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SHIRE OF UPPER GASCOYNE

ANNUAL STATUTORY BUDGET

FOR THE YEAR ENDING 30 JUNE 2023

**SHIRE OF UPPER GASCOYNE
ANNUAL STATUTORY BUDGET
FOR THE YEAR ENDING 30 JUNE 2023
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SHIRE OF UPPER GASCOYNE
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDING 30 JUNE 2023
BY NATURE OR TYPE

		Budget	Actual	Budget
		22 / 23	21 / 22	21 / 22
	Note	\$	\$	\$
Revenue				
Rates	2(a)	1,254,149	589,192	481,034
Grants, Subsidies and Contributions	18	14,018,431	18,966,006	20,673,275
Fees and Charges	5(a)	33,582	31,199	28,346
Interest Earnings	5(b)	11,000	9,246	19,000
Other Revenue	5(c)	176,062	452,449	334,907
		<u>15,493,224</u>	<u>20,048,092</u>	<u>21,536,562</u>
Expenses				
Employee Costs		(1,419,413)	(1,416,268)	(1,519,235)
Materials and Contracts		(14,607,162)	(14,552,031)	(18,560,674)
Utility Charges		(168,485)	(160,636)	(156,385)
Depreciation on Non-current Assets	6(a)	(3,233,745)	(3,240,952)	(3,204,622)
Interest Expenses	6(b)	(185,672)	(205,816)	(44,844)
Insurance Expenses		(280,527)	(245,069)	(250,306)
Other Expenditure		(82,800)	(48,478)	(70,800)
		<u>(19,977,804)</u>	<u>(19,869,250)</u>	<u>(23,806,866)</u>
Operating Surplus / (Deficit)		<u>(4,484,580)</u>	<u>178,842</u>	<u>(2,270,304)</u>
Other Revenue and Expenses				
Grants, Subsidies and Contributions	18	4,214,640	9,040,390	7,679,889
Profit on Disposal of Assets	7	1,154	33,000	33,000
(Loss) on Disposal of Assets	7	(22,591)	-	(2,000)
Net Result		<u>(291,377)</u>	<u>9,252,232</u>	<u>5,440,585</u>
Other Comprehensive Income				
Changes on Revaluation of Non-current Assets		-	-	-
		-	-	-
Total Comprehensive Income		<u>(291,377)</u>	<u>9,252,232</u>	<u>5,440,585</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 2023
STATEMENT OF CASH FLOWS**

		Budget 22 / 23	Actual 21 / 22	Budget 21 / 22
	Note	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,254,149	589,192	481,034
Operating Grants, Subsidies and Contributions		14,018,431	19,235,156	20,673,275
Fees and Charges		33,582	31,199	28,346
Interest Earnings		11,000	9,246	19,000
Other Revenue		176,062	452,449	334,907
		<u>15,493,224</u>	<u>20,317,242</u>	<u>21,536,562</u>
Payments				
Employee Costs		(1,419,413)	(1,340,153)	(1,519,235)
Materials and Contracts		(14,607,162)	(15,148,481)	(18,560,674)
Utility Charges		(168,485)	(160,636)	(156,385)
Interest Expenses		(185,672)	(205,816)	(44,844)
Insurance Expenses		(280,527)	(245,069)	(250,306)
Other Expenditure		(82,800)	(48,478)	(70,800)
		<u>(16,744,059)</u>	<u>(17,148,633)</u>	<u>(20,602,244)</u>
Net Cash provided by / (used in) Operating Activities		<u>(1,250,835)</u>	<u>3,168,609</u>	<u>934,318</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Grants, Subsidies and Contributions	18	4,214,640	9,040,390	7,679,889
Proceeds from Sale of Fixed Assets	7	200,000	48,000	53,000
Land and Buildings	8(a)	(160,530)	(563,748)	(1,676,314)
Furniture and Equipment	8(a)	(90,000)	(6,645)	(20,000)
Plant and Equipment	8(a)	(1,325,000)	(229,005)	(497,000)
Infrastructure - Roads	8(b)	(3,084,202)	(6,209,101)	(4,248,389)
Infrastructure - Other	8(b)	(1,823,653)	(1,669,381)	(2,252,483)
		<u>(2,068,745)</u>	<u>410,510</u>	<u>(961,297)</u>
Net Cash used in Investing Activities		<u>(2,068,745)</u>	<u>410,510</u>	<u>(961,297)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of Long Term Borrowings	9(a)	(126,841)	(123,010)	(123,011)
Principal payments of finance lease payments	17	(6,791)	(3,714)	-
		<u>(133,632)</u>	<u>(126,724)</u>	<u>(123,011)</u>
Net Cash used in Financing Activities		<u>(133,632)</u>	<u>(126,724)</u>	<u>(123,011)</u>
Net Increase / (Decrease) in Cash Held		<u>(3,453,212)</u>	<u>3,452,395</u>	<u>(149,990)</u>
Cash at Beginning of Year		<u>6,838,374</u>	<u>3,385,979</u>	<u>3,385,975</u>
Cash and Cash Equivalents at the End of the Year		<u><u>3,385,162</u></u>	<u><u>6,838,374</u></u>	<u><u>3,235,985</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 2023
RATE SETTING STATEMENT

