



AGENDA

17th of December 2025

AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING

**To be held at the Shires Administration Building situated at Gascoyne Junction
commencing at 10:00am**

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.

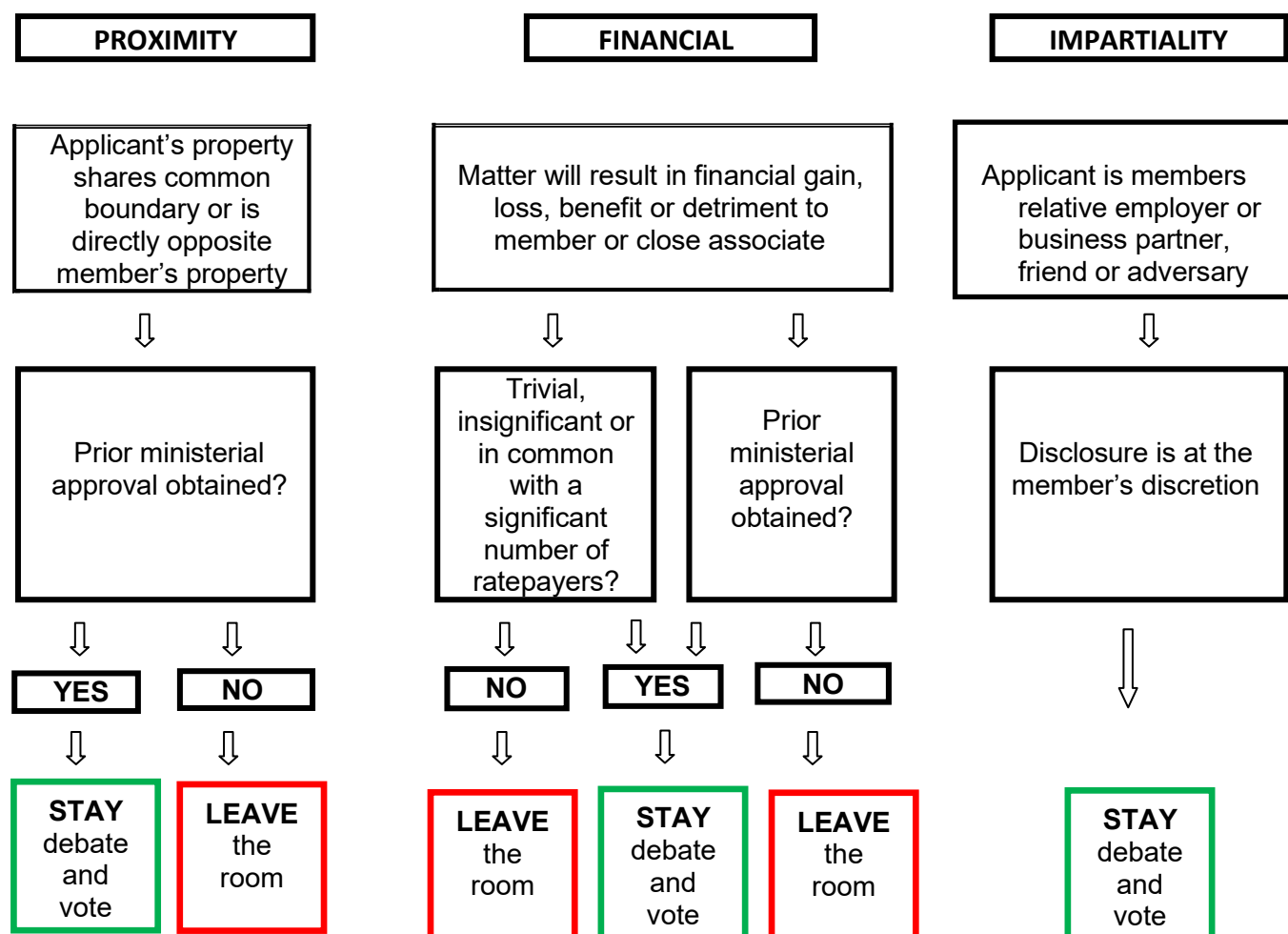
Please note this agenda contains recommendations which have not yet been adopted by Council.

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In particular and without derogating in any way from the broader disclaimer above, in any discussion regarding any planning application or application for a license, 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:

(a) in a written notice given to the CEO before the meeting; or (b) at the meeting immediately before the matter is discussed. (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 AUDIT, RISK AND IMPROVEMENT MEETING OF COUNCIL TO BE HELD
AT GASCOYNE JUNCTION SHIRE OFFICES ON WEDNESDAY THE 17th OF DECEMBER
2025 AT 10:00AM

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SHIRE OF UPPER GASCOYNE

AGENDA FOR THE AUDIT, RISK AND IMPROVEMENT MEETING OF COUNCIL TO BE HELD AT GASCOYNE JUNCTION SHIRE OFFICES ON WEDNESDAY THE 17th OF DECEMBER 2025 AT 10:00AM

1. DECLARATION OF OPENING / ANNOUNCEMENTS OF VISITORS

The Deputy Presiding Member Leah Horton welcomed those present and declared the meeting open at am

2. APOLOGIES AND APPROVED LEAVE OF ABSENCE

2.1 Councillors

Cr J. Caunt	President
Cr A. McKeough	Councillor
Cr W. Baston	Councillor
Cr B. Walker	Councillor

Staff

John McCleary JP	Chief Executive Officer
Andrea Pears	Manager of Finance and Corporate Services
Cherie Walker	Senior Corporate Services Officer

Visitors

2.2 Absentees

2.3 Leave of Absence previously approved

Leah Horton - Presiding Member of Audit, Risk and Improvement Committee

3. APPLICATION FOR LEAVE OF ABSENCE

Nil

4. PUBLIC QUESTION TIME

4.1 Questions on Notice

Nil

4.2 Questions without Notice

Nil

5. DISCLOSURE OF INTEREST

Nil

6. PETITIONS/DEPUTATIONS/PRESENTATIONS

Nil

7. ANNOUNCEMENTS BY THE PERSON PRESCIDING WITHOUT DISCUSSION

Nil

8. MATTERS FOR WHICH THE MEETING MAY GO BEHIND CLOSED DOORS

Nil

9. CONFIRMATION OF MINUTES FROM PREVIOUS MEETINGS

Committee Resolution No: 01122025			
MOVED:	CR:	SECONDED:	CR:
<p>That the minutes from the previous Audit, Risk and Improvement Committee Meeting held on the 26th November 2025 are a true and correct record.</p> <p>FOR: AGAINST: CR</p> <p>F/A: 0/0</p>			

10. REPORTS OF OFFICERS

10.1 2024/2025 ANNUAL FINANCIAL REPORT	
Applicant:	Shire of Upper Gascoyne
Disclosure of Interest:	Nil
Author/s:	Andrea Pears – Manager, Finance & Corporate Services
Date:	11/12/2025
Matters for Consideration:	<ul style="list-style-type: none"> To accept the Annual Financial Report for the year ended 30 June 2025 containing the Independent Auditors Report from the Office of the Auditor General (OAG), as contained in Appendix 1.

