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# SHIRE OF UPPER GASCOYNE

## ANNUAL STATUTORY BUDGET

2019 - 2020

**SHIRE OF UPPER GASCOYNE**  
**ANNUAL STATUTORY BUDGET**  
**2019 - 2020**  
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**SHIRE OF UPPER GASCOYNE**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**2019 - 2020**  
**BY NATURE OR TYPE**

		Budget 19 / 20 \$	Estimated Actual 18 / 19 \$	Budget 18 / 19 \$
<b>Revenue</b>				
Rates	2(a)	346,852	358,563	371,465
Operating Grants, Subsidies and Contributions	5(b)	23,276,153	21,086,899	19,500,558
Fees and Charges	5(d)	31,547	46,459	32,290
Interest Earnings	5(e)	30,304	45,285	48,832
Other Revenue	5(f)	180,850	1,923,966	170,107
		<u>23,865,706</u>	<u>23,461,172</u>	<u>20,123,252</u>
<b>Expenses</b>				
Employee Costs		(1,221,296)	(1,188,876)	(1,032,014)
Materials and Contracts		(23,276,015)	(19,694,881)	(19,211,998)
Utility Charges		(142,543)	(134,702)	(113,050)
Depreciation on Non-current Assets	6(a)	(2,335,130)	(2,334,038)	(2,326,141)
Interest Expenses	6(b)	(121,359)	(130,703)	(169,618)
Insurance Expenses		(232,563)	(227,591)	(216,371)
Other Expenditure		(73,273)	(63,824)	(188,610)
		<u>(27,402,179)</u>	<u>(23,774,615)</u>	<u>(23,257,802)</u>
Operating Surplus / (Deficit)		<u>(3,536,473)</u>	<u>(313,443)</u>	<u>(3,134,550)</u>
<b>Other Income</b>				
Non-operating Grants, Subsidies and Contributions	5(c)	1,642,025	1,296,496	1,293,495
Profit on Disposal of Assets	7	46,940	-	-
(Loss) on Disposal of Assets	7	(5,000)	(34,335)	(60,864)
<b>Net Result</b>		<u>(1,852,508)</u>	<u>948,718</u>	<u>(1,901,919)</u>
<b>Other Comprehensive Income</b>				
Changes on Revaluation of Non-current Assets		-	96,473	-
<b>Total Other Comprehensive Income</b>		<u>-</u>	<u>96,473</u>	<u>-</u>
<b>Total Comprehensive Income</b>		<u>(1,852,508)</u>	<u>1,045,191</u>	<u>(1,901,919)</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**  
**2019 - 2020**  
**BY PROGRAM**

		<b>Budget</b>	<b>Estimated</b>	<b>Budget</b>
		<b>19 / 20</b>	<b>Actual</b>	<b>18 / 19</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>				
Governance		1,000	60,077	10,000
General Purpose Funding		1,779,993	3,258,306	1,672,442
Law, Order, Public Safety		149,538	198,761	183,331
Health		1,000	672	1,000
Education and Welfare		119,800	122,751	132,100
Housing		-	-	-
Community Amenities		4,400	3,960	4,200
Recreation and Culture		15,500	20,443	14,050
Transport		21,702,775	19,625,808	18,054,501
Economic Services		26,700	103,977	(12,572)
Other Property and Services		65,000	66,417	64,200
		<u>23,865,706</u>	<u>23,461,172</u>	<u>20,123,252</u>
<b>Expenses</b>				
Governance		(539,251)	(477,836)	(489,146)
General Purpose Funding		(231,208)	(239,438)	(281,766)
Law, Order, Public Safety		(396,596)	(430,489)	(416,562)
Health		(26,753)	(20,681)	(20,050)
Education and Welfare		(255,822)	(247,900)	(266,583)
Housing		(396,765)	(392,243)	(305,160)
Community Amenities		(134,602)	(115,508)	(104,426)
Recreation and Culture		(253,443)	(253,515)	(247,308)
Transport		(24,757,858)	(20,948,793)	(20,622,145)
Economic Services		(363,038)	(400,382)	(446,470)
Other Property and Services		(46,843)	(247,830)	(58,186)
		<u>(27,402,179)</u>	<u>(23,774,615)</u>	<u>(23,257,802)</u>
Operating Surplus / (Deficit)		<u>(3,536,473)</u>	<u>(313,443)</u>	<u>(3,134,550)</u>
<b>Other Income</b>				
Non-operating Grants, Subsidies and Contributions	5(c)	1,642,025	1,296,496	1,293,495
Profit on Disposal of Assets	7	46,940	-	-
(Loss) on Disposal of Assets	7	(5,000)	(34,335)	(60,864)
<b>Net Result</b>		<u>(1,852,508)</u>	<u>948,718</u>	<u>(1,901,919)</u>
<b>Other Comprehensive Income</b>				
Changes on Revaluation of Non-current Assets		-	96,473	-
<b>Total Other Comprehensive Income</b>		<u>-</u>	<u>96,473</u>	<u>-</u>
<b>Total Comprehensive Income</b>		<u>(1,852,508)</u>	<u>1,045,191</u>	<u>(1,901,919)</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**  
**2019 - 2020**  
**STATEMENT OF CASH FLOWS**

