

SHIRE OF NGAANYATJARRAKU

BUDGET

FOR THE YEAR ENDED 30 JUNE 2022

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

The Shire

Our Land - Looking after our Land

Our People - Looking after our People

Our Leadership - Showing the way for our Community

SHIRE OF NGAANYATJARRAKU
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
Revenue				
Rates	1(a)	189,482	172,589	197,656
Operating grants, subsidies and contributions	9(a)	4,147,035	5,949,564	3,567,284
Fees and charges	8	433,290	543,481	416,055
Interest earnings	12(a)	25,150	33,982	52,150
Other revenue	12(b)	27,426	76,124	92,416
		4,822,383	6,775,740	4,325,561
Expenses				
Employee costs		(2,663,915)	(1,723,590)	(2,172,956)
Materials and contracts		(3,287,940)	(2,114,019)	(3,304,215)
Utility charges		(64,550)	(33,657)	(71,993)
Depreciation on non-current assets	5	(1,794,452)	(1,642,048)	(1,501,660)
Interest expenses	12(d)	(1,500)	(1,614)	(500)
Insurance expenses		(132,163)	(108,928)	(168,121)
Other expenditure		(78,740)	(31,211)	(96,079)
		(8,023,260)	(5,655,067)	(7,315,524)
Subtotal		(3,200,877)	1,120,673	(2,989,963)
Non-operating grants, subsidies and contributions	9(b)	4,395,093	2,472,913	3,408,055
Profit on asset disposals	4(b)	15,000	60,572	1,000
Loss on asset disposals	4(b)	0	(21,610)	(23,500)
		4,410,093	2,511,875	3,385,555
Net result		1,209,216	3,632,548	395,592
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		1,209,216	3,632,548	395,592

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

SHIRE OF NGAANYATJARRAKU

FOR THE YEAR ENDED 30 JUNE 2022

BASIS OF PREPARATION

The budget has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

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 at 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.

THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Shire of Ngaanyatjarraku 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 the budget.

2020/21 ACTUAL BALANCES

Balances shown in this budget as 2020/21 Actual are estimates as forecast at the time of budget preparation and are subject to final adjustments.

CHANGE IN ACCOUNTING POLICIES

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

KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specified 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, service charges and sewerage rates.

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.

Excludes 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.

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.

REVENUES (CONTINUED)

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.

FEES AND CHARGES

Revenue (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. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

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, and rebates. Reimbursements and recoveries should be separated by note to ensure the correct calculation of ratios.

EXPENSES

EMPLOYEE COSTS

All costs associated 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 includes loss on disposal of long term investments.

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 NGAANYATJARRAKU
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
Revenue	1,8,9(a),12(a),12(b)	\$	\$	\$
Governance		4,250	48,473	2,000
General purpose funding		1,707,968	3,467,605	1,804,833
Law, order, public safety		426	420	416
Health		320	330	1,400
Education and welfare		102,000	102,857	48,000
Housing		140,000	180,418	95,590
Community amenities		129,125	71,520	71,265
Recreation and culture		185,000	248,571	230,000
Transport		2,552,294	2,655,546	2,071,257
Economic services		1,000	0	800
		4,822,383	6,775,740	4,325,561
Expenses excluding finance costs	4(a),5,12(c)(e)(e)			
Governance		(179,729)	(258,455)	(136,531)
General purpose funding		0	(2,883)	0
Law, order, public safety		(41,975)	(5,744)	(11,970)
Health		(220,831)	(252,201)	(253,488)
Education and welfare		(61,278)	(37,230)	(43,230)
Housing		(459,641)	(242,596)	(266,875)
Community amenities		(526,099)	(271,274)	(600,213)
Recreation and culture		(747,825)	(542,256)	(774,516)
Transport		(5,470,927)	(3,988,340)	(4,967,025)
Economic services		(313,455)	(52,474)	(261,176)
		(8,021,760)	(5,653,453)	(7,315,024)
Finance costs	7,6(a),12(d)			
Governance		(1,500)	(1,614)	(500)
		(1,500)	(1,614)	(500)
Subtotal		(3,200,877)	1,120,673	(2,989,963)
Non-operating grants, subsidies and contributions	9(b)	4,395,093	2,472,913	3,408,055
Profit on disposal of assets	4(b)	15,000	60,572	1,000
(Loss) on disposal of assets	4(b)	0	(21,610)	(23,500)
		4,410,093	2,511,875	3,385,555
Net result		1,209,216	3,632,548	395,592
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		1,209,216	3,632,548	395,592

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

KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

In order to discharge its responsibilities to the community, Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the Shire's Community Vision, and for each of its broad activities/programs.

