

# SHIRE OF HALLS CREEK

## BUDGET

### FOR THE YEAR ENDED 30 JUNE 2021

#### LOCAL GOVERNMENT ACT 1995

### TABLE OF CONTENTS

Statement of Comprehensive Income by Nature or Type	2
Basis of Preparation	3
Statement of Comprehensive Income by Program	4
Statement of Cash Flows	7
Rate Setting Statement	8
Index of Notes to the Budget	9

#### **SHIRE'S VISION**

The Shire will endeavour to provide community services and facilities to meet the needs of members of the community and enable them to enjoy a pleasant and healthy way of life.

**Shire of Halls Creek**  
**Budget**  
**for the year ended 30 June 2021**  
**Statement of Comprehensive Income by Nature or Type**

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
<b>Revenue</b>				
Rates	1(a)	2,713,344	2,638,470	2,567,442
Operating grants, subsidies and contributions	9(a)	4,992,886	11,091,529	4,236,835
Fees and charges	8	5,394,125	1,058,318	1,349,296
Service charges	1(f)	3,950	4,160	3,950
Interest earnings	11(a)	67,000	162,124	102,500
Other revenue	11(b)	305,100	576,614	54,574
		<b>13,476,405</b>	<b>15,531,215</b>	<b>8,314,597</b>
<b>Expenses</b>				
Employee costs		(4,885,999)	(4,848,642)	(4,692,374)
Materials and contracts		(2,154,011)	(5,995,942)	(3,248,472)
Utility charges		(532,080)	(604,870)	(505,090)
Depreciation on non-current assets	5	(5,338,000)	(5,328,439)	(5,023,350)
Interest expenses	11(d)	(104,672)	(93,816)	(113,914)
Insurance expenses		(422,545)	(344,725)	(343,461)
Other expenditure		(4,630,254)	(3,581,517)	(599,351)
		<b>(18,067,561)</b>	<b>(20,797,951)</b>	<b>(14,526,012)</b>
<b>Subtotal</b>		<b>(4,591,156)</b>	<b>(5,266,736)</b>	<b>(6,211,415)</b>
Non-operating grants, subsidies and contributions	9(b)	1,555,414	1,954,658	1,445,101
		<b>1,555,414</b>	<b>1,954,658</b>	<b>1,445,101</b>
<b>Net result</b>		<b>(3,035,742)</b>	<b>(3,312,078)</b>	<b>(4,766,314)</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	0	0
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>(3,035,742)</b>	<b>(3,312,078)</b>	<b>(4,766,314)</b>

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

# Shire of Halls Creek

## Budget

### 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 Halls Creek 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.

#### 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 Halls Creek**  
**Budget**  
**for the year ended 30 June 2021**  
**Statement of Comprehensive Income by Program**

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
<b>Revenue</b>	1,8,9(a),11(a),11(b)	\$	\$	\$
General purpose funding		4,865,344	6,538,489	4,684,762
Law, order, public safety		6,100	5,887	11,000
Health		330,097	261,525	283,969
Education and welfare		1,273,582	773,982	1,149,069
Housing		190,000	24,544	190,713
Community amenities		445,000	432,188	495,000
Recreation and culture		147,450	161,470	160,118
Transport		1,024,925	635,553	541,996
Economic services		547,907	728,161	780,800
Other property and services		4,646,000	5,969,416	17,170
		13,476,405	15,531,215	8,314,597
<b>Expenses excluding finance costs</b>	4(a),5,11(c),(e),(f)			
Governance		(614,559)	(682,210)	(751,763)
General purpose funding		(410,399)	(220,528)	(321,808)
Law, order, public safety		(378,018)	(399,875)	(409,828)
Health		(592,727)	(501,920)	(559,583)
Education and welfare		(1,351,237)	(1,349,828)	(1,364,137)
Housing		0	(302,890)	(143,412)
Community amenities		(1,247,730)	(944,578)	(1,177,300)
Recreation and culture		(1,829,426)	(1,797,191)	(1,946,905)
Transport		(5,958,116)	(5,635,908)	(5,255,514)
Economic services		(1,416,098)	(1,422,023)	(1,905,162)
Other property and services		(4,164,579)	(7,447,184)	(576,686)
		(17,962,889)	(20,704,135)	(14,412,098)
<b>Finance costs</b>	,6(a),11(d)			
Housing		(52,113)	(62,559)	(56,411)
Transport		(52,559)	(31,257)	(57,503)
		(104,672)	(93,816)	(113,914)
<b>Subtotal</b>		(4,591,156)	(5,266,736)	(6,211,415)
Non-operating grants, subsidies and contribution	9(b)	1,555,414	1,954,658	1,445,101
		1,555,414	1,954,658	1,445,101
<b>Net result</b>		<b>(3,035,742)</b>	<b>(3,312,078)</b>	<b>(4,766,314)</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	0	0
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>(3,035,742)</b>	<b>(3,312,078)</b>	<b>(4,766,314)</b>

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

# Shire of Halls Creek

## Budget

### 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

##### GOVERNANCE

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

##### GENERAL PURPOSE FUNDING

To provide adequate funding for the Shire's operation by maximising income from Rates, general purpose government grants, interest and other sources of revenue.

