest being paid on cash investments. On the negative side is the huge increase in operating costs. The WALGA cost price index indicates a 6.4% increase for Local Governments. To maintain the Shire’s large road network, we believe the cost for fuel, bitumen, and plant costs could be more than an 8% increase. All efforts go into delivering an honest budget that continue the services provided to our community while planning for the future.

Council is always honoured to support our local community groups. This year \$280,494 was allocated to the Community Grants Fund. In addition, Council supported the Esperance Oval Lighting Project by approving the \$95,130 application.

A significant building program commenced during this period to upgrade the Esperance Home Care Day Centre. To facilitate this, staff and clients needed to be relocated to the Noel White Centre for activities, and to the Civic Centre kitchen for meal preparation. I sincerely thank all the staff, volunteers, and clients for their patience and for the seamless way this has been done.

During the year the new Wildcherry Dog Park was completed. This dedicated exercise park includes separated areas for small and large dogs and items to assist dog owners to better manage their pets.

I extend my sincere thanks to all staff who work for the Shire of Esperance. Across all facilities, services and locations, every one of you are committed to providing the best service you can for your community. Well done.

The past 12 months has also solidified my assurance to members of the Esperance community that we have a senior management team that is of the highest quality.

Felicity Baxter, Director of Corporate & Community Services. Felicity has a heart of gold and is passionate about the cultural and financial sustainability, and longevity of the Esperance community.

Mathew Walker, Director of Asset Management. The massive asset program he is responsible for has many external factors that can slow down processes. The people he oversees always produce work to a high standard to get the job done.

Roy Grieve, Director of External Services. Roy joined the team in February 2023. He has excellent knowledge of his portfolio and excellent communication skills.

Shane Burge, Chief Executive Officer. The most ethical person I have ever met. He ensures that Council is fully informed on all matters, is not afraid to make hard decisions when necessary, and highly respected by staff. I am most privileged to work with you. Thank you, Shane.

My sincere thanks to all of my fellow Councillors, who have been totally focused on their responsibility to make decisions in the best interests of our whole community. We have worked together for past 4 years, and I can honestly say you are the best Council I have ever had the privilege to lead.

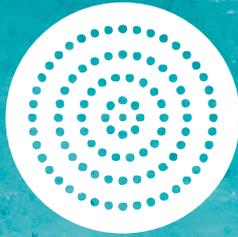


Ian Mickel
Shire President

Esperance in Numbers



13,883
Population



4.3%
Indigenous Australians



24.1%
Born Internationally



3441
Families



6,808
Private Dwellings



2.4
Average People Per Household



\$1,521
Median Household Weekly Income



42
Average Age

53,755.87km²

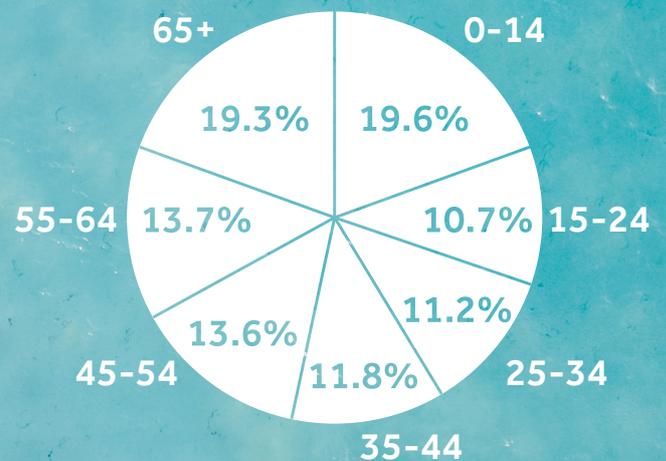
3,698.3km of unsealed roads

875.2km of sealed roads

140.6km of footpaths

13,045km² of agricultural land

20,377km² of reserves



Age Breakdown

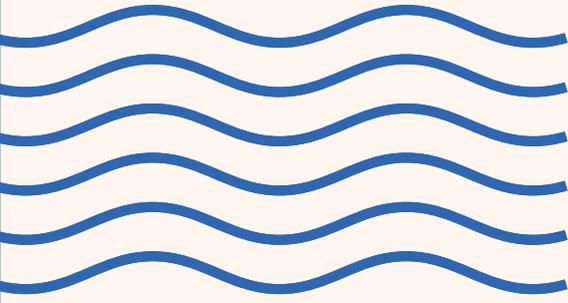


Image Credit: Rosie Henderson

CEO Report 2022/2023

I am proud to present the 2022/2023 Annual Report for the Shire of Esperance.

The Annual Report is a summary of our highlights, challenges, developments and achievements throughout the year. Esperance is a wonderful community, and we should be proud of what we have achieved together.

We welcomed the calendar year with our 2023 Community Scorecard, and an impressive 9.12% of the Shire of Esperance population put in the effort to have their say. The Report provides a wealth of information to dig into, including: the community's top 3 Performing Service Areas being Sport and Recreation Facilities and Services, Library Services and the Bay of Isles Leisure Centre; the Most Improved Areas; and three markers where the Shire of Esperance is an industry leader. Results from the 2023 Community Scorecard show high community trust across many markers, and serves as a crucial guide on what is working for our regional population, and what needs to be improved.

Over the past 12 months the Shire has been working hard with architects, CHRISTOU to consult the community and stakeholders on the proposed James Street Cultural Precinct. This once in a generation development will deliver new co-located venues for the Esperance Library, Volunteer Resource Centre, Visitor Centre and Museum.

It will connect our beautiful foreshore to the town centre, and provide multi-purpose public open spaces for all ages. This is a huge project and successful completion is dependent upon funding that is currently being sought from the Federal Government with applications to State Government planned.

With Esperance being named number 12 in the Leading Places: 100 Most Loved Destination Around The World, staff have been working hard to accommodate the influx of people rushing to

see our beloved beaches. With this, the town has seen an increase of cars on our roads and therefore the Shire's Asset Management Department have identified the need for major construction and infrastructure upgrades to our roads. The Dempster Street Roundabout was completed in May 2023 and has already shown it's a safe and pedestrian friendly entrance into the town centre. During the year works have also commenced on Fisheries Road and the Bandy Creek Road turn off.

The Shire of Esperance is developing the residential area of Flinders Estate. Flinders Estate is located adjacent to the coast at Bandy Creek, between Ormonde Street, Goldfields Road, Daw Drive and the Bandy Creek Boat Harbour, comprising approximately 124 hectares of land. This project will deliver much needed small residential lots to the local property market, another step the Shire has taken to address the current housing shortage.

I would like to thank my Executive Management Team for their hard work and dedication over the past 12 months, and all the Shire staff who go above and beyond to deliver wonderful service to their Esperance community.

I look forward to what the next 12 months will bring, and am excited for the Shire to continue providing essential services and infrastructure to the Esperance community.

Shane Burge
Chief Executive Officer

Our plan for the future

The Shire of Esperance is guided by the Council Plan 2022-2023, which provides instruction from the community on priority projects and goals. The Council Plan is an amalgamation of both the Strategic Community Plan and Corporate Business Plan into one succinct document.

Under the Integrated Planning and Reporting Framework, Corporate Business Plans are to be reviewed each year and Strategic Community Plans every four years, with minor reviews every two years. To make sure the Council Plan stays relevant, the Shire committed to undertake annual desktop reviews, with major reviews every four

years. During the 2022/2023 review, a number of projects were identified as being completed and minor amendments to remaining projects and goals were made where needed. The Shire also commissioned Catalyse Pty Ltd to undertake their MARKYT Community Scorecard 2023 in support of the review.

The Council Plan includes five themes being:

People

Planet

Place

Prosperity

Performance

Where to find the Council Plan

Hard copies can be obtained from the Shire Administration Building or the Esperance Public Library.

A downloadable version is available online: www.esperance.wa.gov.au or scan the QR code below.

We welcome your feedback on this report. Feedback can be dropped off at any Shire building or emailed to us at:

shire@esperance.wa.gov.au



Welcome

Every year the Shire provides vital services to the community, and our Annual Report is where we highlight our achievements and the progress made towards realising the priority projects and goals identified in our Council Plan.

The Annual Report is one of our key reporting tools, providing transparency to our community and details our operational performance, achievements and challenges experienced throughout the past financial year.

Our priority for 2022/2023 was to continue to enhance our communication with the community and encourage more people to participate in developing solutions on topics Council are being asked to make decisions on.

The Shire's vision of

**“Together, we
make it happen”**

continues to promote Esperance as an inclusive community where things get done when we pull together with a common goal.



PEOPLE

1. A safe community

Ranger Services

Ranger Services underwent a major review during the year, with a new structure established and additional Ranger resources allocated to service the community. An operational plan has been developed and will facilitate continuous quality improvement processes across our services.

Our procedures relating to animal registrations, RSPCA referral processes and customer service requests were updated this year. We met with the RSPCA to better understand areas of jurisdiction between relevant legislation and looked at improved ways of working together. Our activities focussed on community education and responsible pet ownership, and we hosted a Cats and Dogs Community Action Day in September and November respectively. These events were well attended by the community and a great opportunity to promote animal welfare matters. With the assistance of an Animal Welfare Grant, we were able to provide free de-sexing of companion animals to concession card holders or residents experiencing financial difficulty.

Facebook and Instagram pages were created and deployed, and allow information sharing and the chance to tell the stories of our Rangers and the work they do.

During the year, 302 fire-break inspections were completed, 88 infringements were issued and 19 Variations to Notice requirements were approved.

Customer Requests Received

- 988 Animal Related
- 279 Regulatory Compliance
- 101 Fire Hazard
- 54 Illegal Dumping

Animals to Rescue Organisations

- 36 Cats
- 23 Dogs

Animals Impounded

- 50 Cats
- 61 Dogs

CCTV

The Shire of Esperance provides the CCTV system to WA Police who have exclusive access to, and control of, all recorded footage. The WA Police monitor the CCTV as required for preventing or responding to antisocial behaviour or crime.

Stages 2 and 3 of the CCTV Strategy Implementation projects were completed in principle while we awaited connection of an unmetered power supply to poles along Pink Lake Road, installation of a pole at the Adventureland Playground and installation of solar powered CCTV on the shelters at the end of the Jetty. CCTV trailers are being constructed in Perth and when delivered, will provide a mobile solution to be used in various areas and seasonal events.

2. A Healthy and active community

Youth Precinct

Our Community Development team hosted a Youth Day on Sunday, November 20 at the youth precinct. This free event included fun inflatables and giant games to play, with WestCycle hosting races on the pump track. Around 1,000 youth and

families attended this fantastic day supported by agencies such as Headspace, Centrecare and the Training Alliance Group. The Shire also provided information on potential work opportunities and information on how to apply.



Bay of Isles Leisure Centre

The aquatic area closed for three weeks at the end of January to allow for the changeover from gas boilers to more economical heat pumps. The change supports the Shire's Council Plan objective to "Encourage the adoption of sustainable practices" and the Cities Power Partnership pledge to adopt best practice energy efficiency measures across all council buildings. A further closure was scheduled for 3 weeks in July to enable installation of the plant room control board upgrade.

During October and January, we facilitated the VacSwim program which saw 11,479 swim school visits and 1,762 enrolments.

The Bay of Isles Leisure Centre welcomed a total of 127,147 visits this year, which is 7,275 more than the 2021/2022 period.

41,539	Member Visits
11,479	Swim School Visits
7,936	Crèche Visits
1,421	Casual Gym Entries
1,992	Casual Class Entries
10,273	Casual Adult Swims
26,528	Casual Child Swims



Stadium Complex

The Esperance Indoor Stadium was home to a variety of sporting clubs and events during the year such as basketball, netball, badminton, volleyball and soccer. Rockin' Rollin' weekends were held in the Graham MacKenzie Stadium (GMS) during the July school holidays and again in February due to popular demand.

Friday Fun Nights were trialled in the GMS during May and June; and for a small fee kids were able to practice their basketball, netball or roller-skating skills on the courts. Over the 8 week trial we had 118 people attend and good feedback was received.

The trial was extended to open over the July school holidays for two days each week, with 78 kids attending these days. We will look to continue with the Friday Fun Nights when staffing and resourcing allows.

The Esperance & Districts Agricultural Society once again used the stadiums for the Agricultural Show held in October, providing a large area for stallholders to promote their business.

The Noel White Centre was also used during the year for Esperance Home Care while their Day Centre is undergoing renovations.

Public Health Plan

The Shire of Esperance Public Health Plan 2021-2026 is designed to protect, promote & enhance the health and well-being of the Esperance community. During the year, the Shire was able to administer events supported by the Suicide Prevention Grants program. The grants program is supported by WA Primary Health Alliance as part of the Australian Governments Suicide Prevention Activities and line up with the themes of the Shire's Public Health

Plan 2021-2026, including 'An Inclusive, Resilient & Connected Community'. Funds were able to have a real impact at a local level, supporting many events such as the Esperance LifeSPAN Suicide Prevention Networks' Men's Health Week Pit Stop at Bunnings, Lifeline WA online skills training, and Mental Health Week activities.

Environmental Health

During the first part of the year, the Environmental Health team focused on inspections and sampling programs to ensure the health and safety of our community. The team also kept busy implementing the suicide prevention program grants, with the delivery of a series of workshops presented by Happiness Co and R U OK. Mosquito education and promotion of the Fight the Bight message was a key theme this year, with changes to events management and mosquito management.

Environmental Health reviewed the Health Local Law, which will be considered by Council in the coming financial year. Participation in the Small Business Friendly Program identified opportunities to improve environmental health forms, and our procedures and guidance material were updated to simply and streamline processes.

492 Inspections Conducted



Home Care

Esperance Home Care provides access to affordable care services and enables our community members to stay independent in their homes as long as it is safe to do so. Support is provided to both seniors and those living with disability following an external assessment of need through the Government's Aged Care and NDIS systems. A wide range of services are offered from gardening and domestic assistance through to high level personal care. We work collaboratively with other agencies, attending weekly hospital discharge meetings, monthly meetings with the Palliative Care Team as well as ongoing engagement with NDIS providers and the Esperance Aged Care Facility.

We encourage social opportunities through our Day Centre, allowing clients to continue to take part in a range of activities both within the Centre and through community outings. The Media and Communications Team worked with us to put an article in the Shire Flyer on volunteering opportunities. This promoted our volunteering and gave an outline of the groups we run in the Day Centre.

Recruitment has been a priority this year with some roles adjusted through the year to reflect changes in staffing needs and taking the opportunity to offer alternative family friendly employment options within the sector. Training for our staff is ongoing to keep the skills required for this important service up to date and to extend knowledge and understanding, and to offer career development to those who want it. For example a group of staff from all areas attended training given by the Palliative Care Team to better understand the work being undertaken in this space. Several of our staff have commenced traineeships to gain the Certificate III in Individual Support (Aging).

An independent audit of NDIS registration arrangements was completed in February, and a further audit will be conducted in 2025. The findings will help determine the services provided

by Home Care.

Our long-awaited upgrades to the Day Centre commenced this year requiring both the Centre and Meals on Wheels kitchen to find temporary homes. Our Meals on Wheels kitchen has relocated to the Civic Centre to enable this important community service to continue; and the Day Centre has taken over the function room at the Noel White Centre. There have been other disruptions and staff have needed to be flexible in their working arrangements at times working from the Noel White Centre or home as necessary.

We are assisted in our work by over 100 volunteers who give their time to help prepare and deliver meals, offer assistance within our Day Centre, group outings and for one-on-one companionship through the Community Visitors Scheme (CVS). This June the CVS came to an end and will continue through the grant funded Aged Care Volunteer Visitors Scheme (ACVVS) – for which we were successful in securing funding for the next 3 years.

We have been working with the Department of Health and Aged Care in order to facilitate better outcomes for the community. We continue to keep informed about the ever-changing landscape of compliance and regulations within the aged care sector, and will be working towards major changes coming into effect during the next year and into 2025.

Clients

70 – 80 Home Care
Package Clients
250 – 270 CHSP at any time;
50 – 70 NDIS Clients

Monthly Statistics

3,500 – 4,000 Hours of Service
450 - 500 Meals Provided



Image Credit:
Rotary Club of Esperance Bay/Dan Paris



Image Credit:
Rotary Club of Esperance Bay/Dan Paris



Disability Access and Inclusion Plan

Our Disability Access and Inclusion Plan demonstrates our commitment to greater equity for people living with disability. This year, a new disabled car park was provided at the entrance to the Noel White Centre and investigations have been undertaken regarding specific sites triggered by requests. Improved beach access for people

with disability was also made possible with the installation of matting. The Office of Disability will be holding a series of workshops over the next 6 months to provide support and build the capacity of the Shire of Esperance to deliver contemporary and effective Disability Access and Inclusion Plans.

Community Development

Our Community Development Team planned and supported many events throughout the year such as the Christmas Pageant, Edge of the Bay Festival, Seniors Christmas Party, Youth Day and One and All Community Programs. We assisted with Suicide Prevention Workshops and KidSport applications, and planned the inaugural Winter Wonderland event.

The team also supported events such as Club Land, National Reconciliation Week, National Volunteer Week, Taste of Esperance, Youth Week, ANZAC Day and Tour de Esperance.

