



Shire of Upper Gascoyne

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# **SHIRE OF UPPER GASCOYNE**

## **ANNUAL STATUTORY BUDGET**

**FOR THE YEAR ENDING 30 JUNE 2021**

**RSM Australia Pty Ltd**

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# **Compilation Report**

## **To the Council**

### **Shire of Upper Gascoyne**

#### **Scope**

We have compiled the accompanying special purpose financial statements.

The specific purpose for which the special purpose financial report has been prepared is to provide information relating to the financial performance and financial position of the Shire that satisfies the information needs of the Council and the *Local Government Act 1995* and associated regulations.

#### **The responsibility of the Shire**

The Shire is solely responsible for the information contained in the special purpose financial report and have determined that the accounting policies used are consistent and are appropriate to satisfy the requirements of the Council and the *Local Government Act 1995* and associated regulations.

#### **Our responsibility**

On the basis of information provided by the Shire, we have compiled the accompanying special purpose financial statements in accordance with the significant accounting policies adopted as set out in Note 1 to the financial statements and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Management provided, into a financial report. Our procedures do not include any verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the Shire of Upper Gascoyne, may suffer arising from negligence on our part.

This report was prepared for the benefit of the Council of the Shire of Upper Gascoyne and the purpose identified above. We do not accept responsibility to any other person for the content of the report.

A handwritten signature in blue ink, appearing to read 'J. Bell'.

Signed at GERALDTON

Date 21<sup>st</sup> August 2020

RSM Australia Pty Ltd  
Chartered Accountants

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**SHIRE OF UPPER GASCOYNE  
ANNUAL STATUTORY BUDGET  
FOR THE YEAR ENDING 30 JUNE 2021  
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**SHIRE OF UPPER GASCOYNE**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDING 30 JUNE 2021**  
**BY NATURE OR TYPE**

		<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
		<b>20 / 21</b>	<b>19 / 20</b>	<b>19 / 20</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>				
Rates	2(a)	457,919	389,943	346,852
Grants, Subsidies and Contributions	5(a)	16,580,568	17,500,346	23,276,153
Fees and Charges	5(c)	37,297	34,783	31,547
Interest Earnings	5(d)	27,420	36,004	30,304
Other Revenue	5(e)	83,636	388,542	180,850
		<u>17,186,840</u>	<u>18,349,619</u>	<u>23,865,706</u>
<b>Expenses</b>				
Employee Costs		(1,179,418)	(1,228,018)	(1,221,296)
Materials and Contracts		(14,520,970)	(15,102,793)	(23,276,015)
Utility Charges		(154,081)	(154,816)	(142,543)
Depreciation on Non-current Assets	6(a)	(3,285,511)	(2,647,706)	(2,335,130)
Interest Expenses	6(b)	(49,168)	(54,422)	(121,359)
Insurance Expenses		(237,697)	(213,682)	(232,563)
Other Expenditure		(66,429)	(49,728)	(73,273)
		<u>(19,493,274)</u>	<u>(19,451,165)</u>	<u>(27,402,179)</u>
Operating Surplus / (Deficit)		<u>(2,306,434)</u>	<u>(1,101,546)</u>	<u>(3,536,473)</u>
<b>Other Revenue and Expenses</b>				
Grants, Subsidies and Contributions	5(b)	8,106,802	1,882,390	1,642,025
Profit on Disposal of Assets	7	-	-	46,940
(Loss) on Disposal of Assets	7	(10,806)	(18,469)	(5,000)
<b>Net Result</b>		<u>5,789,562</u>	<u>762,376</u>	<u>(1,852,508)</u>
<b>Other Comprehensive Income</b>				
Changes on Revaluation of Non-current Assets		-	14,087,820	-
		-	14,087,820	-
<b>Total Comprehensive Income</b>		<u><u>5,789,562</u></u>	<u><u>14,850,196</u></u>	<u><u>(1,852,508)</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 2021**  
**BY PROGRAM**

		<b>Budget 20 / 21 \$</b>	<b>Actual 19 / 20 \$</b>	<b>Budget 19 / 20 \$</b>
<b>Revenue</b>				
Governance		20,000	127,289	1,000
General Purpose Funding		1,859,917	3,235,922	1,779,993
Law, Order, Public Safety		17,156	153,487	149,538
Health		1,000	-	1,000
Education and Welfare		132,600	140,195	119,800
Community Amenities		4,400	4,200	4,400
Recreation and Culture		16,100	13,264	15,500
Transport		15,030,281	14,514,301	21,702,775
Economic Services		40,136	87,533	26,700
Other Property and Services		65,250	73,429	65,000
		<u>17,186,840</u>	<u>18,349,619</u>	<u>23,865,706</u>
<b>Expenses</b>				
Governance		(438,249)	(501,055)	(539,251)
General Purpose Funding		(161,131)	(160,405)	(231,208)
Law, Order, Public Safety		(237,562)	(372,405)	(396,596)
Health		(26,330)	(23,651)	(26,753)
Education and Welfare		(291,126)	(274,553)	(255,822)
Housing		(372,633)	(403,127)	(396,765)
Community Amenities		(173,807)	(119,066)	(134,602)
Recreation and Culture		(292,175)	(262,474)	(253,443)
Transport		(17,010,102)	(16,536,844)	(24,757,858)
Economic Services		(490,159)	(331,039)	(363,038)
Other Property and Services		-	(466,545)	(46,843)
		<u>(19,493,274)</u>	<u>(19,451,165)</u>	<u>(27,402,179)</u>
Operating Surplus / (Deficit)		<u>(2,306,434)</u>	<u>(1,101,546)</u>	<u>(3,536,473)</u>
<b>Other Revenue and Expenses</b>				
Grants, Subsidies and Contributions	5(b)	8,106,802	1,882,390	1,642,025
Profit on Disposal of Assets	7	-	-	46,940
(Loss) on Disposal of Assets	7	(10,806)	(18,469)	(5,000)
<b>Net Result</b>		<u>5,789,562</u>	<u>762,376</u>	<u>(1,852,508)</u>
<b>Other Comprehensive Income</b>				
Changes on Revaluation of Non-current Assets		-	14,087,820	-
		-	14,087,820	-
<b>Total Comprehensive Income</b>		<u><u>5,789,562</u></u>	<u><u>14,850,196</u></u>	<u><u>(1,852,508)</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 2021  
STATEMENT OF CASH FLOWS**