	Note	Budget 22 / 23 \$	Actual 21 / 22 \$	Budget 21 / 22 \$
OPERATING ACTIVITIES				
Net Current Assets at 01 Jul - Surplus / (Deficit)	12	2,789,186	(577,198)	(353,499)
Revenue from Operating Activities (Excluding Rates)				
Grants, Subsidies and Contributions	18	14,018,431	18,966,006	20,673,275
Fees and Charges	5(a)	33,582	31,199	28,346
Interest Earnings	5(b)	11,000	9,246	19,000
Other Revenue	5(c)	176,062	452,449	334,907
Profit on Disposal of Assets	7	1,154	33,000	33,000
		<u>14,240,229</u>	<u>19,491,900</u>	<u>21,088,528</u>
Expenditure from Operating Activities				
Employee Costs		(1,419,413)	(1,416,268)	(1,519,235)
Materials and Contracts		(14,607,162)	(14,552,031)	(18,560,674)
Utility Charges		(168,485)	(160,636)	(156,385)
Depreciation on Non-current Assets	6(a)	(3,233,745)	(3,240,952)	(3,204,622)
Interest Expenses	6(b)	(185,672)	(205,816)	(44,844)
Insurance Expenses		(280,527)	(245,069)	(250,306)
Other Expenditure		(82,800)	(48,478)	(70,800)
Loss on Disposal of Assets	7	(22,591)	-	(2,000)
		<u>(20,000,395)</u>	<u>(19,869,250)</u>	<u>(23,808,866)</u>
Excluded Non-cash Operating Activities				
(Profit) / Loss on Disposal of Assets	7	21,437	(33,000)	(31,000)
Movement in Land Held for Resale		-	-	-
Movement in Employee Benefits Provisions		93,202	62,164	(12,436)
Movement in Fair Value of LG House Trust		-	-	-
Depreciation and Amortisation on Assets	6(a)	3,233,745	3,240,952	3,204,622
Net Amount provided from Operating Activities		<u>(2,411,782)</u>	<u>2,892,766</u>	<u>440,848</u>
INVESTING ACTIVITIES				
Grants, Subsidies and Contributions	18	4,214,640	9,040,390	7,679,889
Proceeds from Disposal of Assets	7	200,000	48,000	53,000
Property, Plant and Equipment Purchases	8(a)	(1,575,530)	(799,398)	(2,193,314)
Infrastructure Purchases	8(b)	(4,907,855)	(7,878,482)	(6,500,872)
Net Amount provided from Investing Activities		<u>(2,068,745)</u>	<u>410,510</u>	<u>(961,297)</u>
FINANCING ACTIVITIES				
Repayment of Long Term Borrowings	9(a)	(126,841)	(123,010)	(123,011)
Principal payments of finance lease payments		(6,791)	(3,714)	-
Proceeds from New Long Term Borrowings	9(a)	-	-	-
Transfers to Reserves (Restricted Assets)	10	(396,904)	(784,130)	(86,780)
Transfers from Reserves (Restricted Assets)	10	967,728	384,770	602,705
Net Amount provided from Financing Activities		<u>437,192</u>	<u>(526,084)</u>	<u>392,914</u>
Surplus / (Deficit) before General Rates		<u>(1,254,149)</u>	<u>2,199,994</u>	<u>(481,034)</u>
Total Amount raised from General Rates	2(a)	1,254,149	589,192	481,034
Net Current Assets at 30 Jun - Surplus / (Deficit)	12	<u>-</u>	<u>2,789,186</u>	<u>-</u>

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2023

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

2022 Actual figures are as at 16 August 2022 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.

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

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

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

(b) Initial Application of Accounting Standards

During the budget year, the below revised Australian Accounting Standards and Interpretations are expected to be compiled, become mandatory and be applicable to its operations.

- *AASB 2020-3 Amendments to Australian Accounting Standards* - Annual Improvements 2018-2020 and Other Amendments
- *AASB 2020-6 Amendments to Australian Accounting Standards* - Classification of Liabilities as Current or Non-Current - Deferral of Effective Date.

It is not expected these standards will have an impact on the annual budget.

(c) New Accounting Standards Applicable in Future Years

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

- *AASB 2021-2 Amendments to Australian Accounting Standards* - Disclosure of Accounting Policies or Definition of Accounting Estimates.
- *AASB 2021-6 Amendments to Australian Accounting Standards* - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards.

It is not expected these standards will have an impact on the annual budget.

(d) 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.

(e) Rounding of Amounts

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

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2023

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) 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. The net amount of GST recoverable from, or

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.

(g) Judgements, Estimates and Assumptions

The preparation of the annual 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 and liabilities, income and expenses.

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

(h) Comparative Figures

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

(i) 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.

(j) Current and Non-current Classification

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

(k) 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.

(l) Cash and Cash Equivalents

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

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

(m) 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.

Term deposits with original maturities greater than 3 months are classified as financial assets.

(n) Recognition of Assets

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

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2023**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) 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.