		Budget 19 / 20 \$	Estimated Actual 18 / 19 \$	Budget 18 / 19 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		346,852	352,287	371,465
Operating Grants, Subsidies and Contributions		25,294,359	21,053,414	19,500,558
Fees and Charges		31,547	46,459	32,290
Interest Earnings		30,304	45,285	48,832
Other Revenue		180,850	1,925,667	170,107
		<u>25,883,912</u>	<u>23,423,112</u>	<u>20,123,252</u>
<b>Payments</b>				
Employee Costs		(1,221,296)	(1,198,664)	(1,015,956)
Materials and Contracts		(23,276,015)	(19,541,212)	(18,967,780)
Utility Charges		(142,543)	(134,702)	(113,050)
Interest Expenses		(121,359)	(131,603)	(169,618)
Insurance Expenses		(232,563)	(227,591)	(216,371)
Other Expenditure		(73,273)	(123,442)	(188,623)
		<u>(25,067,049)</u>	<u>(21,357,214)</u>	<u>(20,671,398)</u>
Net Cash provided by Operating Activities		<u>816,863</u>	<u>2,065,898</u>	<u>(548,146)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for Purchase of Property, Plant and Equipment	8(a)	(916,000)	(269,727)	(390,700)
Payments for Construction of Infrastructure	8(b)	(2,820,375)	(2,149,178)	(2,138,440)
Non-operating Grants, Subsidies and Contributions	5(c)	1,642,025	1,296,496	1,293,495
Proceeds from Sale of Fixed Assets	7	175,000	22,729	45,288
		<u>(1,919,350)</u>	<u>(1,099,680)</u>	<u>(1,190,357)</u>
Net Cash provided by Investing Activities		<u>(1,919,350)</u>	<u>(1,099,680)</u>	<u>(1,190,357)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of Long Term Borrowings	9(a)	(73,642)	(70,691)	(70,691)
Movement of Trust Funds to Municipal Account		-	59,718	-
		<u>(73,642)</u>	<u>(10,973)</u>	<u>(70,691)</u>
Net Cash provided by Financing Activities		<u>(73,642)</u>	<u>(10,973)</u>	<u>(70,691)</u>
<b>Net Increase / (Decrease) in Cash Held</b>		<u>(1,176,129)</u>	955,245	<u>(1,809,194)</u>
Cash at Beginning of Year		<u>3,258,146</u>	<u>2,302,901</u>	<u>3,923,069</u>
<b>Cash and Cash Equivalents at the End of the Year</b>		<u><u>2,082,017</u></u>	<u><u>3,258,146</u></u>	<u><u>2,113,875</u></u>

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

**SHIRE OF UPPER GASCOYNE**  
**ANNUAL STATUTORY BUDGET**  
**2019 - 2020**  
**RATE SETTING STATEMENT**

		Budget 19 / 20 \$	Estimated Actual 18 / 19 \$	Budget 18 / 19 \$
<b>OPERATING ACTIVITIES</b>				
<b>Net Current Assets at Start of Financial Year - Surplus / (Deficit)</b>		3,001,557	2,244,178	2,244,178
<b>Revenue from Operating Activities (Excluding Rates)</b>				
Governance		1,000	60,077	10,000
General Purpose Funding		1,433,141	2,899,743	1,300,977
Law, Order, Public Safety		149,538	198,761	183,331
Health		1,000	672	1,000
Education and Welfare		119,800	122,751	132,100
Housing		-	-	-
Community Amenities		4,400	3,960	4,200
Recreation and Culture		15,500	20,443	14,050
Transport		21,749,715	19,625,808	18,054,501
Economic Services		26,700	103,977	(12,572)
Other Property and Services		65,000	66,417	64,200
		<u>23,565,794</u>	<u>23,102,609</u>	<u>19,751,787</u>
<b>Expenditure from Operating Activities</b>				
Governance		(539,251)	(477,836)	(489,146)
General Purpose Funding		(231,208)	(239,438)	(281,766)
Law, Order, Public Safety		(396,596)	(430,489)	(416,562)
Health		(26,753)	(20,681)	(20,050)
Education and Welfare		(255,822)	(247,900)	(266,583)
Housing		(396,765)	(392,243)	(305,160)
Community Amenities		(134,602)	(115,508)	(104,426)
Recreation and Culture		(253,443)	(253,515)	(247,308)
Transport		(24,762,858)	(20,983,128)	(20,668,297)
Economic Services		(363,038)	(400,382)	(461,182)
Other Property and Services		(46,843)	(247,830)	(58,186)
		<u>(27,407,179)</u>	<u>(23,808,950)</u>	<u>(23,318,666)</u>
<b>Excluded Non-cash Operating Activities</b>				
(Profit) on Disposal of Assets	7	(46,940)	-	-
Loss on Disposal of Assets	7	5,000	34,335	60,864
Movement in Land Held for Resale		-	(8,785)	-
Changes on Revaluation of Non-current Assets			96,473	
Movement in Employee Provision and Reserve		892	(23,443)	16,085
Depreciation and Amortisation on Assets	6(a)	2,335,130	2,334,038	2,326,141
		<u>2,294,082</u>	<u>2,432,618</u>	<u>2,403,090</u>
Net Amount provided from Operating Activities		<u>(1,547,303)</u>	<u>1,726,277</u>	<u>(1,163,789)</u>
<b>INVESTING ACTIVITIES</b>				
Non-operating Grants, Subsidies and Contributions	5(c)	1,642,025	1,296,496	1,293,495
Proceeds from Disposal of Assets	7	175,000	22,729	45,288
Land and Buildings	8(a)	(180,000)	(28,359)	(30,000)
Plant and Equipment	8(a)	(736,000)	(241,368)	(356,000)
Furniture and Equipment	8(a)	-	-	(4,700)
Infrastructure - Roads	8(b)	(2,143,058)	(2,038,591)	(2,013,564)
Infrastructure - Other	8(b)	(677,317)	(110,587)	(124,876)
		<u>(1,919,350)</u>	<u>(1,099,680)</u>	<u>(1,190,357)</u>
Net Amount provided from Investing Activities		<u>(1,919,350)</u>	<u>(1,099,680)</u>	<u>(1,190,357)</u>
<b>FINANCING ACTIVITIES</b>				
Repayment of Long Term Borrowings	9(a)	(73,642)	(70,691)	(70,691)
Proceeds from New Debentures		-	-	-
Transfers to Reserves (Restricted Assets)	10	(588,114)	(329,910)	(265,806)
Transfers from Reserves (Restricted Assets)	10	780,000	172,820	75,000
		<u>118,244</u>	<u>(227,781)</u>	<u>(261,497)</u>
Net Amount provided from Financing Activities		<u>118,244</u>	<u>(227,781)</u>	<u>(261,497)</u>
<b>Surplus / (Deficit) before General Rates</b>		<u>(346,852)</u>	<u>2,642,994</u>	<u>(371,465)</u>
Total Amount raised from General Rates	2(a)	346,852	358,563	371,465
<b>Net Current Assets at June 30 to C/Fwd - Surplus / (Deficit)</b>		<u>-</u>	<u>3,001,557</u>	<u>-</u>

