

Financial Statements



SHIRE OF WAROONA

BUDGET

FOR THE YEAR ENDED 30 JUNE 2022

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

The Shire of Waroona will create a sense of place and identity, embracing creativity, our natural environment and a strong and diverse economy.

SHIRE OF WAROONA
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)	5,130,352	5,029,681	5,023,646
Operating grants, subsidies and contributions	9(a)	2,415,297	1,705,599	1,077,647
Fees and charges	8	1,505,267	1,548,716	1,298,904
Interest earnings	12(a)	21,900	22,557	70,190
Other revenue	12(b)	101,700	63,622	94,500
		9,174,516	8,370,175	7,564,887
Expenses				
Employee costs		(3,213,126)	(2,963,599)	(3,192,294)
Materials and contracts		(4,027,660)	(3,278,612)	(3,350,289)
Utility charges		(421,435)	(375,752)	(407,460)
Depreciation on non-current assets	5	(3,451,314)	(3,387,692)	(3,292,598)
Interest expenses	12(d)	(22,720)	(18,089)	(11,587)
Insurance expenses		(241,373)	(196,843)	(228,944)
Other expenditure		(306,906)	(339,491)	(335,566)
		(11,684,534)	(10,560,078)	(10,818,738)
Subtotal		(2,510,018)	(2,189,903)	(3,253,851)
Non-operating grants, subsidies and contributions	9(b)	4,932,073	1,789,524	1,450,459
Profit on asset disposals	4(b)	38,470	24,534	13,952
Loss on asset disposals	4(b)	(957)	(17,273)	(32,157)
		4,969,586	1,796,785	1,432,254
Net result		2,459,568	(393,118)	(1,821,597)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		2,459,568	(393,118)	(1,821,597)

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

SHIRE OF WAROONA

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 Waroona 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 WAROONA
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		49,930	117,050	104,267
General purpose funding		5,653,229	5,999,425	5,636,129
Law, order, public safety		110,608	146,011	105,515
Health		37,700	38,780	37,500
Education and welfare		51,378	141,310	66,645
Housing		14,300	15,061	15,600
Community amenities		1,308,241	1,205,126	997,684
Recreation and culture		1,210,605	498,921	427,215
Transport		73,650	79,685	72,970
Economic services		640,475	93,521	76,602
Other property and services		24,400	35,285	24,760
		9,174,516	8,370,175	7,564,887
Expenses excluding finance costs	4(a),5,12(c)(e)(e)			
Governance		(1,508,539)	(1,383,600)	(1,453,169)
General purpose funding		(185,986)	(116,939)	(153,214)
Law, order, public safety		(675,135)	(602,519)	(567,915)
Health		(213,166)	(205,128)	(231,608)
Education and welfare		(490,530)	(371,627)	(386,215)
Housing		(10,344)	(8,643)	(9,030)
Community amenities		(1,875,746)	(1,663,026)	(1,558,041)
Recreation and culture		(3,154,436)	(2,721,519)	(2,951,446)
Transport		(2,901,420)	(2,818,095)	(2,804,321)
Economic services		(622,607)	(575,804)	(657,817)
Other property and services		(23,905)	(75,089)	(34,375)
		(11,661,814)	(10,541,989)	(10,807,151)
Finance costs	7,6(a),12(d)			
Recreation and culture		(8,920)	(11,325)	(11,587)
Economic services		(13,800)	(6,764)	0
		(22,720)	(18,089)	(11,587)
Subtotal		(2,510,018)	(2,189,903)	(3,253,851)
Non-operating grants, subsidies and contributions	9(b)	4,932,073	1,789,524	1,450,459
Profit on disposal of assets	4(b)	38,470	24,534	13,952
(Loss) on disposal of assets	4(b)	(957)	(17,273)	(32,157)
		4,969,586	1,796,785	1,432,254
Net result		2,459,568	(393,118)	(1,821,597)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		2,459,568	(393,118)	(1,821,597)

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.

Rates and general purpose Government Grants. Expenses relating to these items.