OBJECTIVE

ACTIVITIES

GOVERNANCE

To provide a decision making process for the efficient allocation of scarce resources.

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

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

To provide services to help ensure safer and an environmentally conscious community.

Supervision and enforcement of various laws relating to aspects of public safety including emergency services.

HEALTH

To provide an operational framework for environmental and community health.

Inspection of food outlets and their control, and a waste pick-up service in Warburton.

EDUCATION AND WELFARE

To provide services to children and youth.

Nil.

HOUSING

To provide and maintain staff housing.

Provision and maintenance of staff housing.

COMMUNITY AMENITIES

To provide services required by the community.

Rubbish collection services, litter control; Warburton.

RECREATION AND CULTURE

To establish and effectively manage infrastructure and resources which will help the social well being of the community.

Maintenance of public halls, civic centres, Warburton recreation centre and operation of recreation services in Warburton. Provision and maintenance of parks and playgrounds. Operation of other cultural facilities.

TRANSPORT

To provide safe, effective and efficient transport services to the community.

Construction and maintenance of roads, streets, footpaths, depot and traffic control. Cleaning of streets and maintenance of street trees.

ECONOMIC SERVICES

To help promote the Shire and its economic well being.

Tourism and area promotion and building control.

OTHER PROPERTY AND SERVICES

To monitor and control council's overheads

Private works operation, plant repairs, operation costs and

**SHIRE OF NGAANYATJARRAKU
FOR THE YEAR ENDED 30 JUNE 2022**

operating accounts.

administrative costs.

SHIRE OF NGAANYATJARRAKU
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		189,482	177,422	197,656
Operating grants, subsidies and contributions		4,147,035	7,040,824	3,250,147
Fees and charges		433,290	543,481	416,055
Interest received		25,150	33,982	52,150
Goods and services tax received		0	52,186	330,422
Other revenue		27,426	76,124	92,416
		4,822,383	7,924,019	4,338,846
Payments				
Employee costs		(2,663,915)	(1,708,826)	(2,172,956)
Materials and contracts		(3,287,940)	(1,769,013)	(3,304,215)
Utility charges		(64,550)	(33,657)	(71,993)
Interest expenses		(1,500)	(1,614)	(500)
Insurance paid		(132,163)	(108,928)	(168,121)
Goods and services tax paid		0	0	(330,422)
Other expenditure		(78,740)	(31,211)	(96,079)
		(6,228,808)	(3,653,249)	(6,144,286)
Net cash provided by (used in) operating activities	3	(1,406,425)	4,270,770	(1,805,440)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	4(a)	(629,000)	(227,636)	(337,150)
Payments for construction of infrastructure	4(a)	(5,484,802)	(3,451,674)	(4,162,605)
Non-operating grants, subsidies and contributions	9(b)	4,395,093	2,472,913	3,408,055
Proceeds from sale of plant and equipment	4(b)	75,000	92,954	60,000
Net cash provided by (used in) investing activities		(1,643,709)	(1,113,443)	(1,031,700)
Net increase (decrease) in cash held		(3,050,134)	3,157,327	(2,837,140)
Cash at beginning of year		10,059,898	6,902,571	6,903,500
Cash and cash equivalents at the end of the year	3	7,009,764	10,059,898	4,066,360

