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SHIRE OF UPPER GASCOYNE

ANNUAL STATUTORY BUDGET

FOR THE YEAR ENDING 30 JUNE 2022

**SHIRE OF UPPER GASCOYNE
ANNUAL STATUTORY BUDGET
FOR THE YEAR ENDING 30 JUNE 2022
[CONTENTS PAGE](#)**

	Page	Note
Financial Statements		
Statement of Comprehensive Income by Nature or Type	3	
Statement of Comprehensive Income by Program	4	
Statement of Cash Flows	5	
Rate Setting Statement	6	
Notes to and Forming Part of the Budget		
Significant Accounting Policies	7	1
Rates	16	2
Specified Area Rate	18	3
Service Charges	18	4
Operating Revenue	19	5
Operating Expenses	21	6
Disposal of Assets	23	7
Capital Expenditure	24	8
Borrowings	26	9
Reserves	27	10
Notes to the Statement of Cash Flows	28	11
Net Current Assets	29	12
Trust Funds	30	13
Major Land Transactions	30	14
Trading Undertakings and Major Trading Undertakings	30	15
Joint Venture Arrangements	30	16

SHIRE OF UPPER GASCOYNE
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDING 30 JUNE 2022
BY NATURE OR TYPE

		Budget	Actual	Budget
		21 / 22	20 / 21	20 / 21
	Note	\$	\$	\$
Revenue				
Rates	2(a)	481,034	417,880	457,919
Grants, Subsidies and Contributions	5(a)	20,673,275	18,274,419	16,580,568
Fees and Charges	5(c)	28,346	31,448	37,297
Interest Earnings	5(d)	19,000	16,291	27,420
Other Revenue	5(e)	334,907	264,962	83,636
		<u>21,536,562</u>	<u>19,005,000</u>	<u>17,186,840</u>
Expenses				
Employee Costs		(1,519,235)	(660,736)	(1,179,418)
Materials and Contracts		(18,560,674)	(16,722,239)	(14,520,970)
Utility Charges		(156,385)	(148,154)	(154,081)
Depreciation on Non-current Assets	6(a)	(3,204,622)	(3,149,104)	(3,285,511)
Interest Expenses	6(b)	(44,844)	(37,006)	(49,168)
Insurance Expenses		(250,306)	(228,448)	(237,697)
Other Expenditure		(70,800)	(523,882)	(66,429)
		<u>(23,806,866)</u>	<u>(21,469,569)</u>	<u>(19,493,274)</u>
Operating Surplus / (Deficit)		<u>(2,270,304)</u>	<u>(2,464,569)</u>	<u>(2,306,434)</u>
Other Revenue and Expenses				
Grants, Subsidies and Contributions	5(b)	7,679,889	3,421,669	8,106,802
Profit on Disposal of Assets	7	33,000	-	-
(Loss) on Disposal of Assets	7	(2,000)	(9,852)	(10,806)
Net Result		<u>5,440,585</u>	<u>947,248</u>	<u>5,789,562</u>
Other Comprehensive Income				
Changes on Revaluation of Non-current Assets		-	-	-
		-	-	-
Total Comprehensive Income		<u><u>5,440,585</u></u>	<u><u>947,248</u></u>	<u><u>5,789,562</u></u>

Notes:

All fair value adjustments relating to remeasurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets in accordance with the mandating of fair value measurement through Other Comprehensive Income, is impacted upon by external forces and is not able to be reliably estimated at the time of budget adoption.

Fair value adjustments relating to the remeasurement of financial assets at fair value through profit or loss will be assessed at the time they occur with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes upon revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

This statement needs to be read in conjunction with the accompanying Financial Statements and Notes.

SHIRE OF UPPER GASCOYNE
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDING 30 JUNE 2022
BY PROGRAM

		Budget 21 / 22	Actual 20 / 21	Budget 20 / 21
		\$	\$	\$
Revenue				
Governance		87,694	124,103	20,000
General Purpose Funding		1,874,612	3,330,043	1,859,917
Law, Order, Public Safety		15,864	14,279	17,156
Health		1,000	236	1,000
Education and Welfare		165,630	145,380	132,600
Housing		-	570	-
Community Amenities		4,200	4,200	4,400
Recreation and Culture		15,365	17,740	16,100
Transport		19,132,992	15,222,428	15,030,281
Economic Services		178,264	85,574	40,136
Other Property and Services		60,940	60,447	65,250
		<u>21,536,561</u>	<u>19,005,000</u>	<u>17,186,840</u>
Expenses				
Governance		(706,422)	(413,611)	(438,249)
General Purpose Funding		(88,033)	(153,581)	(161,131)
Law, Order, Public Safety		(114,159)	(213,645)	(237,562)
Health		(26,038)	(21,324)	(26,330)
Education and Welfare		(526,296)	(260,772)	(291,126)
Housing		(247,973)	(333,532)	(372,633)
Community Amenities		(108,167)	(144,961)	(173,807)
Recreation and Culture		(293,706)	(291,383)	(292,175)
Transport		(20,887,242)	(19,252,341)	(17,010,102)
Economic Services		(746,638)	(356,933)	(490,159)
Other Property and Services		(62,191)	(27,486)	-
		<u>(23,806,865)</u>	<u>(21,469,569)</u>	<u>(19,493,274)</u>
Operating Surplus / (Deficit)		<u>(2,270,304)</u>	<u>(2,464,569)</u>	<u>(2,306,434)</u>
Other Revenue and Expenses				
Grants, Subsidies and Contributions	5(b)	7,679,889	3,421,669	8,106,802
Profit on Disposal of Assets	7	33,000	-	-
(Loss) on Disposal of Assets	7	(2,000)	(9,852)	(10,806)
Net Result		<u>5,440,585</u>	<u>947,248</u>	<u>5,789,562</u>
Other Comprehensive Income				
Changes on Revaluation of Non-current Assets		-	-	-
		-	-	-
Total Comprehensive Income		<u><u>5,440,585</u></u>	<u><u>947,248</u></u>	<u><u>5,789,562</u></u>

Notes:

All fair value adjustments relating to remeasurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets in accordance with the mandating of fair value measurement through Other Comprehensive Income, is impacted upon by external forces and is not able to be reliably estimated at the time of budget adoption.