	Note	Budget 20 / 21 \$	Actual 19 / 20 \$	Budget 19 / 20 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		457,919	375,572	346,852
Operating Grants, Subsidies and Contributions		19,425,599	16,031,839	25,294,359
Fees and Charges		37,297	34,783	31,547
Interest Earnings		27,420	36,004	30,304
Other Revenue		83,636	388,542	180,850
		<u>20,031,871</u>	<u>16,866,740</u>	<u>25,883,912</u>
<b>Payments</b>				
Employee Costs		(1,179,418)	(1,557,554)	(1,221,296)
Materials and Contracts		(20,219,781)	(14,157,365)	(23,276,015)
Utility Charges		(154,081)	(154,816)	(142,543)
Interest Expenses		(49,168)	(54,422)	(121,359)
Insurance Expenses		(237,697)	(213,682)	(232,563)
Other Expenditure		(66,429)	(49,728)	(73,273)
		<u>(21,906,574)</u>	<u>(16,187,567)</u>	<u>(25,067,049)</u>
Net Cash provided by Operating Activities		<u>(1,874,703)</u>	<u>679,173</u>	<u>816,863</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Grants, Subsidies and Contributions	5(b)	8,106,802	1,882,390	1,642,025
Proceeds from Sale of Fixed Assets	7	30,000	172,455	175,000
Land and Buildings	8(a)	(946,459)	(217,319)	(180,000)
Furniture and Equipment	8(a)	(50,000)	(34,433)	-
Plant and Equipment	8(a)	(505,000)	(797,357)	(736,000)
Infrastructure - Roads	8(b)	(7,566,026)	(2,322,574)	(2,143,058)
Infrastructure - Other	8(b)	(3,267,246)	(156,474)	(677,317)
		<u>(4,197,929)</u>	<u>(1,473,312)</u>	<u>(1,919,350)</u>
Net Cash provided by Investing Activities		<u>(4,197,929)</u>	<u>(1,473,312)</u>	<u>(1,919,350)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of Long Term Borrowings	9(a)(b)	(97,380)	(73,642)	(73,642)
Proceeds from New Long Term Borrowings	9(b)	450,000	-	-
Advance Payment for Flood Damage		-	5,698,811	-
		<u>352,620</u>	<u>5,625,169</u>	<u>(73,642)</u>
Net Cash provided by Financing Activities		<u>352,620</u>	<u>5,625,169</u>	<u>(73,642)</u>
<b>Net Increase / (Decrease) in Cash Held</b>		<u>(5,720,012)</u>	<u>4,831,030</u>	<u>(1,176,129)</u>
Cash at Beginning of Year		<u>8,091,381</u>	<u>3,260,351</u>	<u>3,258,146</u>
<b>Cash and Cash Equivalents at the End of the Year</b>		<u><u>2,371,369</u></u>	<u><u>8,091,381</u></u>	<u><u>2,082,017</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 2021  
RATE SETTING STATEMENT**

