

2023

Annual Report



SHIRE OF
CHRISTMAS ISLAND

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ELECTED MEMBERS 2023



Cr Gordon Thomson
Shire President
Retiring 2025



Cr Azmi Yon
Deputy President
Retiring 2027



Cr Kee Heng Foo
Retiring 2025



Cr Vincent Saw
Retiring 2025



Cr Philip Woo
Retiring 2025



Cr Kelvin Lee
Retiring 2027



Cr Hafiz Masil
Retiring 2025



Cr Steve Pereira
Retiring 2027



Cr Swee Tung
Retiring 2027

PRESIDENT'S REPORT

On behalf of the Council of the Shire of Christmas Island, I present the Shire of Christmas Island Annual Report for 2023.

Shire Operations

This Annual Report has been prepared by the section managers of the Shire, with the oversight of the Chief Executive Officer (CEO). The Councillors thank our Shire staff for preparing this report for our Council and our community. We thank our Shire managers and staff for the support that they have given the Councillors throughout the year. In particular we commend our CEO David Price for his vitality and leadership of the Shire team and the excellent relationship he enjoys with the Councillors which together make for the maximum benefits to our community of the Shire's work.

The Office of the Auditor General has contracted RSM to conduct the audit of the Shire's Financial Report for the year ended 30 June 2023. Again I congratulate our CEO and financial management team on their achievement of an unqualified Audit Report on our Shire's operations.

Our Shire workers have continued their good works for our community by their dedication to their work on: the unending tasks of roads, building, parks and gardens maintenance; rubbish collections and waste management at the tip; managing health and hygiene programmes; improving the safety of the community with construction of walking paths and the newly completed pergola/pavilion at Lily Beach; the maintenance of the popular community amenities at the Foreshore Padang; efficient management of financial and administrative functions and the demanding tasks of compliance with local government regulations and maintaining the highest standards of governance of the Shire; providing community services for seniors, activities for children, library users, citizenship ceremonies and assistance on immigration matters, and organisation of community celebrations and events; particularly Territory Week and the Christmas Island Marathon; planning for our future.

The Shire continues excellent collaborations with the Community Resource Centre, Chinese Literary Association, the Christmas Island Women's Association, the Health Service, the Islamic Council and Malay Association. Our roads programme is developed in collaboration with WA Department of Main Roads, the Indian Ocean Territories Administration, Parks Australia and CIP. We have implemented the road sealing programme: the sealing of North- South Baseline Road to the East-West Baseline Road and we look forward to working with Parks Australia to seal the Parks roads on East-West Baseline Road to North-West Point Road and Murray Road.

Economy, Housing, Education, Health, Social

Councillors have been heavily engaged in advocacy with the Commonwealth Ministers and the Department, about the economic future of the Island. Many of the issues arising from discussions in Council, our Fisheries Management Committee and the Community Consultative Committee

meetings become the subject of our submissions to government about services and facilities for our community.

- *Christmas Island Applied Laws Amendment (Fish Resources Management) Ordinance 2022*
- Christmas Island Strategic Assessment (CISA) under the *Environmental Protection and Biodiversity Conservation Act 1999*, unfortunately paused by Minister Kristy McBain on 13 June 2023
- Review of our Local Planning Strategy was completed and forwarded to the WA Planning Commission for certification in November 2023
- *Land and Economic Futures Charter*
- *Christmas Island – Singapore Strategy – reviewed in 2023*
- Aged Care Services
- Air Services – community input to new air services contract in 2023
- Settlement Sports Hall Redevelopment – reviewed in 2023 and retitled Christmas Island Sustainability Hub
- Social Infrastructure including rent to buy arrangements for public housing
- Setting aside Crown land for new housing and new industries

Christmas Island- Singapore Strategy 2023

The Shire provided practical support to the MINTOPE (Mining to Plant Enterprises) Project over 9 years. The MINTOPE project provided the basis for the evolution of the Indian Ocean Learning Communities (IOLC), a collaboration of Singapore's Temasek Polytechnic, the Harry Butler Institute and Murdoch University Campuses in Singapore and Perth. The IOLC project is to bring students from Singapore and Australia for field studies and research into food production on Christmas Island. The IOLC has opened the Island to the real possibilities of ongoing tertiary educational and research programmes through Murdoch University and other regional universities in the fields of: bio-security, bio-prospecting, ecological diversity monitoring, intensive agriculture/urban farming, brewing and distillation, mining land rehabilitation, sustainable mine closure, forestry management, environmental land management, small business development, food security and marine science. All of these courses could be activated on Christmas Island with appropriate stewardship and advocacy. This work is ongoing and is attracting interest from several public Tertiary Institutions and charitable trusts that support scientific research in our region.

Governance

We continue our advocacy for a say in the government of the Island that is consistent with the democratic institutions and rights applying to mainland Australian citizens and the requirements of international covenants on the administration of non-self-governing Territories. We are requesting proper consultation between the community and the Commonwealth Government about the application of WA law and the making of the SDAs (Service Delivery Arrangements) that provide state type services on the Island.

Our advocacy has achieved the making of the *Christmas Island Applied Laws Amendment (Fish Resources Management) Ordinance 2022* and Minister Kristy McBain's appointment of the members of the Shire's Fisheries Management Committee to the Minister's Fisheries Advisory Committee.

The process of integrating work on the Department's Christmas Island Strategic Assessment (CISA) Plan and the Shire's LPS has involved the WA Department of Planning providing advice on land use and management, such as the release of Crown Land for development and the exercise of the Shire's statutory responsibilities for planning.

The CISA was to provide a 30 year Plan for our future. If and when the CISA is completed it will be the first time in our history that the Commonwealth and the people of Christmas Island have come together to produce a plan for our future. It is a matter of great regret that the Commonwealth *paused* the CISA in June this year. Our Council's hope is that the Commonwealth will return to the task of working with our community to deliver on the promise for our future that the CISA offers.

In the meantime the Council carries on the task of promoting options for future investment in our economy through our *Christmas Island - Singapore Strategy 2023* and direct approaches to the Commonwealth for funds to develop our Sustainability Hub, implementation of Commonwealth policies to reduce carbon emissions through renewable energy projects, meeting the needs of our community for housing, the proper maintenance of social infrastructure, job security, measures to counteract the increasingly burdensome cost of living, and certainty of operations of the port and airport infrastructure necessary to the development of our current and future industries.

Over several years our representations to the Ministers for Territories have included reference to the provisions of the *United Nations Charter* relating to non-self-governing territories; the responsibility of the Australian Government to provide for economic, educational and social development and democratic government of the people of the Island. There is a democracy deficit here. We want that addressed by the Commonwealth in consultation with the community.

I can report that there has been very little progress in that direction since the making of the Christmas Island Fisheries Ordinance in 2022. In fact it does appear that in some areas of the Administration of the Territory we are experiencing regression. Our efforts to engage the Commonwealth in developing a housing agreement have been rejected. Our hope is that as the new Government settles more progressive policies for housing the nation, we will return to the collaborative approach to governance that produced the Fisheries Management Ordinance, the co-design of the Christmas Island Marine Park and the years of work on the Christmas Island Strategic Assessment Land Use Plan. The Commonwealth's responsibilities in these matters are set out in the UN Charter.

At the time sovereignty over the British Colony of Christmas Island was passed to the Commonwealth of Australia in 1958, both the United Kingdom and Australia were signatories to the *Charter of the United Nations*. The *UN Charter* has a specific provision about how colonies such as the Territory of Christmas Island should be administered. The relevant section is Chapter XI Article 73.

