

SHIRE OF MEEKATHARRA

BUDGET

FOR THE YEAR ENDED 30 JUNE 2021

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

A PLACE OF OPPORTUNITES, A PLACE OF PROSPERITY

SHIRE OF MEEKATHARRA
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
Revenue				
Rates	1(a)	4,299,507	4,274,148	4,180,542
Operating grants, subsidies and contributions	9(a)	2,070,499	4,038,154	3,947,184
Fees and charges	8	1,384,241	1,189,190	1,343,574
Interest earnings	11(a)	267,044	589,701	613,061
Other revenue	11(b)	321,055	266,630	319,053
		8,342,346	10,357,823	10,403,414
Expenses				
Employee costs		(1,759,393)	(1,308,951)	(1,919,033)
Materials and contracts		(3,005,454)	(2,346,916)	(2,967,803)
Utility charges		(451,842)	(286,902)	(318,800)
Depreciation on non-current assets	5	(7,160,158)	(7,168,932)	(6,933,817)
Insurance expenses		(216,311)	(235,506)	(212,711)
Other expenditure		(288,444)	(243,965)	(284,216)
		(12,881,602)	(11,591,172)	(12,636,380)
Subtotal		(4,539,256)	(1,233,349)	(2,232,966)
Non-operating grants, subsidies and contributions	9(b)	19,122,815	2,377,296	2,469,034
Profit on asset disposals	4(b)	-	-	4,490
Loss on asset disposals	4(b)	(89,338)	(12,105)	(14,201)
		19,033,477	2,365,191	2,459,323
Net result		14,494,221	1,131,842	226,357
Other comprehensive income				
Changes on revaluation of non-current assets		-	-	-
Total other comprehensive income		-	-	-
Total comprehensive income		14,494,221	1,131,842	226,357

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

SHIRE OF MEEKATHARRA FOR THE YEAR ENDED 30 JUNE 2021

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 (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this budget. This is not in accordance with the requirements of AASB 1051 *Land Under Roads* paragraph 15 and AASB 116 *Property, Plant and Equipment* paragraph 7.

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 Meekatharra 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 14 to the budget.

2019/20 ACTUAL BALANCES

Balances shown in this budget as 2019/20 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 2020 the following new accounting policies are to be adopted and may impact the preparation of the budget:

AASB 1059 Service Concession Arrangements: Grantors

AASB 2018-7 Amendments to Australian Accounting Standards - Materiality

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

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 MEEKATHARRA
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
Revenue	1,8,9(a),11(a),11(b)	\$	\$	\$
Governance		80	80	80
General purpose funding		6,179,127	8,491,719	8,317,427
Law, order, public safety		14,345	9,289	12,150
Health		6,104	5,674	6,104
Education and welfare		149,614	123,553	147,614
Housing		29,500	41,795	29,500
Community amenities		140,797	118,490	140,797
Recreation and culture		186,526	113,450	129,126
Transport		1,348,789	1,214,983	1,310,468
Economic services		153,562	121,183	190,249
Other property and services		133,902	117,607	119,900
		8,342,346	10,357,823	10,403,415
Expenses excluding finance costs	4(a),5,11(c),(d),(e)			
Governance		(721,006)	(583,878)	(712,260)
General purpose funding		(229,167)	(178,853)	(230,293)
Law, order, public safety		(225,814)	(154,261)	(234,731)
Health		(128,480)	(78,119)	(111,826)
Education and welfare		(828,190)	(563,682)	(813,203)
Housing		(29,500)	(30,471)	(29,500)
Community amenities		(673,115)	(453,669)	(697,396)
Recreation and culture		(1,814,214)	(1,326,611)	(1,679,532)
Transport		(7,378,209)	(7,618,996)	(7,302,525)
Economic services		(614,336)	(451,245)	(590,781)
Other property and services		(239,571)	(151,387)	(234,333)
		(12,881,602)	(11,591,172)	(12,636,380)
Subtotal		(4,539,256)	(1,233,349)	(2,232,966)
Non-operating grants, subsidies and contributions	9(b)	19,122,815	2,377,296	2,469,034
Profit on disposal of assets	4(b)	-	-	4,490
(Loss) on disposal of assets	4(b)	(89,338)	(12,105)	(14,201)
		19,033,477	2,365,191	2,459,323
Net result		14,494,221	1,131,842	226,357
Other comprehensive income				
Changes on revaluation of non-current assets		-	-	-
Total other comprehensive income		-	-	-
Total comprehensive income		14,494,221	1,131,842	226,357

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

**SHIRE OF MEEKATHARRA
FOR THE YEAR ENDED 30 JUNE 2021**

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

Administration and operation of facilities and services to members of council; other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services.