##### LAW, ORDER, PUBLIC SAFETY

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

##### HEALTH

To provide an operational framework for good community health.

##### EDUCATION AND WELFARE

The Shire of Halls Creek Olabud Doogethu service is a collaborative partnership with the Department of Prime Minister and Cabinet that focuses on ensuring Indigenous Australians grow up and live their lives in a safe home and community. Department of Corrective Services and the Department of Child Protection and Family Support.

##### HOUSING

Provision of adequate housing for Shire staff.

##### COMMUNITY AMENITIES

Provide services required by the community.

##### RECREATION AND CULTURE

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

##### TRANSPORT

To provide safe, effective transport services to the community.

##### ECONOMIC SERVICES

To help promote the Shire and improve its economic well being.

##### OTHER PROPERTY AND SERVICES

To monitor and control operating cost accounts.

#### ACTIVITIES

Administration and operation of facilities and services to members of Council. Other costs relating to tasks of assisting elected members and ratepayers on matters which do not concern specific services.

Raising of rates, collection of debts, general purpose funding and other funding activities.

Supervision of various by-laws, fire prevention, emergency services and animal control.

**Aboriginal Environmental Health Program** - this scheme is partly funded by the Health Department of WA, with the main aim being to ensure the delivery of environmental health services to Aboriginal communities, addressing specific needs and requirements of such communities.

**Health Admin & Inspection** - Expenditure related to the general administration and delivery of environmental services such as food inspections, issuing of licences such as stall-holder and hawkker licences, and the general administration role as required by the Shire in accordance with the Health Act.

**Pest Control & Analytical** - Allocation to enable the Environmental Health Officer to undertake food sampling and other testing with relevant testing authorities in Perth. Allocation also for actions required for mosquito control

Focuses on "breaking the cycle" for at-risk Aboriginal young people - ensuring they have a safe environment in which to make positive life choices.

Maintenance and operations of staff housing, capital repairs and maintenance as well as new construction.

Refuse collection services and refuse site maintenance and administration of the Shire's Town Planning function, maintenance and management of the Shire's Cemetery, public conveniences and certain community development projects.

Maintenance and operation of Civic Halls, Sports Courts, Oval, Aquatic & Recreation Centre, Library, rebroadcasting services and the culture background of Halls Creek such as the Trackers Hut.

Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets and the operation of the airport.

Travel & Tourism & Area Promotion, Building Control, Post Office Services and Economic Development.

**Public Works Overheads** - All costs associated with the employment of works staff are assigned to this sub-program and are then re-allocated to the relevant program during the course of the year.

**Plant Operation Costs** - All costs associated with the program, and throughout the year are reallocated to relevant work jobs on which the plant worked to obtain accurate costs of that job, items of plant which determine actual costs. Costs include fuels, oils, repairs and depreciation.

**Salaries & Wages** - This sub program identifies the total salaries and wages costs expected for the year and these are also reallocated throughout all sub programs during the financial year to reflect true costs.

**Integrated Planning** - The framework ensures all of the Shire's strategic planning policies are aligned and conform with the requirements of the Local Government Act. The five strategies, which form the framework must be regularly reviewed and the outcomes monitored annually.

**Miscellaneous/Unclassified** - This sub program records both income and expenses for goods/services that cannot be attributed to a particular job or program. Administration - all costs associated with the Shire's Administration, including staff, are assigned to this program. They are then re-allocated to the relevant programs to represent the administrative cost of that program/sub program.

**Shire of Halls Creek**  
**Budget**  
**for the year ended 30 June 2021**  
**Statement of Cash Flows**

NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Rates	2,713,344	2,638,749	3,017,442
Operating grants, subsidies and contributions	4,917,314	10,815,629	4,436,835
Fees and charges	5,394,125	1,058,318	1,349,296
Service charges	3,950	4,160	3,950
Interest earnings	67,000	162,124	102,500
Goods and services tax	645,654	919,723	0
Other revenue	305,100	576,614	54,574
	14,046,487	16,175,317	8,964,597
<b>Payments</b>			
Employee costs	(4,885,999)	(4,815,580)	(4,692,374)
Materials and contracts	(2,154,011)	(6,147,312)	(2,748,472)
Utility charges	(532,080)	(604,870)	(505,090)
Interest expenses	(104,672)	(124,121)	(113,914)
Insurance expenses	(422,545)	(344,725)	(343,461)
Goods and services tax	(645,654)	(906,060)	0
Other expenditure	(4,630,254)	(3,581,517)	(599,351)
	(13,375,215)	(16,524,185)	(9,002,662)
<b>Net cash provided by (used in) operating activities</b>	3	671,272	(348,868)
		(348,868)	(38,065)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for purchase of property, plant & equipment	4(a)	(1,219,500)	(7,288,864)
Payments for construction of infrastructure	4(a)	(3,444,800)	(1,547,131)
Non-operating grants, subsidies and contributions		1,555,414	1,954,658
Proceeds from sale of plant and equipment	4(b)	6,000	0
<b>Net cash provided by (used in) investing activities</b>		(3,102,886)	(6,881,337)
		(6,881,337)	(7,670,700)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings	6(a)	(876,387)	(516,658)
Proceeds on disposal of financial assets at amortised cost - term deposits		0	5,000,000
Proceeds from new borrowings	6(b)	0	4,000,000
<b>Net cash provided by (used in) financing activities</b>		(876,387)	8,483,342
		(876,387)	3,205,821
<b>Net increase (decrease) in cash held</b>		(3,308,001)	1,253,137
Cash at beginning of year		7,563,851	6,310,714
<b>Cash and cash equivalents at the end of the year</b>	3	<b>4,255,850</b>	<b>7,563,851</b>
		<b>4,255,850</b>	<b>4,570,755</b>