Fair value adjustments relating to the remeasurement of financial assets at fair value through profit or loss will be assessed at the time they occur with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes upon revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

This statement needs to be read in conjunction with the accompanying Financial Statements and Notes.

**SHIRE OF UPPER GASCOYNE
ANNUAL STATUTORY BUDGET
FOR THE YEAR ENDING 30 JUNE 2022
STATEMENT OF CASH FLOWS**

	Note	Budget 21 / 22 \$	Actual 20 / 21 \$	Budget 20 / 21 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		481,034	417,880	457,919
Operating Grants, Subsidies and Contributions		20,673,275	15,423,112	19,425,599
Fees and Charges		28,346	31,448	37,297
Interest Earnings		19,000	16,291	27,420
Other Revenue		334,907	264,962	83,636
		<u>21,536,562</u>	<u>16,153,693</u>	<u>20,031,871</u>
Payments				
Employee Costs		(1,519,235)	(625,008)	(1,179,418)
Materials and Contracts		(18,560,674)	(15,661,002)	(20,219,781)
Utility Charges		(156,385)	(148,154)	(154,081)
Interest Expenses		(44,844)	(37,006)	(49,168)
Insurance Expenses		(250,306)	(228,448)	(237,697)
Other Expenditure		(70,800)	(523,882)	(66,429)
		<u>(20,602,244)</u>	<u>(17,223,500)</u>	<u>(21,906,574)</u>
Net Cash provided by / (used in) Operating Activities		<u>934,318</u>	<u>(1,069,807)</u>	<u>(1,874,703)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Grants, Subsidies and Contributions	5(b)	7,679,889	3,421,669	8,106,802
Proceeds from Sale of Fixed Assets	7	53,000	25,225	30,000
Land and Buildings	8(a)	(1,676,314)	(409,230)	(946,459)
Furniture and Equipment	8(a)	(20,000)	-	(50,000)
Plant and Equipment	8(a)	(497,000)	(525,818)	(505,000)
Infrastructure - Roads	8(b)	(4,248,389)	(4,506,714)	(7,566,026)
Infrastructure - Other	8(b)	(2,252,483)	(1,992,704)	(3,267,246)
		<u>(961,297)</u>	<u>(3,987,572)</u>	<u>(4,197,929)</u>
Net Cash used in Investing Activities		<u>(961,297)</u>	<u>(3,987,572)</u>	<u>(4,197,929)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of Long Term Borrowings	9(a)	(123,011)	(98,026)	(97,380)
Proceeds from New Long Term Borrowings	9(a)	-	450,000	450,000
		<u>(123,011)</u>	<u>351,974</u>	<u>352,620</u>
Net Cash used in Financing Activities		<u>(123,011)</u>	<u>351,974</u>	<u>352,620</u>
Net Increase / (Decrease) in Cash Held		<u>(149,990)</u>	<u>(4,705,405)</u>	<u>(5,720,012)</u>
Cash at Beginning of Year		3,385,975	8,091,380	8,091,381
Cash and Cash Equivalents at the End of the Year		<u><u>3,235,985</u></u>	<u><u>3,385,975</u></u>	<u><u>2,371,369</u></u>

This statement needs to be read in conjunction with the accompanying Financial Statements and Notes.

**SHIRE OF UPPER GASCOYNE
ANNUAL STATUTORY BUDGET
FOR THE YEAR ENDING 30 JUNE 2022
RATE SETTING STATEMENT**

	Note	Budget 21 / 22 \$	Actual 20 / 21 \$	Budget 20 / 21 \$
OPERATING ACTIVITIES				
Net Current Assets at 01 Jul - Surplus / (Deficit)		(353,499)	3,222,247	3,291,207
Revenue from Operating Activities (Excluding Rates)				
Governance		87,694	124,103	20,000
General Purpose Funding		1,393,578	2,912,163	1,401,998
Law, Order, Public Safety		15,864	14,279	17,156
Health		1,000	236	1,000
Education and Welfare		165,630	145,380	132,600
Housing		-	570	-
Community Amenities		4,200	4,200	4,400
Recreation and Culture		15,365	17,740	16,100
Transport		19,165,992	15,222,428	15,030,281
Economic Services		178,264	85,574	40,136
Other Property and Services		60,940	60,447	65,250
		<u>21,088,527</u>	<u>18,587,120</u>	<u>16,728,921</u>
Expenditure from Operating Activities				
Governance		(706,422)	(413,611)	(438,249)
General Purpose Funding		(88,033)	(153,581)	(161,131)
Law, Order, Public Safety		(114,159)	(213,645)	(237,562)
Health		(26,038)	(21,324)	(26,330)
Education and Welfare		(526,296)	(260,772)	(291,126)
Housing		(247,973)	(333,532)	(372,633)
Community Amenities		(108,167)	(144,961)	(173,807)
Recreation and Culture		(293,706)	(291,383)	(292,175)
Transport		(20,889,242)	(19,262,193)	(17,020,908)
Economic Services		(746,638)	(356,933)	(490,159)
Other Property and Services		(62,191)	(27,486)	-
		<u>(23,808,865)</u>	<u>(21,479,421)</u>	<u>(19,504,080)</u>
Excluded Non-cash Operating Activities				
(Profit) / Loss on Disposal of Assets	7	(31,000)	9,852	10,806
Movement in Land Held for Resale		-	5,000	-
Movement in Employee Benefits Provisions		(12,436)	37,393	30,948
Movement in Fair Value of LG House Trust		-	-	-
Depreciation and Amortisation on Assets	6(a)	3,204,622	3,149,104	3,285,511
Net Amount provided from Operating Activities		<u>440,848</u>	<u>309,048</u>	<u>552,106</u>
INVESTING ACTIVITIES				
Grants, Subsidies and Contributions	5(b)	7,679,889	3,421,669	8,106,802
Proceeds from Disposal of Assets	7	53,000	25,225	30,000
Property, Plant and Equipment Purchases	8(a)	(2,193,314)	(935,048)	(1,501,459)
Infrastructure Purchases	8(b)	(6,500,872)	(6,499,418)	(10,833,272)
Net Amount provided from Investing Activities		<u>(961,297)</u>	<u>(3,987,572)</u>	<u>(4,197,929)</u>
FINANCING ACTIVITIES				
Repayment of Long Term Borrowings	9(a)	(123,011)	(98,026)	(97,380)
Proceeds from New Long Term Borrowings	9(a)	-	450,000	450,000
Transfers to Reserves (Restricted Assets)	10	(86,780)	(767,076)	(606,623)
Transfers from Reserves (Restricted Assets)	10	602,705	100,000	150,700
Net Amount provided from Financing Activities		<u>392,914</u>	<u>(315,102)</u>	<u>(103,303)</u>
Surplus / (Deficit) before General Rates		(481,034)	(771,379)	(457,919)
Total Amount raised from General Rates	2(a)	481,034	417,880	457,919
Net Current Assets at 30 Jun - Surplus / (Deficit)		-	(353,499)	-