CHAPTER XI: DECLARATION REGARDING NON-SELF-GOVERNING TERRITORIES

Article 73

Members of the United Nations which have or assume responsibilities for the administration of territories whose peoples have not yet attained a full measure of self-government recognize the principle that the interests of the inhabitants of these territories are paramount, and accept as a sacred trust the obligation to promote to the utmost, within the system of international peace and security established by the present Charter, the well-being of the inhabitants of these territories, and, to this end:

1. to ensure, with due respect for the culture of the peoples concerned, their political, economic, social, and educational advancement, their just treatment, and their protection against abuses;
2. to develop self-government, to take due account of the political aspirations of the peoples, and to assist them in the progressive development of their free political institutions, according to the particular circumstances of each territory and its peoples and their varying stages of advancement;
3. to further international peace and security;
4. to promote constructive measures of development, to encourage research, and to co-operate with one another and, when and where appropriate, with specialized international bodies with a view to the practical achievement of the social, economic, and scientific purposes set forth in this Article; and
5. to transmit regularly to the Secretary-General for information purposes, subject to such limitation as security and constitutional considerations may require, statistical and other information of a technical nature relating to economic, social, and educational conditions in the territories for which they are respectively responsible other than those territories to which Chapters XII and XIII apply.

The Shire acknowledges the support and assistance that the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA) gives us to provide the multitude of services enjoyed by our community.

Congratulations to all of the Shire's staff on their achievements and continuing commitment to fulfilling our programmes. I commend this report to the community of Christmas Island.

Gordon Thomson
President
Shire of Christmas Island

6 December 2023

CHIEF EXECUTIVE OFFICER'S REPORT



Ratepayers and residents of the Shire of Christmas Island. It is with pleasure that in my capacity as the Chief Executive Officer, I present this report for 22/23.

While the COVID-19 pandemic has continued to disrupt community and business activities in Mainland Australia the Indian Ocean Territories has remained COVID free. This is a result of the work of the Emergency Management Committees and the activities of the Western Australian Government to provide the ITOs with a COVID free entry barrier.

The 22/23 year has been a busy year for the Shire.

- We have completed the Foreshore Padang recreational area
- The footpath from Drumsite to Poon Saan is 100% completed
- The replacement of the hand barrier and footpath on Gaze Road above the Foreshore Padang has been completed.

The Shire looks forward to working with the community in 23/24 to meet the challenges and to build on that relationship for the betterment of the community.

Projects on the Shire's schedule for 23/24 are:

- The completion of the Town Planning Scheme No3.,
- Continuing to progress the Indian Ocean Territories Waste Management Strategy with the Commonwealth
- To complete the redevelopment of the Lily Beach Area and to commence the rebuilding of the Lily Ethel Beach Boardwalk.

That engagement will ensure the Town Planning Scheme No 3 provides a planning process that encourages planning and development to safeguard the wellbeing of the Christmas Island community while facilitating the future economic growth and direction Christmas Island requires.

Finance and Administration

Members of Council and Management staff were involved in the preparation of Council's annual budget for 23/24 which was adopted at the Ordinary Meeting held 25th July 2023.

Throughout the year, monthly reports were prepared to enable members and management staff to review Council finances and ensure that expenditure is spent within the budget.

Further information can be found under the Finance and Administration section of the Council operations of the Annual Report.

Planning Building and Health

The Planning, Building & Health Section provides a number of services to the CI community:

Planning & Building Control - Council through its consultants provides an information and assessment role on development and planning matters to SOCI customers who include both the private sector and government agencies.

Environmental Health - Council environmental health personnel carry out periodic inspections of food premises / eating houses, food recall and disposal as per WA Health Department instructions.

Ranger Services/Animal Control - Ranger Services enforce relevant Shire of Christmas Island Local Laws and WA State legislation.

Waste Management Services – Core waste management services provided to the community through this section.

Property Maintenance & Management - Facilities owned by Council, others under its control and Commonwealth owned public amenities which are cleaned and maintained regularly under arrangement.

Further information can be found under the Planning Building and Health section of the Council operations of the Annual Report.

Governance and Policy

Shire's commitment to good governance has consistently been demonstrated by positive auditor reports from our third party auditors RSM Australia Pty Ltd. The 2022/2023 report was an unqualified report. Further information can be found under the Government and Policy section of the Council operations of the Annual Report.

Community and Recreation Services

Community Services –The annual Seniors Week held in August 2022 organized by the Community Services Section was another great success. The Community Services section has responsibility in coordinating meetings with the Senior Citizens Centre Advisory Committee for the management of the Senior Citizens Centre. The Community Services section continues with responsibility for the ongoing implementation of the Council Community Strategic Plan that was formally the CI 2018 Our Future Community Plan.

The Manager of Recreation Services provides the Community Bus Service to the:

- Christmas Island District High School
- Celebrations occasions
- Community Charity organisations and appeals
- For hire services in conjunction to the Shires Community Bus Fees and Charges.

Further information can be found under the Community/Recreation Services and Training section of the Council operations of the Annual Report.

Works & Services

The Civil Works, Special Projects and Parks and Gardens crews have continued during 22/23 to carry our planned and emergency work.

The Shire has also continued to upgrade and replace its plant and equipment.

Details of that work and plant replacement and further information can be found under the Works and Services section of the Council operations of the Annual Report.

Human Resources

As reported in previous Annual Reports, the most significant advancement in the human resources management area was the development and subsequent adoption of Councils Workforce Development Strategic Plan, completed by the CEO and adopted by Council in June 2013. The Workforce Development Strategic Plan is a legislative requirement by Council as part of the overall 'Integrated Planning Framework' that all Councils in Western Australia were required to comply with for implementation in the 2013/14 year. Through our Workforce Development Strategic Plan, Council is focused on attracting and retaining quality people, including trainees, further investing in developing our leaders and recognising and rewarding our high performers and remains an active document for the development of Councils workforce. Council needs to take our people with us to create the 'fit for the future' that we need to deliver our communities' priorities. We need to continue to involve our staff and support them in learning new ways of working.

In 22/23 there were 5 employees with a salary over \$100k.

The Shire has continued to commit investment in employee's training and skills development to improve efficiency and performance of the Council. During the 2022/23 financial year, approximately 50% of the Shire's workforce attended various training courses ranging from skills development, vocational education, formal education, work experience to conferences to improve their skills, knowledge and abilities required to perform their work efficiently and effectively.

The Shire is continually reviewing its Organisation Structure to ensure it reflects the long-term ongoing management structure and employee set the Shire requires in the future.

Moving forward, the Shire will build upon the policies, practices and procedures implemented in the current and previous financial periods that will further strengthen the Human Resources section of the Shire of Christmas Island.

A handwritten signature in blue ink, appearing to read 'D. Price', with a stylized, flowing script.

David Price, Chief Executive Officer

SECTION REPORT

FINANCE & ADMINISTRATION

Finance Section

The main functions of Finance include Financial Reporting, HR and Payroll, Accounts Payable, Accounts Receivable, Rates and Treasury and banking. During the year the team consulted with IT Vision the company who provides IT support for the corporate finance systems to undertake a leave audit to ensure that employee leave balances are accurate, the report reflected that the balances are correct.. The finance team also initiated the implementation of electronic purchasing by Shire staff, this is a module within the finance system which will eventually phase out manual purchase orders and improve efficiencies in the process of purchasing and processing of accounts payable.



Budget

Council adopted the 2022/23 Budget at its OCM on 26 July 2022. The monthly statement of financial activity is prepared for Council members to ensure that expenditure spent is within budget. The budget is prepared in conjunction with division managers and final Shire budget is worked through with Councilors at Council budget workshops.

Annual Financial Statement

This is prepared annually in accordance with the LG Act and Regulations and the Australian Accounting Standards ready for the Audit. The finance team worked alongside the Office of Auditor General's contracted auditors to ensure that the Annual Financial Statements are adopted with a clear audit opinion with no significant noncompliance findings

Administration Function

The main functions include Record management, IT, website and customer services.



Computer Systems and Softwares

Council uses IT Vision's Synergy soft Financial & Accounting, Payroll, Property and Rates & Records Management.

Microsoft applications are used for on the user end and HP hardware and VM ware applications are used in the Backend of all IT systems and network.

The IT coordinator undertook a major computer upgrade to officer workstations and accessories during 22/23 which was seamlessly managed..