GENERAL PURPOSE FUNDING

Rates and general purpose Government Grants.

Rates and general purpose Government Grants. Expenses relating to these items.

LAW, ORDER, PUBLIC SAFETY

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

Fire prevention and animal control by the supervision of various by-laws, public security and civil emergency services.

HEALTH

To provide an operational framework for environmental and community health.

Food control, operation of Child Health Clinic and general health services. Operation of Waroona Community Health and Resource Centre.

EDUCATION AND WELFARE

To provide services to disadvantaged persons, the elderly, children and youth.

Operation of Pre-School facilities and Senior Citizens Centre & Community Development Officer.

HOUSING

To provide and maintain residential housing.

Rental of Council owned house at 1 Eastcott Street Waroona.

COMMUNITY AMENITIES

To provide services required by the community.

Rubbish and recycling collection service, maintenance and improvement of stormwater drainage, upkeep of cemeteries, litter control, town planning control and public conveniences.

RECREATION AND CULTURE

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

Maintenance of halls and pavilions, ovals, parks and gardens, public Library and Waroona Indoor Recreation and Aquatic Centre.

TRANSPORT

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

Construction and maintenance of roads. drainage ,footpaths, parking facilities, traffic signs, street cleaning and vehicle licensing function.

ECONOMIC SERVICES

To help promote the Shire and its economic wellbeing.

Tourism, pest control services, implementation of building controls, operation of Landcare premises and regional development.

OTHER PROPERTY AND SERVICES

To monitor and control Council's overhead operating accounts.

Private works, public work overheads (ie - engineering, leave, public holidays), plant operation (ie - repairs, wages, insurance), stock and materials.

SHIRE OF WAROONA
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		5,155,352	5,145,831	5,093,646
Operating grants, subsidies and contributions		2,490,297	1,695,370	1,127,647
Fees and charges		1,505,267	1,548,716	1,298,904
Service charges		0	0	0
Interest received		21,900	22,557	70,190
Goods and services tax received		5,176	71,998	15,048
Other revenue		93,100	63,622	94,500
		9,271,092	8,548,094	7,699,935
Payments				
Employee costs		(3,154,526)	(3,068,925)	(3,242,294)
Materials and contracts		(3,951,560)	(2,931,034)	(3,495,289)
Utility charges		(421,435)	(375,752)	(407,460)
Interest expenses		(24,220)	(15,426)	(11,587)
Insurance paid		(241,373)	(196,843)	(228,944)
Goods and services tax paid		0	0	0
Other expenditure		(306,906)	(339,491)	(307,004)
		(8,100,020)	(6,927,471)	(7,692,578)
Net cash provided by (used in) operating activities	3	1,171,072	1,620,623	7,357
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	4(a)	(1,283,775)	(1,311,550)	(1,080,630)
Payments for construction of infrastructure	4(a)	(6,604,372)	(1,858,136)	(1,876,049)
Non-operating grants, subsidies and contributions	9(b)	4,932,073	1,789,524	1,450,459
Proceeds from sale of plant and equipment	4(b)	208,950	157,734	194,000
Net cash provided by (used in) investing activities		(2,747,124)	(1,222,427)	(1,312,220)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(104,809)	(78,116)	(64,046)
Proceeds from low interest loans		0	5,000	5,000
Proceeds from new borrowings	6(a)	450,000	660,000	0
Net cash provided by (used in) financing activities		345,191	586,884	(59,046)
Net increase (decrease) in cash held		(1,230,861)	985,080	(1,363,909)
Cash at beginning of year		3,878,053	4,117,511	3,700,213
Cash and cash equivalents at the end of the year	3	2,647,192	5,102,591	2,336,304