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2022

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

2021 Actual figures are as at 12 August 2021 and remain subject to audit.

The budget has been prepared in accordance with Australian Accounting Standards, Authoritative Interpretations, the *Local Government Act 1995*, and regulations, within the context in which they relate to local governments and not-for-profit entities.

These financial statements comply with, and supersede, the Australian Accounting Standards with the *Local Government (Financial Management) Regulations 1996* where applicable.

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

Accounting policies which have been adopted in the preparation of this budget have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the budget 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.

(b) Change in Accounting Policies

On 1 July 2021 no new accounting policies are to be adopted and no new policies are expected to impact the annual budget.

(c) The Local Government Reporting Entity

The Australian Accounting Standards define local government as a reporting entity which can be a single entity or a group comprising a parent and all its subsidiaries. All funds controlled by the Shire in order to provide its services have formed part of the following report. Transactions and balances related to these controlled funds, such as transfers to and from reserves, were eliminated during the preparation of the report.

Funds held in Trust, which are controlled but not owned by the Shire, do not form part of the financial statements. Further information on the Shire funds in Trust are provided in Note 13.

(d) Rounding of Amounts

All figures shown in this statement are rounded to the nearest dollar.

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2021

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (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 where applicable.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(f) Critical Accounting Estimates

The preparation of a budget 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, liabilities, income and expenses.

(g) Comparative Figures

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

(h) Budget Comparative Figures

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

(i) Current and Non-current Classification

An 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 right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if it is 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.

(j) 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.

(k) Cash and Cash Equivalents

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

(l) Financial Assets at Amortised Cost

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

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

(m) Contract Assets

A contract asset is the right to consideration in exchange for goods or services the Shire has transferred to a customer when that right is conditional upon something other than the passage of time.

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2022**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Trade and Other Receivables

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

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

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

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

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

(o) Inventories

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 related to completion and its sale.

Land Held for Resale

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed. Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point. Land held for sale is classified as current except where it is held as non-current based on Council's intentions to release for sale.

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2022**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Fixed Assets

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

Where multiple 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.

Gains and Losses on Disposal

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period in which they arise.

Depreciation of Non-current Assets

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

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

Major depreciation periods used for each class of depreciable asset are:

Asset	Years
Buildings	20 to 50 years
Furniture and equipment	1 to 20 years
Plant and equipment	1 to 25 years
Other infrastructure	5 to 50 years
Sealed roads and streets	
formation	not depreciated
pavement	39 years
seal	20 years
Unsealed pavement	15 years
Formed subgrade	not depreciated
Unformed subgrade	not depreciated
Gravel Roads	
formation	not depreciated
pavement	28 years
Footpaths - slab	40 years
Drainage	30 - 108 years
Bridges	100 years

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2022

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Interest in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interest in the assets liabilities revenue and expenses of joint operations are include in the respective lines items of the financial statements.

(r) Trade and Other Payables

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

(s) Prepaid Rates

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

(t) 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 part of current trade and other payables in the statement of financial position. The Shire's obligations for employee's annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

(u) Contract Liabilities

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. Grants to acquire or construct recognisable non-financial assets to be controlled by the Shire are recognised as a liability until such time as the Shire satisfies its obligations under the agreement.

(v) Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

(w) Provisions

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

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

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2022**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Nature or Type Classifications

Rates

All rates levied under the *Local Government Act 1995*. Includes general, differential, specific area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts and concessions offered. Exclude administration fees, interest on instalments, interest on arrears and service charges and sewerage rates.

Operating Grants, Subsidies and Contributions

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

Non-operating Grants, Subsidies and Contributions

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

Profit on Asset Disposal

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

Fees and Charges

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

Service Charges

Service charges imposed under *Division 6 of Part 6 of the Local Government Act 1995*. Regulation 54 of the *Local Government (Financial Management) Regulations 1996* identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services. Exclude rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

Interest Earnings

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

Other Revenue / Income

Other revenue, which can not be classified under the above headings, includes dividends, discounts, rebates etc.

Employee Costs

All costs associate with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

Materials and Contracts

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc.

Utilities (Gas, Electricity, Water, etc.)

Expenditures made to the respective agencies for the provision of power, gas, water and communication expenses. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

Insurance

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

Loss on Asset Disposal

Loss on the disposal of fixed assets.

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2022**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Nature or Type Classifications (Continued)

Depreciation on Non-current Assets

Depreciation expense raised on all classes of assets.

Interest Expenses

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

Other Expenditure

Statutory fees, taxes, provision for bad debts, member's fees or State taxes. Donations and subsidies made to community groups.

(y) Program Classifications (Function / Activity)

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

GOVERNANCE

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

GENERAL PURPOSE FUNDING

Rates, general purpose government grants and interest revenue.

LAW, ORDER AND PUBLIC SAFETY

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

HEALTH

Control of the quality of food and water. Environmental Health Officer twice per year.

EDUCATION AND WELFARE

Provide a range of appropriate services via the Community Resource Centre.

HOUSING

Provide housing for staff.

COMMUNITY AMENITIES

Rubbish collection services, operation of rubbish disposal sites, litter control, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

RECREATION AND CULTURE

Maintenance of public use buildings and areas including various sporting facilities. Provision and maintenance of parks, gardens, and playgrounds. Operation of library, museum and other cultural facilities.

TRANSPORT

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

ECONOMIC SERVICES

Tourism and area promotion. Building Control.

OTHER PROPERTY AND SERVICES

Private works operation, plant repair and operation costs and engineering operation costs.