	Note	Budget 20 / 21 \$	Actual 19 / 20 \$	Budget 19 / 20 \$
<b>OPERATING ACTIVITIES</b>				
<b>Net Current Assets at 01 Jul - Surplus / (Deficit)</b>		3,291,207	2,983,680	3,001,557
<b>Revenue from Operating Activities (Excluding Rates)</b>				
Governance		20,000	127,289	1,000
General Purpose Funding		1,401,998	2,845,978	1,433,141
Law, Order, Public Safety		17,156	153,487	149,538
Health		1,000	-	1,000
Education and Welfare		132,600	140,195	119,800
Community Amenities		4,400	4,200	4,400
Recreation and Culture		16,100	13,264	15,500
Transport		15,030,281	14,514,301	21,749,715
Economic Services		40,136	87,533	26,700
Other Property and Services		65,250	73,429	65,000
		<u>16,728,921</u>	<u>17,959,676</u>	<u>23,565,794</u>
<b>Expenditure from Operating Activities</b>				
Governance		(438,249)	(501,055)	(539,251)
General Purpose Funding		(161,131)	(160,405)	(231,208)
Law, Order, Public Safety		(237,562)	(372,405)	(396,596)
Health		(26,330)	(23,651)	(26,753)
Education and Welfare		(291,126)	(274,553)	(255,822)
Housing		(372,633)	(403,127)	(396,765)
Community Amenities		(173,807)	(119,066)	(134,602)
Recreation and Culture		(292,175)	(262,474)	(253,443)
Transport		(17,020,908)	(16,555,313)	(24,762,858)
Economic Services		(490,159)	(331,039)	(363,038)
Other Property and Services		-	(466,545)	(46,843)
		<u>(19,504,080)</u>	<u>(19,469,633)</u>	<u>(27,407,179)</u>
<b>Excluded Non-cash Operating Activities</b>				
(Profit) / Loss on Disposal of Assets	7	10,806	18,469	(41,940)
Movement in Land Held for Resale		-	2,500	-
Movement in Employee Benefits		30,948	1,040	892
Movement in Fair Value of LG House Trust		-	(576)	-
Depreciation and Amortisation on Assets	6(a)	3,285,511	2,647,706	2,335,130
Net Amount provided from Operating Activities		<u>552,106</u>	<u>1,159,182</u>	<u>(1,547,303)</u>
<b>INVESTING ACTIVITIES</b>				
Grants, Subsidies and Contributions	5(b)	8,106,802	1,882,390	1,642,025
Proceeds from Disposal of Assets	7	30,000	172,455	175,000
Property, Plant and Equipment Purchases	8(a)	(1,501,459)	(1,049,109)	(916,000)
Infrastructure Purchases	8(b)	(10,833,272)	(2,479,047)	(2,820,375)
Net Amount provided from Investing Activities		<u>(4,197,929)</u>	<u>(1,473,312)</u>	<u>(1,919,350)</u>
<b>FINANCING ACTIVITIES</b>				
Repayment of Long Term Borrowings	9(a)(b)	(97,380)	(73,642)	(73,642)
Proceeds from New Long Term Borrowings	9(b)	450,000	-	-
Transfers to Reserves (Restricted Assets)	10	(606,623)	(219,644)	(588,114)
Transfers from Reserves (Restricted Assets)	10	150,700	525,000	780,000
Net Amount provided from Financing Activities		<u>(103,303)</u>	<u>231,714</u>	<u>118,244</u>
<b>Surplus / (Deficit) before General Rates</b>		<u>(457,919)</u>	<u>2,901,263</u>	<u>(346,852)</u>
Total Amount raised from General Rates	2(a)	457,919	389,943	346,852
<b>Net Current Assets at 30 Jun - Surplus / (Deficit)</b>		<u>-</u>	<u>3,291,207</u>	<u>-</u>

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

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Preparation**

2020 Actual figures are as at 19 August 2020 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.

With the exception of the cash flow statement and rate setting information, the following report has been prepared on an accrual basis with balances measured at historical cost unless subject to fair value adjustments. Items subject to fair value adjustments include certain non-current assets, financial assets, and financial liabilities. Items such as assets, liabilities, equity, income and expenses have been recognised in accordance with the definitions and recognition criteria set out in the Framework for the Preparation and Presentation of Financial Statements.

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

The functional and presentation currency of the report is Australian dollars.

**Change in Accounting Standards**

On 1 July 2020 the following new accounting standards are to be adopted and may impact the preparation of the budget:

AASB 1059 Service Concession Arrangements: Grantors

AASB 2018-7 Amendments to Australian Accounting Standards - Materiality

AASB 1059 is not expected to impact the annual budget. Specific impacts of AASB 2018-7 have not been identified.

**(b) 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.

**(c) Rounding of Amounts**

The Shire is an entity to which the *Local Government (Financial Management) Regulations 1996* applies and, accordingly amounts in the financial report have been rounded to the dollar except for amounts shown as a rate in the dollar. Where total assets exceed \$10,000,000 in the prior audited annual financial report, the amounts may be rounded to the nearest \$1,000.



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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(d) Revenue and Other Income**

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Shire and specified criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

**Conditional Grants, Subsidies and Contributions**

Revenue subject to conditions or obligations are recognised as above unless the conditions or obligations were not fully performed as at the reporting date. Revenue held at reporting date by the Shire, and are subject to discharging the required conditions or obligations, are recognised as liabilities.

**Rates and Service Charges**

Revenue is recognised upon issuing of the rates notice.

**Sale of Goods**

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

**(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) Cash and Cash Equivalents**

Cash and cash equivalents normally include cash on hand, bonds and deposits, overdrafts, excess rates, unspent grant funds, on call deposits, and term deposits with maturities equal to or less than three months. Cash and cash equivalents are typically characterised as highly liquid investments with little risk of experiencing material changes in value.

**(g) 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.

**(h) 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.

**(i) 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.

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(j) Lease Liability**

The present value of future lease payments not paid at the reporting date discounted using the incremental borrowing rate where the implicit interest rate in the lease is not readily determined.

**(k) 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.

**(l) 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.

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

**(m) Comparative Figures**

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

**(n) 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.

**(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 2021**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(p) Fixed Assets**

Initial recognition of an asset is recognised at cost where the fair value of the asset, at the date of acquisition, is equal to or greater than \$5,000 in accordance with *Financial Management Regulation 17A(5)*.

**Subsequent Measurement**

All asset classes are measured using the revaluation model. All asset classes are revalued at least every three years and no more than five years.