**SHIRE OF UPPER GASCOYNE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2020**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Preparation**

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations. Material accounting policies which have been adopted in the preparation of this budget are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the budget has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

**The Local Government Reporting Entity**

All Funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this budget.

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 13 to this budget document.

**(b) 2018 / 2019 Actual Balances**

Balances shown in this budget as 2018 / 2019 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

**(c) Rounding Off Figures**

All figures shown in this budget, other than a rate in the dollar, are rounded to the nearest dollar.

**(d) Rates, Grants, Donations and Other Contributions**

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

**(e) Goods and Services Tax (GST)**

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

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

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

**(f) Superannuation**

The Council contributes to a number of Superannuation Funds on behalf of employees.

All funds to which the Council contributes are defined contribution plans.

**SHIRE OF UPPER GASCOYNE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**(g) 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 of changes in value and bank overdrafts.

Bank overdrafts are shown as short term borrowings in current liabilities in Note 12 - Net Current Assets.

**(h) 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.

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

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

**(i) 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 of completion and the estimated costs necessary to make the 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.

**(j) Fixed Assets**

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

**Mandatory Requirement to Revalue Non-Current Assets**

Effective from 1 July 2012, the *Local Government (Financial Management) Regulations* were amended and the measurement of non-current assets at Fair Value became mandatory.



**SHIRE OF UPPER GASCOYNE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**(j) Fixed Assets (Continued)**

The amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

- (a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and
- (b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -
  - (i) that are plant and equipment; and
  - (ii) that are -
    - (I) land and buildings; or
    - (II) infrastructure; and
- (c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, each asset class must be revalued in accordance with the established regulatory framework. The Shire revaluates each asset class in accordance with this mandatory timetable.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the budget as necessary.

**Land Under Control**

In accordance with *Local Government (Financial Management) Regulation 16(a)*, the Council was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of state or regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note.

Whilst they were initially recorded at cost (being fair value at the date of acquisition (deemed cost) as per AASB 116) they were revalued along with other items of Land and Buildings at 30 June 2014 and now form part of Land and Buildings to be subject to regular revaluation as detailed above.

**Initial Recognition and Measurement between Mandatory Revaluation Dates**

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation of the next anniversary date in accordance with the mandatory measurement framework detailed above.

**SHIRE OF UPPER GASCOYNE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**(j) Fixed Assets (Continued)**

**Revaluation**

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

**Transitional Arrangement**

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes.

Those assets carried at cost will be carried in accordance with the policy detailed in the *Initial Recognition* section as detailed above.

Those assets carried at fair value will be carried in accordance with the *Revaluation Methodology* section as detailed above.

**Land Under Roads**

In Western Australia, all land under roads is Crown land, the responsibility for managing which, is vested in the local government.

Effective as at 01 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 *Land Under Roads* and the fact *Local Government (Financial Management) Regulation 16(a)(i)* prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 01 July 2008, as detailed above, *Local Government (Financial Management) Regulation 16(a)(i)* prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, *Local Government (Financial Management) Regulation 4(2)* provides, in the event of such an inconsistency, the *Local Government (Financial Management) Regulations* prevail.

Consequently, any land under roads acquired on or after 01 July 2008 is not included as an asset of the Council.

**Depreciation**

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.