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

**Shire of Halls Creek**  
**Budget**  
**for the year ended 30 June 2021**  
**Rate Setting Statement**

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>		1,620,038	2,274,319	4,012,780
<b>Revenue from operating activities (excluding rates)</b>		1,620,038	2,274,319	4,012,780
General purpose funding		2,152,000	3,900,019	2,117,320
Law, order, public safety		6,100	5,887	11,000
Health		330,097	261,525	283,969
Education and welfare		1,273,582	773,982	1,149,069
Housing		190,000	24,544	190,713
Community amenities		445,000	432,188	495,000
Recreation and culture		147,450	161,470	160,118
Transport		1,024,925	635,553	541,996
Economic services		547,907	728,161	780,800
Other property and services		4,646,000	5,969,416	17,170
		10,763,061	12,892,745	5,747,155
<b>Expenditure from operating activities</b>				
Governance		(614,559)	(682,210)	(751,763)
General purpose funding		(410,399)	(220,528)	(321,808)
Law, order, public safety		(378,018)	(399,875)	(409,828)
Health		(592,727)	(501,920)	(559,583)
Education and welfare		(1,351,237)	(1,349,828)	(1,364,137)
Housing		(52,113)	(365,449)	(199,823)
Community amenities		(1,247,730)	(944,578)	(1,177,300)
Recreation and culture		(1,829,426)	(1,797,191)	(1,946,905)
Transport		(6,010,675)	(5,667,165)	(5,313,017)
Economic services		(1,416,098)	(1,422,023)	(1,905,162)
Other property and services		(4,164,579)	(7,447,184)	(576,686)
		(18,067,561)	(20,797,951)	(14,526,012)
Non-cash amounts excluded from operating activities	2 (a)(i)	5,338,000	5,354,499	5,023,350
<b>Amount attributable to operating activities</b>		(346,462)	(276,388)	257,273
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	9(b)	1,555,414	1,954,658	1,445,101
Purchase property, plant and equipment	4(a)	(1,219,500)	(7,288,864)	(7,159,000)
Purchase and construction of infrastructure	4(a)	(3,444,800)	(1,547,131)	(1,956,801)
Proceeds from disposal of assets	4(b)	6,000	0	0
<b>Amount attributable to investing activities</b>		(3,102,886)	(6,881,337)	(7,670,700)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(876,387)	(516,658)	(794,179)
Proceeds from new borrowings	6(b)	0	4,000,000	4,000,000
Transfers to cash backed reserves (restricted assets)	7(a)	(537,000)	(104,761)	(667,407)
Transfers from cash backed reserves (restricted assets)	7(a)	2,149,391	2,760,712	2,311,602
<b>Amount attributable to financing activities</b>		736,004	6,139,293	4,850,016
<b>Budgeted deficiency before general rates</b>		(2,713,344)	(1,018,432)	(2,563,411)
<b>Estimated amount to be raised from general rates</b>	1	2,713,344	2,638,470	2,567,442
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2 (a)(iii)	<b>0</b>	<b>1,620,038</b>	<b>4,031</b>

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

**Shire of Halls Creek**  
**Budget**  
**for the year ended 30 June 2021**  
*Index of Notes to the Budget*

Note 1	Rates	9
Note 2	Net Current Assets	12
Note 3	Reconciliation of Cash	14
Note 4(a)	Asset Acquisitions	15
Note 4(b)	Asset Disposals	16
Note 5	Asset Depreciation	17
Note 6	Borrowings	18
Note 7	Reserves	20
Note 8	Fees and Charges	21
Note 9	Grant Revenue	21
Note 10	Revenue Recognition	23
Note 11	Other Information	23
Note 12	Major Land Transactions	24
Note 13	Trading Undertakings and Major Trading Undertakings	24
Note 14	Interests in Joint Arrangements	25
Note 15	Trust	26
Note 16	Significant Accounting Policies - Other Information	27