**Impairment of Non-financial Assets**

At the end of each annual reporting period the Shire determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists the recoverable amount of the asset is estimated. Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in the statement of comprehensive income.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

**Depreciation of Non-current Assets**

Fixed assets, excluding freehold land, are depreciated on a straight-line basis over the asset's useful life to Shire, commencing when the asset is ready for use. The estimated useful lives used for each class of depreciable asset are shown below in years:

<b>Asset</b>	<b>Years</b>
Buildings	10 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	20 years
seal	20 years
Unsealed pavement	15 years
Formed subgrade	not depreciated
Unformed subgrade	not depreciated
Gravel Roads	
formation	not depreciated
pavement	20 years
Footpaths - slab	40 years
Drainage	40 years
Bridges	100 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

**Land Under Local Government Control**

Regulation 16 in the *Local Government (Financial Management) Regulations 1996* prohibit certain assets to be included in the financial report of a local government and require other assets to be included. The regulation therefore supersedes the reporting requirements of AASB 1051 *Land Under Roads (p.15)* and AASB 116 *Property, Plant and Equipment (p.7)*

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(p) Fixed Assets (Continued)**

**Land Under Local Government Control (Continued)**

Asset not to be included in the financial report include Crown Land managed by the Shire which is a public thoroughfare, and Crown land or land owned by another person which is managed or controlled by the Shire, except if it is a golf course, showground, racecourse, or any other sporting or recreational facility of State or regional significance. Therefore assets, such as land under roads, purchased after 01 July 2008 do not form part of the financial statements.

Assets required to be included under Regulation 16 include a structure or any other improvement on the land referred to above, and an easement granted to the Shire over any land.

**(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. The amounts are unsecured and are normally paid within 30 days of recognition.

**(s) Employee Benefits**

Provision is made for the Shire's liability for employee benefits arising from services rendered by employees to the end of the annual reporting period. Employee benefits that are expected to be wholly settled within one year are measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on 10 year Australia Government Bonds. Changes in the measurement of the liability are recognised in the statement of comprehensive income.

**(t) Interest-bearing Loans and Borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. Subsequent measurement is at amortised cost using the effective interest method. The annual government guarantee fee is expensed in the year incurred.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

**Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are recognised as an expense in the period in which they are incurred.

**(u) Provisions**

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one of item included in the same class of obligations may be small.

**(v) Current and Non-current Classification**

The report classifies current and non-current balances as defined by the *Local Government (Financial Management) Regulations 1996*, *AASB 101 Presentation of Financial Statements*, or by another applicable regulation or interpretation.

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(w) 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 2021**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(w) 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.

**(x) 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 2021**

**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:

<b>Revenue Category</b>	<b>Nature of goods and services</b>	<b>When obligations satisfied</b>	<b>Payment terms</b>	<b>Returns / Refunds / Warranties</b>	<b>Determination of transaction price</b>	<b>Allocating transaction price</b>	<b>Measuring obligations for returns</b>	<b>Revenue recognition</b>
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
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund if event monies are unspent	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 2021**

**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:

<b>Revenue Category</b>	<b>Nature of goods and services</b>	<b>When obligations satisfied</b>	<b>Payment terms</b>	<b>Returns / Refunds / Warranties</b>	<b>Determination of transaction price</b>	<b>Allocating transaction price</b>	<b>Measuring obligations for returns</b>	<b>Revenue recognition</b>
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
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
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
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed



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

**2. RATE REVENUE**

The following are the proposed Differential General Rates and Minimum Payments for the Shire of Upper Gascoyne for the 20/21 financial year.

**(a) General Rates**

Rate Type	Rateable Value	Valuation	Number of Properties	Budget 20 / 21	Actual 19 / 20	Budget 19 / 20
GRV Town	147,258	0.087241	23	12,847	12,847	13,205
UV Rural	2,725,380	0.046865	38	127,725	68,054	68,055
UV Mining	2,026,672	0.139300	164	282,315	262,882	251,708
<b>Total General</b>	<b>4,899,310</b>		<b>225</b>	<b>422,887</b>	<b>343,783</b>	<b>332,968</b>

**Minimum Rates**

Rate Type	Rateable Value	Valuation	Number of Properties	Budget 20 / 21	Actual 19 / 20	Budget 19 / 20
GRV Town	2,495	200.00	4	800	800	600
UV Rural	19,660	412.00	11	4,532	4,944	4,944
UV Mining	84,089	450.00	62	27,900	27,900	27,450
<b>Total Minimum</b>	<b>106,244</b>		<b>77</b>	<b>33,232</b>	<b>33,644</b>	<b>32,994</b>

<b>Total General and Minimum</b>	<b>5,005,554</b>		<b>302</b>	<b>456,119</b>	<b>377,427</b>	<b>365,962</b>
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**Other Rate Revenue**

Rates Written Off				(5,000)	(174)	(20,000)
Interim and Back Rates				4,000	8,441	-
Facilities Fees (Ex Gratia)				2,800	2,884	1,400
<b>Total Rate Revenue</b>				<b>457,919</b>	<b>388,578</b>	<b>347,362</b>

**Administration Charges**

Interest Written Off				(1,000)	-	(1,000)
Administration Charges				1,000	1,365	490
<b>Total Funds Raised from Rates</b>				<b>457,919</b>	<b>389,943</b>	<b>346,852</b>