The Shire's 2022/23 Total Expenditure and Revenue are as follows: -



Total Expenditure by Program 2022/23	
Program	%
Transport (including local road, foot & bike pats and pavement maintenance, reseal, foreshore works, drainage, line marking, waste and tip)	33.43
Recreation and culture (including parks & garden, sports hall, Community centre & library)	24.03
Community amenities (including sanitation, town planning, cemetery)	15.15
Governance (including Council & admin.)	8.79
Other property and services	10.97
Housing (employee & other housing)	1.51
Law, order, public safety (ranger services)	2.14
Economic services (services to residents)	1.46
General purpose funding (admin costs)	1.37
Health (public health, food inspections)	1.15
	<u>100%</u>

Total Revenue by Nature & Type 2022/23	
Nature & Type	%
Operating grants, subsidies & contributions	61.44%
Rates	13.99%
Fees and charges (including private works)	13.06%
Non-operating grants, subsidies & contributions	9.41%
Interest Earnings	1.01%
Other Revenue	0.49%
	100.0%

WORKS, SERVICES & WASTE

The Directorate of Works, Services and Waste includes Civil Works, Parks, Operations, Special Projects, Stores and Purchasing, Ranger Services, Health, Waste Management and Building Maintenance. A staff of 44 work across these Sections.

Civil Works

This Section is responsible for looking after the Shire's roads, paths and drainage networks. In 22/23 they also completed the upgrade of the North South Baseline and East West Baseline intersection to provide for safer traffic movements, particularly the mine road trains.

Parks

This Section is responsible for maintaining the Shire's green spaces and playgrounds. They also maintain and install the softfall under playground equipment.

Operations

This Section maintains the Shire's extensive fleet and plant and vehicles.

Special Projects

This Section is responsible for delivering the larger construction projects such as the Foreshore Padang shelters and footpath and the footpath at the corner of Murray Rd and Phosphate Hill Rd.

Stores and Purchasing

This Section manages the Shire's small Store and coordinates purchases for staff.

Ranger Services

The Shire's Senior Ranger is responsible for handling enquiries on problem chickens and roosters, and also dealing with the abandoned vehicle problem on the Island.

Health

This is the Regulatory and Inspection side of administering Health Act and Regulations on Christmas Island. This is generally applied through food businesses.

Waste Management

The landfill and the waste collection services are handled in the Section.

Building Maintenance

The Shire's housing stocks and Community Facilities' maintenance is looked after by this Section

COMMUNITY SERVICES, RECREATION & TRAINING

The Department consists of:

- Director Community /Recreation Services & Training – Olivier Lines
- Youth and Culture Officer – Suzane Chan
- Seniors Officer – Ron Foo
- Media Officer – Sofia Ramie
- Librarian – Susan De Cruz



Overview

Community Services continues to support the Shires, Local Community & Commonwealth initiatives and programs

Sports & Recreation:

- July 16th: Casino to Cove Family Fun Day: Is an event held in partnership with the Shire & Christmas Island Resource Centre which this year attracted a record 80 participants. The event is a family friendly 10km walk, run, bike from the Casino, to the Cove ending with medal and finisher presentations and a BBQ
- August 25th: Christmas Island Marathon: Becoming a recognised Australia wide cross country endurance event, drawing participants from afar as South East Asia, Canada and the USA, the Christmas Island Marathon is achieving new benchmarks every year while still retaining its community feel with achievable goals amongst the events such as the, Walk the Course and 5km Dash events, and fun activities including the 2km Fancy Dress Family Walk.



Coach in Residence Program:

Community/ Recreation Services & Training continues to coordinate and support the Department of Local Government Sport and Cultural Industries program of providing coaches and instructors for sporting and recreational clinics on Christmas Island. The program is conducted via consultation and feedback between the Shire, local sporting associations & clubs, as well as Christmas Island District High School (CIDHS). The 2023 program has delivered:

- Athletics
- Volleyball
- Skateboard
- Soccer
- Gymnastics
- Basketball
- Rugby League
- AFL



Recreation Facilities:

Community Services has identified and seen to the upgrading of the following recreation facilities.

- Poon Saan Basket Ball Courts
- Kampong Takraw Courts
- Kampong Quarter Courts – all resealed with a new playing surface in July.

Environment:

Community Services continues to organise, coordinate and support community environmental initiatives.

Community Clean Up Programs:

- 17th June – Waterfall Beach
- 20th June - Greta Beach
- 11th August – Greta Beach Tarangaroa Blue Community Clean Up
- 21st/22nd October – Greta Beach / Tarangaroa Blue Marine Debris
- 11th November – Blitz the Streets Community Clean Up



Western Australia One Use Plastic Ban

In conjunction with the Western Australian ban on single use plastics, Community Services with support from the Shire Ranger have been providing the community and businesses information on the WA One Use Plastic Ban which legislation includes Christmas Island by aiding the changeover from single use plastics to Bio friendly and recyclable products.

The One Use Plastic Legislation, now in its Phase 2 stage, has seen a positive shift by local businesses and the community to move towards recyclable and bio friendly products. The Shire carries audits on businesses to gauge the transition as well as offer advice to move towards compliance with the legislation. Businesses fully compliant are rewarded with a Thumbs Up sticker on businesses and shop fronts and a congratulatory certificate from the Shire President.



Drink Local Water Campaign

Community Services continues to actively promote the reduction of one use water bottles through supporting the consumption of local Island derived water through the installation of water chillers at various locations around the settled areas of the community.

A detailed map of locations of current water chillers can be obtained from the fortnightly Islander newsletter or the Shire. The Shire plans to install further chillers at locations around the island allowing for the opportunity to fill water bottles.. The Shire has further promoted the Drink Local Water campaign by handing out free water bottles at events.



Promoting Environmental Awareness

Community Services in partnership with the Christmas Island Tourism Association, Christmas Island District High School and Department of Water and Environmental Regulation, held a competition for CIDHS students to design a logo and message reflecting Christmas Islands environmental awareness which was won by both Leila Hamanaka Yr 10 and Uzair Fauzi Yr 9 who combined their talents in the artwork and environmental message for the winning logo.

The logo has been incorporated within Shire strategic plans as well as stickers made to put on community bins with further plans to utilise the

logo. Community Services organised a marquee at Territory Day with information on the One Use Plastic legislation and Drink Local Water Campaign as well as providing examples of alternative bio degradable items for commercial and personal use. Alternatives to various plastic ware and items were on display at the marquee. The marquee was attended by the Shire Ranger as well as Sam Cuthbertson from the Department of Environmental and Water Regulation.

Junior Ranger Program:

Community Services has supported the National Parks, Christmas Island District High School Junior Ranger program by transporting Junior Rangers to various research sites around the Island by way of the Shire Community Bus.

Youth & Culture:

Christmas Island Youth Advisory Council (CIYAC):

Community Services has been engaged in the formation of a Youth Advisory Council which meets at the Shire Council Chambers with Shire Officers, advocating issues, ideas and aspirations of local CI youth. An outcome of the CIYAC / Shire consultations has led to the availability of free Wi-Fi at the Foreshore Padang for youth aged 16 to 25yrs old, with registrations collected by CIYAC which are then passed onto Community Services to connect devices to the Foreshore Padang Wi-Fi

School Holiday Programs:

Community Services organises School Holiday programs during the School term breaks

School holiday activities were held in the June July & October School Holiday break which included:

- Lego & Crafts – Library
- Aquarun – Recreation Centre
- Skateboard / Kids Splash BBQ – Recreation Foreshore Padang

Senior Citizens

Community Services continues to organise and support activities for senior citizens

- **Stay on Your Feet** – The Shire in partnership with Indian Ocean Territories Health Services (IOTHS) supports each Friday the Stay on Your Feet program held at the Poon Saan Community Hall. The Shire provides staff for activities including ZUMBA, as well as setting the Hall up including sound and video equipment as well as tea and coffee facilities.
- **Senior Respite Program** – Held Monday to Thursday morning in collaboration with IOTHS, the 3hr program from 0900am to 12pm offers carers free time as well as Seniors a wide range of activities from games to arts and crafts and excursions. Community Services staff participate in organising the Centre for activities, providing the Community Bus where required as well as providing staff assisting with programs.
- **Seniors Week** – Was held Monday 17th to 23rd of July which included activities and excursions over the week culminating in the Grand Dinner on Sunday 23rd.
- **Excursions / Activities** – Where held during the year with trips to Island locations such as the Blow Holes utilising the Shires Community Bus. Refreshments and light snacks are provided by the Shire and fruit platters by IOTHS on most outings.
- **Be Connected** – An activity aimed at introducing seniors to mainstream technology such as, and including social media, QR codes and banking which was held on October 19th at the Seniors Centre.