(p) Trade and Other Receivables

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

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

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

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

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

(q) 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 2023**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Fixed Assets

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

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

Gains and Losses on Disposal

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

Depreciation of Non-current Assets

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

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

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

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

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

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2023

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) 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.

(t) Trade and Other Payables

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

(u) Prepaid Rates

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

(v) Employee Benefits

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

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

(w) Contract Liabilities

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

(x) 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.

(y) Provisions

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

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

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2023

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(z) Leases

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

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

(aa) Lease Liabilities

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.

(ab) 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.

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2023**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ab) Nature or Type Classifications (Continued)

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.

Depreciation on Non-current Assets

Depreciation and amortisation 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 ENDING 30 JUNE 2023**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ac) 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 2023

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2023**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2023**

2. RATE REVENUE

The following are the proposed Differential General Rates and Minimum Payments for the Shire of Upper Gascoyne for the 22/23 financial year.

(a) General Rates

Rate Type	Rateable Value	Valuation	Number of Properties	Budget 22 / 23	Actual 21 / 22	Budget 21 / 22
GRV Town	120,705	0.105000	13	12,674	13,721	13,096
UV Rural	1,628,871	0.070000	25	114,021	81,376	81,376
UV Mining	3,454,711	0.298000	165	1,029,504	392,408	392,408
Total General	5,204,288		203	1,156,199	487,505	486,880

Minimum Rates

Rate Type	Rateable Value	Minimum	Number of Properties	Budget 22 / 23	Actual 21 / 22	Budget 21 / 22
GRV Town	27,247	500	12	6,000	824	824
UV Rural	33,915	900	13	11,700	4,944	4,944
UV Mining	111,928	950	75	71,250	28,800	28,800
Total Minimum	173,089		100	88,950	34,568	34,568
Total General and Minimum	5,377,377		303	1,245,149	522,073	521,448

Other Rate Revenue

Rates Written Off	(5,000)	(221)	(5,000)
Interim and Back Rates	11,000	64,456	(38,298)
Facilities Fees (Ex Gratia)	3,000	2,884	2,884
Total Funds Raised from Rates	1,254,149	589,192	481,034

(b) Interest Charges and Instalments

Source of Revenue

	Budget 22 / 23	Actual 21 / 22	Budget 21 / 22
Interest on Unpaid Rates	\$ 3,000	\$ 3,814	\$ 3,000
Interest on Instalments Plan	1,000	68	1,000
Total Interest	4,000	3,882	4,000

Administration Charges

Administration Charges	1,000	63	1,000
Total Charges	5,000	3,945	5,000

	Instalment Dates 22 / 23	Admin Charge \$	Instalment Plan %	Unpaid Rates %
First Due Date	03 Oct 2022	0.00	3.00%	7.0%
Second Instalment	05 Dec 2022	3.00	3.00%	7.0%
Third Instalment	06 Feb 2023	3.00	3.00%	7.0%
Fourth Instalment	11 Apr 2023	3.00	3.00%	7.0%

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2023**

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

It must be noted that the original anticipated rate yield calculated using the current valuations held in the rates system at the time and applying the rate model adopted by Council in April 2022, projected a total rate revenue of \$1,017,757. Since this time, all valuation schedules to the end of May 2022, including the annual UV rolls for our Mining and Rural properties have been received and uploaded into the system and a recalculation of the rate model has been done - the updated results now reflect an anticipated total rate revenue of \$1,245,149 to be generated for the 22/23 period. This is an increase of \$227,402 on the total rate yield which equates to an additional 22% in anticipated rate revenue. This increase is primarily driven by an increase in the unimproved valuations for the mining category and an increase in the number of mining tenements overall.

At a follow up budget workshop held in June, Council discussed the impact of this increase in the rate yield on the 22/23 draft budget and seized this opportunity to undertake another review of its expenditure and consider further efficiency measures as part of its continued budget deliberations that will assist in managing the overall budget.

Council strive to deliver on the objectives of its long term strategic plans. A big part of achieving these goals is consistency and efficiencies. We are committed to ensuring our community is sustainable going into the future and that we can continue to deliver quality services and infrastructure to our community.

This year's budget has taken a longer term view as to the ongoing sustainability of the Shire and the rising costs attributable to the -

- employment market
- availability of contractors
- supply of parts and materials
- supply of fuel
- transport/freight
- recurrent expenses such as utilities and insurance etc.
- flood damage claims
- legislative compliance
- increased usage on our road network from Tourists and the Mining sector and;
- inflation

Whilst these considerations have an immediate impact on our budget for 2022/23, considerations must also be made on the effect it will have on our long term strategic planning. Other budget considerations that form part of Council's long term view for the community are finding options and solutions around -

- access to a permanent water supply for the town
- access to land for further residential and industrial development (residential being a focal point)
- access to community and aged healthcare services
- increasing our tourism and economic development

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2023**

2. RATE REVENUE (Continued)

(c) Objectives and Reasons for Differential Rating (Cont)

On a more detailed level, the key points highlighted above have been further expanded out to the following project objectives -