**(b) Interest Charges and Instalments**

**Source of Revenue**

	Budget 20 / 21	Actual 19 / 20	Budget 19 / 20
Interest on Unpaid Rates	\$ 2,500	\$ 5,893	\$ 4,000
Interest on Instalments Plan	500	3,134	550
<b>Total Interest</b>	<b>3,000</b>	<b>9,027</b>	<b>4,550</b>

Administration Charges	1,000	1,365	490
<b>Total Charges</b>	<b>4,000</b>	<b>10,392</b>	<b>5,040</b>

	Instalment Dates 20 / 21	Admin Charge \$	Instalment Plan %	Unpaid Rates %
First Due Date	05 Oct 2020	0.00	3.00%	8.0%
Second Instalment	07 Dec 2020	2.00	3.00%	8.0%
Third Instalment	08 Feb 2021	2.00	3.00%	8.0%
Fourth Instalment	05 Apr 2021	2.00	3.00%	8.0%

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

**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 \$200 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 2021**

**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 vermin control. 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 1,900km road network, and to provide other services such as vermin control. 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 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 2020/21.

**3. SPECIFIED AREA RATE**

No Specified Area Rates will be levied in the 2020/21 financial year

**4. SERVICE CHARGES**

No Service Charges will be imposed in the 2020/21 financial year

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

**5. OPERATING REVENUE (Continued)**

**(a) Operating Grants**

	<b>Budget 20 / 21</b>	<b>Actual 19 / 20</b>	<b>Budget 19 / 20</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
General Purpose Funding	1,369,578	2,804,612	1,397,837
Law, Order, Public Safety	5,209	143,689	137,541
Education and Welfare	103,500	97,000	96,000
Transport	15,027,281	14,382,447	21,579,775
Economic Services	10,000	-	-
Other Property and Services	65,000	72,599	65,000
<b>Total Operating Grants</b>	<b><u>16,580,568</u></b>	<b><u>17,500,346</u></b>	<b><u>23,276,153</u></b>

**(b) Non-Operating Grants**

	<b>Budget 20 / 21</b>	<b>Actual 19 / 20</b>	<b>Budget 19 / 20</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Recreation and Culture	104,873	2,805	-
Transport	5,081,929	1,729,585	1,642,025
Economic Services	2,920,000	150,000	-
<b>Total Non-operating Grants</b>	<b><u>8,106,802</u></b>	<b><u>1,882,390</u></b>	<b><u>1,642,025</u></b>

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

**5. OPERATING REVENUE (Continued)**

**(c) Fees and Charges**

<b>Program</b>	<b>Budget 20 / 21 \$</b>	<b>Actual 19 / 20 \$</b>	<b>Budget 19 / 20 \$</b>
Governance	5,000	6,200	-
Law, Order, Public Safety	7,947	7,828	8,047
Health	1,000	-	1,000
Community Amenities	4,400	4,200	4,400
Recreation and Culture	16,100	13,264	15,500
Economic Services	2,600	3,066	2,600
Other Property and Services	250	225	-
<b>Total Fees and Charges</b>	<b>37,297</b>	<b>34,783</b>	<b>31,547</b>

**(d) Interest Earnings**

<b>Source of Revenue</b>	<b>Budget 20 / 21 \$</b>	<b>Actual 19 / 20 \$</b>	<b>Budget 19 / 20 \$</b>
Interest on Reserves	14,420	17,644	15,754
Other Funds	10,000	9,332	10,000
Other Interest Revenue (Refer to Note 2(b))	3,000	9,027	4,550
<b>Total Interest Earnings</b>	<b>27,420</b>	<b>36,004</b>	<b>30,304</b>

**(e) Other Revenue**

<b>Source of Revenue</b>	<b>Budget 20 / 21 \$</b>	<b>Actual 19 / 20 \$</b>	<b>Budget 19 / 20 \$</b>
Reimbursements	7,000	206,695	122,000
Other Revenue	76,636	181,848	58,850
<b>Total Other Revenue</b>	<b>83,636</b>	<b>388,542</b>	<b>180,850</b>

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

6. OPERATING EXPENSES

(a) Depreciation

	Budget 20 / 21	Actual 19 / 20	Budget 19 / 20
	\$	\$	\$
<b>By Program</b>			
Governance	52,100	52,000	47,900
Health	100	59	350
Education and Welfare	12,900	12,876	11,300
Housing	-	25,197	25,000
Community Amenities	10,190	12,403	4,950
Recreation and Culture	55,600	55,628	32,500
Transport	2,411,221	1,746,074	1,722,880
Economic Services	109,000	109,029	103,600
Other Property and Services	634,400	634,440	386,650
<b>Total Depreciation by Program</b>	<b>3,285,511</b>	<b>2,647,706</b>	<b>2,335,130</b>
<b>By Class</b>			
Land and Buildings	165,298	128,285	182,090
Furniture and Equipment	35,950	36,511	33,980
Plant and Equipment	668,590	683,033	395,450
Roads	2,331,321	1,666,171	1,642,880
Other Infrastructure	84,352	133,706	80,730
<b>Total Depreciation by Class</b>	<b>3,285,511</b>	<b>2,647,706</b>	<b>2,335,130</b>

