



Shire of Cue

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SHIRE OF CUE

ANNUAL BUDGET

FOR THE YEAR ENDED 30 JUNE 2022

LOCAL GOVERNMENT ACT 1995

SHIRE'S VISION

The Shire of Cue is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

SHIRE OF CUE
TABLE OF CONTENTS
FOR THE YEAR ENDED 30 JUNE 2022

Statement / Note	Page	Note
Statement of Comprehensive Income by Nature or Type	3	
Basis of Preparation	4	
Statement of Comprehensive Income by Program	5	
Statement of Cash Flows	7	
Rate Setting Statement	8	
Rates	9	1
Net Current Assets	15	2
Reconciliation of Cash	19	3
Fixed Assets	20	4
Asset Depreciation	24	5
Information on Borrowings	25	6
Cash Backed Reserves	27	7
Fees and Charges	29	8
Grant Revenue	29	9
Other Information	30	10
Major Land Transactions	32	11
Trading Undertakings and Major Trading Undertakings	32	12
Interests in Joint Arrangements	32	13
Trust Funds	32	14
Significant Accounting Policies - Other	33	15

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

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
Revenue		\$	\$	\$
Rates	1(a)	2,498,645	2,432,710	2,365,615
Grants, subsidies and contributions	9(a)	1,759,510	2,336,644	1,109,086
Fees and charges	8	855,380	816,839	640,905
Interest earnings	10(a)	61,280	81,445	113,500
Other revenue	10(a)	100,000	133,760	79,500
		<u>5,274,815</u>	<u>5,801,398</u>	<u>4,308,606</u>
Expenses				
Employee costs		(2,316,710)	(1,595,752)	(2,049,988)
Materials and contracts		(1,748,970)	(4,065,851)	(1,342,851)
Utility charges		(435,800)	(353,880)	(342,750)
Depreciation on non-current assets	5	(2,703,700)	(2,687,808)	(2,844,800)
Interest expenses	6(a)	(22,500)	(21,590)	(22,500)
Insurance expenses		(194,000)	(179,888)	(182,555)
Other expenditure		(305,700)	(158,524)	(228,700)
		<u>(7,727,380)</u>	<u>(9,063,293)</u>	<u>(7,014,145)</u>
Subtotal		<u>(2,452,565)</u>	<u>(3,261,895)</u>	<u>(2,705,539)</u>
Non-operating grants, subsidies and contributions	9(b)	8,882,020	6,517,716	11,512,179
Profit on asset disposals	4(c)	40,400	0	53,700
Loss on asset disposals	4(c)	(5,600)	0	0
		<u>8,916,820</u>	<u>6,517,716</u>	<u>11,565,879</u>
Net result		<u>6,464,255</u>	<u>3,255,821</u>	<u>8,860,340</u>
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		<u>0</u>	<u>0</u>	<u>0</u>
Total comprehensive income		<u>6,464,255</u>	<u>3,255,821</u>	<u>8,860,340</u>

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

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

BASIS OF PREPARATION

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

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

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Shire of Cue 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.

2020/21 ACTUAL BALANCES

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

CHANGE IN ACCOUNTING POLICIES

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

KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES

RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specified area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts and concessions offered. Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

SERVICE CHARGES

Service charges imposed under Division 6 of Part 6 of the *Local Government Act 1995*. Regulation 54 of the *Local Government (Financial Management) Regulations 1996* identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services.

Excludes rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

PROFIT ON ASSET DISPOSAL

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

REVENUES (CONTINUED)

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

FEES AND CHARGES

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

INTEREST EARNINGS

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

OTHER REVENUE / INCOME

Other revenue, which can not be classified under the above headings, includes dividends, discounts, and rebates. Reimbursements and recoveries should be separated by note to ensure the correct calculation of ratios.

EXPENSES

EMPLOYEE COSTS

All costs associated with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences safety expenses, medical examinations, fringe benefit tax, etc.

MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

INSURANCE

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets includes loss on disposal of long term investments.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

INTEREST EXPENSES

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

OTHER EXPENDITURE

Statutory fees, taxes, provision for bad debts, member's fees or State taxes. Donations and subsidies made to community groups.