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2022

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 satisfied	Payment terms	Returns / Refunds / Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2022

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 satisfied	Payment terms	Returns / Refunds / Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Revenue recognition
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2022**

2. RATE REVENUE

The following are the proposed Differential General Rates and Minimum Payments for the Shire of Upper Gascoyne for the 21/22 financial year.

(a) General Rates

Rate Type	Rateable Value	Valuation	Number of Properties	Budget 21 / 22	Actual 20 / 21	Budget 20 / 21
GRV Town	149,753	0.088935	23	13,096	12,847	12,847
UV Rural	1,760,166	0.046865	38	81,376	127,725	127,725
UV Mining	2,252,727	0.181090	173	392,408	282,315	282,315
Total General	4,162,646		234	486,880	422,887	422,887

Minimum Rates

Rate Type	Rateable Value	Minimum	Number of Properties	Budget 21 / 22	Actual 20 / 21	Budget 20 / 21
GRV Town	2,495	206	4	824	800	800
UV Rural	23,782	412	12	4,944	4,532	4,532
UV Mining	85,805	450	64	28,800	28,350	27,900
Total Minimum	112,082		80	34,568	33,682	33,232

Total General and Minimum	4,274,728		314	521,448	456,569	456,119
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Other Rate Revenue

Rates Written Off				(5,000)	(36,634)	(5,000)
Interim and Back Rates				(38,298)	(4,939)	4,000
Facilities Fees (Ex Gratia)				2,884	2,884	2,800
Total Rate Revenue				481,034	417,880	457,919

Administration Charges

Interest Written Off						(1,000)
Administration Charges						1,000
Total Funds Raised from Rates				481,034	417,880	457,919

(b) Interest Charges and Instalments

Source of Revenue

	Budget 21 / 22	Actual 20 / 21	Budget 20 / 21
Interest on Unpaid Rates	\$ 3,000	\$ 7,110	\$ 2,500
Interest on Instalments Plan	1,000	819	500
Total Interest	4,000	7,929	3,000

Administration Charges	1,000	246	1,000
Total Charges	5,000	8,175	4,000

	Instalment Dates 21 / 22	Admin Charge \$	Instalment Plan %	Unpaid Rates %
First Due Date	04 Oct 2021	0.00	3.00%	7.0%
Second Instalment	06 Dec 2021	3.00	3.00%	7.0%
Third Instalment	07 Feb 2022	3.00	3.00%	7.0%
Fourth Instalment	11 Apr 2022	3.00	3.00%	7.0%

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2022**

2. RATE REVENUE (Continued)

(c) Objectives and Reasons for Differential Rating

In accordance with Section 6.36 of the Local Government Act 1995, the Shire of Upper Gascoyne is required to publish its Objects and Reasons for implementing Differential Rates.

The objective of Council's rates is to collect revenue on an equitable basis in order that services to ratepayers can be provided throughout the Shire. The rates are raised to achieve a balanced budget. Property valuations provided by the Valuer General are used as the basis for the calculation of rates each year. Section 6.33 of the Local Government Act 1995 provides the ability to differentially rate properties based on zoning and/or land use as determined by the Shire of Upper Gascoyne. The application of differential rating maintains equity in the rating of properties across the Shire, enabling the Council to provide facilities, infrastructure and services to the entire community and visitors.

Council has considered the Key Values contained within the Rating Policy Differential Rates (s.6.33) March 2016 released by the Department of Local Government, Sport and Cultural Industries, being:

- (a) Objectivity
- (b) Fairness and Equity
- (c) Consistency
- (d) Transparency and Administrative Efficiency

Council has reviewed its expenditure and considered efficiency measures as part of its budget deliberations. In particular the following actions have been undertaken:

- (1) Continuation of a 10/4 with an 11 hour per day work roster for the Road crews to reduce mobilisation costs.
- (2) Provide onsite mobile accommodation for the outside crew, reducing lost productive time associated with travelling.
- (3) Strategically placed fuel storage depots throughout the Shire so the outside crew do not have to wait for fuel supplies.
- (4) Have established a further 32 bores and additional borrow pits to reduce the cartage distance to works and hence improve productivity.
- (5) Continuation of camping out on jobs for Road crews when more than 50km from town to reduce time spent traveling to jobs and increase the time spent working on the roads.
- (6) A continued focus by officers in leveraging council resources to attract grant funding.
- (7) Multi skilling of all employees.
- (8) Continued training of employees to improve their knowledge and productivity.
- (9) Purchase modern equipment that is designed to do the job, reducing down time and reduce maintenance costs.

(d) Differential General Rates

The Local Government Act 1995 determines that properties of a Non-Rural purpose be rated using the Gross Rental Valuation (GRV) as the basis for the calculation of annual rates. The Valuer General determines the GRV for all properties within the Shire of Upper Gascoyne every three to five years and assigns a GRV. The current valuation is effective from 1 July 2015 with the planned update at 1 July 2020 being postponed due to Covid-19. Interim valuations are provided monthly to Council by the Valuer General for properties where changes have occurred (i.e. subdivisions or strata title of property, amalgamations, building constructions, demolition, additions and/or property rezoning etc). In such instances Council recalculates the rates for the affected properties and issues interim rates notices.

GRV - General

Consists of properties predominately located within the Gascoyne Junction townsite boundaries with a predominant residential use and is valued by the Valuer General on a GRV basis. This category is considered by Council to be the base rate by which all other GRV rated properties are assessed. The properties were last assessed on the Valuer General on 1 July 2015. The rate reflects an adequate contribution to the rate burden on the Shire to deliver services, carry out maintenance of public facilities and infrastructure and to meet the objectives as set out in the Strategic Community Plan and other statutory requirements.

GRV - General - Minimum Rates

The setting of minimum rates within rating categories is an important method of ensuring that all properties contribute an equitable rate amount. A minimum rate of \$206 has been set for the GRV-General category. The minimum rate reflects an adequate contribution to the rate burden on the Shire to deliver services, carry out maintenance of public facilities and infrastructure and to meet the objectives as set out in the Strategic Community Plan and other statutory requirements.

The minimum rate for the GRV-General category is set to ensure that less than 50% of the properties in this category are on the minimum rate to ensure compliance with Section 6.35 of the Local Government Act 1995.