GENERAL PURPOSE FUNDING

Rates, general purpose government grants and interest revenue. Costs associated with raising of rates, collection of debts and other funding activities within this programme.

LAW, ORDER, PUBLIC SAFETY

Supervision of various by-laws, fire prevention, emergency services and animal control. Operation of Council's Ranger services.

HEALTH

Food quality and pest control, monitoring and control of environmental health. Contract operation for health issues within the community.

EDUCATION AND WELFARE

Provision and maintenance of various premises in support of community services including the Community Resource Centre. Financial assistance on a needs arise basis for the community's education and welfare. Provision, maintenance and support for the community youth centre.

HOUSING

Maintenance of staff and rental housing.

COMMUNITY AMENITIES

Rubbish collection services, operation of tip, noise control, administration of the town planning scheme, maintenance of cemeteries, storm water drainage maintenance and operation and maintenance of sewerage schemes.

RECREATION AND CULTURE

Maintenance of halls, swimming pool, recreation centres and various reserves, operation of library, TV and Radio broadcasting.

TRANSPORT

Construction and maintenance of streets, roads, bridges; cleaning and lighting of streets, depot maintenance and airport maintenance.

ECONOMIC SERVICES

The regulation and provision of tourism, area promotion, building control, noxious weeds, vermin control and building controls.

OTHER PROPERTY AND SERVICES

Private works operations and miscellaneous plant operations, overheads and administration costs initially charged here are reallocated to the relevant function area.

SHIRE OF MEEKATHARRA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates	4,299,507	3,705,251	4,180,542
Operating grants, subsidies and contributions	2,070,499	5,166,726	3,947,184
Fees and charges	1,384,241	1,189,190	1,343,574
Interest earnings	267,044	589,701	613,061
Goods and services tax	950,000	831,578	950,000
Other revenue	321,055	266,630	319,053
	9,292,346	11,749,076	11,353,415
Payments			
Employee costs	(1,759,393)	(1,293,512)	(1,919,034)
Materials and contracts	(3,005,454)	(2,508,393)	(2,967,803)
Utility charges	(451,842)	(286,902)	(318,800)
Insurance expenses	(216,311)	(235,506)	(212,711)
Goods and services tax	(950,000)	(689,000)	(950,000)
Other expenditure	(288,444)	(243,965)	(284,216)
	(6,671,444)	(5,257,278)	(6,652,563)
Net cash provided by (used in) operating activities	3	2,620,902	4,700,851
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	4(a)	(2,498,282)	(3,367,195)
Payments for construction of infrastructure	4(a)	(25,240,538)	(2,593,395)
Non-operating grants, subsidies and contributions		19,122,815	2,377,296
Proceeds from sale of plant and equipment	4(b)	221,000	54,400
Net cash provided by (used in) investing activities		(8,395,005)	(3,528,893)
Net increase (decrease) in cash held		(5,774,103)	(1,856,336)
Cash at beginning of year		27,361,947	24,399,042
Cash and cash equivalents at the end of the year	3	21,587,844	21,435,779