Public Holiday Events & Activities

- **Australia Day** – Organised each year supplying tea, coffee, sausages, eggs bread, erecting marquees and providing tables, urns and organising volunteers including Shire staff.
- **ANZAC Day** – Held each April 25th organised in coordination with the C.I ANZAC Day committee. Community Services provide support by providing wreaths, tea and coffee, hot water urns as well as the Shire Community Bus and driver transporting Senior Citizens to the ceremony site.
- **Territory Week** – was held from 29th September with Cove Day celebrated on Monday 2nd. Again Territory Week focused on the Islands heritage with a historic exhibition held at the Malay Club during, and the Islands cultures with performances from Christmas Island Malay and Chinese communities. Activities included a BBQ for a “Kid’s Splash” at the Splash Pad, a Photo Car Scavenger Hunt as well as a Photographic Exhibition with photos on display at the CLA. Traditional Territory Week and Cove Day activities were held including Sports Day, the Fishing Competition and Raft Regatta on Territory Day.



Shire Community Bus Service:

Community Services continues to provide ongoing transport support for the School predominantly to the Recreation Centre for physical education & swimming lessons

The Shire Community Bus continues to be utilised by CIDHS to transport Muslim students to the Mosque for Friday prayers.

Other services have included transport for events and activities such as, senior citizen excursions, swimming Lessons, Junior Ranger activities and ANZAC Day. The Christmas Island Community Bus is included within the Emergency Response and Recovery Plan as an emergency transport asset.

The Community Bus is funded \$30,000 annually by the Department of Infrastructure & Regional Affairs.

Shire Library:

The Shire Library continues to service the community Monday to Friday from 12.00pm to 4pm and 10.00am to 12.00pm on Saturdays with new books are received every three months

The Library organises arts and crafts activities during the School Holidays.

The Shire Library is proactive in promoting reading amongst children this year visiting Tom Patterson Kindergarten handing out free reading beginners packs to the class.



Media Section:

Still continues to collate, produce and print the fortnightly Shire Islander newsletter as well as conduct citizenship ceremonies. A new printer has noticeably improved the quality of the newsletter especially graphics and colour images / photos.

Training Section:

The Training section continues to ensure employees receive the required training to perform duties as well as maintaining National, Western Australian Industry and Local Government policy, standards and regulations in the work place.

- Allocation of Staff USI numbers. (Unique Student Identification)
- White Card – Construction Site Permit. Renewing of Work Safe Cards.
- Working with Children Cards.
- CPR & 1st Aid 1st
- Plant machinery licence renewal and training including Skid Steer and Forklift.
- Working with Heights, Elevated Platform, Dogging.
- Civil Construction III Courses
- Traffic Management

Community Recreation / Services & Training looks forward to continue its ongoing work in enhancing, supporting and engaging with the Community through programs, initiatives and events in 2024.





PLANNING, GOVERNANCE & POLICY

Director of Planning, Governance and Policy, Chris Su

The Planning, Governance and Policy desk oversees a range of statutory matters for Council around Planning and related aspects such as ensuring applicable heritage and conservation guidelines are followed across developments on Christmas Island. It also assists other sections when needed in the Finance section around audit and acquittals and the Community Services section for significant community events.

A staple in the desk is the ongoing scanning for grant and funding opportunities to assist in delivery of municipal services on the island. The desk also supports the secretariat function for Council's management committees.

Grant Writing

2022/2023 saw the section successfully apply for and receive several grants to aid Council's delivery of municipal services on island.

- \$150,000 *Christmas Island Marine Park Grant 2023* for the Lily Beach Precinct Upgrade
- \$20,000 *National Australia Day Council Grant 2023*, for CI Australia Day Big Breakfast
- \$6,000 *Saluting Their Service Grant* for Occupied Christmas Island interpretation project
- \$4,920 *Regional and Local Newspaper Publishers Program*, for remote newspaper publishing

2023 saw the acquittal of a grant received in the previous financial year, \$20,000 under the *Building Better Regions Fund Community Stream* for the CI Youth Conference which was delayed twice; once because of the June 2022 COVID-19 wave and December 2022 because of a Ministerial visit. The program was completed in April 2023.

Council was formally advised in the 2021/2022 year that the *Indian Ocean Territories Community Development Program* has been ceased and that there are no formal grants programs for the IOTs. This has restricted the avenue for grant applications solely to Commonwealth Australia wide grant programs.

The section continues to scan daily the grants hub for opportunities to assist delivery of municipal services.

WA Local Government Grants Commission May 2023 Visit

The WALGGC returned to the Indian Ocean Territories for the first assessment visit since the pandemic. Its primary purpose is to assess the Federal Assistance Grants allocation for the Shire of Christmas Island and Cocos (Keeling) Islands. It has continued to recommend to the Commonwealth to fund a non-factor back model for the local governments of the IOTs.

Shire made an additional submission to the WALGGC on IOT Cost Adjustor factors for consideration following the 2 May 2023 visit and is in contact with WALGGC throughout the year to document further unique IOT cost adjustor factors for the Commission's files. SOCI received an increase of \$114,000 in annual funding for the 23/24 financial year to \$6.66m representing a 1.7% increase.

Governance

Council adopted the new 10 Year Strategic Community Plan for the period 2023-2033 '*Our Island, Our Responsibility*' and its first 5 year Corporate Business Plan (CBP) to give effect to the community goals in the 10 Year Strategic Community Plan.

Two events occurring in back to back quarters impacted the design of the CBP especially being the June 2023 announcement by the Minister for Territories of the pausing of the CI Strategic Assessment program under the Environment Protection and Biodiversity Conservation Act (Cth)(1999), and the October 2023 announcement of the scaling down of the Immigration Detention Centre to a stand-by mode. Both have significant impact on Council and the community in many ways that must be addressed in the medium term by the community and all levels of government.

A priority will be documenting the exact process for land access and environmental and heritage clearance without a *strategic assessment* under the EPBC Act to assist.

Planning

The Shire and the Commonwealth had jointly planned to progress the statutory five year review of the Council's Local Planning Scheme and the Commonwealth's Strategic Assessment of Crown Lands on Christmas Island under the EPBC Act. However with the unexpected pause of the Strategic Assessment, the Shire continued with the necessary steps to progress the development of updated planning instruments as required under the Planning and Development Regulations 2015.

It was opportune to have the statutory 10 year review of the Strategic Community Plan (SCP) coincide with the Local Planning Strategy (LPS) review as these are the two principal statutory documents that local government in WA rely on to guide development at the municipal level. Together with a new Local Planning Scheme forthcoming in 2024 the DPGP will ensure all statutory obligations in this aspect of local government are well met with Council working with WA Dept. of Planning, Lands and Heritage, the WA Planning Commission and the Commonwealth.

The aims of the present Scheme No.2 which will progress into Scheme No.3 in 2024 are —

- (a) *to appropriately plan for the Island's diverse cultural, topographic and climatic characteristics;*
- (b) *to provide for future urban expansion in appropriate areas;*

- (c) to enhance and diversify the Island's economic base through the provision of land for a range of economic activities;
- (d) to recognise and enhance the Island's unique heritage, both built and cultural;
- (e) to provide appropriate controls to protect development from the effects of extreme weather events; and
- (f) to preserve the Island's unique natural attributes and environmental values.

Council endorsed the Part 1 and 2 of the Local Planning Strategy at the October and November 2023 Ordinary Council Meeting. The DPGP worked closely with the Town Planning Consultant Herve Calmy over 2022 and 2023 to ensure the LPS and SCP reflected the goals of industry, residents and other stakeholders on Christmas Island for the betterment of all. *Our Island is Our Responsibility*.

Research

Council had three researchers of note visit in the 2022 and 2023 years; Nabilah Said from Singapore, Darren Wan from Cornell University New York by way of Singapore and Fulbright Scholar Stephanie Niu from the United States.