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

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
Revenue		\$	\$	\$
General purpose funding		3,460,351	4,628,018	3,455,401
Law, order, public safety		9,000	8,348	10,500
Health		1,200	920	1,200
Education and welfare		0	1,238	0
Housing		94,295	25,900	73,320
Community amenities		88,385	84,042	84,885
Recreation and culture		9,600	33,030	8,100
Transport		965,284	307,504	253,000
Economic services		488,700	556,654	298,200
Other property and services		158,000	155,744	124,000
		<u>5,274,815</u>	<u>5,801,398</u>	<u>4,308,606</u>
Expenses				
Governance		(412,420)	(262,616)	(397,697)
General purpose funding		(284,280)	(171,554)	(261,447)
Law, order, public safety		(117,250)	(58,594)	(113,100)
Health		(109,580)	(61,169)	(78,411)
Education and welfare		(190,900)	(46,397)	(74,556)
Housing		(294,170)	(198,857)	(263,437)
Community amenities		(481,800)	(264,310)	(445,479)
Recreation and culture		(1,039,750)	(601,450)	(922,896)
Transport		(3,627,940)	(6,434,100)	(3,671,806)
Economic services		(1,119,010)	(841,678)	(724,119)
Other property and services		(27,780)	(100,978)	(38,696)
		<u>(7,704,880)</u>	<u>(9,041,703)</u>	<u>(6,991,645)</u>
Finance costs				
Housing	6(a)	(22,500)	(21,590)	(22,500)
		<u>(22,500)</u>	<u>(21,590)</u>	<u>(22,500)</u>
Subtotal		<u>(2,452,565)</u>	<u>(3,261,895)</u>	<u>(2,705,539)</u>
Non-operating grants, subsidies and contributions	9(b)	8,882,020	6,517,716	11,512,179
Profit on disposal of assets	4(c)	40,400	0	53,700
(Loss) on disposal of assets	4(c)	(5,600)	0	0
		<u>8,916,820</u>	<u>6,517,716</u>	<u>11,565,879</u>
Net result		<u>6,464,255</u>	<u>3,255,821</u>	<u>8,860,340</u>
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		<u>0</u>	<u>0</u>	<u>0</u>
Total comprehensive income		<u><u>6,464,255</u></u>	<u><u>3,255,821</u></u>	<u><u>8,860,340</u></u>

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

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

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 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.

LAW, ORDER, PUBLIC SAFETY

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

HEALTH

Food quality and water control. Environmental Health Officer. Doctor Service.

EDUCATION AND WELFARE

Assistance to Cue Primary School, Thoo Thoo Wandu, Senior Citizens and Playgroup. Involvement in work experience programmes.

HOUSING

Provision and maintenance of staff and rental housing.

COMMUNITY AMENITIES

Rubbish collection services, maintenance of refuse sites, administration of the town planning scheme, control and co-ordination of cemeteries, and maintenance of public conveniences.

RECREATION AND CULTURE

Maintenance of Shire hall, recreation centre, Stan Gurney Memorial Park and various reserves. Operation of library and internet services. Co-ordination of Australia Day activities.

TRANSPORT

Construction and maintenance of streets, roads, footpaths, drainage works, parking facilities, traffic signs and median strips. Control and maintenance of Cue Airport.

ECONOMIC SERVICES

The regulation and provision of tourism and the Historical Photographic Collection. Maintenance of the Shire-owned Caravan Park. Building and vermin control. Employment programme administered on behalf of the Department of Employment, Workplace Relations and Small Business.

OTHER PROPERTY AND SERVICES

Private works operation, plant repair and operation costs.

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

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts

	2021/22 Budget	2020/21 Actual	2020/21 Budget
Rates	2,498,645	2,433,175	2,365,615
Operating grants, subsidies and contributions	2,845,101	2,233,263	1,238,846
Fees and charges	855,380	818,884	640,905
Interest received	61,280	72,083	113,500
Goods and services tax received	0	9,894	0
Other revenue	100,000	156,710	79,500
	<u>6,360,406</u>	<u>5,724,009</u>	<u>4,438,366</u>

Payments

Employee costs	(2,316,710)	(1,539,378)	(2,049,988)
Materials and contracts	(1,801,979)	(3,721,440)	(1,373,851)
Utility charges	(435,800)	(340,007)	(342,750)
Interest expenses	(22,500)	(22,643)	(22,500)
Insurance paid	(194,000)	(179,888)	(182,555)
Goods and services tax paid	0	(8,247)	0
Other expenditure	(305,700)	(158,524)	(228,700)
	<u>(5,076,689)</u>	<u>(5,970,127)</u>	<u>(4,200,345)</u>