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

SHIRE OF MEEKATHARRA
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
OPERATING ACTIVITIES			
Net current assets at start of financial year - surplus/(deficit)	5,792,283	5,607,420	3,082,977
Revenue from operating activities (excluding rates)	5,792,283	5,607,420	3,082,977
Governance	80	80	80
General purpose funding	1,876,559	4,217,571	4,133,824
Law, order, public safety	14,345	9,289	12,150
Health	6,104	5,674	6,104
Education and welfare	149,614	123,553	147,614
Housing	29,500	41,795	29,500
Community amenities	140,797	118,490	140,797
Recreation and culture	186,526	113,450	129,126
Transport	1,348,789	1,214,983	1,314,958
Economic services	153,562	121,183	190,249
Other property and services	133,902	117,607	119,900
	4,039,778	6,083,675	6,224,302
Expenditure from operating activities			
Governance	(721,006)	(583,878)	(712,260)
General purpose funding	(229,167)	(178,853)	(230,293)
Law, order, public safety	(225,814)	(154,261)	(234,731)
Health	(128,480)	(78,119)	(111,826)
Education and welfare	(843,390)	(563,682)	(813,203)
Housing	(29,500)	(30,471)	(29,500)
Community amenities	(673,115)	(453,669)	(697,396)
Recreation and culture	(1,814,214)	(1,326,611)	(1,679,532)
Transport	(7,452,347)	(7,631,101)	(7,316,726)
Economic services	(614,336)	(451,245)	(590,781)
Other property and services	(239,571)	(151,387)	(234,333)
	(12,970,940)	(11,603,277)	(12,650,581)
Non-cash amounts excluded from operating activities	2 (a)(i) 7,249,496	7,181,037	6,943,528
Amount attributable to operating activities	4,110,617	7,268,855	3,600,226
INVESTING ACTIVITIES			
Non-operating grants, subsidies and contributions	9(b) 19,122,815	2,377,296	2,469,034
Purchase property, plant and equipment	4(a) (2,498,282)	(3,367,195)	(2,990,433)
Purchase and construction of infrastructure	4(a) (25,240,537)	(3,621,461)	(6,075,288)
Proceeds from disposal of assets	4(b) 221,000	54,400	39,500
Amount attributable to investing activities	(8,395,004)	(4,556,959)	(6,557,187)
FINANCING ACTIVITIES			
Transfers to cash backed reserves (restricted assets)	7(a) (918,180)	(1,206,034)	(1,226,641)
Transfers from cash backed reserves (restricted assets)	7(a) 900,000	0	0
Amount attributable to financing activities	(18,180)	(1,206,034)	(1,226,641)
Budgeted deficiency before general rates	(4,302,568)	1,505,862	(4,183,603)
Estimated amount to be raised from general rates	1(a) 4,302,568	4,286,421	4,183,603
Net current assets at end of financial year - surplus/(deficit)	2 (a)(iii) 0	5,792,283	0

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

SHIRE OF MEEKATHARRA
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FOR THE YEAR ENDED 30 JUNE 2021

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SHIRE OF MEEKATHARRA
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2021

1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2020/21 Budgeted rate revenue	2020/21 Budgeted interim rates	2020/21 Budgeted back rates	2020/21 Budgeted total revenue	2019/20 Actual total revenue	2019/20 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
Differential general rate or general rate									
Gross rental valuations									
Gross Rental Value	8.8869	313	4,251,128	377,793	1,000	4,000	382,793	377,794	382,793
Unimproved valuations									
Unimproved Value - Mining	19.6101	730	17,719,003	3,474,714	-	-	3,474,714	3,459,318	3,343,003
Unimproved Value - Rural / Pastoral	7.4462	43	3,924,287	292,210	-	-	292,210	292,210	299,656
Sub-Totals		1,086	25,894,418	4,144,718	1,000	4,000	4,149,718	4,129,321	4,025,453
Minimum									
Minimum payment									
\$									
Gross rental valuations									
Gross Rental Value	400	89	46,429	35,600	-	-	35,600	36,000	36,000
Unimproved valuations									
Unimproved Value - Mining	350	311	286,943	108,850	-	-	108,850	112,700	113,750
Unimproved Value - Rural / Pastoral	350	24	24,306	8,400	-	-	8,400	8,400	8,400
Sub-Totals		424	357,678	152,850	-	-	152,850	157,100	158,150
		1,510	26,252,096	4,297,568	1,000	4,000	4,302,568	4,286,421	4,183,603
Concessions (Refer note 1(f))							(3,061)	(12,273)	(3,061)
Total amount raised from general rates							4,299,507	4,274,148	4,180,542
Total amount raised from other rates							-	-	-

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

The general rates detailed for the 2020/21 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 MEEKATHARRA
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2021

1. RATES AND SERVICE CHARGES (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				
Payment in Full	3/09/2020	0	0.0%	8.0%
Option two				
Instalment 1	3/09/2020	15	3.0%	8.0%
Instalment 2	7/11/2020	15	3.0%	8.0%
Instalment 3	11/01/2021	15	3.0%	8.0%
Instalment 4	18/03/2021	15	3.0%	8.0%

	2020/21 Budget revenue	2019/20 Actual revenue	2019/20 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	10,000	9,375	10,000
Instalment plan interest earned	6,545	12,563	12,000
Unpaid rates and service charge interest earned	80,000	103,723	90,000
	96,545	125,660	112,000

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

RATES AND SERVICE CHARGES (CONTINUED)

(c) Objectives and Reasons for Differential Rating

To provide equity in the rating of properties across the Shire the following rate categories have been determined for the implementation of differential rating.