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

SHIRE OF WAROONA
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(a)	1,363,300	1,187,251	1,124,657
		1,363,300	1,187,251	1,124,657
Revenue from operating activities (excluding rates)				
Governance		52,984	123,183	108,672
General purpose funding		522,877	969,744	612,483
Law, order, public safety		110,608	146,011	105,515
Health		37,700	38,780	37,500
Education and welfare		55,783	141,310	68,264
Housing		14,300	15,061	15,600
Community amenities		1,308,241	1,205,126	997,684
Recreation and culture		1,211,485	498,921	427,215
Transport		103,781	98,086	80,898
Economic services		640,475	93,521	76,602
Other property and services		24,400	35,285	24,760
		4,082,634	3,365,028	2,555,193
Expenditure from operating activities				
Governance		(1,508,539)	(1,383,600)	(1,453,169)
General purpose funding		(185,986)	(116,939)	(153,214)
Law, order, public safety		(675,135)	(602,519)	(567,915)
Health		(213,166)	(205,128)	(231,608)
Education and welfare		(490,530)	(371,627)	(386,215)
Housing		(10,344)	(8,643)	(9,030)
Community amenities		(1,875,746)	(1,663,026)	(1,558,041)
Recreation and culture		(3,163,356)	(2,732,844)	(2,963,033)
Transport		(2,902,377)	(2,835,368)	(2,832,478)
Economic services		(636,407)	(582,568)	(661,817)
Other property and services		(23,905)	(75,089)	(34,375)
		(11,685,491)	(10,577,351)	(10,850,895)
Non-cash amounts excluded from operating activities	2(b)	3,466,074	2,913,681	3,274,365
Amount attributable to operating activities		(2,773,483)	(3,111,391)	(3,896,680)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		4,932,073	1,789,524	1,450,459
Payments for property, plant and equipment	4(a)	(1,283,775)	(1,311,550)	(1,080,630)
Payments for construction of infrastructure	4(a)	(6,604,372)	(1,858,136)	(1,876,049)
Proceeds from disposal of assets	4(b)	208,950	157,734	194,000
		(2,747,124)	(1,222,427)	(1,312,220)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(104,809)	(78,116)	(64,046)
Unspent Grants as at 30 June 2019		0	77,597	77,597
Low interest loan repayment			5,000	5,000
Proceeds from new borrowings	6(a)	450,000	660,000	0
Transfers to cash backed reserves (restricted assets)	7(a)	(145,260)	(234,180)	(152,070)
Transfers from cash backed reserves (restricted assets)	7(a)	190,325	237,138	318,770
Amount attributable to financing activities		390,256	667,438	185,251
Budgeted deficiency before imposition of general rates		(5,130,352)	(3,666,380)	(5,023,646)
Estimated amount to be raised from general rates	1	5,130,352	5,029,680	5,023,646
Net current assets at end of financial year - surplus/(deficit)	2(a)	0	1,363,300	0

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

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SHIRE OF WAROONA
 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									
Gross rental valuations									
Waroona GRV	0.10508	1,393	22,874,280	2,403,699			2,403,699	2,419,707	2,415,662
Unimproved valuations									
Waroona UV	0.00806	564	224,870,000	1,811,328			1,811,328	1,785,573	1,783,584
Sub-Totals		1,957	247,744,280	4,215,027	0	0	4,215,027	4,205,280	4,199,246
Minimum									
Minimum payment									
	\$								
Gross rental valuations									
Waroona GRV	1,175	674	4,899,358	791,950			791,950	713,335	713,335
Unimproved valuations									
Waroona UV	1,175	105	8,944,099	123,375			123,375	111,065	111,065
Sub-Totals		779	13,843,457	915,325	0	0	915,325	824,400	824,400
		2,736	261,587,737	5,130,352	0	0	5,130,352	5,029,680	5,023,646
Total amount raised from general rates							5,130,352	5,029,680	5,023,646

All land (other than exempt land) in the Shire of Waroona is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the Shire of Waroona.

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.