Net cash provided by (used in) operating activities

3 1,283,717 (246,118) 238,021

CASH FLOWS FROM INVESTING ACTIVITIES

Non-operating grants, subsidies and contributions	9(b) 8,882,020	6,517,716	11,512,179
Proceeds from sale of plant and equipment	4(c) 160,000	0	170,000
Purchase of property, plant and equipment	4(a) (7,061,600)	(2,910,178)	(7,067,500)
Purchase and construction of infrastructure	4(b) (6,840,190)	(2,906,808)	(9,866,179)
Proceeds/(Payments) from financial assets at amortised cost	1,172,179	(2,306,637)	0
Proceeds/(Payments) from contract obligations	9(c) 501,273	241,846	0
Net cash provided by (used in) investing activities	<u>(3,186,318)</u>	<u>(1,364,061)</u>	<u>(5,251,500)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of borrowings	6(a) (92,800)	(91,176)	(91,176)
Net cash provided by (used in) financing activities	<u>(92,800)</u>	<u>(91,176)</u>	<u>(91,176)</u>

Net increase (decrease) in cash held

Cash at beginning of year	(1,995,401)	(1,701,355)	(5,104,655)
Cash and cash equivalents at the end of the year	3 <u>2,632,906</u>	<u>4,334,261</u>	<u>9,924,741</u>
	<u>637,505</u>	<u>2,632,906</u>	<u>4,820,086</u>

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

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

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at 01 Jul - surplus/(deficit)	2	4,130,145	4,009,069	3,924,344
		4,130,145	4,009,069	3,924,344
Operating revenue (excluding rates)				
Grants, subsidies and contributions	9(a)	1,759,510	2,336,644	1,109,086
Fees and charges	8	855,380	816,839	640,905
Interest earnings	10(a)	61,280	81,445	113,500
Other revenue	10(a)	100,000	133,760	79,500
Profit on asset disposals	4(c)	40,400	0	53,700
		2,816,570	3,368,688	1,996,691
Operating expenses				
Employee costs		(2,316,710)	(1,595,752)	(2,049,988)
Materials and contracts		(1,748,970)	(4,065,851)	(1,342,851)
Utility charges		(435,800)	(353,880)	(342,750)
Depreciation on non-current assets	5	(2,703,700)	(2,687,808)	(2,844,800)
Interest expenses	6(a)	(22,500)	(21,590)	(22,500)
Insurance expenses		(194,000)	(179,888)	(182,555)
Other expenditure		(305,700)	(158,524)	(228,700)
Loss on asset disposals	4(c)	(5,600)	0	0
		(7,732,980)	(9,063,293)	(7,014,145)
Non-cash amounts excluded from operating activities	2(b)	2,668,900	2,695,021	2,791,100
Amount attributable to operating activities		1,882,635	1,009,485	1,697,990
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	9(b)	8,882,020	6,517,716	11,512,179
Proceeds from disposal of assets	4(c)	160,000	0	170,000
Purchase property, plant and equipment	4(a)	(7,061,600)	(2,967,137)	(7,067,500)
Purchase and construction of infrastructure	4(b)	(6,840,190)	(2,906,808)	(9,866,179)
Amount attributable to investing activities		(4,859,770)	643,771	(5,251,500)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(92,800)	(91,176)	(91,176)
Transfers to cash backed reserves (restricted assets)	7(a)	(682,780)	(69,645)	(85,000)
Transfers from cash backed reserves (restricted assets)	7(a)	1,254,070	205,000	1,364,070
Amount attributable to financing activities		478,490	44,179	1,187,894
Budgeted deficiency before general rates		(2,498,645)	1,697,435	(2,365,616)
Estimated amount to be raised from general rates	1(a)	2,498,645	2,432,710	2,365,615
Net current assets at 30 Jun - surplus/(deficit)	2	0	4,130,145	0

