



SHIRE OF SANDSTONE

S E R V E T H E P E O P L E



ANNUAL REPORT 2023/2024



TABLE OF CONTENTS

Purpose of the Annual Report	5
Alternative Formats	5
Feedback or Questions.....	5
How to read the Annual Report	5
Strategic Community Plan 2021 – 2031	6
OUR VISION	6
Key Focus Areas.....	6
Social	6
Economic.....	6
Environment.....	7
Leadership	7
OUR SERVICES.....	7
Provision and Maintenance of Community Facilities, Infrastructure and Assets	8
Delivery of Discretionary Services.....	8
Provision of Mandatory Services – State Legislation and Local Laws	8
The Council and the Organisation	9
Democracy in the Shire of Sandstone	9
Local Government Elections	9
The Role of the President, Deputy President, and Councillors.....	9
Shire of Sandstone Contact Information	10
Council Meetings	10
Where to view council Agenda / Minutes.....	10
Agendas.....	10
Minutes	10
Council Members	11
Council Statistics	11
Councillor Annual Payments	12
ORGANISATION STRUCTURE	12
SHIRE STATISTICS.....	14
Tourist Attractions.....	14
Local Industries.....	14
Significant Local Events	14
President’s Message.....	15
CEO’s Message.....	17
Finance	18
Cash Backed Reserves	19
Roadworks	21

Statutory Reporting	21
Strategic Plans	21
Freedom of Information Act 1992	22
State Records Act 2000	22
Rationale	22
Public Interest Disclosures	22
Legislative Reports.....	23
Disability Access and Inclusion Plan	23
Employee Remuneration	24
Complaints.....	24
National Strategic Plan (NSP) for Asbestos Awareness and Management.....	24
2019 - 2023	24
Reporting to the Strategic Community Plan.....	25
SOCIAL	25
Objective	25
1.1.1 Support for community events and groups	25
1.2.1 Maintain and improve health care facilities and services	25
1.2.2 Maintain and Promote a safe community.....	26
1.2.3 Support and plan for a healthy, active community.....	26
ECONOMIC	26
Objective	26
2.1.1 Provide quality tourism facilities, events, and information	26
2.2.1 Support local business and open to new local start up initiatives.	26
2.2.2 Explore opportunities to partner with industry for the development of the district	26
2.2.3 Maintain key stakeholder and industry relationships for the benefit of Sandstone	26
2.3.1 Enhance and maintain our transport network.....	27
2.3.2 Advocate for adequate road infrastructure	27
ENVIRONMENT	27
Objective	27
3.1.1 support environmental diversity and biosecurity of the district.....	27
3.1.2 Effective and efficient resource utilisation	27
3.1.3 efficient and effective waste management.....	27
3.2.1 Maintain community and heritage infrastructure	27
3.2.2 Provide multi-purpose community facilities	27
LEADERSHIP	28
Objective	28
4.1.1 Engage and communicate with the economy	28
4.1.2 Strongly advocate for the Shire's interest.....	28

4.2.1 Provide appropriate services to the community in a professional and efficient manner.....	28
Environmental Health / Building	28
BUILDING WORKS WITHIN THE SHIRE OF SANDSTONE	28
DEMOLITION LICENCES	28
REPORTING OF BUILDING PERMITS TO ABS.....	28
PRIVATE SWIMMING POOL INSPECTIONS.....	29
Environmental Health.....	29
Food Businesses	29
Food recalls	29
Waste management/recycling programmes.....	29
New Public Health Act 2016.....	29
Annual Financial Statement year ended 30 th June 2024	30

PURPOSE OF THE ANNUAL REPORT

The Western Australian *Local Government Act 1995* requires every Local Government to produce an Annual Report by the 31 December each year. In addition, the annual report:

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

ALTERNATIVE FORMATS

This Annual Report can also be viewed on the Shire's website:

www.sandstone.wa.gov.au

FEEDBACK OR QUESTIONS

Feedback or questions relating to the Annual Report are welcome.

Email: ceo@sandstone.wa.gov.au

Mail: Shire of Sandstone
Hack Street
Sandstone WA 6639

HOW TO READ THE ANNUAL REPORT

The Annual Report is divided into the following section.

- An overview of information about the Shire of Sandstone;
- An overview of the Council and the organisation;
- Reports against the activities within each key theme of the Strategic Community Plan;
- Corporate Business Plan Future Projects;
- Statutory Reporting;
- 2023/2024 Audited Annual Financial Statement.

STRATEGIC COMMUNITY PLAN 2021 – 2031

This Annual Report shows how the Shire of Sandstone is delivering the vision outlines in its Strategic Community Plan 2021 – 2031, the Shires overarching guide for the future.

This Annual Report outlines achievements against key themes in the plan.

OUR VISION

A welcoming and friendly community, recognising our rich heritage and embracing economic opportunities, whilst nurturing our natural and built environment.

KEY FOCUS AREAS

Social

Economic

Environmental

Leadership

SOCIAL

A safe, welcoming, and resilient community

Strategies

- Support for community events and groups;
- Maintain and improve healthcare facilities;
- Maintain and promote a safe community.

ECONOMIC

A prosperous, diverse, and thriving community

Strategies

- Support local business and open to new start up initiatives;
- Explore opportunities to partner with industry for the development of the district;
- Maintain key stakeholder and industry relationships for the benefit of Sandstone;
- Enhance and maintain our transport network;
- Advocate for adequate road infrastructure;
- Provide quality tourism facilities, events, and information.

ENVIRONMENT

A natural and built environment, recognising our heritage for the benefit of present and future generations.

Strategies

- Maintain community and heritage infrastructure;
- Provide multi-purpose community facilities;
- Support environmental diversity and biosecurity of the district;
- Effective and efficient resource utilisation;
- Efficient and effective waste management.

LEADERSHIP

Strong governance and leadership.

Strategies

- Engage and communicate with the community;
- Strongly advocate for the Shire's interest;
- Provide appropriate services to the community in a professional and efficient manner.

OUR SERVICES

Local Government in Western Australia is established under the *Local Government Act 1995* and is the third sphere of government. Local Government is responsible for delivering a wide range of economic, human, recreational and property services as well as delivering and maintaining essential community infrastructure.

Local Government has legislative responsibility to perform many functions for the local community which are mandatory services. Examples include road maintenance, approvals for planning, building services, animal control, cemeteries, caravan parks and camping grounds, health, and swimming pool security fencing.

Local Government also delivers discretionary services to the community, such as libraries, programs and events, vehicle licencing, post office services, and the provision of recreational facilities and programs, which contribute to an improved quality of life for people within the community.

PROVISION AND MAINTENANCE OF COMMUNITY FACILITIES, INFRASTRUCTURE AND ASSETS

- Community Buildings
- Playgrounds
- Library
- Footpaths
- Stormwater Drainage
- Roads
- Parks
- Street Lighting
- Car Parks
- Streetscapes
- Sports & Recreation Facilities
- Fleet
- Biosecurity
- Emergency Management

DELIVERY OF DISCRETIONARY SERVICES

- Shire Ranger
- Civic Ceremonies
- Community Development
- Community Safety Programmes
- Facilities Hire
- Festivals & Events
- Community Health Programs
- Economic Development
- Tourist Development
- Cultural Programs
- Post Office Service
- Department of Transport
- Gas Supply

PROVISION OF MANDATORY SERVICES – STATE LEGISLATION AND LOCAL LAWS

- Animal Control
- Litter
- Public events compliance
- Signage
- Abandoned Vehicles
- Bushfire Management
- Building and Planning Compliance
- Waste Services
- Public Building Inspections
- Swimming Pool Inspections
- Food Inspections
- Building Planning and Health Approvals
- Environment Health Regulations

THE COUNCIL AND THE ORGANISATION

Local Government is one of Australia's three tiers of government (federal, state and local). Western Australia alone has 138 local governments covering vast areas of the State. This Shire does not have wards and has a total of six (6) elected Council members. The Council is responsible for making decisions on behalf of the local community.

DEMOCRACY IN THE SHIRE OF SANDSTONE

The Local Government Act outlines the responsibilities of all local governments and provides for the constitution of the elected local governments in the state. It describes the functions of the Local Governments, providing for the conduct of elections and polls, and provides a framework for the administration and financial management of the local governments and the scrutiny of their affairs.

LOCAL GOVERNMENT ELECTIONS

Local Government ordinary elections are held every two years, with the next ordinary election being held in October 2025. All persons registered on the state roll are eligible to vote for their local government. Non-resident owners and occupiers can also apply for eligibility to vote. Any eligible elector can stand to nominate for election, with no requirement for a candidate to belong to a political party or other organisation. Councillors are voted in for a four-year term, with the Council electing the offices of President and Deputy President every second year.

THE ROLE OF THE PRESIDENT, DEPUTY PRESIDENT, AND COUNCILLORS

Councillor Beth Walton is the serving President of the Shire of Sandstone.

The role of president is to:

- Preside at Council meetings in accordance with the *Local Government Act 1995*;
- Provide leadership and guidance to the community;
- Carry out civic and ceremonial duties;
- Speak on behalf of the Local Government;
- Liaise with the Chief Executive Officer on the performance of the Shire's function.

Councillor Vicki McQuie is the serving Deputy President from October 2023 and performs the functions of President in the absence of the President.

Councillors make important decisions relating to the whole of the Shire, taking into account the views of the community. They work together with the community, the Chief Executive Officer and the Shire's administration to set the strategic direction of the Shire.

The specific role of councillors is to:

- Represent the interests of electors, ratepayers and residents of the Shire;
- Provide leadership and guidance to the community;
- Facilitate communication between the community and Council;
- Participate in the Shire's decision-making process at Council meetings.

SHIRE OF SANDSTONE CONTACT INFORMATION

Office Hours Monday to Friday
8:00AM to 5:00PM
Closed on Public Holidays.

Phone (08) 9963 5802

Email administration@sandstone.wa.gov.au

Web Page <https://www.sandstone.wa.gov.au>

Address 23 Hack Street,
Sandstone WA 6639

COUNCIL MEETINGS

Council meetings are generally held on the fourth Thursday of each month at 1:00PM and the public are welcome to attend. The dates do change from time to time due to unforeseen circumstances, any changes are advertised in accordance with the act and regulations.

WHERE TO VIEW COUNCIL AGENDA / MINUTES

AGENDAS

Copies of all non-confidential items are tabled at a Council meeting and are normally available the Friday prior to Council meeting. They can also be found on the shire's website.