279 People Accessing KidSport
79 Activities Workshops/Events
16,237 People attended Activities/
Workshops/Events

2. A welcoming, inclusive and connected community

Community Grants

Our Community Grants Program allocates funds to develop and actively support community organisations and individuals who are contributing to the well-being and cultural life of our region. A review of the program was undertaken in 2021/2022 which took effect this year. The change from four grant categories to two has simplified the application process and enabled a more

responsive approach to supporting community groups. During the 2022/2023 year, 31 Small Grants totalling \$50,000 and 8 Annual Grants totalling \$230,494 were approved. Council pre-approved funding from the 2023/2024 budget towards the Esperance Football & Sporting Club's Replacement Lighting Project to allow the Club to apply for state funding.

Annual Grants

Esperance-Goldfields Surf Lifesaving Club Inc.

Emergency Response & SLS Storage Facility

Esperance Rotary Club Inc.

Community Storage Shed Extension

Esperance Care Services

Waste Recycling & Disposal/Fabric Recycling

Esperance Zone Innovation EZI Group Inc.

Bushfire Water Network Pilot

Esperance Rotary Club Inc.

Event: Australia Day at Adventureland Park

Esperance Community Arts

Event: Esperance Wildflower Festival 2022

The Cannery Arts Centre Inc.

Event: Esperance Art Awards

Esperance Pistol Club Inc.

Air Pistol Target System Upgrade

Council also approved recurring operational funding for the Esperance Brass Band, Esperance Community Arts and The Cannery Arts Centre which has streamlined this process.





Image Credit:
Rotary Club of Esperance/Jayde Guest

Image Credit: Esperance Home Care

Small Grants

Rotary Club of Esperance

Blue Sky Esperance

Museum Village Markets

Live Music Sessions

Esperance Care Services

50th Anniversary of Youthcare

Esperance District Football Association Inc.

Annual Awards Night

Esperance Mechanical Restoration Group

Collectors Fair

Esperance Lions Club Inc.

Carols By Candlelight

Esperance Theatre Guild Inc.

Production: Black Bart

Recherché Aged Welfare Committee Inc.

Tree Pruning

Lifespan Network (auspisor Escare Inc.)

Suicide Prevention & Mental Health Awareness

Cascade Primary School Parents & Citizens' Association Inc.

Annual Mallee Muster

The Esperance Bay Historical Society Inc.

Founding History Booklet

Esperance Twilight Aerials Gymnastics Academy Inc.

Team Gym Classic

Coastal Warriors Cricket Club

New Pitch

Stars Foundation Limited

Awards Night

Esperance Volunteer Fire & Rescue Services

Juniors State Championships

Salmon Gums Development Group Inc.

Community Christmas Tree

Esperance Poultry Association Inc.

Improvements, Equipment & Event Expenses

Esperance Rugby Association Inc.

Club Establishment

Esperance-Goldfields Surf Lifesaving Club Inc.

Youth Leadership Pathway Course

Esperance Taekwondo Academy Inc.

Improve the Esperance Taekwondo Academy

Esperance Sonshine Broadcasters Inc/103.9

HopeFM Community Radio Christmas Movie Night

Esperance Golf Club Inc.

Esperance Golf Classic 2023

Rotary Club of Esperance Bay

New Years Eve Fireworks 2022

Esperance Tennis Club

March Tournament

Esperance Cycling Club

De Esperance

Ports Football Club Inc.

Umpire's Dressing Room Upgrade

Des Neale - State Representation

Clay Target Shooting

CWA Esperance (auspisor Country Women's Association of WA)

Improve Security

Esperance Hockey Association

Equipment

The Cannery Arts Centre Inc.

Clay Pottery Sump Clean-out

Esperance Wildflower Society Inc.

Safety Equipment for Volunteers

Every Club Grant Scheme

This year, the Community Development Team were successful in obtaining a grant from the Department of Local Government, Sport and Cultural Industries. The Every Club Grant Scheme supports sport and recreational clubs to build their organisational capacity and capability through accessible, flexible club development services.

The Community Development Team used the grant funding to provide training and support in governance, planning and management practices of local clubs and ran social media workshops, providing an overview of social media platforms, how to set up club pages and how to review security settings.



Edge of the Bay

The Edge of the Bay Festival and Skate Board competition was held on Saturday, December 3. Over 4,000 people enjoyed the event complete with markets, music and family activities. The introduction of a “Waste Trail” presented by the Shire Waste Education Team gave participants

incentive to explore the full event while finding the clues to win a free Edge of the Bay water bottle.

The Edge of the Bay event gives the youth of Esperance a pinnacle day in the year to celebrate their achievements together.



Volunteer Resource Centre

It was an incredibly busy year for the Esperance Volunteer Resource Centre while we settled into a new way of working and investigating opportunities to increase our funding. Our move to the Esperance Public Library has allowed us to be involved in school visits, which has opened the door to discuss volunteering opportunities with a younger age group. We played a large part in the Emergency Services Day held on 30 August 2022 which was a fantastic opportunity to get the volunteering message out and recruit new volunteers for the services. The RAC helicopter simulator also made an appearance, which had about 240 people through it on the day.

The Community Connections morning tea held in the Library in September saw about a dozen attendees, with an interesting mix of new residents

and locals changing life paths attend. We manned stalls at both the Esperance Agricultural Show and an employment expo run by Meedac, capturing potential volunteers that we had not had the opportunity to cross paths with elsewhere.

Our annual volunteer recognition events were well received, with more than 80 attendees from over 30 organisations joining us for a Thank a Volunteer Day morning tea at the Library on December 5, and over 75 volunteers joining us for our National Volunteer Week event in May.

73 People Assisted

106 Organisations Assisted



Museum

The Esperance Museum was closed for six weeks during July and August for the annual winter closure. During this time, eight volunteers assisted with project works including review of the Customs Bonds Storeroom and the displays for the Pioneer, Domestic, North Wall, Military, Medical and Art rooms. Work on the Museum Archives collection review continued; with the Library & Culture Coordinator visiting Albany in June to observe the operations and services of their extensive Local History Collection. This visit proved successful, and a further three visits to other libraries with local history collections are being arranged for September 2023. Work on the Museum Archives collection review continued during the year, with the Cultural Officer visiting

the Albany Library to observe the operations and services of their extensive Local History Collection and library management system.

In March, we hosted a Museum Strategic Plan Review workshop which was well attended by members of the major museum stakeholder groups. Public consultation on the proposed 2024-2034 Museum Strategic Plan was held during May and June, both in-house at the Museum and through the Shire's website using Social Pinpoint. Public consultation has since closed, and feedback is being reviewed.

6,672 Museum Visits



Image Credit: Rosie Henderson



Image Credit: Tourism Australia

Reconciliation Action Plan

NAIDOC Week was held from 3-10 July 2022. This year's theme of Get Up! Stand Up! Show Up! encouraged all of us to be a champion for change and celebrated those who have already led change in Aboriginal and Torres Strait Islander communities.

The Shire supported the week by attending a small event at the Esperance Tjaltjraak Native Title Aboriginal Corporation (ETNTAC) office and holding a colouring competition in the lead up, with entries displayed at the Esperance Community Arts Centre during the week.

During the year ETNTAC worked with the Shire of Esperance on creation of banners for the main

streets of Esperance.

ETNTAC provided the images and names of flora, fauna and important locations in our region, celebrating the beauty of Kepa Kurl Wudjari Boodja, the country on which we live. The banners were displayed throughout National Reconciliation Week and NAIDOC week. Representatives of the Shire attend ETNTAC's Wellness Advisory Group meetings with a focus on cultural training, partnership and improving employment readiness and opportunities for local First Nations people.



Image Credit: Rosie Henderson



Image Credit: Rosie Henderson

Public Library

The Esperance Public Library continued being 1 of 8 WA public libraries participating in the 'Boosting Early Language and Literacy Skills Program' during the year. The program is designed to provide parents and carers of children in kindergarten to year one with information about how children best learn to read and write. This program is presented in libraries by trained library staff supported by speech pathologists from the Dyslexia SPELD Foundation. Changes to the funding of the state-wide inter-library loan service required library staff to re-assess how they can continue to best meet the community's reading needs into the future. New digital devices and a dedicated customer education program is being rolled out to encourage customers to adopt use of eResources as an alternative to print resources, and the Library's popular Tech Help service is busy helping customers with a variety of digital matters.

Rearrangement of the library space for the benefit of customers and staff was made possible by staff and volunteers moving 20 bays of shelving and over 5,000 items into rebuilt bays and shelf configurations. New furniture and repainting of 3 areas has created light, bright and modern spaces for community use. Early Literacy initiatives through Rhymetime, StoryTime and regular school visits made a positive impact resulting in an increase in young reader loans and requests for recreational and project reading materials.

65,604 People Accessed Library

Civic Centre

The Esperance Civic Centre started the year with a nomination for the 2022 CircuitWest Pinnacle Award for WA Presenter of the Year. Although not successful, this was still an amazing achievement to be recognised for a State Award. We received our largest Lotterywest Grant of \$105,000 (\$210,000 over two years) and were successful in receiving a \$50,000 Performing Arts, Theatres and Cinemas Assistance Program Grant. The Civic Centre applies for grants each year to help with our Performing Arts Program to enable us to bring shows to Esperance.

For the first time, we took a show on the road to our satellite towns, with ZAP Circus conducting workshops at Scaddan, Cascade and Salmon Gums Primary Schools and presenting free evening shows in Cascade and Salmon Gums. The road show ended with a free community concert at the Sound Shell which was well received.

Morning Melodies proved popular again, with 10 Lotterywest supported performances attracting

around 250 people and showcasing 10 different local entertainers.

We purchased 23 shows for the year, with 28 performances. We have seen approximately 3,760 people attend a show, which has been the highest number of attendances and ticket sales recorded in a financial year. Venue hire performances remained stable, with 6 in total welcoming Toni Childs, A Celtic Christmas, The Wiggles, Kasey Chambers, Celtic Illusion and Mother Africa. 134 events were held at the Centre over the year, which was below average as due to some planned maintenance, we did not book any events for February and March 2023. We hosted 27 Shire Events and a further 38 Civic Centre Events which include community and volunteer events.

24,239 Attendees

168 Events Held



Image credit: Esperance Civic Centre





PLANET

4. The natural environment is valued, protected and enjoyed

Waste Management

The Waste Management Team continued to promote sustainability and waste reduction in our community through the provision of waste minimisation activities and promotion of best practice recycling behaviours.

In July we showcased plastic-free alternatives and made coffee body scrub at the Museum Village Markets. The Team ran an educational workshop during Mallee Swim Week that provided practical solutions to reduce waste. The Team implemented the 'Great Sorts Sustainability Trail' at the annual Esperance Agricultural Show, which was replicated at the Edge of the Bay Festival in December.

In celebration of National Recycling Week, the Team organised tours of the Wylie Bay Waste Management Facility enabling community members to become more informed of what happens to their waste at our facility.

In January, the Esperance Sustainable School's Network was established with the goal of engaging local schools to develop best practice waste management using the WA Waste Sorted Schools accreditation program.

The Waste Team collaborated with Our Lady Star of the Sea Primary School for a Clean Up Australia event and organised a workshop on waste reduction. They also conducted a waste audit and educational workshop at Condingup Primary School.

Other initiatives aimed at engaging the community and providing opportunities to learn about waste minimisation included partnerships with Esperance Community Arts for drop-off points of hard-to-recycle items and collaborations with Plastic Free WA for compliance with the State Government plastics ban.

A regular radio segment, 'Sustainable You' began on ABC Radio providing practical tips for sustainable living. A Waste Warriors workshop was held at the Cannery Arts Centre and regular workshops were held throughout the year at the Esperance Public Library promoting upcycling of old t-shirts and glass jars, worm farming and composting.

Environmental Services and Coastal Projects

The desktop review of the Coastal Management Plan continued this year. Once the desktop review is complete, community consultation, site visits and consultation with key stakeholders can commence. A Coastwest Grant for the partnership with the Shire of Esperance and ETNTAC commenced this year for the Protecting Tjaltjraak Boodja Park, Stage 2 Coastal Restoration & Sustainable Recreation Project.

Our Media and Communications Team worked with a local group to make a short film about coastal safety, and the video was very popular on Instagram and TikTok. Design work was also done on our new coastal safety flags and stickers.

Following the fire in May, rehabilitation work on the Twilight Sand Dune Pyp Grass infested areas commenced in June, after receiving a \$50,000 Coastwest Grant. Most of the 10,000 native seedlings and regional native coastal seed species required to revegetate the dunes have

been locally sourced. We worked with community and school groups, including Esperance Primary School, Wongutha CAPS Bushranger Team and home-school students. The rehabilitation of the dunes is being carried out based on best practice coastal restoration and rehabilitation techniques, and draws on knowledge, advice and learnings from other restoration activities. The Shire will continue to work in partnership with the skilled and dedicated Esperance Tjaltjraak Ranger Team on direct seeding of the bare parts of the dune, as well as long term photo monitoring.

12,500 Seedlings planted in coastal and natural areas



Image Credit: Condingup Primary School





Transfer Station

The plan for the Community Drop Off and Transfer Station at Myrup was finalised in October this year and presented to Council for review. Shire Officers worked closely with consultants on logistical requirements, with concept designs for the Re-use Shop and Administration Building provided for review in January.

Equipment requirements are currently being determined, and the Materials Recovery Facility preliminary design was reviewed by Waste Management Staff to gain feedback from an operational viewpoint. Planning and design continues to progress with consultants and Asset Management.

Parks & Environment

The Parks and Environment Team kept busy throughout the year maintaining the Shire's public open spaces, coastal reserves, nature reserves and streetscapes. We commenced implementing the CBD Concept Landscaping Design, with a local business working on design of a custom bin surround and planter box representative of Esperance. Staff are working on timber selection and layout for a partition to be installed in the centre of the CBD medians to direct pedestrians to established crossing points, and discourage walking through the garden beds. The jetty timber and marine rope partition fence has recently been installed.

The Horticulture Team completed infill planting of Andrew Street median this year, with additional planting to incorporate more colour into the landscape being scheduled.

Our Street Tree Strategy was released for public comment in June, and will set the framework and guidance to support street tree planting across the shire.

Four playgrounds received upgrades in 2022/2023, being the Gibson Oval, Salmon Gums, Cascade Oval and Treasure Road, with Gibson Community Park scheduled for upgrade next year.

Finalisation of the Lake Monjngup Reserve Management Plan is waiting on further clarification and updates on resolving the reserve classification relating to the Flora Park. The reserve continues to be maintained for public use and for natural values.

Rehabilitation works are ongoing, and with the help of volunteers, over 1,000 native trees were planted as part of National Tree Day at Lake Monjngup Flora Park.

Works are continuing to implement the Dempster Head Management Plan, and we will be seeking Government funding and support in the coming year for the recovery of the colour and ecological health of Pink Lake and the surrounding wetlands.

5. Shared responsibility for climate action and sustainability

Regional Climate Alliance

During the previous year, the Goldfields Voluntary Regional Organisation of Councils (GVROC) was announced as one of two successful applicants to establish a Regional Climate Alliance. The Pilot Program is part of the Western Australian Climate Policy, which encourages regional local governments to work together to address climate change and reduce greenhouse gas emissions.

This year, the GVROC received the regional report on carbon emission baseline and Renewable Energy Audit which had information specific for Esperance.

Both the report and audit were endorsed by Council at their May meeting. Changes to buildings will be assessed on a case by case basis as opportunities arise.

The Shire is also partnering with the GVROC on funding towards urban canopy and biodiversity enhancements within the Esperance townsite. The funding will go towards planting more native trees and shrubs in select public open spaces to stimulate more biodiversity, shade and shelter, and connect corridors of bushland throughout the town.



FOGO

Planning commenced for the introduction of a green organic third bin to dispose of Food Organics and Garden Organics (FOGO). Community education and awareness is the focus ahead of the introduction of the third bin and the Shire applied for a Waste Sorted Grant to assist with this process.

Unfortunately, the Shire was unsuccessful in its grant application, however funding was secured

from the Better Bins Plus Program for a percentage of the bin roll out. The new three bin configuration was on display at the Agricultural Show and generated a lot of interest and discussion. Waste Staff are reviewing the FOGO implementation plan and aligning the education and promotion activities accordingly. Commencement of FOGO is on hold while the Myrup Transfer Station project is delivered.

6. Greater community readiness and resilience to cope with natural disasters and emergencies

Community Emergency Services

Wet weather conditions resulted in a slow start to harvest and fire season however, as the weather warmed up two fires started from harvesting operations in December; and lightning in February resulted in 17 fires across the Shire, the longest being a week-long fire response at Young River, Neds Corner Road involving a number of local Brigades.

We made excellent progress on prescribed burns undertaken in the Borefields, with 4 of 5 cells burnt. This formed part of our Mitigation Activity Fund (MAF) program. Weather conditions resulted in embers from one fire requiring an emergency response to a bushfire which threatened the Surf

Lifesaving Club, however despite the emergency situation, the result of the unplanned burn has supported the overall mitigation plan for the area and was deemed beneficial for the long term.