SHIRE OF WAROONA
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2022
 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	10/09/2021	0	0.0%	0.0%
Option two				
First instalment	10/09/2021	0	0.0%	0.0%
Second instalment	10/11/2021	10	5.5%	7.0%
Option three				
First instalment	10/09/2021	0	0.0%	0.0%
Second instalment	10/11/2021	10	5.5%	7.0%
Third instalment	10/01/2022	10	5.5%	7.0%
Fourth instalment	10/03/2022	10	5.5%	7.0%

	2021/22 Budget revenue	2020/21 Actual revenue	2020/21 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	18,200	16,910	21,000
Instalment plan interest earned	14,200	14,596	14,700
Unpaid rates and service charge interest earned	21,400	29,478	25,300
	53,800	60,984	61,000

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

2. NET CURRENT ASSETS

	2021/22 Budget 30 June 2022	2020/21 Actual 30 June 2021	2020/21 Budget 30 June 2021
Note	\$	\$	\$
(a) Composition of estimated net current assets			
Current assets			
Cash and cash equivalents- unrestricted	235,696	1,433,818	56,400
Cash and cash equivalents - restricted	2,411,496	2,456,561	2,279,904
Receivables	276,114	381,290	424,161
Inventories	9,342	6,842	10,676
	<u>2,932,648</u>	<u>4,278,511</u>	<u>2,771,141</u>
Less: current liabilities			
Trade and other payables	(521,152)	(458,650)	(491,237)
	<u>(521,152)</u>	<u>(458,650)</u>	<u>(491,237)</u>
Net current assets	<u>2,411,496</u>	<u>3,819,861</u>	<u>2,279,904</u>
Less: Total adjustments to net current assets	2.(d) (2,411,496)	(2,456,561)	(2,279,904)
Net current assets used in the Rate Setting Statement	<u>0</u>	<u>1,363,300</u>	<u>0</u>

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
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 non-current employee provisions

Non cash amounts excluded from operating activities

(d) 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)	(38,470)	(24,534)	(13,952)
4(b)	957	17,273	32,157
5	3,451,314	2,969,208	3,292,598
	52,273	(48,266)	(36,438)
	3,466,074	2,913,681	3,274,365
7	(2,411,496)	(2,456,561)	(2,279,904)
	(2,411,496)	(2,456,561)	(2,279,904)

2 (e) 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 Waroona 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 City 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 Waroona contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Waroona 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.

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	235,696	1,433,817	56,399
Term deposits	2,411,496	2,456,562	2,279,905
Total cash and cash equivalents	2,647,192	3,890,379	2,336,304
Held as			
- Unrestricted cash and cash equivalents	235,696	1,433,818	56,400
- Restricted cash and cash equivalents	2,411,496	2,456,561	2,279,904
	2,647,192	3,890,379	2,336,304
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	2,411,496	2,456,561	2,279,904
	2,411,496	2,456,561	2,279,904
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash/financial asset backed	7 2,411,496	2,456,561	2,279,904
	2,411,496	2,456,561	2,279,904
Reconciliation of net cash provided by operating activities to net result			
Net result	2,459,568	(393,118)	(1,821,597)
Depreciation	5 3,451,314	3,387,692	3,292,598
(Profit)/loss on sale of asset	4(b) (37,513)	(7,261)	18,205
(Increase)/decrease in receivables	105,176	177,919	135,048
(Increase)/decrease in inventories	(2,500)	3,834	
Increase/(decrease) in payables	77,100	289,347	(130,000)
Increase/(decrease) in employee provisions	50,000	(48,266)	(36,438)
Non-operating grants, subsidies and contributions	(4,932,073)	(1,789,524)	(1,450,459)
Net cash from operating activities	1,171,072	1,620,623	7,357

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.