# Shire of Halls Creek

## 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
	\$		\$	\$	\$	\$	\$	\$	\$
<b>Differential general rate or general rate</b>									
<b>Gross rental valuations</b>									
GRV - Town	0.08412	329	12,587,488	1,058,859	15,000	0	1,073,859	1,058,857	1,077,887
GRV - Town vacant	0.14185	2	40,090	5,687	0	0	5,687	24,715	5,687
<b>Unimproved valuations</b>									
UV - Rural/Pastoral	0.01120	24	33,726,092	377,732	0	0	377,732	377,134	377,134
UV - Mining	0.38269	32	1,816,572	695,184	10,000	0	705,184	664,308	623,647
UV - Prospecting/Exploration	0.23338	156	2,005,176	467,972	0	0	467,972	436,898	407,093
<b>Sub-Totals</b>		543	50,175,418	2,605,434	25,000	0	2,630,434	2,561,912	2,491,448
<b>Minimum</b>	\$								
<b>Minimum payment</b>									
<b>Gross rental valuations</b>									
GRV - Town	822	4	14,735	3,288	0	0	3,288	3,288	3,288
GRV - Town vacant	1,643	9	25,030	14,787	0	0	14,787	13,144	13,144
<b>Unimproved valuations</b>									
UV - Rural/Pastoral	821	23	201,600	18,883	0	0	18,883	16,430	16,420
UV - Mining	821	6	6,732	4,926	0	0	4,926	4,926	4,926
UV - Prospecting/Exploration	562	73	34,171	41,026	0	0	41,026	38,770	38,216
<b>Sub-Totals</b>		115	282,268	82,910	0	0	82,910	76,558	75,994
		658	50,457,686	2,688,344	25,000	0	2,713,344	2,638,470	2,567,442
<b>Total amount raised from general rates</b>							2,713,344	2,638,470	2,567,442

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

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 and to encourage development rather than the retention of vacant land.

# Shire of Halls Creek

## 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
		\$	%	%
<b>Option one</b>				
Single full payment	05-Oct-20	0	0.0%	5.0%
<b>Option three</b>				
First instalment	05-Oct-20	0	0.0%	5.0%
Second instalment	07-Dec-20	20	5.5%	5.0%
Third instalment	08-Feb-21	20	5.5%	5.0%
Fourth instalment	08-Apr-21	20	5.5%	5.0%

	2020/21 Budget revenue	2019/20 Actual revenue	2019/20 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	2,000	2,420	3,000
Instalment plan interest earned	1,500	2,898	7,000
Unpaid rates and service charge interest earned	35,000	78,838	35,000
	38,500	84,156	45,000

##### (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.

Special Ministerial dispensation was granted this year for Councils which charged differential rates last year and had been granted ministerial approval for rates and minimum payments. This was gazetted on May 8 2020 waiving the need for councils to advertise or seek ministerial approval provided the rate revenue was maintained at the same level as the previous year.

##### Differential general rate

Description	Characteristics	Objects	Reasons
GRV - Town	Properties within the townsite boundaries other than vacant land.	This rate is to contribute to services desired by the community.	This is considered to be the base rate.
GRV - Town vacant	Properties within the townsite boundaries that are vacant land.	The objective is to discourage the purchasing of vacant land for purely speculative purposes that does not lead to development.	The higher rate is to encourage growth and development in Halls Creek. Encouraging the development of vacant land is important given the shortage of suitable housing.
UV - Rural/Pastoral	Properties outside the town site boundaries that are not mining, prospecting or exploration.	This rate is to contribute to services desired by the community.	This is considered to be the base rate.
UV - Mining	Properties with a land use associated with mining/petroleum leases/tenements other than prospecting/exploration.	The objective is to raise additional revenue to contribute towards higher costs associated with mining activity.	The higher rate for the mining sector takes into account the potential impact and cost that mining activities have on the Shire's road network, specifically in relation to heavy traffic. Mining also has an increased demand on health and environmental inspections and monitoring.
UV - Prospecting/Exploration	Properties with a land use associated with prospecting/exploration leases/tenements.	This category is rated lower than mining due to the lower activity and cost impact incurred.	This category is rated lower than mining due to the lower activity and cost impact incurred.

##### (d) Differential Minimum Payment

Description	Characteristics	Objects	Reasons
GRV - Town	Properties within the townsite boundaries other than vacant land.	This rate is considered the minimum contribution for basic services and infrastructure.	This is considered to be the base rate.
GRV - Town vacant	Properties within the townsite boundaries that are vacant land.	The objective is to discourage the purchasing of vacant land for purely speculative purposes that does not lead to development.	The higher rate is to encourage growth and development in Halls Creek. Encouraging the development of vacant land is important given the shortage of suitable housing.

# Shire of Halls Creek

## Budget

### for the year ended 30 June 2021

#### 1. RATES AND SERVICE CHARGES (CONTINUED)

##### (e) Specified Area Rate

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

##### (f) Service Charges

Service charge	Amount of charge	2020/21 Budgeted revenue	Budget Amount to be applied to costs	Budget Amount to be set aside to reserve	Reserve Amount to be applied to costs	2019/20 Actual revenue	2019/20 Budget revenue
Television and Radio Re-Broadcasting Services	\$ 10	\$ 3,950	\$ 3,950	\$ 0	\$ 0	\$ 4,160	\$ 3,950
		3,950	3,950	0	0	4,160	3,950

Nature of the service charge	Objects of the charge	Reasons for the charge	Area/Properties charge to be imposed on
Television and Radio Re-Broadcasting Services	To provide TV and radio re-broadcasting within the shire.	To fund the cost of providing TV and radio re-broadcast maintenance and upgrades.	Properties which the range of the re-broadcasting facilities.