Background:	<p>At the previous Audit Committee Meeting held on the 26th of November 2025 an Exit Meeting was conducted between the committee, the Office of the Auditor General (OAG) and the Auditors from William Buck to discuss the following matters:</p> <ul style="list-style-type: none"> • The draft Financial Statements for the Year ended 30 June 2025. • The Shire of Upper Gascoyne Report to the Audit Committee from William Buck for the Year ended 30 June 2025. • Other pending audit matters. <p>The Auditors updated the committee on the progress of the 2024/25 End of Year audit and the finalisation of our Annual Financial Report. The general advice received was that the Auditors were happy with how the audit process was tracking and the recommendation was to issue Council with an Unqualified Opinion.</p> <p>Given the compliance timeframe, it was agreed that staff and the Auditors would work towards having the final draft of the financial report signed off as soon as possible.</p>
Comments:	<p>I am pleased to advise the Audit Committee that the End of Year Audit for 2024/25 is now complete and the following reports have been finalised –</p> <ul style="list-style-type: none"> • The audited 2024/2025 Annual Financial Report signed by the CEO on the 2nd December 2025. • The OAG's Independent Auditors Report issued on the 5th December 2025. <p>Both reports have been combined to form one document and are attached to this agenda under Appendix 1.</p> <p>There were no management letters raised by the auditors for actioning by management resulting in a clean unqualified audit.</p> <p>Regulation 51 (2) of Section 6.4 of the Local Government Financial Management Regulations 1996, states that after the Annual Financial Report has been audited in accordance with the Act and is signed by the CEO, a copy of the report is to be provided to the Department of Local Government within 30 days of the Local Government receiving the Auditors Report. Now that we are being audited by the Office of the Auditor General (OAG) we no longer need to forward a copy of the audited annual financial statements as they do this on our behalf. .</p>
Statutory Environment:	<p>Local Government Act 1995 – Division 3 – Conduct of Audit</p> <p>Local Government (Financial Management) Regulations 1996, Part 4, section 6.4</p>
Policy Implications:	<p>Nil</p>

Financial Implications:		Nil			
Strategic Implications:		Civic Leadership – To responsibly manage Council’s financial resources to ensure optimum value for money and sustainable asset management.			
Risk:					
Risk	Risk Likelihood (based on history and with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk	Risk Action Plan (Controls or Treatment proposed)
Not meeting Statutory Compliance	Rare (1)	Moderate (3)	Low (1-4)	Failure to meet Statutory, Regulatory or Compliance Requirements	Accept Officer Recommendation
Consultation:		Various discussions have taken place between the Shire’s Management team, the Principal Accountant from RSM, the Auditors from William Buck and the OAG during the process undertaken for the 2024/25 Audit.			
Voting requirement:		Simple Majority			
Officer’s Recommendation:		<i>That the Audit Committee –</i> <i>1. Receive the audited and signed Annual Financial Report for the year ended 30 June 2025 as contained in Appendix 1.</i> <i>2. Recommends that a copy of the audited and signed 2024/2025 Annual Financial Report be presented and received at the next Ordinary Meeting of Council to be held on the 17th of December 2025.</i>			
Council Resolution No: AC02122025					
MOVED:			SECONED:		
FOR: CR			AGAINST: CR		
F/A: 0/0					

11. MEETING CLOSURE

The Deputy Presiding Member closed the meeting at _am.

APPENDIX 1

(Financial Report for the year ended 30 June 2025)



Auditor General

INDEPENDENT AUDITOR'S REPORT 2025 Shire of Upper Gascoyne

To the Council of the Shire of Upper Gascoyne

Opinion

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

- the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of financial activity for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, the financial report:

- is based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2025 and its financial position at the end of that period
- is in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

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

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

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2025, but not the financial report and my auditor's report.

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

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

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Upper Gascoyne for the year ended 30 June 2025 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.



Mahmoud Salahat
Acting Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
5 December 2025

SHIRE OF UPPER GASCOYNE
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

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The Shire of Upper Gascoyne conducts the operations of a local government with the following 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 2025**

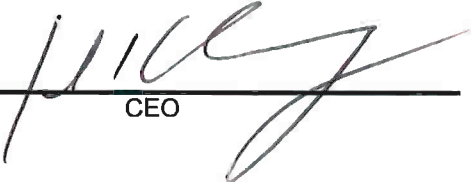
*Local Government Act 1995
Local Government (Financial Management) Regulations 1996*

Statement by CEO

The accompanying financial report of the Shire of Upper Gascoyne has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2025 and the financial position as at 30 June 2025.

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

Signed on the 2nd day of December 2025



CEO

John McCleary
Name of CEO

**SHIRE OF UPPER GASCOYNE
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025**

	Note	2025 Actual	2025 Budget	2024 Actual
		\$	\$	\$
Revenue				
Rates	2(a),24	1,972,423	2,029,060	1,717,417
Grants, subsidies and contributions	2(a)	7,570,420	13,060,455	9,287,653
Fees and charges	2(a)	63,191	46,700	57,191
Interest revenue	2(a)	443,294	201,320	251,367
Other revenue	2(a)	325,677	171,889	461,469
		10,375,005	15,509,424	11,775,097
Expenses				
Employee costs	2(b)	(1,639,050)	(2,051,440)	(1,637,029)
Materials and contracts		(5,525,107)	(14,503,211)	(5,424,703)
Utility charges		(232,021)	(230,601)	(218,067)
Depreciation		(4,252,012)	(3,883,498)	(3,979,791)
Finance costs	2(b)	(61,288)	(103,188)	(132,279)
Insurance		(314,179)	(318,989)	(277,082)
Other expenditure	2(b)	(27,014)	(128,000)	(65,389)
		(12,050,671)	(21,218,927)	(11,734,340)
		(1,675,666)	(5,709,503)	40,757
Capital grants, subsidies and contributions	2(a)	9,420,841	8,150,771	9,621,937
Profit on asset disposals		-	7,012	113,930
Loss on asset disposals		(82,548)	(25,000)	(6,818)
Fair value adjustments to financial assets at fair value through profit or loss	4(a)	(1,775)	-	840
Loss on revaluation of Infrastructure - work in progress	9(a)	-	-	(29,318)
		9,336,518	8,132,783	9,700,571
Net result for the period		7,660,852	2,423,280	9,741,328
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	16	60,234,638	-	-
Total other comprehensive income for the period	16	60,234,638	-	-
Total comprehensive income for the period		67,895,490	2,423,280	9,741,328