<https://www.sandstone.wa.gov.au>

MINUTES

Minutes of all Council meetings are available free to the public online in PDF format on

<https://www.sandstone.wa.gov.au>

COUNCIL MEMBERS

Name	Position	Status
Cr Beth Walton	Shire President	To October 2027
Cr Vicki McQuie	Part Deputy Shire President	To October 2027
Cr James Allison	Councillor	To October 2027
Cr Carol Hodshon	Part Deputy Shire President	To October 2025
Cr David Lefroy	Councillor	To October 2025
Cr Mark Kevill	Councillor	To October 2027

COUNCIL STATISTICS

Name	Ordinary Council Meetings Attended	Committee Meetings Attended	Gender	Linguistic Background	Country of Birth
Cr Beth Walton	11/11	5/5	Female	English	Australia
Cr Carol Hodshon	9/11	7/7*	Female	English	England
Cr David Lefroy	11/11	7/7*	Male	English	Australia
Cr Vicki McQuie	10/11	5/5*	Female	English	Australia
Cr James Allison	10/11	1/1	Male	English	Australia
Cr Mark Kevill	8/11	0/0	Male	English	Australia

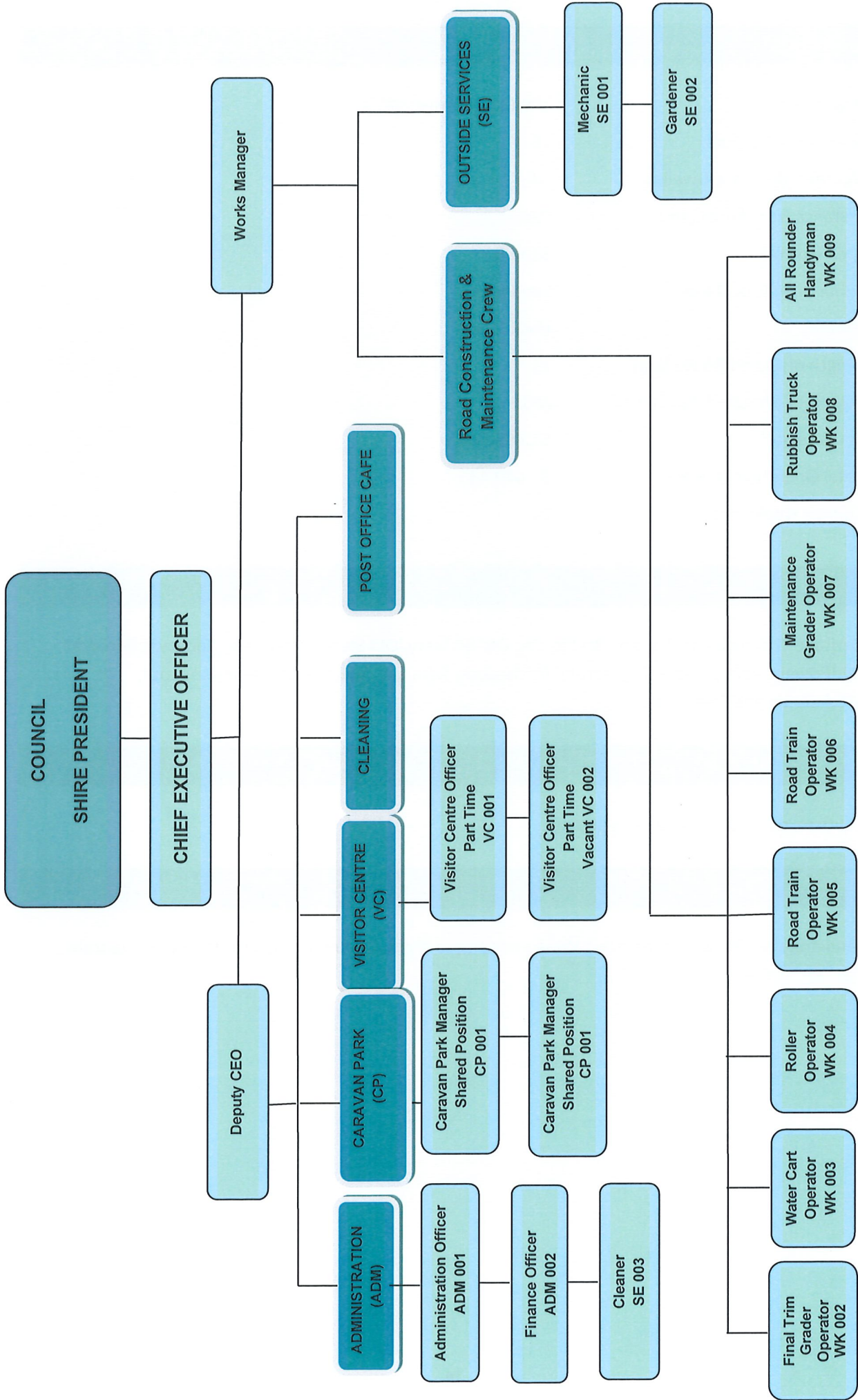
*Includes MRVC Meetings & MCZ Meetings

COUNCILLOR ANNUAL PAYMENTS

Name	President & Deputy President Allowance \$	Presidents Meeting Fee \$	Councillor Meeting Payments \$	ICT Allowance \$	Travelling Allowance \$
Cr Beth Walton	3,500.00	400	4,375	500	0
Cr Carol Hodshon	238.62		1,875	500	563
Cr Vicki McQuie	318.16		1,675	500	844
Cr David Lefroy			2,075	500	1,364
Cr James Allison			1,875	500	0
Cr Mark Kevill			800	166	0

ORGANISATION STRUCTURE

See Pg 13



SHIRE STATISTICS

Population	109 (ABS Census 2021)
Number of Electors	55
Number of Private Dwellings	94
Distance from Perth (km)	724
Area (sq km)	32,666
Suburbs and Localities	Sandstone
Library	Hack Street
Length of Sealed Roads (km)	11
Length of Unsealed Roads (km)	891
Rates Levied	\$1,485,340
Total Operating Revenue	\$5,470,435
Council Employees	21

TOURIST ATTRACTIONS

Heritage Trail including London Bridge, the Old Brewery, Old State Battery and Contradiction Well, wildflowers, gold prospecting, natural landscapes, flora and fauna, Peter Denny Lookout, Astro Dome and Telescope.

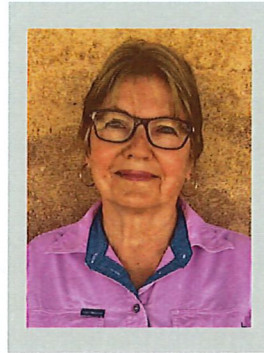
LOCAL INDUSTRIES

Tourism, pastoral stations, and mining.

SIGNIFICANT LOCAL EVENTS

Sandstone Art Show incorporating Wine and Cheese Night, Community Christmas Party, Australia Day, Anzac Day.

PRESIDENT'S MESSAGE



I am pleased to present to the Ratepayers and Community Members of the Shire of Sandstone my Annual Report for the 2023/2024 financial year.

The Shire of Sandstone works hard to make our community an inviting place to live, work and visit. We have had some challenges and staff changes throughout the year, but also some achievements.

Staff

There were some major changes in staff during the 2023/24 financial year. We said goodbye to CEO Charlie Brown in November 2023 and welcomed our new CEO Peter Money in December. Peter comes with lots of Local Government experience and has been a councillor with the City of Geraldton. We said goodbye to Deputy CEO Selina Sargent in January 2024 and Tracey Weiss was appointed Deputy CEO. We also welcomed Patrick O'Brien to the position of Works Manager in January 2024. Patrick is very experienced in all aspects of this position and having been without a Works Manager for a period of time, it will be good to have someone to focus on roads and other town projects that have been overdue.

Projects - some of these are listed below.

- Tree pruning program and removal of trees causing problems.
- Progressing the planting of new shrubs and trees in the medium strips.
- Photo Exhibition in Community Town Hall.
- Water Corporation Twin Tanks Murals.
- Large depot shed erected.
- Purchase of 2 x Caravan Park Cabins.



Awards

Sandstone was a finalist in the 2023 Keep Australia Beautiful Tidy Towns Awards. A fantastic achievement for such a small community. Thank you to Tegan Brown for being the person behind this project. Big thanks to those community members who helped with clean up days to showcase our town, and attended the BBQ hosted by the Shire to welcome the Tidy Town judges.



We were also a finalist in the National Street Awards for Best External Mural with the Twin Tanks Murals painted by Mural Nomad Patrycja Hannagan, and talented local artist Tegan Brown. These amazing murals, created to engage visitors and community members, show some of our history and flora and fauna from our region making it a visually stunning space. These murals have also been added to the Australian Silo and Water Tank Art Trail. *(Image of murals on cover page).*

Tourism

We are still having many visitors coming to Sandstone and have received very positive feedback as to what a clean, tidy, friendly place to visit and stay. The Caravan Park always receives fantastic reviews on how clean and well kept the amenities are. The cafe is also popular with tourists, community members and had wonderful reviews. When I do my town tours, it's great to hear fantastic feedback from our visitors on how much they enjoy coming to our little town.

Community Events

Once again, our annual community events hosted by the Shire which included Australia Day, Anzac Service, The Art and Craft Show, and the Town Christmas Party were well attended and enjoyed by many. The Biggest Morning Tea hosted by Karan Heath and her helpers to raise funds for cancer, was also very well attended and hugely successful... raising close to \$1,500. Thank you also to Mark and Tania Kevill for organising some social events at the Community Centre.



Astro Dome

We were very fortunate to have volunteers Ian and Pat Johnson, and George and Trish Tamms return to Sandstone to operate the Astro Dome. The opportunity to be able look at the night sky through a telescope is always very popular with visitors. A big thank you to these volunteers who do a fantastic job to give people a star gazing experience.



Council Elections

Councillor McQuie, Allison and Walton were returned unopposed on the 7th of September 2023. All four councillors serving a 4-year term. Councillor Mark Kevill was elected unopposed in an Extraordinary Election in March 2024 and will serve a 3-year term.