We were able to acquit our MAF funding, with the return of minimal funds. Bio Diverse Solutions completed contour mapping for three sites of increased risk around the Esperance town site. A new application has been completed and submitted for further works.

1 Hazard Reduction Burn (365Ha)

172 Responses to Emergency Incidents





Image Credit: Department of Fire & Emergency Services



7. Responsible Planning & Development

Planning Services

Planning Services are responsible for all matters relating to urban and regional design including land use structure, rezoning and subdivision of land, within the Shire of Esperance.

Planning Services staff are available to provide advice to the public, ratepayers, builders and developers on development provisions, how to submit planning applications and the planning process.

In April, Amendment No. 8 to the Local Planning Scheme No. 24 was initiated by Council at its Ordinary Council Meeting.

Following a public advertising period, the amendment was returned to Council for consideration at their October 2022 meeting where Council supported the amendment and proposed modifications, which has been submitted to the Department of Planning, Land and Heritage for determination.

263 Delegated Approvals
17 Council Approvals
280 Total Approvals

Asset Development

We commenced investigations into the location and number of ACROD parking bays available within the Shire this year, and assessments are being made on specific sites triggered by requests.

Concepts for parking improvements around Forrest Street were presented to Council for comment, and a single proposed concept incorporating preferred features has been completed.

We made good progress on the survey and design of this year's construction program, and undertook Lidar surveys on some areas to determine the most effective way to integrate this technology into the survey and design process.

The majority of rural construction project designs were completed, with design still to be completed on some town works projects. The team also assisted with additional design for the dog exercise park, playgrounds and clearing permit application areas.



Asset Planning

Our planning activities are guided by the Building Asset Management Plan, which was endorsed by Council in the previous year. This year, we completed a changeover from gas boilers to more economical heat pumps at the Bay of Isles Leisure Centre and installed a universal accessible toilet block to service the pump track and skate park area.

The following projects have commenced and will be progressed during the next financial year:

- Home Care Day Centre upgrade
- Contract and design phase of four staff housing units to be built
- Civic Centre lighting upgrade
- Observatory beach toilet block replacement
- New Condingup Fire Brigade Shed; and
- Grass Patch Community Hall septic upgrade.

Building Services

Building Services ensures all statutory requirements are met for the issue of building approvals and maintains building records.

The Shire of Esperance currently has one residing Building Surveyor who provides certification

services to the community for the lodgement of uncertified applications. At times, enforcement of compliance with permits is required but this can only be fully effective with adequate and qualified staff to undertake inspections.

CLASS	NUMBER	VALUE
1A	70	\$19,281,762
3	1	\$ 19,800
5	6	\$ 2,797,380
6	7	\$ 455,000
7	26	\$ 6,329,283
8	1	\$ 19,800
9	4	\$ 1,360,309
10	151	\$ 3,988,899



8. Access to adequate, safe and affordable housing for everyone

Flinders Estate Subdivision

The Design Tender for Flinders Estate Stage 3 was released this year, with the contract awarded to GHD and the design is progressing well.

Flinders Estate Stage 4 construction commenced in August, with works completed in June, with a tender open to sell the lots. A final handover has been scheduled for July 2023.

Property Sales/Purchases

The Shire of Esperance was represented at the Goldfields-Esperance Major Project Conference held in Perth, both presenting and manning a booth on investment opportunities in Esperance. Meetings with a number of potential investors occurred throughout the year, focusing on residential accommodation opportunities and industrial proposals.

The final blocks at Shark Lake Industrial Park continue to settle, with planning for Stage 2 underway.

26 Properties Sold

261 Building Applications Received

272 Development Applications Received



Tiny Houses

The Shire made history as the first Local Government in Australia to approve a planning policy for tiny houses. A tiny house on wheels is a dwelling of no more than 50m² which is built on a wheeled trailer base, constructed of domestic grade materials and finishes, and is permanently occupied. A tiny house on wheels cannot (and is designed not to) be moved under its own

power and is designed and built to look like a conventional dwelling. An information sheet to support developments was made available and details the requirements for approvals, electricity, plumbing and gas regulations. It also gives a brief overview on where a tiny house on wheels can be located, Bushfire Assessment Level ratings, and what to submit with an application.

9. Attractive and welcoming places

GSG Masterplan

The Esperance Greater Sports Ground (GSG) Redevelopment Masterplan continued this year, with asphaltting and line marking of the netball courts completed while we await installation of the goal posts.

Closure of the internal road between Ports Oval and the Multi-Sports Oval was also completed to improve pedestrian safety and the amenity of the reserve. Power upgrade to the GSG is scheduled for the July school holiday period.

Streetscaping

The Horticulture Team planted a selected number of established trees left over from the winter planting program throughout the CBD, Adventureland Park and Chantilly Park. Trees were also planted in the Greater Sports Ground for shade and amenity.

Additional tree planting will be undertaken following the development of future stages of the Greater Sports Ground Master Plan.

The Street Tree Strategy was released for public comment in June. The strategy sets the framework and guide to support the goals and aspirations to increase street tree planting across the shire.



Image Credit: Dan Paris

Cemetery

The Shire of Esperance Cemeteries Local Law underwent an extensive review during the year, with a public consultation period on the proposed changes open from 21 December 2022 to 9 February 2023. Shire Officers also sought advice from the Department of Local Government, Sport and Cultural Industries who proposed minor modifications mostly to formatting and grammatical amendments.

At their June meeting, Councillors resolved to make the Shire of Esperance Cemeteries Local Law 2023.

A busy bee was held in May where volunteers helped us collect litter and performed minor maintenance works such as painting and sealing damaged sites.

Development of the Esperance Cemetery Master Plan is progressing with the Cemetery Working Group.

Dog Park

The Wildcherry Dog Park reached major milestones this year with the park opening in May. The concept design for the park was promoted via social media and letter drop to residents, with feedback incorporated into the final design.

The first stage of the development included establishing turf and fencing the area, finishing the

car park and entry, and the installation of seating, drink fountains, dog watering points, signage, and a range of natural elements for dogs to interact with.

Shelters, lighting and additional amenities will be included in the second stage of the development.



10. Safe, affordable, accessible and sustainable transport systems

Airport

Passenger numbers through the Esperance Airport continued at record levels this year. Small improvements to customer convenience were implemented, the most recent being installation of key boxes that can be hired by organisations (including car hire companies) to improve security for people using the Airport's services. In February, a new digital screen was installed over the baggage carousel and advertising opportunities have been promoted via the Shire Flyer, Community Newsletter and Esperance Chamber of Commerce and Industry Newsletter.

As part of our Airport Masterplan, pavement inspection reports were completed and options for runway maintenance and upgrades evaluated. A scope to appoint a consultant to undertake a

comprehensive Business Case for the upgrading of the runway and associated infrastructure is being finalised, and funding has been received from the Regional Airports Development Scheme to assist with upgrades to apron lighting.

We also met with the Department of Transport and Regional Express as part of the six-monthly Community Consultative Group engagement program. Representations on behalf of our community were made on concerns around flight delays and cancellations, and the impact this was having across our community.

55,929 Passengers Recorded

Image Credit: Rosie Henderson



Image Credit: Rosie Henderson



Cycling Strategy

Approvals for installation of the Bandy Creek foot bridge experienced delays during the year, and due to engineering complications, this project is progressing slower than anticipated.

Funding through the 2022 WA Bicycle Network Grants Program was released during the year, with

the Shire of Esperance successful in obtaining a grant for design and construction of a new shared path. The shared path will be located along Harbour Road between Shelden and Norseman Roads, and will be delivered in the 2023/2024 year.

Trails Masterplan

The Shire of Esperance was unable to progress the Trails Master Plan project during the year as planned and the project is currently on hold

due to staffing resources. A draft plan has been developed and will be progressed internally by the Shire.



Beam Scooters

In November 2021, Beam approached the Shire of Esperance looking to set up e-scooter hire operations. Council agreed to proceed, with a view to making a longer-term decision after a twelve month period.

At their November 2022 meeting, Council were provided with usage data from Beam which indicated Esperance had the highest per scooter utilisation across their Australia/New Zealand network, with significantly higher than expected commute use.

Limited availability of public transport options for visitors and residents in Esperance is likely to have an impact on these figures. Subsequently, Council agreed to issue Local Government Property Permit 22-056 approving Beam to operate in Esperance until December 2027.

Overview through to the end of September 2022:

- 87,487 total number of trips
- 222,965 kilometres travelled
- 13,298 distinct users

Public Transport

The public bus trial commenced on 4 July 2022, with a six-month review of the service held in 14 January. During the trial, a number of opportunities for improvement were identified such as installation of bus stop infrastructure and

minor changes to the service routes. The trial was extended to 30 June 2023, with support from the Public Transport Authority. A meeting has been scheduled for July to review the process and determine next steps.

Asset Operations

Work continued on implementation of the Road Construction and Maintenance Program this year, with safety of cyclists and vehicles improved by construction of sealed shoulders to the tourist loop from Collier Road to 11 Mile Beach, Fisheries Road and Ridgeland Road to Bebenorin Road. Norseman Road to Dempster Street improvements are continuing.

6 Roads Constructed

11 Roads Re-sheeted

Roads re-sheeted during the year include:

Howick Rd, CONDINGUP
Holt Rd to Burnside Rd, SALMON GUMS
Eldred Rd, SALMON GUMS
Davies Road to Hobby Road
Kendall Rd, SCADDAN
East of School
Dempster Rd, SCADDAN
Scaddan Road to Norwood Road
Scaddan Rd, SCADDAN
Yates Road to Styles Road
Old Smokey Rd to Plowman Rd, NERIDUP
Quast Rd, SALMON GUMS Hobby Rd to Fagan Rd
Ridgeland Road, CONDINGUP
Floodway to Howick Rd
Plowman Rd, NERIDUP
East of Floodway to Backmans Road
Coolinup Rd, MOUNT NEY
Howick Road to North of Bends

Roads constructed during the year include:

Merivale Rd, MERIVALE - end of 2022 road sealed to east of bridge
Anderson St, GIBSON
Cascade Rd, CASCADE
Edwards Road to Westpoint Rd
Cascade Rd, COOMALBIDGUP
South Coast Hwy to Roberts Road
Merivale Rd, MERIVALE
west of Stockyard Road to Tyrrell Road
Fisheries Rd, CONDINGUP
Daniels Road to Alexander Road

Image Credit: Ascend Films



Image Credit: Tourism Australia

11. Access to quality education and lifelong learning opportunities

Esperance Senior High School

Advocacy for urgent upgrades and rebuild of the Esperance Senior High School continued, with many working group meetings held throughout the year. Following a request, the Department of Education agreed to release the masterplan undertaken 20 years prior and provide a scope

of work required for an updated masterplan. Funding to undertake the masterplan will need to be addressed moving forward. A request for a meeting with the Minister has been sent regarding the condition of the school.

South Regional TAFE

The Managing Director and Director Training Services of South Regional TAFE visited Esperance in September, and along with the Shire President, we participated in a Strategic Workshop to ensure training is aligned with community needs and expectations.

During March, the inaugural Esperance Regional Coordinating Committee Meeting was held and focused on identifying the top three Vocational

Education and Training issues in Esperance being:

- Promote career opportunities in the care sectors
- Jobseekers with greater access to training and employment opportunities
- Young people with greater career support to transition into employment

12. A prosperous and diverse economy

Economic Development

After a widely publicised Expression of Interest process, Council awarded the lease for Reserve 53801 to RAC Parks and Resorts (RAC) at their November Ordinary Council Meeting. The Reserve was formerly run as the Blue Waters Lodge Youth Hostel, but had been vacant for some time when

the Shire of Esperance took on the lease of the property in late 2020 to help our local community with worker accommodation during the COVID pandemic. RAC's plans for the site will increase the diversity of accommodation options available and make best use of the foreshore location.

Shark Lake Development

Blocks within Stage 1 of Shark Lake Industrial Park have continued to settle, with Stage 2 currently being designed in preparation for development.



13. A vibrant tourism destination

Tourism Strategy

A number of initiatives within the Tourism Strategy were delivered this year including work on reinvigorating cruise ship visitation, improving aviation access, attracting additional accommodation options, increasing the profile of the South West Edge touring route, an investment attraction strategy, reviewing governance arrangements within the tourism industry and including tourism as a category within the annual ECCI Business Celebration Evening.

Cruise ship visits continued to grow, and we secured State Government funding to ensure Esperance is cruise ship ready. The first Esperance Visitors Guide since 2020 was completed this year, and aviation numbers continued to grow.

In November, Channel 7's Sunrise program filmed an Esperance segment for broadcast and Australia's Golden Outback appointed a consultant to create an agri-tourism strategy to build on Esperance's largest industry.

Esperance ranked number 12 in the world with regards to tourism sentiment as measured by the Tourism Sentiment Index.

Esperance was the only Western Australian destination in the top 100 destinations. This index measures the level of positivity being generated online with regards to destinations world-wide.

During February, senior representatives from Tourism Australia spent a week in Esperance looking at opportunities and improving their understanding of the local industry.

The State Tourism Conference (held in Kalgoorlie) was attended by the Manager Economic Development and Visitor Centre Coordinator. The opportunity was also taken to visit the Norseman, Kalgoorlie and Coolgardie Visitor Centres to build better relationships and share ideas and information. The Albany based Tourism Experience Development Manager for Tourism WA spent a week in Esperance looking at opportunities with a view to assist in the promotion of investment into Esperance accommodation and experience product. With the appointment of a new Esperance Tourism Development Manager, we focused on bringing him up to speed with current projects and actions.



Image Credit: Tourism Australia



Visitor Centre

The Esperance Visitor Centre welcomed high numbers of people through the doors, with 2022/2023 being the first time over 100,000 door entries were recorded since 2018/2019. Sales of souvenirs and national parks passes were at record levels, while accommodation and tour bookings were also significant. Customer ratings of the level of service received continued to be very positive, and the range of local products for sale within the Centre continues to expand. The two days that the Centre opened early to facilitate TransWA ticket sales no longer occurs as this bus now has the capacity to take sales at the door in line with all other services.

A sundowner was organised for the industry to celebrate the end of the peak season at Cindy Poole's Glass Gallery, this also doubled as an industry farewell function for the Esperance Tourism Development Manager.

With the onset of the quiet season the Visitor Centre recommenced familiarisation visits to ensure that they stay up-to-date with the offerings in the region.

103,717 Visitors

Overflow Campground

The Overflow Campground located at the Greater Sports Ground is operated by the Shire of Esperance as an overflow service when commercial caravan parks are full. The operation of the campground was reviewed this year due to ongoing works at the Greater Sports Ground and use by Home Care of the Noel White Centre.

Careful planning allowed the space to be used by all user groups with minimal disruption.

Following discussions with local caravan parks, the campground opened on 20 December and accommodated over 8,000 patrons over the 6 week period.



Image Credit: Rosie Henderson

14. Community confidence and trust in Council

Committees

The Shire of Esperance has Committees and Working Groups in place to provide guidance to Council on a wide variety of areas within the community.

Committees

- Audit Committee
- Bush Fire Advisory Committee

Working Groups

- Esperance Roadwise Working Group
- Esperance Twin Towns Working Group
- Reconciliation Action Plan Working Group
- Streetscape Working Group
- Museum Working Group
- Business Round Table Working Group
- Esperance Tourism Stakeholder Working Group
- Cemetery Working Group
- Disability Access & Inclusion Working Group
- Sustainability Working Group

Further information on Committees and Working Groups is available on our website.

Meeting Attendance

Council meets weekly on a Tuesday for information sessions and workshops on a variety of topics.

On the third Tuesday of each month, Council attend an Agenda Briefing which is an informal opportunity to ask questions, request further information and discuss the items listed in the Ordinary Council Meeting (OCM) Agenda. On the fourth Tuesday of each month, Council attend the OCM where decisions are made on all report items in the best interest of the community. All Council Meetings are open to the public and everyone is encouraged to attend, either online or in person.

Once a year, an OCM is held in one of our satellite towns and at the conclusion, there is a community meeting which provides an opportunity for discussion on local matters with members of the community and Councillors. In September 2022, this was held in Salmon Gums at the Salmon Gums Community Hall with 7 members of the public attending.

Councillor attendance at meetings

Member	OCM (Entitled)	OCM Attended	SCM (Entitled)	SCM Attended	Gender	Country of Birth	Member of Committees (#)	Committee Meetings (Entitled)	Committee Meetings Attended
Cr Ian Mickel	12	12	7	7	Male	Australia	5	8	6
Cr Ron Chambers	12	9	7	6	Male	Australia	1	2	2
Cr Wes Graham	12	11	7	6	Male	Australia	2	2	2
Cr Steve McMullen	12	9	7	6	Male	Australia	2	3	2
Cr Jennifer Obourne	12	9	7	5	Female	Rhodesia	3	1	0
Cr Jo-Anne O'Donnell	12	10	7	5	Female	Australia	5	10	7
Cr Leonie De Haas	12	12	7	6	Female	Australia	4	3	3
Cr Shayne Flanagan	12	11	7	5	Male	Australia	3	5	4
Cr Rob Horan	12	11	7	5	Male	Australia	1	4	4

Note: some Committees and Working Groups did not meet, however feedback to correspondence was received.