Differential general rate

Description	Characteristics	Objects	Reasons
GRV	Properties within the townsite boundaries.	The object of the GRV rate is to allow sufficient revenue for Council to operate efficiently and provide a diverse range of services while maintaining consistent revenue for GRV assessments.	The reason for the level of GRV rate is to allow for a fair contribution to the maintenance and provision of town infrastructure and services to a sustainable level.
UV - Rural / Pastoral	Properties within the Shire that are predominately for rural use.	The object of the UV Pastoral rate is to ensure that the proportion of total rate revenue derived from UV Pastoral is comparable with previous years and provides the base rate to assess the other UV rated properties.	The reason for the lower rate for UV Pastoral is to reflect the lower impact on transport infrastructure compared to the UV Mining category. Generally Pastoralists carry out minor road maintenance with their own machinery. Pastoral leases within the Shire of Meekatharra are normally large parcels of land that attract a relatively high valuation. The Pastoral UV rate ensures that every landowner makes a reasonable contribution to the rate burden.
UV - Mining	Properties within the Shire with a mining, exploration or prospecting tenement lease.	The object of the UV Mining rate is to raise the necessary revenue for Council to operate efficiently and provide a diverse range of services.	The reason for setting UV Mining rate at a higher level than UV Pastoral is to ensure a sector of ratepayers that essentially are transitory contribute to the maintenance of the Shire's established assets and services to the extent that the mining operators use them. These include: - Unsealed roads - among the services utilised by ratepayers with tenements is the extensive network of unsealed roads within the Shire. A substantial amount of budgeted capital expenditure is for works on Shire roads. Refuse site - Mining and exploration activities impose a heavy burden on the Shire's refuse site increasing maintenance costs and shortening the life of the landfill site.

(d) Specified Area Rate

The Shire did not raise specified area rates for the year ended 30 June 2021.

(e) Service Charges

The Shire did not raise service charges for the year ended 30 June 2021.

SHIRE OF MEEKATHARRA
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2021

RATES AND SERVICE CHARGES (CONTINUED)

(f) Waivers or concessions

Rate or fee and charge to which the waiver or concession is granted	Type	Discount %	Discount (\$)	2020/21 Budget	2019/20 Actual	2019/20 Budget	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
				\$	\$	\$		
A185 - 22 McCleary Street	Concession	80%		636	636	636		
A187 - 31 McCleary Street	Concession	80%		1,227	1,227	1,227	Council provides an 80% concessional arrangement to Murchison Region Aboriginal Corporation due to an application for rates exemption under section 6.26 of the Act.	
A223 - 84 Darlot Street	Concession	80%		621	621	621		
A442 - 2 Trenfield Court	Concession	80%		577	577	577		
A7164	Concession	100%		-	849	-	Council provided an 100% concession to the Yugunya-Nya Community for FY20 following negotiations at SAT during the year for rate exemption.	
A7165	Concession	100%		-	822	-		
A7180	Concession	100%		-	849	-		
A7611	Concession	100%		-	822	-		
A7614	Concession	100%		-	849	-		
A7615	Concession	100%		-	821	-		
A7958	Concession	100%		-	4,201	-		
				3,061	12,273	3,061		

SHIRE OF MEEKATHARRA
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2021

2 (a). NET CURRENT ASSETS

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.

Note	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
	\$	\$	\$
(i) Operating activities excluded from budgeted deficiency			
The following non-cash revenue or expenditure has been excluded from operating activities within the Rate Setting Statement.			
Adjustments to operating activities			
Less: Profit on asset disposals	4(b) -	-	(4,490)
Add: Loss on disposal of assets	4(b) 89,338	12,105	14,201
Add: Depreciation on assets	5 7,160,158	7,168,932	6,933,817
Non cash amounts excluded from operating activities	7,249,496	7,181,037	6,943,528
(ii) 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.			
Adjustments to net current assets			
Less: Cash - restricted reserves	3 (21,298,527)	(21,280,347)	(21,269,804)
Add: Current liabilities not expected to be cleared at end of year - Employee benefit provisions	(350,694)	(350,694)	385,960
Total adjustments to net current assets	(21,649,221)	(21,631,041)	(20,883,844)

SHIRE OF MEEKATHARRA
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2021

2 (a). NET CURRENT ASSETS (CONTINUED)