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program											2021/22 Budget total	2020/21 Actual total	2020/21 Budget total		
	Governance	General purpose funding	Law, order, public safety	Health	Education and welfare	Housing	Community amenities	Recreation and culture	Transport	Economic services	Other property and services					
<i>Property, Plant and Equipment</i>																
Land												0	667,625	0		
Buildings	100,000				16,000		218,000	336,575		19,500		690,075	57,318	363,000		
Furniture and equipment			8,900					10,000				18,900	56,913	32,000		
Plant and equipment	28,000				44,000		10,000	105,300	387,500			574,800	529,694	685,630		
	128,000	0	8,900	0	60,000	0	228,000	451,875	387,500	19,500	0	1,283,775	1,311,550	1,080,630		
<i>Infrastructure</i>																
Infrastructure - roads									2,380,756			2,380,756	1,503,885	1,466,044		
Infrastructure - other							153,000	931,145	77,250	3,062,221		4,223,616	354,251	410,005		
	0	0	0	0	0	0	153,000	931,145	2,458,006	3,062,221	0	6,604,372	1,858,136	1,876,049		
Total acquisitions	128,000	0	8,900	0	60,000	0	381,000	1,383,020	2,845,506	3,081,721	0	7,888,147	3,169,685	2,956,679		

A detailed breakdown of acquisitions on an individual asset basis can be found in the supplementary information attached to this budget document.

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.

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
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	24,946	28,000	3,054	0	26,594	32,727	6,133	0	29,595	34,000	4,405	0
General Purpose Funding		0	0	0		0	0	0		0	0	0
Law, order, public safety		0	0	0		0	0	0		0	0	0
Health		0	0	0		0	0	0		0	0	0
Education and welfare	29,595	34,000	4,405	0		0	0	0	28,381	30,000	1,619	0
Housing		0	0	0		0	0	0		0	0	0
Community amenities		0	0	0		0	0	0		0	0	0
Recreation and culture	24,570	25,450	880	0		0	0	0		0	0	0
Transport	92,326	121,500	30,131	(957)	123,879	125,007	18,401	(17,273)	126,229	106,000	7,928	(28,157)
Economic services		0	0	0		0	0	0	28,000	24,000	0	(4,000)
Other property and services		0	0	0		0	0	0		0	0	0
	171,437	208,950	38,470	(957)	150,473	157,734	24,534	(17,273)	212,205	194,000	13,952	(32,157)
By Class												
<i>Property, Plant and Equipment</i>												
Plant and equipment	171,437	208,950	38,470	(957)	150,473	157,734	24,534	(17,273)	212,205	194,000	13,952	(32,157)
	171,437	208,950	38,470	(957)	150,473	157,734	24,534	(17,273)	212,205	194,000	13,952	(32,157)

A detailed breakdown of disposals on an individual asset basis can be found in the supplementary information attached to this budget document

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
Community amenities
Recreation and culture
Transport
Economic services
Other property and services

By Class

Buildings
Furniture and equipment
Plant and equipment
Infrastructure - roads
Infrastructure - other

2021/22 Budget	2020/21 Actual	2020/21 Budget
\$	\$	\$
103,150	93,931	97,304
148,193	119,084	98,732
51,927	45,514	51,216
39,011	30,840	34,360
321,873	305,881	305,179
835,912	706,709	818,627
1,875,946	1,601,976	1,815,393
51,952	44,583	48,887
23,350	20,690	22,900
3,451,314	2,969,208	3,292,598
806,933	631,167	763,426
45,650	37,268	27,902
223,904	193,082	246,719
1,675,277	1,491,653	1,574,295
699,550	616,038	680,256
3,451,314	2,969,208	3,292,598

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	40 - 60 Years
Furniture and equipment	3 - 20 Years
Plant and equipment	5 - 10 Years
Seats & Benches	15 - 25 Years
Water supply piping	20 - 40 Years
Roads	
Formation	Not Depreciated
Construction	45 - 55 Years
Bituminous Seals	15 - 25 Years
Asphalt Seals	25 - 30 Years
Unsealed Roads	
Formed	10 - 15 Years
Gravel	12 - 15 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.