- continued maintenance and renewal of the road network
- sealing of the main road connecting Gascoyne Junction and Meekatharra
- improving the tourism linkage that connects the Gascoyne and Pilbara region for better access to the major national parks in an effort to better promote and increase tourism in our area
- water quality and quantity for Gascoyne Junction
- continued maintenance and renewal of Council assets (such as the community pavilion and shire housing stock)

The Council is committed to delivering on the key objectives outlined in our long term strategic plans, as these are key issues identified by our community and that are important to our community. As noted in our statement released in May, we have already applied the following actions:

- Continuation of a 10/4 with an 11 hour per day work roster for the Road crews to reduce mobilisation costs.
- Provide onsite mobile accommodation for the outside crew, reducing lost productive time associated with travelling.
- Strategically placed fuel storage depots throughout the Shire so the outside crew do not have to wait for fuel supplies.
- Have established a further 32 bores and additional borrow pits to reduce the cartage distance to works and hence improve productivity.
- 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.
- A continued focus by officers in leveraging council resources to attract grant funding.
- Multi skilling of all employees.
- Continued training of employees to improve their knowledge and productivity.
- Purchase modern equipment that is designed to do the job, reducing down time and reduce maintenance costs.
- Resource sharing where possible.

(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 2022. 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 2022. 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.

Minimum Rates - GRV General

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 \$500 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 2023**

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 (The base rate for Unimproved Value)

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

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

Minimum Rates - UV Rural

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 \$900 has been set for the UV-Rural category.

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

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

UV - Mining

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

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

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

Minimum Rates - UV Mining

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 \$950 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 2022/23.

3. SPECIFIED AREA RATE

No Specified Area Rates will be levied in the 2022/23 financial year

4. SERVICE CHARGES

No Service Charges will be imposed in the 2022/23 financial year

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2023**

5. OPERATING REVENUE

(a) Fees and Charges

	Budget 22 / 23	Actual 21 / 22	Budget 21 / 22
Program	\$	\$	\$
Governance	1,000	50	1,000
Law, Order, Public Safety	8,372	8,272	8,196
Health	1,000	180	1,000
Education and Welfare	-	40	-
Housing	-	665	-
Community Amenities	5,760	4,119	4,200
Recreation and Culture	14,600	16,241	11,100
Economic Services	2,600	1,698	2,600
Other Property and Services	250	(66)	250
Total Fees and Charges	33,582	31,199	28,346

(b) Interest Earnings

	Budget 22 / 23	Actual 21 / 22	Budget 21 / 22
Source of Revenue	\$	\$	\$
Interest on Reserves	2,000	78	5,000
Other Funds	5,000	5,286	10,000
Other Interest Revenue (Refer to Note 2(b))	4,000	3,882	4,000
Total Interest Earnings	11,000	9,246	19,000

(c) Other Revenue

	Budget 22 / 23	Actual 21 / 22	Budget 21 / 22
Source of Revenue	\$	\$	\$
Reimbursements	15,500	95,100	87,694
Other Revenue	160,562	357,349	247,213
Total Other Revenue	176,062	452,449	334,907

SHIRE OF UPPER GASCOYNE
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDING 30 JUNE 2023

6. OPERATING EXPENSES

(a) Depreciation

	Budget 22 / 23	Actual 21 / 22	Budget 21 / 22
By Program	\$	\$	\$
Governance	41,000	29,209	55,400
Education and Welfare	9,700	9,676	10,500
Housing	20,600	20,597	17,200
Community Amenities	2,200	2,153	2,200
Recreation and Culture	72,700	72,835	50,400
Transport	2,568,100	2,568,175	2,537,100
Economic Services	149,900	149,929	104,700
Other Property and Services	369,545	388,378	427,122
Total Depreciation by Program	3,233,745	3,240,952	3,204,622
By Class			
Land and Buildings	186,600	141,412	130,500
Furniture and Equipment	20,300	20,346	23,400
Plant and Equipment	390,845	397,944	461,322
Roads	2,458,600	2,458,578	2,444,400
Other Infrastructure	177,400	222,672	145,000
Total Depreciation by Class	3,233,745	3,240,952	3,204,622

(b) Interest Expense

	Budget 22 / 23	Actual 21 / 22	Budget 21 / 22
Loan Description	\$	\$	\$
Borrowings (Refer to Note 9)	35,672	29,947	29,844
Overdraft	150,000	175,869	15,000
Total Interest Expense	185,672	205,816	44,844

(c) Auditor Remuneration

	Budget 22 / 23	Actual 21 / 22	Budget 21 / 22
Service Provided	\$	\$	\$
Audit Services	48,000	33,860	48,000
Total Auditing Expense	48,000	33,860	48,000

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2023**

6. OPERATING EXPENSES (Cont)

(d) Elected Members Remuneration

Fees, Expenses and Allowances Paid

Cr. Donald Hammarquist

	Budget 22 / 23	Actual 21 / 22	Budget 21 / 22
	\$	\$	\$
President's annual allowance	20,565	20,063	20,063
Meeting attendance fees	20,022	19,534	19,534
Other expenses	286	146	286
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	2,214	1,477	1,500
Annual allowance for travel and accommodation expenses	3,500	5,663	3,500
	50,087	50,383	48,383