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2022**

2. RATE REVENUE (Continued)

(e) Unimproved Value (UV)

Properties that are predominantly of a rural purpose are assigned an Unimproved Value that is supplied and updated by the Valuer General on an annual basis from 1 July of the current year. The rate in the dollar set for the UV-Rural category forms the basis for calculating all other UV differential rates

UV - Rural

Consists of properties that are exclusively for pastoral/rural use and is considered to be the base rate by which all other UV rated properties are assessed.

This category has been rated to reflect an adequate contribution on the maintenance and renewal of the Shires extensive 1900km road network, and to provide other services such as Biosecurity which encompasses Wild Dog control with two dedicated Licenced Pest Management Technicians. These properties have access to all other services and facilities provided by Council.

UV - Rural - Minimum Rates

The setting of minimum rates within rating categories is an important method of ensuring that all properties contribute an equitable rate amount. A minimum rate of \$412 has been set for the UV-Rural category.

The proposed minimum payment reflects an adequate contribution on the maintenance and renewal of the Shires extensive 1900km road network, and to provide other services such as Biosecurity, inclusive of Wild Dog Control with two dedicated Licenced Pest Management Technicians These properties have access to all other services and facilities provided by Council.

The minimum rate for the UV-Rural category is set to ensure that less than 50% of the properties in this category are on the minimum rate to ensure compliance with Section 6.35 of the *Local Government Act 1995*.

UV - Mining

This category covers all Mining Leases, Exploration Licences, Prospecting Licences, Retention Licences, General Purpose Leases, Special Prospecting Leases for Gold and Miscellaneous Licences as defined under the Mining Act 1978.

Consists of properties that are used for mining, exploration or prospecting purposes. The Unimproved Value is supplied and updated by the Valuer General on both an annual basis from 1 July and a monthly basis thereafter for new tenement grants, deaths and other changes.

The reasons for this category is to reflect the impact on utilisation of rural infrastructure (comparative to Rural) by heavy transport and associated higher traffic volumes and heavy equipment on the shires extensive 1900km road network. The larger scale equipment, frequency of movement, size and operations of mining result in the shires road network requiring additional on-going maintenance and renewal to service these users. Further, these properties have access to all other services and facilities provided by Council.

UV - Mining - Minimum Rates

The setting of minimum rates within rating categories is an important method of ensuring that all properties contribute an equitable rate amount. A minimum rate of \$450 has been set for the UV-Mining category.

The reasons for this category is to reflect the impact on utilisation of rural infrastructure (comparative to Rural) by heavy transport and associated higher traffic volumes and heavy equipment on the shires extensive 1900km road network. The larger scale equipment and operations of mining result in the shires road network requiring additional on-going maintenance and renewal to service these users. Further, these properties have access to all other services and facilities provided by Council.

The minimum rate for the UV-Mining category is set to ensure that less than 50% of the properties in this category are on the minimum rate to ensure compliance with Section 6.35 of the *Local Government Act 1995*.

(f) Rate Payment Discounts, Waivers and Concessions

No Discounts, Waivers or Concessions in relation to Rates are proposed for 2021/22.

3. SPECIFIED AREA RATE

No Specified Area Rates will be levied in the 2021/22 financial year

4. SERVICE CHARGES

No Service Charges will be imposed in the 2021/22 financial year

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2022**

5. OPERATING REVENUE

(a) Operating Grants

	Budget 21 / 22	Actual 20 / 21	Budget 20 / 21
	\$	\$	\$
Governance	-		
General Purpose Funding	1,369,578	2,888,552	1,369,578
Law, Order, Public Safety	3,668	4,052	5,209
Education and Welfare	123,430	109,667	103,500
Recreation and Culture	3,765	-	-
Transport	19,102,834	15,212,363	15,027,281
Economic Services	10,000	-	10,000
Other Property and Services	60,000	59,785	65,000
Total Operating Grants	20,673,275	18,274,419	16,580,568

(b) Non-Operating Grants

	Budget 21 / 22	Actual 20 / 21	Budget 20 / 21
	\$	\$	\$
Recreation and Culture	38,148	276,656	104,873
Transport	3,906,741	2,581,644	5,081,929
Economic Services	3,735,000	563,369	2,920,000
Total Non-operating Grants	7,679,889	3,421,669	8,106,802

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2022**

5. OPERATING REVENUE (Continued)

(c) Fees and Charges

	Budget 21 / 22	Actual 20 / 21	Budget 20 / 21
Program	\$	\$	\$
Governance	1,000	200	5,000
Law, Order, Public Safety	8,196	8,253	7,947
Health	1,000	236	1,000
Education and Welfare	-	186	-
Housing	-	570	-
Community Amenities	4,200	4,200	4,400
Recreation and Culture	11,100	17,240	16,100
Economic Services	2,600	563	2,600
Other Property and Services	250	-	250
Total Fees and Charges	28,346	31,448	37,297

(d) Interest Earnings

	Budget 21 / 22	Actual 20 / 21	Budget 20 / 21
Source of Revenue	\$	\$	\$
Interest on Reserves	5,000	1,796	14,420
Other Funds	10,000	6,566	10,000
Other Interest Revenue (Refer to Note 2(b))	4,000	7,929	3,000
Total Interest Earnings	19,000	16,291	27,420

(e) Other Revenue

	Budget 21 / 22	Actual 20 / 21	Budget 20 / 21
Source of Revenue	\$	\$	\$
Reimbursements	87,694	157,792	7,000
Other Revenue	247,213	107,170	76,636
Total Other Revenue	334,907	264,962	83,636

SHIRE OF UPPER GASCOYNE
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDING 30 JUNE 2022

6. OPERATING EXPENSES

(a) Depreciation	Budget 21 / 22	Actual 20 / 21	Budget 20 / 21
By Program	\$	\$	\$
Governance	55,400	43,646	52,100
Health	-	-	100
Education and Welfare	10,500	10,561	12,900
Housing	17,200	17,154	-
Community Amenities	2,200	2,153	10,190
Recreation and Culture	50,400	50,562	55,600
Transport	2,537,100	2,537,085	2,411,221
Economic Services	104,700	104,790	109,000
Other Property and Services	427,122	383,153	634,400
Total Depreciation by Program	<u>3,204,622</u>	<u>3,149,104</u>	<u>3,285,511</u>