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

6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	Budget	2021/22	2021/22	Budget	2021/22	Actual Principal 1 July 2020	2020/21	2020/21	Actual	2020/21	Budget	2020/21	Budget	2020/21		
				Principal 1 July 2021	Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2022	Budget Interest Repayments		Actual New Loans	Actual Principal Repayments	Principal outstanding 30 June 2021	Actual Interest Repayments	Principal 1 July 2020	Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2021	Budget Interest Repayments	
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Recreation and culture																			
Basketball Stadium	117	WATC	6.6%	52,274		(16,310)	35,964	(3,326)	67,561			(15,287)	52,274	(4,041)	67,561		(15,287)	52,274	(4,134)
Rec Centre Upgrade	120	WATC	3.9%	68,319		(21,897)	46,422	(2,648)	89,385			(21,066)	68,319	(3,275)	89,385		(21,066)	68,319	(3,291)
Memorial Hall Upgrade	121	WATC	3.0%	119,310		(28,522)	90,788	(3,333)	147,003			(27,693)	119,310	(4,009)	147,003		(27,693)	119,310	(4,162)
Economic services																			
Town Precinct Land	122	WATC	1.6%	645,929		(28,480)	617,449	(9,933)	0	660,000	(14,071)	645,929	(6,764)						0
Town Precinct Development	123	WATC	1.6%	0	450,000	(9,600)	440,400	(3,480)	0			0							0
				885,832	450,000	(104,809)	1,231,023	(22,720)	303,948	660,000	(78,116)	885,832	(18,089)	303,948	0	(64,046)	239,903	(11,587)	
				885,832	450,000	(104,809)	1,231,023	(22,720)	303,948	660,000	(78,116)	885,832	(18,089)	303,948	0	(64,046)	239,903	(11,587)	

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.

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

6. INFORMATION ON BORROWINGS

(b) New borrowings - 2021/22

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
Town Precinct Development	WATC	Debenture	20	1.6%	\$ 450,000	\$ 77,388	\$ 450,000	\$ 0
					450,000	77,388	450,000	0

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.

(d) Credit Facilities

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Undrawn borrowing facilities credit standby arrangements			
Bank overdraft limit	500,000	500,000	500,000
Bank overdraft at balance date	0	0	0
Credit card limit	37,000	37,000	33,000
Credit card balance at balance date	0	(3,417)	
Total amount of credit unused	537,000	533,583	533,000
Loan facilities			
Loan facilities in use at balance date	1,231,023	885,832	239,903

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.

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

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) Emergency Assistance Reserve	105,957			105,957	105,957			105,957	105,401	0	0	105,401
(b) Sports Reserve	77,953			77,953	72,703	5,250		77,953	72,322	5,250	0	77,572
(c) Staff Leave Reserve	128,931			128,931	128,931			128,931	128,245	0	0	128,245
(d) Waste Management Reserve	960,658	133,000		1,093,658	827,658	133,000		960,658	823,315	133,000	(55,000)	901,315
(e) Rec Centre Building Reserve	124,753		(55,000)	69,753	124,753			124,753	124,098	0	0	124,098
(f) Plant Replacement Reserve	381,066		(120,000)	261,066	569,836		(188,770)	381,066	566,846	0	(188,770)	378,076
(g) Depot Redevelopment Reserve	80,262			80,262	80,262			80,262	79,841	0	0	79,841
(h) Council Building Maintenance Reser	98,101		(4,425)	93,676	87,101	11,000		98,101	86,644	0	0	86,644
(i) Strategic Planning Reserve	19,961			19,961	19,961			19,961	19,856	0	0	19,856
(j) Council Building Construction Reser	169,474			169,474	217,842		(48,368)	169,474	216,699	0	(75,000)	141,699
(k) Preston Beach Volunteer Reserve	43,027	11,510	(10,900)	43,637	31,632	11,395		43,027	31,466	13,170	0	44,636
(l) Information Technology Reserve	143,487			143,487	143,487			143,487	142,734	0	0	142,734
(m) Footpath construction Reserve	31,858			31,858	31,858			31,858	31,691	0	0	31,691
(n) History Book Reprint Reserve	9,327	750		10,077	8,322	1,005		9,327	8,279	650	0	8,929
(o) Risk & Insurance Reserve	9,215			9,215	9,215			9,215	9,167	0	0	9,167
(p) Drakesbrook Cemetery Reserve	72,531			72,531	0	72,531		72,531				0
	2,456,561	145,260	(190,325)	2,411,496	2,459,519	234,180	(237,138)	2,456,561	2,446,604	152,070	(318,770)	2,279,904