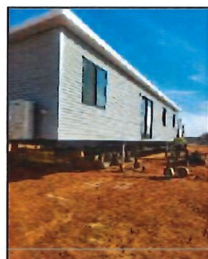
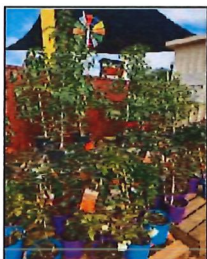
Closing comments

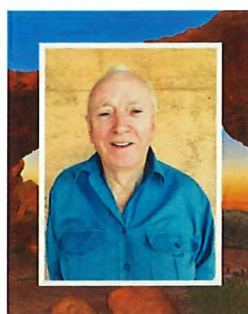
I would like to sincerely thank all Shire staff for their hard work over the past year in helping the Shire achieve their goals.

Thank you also to my fellow councillors for your support, time and contribution throughout the year.

I have a strong belief in Sandstone and look forward to 2024/2025 working towards further developments that will give the best outcomes for our community. Any input or suggestions from the residents or visitors are always most welcome.

Beth Walton
Shire President





General

I was appointed to the role of CEO in December 2023 and so I make few comments on the activity prior to my appointment but focus most comments on works commenced or completed from December 2023 to June 2024. In late January 2024 the Works Manager commenced with the Shire after the position had been vacant for some time and a new Deputy CEO was appointed, both of which greatly improved the management structure and enabled long awaited activities and projects to progress.

From January to June 2024, I am pleased to advise that there were several projects commenced and/or completed. I have listed the more substantial projects below and there were many minor improvements made that are too numerous to list.

It's been very rewarding working with an excellent team and a proactive, supportive Council and President. This cooperative relationship has enabled us to complete a good number of projects that benefit the community of Sandstone.

Like many remote smaller local governments, we struggle with acquiring experienced, permanent full-time employees and so we need to rely on several part time employees. This situation is also exacerbated by the demographics of the Shire, having a small population and a population with a median age of 60 years. Not everyone wants full time employment. Though it's good to be able to employ local people the priority must be to match the right people to the right job. There is an obligation to our employer, the Council, to ensure the best possible efficiencies in outcomes of labour inputs. One of these outcomes is the provision of a professional, efficient and friendly customer service.

For the benefit of the employees, we adapt flexible approaches to work hours which led us to amend rosters and improve the work-life balance in consideration of the health and well-being of all employees. This has especially been applied to road works and associated employees, and this also creates greater efficiencies while ensuring compliance with workplace health and safety considerations.

Sometimes it appears that local governments employ an increasing number of administrative people. The answers are simple – there is an ever-increasing volume of compulsory State and Federal Government reporting and compliance, more commonly referred to as red tape. There are industry wide objections to State Governments offloading more traditional State responsibilities onto local governments. Local government has undergone many changes in the past two years with changes to

the Act and new Regulations that theoretically make local governments more accountable and more efficient.

Local Governments also have strategic planning obligations that require regular review and sometimes community consultation. These Plans are meant to form the basis of Council budgets and infrastructure building programs.

For these reasons residents are invited to discuss matters of concern with the administration as well as constructive ideas and suggestions for improvements or projects with their Councillors, who in turn may choose to refer these suggestions for budget considerations.

Projects

Under a 2023 grant, several projects had to be expedited and completed prior to June 30th, 2024;

Purchase and placement of two accommodation units in the Caravan Park;

The tree pruning program;

Purchase of new trees and plants;

Purchase of new fridges;

Construction of whoa boys on the Wiluna Road.

Thankfully these were all achieved in time for compliance with the grant conditions.

A new Shire house was tendered and under construction and should be in situ by December 2024.'

A large vehicle shed purchased by the Shire in a previous year was erected in the Works Depot.

Under an earlier Grant the following was achieved:

Improvements were made to the Community Centre/Town Hall;

Numerous stock grids on various roads have been cleaned and others removed;

Various roads were repaired, upgraded and improvements made such as increased signage.

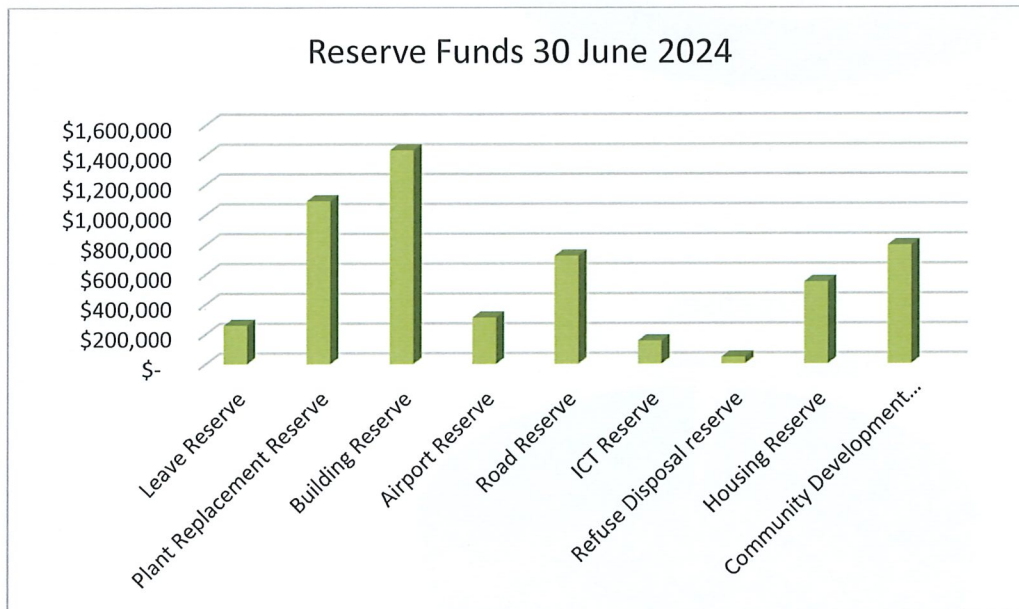
Road maintenance forms the bulk of rural local government's expenditure (on local government roads) and most of this funding comes from federal taxation income. It's estimated that Australian road preservation requires funding of \$1.166 billion dollars. However, the annual expenditure is only about \$154 million or 12.14% and for this reason local governments seek other funding to maintain road standards. It's also why local governments must operate at the high standards of efficiency in road maintenance and repairs.

FINANCE

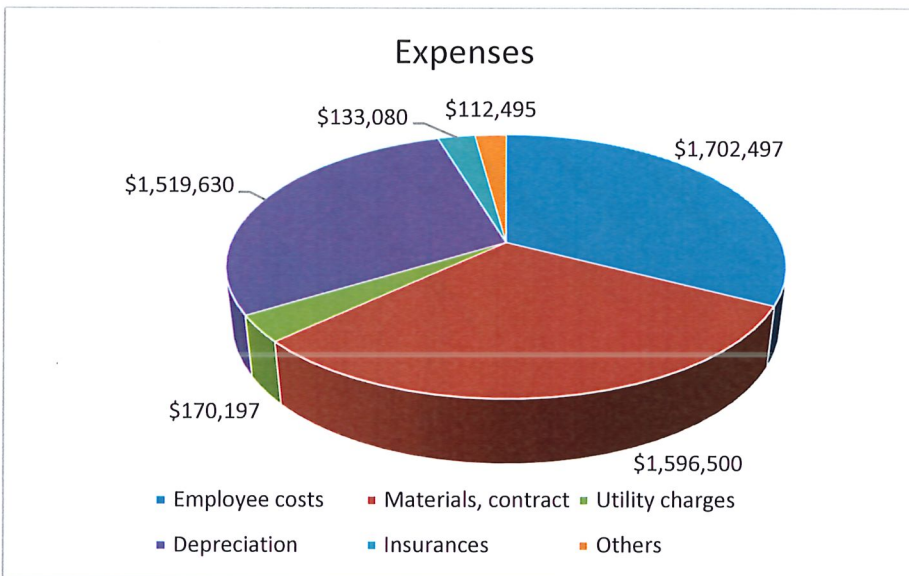
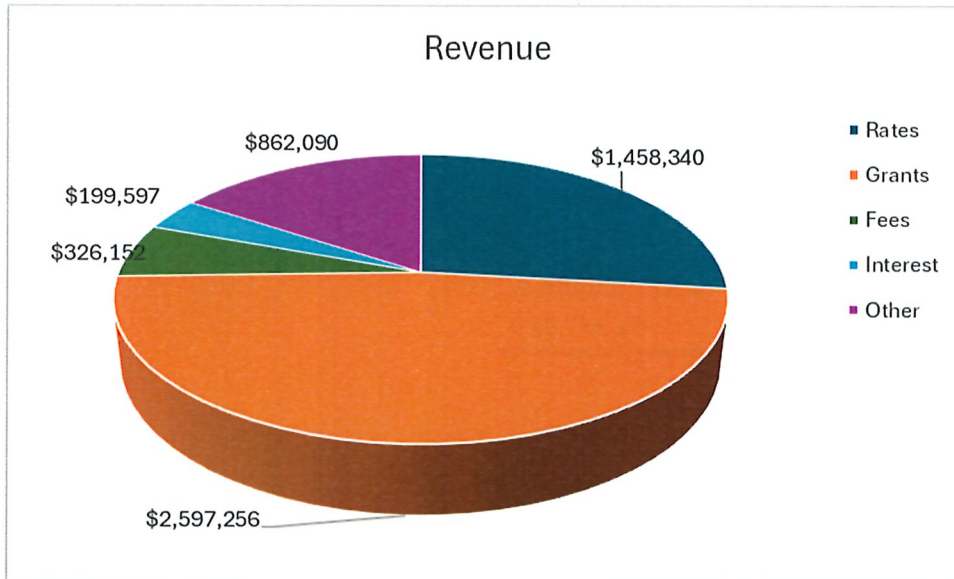
The Shire completed the year in a sound financial position as well as having reserve funds that finished with healthy balances. At the 30th of June 2024 Council's reserve funds are as follows.