(b) Interest Expense

	Budget 20 / 21	Actual 19 / 20	Budget 19 / 20
	\$	\$	\$
<b>Loan Description</b>			
Borrowings (Refer to Note 9)	25,018	33,595	50,259
Overdraft	15,000	15,398	71,100
<b>Total Interest Expense</b>	<b>40,018</b>	<b>48,993</b>	<b>121,359</b>
<b>Other Loan Expenses</b>			
WA Treasury Loan Guarantee Fee	9,150	5,429	6,100
<b>Total Loan Costs</b>	<b>49,168</b>	<b>54,422</b>	<b>127,459</b>

(c) Auditor Remuneration

	Budget 20 / 21	Actual 19 / 20	Budget 19 / 20
	\$	\$	\$
<b>Service Provided</b>			
Audit Services	38,000	37,675	37,000
<b>Total Auditing Expense</b>	<b>38,000</b>	<b>37,675</b>	<b>37,000</b>

(d) Elected Members Remuneration

	Budget 20 / 21	Actual 19 / 20	Budget 19 / 20
	\$	\$	\$
<b>Fees, Expenses and Allowances Paid</b>			
Meeting Fees	74,662	73,130	74,662
President's Allowance	19,570 #	19,570	19,570
Deputy President's Allowance	4,893 #	4,893	4,893
Travelling Expenses	27,000 #	23,218	29,000
Telecommunications Allowance	24,500 #	23,917	24,500
<b>Total Elected Members Remuneration</b>	<b>150,625</b>	<b>144,728</b>	<b>152,625</b>

The above fees, expenses and allowances outline the payments to council members and/or the president

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

7. DISPOSAL OF ASSETS

(a) Annual Budget 20 / 21

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

(b) Actual 19 / 20

	Book Value Actual 19 / 20	Proceeds Actual 19 / 20	Profit Actual 19 / 20	(Loss) Actual 19 / 20
<b>Plant and Equipment</b>				
<b>Transport</b>	\$	\$	\$	\$
CAT140M Grader	144,986	127,000	-	(17,986)
Utility (Toyota) Dual Cab Landcruiser	45,937	45,455	-	(483)
<b>Total Disposals</b>	<b>190,923</b>	<b>172,455</b>	<b>-</b>	<b>(18,469)</b>
<b>Total Profit / (Loss) on Disposal</b>				<b>(18,469)</b>

(c) Annual Budget 19 / 20

	Book Value Budget 19 / 20	Proceeds Budget 19 / 20	Profit Budget 19 / 20	(Loss) Budget 19 / 20
<b>Plant and Equipment</b>				
<b>Transport</b>	\$	\$	\$	\$
CAT140M Grader	96,618	120,000	23,382	-
Utility (Toyota) Dual Cab Landcruiser	31,442	55,000	23,558	-
Utility (Toyota) Hilux	5,000	-	-	(5,000)
<b>Total Disposals</b>	<b>133,060</b>	<b>175,000</b>	<b>46,940</b>	<b>(5,000)</b>
<b>Total Profit / (Loss) on Disposal</b>				<b>41,940</b>

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

8. CAPITAL EXPENDITURE

(a) PROPERTY, PLANT AND EQUIPMENT

	Budget 20 / 21	Actual 19 / 20	Budget 19 / 20
<b>Land and Buildings</b>			
<b>Governance</b>	\$	\$	\$
Office Refurbishment	32,586	-	-
<b>Housing</b>			
Staff Housing	450,000	-	-
China Town Housing	177,000	-	-
<b>Recreation and Culture</b>			
Pavilion Upgrades	184,873	-	-
<b>Transport</b>			
Depot Security	45,000	-	-
Washdown Bay	35,000	-	-
Machinery Shed	12,000	-	-
Garden Shed	10,000	-	-
<b>Total Land and Buildings</b>	<b>946,459</b>	<b>217,319</b>	<b>180,000</b>
<b>Furniture and Equipment</b>			
<b>Governance</b>			
Furniture and Equipment	50,000	34,433	-
<b>Total Furniture and Equipment</b>	<b>50,000</b>	<b>34,433</b>	<b>-</b>
<b>Plant and Equipment</b>			
<b>Transport</b>			
Truck	150,000	-	-
Drop Deck	110,000	-	-
Works Manager Vehicle	65,000	-	-
Caravan Camping Unit	65,000	-	-
Grader Ute	55,000	-	-
Solar Panel System	25,000	-	-
Bore Pump Trailer	20,000	-	-
Generator	15,000	-	-
<b>Total Plant and Equipment</b>	<b>505,000</b>	<b>797,357</b>	<b>736,000</b>
<b>Total Property, Plant and Equipment</b>	<b>1,501,459</b>	<b>1,049,109</b>	<b>916,000</b>



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

8. CAPITAL EXPENDITURE (Continued)

(b) INFRASTRUCTURE

	Budget 20 / 21	Actual 19 / 20	Budget 19 / 20
	\$	\$	\$
<b>Infrastructure - Roads</b>			
<b>Transport</b>			
HVSPP	5,657,368	-	-
Ullawarra Construction	654,057	-	-
Landor Mt Augustus Road	265,835	-	-
Cobra / Dairy Creek Road	242,000	-	-
Signage	126,766	-	-
Grids	100,000	-	-
<b>Economic Services</b>			
Tourist Precinct Reconstruct and Seal	520,000	-	-
<b>Total Roads</b>	<u>7,566,026</u>	<u>2,322,574</u>	<u>2,143,058</u>
<b>Infrastructure - Other</b>			
<b>Recreation and Culture</b>			
Pump Town Water Supply	169,827	-	-
BBQ and Seating	25,000	-	-
<b>Transport</b>			
Airstrip Resealing	131,814	-	-
<b>Economic Services</b>			
Tourist Stop	2,585,000	-	-
Tourist Precinct Solar Project	355,605	-	-
<b>Total Other Infrastructure</b>	<u>3,267,246</u>	<u>156,474</u>	<u>677,317</u>
<b>Total Infrastructure</b>	<u><u>10,833,272</u></u>	<u><u>2,479,047</u></u>	<u><u>2,820,375</u></u>