SCM = Special Council Meeting

Demographics

Number of Elected Members aged between;	
18 - 24 years	-
25 - 34 years	-
35 - 44 years	1
45 - 54 years	2
55 - 64 years	4
Over the age of 65 years	2

Annual Electors Meeting

The Annual Electors meeting was held in February at the Civic Centre with 5 members of the community, 8 Councillors and 8 Shire staff in attendance. Community members in attendance voted to confirm the minutes of the previous meeting, and receive the 2021/2022 Annual Report.

At this year's meeting, Council were thanked for the work they do and it was noted that the low turnout showed that the community is happy to trust Council to get on with the job. Questions were also asked about what the next priority projects for the Shire and Council are, where Tiny Houses will be built, with congratulations on the initiative taken by the Shire on Tiny Houses on wheels, and

if the Greater Sports Ground Masterplan has been finalised, or if there is more work to do. Detailed answers to these were provided by the Shire President and the Director of Asset Management.

WA is the only state requiring Annual Electors Meetings as an opportunity for members of the public to ask questions of Local Government Members and to approve Annual Reports. We look forward to this meeting and encourage our residents to attend.

134 Council Resolutions

135 Completed

Citizenship Ceremonies

The Shire of Esperance works with the Department of Home Affairs to assist people residing in our region to become an Australian Citizen. A list of approved applicants is provided to the Shire, and helps us to administer a Citizenship Ceremony and provide people with their Citizenship Certificate.

During 2022/2023, there were 6 citizenship ceremonies held, with 27 people becoming an Australian Citizen.



Council Policies

The Shire has developed policies that guide Administration and Council in the efficient management of resources and effective procedures for daily operations. Our policies are reviewed regularly to ensure their currency and relevance to the needs and expectations of the community.

The following policies were endorsed by Council during 2022/2023:

- Small Grants Approval
- Body Worn Camera
- Staff Entitlements
- Street Tree

Delegated authority

The Delegated Authority Register is presented to Council each year for endorsement. The Register provides authority to the CEO and Authorised Officers to use some of the Local Government's powers and discharge its duties under the *Local Government Act 1995*.

The following changes were made in the 2022/2023 year;

- Amend the Appointment of Approved and Authorised Officers delegation under the *Building Regulations 2012* to give the CEO authority to directly appoint officers.

- Rescinding the Managing Infringement Notices delegation under the *Caravan Parks and Camping Grounds Act 1995* as this authority is now provided under s.9.10(2) of the *Local Government Act 1995*.
- Include additional appointed officers under the Offences and Infringements delegation under the *Bush Fires Act 1954*.

Local Government Election Reforms

Correspondence was received from the Minister for Local Government's Office advising of upcoming changes to local government elections, as part of the *Local Government Act 1995* reform package. Following this, Council resolved to undertake a Ward and Representation Review to ensure that we complied with these changes.

The review outcome was put to Council in January where it was resolved to adjust the ward boundaries, increasing the size of the Rural Ward and reducing the size of the Town Ward. The number of Elected Members in the Rural

Ward remained at 2, and the number of Elected Members in the Town Ward was reduced to 6 to allow for the required popularly elected Shire President position. Overall Elected Member numbers remained at 9.

These changes will come into effect at the next local government election to be held in October 2023 and further reforms are expected to be implemented in coming years.

Review of Systems and Procedures

In March, Council endorsed our systems and procedures review as required under r.17 of the *Local Government (Audit) Regulations 1996*. This year the review was undertaken by Civic Legal who provided a report following a series of interviews with officers to review key areas of our internal systems, procedures and operational documentation. The main finding presented throughout the report is the need to document more processes and ensuring these are regularly reviewed to remain current.

A Document Control Group has been created to undertake a project for standardising development and review processes for managed documents throughout the Shire. The new process was endorsed by management in May and will be implemented once our new style guide is finalised in July. This project will ensure that all documentation is managed through a standard process, is reviewed regularly and recorded for ease of reference.

15. Operational excellence and financial sustainability

Our Workforce

We currently employ 333 employees with an approximate full time equivalent (FTE) of 232. It's a highly diverse workforce with females making up 57% of the workforce, although only 35% of permanent employees. The Shire is committed to providing a work environment that is free from discrimination.

The turnover rate for permanent employees in 2022/2023 was 18%, which is slightly better than last year's rate of 19% (peak of 24%) but significantly higher than the 2019/2020 rate of 15%.

In June 2023, the unemployment rate for Australia was 3.5% with the rate increasing to 3.6% for Western Australia. At a local level, the current unemployment rate in Goldfields Esperance is 2.2% as compared to 4.2% in April 2017.

The last two years have seen an increase in skills shortages as the job market struggled initially with closed borders due to COVID restrictions and then a resurgent resources sector. This has resulted in a decrease in local labour availability, particularly in the areas of construction and trades.

A confluence of high inflation, surging interest rates, and a lack of supply has made renting a home more unaffordable than ever. In Perth, the vacancy rate for rental properties is currently at a record low of 0.7% per year. In Esperance the rate is even lower at 0.3%. It is expected that existing conditions will remain tight in 2024. The rental shortage is also having a significant impact on the ability of the Shire to attract employees who don't have established links to the region.

To assist with attraction and retention of staff, we offer a number of strategies including flexible work arrangements where practicable, health and wellbeing opportunities, as well as outstanding development programs.

The Shire is proud of its existing Traineeship programs which offer excellent pathways to meaningful employment.

Over the last year we have been actively involved in a number of Expo's and Forums including the Esperance Community Employment Expo, which was well patronised.

As one of the largest employers in the region, the Shire understands and is committed to the importance of assisting all employees to continue to develop professionally and make meaningful contributions to all areas of the Shire's operations.

Continuous improvement and innovation is critical to our success. A number of significant initiatives were implemented in 2022/2023, including approval of the Shire of Esperance Enterprise Agreement 2022, transition to the Western Australian Industrial Relations System, implementation of the automated Big Red Sky Recruitment system and establishment of a new Performance Appraisal process that enhanced career development, as well as learning and development programmes and succession planning.

The Shire values its employees and the contributions they make to the community and provides a range of opportunities and benefits that assist in achieving a rewarding work career and healthy life balance. The Shire actively encourages employees to participate in Volunteering opportunities which play such an important role in the sustainability of the region.

176 Full time

85 Part time

72 Casual





Information Services

This year, we commenced deployment for our new internal mapping software. The project has experienced delays due to contractor and staff availability, however we are looking forward to progressing this project over the next few months.

We engaged the services of an external IT contractor during the year to cover for staff on leave. Their significant experience assisted us in achieving closure on some long-term projects. An audit of our internal systems was also able to be completed with opportunities for improvement being identified.

The team created and deployed new webforms on the Shire's website for Trainee Expressions of Interest, booking a Wylie Bay Materials Recovery Facility Tour, Esperance Airport Advertising Enquiries & Repair or Replacement of Residential Bin requests. We also developed a bin booking calendar to allow people outside the verge side pickup area to book a skip bin service.

A webform was also created to capture general expressions of interest in working for the Shire, which was promoted at the Esperance Community & Employment Expo in November.

We engaged Monsido, a leading web governance solution, to optimise the Shire's main website by identifying inactive pages, spelling errors, and broken links, in preparation for a redesign in 2023/2024.

We also engaged Brolly, a Social Media archiving tool to automatically capture the content and comments on the Shire's social media pages.

2,380 IT Tickets Created

61,786 Records Captured

26,166 Items of Correspondence Received



Small Business Friendly Program

The Shire of Esperance participated in the Small Business Development Corporation (SBDC) Small Business Friendly Program during the year. The SBDC firstly analysed the Shire’s development, building and health statistical data relating to small business, then conducted interviews with 10 small businesses to understand their perspective of the Shire’s systems and processes. Shire Officers participated in the Program held from 7-18 November; with a number of reforms identified to simplify, standardise and fast track processes for small businesses and event coordinators.

The reforms are being implemented, with a new event guide developed with supporting risk matrix, self-assessment checklist and application form. Environmental Health forms will also be streamlined and guidelines for food businesses developed.



16. A well informed & engaged community

Marketing and Communications

The Media Team's purpose, to deliver clear, consistent, factual information facilitating accurate and objective coverage of Council decisions and Shire activities, was elevated throughout this year, with the release of 36 specialised Latest News Articles, 40 Public Notices, 12 Media Releases, and 259 media enquiries responded to. We also reviewed our media engagement procedure, ensuring consistent responses to media enquiries, reducing confusion and the risk of unofficial quotes.

21 editions of the Shire Flyer, showcasing Shire news and events, were created and distributed to over 1,110 email subscribers each fortnight, with more than 4,000 hard copies delivered to participating local shops, organisations and Esperance Home Care. The recorded version plays on HopeFM 103.9 as part of our commitment to accessibility for all members of our community. The Media Team also works with every area of the Shire to publicise events, projects, and Public Notices through local and state wide newspapers and the Shire's social media platforms.

The Shire's corporate branding and new Style Guide has been refreshed and the revised logo and corporate templates will be rolled out in the coming months.

Many of the topics covered by the Media Team's communications garnered external media interest, including the first Australian Local Government Tiny House on Wheels Planning Policy, the 2023 Community Scorecard results, Council advocacy for clear information to be provided to our community on the Proposed South Coast Marine Park, and the ranking of our stunning region at #12 in the Most Loved Destination Around The World list. Road Verge Clearing was an very important conversation with our regional community, and we worked with SEPWA to share vital information on this. This year we wanted to shine the light on all the nominees for Citizen of the Year, creating an engaging social media campaign. The report on Holiday Homes in Esperance was presented to Council and communicated through our website and social channels, and beach safety signage was a major topic after a beloved pet was lost at 11 Mile Beach and two tourists drowned at

Chapmans Point. Compliance Management within the Shire of Esperance was an important topic, and the Twilight Beach Fire and the Coastal Recovery Grant and subsequent works showed the importance of working together as a community.

12 Media Releases

259 Media Enquiries

76 Latest News

	Followers	Posts
Facebook	10,503	754
Instagram	2,394	513
Twitter	807	65
Linkedin	584	10



Statutory Requirements

CEO Remuneration

The Total Reward Package provided to the CEO of the Shire of Esperance for the 2022/2023 financial year was \$288,663.

This is within the relevant Local Government Band Classification (Band 2 \$219,071 - \$340,778).

The position of CEO at the Shire of Esperance is eligible for a \$25,000 Regional/Location Allowance, awarded at the Shire's discretion, however the Shire chooses not to pay this allowance.

Employee Salary Bands

Pursuant to Regulation 19B of the *Local Government (Administration) Regulation 1996*, Table 1 sets out, in bands of \$10,000, the number of Shire employees entitled to an annual salary of \$130,000 or more.

Table 1: Employee Remuneration

	2022/2023	2021/2022
\$130,000 - \$139,999	3	2
\$140,000 - \$149,999	1	2
\$150,000 - \$159,999		
\$160,000 - \$169,999	2	1
\$170,000 - \$179,999	1	
\$180,000 - \$189,999		
\$190,000 - \$199,999		
\$200,000 - \$209,999		

**CEO not included*

Complaints and Payments

Section 5.53(2)(hb) of the Local Government Act 1995 requires the Annual Report to contain details of entries made under section 5.121 during the financial year in the Register of Complaints. There were no complaints made under this section in the 2022/2023 financial year.

No remuneration or allowances were paid by the Shire under Schedule 5.1 clause 9, and no amount was ordered under section 5.110(6)(b)(iv) to be paid by a person against whom a complaint was made under section 5.107(1), 5.109(1) or 5.114(1). These clauses deal with remuneration, allowances and amounts ordered to be paid as a result of complaints against Council Members.

As there were no complaints, there have also been no remuneration, allowances or amounts ordered to be paid.

Freedom of Information Requests

In Western Australia, the *Freedom of Information Act 1992* (the FOI Act), gives the public a right to access government documents, subject to some limitations.

The following table outlines the FOI requests received and average processing days taken for the past three financial years.

	2022/2023	2021/2022	2020/2021
FOI Requests Received	5	3	2
Average Processing Time (Days)	10	34	38
Access in Full			
Access with Restrictions (Edited)	1	-	-
Access Refused	-	3	1
Access Refused	-	-	-
Withdrawn	3	-	1
Transferred	1	-	-

In accordance with Section 96 and 97 of the FOI Act, the Shire is required to publish an Information Statement which details the process of applying for information under the Act as well as information

that the Shire provides outside the Act. This Information Statement is available on the Shire of Esperance website.

State Records Act

The *State Records Act 2000* requires the Shire to have an approved Recordkeeping Plan to detail the way the Shire keeps its records.

Following the expiry of the Shire's 2017–2022 Recordkeeping Plan, the Shire submitted a Recordkeeping Plan Review Report. On 5 April 2022, the State Records Commission of WA approved the continuation of the Shire's Recordkeeping Plan for an additional 2 years, with a new plan to be submitted on or before 17 March 2024.

The Shire's recordkeeping systems are continuously reviewed and developed to improve efficiency, reliability and meet new requirements. A total of 62,873 records were captured into the Shire's corporate recordkeeping system during this period.

As part of the Staff Induction Program, employees are informed of their recordkeeping obligations. 24 new staff were provided record keeping awareness training during 2022/2023. Additional training sessions for the Shire's recordkeeping system are performed on a regular basis.

Elected Members receive training in their recordkeeping obligations and the associated process at the commencement of their term of office. Regular updates are provided to Elected Members through their normal communication channels.



MAJOR LAND TRANSACTIONS

Flinders Residential Subdivision

(a) Details

The Council owned, freehold, East Location 18, Lot 3 which is bounded by Ormonde Street and Goldfields Road Esperance. During 2003/2004 the Council created 33 blocks from part of Lot 3. These blocks were sold at auction and profit transferred into a cash reserve established for land Development. The Council developed a further 90 lots as Stage 2 during 2009/2010. 89 lots have been sold, whilst the final lot has been subdivided into cottage size blocks.

(b) Current year transactions

Other revenue

- Sale proceeds

Other expenditure

- Cost of goods sold

	2023 Actual	2023 Budget	2022 Actual
	\$	\$	\$
- Sale proceeds	658,575	675,000	326,159
- Cost of goods sold	(2,203,285)	(2,378,823)	(24,131)
	(1,544,710)	(1,703,823)	302,028

The above operating revenue for the proceeds of land held for resale is reflected in other revenue and operating expenditure for the cost of the disposed land held for resale is reflected in other expenditure.

(c) Expected future cash flows

	2023/24	2024/25	2025/26	2026/27	Total
	\$	\$	\$	\$	\$
Cash outflows					
- Development costs	(5,000,000)	0	0	0	(5,000,000)
- Printing, stationery & marketing	(5,000)	(7,000)	(4,000)	(4,000)	(20,000)
- Selling costs	(29,400)	(64,400)	(53,200)	(48,300)	(195,300)
- Land Development reserve	0	(1,768,600)	(1,562,800)	(1,327,700)	(4,659,100)
	(5,034,400)	(1,840,000)	(1,620,000)	(1,380,000)	(9,874,400)
Cash inflows					
- Sale proceeds	3,100,000	1,840,000	1,620,000	1,380,000	7,940,000
- Land Development reserve	1,934,400	0	0	0	1,934,400
	5,034,400	1,840,000	1,620,000	1,380,000	9,874,400
Net cash flows	0	0	0	0	0

(d) Assets and liabilities

Land held for resale

Current Inventory

Land held for resale

Non Current Inventory

Land held for resale

	2023	2022
	\$	\$
Land held for resale	800,000	176,057
Land held for resale	2,568,796	1,353,324

Shark Lake Industrial Park (SLIP) - Shire Subdivision

(a) Details

During the 2010/2011 financial year the Council continued to undertake a major land transactions as defined under the *Local Government Act 1995*. With the Superlot Stage of the Shark Lake Industrial Park subdivision complete, Council has further subdivided the acquired superlot in approximately 28 general industries lots of varying sizes. Stage 1 consisting of the 28 lots has been completely developed at a total capital cost of \$1,037,953 excluding the costs associated with acquiring the superlot.

24 lots have been sold to date and 4 remaining lots are listed for sale with local real estate agents.

(b) Current year transactions

	2023 Actual \$	2023 Budget \$	2022 Actual \$
Other revenue			
- Sale proceeds	3,156,217	200,000	135,192
Other expenditure			
- Loan repayments	(52,417)	(52,417)	(50,126)
	3,103,800	147,583	85,066

The above operating revenue for the proceeds of land held for resale is reflected in other revenue and operating expenditure for the loan repayments is reflected in other expenditure.