CASH BACKED RESERVES

<u>Reserve name</u>	<u>Balance</u>
Leave reserve	\$ 256,966
Plant Replacement Reserve	\$ 1,089,438
Building Reserve	\$ 1,429,988
Airport Reserve	\$ 309,901
Road Reserve	\$ 723,518
ICT Reserve	\$ 153,152
Refuse Disposal Reserve	\$ 43,703
Housing Reserve	\$ 547,726
Community Development Reserve	\$ 792,983
	<u>\$5,347,375</u>

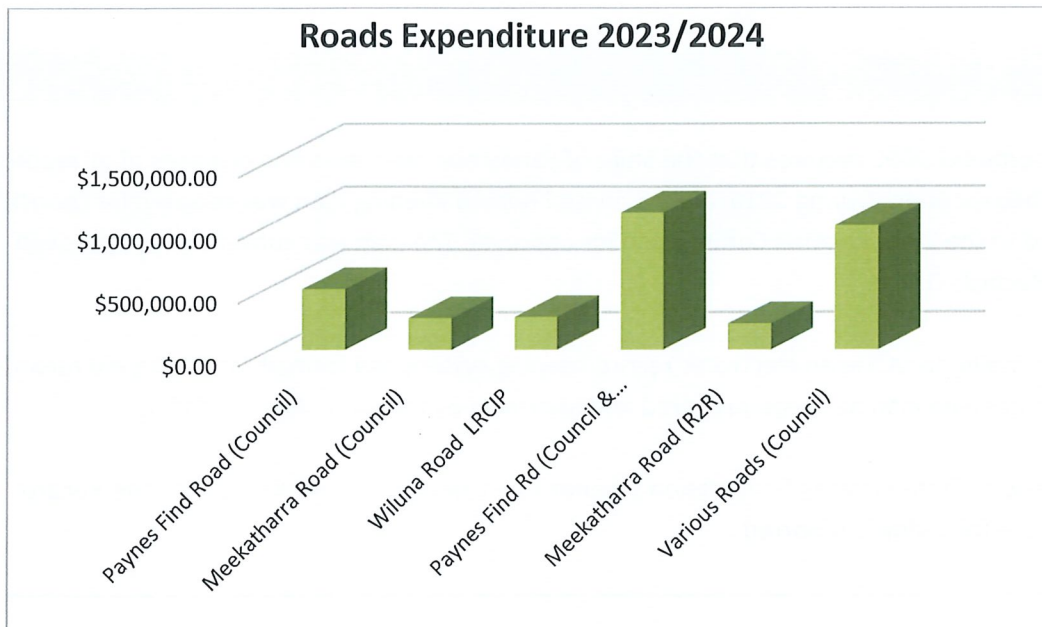


Revenue & Expenses



ROADWORKS

Road's Reconstruction was carried out on the following roads during 2023/2024 at a total cost of \$3,258,157 including material and employee costs:



Peter Money

Peter Money
Chief Executive Officer

STATUTORY REPORTING

STRATEGIC PLANS

Council adopted its Plan for the Future incorporating the Corporate Business Plan, Strategic Plan, Workforce Plan, and Strategic Resource Plan, incorporating the Long-Term Financial Plan and Workforce Plan.

The Community Strategic Plan and Corporate Business plans are to be fully reviewed in 2030/2031 and the Workforce Plan fully reviewed in 2025/2026.

However, these plans are considered for review annually and form the basis of the Shire budget deliberations. These Plans are all part of the legislative requirements for local governments to enter an Integrated Planning Process.

FREEDOM OF INFORMATION ACT 1992

The Shire of Sandstone has a requirement to comply with the Freedom of Information Act.

During the 2023/2024 financial year, no applications were received for information under the terms of this legislation.

STATE RECORDS ACT 2000

The State Records Act 2000 requires that the Shire of Sandstone maintains and disposes of all records in the prescribed manner. During 2019/2020 a revised Record Keeping Plan was adopted by Council and submitted to the State Records Commission for approval. The plan was subsequently approved by the State Records Office.

Council is continuing to utilise an electronic record keeping system and formally archiving old records. A new Record Keeping Plan has been prepared and approved by the State Records Office.

In accordance with State Records Commission Standard 2 – Principle 6 compliance with the Record Keeping Plan the following is reported:

RATIONALE

An organisation and its employees must comply with the organisation's Record Keeping Plan. Organisations should develop and implement strategies for ensuring that each employee is aware of the compliance responsibilities.

Minimum Compliance Requirements:

The Record Keeping Plan is to provide evidence to adduce that:

1. The efficiency and effectiveness of the organisation's Record Keeping System is evaluated not less than once every 5 years.
2. The organisation conducts a Record Keeping Training Program.
3. The efficiency and effectiveness of the Record Keeping Training Program is reviewed from time to time.
4. The organisation's induction program addresses employee roles and responsibilities regarding their compliance with the organisation's Record Keeping Plan.

The Shire has complied with items 1 to 4.

PUBLIC INTEREST DISCLOSURES

The Public Interest Disclosure Act 2003 facilitates the disclosure of public interest information and provides protection for those making such disclosure and those who are the subject of disclosures.

The Act provides a system for the matters disclosed to be investigated and for appropriate action to be taken.

Council has complied with all obligations under the Act including:

- a) appointing the Chief Executive Officer as the PID Officer for the organisation and publishing an internal procedure relating to the Shire's obligations.
- b) providing protection from detrimental action or the threat of detrimental action for any employee of the Shire who makes an appropriate disclosure of public interest information.

There were no matters raised or reported during the year under review.

LEGISLATIVE REPORTS

All Local Governments are required to assess which of their Local Laws might impact on competition and conduct a review of each to determine how any restrictive practices might be overcome.

The Annual Report is to include a statement of which Local Laws have been reviewed, the conclusions of those reviews, and a forward strategy for all Local Laws. It is a legislative requirement that a Local Law be reviewed within 8 years of implementation to determine whether or not the local government considers that it should be repealed or amended.

A review of all local laws concluded in 2016/2017.

DISABILITY ACCESS AND INCLUSION PLAN

The Disability Services Act 1993 was amended in December 2004, creating a requirement for public authorities to develop and implement Disability Access and Inclusion Plans (DAIPs).

These plans had to be fully developed by July 2007 and replaced and built on the achievements of Disability Service Plans (DSPs).

Council adopted a revised DAIP in October 2016 covering the period 2016 – 2020 which ensures:

- a) Council is continually adapting its existing services to give people with disabilities the same opportunities as other people to access the services of, and any events organised by the Shire.
- b) Council also continues with improvement to buildings and footpath infrastructure to assist both wheelchair and gopher access.
- c) Wherever possible, people with disability can receive information from the Shire in a format that will enable them to access the information as readily as other people are able to access it. This includes a comprehensive website and the ability to change documents to a larger font size.
- d) The Staff are always encouraged to be aware of the needs of people with disability to ensure they receive the same level and quality of service as other people. We are also working with our contractors to ensure they are aware of their responsibilities.
- e) People with disabilities have the same opportunities as other people to make complaints to the Staff, this can be via written letters, email, SMS or verbally.
- f) Council provides many ways for people to participate in public consultation and we are more than happy to discuss any grievances community members may have regarding the services available to the disabled.

g) People with disabilities have the same opportunities as other people to obtain and maintain employment with the Shire of Sandstone.

The Shire of Sandstone has adopted a revised **Disability Access and Inclusion Plan** that meets the requirements of the Disability Services Act. The Plan assists in the provision and allocation of resources to improve access and delivery of services for people with disabilities. Existing facilities in the Shire are reviewed and assessed continually to allow for improved access for all persons in the Community.

NB: This plan was reviewed and updated in October 2022

EMPLOYEE RENUMERATION

Set out below in bands of \$10,000 is the number of Shire of Sandstone employees entitled to an annual salary of \$100,000 or more.

Salary Range \$	2024
140,000 – 149,999	2
100,000 – 110,000	1

NB: these figures relate to the cash component of the CEO and DCEO salaries.

Under regulation 19B (9) of the *Local Government (Administration) regulation 1996* requires that the CEO's Total Remuneration Package be reported. During the 2023/2024 financial period the CEO until November 2023 was Mr Charles Brown and from December 2023 to June 2024 the Acting CEO was Mr Peter Money.

The total rewards packages are restricted by Regulations and are administered by the Salaries and Wages Tribunal (SAT):

Charles Brown:

Total Rewards Package \$184,020

Peter Money

Total Rewards Package \$218,000

COMPLAINTS

There were no entries made that required recording in the complaints register under section 5.121 of the *Local Government Act 1996*.

NATIONAL STRATEGIC PLAN (NSP) FOR ASBESTOS AWARENESS AND MANAGEMENT 2019 - 2023

The NSP 2019-2023 is consistent with the Western Australian Government policy on occupational safety and health.

In November 2020, the Western Australian Government endorsed targets one to seven (targets eight and nine are federal targets) of the NSP 2019 -2023 which aims to eliminate asbestos-related diseases in Australia by preventing exposure to asbestos fibres. Each State and Western Australian local government department, agency, authority, and government enterprise is required to report on its progress in achieving the relevant targets of the NSP 2019 – 2023. During the year the Shire:

- Made provisions for a review of its Asbestos Register to identify and assess the risk associated with asbestos containing material within local government owned or controlled buildings, land, and infrastructure.
- Made provision to undertake staff awareness, including training, publication, and guidance material.

REPORTING TO THE STRATEGIC COMMUNITY PLAN

Integrated Planning was introduced in the Shire of Sandstone in 2012/2013 and comprises,

- Strategic Community Plan;
- Corporate Business Plan;
- Long Term Financial Plan;
- Asset Management Plan;
- Workforce Plan.

As part of the Integrated Planning process a full review of the Community Strategic Plan and associated plans was undertaken during the year. This has provided the opportunity for the broader community to review the previous document and make any changes that reflect the current time period.

Council works are based on the following strategic objectives:

SOCIAL

OBJECTIVE

A safe, welcoming, and resilient community.

1.1.1 SUPPORT FOR COMMUNITY EVENTS AND GROUPS

Council has continued to support community events and groups throughout the year.

Council staff are constantly on the lookout for events that could be attracted to Sandstone.

1.2.1 MAINTAIN AND IMPROVE HEALTH CARE FACILITIES AND SERVICES

Council has advocated for a tele-health service in the town of Sandstone.

Our latest talks proved hopeful with Council agreeing to supply a building and internet.

1.2.2 MAINTAIN AND PROMOTE A SAFE COMMUNITY

Maintain community safety infrastructure in line with asset management planning.
Support and participate in emergency management committees.
Advocate and lobby for improved telecommunication services for the region.

1.2.3 SUPPORT AND PLAN FOR A HEALTHY, ACTIVE COMMUNITY

Implement the Public Health and Wellbeing Plan actions in line with the annual budget.

ECONOMIC

OBJECTIVE

A prosperous and thriving economy.

2.1.1 PROVIDE QUALITY TOURISM FACILITIES, EVENTS, AND INFORMATION

Council maintains quality tourism facilities in the form of the Visitor's Centre, Caravan Park, also the heritage trail featuring the Old Brewery, London Bridge and the State Battery, along with numerous other tourist attraction, maintained by Council.

Recently Sandstone was the subject of a spot on the Channel 10 network, the Project, which was positive advertising for Sandstone.