##### (g) Rates discounts

No discount for early payment is offered in 2020/21

##### (h) 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
Penalty Interest on non-payment of rates	Waiver	3.0%		\$ 0	\$ 0	\$ 0	0 For the year 2020/21 the maximum interest chargeable on non payment of outstanding rates will be 8% instead of the legislated 11% maximum.	State Government has issued legislation to restrict the maximum interest chargeable on non payment of outstanding rates to 8% instead of the legislated 11% maximum for the year 2020/21 as recovery
				0	0	0		

The restriction of the penalty interest for 2020/21 to 8% will have no impact on the shire's revenue as the shire charges only 5% per annum on outstanding rates. If any ratepayer is experiencing hardship, they should apply to the shire to discuss a hardship arrangement.

**Shire of Halls Creek  
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
	\$	\$	\$
<b>(i) Operating activities excluded from budgeted deficiency</b>			
The following non-cash revenue or expenditure has been excluded from operating activities within the Rate Setting Statement.			
<b>Adjustments to operating activities</b>			
Less: Movement in employee liabilities associated with restricted cash	0	26,060	0
Add: Depreciation on assets	5 5,338,000	5,328,439	5,023,350
<b>Non cash amounts excluded from operating activities</b>	<b>5,338,000</b>	<b>5,354,499</b>	<b>5,023,350</b>
<b>(ii) Current assets and liabilities excluded from budgeted deficiency</b>			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement.			
<b>Adjustments to net current assets</b>			
Less: Cash - restricted reserves	3 (4,163,922)	(5,851,885)	(4,576,732)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	472,782	1,349,169	780,821
- Employee benefit provisions	495,306	495,306	422,850
Add: Movement in provisions between current and non-current provisions	0	0	131,173
<b>Total adjustments to net current assets</b>	<b>(3,271,406)</b>	<b>(4,007,410)</b>	<b>(3,241,888)</b>

**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
	\$	\$	\$
<b>(iii) Composition of estimated net current assets</b>			
<b>Current assets</b>			
Cash and cash equivalents- unrestricted	3 91,928	1,711,966	(5,977)
Cash and cash equivalents - restricted			
Cash backed reserves	3 4,163,922	5,851,885	4,576,732
Receivables	858,227	858,227	365,502
Inventories	88,418	88,418	133,045
	<b>5,202,495</b>	<b>8,586,068</b>	<b>5,069,302</b>
<b>Less: current liabilities</b>			
Trade and other payables	(1,038,573)	(1,038,573)	(619,712)
Contract liabilities	75,572	(75,572)	0
Long term borrowings	(472,782)	(1,349,169)	(780,821)
Provisions	(495,306)	(495,306)	(422,850)
	<b>(1,931,089)</b>	<b>(2,958,620)</b>	<b>(1,823,383)</b>
<b>Net current assets</b>	<b>3,271,406</b>	<b>5,627,448</b>	<b>3,245,919</b>
<b>Less: Total adjustments to net current assets</b>	<b>2 (a)(ii) (3,271,406)</b>	<b>(4,007,410)</b>	<b>(3,241,888)</b>
<b>Closing funding surplus / (deficit)</b>	<b>0</b>	<b>1,620,038</b>	<b>4,031</b>

# Shire of Halls Creek

## Budget

### for the year ended 30 June 2021

#### 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 Halls Creek 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 Halls Creek contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Halls Creek 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 Halls Creek'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 Halls Creek'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 Halls Creek'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.

###### CONTRACT LIABILITIES

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

# Shire of Halls Creek

## 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	4,255,850	7,563,851	(5,977)
Term deposits	0	0	4,576,732
	4,255,850	7,563,851	4,570,755
- Unrestricted cash and cash equivalents	91,928	1,711,966	(5,977)
- Restricted cash and cash equivalents	4,163,922	5,851,885	4,576,732
	4,255,850	7,563,851	4,570,755
The following restrictions have been imposed by regulation or other externally imposed requirements on cash and cash equivalents:			
Leave reserve	658,048	715,134	691,155
Computer reserve	212,744	231,199	242,948
Office development reserve	850,750	924,553	823,596
Refuse site reserve	57,849	62,867	92,593
Airports works reserve	463,240	503,426	502,842
Plant replacement reserve	653,933	1,174,057	922,095
Staff housing reserve	611,015	664,020	389,401
Rebroadcasting reserve	60,710	65,977	65,900
Aquatic reserve	97,050	404,434	631,391
Energy developments reserve	95,373	103,646	33,538
Yarliyil surplus reserve	0	0	2,233
Mosquito chemicals reserve	3,674	2,000	4,040
Town development reserve	399,536	925,000	175,000
	4,163,922	5,851,885	4,576,732
<b>Reconciliation of net cash provided by operating activities to net result</b>			
<b>Net result</b>	(3,035,742)	(3,312,078)	(4,766,314)
Depreciation	5	5,338,000	5,328,439
(Increase)/decrease in receivables	0	0	(268,697)
Increase/(decrease) in payables	0	0	(181,631)
Increase/(decrease) in contract liabilities	(75,572)	6,739	0
Increase/(decrease) in employee provisions	0	0	33,018
Non-operating grants, subsidies and contributions	(1,555,414)	(1,954,658)	(1,445,101)
<b>Net cash from operating activities</b>	671,272	(348,868)	(38,065)

#### 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 Halls Creek 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.