Nabilah Said is completing a play on the Malay experience of Christmas Island under a grant auspiced by the Malthouse Theatre in Melbourne. The play will be performed in Singapore and Australia in 2024/25. SOCI hosted her for four weeks in October 2022 at the single quarters unit.

SOCI was Stephanie Niu's host organisation for her scholarship program and afforded her office space for nine months at George Fam and access to historical archives. SOCI also assisted with the logistics for several community engagements including a George Fam 'Talking Maps' session in May and the major Territory Week exhibition 'Dear Christmas Island' in October.

Living Museum of Christmas Island

[Home](#) [Writing](#) [Zine](#) [Talking Maps](#) [News](#) [About](#)



These projects align with Shire's adopted Christmas Island – Singapore Strategy 2023 that seeks to pivot Christmas Island's economy to serving Singaporean needs for agriculture, tourism, research and other needs as immigration detention and mining extraction end on Christmas Island. Cultural and academic exchanges are well supported by the CI-Singapore Strategy 2023.

2022/2023 State Awards

The Shire of Christmas Island won an award at the History Council of WA's 2022 Awards night for the 'Our Streets Are Our Museums' public art program. Town Planner Consultant Herve Calmy represented the Shire at the awards ceremony at the Alexander Library in Perth in October 2022.

The History Council of WA was particularly impressed at the depth of research in the articles accompanying each of the murals. The narrative of the articles and artwork combined earned SOCI's win in the "Innovative and Transformative Project in WA History" category.

Photo: Herve Calmy receives the award for the Shire of Christmas Island at the ceremony in Perth on the 25th October



Major Community Event - An Unknown Sailor no more

The Community Services section assisted with DPGR with the Shire of Christmas Island's Memorial for Able Seaman Thomas Welsby Clark of the HMAS Sydney II on 17 November 2022. The Royal Australian Navy formally identified the unknown sailor of Christmas Island as Able Seaman Thomas Welby Clark of Queensland at a ceremony at the Canberra War Memorial in November 2021.

There was a follow-up memorial organised by the Navy at the Geraldton War Graves Cemetery in June 2022 where Able Seaman Clark rests now. After confirming with the Navy that there were no plans to have an observation on Christmas Island, the Shire elected to create one in recognition that Able Seaman Clark rested here from 1942 to 2006 when a specialist ADF team exhumed him.

The Shire invited family members of Able Seaman Clark from Queensland to Christmas Island for seven days around the anniversary of the sinking of the HMAS Sydney II off the coast of Geraldton

17 November 1941. Other dignitaries including the Chief of Navy, Warrant Officer, Member for Lingiari and the Minister for Veterans' Affairs and Defence Personnel the Hon Matt Keough unfortunately could not attend as planned as their plane was deterred by poor weather.

The Clark family, Thomas, Pamela and Fiona Clark, wrote a letter thanking Shire that was read out at the November 2022 Ordinary Council Meeting.



Shire of Christmas Island's Memorial Observation for Able Seaman Thomas Welsby Clark 17 November 2022

Looking Ahead

The section will continue to ensure compliance with statutory requirements are met as the priority function for the desk. This will be primarily in the planning and financial regulations section, but also where guided by the CEO. Grant writing to support functions of Council will continue, with a focus on attracting grant programs centred on economic and infrastructure delivery over small scale community functions.

The section will commence the first goals set in the 2023-2028 Corporate Business Plan to deliver on the communities' wishes documented in the new 10 Year Strategic Community Plan 2023-2033 '*Our Island, Our Responsibility.*'

SHIRE OF CHRISTMAS ISLAND
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

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

Christmas Island - A place for everyone, without exception

Principal place of business:
Shire of Christmas Island
2 Murray Road
Christmas Island

**SHIRE OF CHRISTMAS ISLAND
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

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

STATEMENT BY CEO

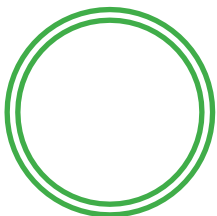
The accompanying financial report of the Shire of Christmas Island has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2023 and the financial position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

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

Signed on the 6⁷¹⁻¹ day of *£J --ct:Mh/A* 2023

Chief Executive Officer

David Price
Name of Chief Executive Officer



SHIRE OF CHRISTMAS ISLAND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
Revenue				
Rates	2(a),19	1,739,763	1,755,778	1,474,022
Grants, subsidies and contributions	2(a)	7,639,965	7,213,439	7,008,447
Fees and charges	2(a)	1,698,686	891,702	2,127,932
Interest revenue	2(a)	125,053	15,098	25,029
Other revenue	2(a)	61,008	261,728	65,570
		11,264,475	10,137,745	10,701,000
Expenses				
Employee costs	2(b)	(7,542,027)	(8,814,306)	(7,451,107)
Materials and contracts		(1,130,275)	(763,603)	(1,220,716)
Utility charges		(70,217)	(109,950)	(70,829)
Depreciation		(1,592,949)	(2,208,300)	(1,145,500)
Insurance		(257,776)	(248,288)	(205,728)
Other expenditure	2(b)	(582,120)	(730,169)	(313,066)
		(11,175,364)	(12,874,616)	(10,406,946)
		89,111	(2,736,871)	294,054
Capital grants, subsidies and contributions	2(a)	1,170,561	1,901,469	531,121
Loss on asset disposals		(18,964)	0	(1,850)
		1,151,597	1,901,469	529,271
Net result for the period		1,240,708	(835,402)	823,325
Total comprehensive income for the period		1,240,708	(835,402)	823,325

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



SHIRE OF CHRISTMAS ISLAND
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	NOTE	2023 \$	2022 \$
CURRENT ASSETS			
Cash and cash equivalents	3	2,777,967	1,797,550
Trade and other receivables	5	247,846	174,357
Other financial assets	4(a)	4,820,995	4,754,001
Inventories	6	441,417	547,730
Other assets	7	9,726	29,098
TOTAL CURRENT ASSETS		8,297,951	7,302,736
NON-CURRENT ASSETS			
Property, plant and equipment	8	14,730,799	15,165,074
Infrastructure	9	22,924,527	22,474,858
TOTAL NON-CURRENT ASSETS		37,655,326	37,639,932
TOTAL ASSETS		45,953,277	44,942,668
CURRENT LIABILITIES			
Trade and other payables	11	428,309	482,719
Other liabilities	12	286,029	331,746
Employee related provisions	13	1,996,788	2,132,512
TOTAL CURRENT LIABILITIES		2,711,126	2,946,977
NON-CURRENT LIABILITIES			
Employee related provisions	13	30,977	25,225
TOTAL NON-CURRENT LIABILITIES		30,977	25,225
TOTAL LIABILITIES		2,742,103	2,972,202
NET ASSETS		43,211,174	41,970,466
EQUITY			
Retained surplus		14,516,696	13,341,947
Reserve accounts	21	4,884,658	4,818,699
Revaluation surplus	14	23,809,820	23,809,820
TOTAL EQUITY		43,211,174	41,970,466

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



SHIRE OF CHRISTMAS ISLAND
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2021		12,752,005	4,585,316	23,809,820	41,147,141
Comprehensive income for the period					
Net result for the period		823,325	0	0	823,325
Total comprehensive income for the period		823,325	0	0	823,325
Transfers from reserve accounts	21	397,501	(397,501)	0	0
Transfers to reserve accounts	21	(630,884)	630,884	0	0
Balance as at 30 June 2022		13,341,947	4,818,699	23,809,820	41,970,466
Comprehensive income for the period					
Net result for the period		1,240,708	0	0	1,240,708
Total comprehensive income for the period		1,240,708	0	0	1,240,708
Transfers to reserve accounts	21	(65,959)	65,959	0	0
Balance as at 30 June 2023		14,516,696	4,884,658	23,809,820	43,211,174