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

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

1. RATES

(a) Rating Information

Differential general rate	Rate in	Number of properties	Rateable value	2021/22 Budget	2020/21 Actual	2020/21 Budget
Gross rental valuations	\$	#	\$	\$	\$	\$
GRV Residential	0.109067	93	561,648	61,257	58,995	59,581
GRV Commercial	0.109067	6	304,708	33,233	31,776	31,776
GRV Vacant Land	0.109067	0	0	0	0	0
GRV M & T Workforce	0.300000	2	246,750	74,025	74,025	74,025
UV Mining	0.290984	355	7,666,802	2,230,917	2,098,340	2,101,999
UV Pastoral	0.078631	14	563,097	44,277	43,113	43,112
Sub-Totals		470	9,343,005	2,443,709	2,306,249	2,310,493
Minimum payment						
Gross rental valuations						
GRV Residential	463	47	105,449	21,761	21,197	20,746
GRV Commercial	463	0	0	0	0	0
GRV Vacant Land	463	37	5,888	17,131	16,687	18,491
GRV M & T Workforce	463	0	0	0	0	0
UV Mining	463	130	103,631	60,190	56,375	59,081
UV Pastoral	463	4	12,295	1,852	1,804	1,804
Sub-Totals		218	227,263	100,934	96,063	100,122
		688	9,570,268	2,544,643	2,402,312	2,410,615
Discounts (Refer Note 1(f))				(6,355)	(6,355)	(6,355)
Rates written-off				(43,643)	(275)	(43,645)
Incentive prize (Refer Note 1(f))				(1,000)	(1,000)	0
Interim and back rates				5,000	38,028	5,000
Total amount raised from general rates				2,498,645	2,432,710	2,365,615

All land (other than exempt land) in the Shire of Cue is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the Shire of Cue. The general rates detailed for the 2021/22 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget, the estimated revenue to be received from all sources other than rates, as well as 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 CUE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

1. RATES (CONTINUED)

(b) Interest Charges and Instalments

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	05 Oct 2021	15	3.00%	7.00%
Option two	07 Dec 2021	15	3.00%	7.00%
Option three	08 Feb 2022	15	3.00%	7.00%
Option four	12 Apr 2022	15	3.00%	7.00%

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Instalment plan admin charge revenue	1,500	942	1,500
Instalment plan interest earned	5,500	664	5,500
Unpaid rates and service charge interest earned	13,000	12,620	16,000
	20,000	14,226	23,000

(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.

Differential general rate

All land except exempt land in the Shire of Cue is rated according to its Gross Rental Value (GRV) in town sites or Unimproved Value (UV) in the remainder of the Shire.

The general rates detailed above for the 2021/22 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates, while 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 the Local Government services/facilities.

The differential rates were advertised on 02 July 2021. These rates are in accordance with the advertised schedule. Ministerial approval was received on 17 August 2021 for the above differential rates in accordance with the *Local Government (COVID-19 Response) Amendment Order 2021*.

1. RATES (CONTINUED)

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

Objectives and Reasons for Differential Rating

The purpose of the levying of rates is to meet Council's budget requirements in each financial year in order to deliver services and community infrastructure. Property valuations provided by the Valuer General are used as the basis for the calculation of rates each year. Section 6.33 of the *Local Government Act 1995* provides the ability to differentially rate properties based on zoning and/or land use as determined by the Shire of Cue. The application of differential rating maintains equity in the rating of properties across the Shire, enabling the Council to provide facilities, infrastructure and services to the entire community and visitors.

Gross Rental Value (GRV)

The *Local Government Act 1995* determines that properties of a Non-rural purpose be rated using the Gross Rental Valuation (GRV) as the basis for the calculation of annual rates. The Valuer General determines the GRV for all properties within the Shire of Cue every five years and assigns a GRV. The current valuation is effective from 1 July 2015. Interim valuations are provided monthly to Council by the Valuer General for properties where changes have occurred (i.e. subdivisions or strata title of property, amalgamations, building constructions, demolition, additions and/or property rezoning). In such instances Council recalculates the rates for the affected properties and issues interim rates notices.

GRV General

Consists of properties located within the townsite boundaries with a predominant residential use and all other GRV rated properties that do not fit into the other GRV categories. This rate is considered by Council to be the GRV general rate by which all other GRV rated properties are assessed.

GRV Commercial

Properties used for Commercial, Town Centre or Industrial purposes and open to the public and passing trade on a regular basis (more than 100 days a year). The rate reflects a differentiation from the GRV General rate to encourage property owners to develop commercial enterprise and stimulate economic activity in the town centre and industrial area. To facilitate this, the rate applied will be the same rate in the dollar as the GRV General rate category and a discount provided in accordance with section 6.46 of the *Local Government Act*. The discounted rate will be twenty percent of rates levied for the category. The discount will only apply if the rates are paid in full by the due date. This discount is not available to properties that are minimum rated, zoned residential, home based businesses or businesses that do not offer an open shopfront to the public on the property.

This strategy has the benefit of ensuring commercial property owners pay their rates by the due date to take advantage of the discount, ensures they are aware that their rates are discounted substantially as Council is very supportive of local business and that the generous discount is not applied to those commercial property owners with outstanding rate arrears.