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

SHIRE OF NGAANYATJARRAKU
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2021/22 Budget \$	2020/21 Actual \$	2020/21 Budget \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	2	3,151,790	2,525,774	2,997,140
		3,151,790	2,525,774	2,997,140
Revenue from operating activities (excluding rates)				
Operating grants, subsidies and contributions	9(a)	4,147,035	5,949,564	3,567,284
Fees and charges	8	433,290	543,481	416,055
Interest earnings	12(a)	25,150	33,982	52,150
Other revenue	12(b)	27,426	76,124	92,416
Profit on asset disposals	4(b)	15,000	60,572	1,000
		4,647,901	6,663,723	4,128,905
Expenditure from operating activities				
Employee costs		(2,663,915)	(1,723,590)	(2,172,956)
Materials and contracts		(3,287,940)	(2,114,019)	(3,304,215)
Utility charges		(64,550)	(33,657)	(71,993)
Depreciation on non-current assets	5	(1,794,452)	(1,642,048)	(1,501,660)
Interest expenses	12(d)	(1,500)	(1,614)	(500)
Insurance expenses		(132,163)	(108,928)	(168,121)
Other expenditure		(78,740)	(31,211)	(96,079)
Loss on asset disposals	4(b)	0	(21,610)	(23,500)
		(8,023,260)	(5,676,677)	(7,339,024)
Non-cash amounts excluded from operating activities	2(b)	1,779,452	1,603,086	1,207,023
Amount attributable to operating activities		1,555,883	5,115,906	994,044
Investing Activities				
Non-operating grants, subsidies and contributions	9(b)	4,395,093	2,472,913	3,408,055
Payments for property, plant and equipment	4(a)	(629,000)	(227,636)	(337,150)
Payments for construction of infrastructure	4(a)	(5,484,802)	(3,451,674)	(4,162,605)
Proceeds from disposal of assets	4(b)	75,000	92,954	60,000
Amount attributable to investing activities		(1,643,709)	(1,113,443)	(1,031,700)
FINANCING ACTIVITIES				
Transfers to cash backed reserves (restricted assets)	7(a)	(101,656)	(1,023,262)	(160,000)
Amount attributable to financing activities		(101,656)	(1,023,262)	(160,000)
Budgeted deficiency before general rates		(189,482)	2,979,201	(197,656)
Estimated amount to be raised from general rates	1(a)	189,482	172,589	197,656
Net current assets at end of financial year - surplus/(deficit)	2	0	3,151,790	0

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

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SHIRE OF NGAANYATJARRAKU
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2022

1. RATES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2021/22 Budgeted rate revenue	2021/22 Budgeted interim rates	2021/22 Budgeted back rates	2021/22 Budgeted total revenue	2020/21 Actual total revenue	2020/21 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
Differential general rate or general rate									
Unimproved valuations	0.21000	28	898,344	188,652	(150)	0	188,502	171,609	196,676
Sub-Totals		28	898,344	188,652	(150)	0	188,502	171,609	196,676
Minimum payment	Minimum								
Unimproved valuations	245	4	3,471	980	0	0	980	980	980
Sub-Totals		4	3,471	980	0	0	980	980	980
		32	901,815	189,632	(150)	0	189,482	172,589	197,656
Total amount raised from general rates							189,482	172,589	197,656

All land (other than exempt land) in the Shire of Ngaanyatjarraku is rated according to its Unimproved Value (UV) in Shire of Ngaanyatjarraku.

The general rates detailed for the 2021/22 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of local government services/facilities.

1. RATES (CONTINUED)

(b) Interest Charges and Instalments - Rates and Service Charges

The following instalment options are available to ratepayers for the payment of rates and service charges.

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	11/10/2021	0	0.0%	7.0%
Option two				
First instalment	11/10/2021	0	0.0%	7.0%
Second instalment	13/12/2021	0	0.0%	7.0%
Option three				
First instalment	11/10/2021	0	0.0%	7.0%
Second instalment	13/12/2021	0	0.0%	7.0%
Third instalment	14/02/2022	0	0.0%	7.0%
Fourth instalment	14/04/2022	0	0.0%	7.0%

(c) Specified Area Rate

The Shire did not raise specified area rates for the year ended 30th June 2022.

(d) Service Charges

The Shire did not raise service charges for the year ended 30th June 2022.

(e) Waivers or concessions

The Shire does not anticipate any waivers or concessions for the year ended 30th June 2022.

SHIRE OF NGAANYATJARRAKU
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2022

2. NET CURRENT ASSETS

	Note	2021/22 Budget 30 June 2022	2020/21 Actual 30 June 2021	2020/21 Budget 30 June 2021
		\$	\$	\$
(a) Composition of estimated net current assets				
Current assets				
Cash and cash equivalents- unrestricted	3	641,125	3,792,915	67,487
Cash and cash equivalents - restricted	3	6,368,639	6,266,983	3,998,873
Receivables		5,049	5,049	65,617
Inventories		50,497	50,497	50,497
		7,065,310	10,115,444	4,182,474
Less: current liabilities				
Trade and other payables		(542,445)	(542,445)	(183,601)
Contract liabilities		(1,404,848)	(1,404,848)	0
Employee provisions		(144,059)	(144,059)	0
Other provisions		(10,167)	(10,167)	0
		(2,101,519)	(2,101,519)	(183,601)
Net current assets		4,963,791	8,013,925	3,998,873
Less: Total adjustments to net current assets	2.(c)	(4,963,791)	(4,862,135)	(3,998,873)
Net current assets used in the Rate Setting Statement		0	3,151,790	0