(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) Emergency Assistance Reserve	Ongoing	To provide funds to assist in emergency situations e.g.: major fire
(b) Sports Reserve	Ongoing	To provide funds for sporting facilities and equipment as determined by Council together with low interest loans applications
(c) Staff Leave Reserve	Ongoing	To be used to fund annual and long service leave requirements
(d) Waste Management Reserve	Ongoing	To be used to maintain operations at Buller Road Refuse Site
(e) Rec Centre Building Reserve	Ongoing	To be used for future building asset maintenance items at the Recreation Centre, particularly plant
(f) Plant Replacement Reserve	Ongoing	To be used for the purchase and replacement of major plant
(g) Depot Redevelopment Reserve	Ongoing	To provide funds for the provision of vehicle storage bays at Works Depot
(h) Council Building Maintenance Reser	Ongoing	To be used to fund works associated with significant maintenance for Council Buildings and work associated with emergency repairs
(i) Strategic Planning Reserve	Ongoing	To provide funds for the future requirements of Council's Strategic Planning
(j) Council Building Construction Reser	Ongoing	To be used to fund capital works in accordance with projects within Council's LTFP and works associated with emergency repairs
(k) Preston Beach Volunteer Reserve	Ongoing	To provide funds to assist in the operations of the volunteer ranger functions including replacement of equipment
(l) Information Technology Reserve	Ongoing	To be used to ensure that the network computer system is maintained including external site connections
(m) Footpath construction Reserve	Ongoing	To provide funds for future extension of Dual use path network
(n) History Book Reprint Reserve	2027/2028	To be used to fund the update reprint of the 'Drakesbrook days and Waroona years' historical book
(o) Risk & Insurance Reserve	Ongoing	To be used for expenses associated with risk assessments and insurance adjustments or unforeseen expenses
(p) Drakesbrook Cemetery Reserve	Ongoing	To be used for expenses associated with the Drakesbrook Cemetery

8. FEES & CHARGES REVENUE

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Governance	34,080	35,494	31,490
General purpose funding	36,600	51,687	37,000
Law, order, public safety	39,250	43,908	36,670
Health	37,600	38,780	37,400
Education and welfare	410	410	410
Housing	14,300	14,165	15,600
Community amenities	1,106,041	1,006,914	903,492
Recreation and culture	158,240	272,607	163,160
Transport	150	150	170
Economic services	73,696	81,586	68,452
Other property and services	4,900	3,016	5,060
	1,505,267	1,548,716	1,298,904

9. GRANT REVENUE

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
By Program:			
(a) Operating grants, subsidies and contributions			
Governance	11,850	110,283	68,777
General purpose funding	450,177	921,446	490,593
Law, order, public safety	71,358	102,103	68,845
Health	100		100
Education and welfare	50,968	108,173	66,235
Housing		897	0
Community amenities	192,200	191,661	91,192
Recreation and culture	1,052,365	226,314	264,055
Transport		517	0
Economic services	566,779	11,935	8,150
Other property and services	19,500	32,269	19,700
	2,415,297	1,705,599	1,077,647
(b) Non-operating grants, subsidies and contributions			
Governance	0	0	0
General purpose funding	1,281,025	551,415	415,367
Law, order, public safety	62,909	66,076	10,000
Health	0	0	0
Education and welfare	0	0	0
Housing	0	0	0
Community amenities	10,000	19,000	0
Recreation and culture	68,000	68,000	21,000
Transport	1,760,139	1,085,033	1,004,092
Economic services	1,750,000	0	0
Other property and services	0	0	0
	4,932,073	1,789,524	1,450,459
Total grants, subsidies and contributions	7,347,370	3,495,123	2,528,106

