



AGENDA

16th of December 2021

ANNUAL GENERAL MEETING OF ELECTORS

To be held at the Shire's Administration Building situated at Gascoyne Junction
commencing at 8.30am

DISCLAIMER

Disclaimer

The advice and information contained herein is given by and to the Council without liability or responsibility for its accuracy. Before placing any reliance on this advice or information, a written inquiry should be made to the Council giving entire reasons for seeking the advice or information and how it is proposed to be used.

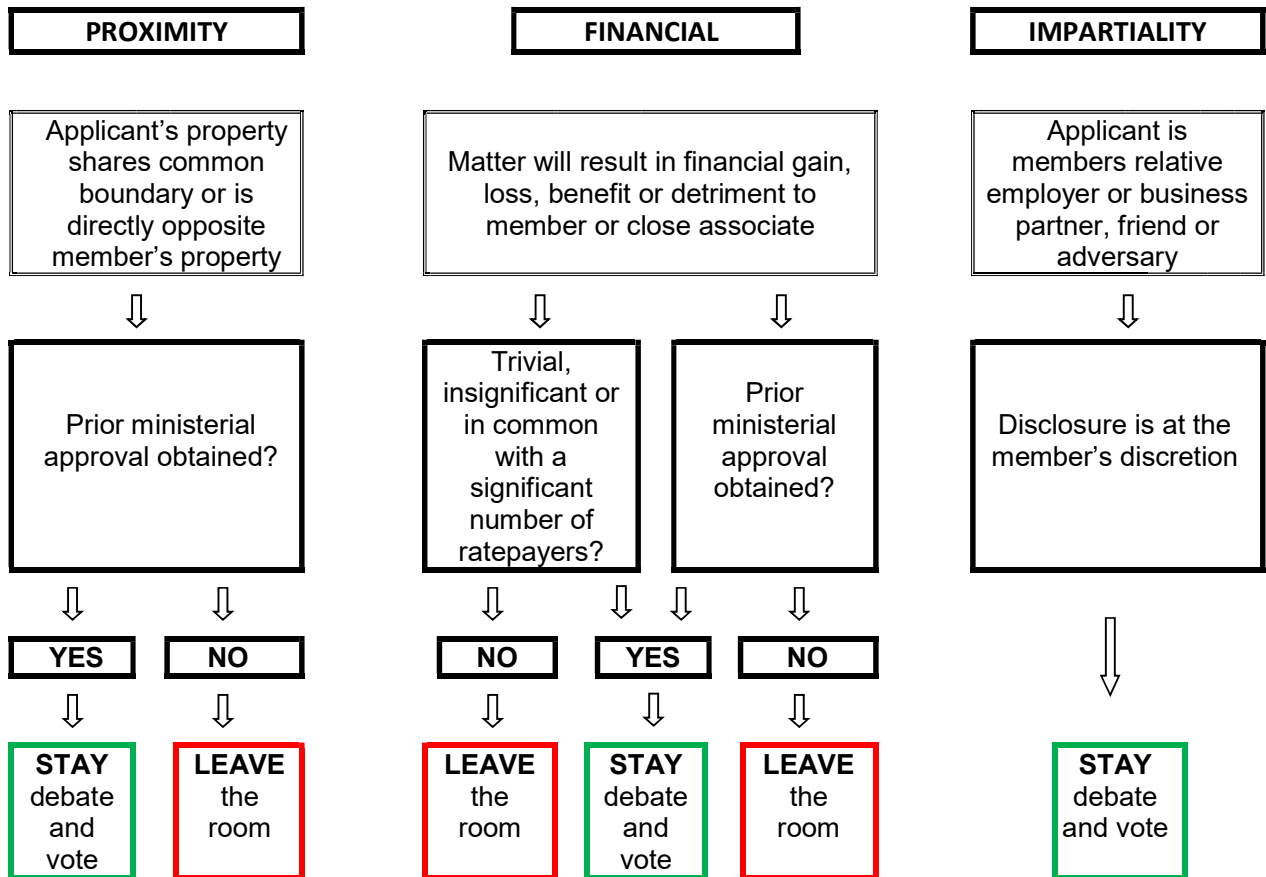
Please note this agenda contains recommendations which have not yet been adopted by Council.

No responsibility whatsoever is implied or accepted by the Shire of Upper Gascoyne for any act, omission, statement or intimation occurring during the Council/Committee meetings or during formal/informal conversations with staff. The Shire of Upper Gascoyne disclaims any liability for any loss whatsoever and however caused arising out of reliance by any person or legal entity on any such act, omission, statement or intimation. Any person or legal entity who acts or fails to act in reliance upon any statement does so at that person's or legal entity's own risk.

In particular and without derogating in any way from the broader disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or limitation of approval made by a member or officer of the Shire of Upper Gascoyne during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Upper Gascoyne. The Shire of Upper Gascoyne warns that anyone who has an application lodged with the Shire of Upper Gascoyne must obtain and should only rely on written confirmation of the outcome of the application, and any conditions attached to the decision made by the Shire of Upper Gascoyne in respect of the application.


John McCleary, JP
CHIEF EXECUTIVE OFFICER

Declaring an Interest



Local Government Act 1995 - Extract

5.65 - Members' interests in matters to be discussed at meetings to be disclosed.

(1) A member who has an interest in any matter to be discussed at a council or committee meeting that will be attended by the member must disclose the nature of the interest:

(Penalties apply).

(2) It is a defense to a prosecution under this section if the member proves that he or she did not know:

(a) that he or she had an interest in the matter; or (b) that the matter in which he or she had an interest would be discussed at the meeting.

(3) This section does not apply to a person who is a member of a committee referred to in section 5.9(2)(f).

5.70 - Employees to disclose interests relating to advice or reports.

(1) In this section: 'employee' includes a person who, under a contract for services with the local government, provides advice or a report on a matter.

(2) An employee who has an interest in any matter in respect of which the employee is providing advice or a report directly to the council or a committee must disclose the nature of the interest when giving the advice or report.

(3) An employee who discloses an interest under this section must, if required to do so by the council or committee, as the case may be, disclose the extent of the interest. (Penalties apply).

5.71 - Employees to disclose interests relating to delegated functions.

If, under Division 4, an employee has been delegated a power or duty relating to a matter and the employee has an interest in the matter, the employee must not exercise the power or discharge the duty and:

(a) in the case of the CEO, must disclose to the mayor or president the nature of the interest as soon as practicable after becoming aware that he or she has the interest in the matter; and (b) in the case of any other employee, must disclose to the CEO the nature of the interest as soon as practicable after becoming aware that he or she has the interest in the matter. (Penalties apply).

'Local Government (Administration) Regulations 1996 – Extract

In this clause and in accordance with Regulation 34C of the Local Government (Administration) Regulations 1996:

"Interest" means an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest and includes an interest arising from kinship, friendship or membership of an association.



SHIRE OF UPPER GASCOYNE
AGENDA FOR THE ANNUAL GENERAL MEETING OF ELECTORS TO BE HELD AT THE SHIRES
ADMINISTRATION BUILDING SITUATED AT GASCOYNE JUNCTION ON THE
16th of DECEMBER 2021 COMMENCING AT 8.30 AM

Table of Contents

<u>1.</u>	OPENING OF MEETING	4
<u>2.</u>	ATTENDANCE AND APOLOGIES	4
<u>3.</u>	CONFIRMATION OF MINUTES FROM PREVIOUS MEETING	4
<u>4.</u>	ANNUAL REPORT AND AUDITORS REPORT 2020/2021 FINANCIAL YEAR	5
<u>5.</u>	GENERAL BUSINESS	5
<u>6.</u>	MEETING CLOSURE	5



**SHIRE OF UPPER GASCOYNE
AGENDA FOR THE ANNUAL GENERAL MEETING OF ELECTORS TO BE HELD AT THE SHIRES
ADMINISTRATION BUILDING SITUATED AT GASCOYNE JUNCTION ON THE
16th OF DECEMBER 2021 COMMENCING AT 8.30AM**

1. OPENING

The President declared the meeting open at 8.30am.

2. ATTENDANCE & APOLOGIES

CR D. Hammarquist	President
CR J. Caunt	Vice President
CR B. Walker	
CR H. McTaggart	
CR G. Watters	
CR A. McKeough	
CR R. Hoseason-Smith	
John McCleary	Chief Executive Officer
Mativa Toomalatai	Manager Finance and Corporate Services
Jarrod Walker	Manager Works and Services

3. CONFIRMATION OF MINUTES – MEETING HELD 24TH MARCH 2021

MOVED:

SECONDED:

That the minutes from the Electors Meeting held on the 24th March 2021 be confirmed as a true record of the meeting.

FOR: CR

AGAINST: CR

F/A:

4. ANNUAL REPORT AND AUDITORS REPORT 2020/2021 FINANCIAL YEAR

The President tabled the Annual Report containing the Annual Financial Statements for the year ending 30th June 2021 and the Report of the Auditor (**Appendix 1**).

MOVED:

SECONDED:

That the 2020/21 Shire of Upper Gascoyne Annual Report be accepted as presented.

FOR: CR

AGAINST: CR

F/A:

5. GENERAL BUSINESS

Nil

6. CLOSE

The President closed the meeting at _____am

APPENDIX 1

(2020/2021 Shire of Upper Gascoyne Annual Report)



ANNUAL REPORT 2020/2021



Contents

OUR VISION	3
THE COUNCIL	5
ORGANISATION STRUCTURE.....	10
SHIRE DEMOGRAPHICS	11
SHIRE PRESIDENT'S REPORT	12
CHIEF EXECUTIVE OFFICER'S REPORT	13
FREEDOM OF INFORMATION STATEMENT	15
RECORD KEEPING PLAN	15
DISABILITY SERVICES PLAN	15
INFORMATION ABOUT CERTAIN EMPLOYEES.....	16
PUBLIC INTEREST DISCLOSURE ACT	17
NATIONAL COMPETITION POLICY	17
INTEGRATED PLANNING.....	17
ECONOMIC.....	18
ENVIRONMENTAL.....	21
SOCIAL.....	22
CIVIC LEADERSHIP.....	23
HIGHLIGHTS - IN BRIEF 2020/21.....	25
PROPOSED PROJECTS/ACQUISITIONS FOR 2021/22.....	26
2020/21 FINANCIAL REPORT.....	27

OUR VISION

Vision

The Shire of Upper Gascoyne will be a sustainable service base supporting the pastoral, tourism sector, mining industries and the local community.

Mission Statement

To work with all sectors of the Upper Gascoyne community to retain and attract people and businesses to the district.

Key Focus Areas

1. Economic

Encourage greater diversity in the commercial sector, so as to grow a broader local economy. Develop and maintain an efficient road transport system. Promote Tourism.

Strategies

- Develop, maintain and improve an efficient road system to support the transport requirements associated with the pastoral, mining and tourism industries.
- Retain existing industries and encourage the establishment of new industries to broaden the region's economic base.
- Promote and support a sustainable tourism industry in the Shire of Upper Gascoyne.

2. Environmental

Actively protect the environment, promote ecological sustainability, protect water quality, pursue water and energy conservation and manage future built development.

Strategies

- Pursue high quality water sources within statutory health requirements with sufficient quantity to meet demand. Extension of scheme water supply to residents on north side of Gascoyne River.
- Identify future development and ongoing maintenance requirements at Shire waste disposal sites and identify future recycling opportunities.
- Attempt to protect and retain the regions native vegetation and animals to support indigenous culture and the pastoral industry.

3. Social:

Develop, co-ordinate, provide support services and facilities which enhance the quality of community life in the Shire.

Strategies

- Enhance community well-being through crime prevention measures.
- Improve community health and well-being through improving primary care services and opportunities for the community.
- Promote and enhance the spirit and cohesiveness of the community by supporting activities and local events.
- Maintain and improve the standard of community infrastructure including mobile phone coverage and a cemetery.

4. Civic Leadership:

To provide good governance to the Upper Gascoyne Shire area through:

- Detailed and professional administration;
- High levels of accountability;
- Compliance with statutory requirements;
- High-quality forward planning, particularly for assets and finances;
- Openness and transparency and enhanced consultations and public participation;
- Provision of quality customer services, good financial management and pursuit of excellence in professional administration and communication.

Strategies

- Financial Planning and Management – responsibly manage Council's financial resources to ensure optimum value for money and sustainable asset management.
- Strategic Planning – ongoing reviews of the Community Strategic Plan.
- Asset Management – meet the required level of service in the most cost effective manner for present and future residents.



Shire Administration Office and Community Resource Centre

THE COUNCIL

Local government is one of Australia's three tiers of government (federal, state and local). Western Australia alone has a total of 138 local governments, with the Shire of Upper Gascoyne being one of the largest in land form. The Shire does not have wards and has a total of seven (7) elected members. The Shire Council is responsible for making decisions on behalf of the local community.

DEMOCRACY IN THE SHIRE OF UPPER GASCOYNE

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

LOCAL GOVERNMENT ELECTIONS

Local government elections are held every two years, with the next election being held in October 2021. All persons registered on the state electoral roll are eligible to vote for their local government. Non-resident owners and occupiers can also apply for eligibility to vote. Any eligible elector can stand to nominate for election, with no requirement for a candidate to belong to a political party or other organisation. Councillors are voted in for a four-year term, with the Council electing the offices of President and Deputy President every second year.

THE ROLE OF THE PRESIDENT, DEPUTY PRESIDENT AND COUNCILLORS

Councillor Don Hammarquist OAM JP is the serving President of the Shire of Upper Gascoyne. The role of the President is to:

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

Councillor Jim Caunt is the serving Deputy President and performs the functions of President as required.