#### Reporting program

Asset class	Reporting program					2020/21 Budget total	2019/20 Actual total	2019/20 Budget total
	Law, order, public safety	Community amenities	Recreation and culture	Transport	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$
<b><i>Property, Plant and Equipment</i></b>								
Buildings - non-specialised	0	0	0	0	78,000	78,000	0	263,000
Buildings - specialised	0	0	0	0	0	0	286,531	0
Furniture and equipment	0	0	0	0	16,500	16,500	49,888	50,000
Plant and equipment	0	0	0	1,125,000	0	1,125,000	6,952,445	6,846,000
	0	0	0	1,125,000	94,500	1,219,500	7,288,864	7,159,000
<b><i>Infrastructure</i></b>								
Infrastructure - roads	0	0	0	2,322,800	0	2,322,800	1,508,386	1,820,801
Infrastructure - Other	142,000	75,000	905,000	0	0	1,122,000	38,745	136,000
	142,000	75,000	905,000	2,322,800	0	3,444,800	1,547,131	1,956,801
<b>Total acquisitions</b>	<b>142,000</b>	<b>75,000</b>	<b>905,000</b>	<b>3,447,800</b>	<b>94,500</b>	<b>4,664,300</b>	<b>8,835,995</b>	<b>9,115,801</b>

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 Halls Creek 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
<b>By Program</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Other property and services	6,000	6,000	0	0	0	0	0	0	0	0	0	0
	6,000	6,000	0	0	0	0	0	0	0	0	0	0
<b>By Class</b>												
<u>Property, Plant and Equipment</u>												
Plant and equipment	6,000	6,000	0	0	0	0	0	0	0	0	0	0
	6,000	6,000	0	0	0	0	0	0	0	0	0	0

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 Halls Creek

## Budget

### for the year ended 30 June 2021

#### 5. ASSET DEPRECIATION

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
<b>By Program</b>			
Governance	17,000	16,182	16,500
Law, order, public safety	15,000	14,887	51,800
Health	1,000	770	2,500
Education and welfare	30,000	29,780	47,000
Housing	245,000	242,811	251,800
Community amenities	74,000	73,342	117,000
Recreation and culture	485,000	482,894	472,750
Transport	3,731,000	3,729,002	3,560,000
Economic services	130,000	129,214	132,000
Other property and services	610,000	609,557	372,000
	5,338,000	5,328,439	5,023,350
<b>By Class</b>			
Buildings - non-specialised	275,000	270,267	353,544
Buildings - specialised	620,000	615,167	519,000
Furniture and equipment	30,000	29,779	70,000
Plant and equipment	515,000	513,259	300,000
Infrastructure - roads	3,461,000	3,460,926	3,315,806
Infrastructure - Other	437,000	439,041	465,000
	5,338,000	5,328,439	5,023,350

#### SIGNIFICANT ACCOUNTING POLICIES

##### DEPRECIATION

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

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

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

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

Buildings - non-specialised	8 to 50 years
Buildings - specialised	8 to 50 years
Furniture and equipment	4 to 12 years
Plant and equipment	2 to 16 years
Infrastructure - roads	
- Subgrade	Not depreciated
- Basecourse Unsealed	10 years
- Basecourse Sealed	40 years
- Reseal	15 years
- Asphalt	25 years
- Sand seal	5 years
- Culverts	80 years
- Stock grids	80 years
- Footpaths concrete	40 years
- Footpaths slabs	30 years
- Footpaths gravel	10 years
- Floodways unsealed	10 years
- Floodways sealed	30 years
- Floodways concrete	80 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 life 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 Halls Creek Budget for the year ended 30 June 2021

## 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	2020/21	2020/21	Budget	2020/21	Actual	2019/20	2019/20	Actual	2019/20	Budget	2019/20	2019/20	Budget	2019/20
				Principal 1 July 2020	Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2021	Budget Interest Repayments		Actual Principal 1 July 2019	Actual New Loans	Actual Principal Repayments	Principal outstanding 30 June 2020		Actual Interest Repayments	Principal 1 July 2019	Budget New Loans	Budget Principal Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Housing</b>																		
Triplex	23	WATC	3.3%	183,310	0	40,076	143,234	12,903	240,546	0	57,236	183,310	15,507	240,546	0	38,781	201,765	13,986
Housing Units	25	WATC	3.3%	602,112	0	50,771	551,341	39,210	672,304	0	70,192	602,112	47,052	672,304	0	47,556	624,748	42,425
<b>Transport</b>																		
Plant Expenditure	26	WATC	1.7%	3,610,770	0	785,540	2,825,230	52,559	0	4,000,000	389,230	3,610,770	31,257	0	4,000,000	707,842	3,292,158	57,503
				4,396,192	0	876,387	3,519,805	104,672	912,850	4,000,000	516,658	4,396,192	93,816	912,850	4,000,000	794,179	4,118,671	113,914
				4,396,192	0	876,387	3,519,805	104,672	912,850	4,000,000	516,658	4,396,192	93,816	912,850	4,000,000	794,179	4,118,671	113,914

All borrowing repayments will be financed by general purpose revenue.