By Class	Budget 21 / 22	Actual 20 / 21	Budget 20 / 21
Land and Buildings	130,500	133,327	165,298
Furniture and Equipment	23,400	23,531	35,950
Plant and Equipment	461,322	405,624	668,590
Roads	2,444,400	2,444,358	2,331,321
Other Infrastructure	145,000	142,264	84,352
Total Depreciation by Class	<u>3,204,622</u>	<u>3,149,104</u>	<u>3,285,511</u>

(b) Interest Expense	Budget 21 / 22	Actual 20 / 21	Budget 20 / 21
Loan Description	\$	\$	\$
Borrowings (Refer to Note 9)	29,844	30,445	34,168
Overdraft	15,000	6,371	15,000
ATO	-	190	-
Total Interest Expense	<u>44,844</u>	<u>37,006</u>	<u>49,168</u>

(c) Auditor Remuneration	Budget 21 / 22	Actual 20 / 21	Budget 20 / 21
Service Provided	\$	\$	\$
Audit Services	48,000	42,997	38,000
Total Auditing Expense	<u>48,000</u>	<u>42,997</u>	<u>38,000</u>

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2022

6. OPERATING EXPENSES (Cont)

(d) Elected Members Remuneration

	Budget 21 / 22 \$	Actual 20 / 21 \$	Budget 20 / 21 \$
Fees, Expenses and Allowances Paid			
Elected member 1			
President's annual allowance	20,063	20,063	19,091
Meeting attendance fees	19,534	19,534	19,534
Other expenses	286	177	572
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	1,500	159	500
Annual allowance for travel and accommodation expenses	3,500	5,861	3,500
	48,383	49,294	46,697
Elected member 2			
Deputy President's annual allowance	5,015	5,015	5,008
Meeting attendance fees	9,504	9,504	9,247
Other expenses	286	-	572
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	1,500	133	500
Annual allowance for travel and accommodation expenses	3,500	974	3,500
	23,305	19,126	22,327
Elected member 3			
Meeting attendance fees	9,504	9,504	9,247
Other expenses	286	177	571
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	1,500	133	500
	14,790	13,314	13,818
Elected member 4			
Meeting attendance fees	9,504	9,504	9,247
Other expenses	286	177	572
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	1,500	981	500
Annual allowance for travel and accommodation expenses	3,500	5,638	3,500
	18,290	19,800	17,319
Elected member 5			
Meeting attendance fees	9,504	9,504	9,252
Other expenses	286	-	571
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	1,500	380	500
Annual allowance for travel and accommodation expenses	3,500	1,727	3,500
	18,290	15,111	17,323
Elected member 6			
Meeting attendance fees	9,504	9,504	9,252
Other expenses	285	22	571
ICT expenses	-	257	-
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	1,500	3,883	500
Annual allowance for travel and accommodation expenses	3,500	1,980	3,500
	18,289	19,146	17,323
Elected member 7			
Meeting attendance fees	9,504	9,504	9,247
Other expenses	285	585	571
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	1,500	133	500
Annual allowance for travel and accommodation expenses	3,500	178	3,500
	18,289	13,900	17,318
	159,636	149,691	152,125
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	20,063	20,063	19,091
Deputy President's allowance	5,015	5,015	5,008
Meeting attendance fees	76,558	76,558	75,026
Other expenses	2,000	1,138	4,000
ICT expenses	-	257	-
Annual allowance for ICT expenses	24,500	24,500	24,500
Travel and accommodation expenses	10,500	5,802	3,500
Annual allowance for travel and accommodation expenses	21,000	16,358	21,000
	159,636	149,691	152,125

SHIRE OF UPPER GASCOYNE
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDING 30 JUNE 2022

7. DISPOSAL OF ASSETS

(a) Annual Budget 21 / 22

	Book Value Budget 21 / 22	Proceeds Budget 21 / 22	Profit Budget 21 / 22	(Loss) Budget 21 / 22
Plant and Equipment				
Transport	\$	\$	\$	\$
Roller P27	15,000	48,000	33,000	-
Ute P44	7,000	5,000	-	(2,000)
Total Disposals	22,000	53,000	33,000	(2,000)
Total Profit / (Loss) on Disposal				31,000

(b) Actual 20 / 21

	Book Value Actual 20 / 21	Proceeds Actual 20 / 21	Profit Actual 20 / 21	(Loss) Actual 20 / 21
Plant and Equipment				
Transport	\$	\$	\$	\$
Utility (Mazda) 2018 BT50 4WD	30,077	22,725	-	(7,352)
Utility (Toyota) Hilux - P66	5,000	2,500	-	(2,500)
Total Disposals	35,077	25,225	-	(9,852)
Total Profit / (Loss) on Disposal				(9,852)

(c) Annual Budget 20 / 21

	Book Value Budget 20 / 21	Proceeds Budget 20 / 21	Profit Budget 20 / 21	(Loss) Budget 20 / 21
Plant and Equipment				
Transport	\$	\$	\$	\$
Works Manager Vehicle - P102	34,183	25,000	-	(9,183)
Toyota Hilux - P38	6,623	5,000	-	(1,623)
Total Disposals	40,806	30,000	-	(10,806)
Total Profit / (Loss) on Disposal				(10,806)

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2022**

8. CAPITAL EXPENDITURE

(a) PROPERTY, PLANT AND EQUIPMENT

	Budget 21 / 22	Actual 20 / 21	Budget 20 / 21
Land and Buildings			
Governance	\$	\$	\$
Office Refurbishment	120,000	23,430	32,586
CRC, Education and Welfare			
CRC Building Improvements	25,000	-	-
Housing			
New Staff House	353,514	155,521	450,000
Grouped Staff Housing - LRCI Project	1,150,000	-	-
Internal refurbishment at L99 Gregory Street	27,800	-	-
China Town Housing	-	40,431	177,000
Recreation and Culture			
Pavilion Upgrades	-	101,808	184,873
Transport			
Machinery Shed	-	10,479	12,000
Garden Shed	-	9,277	10,000
Depot Workshop Upgrades (LRCI Funded)	-	760	-
Washdown Bay	-	41,894	35,000
Car Shelter	-	25,630	-
Depot Security	-	-	45,000
Total Land and Buildings	1,676,314	409,230	946,459
Furniture and Equipment			
Governance			
Furniture and Equipment	20,000	-	50,000
Total Furniture and Equipment	20,000	-	50,000
Plant and Equipment			
Transport			
Boomspray Unit	12,000	-	-
Side Tipper	110,000	-	-
Message Board	25,000	-	-
Ute (Thomas)	50,000	-	-
Service Truck	120,000	-	-
Padfoot Roller	180,000	-	-
Truck	-	140,317	150,000
Drop Deck	-	89,090	110,000
Works Manager Vehicle	-	63,597	65,000
Caravan Camping Unit	-	72,939	65,000
Grader Ute	-	50,691	55,000
CEO Light Vehicle	-	55,520	-
Solar Panel installation	-	-	25,000
Bore Pump Trailer	-	7,823	20,000
Dolly	-	16,000	-
Water Wheel for Bore Pump Trailer	-	18,766	-
Generator	-	11,075	15,000
Total Plant and Equipment	497,000	525,818	505,000
Total Property, Plant and Equipment	2,193,314	935,048	1,501,459