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

- Represent the interests of electors, ratepayers and residents of the Shire
- Provide leadership and guidance to the community
- Facilitate communication between the community and Council

- Participate in the local government's decision-making processes at Council and committee meetings.



Shire of Upper Gascoyne Councillors and CEO

*Top row: Cr Hamish McTaggart, Deputy President Jim Caunt, Cr Greg Watters, Cr Ray Hoseason-Smith
Bottom row: Cr Blanche Walker, Cr Alys McKeough, President Don Hammarquist OAM JP, CEO John McCleary, JP*

SHIRE OF UPPER GASCOYNE CONTACT INFORMATION

Office Hours 8:30am to 4:30pm Monday to Thursday
8:30am to 3pm Friday
Closed on Public Holidays

Phone (08) 9943 0988

Fax (08) 9943 0507

Email admin@uppergascoyne.wa.gov.au

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

Address 4 Scott St, Gascoyne Junction WA 6705

COUNCIL MEETINGS

Council meetings are generally held on the fourth Wednesday of every month at 8:30am and the public are welcome to attend. The dates do change from time to time due to administrative efficiencies, any changes to dates are advertised according to the Act and Regulations.

Council meeting dates can be found on our webpage and local notice boards.

YOUR SAY IN LOCAL GOVERNMENT

The Council encourages local residents to have their opinions heard on issues which are of concern to them.

You can present your ideas and opinions to the Council in a number of ways:

- *Write, email or telephone the Shire office*
- *Write, email or telephone you Shire Councillors*
- *Visit the Shire Administration building*
- *Present a question to a Council meeting through 'public question time'*

Contact details can be found on our webpage:

<https://www.uppergascoyne.wa.gov.au/councillors>.

Deputations may also be made to Council meetings with permission of the Presiding Member. Please contact the office of the Chief Executive Officer on 9943 0988 for full details of how this can be arranged.

WHERE TO VIEW COUNCIL AGENDA / MINUTES

AGENDAS

Copies of all non-confidential items are tabled at a council meeting and are normally available to the public on the Friday prior to the meeting from the Shire website, Community Resource Centre Library and the Shire Administration Office. In the interests of the environment the Shire encourages the use of on-line services rather than the printing of paper documents. They can also be found on the Shires website <https://www.uppergascoyne.wa.gov.au/council-meetings/>

MINUTES

Minutes of all Council meetings are available to the public free online in Public Documents in PDF format on <https://www.uppergascoyne.wa.gov.au/council-meetings/>, the Shire of Upper Gascoyne, 4 Scott St, Gascoyne Junction or the CRC.

COUNCIL MEMBERS

Name	Position	Status
Cr D Hammarquist, OAM JP	Shire President	To October 2023
Cr J Caunt	Deputy Shire President	To October 2023
Cr G Watters	Councillor	To October 2023
Cr R Hoseason-Smith	Councillor	To October 2023
Cr A McKeough	Councillor	To October 2021
Cr H McTaggart	Councillor	To October 2021
Cr B Walker	Councillor	To October 2021

*Note: Council elections are to be held on the 16th of October 2021. Candidates that are successfully elected at the 2021 election will be updated in the table above and included in the 2021/22 Annual Report.

Under regulation 19B (e) of the Local Government (Administration) Regulations 1996 require that the following:

COUNCILLOR STATISTICS

Name	Ordinary Council Meetings Attended	Committee Meetings Attended *	Gender	Linguistic Background	Country of Birth
Cr D Hammarquist, OAM JP	08/11	4/4	Male	English	Aus
Cr J Caunt	11/11		Male	English	Aus
Cr G Watters	10/11		Male	English	Aus
Cr B Walker	09/11	4/4	Female	English	Aus
Cr A McKeough	10/11	4/4	Female	English	Aus
Cr H McTaggart	10/11		Male	English	Aus
Cr R Hoseason-Smith	08/11		Male	English	Aus

* Not all Councillors are members of the Audit Committee with only Councillors Hammarquist, Walker and McKeough being members.

COUNCILLOR ANNUAL PAYMENTS

Name	President Allowance	Dep. Pres Allowance	Presidents Meeting Fee	Councillor Meeting Fee	ICT Allowance
Cr D Hammarquist, OAM JP	\$20,063		\$19,534		\$3,500
Cr J Caunt		\$5,015		\$9,504	\$3,500
Cr H McTaggart				\$9,504	\$3,500
Cr B Walker				\$9,504	\$3,500
Cr G Watters				\$9,504	\$3,500
Cr R Hoseason-Smith				\$9,504	\$3,500
Cr A McKeough				\$9,504	\$3,500

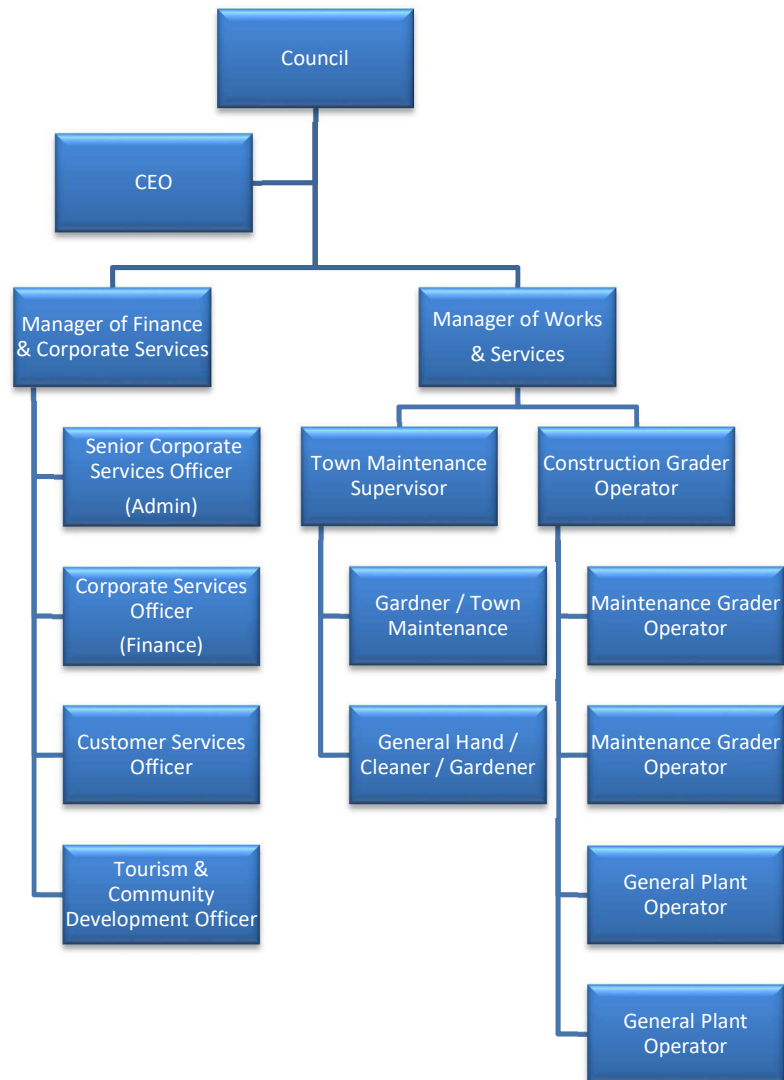
COUNCILLOR TRAINING

Councillor	Training Undertaken	Outcome
Cr D Hammarquist, OAM JP (Member Essentials)	Serving on Council Understanding Local Government Meeting Procedures Conflict of Interest Understanding Financial Reports & Budgets	Competent Competent Competent Competent Competent
Cr J Caunt (Member Essentials)	Serving on Council Understanding Local Government Meeting Procedures Conflict of Interest Understanding Financial Reports & Budgets	Competent Competent Competent Competent Competent
Cr R Hoseason-Smith (Member Essentials)	Serving on Council Understanding Local Government Meeting Procedures	Competent Competent Competent

	Conflict of Interest Understanding Financial Reports & Budgets	Competent Competent
Cr G Watters (Member Essentials)	Serving on Council Understanding Local Government Meeting Procedures Conflict of Interest Understanding Financial Reports & Budgets	Competent Competent Competent Competent Competent
Cr A McKeough*	Diploma of Local Government (Elected Member)	Completed
Cr B Walker (Member Essentials)	Serving on Council Understanding Local Government Meeting Procedures Conflict of Interest Understanding Financial Reports & Budgets	Competent Competent Competent Competent Participating
Cr H McTaggart (Member Essentials)	Meeting Procedures & Debating Serving on Council	Completed Completed

*Councillor McKeough has completed a Diploma of Local Government and is not required to undertake Member Essentials Training.

ORGANISATION STRUCTURE



SHIRE DEMOGRAPHICS

The Shire has an estimated population of some 260 persons located as follows:

- Approximately 120 residents at Burringurrah, an Indigenous community south of Mt. Augustus, (as advised by the police stationed at Burringurrah). This figure is highly variable.
- 90 people on 35 pastoral stations,
- About 15 people at Woodgamia, an indigenous community just south of the Gascoyne Junction township, and
- 35 residents at Gascoyne Junction.

The current demographic trend is relatively stable over time; however, there can be significant variances with the influx and dispersion of people from Burringurrah Aboriginal Community.

The town site of Gascoyne Junction is the administrative hub for the Shire of Upper Gascoyne. Gascoyne Junction sits in the western side of the Shire adjacent to the majestic Kennedy Range. The town is well serviced with modern facilities such as; Community Resource Centre, Shire Administration Building, Town Hall, Grassed Oval, School, Gymnasium, Craft Centre, Play Grounds, Tennis Court, Pavilion and Junction Tourist Precinct which consists of a Caravan Park, Restaurant and Roadhouse. The town is serviced with mains electricity, reticulated water, mobile telephone coverage and the NBN is available via satellite.

Cattle grazing is the principle local economic activity in the Shire. There is also some mining in the area, which is increasing its footprint in the Shire and according to information obtained.

Future growth is likely to be generated by increased Tourism and Mining activity. This forms part of a wider tourism focus in the Gascoyne region which includes two World Heritage listed Sites:

- Shark Bay (Monkey Mia/Denham)
- Ningaloo Reef (Coral Bay/Exmouth)

These outstanding ocean based tourism attractions are balanced and supported by land based attractions in the Shire of Upper Gascoyne; namely the Kennedy Range and Mount Augustus National Parks.

Rising up to 100 metres above the valley, the Kennedy Range plateau dominates the surrounding plains. Kennedy Range is a flora and fauna haven, 90 kilometres in length with stunning cliffs, springs and canyons. The Temple Gorge camp site at Kennedy Range National Park is 56 kilometres north of Gascoyne Junction.

Mt Augustus is more than twice the size of Uluru and is visible from as far away as 100km. It is 8km long, 3 km wide, 858 metres high and in total 1105 metres above sea level, while Uluru is 3.6km long 2.4km wide and 348.7 metres high. Uluru currently attracts between 300,000-400,000 tourists per year. With better developed facilities and marketing, Mt Augustus has the potential to attract many more tourists than it does currently.

SHIRE PRESIDENT'S REPORT

This report relates to the time period from the 1st of July 2020 through to the 30th of June 2021. The report provides a brief overview of the Shire's major achievements and its current financial position and performance over this time frame.

Unfortunately this financial year I have experienced some health issues which have necessitated time away from my Presidential / Councillor duties. I was kept up to date but was not in position to attend some meetings. It is pleasing that I appear to have turned the corner and can once again devote my energies for our community.

COVID19 has still been an active player and caused major disruption throughout Australia and the World although as a Shire we have been able to continue with our normal works and have not had to lay off any employees. One of the side effects of COVID 19 has been the time taken to get parts and other goods as well as source contractors, in addition we have seen a major influx of tourists which is very good in one sense but has impacted on our road network.

The future of our Shire is very exciting with some major opportunities on the horizon; however, to take advantages we need to be pro-active and make sure we do the work now so we are ready, waiting and open for business. Growth is the key to our sustainability with our overall community being the beneficiaries.

The members of Council have been committed and diligent in the execution of their duties with all members contributing to the overall direction of Council. Council have enjoyed an excellent relationship with our Staff and I am very pleased to advise that there is a common purpose between the Council and Staff which has created a purposeful and driven approach by all for the common good of the entire community.

2020/21 was another very busy year for the Shire with significant work being undertaken on our road infrastructure, largely as result of flood damage and our ability to leverage from one grant to another to maximise the opportunities. In addition significant improvements have been made to our social infrastructure such as the War Memorial, Pavilion, footpaths, and shade structures, etc.

I sincerely thank the Shire staff who are putting in a lot of time and effort into continuing to provide and maintain our amenities, including infrastructure, roads and grounds, to such a high standard. Thanks also go to the Shire Councillors for their support and contribution to the Upper Gascoyne community during the past year.

CR Don Hammarquist OAM JP
SHIRE PRESIDENT

CHIEF EXECUTIVE OFFICER'S REPORT 2020/21

The 2020/21 reporting period has once again been very busy and very productive, with the Shire delivering on the various elements contained in the Community Strategic Plan. COVID19 has thrown some significant challenges from an organisational and personal perspective; however, as an organisation we have managed these and have continued to deliver on our projects for the benefit of the community.

The primary focus has been on delivering various road projects throughout the length and breadth of the Shire. The Shire staff delivered on Roads to Recovery and the Regional Road Group Projects, Heavy Vehicle Safety Productivity Program all being on time and within budget. In addition to our normal works the Shire have had significant work being undertaken by contractors on various Shire Roads under the DRFAWA disaster recovery arrangements, this work is ongoing and will continue for at least another 13 to 18 months.