2.2.1 SUPPORT LOCAL BUSINESS AND OPEN TO NEW LOCAL START UP INITIATIVES.

Many smaller communities struggle to attract new businesses as travel and internet make remote services more economically feasible.

However, Council always seeks new opportunities and encourages business developments that will benefit the community socially and economically.

2.2.2 EXPLORE OPPORTUNITIES TO PARTNER WITH INDUSTRY FOR THE DEVELOPMENT OF THE DISTRICT

Council is open to any new development within the shire that is beneficial to the town and paints Sandstone in a positive light.

2.2.3 MAINTAIN KEY STAKEHOLDER AND INDUSTRY RELATIONSHIPS FOR THE BENEFIT OF SANDSTONE

This is done in conjunction with item 2.2.2

2.3.1 ENHANCE AND MAINTAIN OUR TRANSPORT NETWORK

Over the last 5 years Council has spent an average of \$2.033M on Roads Construction and Maintenance.

Council maintains a modern fleet of plant to assist with this.

2.3.2 ADVOCATE FOR ADEQUATE ROAD INFRASTRUCTURE

Council maintains a strong voice on the Regional Road Group for the Mid West and have used forums such as the Murchison Country Zone of WALGA to advocate for various matters.

ENVIRONMENT

OBJECTIVE

A natural and built environment, recognising our heritage for the benefit of present and future generations.

3.1.1 SUPPORT ENVIRONMENTAL DIVERSITY AND BIOSECURITY OF THE DISTRICT

Council is an active member of the Murchison Region Vermin Council, and our Pastoral elected members are active in the control of "Pest Plants" etc.

3.1.2 EFFECTIVE AND EFFICIENT RESOURCE UTILISATION

Council sees the necessity of best utilisation of its built and natural resources, always open to workable partnerships and cooperation with external organisations.

3.1.3 EFFICIENT AND EFFECTIVE WASTE MANAGEMENT

Council maintains a landfill site. We are the only Council (to our knowledge) that line the domestic and commercial mobile bins with a plastic bag that contains refuse in the bin and the landfill site and alleviates the problem of the foul-smelling bins over the summer periods.

3.2.1 MAINTAIN COMMUNITY AND HERITAGE INFRASTRUCTURE

As discussed in 2.1.1 Council maintains several heritage sites.

3.2.2 PROVIDE MULTI-PURPOSE COMMUNITY FACILITIES

Council is constantly looking at resources required in and around Sandstone and if any facilities could be multi-purpose or co-habitated.

LEADERSHIP

OBJECTIVE

Strong governance and leadership

4.1.1 ENGAGE AND COMMUNICATE WITH THE ECONOMY.

Engagement takes place on an as needed basis. Council's monthly publication also has a precise of the Council meeting and the Chief Executive Officer has an open-door policy.

4.1.2 STRONGLY ADVOCATE FOR THE SHIRE'S INTEREST.

Council always, whenever the chance arises, advocates for issues in the Shire's interest. There are several forums where this can be done as well as using our State and Federal Politicians.

4.2.1 PROVIDE APPROPRIATE SERVICES TO THE COMMUNITY IN A PROFESSIONAL AND EFFICIENT MANNER.

Council will always, whenever requested, provide the appropriate service to the community if it is within legislation or Council's policy.

ENVIRONMENTAL HEALTH / BUILDING

This annual report provides a summary of the main activities and duties carried out by the Councils Environmental Health /Building officer (EHO/BS) Mr Dave Hadden for the 2023/2024 financial year.

BUILDING WORKS WITHIN THE SHIRE OF SANDSTONE

Building permits that have been issued to date being 2 accommodation units in the Caravan Park, a 3x2 house in Griffith Street and accommodation units in Payne Street.

Approval was granted for an extended septic system in the Caravan Park in Irvine Street.

DEMOLITION LICENCES

There were Nil (0) demolition permit issued.

REPORTING OF BUILDING PERMITS TO ABS

ABS reporting is now carried out by the Western Australian Building Commission on Councils behalf. The Building Commission have created a building data portal that local governments now use to record building permit data annually.

The building permit data system is now the central record keeper for building data state wide with other government agencies accessing their data requirement directly from the new BPD system which reduces the Shires responsibility to provide this data independently.

PRIVATE SWIMMING POOL INSPECTIONS

Local Government is required under the Building Regulations 2012 to carry out compliance inspections of swimming pool barriers within each shire every four years. Currently there are four private swimming pools that the shire is aware of that have been inspected to date. Three swimming pool barriers were eventually approved as compliant. The next inspection period will be carried out in the 2025/2026 financial year.

ENVIRONMENTAL HEALTH

FOOD BUSINESSES

- Food premises within the shire are being monitored in accordance with the Food Act 2002.
- All are registered under the Food Act with the Community Kitchen and Hotel making up the 5 Registered Food Premises under the Food Act.

FOOD RECALLS

- Food recalls are many and varied annually but rarely affect food premises in the Shire of Sandstone. If a recall notice relates to products sold locally the recall advice is forwarded to relevant premises for advice.

WASTE MANAGEMENT/RECYCLING PROGRAMMES

- Waste metal collection is still being collected at the landfill site.
- The tip continues to be maintained at a good level.
- The Bio-remediation Facility has been closed and the license allowed to lapse as it has not received any recent disposals in the last couple of years while the management and administrative cost associated with compliance with the license conditions was increasing annually.
- Most small local authorities operate ponds under the 100-tonne threshold by restricting disposals at the ponds to shire or townsite only. If Council breaches the 100-tonne threshold DWER will require an environmental assessment of the facility through the license application process which will increase costs significantly.

NEW PUBLIC HEALTH ACT 2016

The new Public Health Act 2016 has come into force, but certain sections are yet to be activated. In the meantime, we now work with the new Act and specific sections of the old Public Health Act which is now referred to as the Heath (Miscellaneous Provisions) Act 1911 as amended.

The main sections we work with are contained within the Heath (Miscellaneous Provisions) Act 1911 such as Nuisance provisions and housing. Council engaged Mr. Llew Withers to prepare Councils Health Plan which has been completed and approved by Council. The Public Health Plan has since been forwarded to the Health Department of WA for lodgment and assessment and is now listed on the Departments website as an approved health plan.

The State Government has determined that each local government will develop a local health plan which will incorporate previous State Government obligations. Local governments will be required to use their own resources to develop the plan, monitor the plan, maintain the plan, and implement obligations within the plan. The extent of these obligations is yet to be determined by the State Government.

SHIRE OF SANDSTONE
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

Statement by Chief Executive Officer	2
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Statement of Financial Activity	7
Index of Notes to the Financial Report	8
Independent Auditor's Report	36

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

A welcoming and friendly community recognising our rich heritage and embracing economic opportunity whilst nurturing our natural and built environment

Principal place of business:
Hack Street
SANDSTONE WA 6639

SHIRE OF SANDSTONE
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

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

STATEMENT BY CEO

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

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

Signed on the 17th day of December 2024



CEO

Peter Money

Peter Money

**SHIRE OF SANDSTONE
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
Revenue				
Rates	2(a),21	1,485,340	1,481,200	1,330,290
Grants, subsidies and contributions	2(a)	2,597,256	144,767	3,305,360
Fees and charges	2(a)	326,152	312,275	426,380
Interest revenue	2(a)	199,597	187,071	160,845
Other revenue	2(a)	862,090	700,450	820,427
		5,470,435	2,825,763	6,043,302
Expenses				
Employee costs	2(b)	(1,702,497)	(802,448)	(1,447,925)
Materials and contracts		(1,596,600)	(2,931,756)	(1,942,672)
Utility charges		(170,197)	(146,800)	(139,023)
Depreciation		(1,519,630)	(1,594,347)	(1,487,474)
Insurance		(133,088)	(162,279)	(128,564)
Other expenditure	2(b)	(112,495)	(109,775)	(107,961)
		(5,234,507)	(5,747,405)	(5,253,619)
		235,928	(2,921,642)	789,683
Capital grants, subsidies and contributions	2(a)	1,589,311	1,509,251	2,369,927
Profit on asset disposals		21,062	357,334	161,205
Loss on asset disposals		0	0	(25,765)
Fair value adjustments to financial assets at fair value through profit or loss	4	421	0	0
		1,610,794	1,866,585	2,505,367
Net result for the period		1,846,722	(1,055,057)	3,295,050
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	0	0	5,173,292
Total other comprehensive income for the period	13	0	0	5,173,292
Total comprehensive income for the period		1,846,722	(1,055,057)	8,468,342

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

SHIRE OF SANDSTONE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	NOTE	2024	Restated 2023
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	8,395,970	8,900,079
Trade and other receivables	5	70,479	68,989
Inventories	6	444,555	210,296
TOTAL CURRENT ASSETS		8,911,004	9,179,364
NON-CURRENT ASSETS			
Other financial assets	4	20,793	20,372
Property, plant and equipment	7	8,958,033	9,272,896
Infrastructure	8	55,279,320	53,674,725
TOTAL NON-CURRENT ASSETS		64,258,146	62,967,993
TOTAL ASSETS		73,169,150	72,147,357
CURRENT LIABILITIES			
Trade and other payables	10	166,464	424,693
Other liabilities	11	0	482,688
Employee related provisions	12	107,560	191,909
TOTAL CURRENT LIABILITIES		274,024	1,099,290
NON-CURRENT LIABILITIES			
Employee related provisions	12	17,041	16,704
TOTAL NON-CURRENT LIABILITIES		17,041	16,704
TOTAL LIABILITIES		291,065	1,115,994
NET ASSETS		72,878,085	71,031,363
EQUITY			
Retained surplus		41,841,001	40,106,267
Reserve accounts	23	5,347,375	5,235,387
Revaluation surplus	13	25,689,709	25,689,709
TOTAL EQUITY		72,878,085	71,031,363

Please refer to Note 25 "Correction of error" for the restatement of prior year figures.