Cr. James Caunt

Deputy President's annual allowance	5,141	5,015	5,015
Meeting attendance fees	9,742	9,504	9,504
Other expenses	286	1,814	286
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	2,214	427	1,500
Annual allowance for travel and accommodation expenses	3,500	802	3,500
	24,383	21,062	23,305

Cr. Blanche Walker

Meeting attendance fees	9,742	9,504	9,504
Other expenses	286	-	286
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	2,214	427	1,500
Annual allowance for travel and accommodation expenses		-	-
	15,742	13,431	14,790

Cr. Gregory Watters

Meeting attendance fees	9,742	9,504	9,504
Other expenses	286	164	286
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	2,214	1,055	1,500
Annual allowance for travel and accommodation expenses	3,500	4,972	3,500
	19,242	19,195	18,290

Cr. Raymond Hoseason-Smith

Meeting attendance fees	9,742	9,504	9,504
Other expenses	286	-	286
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	2,214	591	1,500
Annual allowance for travel and accommodation expenses	3,500	1,943	3,500
	19,242	15,538	18,290

Cr. Leane Alys McKeough

Meeting attendance fees	9,742	9,504	9,504
Other expenses	285	4,461	285
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	2,214	1,579	1,500
Annual allowance for travel and accommodation expenses	3,500	1,858	3,500
	19,241	20,902	18,289

Cr. Hamish McTaggart

Meeting attendance fees	9,742	9,504	9,504
Other expenses	285	-	285
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	2,214	1,131	1,500
Annual allowance for travel and accommodation expenses	3,500	727	3,500
	19,241	14,862	18,289

167,180 155,373 159,636

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

President's allowance	20,565	20,063	20,063
Deputy President's allowance	5,141	5,015	5,015
Meeting attendance fees	78,474	76,558	76,558
Other expenses	2,000	6,585	2,000
ICT expenses	-	-	-
Annual allowance for ICT expenses	24,500	24,500	24,500
Travel and accommodation expenses	15,500	6,687	10,500
Annual allowance for travel and accommodation expenses	21,000	15,965	21,000
	167,180	155,373	159,636

SHIRE OF UPPER GASCOYNE
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDING 30 JUNE 2023

7. DISPOSAL OF ASSETS

(a) Annual Budget 22 / 23

	Book Value Budget 22 / 23	Proceeds Budget 22 / 23	Profit Budget 22 / 23	(Loss) Budget 22 / 23
Plant and Equipment				
Transport	\$	\$	\$	\$
Grader P87	180,688	170,000	-	(10,688)
Ute P83	10,000	5,000	-	(5,000)
Pool car P104	26,903	20,000	-	(6,903)
Forklift P77	3,846	5,000	1,154	-
Total Disposals	221,437	200,000	1,154	(22,591)

Total Profit / (Loss) on Disposal

(21,437)

(b) Actual 21 / 22

	Book Value Actual 21 / 22	Proceeds Actual 21 / 22	Profit Actual 21 / 22	(Loss) Actual 21 / 22
Plant and Equipment				
Transport	\$	\$	\$	\$
Roller P27	15,000	48,000	33,000	-
Total Disposals	15,000	48,000	33,000	-

Total Profit / (Loss) on Disposal

33,000

(c) Annual Budget 21 / 22

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

Total Profit / (Loss) on Disposal

31,000

SHIRE OF UPPER GASCOYNE
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDING 30 JUNE 2023

8. CAPITAL EXPENDITURE

(a) PROPERTY, PLANT AND EQUIPMENT

	Budget 22 / 23	Actual 21 / 22	Budget 21 / 22
	\$	\$	\$
Land and Buildings			
Governance			
Office Refurbishment	20,000	160,018	120,000
CRC, Education and Welfare			
CRC Building Improvements	25,000	-	25,000
Housing			
New Staff House	-	379,460	353,514
Grouped Staff Housing - LRCI Project	-	-	1,150,000
Internal refurbishment at L99 Gregory Street	11,530	24,270	27,800
New Shed at L17/18 Gregory Street	50,000	-	-
Septic System Upgrades - L40 & L21 Gregory Street	24,000	-	-
Other Staff Housing Capital Improvements	30,000	-	-
Total Land and Buildings	160,530	563,748	1,676,314
Furniture and Equipment			
Governance			
Furniture and Equipment	90,000	6,645	20,000
Total Furniture and Equipment	90,000	6,645	20,000
Plant and Equipment			
Transport			
New Grader	550,000	-	-
Works Caravan	75,000	-	-
Side Tipper	100,000	9,750	110,000
Forklift	40,000	-	-
Ute (Thomas)	70,000	-	50,000
Service Truck	180,000	-	120,000
Small Excavator	85,000	-	-
New Pool Car	55,000	-	-
New Tractor for P&G	135,000	-	-
Message Board	35,000	27,260	25,000
Generator	-	16,275	-
Boomspray Unit	-	-	12,000
Padfoot Roller	-	175,720	180,000
Total Plant and Equipment	1,325,000	229,005	497,000
Total Property, Plant and Equipment	1,575,530	799,398	2,193,314