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2022

8. CAPITAL EXPENDITURE (Continued)

(b) INFRASTRUCTURE

	Budget	Actual	Budget
	21 / 22	20 / 21	20 / 21
	\$	\$	\$
Infrastructure - Roads			
Transport			
RRG Carnarvon/Mullewa Road	1,125,000	-	-
Signage	100,000	54,650	126,766
Grids	100,000	39,600	100,000
R2R Landor/Meekatharra	588,057	-	-
Heavy Vehicle Safety and Productivity Program	2,285,332	3,375,723	5,657,368
LRCI Phase Three Project - Bitumen Viveash	50,000	-	-
Ullawarra Construction	-	452,019	654,057
Indigenous Access Road Landor	-	4,318	-
Landor Mt Augustus Road	-	325,529	265,835
Cobra / Dairy Creek Road	-	254,875	242,000
Economic Services			
Tourism Precinct - Reconstruct & Seal	-	-	520,000
Total Roads	4,248,389	4,506,714	7,566,026
Infrastructure - Other			
Recreation and Culture			
In-Town Water Supply	165,000	-	-
Out of Town Water Supply Project	250,000	-	-
Pump Town Water Supply	-	2,809	169,827
Town Oval Fencing	-	60,355	-
Banner Pole Upgrades	-	27,642	-
BBQ and Seating	-	-	25,000
Transport			
Depot Infrastructure	340,000	-	-
Airstrip Resealing	-	136,731	131,814
Economic Services			
Tourist Stop	1,497,483	1,087,517	2,585,000
Tourist Precinct Solar Project	-	249,886	355,605
Tourist Precinct Reconstruct and Seal	-	427,764	-
Total Other Infrastructure	2,252,483	1,992,704	3,267,246
Total Infrastructure	6,500,872	6,499,418	10,833,272

SHIRE OF UPPER GASCOYNE
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDING 30 JUNE 2022

9. INFORMATION ON BORROWINGS

(a) Debenture Repayments

(i) Loan 29 Staff Housing

	Budget 21 / 22	Actual 20 / 21	Budget 20 / 21
Housing	\$	\$	\$
Opening Balance	242,537	275,870	275,870
Principal Payment	(34,337)	(33,333)	(33,333)
Principal Outstanding	208,200	242,537	242,537
Interest Payment	(4,880)	(4,880)	(7,930)
Total Interest	(4,880)	(4,880)	(7,930)

(ii) Loan 28 Tourism Precinct

	Budget 21 / 22	Actual 20 / 21	Budget 20 / 21
Economic Services	\$	\$	\$
Opening Balance	437,641	480,491	480,491
Principal Payment	(45,605)	(43,333)	(43,390)
Principal Outstanding	392,036	437,158	437,101
Interest Payment	(20,419)	(23,118)	(19,183)
Total Interest	(20,419)	(23,118)	(19,183)

(ii) Loan 30 Staff Housing

	Budget 21 / 22	Actual 20 / 21	Budget 20 / 21
Housing	\$	\$	\$
Opening Balance	428,640	-	-
New Loans	-	450,000	450,000
Principal Payment	(43,069)	(21,360)	(20,657)
Principal Outstanding	385,571	428,640	429,343
Interest Payment	(4,545)	(2,447)	(7,055)
Total Interest	(4,545)	(2,447)	(7,055)
Total Principal Repayments	(123,011)	(98,026)	(97,380)
Total Interest	(29,844)	(30,445)	(34,168)

(b) Unspent Borrowings

The Shire had no unspent borrowing funds as at 30th June 2021. It is not expected to have unspent borrowing funds as at 30th June 2022.

(c) Overdraft Facility

The Shire holds an overdraft facility with the Commonwealth Bank for \$3,500,000. The current interest rate on the facility is 6.53% per annum.

The Shire holds a short term lending facility with the Western Australian Treasury Corporation for \$3,000,000. Interest is charged at short term interest rates as and when funds are drawn down. To date, the Shire has not drawn down on this facility.

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2022**

10. CASH BACKED RESERVES

Reserve Name	Opening Balance 01 Jul 21 \$	Transfers from \$	Interest Received \$	Transfer to \$	Closing Balance 30 Jun 22 \$	Opening Balance 01 Jul 20 \$	Transfers from \$	Interest Received \$	Transfer to \$	Closing Actual 30 Jun 21 \$	Adopted Budget 30 Jun 21 \$
Plant Replacement Reserve	567,262	(150,000)	1,393	-	418,655	353,076	-	463	213,723	567,262	501,794
Airport Reserve	41,067	-	101	-	41,168	41,013	-	54	-	41,067	41,445
Leave Reserve	109,659	(12,705)	269	-	97,223	90,068	-	118	19,473	109,659	121,016
Tourism Precinct Reserve	280,360	(190,000)	688	-	91,048	379,862	(100,000)	498	-	280,360	383,862
Building Reserve	153,885	-	378	-	154,263	53,866	-	19	100,000	153,885	154,433
Works Reserve	244,941	-	601	-	245,542	14,223	-	71	230,647	244,941	245,020
Roads Flood Damage Reserve	152,995	-	376	-	153,371	152,795	-	200	-	152,995	3,704
Bridge Maintenance	45,678	-	112	24,000	69,790	20,650	-	27	25,001	45,678	45,867
Economic Development	440,767	(250,000)	1,082	57,780	249,629	263,985	-	346	176,436	440,767	328,320
Total Reserves	2,036,614	(602,705)	5,000	81,780	1,520,689	1,369,538	(100,000)	1,796	765,280	2,036,614	1,825,461