# Shire of Halls Creek Budget for the year ended 30 June 2021

## 6. INFORMATION ON BORROWINGS

### (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
	\$	\$	\$
<b>Undrawn borrowing facilities credit standby arrangements</b>			
Bank overdraft limit	1,000,000	1,000,000	1,000,000
Bank overdraft at balance date	0	0	0
Credit card limit	200,000	200,000	200,000
Credit card balance at balance date	0	0	0
<b>Total amount of credit unused</b>	<b>1,200,000</b>	<b>1,200,000</b>	<b>1,200,000</b>
<b>Loan facilities</b>			
Loan facilities in use at balance date	3,519,805	4,396,192	4,118,671

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
Commbank	Cashflow support	ongoing	\$ 0	\$ 0	\$ 0
			0	0	0

## 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 Halls Creek

## Budget

### for the year ended 30 June 2021

#### 7. CASH BACKED RESERVES

##### (a) Cash Backed Reserves - Movement

	2020/21 Budget Opening Balance	2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance	2019/20 Actual Opening Balance	2019/20 Actual Transfer to	2019/20 Actual Transfer (from)	2019/20 Actual Closing Balance	2019/20 Budget Opening Balance	2019/20 Budget Transfer to	2019/20 Budget Transfer (from)	2019/20 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave reserve	715,134	2,476	(59,562)	658,048	729,343	12,614	(26,823)	715,134	677,603	13,552	0	691,155
(b) Computer reserve	231,199	801	(19,256)	212,744	240,627	2,572	(12,000)	231,199	238,184	4,764	0	242,948
(c) Office development reserve	924,553	3,201	(77,004)	850,750	909,522	15,031	0	924,553	807,447	16,149	0	823,596
(d) Refuse site reserve	62,867	218	(5,236)	57,849	62,097	770	0	62,867	61,366	31,227	0	92,593
(e) Airports works reserve	503,426	1,743	(41,929)	463,240	494,249	9,177	0	503,426	492,982	9,860	0	502,842
(f) Plant replacement reserve	1,174,057	519,065	(1,039,189)	653,933	3,249,011	45,046	(2,120,000)	1,174,057	2,513,716	408,379	(2,000,000)	922,095
(g) Staff housing reserve	664,020	2,299	(55,304)	611,015	854,285	9,735	(200,000)	664,020	522,942	66,459	(200,000)	389,401
(h) Rebroadcasting reserve	65,977	228	(5,495)	60,710	64,774	1,203	0	65,977	64,608	1,292	0	65,900
(i) Aquatic reserve	404,434	1,400	(308,784)	97,050	547,528	6,906	(150,000)	404,434	520,972	110,419	0	631,391
(j) Energy developments reserve	103,646	359	(8,632)	95,373	101,939	1,707	0	103,646	32,504	1,034	0	33,538
(k) Yarliyil surplus reserve	0	0	0	0	101,889	0	(101,889)	0	111,603	2,232	(111,602)	2,233
(l) Mosquito chemicals reserve	2,000	2,007	(333)	3,674	2,000	0	0	2,000	2,000	2,040	0	4,040
(m) Town development reserve	925,000	3,203	(528,667)	399,536	1,075,000	0	(150,000)	925,000	175,000	0	0	175,000
	5,776,313	537,000	(2,149,391)	4,163,922	8,432,264	104,761	(2,760,712)	5,776,313	6,220,927	667,407	(2,311,602)	4,576,732

#### 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 be used to fund long service leave and/or other significant payments that may be required upon termination of an employee.
(b) Computer reserve	Ongoing	To be used to fund the upgrade and/or replacement of the Shire's electronic and network operating systems or any of the administrative or financial management computer operating programs.
(c) Office development reserve	Ongoing	To be used for the extension/major re-development of the administration office building and associated buildings.
(d) Refuse site reserve	Ongoing	Funds to be set aside for the rehabilitation of the refuse site upon closure.
(e) Airports works reserve	Ongoing	To be used to fund major operational or major capital works required at the Shire of Halls Creek Airport.
(f) Plant replacement reserve	Ongoing	To be used for the purchase or major capital upgrade of plant items.
(g) Staff housing reserve	Ongoing	To be used to fund the construction, renovation, upgrade or purchase of residential housing and land utilised by the Shire of Halls Creek for the provision of staff housing.
(h) Rebroadcasting reserve	Ongoing	To be used for the upgrade, new purchase or replacement of rebroadcasting equipment, for both television and radio, as per the Shire's rebroadcasting commitments.
(i) Aquatic reserve	Ongoing	To be used to fund any major repairs, upgrades, replacement or capital requirements for the Shire of Halls Creek Aquatic and Recreation Centre.
(j) Energy developments reserve	30/06/2020	To distribute monies to the members or organisations in the Shire of Halls Creek (other than the Shire itself) to be used solely for not-for-profit projects of activities that benefit the Shire of Halls Creek's community and in accordance with MOU between Shire of Halls Creek and EDL NGD (WA) Pty Ltd.
(k) Yarliyil surplus reserve	Ongoing	To be used to for Yarliyil expenditure requirements.
(l) Mosquito chemicals reserve	Ongoing	To have extra funds in years where mosquito borne disease/nuisance is greater than normal.
(m) Town development reserve	Ongoing	To be used for town development projects.