All staff have performed their duties well above normal expectations and they are a credit to themselves and to our Shire. We now have a full complement of officers on board but for a significant part of the year the Shire Administration was understaffed and all of us had to work a lot longer and harder to complete our works.

The interaction between the Administration and your Councillors, ably led by the Shire President – Don Hammarquist and Deputy Shire President – Jim Caunt, has been excellent with all parties working together for the benefit of our community.

From a financial perspective the Shire has performed remarkably well with projects and general operating income and expenditure meeting project forecasts. This is the second year that the Shire has been audited by the State Auditor General, the audit is far more comprehensive than previous audits. I am very pleased to advise that the Audit was exceptionally clean with only a few minor issues requiring attention, these were largely due to our small staff size, remoteness and a change of Accounting Standards during the financial year. The biggest hurdle that the Shire have faced is ensuring that we have had sufficient cash flow to fund the operations and this has caused significant work in ensuring our flood damage claims are 100% correct and that the State instrumentalities are paying these in an expeditious manner.

The Shire of Upper Gascoyne has proven to have taken a leadership role in our regional responsibilities where we have orchestrated the new claims protocol for any future Disaster Funding Arrangements, wrote the Gascoyne Regional Road Group guidelines, proposed new Restricted Access Vehicle guidelines, called for a review of the Asset Preservation Model and Financial Assistance Grant arrangements. We continue to work closely with all other Gascoyne Local Governments and the Gascoyne Development Commission.

The Shire have continued to work with Hastings Technologies to assist, where possible, to bring the Yangibana Rare Earth Project to life. There is still considerable work to be done in this space and this will be dependent on Hastings providing the information that is acceptable to all Local Governments involved.

The 2021/22 financial year also promises to be another busy year with further DRFAWA works to be carried out in addition to the routine maintenance and capital works. I look forward with great confidence in this Shires ability to meet and exceed our community expectations.

John McCleary, Bbus, JP
CHIEF EXECUTIVE OFFICER

FREEDOM OF INFORMATION STATEMENT

The Shire of Upper Gascoyne will provide people with all necessary information held by the Council; however if we are unable to supply this information by less formal means, a Freedom of Information request can be made.

RECORD KEEPING PLAN

The Shire of Upper Gascoyne completed a revised Record Keeping Plan which was submitted to the State Records Office of Western Australia in 2019. This document is due to be reviewed in 2024.

The objectives of the Shire of Upper Gascoyne RKP are to ensure:

- Compliance with Section 28 of the State Records Act 2000;
- Recordkeeping within the Local Government is moving towards compliance with State Records Commission Standards and Records Management Standard AS ISO 15489;
- Processes are in place to facilitate the complete and accurate record of business transactions and decisions;
- Recorded information can be retrieved quickly, accurately and cheaply when required; and the Protection and preservation of the Local Government's records.

DISABILITY SERVICES PLAN

The Shire of Upper Gascoyne completed a revised Disability Access and Inclusion Plan which was submitted to the Government of Western Australia Disability Services Commission in August 2015.

The Shire of Upper Gascoyne is committed to achieving the seven desired outcomes of its Disability Access and Inclusion Plan:

- People with disability have the same opportunities as other people to access the services of, and any events organised by, the relevant public authority.
- People with disability have the same opportunities as other people to access the buildings and other facilities of the relevant public authority.
- People with disability receive information from the relevant public authority in a format that will enable them to access the information as readily as other people are able to access it.
- People with disability receive the same level and quality of service from the staff of the relevant public authority.
- People with disability have the same opportunities as other people to make complaints to the relevant public authority.
- People with disability have the same opportunities as other people to participate in any public consultation by the relevant public authority.
- People with disability have the same opportunities as other people to obtain and maintain employment with a public authority.

A new disabled toilet was constructed in the in the Administration Building.

INFORMATION ABOUT CERTAIN EMPLOYEES

In accordance with the Local Government (Administration) Regulations 19B, set out below is the number of employees of the Shire of Upper Gascoyne entitled to an annual salary of \$100,000 or more.

Salary Range	Number of Employees
\$100,000 - \$110,000	2
\$110,000 - \$120,000	1
\$120,000 - \$130,000	0
\$130,000 - \$140,000	1
\$140,000 - \$150,000	0
\$150,000 - \$160,000	0
\$160,000 - \$170,000	0
\$170,000 - \$180,000	0
\$180,000 - \$190,000	0
\$190,000 - \$200,000	1*

*Note: This figure relates to the cash component of the CEO's Salary.

Under regulation 19B (e) of the Local Government (Administration) Regulation 1996 require that the CEO's Total Remuneration Package be reported. During the 2020/21 financial period the current CEO, Mr John McCleary's Total Reward Package was made up of the following elements as provide by the Salaries and Allowances Tribunal.

Cash Component	\$165,840pa
Superannuation – 9.5%	\$18,510pa (statutory requirement)
Salary Sacrifice – 2%	\$3,897pa (as Council Policy and Contractual)
Utilities	\$2,600pa (Contractual)
FBT	\$6,413pa (Contractual)
Clothing Allowance	\$700pa
Retention Allowance	\$29,000pa
Health Insurance	\$5,720pa
Total TRP	<u>\$232,680pa</u>

PUBLIC INTEREST DISCLOSURE ACT

During 2020/21 the Council received no disclosure or complaints lodged under the Public Interest Disclosure Act 2013.

NATIONAL COMPETITION POLICY

Council operations in the 2020/21 financial; period did not fall within the requirements of National Competition Policy.

INTEGRATED PLANNING

Integrated Planning was introduced in the Shire of upper Gascoyne in 2012/13, and comprises:

- Strategic Community Plan
- Corporate Business Plan
- Asset Management Plan
- Long Term Financial Plan, and
- Workforce Plan

As part of the Integrated Planning process a full review of the Strategic Community Plan and associated plans was undertaken in the 2016/17 financial year. This has provided the opportunity for the broader community to review the previous document and make any changes that reflect the current time period.

In 2020 the various integrated planning documents were subject to a desk top review by Council, no material changes were made. The review revealed that we had and were continuing to deliver on this plan, it was amazing to see the progress that has been made.

This document is available on the Shire Web site and has determined the Shire's Vision, Key Focus Areas, and the development of strategies to achieve objectives in each of the Key Focus Areas. This review was adopted on the 28th of June 2020 as such this annual report will now report against this Plan.

In 2022 the complete suite of Integrated Plans will be subject to a complete review with a full round of public consultation in order to glean our communities views.

The Council is pleased to report the progress in achieving the following:

Economic

Objective

To encourage greater diversity in the commercial sector, so as to grow a broader local economy. To develop and maintain an efficient road transport system. Promote Tourism.

Strategies to Achieve Economic Outcomes

Maintenance and Upgrade of Road Network

To develop, maintain and improve an efficient road system to support the transport requirements associated with the pastoral and mining industries and tourism.

Roads have been maintained and upgraded as part of a coordinated program to improve access for industry and tourism. Staff and Councillors undertake an annual collective inspection to determine the current status of the roads and identify key areas requiring capital works. The Shire have a road rating matrix where each road is given a priority allocation and the allocation determines the level of maintenance the road receives, for example Cobra Dairy Creek is a priority 1 road and this will be maintenance graded two to three times per year, other roads maybe classified as being priority 3 road and they will only be graded once per year.

2020/21 has once again been a challenging year in regards to maintaining roads and infrastructure as the Shire experienced an extremely wet year with major rain events in February and May that caused approximately \$13M of damage (AGRN 951& 974) coupled with the increased traffic movements brought about by additional road works and the influx of tourists due to COVID-19, with work still being carried out on AGRN 908. However, it is very pleasing to report that our maintenance crew have once again exceeded our expectations and delivered quality work. We also engage the services of local contractors including grader hire, grid removal, shoulder clearing and signage installation to assist with keeping our roads in a safe condition for everyone.

The Shire operates a dedicated construction crew consisting of a grader, prime mover and side tippers, rollers (flat drum, pad foot and multi tyre), loader and we utilise contract water carts and dozer. This crew go around the Shire and reconstruct those areas of our roads that are no longer able to be rectified using the maintenance graders. In addition they prepare roads and floodway's for bitumen. The quality of work produced is first class.

In 2020/21 the Shire once again had significant damage to our road infrastructure cause by floods. The reinstatement works were completed by contractors which consisted of 20% local content in the form of machinery and labour hire. The flood damage repair works have enable the Shire road crews to concentrate on non-affected sections of road that were also in need of reconstruction and maintenance.



Cobra Hill – Blackspot funded

The town of Gascoyne Junction also received some well-deserved attention including 100m of new footpaths on Scott and Smith Street, \$50,000 upgrades to the town pavilion including a new suspended ceiling, installation of a \$35,000 ANZAC war memorial and we won the 2020 Tidy Towns General Appearance category.



Tidy Towns Winners 2020



Internal upgrade of the Pavilion

The shire depot also received a boost with the addition of a new car port for staff cars and new wash down bay to clean and maintain our equipment.



New wash-down pad

The Shire engaged consultants to engineer and deliver economic business cases for various capital works projects that align with our strategic plan to upgrade our infrastructure to meet current and future requirements. Projects include the installation of a low level crossing at Gascoyne River on the Landor Mt Augustus road, a 3km bypass around the Landor homestead, sourcing of alternative town water supplies, new crossing for Dalgety Brook and resurfacing of bitumen seal around the Junction Tourist Park.

Economic Development

Retain existing industries and encourage the establishment of new industries to broaden the region's economic base.

Where possible and when best value for money is achieved the Shire supports local business when procuring goods and services as per our Purchasing Policy.

In 2020/21 many tenders were publicly invited including DRFAWA repair works and plant hire. All DRFAWA associated contracts were required to meet a 20% local content threshold, our successful plant hire contracts were awarded to two local businesses for the supply of water cart hire and bulldozer services. The Shire of Upper Gascoyne considers business and service providers within the Shires of Carnarvon, Shark Bay, Exmouth and Murchison to be locals where they get the benefit of our local preference policy.

This year the Shire have sold two vacant lots which ownership is contingent on them being developed? The idea is to increase both the housing stock and more families and this will drive economic activity.

I can report that all of our vacant lots have now been sold and Shire is actively looking to develop additional residential and light industrial lots within the Gascoyne Junction Townsite.

Emphasise and maximise the tourism potential of our natural attractions, history and local events

To promote and support a sustainable tourism industry in the Shire of Upper Gascoyne.

The Shire actively promotes Mount Augustus and the Kennedy Range, significant work has been undertaken in attempting to improve the access and the visitor experience for the visitors to our region.

This year has been challenging for the Tourism sector; however, with the re-opening of the internal West Australian Borders we recorded the biggest influx of tourists that the Shire has witnessed.

In the 2021/22 Budget the Shire have made provision for the Administration to engage the services of a full-time Tourism / Community Development Officer (TCDO). The Shire has appointed Ainsley Hardie in the position of our TCDO and Ainsley is already making a valuable contribution in this space.

Environmental

Objective

To actively protect the environment, promote ecological sustainability, protect water quality, pursue water and energy conservation and manage future built development. Manage feral animals and invasive species

Strategies to Achieve Environmental Outcomes

Gascoyne Junction Water Quality and Quantity

Pursue high quality water sources within statutory health requirements with sufficient quantity to meet demand.

The Shire is working with the Department of Waters and Environmental Regulation and the Carnarvon Water Corporation to secure a more reliable town reticulation water supply. We have identified shortfalls in the current system as there is insufficient water replenishment of the current bore and in order to maintain and improve our parks and gardens we need to rethink where and how we source our water, it is proposed to install an additional bore further upstream in the Gascoyne River. A similar project is to source town drinking water from further afield has also been identified. We are also looking at ways to reduce our water use and ensure all future projects use a water wise approach. Both projects will be focused on in the 2021-22 financial year. We have engaged the services of a hydrologist to assist with identifying viable sources of water that is of good quality with an abundance of supply.

Feral Animal and Invasive Species Control

Attempt to protect and retain the regions native vegetation and animals to support indigenous culture and the pastoral industry.

The Shire have continued to support the Upper Gascoyne Land Conservation District Committee (LCDC) through funding but are not actively involved in the operation of the LCDC.

In 2020/21 Council handed back all responsibility for Biosecurity to the Carnarvon Rangelands Biosecurity Association, the Shire continued to financially contribute to the CRBA to ensure that the 'on the ground' work is being undertaken within the Shire. A MOU has been entered into with the CRBA to clarify each other's responsibilities.

Social

Objective

Develop, co-ordinate, provide and support services and facilities which enhance the quality of community life in the Shire and help to retain the population.

Strategies to Achieve Social Outcomes

Community / Aged Care Services

To improve aged care, community health and wellbeing through improving primary care services and opportunities for the community, thus retaining the Shire's population.

This is an area where we have not had much success in this point in time. Initially the fortnightly Doctor's service as provided by the Carnarvon Aboriginal Medical Service was reinstated, however, this has been now been withdrawn; as such the community of Gascoyne Junction does not have a medical service. The Shire is working with Geraldton Regional Aboriginal Medical Services and the West Australian Country Health Service to reinstate doctor visits in the future.

The Shire have made Staff available to assist members of the community with minor housekeeping duties that they are no longer able to perform themselves or need additional assistance with, (this service is being provided free upon request).