GRV Vacant

Consists of vacant properties located within the townsite boundaries excepting land zoned as Tourist, Commercial and Industrial.

1. RATES (CONTINUED)

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

GRV Mining and Transient Workforce Facilities

Properties used for high density Minesite accommodation exclusive of Lodging Houses. The rate reflects the cost of servicing a high density development that places a significant amount of financial pressure on Council to provide services such as road maintenance, parking control, heavy vehicle movements, litter control, rubbish site maintenance, airport infrastructure and maintenance and other amenities. It should be noted that, even in relation to services for which separate fees and charges are levied, many of these fees and charges do not recover the full cost of operating the facility or providing the service. In such cases, the difference between the revenue derived from fees and charges and the actual costs of providing the services and facilities has to be met from rates. So it is appropriate that the category of ratepayers that receive a significant benefit from the facilities make a fair contribution.

This differential rate maintains a proportional share of rating required to raise the necessary revenue to operate efficiently and provide the diverse range of services and associated infrastructure and facilities required for developed residential and urban areas. These services and facilities are available to transient workforce workers in the same manner as they are available to other residents of the Shire and the contribution from this category has been set at a level that reflects this. Council is focussed on sustainably managing its community and infrastructure assets through the funding of renewal and replacement asset programs. These programs include but are not limited to investment in the resealing of roads, replacement and development of footpath networks, refurbishing of public ablutions and other building maintenance programs. In addition, these properties have access to all other services and facilities provided by Council.

The average rates per transient workforce accommodation unit are less than the equivalent minimum rate for a single bedroom residence. Despite the lower rate per accommodation unit, transient workforce properties have the potential to have a greater impact on Council services and assets than other properties due to their number of occupants in a relatively small land parcel (i.e. concentrated bus and vehicle movements on local roads). In order to appropriately maintain and manage Councils asset and infrastructure in the longer term, a higher differential rate is proposed for this category to reflect the greater potential and actual intensity of use of Council assets and infrastructure.

Unimproved Value (UV)

Properties that are predominantly of a rural purpose are assigned an Unimproved Value that is supplied and updated by the Valuer General on an annual basis.

UV Pastoral

Consists of properties that are outside of the townsite that have a commercial use inclusive of pastoral leases or pastoral use. This category is rated to reflect the level of rating required to raise the necessary revenue to operate efficiently and provide for rural infrastructure and services in addition to the urban services and infrastructure which are available to be accessed by the properties in this category.

UV Mining

The object of this rate is to apply a base differential general rate to UV-Rated mining tenements and provide for the cost of operating all the facilities and services that are available to residents and ratepayers to use including rural roads upon which mining enterprises rely, other than those services and facilities for which separate fees and charges are levied on a cost-recovery basis. It should be noted that, even in relation to services for which separate fees and charges are levied, many of these fees and charges do not recover the full cost of operating the facility or providing the service. In such cases, the difference between the revenue derived from fees and charges and the actual costs of providing the services and facilities has to be met from rates. So it is appropriate that the category of ratepayers that receive a significant benefit from the facilities make a fair contribution.

1. RATES (CONTINUED)

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

UV Mining (Continued)

In addition to contributing to the costs of facilities and services available to residents and ratepayers, the rate recognises the additional administrative burden and costs associated with administering this class of rates and the risks of non-collection due to tenement deaths and deregistration of mining companies, additional wear and tear on Shire assets as a result of frequent heavy vehicle use over extensive lengths of Shire roads throughout the year, additional compliance burdens and costs, and unrecovered legal expenses.

The reason for the GRV Mining rate is to ensure that all ratepayers make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities throughout the Shire, as well as a contribution to the Shire's administrative costs proportionate to the additional risks and burdens imposed upon the Shire by Mining Ratepayers.

Minimum Rates

The setting of minimum rates within rating categories is an important method of ensuring that all properties contribute an equitable rate amount. A minimum rate of \$463.00 has been set for all rate categories.

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

1. RATES (CONTINUED)

(d) Specified Area Rate

No Specified Area Rates are expected to be levied in the year ended 30 June 2022.

(e) Service Charges

No Service Charges are expected to be levied in the year ended 30 June 2022.

(f) Rates discounts

Rate or fee to which discount is granted	Discount	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$ or %	\$	\$	\$
GRV - Commercial	20.0%	6,355	6,355	6,355
Incentive draw	1,000	1,000	1,000	0
		6,355	6,355	6,355

Circumstances in which discount is granted

Discount

Provided to rate payers of this category whose payment of the full amount owing, including arrears and service charges is received on or before 35 days after the date appearing on the rate notice.