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

9. INFORMATION ON BORROWINGS

(a) Debenture Repayments

(i) Loan 29 Staff Housing

	Budget 20 / 21	Actual 19 / 20	Budget 19 / 20
<b>Housing</b>	\$	\$	\$
Opening Balance	275,870	308,228	308,228
Principal Payment	(33,333)	(32,358)	(32,358)
<b>Principal Outstanding</b>	<b>242,537</b>	<b>275,870</b>	<b>275,870</b>
Interest Payment	(4,880)	(8,626)	(8,976)
Guarantee Fee	(3,050)	(2,715)	(3,050)
<b>Total Interest and Fees</b>	<b>(7,930)</b>	<b>(11,340)</b>	<b>(12,026)</b>

(ii) Loan 28 Tourism Precinct

	Budget 20 / 21	Actual 19 / 20	Budget 19 / 20
<b>Economic Services</b>	\$	\$	\$
Opening Balance	480,491	521,774	521,774
Principal Payment	(43,390)	(41,283)	(41,284)
<b>Principal Outstanding</b>	<b>437,101</b>	<b>480,491</b>	<b>480,490</b>
Interest Payment	(16,133)	(24,969)	(41,283)
Guarantee Fee	(3,050)	(2,715)	(3,050)
<b>Total Interest and Fees</b>	<b>(19,183)</b>	<b>(27,684)</b>	<b>(44,333)</b>
<b>Total Principal Repayments</b>	<b>(76,723)</b>	<b>(73,642)</b>	<b>(73,642)</b>
<b>Total Interest and Fees</b>	<b>(27,113)</b>	<b>(39,024)</b>	<b>(56,359)</b>

(b) New Debentures

Loan Staff Housing

	Budget 20 / 21	Actual 19 / 20	Budget 19 / 20
<b>Recreation and Culture</b>	\$	\$	\$
Opening Balance	450,000	-	-
Principal Payment	(20,657)	-	-
<b>Principal Outstanding</b>	<b>429,343</b>	<b>-</b>	<b>-</b>
Interest Payment	(4,005)	-	-
Guarantee Fee	(3,050)	-	-
<b>Total Interest and Fees</b>	<b>(7,055)</b>	<b>-</b>	<b>-</b>

Institution Western Australia Treasury Corporation (WATC)  
 Loan Type Fixed  
 Term 10 Years  
 Interest Rate 1.78% Semi Annual Compounding

**SHIRE OF VICTORIA PLAINS  
NOTES TO AND FORMING PART OF THE BUDGET REVIEW  
FOR THE YEAR ENDING 30 JUNE 2021**

**9. INFORMATION ON BORROWINGS (Continued)**

**(c) Unspent Debentures**

The Shire had no unspent debenture funds as at 30th June 2020. It is not expected to have unspent debenture funds as at 30th June 2021.

**(d) 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.

Funding assistance for the flood damage events has been obtained through DRFAWA. The overdraft facility will be drawdown as required during the year to fund payables prior to reimbursement by DRFAWA. It is estimated that the average amount borrowed during the course of the year will be in the order of \$1.5 million.

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

10. CASH BACKED RESERVES

Reserve Name	Opening Balance 01 Jul 20 \$	Transfers from \$	Interest Received \$	Transfer to \$	Closing Balance 30 Jun 21 \$	Opening Balance 01 Jul 19 \$	Transfers from \$	Interest Received \$	Transfer to \$	Closing Actual 30 Jun 20 \$	Adopted Budget 30 Jun 20 \$
Plant Replacement Reserve	353,076	-	3,718	145,000	501,794	744,656	(525,000)	6,420	127,000	353,076	468,067
Airport Reserve	41,013	-	432	-	41,445	40,539	-	474	-	41,013	40,947
Employee Leave Reserve	90,068	-	948	30,000	121,016	89,028	-	1,040	-	90,068	89,920
Tourism Precinct Reserve	379,862	-	4,000	-	383,862	375,475	-	4,387	-	379,862	379,240
Building Reserve	53,866	-	567	100,000	154,433	53,705	-	161	-	53,866	54,245
Works Reserve	14,223	-	150	230,647	245,020	13,598	-	625	-	14,223	13,734
Roads Flood Damage Reserve	152,795	(150,700)	1,609	-	3,704	76,545	-	1,250	75,000	152,795	152,686
Bridge Maintenance	20,650	-	217	25,000	45,867	20,412	-	239	-	20,650	20,616
Economic Development	263,985	-	2,779	61,556	328,320	260,936	-	3,049	-	263,985	263,553
<b>Total Reserves</b>	<b>1,369,538</b>	<b>(150,700)</b>	<b>14,420</b>	<b>592,203</b>	<b>1,825,461</b>	<b>1,674,894</b>	<b>(525,000)</b>	<b>17,644</b>	<b>202,000</b>	<b>1,369,538</b>	<b>1,483,008</b>