**SHIRE OF UPPER GASCOYNE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**(j) Fixed Assets (Continued)**

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

Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
formation	Not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	Not depreciated
pavement	50 years
gravel sheet	12 years
Formed roads	
formation	Not depreciated
pavement	50 years
Killilli Bridge	100 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping & drainage systems	75 years

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

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

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

When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

**Capitalisation Threshold**

Expenditure on items of equipment under \$5,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

**(k) Fair Value of Assets and Liabilities**

When performing a revaluation, the Council uses a mix of both independent and management valuations using the following as a guide:

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

**SHIRE OF UPPER GASCOYNE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**(k) Fair Value of Assets and Liabilities (Continued)**

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

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

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

**Fair Value Hierarchy**

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

**Valuation techniques**

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

**Market approach**

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

**SHIRE OF UPPER GASCOYNE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**(k) Fair Value of Assets and Liabilities (Continued)**

**Income approach**

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

**Cost approach**

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

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

As detailed above, the mandatory measurement framework imposed by the *Local Government (Financial Management) Regulations* requires, as a minimum, all assets carried at a revalued amount to be revalued at least every three years.

**(l) Financial Instruments**

**Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the Council becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Council commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

**Classification and Subsequent Measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method.

**SHIRE OF UPPER GASCOYNE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**(l) Financial Instruments (Continued)**

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

*(i) Financial assets at fair value through profit and loss*

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short term profit taking. Assets in this category are classified as current assets. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

*(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

*(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Council's management has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

*(iv) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available for sale financial assets are classified as non-current.

*(v) Financial liabilities*

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

**SHIRE OF UPPER GASCOYNE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**(l) Financial Instruments (Continued)**

**Impairment**

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

**Derecognition**

Financial assets are derecognised where the contractual rights for receipt of cash flows expire or the asset is transferred to another party, whereby the Council no longer has any significant continual involvement in the risks and benefits associated with the asset.

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

**(m) Impairment of Assets**

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

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

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

**SHIRE OF UPPER GASCOYNE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**(m) Impairment of Assets (Continued)**

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

At the time of adopting this budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2019.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on this budget document.

**(n) Trade and Other Payables**

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

**(o) Employee Benefits**

**Short-Term Employee Benefits**

Provision is made for the Council'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 Council's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Council's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

**Other Long-Term Employee Benefits**

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations or service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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



**SHIRE OF UPPER GASCOYNE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**(p) 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.

**(q) Provisions**

Provisions are recognised when the Council has a 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.

**(r) Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Council, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

**(s) Interests 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 Council's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about joint ventures are set out in Note 16.

**SHIRE OF UPPER GASCOYNE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**(t) Current and Non-Current Classification**

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

**(u) Comparative Figures**

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

**(v) Budget Comparative Figures**

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

**(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 offered. Exclude administration fees, interest on instalments, interest on arrears and service charges.

**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.

**SHIRE OF UPPER GASCOYNE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**(w) Nature or Type Classifications (Continued)**

**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. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

**Utilities (Gas, Electricity, Water, etc.)**

Expenditures made to the respective agencies for the provision of power, gas or water. 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.

**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.

**SHIRE OF UPPER GASCOYNE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**(x) Program Classifications**

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**

Food quality and water control. Environmental Health Officer. Doctor Service.

**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 ENDED 30 JUNE 2020**

**2. OPERATING REVENUE**

**(a) Rate Revenue**

The following are the proposed Differential General Rates and Minimum Payments for the Shire of Upper Gascoyne for the 2019 / 2020 financial year

**(i) General Rates**

Rate Type	Rateable Value \$	Valuation \$	Number of Properties #	Budget 19/20 \$	Actual 18/19 \$
GRV Town	151,366	0.0872	20	13,205	12,821
UV Rural	1,452,139	0.0469	26	68,055	66,072
UV Mining	1,806,951	0.1393	91	251,708	253,777
<b>Total General Rate Revenue</b>				<b>332,968</b>	<b>332,670</b>

**Minimum Rates**

Rate Type	Rateable Value \$	Valuation \$	Number of Properties #	Budget 19/20 \$	Actual 18/19 \$
GRV Town	1,045	200	3	600	585
UV Rural	23,895	412	12	4,944	4,800
UV Mining	77,724	450	61	27,450	26,460
<b>Total Minimum Rate Revenue</b>				<b>32,994</b>	<b>31,845</b>

**Total General and Minimum Rates**

**365,962      364,515**

**Other Rate Revenue**

Discounts / Concessions	-	-		-	-
Rates Written Off				(20,000)	(6,490)
Interim and Back Rates				-	(1,494)
Specified Area Rates (Refer Note 3)				-	-
Facilities Fees (Ex Gratia)				1,400	2,800
<b>Total Rate Revenue</b>				<b>347,362</b>	<b>359,331</b>

**Administration Charges**

Interest Written Off				(1,000)	(1,258)
Administration Charges				490	490
<b>Total Funds Raised from Rates</b>				<b>346,852</b>	<b>358,563</b>

**(ii) 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

A copy of the policy can be obtained from the Departments website.

**SHIRE OF UPPER GASCOYNE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2020**

**2. OPERATING REVENUE (Continued)**

**(ii) Objectives and Reasons for Differential Rating (Continued)**

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 roster for the Road crews to reduce mobilisation costs.
- (2) 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.
- (3) A continued focus by officers in leveraging council resources to attract grant funding.