2. NET CURRENT ASSETS (CONTINUED)

EXPLANATION OF DIFFERENCE IN NET CURRENT ASSETS AND SURPLUS/(DEFICIT)

Items excluded from calculation of budgeted deficiency

When calculating the budget deficiency for the purpose of Section 6.2 (2)(c) of the *Local Government Act 1995* the following amounts have been excluded as provided by *Local Government (Financial Management) Regulation 32* which will not fund the budgeted expenditure.

(b) Operating activities excluded from budgeted deficiency

The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with *Financial Management Regulation 32*.

Adjustments to operating activities

Less: Profit on asset disposals
 Add: Loss on disposal of assets
 Add: Depreciation on assets
 Movement in current contract liabilities associated with restricted cash

Non cash amounts excluded from operating activities

(c) Current assets and liabilities excluded from budgeted deficiency

The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

Adjustments to net current assets

Less: Cash - restricted reserves

Total adjustments to net current assets

Note	2021/22 Budget 30 June 2022	2020/21 Actual 30 June 2021	2020/21 Budget 30 June 2021
	\$	\$	\$
4(b)	(15,000)	(60,572)	(1,000)
4(b)	0	21,610	23,500
5	1,794,452	1,642,048	1,501,660
	0	0	(317,137)
	1,779,452	1,603,086	1,207,023
7	(4,963,791)	(4,862,135)	(3,998,873)
	(4,963,791)	(4,862,135)	(3,998,873)

2 (d) NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

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 unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the Shire's intentions to release for sale.

TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire of Ngaanyatjarraku 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.

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.

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.

Superannuation

The Shire of Ngaanyatjarraku contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Ngaanyatjarraku contributes are defined contribution plans.

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.

CONTRACT ASSETS

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

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 uncollectible 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 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.

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.

EMPLOYEE BENEFITS

Short-term employee benefits

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

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

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.

3. RECONCILIATION OF CASH

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Estimated cash at the end of the reporting period is as follows:

Note	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Cash at bank and on hand	7,009,764	10,059,898	4,066,360
Total cash and cash equivalents	7,009,764	10,059,898	4,066,360
Held as			
- Unrestricted cash and cash equivalents	641,125	3,792,915	67,487
- Restricted cash and cash equivalents	6,368,639	6,266,983	3,998,873
	7,009,764	10,059,898	4,066,360
Restrictions			
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	6,368,639	6,266,983	3,998,873
	6,368,639	6,266,983	3,998,873
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash/financial asset backed	7	4,963,791	4,862,135
Contract liabilities		1,404,848	1,404,848
		6,368,639	6,266,983
			3,998,873
Reconciliation of net cash provided by operating activities to net result			
Net result		1,209,216	3,632,548
			395,592
Depreciation	5	1,794,452	1,642,048
(Profit)/loss on sale of asset	4(b)	(15,000)	(38,962)
(Increase)/decrease in receivables		0	60,568
Increase/(decrease) in payables		0	359,770
Increase/(decrease) in contract liabilities		0	1,087,711
Non-operating grants, subsidies and contributions		(4,395,093)	(2,472,913)
Net cash from operating activities		(1,406,425)	4,270,770
			(1,805,440)

SIGNIFICANT ACCOUNTING POLICES

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 2 - Net Current Assets.

FINANCIAL ASSETS AT AMORTISED COST

The Shire classifies financial assets at amortised cost if both of 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.

4. FIXED ASSETS

(a) Acquisition of Assets

The following assets are budgeted to be acquired during the year.