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2023

8. CAPITAL EXPENDITURE (Continued)

(b) INFRASTRUCTURE

	Budget	Actual	Budget
	22 / 23	21 / 22	21 / 22
	\$	\$	\$
Infrastructure - Roads			
Transport			
RRG Carnarvon/Mullewa Road	-	1,209,979	1,125,000
Carnarvon/Mullewa Road - Pells	200,000	2,366,628	-
Signage	120,000	103,837	100,000
Grids	115,000	71,528	100,000
R2R Landor/Meekatharra	-	612,458	588,057
Heavy Vehicle Safety and Productivity Program	-	1,311,426	2,285,332
LRCI Phase Three Project - Bitumen Viveash Way	80,000	-	50,000
Sealing Landor/Meekatharra Road - LRCI Phase Two	-	262,408	-
Landor/Mount Augustus - Indigenous Access Road	-	270,837	-
RRG - Landor Meeka Bitumen Seal	995,505	-	-
BlackSpot - Mt. Sandiman Hill Realignment	254,192	-	-
RRG - Carnarvon/Mullewa Resheeting	588,000	-	-
Bundagee	120,000	-	-
Bridges Renewal Program - Concrete Crossing: Dalgety/La	611,505	-	-
Total Roads	3,084,202	6,209,101	4,248,389
Infrastructure - Other			
Law, Order and Public Safety			
New Water Tank	15,085	111,200	-
Recreation and Culture			
In-Town Water Supply	27,550	34,553	165,000
Out of Town Water Supply Project	1,365,731	35,639	250,000
Pavilion Infrastructure	70,000	-	-
Oval Refurbishment	88,976	66,760	-
Transport			
Depot Infrastructure	-	17,557	340,000
Solar Street Lighting - Hatch Street	30,000	-	-
Economic Services			
Tourist Stop	226,311	1,401,172	1,497,483
Tourist Precinct Solar Project	-	2,500	-
Total Other Infrastructure	1,823,653	1,669,381	2,252,483
Total Infrastructure	4,907,855	7,878,482	6,500,872

SHIRE OF UPPER GASCOYNE
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDING 30 JUNE 2023

9. INFORMATION ON BORROWINGS

(a) Debenture Repayments

(i) Loan 29 Staff Housing

	Budget 22 / 23	Actual 21 / 22	Budget 21 / 22
Housing	\$	\$	\$
Opening Balance	208,200	245,268	242,537
Principal Payment	(35,371)	(37,068)	(34,337)
Principal Outstanding	172,829	208,200	208,200
Interest Payment	(5,963)	(4,265)	(4,880)
Total Interest	(5,963)	(4,265)	(4,880)

(ii) Loan 28 Tourism Precinct

	Budget 22 / 23	Actual 21 / 22	Budget 21 / 22
Economic Services	\$	\$	\$
Opening Balance	401,851	443,983	437,641
Principal Payment	(47,932)	(42,132)	(45,605)
Principal Outstanding	353,919	401,851	392,036
Interest Payment	(25,635)	(21,879)	(20,419)
Total Interest	(25,635)	(21,879)	(20,419)

(ii) Loan 30 Staff Housing

	Budget 22 / 23	Actual 21 / 22	Budget 21 / 22
Housing	\$	\$	\$
Opening Balance	385,571	429,381	428,640
Principal Payment	(43,538)	(43,810)	(43,069)
Principal Outstanding	342,033	385,571	385,571
Interest Payment	(4,074)	(3,803)	(4,545)
Total Interest	(4,074)	(3,803)	(4,545)
Total Principal Repayments	(126,841)	(123,010)	(123,011)
Total Interest	(35,672)	(29,947)	(29,844)

(b) Unspent Borrowings

The Shire had no unspent borrowing funds as at 30th June 2022. It is not expected to have unspent borrowing funds as at 30th June 2023.

(c) Overdraft Facility

The Shire holds an overdraft facility with the Commonwealth Bank for \$3,500,000. The current interest rate on the facility is 7.28% per annum.

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

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2023**

10. CASH BACKED RESERVES

Reserve Name	Opening Balance 01 Jul 22 \$	Transfers from \$	Interest Received \$	Transfer to \$	Closing Balance 30 Jun 23 \$	Opening Balance 01 Jul 22 \$	Transfers from \$	Interest Received \$	Transfer to \$	Closing Actual 30 Jun 22 \$	Adopted Budget 30 Jun 22 \$
Plant Replacement Reserve	999,553	(600,000)	820	160,054	560,427	567,262	(150,000)	21	582,270	999,553	418,655
Airport Reserve	41,069	-	34	-	41,103	41,067	-	2	-	41,069	41,168
Leave Reserve	97,474	(17,728)	80	110,850	190,676	110,174	(12,705)	5	-	97,474	97,223
Tourism Precinct Reserve	84,315	-	69	-	84,384	280,360	(196,061)	16	-	84,315	91,048
Building Reserve	127,887	-	105	-	127,992	153,885	(26,004)	6	-	127,887	154,263
Works Reserve	244,946	-	201	-	245,147	244,941	-	5	-	244,946	245,542
Roads Flood Damage Reserve	153,002	(100,000)	126	-	53,128	152,995	-	7	-	153,002	153,371
Bridge Maintenance	69,680	-	57	24,000	93,737	45,678	-	2	24,000	69,680	69,790
Economic Development	618,563	(250,000)	508	100,000	469,071	440,767	-	16	177,780	618,563	249,629
Total Reserves	2,436,489	(967,728)	2,000	394,904	1,865,665	2,037,129	(384,770)	80	784,050	2,436,489	1,520,689