**(iii) 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 and assigns a GRV. The current valuation is effective from 01 July 2015. 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*.

**(iv) 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 01 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-Pastoral category.

**SHIRE OF UPPER GASCOYNE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2020**

**2. OPERATING REVENUE (Continued)**

**(iv) Unimproved Value (Continued)**

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 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*.

**(v) Rate Payment Discounts, Waivers and Concessions**

No Discounts, Waivers or Concessions in relation to Rates are proposed for 2019 / 2020

**3. SPECIFIED AREA RATE**

No Specified Area Rates will be levied in the 2019 / 2020 financial year

**4. SERVICE CHARGES**

No Service Charges will be imposed in the 2019 / 2020 financial year

SHIRE OF UPPER GASCOYNE  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2020

5. OPERATING REVENUE (Continued)

(b) Operating Grants	Budget 19 / 20 \$	Estimated Actual 18 / 19 \$	Budget 18 / 19 \$
General Purpose Funding	1,397,837	2,851,337	1,265,945
Law, Order, Public Safety	137,541	187,041	173,541
Education and Welfare	96,000	96,000	106,000
Transport	21,579,775	17,893,879	18,001,872
Economic Services	-	(6,057)	(110,000)
Other Property and Services	65,000	64,699	63,200
<b>Total Operating Grants</b>	<b>23,276,153</b>	<b>21,086,899</b>	<b>19,500,558</b>

(c) Non-Operating Grants	Budget 19 / 20 \$	Estimated Actual 18 / 19 \$	Budget 18 / 19 \$
Recreation and Culture	-	62,273	12,272
Transport	1,642,025	1,234,223	1,281,223
<b>Total Non-operating Grants</b>	<b>1,642,025</b>	<b>1,296,496</b>	<b>1,293,495</b>

(d) Fees and Charges	Budget 19 / 20 \$	Estimated Actual 18 / 19 \$	Budget 18 / 19 \$
<b>Program</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Governance	-	-	-
General Purpose Funding	-	100	-
Law, Order, Public Safety	8,047	8,101	9,790
Health	1,000	672	1,000
Education and Welfare	-	-	100
Housing	-	-	-
Community Amenities	4,400	3,960	4,200
Recreation and Culture	15,500	20,443	14,000
Transport	-	-	-
Economic Services	2,600	11,465	2,200
Other Property and Services	-	1,718	1,000
<b>Total Fees and Charges</b>	<b>31,547</b>	<b>46,459</b>	<b>32,290</b>



SHIRE OF UPPER GASCOYNE  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2020

5. OPERATING REVENUE (Continued)

(e) Interest Earnings

(i) Investments

	Budget 19 / 20	Estimated Actual 18 / 19	Budget 18 / 19
<b>Source of Revenue</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Interest on Reserves	15,754	29,167	28,832
Other Funds	10,000	10,699	15,000
Other Interest Revenue (Refer Note 5(e)(ii))	4,550	5,419	5,000
<b>Total Interest Earnings</b>	<b>30,304</b>	<b>45,285</b>	<b>48,832</b>

(ii) Interest Charges and Instalments

	Budget 19 / 20	Estimated Actual 18 / 19	Budget 18 / 19
<b>Source of Revenue</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Interest on Unpaid Rates	4,000	4,869	4,500
Interest on Instalments Plan	550	550	500
<b>Total Interest Charges</b>	<b>4,550</b>	<b>5,419</b>	<b>5,000</b>

	Admin Charge	Instalment Plan	Unpaid Rates
Interest and Instalment Charges are as follows:	<b>\$</b>	<b>%</b>	<b>%</b>
First Due Date	0	5.50%	11.0%
Second Instalment	5	5.50%	11.0%
Third Instalment	5	5.50%	11.0%
Fourth Instalment	5	5.50%	11.0%

Instalment dates are as follows:

First Due Date	17 Oct 2019
Second Instalment	17 Dec 2019
Third Instalment	17 Feb 2020
Fourth Instalment	17 Apr 2020

(f) Other Revenue

	Budget 19 / 20	Estimated Actual 18 / 19	Budget 18 / 19
<b>Source of Revenue</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Reimbursements	122,000	1,846,892	-
Other Revenue	58,850	77,074	170,107
<b>Total Other Revenue</b>	<b>180,850</b>	<b>1,923,966</b>	<b>170,107</b>

SHIRE OF UPPER GASCOYNE  
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FOR THE YEAR ENDED 30 JUNE 2020

6. OPERATING EXPENSES

(a) Depreciation

	Budget 19 / 20	Actual 18 / 19	Budget 18 / 19
<b>By Program</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Governance	47,900	53,518	48,000
Health	350	349	350
Education and Welfare	11,300	11,279	10,100
Housing	25,000	24,988	21,800
Community Amenities	4,950	4,904	8,400
Recreation and Culture	32,500	32,459	34,000
Transport	1,722,880	1,722,886	1,721,191
Economic Services	103,600	103,612	100,500
Other Property and Services	386,650	380,043	381,800
<b>Total Depreciation by Program</b>	<b>2,335,130</b>	<b>2,334,038</b>	<b>2,326,141</b>
<b>By Class</b>			
Land and Buildings	182,090	123,593	181,430
Furniture and Equipment	33,980	30,787	34,320
Plant and Equipment	395,450	408,330	392,700
Roads	1,642,880	1,642,881	1,643,291
Other Infrastructure	80,730	128,447	74,400
<b>Total Depreciation by Class</b>	<b>2,335,130</b>	<b>2,334,038</b>	<b>2,326,141</b>