Reporting program

Asset class	Reporting program				2021/22	2020/21	2020/21
	Governance	Community amenities	Recreation and culture	Transport	Budget total	Actual total	Budget total
	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>							
Buildings - non-specialised	0	0	0	0	0	32,902	53,150
Buildings - specialised	0	0	20,000	270,000	290,000	0	0
Furniture and equipment	55,000	0	0	0	55,000	0	0
Plant and equipment	90,000	100,000	0	94,000	284,000	194,734	284,000
	145,000	100,000	20,000	364,000	629,000	227,636	337,150
<i>Infrastructure</i>							
Infrastructure - roads	0	0	0	5,479,802	5,479,802	3,450,851	4,157,605
Infrastructure - recreation	0	0	5,000	0	5,000	823	5,000
Infrastructure - other	0	0	0	0	0	0	0
	0	0	5,000	5,479,802	5,484,802	3,451,674	4,162,605
Total acquisitions	145,000	100,000	25,000	5,843,802	6,113,802	3,679,310	4,499,755

SIGNIFICANT ACCOUNTING POLICIES

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.

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

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4. FIXED ASSETS

(b) Disposals of Assets

The following assets are budgeted to be disposed of during the year.

	2021/22 Budget Net Book Value	2021/22 Budget Sale Proceeds	2021/22 Budget Profit	2021/22 Budget Loss	2020/21 Actual Net Book Value	2020/21 Actual Sale Proceeds	2020/21 Actual Profit	2020/21 Actual Loss	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Governance	0	0	0	0	21,610	0	0	(21,610)	44,000	22,000	0	(22,000)
Transport	60,000	75,000	15,000	0	32,382	92,954	60,572	0	38,500	38,000	1,000	(1,500)
	60,000	75,000	15,000	0	53,992	92,954	60,572	(21,610)	82,500	60,000	1,000	(23,500)
By Class												
<i>Property, Plant and Equipment</i>												
Plant and equipment	60,000	75,000	15,000	0	53,992	92,954	60,572	(21,610)	82,500	60,000	1,000	(23,500)
	60,000	75,000	15,000	0	53,992	92,954	60,572	(21,610)	82,500	60,000	1,000	(23,500)

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

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.

5. ASSET DEPRECIATION

By Program

Governance
Law, order, public safety
Health
Education and welfare
Housing
Community amenities
Recreation and culture
Transport

By Class

Buildings - non-specialised
Furniture and equipment
Plant and equipment
Infrastructure - roads
Infrastructure - recreation
Infrastructure - other

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
	47,812	38,000	29,484
	1,831	1,821	1,821
	16,395	17,494	15,472
	25,751	25,611	25,610
	92,109	91,607	91,607
	24,577	24,443	31,844
	49,417	49,148	49,735
	1,536,560	1,393,924	1,256,087
	1,794,452	1,642,048	1,501,660
	153,111	152,277	151,607
	10,446	10,390	10,389
	101,562	92,644	100,411
	1,516,312	1,373,787	1,237,033
	2,756	2,741	2,220
	10,265	10,209	0
	1,794,452	1,642,048	1,501,660

SIGNIFICANT ACCOUNTING POLICIES

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.

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:

Buildings - non-specialised	50 years
Furniture and equipment	4 years
Plant and equipment	5 years
Infrastructure - roads	0 - 32 years
Infrastructure - recreation	50 years
Infrastructure - other	20 years

AMORTISATION

The depreciable amount of all intangible assets with a finite useful life, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The assets residual value of intangible assets is considered to be zero and useful live and amortisation method are reviewed at the end of each financial year.

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income.

6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

Movement in borrowings and interest between the beginning and the end of the current financial year.

The Shire has not budgeted to have any borrowings for the year ended 30th June 2022 and did not have or budget to have any borrowings for the year ended 30th June 2021

(b) New borrowings - 2021/22

The Shire does not intend to undertake any new borrowings for the year ended 30th June 2022

(c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30th June 2021 nor is it expected to have unspent borrowing funds as at 30th June 2022.

SIGNIFICANT ACCOUNTING POLICIES

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.