Going forward the Shire will lobby Government to reinstate the Doctor's service and also seek to have a HACC service provided for those community members who require assistance.

Crime Prevention Measures

The Shire have continued to maintain a very close working relationship with the Carnarvon and Burringurrah Police Officers.

In general terms the Shire as whole have an extremely low crime rate and this is demonstrated by the monthly crime statistics that are provided by WAPOL.

Civic Leadership

Objective

To provide Good Governance to the Upper Gascoyne Shire area through:

- Detailed and professional administration;
- High levels of accountability;
- Compliance with statutory requirements;
- High-quality forward planning, particularly for assets and finances;
- Openness and transparency and enhanced consultations and public participation;
- Provision of quality customer services, good financial management and pursuit of excellence in professional administration and communication.

Strategies to Achieve Civic Leadership Outcomes

In order to achieve the objectives the following strategies have been adopted to the Civic Leadership outcomes.

Communication Strategies

Increase communication between the Council and all sectors of the Community (both ways).

The Shire achieve these objectives by:

- Notifying and holding an annual electors meeting;
- Creating a significant presence on Social Media such as Facebook;
- Make available public question time at all Council Meetings;
- All agendas and minutes are made available in the Shire Office and CRC as well as on the website;
- The Shire use social media to notify electors of events and the availability of documents;
- All public documents are displayed in the Shire Office and CRC;
- All Councillors have made their contact details publically available;
- The Shire actively seek community engagement on new projects;
- The CEO and other staff have an open door policy where any elector is welcome to come into the office and see staff, or telephone staff or go to the CEO's residence and see him;
- The Shire do a monthly newsletter in the 'Gassy Gossip' advising the broader community on the activities of the Shire;
- Shire Staff regularly call into the various Pastoral Properties to see how things are going;

Financial Planning and Management

To responsibly manage Council's financial resources to ensure optimum value for money and sustainable asset management.

The Shire are pleased that we have again been able to deliver a clean set of books with no adverse findings from our Auditors.

The Shire have been particularly pro-active in seeking funding grant funding above our normal grant allocations (CRC Operational Grant, Regional Road Group, Roads to Recovery and Federal Assistance Grant Schemes). The Shire have received:

- \$14M DRFAWA – Flood Damage
- \$2.5M BBRF – Junction Tourist Stop
- \$2.8M HVSSP – Sealing of Dalgety / Landor & Carnarvon / Mullewa Roads
- \$624,000 LCRI – (Phase 1) - Tourist Park reseal, town fencing & pavilion up-grade
- \$424,000 LRCI (Phase 2) – Replace old workshop & water development

Strategic Planning

Ongoing reviews of the Community Strategic Plan (CSP)

The Community Strategic Plan was completely reviewed, surveys were sent out to electors and a community meeting was undertaken. The CSP was adopted by Council at the ordinary meeting Council in June 2017.

This is the first annual report that reports against the new CSP. A desk top review of the CSP has been undertaken in the 2019 / 20 financial year. The CSP will be completely reviewed in the 2021/2022 financial year.

Asset Management

Meet the required level of service in the most cost effective manner for present and future residents.

The Shire's current Asset Management Plan was created in 2017 by our previous contracted accountant Sue Voloczi, this document is due to be reviewed in the 2021/2022 financial period.

HUMAN RESOURCES

Over this reporting period we have lost some staff and gained others to replace them:

New Staff

Billie O'Sullivan – Customer Service Officer
Ainsley Hardie – Tourism & Community Development Officer
Sean Walker – Town Maintenance Supervisor
Cynthia Wright – Corporate Services Officer (Finance)

Staff Left

Amanda Leighton – formerly Senior Corporate Services Officer

HIGHLIGHTS IN BRIEF 2020/21

The 2020/21 period:

- Pavilion Verandas
- Refurbishment of the internal spaces of the Pavilion
- Installation of a new 30kva Solar System for the Tourist Park
- Re-sealed the airstrip
- New Town Fencing
- Replace parking seal at the Tourist Park
- Purchased a Mack six wheeler truck with a combined side and end tipper function
- Purchased a new / second-hand purpose built rubbish truck
- Purchased a new drop deck trailer
- Completed blackspot works at the Cobra and Burringurrah Hills'
- Sold the remaining two residential lots
- Completed the addition of a disabled toilet in the administration building
- Completed a desk top review of the Strategic Community Plan
- Undertook a Regulation 17 and Financial Management Review
- Installed a new wash down bay
- New shed installed at a staff house
- Purchased a new / second-hand Dolly
- Built a new staff car parking shed in the depot
- Completed 11 kilometres of new seal on the Dalgety / Landor Road
- Completed the earthworks for an additional 5 kilometres of seal on the Carnarvon / Mullewa Road
- DBCA have now located into the "old police" building
- Commenced the purchase of new staff house
- Commenced works at the Junction tourist stop
- DRFAWA Claims
- Variety Bash 2021
- Community Functions provided by the Shire for the 2020/2021 period:
 - Pictures in the Park held several times throughout the year at the GJ Pavilion and Junction Pub and Tourist Park
 - Gourmet Gazing
 - Remembrance Day 11th of September 2020
 - 2020 Horizon Power Community Christmas Party December 2020, a free community dinner is provided to all residents along with live entertainment, a visit from Santa and activities for the children.
 - ANZAC Day Ceremony 25th April 2021.
 - Australia's Biggest Morning Tea, raising money for the Cancer Council WA.
- Other Community Functions supported by the Shire
 - Pink Stumps, hosted by the Gascoyne Junction Remote Community School (GJRCS)
 - School Presentations Evenings hosted by the (GJRCS) and the Carnarvon School of the Air
 - Multicultural Day hosted by the (GJRCS)
 - Book Week

- Gascoyne Junction hosted The Carnarvon Horseman's Club Gascoyne Junction Gymkhana
- Gassy Dash
- Landor Gymkhana
- Landor Races
- JRC Races
- JRC Gymkhana
- Australia's Biggest BBQ at Australia's Biggest Rock 29th August 2020
- Melbourne Cup Luncheon hosted by the Junction Pub and Tourist Park

PROPOSED PROJECTS / ACQUISITIONS FOR THE 2021/22 FINANCIAL PERIOD

The Council officially adopted the 2021/22 Budget at Ordinary Meeting of Council held on the 18th of August 2021. Some of the major highlights for the year include:

- Upgrade to Depot Workshop (for safety compliance)
- Integrated Plans Review (LTFP, CSP, CBP)
- Land and Buildings fair value revaluation assessment
- New Service Truck
- 1 x New Light Vehicles
- New Pad foot Roller
- New Side Tipper
- New Electronic Message Board (for road closures and roadworks)
- Refurbishment of Council Chambers and upgrade of IT resources
- Residential Land Development project
- Finalisation of Amalgamation of Depot and Admin Lots
- Update and Install of Tourism signage
- Engaging a Consultant to assist with the update of our OH&S and HR systems and procedures
- Completion of new Staff House on Hatch Street
- Bitumen reconstruct and reseal at the front of Tourist Precinct
- Completion of refurbishment repairs to Staff house at Lot 39 Gregory Street
- Continued project works on In-Town Water Supply resources
- Commencement of new project works on Out-of-Town Water Supply resources
- 2 x New Photocopiers for the Admin office (reception and works office)
- Finalisation of Visitors Stop Project
- Finalisation of Heavy Vehicle Safety and Productivity Program (HVSPP) project
- Regional Road Group Carnarvon/Mullewa Road project
- Roads to Recovery Landor/Meekatharra Road project
- \$1,137,890 for Road Maintenance



SHIRE OF UPPER GASCOYNE
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

TABLE OF CONTENTS

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Index of Notes to the Financial Report	9
Independent Auditor's Report	49

COMMUNITY VISION

The Shire of Upper Gascoyne will be a sustainable service base supporting the pastoral, tourism sector, mining industries and the local community.

Principal place of business:
4 Scott Street
Gascoyne Junction, WA 6705

**SHIRE OF UPPER GASCOYNE
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Upper Gascoyne for the financial year ended 30 June 2021 is based on proper accounts and records to present fairly the financial position of the Shire of Upper Gascoyne at 30 June 2021 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the Ninth day of November 2021



Chief Executive Officer

John McCleary
Name of Chief Executive Officer

William Buck Audit (WA) Pty Ltd



SHIRE OF UPPER GASCOYNE
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2021

	NOTES	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	28(a)	417,881	457,919	388,578
Operating grants, subsidies and contributions	2(a)	18,146,539	16,580,568	17,500,347
Fees and charges	2(a)	31,694	37,297	36,148
Interest earnings	2(a)	16,290	27,420	36,004
Other revenue	2(a)	264,716	83,636	388,543
		18,877,120	17,186,840	18,349,620
Expenses				
Employee costs		(1,125,687)	(1,179,418)	(1,269,297)
Materials and contracts		(16,797,800)	(14,520,970)	(15,102,073)
Utility charges		(148,154)	(154,081)	(154,816)
Depreciation on non-current assets	10(d)	(3,149,104)	(3,285,511)	(3,097,868)
Interest expenses	2(b)	(47,360)	(49,168)	(54,422)
Insurance expenses		(228,448)	(237,697)	(213,682)
Other expenditure		(79,185)	(66,429)	(72,911)
		(21,575,738)	(19,493,274)	(19,965,069)
		(2,698,618)	(2,306,434)	(1,615,449)
Non-operating grants, subsidies and contributions	2(a)	3,421,669	8,106,802	1,909,163
Loss on asset disposals	10(a)	(9,852)	(10,806)	(18,469)
		3,411,817	8,095,996	1,890,694
Net result for the period		713,199	5,789,562	275,245
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	-	-	11,934,332
Total other comprehensive income for the period		-	-	11,934,332
Total comprehensive income for the period		713,199	5,789,562	12,209,577

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

William Buck Audit (WA) Pty Ltd



SHIRE OF UPPER GASCOYNE
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2021

William Buck Audit (WA) Pty Ltd

	NOTES	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Governance		124,103	20,000	127,289
General purpose funding		3,330,043	1,859,917	3,235,922
Law, order, public safety		14,279	17,156	153,487
Health		236	1,000	-
Education and welfare		145,380	132,600	140,195
Housing		570	-	-
Community amenities		4,200	4,400	4,200
Recreation and culture		17,741	16,100	13,264
Transport		15,094,548	15,030,281	14,514,301
Economic services		85,573	40,136	87,533
Other property and services		60,447	65,250	73,429
		18,877,120	17,186,840	18,349,620
Expenses				
Governance		(460,119)	(438,249)	(534,778)
General purpose funding		(144,156)	(146,131)	(78,919)
Law, order, public safety		(213,997)	(237,562)	(372,405)
Health		(21,364)	(26,330)	(22,643)
Education and welfare		(261,966)	(291,126)	(257,801)
Housing		(326,205)	(364,703)	(397,904)
Community amenities		(144,961)	(173,807)	(119,066)
Recreation and culture		(291,383)	(285,120)	(262,983)
Transport		(19,279,808)	(17,010,102)	(16,984,311)
Economic services		(356,933)	(470,976)	(389,913)
Other property and services		(27,486)	-	(489,924)
		(21,528,378)	(19,444,106)	(19,910,647)
Finance Costs				
General purpose funding		(36,560)	(15,000)	(20,827)
Housing		(10,800)	(7,930)	(8,626)
Recreation and culture		-	(7,055)	-
Economic services		-	(19,183)	(24,969)
		(47,360)	(49,168)	(54,422)
		(2,698,618)	(2,306,434)	(1,615,449)
Non-operating grants, subsidies and contributions	2(a)	3,421,669	8,106,802	1,909,163
Loss on disposal of assets	10(a)	(9,852)	(10,806)	(18,469)
		3,411,817	8,095,996	1,890,694
Net result for the period		713,199	5,789,562	275,245
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	-	-	11,934,332
Total other comprehensive income for the period		-	-	11,934,332
Total comprehensive income for the period		713,199	5,789,562	12,209,577

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



SHIRE OF UPPER GASCOYNE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	NOTES	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	3	5,273,970	8,091,380
Trade and other receivables	6	778,311	801,849
Inventories	7	102,670	137,223
Contract assets	2(a)	2,631,539	2,706,429
TOTAL CURRENT ASSETS		8,786,490	11,736,881
NON-CURRENT ASSETS			
Other financial assets	5(a)	35,610	35,610
Property, plant and equipment	8	11,284,648	10,947,159
Infrastructure	9	82,023,230	78,110,434
TOTAL NON-CURRENT ASSETS		93,343,488	89,093,203
TOTAL ASSETS		102,129,978	100,830,084
CURRENT LIABILITIES			
Trade and other payables	12	2,549,395	1,443,345
Short term borrowings	13	1,887,991	-
Contract liabilities	14	2,788,897	5,585,814
Borrowings	15(a)	133,365	87,387
Employee related provisions	16	207,948	187,842
TOTAL CURRENT LIABILITIES		7,567,596	7,304,388
NON-CURRENT LIABILITIES			
Borrowings	15(a)	985,267	679,638
Employee related provisions	16	63,045	45,187
TOTAL NON-CURRENT LIABILITIES		1,048,312	724,825
TOTAL LIABILITIES		8,615,908	8,029,213
NET ASSETS		93,514,070	92,800,871
EQUITY			
Retained surplus		39,446,185	39,400,577
Reserves - cash backed	4	2,037,129	1,369,538
Revaluation surplus	11	52,030,756	52,030,756
TOTAL EQUITY		93,514,070	92,800,871