(b) Interest Expense

	Budget 19 / 20	Actual 18 / 19	Budget 18 / 19
<b>Loan Description</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Borrowings	50,259	36,811	39,618
Overdraft	71,100	93,892	130,000
<b>Total Interest Expense</b>	<b>121,359</b>	<b>130,703</b>	<b>169,618</b>
<b>Other Loan Expenses</b>			
WA Treasury Loan Guarantee Fee	6,100	8,961	4,205
<b>Total Loan Costs</b>	<b>127,459</b>	<b>139,664</b>	<b>173,823</b>

Refer to Note 9 for more information

(c) Auditor Remuneration

	Budget 19 / 20	Actual 18 / 19	Budget 18 / 19
<b>Service Provided</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Audit Services	37,000	9,876	25,000
<b>Total Auditing Expense</b>	<b>37,000</b>	<b>9,876</b>	<b>25,000</b>

(d) Elected Members Remuneration

	Budget 19 / 20	Actual 18 / 19	Budget 18 / 19
<b>Fees, Expenses and Allowances Paid</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Meeting Fees	74,662	74,675	72,500
President's Allowance	19,570	19,570	19,000
Deputy President's Allowance	4,893	4,893	4,700
Travelling Expenses	29,000	29,575	23,200
Telecommunications Allowance	24,500	24,500	24,500
<b>Total Elected Members Remuneration</b>	<b>152,625</b>	<b>153,213</b>	<b>143,900</b>

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

SHIRE OF UPPER GASCOYNE  
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7. DISPOSAL OF ASSETS

	Book Value Budget 19 / 20	Proceeds Budget 19 / 20	Profit Budget 19 / 20	(Loss) Budget 19 / 20	Profit / (Loss) Actual 18 / 19	Profit / (Loss) Budget 18 / 19
	\$	\$	\$	\$	\$	\$
<b>Program - Transport</b>						
<b>Class - Plant and Equipment</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 Profit or (Loss) on Disposal</b>	<b>133,060</b>	<b>175,000</b>	<b>46,940</b>	<b>(5,000)</b>	<b>(34,335)</b>	<b>(60,864)</b>
<b>Total Profit or (Loss) on Disposal of Assets</b>				<b>41,940</b>	<b>(34,335)</b>	<b>(60,864)</b>

8. CAPITAL EXPENDITURE

(a) PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings 19 / 20	Furniture and Equipment 19 / 20	Plant and Equipment 19 / 20	Total Budget 19 / 20	Estimated Actual 18 / 19	Total Budget 18 / 19
	\$	\$	\$	\$	\$	\$
Governance	-	-	-	-	-	4,700
Housing	15,000	-	-	15,000	28,359	30,000
Transport	165,000	-	736,000	901,000	241,368	356,000
<b>Total Property, Plant and Equipment</b>	<b>180,000</b>	<b>-</b>	<b>736,000</b>	<b>916,000</b>	<b>269,727</b>	<b>390,700</b>

(b) INFRASTRUCTURE

	Road Infrastructure 19 / 20	Other Infrastructure 19 / 20	Total Budget 19 / 20	Estimated Actual 18 / 19	Total Budget 18 / 19
	\$	\$	\$	\$	\$
Recreation and Culture	-	376,417	376,417	101,462	80,276
Transport	2,143,058	-	2,143,058	2,038,591	2,013,564
Economic Services	-	300,900	300,900	9,125	44,600
<b>Total Infrastructure</b>	<b>2,143,058</b>	<b>677,317</b>	<b>2,820,375</b>	<b>2,149,178</b>	<b>2,138,440</b>

**Total Capital Expenditure**

**3,736,375**      **2,418,905**      **2,529,140**

SHIRE OF UPPER GASCOYNE  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2020

9. INFORMATION ON BORROWINGS

(a) Existing Debentures and Repayments

	01 Jul 2019	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			Budget 19 / 20	Actual 18 / 19	Budget 19 / 20	Actual 18 / 19	Budget 19 / 20	Actual 18 / 19
<b>Housing</b>	\$	\$	\$	\$	\$	\$	\$	\$
Loan 29 Staff Housing	308,228	-	32,358	31,412	275,870	308,228	8,976	9,579
<b>Economic Services</b>								
Loan 28 Tourism Precinct	521,774	-	41,284	39,279	480,490	521,774	41,283	27,232
<b>Total Balances</b>	<b>830,002</b>	<b>-</b>	<b>73,642</b>	<b>70,691</b>	<b>756,360</b>	<b>830,002</b>	<b>50,259</b>	<b>36,811</b>

Borrowings are financed through the Western Australian Treasury Corporation (WATC)

(b) New Debentures

No new borrowings are anticipated during the financial year to 30 June 2020.

(c) Unspent Debentures

The Shire had no unspent debentures as at 30 June 2019. It is not expected to have unspent debentures as at 30 June 2020.