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

	Note	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
		\$	\$	\$
(iii) Composition of estimated net current assets				
Current assets				
Cash and cash equivalents- unrestricted	3	289,317	6,081,600	165,975
Cash and cash equivalents - restricted				
Cash backed reserves	3	21,298,527	21,280,347	21,269,804
Receivables		1,381,962	1,381,962	1,130,740
Inventories		79,138	79,138	58,314
		23,048,944	28,823,047	22,624,832
Less: current liabilities				
Trade and other payables		(1,049,029)	(1,049,029)	(1,254,809)
Other payables		-	-	(100,219)
Provisions		(350,694)	(350,694)	(385,960)
		(1,399,723)	(1,399,723)	(1,740,989)
Net current assets		21,649,221	27,423,324	20,883,844
Less: Total adjustments to net current assets	2 (a)(ii)	(21,649,221)	(21,631,041)	(20,883,844)
Closing funding surplus / (deficit)		-	5,792,283	-

2 (b). NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the 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 even if not expected to be realised in the next 12 months except for land held for sale where it is held as non-current based on the 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 Meekatharra 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.

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.

PROVISIONS

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

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

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 Meekatharra contributes to a number of superannuation funds on behalf of employees.

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

LEASE LIABILITIES

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

TRADE AND OTHER RECEIVABLES

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

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

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

EMPLOYEE BENEFITS

Short-term employee benefits

Provision is made for the Shire of Meekatharra'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 of Meekatharra'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 of Meekatharra's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

LAND HELD FOR RESALE

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

Land held for sale is classified as current except where it is held as non-current based on Council's intentions to release for sale.

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

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	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Cash at bank and on hand	21,587,844	27,361,947	21,435,779
	21,587,844	27,361,947	21,435,779
- Unrestricted cash and cash equivalents	289,317	6,081,600	165,975
- Restricted cash and cash equivalents	21,298,527	21,280,347	21,269,804
	21,587,844	27,361,947	21,435,779
The following restrictions have been imposed by regulation or other externally imposed requirements on cash and cash equivalents:			
Leave Reserve	397,449	394,216	394,626
Plant Reserve	2,655,632	2,634,033	2,604,863
Building Reserve	1,448,625	1,436,843	1,438,338
Shire Water Reserve	322,072	319,452	319,784
Airport Runway Reserve	2,937,934	2,914,039	2,917,070
Airport Reserve	951,693	943,953	944,934
Transport Reserve	59,490	951,686	952,675
Infrastructure & Development Reserve	1,015,560	1,007,300	1,008,348
Reseals & Rejuvenation Reserve	5,097,355	4,580,118	4,584,382
Interpretive Centre Reserve	1,887,855	1,872,500	1,874,448
Roads -Second / Final Seals Reserve	1,741,636	1,727,471	1,729,268
Lloyd'S Revitalisation Reserve	1,568,896	1,556,136	1,557,540
Industrial Park Reserve	848,328	841,428	842,303
Swimming Pool Reserve	152,002	101,172	101,225
Covid-19 Emergency Response/Cashflow supplement	214,000	0	0
	21,298,527	21,280,347	21,269,804
Reconciliation of net cash provided by operating activities to net result			
Net result	14,494,221	1,131,842	226,357
Depreciation	5 7,160,158	7,168,932	6,933,817
(Profit)/loss on sale of asset	4(b) 89,338	12,105	9,711
(Increase)/decrease in receivables	0	702,253	0
(Increase)/decrease in inventories	0	11,165	0
Increase/(decrease) in payables	0	(157,203)	0
Non-operating grants, subsidies and contributions	(19,122,815)	(2,377,296)	(2,469,034)
Net cash from operating activities	2,620,902	6,491,798	4,700,851

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 MEEKATHARRA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program								2020/21 Budget total	2019/20 Actual total	2019/20 Budget total
	Governance	Education & Welfare	Housing	Community amenities	Recreation & culture	Transport	Economic services	Other property & services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<i>Property, Plant and Equipment</i>											
Land and Buildings	-	16,500	109,700	2,000	120,082	-	-	174,000	422,282	2,624,547	2,573,433
Furniture and Equipment	35,000	10,000	-	-	3,000	-	-	25,000	73,000	35,000	63,000
Plant and Equipment	0	40,000	-	-	20,000	1,943,000	-	-	2,003,000	707,648	354,000
	35,000	66,500	109,700	2,000	143,082	1,943,000	-	199,000	2,498,282	3,367,195	2,990,433
<i>Infrastructure</i>											
Roads Infrastructure	-	-	-	-	-	24,538,634	-	-	24,538,634	3,408,487	4,994,918
Airport Infrastructure	-	-	-	-	-	50,000	-	-	50,000	42,500	58,667
Other Infrastructure	-	22,500	-	93,200	147,500	15,000	373,703	-	651,903	170,473	1,021,703
	-	22,500	-	93,200	147,500	24,603,634	373,703	-	25,240,537	3,621,461	6,075,288
Total acquisitions	35,000	89,000	109,700	95,200	290,582	26,546,634	373,703	199,000	27,738,819	6,988,655	9,065,721

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.