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

William Buck Audit (WA) Pty Ltd



**SHIRE OF UPPER GASCOYNE
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	NOTES	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2019		38,819,976	1,674,894	40,096,424	80,591,294
Comprehensive income					
Net result for the period		275,245	-	-	275,245
Other comprehensive income	11	-	-	11,934,332	11,934,332
Total comprehensive income for the period		275,245	-	11,934,332	12,209,577
Transfers from reserves	4	825,000	(825,000)	-	-
Transfers to reserves	4	(519,644)	519,644	-	-
Balance as at 30 June 2020		39,400,577	1,369,538	52,030,756	92,800,871
Comprehensive income					
Net result for the period		713,199	-	-	713,199
Total comprehensive income for the period		713,199	-	-	713,199
Transfers from reserves	4	100,000	(100,000)	-	-
Transfers to reserves	4	(767,591)	767,591	-	-
Balance as at 30 June 2021		39,446,185	2,037,129	52,030,756	93,514,070

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

William Buck Audit (WA) Pty Ltd



**SHIRE OF UPPER GASCOYNE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts

Rates	411,367	457,919	374,207
Operating grants, subsidies and contributions	15,218,502	19,425,599	16,169,588
Fees and charges	126,838	37,297	36,148
Interest received	16,290	27,420	36,004
Goods and services tax received	136,232	-	-
Other revenue	264,716	83,636	411,150
	16,173,945	20,031,871	17,027,097

Payments

Employee costs	(1,063,941)	(1,179,418)	(1,237,153)
Materials and contracts	(15,676,293)	(20,219,781)	(8,892,812)
Utility charges	(148,154)	(154,081)	(154,816)
Interest expenses	(47,670)	(49,168)	(55,586)
Insurance paid	(228,448)	(237,697)	(213,682)
Goods and services tax paid	-	-	(50,951)
Other expenditure	(79,185)	(66,429)	(72,911)
	(17,243,691)	(21,906,574)	(10,677,911)

**Net cash provided by / (used in)
operating activities**

17 (1,069,746) (1,874,703) 6,349,186

CASH FLOWS FROM INVESTING ACTIVITIES

Payments for purchase of property, plant & equipment	8(a) (935,049)	(1,501,459)	(1,043,578)
Payments for construction of infrastructure	9(a) (6,499,419)	(10,833,272)	(2,482,555)
Non-operating grants, subsidies and contributions	2(a) 3,421,669	8,106,802	1,909,163
Proceeds from sale of property, plant & equipment	10(a) 25,227	30,000	172,455
Net cash provided by / (used in) investment activities		(3,987,572)	(1,444,515)

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of borrowings	15(b) (98,083)	(97,380)	(73,642)
Proceeds from new borrowings	15(b) 450,000	450,000	-
Net cash provided by / (used in) financing activities		351,917	(73,642)

Net increase / (decrease) in cash held (net of overdraft)

(4,705,401) (5,720,012) 4,831,029

Cash at beginning of year (net of overdraft)

8,091,380 8,091,381 3,260,351

Cash and cash equivalents at the end of the year (net of overdraft)

17 3,385,979 2,371,369 8,091,380

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

William Buck Audit (WA) Pty Ltd



**SHIRE OF UPPER GASCOYNE
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021**

William Buck Audit (WA) Pty Ltd

	NOTES	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	29 (b)	3,232,910	3,291,207	2,931,301
		3,232,910	3,291,207	2,931,301
Revenue from operating activities (excluding rates)				
Governance		124,103	20,000	127,289
General purpose funding		2,878,413	1,399,797	2,850,052
Law, order, public safety		14,279	17,156	153,487
Health		236	1,000	-
Education and welfare		145,380	132,600	140,195
Housing		570	-	-
Community amenities		4,200	4,400	4,200
Recreation and culture		17,741	16,100	13,264
Transport		15,094,548	15,030,281	14,514,301
Economic services		85,573	40,136	87,533
Other property and services		60,447	65,250	73,429
		18,425,490	16,726,720	17,963,750
Expenditure from operating activities				
Governance		(460,119)	(438,249)	(534,779)
General purpose funding		(180,716)	(161,131)	(99,746)
Law, order, public safety		(213,997)	(237,562)	(372,405)
Health		(21,364)	(26,330)	(22,643)
Education and welfare		(261,966)	(291,126)	(257,801)
Housing		(337,005)	(372,633)	(406,529)
Community amenities		(144,961)	(173,807)	(119,066)
Recreation and culture		(291,383)	(292,175)	(262,983)
Transport		(19,289,660)	(17,020,908)	(17,002,780)
Economic services		(356,933)	(490,159)	(414,882)
Other property and services		(27,486)	-	(489,924)
		(21,585,590)	(19,504,080)	(19,983,538)
Non-cash amounts excluded from operating activities	29(a)	3,201,610	3,327,265	3,148,329
Amount attributable to operating activities		3,274,420	3,841,112	4,059,842
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	3,421,669	8,106,802	1,909,163
Proceeds from disposal of assets	10(a)	25,227	30,000	172,455
Purchase of property, plant and equipment	8(a)	(935,049)	(1,501,459)	(1,043,578)
Purchase and construction of infrastructure	9(a)	(6,499,419)	(10,833,272)	(2,482,555)
		(3,987,572)	(4,197,929)	(1,444,515)
Amount attributable to investing activities		(3,987,572)	(4,197,929)	(1,444,515)
FINANCING ACTIVITIES				
Repayment of borrowings	15(b)	(98,083)	(97,380)	(73,642)
Proceeds from borrowings	15(c)	450,000	450,000	-
Transfers to reserves (restricted assets)	4	(767,591)	(606,623)	(519,644)
Transfers from reserves (restricted assets)	4	100,000	150,700	825,000
Amount attributable to financing activities		(315,674)	(103,303)	231,714
Surplus/(deficit) before imposition of general rates		(1,028,826)	(460,120)	2,847,041
Total amount raised from general rates	28(a)	451,630	460,120	385,869
Surplus/(deficit) after imposition of general rates	29(b)	(577,196)	-	3,232,910

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



SHIRE OF UPPER GASCOYNE
INDEX OF NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

Note 1	Basis of Preparation	10
Note 2	Revenue and Expenses	11
Note 3	Cash and Cash Equivalents	15
Note 4	Reserves - Cash Backed	16
Note 5	Other Financial Assets	17
Note 6	Trade and Other Receivables	18
Note 7	Inventories	19
Note 8	Property, Plant and Equipment	20
Note 9	Infrastructure	22
Note 10	Fixed Assets	24
Note 11	Revaluation Surplus	27
Note 12	Trade and Other Payables	28
Note 13	Short-Term Borrowings	28
Note 14	Contract Liabilities	29
Note 15	Information on Borrowings	30
Note 16	Employee Related Provisions	32
Note 17	Notes to the Statement of Cash Flows	33
Note 18	Total Assets Classified by Function and Activity	34
Note 19	Contingent Liabilities	34
Note 20	Capital Commitments	34
Note 21	Elected Members Remuneration	35
Note 22	Related Party Transactions	37
Note 23	Investment in Associate and Joint Arrangements	38
Note 24	Major Land Transactions	38
Note 25	Trading Undertakings and Major Trading Undertakings	38
Note 26	Events occurring after the end of the Reporting Period	38
Note 27	Trust Funds	38
Note 28	Rating Information	39
Note 29	Rate Setting Statement Information	41
Note 30	Financial Risk Management	42
Note 31	Initial Application of Australian Accounting Standards	45
Note 32	Other Significant Accounting Policies	46
Note 33	Activities/Programs	47
Note 34	Financial Ratios	48

SHIRE OF UPPER GASCOYNE

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is 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.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 27 of this financial report.

INITIAL APPLICATION OF ACCOUNTING STANDARDS

During the current year, the Shire adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

These were:

- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 2018-7 *Amendments to Australian Accounting Standards - Definition of Materiality*

The adoption of these standards had no material impact on the 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 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- AASB 2020-3 *Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*

It is not expected these standards will have an impact on the financial report.

CRITICAL ACCOUNTING 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:

- Employee expenses
- Depreciation on non-current assets
- Land held for resale
- Other financial assets
- Property, plant and equipment
- Infrastructure
- Borrowing liabilities

SHIRE OF UPPER GASCOYNE

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES

(a) Grant revenue

Grants, subsidies and contributions are included as both operating and non-operating revenues in the Statement of Comprehensive Income:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions			
General purpose funding	2,888,552	1,369,578	2,804,612
Law, order, public safety	4,052	5,209	143,689
Education and welfare	109,667	103,500	97,000
Transport	15,084,483	15,027,281	14,382,447
Economic services	-	10,000	-
Other property and services	59,785	65,000	72,599
	18,146,539	16,580,568	17,500,347
Non-operating grants, subsidies and contributions			
Recreation and culture	276,656	104,873	52,805
Transport	2,581,644	5,081,929	1,841,963
Economic services	563,369	2,920,000	14,395
	3,421,669	8,106,802	1,909,163
Total grants, subsidies and contributions	21,568,208	24,687,370	19,409,510
Fees and charges			
Governance	200	5,000	6,200
General purpose funding	246	-	1,365
Law, order, public safety	8,253	7,947	7,828
Health	236	1,000	-
Education and welfare	186	-	-
Housing	570	-	-
Community amenities	4,200	4,400	4,200
Recreation and culture	17,240	16,100	13,264
Economic services	563	2,600	3,066
Other property and services	-	250	225
	31,694	37,297	36,148

There were no changes to the amounts of fees or charges detailed in the original budget.

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

Operating grants, subsidies and contributions are grants, subsidies or contributions that are not non-operating in nature.

Non-operating grants, subsidies and contributions are amounts received for the acquisition or construction of recognisable non-financial assets to be controlled by the local government.

Fees and Charges

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

SHIRE OF UPPER GASCOYNE

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Contracts with customers and transfers for recognisable non-financial assets

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature or types of goods or services:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions	14,035,164	14,528,281	13,207,382
Fees and charges	31,694	37,297	-
Other revenue	108,624	76,636	-
Non-operating grants, subsidies and contributions	3,421,669	8,106,802	1,909,163
	17,597,151	22,749,016	15,116,545

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:

Revenue from contracts with customers included as a contract liability at the start of the period	5,585,814	5,585,814	52,378
Revenue recognised in the current period from performance obligations satisfied in previous periods	-	-	(52,378)
Revenue from contracts with customers recognised during the year	8,589,668	9,056,400	15,116,545
Revenue from transfers intended for acquiring or constructing recognisable non-financial assets during the year	3,421,669	8,106,802	-
	17,597,151	22,749,016	15,116,545

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

Trade and other receivables from contracts with customers	828,437	-	833,550
Contract assets	2,631,539	-	2,706,429
Contract liabilities from contracts with customers	(2,788,897)	-	(5,585,814)

Contract assets primarily relate to the Shire's right to consideration for work completed but not billed at 30 June 2021.

Assets associated with contracts with customers were not subject to an impairment charge.

Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met.

Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less.

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

Performance obligations in relation to contract liabilities from transfers for recognisable non-financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset. All associated performance obligations are expected to be met over the next 12 months.

SHIRE OF UPPER GASCOYNE

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:

General rates

Other revenue

Reimbursements and recoveries

Other

Interest earnings

Interest on reserve funds

Rates instalment and penalty interest (refer Note 28(d))

Other interest earnings

	2021 Actual \$	2021 Budget \$	2020 Actual \$
General rates	451,630	460,120	385,869
	451,630	460,120	385,869
Other revenue			
Reimbursements and recoveries	156,092	7,000	208,845
Other	108,624	76,636	179,698
	264,716	83,636	388,543
Interest earnings			
Interest on reserve funds	1,796	14,420	17,644
Rates instalment and penalty interest (refer Note 28(d))	7,929	3,000	9,027
Other interest earnings	6,565	10,000	9,333
	16,290	27,420	36,004

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset 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).

Interest earnings (continued)

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

(b) Expenses

Auditors remuneration

Audit of the annual financial report

Interest expenses (finance costs)

Borrowings

WA Treasury loan guarantee fee

ATO

Interest on overdraft

Other expenditure

Impairment loss on trade and other receivables

Sundry expenses

Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
	45,000	38,000	37,675
	45,000	38,000	37,675
15(b)	33,814	25,018	33,595
	6,984	9,150	5,429
	191	-	-
	6,371	15,000	15,398
	47,360	49,168	54,422
	20,254	-	23,183
	58,931	66,429	49,728
	79,185	66,429	72,911

SHIRE OF UPPER GASCOYNE

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General rates.	Over time.	Payment dates adopted by Council during the year.	None.	Adopted by Council annually.	When taxable event occurs.	Not applicable.	When rates notice is issued.
Grant contracts with customers	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.	Set by mutual agreement with the customer.	Based on the progress of works to match performance obligations.	Returns limited to repayment of transaction price of terms breached.	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared.
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government.	Over time .	Fixed terms transfer of funds based on agreed milestones and reporting.	Contract obligation if project not complete.	Set by mutual agreement with the customer.	Based on the progress of works to match performance obligations.	Returns limited to repayment of transaction price of terms breached.	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared.
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment.	No obligations.	Not applicable.	Not applicable.	Cash received.	On receipt of funds.	Not applicable.	When assets are controlled.
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time.	Full payment prior to issue.	None.	Set by State legislation or limited by legislation to the cost of provision.	Based on timing of issue of the associated rights.	No refunds.	On payment and issue of the licence, registration or approval.
Other inspections	Regulatory Food, Health and Safety.	Single point in time.	Full payment prior to inspection.	None.	Set by State legislation or limited by legislation to the cost of provision.	Applied fully on timing of inspection.	Not applicable.	Revenue recognised after inspection event occurs.
Waste management collection	Kerbside collection service.	Over time.	Payment on an annual basis in advance.	None.	Adopted by council annually.	Apportioned equally across the collection period.	Not applicable.	Output method based on regular weekly and fortnightly period as proportionate to collection service.
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.	Adopted by council annually.	Based on timing of entry to facility.	Not applicable.	On entry to facility.
Property hire and entry	Use of halls and facilities.	Single point in time.	In full in advance.	Refund if event cancelled within 7 days.	Adopted by council annually.	Based on timing of entry to facility.	Returns limited to repayment of transaction price.	On entry or at conclusion of hire.
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works.	Single point in time.	Payment in full in advance.	None.	Adopted by council annually.	Applied fully based on timing of provision.	Not applicable.	Output method based on provision of service or completion of works.