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

William Buck Audit (WA) Pty Ltd



SHIRE OF UPPER GASCOYNE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	2025 \$	2024 \$
CURRENT ASSETS			
Cash and cash equivalents	3	7,713,408	9,448,138
Trade and other receivables	5	1,194,932	302,103
Inventories	6	234,839	208,545
Other assets	7	1,453,886	1,824,261
TOTAL CURRENT ASSETS		10,597,065	11,783,047
NON-CURRENT ASSETS			
Other financial assets	4(a)	39,810	41,585
Property, plant and equipment	8	14,062,032	12,901,254
Infrastructure	9	163,890,844	96,419,529
TOTAL NON-CURRENT ASSETS		177,992,686	109,362,368
TOTAL ASSETS		188,589,751	121,145,415
CURRENT LIABILITIES			
Trade and other payables	12	2,219,798	960,204
Capital grant/contributions liabilities	13	464,405	2,063,428
Borrowings	14	212,227	208,802
Employee related provisions	15	377,834	337,003
TOTAL CURRENT LIABILITIES		3,274,264	3,569,437
NON-CURRENT LIABILITIES			
Borrowings	14	925,833	1,117,720
Employee related provisions	15	123,367	87,461
TOTAL NON-CURRENT LIABILITIES		1,049,200	1,205,181
TOTAL LIABILITIES		4,323,464	4,774,618
NET ASSETS		184,266,287	116,370,797
EQUITY			
Retained surplus		70,647,413	63,400,746
Reserve accounts	27	2,241,276	1,827,091
Revaluation surplus	16	111,377,598	51,142,960
TOTAL EQUITY		184,266,287	116,370,797

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 2025

	Note	Retained surplus \$	Reserve accounts \$	Revaluation surplus \$	Total equity \$
Balance as at 1 July 2023		53,464,704	2,021,805	51,142,960	106,629,469
Comprehensive income for the period					
Net result for the period		9,741,328	-	-	9,741,328
Total comprehensive income for the period		9,741,328	-	-	9,741,328
Transfers from reserve accounts	27	349,854	(349,854)	-	-
Transfers to reserve accounts	27	(155,140)	155,140	-	-
Balance as at 30 June 2024		63,400,746	1,827,091	51,142,960	116,370,797
Comprehensive income for the period					
Net result for the period		7,660,852	-	-	7,660,852
Other comprehensive income for the period	16	-	-	60,234,638	60,234,638
Total comprehensive income for the period		7,660,852	-	60,234,638	67,895,490
Transfers from reserve accounts	27	96,756	(96,756)	-	-
Transfers to reserve accounts	27	(510,941)	510,941	-	-
Balance as at 30 June 2025		70,647,413	2,241,276	111,377,598	184,266,287

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 2025**

	Note	2025 Actual \$	2024 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		1,754,113	1,718,868
Grants, subsidies and contributions		7,570,892	9,482,633
Fees and charges		63,191	53,689
Interest revenue		440,118	251,367
Other revenue		337,905	239,099
		10,166,219	11,745,656
Payments			
Employee costs		(1,534,939)	(1,443,928)
Materials and contracts		(4,357,850)	(4,984,295)
Utility charges		(232,021)	(218,067)
Finance costs		(61,288)	(132,279)
Insurance paid		(314,179)	(277,082)
Goods and services tax paid		(188,474)	(102,763)
Other expenditure		(18,193)	(60,039)
		(6,706,944)	(7,218,453)
Net cash provided by operating activities		3,459,275	4,527,203
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment		(1,573,124)	(1,904,486)
Payments for construction of infrastructure	9(a)	(10,761,595)	(10,635,630)
Proceeds from capital grants, subsidies and contributions		7,176,472	9,698,765
Proceeds from sale of property, plant & equipment		152,704	166,067
Net cash (used in) investing activities		(5,005,543)	(2,675,284)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	26(a)	(188,462)	(131,904)
Payments for principal portion of lease liabilities	26(c)	-	(2,624)
Proceeds from new borrowings	26(a)	-	600,000
Net cash (used in) / provided by financing activities		(188,462)	465,472
Net (decrease) / increase in cash held		(1,734,730)	2,317,391
Cash at beginning of year		9,448,138	7,130,747
Cash and cash equivalents at the end of the year		7,713,408	9,448,138

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

William Buck Audit (WA) Pty Ltd



SHIRE OF UPPER GASCOYNE
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	24	1,618,694	1,670,135	1,618,775
Rates excluding general rates	24	353,729	358,925	98,642
Grants, subsidies and contributions		7,570,420	13,060,455	9,287,653
Fees and charges		63,191	46,700	57,191
Interest revenue		443,294	201,320	251,367
Other revenue		325,677	171,889	461,469
Profit on asset disposals		-	7,012	113,930
Fair value adjustments to financial assets at fair value through profit or loss	4(a)	-	-	840
		10,375,005	15,516,436	11,889,867
Expenditure from operating activities				
Employee costs		(1,639,050)	(2,051,440)	(1,637,029)
Materials and contracts		(5,525,107)	(14,503,211)	(5,424,703)
Utility charges		(232,021)	(230,601)	(218,067)
Depreciation		(4,252,012)	(3,883,498)	(3,979,791)
Finance costs		(61,288)	(103,188)	(132,279)
Insurance		(314,179)	(318,989)	(277,082)
Other expenditure		(27,014)	(128,000)	(65,389)
Loss on asset disposals		(82,548)	(25,000)	(6,818)
Loss on revaluation of non-current assets		-	-	(29,318)
Fair value adjustments to financial assets at fair value through profit or loss	4(a)	(1,775)	-	-
		(12,134,994)	(21,243,927)	(11,770,476)
Non-cash amounts excluded from operating activities	25(a)	4,372,241	3,901,486	3,982,452
Amount attributable to operating activities		2,612,252	(1,826,005)	4,101,843
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		9,420,841	8,150,771	9,621,937
Proceeds from disposal of assets		152,704	225,000	166,067
		9,573,545	8,375,771	9,788,004
Outflows from investing activities				
Acquisition of property, plant and equipment	8(a)	(2,123,124)	(2,301,000)	(1,904,486)
Acquisition of infrastructure	9(a)	(10,761,595)	(10,347,352)	(10,635,630)
		(12,884,719)	(12,648,352)	(12,540,116)
Non-cash amounts excluded from investing activities	25(b)	-	-	-
Amount attributable to investing activities		(3,311,174)	(4,272,581)	(2,752,112)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	26(a)	-	-	600,000
Transfers from reserve accounts	27	96,756	101,000	349,854
Plus unspent borrowings brought forward		148,795	158,896	-
		245,551	259,896	949,854
Outflows from financing activities				
Repayment of borrowings	26(a)	(188,462)	(185,426)	(131,904)
Payments for principal portion of lease liabilities	26(c)	-	-	(2,624)
Transfers to reserve accounts	27	(510,941)	(1,185,323)	(155,140)
		(699,403)	(1,370,749)	(289,668)
Non-cash amounts excluded from financing activities	25(c)	-	-	(148,795)
Amount attributable to financing activities		(453,852)	(1,110,853)	511,391
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	25(d)	6,556,700	7,209,439	4,695,578
Amount attributable to operating activities		2,612,252	(1,826,005)	4,101,843
Amount attributable to investing activities		(3,311,174)	(4,272,581)	(2,752,112)
Amount attributable to financing activities		(453,852)	(1,110,853)	511,391
Surplus or deficit after imposition of general rates	25(d)	5,403,926	-	6,556,700

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

**SHIRE OF UPPER GASCOYNE
FOR THE YEAR ENDED 30 JUNE 2025
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**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

1. BASIS OF PREPARATION

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

Local Government Act 1995 requirements

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

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

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

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

- land and buildings classified as property, plant and equipment; or
 - infrastructure; or
 - vested improvements that the local government controls;
- and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from AASB 116 *Property, Plant and Equipment*, which would have required the Shire to assess at each reporting date whether the carrying amount of the above mentioned non-financial assets materially differs from their fair value and, if so, revalue the class of non-financial assets.