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

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 / Service Charges / waste collection	General rates, waste collection, kerbside collection	Over time	payment dates adopted by council	None	Adopted by Council annually	When taxable event occurs	Not applicable	When rates notice is issued
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 completed	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 / fees and charges / other revenue	General appropriations and contributions with no reciprocal commitments, 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 services or completed works
Licence / registration / 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 of the licence, registration or approval
Pool and other inspections	Compliance safety check / regulatory food, health and safety	Single point in time	Full payment prior to issue	None	Set by state legislation or limited by legislation to the cost of provision	Apportioned equally across the inspection cycle	No refunds	Revenue recognised after inspections event occurs
Commissions	Commissions on licencing	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	On payment and issue of the licence, registration or approval
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 President			
President's allowance	9,943	9,700	9,700
Meeting attendance fees	9,430	9,200	9,200
Annual allowance for ICT expenses	1,350	1,350	1,350
	20,723	20,250	20,250
Elected member Deputy President			
Deputy President's allowance	2,486	2,300	2,300
Meeting attendance fees	9,430	9,200	9,200
Annual allowance for ICT expenses	1,350	1,350	1,350
	13,266	12,850	12,850
Elected member 3			
Meeting attendance fees	9,430	9,200	9,200
Annual allowance for ICT expenses	1,350	1,350	1,350
Travel and accommodation expenses		1,089	
	10,780	11,639	10,550
Elected member 4			
Meeting attendance fees	9,430	9,200	9,200
Annual allowance for ICT expenses	1,350	1,350	1,350
	10,780	10,550	10,550
Elected member 5			
Meeting attendance fees	9,430	9,200	9,200
Annual allowance for ICT expenses	1,350	1,350	1,350
	10,780	10,550	10,550
Elected member 6			
Meeting attendance fees	9,430	9,200	9,200
Annual allowance for ICT expenses	1,350	1,350	1,350
	10,780	10,550	10,550
Elected member 7			
Meeting attendance fees	9,430	9,200	9,200
Annual allowance for ICT expenses	1,350	1,350	1,350
	10,780	10,550	10,550
Elected member 8			
Meeting attendance fees	9,430	9,200	9,200
Annual allowance for ICT expenses	1,350	1,350	1,350
	10,780	10,550	10,550
Total Elected Member Remuneration	98,669	97,489	96,400
President's allowance	9,943	9,700	9,700
Deputy President's allowance	2,486	2,300	2,300
Meeting attendance fees	75,440	73,600	73,600
Annual allowance for ICT expenses	10,800	10,800	10,800
Travel and accommodation expenses	0	1,089	0
	98,669	97,489	96,400

12. OTHER INFORMATION

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	12,500	12,915	39,600
- Other funds	8,500	8,459	29,700
Other interest revenue (refer note 1b)	900	1,183	890
	21,900	22,557	70,190
(b) Other revenue			
Reimbursements and recoveries	101,700	63,622	94,500
	101,700	63,622	94,500
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	26,000	8,830	10,500
Other services	2,500	2,500	4,700
	28,500	11,330	15,200
(d) Interest expenses (finance costs)			
Borrowings (refer Note 6(a))	22,720	18,089	11,587
	22,720	18,089	11,587

13. TRUST FUNDS

Funds held at balance date which are required by legislation to be credited to the trust fund and which are not included in the financial statements are as follows:

Detail	Balance 30 June 2021	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2022
	\$	\$	\$	\$
Public Open Spaces	43,194	15,000	(20,000)	38,194
Alcoa Waroona Sustainability Fund	2,257,455	265,000	(525,000)	1,997,455
Extractive Industries (Trust)	18,072	15,000	(20,000)	13,072
	2,318,721	295,000	(565,000)	2,048,721

14. SIGNIFICANT ACCOUNTING POLICIES - OTHER INFORMATION

GOODS AND SERVICES TAX (GST)

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

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

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

CRITICAL ACCOUNTING ESTIMATES

The preparation of a budget in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets 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 carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

ROUNDING OFF FIGURES

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

COMPARATIVE FIGURES

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

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.