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

SHIRE OF SANDSTONE
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2022		37,113,115	4,933,489	20,516,417	62,563,021
Comprehensive income for the period					
Net result for the period		3,295,050	0	0	3,295,050
Other comprehensive income for the period	13	0	0	5,173,292	5,173,292
Total comprehensive income for the period		3,295,050	0	5,173,292	8,468,342
Transfers from reserve accounts	23	243,471	(243,471)	0	0
Transfers to reserve accounts	23	(545,369)	545,369	0	0
Balance as at 30 June 2023		40,106,267	5,235,387	25,689,709	71,031,363
Comprehensive income for the period		0	0	0	0
Net result for the period		1,846,722	0	0	1,846,722
Other comprehensive income for the period		0	0	0	0
Total comprehensive income for the period		1,846,722	0	0	1,846,722
Transfers to reserve accounts	23	(111,988)	111,988	0	0
Balance as at 30 June 2024		41,841,001	5,347,375	25,689,709	72,878,085

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

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

	NOTE	2024 Actual \$	Restated 2023 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		1,447,668	1,357,850
Grants, subsidies and contributions		2,114,568	3,285,398
Fees and charges		363,194	426,562
Interest revenue		236,756	160,845
Goods and services tax received		254,967	426,223
Other revenue		862,090	820,427
		5,279,243	6,477,305
Payments			
Employee costs		(1,746,218)	(1,455,875)
Materials and contracts (restated)		(2,181,199)	(1,955,518)
Utility charges		(170,197)	(139,023)
Insurance paid		(133,088)	(128,564)
Goods and services tax paid		(252,799)	(411,459)
Other expenditure		(100,863)	(107,961)
		(4,584,364)	(4,198,400)
Net cash provided by operating activities		694,879	2,278,905
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	7(a)	(474,636)	(594,214)
Payments for construction of infrastructure	8(a)	(2,347,528)	(3,550,140)
Capital grants, subsidies and contributions		1,589,311	2,369,927
Proceeds from sale of property, plant & equipment		33,865	218,364
Net cash (used in) investing activities		(1,198,988)	(1,556,063)
Net increase (decrease) in cash held		(504,109)	722,842
Cash at beginning of year		8,900,079	8,177,237
Cash and cash equivalents at the end of the year		8,395,970	8,900,079

Please refer to Note 25 "Correction of error" for the restatement of prior year figures.

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

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

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	21	1,485,340	1,481,201	1,330,290
Grants, subsidies and contributions		2,597,256	144,767	3,305,360
Fees and charges		326,152	312,275	426,380
Interest revenue		199,597	187,071	160,845
Other revenue		862,090	700,450	820,427
Profit on asset disposals		21,062	357,334	161,205
Fair value adjustments to financial assets at fair value through profit or loss	4	421	0	0
		5,491,918	3,183,098	6,204,507
Expenditure from operating activities				
Employee costs		(1,702,497)	(802,448)	(1,447,925)
Materials and contracts		(1,596,600)	(2,931,756)	(1,942,672)
Utility charges		(170,197)	(146,800)	(139,023)
Depreciation		(1,519,630)	(1,594,347)	(1,487,474)
Insurance		(133,088)	(162,279)	(128,564)
Other expenditure		(112,495)	(109,775)	(107,961)
Loss on asset disposals		0	0	(25,765)
		(5,234,507)	(5,747,405)	(5,279,384)
Non cash amounts excluded from operating activities	22(a)	1,414,149	1,165,788	1,348,640
Amount attributable to operating activities		1,671,560	(1,398,519)	2,273,763
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		1,589,311	1,509,251	2,369,927
Proceeds from disposal of assets		33,865	495,000	218,363
		1,623,176	2,004,251	2,588,290
Outflows from investing activities				
Purchase of property, plant and equipment	7(a)	(474,636)	(2,345,000)	(594,214)
Purchase and construction of infrastructure	8(a)	(2,347,528)	(1,961,683)	(3,550,140)
		(2,822,164)	(4,306,683)	(4,144,354)
Non-cash amounts excluded from investing activities	22(b)	0	0	23,940
Amount attributable to investing activities		(1,198,988)	(2,302,432)	(1,532,124)
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserve accounts	23	0	1,095,000	243,471
		0	1,095,000	243,471
Outflows from financing activities				
Transfers to reserve accounts	23	(111,988)	(440,215)	(545,369)
		(111,988)	(440,215)	(545,369)
Amount attributable to financing activities		(111,988)	654,785	(301,898)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	22(c)	3,036,581	3,046,166	2,596,840
Amount attributable to operating activities		1,671,560	(1,398,519)	2,273,763
Amount attributable to investing activities		(1,198,988)	(2,302,432)	(1,532,124)
Amount attributable to financing activities		(111,988)	654,785	(301,898)
Surplus or deficit after imposition of general rates	22(c)	3,397,165	0	3,036,581

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

**SHIRE OF SANDSTONE
FOR THE YEAR ENDED 30 JUNE 2024
INDEX OF NOTES TO THE FINANCIAL REPORT**

Note 1	Basis of Preparation	9
Note 2	Revenue and Expenses	10
Note 3	Cash and Cash Equivalents	12
Note 4	Other Financial Assets	12
Note 5	Trade and Other Receivables	13
Note 6	Inventories	14
Note 7	Property, Plant and Equipment	15
Note 8	Infrastructure	17
Note 9	Fixed Assets	19
Note 10	Trade and Other Payables	21
Note 11	Other Liabilities	22
Note 12	Employee Related Provisions	23
Note 13	Revaluation Surplus	24
Note 14	Restrictions Over Financial Assets	25
Note 15	Undrawn Borrowing Facilities and Credit Standby Arrangements	26
Note 16	Contingent Liabilities	26
Note 17	Capital Commitments	26
Note 18	Related Party Transactions	27
Note 19	Events Occuring After the End of the Reporting Period	29
Note 20	Other Material Accounting Policies	30
Information required by legislation		
Note 21	Rating Information	31
Note 22	Determination of Surplus or Deficit	32
Note 23	Reserve accounts	33
Note 24	Trust Funds	34
Note 25	Correction of Error	35

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

1. BASIS OF PREPARATION

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

Local Government Act 1995 requirements

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

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

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

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

- land and buildings classified as property, plant and equipment; or
- infrastructure; or
- vested improvements that the local government controls ;

and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from AASB 116 *Property, Plant and Equipment*, which would have required the Shire to assess at each reporting date whether the carrying amount of the above mentioned non-financial assets materially differs from their fair value and, if so, revalue the class of non-financial assets.

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

Critical accounting estimates and judgements

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

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

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

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

- Fair value measurement of assets carried at reportable value including:
 - Property, plant and equipment - note 7
 - Infrastructure - note 8
 - Measurement of employee benefits - note 12

Fair value hierarchy information can be found in note 20

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 24 of the financial report.

Initial application of accounting standards

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

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

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

New accounting standards for application in future years

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

- AASB 2014-10 *Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current*
- AASB 2021-7c *Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]*
- AASB 2022-5 *Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback*
- AASB 2022-6 *Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants*

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

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

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

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

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

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

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grants, subsidies and contributions	Community events, minor facilities.	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 - sale of stock	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 2024

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	1,485,340	0	1,485,340
Grants, subsidies and contributions	0	0	0	2,597,256	2,597,256
Fees and charges	326,152	0	0	0	326,152
Interest revenue	0	0	199,597	0	199,597
Other revenue	862,090	0	0	0	862,090
Capital grants, subsidies and contributions	0	1,589,311	0	0	1,589,311
Total	1,188,242	1,589,311	1,684,937	2,597,256	7,059,746

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	1,330,290	0	1,330,290
Grants, subsidies and contributions	181,245	0	0	3,124,115	3,305,360
Fees and charges	426,238	0	0	142	426,380
Interest revenue	0	0	160,845	0	160,845
Other revenue	814,620	0	0	5,807	820,427
Capital grants, subsidies and contributions	0	2,369,927	0	0	2,369,927
Total	1,422,103	2,369,927	1,491,135	3,130,064	8,413,229

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Interest revenue

Interest on reserve account
 Trade and other receivables overdue interest
 Other interest revenue

The 2024 original budget estimate in relation to:
 Trade and other receivables overdue interest was \$2,356.

The 2024 original budget estimate in relation to:
 Charges on instalment plan was \$2,285.

	2024 Actual	2023 Actual
	\$	\$
Interest on reserve account	111,988	115,368
Trade and other receivables overdue interest	4,988	5,650
Other interest revenue	82,621	39,827
	<u>199,597</u>	<u>160,845</u>
Auditors remuneration		
- Audit of the Annual Financial Report	53,000	43,435
- Other services – grant acquittals	3,000	1,093
	<u>56,000</u>	<u>44,528</u>
Employee Costs		
Employee benefit costs	1,009,965	946,541
Other employee costs	692,532	501,384
	<u>1,702,497</u>	<u>1,447,925</u>
Other expenditure		
Sundry expenses	112,495	107,961
	<u>112,495</u>	<u>107,961</u>

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report
 - Other services – grant acquittals

Employee Costs

Employee benefit costs
 Other employee costs

Other expenditure

Sundry expenses

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

3. CASH AND CASH EQUIVALENTS

Note	2024	2023
	\$	\$
Cash at bank and on hand (restated)	3,048,595	3,487,344
Term deposits	5,347,375	5,412,735
Total cash and cash equivalents	8,395,970	8,900,079
Held as		
- Unrestricted cash and cash equivalents	3,048,595	3,182,004
- Restricted cash and cash equivalents	14 5,347,375	5,718,075
	8,395,970	8,900,079

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

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

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

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

Restricted financial assets

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

4. OTHER FINANCIAL ASSETS

2024	2023
\$	\$
20,793	20,372
20,793	20,372
20,372	20,372
421	0
20,793	20,372

Non-current assets

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss

Units in Local Government House Trust - opening balance

Movement attributable to fair value increment

Units in Local Government House Trust - closing balance

MATERIAL ACCOUNTING POLICIES

SIGNIFICANT ACCOUNTING POLICIES

Financial assets at fair value through profit or loss

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

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

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

5. TRADE AND OTHER RECEIVABLES

	2024	2023
	\$	\$
Current		
Rates and statutory receivables	68,377	29,845
Trade receivables	2,102	39,144
	70,479	68,989

MATERIAL ACCOUNTING POLICIES

Rates and statutory receivables

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

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

Trade receivables

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

Other receivables

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

Measurement

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

Classification and subsequent measurement

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

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

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

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

6. INVENTORIES

	2024	2023
Current	\$	\$
Fuel and materials	86,399	16,341
Visitor centre stock	17,793	23,606
Road Making Materials	340,363	170,349
	444,555	210,296

The following movements in inventories occurred during the year:

Balance at beginning of year	210,296	305,705
Inventories expensed during the year	(433,985)	(428,109)
Additions to inventory	668,244	332,700
Balance at end of year	444,555	210,296