(d) Overdraft Facility

The Shire holds an overdraft facility with the Commonwealth Bank for \$700,000. In addition, the Shire negotiated a further \$3,000,000 overdraft to assist with Flood Damage repairs resulting from WANDRRA events in February 2017, January 2018, June 2018, and April 2019.

Funding assistance for the flood damage events has been obtained through WANDRRA. The overdraft facility will be drawn down as required during the year to fund payables prior to reimbursement by WANDRRA. 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  
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10. CASH BACKED RESERVES

Reserve Name	Balance 01-Jul-18 \$	Actual Transfers from \$	Actual Interest Received \$	Actual Transfer to \$	Balance 30-Jun-19 \$	Balance 01-Jul-19 \$	Budget Transfers from \$	Budget Interest Received \$	Budget Transfer to \$	Balance 30-Jun-20 \$
Plant Replacement Reserve	434,806	-	9,107	300,743	744,656	744,656	(480,000)	6,051	197,360	468,067
Airport Reserve	62,371	(22,820)	988	-	40,539	40,539	-	408	-	40,947
Employee Leave Reserve	87,231	-	1,797	-	89,028	89,028	-	892	-	89,920
Tourism Precinct Reserve	367,898	-	7,577	-	375,475	375,475	(300,000)	3,765	300,000	379,240
Building Reserve	53,042	-	663	-	53,705	53,705	-	540	-	54,245
Works Reserve	72,456	(60,000)	1,142	-	13,598	13,598	-	136	-	13,734
Roads Flood Damage Reserve	75,000	-	1,545	-	76,545	76,545	-	1,141	75,000	152,686
Bridge Maintenance	20,000	-	412	-	20,412	20,412	-	204	-	20,616
Economic Development	345,000	(90,000)	5,936	-	260,936	260,936	-	2,617	-	263,553
<b>Total Reserves</b>	<b>1,517,804</b>	<b>(172,820)</b>	<b>29,167</b>	<b>300,743</b>	<b>1,674,894</b>	<b>1,674,894</b>	<b>(780,000)</b>	<b>15,754</b>	<b>572,360</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	Depletion Date	Purpose of the Reserve
Plant Replacement Reserve	Refer to Note	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	Refer to Note	to be used to fund annual and long service leave requirements
Tourism Precinct Reserve	Refer to Note	to be used for future significant repairs or upgrades on an as required basis
Building Reserve	Refer to Note	to be used for new buildings, future repairs or upgrades on an as required basis (excluding the Tourism Precinct)
Works Reserve	Refer to Note	to be used to support funding of major infrastructure projects
Roads Flood Damage Reserve	Refer to Note	to be used towards the required Shire contribution for WANDRRA funding
Bridge Maintenance	Refer to Note	to be used for repairs and maintenance of Killili Bridge as required
Economic Development	Refer to Note	to set aside funds for economic development initiatives

Note - the reserves are not expected to be used within a set period and further transfers to the reserve accounts are expected as funds are utilised

**SHIRE OF UPPER GASCOYNE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2020**

**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:

	<b>Budget 19 / 20</b>	<b>Estimated Actual 18 / 19</b>	<b>Budget 18 / 19</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>(a) Reconciliation of Cash</b>			
Cash - Unrestricted	600,759	1,585,002	405,265
Bank Overdraft	(1,750)	(1,750)	-
Cash - Restricted	1,483,008	1,674,894	1,708,610
<b>Total Cash on Hand</b>	<b>2,082,017</b>	<b>3,258,146</b>	<b>2,113,875</b>

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

Plant Replacement Reserve	468,067	744,656	603,502
Airport Reserve	40,947	40,539	84,218
Employee Leave Reserve	89,920	89,028	88,977
Tourism Precinct Reserve	379,240	375,475	395,691
Building Reserve	54,245	53,705	70,016
Works Reserve	13,734	13,598	73,906
Roads Flood Damage Reserve	152,686	76,545	-
Bridge Maintenance	20,616	20,412	40,400
Economic Development	263,553	260,936	351,900
<b>Total Restricted Cash</b>	<b>1,483,008</b>	<b>1,674,894</b>	<b>1,708,610</b>

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

Net Result	(1,852,508)	1,045,191	(1,901,919)
Depreciation	2,335,130	2,334,038	2,326,141
(Profit) on Sale of Asset	(46,940)	-	-
Loss on Sale of Asset	5,000	34,335	60,864
(Increase) / Decrease in Receivables	2,018,206	(38,060)	-
(Increase) / Decrease in Inventories	-	(55,810)	-
Increase / (Decrease) in Payables	-	52,433	244,205
Increase / (Decrease) in Employee Provisions	-	(9,733)	16,058
Grants / Contributions for the Development of Assets	(1,642,025)	(1,296,496)	(1,293,495)
<b>Net Cash from Operating Activities</b>	<b>816,863</b>	<b>2,065,898</b>	<b>(548,146)</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)	(1,750)	(1,620,168)
Credit Card Limit	10,000	10,000	10,000
Credit Card Balance at Balance Date	-	-	-
<b>Total Amount of Credit Unused</b>	<b>3,708,250</b>	<b>3,708,250</b>	<b>2,089,832</b>

**Loan Facilities**

Loan Facilities in use at Balance Date	756,360	830,002	475,002
Unused Loan Facilities at Balance Date	3,698,250	3,698,250	2,079,832