SHIRE OF UPPER GASCOYNE

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

3. CASH AND CASH EQUIVALENTS

NOTE	2021	2020
	\$	\$
Cash at bank and on hand	3,236,843	6,721,842
Term deposits	2,037,127	1,369,538
Total cash and cash equivalents	5,273,970	8,091,380

Restrictions

The following classes of 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	5,171,147	7,005,994
	5,171,147	7,005,994

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

Reserves - cash backed	4	2,037,129	1,369,538
Contract liabilities from contracts with customers	14	2,788,897	5,585,814
Bonds and deposits held		50,642	50,642
Unspent loans	15(d)	294,479	-
Total restricted assets		5,171,147	7,005,994

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 and bank overdrafts.

Restricted assets

Restricted asset balances are not available for general use by the Shire due to externally imposed restrictions. Externally imposed restrictions are specified in an agreement, contract or legislation. This applies to reserves, 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.

SHIRE OF UPPER GASCOYNE
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021

4. RESERVES - CASH BACKED

	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance	2021 Budget Opening Balance	2021 Budget Transfer to	2021 Budget Transfer (from)	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave reserve	90,068	20,106	-	110,174	90,068	30,948	-	121,016	89,028	1,040	-	90,068
(b) Plant replacement reserve	353,076	214,186	-	567,262	353,076	148,718	-	501,794	744,656	133,420	(525,000)	353,076
(c) Airport reserve	41,013	54	-	41,067	41,013	432	-	41,445	40,539	474	-	41,013
(d) Tourism precinct reserve	379,862	498	(100,000)	280,360	379,862	4,000	-	383,862	375,474	304,388	(300,000)	379,862
(e) Building reserve	53,866	100,019	-	153,885	53,866	100,567	-	154,433	53,705	161	-	53,866
(f) Works reserve	14,223	230,718	-	244,941	14,223	230,797	-	245,020	13,599	624	-	14,223
(g) Economic development reserve	263,985	176,782	-	440,767	263,985	64,335	-	328,320	260,936	3,049	-	263,985
(h) Roads flood damage reserve	152,795	200	-	152,995	152,795	1,609	(150,700)	3,704	76,545	76,250	-	152,795
(i) Bridge maintenance reserve	20,650	25,028	-	45,678	20,650	25,217	-	45,867	20,412	238	-	20,650
	1,369,538	767,591	(100,000)	2,037,129	1,369,538	606,623	(150,700)	1,825,461	1,674,894	519,644	(825,000)	1,369,538

All reserves are supported by cash and cash equivalents and are restricted within equity as Reserves - cash backed.

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	Anticipated Date of Use	Purpose of the Reserve
(a) Leave reserve	as required	to be used to fund annual and long service leave requirements.
(b) Plant replacement reserve	as required	to be used for the purchase of major plant and also to fund major mechanical breakdowns.
(c) Airport reserve	30-Jun-25	to fund the resealing of the Gascoyne Junction Airport.
(d) Tourism precinct reserve	as required	to be used for future significant repairs or upgrades as required basis.
(e) Building reserve	as required	to be used for new buildings, future repairs or upgrades as required basis (excluding the Tourism Precinct).
(f) Works reserve	as required	to be used to support funding of major infrastructure projects.
(g) Economic development reserve	as required	to set aside funds for economic development initiatives.
(h) Roads flood damage reserve	as required	to be used towards the required Shire contribution for Western Australia Natural Disaster Relief and Recovery funding.
(i) Bridge maintenance reserve	as required	to be used for repairs and maintenance of Killili Bridge as required.

SHIRE OF UPPER GASCOYNE
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021

5. OTHER FINANCIAL ASSETS

(a) Non-current assets

Financial assets at fair value through profit and loss

Financial assets at amortised cost

Financial assets at fair value through profit and loss

Units in Local Government House Trust

	2021	2020
	\$	\$
	35,610	35,610
	35,610	35,610
	35,610	35,610
	35,610	35,610

SIGNIFICANT ACCOUNTING POLICIES

Financial assets at fair value through profit and loss

The Shire classifies the following financial assets at fair value through profit and 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 not elected to recognise fair value gains and losses through other comprehensive income.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 30.

SHIRE OF UPPER GASCOYNE

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable
Trade and other receivables
GST receivable
Allowance for impairment of receivables

Rates outstanding

Past due and not impaired
Impaired
Allowance for impairment of receivables
Movement in allowance for the impairment of receivables
Carrying amount at 30 June

Sundry debtors

Past due and not impaired
Impaired
Allowance for impairment of receivables
Movement in allowance for the impairment of receivables
Carrying amount at 30 June

Allowance for impairment of receivables

Rates receivable
Sundry receivables

2021	2020
\$	\$
66,317	64,488
777,052	645,933
51,385	187,617
(116,443)	(96,189)
778,311	801,849
53,758	58,118
12,559	6,370
66,317	64,488
6,370	42,060
6,189	(35,690)
12,559	6,370
673,168	556,114
103,884	89,819
777,052	645,933
89,819	30,946
14,065	58,873
103,884	89,819
12,559	6,370
103,884	89,819
116,443	96,189

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 30.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade receivables are held with the objective to collect the contractual cashflows and therefore 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 UPPER GASCOYNE

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

7. INVENTORIES

Current

Fuel and materials
Land held for resale - cost
Cost of acquisition

The following movements in inventories occurred during the year:

Balance at beginning of year

Inventories expensed during the year

Balance at end of year

2021	2020
\$	\$
100,170	129,723
2,500	7,500
102,670	137,223
137,223	144,245
(34,553)	(7,022)
102,670	137,223

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 UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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 buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$
As at 1 July 2019								
Gross balance at 1 July 2019	834,000	1,603,158	6,403,124	8,006,282	8,840,282	71,450	2,270,603	11,182,335
Accumulated depreciation at 1 July 2019	-	(46,202)	(193,800)	(240,002)	(240,002)	-	-	(240,002)
Balance at 1 July 2019	834,000	1,556,956	6,209,324	7,766,280	8,600,280	71,450	2,270,603	10,942,333
Additions	-	13,567	199,052	212,619	212,619	34,433	796,526	1,043,578
Disposals	-	-	-	-	-	-	(190,923)	(190,923)
Depreciation expense	-	(25,197)	(103,088)	(128,285)	(128,285)	(36,511)	(683,033)	(847,829)
Balance at 30 June 2020	834,000	1,545,326	6,305,288	7,850,614	8,684,614	69,372	2,193,173	10,947,159
Comprises:								
Gross balance at 30 June 2020	834,000	1,616,726	6,602,176	8,218,902	9,052,902	105,883	2,872,129	12,030,914
Accumulated depreciation at 30 June 2020	-	(71,400)	(296,888)	(368,288)	(368,288)	(36,511)	(678,956)	(1,083,755)
Balance at 30 June 2020	834,000	1,545,326	6,305,288	7,850,614	8,684,614	69,372	2,193,173	10,947,159
Additions	-	195,953	213,278	409,231	409,231	-	525,818	935,049
Disposals	-	-	-	-	-	-	(35,079)	(35,079)
Depreciation expense	-	(17,154)	(116,173)	(133,327)	(133,327)	(23,531)	(405,623)	(562,481)
Balance at 30 June 2021	834,000	1,724,125	6,402,393	8,126,518	8,960,518	45,841	2,278,289	11,284,648
Comprises:								
Gross balance at 30 June 2021	834,000	1,812,678	6,815,454	8,628,132	9,462,132	105,883	3,346,948	12,914,963
Accumulated depreciation at 30 June 2021	-	(88,553)	(413,061)	(501,614)	(501,614)	(60,042)	(1,068,659)	(1,630,315)
Balance at 30 June 2021	834,000	1,724,125	6,402,393	8,126,518	8,960,518	45,841	2,278,289	11,284,648

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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 valuer	2017	Price per hectare or sales comparison
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent registered valuer	2017	Construction costs and current condition, residual values and remaining useful life assessments inputs
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent registered valuer	2017	Price per square metre / market borrowing rate
(ii) Cost					
Furniture and equipment		Cost	Cost		Purchase cost
Plant and equipment		Cost	Cost		Purchase cost

Following a change to *Local Government (Financial Management) Regulation 17A*, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change was effective from 1 July 2019 and represented a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximated cost at the date of change.

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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	Works in progress	Total Infrastructure
	\$	\$	\$	\$
As at 1 July 2019				
Gross balance at 1 July 2019	89,927,559	4,839,585	122,931	94,890,075
Accumulated depreciation at 1 July 2019	(28,816,023)	(130,466)	-	(28,946,489)
Balance at 1 July 2019	61,111,536	4,709,119	122,931	65,943,586
Additions	2,327,469	155,086	-	2,482,555
Revaluation increments / (decrements) transferred to revaluation surplus	11,934,332	-	-	11,934,332
Depreciation expense	(2,116,333)	(133,706)	-	(2,250,039)
Balance at 30 June 2020	73,257,004	4,730,499	122,931	78,110,434
Comprises:				
Gross balance at 30 June 2020	119,185,636	4,994,671	122,931	124,303,238
Accumulated depreciation at 30 June 2020	(45,928,632)	(264,172)	-	(46,192,804)
Balance at 30 June 2020	73,257,004	4,730,499	122,931	78,110,434
Additions	4,934,480	1,564,939	-	6,499,419
Depreciation expense	(2,444,358)	(142,265)	-	(2,586,623)
Balance at 30 June 2021	75,747,126	6,153,173	122,931	82,023,230
Comprises:				
Gross balance at 30 June 2021	124,120,115	6,559,610	122,931	130,802,656
Accumulated depreciation at 30 June 2021	(48,372,989)	(406,437)	-	(48,779,426)
Balance at 30 June 2021	75,747,126	6,153,173	122,931	82,023,230

SHIRE OF UPPER GASCOYNE
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	Cost approach using depreciated replacement cost (gross valuation method)	Management valuation	2020	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure	3	Cost approach using depreciated replacement cost (gross valuation method)	Independent registered value	2018	Construction costs and current condition, residual values and remaining useful life assessments inputs

Level 3 inputs are based on assumptions with regard 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 UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

10. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration 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 initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

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.

AUSTRALIAN ACCOUNTING STANDARDS

Revaluation (Continued)

At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

Increases in the carrying amount arising on revaluation of assets 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.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under roads from 1 July 2019

As a result of amendments to the *Local Government (Financial Management) Regulations 1996*, effective from 1 July 2019, vested land, including land under roads, is treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position.

Vested improvements from 1 July 2019

The measurement of vested improvements at fair value in accordance with *Local Government (Financial Management) Regulation 17A(2)(iv)* is a departure from AASB 16 which would have required the Shire to measure the vested improvements as part of the related right-of-use assets at zero cost.

SHIRE OF UPPER GASCOYNE

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

10. FIXED ASSETS

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant and equipment	35,079	25,227	-	(9,852)	40,806	30,000	-	(10,806)	190,923	172,455	-	(18,469)
	35,079	25,227	-	(9,852)	40,806	30,000	-	(10,806)	190,923	172,455	-	(18,469)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Plant and Equipment				
Transport	\$	\$	\$	\$
Utility (Mazda) 2018 BT50 4WD	30,079	22,727	-	(7,352)
Utility (Toyota) Hilux - P66	5,000	2,500	-	(2,500)
	35,079	25,227	-	(9,852)
	35,079	25,227	-	(9,852)

(b) Fully Depreciated Assets in Use

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

	2021	2020
	\$	\$
Buildings - non-specialised	393	393
Furniture and equipment	24,950	21,850
Plant and equipment	201,203	148,803
	226,546	171,046

(c) Temporarily Idle Assets

The Shire did not hold any temporarily idle or retired from active use assets not classified as held for sale at balance date.

SHIRE OF UPPER GASCOYNE

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

10. FIXED ASSETS

(d) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - non-specialised	17,154	-	25,197
Buildings - specialised	116,173	165,298	103,088
Furniture and equipment	23,531	35,950	36,511
Plant and equipment	405,623	668,590	683,033
Infrastructure - roads	2,444,358	2,331,321	2,116,333
Other infrastructure	142,265	84,352	133,706
	3,149,104	3,285,511	3,097,868

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested land, 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.

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 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.

Depreciation rates

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

Asset Class	Useful life
Buildings	20 to 50 years
Furniture and equipment	1 to 20 years
Plant and equipment	1 to 25 years
Other Infrastructure	5 to 50 years
Sealed roads and streets:	
formation	not depreciated
pavement	39 years
seal	20 years
Formed subgrade	not depreciated
Unformed subgrade	not depreciated
Gravel roads:	
formation	not depreciated
pavement	28 years
Footpaths - slab	40 years
Drainage	30 - 108 years
Bridges	100 years

Depreciation on revaluation

When an item of property, plant and equipment is revalued, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

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 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 on non-current assets in the Statement of Comprehensive Income and in the note above.