MATERIAL ACCOUNTING POLICIES

General

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

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

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

7. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Assets not subject to operating lease		Total Property		Plant and equipment		Total property, plant and equipment
	Land	Buildings - specialised	Land	Buildings - specialised	Furniture and equipment	Plant and equipment	
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	422,000	6,526,470	422,000	6,526,470	19,702	2,490,070	9,458,243
Additions	27,080	237,529	27,080	237,529	0	329,605	594,214
Disposals	(22,000)	0	(22,000)	0	(1,631)	(35,159)	(58,790)
Depreciation	0	(299,972)	0	(299,972)	(7,052)	(413,747)	(720,771)
Balance at 30 June 2023	427,080	6,464,027	427,080	6,464,027	11,019	2,370,770	9,272,896
Comprises:							
Gross balance amount at 30 June 2023	427,080	6,763,999	427,080	6,763,999	535,412	5,387,604	13,114,095
Accumulated depreciation at 30 June 2023	0	(299,972)	0	(299,972)	(524,393)	(3,016,834)	(3,841,199)
Balance at 30 June 2023	427,080	6,464,027	427,080	6,464,027	11,019	2,370,770	9,272,896
Additions	0	337,216	0	337,216	23,038	114,382	474,636
Disposals	0	0	0	0	0	(12,803)	(12,803)
Depreciation	0	(310,229)	0	(310,229)	(7,274)	(459,193)	(776,696)
Balance at 30 June 2024	427,080	6,491,014	427,080	6,491,014	26,783	2,013,156	8,958,033
Comprises:							
Gross balance amount at 30 June 2024	427,080	7,101,215	427,080	7,101,215	558,450	5,447,142	13,533,887
Accumulated depreciation at 30 June 2024	0	(610,201)	0	(610,201)	(531,667)	(3,433,986)	(4,575,854)
Balance at 30 June 2024	427,080	6,491,014	427,080	6,491,014	26,783	2,013,156	8,958,033

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

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Amount Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value - as determined at the last valuation date					
Land and buildings					
Land	2	Market approach using recent observable market data for similar properties.	Independent Registered Valuer	June 2022	Price per square metre
Buildings - specialised	3	Cost approach using current replacement cost.	Independent Registered Valuer	June 2022	Construction costs and current condition, residual values and remaining useful life assessment 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.

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

8. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Parks and Ovals	Infrastructure - Other	Other infrastructure - Airport	Total Infrastructure
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	43,574,559	150,224	797,988	595,160	624,200	45,742,131
Additions	3,541,050	0	9,090	0	0	3,550,140
(Disposals)	0	0	(11,345)	(8,661)	(4,129)	(24,135)
Revaluation increments / (decrements) transferred to revaluation surplus	5,217,107	(18)	0	(43,797)	0	5,173,292
Depreciation	(646,283)	(6,375)	(62,680)	(26,200)	(25,165)	(766,703)
Balance at 30 June 2023	51,686,432	143,830	733,055	516,502	594,906	53,674,725
Comprises:						
Gross balance at 30 June 2023	51,686,432	143,830	795,580	547,735	620,000	53,793,577
Accumulated depreciation at 30 June 2023	0	0	(62,525)	(31,233)	(25,094)	(118,852)
Balance at 30 June 2023	51,686,432	143,830	733,055	516,502	594,906	53,674,725
Comprises:						
Additions	2,271,333	0	0	76,195	0	2,347,528
Depreciation	(610,685)	(4,113)	(62,828)	(39,818)	(25,489)	(742,933)
Balance at 30 June 2024	53,347,080	139,717	670,228	552,878	569,417	55,279,320
Comprises:						
Gross balance at 30 June 2024	53,957,765	143,830	795,580	623,930	620,000	56,141,105
Accumulated depreciation at 30 June 2024	(610,685)	(4,113)	(125,352)	(71,052)	(50,583)	(861,785)
Balance at 30 June 2024	53,347,080	139,717	670,228	552,878	569,417	55,279,320

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

8. INFRASTRUCTURE (Continued)

(b) Carrying Amount Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value - as determined at the last valuation date					
Infrastructure - Roads	3	Cost approach using depreciated replacement cost (Gross Valuation Method)	Management Valuation	June 2023	Construction costs and current conditions, residual values and remaining useful life assessment inputs.
Infrastructure - Footpaths	3	Cost approach using depreciated replacement cost (Gross Valuation Method)	Management Valuation	June 2023	Construction costs and current conditions, residual values and remaining useful life assessment inputs.
Infrastructure - Parks and Ovals	3	Cost approach using depreciated replacement cost (Gross Valuation Method)	Management Valuation	June 2022	Construction costs and current conditions, residual values and remaining useful life assessment inputs.
Infrastructure - Other	3	Cost approach using depreciated replacement cost (Gross Valuation Method)	Management Valuation	June 2022	Construction costs and current conditions, residual values and remaining useful life assessment inputs.
Other infrastructure - Airport	3	Cost approach using depreciated replacement cost (Gross Valuation Method)	Management Valuation	June 2022	Construction costs and current conditions, residual values and remaining useful life assessment inputs.

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

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

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

9. 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	20 to 60 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	40 years
seal	
- bituminous seals	20 years
- asphalt surfaces	20 years
Gravel roads	
formation	not depreciated
pavement	16 to 22 years
Footpaths - slab	40 years
Infrastructure - Other	5 to 40 years
Parks & Ovals	5 to 40 years
Airport	30 years

Revision of useful lives of plant and equipment

During the year an internal review of the useful life of assets was carried out and it was noted no change had been applied with regards to the revision performed in the previous year.

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

9. FIXED ASSETS (Continued)

MATERIAL ACCOUNTING POLICIES

Initial recognition

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

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

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

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

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

Measurement after recognition

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

Reportable Value

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

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

Revaluation

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

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

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

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

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

Depreciation

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

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

Depreciation on revaluation

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

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

Impairment

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

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

Gains or losses on disposal

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

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

10. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Accrued payroll liabilities
ATO liabilities/(assets)
Receipts in Advance - Pre Paid Rates
Other payables - Bonds (restated)

2024	2023
\$	\$
77,524	367,375
59,794	19,500
(2,386)	(4,552)
31,532	30,672
0	11,698
166,464	424,693

MATERIAL ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

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

Prepaid rates

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

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

11. OTHER LIABILITIES

	2024	2023
	\$	\$
Current		
Contract liabilities	0	482,688
	0	482,688
Reconciliation of changes in contract liabilities		
Opening balance	482,688	502,688
Additions	0	482,688
Revenue from contracts with customers included as a contract liability at the start of the period	(482,688)	(502,688)
	0	482,688

The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was NIL (2023: \$482,688)

The Shire met the performance obligations, from contracts with customers with no unsatisfied balance at the end of the reporting period.

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

MATERIAL ACCOUNTING POLICIES

Contract liabilities

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

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

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

12. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2024	2023
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	94,732	126,382
Long service leave	0	55,189
	94,732	181,571
Employee related other provisions		
Employment on-costs	12,828	10,338
	12,828	10,338
Total current employee related provisions	107,560	191,909
Non-current provisions		
Employee benefit provisions		
Long service leave	13,977	14,095
	13,977	14,095
Employee related other provisions		
Employment on-costs	3,064	2,609
	3,064	2,609
Total non-current employee related provisions	17,041	16,704
Total employee related provisions	124,601	208,613

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

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

MATERIAL ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

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

13. REVALUATION SURPLUS

	2024 Opening Balance	2024 Closing Balance	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance
	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	270,140	270,140	270,140	0	270,140
Revaluation surplus - Buildings - specialised	2,822,960	2,822,960	2,822,960	0	2,822,960
Revaluation surplus - Furniture and equipment	9,112	9,112	9,112	0	9,112
Revaluation surplus - Infrastructure - Roads	20,691,883	20,691,883	15,524,966	5,166,917	20,691,883
Revaluation surplus - Infrastructure - Footpaths	82,149	82,149	82,149	0	82,149
Revaluation surplus - Infrastructure - Parks and Ovals	566,057	566,057	566,057	0	566,057
Revaluation surplus - Infrastructure - Other	520,347	520,347	513,972	6,375	520,347
Revaluation surplus - Other infrastructure - Airport	727,061	727,061	727,061	0	727,061
	25,689,709	25,689,709	20,516,417	5,173,292	25,689,709

The movement in the revaluation surplus for infrastructure roads relates to an impairment loss as a result of a flood event. Refer to Note 8(a).

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

14. RESTRICTIONS OVER FINANCIAL ASSETS

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

Note	2024 Actual \$	2023 Actual \$
3	5,347,375	5,718,075
	5,347,375	5,718,075
The restricted financial assets are a result of the following specific purposes to which the assets may be used:		
23	5,347,375	5,235,387
11	0	482,688
	5,347,375	5,718,075

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

Restricted reserve accounts

Contract liabilities

Total restricted financial assets

**15. UNDRAWN BORROWING FACILITIES AND CREDIT
STANDBY ARRANGEMENTS**

Bank overdraft limit

Bank overdraft at balance date

Credit card limit

Credit card balance at balance date

Total amount of credit unused

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

16 CONTINGENT LIABILITIES

The Shire of Sandstone has in compliance with the Contaminated Sites Act 2003 S11 listed a site to be a possible source of contamination: - Sandstone Refuse Site.

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk and degree with the Department of Water and Environment Regulation the need and criteria for remediation, the Shire is unable to accurately quantify its clean-up liabilities from the potentially contaminated site.

The Shire is continuing to monitor the site and will progressively undertake site investigations and remediation on a risk based approach.
This approach is consistent with the Department of Water and Environmental Regulation guidelines.

17. CAPITAL COMMITMENTS

Contracted for:

- plant & equipment purchases

	2024	2023
	\$	\$
	0	122,597
	0	122,597

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

18. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

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

Note	2024 Actual	2024 Budget	2023 Actual
	\$	\$	\$
President's annual allowance	3,500	3,500	3,500
President's meeting attendance fees	4,375	4,625	0
President's ICT expenses	500	500	0
	8,375	8,625	3,500
Deputy President's annual allowance	1,675	875	875
Deputy President's meeting attendance fees	0	2,425	0
Deputy President's other expenses	318	0	0
Deputy President's ICT expenses	500	500	0
Deputy President's travel and accommodation expenses	844	1,408	0
	3,337	5,208	875
All other council member's meeting attendance fees	6,625	9,700	13,940
All other council member's All other council member expenses	239	0	0
All other council member's ICT expenses	1,667	2,000	2,875
All other council member's travel and accommodation expenses	1,927	5,911	4,505
	10,458	17,611	21,320
18(b)	22,170	31,444	25,695

(b) Key Management Personnel (KMP) Compensation

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

Short-term employee benefits	402,911	399,181
Post-employment benefits	58,144	63,495
Employee - other long-term benefits	36,391	52,054
Council member costs	22,170	25,695
18(a)	519,616	540,425

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Council member costs

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

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

18. RELATED PARTY TRANSACTIONS

Transactions with related parties

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

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

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

	2024 Actual	2023 Actual
	\$	\$
Purchase of goods and services	0	4,727

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Shire, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 18(a) and 18(b).

ii. Other Related Parties

During the previous year, a company controlled by a related party of a council member, was awarded a contract under the selective tender process on terms and conditions equivalent for those that prevail in arm's length transactions under the Shire's procurement process.