(c) Expected future cash flows

	2023/24 \$	2024/25 \$	2025/26 \$	2026/27 \$	Total \$
Cash outflows					
- Development costs	0	(500,000)	0	0	(500,000)
- Interest expense	(27,428)	(24,808)	(22,068)	(19,203)	(93,507)
- Loan repayments	(54,813)	(57,319)	(59,939)	(62,679)	(234,750)
- Selling costs	0	0	(36,000)	(21,600)	(57,600)
- Land Development reserve	(138,259)	0	(102,493)	(117,018)	(357,770)
	(220,500)	(582,127)	(220,500)	(220,500)	(1,243,627)
Cash inflows					
- Sale proceeds	200,000	200,000	200,000	200,000	800,000
- SLIP rate income	10,000	10,000	10,000	10,000	40,000
- Lease income	10,500	10,500	10,500	10,500	42,000
- Land Development reserve	0	361,627	0	0	361,627
	220,500	582,127	220,500	220,500	1,243,627
Net cash flows	0	0	0	0	0

(d) Assets and liabilities

Land held for resale included within Note 6	2023 \$	2022 \$
Non Current Inventory		
Land held for resale	185,354	3,774,582
Non Current Inventory		
Land held for resale	0	2,303,274

TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Esperance Aerodrome

(a) Details

Council's objective is to maintain a safe landing airstrip and functional airport amenities conducive to the promotion of the district as a tourist and business destination.

Operating costs are met by landing fees charges. Annual surpluses are transferred to a cash reserve to finance future improvements to the facility.

(b) Current year transactions

Other revenue

- Landing fees
- Property rental
- Air BP Refuelling
- Reimbursements
- Sundry income
- Grants and subsidies
- Profit on Asset Disposals

Other expenditure

- Employee expenses
- Insurance
- Building expenses
- Grounds & strip maintenance
- Other sundry expenses
- Special projects
- Overhead allocation
- Depreciation

Capital income

- Proceeds on Sale of Assets
- Reserve transfer

Capital expenditure

- Purchases
- Airside projects
- Landside projects

Net result

	2023 Actual	2023 Budget	2022 Actual
	\$	\$	\$
Other revenue			
- Landing fees	1,185,293	1,180,000	1,046,624
- Property rental	29,836	50,000	39,809
- Air BP Refuelling	160,462	145,000	142,024
- Reimbursements	21,705	7,500	7,609
- Sundry income	18,585	10,000	4,182
- Grants and subsidies	0	0	1,545
- Profit on Asset Disposals	0	33,500	0
Other expenditure			
- Employee expenses	(379,320)	(378,371)	(255,035)
- Insurance	(27,796)	(10,100)	(8,939)
- Building expenses	(88,404)	(333,950)	(89,148)
- Grounds & strip maintenance	(55,157)	(71,500)	(26,522)
- Other sundry expenses	(232,987)	(178,838)	(149,633)
- Special projects	(99,993)	(91,200)	0
- Overhead allocation	(125,116)	(121,311)	(107,541)
- Depreciation	(326,832)	(344,918)	(320,442)
	80,276	(104,188)	284,533
Capital income			
- Proceeds on Sale of Assets	46,500	0	0
- Reserve transfer	403,457	102,215	61,629
Capital expenditure			
- Purchases	(224,957)	(102,215)	(26,052)
- Airside projects	(200,000)	0	(35,577)
- Landside projects	(25,000)	0	0
	0	0	0
Net result	80,276	(104,188)	284,533

Member Allowances 2022/2023

Elected Member Remuneration

Note	2023 Actual \$	2023 Budget \$	2022 Actual \$
Councillor Ian Mickel			
President's annual allowance	35,880	35,880	34,500
Meeting attendance fees	22,880	22,880	22,000
Annual allowance for ICT expenses	1,560	1,560	1,500
	60,320	60,320	58,000
Councillor Ron Chambers			
Deputy President's annual allowance	8,970	8,970	6,094
Meeting attendance fees	18,720	18,720	18,000
Annual allowance for ICT expenses	1,560	1,560	1,500
	29,250	29,250	25,594
Councillor Steven McMullen			
Meeting attendance fees	18,720	18,720	18,000
Annual allowance for ICT expenses	1,560	1,560	1,500
	20,280	20,280	19,500
Councillor Jennifer Obourne			
Meeting attendance fees	18,720	18,720	18,000
Annual allowance for ICT expenses	1,560	1,560	1,500
	20,280	20,280	19,500
Councillor Jo-Anne O'Donnell			
Meeting attendance fees	18,720	18,720	18,000
Annual allowance for ICT expenses	1,560	1,560	1,500
	20,280	20,280	19,500
Councillor Wes Graham			
Meeting attendance fees	18,720	18,720	18,000
Annual allowance for ICT expenses	1,560	1,560	1,500
	20,280	20,280	19,500
Councillor Rob Horan			
Meeting attendance fees	18,720	18,720	12,717
Annual allowance for ICT expenses	1,560	1,560	1,060
	20,280	20,280	13,777
Councillor Shayne Flanagan			
Meeting attendance fees	18,720	18,720	12,717
Annual allowance for ICT expenses	1,560	1,560	1,060
	20,280	20,280	13,777
Councillor Leonie De Haas			
Meeting attendance fees	18,720	18,720	12,717
Annual allowance for ICT expenses	1,560	1,560	1,060
	20,280	20,280	13,777
Councillor Dale Piercey			
Meeting attendance fees	0	0	5,283
Annual allowance for ICT expenses	0	0	440
	0	0	5,723
Councillor Basil Parker			
Deputy President's annual allowance	0	0	2,531
Meeting attendance fees	0	0	5,283
Annual allowance for ICT expenses	0	0	440
	0	0	8,254
	231,530	231,530	216,902

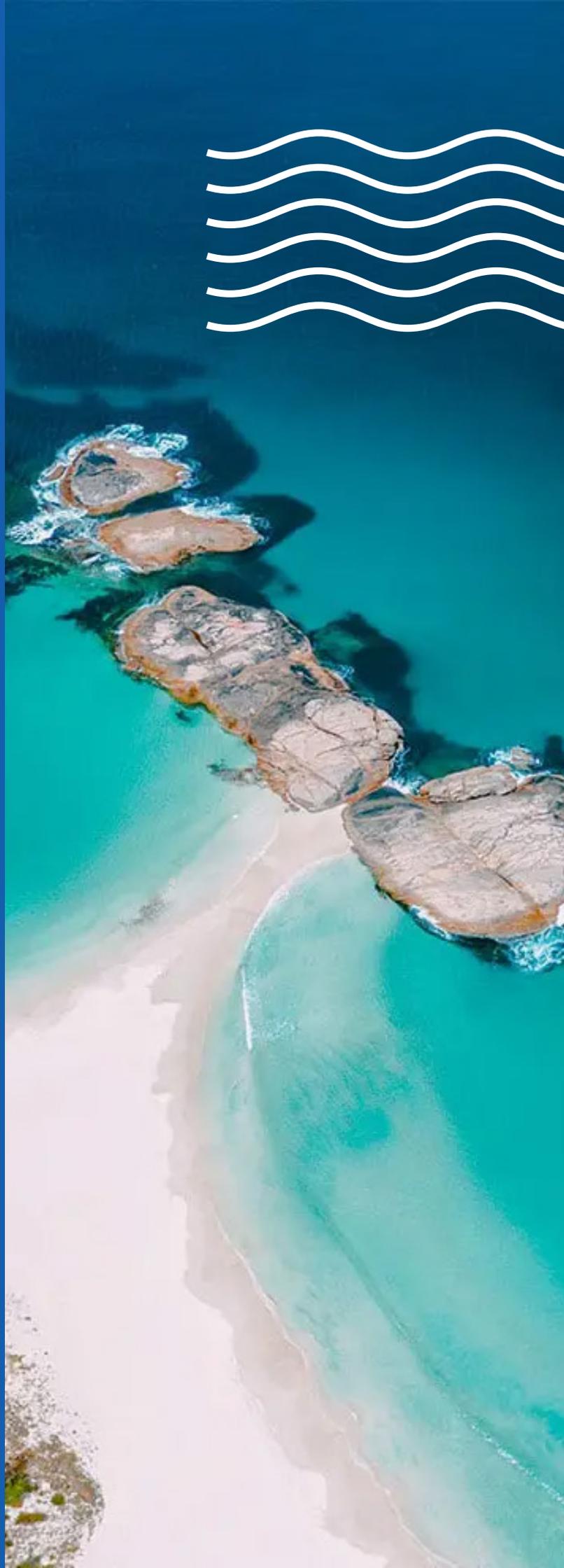


Thank you

Any questions or queries?

Contact us at (08) 9071 0666 or
shire@esperance.wa.gov.au

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Annual Financial Report 2022-2023



Shire of Esperance

Annual Financial Report

For the year ended 30th June 2023



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

The Shire of Esperance exists to meet the needs of current and future generations through an integration of environmental protection, social advancement and economic prosperity.

Esperance, together we make it happen.

Principal place of business:

Administration Offices
Windich Street
Esperance WA 6450

Shire of Esperance Annual Financial Report

For the year ended 30th June 2023



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

STATEMENT BY CEO

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

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

Signed on the 13th day of November 2023

Chief Executive Officer
Shane Burge

Shire of Esperance Annual Financial Report

For the year ended 30th June 2023

Statement of Comprehensive Income by Nature and Type

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
Revenue				
Rates	2(a),24	23,635,371	23,543,676	22,115,030
Grants, subsidies and contributions	2(a)	16,162,013	8,765,402	16,828,512
Fees and charges	2(a)	10,952,081	10,486,823	10,262,139
Interest revenue	2(a)	1,526,936	237,000	249,537
Other revenue	2(a)	1,003,835	879,972	827,320
		53,280,236	43,912,873	50,282,538
Expenses				
Employee costs	2(b)	(21,083,657)	(19,584,300)	(18,432,247)
Materials and contracts		(12,556,334)	(14,742,175)	(10,894,438)
Utility charges		(1,323,897)	(1,216,094)	(1,356,927)
Depreciation		(21,492,577)	(20,738,656)	(19,333,077)
Finance costs	2(b)	(98,521)	(96,961)	(96,365)
Insurance		(885,765)	(838,596)	(745,776)
Other expenditure	2(b)	(597,449)	(710,254)	(607,075)
		(58,038,200)	(57,927,036)	(51,465,905)
		(4,757,964)	(14,014,163)	(1,183,367)
Capital grants, subsidies and contributions	2(a)	8,245,196	14,754,952	10,643,976
Profit on asset disposals		1,572,415	553,536	383,422
Loss on asset disposals		(56,443)	(290,637)	(202,379)
		9,761,168	15,017,851	10,825,019
Net result for the period	23(b)	5,003,204	1,003,688	9,641,652
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	17	168,416,513	0	0
Total other comprehensive income for the period	17	168,416,513	0	0
Total comprehensive income for the period		173,419,717	1,003,688	9,641,652



Shire of Esperance Annual Financial Report

As at 30 June 2023

Statement of Financial Position

	NOTE	2023	2022
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	43,247,389	41,857,599
Trade and other receivables	5	1,597,931	1,497,774
Other financial assets	4(a)	4,190,736	198,228
Inventories	6	1,609,486	528,956
Other assets	7	1,418,138	915,171
TOTAL CURRENT ASSETS		52,063,680	44,997,728
NON-CURRENT ASSETS			
Trade and other receivables	5	101,408	97,459
Other financial assets	4(b)	1,537,806	1,722,090
Inventories	6	2,830,744	3,774,582
Property, plant and equipment	8	103,709,727	102,983,171
Infrastructure	9	587,939,655	419,840,748
Right-of-use assets	11(a)	8,663	31,416
TOTAL NON-CURRENT ASSETS		696,128,003	528,449,466
TOTAL ASSETS		748,191,683	573,447,194
CURRENT LIABILITIES			
Trade and other payables	12	2,470,313	3,105,086
Other liabilities	13	3,378,442	2,211,302
Lease liabilities	11(b)	8,784	23,105
Borrowings	14	245,549	250,645
Employee related provisions	15	3,733,245	3,126,337
TOTAL CURRENT LIABILITIES		9,836,333	8,716,475
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	0	5,767
Borrowings	14	2,016,175	2,261,724
Employee related provisions	15	388,124	222,392
Other provisions	16	5,983,871	5,693,373
TOTAL NON-CURRENT LIABILITIES		8,388,170	8,183,256
TOTAL LIABILITIES		18,224,503	16,899,731
NET ASSETS		729,967,180	556,547,463
EQUITY			
Retained surplus		314,079,314	314,224,048
Reserve accounts	27	39,107,270	33,959,332
Revaluation surplus	17	376,780,596	208,364,083
TOTAL EQUITY		729,967,180	556,547,463

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



Shire of Esperance Annual Financial Report

For the year ended 30th June 2023

Statement of Changes in Equity

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2021		309,311,629	29,230,099	208,364,083	546,905,811
Correction of error		0	0	0	0
Restated balance at the beginning of the financial year		309,311,629	29,230,099	208,364,083	546,905,811
Comprehensive income for the period					
Net result for the period		9,641,652	0	0	9,641,652
Other comprehensive income for the period	17	0	0	0	0
Total comprehensive income for the period		9,641,652	0	0	9,641,652
Transfers from reserve accounts	27	5,708,087	(5,708,087)	0	0
Transfers to reserve accounts	27	(10,437,320)	10,437,320	0	0
Balance as at 30 June 2022		314,224,048	33,959,332	208,364,083	556,547,463
Change in accounting policies		0	0	0	0
Correction of error		0	0	0	0
Restated balance at 1 July 2022		314,224,048	33,959,332	208,364,083	556,547,463
Comprehensive income for the period					
Net result for the period		5,003,204	0	0	5,003,204
Other comprehensive income for the period	17	0	0	168,416,513	168,416,513
Total comprehensive income for the period		5,003,204	0	168,416,513	173,419,717
Transfers from reserve accounts	27	11,246,503	(11,246,503)	0	0
Transfers to reserve accounts	27	(16,394,441)	16,394,441	0	0
Balance as at 30 June 2023		314,079,314	39,107,270	376,780,596	729,967,180

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



Shire of Esperance Annual Financial Report

For the year ended 30th June 2023

Statement of Cash Flows

	NOTE	2023 Actual \$	2022 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		23,681,265	22,289,334
Grants, subsidies and contributions		16,880,065	16,241,306
Fees and charges		10,952,081	10,647,623
Interest revenue		1,526,936	249,537
Goods and services tax received		3,253,580	1,142,967
Other revenue		1,294,333	827,320
		57,588,260	51,398,087
Payments			
Employee costs		(20,174,309)	(18,091,111)
Materials and contracts		(13,931,688)	(12,683,182)
Utility charges		(1,323,897)	(1,356,927)
Finance costs		(98,521)	(93,807)
Insurance paid		(885,765)	(745,776)
Goods and services tax paid		(3,121,801)	(1,318,094)
Other expenditure		(597,449)	(607,075)
		(40,133,430)	(34,895,972)
Net cash provided by (used in) operating activities	18(b)	17,454,830	16,502,115
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for financial assets at amortised cost - self supporting loans		0	(750,000)
Payments for development of land held for resale		(2,347,249)	(142,115)
Payments for purchase of property, plant & equipment	8(a)	(5,131,617)	(6,007,953)
Payments for construction of infrastructure	9(a)	(17,580,979)	(19,791,743)
Capital grants, subsidies and contributions		8,245,196	10,643,976
Proceeds for financial assets at amortised cost		(4,000,000)	9,200,000
Proceeds from financial assets at amortised cost - self supporting loans		198,228	179,794
Proceeds from financial assets at fair values through profit and loss - Local Government House Trust		(6,451)	(6,994)
Proceeds from sale of property, plant & equipment		4,831,582	1,536,297
Net cash provided by (used in) investing activities		(15,791,290)	(5,138,738)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	26(a)	(250,645)	(229,920)
Payments for principal portion of lease liabilities	26(b)	(23,105)	(16,338)
Proceeds from new borrowings	26(a)	0	750,000
Net cash provided by (used in) financing activities		(273,750)	503,742
Net increase (decrease) in cash held		1,389,790	11,867,119
Cash at beginning of year		41,857,599	29,990,480
Cash and cash equivalents at the end of the year	18(a)	43,247,389	41,857,599

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



Shire of Esperance Annual Financial Report

For the year ended 30th June 2023

Statement of Financial Activity

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	24	23,104,274	23,090,874	21,697,501
Rates excluding general rates	24	531,097	352,802	417,529
Grants, subsidies and contributions		16,162,013	8,765,402	16,828,512
Fees and charges		10,952,081	10,486,823	10,262,139
Interest revenue		1,526,936	237,000	249,537
Other revenue		1,003,835	879,972	827,320
Profit on asset disposals		1,572,415	553,536	383,422
		54,852,651	44,366,409	50,665,960
Expenditure from operating activities				
Employee costs		(21,083,657)	(19,584,300)	(18,432,247)
Materials and contracts		(12,556,334)	(14,742,175)	(10,894,438)
Utility charges		(1,323,897)	(1,216,094)	(1,356,927)
Depreciation		(21,492,577)	(20,738,656)	(19,333,077)
Finance costs		(98,521)	(96,961)	(96,365)
Insurance		(885,765)	(838,596)	(745,776)
Other expenditure		(597,449)	(710,254)	(607,075)
Loss on asset disposals		(56,443)	(290,637)	(202,379)
		(58,094,643)	(58,217,673)	(51,668,284)
Non-cash amounts excluded from operating activities	25(a)	20,611,031	20,757,154	19,526,468
Amount attributable to operating activities		17,369,039	6,905,890	18,524,144
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		8,245,196	14,754,952	10,643,976
Proceeds from disposal of assets		4,831,582	2,279,550	1,536,297
Proceeds from financial assets at amortised cost - self supporting loans	26(a)	198,228	198,227	179,794
Proceeds from financial assets at fair values through profit and loss - Local Government House Trust		(6,451)		(6,994)
		13,268,555	17,232,729	12,353,073
Outflows from investing activities				
Payments for financial assets at amortised cost - self supporting loans		0	0	(750,000)
Payments for investments in associates		(2,347,249)	(3,260,839)	(142,115)
Purchase of property, plant and equipment	8(a)	(5,131,617)	(8,903,808)	(6,007,953)
Purchase and construction of infrastructure	9(a)	(17,580,979)	(24,569,743)	(19,791,743)
		(25,059,845)	(36,734,390)	(26,691,811)
Amount attributable to investing activities		(11,791,290)	(19,501,661)	(14,338,738)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	26(a)	0	0	750,000
Transfers from reserve accounts	27	11,246,503	12,693,586	5,708,087
		11,246,503	12,693,586	6,458,087
Outflows from financing activities				
Repayment of borrowings	26(a)	(250,645)	(250,646)	(229,920)
Payments for principal portion of lease liabilities	26(b)	(23,105)	23,105	(16,338)
Transfers to reserve accounts	27	(16,394,441)	(3,825,950)	(10,437,320)
		(16,668,191)	(4,053,491)	(10,683,578)
Amount attributable to financing activities		(5,421,688)	8,640,095	(4,225,491)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	25(b)	3,919,200	3,919,201	3,959,285
Amount attributable to operating activities		17,369,039	6,905,890	18,524,144
Amount attributable to investing activities		(11,791,290)	(19,501,661)	(14,338,738)
Amount attributable to financing activities		(5,421,688)	8,640,095	(4,225,491)
Surplus or deficit after imposition of general rates	25(b)	4,075,261	(36,475)	3,919,200

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



Shire of Esperance

Annual Financial Report

For the year ended 30th June 2023



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1. BASIS OF PREPARATION

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

Local Government Act 1995 requirements

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

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

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

The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 28 of the financial report.