SHIRE OF UPPER GASCOYNE

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

11. REVALUATION SURPLUS

	2021 Opening Balance	2021 Change in Accounting Policy	2021 Revaluation Increment	2021 Revaluation (Decrement)	Total Movement on Revaluation	2021 Closing Balance	2020 Opening Balance	2020 Change in Accounting Policy	2020 Revaluation Increment	2020 Revaluation (Decrement)	Total Movement on Revaluation	2020 Closing Balance
	\$	\$	\$	\$	\$	\$	\$		\$	\$	\$	\$
Land - freehold land	293,272	-	-	-	-	293,272	293,272	-	-	-	-	293,272
Buildings	122,287	-	-	-	-	122,287	122,287	-	-	-	-	122,287
Furniture and equipment	-	-	-	-	-	-	7,080	(7,080)	-	-	-	-
Plant and equipment	-	-	-	-	-	-	494,792	(494,792)	-	-	-	-
Infrastructure - roads	51,132,688	-	-	-	-	51,132,688	39,198,356	-	11,934,332	-	11,934,332	51,132,688
Other infrastructure	482,509	-	-	-	-	482,509	482,509	-	-	-	-	482,509
	52,030,756	-	-	-	-	52,030,756	40,598,296	(501,872)	11,934,332	-	11,934,332	52,030,756

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 AUS 40.1

SHIRE OF UPPER GASCOYNE

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

12. TRADE AND OTHER PAYABLES

Current

Sundry creditors	
Prepaid rates	
Accrued salaries and wages	
Bonds and deposits held	
Retentions held for the Gascoyne River Bridge Project	
Accrued expenses	

2021	2020
\$	\$
2,229,472	1,080,468
212	4,897
50,456	26,674
50,642	50,642
6,171	6,171
212,442	274,493
2,549,395	1,443,345

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

Prepaid rates

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

13. SHORT-TERM BORROWINGS

Unsecured

Bank overdraft	
Represented by:	
Unrestricted – WANDRRA* overdraft ^(a)	
Restricted funds held	

2021	2020
\$	\$
1,887,991	-
1,887,991	-
-	-
1,887,991	-

* Western Australia Natural Disaster Relief and Recovery

(a) The bank overdraft is repayable on demand and forms an integral part of the Shire's cash management. The overdraft was established for the purpose of managing cash flow for road flood damage repairs in 2017. The amount of the overdraft brought forward on 1 July 2020 was \$0. The overdraft has increased by \$1,887,991 during the financial year. At 30 June 2021 the balance of the overdraft was \$1,887,991. The interest rate on the overdraft at 30 June 2021 was 6.53%.

Sensitivity analysis

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

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

* Holding all other variables constant

2021	2020
\$	\$
18,880	-

SIGNIFICANT ACCOUNTING POLICIES

Bank overdrafts that form an integral part of the Shire's cash management are included as a component of cash and cash equivalents. Cash flows exclude movements between items that

constitute cash or cash equivalents because these components are part of the cash management of the Shire rather than part of its operating, investing and financing activities. The reconciliation of cash and cash equivalents is outlined in Note 17.

SHIRE OF UPPER GASCOYNE
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021

14. CONTRACT LIABILITIES

Current

Contract liabilities

2021	2020
\$	\$
2,788,897	5,585,814
2,788,897	5,585,814

Performance obligations for each type of liability are expected to be recognised as revenue in accordance with the following time bands:

Less than 1 year

Contract liabilities	Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
\$	\$
2,788,897	-
2,788,897	-

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

With respect to transfers for recognisable non-financial assets, contract liabilities represent performance obligations which are not yet satisfied.

Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
 Grant liabilities represent the Shire's performance obligations to construct recognisable non-financial assets to identified specifications which are yet to be satisfied.

Grant liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

SHIRE OF UPPER GASCOYNE

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

15. INFORMATION ON BORROWINGS

(a) Borrowings

	2021	2020
	\$	\$
Current	133,365	87,387
Non-current	985,267	679,638
	1,118,632	767,025

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	Budget Principal 1 July 2020	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	Actual Principal 1 July 2019	30 June 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2020	
				Principal	Actual	Actual	Actual	Actual	Actual		Budget	Budget	Budget	Budget	Budget		Budget	Actual	Actual	Actual	Actual	Actual
				1 July 2020	expense	New Loans	Principal repayments	Interest repayments	Principal outstanding		Interest expense	New Loans	Principal repayments	Interest repayments	Principal outstanding		Interest expense	New Loans	Principal repayments	Interest repayments	Principal outstanding	
				\$	\$	\$	\$	\$	\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Housing																						
Staff housing	29	WATC*	2.99%	278,990	7,223	-	(33,333)	(7,612)	245,268	275,870	4,880	-	(33,333)	(4,880)	242,537	311,700	8,275	-	(32,359)	(8,626)	278,990	
Staff housing	30	WATC*	1.09%	-	3,928	450,000	(21,360)	(3,187)	429,381	-	4,005	450,000	(20,657)	(4,005)	429,343	-	-	-	-	-	-	
Economic services																						
Tourism precinct	28	WATC*	5.04%	488,035	22,353	-	(43,390)	(23,015)	443,983	480,491	16,133	-	(43,390)	(16,133)	437,101	530,133	24,154	-	(41,283)	(24,969)	488,035	
				767,025	33,504	450,000	(98,083)	(33,814)	1,118,632	756,361	25,018	450,000	(97,380)	(25,018)	1,108,981	841,833	32,429	-	(73,642)	(33,595)	767,025	

* WA Treasury Corporation

All loan repayments were financed by general purpose revenue.

SHIRE OF UPPER GASCOYNE

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

15. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2020/21

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2021 Actual	2021 Budget	2021 Actual	2021 Budget		
Loan 30 - Staff Housing	WATC*	Semi-annual	10	1.09%	\$ 450,000	\$ 450,000	\$ 155,521	\$ 450,000	\$ 2,447	\$ 294,479
* WA Treasury Corporation					450,000	450,000	155,521	450,000	2,447	294,479

(d) Unspent Borrowings

Particulars	Date Borrowed	Unspent Balance 1 July 2020	Borrowed During Year	Expended During Year	Unspent Balance 30 June 2021
Loan 30 - Staff Housing	02-Nov-20	\$ -	\$ 450,000	\$ 155,521	\$ 294,479
		-	450,000	155,521	294,479

(e) Undrawn Borrowing Facilities

Credit Standby Arrangements

	2021 \$	2020 \$
Bank overdraft limit ^(a)	4,200,000	4,200,000
Bank overdraft at balance date ^(a)	(1,887,991)	-
WATC short term lending facility limit	3,000,000	-
WATC short term lending facility at balance date	-	-
Credit card limit	10,000	10,000
Credit card balance at balance date	(9,763)	(5,045)
Total amount of credit unused	5,312,246	4,204,955

Loan facilities

Loan facilities - current	133,365	87,387
Loan facilities - non-current	985,267	679,638
Total facilities in use at balance date	1,118,632	767,025

Unused loan facilities at balance date

NIL NIL

^(a) Bank overdrafts are categorised as a component of cash and cash equivalents as outlined in Note 13.

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

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

Borrowing costs

Borrowing costs are recognised as an expense when incurred.

Risk

Information regarding exposure to risk can be found at Note 30.

SHIRE OF UPPER GASCOYNE

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

16. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

Opening balance at 1 July 2020

Current
Non-current

Additional provision

Balance at 30 June 2021

Comprises

Current
Non-current

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date
More than 12 months from reporting date
Expected reimbursements from other WA local governments

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2020			
Current	97,451	90,391	187,842
Non-current	-	45,187	45,187
	97,451	135,578	233,029
Additional provision	26,215	11,749	37,964
Balance at 30 June 2021	123,666	147,327	270,993
Comprises			
Current	123,666	84,282	207,948
Non-current	-	63,045	63,045
	123,666	147,327	270,993

	2021 \$	2020 \$
Less than 12 months after the reporting date	207,948	187,842
More than 12 months from reporting date	86,127	76,720
Expected reimbursements from other WA local governments	(23,082)	(31,533)
	270,993	233,029

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees.

Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as 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 and salaries. 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 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

Other long-term employee benefits (Continued)

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.

Provisions

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

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

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

17. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents and bank overdrafts.

	Notes	2021 Actual \$	2021 Budget \$	2020 Actual \$
Cash and cash equivalents	3	5,273,970	2,371,369	8,091,380
Short-term borrowings - bank overdraft	13	(1,887,991)	-	-
Cash and cash equivalents (net of overdraft)		3,385,979	2,371,369	8,091,380

**Reconciliation of Net Result to Cash Provided By /
(Used In) Operating Activities**

Net result for the period		713,199	5,789,562	275,245
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Non-cash items:

Depreciation on non-current assets	3,149,104	3,285,511	3,097,868
(Profit)/loss on sale of assets	9,852	10,806	18,469

Changes in assets and liabilities:

(Increase)/decrease in trade and other receivables	23,537	2,845,031	1,381,013
(Increase)/decrease in other financial assets	-	-	(576)
(Increase)/decrease in inventories	34,553	-	7,022
(Increase)/decrease in contract assets	74,890	-	(2,706,429)
Increase/(decrease) in trade and other payables	1,106,050	(5,698,811)	582,250
Increase/(decrease) in employee related provisions	37,964	-	18,839
Increase/(decrease) in accrued interest	(310)	-	(1,166)
Increase/(decrease) in other liabilities	(2,796,916)	-	5,585,814
Non-operating grants, subsidies and contributions	(3,421,669)	(8,106,802)	(1,909,163)
Net cash provided by / (used in) operating activities	(1,069,746)	(1,874,703)	6,349,186

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	1,032,610	1,003,708
General purpose funding	3,272,968	6,757,452
Education and welfare	620,128	630,689
Housing	2,047,010	1,753,192
Community amenities	106,862	109,015
Recreation and culture	1,600,225	1,202,447
Transport	82,911,073	80,211,259
Economic services	7,714,209	6,659,202
Other property and services	2,824,893	2,503,120
	102,129,978	100,830,084

19. CONTINGENT LIABILITIES

The Shire does not have any contingent liabilities.

20. CAPITAL COMMITMENTS

(a) Capital Expenditure Commitments

	2021	2020
	\$	\$
Contracted for:		
- capital expenditure projects	3,171,245	220,447
	3,171,245	220,447
Payable:		
- not later than one year	3,171,245	220,447

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

21. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Cr. Donald Hammarquist			
President's annual allowance	20,063	19,091	19,570
Meeting attendance fees	19,534	19,534	19,055
Other expenses	177	572	-
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	159	500	1,664
Annual allowance for travel and accommodation expenses	5,861	3,500	8,490
	49,294	46,697	52,279
Cr. James Caunt			
Deputy President's annual allowance	5,015	5,008	4,893
Meeting attendance fees	9,504	9,247	9,270
Other expenses	-	572	-
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	133	500	317
Annual allowance for travel and accommodation expenses	974	3,500	980
	19,126	22,327	18,960
Cr. Blanche Walker			
Meeting attendance fees	9,504	9,247	9,270
Other expenses	177	571	-
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	133	500	-
	13,314	13,818	12,770
Cr. Gregory Watters			
Meeting attendance fees	9,504	9,247	9,270
Other expenses	177	572	-
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	981	500	422
Annual allowance for travel and accommodation expenses	5,638	3,500	5,275
	19,800	17,319	18,467
Cr. Raymond Hoseason-Smith			
Meeting attendance fees	9,504	9,252	6,953
Other expenses	-	571	-
Annual allowance for ICT expenses	3,500	3,500	2,625
Travel and accommodation expenses	380	500	1,743
Annual allowance for travel and accommodation expenses	1,727	3,500	1,511
	15,111	17,323	12,832
Cr. Leane Alys McKeough			
Meeting attendance fees	9,504	9,252	9,270
Other expenses	22	571	-
ICT expenses	257	-	-
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	3,883	500	-
Annual allowance for travel and accommodation expenses	1,980	3,500	1,980
	19,146	17,323	14,750

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

21. ELECTED MEMBERS REMUNERATION (Cont)

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Cr. Hamish McTaggart			
Meeting attendance fees	9,504	9,247	9,270
Other expenses	585	571	-
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	133	500	-
Annual allowance for travel and accommodation expenses	178	3,500	218
	13,900	17,318	12,988
Cr. Ross John Collins (Jnr)			
Meeting attendance fees	-	-	773
Annual allowance for ICT expenses	-	-	292
Travel and accommodation expenses	-	-	218
	-	-	1,283
	149,691	152,125	144,329
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	20,063	19,091	19,570
Deputy President's allowance	5,015	5,008	4,893
Meeting attendance fees	76,558	75,026	73,131
Other expenses	1,138	4,000	-
ICT expenses	257	-	-
Annual allowance for ICT expenses	24,500	24,500	23,917
Travel and accommodation expenses*	5,802	3,500	4,364
Annual allowance for travel and accommodation expenses	16,358	21,000	18,454
	149,691	152,125	144,329

*2020 travel and accommodation expenses disclosed above is \$400 less than reported in the 2020 financial statements. This is due to expenses being identified in 2020 which did not relate to elected members travel and accommodation.