Incentive Draw

Incentive for the payment of rates and charges by the single payment due date by the way of lottery draw for cash prizes. First prize is \$600, second prize is \$300, and third prize is \$100.

(g) Waivers or concessions

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

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

2. NET CURRENT ASSETS

(a) Composition of estimated net current assets

	Note	Budget 30 Jun 22 \$	Actual 30 Jun 21 \$	Budget 30 Jun 21 \$
Current assets				
Cash and cash equivalents- unrestricted	3	629,505	3,665,591	49,856
Cash and cash equivalents - restricted				
Cash backed reserves	7(a)	5,335,331	5,906,621	4,762,905
Unspent borrowings	3	0	61,477	0
Deposits and bonds	3	8,000	8,000	7,326
Unspent grants, subsidies and contributions	3	0	888,338	0
Receivables		545,968	1,641,358	630,485
Contract assets		0	0	26,589
Inventories		36,625	36,625	16,831
		<u>6,555,429</u>	<u>12,208,010</u>	<u>5,493,992</u>
Less: current liabilities				
Trade and other payables		(1,050,919)	(1,113,727)	(603,499)
Income received in advance		0	(387,065)	(2,525)
Contract obligations		0	(501,273)	0
Loan Liability	6(a)	(92,800)	(92,806)	(91,176)
Provisions		(169,179)	(169,179)	(125,064)
		<u>(1,312,898)</u>	<u>(2,264,050)</u>	<u>(822,264)</u>
Net current assets		<u>5,242,531</u>	<u>9,943,960</u>	<u>4,671,728</u>
Less: Cash - restricted reserves	7(a)	(5,335,331)	(5,906,621)	(4,762,905)
Less: Current portion of borrowings	6(a)	92,800	92,806	91,176
Closing funding surplus / (deficit)		<u>0</u>	<u>4,130,145</u>	<u>0</u>

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

2. NET CURRENT ASSETS (CONTINUED)

(b) Operating activities excluded from budgeted deficiency

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.

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

	Note	Budget 30 Jun 22	Actual 30 Jun 21	Budget 30 Jun 21
		\$	\$	\$
Adjustments to operating activities				
Less: Profit on asset disposals	4(c)	(40,400)	0	(53,700)
Less: Movement in employee provisions		0	(14,213)	0
Less: Movement in fair value of financial assets		0	(647)	0
Add: Movement in deferred pensioner rates		0	2,067	0
Add: Recognition of additional assets to revaluation surplus		0	20,006	0
Add: Loss on disposal of assets	4(c)	5,600	0	0
Add: Depreciation on assets	5	2,703,700	2,687,808	2,844,800
Amounts excluded from operating activities		2,668,900	2,695,021	2,791,100

2. NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

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

TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire of Cue becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

PREPAID RATES

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

INVENTORIES

General

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

TRADE AND OTHER RECEIVABLES

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

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

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

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

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

PROVISIONS

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

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

2. NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

Superannuation

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

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

LAND HELD FOR RESALE

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

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

CONTRACT ASSETS

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

EMPLOYEE BENEFITS

Short-term employee benefits

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

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

CONTRACT LIABILITIES

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

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

3. RECONCILIATION OF CASH

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

Note	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Cash and cash equivalents			
Cash at bank and on hand	637,505	2,632,906	57,182
Term deposits	0	1,990,500	0
Term deposits - reserves	5,335,331	5,906,621	4,762,905
	<u>5,972,836</u>	<u>10,530,027</u>	<u>4,820,086</u>
Comprises:			
Unrestricted	629,505	3,665,591	49,856
Restricted	5,343,331	6,864,436	4,770,230
	<u>5,972,836</u>	<u>10,530,027</u>	<u>4,820,086</u>

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

Cash backed reserves	7(a)	5,335,331	5,906,621	4,762,905
Unspent borrowings	6(c)	0	61,477	7,326
Deposits and bonds		8,000	8,000	0
Unspent grants, subsidies and contributions		0	888,338	0
		<u>5,343,331</u>	<u>6,864,436</u>	<u>4,770,230</u>

Reconciliation of net cash provided by operating activities to net result

Net result		6,464,255	3,255,821	8,860,340
Depreciation	5	2,703,700	2,687,808	2,844,800
(Profit)/loss on sale of asset	4(c)	(34,800)	0	(53,700)
(Increase)/decrease in receivables		1,095,391	89,475	420,120
(Increase)/decrease in inventories		0	(8,464)	0
Increase/(decrease) in payables		(62,809)	218,535	(321,360)
Increase/(decrease) in provisions		0	28,423	0
Non-operating grants, subsidies and contributions	9(b)	(8,882,020)	(6,517,716)	(11,512,179)
Net cash from operating activities		<u>1,283,717</u>	<u>(246,118)</u>	<u>238,021</u>

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.