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.

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

4. FIXED ASSETS

(b) Disposals of Assets

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

	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss	2019/20 Actual Net Book Value	2019/20 Actual Sale Proceeds	2019/20 Actual Profit	2019/20 Actual Loss	2019/20 Budget Net Book Value	2019/20 Budget Sale Proceeds	2019/20 Budget Profit	2019/20 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Education and welfare	30,200	15,000	-	(15,200)	-	-	-	-	-	-	-	-
Transport	280,138	206,000	-	(74,138)	66,505	54,400	-	(12,105)	49,211	39,500	4,490	(14,201)
	310,338	221,000	-	(89,338)	66,505	54,400	-	(12,105)	49,211	39,500	4,490	(14,201)
By Class												
<i>Property, Plant and Equipment</i>												
Land and Buildings	30,200	15,000	-	(15,200)	-	-	-	-	-	-	-	-
Plant and Equipment	280,138	206,000	-	(74,138)	66,505	54,400	-	(12,105)	49,211	39,500	4,490	(14,201)
	310,338	221,000	-	(89,338)	66,505	54,400	-	(12,105)	49,211	39,500	4,490	(14,201)

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.

SHIRE OF MEEKATHARRA
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2021

5. ASSET DEPRECIATION

By Program

Governance
Law, order, public safety
Education and welfare
Housing
Community amenities
Recreation and culture
Transport
Economic services
Other property and services

2020/21 Budget	2019/20 Actual	2019/20 Budget
\$	\$	\$
142	0	142
13,457	13,473	14,867
87,903	88,012	99,468
197,030	197,276	217,013
19,937	19,961	22,658
535,606	536,273	567,371
5,702,103	5,709,204	4,930,873
140,823	140,998	118,012
463,157	463,735	963,413
7,160,158	7,168,932	6,933,817
575,393	754,869	793,979
13,599	33,864	39,574
376,755	369,421	873,849
5,218,040	5,165,321	4,339,937
467,063	408,523	450,467
492,307	421,127	420,621
17,000	15,807	15,390
7,160,158	7,168,932	6,933,817

By Class

Land and Buildings
Furniture and Equipment
Plant and Equipment
Roads Infrastructure
Airport Infrastructure
Other Infrastructure
Infrastructure - Footpaths

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:

Land and Buildings	10 - 40 years
Office Furniture & Equipment	1 to 20 years
Plant and equipment	1 to 20 years
Roads - Unformed	Not Depreciated
Roads - Formed	Not Depreciated
Roads - Gravel	10 years
Roads - Sealed	50 years

Depreciation (Continued)

Asset Class	Useful life
Kerbing & Footpaths	20 years
Other Infrastructure	10 - 20 years
Drains & Sewers	80 - 100 years
Grids	20 years
Airfields & Runways	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

The Shire has not budgeted to have any borrowings for the year ended 30 June 2021 and did not have or budget to have any borrowings for the year ended 30 June 2020

(b) New borrowings - 2020/21

The Shire does not intend to undertake any new borrowings for the year ended 30 June 2021

(c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30 June 2020 nor is it expected to have unspent borrowing funds as at 30 June 2021.

(d) Credit Facilities

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Undrawn borrowing facilities			
credit standby arrangements			
Bank overdraft limit	1,000,000	1,000,000	1,000,000
Bank overdraft at balance date	-	-	-
Credit card limit	5,000	5,000	5,000
Credit card balance at balance date	(2,500)	(4,900)	-
Total amount of credit unused	1,002,500	1,000,100	1,005,000

Overdraft details	Purpose overdraft was established	Year overdraft established	Amount b/fwd 1 July 2020	2020/21 Budgeted Increase/ (Decrease)	Amount as at 30th June 2021
			\$	\$	\$
Westpac	To provide for Short term cashflow if required	2014	1,000,000	-	1,000,000
			1,000,000	-	1,000,000

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 MEEKATHARRA
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2021