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

Critical accounting estimates and judgements

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

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

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

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

- Fair value measurement of assets carried at reportable value including:
 - Property, plant and equipment - note 8
 - Infrastructure - note 9
- Expected credit losses on financial assets - note 5
- Measurement of employee benefits - note 15

Fair value hierarchy information can be found in note 23

The local government reporting entity

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

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

Initial application of accounting standards

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

- AASB 2020-1 *Amendments to Australian Accounting Standards*
 - *Classification of Liabilities as Current or Non-current*
- AASB 2022-5 *Amendments to Australian Accounting Standards*
 - *Lease Liability in a Sale and Leaseback*
- AASB 2022-6 *Amendments to Australian Accounting Standards*
 - *Non-current Liabilities with Covenants*
- AASB 2023-3 *Amendments to Australian Accounting Standards*
 - *Disclosure of Non-current Liabilities with Covenants: Tier 2*
- AASB 2024-1 *Amendments to Australian Accounting Standards*
 - *Supplier Finance Arrangements: Tier 2 Disclosures*
- AASB 2023-1 *Amendments to Australian Accounting Standards*
 - *Supplier Finance Arrangements*

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

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

These amendment may result in changes to the fair value of certain non-financial assets on revaluation. The impact has not been quantified as it is not considered practicable to determine the amount of the difference in fair value attributable to the change in the standard.

New accounting standards for application in future years

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

- AASB 2014-10 *Amendments to Australian Accounting Standards*
 - *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- AASB 2024-4b *Amendments to Australian Accounting Standards*
 - *Effective Date of Amendments to AASB 10 and AASB 128 [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]*
- AASB 2022-9 *Amendments to Australian Accounting Standards*
 - *Insurance Contracts in the Public Sector*
- AASB 2023-5 *Amendments to Australian Accounting Standards*
 - *Lack of Exchangeability*
- AASB 18 (FP) *Presentation and Disclosure in Financial Statements*
 - (Appendix D) [for for-profit entities]
- AASB 18 (NFP/super) *Presentation and Disclosure in Financial Statements*
 - (Appendix D) [for not-for-profit and superannuation entities]
- AASB 2024-2 *Amendments to Australian Accounting Standards*
 - *Classification and Measurement of Financial Instruments*
- AASB 2024-3 *Amendments to Australian Accounting Standards*
 - *Annual Improvements Volume 11*

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

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/refunds/warranties	Timing of revenue recognition
Rates	General rates.	Over time.	Payment dates adopted by Council during the year.	None.	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.	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.	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.	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.	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.	Revenue recognised after inspection event occurs.
Waste management collection	Kerbside collection service.	Over time.	Payment on an annual basis in advance.	None.	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.	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.	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.	Output method based on provision of service or completion of works.

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

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue recognition

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

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

For the year ended 30 June 2025

Nature	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	-	-	1,972,423	-	1,972,423
Grants, subsidies and contributions	7,570,420	-	-	-	7,570,420
Fees and charges	63,191	-	-	-	63,191
Interest revenue	-	-	49,833	393,461	443,294
Other revenue	325,677	-	-	-	325,677
Capital grants, subsidies and contributions	-	9,420,841	-	-	9,420,841
Total	7,959,288	9,420,841	2,022,256	393,461	19,795,846

For the year ended 30 June 2024

Nature	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	-	-	1,717,417	-	1,717,417
Grants, subsidies and contributions	9,287,653	-	-	-	9,287,653
Fees and charges	57,191	-	-	-	57,191
Interest revenue	-	-	23,832	227,535	251,367
Other revenue	461,469	-	-	-	461,469
Capital grants, subsidies and contributions	-	9,621,937	-	-	9,621,937
Total	9,806,313	9,621,937	1,741,249	227,535	21,397,034

	Note	2025 Actual \$	2024 Actual \$
Assets and services acquired below fair value			
Contributed assets		550,000	-
Interest revenue			
Interest on reserve account		95,058	53,244
Trade and other receivables overdue interest		38,038	23,832
Other interest revenue		310,198	174,291
		443,294	251,367
The 2025 original budget estimate in relation to: Trade and other receivables overdue interest was \$6,000.			
Fees and charges relating to rates receivable			
Charges on instalment plan		1,860	1,200
The 2025 original budget estimate in relation to: Charges on instalment plan was \$1,200.			
(b) Expenses			
Auditors remuneration			
- Audit of the Annual Financial Report		51,827	48,700
- Other services – grant acquittals		4,900	2,200
		56,727	50,900
Employee Costs			
Employee benefit costs		1,332,919	1,427,081
Other employee costs		306,131	209,948
		1,639,050	1,637,029
Finance costs			
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss		61,288	132,279
		61,288	132,279
Other expenditure			
Impairment losses / (writeback) on rates and statutory receivables		1,070	(3,502)
Impairment losses / (writeback) on trade receivables		(8,821)	-
Write down of inventories to net realisable value	6	2,023	5,350
Sundry expenses		32,742	63,541
		27,014	65,389

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

3. CASH AND CASH EQUIVALENTS

Note	2025	2024
	\$	\$
Cash at bank and on hand	6,713,408	8,448,138
Term deposits	1,000,000	1,000,000
Total cash and cash equivalents	7,713,408	9,448,138
Held as		
- Unrestricted cash and cash equivalents	5,007,727	5,358,644
- Restricted cash and cash equivalents	2,705,681	4,089,494
	7,713,408	9,448,138

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

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

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

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

Restricted financial assets

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

4. OTHER FINANCIAL ASSETS

(a) Non-current assets

Financial assets at fair value through profit or loss

Note	2025	2024
	\$	\$
	39,810	41,585
	39,810	41,585
Financial assets at fair value through profit or loss		
Units in Local Government House Trust - opening balance	41,585	40,745
Local Government House Trust	(1,775)	840
Units in Local Government House Trust - closing balance	39,810	41,585

Fair value of financial asset at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

MATERIAL ACCOUNTING POLICIES

Financial assets at fair value through profit or loss

The Shire classifies the following financial assets at fair value through profit or loss:

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

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

5. TRADE AND OTHER RECEIVABLES

Current

	Note	2025 \$	2024 \$
Rates and statutory receivables		370,769	153,529
Trade receivables		537,314	149,621
GST receivable		291,237	102,763
Receivables for employee related provisions	15	8,413	7,094
Allowance for credit losses of rates and statutory receivables		(12,801)	(13,871)
Allowance for credit losses of trade receivables		-	(97,033)
		1,194,932	302,103

Rates outstanding

Past due and not impaired		357,968	139,658
Impaired		12,801	13,871
		370,769	153,529