SHIRE OF UPPER GASCOYNE

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

22. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

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

	2021 Actual \$	2020 Actual \$
Short-term employee benefits	456,691	471,317
Post-employment benefits	51,521	53,353
Other long-term benefits	72,200	23,419
	<u>580,412</u>	<u>548,089</u>

Short-term employee benefits

These amounts include all salary, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found above.

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

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 guaranties exist in relation to related parties at year end.

The following transactions occurred with related parties:

	2021 Actual \$	2020 Actual \$
Sale of goods and services		
- Key management personnel	-	183
- Other related parties	400	400
	<u>400</u>	<u>583</u>
Purchase of goods and services		
- Other related parties	302,094	216,129
Amounts outstanding from related parties:		
Trade and other payables		
- Other related parties	-	5,948

Purchase of goods and services from other related parties, relate to five (2020: five) companies controlled by related parties of elected members contracted on terms and conditions equivalent for those that prevail in arm's length transactions under the Shire's procurement processes. Details in relation to these transactions are as follows:

A company controlled by a related party of an elected member was awarded a contract under a tender process for bull dozer services and plant hire with a value of \$247,156 (2020: \$141,569).

A company controlled by a related party of an elected member provided labour hire grader operator services and road signage installation with a value of \$44,679 (2020: \$31,210).

A company controlled by a related party of an elected member provided machinery hire services with a value of \$5,227 (2020: \$9,418). At 30 June 2020 \$5,948 was payable to this company.

A company controlled by a related party of an elected member provided accommodation and catering with a value of \$2,922 (2020: \$1,145).

A company controlled by a related party of an elected member provided catering services with a value of \$2,110 (2020: \$-).

A company controlled by a related party of an elected member provided grader hire services for road maintenance and repairs with a value of \$32,787 in 2020. No services were provided by this company in 2021.

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 elected member, are considered key management personnel.

ii. Other Related Parties

An associate person of KMP employed by the Shire under normal employment terms and conditions.

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the Shire.

iii. Entities subject to significant influence by the Shire

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

23. INVESTMENT IN ASSOCIATE AND JOINT ARRANGEMENTS

The Shire is not involved in any joint venture arrangements and did not have any investments in associates at the reporting date.

24. MAJOR LAND TRANSACTIONS

The Shire did not have any major land transactions during the financial year.

25. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire was not involved in any trading undertakings or major trading undertakings or major trading undertakings during the financial year.

26. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Shire.

27. TRUST FUNDS

The Shire did not have any funds held at balance date over which it has no control.

SHIRE OF UPPER GASCOYNE

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

28. RATING INFORMATION

(a) Rates

RATE TYPE

Differential general rate / general rate

Gross rental valuations

GRV - Gascoyne Junction

Unimproved valuations

UV - Pastoral

UV - Mining

Sub-Total

Minimum payment

Gross rental valuations

GRV - Gascoyne Junction

Unimproved valuations

UV - Pastoral

UV - Mining

Sub-Total

Total amount raised from general rate

Ex-gratia rates

Rates written-off

Totals

	Rate in \$	Number of Properties	2020/21 Actual Rateable Value \$	2020/21 Actual Rate Revenue \$	2020/21 Actual Interim Rates \$	2020/21 Actual Back Rates \$	2020/21 Actual Total Revenue \$	2020/21 Budget Rate Revenue \$	2020/21 Budget Interim Rate \$	2020/21 Budget Back Rate \$	2020/21 Budget Total Revenue \$	2019/20 Actual Total Revenue \$
GRV - Gascoyne Junction	0.0872	19	147,258	12,847	-	-	12,847	12,848	4,000	-	16,848	12,847
UV - Pastoral	0.0469	27	2,725,380	127,725	-	-	127,725	127,725	-	-	127,725	68,054
UV - Mining	0.1393	114	2,026,672	282,315	-	(2,256)	280,059	282,315	-	-	282,315	271,324
Sub-Total		160	4,899,310	422,887	-	(2,256)	420,631	422,888	4,000	-	426,888	352,225
Minimum payment												
GRV - Gascoyne Junction	200	4	2,495	800	-	-	800	800	-	-	800	800
UV - Pastoral	412	11	19,660	4,532	-	-	4,532	4,532	-	-	4,532	4,944
UV - Mining	450	63	84,089	28,350	(2,683)	-	25,667	27,900	-	-	27,900	27,900
Sub-Total		78	106,244	33,682	(2,683)	-	30,999	33,232	-	-	33,232	33,644
Total amount raised from general rate		238	5,005,554	456,569	(2,683)	(2,256)	451,630	456,120	4,000	-	460,120	385,869
Ex-gratia rates							451,630				460,120	385,869
Rates written-off							2,884				2,800	2,883
Totals							(36,633)				(5,000)	(174)
							417,881				457,920	388,578

SIGNIFICANT ACCOUNTING POLICIES

Rates

Control over assets acquired from rates is obtained at the commencement of the rating period.

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

SHIRE OF UPPER GASCOYNE
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021

28. RATING INFORMATION (Continued)

(b) Specified Area Rate

The Shire did not impose any specified area rates during the 2020/2021 financial year.

(b) Service Charges

The shire did not impose any service charges during the 2020/2021 financial year.

(c) Discounts, Incentives, Concessions, & Write-offs

The Shire did not grant any discounts, waivers, or concessions during the 2020/2021 financial year.

(d) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Option One				
Single full payment	05-Oct-20	-	-	8.00%
Option Two				
First instalment	05-Oct-20	-	-	8.00%
Second instalment	07-Dec-20	2.00	3.00%	8.00%
Third instalment	08-Feb-21	2.00	3.00%	8.00%
Fourth instalment	05-Apr-21	2.00	3.00%	8.00%

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Interest on unpaid rates	7,110	2,500	5,893
Interest on instalment plan	819	500	3,134
Charges on instalment plan	246	1,000	1,365
	8,175	4,000	10,392

SHIRE OF UPPER GASCOYNE

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

29. RATE SETTING STATEMENT INFORMATION

		2020/21 Budget	2020/21	2019/20
	2020/21 (30 June 2021 Carried Forward)	(30 June 2021 Carried Forward)	(1 July 2020 Brought Forward)	(30 June 2020 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 Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Movement in financial assets	-	-	(576)	(576)
Movement in land held for resale	5,000	-	2,500	2,500
Movement in employee benefit provisions (non-current)	17,858	30,948	18,364	18,364
Movement in employee benefit provisions (current)	20,106	-	1,040	1,040
Add / (Less): Reclassification of accrued interest on borrowings	(310)	-	10,664	-
Add: Loss on disposal of assets	9,852	10,806	18,469	18,469
Add: Depreciation on non-current assets	3,149,104	3,285,511	3,097,868	3,097,868
Non cash amounts excluded from operating activities	3,201,610	3,327,265	3,148,329	3,137,665
(b) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement 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: Reserves - cash backed	4	(2,037,129)	(1,825,461)	(1,369,538)
Less: Current assets not expected to be received at end of year				
- Land held for resale	7	(2,500)	(7,500)	(7,500)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	15(a)	133,365	97,380	87,387
- Leave Reserve		110,174	121,016	90,068
Total adjustments to net current assets		(1,796,090)	(1,614,565)	(1,199,583)
Net current assets used in the Rate Setting Statement				
Total current assets		8,786,490	3,339,624	11,736,881
Less: Total current liabilities		(7,567,596)	(1,725,059)	(7,304,388)
Less: Total adjustments to net current assets		(1,796,090)	(1,614,565)	(1,199,583)
Net current assets used in the Rate Setting Statement		(577,196)	-	3,232,910

SHIRE OF UPPER GASCOYNE

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

30. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
2021					
Cash and cash equivalents	0.13%	5,273,970	-	5,273,070	900
2020					
Cash and cash equivalents	0.30%	8,091,380	-	8,090,480	900

Sensitivity analysis

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

	2021 \$	2020 \$
Impact of a 1% movement in interest rates on profit and loss and equity*	52,740	80,914

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note15(b) and Note 13.

SHIRE OF UPPER GASCOYNE

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

30. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

The Shire's major receivables comprise rates annual charges and user fees and charges. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of the Shire to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. The Shire is able to charge interest on overdue rates and annual charges, which further encourages payment.

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2020 or 1 July 2021 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

The loss allowance as at 30 June 2021 and 30 June 2020 for rates receivable was determined as follows:

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2021					
Rates receivable					
Expected credit loss	18.94%	18.94%	18.94%	18.94%	
Gross carrying amount	44,049	11,073	6,095	5,100	66,317
Loss allowance	8,342	2,097	1,154	966	12,559
30 June 2020					
Rates receivable					
Expected credit loss	9.88%	9.88%	9.88%	9.88%	
Gross carrying amount	4,756	26,870	15,958	16,904	64,488
Loss allowance	470	2,655	1,577	1,668	6,370

The loss allowance as at 30 June 2021 and 30 June 2020 was determined as follows for trade receivables:

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2021					
Trade and other receivables					
Expected credit loss	1.69%	0.00%	100.00%	99.44%	
Gross carrying amount	468,706	211,862	6,552	89,932	777,052
Loss allowance	7,900	-	6,552	89,432	103,884
30 June 2020					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	99.66%	
Gross carrying amount	431,156	-	124,650	90,127	645,933
Loss allowance	-	-	-	89,819	89,819

SHIRE OF UPPER GASCOYNE

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

30. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

Contract Assets

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

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 15(e).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2021					
Trade and other payables	2,549,395	-	-	2,549,395	2,549,395
Short-term borrowings	1,887,991	-	-	1,887,991	1,887,991
Borrowings	156,014	624,057	477,462	1,257,533	1,118,632
Contract liabilities	2,788,897	-	-	2,788,897	2,788,897
	7,382,297	624,057	477,462	8,483,816	8,344,915
2020					
Trade and other payables	1,454,009	-	-	1,454,009	1,443,345
Borrowings	108,401	433,605	371,604	913,610	767,025
Contract liabilities	5,585,814	-	-	5,585,814	5,585,814
	7,148,224	433,605	371,604	7,953,433	7,796,184

SHIRE OF UPPER GASCOYNE

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

31. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

During the year, the Shire adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

(a) AASB 1059 Service Concession Arrangements: Grantors

Service concession assets are those assets where a third-party operator constructs assets for the Shire, upgrades existing assets of the Shire or uses existing assets of the Shire to operate and maintain the assets to provide a public service, for a specified period of time.

The Shire has considered the requirements of AASB 1059 *Service Concession Arrangements: Grantors* and confirms that the Shire has no existing arrangements that fall within the scope of this standard.

SHIRE OF UPPER GASCOYNE

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

32. 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 statements 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) 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.

i) Impairment of assets

In accordance with Australian Accounting Standards the Shire's cash generating non-specialised 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.

For non-cash generating specialised assets that are measured under the revaluation model such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regularity to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

SHIRE OF UPPER GASCOYNE

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

33. ACTIVITIES/PROGRAMS

Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
GOVERNANCE To provide a decision making process for the efficient allocation of scarce resources.	Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and rate payers on matters which do not concern specific council services.
GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention animal control and other aspects of public safety including emergency services.
HEALTH Monitoring and control health standards within the community.	Control the quality of food and water. Environmental Health Officer twice per year.
EDUCATION AND WELFARE To provide services to disadvantaged persons, the elderly, children and youth.	Provide a range of appropriate services via the Community Resource Centre.
HOUSING Maintain staff housing to facilitate attraction and retention of staff in this remote areas.	Provide housing for staff.
COMMUNITY AMENITIES To provide services required by the community.	Rubbish collection services, operation of rubbish disposal sites, litter control, protection of the environment and administration of town planning schemes, cemetery and public conveniences.
RECREATION AND CULTURE To establish and effectively manage infrastructure and resources which will help the social well-being of the community.	Maintenance of public use buildings and areas including various sporting facilities Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.
TRANSPORT Facilitate safe, effective and efficient transport options for the community.	Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.
ECONOMIC SERVICES To help promote the shire and its economic well-being.	Tourism and area promotion. Building control.
OTHER PROPERTY AND SERVICES To monitor and control council's overheads operating accounts.	Private works operation, plant repaired operation costs and engineering operation costs.

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

34. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	0.49	0.66	4.07
Asset consumption ratio	0.65	0.65	0.73
Asset renewal funding ratio	0.69	0.70	0.71
Asset sustainability ratio	0.55	1.01	0.99
Debt service cover ratio	3.53	12.38	10.47
Operating surplus ratio	(4.36)	(2.37)	(0.16)
Own source revenue coverage ratio	0.03	0.03	0.09

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 Shire of Upper Gascoyne

To the Councillors of the Shire of Upper Gascoyne

Report on the audit of the annual financial report

Opinion

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

- the Statement of Financial Position at 30 June 2021, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information
- the Statement by the Chief Executive Officer.

In my opinion the financial report of the Shire of Upper Gascoyne:

- is based on proper accounts and records
- fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2021 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, 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 section below. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards. The CEO is also responsible for 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 and 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 responsibility 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.

Report on other legal and regulatory requirements

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) In my opinion, the following material matter indicates a significant adverse trend in the financial position of the Shire:
 - a) The Operating Surplus Ratio and Own Source Revenue Coverage Ratio are below the Department of Local Government, Sport and Cultural Industries standard for the past 3 years. The financial ratios are reported at Note 34 of the annual financial report.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

Other information

The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial report and my auditor's report. The CEO is responsible for the preparation and the Council for overseeing the other information.

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

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Upper Gascoyne for the year ended 30 June 2021 included 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 described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



Grant Robinson
Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
11 November 2021