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2020/21 Budget Opening Balance	2020/21 2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance	2019/20 Actual Opening Balance	2019/20 2019/20 Actual Transfer to	2019/20 Actual Transfer (from)	2019/20 Actual Closing Balance	2019/20 Budget Opening Balance	2019/20 2019/20 Budget Transfer to	2019/20 Budget Transfer (from)	2019/20 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave Reserve	394,216	3,233	-	397,449	385,189	9,027	-	394,216	385,189	9,437	-	394,626
(b) Plant Reserve	2,634,033	21,599	-	2,655,632	2,573,716	60,317	-	2,634,033	2,542,566	62,297	-	2,604,863
(c) Building Reserve	1,436,843	11,782	-	1,448,625	1,403,941	32,902	-	1,436,843	1,403,941	34,397	-	1,438,338
(d) Shire Water Reserve	319,452	2,620	-	322,072	312,137	7,315	-	319,452	312,137	7,647	-	319,784
(e) Airport Runway Reserve	2,914,039	23,895	-	2,937,934	2,847,311	66,728	-	2,914,039	2,847,311	69,759	-	2,917,070
(f) Airport Reserve	943,953	7,740	-	951,693	922,337	21,616	-	943,953	922,337	22,597	-	944,934
(g) Transport Reserve	951,686	7,804	(900,000)	59,490	929,893	21,793	-	951,686	929,893	22,782	-	952,675
(h) Infrastructure & Development Reserve	1,007,300	8,260	-	1,015,560	984,234	23,066	-	1,007,300	984,234	24,114	-	1,008,348
(i) Reseals & Rejuvenation Reserve	4,580,118	517,237	-	5,097,355	4,006,542	573,576	-	4,580,118	4,006,542	577,840	-	4,584,382
(j) Interpretive Centre Reserve	1,872,500	15,355	-	1,887,855	1,829,622	42,878	-	1,872,500	1,829,622	44,826	-	1,874,448
(k) Roads -Second / Final Seals Reserve	1,727,471	14,165	-	1,741,636	1,687,914	39,557	-	1,727,471	1,687,914	41,354	-	1,729,268
(l) Lloyd'S Revitalisation Reserve	1,556,136	12,760	-	1,568,896	1,319,317	236,819	-	1,556,136	1,319,317	238,223	-	1,557,540
(m) Industrial Park Reserve	841,428	6,900	-	848,328	822,160	19,268	-	841,428	822,160	20,143	-	842,303
(n) Swimming Pool Reserve	101,172	50,830	-	152,002	50,000	51,172	-	101,172	50,000	51,225	-	101,225
(o) Covid-19 Emergency Response/Cashflow Supplement	-	214,000	-	214,000	-	-	-	-	-	-	-	-
	21,280,347	918,180	(900,000)	21,298,527	20,074,313	1,206,034	-	21,280,347	20,043,163	1,226,641	-	21,269,804

SHIRE OF MEEKATHARRA
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2021

7. CASH BACKED RESERVES (CONTINUED)

(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) Leave Reserve	Ongoing	- To used to fund annual and long service leave requirements.
(b) Plant Reserve	Ongoing	- To be used for the acquisition of major plant on an ongoing basis.
(c) Building Reserve	Ongoing	- To be used for the future building requirements for Council purposes.
(d) Shire Water Reserve	Ongoing	- To be used for capital water requirements of parks and gardens administered by the Shire.
(e) Airport Runway Reserve	Ongoing	- To be used to fund the future construction requirements of the airport runway.
(f) Airport Reserve	Ongoing	- To be used to fund the capital improvements of the airport infrastructure.
(g) Transport Reserve	Ongoing	- To be used to fund the expansion of the road network that cannot be met by operating income.
(h) Infrastructure & Development Reserve	Ongoing	- To be used to development existing town infrastructure of a commercial or non commercial nature and fund projects deemed by Council to provide a necessary long term employment or economic benefit to the community.
(i) Reseals & Rejuvenation Reserve	Ongoing	- To be used to fund reseals and rejuvenation of sealed roads.
(j) Interpretive Centre Reserve	Ongoing	- To be used to acquire and refurbish the Interpretive Centre.
(k) Roads -Second / Final Seals Reserve	Ongoing	- To be used to fund final seals to roads that have previously been primer sealed.
(l) Lloyd'S Revitalisation Reserve	Ongoing	- To be used to fund the renovations and building works as per Meeka Revitalisation plan at Lloyd's building.
(m) Industrial Park Reserve	Ongoing	- To be used to fund the development of a new industrial park within the Shire.
(n) Swimming Pool Reserve	Ongoing	- To be used to fund retiling the swimming pool basins.
(o) Covid-19 Emergency Response/Cashflow Supplement	30/06/2021	- To be used to provide assistance to local businesses and provision of critical services during the Covid-19 pandemic