Sundry debtors

Past due and not impaired		537,314	52,588
Impaired		-	97,033
		537,314	149,621

Disclosure of opening and closing balances related to contracts with customers

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

	Note	30 June 2025 Actual \$	30 June 2024 Actual \$	1 July 2023 Actual \$
Trade and other receivables from contracts with customers		537,314	149,621	329,607
Contract assets	7	1,348,251	1,601,891	1,163,898
Allowance for credit losses of trade receivables	5	-	(97,033)	(97,033)
Total trade and other receivables from contracts with customers		1,885,565	1,654,479	1,396,472

MATERIAL ACCOUNTING POLICIES

Rates and statutory receivables

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

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

Trade receivables

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

Measurement

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

Classification and subsequent measurement

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

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

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

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

6. INVENTORIES

	Note	2025	2024
Current		\$	\$
Fuel and materials		234,839	208,545
		234,839	208,545
The following movements in inventories occurred during the year:			
Balance at beginning of year		208,545	218,795
Inventories expensed during the year		(19,081)	(45,469)
Write down of inventories to net realisable value	2(b)	(2,023)	(5,350)
Additions to inventory		47,398	40,569
Balance at end of year		234,839	208,545

MATERIAL ACCOUNTING POLICIES

General

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

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

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

7. OTHER ASSETS

	2025	2024
	\$	\$
Other assets - current		
Prepayments	37,350	-
Accrued income	68,285	222,370
Contract assets	1,348,251	1,601,891
	1,453,886	1,824,261

MATERIAL ACCOUNTING POLICIES

Other current assets

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

Contract assets

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

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in balances

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

	Assets not subject to operating lease			Total property				Plant and equipment		Total property, plant and equipment	
		Buildings - non- specialised	Buildings - specialised		Buildings - non- specialised	Buildings - specialised	Total property	Furniture and equipment	Plant and equipment		
	Note	Land			Land						
		\$		\$	\$			\$	\$	\$	
Balance at 1 July 2023		551,000	1,425,573	6,742,045	551,000	1,425,573	6,742,045	8,718,618	36,592	3,002,677	11,757,887
Additions		9,745	867,939	189,740	9,745	867,939	189,740	1,067,424	21,365	815,697	1,904,486
Disposals		-	-	-	-	-	-	-	-	(58,955)	(58,955)
Depreciation			(26,419)	(130,835)	-	(26,419)	(130,835)	(157,254)	(9,480)	(535,430)	(702,164)
Balance at 30 June 2024		560,745	2,267,093	6,800,950	560,745	2,267,093	6,800,950	9,628,788	48,477	3,223,989	12,901,254
Comprises:											
Gross balance amount at 30 June 2024		560,745	2,313,565	7,056,757	560,745	2,313,565	7,056,757	9,931,067	157,481	5,232,761	15,321,309
Accumulated depreciation at 30 June 2024		-	(46,472)	(255,807)	-	(46,472)	(255,807)	(302,279)	(109,004)	(2,008,772)	(2,420,055)
Balance at 30 June 2024	8(b)	560,745	2,267,093	6,800,950	560,745	2,267,093	6,800,950	9,628,788	48,477	3,223,989	12,901,254
Additions		15,975	418,556	179,874	15,975	418,556	179,874	614,405	37,517	1,471,202	2,123,124
Disposals		-	-	-	-	-	-	-	-	(235,251)	(235,251)
Depreciation		-	(40,632)	(140,050)	-	(40,632)	(140,050)	(180,682)	(11,977)	(534,436)	(727,095)
Balance at 30 June 2025		576,720	2,645,017	6,840,774	576,720	2,645,017	6,840,774	10,062,511	74,017	3,925,504	14,062,032
Comprises:											
Gross balance amount at 30 June 2025		576,720	2,732,120	7,236,632	576,720	2,732,120	7,236,632	10,545,472	174,499	6,145,334	16,865,305
Accumulated depreciation at 30 June 2025		-	(87,103)	(395,858)	-	(87,103)	(395,858)	(482,961)	(100,482)	(2,219,830)	(2,803,273)
Balance at 30 June 2025	8(b)	576,720	2,645,017	6,840,774	576,720	2,645,017	6,840,774	10,062,511	74,017	3,925,504	14,062,032

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying amount measurements

Asset class	Note	Carrying amount 2025 \$	Carrying amount 2024 \$	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(i) Fair value - as determined at the last valuation date								
Land and buildings								
Land - freehold land		576,720	560,745	2	Market approach using recent observable market data for similar properties	Independent registered valuer	2022	Price per hectare or sales comparison
Buildings - non specialised		2,645,017	2,267,093	2	Market approach using recent observable market data for similar properties	Independent registered valuer	2022	Price per square metre / market borrowing rate
Buildings - specialised		6,840,774	6,800,950	3	Cost approach using depreciated replacement cost	Independent registered valuer	2022	Construction costs and current condition, residual values and remaining useful life assessments inputs
Total buildings	8(a)	9,485,791	9,068,043					
(ii) Cost								
Furniture and equipment					Cost	Cost		Purchase cost
Plant and equipment					Cost	Cost		Purchase cost

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

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

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

9. INFRASTRUCTURE

(a) Movements in balances

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

	Infrastructure - roads	Infrastructure - other	Infrastructure - work in progress	Total infrastructure
	\$	\$	\$	\$
Balance at 1 July 2023	81,311,589	7,653,000	122,931	89,087,520
Additions	10,431,906	203,724	-	10,635,630
Revaluation (loss) / reversals transferred to profit or loss	-	-	(29,318)	(29,318)
Depreciation	(2,720,800)	(553,503)	-	(3,274,303)
Balance at 30 June 2024	89,022,695	7,303,221	93,613	96,419,529
Comprises:				
Gross balance at 30 June 2024	145,120,393	11,210,124	93,613	156,424,130
Accumulated depreciation at 30 June 2024	(56,097,698)	(3,906,903)	-	(60,004,601)
Balance at 30 June 2024	89,022,695	7,303,221	93,613	96,419,529
Additions	9,273,393	1,246,528	241,674	10,761,595
Revaluation increments transferred to revaluation surplus	60,234,637	-	-	60,234,637
Depreciation	(3,014,156)	(510,761)	-	(3,524,917)
Transfers	-	52,007	(52,007)	-
Balance at 30 June 2025	155,516,569	8,090,995	283,280	163,890,844
Comprises:				
Gross balance at 30 June 2025	202,435,589	12,508,659	283,280	215,227,528
Accumulated depreciation at 30 June 2025	(46,919,020)	(4,417,664)	-	(51,336,684)
Balance at 30 June 2025	155,516,569	8,090,995	283,280	163,890,844

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

9. INFRASTRUCTURE (Continued)

(b) Carrying amount measurements

Asset class	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(i) Fair value - as determined at the last valuation date					
Infrastructure - roads	3	Cost approach using depreciated replacement cost (gross valuation method)	Independent registered valuer	2025	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - other	3	Cost approach using depreciated replacement cost (gross valuation method)	Independent registered valuer	2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
(ii) Current Replacement Cost					
Infrastructure - work in progress		Cost	Cost		Purchase cost

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

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

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

Asset class	Useful life
Buildings	3 to 80 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 to 108 years
Bridges	100 years