Objective of Reserves

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

Reserve Name	Date of Use	Purpose
Plant Replacement Reserve	as required	to be used to be used for the purchase of major plant and also to fund major mechanical breakdowns
Airport Reserve	30 Jun 25	to fund the resealing of the Gascoyne Junction Airport
Leave Reserve	as required	to be used to fund annual and long service leave requirements
Tourism Precinct Reserve	as required	to be used for future significant repairs or upgrades on an as required basis
Building Reserve	as required	to be used for new buildings, future repairs or upgrades on an as required basis (excluding the Tourism Precinct)
Works Reserve	as required	to be used to support funding of major infrastructure projects
Roads Flood Damage Reserve	as required	to be used towards the required Shire contribution for Western Australia Natural Disaster Relief funding
Bridge Maintenance	as required	to be used for repairs and maintenance of Kiliili 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 2023**

11. NOTES TO THE STATEMENT OF CASH FLOWS

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

(a) Reconciliation of Cash

	Budget 22 / 23 \$	Actual 21 / 22 \$	Budget 21 / 22 \$
Cash at bank and on hand	3,385,162	9,653,320	3,235,985
Bank Overdraft	-	(2,814,946)	-
Total Cash on Hand	3,385,162	6,838,374	3,235,985
Held as			
- Unrestricted cash and cash equivalents	1,519,497	4,401,885	1,715,296
- Restricted cash and cash equivalents	1,865,665	2,436,489	1,520,689
	3,385,162	6,838,374	3,235,985

Restrictions

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

-Cash and cash equivalents	1,865,665	2,436,489	1,520,689
Total Restricted Cash	1,865,665	2,436,489	1,520,689

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

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

(b) Reconciliation of Net Cash from Operating

Activities to Net Result

Net Result	(291,377)	9,252,232	5,440,585
Depreciation	3,233,745	3,240,952	3,204,622
(Profit) on Sale of Asset	(1,154)	(33,000)	(33,000)
Loss on Sale of Asset	22,591	-	2,000
(Increase) / Decrease in Receivables	-	1,449,491	-
(Increase) / Decrease in Contract Assets	-	(211,561)	-
(Increase) / Decrease in Inventories	-	(32,781)	-
Increase / (Decrease) in Payables	-	(2,263,298)	-
Increase / (Decrease) in Contract Liabilities	-	730,849	-
Increase / (Decrease) in Employee Provisions	-	76,115	-
Non-operating Grants, Subsidies and Contributions	(4,214,640)	(9,040,390)	(7,679,889)
Net Cash from Operating Activities	(1,250,835)	3,168,609	934,318

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank Overdraft Limit	3,500,000	3,500,000	3,500,000
Bank Overdraft at Balance Date	(2,814,946)	(2,814,946)	(1,887,991)
WA Treasury Short Term Lending Facility Limit	3,000,000	3,000,000	3,000,000
WA Treasury Short Term Lending Facility Balance at Balance Date	-	-	-
Credit Card Limit	10,000	10,000	10,000
Credit Card Balance at Balance Date	-	-	-
Total Amount of Credit Unused	3,695,054	3,695,054	4,622,009

Loan Facilities

Loan Facilities in use at Balance Date	868,781	995,622	985,807
Unused Loan Facilities at Balance Date	685,054	685,054	1,612,009

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2023**

12. NET CURRENT ASSETS

Composition of Estimated Net Current Assets

	Note	Budget 22 / 23 \$	Actual 21 / 22 \$	Budget 21 / 22 \$
Current Assets				
Cash - Unrestricted	11(a)	1,519,497	4,401,885	1,715,296
Cash - Restricted Reserves	10	1,865,665	2,436,489	1,520,689
Trust Funds	13	-	-	-
Receivables		1,960,149	1,960,149	3,429,892
Contract Assets		211,560	211,560	-
Inventories		135,451	135,451	102,670
Total Current Assets		5,692,322	9,145,534	6,768,547
Current Liabilities				
Trade and Other Payables		(1,945,226)	(1,945,226)	(2,419,667)
Trust Funds	13	-	-	-
Deposits and Bonds		(50,642)	(50,642)	(50,642)
Revenue Received in Advance		(1,089,268)	(1,089,268)	(2,661,017)
Contract Liabilities		(730,849)	(730,849)	-
Lease Liability		(6,690)	(6,619)	-
Short Term Borrowings	9(a)	(130,829)	(126,482)	(127,316)
Provisions		(198,848)	(198,848)	(211,255)
Total Current Liabilities		(4,152,352)	(4,147,934)	(5,469,897)
Net Current Funding Position		1,539,970	4,997,600	1,298,650
Cash - Restricted Reserves	10	(1,865,665)	(2,436,489)	(1,520,689)
Less: Land Held for Resale		(2,500)	(2,500)	(2,500)
Add: Current Portion of Debentures		130,829	126,482	127,316
Add: Current Portion of Lease Liability		6,690	6,619	-
Add: Liabilities Related to Restricted Assets	10	190,676	97,474	97,223
Estimated Surplus / (Deficit) C/FWD		-	2,789,186	-

The estimated surplus/(deficit) c/fwd in the 2022/23 budget column represents the surplus/(deficit) carried forward as at 30 June 2022.