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

**SHIRE OF CHRISTMAS ISLAND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Actual \$	2022 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		1,704,112	1,668,072
Grants, subsidies and contributions		7,622,119	7,366,925
Fees and charges		1,630,231	2,127,932
Interest revenue		125,053	25,029
Other revenue		61,008	65,570
		11,142,523	11,253,528
Payments			
Employee costs		(7,617,137)	(7,302,408)
Materials and contracts		(1,111,116)	(1,332,056)
Utility charges		(70,217)	(70,829)
Insurance paid		(256,471)	(205,728)
Other expenditure		(582,120)	(313,066)
		(9,637,061)	(9,224,087)
Net cash provided by operating activities		1,505,462	2,029,441
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	8(a)	(482,882)	(548,526)
Payments for construction of infrastructure	9(a)	(1,157,140)	(1,081,779)
Capital grants, subsidies and contributions		1,170,561	531,121
Proceeds for financial assets at amortised cost		(64,734)	(576,896)
Proceeds from financial assets at fair values through profit and loss		0	1,307
Proceeds from sale of property, plant & equipment		3,900	7,540
Net cash provided by (used in) investing activities		(530,295)	(1,667,233)
Net increase in cash held		980,417	362,208
Cash at beginning of year		1,797,550	1,435,342
Cash and cash equivalents at the end of the year	3.	2,777,967	1,797,550

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

**SHIRE OF CHRISTMAS ISLAND
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	19	1,739,763	1,755,778	1,474,022
Grants, subsidies and contributions		7,639,965	7,213,439	7,008,447
Fees and charges		1,698,686	891,702	2,127,932
Interest revenue		125,053	15,098	25,029
Other revenue		61,008	261,728	65,570
		11,264,475	10,137,745	10,701,000
Expenditure from operating activities				
Employee costs		(7,542,027)	(8,814,306)	(7,451,107)
Materials and contracts		(1,130,275)	(763,603)	(1,220,716)
Utility charges		(70,217)	(109,950)	(70,829)
Depreciation		(1,592,949)	(2,208,300)	(1,145,500)
Insurance		(257,776)	(248,288)	(205,728)
Other expenditure		(582,120)	(730,169)	(313,066)
Loss on asset disposals		(18,964)	0	(1,850)
		(11,194,328)	(12,874,616)	(10,408,796)
Non-cash amounts excluded from operating activities	20(a)	1,617,665	2,208,300	1,276,119
Amount attributable to operating activities		1,687,812	(528,571)	1,568,323
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		1,170,561	1,901,469	531,121
Proceeds from disposal of assets		3,900	0	7,540
		1,174,461	1,901,469	538,661
Outflows from investing activities				
Purchase of property, plant and equipment	8(a)	(482,882)		(548,526)
Purchase and construction of infrastructure	9(a)	(1,157,140)		(1,081,779)
		(1,640,022)	0	(1,630,305)
Amount attributable to investing activities		(465,561)	1,901,469	(1,091,644)
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserve accounts	21	0	400,000	397,501
		0	400,000	397,501
Outflows from financing activities				
Transfers to reserve accounts	21	(65,959)	(1,007,228)	(630,884)
		(65,959)	(1,007,228)	(630,884)
Amount attributable to financing activities		(65,959)	(607,228)	(233,383)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	20(b)	1,245,432		1,002,136
Amount attributable to operating activities		1,687,812	(528,571)	1,568,323
Amount attributable to investing activities		(465,561)	1,901,469	(1,091,644)
Amount attributable to financing activities		(65,959)	(607,228)	(233,383)
Surplus or deficit after imposition of general rates	20(b)	2,401,724	765,670	1,245,432

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

**SHIRE OF CHRISTMAS ISLAND
FOR THE YEAR ENDED 30 JUNE 2023
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**SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

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

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

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

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

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 22 of the financial report.

Judgements and estimates

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

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

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

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, and infrastructure.

Initial application of accounting standards

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

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

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

New accounting standards for application in future years

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

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

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

Except as described above these amendments are not expected to have any material impact on the financial report on initial application.

SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

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

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

Revenue Recognition

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

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	1,739,763	0	1,739,763
Grants, subsidies and contributions	973,305	0	0	6,666,660	7,639,965
Fees and charges	575,981	0	1,122,705	0	1,698,686
Interest revenue	48,161	0	10,933	65,959	125,053
Other revenue	61,008	0	0	0	61,008
Capital grants, subsidies and contributions	0	1,170,561	0	0	1,170,561
Total	1,658,455	1,170,561	2,873,401	6,732,619	12,435,036

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	1,474,022	0	1,474,022
Grants, subsidies and contributions	547,782	0	0	6,460,665	7,008,447
Fees and charges	1,161,190	0	966,742	0	2,127,932
Interest revenue	15,930	0	9,099	0	25,029
Other revenue	65,270	0	0	300	65,570
Capital grants, subsidies and contributions	0	531,121	0	0	531,121
Total	1,790,172	531,121	2,449,863	6,460,965	11,232,121

SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Note	2023 Actual	2022 Actual
	\$	\$
Interest revenue		
Interest on reserve account funds	65,959	14,438
Trade and other receivables overdue interest	10,933	9,099
Other interest revenue	48,161	1,492
	125,053	25,029

The 2023 original budget estimate in relation to:
Trade and other receivables overdue interest was \$0.

The 2023 original budget estimate in relation to:
Charges on instalment plan was \$5,000.

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report	75,240	74,600
- Other services – grant acquittals		2,200
	75,240	76,800

Employee Costs

Employee benefit costs	7,542,027	7,451,107
Other employee costs		
	7,542,027	7,451,107

Sundry expenses	582,120	313,066
	582,120	313,066

SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

3. CASH AND CASH EQUIVALENTS

Note	2023	2022
	\$	\$
Cash at bank and on hand	2,777,967	1,797,550
Total cash and cash equivalents	2,777,967	1,797,550
Held as		
- Unrestricted cash and cash equivalents	2,404,673	1,711,510
- Restricted cash and cash equivalents	373,294	86,040
	2,777,967	1,797,550

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost
Financial assets at fair value through profit and loss

Other financial assets at amortised cost

Term deposits

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss Shares

Held as

- Unrestricted other financial assets at amortised cost
- Restricted other financial assets at amortised cost

2023	2022
\$	\$
4,797,393	4,732,659
23,602	21,342
4,820,995	4,754,001
4,797,393	4,732,659
4,797,393	4,732,659
23,602	21,342
23,602	21,342
23,602	4,754,001
4,797,393	0
4,820,995	4,754,001

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 18 (i)) due to the observable market rates).

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

Financial assets at fair value through profit or loss

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

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

**SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

5. TRADE AND OTHER RECEIVABLES

Note	2023	2022
	\$	\$
Current		
Rates and statutory receivables	114,373	81,468
Trade receivables	133,473	161,344
Allowance for credit losses of trade receivables	0	(68,455)
	247,846	174,357

SIGNIFICANT ACCOUNTING POLICIES

Rates and statutory receivables

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

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

Trade receivables

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

Other receivables

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

Measurement

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

Classification and subsequent measurement

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

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

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

SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

6. INVENTORIES

Note	2023	2022
	\$	\$
Current		
Fuel and materials	441,417	547,730
	441,417	547,730
The following movements in inventories occurred during the year:		
Balance at beginning of year	547,730	553,635
Inventories expensed during the year	(423,939)	(402,847)
Additions to inventory	317,626	396,942
Balance at end of year	441,417	547,730

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Land held for resale

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

Land held for resale (Continued)

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

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

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

**SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

7. OTHER ASSETS

Other assets - current

Prepayments
Accrued income

2023	2022
\$	\$
5,108	3,044
4,618	26,054
9,726	29,098

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

Non-current assets held for sale

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

Non-current assets held for sale (Continued)

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

The fair value of land and buildings was determined using the sales comparison approach using comparable properties in the area. This is a level 2 measurement as per the fair value hierarchy set out in Note 18(i).

SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land	Buildings - non-specialised	Buildings - specialised	Total land and buildings not subject to operating lease	Total land and buildings	Furniture and equipment	Plant and equipment	PPE - work in progress	Total property, plant and equipment
	\$	\$	\$	\$		\$	\$	\$	\$
Balance at 1 July 2021	2,978,000	1,196,223	8,685,677	12,859,900	12,859,900	412,971	2,265,453	0	15,538,324
Additions	0	93,669	6,187	99,856	99,856	181,358	42,637	224,675	548,526
Disposals				0	0		(9,390)		(9,390)
Depreciation		(34,100)	(227,224)	(261,324)	(261,324)	(163,904)	(415,989)		(841,217)
Transfers		(71,169)	0	(71,169)	(71,169)	0	0		(71,169)
Balance at 30 June 2022	2,978,000	1,184,623	8,464,640	12,627,263	12,627,263	430,425	1,882,711	224,675	15,165,074
Comprises:									
Gross balance amount at 30 June 2022	2,978,000	1,218,723	8,691,864	12,888,587	12,888,587	775,701	4,605,234	224,675	18,494,197
Accumulated depreciation at 30 June 2022	0	(34,100)	(227,224)	(261,324)	(261,324)	(345,276)	(2,722,523)	0	(3,329,123)
Balance at 30 June 2022	2,978,000	1,184,623	8,464,640	12,627,263	12,627,263	430,425	1,882,711	224,675	15,165,074
Additions	0	86,630	0	86,630	86,630	89,093	123,394	183,765	482,882
Disposals	0	0	0	0	0	0	(31,680)	0	(31,680)
Assets classified as held for sale	0	0	0	0	0	0		0	0
Depreciation	0	(34,662)	(226,727)	(261,389)	(261,389)	(206,377)	(417,711)	0	(885,477)
Transfers	0	167,215	(167,215)	0	0	0	224,675	(224,675)	0
Balance at 30 June 2023	2,978,000	1,403,806	8,070,698	12,452,504	12,452,504	313,141	1,781,389	183,765	14,730,799
Comprises:									
Gross balance amount at 30 June 2023	2,978,000	1,473,130	8,524,087	12,975,217	12,975,217	864,794	4,913,923	183,765	18,937,699
Accumulated depreciation at 30 June 2023	0	(69,324)	(453,389)	(522,713)	(522,713)	(551,653)	(3,132,534)	0	(4,206,900)
Balance at 30 June 2023	2,978,000	1,403,806	8,070,698	12,452,504	12,452,504	313,141	1,781,389	183,765	14,730,799

SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2021	Price per hectare
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2021	Price per square meter
Buildings - specialised	3	Improvements to land valued using cost approach using current replacement costs.	Independent registered valuers	June 2021	Construction costs and current conditions (Level2), residual values and remaining useful life assessments (Level 3) inputs.
Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.					
During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.					
(ii) Cost					
Furniture and equipment		Cost	Cost		Purchase Cost
Plant and equipment		Cost	Cost		Purchase Cost

SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Other infrastructure	Other infrastructure - work in progress	Total Infrastructure
	\$	\$	\$	\$
Balance at 1 July 2021	18,599,797	3,026,396	0	21,626,193
Additions	723,494	358,285		1,081,779
Depreciation	(157,776)	(146,507)	0	(304,283)
Transfers	80,437	(178,443)	169,175	71,169
Balance at 30 June 2022	19,245,952	3,059,731	169,175	22,474,858
Comprises:				
Gross balance at 30 June 2022	26,446,543	3,206,238	169,175	29,821,956
Accumulated depreciation at 30 June 2022	(7,200,591)	(146,507)	0	(7,347,098)
Balance at 30 June 2022	19,245,952	3,059,731	169,175	22,474,858
Additions	0	650,810	506,330	1,157,140
Depreciation	(523,059)	(184,412)	0	(707,471)
Transfers	0	169,175	(169,175)	0
Balance at 30 June 2023	18,722,893	3,695,304	506,330	22,924,527
Comprises:				
Gross balance at 30 June 2023	26,446,543	4,026,223	506,330	30,979,096
Accumulated depreciation at 30 June 2023	(7,723,650)	(330,919)	0	(8,054,569)
Balance at 30 June 2023	18,722,893	3,695,304	506,330	22,924,527

**SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	Cost Approach using current replacement cost	Independent registered valuers	June 2020	Construction costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs
Other infrastructure	3	Cost Approach using current replacement costs	Independent registered valuers	June 2021	Construction costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs
Other infrastructure - work in progress		Cost	Cost		Purchase Cost

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 CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

Asset Class	Useful life
Buildings - non-specialised	20 years
Buildings - specialised	20 years
Furniture and equipment	1 to 14 years
Plant and equipment	8 to 10 years
Infrastructure - roads	40 years
Formation	not depreciated
Pavement	50 years
Seal	15 years
Kerbs	25 years
Other infrastructure	14 to 20 years

SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

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

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

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

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

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

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

Revaluation

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

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

Revaluation (continued)

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

Depreciation

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

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

Depreciation on revaluation

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

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

Amortisation

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

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

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

Impairment

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

Gains or losses on disposal

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

SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

11. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Prepaid rates
 Accrued payroll liabilities
 Sick leave bonus
 Accrued expenses

2023	2022
\$	\$
148,621	239,239
0	2,746
157,858	102,996
115,484	134,622
6,346	3,116
428,309	482,719

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are initially recognised at fair value when the Shire becomes a party to the contractual provisions of the instrument. guarantees) are subsequently measured at amortised cost. Financial liabilities are derecognised where the related profit or loss.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise goods and services. The amounts are unsecured, are recognised as a current liability and are usually amounts of trade and other payables are 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 CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

12. OTHER LIABILITIES

Current

Contract liabilities

Reconciliation of changes in contract liabilities

Opening balance

Additions

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

2023	2022
\$	\$
286,029	331,746
286,029	331,746
331,746	211,000
286,029	331,746
(331,746)	(211,000)
286,029	331,746

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

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

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 18(i)) due to the unobservable inputs, including own credit risk.

SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

13. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Employee benefit provisions

Annual leave

Long service leave

Total current employee related provisions

Non-current provisions

Employee benefit provisions

Long service leave

Total non-current employee related provisions

Total employee related provisions

	2023	2022
	\$	\$
Annual leave	1,018,579	1,083,445
Long service leave	978,209	1,049,067
	1,996,788	2,132,512
Total current employee related provisions	1,996,788	2,132,512
Non-current provisions		
Employee benefit provisions		
Long service leave	30,977	25,225
	30,977	25,225
Total non-current employee related provisions	30,977	25,225
Total employee related provisions	2,027,765	2,157,737

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.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

14. REVALUATION SURPLUS

	2023 Opening Balance	2023 Closing Balance	2022 Opening Balance	2022 Closing Balance
	\$	\$	\$	\$
Revaluation surplus - Buildings - non-specialised	8,886,784	8,886,784	8,886,784	8,886,784
Revaluation surplus - Furniture and equipment	264,640	264,640	264,640	264,640
Revaluation surplus - Plant and equipment	569,828	569,828	569,828	569,828
Revaluation surplus - Infrastructure - roads	14,065,241	14,065,241	14,065,241	14,065,241
Revaluation surplus - Other infrastructure	23,327	23,327	23,327	23,327
	23,809,820	23,809,820	23,809,820	23,809,820

SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

15. RESTRICTIONS OVER FINANCIAL ASSETS

	Note	2023 Actual \$	2022 Actual \$
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	2,404,673	1,797,550
- Financial assets at amortised cost	4	373,294	
		2,777,967	1,797,550
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	21	4,884,658	4,818,699
Contract liabilities	12	286,029	331,746
Total restricted financial assets		5,170,687	5,150,445
16. UNDRAWN BORROWING FACILITIES AND CREDIT STANDBY ARRANGEMENTS			
Bank overdraft limit		500,000	500,000
Bank overdraft at balance date		0	0
Credit card limit		40,000	40,000
Credit card balance at balance date		(23,600)	(11,707)
Total amount of credit unused		516,400	528,293

SHIRE OF CHRISTMAS ISLAND
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17. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

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

Note	2023 Actual \$	2023 Budget \$	2022 Actual \$
President's annual allowance	37,881	37,881	36,957
President's meeting attendance fees	25,976	25,976	25,308
President's travel and accommodation expenses	22,028		8,999
	85,885	63,857	71,264
Deputy President's annual allowance	9,470	9,470	9,239
Deputy President's meeting attendance fees	16,776	16,776	16,332
Deputy President's travel and accommodation expenses	15,919		7,430
	42,165	26,246	33,001
All other council member's meeting attendance fees	117,433	117,432	114,638
All other council member's travel and accommodation expenses	52,437		56,224
	169,870	117,432	170,862
17(b)	297,920	207,535	275,127

(b) Key Management Personnel (KMP) Compensation

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

Note	2023 Actual \$	2022 Actual \$
Short-term employee benefits	746,496	764,572
Post-employment benefits	115,794	102,245
Employee - other long-term benefits	89,923	89,105
Employee - termination benefits	51,924	45,573
Council member costs	297,920	275,127
17(a)	1,302,057	1,276,622

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Termination benefits

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

Council member costs

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

**SHIRE OF CHRISTMAS ISLAND
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FOR THE YEAR ENDED 30 JUNE 2023**

17. 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.