Objective of Reserves

In accordance with council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

Reserve Name	Date of Use	Purpose
Plant Replacement Reserve	as required	to be used to be used for the purchase of major plant and also to fund major mechanical breakdowns
Airport Reserve	30 Jun 25	to fund the resealing of the Gascoyne Junction Airport
Leave Reserve	as required	to be used to fund annual and long service leave requirements
Tourism Precinct Reserve	as required	to be used for future significant repairs or upgrades on an as required basis
Building Reserve	as required	to be used for new buildings, future repairs or upgrades on an as required basis (excluding the Tourism Precinct)
Works Reserve	as required	to be used to support funding of major infrastructure projects
Roads Flood Damage Reserve	as required	to be used towards the required Shire contribution for WANDRRA funding
Bridge Maintenance	as required	to be used for repairs and maintenance of Kili Bridge as required
Economic Development	as required	to set aside funds for economic development initiatives

The reserves are not expected to be used within a set timeframe and further transfers to and from the reserve accounts are expected as funds are utilised

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2022**

11. NOTES TO THE STATEMENT OF CASH FLOWS

The statement of cash flows includes cash and cash equivalents net of outstanding overdrafts. The estimated cash at reporting date is as follows:

(a) Reconciliation of Cash

	Budget 21 / 22 \$	Actual 20 / 21 \$	Budget 20 / 21 \$
Cash at bank and on hand	3,235,985	5,273,966	2,371,369
Bank Overdraft	-	(1,887,991)	-
Total Cash on Hand	3,235,985	3,385,975	2,371,369
Held as			
- Unrestricted cash and cash equivalents	1,715,296	1,349,361	545,908
- Restricted cash and cash equivalents	1,520,689	2,036,614	1,825,461
	3,235,985	3,385,975	2,371,369

Restrictions

The following include the cash balances restricted by regulation or other externally imposed requirement:

-Cash and cash equivalents	1,520,689	2,036,614	1,825,461
Total Restricted Cash	1,520,689	2,036,614	1,825,461

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

Reserves - cash/financial asset backed
Unspent non-operating grants, subsidies and contribution liabilities

(b) Reconciliation of Net Cash from Operating Activities to Net Result

Net Result	5,440,585	947,248	5,789,562
Depreciation	3,204,622	3,149,104	3,285,511
(Profit) on Sale of Asset	(33,000)	-	-
Loss on Sale of Asset	2,000	9,852	10,806
(Increase) / Decrease in Receivables	-	73,489	2,845,031
(Increase) / Decrease in Inventories	-	34,553	-
Increase / (Decrease) in Payables	-	(1,898,112)	(5,698,811)
Increase / (Decrease) in Employee Provisions	-	35,728	-
Non-operating Grants, Subsidies and Contributions	(7,679,889)	(3,421,669)	(8,106,802)
Net Cash from Operating Activities	934,318	(1,069,807)	(1,874,703)

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank Overdraft Limit	3,500,000	3,500,000	3,700,000
Bank Overdraft at Balance Date	(1,887,991)	(1,887,991)	-
WA Treasury Short Term Lending Facility Limit	3,000,000	3,000,000	-
WA Treasury Short Term Lending Facility Balance at Balance Date	-	-	-
Credit Card Limit	10,000	10,000	10,000
Credit Card Balance at Balance Date	-	(9,763)	-
Total Amount of Credit Unused	4,622,009	4,612,246	3,710,000

Loan Facilities

Loan Facilities in use at Balance Date	985,807	1,108,335	1,035,339
Unused Loan Facilities at Balance Date	1,612,009	1,612,009	3,700,000

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2022

12. NET CURRENT ASSETS

Composition of Estimated Net Current Assets

Budget Actual Budget

	Note	Budget 21 / 22 \$	Actual 20 / 21 \$	Budget 20 / 21 \$
Current Assets				
Cash - Unrestricted	11(a)	1,715,296	1,349,361	545,908
Cash - Restricted Reserves	10	1,520,689	2,036,614	1,825,461
Trust Funds	13	-	-	-
Receivables		3,429,892	3,429,892	825,032
Inventories		102,670	102,670	143,223
Total Current Assets		6,768,547	6,918,537	3,339,624
Current Liabilities				
Trade and Other Payables		(2,419,667)	(2,419,667)	(1,384,773)
Trust Funds	13	-	-	-
Deposits and Bonds		(50,642)	(50,642)	(50,642)
Revenue Received in Advance		(2,661,017)	(2,661,017)	(4,897)
Short Term Borrowings	9(a)(b)	(127,316)	(121,932)	(97,380)
Provisions		(211,255)	(211,255)	(187,367)
Total Current Liabilities		(5,469,897)	(5,464,513)	(1,725,059)
Net Current Funding Position		1,298,650	1,454,024	1,614,565
Cash - Restricted Reserves	10	(1,520,689)	(2,036,614)	(1,825,461)
Less: Land Held for Resale		(2,500)	(2,500)	(7,500)
Add: Current Portion of Debentures		127,316	121,932	97,380
Add: Liabilities Related to Restricted Assets	10	97,223	109,659	121,016
Estimated Surplus / (Deficit) C/FWD		-	(353,499)	-

The estimated surplus/(deficit) c/fwd in the 2021/22 budget column represents the surplus/(deficit) carried forward as at 30 June 2021.

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2022**

13. TRUST FUNDS

The Shire has no control over funds held in Trust and therefore not included in the financial statements.

Description	Opening Balance 01 Jul 21 \$	Estimated Amounts Received \$	Estimated Amounts Paid \$	Closing Balance 30 Jun 22 \$
	-	-	-	-
Total Trust Funds	<u>-</u>			<u>-</u>

14. MAJOR LAND TRANSACTIONS

The Shire does not anticipate any major land transactions in the 21/22 financial year

15. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire does not anticipate any trading undertakings or major trading undertakings in the 21/22 financial year

16. JOINT VENTURE ARRANGEMENTS

The Shire is not involved or expected to be involved in any joint venture arrangements in the 21/22 financial year