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

8. FEES & CHARGES REVENUE

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
General purpose funding	15,100	14,420	15,100
Law, order, public safety	4,000	1,024	4,000
Health	5,831	5,674	5,831
Housing	25,000	25,411	25,000
Community amenities	139,797	118,490	139,797
Recreation and culture	103,026	25,911	45,626
Transport	959,525	855,163	953,571
Economic services	104,562	116,298	141,249
Other property and services	27,400	26,799	13,400
	1,384,241	1,189,190	1,343,574

SHIRE OF MEEKATHARRA
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2021

9. GRANT REVENUE

	Unspent grants, subsidies and contributions liability				Grants, subsidies and contributions revenue			
	Liability 1 July 2020	Increase in Liability	Liability Reduction (As revenue)	Total Liability 30 June 2021	Current Liability 30 June 2021	2020/21 Budget	2019/20 Actual	2019/20 Budget
By Program:	\$	\$	\$	\$	\$	\$	\$	\$
(a) Operating grants, subsidies and contributions								
General purpose funding	-	-	-	-	-	1,594,477	3,613,378	3,505,724
Law, order, public safety	-	-	-	-	-	10,345	8,265	8,150
Education and welfare	-	-	-	-	-	121,814	112,124	121,814
Recreation and culture	-	-	-	-	-	20,000	-	20,000
Transport	-	-	-	-	-	317,864	304,387	285,497
Economic services	-	-	-	-	-	6,000	-	6,000
	-	-	-	-	-	2,070,499	4,038,154	3,947,184
(b) Non-operating grants, subsidies and contributions								
Recreation and culture	-	-	-	-	-	583,423	619,452	1,200,000
Transport	-	-	-	-	-	18,539,392	1,757,844	1,269,034
	-	-	-	-	-	19,122,815	2,377,296	2,469,034
Total	-	-	-	-	-	21,193,314	6,415,449	6,416,218

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

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 contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
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	When taxable event occurs	Not applicable	When rates notice is issued
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. OTHER INFORMATION

The net result includes as revenues

(a) Interest earnings

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Investments			
- Reserve funds	174,499	468,115	491,061
- Other funds	6,000	5,301	20,000
Other interest revenue (refer note 1b)	86,545	116,285	102,000
	267,044	589,701	613,061

(b) Other revenue

Reimbursements and recoveries	229,202	219,219	319,053
Other	91,853	47,411	-
	321,055	266,630	319,053

The net result includes as expenses

(c) Auditors remuneration

Audit services	45,000	43,038	33,000
	45,000	43,038	33,000

(d) Elected members remuneration

Meeting fees	48,000	32,850	43,200
President's allowance	20,000	13,533	20,000
Deputy President's allowance	5,000	3,750	5,000
Travelling expenses	16,109	5,457	16,109
	89,109	55,590	84,309

(e) Write offs

General rate	10,000	21,036	10,000
	10,000	21,036	10,000

12. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

AIR BP

(a) Details

The Shire acts as an agent for Air BP providing aviation fuel to customers at the airport. Council provides the service to ensure the ongoing viability of regular public transport flights to Meekatharra. The figures below are included in the Shire's Financial Statements.

(b) Statement of Comprehensive Income

	2019/20 Actual	2020/21 Budget	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
	\$	\$	\$	\$	\$	\$	\$
Revenue							
Fuel Sales and Retainer	124,938	135,000	135,000	135,000	135,000	135,000	135,000
	124,938	135,000	135,000	135,000	135,000	135,000	135,000
Expenditure							
Fuel Costs and Contract expenses	124,963	150,666	135,000	135,000	135,000	135,000	135,000
	124,963	150,666	135,000	135,000	135,000	135,000	135,000
NET RESULT	(25)	(15,666)	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	(25)	(15,666)	-	-	-	-	-

13. INTERESTS IN JOINT ARRANGEMENTS

It is not anticipated the Shire will be party to any joint venture arrangements during 2020/21.

SIGNIFICANT ACCOUNTING POLICIES

INTERESTS IN JOINT ARRANGEMENTS

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire of Meekatharra's interests in the assets liabilities revenue and expenses of joint operations are included in the respective line items of the financial statements.

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.