Judgements and estimates

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

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

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

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, and infrastructure.
- estimation uncertainties made in relation to lease accounting

Initial application of accounting standards

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

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

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

New accounting standards for application in future years

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

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

The amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified. Except as described above these amendments are not expected to have any material impact on the financial report on initial application.

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Fees and charges - sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

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

Revenue Recognition

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

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	23,635,371	0	23,635,371
Grants, subsidies and contributions	16,162,013	0	0	0	16,162,013
Fees and charges	10,447,576	0	504,505	0	10,952,081
Interest revenue	60,978	0	46,828	1,419,130	1,526,936
Other revenue	1,003,835	0	0	0	1,003,835
Capital grants, subsidies and contributions	0	8,245,196	0	0	8,245,196
Total	27,674,402	8,245,196	24,186,704	1,419,130	61,525,432

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	22,115,030	0	22,115,030
Grants, subsidies and contributions	16,828,512	0	0	0	16,828,512
Fees and charges	10,262,139	0	0	0	10,262,139
Interest revenue	55,935	0	46,841	146,761	249,537
Other revenue	827,320	0	0	0	827,320
Capital grants, subsidies and contributions	0	10,643,976	0	0	10,643,976
Total	27,973,906	10,643,976	22,161,871	146,761	60,926,514

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Note	2023 Actual \$	2022 Actual \$
Interest revenue		
Financial assets at amortised cost - self supporting loans	60,978	55,935
Interest on reserve account funds	829,654	86,266
Rates instalment and penalty interest (refer Note 24a)	50,877	46,841
Other interest revenue	585,427	60,495
	1,526,936	249,537

Fees and charges relating to rates receivable

Charges on instalment plan	33,633	32,043
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The 2023 original budget estimate in relation to:
 Charges on instalment plan was \$35,000

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report	59,000	58,000
- Other services – grant acquittals	830	4,400
	59,830	62,400

Employee Costs

Employee benefit costs	17,969,697	15,723,050
Other employee costs	3,113,960	2,709,199
	21,083,657	18,432,249

Finance costs

Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	98,226	95,780
Lease liabilities	295	585
	98,521	96,365

Sundry expenses

	597,449	607,075
	597,449	607,075

3. CASH AND CASH EQUIVALENTS

Note	2023 \$	2022 \$
Cash at bank and on hand	32,247,389	12,857,599
Term deposits	11,000,000	29,000,000
Total cash and cash equivalents	43,247,389	41,857,599
Held as		
- Unrestricted cash and cash equivalents	8,140,119	7,898,267
- Restricted cash and cash equivalents	35,107,270	33,959,332
	43,247,389	41,857,599

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

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

Restricted 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

	2023 \$	2022 \$
(a) Current assets		
Financial assets at amortised cost	4,190,736	198,228
	4,190,736	198,228
Other financial assets at amortised cost		
Self supporting loans receivable	190,736	198,228
Term deposits	4,000,000	0
	4,190,736	198,228
Held as		
- Unrestricted other financial assets at amortised cost	190,736	198,228
- Restricted other financial assets at amortised cost	4,000,000	0
	4,190,736	198,228
(b) Non-current assets		
Financial assets at amortised cost	1,395,199	1,585,934
Financial assets at fair value through profit or loss	142,607	136,156
	1,537,806	1,722,090
Financial assets at amortised cost		
Self supporting loans receivable	1,395,201	1,585,936
	1,395,199	1,585,934
Financial assets at fair value through profit or loss		
Units in Local Government House Trust - opening balance	142,607	136,156
Units in Local Government House Trust - closing balance	142,607	136,156

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 26(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.

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 22 (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.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 21.

Shire of Esperance Annual Financial Report

For the year ended 30th June 2023

Notes to and forming part of the Financial Report

5. TRADE AND OTHER RECEIVABLES

	Note	2023 \$	2022 \$
Current			
Rates and statutory receivables		68,312	153,939
Trade receivables		1,428,082	978,994
GST receivable		101,537	364,841
		1,597,931	1,497,774
Non-current			
Rates and statutory receivables		101,408	97,459
		101,408	97,459

Disclosure of opening and closing balances related to contracts with customers

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

	Note	30 June 2023 Actual \$	30 June 2022 Actual \$	1 July 2021 Actual \$
Contract assets	7	1,226,375	796,278	112,969
Total trade and other receivables from contracts with customers		1,226,375	796,278	112,969

SIGNIFICANT ACCOUNTING POLICIES

Rates and statutory receivables

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

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

Trade receivables

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

Other receivables

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

Measurement

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

Classification and subsequent measurement

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

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 21.

Shire of Esperance Annual Financial Report

For the year ended 30th June 2023

Notes to and forming part of the Financial Report

6. INVENTORIES

Note	2023	2022
	\$	\$
Current		
Fuel and materials	82,955	96,074
Road making materials	440,964	152,674
Various goods held for resale	100,213	104,151
Land held for resale		
Cost of acquisition	985,354	176,057
	1,609,486	528,956
Non-current		
Land held for resale		
Cost of acquisition	2,830,744	3,774,582
	2,830,744	3,774,582
The following movements in inventories occurred during the year:		
Balance at beginning of year	4,303,538	4,298,016
Inventories expensed during the year	(2,355,269)	(2,206,390)
Additions to inventory	2,491,961	2,211,912
Balance at end of year	4,440,230	4,303,538

SIGNIFICANT 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.

Land held for resale

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Land held for resale (Continued)

Borrowing costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed onto the buyer at this point.

Land held for resale is classified as current except where it is held as non-current based on the council's intentions to release for sale.

7. OTHER ASSETS

Other assets - current

Accrued income
 Contract assets
 Interest receivable
 Infringements

	2023	2022
	\$	\$
	57,606	77,915
	1,226,375	796,278
	120,141	28,686
	14,016	12,292
	1,418,138	915,171

SIGNIFICANT 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.

Non-current assets held for sale

Assets are classified as held for sale where the carrying amount will be recovered through a sale rather than continuing use and the asset is available for immediate sale with a sale being highly probable.

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).

Non-current assets held for sale (Continued)

Non-current assets classified as held for sale are valued at the lower of the carrying amount and fair value less costs to sell.

The fair value of land and buildings was determined using the sales comparison approach using comparable properties in the area. This is a level 2 measurement as per the fair value hierarchy set out in Note 22(i).

Shire of Esperance Annual Financial Report

For the year ended 30th June 2023

Notes to and forming part of the Financial Report

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.

	Land	Buildings	Total land and buildings not subject to operating lease	Total land and buildings	Furniture and equipment	Plant and equipment	Motor vehicles - non specialised	Motor vehicles - specialised	Road making plant - major	Road making plant - minor	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	27,689,149	57,904,656	85,593,805	85,593,805	618,001	4,892,000	2,007,734	403,762	8,413,620	517,131	102,446,053
Additions	4,923	1,065,961	1,070,884	1,070,884	93,725	2,231,467	580,753	0	1,699,830	331,294	6,007,953
Disposals	(402,000)	(63,440)	(465,440)	(465,440)	0	(69,015)	(30,918)	(49,153)	(479,337)	0	(1,093,863)
Depreciation	0	(2,240,883)	(2,240,883)	(2,240,883)	(86,712)	(495,748)	(222,470)	(54,500)	(1,212,478)	(64,181)	(4,376,972)
Balance at 30 June 2022	27,292,072	56,666,294	83,958,366	83,958,366	625,014	6,558,704	2,335,099	300,109	8,421,635	784,244	102,983,171
Comprises:											
Gross balance amount at 30 June 2022	27,292,072	113,484,037	140,776,109	140,776,109	1,461,652	11,575,519	3,611,179	1,370,000	13,010,401	1,153,188	172,958,048
Accumulated depreciation at 30 June 2022	0	(56,817,743)	(56,817,743)	(56,817,743)	(836,638)	(5,016,815)	(1,276,080)	(1,069,891)	(4,588,766)	(368,944)	(69,974,877)
Balance at 30 June 2022	27,292,072	56,666,294	83,958,366	83,958,366	625,014	6,558,704	2,335,099	300,109	8,421,635	784,244	102,983,171
Additions	13,255	1,727,372	1,740,627	1,740,627	161,259	60,444	1,000,256	0	1,892,560	276,471	5,131,617
Disposals	0	0	0	0	(5,068)	0	(387,455)	0	(441,297)	0	(833,820)
Assets classified as held for sale			0	0							0
Depreciation	0	(2,262,912)	(2,262,912)	(2,262,912)	(105,807)	(671,322)	(261,591)	(41,110)	(1,207,621)	(86,197)	(4,636,560)
Transfers	0	1,065,319	1,065,319	1,065,319	0	83,680	0	0	(63,538)	(20,142)	1,065,319
Balance at 30 June 2023	27,305,327	57,196,073	84,501,400	84,501,400	675,398	6,031,506	2,686,309	258,999	8,601,739	954,376	103,709,727
Comprises:											
Gross balance amount at 30 June 2023	27,305,327	115,898,501	143,203,828	143,203,828	1,596,612	11,761,094	3,822,787	1,370,000	13,435,203	1,402,286	176,591,810
Accumulated depreciation at 30 June 2023	0	(58,702,428)	(58,702,428)	(58,702,428)	(921,214)	(5,729,588)	(1,136,478)	(1,111,001)	(4,833,464)	(447,910)	(72,882,083)
Balance at 30 June 2023	27,305,327	57,196,073	84,501,400	84,501,400	675,398	6,031,506	2,686,309	258,999	8,601,739	954,376	103,709,727

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For the year ended 30th June 2023

Notes to and forming part of the Financial Report

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2	Market approach using recent observable market data for similar properties/income approach using discounted cashflow methodology	Independent registered valuer	June 2020	Price per hectare / market borrowing rate
Buildings	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2020	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.					
During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.					
(ii) Cost					
Furniture and equipment		Cost	Cost		Purchase cost
Plant and equipment		Cost	Cost		Purchase cost
Motor vehicles - specialised		Cost	Cost		Purchase cost
Road making plant		Cost	Cost		Purchase cost

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Notes to and forming part of the Financial Report

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	Other infrastructure - footpaths	Other infrastructure - drainage	Other infrastructure - parks and ovals	Other infrastructure - other infrastructure	Other infrastructure - culverts and pipes	Other infrastructure - Esperance airport	Works in progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	340,036,186	12,669,263	18,585,827	9,305,435	21,180,424	8,182,536	4,206,803	812,014	414,978,488
Additions	15,303,929	989,490	109,879	851,993	1,447,747	0	35,577	1,053,128	19,791,743
Depreciation	(11,775,282)	(610,273)	(210,356)	(1,070,064)	(942,630)	(118,742)	(202,136)	0	(14,929,483)
Balance at 30 June 2022	343,564,833	13,048,480	18,485,350	9,087,364	21,685,541	8,063,794	4,040,244	1,865,142	419,840,748
Comprises:									
Gross balance at 30 June 2022	471,308,193	20,828,933	23,787,977	18,297,198	48,113,272	11,874,176	7,861,678	1,865,142	603,936,569
Accumulated depreciation at 30 June 2022	(127,743,360)	(7,780,453)	(5,302,627)	(9,209,834)	(26,427,731)	(3,810,382)	(3,821,434)	0	(184,095,821)
Balance at 30 June 2022	343,564,833	13,048,480	18,485,350	9,087,364	21,685,541	8,063,794	4,040,244	1,865,142	419,840,748
Additions	14,378,553	300,758	4,654	839,728	497,826	0	0	1,559,460	17,580,979
Revaluation increments / (decrements) transferred to revaluation surplus	130,094,648	6,402,205	9,551,257	6,242,416	6,977,951	4,505,928	4,642,108	0	168,416,513
Depreciation	(13,529,647)	(660,348)	(211,859)	(1,184,076)	(924,949)	(118,744)	(203,643)	0	(16,833,266)
Transfers	0	0	0	542,383	861	0	0	(1,608,563)	(1,065,319)
Balance at 30 June 2023	474,508,387	19,091,095	27,829,402	15,527,815	28,237,230	12,450,978	8,478,709	1,816,039	587,939,655
Comprises:									
Gross balance at 30 June 2023	573,725,860	27,227,679	32,035,537	26,663,309	33,607,373	18,738,982	11,365,411	1,816,039	725,180,190
Accumulated depreciation at 30 June 2023	(99,217,473)	(8,136,584)	(4,206,135)	(11,135,494)	(5,370,143)	(6,288,004)	(2,886,702)	0	(137,240,535)
Balance at 30 June 2023	474,508,387	19,091,095	27,829,402	15,527,815	28,237,230	12,450,978	8,478,709	1,816,039	587,939,655

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	Cost approach using depreciated replacement cost	Management valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure - footpaths	3	Cost approach using depreciated replacement cost	Management valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure - drainage	3	Cost approach using depreciated replacement cost	Management valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure - parks and ovals	3	Cost approach using depreciated replacement cost	Management valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure - other infrastructure	3	Cost approach using depreciated replacement cost	Management valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure - culverts and pipes	3	Cost approach using depreciated replacement cost	Management valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure - Esperance airport	3	Cost approach using depreciated replacement cost	Management valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Works in progress	3	Cost approach using depreciated replacement cost	Management valuation	June 2023	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.

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For the year ended 30th June 2023

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10. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

Asset Class	Useful life
Buildings	30 to 75 years
Furniture and equipment	5 to 20 years
Plant and equipment	3 to 15 years
Motor vehicles	5 to 20 years
Road making plant	5 to 10 years
Infrastructure - roads	15 to 60 years
Other infrastructure - drainage	30 to 100 years
Other infrastructure - parks and ovals	10 to 30 years
Other infrastructure - other infrastructure	10 to 70 years
Other infrastructure - culverts and pipes	30 to 100 years
Other infrastructure - Esperance airport	10 to 50 years
Right of use - plant and equipment	Based on the remaining lease

(b) Fully Depreciated Assets in Use

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

	<u>2023</u>	<u>2022</u>
	\$	\$
Plant and equipment	8,000	2,250
Motor vehicles	419,000	392,000
Road making plant	66,000	43,500
	<u>493,000</u>	<u>437,750</u>

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

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

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

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

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

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

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

Revaluation

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

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

Revaluation (continued)

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

Depreciation

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

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

Depreciation on revaluation

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

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

Amortisation

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

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

Amortisation is included within depreciation in the Statement of Comprehensive Income and in Note 10(a).

Impairment

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

Gains or losses on disposal

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

11. LEASES

(a) Right-of-Use Assets

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

	Right-of-use assets - plant and equipment	Right-of-use assets Total
Note	\$	\$
Balance at 1 July 2021	44,621	44,621
Additions	13,417	13,417
Depreciation	(26,622)	(26,622)
Balance at 30 June 2022	31,416	31,416
Gross balance amount at 30 June 2022	86,306	86,306
Accumulated depreciation at 30 June 2022	(54,890)	(54,890)
Balance at 30 June 2022	31,416	31,416
Depreciation	(22,753)	(22,753)
Balance at 30 June 2023	8,663	8,663
Gross balance amount at 30 June 2023	86,306	86,306
Accumulated depreciation at 30 June 2023	(77,643)	(77,643)
Balance at 30 June 2023	8,663	8,663
	2023 Actual	2022 Actual
	\$	\$
(b) Lease Liabilities		
Current	8,784	23,105
Non-current	0	5,767
	26(b) 8,784	28,872

Secured liabilities and assets pledged as security

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

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

determined, the Shire uses its incremental borrowing rate.