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

4. FIXED ASSETS

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

(a) Property, Plant and Equipment

(i) Land and buildings

	2021/22	2020/21	2020/21
	Budget	Actual	Budget
	\$	\$	\$
Housing			
Staff Unit Housing Development	1,250,000	0	1,000,000
Pensioner Housing Development	1,000,000	0	1,000,000
Staff Housing	430,000	140,129	250,000
GROH Housing	70,000	846,299	917,000
Payment of Land in lieu of Rates	0	36,954	0
Recreation and culture			
Great Fingal Mine Office	2,000,000	72,060	2,000,000
Town Hall Upgrades	340,000	57,852	190,000
Old Railway Building and Youth Centre	250,000	411,561	395,000
Heritage Building Renovations	130,000	156,924	130,000
Bowling Green Upgrade	10,000	0	10,000
Transport			
Works Depot Improvements	50,000	0	30,000
Economic service			
Heydon Place Industrial Development*	250,000	407,323	372,500
Tourist Park Ablutions	100,000	0	100,000
Tourist Park House and Office	80,000	445,090	400,000
Old Gaol Restoration	80,000	65,028	60,000
Old Municipal Building Improvements	60,000	0	60,000
Pension Hut Renovation	10,500	0	10,500
Heritage Interpretive Centre	0	8,076	0
Other property and services			
Administration Building Improvements	35,000	3,427	35,000
Recognition of additional assets to revaluation surplus	0	20,006	0
	6,145,500	2,670,729	6,960,000

(ii) Furniture and equipment

Governance			
Council Furniture and Equipment	10,000	0	10,000
Housing			
Staff Housing	15,000	0	15,000
Economic services			
Pension Hut Furniture and Equipment	10,000	0	10,000
Other property and services			
Administration Furniture and Equipment	39,100	17,274	25,000
	74,100	17,274	60,000

* - Heydon Place Industrial Development moved from Other Infrastructure

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

4. FIXED ASSETS (CONTINUED)

(a) Property, Plant and Equipment (Continued)

(iii) Plant and equipment

Transport

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Prime Mover	300,000	0	0
Mini Excavator	200,000	0	0
Caterpillar Skid Steer Loader	120,000	0	120,000
4 x 4 Dual Cab 3 Tonne Truck	100,000	0	0
Town Crew Tipping Tray Ute	45,000	0	45,000
Cleaners Vehicle	35,000	0	0
Road Maintenance Equipment	20,000	6,158	12,000
Town Maintenance Equipment	12,000	0	6,000
Workshop Equipment	10,000	9,493	10,000
Toyota Landcruiser VX	0	0	85,000
Street Sweeper	0	63,786	50,000
Nissan Navarra 2WD	0	0	30,000
Ride-on Mower	0	19,699	25,000
Excavator Grapple	0	4,020	15,000
Bitumen Sprayer	0	83,540	12,000
Dual Axle Heavy Duty Bitumen Trailer	0	0	10,000
Boomerang Tri-axle Side Tipper	0	12,500	0
2005 Sunland Winton Series III Caravan	0	36,000	0
Volkswagen Amarok Dual Cab Ute	0	43,938	0
	842,000	279,134	420,000

Total Property, Plant and Equipment

7,061,600 2,967,137 7,440,000

(b) Infrastructure

(i) Road infrastructure

Transport

Flood Damage Restoration	1,940,000	0	3,123,336
Construction - Muni Funds Roads	440,000	199,761	190,000
Roads to Recovery	351,880	514,508	593,843
Regional Roads Group	274,500	210,193	180,000
Road Train Assembly Area	252,600	0	0
Cue-Beringarra Road	150,000	4,625	150,000
Grid Widening Program	100,000	0	100,000
Wilgie Mia Road	0	1,578,476	2,100,000
Town Footpaths	0	360,160	0
	3,508,980	2,867,723	6,437,179