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2021/22 Budget Opening Balance	2021/22 Budget Transfer to	2021/22 Budget Transfer (from)	2021/22 Budget Closing Balance	2020/21 Actual Opening Balance	2020/21 Actual Transfer to	2020/21 Actual Transfer (from)	2020/21 Actual Closing Balance	2020/21 Budget Opening Balance	2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Employee entitlement reserve	311,531	0	0	311,531	309,822	1,709	0	311,531	309,822	0	0	309,822
(b) Asset replacement, acquisition & dev	4,093,527	101,656	0	4,195,183	3,522,013	571,514	0	4,093,527	3,522,013	0	0	3,522,013
(c) Cultural centre reserve	122,077	0	0	122,077	7,038	115,039	0	122,077	7,038	80,000	0	87,038
(d) Strategic reserve	335,000	0	0	335,000	0	335,000	0	335,000	0	80,000	0	80,000
	4,862,135	101,656	0	4,963,791	3,838,873	1,023,262	0	4,862,135	3,838,873	160,000	0	3,998,873

(b) Cash Backed Reserves - Purposes

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	Anticipated date of use	Purpose of the reserve
(a) Employee entitlement reserve	ongoing	To provide for the payment of employee entitlements.
(b) Asset replacement, acquisition & development reserve	ongoing	To provide and replace the necessary equipment, furniture, plant, buildings and infrastructure comprising of roads, drains, footpaths and recreational reserves.
(c) Cultural centre reserve	ongoing	To provide for the successful operation of the Cultural Centre as provided in clause 8.21 of the management deed between the Shire of Ngaanyatjarraku, Warburton Community Incorporated and the Ngaanyatjarra Council (Aboriginal Corporation), transfers to the reserve representing surplus funds from the day to day operations of the Cultural Centre after deducting costs incurred by the Shire.
(d) Strategic reserve	ongoing	To provide for the reduction of financial risk of unanticipated events in the occurrence of a natural disaster. To provide for strategic actions in support of identified activities that cannot be funded in the one budget period. To provide for the capacity to take-up unanticipated strategic opportunities.

8. FEES & CHARGES REVENUE

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Governance	250	500	0
Health	320	330	400
Education and welfare	102,000	102,857	48,000
Housing	140,000	180,418	95,590
Community amenities	29,720	71,520	71,265
Recreation and culture	160,000	187,856	200,000
Economic services	1,000	0	800
	433,290	543,481	416,055

9. GRANT REVENUE

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
By Program:			
(a) Operating grants, subsidies and contributions			
Governance	2,000	1,991	1,555,027
General purpose funding	1,493,336	3,261,033	2,000
Community amenities	99,405	0	0
Recreation and culture	0	30,994	0
Transport	2,552,294	2,655,546	2,010,257
	4,147,035	5,949,564	3,567,284
(b) Non-operating grants, subsidies and contributions			
Transport	4,395,093	2,472,913	3,408,055
	4,395,093	2,472,913	3,408,055
Total grants, subsidies and contributions	8,542,128	8,422,477	6,975,339

SHIRE OF NGAANYATJARRAKU
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10. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	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
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contractual commitments	General appropriations and contributions with no specific contractual commitments	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
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

11. ELECTED MEMBERS REMUNERATION

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Elected member [describe]			
President's allowance	6,000	6,000	6,000
Meeting attendance fees	5,350	5,170	5,300
Travel and accommodation expenses	375	0	375
	11,725	11,170	11,675
Elected member [describe]			
Deputy President's allowance	1,500	1,500	1,500
Meeting attendance fees	2,970	1,650	2,350
Travel and accommodation expenses	375	0	375
	4,845	3,150	4,225
Elected member [describe]			
Meeting attendance fees	2,970	1,760	2,350
Travel and accommodation expenses	375	807	375
	3,345	2,567	2,725
Elected member [describe]			
Meeting attendance fees	2,970	1,980	2,350
Travel and accommodation expenses	375	0	375
	3,345	1,980	2,725
Elected member [describe]			
Meeting attendance fees	2,970	2,310	2,350
Travel and accommodation expenses	375	0	375
	3,345	2,310	2,725
Elected member [describe]			
Meeting attendance fees	2,970	2,420	2,350
Travel and accommodation expenses	375	0	375
	3,345	2,420	2,725
Elected member [describe]			
Meeting attendance fees	2,970	2,750	2,350
Travel and accommodation expenses	375	0	375
	3,345	2,750	2,725
Elected member [describe]			
Meeting attendance fees	2,970	0	2,350
Travel and accommodation expenses	375	0	375
	3,345	0	2,725
Total Elected Member Remuneration	36,640	26,347	32,250
President's allowance	6,000	6,000	6,000
Deputy President's allowance	1,500	1,500	1,500
Meeting attendance fees	26,140	18,040	21,750
Travel and accommodation expenses	3,000	807	3,000
	36,640	26,347	32,250