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

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

Right-of-use assets - measurement

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

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

Right-of-use assets - depreciation

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

11. LEASES (Continued)

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

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

	2023 Actual	2022 Actual
	\$	\$
Less than 1 year	150,000	150,000
1 to 2 years	300,000	300,000
2 to 3 years	300,000	300,000
3 to 4 years	300,000	300,000
4 to 5 years	300,000	300,000
> 5 years	2,912,500	3,062,500
	4,262,500	4,412,500

The Shire has leased the caravan park to RAC for a term of 35 years commencing in 2019/2020.

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12. TRADE AND OTHER PAYABLES

Current

Sundry creditors	
Prepaid rates	
Accrued payroll liabilities	
Bonds and deposits held	
Accrued interest on long term borrowings	

	2023	2022
	\$	\$
	1,165,128	1,991,764
	142,511	178,295
	727,642	590,934
	425,484	333,343
	9,548	10,750
	2,470,313	3,105,086

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Financial liabilities are derecognised where the related 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 goods and services. The amounts are unsecured, are recognised as a current liability and are usually considered to be the same as their fair values, due 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

13. OTHER LIABILITIES

Current

Contract liabilities

Reconciliation of changes in contract liabilities

Opening balance

Additions

Revenue from contracts with customers included as a contract liability at the start of the period

	2023	2022
	\$	\$
	3,378,442	2,211,302
	<u>3,378,442</u>	<u>2,211,302</u>
	2,211,302	2,588,954
	3,378,442	2,211,302
	<u>(2,211,302)</u>	<u>(2,588,954)</u>
	<u>3,378,442</u>	<u>2,211,302</u>

The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was \$3,378,442 (2022: \$2,211,302)

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.

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.

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

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 22(i)) due to the unobservable inputs, including own credit risk.

14. BORROWINGS

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Long term borrowings		245,549	2,016,175	2,261,724	250,645	2,261,724	2,512,369
Total secured borrowings	26(a)	245,549	2,016,175	2,261,724	250,645	2,261,724	2,512,369

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 Esperance. Other loans relate to transferred receivables. Refer to Note 5.

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

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 22(i)) due to the unobservable inputs, including own credit risk.

Risk

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

Information regarding exposure to risk can be found at Note 21.

15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2023	2022
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	2,166,344	1,701,855
Long service leave	1,566,901	1,424,482
	<u>3,733,245</u>	<u>3,126,337</u>
Total current employee related provisions	3,733,245	3,126,337
Non-current provisions		
Employee benefit provisions		
Long service leave	388,124	222,392
	<u>388,124</u>	<u>222,392</u>
Total non-current employee related provisions	388,124	222,392
Total employee related provisions	<u>4,121,369</u>	<u>3,348,729</u>

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

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

Note	2023	2022
	\$	\$
Amounts are expected to be settled on the following basis:		
Less than 12 months after the reporting date	1,149,009	915,542
More than 12 months from reporting date	2,972,360	2,433,187
	<u>4,121,369</u>	<u>3,348,729</u>

Expected reimbursements of employee related provisions from other WA local governments included within other receivables

5	0	0
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SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

16. OTHER PROVISIONS

	Make good provisions	Total
	\$	\$
Opening balance at 1 July 2022		
Non-current provisions	5,693,373	5,693,373
	<u>5,693,373</u>	<u>5,693,373</u>
Additional provision	290,498	290,498
Balance at 30 June 2023	<u>5,983,871</u>	<u>5,983,871</u>
Comprises		
Non-current	5,983,871	5,983,871
	<u>5,983,871</u>	<u>5,983,871</u>

Other provisions

Amounts which are expected to be paid out within 12 months of the reporting date are classified as current. Exact timing of payment of non-current obligations is unable to be reliably estimated as it is dependent on factors beyond the control of the local government.

Make good provisions

Under the licence for the operation of Wylie Bay Waste Facility landfill site, the Shire has a legal obligation to restore the site.

The estimated future obligations include the costs of restoring the affected areas and continued monitoring of the site.

The provision for future remediation costs is the best estimate of the present value of the expenditure required to settle the remediation obligation at the reporting date.

Future remediation costs are reviewed annually and any changes in the estimate are reflected in the present value of the remediation provision at each reporting date.

Provisions

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

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

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17. REVALUATION SURPLUS

	2023 Opening Balance	2023 Change in Accounting Policy	Total Movement on Revaluation	2023 Closing Balance	2022 Opening Balance	Total Movement on Revaluation	2022 Closing Balance
	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land and buildings	37,565,324	0	0	37,565,324	37,565,324	0	37,565,324
Revaluation surplus - Furniture and equipment	120,357	0	0	120,357	120,357	0	120,357
Revaluation surplus - Plant and equipment	1,281,689	0	0	1,281,689	1,281,689	0	1,281,689
Revaluation surplus - Motor vehicles - non specialised	921,059	0	0	921,059	921,059	0	921,059
Revaluation surplus - Motor vehicles - specialised	(134,611)	0	0	(134,611)	(134,611)	0	(134,611)
Revaluation surplus - Road making plant - major	631,881	0	0	631,881	631,881	0	631,881
Revaluation surplus - Road making plant - minor	37,105	0	0	37,105	37,105	0	37,105
Revaluation surplus - Infrastructure - roads	134,584,177	0	130,094,648	264,678,825	134,584,177	0	134,584,177
Revaluation surplus - Other infrastructure - footpaths	6,199,980	0	6,402,205	12,602,185	6,199,980	0	6,199,980
Revaluation surplus - Other infrastructure - drainage	12,506,440	0	9,551,258	22,057,698	12,506,440	0	12,506,440
Revaluation surplus - Other infrastructure - parks and ovals	3,418,190	0	6,242,416	9,660,606	3,418,190	0	3,418,190
Revaluation surplus - Other infrastructure - other infrastructure	1,365,420	0	6,977,951	8,343,371	1,365,420	0	1,365,420
Revaluation surplus - Other infrastructure - culverts and pipes	8,613,107	0	4,505,927	13,119,034	8,613,107	0	8,613,107
Revaluation surplus - Other infrastructure - Esperance airport	1,253,965	0	4,642,108	5,896,073	1,253,965	0	1,253,965
	208,364,083	0	168,416,513	376,780,596	208,364,083	0	208,364,083

18. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	Note	2023 Actual \$	2022 Actual \$
Cash and cash equivalents	3	43,247,389	41,857,599
Restrictions			
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	35,107,270	33,959,332
- Financial assets at amortised cost	4	4,000,000	0
		<u>39,107,270</u>	<u>33,959,332</u>
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	27	39,107,270	33,959,332
Total restricted financial assets		<u>39,107,270</u>	<u>33,959,332</u>

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

Net result		5,003,204	9,641,652
Non-cash items:			
Depreciation/amortisation		21,492,577	19,333,077
(Profit)/loss on sale of asset		(1,515,972)	(181,043)
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		(104,106)	(294,413)
(Increase)/decrease in other assets		(502,967)	(27,616)
(Increase)/decrease in inventories		(136,690)	(5,522)
(Increase)/decrease in contract assets		(131,525)	(761,224)
Increase/(decrease) in trade and other payables		(634,773)	(707,566)
Increase/(decrease) in employee related provisions		772,640	140,914
Increase/(decrease) in other provisions		290,498	385,484
Increase/(decrease) in other liabilities		1,167,140	(377,652)
Capital grants, subsidies and contributions		(8,245,196)	(10,643,976)
Net cash provided by/(used in) operating activities		<u>17,454,830</u>	<u>16,502,115</u>

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank overdraft limit		200,000	200,000
Bank overdraft at balance date		0	0
Credit card limit		80,000	80,000
Credit card balance at balance date		(3,610)	(6,039)
Total amount of credit unused		<u>276,390</u>	<u>273,961</u>

Loan facilities

Loan facilities - current		245,549	250,645
Loan facilities - non-current		2,016,175	2,261,724
Total facilities in use at balance date		<u>2,261,724</u>	<u>2,512,369</u>

Unused loan facilities at balance date

Nil Nil

19. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

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

Note	2023 Actual \$	2023 Budget \$	2022 Actual \$
President's annual allowance	35,880	35,880	34,500
President's meeting attendance fees	22,880	22,880	22,000
President's ICT expenses	1,560	1,560	1,500
	60,320	60,320	58,000
Deputy President's annual allowance	8,970	8,970	8,625
Deputy President's meeting attendance fees	18,720	18,720	18,000
Deputy President's ICT expenses	1,560	1,560	1,500
	29,250	29,250	28,125
All other council member's meeting attendance fees	131,040	131,040	120,717
All other council member's ICT expenses	10,920	10,920	10,060
	141,960	141,960	130,777
19(b)	231,530	231,530	216,902

(b) Key Management Personnel (KMP) Compensation

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

Note	2023 Actual \$	2022 Actual \$
Short-term employee benefits	654,929	720,935
Post-employment benefits	77,394	85,299
Employee - other long-term benefits	88,703	(29,645)
Council member costs	231,530	216,902
	1,052,556	993,491

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Council member costs

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

19. RELATED PARTY TRANSACTIONS

(c) Transactions with related parties

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

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:

	2023	2022
	Actual	Actual
	\$	\$
Purchase of goods and services	70,807	14,137
Short term employee benefits - other related parties	123,311	114,549
Payment of council member costs (Refer to Note 19(a))	231,530	216,902

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 19(a) and 19(b)

ii. Other Related Parties

Short-term employee benefits relate to an associate persons of KMP 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.

Shire of Esperance Annual Financial Report

For the year ended 30th June 2023

Notes to and forming part of the Financial Report

20. JOINT ARRANGEMENTS

Share of joint operations

Provision of a regional Records Service

This joint venture ceased to exist for the Shire of Esperance during 2021/2022. The only asset was a building.

Council's one-tenth share of this asset included in Land and Buildings is as follows:

Statement of Financial Position

Land and Buildings

Less: accumulated depreciation

Sale proceeds

Loss on disposal

	2023 Actual	2022 Actual
	\$	\$
	0	72,500
	0	(9,060)
	0	(58,937)
	0	(4,503)
	0	0

SIGNIFICANT ACCOUNTING POLICIES

Joint operations

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

21. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2023					
Cash and cash equivalents	2.51%	43,247,389	11,000,000	27,526,948	4,720,441
Financial assets at amortised cost - term deposits	4.45%	3,999,998	3,999,998	0	0
2022					
Cash and cash equivalents	1.10%	41,857,599	29,000,000	12,857,599	0

Sensitivity

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

Impact of a 1% movement in interest rates on profit or loss and equity*

* Holding all other variables constant

	2023	2022
	\$	\$
	275,269	128,576

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs.

The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 26(a).

21. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

The Shire's major trade and other receivables comprise contractual non-statutory user fees and charges, grants, contributions and reimbursements. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies.

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

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

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

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2023					
Trade receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	1,319,306	62,488	2,733	43,555	1,428,082
Loss allowance	0	0	0	0	0
	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
Rates receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	36,074	13,110	14,182	4,946	68,312
Loss allowance	0	0	0	0	0
	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2022					
Trade receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	942,451	16,780	1,012	18,751	978,994
Loss allowance	0	0	0	0	0
	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
Rates receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	41,778	20,087	12,309	79,765	153,939
Loss allowance	0	0	0	0	0

21. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

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

	Trade receivables		Rates receivables		Contract Assets	
	2023 Actual	2022 Actual	2023 Actual	2022 Actual	2023 Actual	2022 Actual
	\$	\$	\$	\$	\$	\$
Opening loss allowance as at 1 July	0	0	0	0	0	0
Increase in loss allowance recognised in profit or loss during the year	0	0	0	0	0	0
Receivables written off during the year as uncollectible	79	866	0	12,079	0	0
Unused amount reversed	(79)	(866)	0	(12,079)	0	0
Closing loss allowance at 30 June	0	0	0	0	0	0

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

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

Contract Assets

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

21. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 18(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<u>2023</u>					
Trade and other payables	2,470,313	0	0	2,470,313	2,470,313
Borrowings	320,584	1,171,720	1,243,608	2,735,912	2,261,724
Lease liabilities	8,784	0	0	8,784	8,784
	<u>2,799,681</u>	<u>1,171,720</u>	<u>1,243,608</u>	<u>5,215,009</u>	<u>4,740,821</u>
<u>2022</u>					
Trade and other payables	3,105,086	0	0	3,105,086	3,105,086
Borrowings	333,291	1,278,148	1,457,764	3,069,203	2,512,369
Lease liabilities	23,400	8,809	0	32,209	28,872
	<u>3,461,777</u>	<u>1,286,957</u>	<u>1,457,764</u>	<u>6,206,498</u>	<u>5,646,327</u>

22. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

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

23. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

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

Objective	Description
<p>Governance To provide a decision making process for the efficient allocation of scarce resources.</p>	<p>Includes the activities of members of Council (Councillors) and the administration support services available to the Council for the provision of governance of the district. Other costs relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific services.</p>
<p>General purpose funding To collect revenue to allow for the provision of services.</p>	<p>Rates, general purpose government grants and interest revenue.</p>
<p>Law, order, public safety To provide services to help ensure a safer and environmentally conscious community.</p>	<p>Supervision and enforcement of various local laws relating to fire prevention, animal control and protection of the environment and other aspects of public safety including beaches and emergency services.</p>
<p>Health To provide an operational framework for good community health.</p>	<p>Inspection of food outlets and their control as well as provision of meat inspection services, noise control and waste disposal compliance.</p>
<p>Education and welfare To provide services to disadvantaged persons, the elderly, children and youth.</p>	<p>Maintenance of child minding centre, playgroup centre, senior citizens centre and aged care centre. Provision and maintenance of home and community care programs and youth support services.</p>
<p>Community amenities To provide services required by the community.</p>	<p>Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.</p>
<p>Recreation and culture To establish and effectively manage infrastructure and resources which will help the social well being of the community.</p>	<p>Maintenance of public halls, civic centre, aquatic centre, beaches, recreation centre and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operations of library, museum and other cultural facilities.</p>
<p>Transport To provide safe, effective and efficient transport services to the community.</p>	<p>Construction and maintenance of roads, street, footpaths, depots, cycleways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc. Provision and operation of airport. Provision of licensing facilities.</p>
<p>Economic services To help promote the Shire and its economic well being.</p>	<p>Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building control.</p>
<p>Other property and services To monitor and control Council's overheads and operating accounts.</p>	<p>Private works, plant repair and operation costs and engineering operation costs.</p>

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Notes to and forming part of the Financial Report

23. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2023 Actual \$	2022 Actual \$
Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	220,406	320,721
General purpose funding	25,113,759	22,330,410
Law, order, public safety	75,461	135,480
Health	74,227	53,907
Education and welfare	755,068	867,741
Community amenities	5,891,360	5,381,237
Recreation and culture	2,255,299	2,027,943
Transport	1,884,209	1,636,610
Economic services	697,650	561,390
Other property and services	1,723,201	522,009
	38,690,640	33,837,448
Grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	501,173	72,440
General purpose funding	9,192,259	8,899,414
Law, order, public safety	827,822	2,363,065
Health	61,497	44,829
Education and welfare	5,104,891	4,010,311
Community amenities	319,084	125,130
Recreation and culture	520,920	2,657,568
Transport	7,573,643	8,925,038
Economic services	123,353	171,076
Other property and services	182,567	203,617
	24,407,209	27,472,488
Total Income	63,097,849	61,309,936
Expenses		
Governance	(2,397,275)	(2,137,373)
General purpose funding	(394,593)	(409,421)
Law, order, public safety	(2,487,397)	(2,039,811)
Health	(480,990)	(317,865)
Education and welfare	(5,465,347)	(4,991,719)
Community amenities	(6,826,477)	(5,774,954)
Recreation and culture	(13,536,787)	(13,380,721)
Transport	(23,005,417)	(19,709,647)
Economic services	(2,112,644)	(1,829,012)
Other property and services	(1,387,718)	(1,077,761)
Total expenses	(58,094,645)	(51,668,284)
Net result for the period	5,003,204	9,641,652
(c) Total Assets		
Governance	32,445,118	32,170,521
General purpose funding	7,782,096	5,794,929
Law, order, public safety	8,555,734	8,805,091
Health	12,961	12,800
Education and welfare	7,962,934	7,204,284
Community amenities	16,460,685	14,773,374
Recreation and culture	84,700,075	69,187,243
Transport	567,744,040	411,844,804
Economic services	625,997	759,248
Other property and services	7,980,226	7,113,596
Unallocated	13,921,817	15,781,304
	748,191,683	573,447,194

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24. RATING INFORMATION

(a) General Rates

RATE TYPE		2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2021/22	
Rate Description	Basis of valuation	Rate in \$	Number of Properties	Actual Rateable Value*	Actual Rate Revenue	Actual Interim Rates	Actual Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Total Revenue	Actual Total Revenue
GRV - Residential	Gross rental valuation	0.1078	3,933	66,109,900	7,126,778	47,527	7,174,305	7,126,779	34,389	7,161,168	6,699,107
GRV - Commercial	Gross rental valuation	0.1078	413	27,264,356	2,939,152	14,669	2,953,821	2,939,152	0	2,939,152	2,764,766
GRV - Vacant	Gross rental valuation	0.1078	81	1,551,135	167,216	(1,173)	166,043	170,892	0	170,892	163,064
UV - Rural	Unimproved valuation	0.00571	1,024	1,742,375,000	9,944,607	3,033	9,947,640	9,944,605	0	9,944,605	9,398,856
Total general rates			5,451	1,837,300,391	20,177,753	64,056	20,241,809	20,181,428	34,389	20,215,817	19,025,793
Minimum payment											
Minimum payment		\$									
GRV - Residential	Gross rental valuation	1,273	1,374	13,236,291	1,749,102	(9,178)	1,739,924	1,749,102	0	1,749,102	1,648,677
GRV - Commercial	Gross rental valuation	1,273	63	427,175	80,199	(635)	79,564	80,199	0	80,199	75,663
GRV - Vacant	Gross rental valuation	1,273	522	2,555,587	664,532	(6,613)	657,919	683,601	0	683,601	658,173
UV - Rural	Unimproved valuation	1,273	157	21,834,100	199,861	98	199,959	201,134	0	201,134	168,540
UV - Mining	Unimproved valuation	1,273	137	2,695,704	174,401	22,804	197,205	174,401	0	174,401	133,266
UV - Commercial Industrial	Unimproved valuation	1,273	4	177,500	5,093	0	5,093	3,819	0	3,819	3,603
Total minimum payments			2,257	40,926,357	2,873,188	6,476	2,879,664	2,892,256	0	2,892,256	2,687,922
Total general rates and minimum payments			7,708	1,878,226,748	23,050,941	70,532	23,121,473	23,073,684	34,389	23,108,073	21,713,715
Ex-gratia Rates and Prepaid Rates											
CBH Storage Facilities		N/A			352,802		352,802	352,802		352,802	323,270
Prepaid Rates		N/A			178,295		178,295	100,000		100,000	94,259
Total amount raised from rates (excluding general rates)			0	0	531,097	0	531,097	452,802		452,802	417,529
Concessions							(17,199)			(17,199)	(16,214)
Total Rates							23,635,371			23,543,676	22,115,030
Rate instalment interest							33,633			35,000	32,043
Rate overdue interest							13,195			16,000	14,798

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.