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 17(a) and 17(b)

ii. Other Related Parties

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

iii. Entities subject to significant influence by the Shire

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

**SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

18. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest revenue

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

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

SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

19. RATING INFORMATION

(a) General Rates

RATE TYPE		Rate in	Number	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2021/22
Rate Description	Basis of valuation	\$	of	Actual	Actual	Actual	Actual	Budget	Budget	Actual
			Properties	Rateable	Rate	Interim	Total	Rate	Total	Total
				Value*	Revenue	Rates	Revenue	Revenue	Revenue	Revenue
				\$	\$	\$	\$	\$	\$	\$
Residential	Gross rental valuation	0.101348	454	8,767,118	888,530		888,530	890,461	0	866,866
Commercial	Gross rental valuation	0.101348	89	2,190,676	198,711		198,711	204,881	0	193,866
DIAC	Gross rental valuation	0	20	1,210,320	0		0	0	0	0
Unallocated	Gross rental valuation	0.101348	4	63,960	6,482		6,482	15,857	0	6,324
Rural	Gross rental valuation	0.101348	2	45,280	4,589		4,589	4,589	0	4,477
Industrial	Gross rental valuation	0.101348	12	227,160	23,022		23,022	24,392	0	22,461
Exempt	Gross rental valuation	0	164		0		0	0	0	0
Industrial	Unimproved valuation	0.370000	1	940,000	347,800		347,800	347,800	0	204,120
Mining	Unimproved valuation	0.370000	8	689,568	255,140		255,140	258,404	0	168,988
Total general rates			754	14,134,082	1,724,274	0	1,724,274	1,746,384	0	1,467,102
Minimum payment										
				Minimum						
				Payment						
				\$						
Residential	Gross rental valuation	610	5	19,050	3,050		3,050	3,050	0	2,980
Commercial	Gross rental valuation	610	16	60,886	9,760		9,760	22,570	0	9,536
Unallocated	Gross rental valuation	610	37	92,500	22,570		22,570	9,760	0	22,052
Industrial	Gross rental valuation	610	5	13,520	3,050		3,050	3,050	0	2,980
Exempt	Gross rental valuation	610	0		0		0	0	0	0
Mining	Unimproved valuation	368	2	500	736		736	1,104	0	1,077
Mining	Gross rental valuation	610	1	0	610		610	610		596
Total minimum payments			66	186,456	39,776	0	39,776	40,144	0	39,221
Total general rates and minimum payments			820	14,320,538	1,764,050	0	1,764,050	1,786,528	0	1,506,323
Discounts							(24,028)			(32,301)
Concessions							(259)			0
Total Rates							1,739,764		1,755,778	1,474,022
Rate instalment interest							2,016		5,000	1,952
Rate overdue interest							10,933		5,000	9,099

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 CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

20. DETERMINATION OF SURPLUS OR DEFICIT

		2022/23 2022/23 Budget	2021/22 2021/22 Budget
		(30 June 2023 Carried Forward)	(30 June 2022 Carried Forward)
Note		\$	\$
(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: Movement in liabilities associated with restricted cash			
			121,456
Add: Loss on disposal of assets			
		18,964	1,850
Add: Depreciation			
8,9	1,592,949	2,208,300	1,145,500
Non-cash movements in non-current assets and liabilities:			
Financial assets at amortised cost			
		0	
Assets held for sale			
7	0		
Employee benefit provisions			
	5,752		7,313
Non-cash amounts excluded from operating activities			
	1,617,665	2,208,300	1,276,119
(b) Surplus or deficit after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserve accounts			
21	(4,884,658)	(5,425,927)	(4,818,699)
Add: Current liabilities not expected to be cleared at end of year			
- Employee benefit provisions			
	1,699,557		1,708,372
Total adjustments to net current assets			
	(3,185,101)	(5,425,927)	(3,110,327)
Net current assets used in the Statement of Financial Activity			
Total current assets			
	8,297,951	8,838,574	7,302,736
Less: Total current liabilities			
	(2,711,126)	(2,646,977)	(2,946,977)
Less: Total adjustments to net current assets			
	(3,185,101)	(5,425,927)	(3,110,327)
Surplus or deficit after imposition of general rates			
	2,401,724	765,670	1,245,432

SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

21. RESERVE ACCOUNTS

	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance	2023 Budget Opening Balance	2023 Budget Transfer to	2023 Budget Transfer (from)	2023 Budget Closing Balance	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Employee benefits	1,708,372	23,367		1,731,739	1,708,372	202,564	0	1,910,936	1,586,916	121,456	0	1,708,372
(b) Plant and machinery	897,520	12,276		909,796	897,520	401,346	(325,000)	973,866	1,071,638	103,383	(277,501)	897,520
(c) Furniture and equipment	666,957	9,123		676,080	666,957	101,000	(73,000)	694,957	684,796	102,161	(120,000)	666,957
(d) Buildings	660,206	9,030		669,236	660,206	50,990	0	711,196	558,442	101,764	0	660,206
(e) Welfare fund	85,948	1,226		87,174	85,948	129	(2,000)	84,077	85,716	232	0	85,948
(f) Recreation services	125,470	1,716		127,186	125,470	50,188	0	175,658	75,233	50,237	0	125,470
(g) Waste management	456,829	6,248		463,077	456,829	100,685	0	557,514	355,706	101,123	0	456,829
(h) Road works and materials	152,619	2,087		154,706	152,619	100,229	0	252,848	102,295	50,324	0	152,619
(i) Parks and gardens	64,778	886		65,664	64,778	97	0	64,875	64,574	204	0	64,778
	4,818,699	65,959	0	4,884,658	4,818,699	1,007,228	(400,000)	5,425,927	4,585,316	630,884	(397,501)	4,818,699
	4,818,699	65,959	0	4,884,658	4,818,699	1,007,228	(400,000)	5,425,927	4,585,316	630,884	(397,501)	4,818,699

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

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

Name of reserve account	Purpose of the reserve account
Restricted by council	
(a) Employee benefits	to fund annual and long service leave requirements
(b) Plant and machinery	to purchase new major plant
(c) Furniture and equipment	to purchase new furniture and equipment
(d) Buildings	to upgrade staff housing
(e) Welfare fund	for specific community purpose
(f) Recreation services	to upgrade recreation services and purchase new plant, furniture and equipment
(g) Waste management	to upgrade tipsite and purchase new plant and equipment
(h) Road works and materials	for the purpose of road works and purchase of materials
(i) Parks and gardens	to hold open space contributions as required by the Planning & Development Act 2005

SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

22. TRUST FUNDS

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

	1 July 2022	Amounts Received	Amounts Paid	30 June 2023
	\$	\$	\$	\$
Taman Sweetland Reserve (POS)	55,845	1,048		56,893
	55,845	1,048	0	56,893



Auditor General

INDEPENDENT AUDITOR'S REPORT 2023 Shire of Christmas Island

To the Council of the Shire of Christmas Island

Opinion

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

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

In my opinion, the financial report is:

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

Basis for opinion

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

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

Other information

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

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

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

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

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

The 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 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Matters relating to the electronic publication of the audited financial report

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

Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
7 December 2023