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

10. FIXED ASSETS (Continued)

MATERIAL ACCOUNTING POLICIES

Initial recognition

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

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

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

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

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

Measurement after recognition

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

Reportable value

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

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

Revaluation

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

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

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

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

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

Depreciation

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

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

Depreciation on revaluation

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

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

Impairment

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

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

Gains or losses on disposal

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

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

11. LEASES

(a) Right-of-use assets

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

Note	Right-of-use assets - plant and equipment	Total right-of-use assets
	\$	\$
Balance at 1 July 2023	9,972	9,972
Revaluation (loss) / reversals transferred to profit or loss	(6,648)	(6,648)
Depreciation	(3,324)	(3,324)
Balance at 30 June 2024	-	-
Gross balance amount at 30 June 2024	-	-
Accumulated depreciation at 30 June 2024	-	-
Balance at 30 June 2024	-	-
Balance at 30 June 2025	-	-
Gross balance amount at 30 June 2025	-	-
Accumulated depreciation at 30 June 2025	-	-
Balance at 30 June 2025	-	-

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the Shire is the lessee:

	2025 Actual	2024 Actual
	\$	\$
Depreciation on right-of-use assets	-	(3,324)
Finance charge on lease liabilities	-	(47)
Total amount recognised in the statement of comprehensive income	-	(3,371)
Total cash outflow from leases	-	(2,671)
	-	-
	-	-
	-	-

(b) Lease liabilities

Current
Non-current

MATERIAL ACCOUNTING POLICIES

Leases

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

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

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

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

Right-of-use assets - measurement

Right-of-use assets are measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not recognised in the Statement of Financial Position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value. Refer to Note 10 under revaluation for details on the material accounting policies applying to vested improvements.

Right-of-use assets - depreciation

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

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

11. LEASES (Continued)

(c) Lessor - property, plant and equipment subject to lease

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

Less than 1 year

1 to 2 years

2 to 3 years

Amounts recognised in profit or loss for property, plant and equipment subject to lease

Rental income

2025 Actual	2024 Actual
\$	\$
36,000	7,073
36,000	-
24,000	-
96,000	7,073
7,073	10,403

The Shire leases the tourist park with rental payable by six equal instalments per annum. The lease is classified as an operating lease as it does not transfer substantially all of the risks and rewards incidental to ownership of the assets. The tourist park is not considered investment property as it is leased for use in the supply of services to the community.

The lease payments include annual increases in accordance with the lease agreement. Although the Shire is exposed to changes in the residual value at the end of the current lease, the Shire typically entered into a new operating lease and therefore will not immediately realise any reduction in residual value at the end of the lease.

MATERIAL ACCOUNTING POLICIES

The Shire as lessor

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

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

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

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

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

12. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Accrued payroll liabilities
 ATO liabilities
 Bonds and deposits held
 Accrued Expenses
 Income Received in Advance

2025	2024
\$	\$
1,857,940	678,378
65,859	44,619
41,737	34,283
-	50,180
253,221	152,744
1,041	-
2,219,798	960,204

MATERIAL ACCOUNTING POLICIES

Financial liabilities

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

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

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

Statutory liabilities

Statutory liabilities, are amounts owed to regulatory authorities due to statutory obligations such as FBT and PAYG. GST payable is offset against GST receivable and any net GST payable is included as a statutory liability.

Trade and other payables

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

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

13. OTHER LIABILITIES

Current

Capital grant/contributions liabilities

Reconciliation of changes in capital grant/contribution liabilities

Opening balance

Additions

Revenue from capital grant/contributions held as a liability at the start of the period

Expected satisfaction of capital grant/contribution liabilities

Less than 1 year

	2025	2024
	\$	\$
	464,405	2,063,428
	464,405	2,063,428
	2,063,428	1,548,607
	464,405	2,063,428
	(2,063,428)	(1,548,607)
	464,405	2,063,428
	464,405	2,063,428
	464,405	2,063,428

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

MATERIAL ACCOUNTING POLICIES

Capital grant/contribution liabilities

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

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

14. BORROWINGS

	Note	2025			2024		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Long term borrowings		212,227	925,833	1,138,060	208,802	1,117,720	1,326,522
Total secured borrowings	26(a)	212,227	925,833	1,138,060	208,802	1,117,720	1,326,522

Secured liabilities and assets pledged as security

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the Shire of Upper Gascoyne.

The Shire of Upper Gascoyne has complied with the financial covenants of its borrowing facilities during the 2025 and 2024 years.

MATERIAL ACCOUNTING POLICIES

Borrowing costs

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

Risk

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

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

15. EMPLOYEE RELATED PROVISIONS

Employee related provisions

	2025	2024
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	199,501	172,803
Long service leave	131,792	121,082
	331,293	293,885
Employee related other provisions		
Employment on-costs	46,541	43,118
	46,541	43,118
Total current employee related provisions	377,834	337,003
Non-current provisions		
Employee benefit provisions		
Long service leave	104,534	77,073
	104,534	77,073
Employee related other provisions		
Employment on-costs	18,833	10,388
	18,833	10,388
Total non-current employee related provisions	123,367	87,461
Total employee related provisions	501,201	424,464

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

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

MATERIAL ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

SHIRE OF UPPER GASCOYNE
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2025

16. REVALUATION SURPLUS

	2025 Opening balance	Total Movement on revaluation	2025 Closing balance	2024 Opening balance	Total Movement on revaluation	2024 Closing balance
	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	10,272	-	10,272	10,272	-	10,272
Revaluation surplus - Infrastructure - roads	51,132,688	60,234,638	111,367,326	51,132,688	-	51,132,688
	51,142,960	60,234,638	111,377,598	51,142,960	-	51,142,960

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

17. RESTRICTIONS OVER FINANCIAL ASSETS

The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents

Note	2025 Actual \$	2024 Actual \$
3	2,705,681	4,089,494
	2,705,681	4,089,494
27	2,241,276	1,827,091
12	-	50,180
13	464,405	2,063,428
26(b)	-	148,795
	2,705,681	4,089,494

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

Credit standby arrangements

Bank overdraft limit

4,200,000

4,200,000

Bank overdraft at balance date

-

-

Credit card limit

10,000

10,000

Credit card balance at balance date

(3,873)

(4,199)

Total amount of credit unused

4,206,127

4,205,801

Loan facilities

Loan facilities - current

212,227

208,802

Loan facilities - non-current

925,833

1,117,720

Total facilities in use at balance date

1,138,060

1,326,522

Unused loan facilities at balance date

NIL

NIL

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

19. CONTINGENT LIABILITIES

The Shire does not have any contingent liabilities.

20. CAPITAL COMMITMENTS

	2025	2024
	\$	\$
Contracted for:		
- capital expenditure projects	22,842	72,473
	22,842	72,473
Payable:		
- not later than one year	22,842	72,473

The capital expenditure projects outstanding at the end of the current reporting are for cost related to upgrades on Shire admin building, Engineering cost on road construction and Laundry Block construction.

The prior year commitment was for the construction of roads and construction of a reverse osmosis plant.