The contract involved roadworks in the Shire, and amounted to NIL in the current year (\$4,727 in the prior year).

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

19. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

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

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

20. OTHER MATERIAL ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest revenue

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

These non-financial assets are assessed in accordance with the regulatory framework detailed in Note 9.

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

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

21. RATING INFORMATION

(a) General Rates

RATE TYPE	Rate Description	Basis of valuation	Rate in \$	Number of Properties	2023/24 Actual Rateable Value*	2023/24 Actual Rate	2023/24 Actual Interim Rates	2023/24 Actual Total Revenue	2023/24 Budget Rate	2023/24 Budget Interim Rate	2023/24 Budget Total Revenue	2022/23 Actual Total Revenue
	Townsites	Gross rental valuation	0.069085	34	\$ 250,408	\$ 17,299	0	\$ 17,299	17,300	0	\$ 17,300	\$ 16,930
	Transient Workers Accommodation	Gross rental valuation	0.390781	4	66,300	25,909	0	25,909	25,910	0	25,910	25,277
	Rural	Unimproved valuation	0.064000	19	686,741	43,951	0	43,951	43,951	0	43,951	42,792
	Mining	Unimproved valuation	0.282521	183	4,874,662	1,377,194	0	1,377,194	1,377,195	5,500	1,382,695	1,238,044
	Total general rates			240	5,878,111	1,464,353	0	1,464,353	1,464,356	5,500	1,469,856	1,323,043
	Minimum payment											
	Townsites	Gross rental valuation	200	34	14,191	6,800	0	6,800	6,800	0	6,800	6,800
	Rural	Unimproved valuation	400	6	7,933	2,330	0	2,330	2,400	0	2,400	2,130
	Mining	Unimproved valuation	400	67	42,644	26,800	0	26,800	26,800	0	26,800	22,720
	Total minimum payments			107	64,768	35,930	0	35,930	36,000	0	36,000	31,650
	Total general rates and minimum payments			347	5,942,879	1,500,283	0	1,500,283	1,500,356	5,500	1,505,856	1,354,693
	Discounts											
	Concessions							(14,863)			(24,626)	(24,361)
	Total Rates							(79)			(30)	(42)
								1,485,340			1,481,200	1,330,290

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

*Rateable Value at time of raising of rate.

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

22. DETERMINATION OF SURPLUS OR DEFICIT

Note	2023/24 (30 June 2024 Carried Forward) \$	2023/24 Budget (30 June 2024 Carried Forward) \$	Restated 2023/24 (1 July 2023 Brought Forward) \$	Restated 2022/23 (1 July 2023 Carried Forward) \$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	(21,062)	(357,334)	(161,205)	(161,205)
Less: Fair value adjustments to financial assets at fair value through profit or loss	(421)	0	0	0
Less: Movement in liabilities associated with restricted cash	0	0	71,225	71,225
Add: Loss on disposal of assets	0	0	25,765	25,765
Add: Depreciation	1,519,630	1,594,347	1,487,474	1,487,474
Non-cash movements in non-current and current assets and liabilities:				
Employee benefit provisions	(83,998)	(71,225)	(74,619)	(74,619)
Non-cash amounts excluded from operating activities	1,414,149	1,165,788	1,348,640	1,348,640
(b) Non-cash amounts excluded from investing activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to investing activities				
Movement in current capital expenditure provision associated with restricted cash	0	0	23,940	23,940
Non-cash amounts excluded from investing activities	0	0	23,940	23,940
(c) 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	23 (5,347,375)	(4,580,603)	(5,235,387)	(5,235,387)
Add: Current liabilities not expected to be cleared at end of year - Employee benefit provisions	107,560	120,684	191,894	191,894
Total adjustments to net current assets	(5,239,815)	(4,459,919)	(5,043,493)	(5,043,493)
Net current assets used in the Statement of Financial Activity				
Total current assets (restated)	8,911,004	5,382,462	9,179,364	9,179,364
Less: Total current liabilities (restated)	(274,024)	(922,543)	(1,099,290)	(1,099,290)
Less: Total adjustments to net current assets	(5,239,815)	(4,459,919)	(5,043,493)	(5,043,493)
Surplus or deficit after imposition of general rates	3,397,165	0	3,036,581	3,036,581

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

23. RESERVE ACCOUNTS

	2024		2024		2024		2024		2024		2024		2023		2023	
	Actual Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance	Budget Opening Balance	Budget Transfer to	Budget Transfer (from)	Budget Closing Balance	Actual Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance	Actual Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance
Restricted by legislation/agreement																
(a) Leave Reserve	251,607	5,359	0	256,966	251,607	6,530	0	258,137	246,086	5,521	0	251,607	246,086	5,521	0	251,607
(b) Plant Replacement Reserve	1,068,986	20,452	0	1,089,438	1,068,988	282,810	(695,000)	656,798	990,988	271,069	(193,071)	1,068,986	990,988	271,069	(193,071)	1,068,986
(c) Building Reserve	1,395,694	34,294	0	1,429,988	1,395,692	37,490	(200,000)	1,233,182	1,410,765	35,329	(50,400)	1,395,694	1,410,765	35,329	(50,400)	1,395,694
(d) Airport Reserve	303,176	6,725	0	309,901	303,177	7,860	0	311,037	296,248	6,928	0	303,176	296,248	6,928	0	303,176
(e) Road & Flood Damage Reserve	707,818	15,700	0	723,518	707,818	18,365	0	726,183	691,644	16,174	0	707,818	691,644	16,174	0	707,818
(f) ICT Reserve	150,914	2,238	0	153,152	150,914	51,930	0	202,844	98,608	52,306	0	150,914	98,608	52,306	0	150,914
(g) Refuse Reserve	42,755	948	0	43,703	42,755	1,110	0	43,865	41,778	977	0	42,755	41,778	977	0	42,755
(h) Housing Reserve	535,841	11,885	0	547,726	535,841	13,900	(200,000)	349,741	523,597	12,244	0	535,841	523,597	12,244	0	535,841
(i) Community Development Reserve	778,596	14,387	0	792,983	778,596	20,220	0	798,816	633,775	144,821	0	778,596	633,775	144,821	0	778,596
	5,235,387	111,988	0	5,347,375	5,235,388	440,215	(1,095,000)	4,580,603	4,933,489	545,369	(243,471)	5,235,387	4,933,489	545,369	(243,471)	5,235,387

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

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

Name of reserve account Restricted by legislation/agreement	Purpose of the reserve account
(a) Leave Reserve	To be used to fund annual and long service leave requirements.
(b) Plant Replacement Reserve	To be used for the purchase of plant.
(c) Building Reserve	To be used for the construction and maintenance of council buildings.
(d) Airport Reserve	To be used to fund Sandstone Airport upgrades.
(e) Road & Flood Damage Reserve	To be used to fund road infrastructure, rehabilitation of borrow pits and flood damage.
(f) ICT Reserve	To be used to maintain and replace ICT systems.
(g) Refuse Reserve	To be used to fund the development of refuse disposal.
(h) Housing Reserve	To be used to fund maintenance and replacement of council employee housing requirements.
(i) Community Development Reserve	To be used for projects to benefit the community as determined.

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

24. TRUST FUNDS

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

	1 July 2023	Amounts Received	Amounts Paid	30 June 2024
	\$	\$	\$	\$
Housing Bonds	8,550	0	(8,550)	0
Overpaid Rates	2,648	0	(2,648)	0
Other Bonds	288,187	10,269	(47,428)	251,028
	<u>299,385</u>	<u>10,269</u>	<u>(58,626)</u>	<u>251,028</u>

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

25 CORRECTION OF ERROR

During the current year it was discovered that trust funds had been incorrectly presented in the statement of financial position resulting in an overstatement of cash and cash equivalents as well as trade and other payables. This had an impact on the comparative balances that were presented as at 30 June 2023. There have been no restated comparatives presented for the opening balances of the comparative year (ie as at 1 July 2022) on the basis that there was no material impact to this period. A summary of the impact of the restatement to 30 June 2023 comparative balances is set out below:-

	2023	Increase (Decrease)	Restated 2023
	\$	\$	\$
Statement of Financial Position			
Cash and Cash equivalents	9,188,266	(288,187)	8,900,079
Trade and other payables	712,880	(288,187)	424,693
Statement of Cash Flows			
Materials and contracts	(1,667,331)	(288,187)	(1,955,518)
Cash and Cash equivalents	9,188,266	(288,187)	8,900,079
Note 3 - Cash and cash equivalents			
Cash at bank and on hand	3,775,531	(288,187)	3,487,344
Total cash and cash equivalents	9,188,266	(288,187)	8,900,079
Note 10 - Trade and other payables			
Other payables- Bonds	299,885	(288,187)	11,698
Total trade and other payables	712,880	(288,187)	424,693
Note 22 - Determination of Surplus or Deficit			
Total current assets	9,467,551	(288,187)	9,179,364
Total current liabilities	(1,387,477)	288,187	(1,099,290)



Auditor General

INDEPENDENT AUDITOR'S REPORT

2024

Shire of Sandstone

To the Council of the Shire of Sandstone

Opinion

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

- the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of financial activity for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, the financial report:

- is based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2024 and its financial position at the end of that period
- is in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

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

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

Emphasis of Matter – Restatement of Comparative balances

I draw attention to Note 25 of the financial report which states that the amounts reported in the previously issued 30 June 2023 financial report have been restated and disclosed as comparatives in this financial report. My opinion is not modified in respect of this matter.

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2024, but not the financial report and my auditor's report.

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

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

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

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

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

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Matters relating to the electronic publication of the audited financial report

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



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