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
Employee 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 Killili 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 2021**

**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**

	<b>Budget 20 / 21 \$</b>	<b>Actual 19 / 20 \$</b>	<b>Budget 19 / 20 \$</b>
Cash - Unrestricted	495,266	3,418,054	600,759
Bank Overdraft	-	-	(1,750)
Cash - Restricted	1,876,103	4,673,327	1,483,008
<b>Total Cash on Hand</b>	<b><u>2,371,369</u></b>	<b><u>8,091,381</u></b>	<b><u>2,082,017</u></b>

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

Cash Backed Reserves	1,825,461	1,369,538	1,483,008
Deposits and Bonds	50,642	50,642	-
Revenue Received in Advance	-	3,253,146	-
<b>Total Restricted Cash</b>	<b><u>1,876,103</u></b>	<b><u>4,673,327</u></b>	<b><u>1,483,008</u></b>

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

Net Result	5,789,562	762,376	(1,852,508)
Depreciation	3,285,511	2,647,706	2,335,130
(Profit) on Sale of Asset	-	-	(46,940)
Loss on Sale of Asset	10,806	18,469	5,000
(Increase) / Decrease in Receivables	2,845,031	1,770,267	2,018,206
(Increase) / Decrease in Inventories	-	1,022	-
Increase / (Decrease) in Payables	(5,698,811)	(2,638,277)	-
Non-operating Grants, Subsidies and Contributions	(8,106,802)	(1,882,390)	(1,642,025)
<b>Net Cash from Operating Activities</b>	<b><u>(1,874,703)</u></b>	<b><u>679,173</u></b>	<b><u>816,863</u></b>

**(c) Undrawn Borrowing Facilities**

**Credit Standby Arrangements**

Bank Overdraft Limit	3,700,000	3,700,000	3,700,000
Bank Overdraft at Balance Date	-	-	(1,750)
Credit Card Limit	10,000	10,000	10,000
Credit Card Balance at Balance Date	-	-	-
<b>Total Amount of Credit Unused</b>	<b><u>3,710,000</u></b>	<b><u>3,710,000</u></b>	<b><u>3,708,250</u></b>

**Loan Facilities**

Loan Facilities in use at Balance Date	1,108,980	756,360	756,360
Unused Loan Facilities at Balance Date	3,700,000	3,700,000	3,698,250

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

12. NET CURRENT ASSETS

Composition of Estimated Net Current Assets

		Budget	Actual	Budget
		20 / 21	19 / 20	19 / 20
	Note	\$	\$	\$
<b>Current Assets</b>				
Cash - Unrestricted	11(a)	495,266	3,418,054	600,759
Cash - Restricted Reserves	10	1,876,103	4,673,327	1,483,008
Trust Funds	13	-	-	-
Receivables		825,032	3,670,063	177,883
Inventories		143,223	143,223	155,610
<b>Total Current Assets</b>		<b>3,339,624</b>	<b>11,904,667</b>	<b>2,417,260</b>
<b>Current Liabilities</b>				
Trade and Other Payables		(1,384,773)	(1,384,773)	(754,552)
Trust Funds	13	-	-	-
Deposits and Bonds		(50,642)	(50,642)	(59,718)
Revenue Received in Advance		(4,897)	(5,703,709)	-
Overdraft		-	-	(1,750)
Short Term Borrowings	9(a)(b)	(97,380)	(76,723)	(73,642)
Provisions		(187,367)	(187,367)	(187,367)
<b>Total Current Liabilities</b>		<b>(1,725,059)</b>	<b>(7,403,213)</b>	<b>(1,077,029)</b>
<b>Net Current Funding Position</b>		<b>1,614,565</b>	<b>4,501,454</b>	<b>1,340,231</b>
Cash - Restricted Reserves	10	(1,825,461)	(1,369,538)	(1,483,008)
Less: Land Held for Resale		(7,500)	(7,500)	(20,785)
Add: Current Portion of Debentures		97,380	76,723	73,642
Add: Liabilities Related to Restricted Assets	10	121,016	90,068	89,920
<b>Estimated Surplus / (Deficit) C/FWD</b>		<b>-</b>	<b>3,291,207</b>	<b>-</b>

The estimated surplus/(deficit) c/fwd in the 2020/21 budget column represents the surplus/(deficit) carried forward as at 30 June 2020.

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

**13. TRUST FUNDS**

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

<b>Description</b>	<b>Opening Balance 01 Jul 20 \$</b>	<b>Estimated Amounts Received \$</b>	<b>Estimated Amounts Paid \$</b>	<b>Closing Balance 30 Jun 21 \$</b>
	-	-	-	-
<b>Total Trust Funds</b>	<u>-</u>			<u>-</u>

**14. MAJOR LAND TRANSACTIONS**

The Shire does not anticipate any major land transactions in the 20/21 financial year

**15. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

The Shire does not anticipate any trading undertakings or major trading undertakings in the 20/21 financial year

**16. JOINT VENTURE ARRANGEMENTS**

The Shire is not involved or expected to be involved in any joint venture arrangements in the 20/21 financial year