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

21. RELATED PARTY TRANSACTIONS

(a) Council member remuneration

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

Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
President's annual allowance	20,875	21,710	20,875
President's meeting attendance fees	20,171	21,138	20,325
President's annual allowance for ICT expenses	3,500	3,500	3,500
President's travel and accommodation expenses	1,681	-	652
	46,227	46,348	45,352
Deputy President's annual allowance	5,219	5,219	3,914
Deputy President's meeting attendance fees	9,890	10,286	9,890
Deputy President's annual allowance for ICT expenses	3,500	3,500	3,500
Deputy President's travel and accommodation expenses	781	-	145
	19,390	19,005	17,449
All other council member's meeting attendance fees	49,450	51,430	46,978
All other council member's annual allowance for ICT expenses	17,500	17,500	16,625
All other council member's travel and accommodation expenses	4,346	-	4,078
	71,296	68,930	67,681
21(b)	136,913	134,283	130,482

(b) Key management personnel (KMP) compensation

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

Short-term employee benefits	611,363	553,662
Post-employment benefits	78,145	67,799
Employee - other long-term benefits	37,154	39,976
Council member costs	136,913	130,482
21(a)	863,575	791,919

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Termination benefits

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

Council member costs

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

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

21. RELATED PARTY TRANSACTIONS (Continued)

(c) Transactions with related parties

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

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

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

	2025 Actual	2024 Actual
	\$	\$
Sale of goods and services	-	731
Purchase of goods and services	82,089	181,502
Amounts outstanding from related parties:		
Trade and other receivables	-	750
Amounts payable to related parties:		
Trade and other payables	10	-

(d) Related parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

Purchases of goods and services from other related parties, relate to three (2024: four) 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:

In 2024, a company controlled by a related party of an elected member was awarded a contract under a tender process to provide grader services. The value of services provided in 2025 was \$81,035 (2024: \$31,165)

A Councillor provided craft products and lawnmower rental with a value of \$1,054 (2024: \$8).

In 2024 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 in 2024 of \$137,208. No services were provided in 2025.

In 2024, a company controlled by a related party of an elected member provided catering service with a value of \$13,121. No services were provided in 2025.

iii. Entities subject to significant influence by the Shire

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

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

22. 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.

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

23. OTHER MATERIAL ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest revenue

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

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

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

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24. RATING INFORMATION

(a) General rates

RATE TYPE		Rate in	Number of	2024/25	2024/25	2024/25	2024/25	2024/25	2024/25	2024/25	2023/24
Rate description	Basis of valuation	\$	properties	Actual rateable value*	Actual rate revenue	Actual interim rates	Actual total revenue	Budget rate revenue	Budget interim rate	Budget total revenue	Actual total revenue
		\$		\$	\$	\$	\$	\$	\$	\$	\$
Gross rental valuations											
GRV - Gascoyne Junction	Gross rental valuation	0.11088	12	115,711	12,830	(5,189)	7,641	13,383	-	13,383	20,433
Unimproved valuations											
UV - Pastoral	Unimproved valuation	0.09000	25	1,638,878	147,499	-	147,499	147,049	-	147,049	148,092
UV - Mining	Unimproved valuation	0.33000	153	4,948,115	1,632,878	(169,324)	1,463,554	1,509,703	-	1,509,703	1,450,250
Total general rates			190	6,702,704	1,793,207	(174,513)	1,618,694	1,670,135	-	1,670,135	1,618,775
Minimum payment		Minimum payment \$									
GRV - Gascoyne Junction	Gross rental valuation	525	12	10,301	6,300	-	6,300	6,825	-	6,825	6,500
Unimproved valuations											
UV - Pastoral	Unimproved valuation	1,600	13	168,299	20,800	-	20,800	20,800	-	20,800	10,800
UV - Mining	Unimproved valuation	2,200	145	1,782,553	319,000	-	319,000	330,000	-	330,000	75,050
Total minimum payments			170	1,961,153	346,100	-	346,100	357,625	-	357,625	92,350
Total general rates and minimum payments			360	8,663,857	2,139,307	(174,513)	1,964,794	2,027,760	-	2,027,760	1,711,125
Ex-gratia rates											
Ex-gratia Rates			1		7,000	-	7,000	6,300	-	6,300	6,300
Rates written-off					(3,241)	-	(3,241)	(5,000)	-	(5,000)	(8)
Interim and back rates					3,870	-	3,870	-	-	-	-
Total amount raised from rates (excluding general rates)			1	-	7,629	-	7,629	1,300	-	1,300	6,292
Discounts											-
Concessions											-
Total rates							1,972,423			2,029,060	1,717,417
(b) Rates related information											
Rates instalment interest							11,795			5,320	5,317
Rates instalment plan charges							1,860			1,200	1,200
Rates overdue interest							38,038			6,000	18,515

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

*Rateable Value at time of raising of rate.

SHIRE OF UPPER GASCOYNE
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25. DETERMINATION OF SURPLUS OR DEFICIT

		2024/25 (30 June 2025 carried forward)	2024/25 Budget (30 June 2025 carried forward)	2024/25 (1 July 2024 carried forward)	2023/24 (30 June 2024 carried forward)
	Note	\$	\$	\$	\$
(a) Non-cash amounts excluded from operating activities					
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .					
Adjustments to operating activities					
Less: Profit on asset disposals		-	(7,012)	(113,930)	(113,930)
Less: Fair value adjustments to financial assets at fair value through profit or loss		1,775		(840)	(840)
Less: termination of lease				(782)	(782)
Add: Loss on disposal of assets		82,548	25,000	6,818	6,818
Add: Loss on revaluation of fixed assets	9(a)	-	-	29,318	29,318
Add: Impairment of land held for sale		-	-	2,500	2,500
Add: Depreciation	10(a)	4,252,012	3,883,498	3,979,791	3,979,791
Non-cash movements in non-current assets and liabilities:					
Employee benefit provisions		35,906	-	79,577	79,577
Non-cash amounts excluded from operating activities		4,372,241	3,901,486	3,982,452	3,982,452
(b) Non-cash amounts excluded from investing activities					
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .					
Adjustments to investing activities					
Property, plant and equipment received for substantially less than fair value	8(a)	550,000	-	-	-
Non cash capital grants, subsidies and contributions		(550,000)	-	-	-
Non-cash amounts excluded from investing activities		-	-	-	-
(c) Non-cash amounts excluded from financing activities					
The following non-cash revenue or expenditure has been excluded from amounts attributable to financing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .					
Adjustments to financing activities					
Unspent borrowings	26(b)	-	-	(148,795)	(148,795)
Non-cash amounts excluded from financing activities		-	-	(148,795)	(148,795)
(d) Surplus or deficit after imposition of general rates					
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.					
Adjustments to net current assets					
Less: Reserve accounts	27	(2,241,276)	(2,911,414)	(1,827,091)	(1,827,091)
Less: Current assets not expected to be received at end of year					
- Land held for resale	6	-	(2,500)	-	-
- Unspent borrowings		-	-	(148,795)	(148,795)
Add: Current liabilities not expected to be cleared at end of year					
- Current portion of borrowings	14	212,227	191,887	208,802	208,802
- Leave reserve		186,388	81,706	82,012	82,012
- Employee benefit provisions		(76,214)	34,065	28,162	28,162
Total adjustments to net current assets		(1,918,875)	(2,606,256)	(1,656,910)	(1,656,910)
Net current assets used in the Statement of financial activity					
Total current assets		10,597,065	5,163,017	11,783,047	11,783,047
Less: Total current liabilities		(3,274,264)	(2,556,761)	(3,569,437)	(3,569,437)
Less: Total adjustments to net current assets		(1,918,875)	(2,606,256)	(1,656,910)	(1,656,910)
Surplus or deficit after imposition of general rates		5,403,926	-	6,556,700	6,556,700