25. DETERMINATION OF SURPLUS OR DEFICIT

Note	2022/23			
	2022/23 (30 June 2023 Carried Forward)	Budget (30 June 2023 Carried Forward)	2022/23 (1 July 2022 Brought Forward)	2021/22 (30 June 2022 Carried Forward)
	\$	\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
	Less: Profit on asset disposals	(1,572,415)	(553,536)	(383,422)
	Less: Movement in liabilities associated with restricted cash	(755,926)	47,126	337,630
	Add: Loss on disposal of assets	56,443	290,637	202,379
	Add: Depreciation	21,492,577	20,738,656	19,333,077
Non-cash movements in non-current assets and liabilities:				
	Pensioner deferred rates	(3,949)	5,000	5,667
	Movement in lease liabilities	(5,767)	(17,133)	(17,133)
	Employee benefit provisions	165,732	10,000	(71,007)
	Other provisions	290,498	0	0
	Inventory	943,838	236,404	119,277
	Non-cash amounts excluded from operating activities	20,611,031	20,757,154	19,526,468
(b) Surplus or deficit after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
	Less: Reserve accounts	27 (39,107,270)	(25,091,696)	(33,959,332)
	Less: Financial assets at amortised cost - self supporting loans	4(a) (190,736)	(190,736)	(198,228)
	Less: Current assets not expected to be received at end of year			
	- Land held for resale	6 (985,354)	(176,057)	(176,057)
	Add: Current liabilities not expected to be cleared at end of year			
	- Current portion of borrowings	14 245,549	245,548	250,645
	- Current portion of lease liabilities	11(b) 8,784	8,784	0
	- Employee benefit provisions	1,876,941	1,785,920	1,720,919
	Total adjustments to net current assets	(38,152,086)	(23,418,237)	(32,362,053)
Net current assets used in the Statement of Financial Activity				
	Total current assets	52,063,680	32,095,338	44,997,728
	Less: Total current liabilities	(9,836,333)	(8,713,576)	(8,716,475)
	Less: Total adjustments to net current assets	(38,152,086)	(23,418,237)	(32,362,053)
	Surplus or deficit after imposition of general rates	4,075,261	(36,475)	3,919,200

Shire of Esperance Annual Financial Report

For the year ended 30th June 2023

Notes to and forming part of the Financial Report

26. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual							Budget			
		Principal		Principal at 30 June 2022	Principal		Principal at 30 June 2023	Principal at 1 July 2022	Principal		Principal at 30 June 2023	
		Principal at 1 July 2021	New Loans During 2021-22		Repayments During 2021-22	New Loans During 2022-23			Repayments During 2022-23	New Loans During 2022-23		Repayments During 2022-23
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Shark Lake Industrial Park		778,332	0	(50,126)	728,206	0	(52,417)	675,789	728,206	0	(52,419)	675,787
Total		778,332	0	(50,126)	728,206	0	(52,417)	675,789	728,206	0	(52,419)	675,787
Self Supporting Loans												
Pink Lake Country Club		29,918	0	(23,735)	6,183	0	(6,183)	0	6,184	0	(6,184)	0
Recherche Aged Welfare		220,124	0	(17,461)	202,663	0	(18,599)	184,064	202,663	0	(18,598)	184,065
Esperance Squash Club		(1)	0	1	0	0	0	0	0	0	0	0
Esperance Bay Yacht Club		293,662	0	(17,399)	276,263	0	(18,281)	257,982	276,263	0	(18,281)	257,982
Newtown Condingup Football Club		43,865	0	(5,712)	38,153	0	(5,888)	32,265	38,153	0	(5,888)	32,265
Esperance Bay Yacht Club		30,983	0	(12,150)	18,833	0	(12,473)	6,360	18,833	0	(12,473)	6,360
Gibson Football Club		122,916	0	(39,976)	82,940	0	(40,964)	41,976	82,940	0	(40,962)	41,978
Condingup District Recreation Association		452,488	0	(47,942)	404,548	0	(48,376)	356,172	404,546	0	(48,376)	356,170
Esperance Tennis Club		20,000	0	(4,954)	15,046	0	(4,985)	10,061	15,046	0	(4,985)	10,061
Esperance Bay Yacht Club		0	750,000	(10,466)	739,534	0	(42,479)	697,055	739,534	0	(42,480)	697,054
Total Self Supporting Loans		1,213,955	750,000	(179,794)	1,784,163	0	(198,228)	1,585,935	1,784,162	0	(198,227)	1,585,935
Total Borrowings		1,992,287	750,000	(229,920)	2,512,369	0	(250,645)	2,261,724	2,512,368	0	(250,646)	2,261,722

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.

Shire of Esperance Annual Financial Report

For the year ended 30th June 2023

Notes to and forming part of the Financial Report

26. BORROWING AND LEASE LIABILITIES (Continued)

Borrowing Finance Cost Payments

Purpose	Note	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022
						\$	\$	\$
Shark Lake Industrial Park		296	WATC	4.52%	28/06/2033	(37,248)	(37,254)	(39,845)
Total						(37,248)	(37,254)	(39,845)
Self Supporting Loans Finance Cost Payments								
Pink Lake Country Club		261	WATC	6.55%	12/07/2022	(101)	74	(1,066)
Recherche Aged Welfare		291	WATC	6.36%	13/12/2030	(13,775)	(13,814)	(15,024)
Esperance Squash Club		292	WATC	6.05%	15/12/2020	89	0	(89)
Esperance Bay Yacht Club		295	WATC	5.01%	26/08/2033	(15,129)	(15,052)	(16,134)
Newtown Condingup Football Club		299	WATC	3.05%	27/06/2028	(1,374)	(1,246)	(1,589)
Esperance Bay Yacht Club		300	WATC	2.63%	4/12/2023	(442)	(444)	(852)
Gibson Football Club		301	WATC	2.47%	23/01/2024	(2,063)	(2,069)	(3,345)
Condingup District Recreation Association		302	WATC	0.90%	5/06/2025	(6,234)	(6,255)	(7,005)
Esperance Tennis Club		303	WATC	0.61%	30/04/2025	(187)	(186)	(252)
Esperance Bay Yacht Club		304	WATC	2.34%	13/01/2037	(21,762)	(20,420)	(10,579)
Total Self Supporting Loans Finance Cost Payments						(60,978)	(59,412)	(55,935)
Total Finance Cost Payments						(98,226)	(96,666)	(95,780)

* WA Treasury Corporation

Shire of Esperance Annual Financial Report

For the year ended 30th June 2023

Notes to and forming part of the Financial Report

26. BORROWING AND LEASE LIABILITIES (Continued)

(b) Lease Liabilities

Purpose	Note	Actual						Budget				
		Principal at 1 July 2021	New Leases During 2021-22	Repayments During 2021-22	Principal at 30 June 2022	New Leases During 2022-23	Repayments During 2022-23	Principal at 30 June 2023	Principal at 1 July 2022	New Leases During 2022-23	Repayments During 2022-23	Principal at 30 June 2023
Motor vehicle		5,413	0	(5,413)	0	0	0	0	0	0	0	0
Gym equipment		39,797	0	(16,897)	22,900	0	(17,133)	5,767	22,900	0	(17,133)	5,767
Motor vehicle		0	10,398	(4,426)	5,972	0	(5,972)	0	9,202	0	(5,972)	3,230
Total Lease Liabilities	11(b)	45,210	10,398	(26,736)	28,872	0	(23,105)	5,767	32,102	0	(23,105)	8,997

Lease Finance Cost Payments

Purpose	Note	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022	Lease Term
Motor vehicle			Toyota Fleet	1.40%	N/A	\$ 0	\$ 0	\$ (21)	36 months
Gym equipment			Maia Financial	1.40%	31/10/2023	(210)	(85)	(447)	60 months
Motor vehicle			Toyota Fleet	1.40%	31/12/2023	(85)	(210)	(117)	27 months
Total Finance Cost Payments						(295)	(295)	(585)	

Shire of Esperance Annual Financial Report

For the year ended 30th June 2023

Notes to and forming part of the Financial Report

27. RESERVE ACCOUNTS

	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance	2023 Budget Opening Balance	2023 Budget Transfer to	2023 Budget Transfer (from)	2023 Budget Closing Balance	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Employee Entitlements Long Service Leave	1,204,562	103,752	0	1,308,314	1,204,562	5,533	0	1,210,095	1,188,504	16,058	0	1,204,562
(b) Land Purchase and Development	4,159,764	3,931,831	(3,337,743)	4,753,852	4,159,764	1,254,689	(3,300,839)	2,113,614	3,432,268	874,534	(147,038)	4,159,764
(c) Eastern Suburbs Water Pipeline	38,139	1,042	0	39,181	38,139	194	0	38,333	38,026	113	0	38,139
(d) Jetty	173,244	144,732	0	317,976	173,244	140,806	0	314,050	7,064	166,180	0	173,244
(e) Aerodrome	6,542,318	586,293	(277,215)	6,851,396	6,542,318	271,918	(578,457)	6,235,779	6,155,610	623,337	(236,629)	6,542,318
(f) Off Street Parking	542,899	1,657,522	(374,644)	1,825,777	542,899	2,767	0	545,666	541,284	1,615	0	542,899
(g) Sanitation (Rubbish Removal)	9,976,260	292,786	(496,409)	9,772,637	9,976,260	1,618,386	(845,857)	10,748,789	8,566,603	1,409,657	0	9,976,260
(h) EHC Asset Replacement	1,198,613	385,846	0	1,584,459	1,198,613	2,788	(679,146)	522,255	983,664	214,949	0	1,198,613
(i) Esperance Home Care Fundraising	357,890	8,168,376	(6,220,287)	2,305,979	357,890	1,408	0	359,298	275,432	82,458	0	357,890
(j) Unspent Grant & Contributions	6,220,287	283,749	0	6,504,036	6,220,287	0	(6,220,287)	0	4,151,016	6,220,287	(4,151,016)	6,220,287
(k) Plant Replacement	484,354	589,368	(147,264)	926,458	484,354	387,990	0	872,344	482,914	1,440	0	484,354
(l) Building Maintenance	1,644,549	82,120	(116,000)	1,610,669	1,644,549	1,560	(613,500)	1,032,609	1,878,253	662,349	(896,053)	1,644,549
(m) Governance & Workers Compensation	77,632	1,681	(19,200)	60,113	77,632	80,714	(116,000)	42,346	147,193	80,439	(150,000)	77,632
(n) IT System & Process Development	61,545	22,388	0	83,933	61,545	191	(30,000)	31,736	117,161	349	(55,965)	61,545
(o) Esperance Home Care Annual Leave	296,438	58,753	0	355,191	296,438	1,956	0	298,394	276,491	19,947	0	296,438
(p) Esperance Home Care Long Service Leave	252,848	69,882	(257,741)	64,989	252,848	1,234	0	254,082	241,469	11,379	0	252,848
(q) Priority Projects	727,990	14,320	0	742,310	727,990	53,816	(309,500)	472,306	747,147	52,229	(71,386)	727,990
	33,959,332	16,394,441	(11,246,503)	39,107,270	33,959,332	3,825,950	(12,693,586)	25,091,696	29,230,099	10,437,320	(5,708,087)	33,959,332

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:

Shire of Esperance Annual Financial Report

For the year ended 30th June 2023

Notes to and forming part of the Financial Report

Name of reserve account	Purpose of the reserve account
Restricted by council	
(a) Employee Entitlements Long Service Leave	Established to fund a portion of future commitments for employee entitlements incurred as a result of employing staff and workers in relation to Long Service Leave. Home Care Long Service Leave Reserve specific to Esperance Home Care.
(b) Land Purchase and Development	Established to fund land improvement and sub-division development.
(c) Eastern Suburbs Water Pipeline	Established to provide funds to recycle waste water to recreation grounds. Funded by the proceeds from the sale of water to users.
(d) Jetty	Established to provide funds for maintenance and capital works of the main jetty at the Foreshore Headland. Funded from general purpose income and donations.
(e) Aerodrome	Established to fund future development and upgrades of airport facility. Funded by the annual surplus derived from operations of the airport.
(f) Off Street Parking	Established to provide funds for the future development of central business car parking in order to make provisions for future business expansion of the CBD. Funded by general purpose income and contributions.
(g) Sanitation (Rubbish Removal)	Established to fund the purchase of major sanitation equipment and for the future development of waste disposal facilities. Funded from the annual surplus derived from property rubbish disposal collection fees after expenses.
(h) EHC Asset Replacement	Established for the purpose of Esperance Home Care to hold annual depreciation reserved and surplus cash for the replacement of HACC and other externally funded assets in accordance with HACC guidelines.
(i) Esperance Home Care Fundraising	Established for the purpose of holding the net proceeds of volunteer fundraising activities relating to the operation of Esperance Home Care.
(j) Unspent Grant & Contributions	Established for the purpose of containing funds that are derived from unspent or prepaid grants and contributions from external parties.
(k) Plant Replacement	Established to minimise and if possible eliminate any need to rely upon loan finance or unreasonable rate increases to finance the acquisition of major plant items as per Council Policy. Funding is from general purpose income. Amounts allocated will be re-assessed annually in response to revision of the five year plant replacement program and the associated forward cost estimates.
(l) Building Maintenance	Established to hold unexpended funds from the Building Maintenance Program for the use of building maintenance and refurbishment of Council buildings.
(m) Governance & Workers Compensation	Established for the purpose of future workers compensation insurance costs under the performance based contribution scheme; or cyclical gross rental valuation cost for rating purposes; or unforeseen legal costs.
(n) IT System & Process Development	Established to finance the acquisition and enhancement of information technology across the Shire. Ongoing appropriations from the Municipal Fund are provided as and when needed.
(o) Esperance Home Care Annual Leave	Established to fund future commitments for annual leave entitlements as a result of employing staff. Funded from external grant funding.
(p) Esperance Home Care Long Service Leave	Established to fund future commitments for long service leave entitlements as a result of employing staff. Funded from external grant funding.
(q) Priority Projects	Established to fund sufficient capacity to assist with the design, construction and operation of priority projects as determined by Council.

Shire of Esperance Annual Financial Report

For the year ended 30th June 2023

Notes to and forming part of the Financial Report

28. TRUST FUNDS

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

	1 July 2022	Amounts Received	Amounts Paid	30 June 2023
	\$	\$	\$	\$
Contributions to Public Open Space	197,590	5,540	0	203,130
Other Deposits	1,124	555	0	1,679
General Bonds - Interest Bearing	50,789	12,698	0	63,487
	249,503	18,793	0	268,296



Auditor General

INDEPENDENT AUDITOR'S REPORT 2023

Shire of Esperance

To the Council of the Shire of Esperance

Opinion

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

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

In my opinion, the financial report is:

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

Basis for opinion

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

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

Other information

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

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

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

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

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

The CEO of the Shire is responsible for:

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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



Patrick Arulsingham
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
15 November 2023