**Shire of Halls Creek  
Budget  
for the year ended 30 June 2021**

**8. FEES & CHARGES REVENUE**

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
General purpose funding	4,000	23,100	24,000
Law, order, public safety	5,700	5,714	10,700
Health	11,500	6,226	31,300
Housing	190,000	24,544	190,713
Community amenities	432,000	431,779	495,000
Recreation and culture	97,300	108,485	109,550
Transport	17,000	34,895	30,733
Economic services	90,625	396,000	457,300
Other property and services	4,546,000	27,575	0
	5,394,125	1,058,318	1,349,296

**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:	\$	\$	\$	\$	\$	\$	\$	\$
<b>(a) Operating grants, subsidies and contributions</b>								
General purpose funding	0	2,061,000	(2,061,000)	0	0	2,061,000	3,523,999	1,964,216
Health	60,290	258,307	(318,597)	0	0	318,597	255,299	252,669
Education and welfare	0	1,273,082	(1,273,082)	0	0	1,273,082	773,982	1,149,069
Recreation and culture	0	46,000	(46,000)	0	0	46,000	52,985	46,618
Transport	0	1,007,925	(1,007,925)	0	0	1,007,925	190,658	511,263
Economic services	15,282	271,000	(286,282)	0	0	286,282	407,496	313,000
Other property and services	0	0	0	0	0	0	5,887,110	0
	75,572	4,917,314	(4,992,886)	0	0	4,992,886	11,091,529	4,236,835
<b>(b) Non-operating grants, subsidies and contributions</b>								
Recreation and culture	0	565,000	(565,000)	0	0	565,000	139,899	0
Transport	0	990,414	(990,414)	0	0	990,414	1,809,759	1,445,101
	0	1,555,414	(1,555,414)	0	0	1,555,414	1,954,658	1,445,101
<b>Total</b>	75,572	6,472,728	(6,548,300)	0	0	6,548,300	13,046,187	5,681,936

**(c) Unspent grants, subsidies and contributions were restricted as follows:**

	Budget Closing Balance 30 June 2021	Actual Balance 30 June 2020
Unspent grants, subsidies and contributions	0	75,572
	0	75,572

# Shire of Halls Creek

## 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
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	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

**Shire of Halls Creek  
Budget  
for the year ended 30 June 2021**

**11. OTHER INFORMATION**

	<b>2020/21 Budget</b>	<b>2019/20 Actual</b>	<b>2019/20 Budget</b>
	\$	\$	\$
<b>The net result includes as revenues</b>			
<b>(a) Interest earnings</b>			
Investments			
- Reserve funds	20,000	59,884	40,000
- Other funds	10,000	19,884	20,500
Other interest charges	500	620	0
Other interest revenue (refer note 1b)	36,500	81,736	42,000
	67,000	162,124	102,500
<b>(b) Other revenue</b>			
Reimbursements and recoveries	121,500	545,533	54,574
Other	183,600	31,081	0
	305,100	576,614	54,574
<b>The net result includes as expenses</b>			
<b>(c) Auditors remuneration</b>			
Audit services	65,000	66,300	25,000
Other services	0	0	15,000
	65,000	66,300	40,000
<b>(d) Interest expenses (finance costs)</b>			
Borrowings (refer Note 6(a))	104,672	93,816	113,914
	104,672	93,816	113,914
<b>(e) Elected members remuneration</b>			
Meeting fees	67,473	70,024	63,246
President's allowance	9,639	10,003	9,035
Deputy President's allowance	2,409	2,501	2,259
Travelling expenses	20,000	17,713	357
Telecommunications allowance	20,000	23,814	24,460
	119,521	124,055	99,357
<b>(f) Write offs</b>			
General rate	35,000	22	0
Fees and charges	25,000	0	0
	60,000	22	0

**Shire of Halls Creek  
Budget  
For the Year Ended 30 June 2021**

**12. MAJOR LAND TRANSACTIONS**

The shire does not plan to be involved in any major land transactions in 2020/21.

**13. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

The shire does not plan to be involved in any trading undertakings and major trading undertakings in 2020/21.

**Shire of Halls Creek  
Budget  
For the Year Ended 2021**

**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 Halls Creek's interests in the assets liabilities revenue and expenses of joint operations are included in the respective line items of the financial statements.

**Shire of Halls Creek  
Budget  
for the Year ended 30 June 2021**

**13. TRUST FUNDS**

Funds held at balance date over which the local government has no control and which are not included in the financial statements are as follows:

<b>Detail</b>	<b>Balance 30 June 2020</b>	<b>Estimated amounts received</b>	<b>Estimated amounts paid</b>	<b>Estimated balance 30 June 2021</b>
	\$	\$	\$	\$
Staff housing bonds	1,895		(1,895)	0
Faculty bond hire	8,902		(8,902)	0
BCITF	28,721		(28,721)	0
Tourism operators	8,573		(8,573)	0
DPI vehicle licensing	2,306		(2,306)	0
Refuse kerb deposits	1,000		(1,000)	0
	<b>51,397</b>	<b>0</b>	<b>(51,397)</b>	<b>0</b>

**Shire of Halls Creek**  
**Budget**  
**For the Year ended 30 June 2021**

**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.