**SHIRE OF UPPER GASCOYNE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2020**

**12. NET CURRENT ASSETS**

Composition of Estimated Net Current Asset Position

		<b>Budget 19 / 20 \$</b>	<b>Estimated Actual 18 / 19 \$</b>
<b>Current Assets</b>			
Cash - Unrestricted	11(a)	600,759	1,585,002
Cash - Restricted Reserves	10	1,483,008	1,674,894
Receivables		177,883	2,196,089
Inventories		155,610	155,610
<b>Total Current Assets</b>		<b>2,417,260</b>	<b>5,611,595</b>
<b>Current Liabilities</b>			
Trade and Other Payables		(754,552)	(754,552)
Bond Liabilities		(59,718)	(59,718)
Short and Long Term Borrowings		(75,392)	(75,392)
Provisions		(187,367)	(187,367)
<b>Total Current Liabilities</b>		<b>(1,077,029)</b>	<b>(1,077,029)</b>
<b>Net Current Funding Position</b>		<b>1,340,231</b>	<b>4,534,566</b>
Less: Cash - Restricted Reserves	10	(1,483,008)	(1,674,894)
Less: Land Held for Resale		(20,785)	(20,785)
Add: Current Portion of Debentures	9	73,642	73,642
Add: Liabilities Related to Restricted Assets	10	89,920	89,028
<b>Estimated Surplus / (Deficit) C/FWD</b>		<b>-</b>	<b>3,001,557</b>

The estimated surplus/(deficit) c/fwd in the 2018 / 2019 actual column represents the surplus/(deficit) carried forward as at 30 June 2019

The estimated surplus/(deficit) c/fwd in the 2019 / 2020 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 ENDED 30 JUNE 2020**

**13. TRUST FUNDS**

<b>Description</b>	<b>Opening Balance 01 Jul 19 \$</b>	<b>Estimated Amounts Received \$</b>	<b>Estimated Amounts Paid \$</b>	<b>Closing Balance 30 Jun 20 \$</b>
<b>Total Trust Funds</b>	<u>-</u>			<u>-</u>

The Shire has no control over the above funds which have not been included in the financial statements. During the year the funds will be transferred to the Municipal account and accounted for as stated in the Office of the Auditor General position paper dated 01 July 2019.

**14. MAJOR LAND TRANSACTIONS**

The Shire does not anticipate any major land transactions in the 2019 / 2020 financial year

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

The Shire does not anticipate any trading undertakings or major trading undertakings in the 2019 / 2020 financial year

**16. JOINT VENTURE ARRANGEMENTS**

The Shire is not involved or expected to be involved in any joint venture arrangements in the 2019 / 2020 financial year



**SHIRE OF UPPER GASCOYNE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2020**

**17. CHANGE IN ACCOUNTING POLICIES AND STANDARDS**

The AASB have issued new and/or amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The following section summarises the impact on the Shire where relevant.

**Accounting Standards**

Subject to AASB 1058 *Income for Not-for-Profit Entities* p. C3(b), the Shire has applied the Standard retrospectively with the cumulative effect of initial application recognised at 01 Jul 19 in accordance with p. C6 - C11. This requires the Shire to recognise the cumulative effect of initial application as an adjustment to the opening accumulated surplus balance. Under the transition requirements the comparatives have not been restated.

<b>Name of Accounting Standards</b>	<b>Effective Date of Adoption</b>	<b>Requirements</b>	<b>Impact</b>
AASB 1058 <i>Income for Not-for-Profit Entities</i>	01 Jul 19	This Standard supercedes AASB 1004 <i>Contributions</i> . Where a transaction gives rise to a liability or other performance obligation, or a contribution by owners related to an asset received, this Standard may be superceded by another Standard such as AASB 15 <i>Revenue from Contracts with Customers</i> .	The Shire has determined the adoption of AASB 1058 <i>Income for Not-for-Profit Entities</i> will have no material impact of the financial statements at 01 Jul 19.
		Upon initial recognition the Shire must consider whether other related amounts should be recognised, such as contributions by owners, revenue, revenue from contracts with customers, lease liabilities, financial instruments, or provisions.	The Shire had no pre-paid rates at reporting date or any income and expenses related to Volunteer Services
AASB 15 <i>Revenue from Contracts with Customers</i>	01 Jul 19	This Standard supercedes AASB 118 <i>Revenue</i> and requires the Shire to recognise revenue from a contract with a customer as a liability if certain conditions are met. The Shire will recognise the revenue from the contract once the required conditions are met as stated in the Standard.	<p style="text-align: right;">\$</p> <p>Accumulated Surplus 30 Jun 19 <span style="float: right;">(38,427,383)</span></p> <p>Adjustment Required at 01 Jul 19 Sports Australia Grant <span style="float: right;">50,000</span></p> <p>Accumulated Surplus 01 Jul 19 <span style="float: right;">(38,377,383)</span></p>
AASB 16 <i>Leases</i>	01 Jul 19	This Standard requires a lessee to recognise assets and liabilities for all leases with terms less than 12 months, unless the underlying asset has a low value. The lessee recognises a right-of-use asset representing the right to use the asset and a corresponding lease liability representing the obligation to make lease payments.	The Shire had no Lease contracts at reporting date, therefore, there is no impact from this Standard.