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26. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual						Budget					
		Principal at	New loans	Principal	Actual Interest	Actual Interest	Principal at 30	New loans	Principal	Actual Interest	Actual Interest	Principal at	Principal at 1
		1 July 2023	during 2023-24	repayments	Expense	Repayments	June 2024	during 2024-25	repayments	Expense during	Repayments	30 June 2025	July 2024
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Housing													
Staff Housing		172,828	-	(36,436)	6,923	(4,897)	138,418	-	(37,534)	4,167	(4,724)	100,327	136,392
Staff Housing		342,033	-	(44,012)	5,220	(3,600)	299,641	-	(44,493)	5,000	(5,240)	254,908	298,020
Staff Housing		-	600,000	(24,450)	26,560	(12,598)	589,512	-	(50,450)	26,365	(27,600)	537,827	575,550
Economic services													
Tourism precinct		343,565	-	(50,378)	22,453	(16,689)	298,951	-	(52,949)	15,262	(16,266)	244,998	293,185
Total borrowings	14	858,426	600,000	(155,276)	61,156	(37,784)	1,326,522	-	(185,426)	50,794	(53,830)	1,138,060	1,303,147

All loan repayments were financed by general purpose revenue.

Borrowing finance cost payments

Purpose	Loan number	Institution	Interest rate	Date final payment is due	Actual for year ending 30 June 2025	Budget for year ending 30 June 2025	Actual for year ending 30 June 2024
Housing	29	WATC*	2.99%	13-Aug-27	\$ (4,167)	\$ (4,592)	\$ (6,923)
Staff Housing	30	WATC*	1.09%	02-Nov-30	(5,000)	(5,079)	(5,220)
Staff Housing	31	WATC*	4.20%	03-Jul-33	(26,365)	(27,413)	(26,560)
Staff Housing					-		
Economic services	28	WATC*	5.04%	07-Mar-29	(15,262)	(16,104)	(22,453)
Tourism precinct							
Total					(50,794)	(53,188)	(61,156)

* WA Treasury Corporation

(b) Unspent borrowings

Particulars	Institution	Date Borrowed	Unspent balance 1 July 2024	Borrowed during 2024-25	Expended during 2024-25	Unspent balance 30 June 2025
Staff Housing	WATC	03-Jul-23	\$ 148,795	\$ -	(148,795)	-
			148,795	-	(148,795)	-

* WA Treasury Corporation

(c) Lease liabilities

Purpose	Note	Actual						Budget					
		Principal at	New leases	Principal	Lease	Principal at 30	New leases	Principal	Principal at 30	Principal at 1	New leases	Principal	Principal at
		1 July 2023	during 2023-24	repayments	Forgiven	June 2024	during 2024-25	repayments	June 2025	July 2024	during 2024-25	repayments	June 2025
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fuel bowser		10,054	-	(2,624)	(7,430)	-	-	-	-	-	-	-	-
Total lease liabilities	11(b)	10,054	-	(2,624)	(7,430)	-	-	-	-	-	-	-	-

Lease finance cost payments

Purpose	Lease number	Institution	Interest rate	Date final payment is due	Actual for year ending 30 June 2025	Budget for year ending 30 June 2025	Actual for year ending 30 June 2024	Lease term
Fuel bowser	1	Refuel Australia	1.10%	08-Dec-24	\$ -	\$ -	\$ (47)	3 years
Total finance cost payments					-	-	(47)	

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27. RESERVE ACCOUNTS

	2025 Actual opening balance	2025 Actual transfer to	2025 Actual transfer (from)	2025 Actual closing balance	2025 Budget opening balance	2025 Budget transfer to	2025 Budget transfer (from)	2025 Budget closing balance	2024 Actual opening balance	2024 Actual transfer to	2024 Actual transfer (from)	2024 Actual closing balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Leave reserve	82,012	104,376	-	186,388	82,011	120,022	-	202,033	79,902	2,110	-	82,012
(b) Plant replacement reserve	434,933	22,532	-	457,465	434,933	100,000	-	534,933	512,507	13,518	(91,092)	434,933
(c) Airport reserve	42,218	102,314	-	144,532	42,219	100,000	-	142,219	41,133	1,085	-	42,218
(d) Tourism precinct reserve	86,693	196,585	(25,000)	258,278	86,693	100,000	-	186,693	84,461	2,232	-	86,693
(e) Building reserve	186,324	8,520	(71,756)	123,088	186,324	400,000	(81,000)	505,324	348,275	6,496	(168,447)	186,324
(f) Works reserve	163,985	9,537	-	173,522	163,985	150,000	-	313,985	245,149	9,151	(90,315)	163,985
(g) Economic development reserve	475,571	24,637	-	500,208	475,571	150,000	-	625,571	463,346	12,225	-	475,571
(h) Roads flood damage reserve	157,289	32,179	-	189,468	157,289	24,102	-	181,391	153,245	4,044	-	157,289
(i) Bridge maintenance reserve	120,259	6,230	-	126,489	120,259	25,000	(20,000)	125,259	93,787	26,472	-	120,259
(j) Sealed road sealing reserve	77,807	4,031	-	81,838	77,807	16,199	-	94,006	-	77,807	-	77,807
	1,827,091	510,941	(96,756)	2,241,276	1,827,091	1,185,323	(101,000)	2,911,414	2,021,805	155,140	(349,854)	1,827,091

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

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

Name of reserve account	Purpose of the reserve account
Restricted by council	
(a) Leave reserve	to be used to fund annual and long service leave requirements.
(b) Plant replacement reserve	to be used for the purchase of major plant and also to fund major mechanical breakdowns.
(c) Airport reserve	to fund the resealing of the Gascoyne Junction Airport.
(d) Tourism precinct reserve	to be used for future significant repairs or upgrades on an as required basis.
(e) Building reserve	to be used for new buildings, future repairs or upgrades on an as required basis (excluding the Tourism Precinct).
(f) Works reserve	to be used to support funding of major infrastructure projects.
(g) Economic development reserve	to set aside funds for economic development initiatives.
(h) Roads flood damage reserve	to be used towards the required Shire contribution for Western Australia Natural Disaster Relief Funding.
(i) Bridge maintenance reserve	to be used for repairs and maintenance of Kilili Bridge as required.
(j) Sealed road sealing reserve	to set aside funds for the resealing of the Shire's sealed road network.

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28. TRUST FUNDS

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