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2023**

13. TRUST FUNDS

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

Description	Opening Balance 01 Jul 22 \$	Estimated Amounts Received \$	Estimated Amounts Paid \$	Closing Balance 30 Jun 23 \$
	-	-	-	-
Total Trust Funds	<u>-</u>			<u>-</u>

14. MAJOR LAND TRANSACTIONS

The Shire does not anticipate any major land transactions in the 22/23 financial year

15. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire does not anticipate any trading undertakings or major trading undertakings in the 22/23 financial year

16. JOINT VENTURE ARRANGEMENTS

The Shire is not involved or expected to be involved in any joint venture arrangements in the 22/23 financial year

SHIRE OF UPPER GASCOYNE
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDING 30 JUNE 2023

17. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease Principal 1 July 2022 \$	2022/23 Budget New Leases \$	2022/23 Budget Lease Principal Repayments \$	Budget Lease Principal Outstanding 30 June 2023 \$	2022/23 Budget Lease Interest Repayments \$	Actual Principal 1 July 2021 \$	2021/22 Actual New Leases \$	2021/22 Actual Lease Principal Repayments \$	Actual Lease Principal Outstanding 30 June 2022 \$	2021/22 Actual Lease Interest Repayments \$	Budget Principal 1 July 2021 \$	2021/22 Budget New Leases \$	2021/22 Budget Lease Principal Repayments \$	Budget Lease Principal Outstanding 30 June 2022 \$	2021/22 Budget Lease Interest Repayments \$
Transport																			
Diesel Tank		Refuel Australia	1.09%	3 Years	15,686	-	(6,790)	8,896	(142)	-	19,400	(3,714)	15,686	(18)	-	-	-	-	-

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2023**

18. PROGRAM INFORMATION

	Budget 22 / 23	Actual 21 / 22	Budget 21 / 22
	\$	\$	\$
Revenue excluding grants, subsidies and contributions			
Governance	12,000	21,444	87,694
General Purpose Funding	1,270,149	602,784	505,034
Law, Order, Public Safety	13,131	44,069	12,196
Health	1,000	180	1,000
Education and Welfare	39,776	42,666	42,200
Housing	-	760	-
Community Amenities	5,760	4,119	4,200
Recreation and Culture	15,100	16,240	11,600
Transport	31,117	188,989	63,158
Economic Services	81,974	157,137	168,264
Other Property and Services	5,940	36,698	940
	<u>1,475,947</u>	<u>1,115,086</u>	<u>896,286</u>
Operating grants, subsidies and contributions			
Governance			
General Purpose Funding	1,108,674	3,819,432	1,369,578
Law, Order, Public Safety	16,000	3,108	3,668
Health			
Education and Welfare	105,000	99,802	123,430
Housing			
Community Amenities			
Recreation and Culture	-	4,880	3,765
Transport	12,718,757	14,980,635	19,102,834
Economic Services	10,000	443	10,000
Other Property and Services	60,000	57,706	60,000
	<u>14,018,431</u>	<u>18,966,006</u>	<u>20,673,275</u>
Non operating grants, subsidies and contributions			
Governance	37,148	-	-
General Purpose Funding			
Law, Order, Public Safety	15,085	111,200	-
Health			
Education and Welfare			
Housing			
Community Amenities			
Recreation and Culture	1,147,265	173,637	38,148
Transport	2,316,006	6,867,189	3,906,741
Economic Services	699,136	1,888,364	3,735,000
Other Property and Services			
	<u>4,214,640</u>	<u>9,040,390</u>	<u>7,679,889</u>
Total Revenue	<u>19,709,018</u>	<u>29,121,482</u>	<u>29,249,450</u>
Expenses			
Governance	(673,980)	(473,619)	(706,422)
General Purpose Funding	(232,926)	(329,176)	(88,033)
Law, Order, Public Safety	(137,070)	(193,143)	(114,159)
Health	(28,907)	(21,155)	(26,038)
Education and Welfare	(581,842)	(257,685)	(526,296)
Housing	(272,065)	(358,530)	(247,973)
Community Amenities	(100,078)	(110,055)	(108,167)
Recreation and Culture	(379,968)	(349,999)	(293,706)
Transport	(16,832,808)	(17,054,790)	(20,889,242)
Economic Services	(690,111)	(691,539)	(746,638)
Other Property and Services	(70,640)	(29,559)	(62,191)
	<u>(20,000,395)</u>	<u>(19,869,250)</u>	<u>(23,808,865)</u>
Net Result	<u>(291,377)</u>	<u>9,252,232</u>	<u>5,440,585</u>