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

4. FIXED ASSETS (CONTINUED)

(b) Infrastructure (Continued)

(ii) Other infrastructure

Community amenities

Waste Site - Fencing and Improvements
 Deep Sewerage
 Cemetery Niche Wall

Recreation and culture

Playground Equipment
 Sporting Facilities
 Oval Infrastructure
 Walk and Cycle Trails

Transport

Airport Runway Resealing
 Artificial Lawn and Retic

Economic services*

Museum Project
 Austin Street Development
 Garden Rock Development
 Streetscape
 Standpipe Automation
 CCTV
 Tourist Park Improvements
 RV Site
 Oasis Visitor Parking Project
 LRCIP Phase 3 Projects

	2021/22	2020/21	2020/21
	Budget	Actual	Budget
	\$	\$	\$
	325,000	0	325,000
	240,000	0	240,000
	35,000	0	35,000
	220,000	0	220,000
	100,000	0	100,000
	50,000	0	50,000
	27,610	12,393	40,000
	1,200,000	0	1,400,000
	45,000	0	45,000
	180,000	11,347	180,000
	100,000	0	100,000
	100,000	0	100,000
	75,000	0	75,000
	60,000	0	20,000
	50,000	0	33,500
	40,000	15,345	40,000
	30,000	0	30,000
	23,000	0	23,000
	430,600	0	0
	3,331,210	39,085	3,056,500
Total Infrastructure	6,840,190	2,906,808	9,493,679
Total acquisitions	13,901,790	5,873,945	16,933,679

* - Heydon Place Industrial Development moved to Land and Buildings

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

4. FIXED ASSETS (CONTINUED)

(c) Disposals of Assets

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

(i) 2021/22 Budget

Property, Plant and Equipment	Net Book Value	Sale Proceeds	Profit on Disposal	Loss on Disposal
	\$	\$	\$	\$
Transport				
P34 2012 Caterpillar 226B3SC Skid Steer Loader	22,900	40,000	17,100	0
P61 Mack Trident Prime Mover CD 775	55,600	50,000	0	(5,600)
P71 CAT 301.7D Mini Excavator	22,700	40,000	17,300	0
Town Crew Supervisor Ute	24,000	30,000	6,000	0
	<u>125,200</u>	<u>160,000</u>	<u>40,400</u>	<u>(5,600)</u>

(ii) 2020/21 Actual

Property, Plant and Equipment				
Transport				
Caterpillar Skid Steer Loader	0	0	0	0
Town Crew Tipping Tray Ute	0	0	0	0
Toyota Landcruiser VX	0	0	0	0
Nissan Navarra 2WD	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

(iii) 2020/21 Budget

Property, Plant and Equipment				
Transport				
Caterpillar Skid Steer Loader	23,700	45,000	21,300	0
Town Crew Tipping Tray Ute	25,200	30,000	4,800	0
Toyota Landcruiser VX	62,400	85,000	22,600	0
Nissan Navarra 2WD	5,000	10,000	5,000	0
	<u>116,300</u>	<u>170,000</u>	<u>53,700</u>	<u>0</u>

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

5. ASSET DEPRECIATION

	2021/22	2020/21	2020/21
	Budget	Actual	Budget
	\$	\$	\$
By Program			
Governance	1,830	1,496	1,830
Law, order, public safety	230	225	230
Health	1,420	429	1,420
Housing	36,830	52,741	36,830
Community amenities	10,450	13,695	10,450
Recreation and culture	115,220	114,865	115,220
Transport	2,150,200	2,103,965	2,120,200
Economic services	193,930	205,738	193,930
Other property and services	193,590	194,654	364,690
	2,703,700	2,687,808	2,844,800
By Class			
Land and buildings	226,400	265,153	226,400
Furniture and equipment	9,500	10,830	9,500
Plant and equipment	151,600	152,315	322,700
Road Infrastructure	2,008,900	1,961,553	1,978,900
Other Infrastructure	307,300	297,957	307,300
	2,703,700	2,687,808	2,844,800

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:

Asset	Years	Asset	Years
Roads and streets		Land and buildings	15 to 80
Unformed subgrade	0	Furniture and equipment	2 to 15
Formed subgrade	0	Plant and equipment	2 to 20
Unsealed pavement	11	Parks and ovals	12 to 50
Sealed pavement	44	Other infrastructure	10 to 60
Seal	17	Sewerage piping	75
Footpaths - slab	40	Water supply:	
Grids	80	piping systems	75
Kerbing	40	drainage systems	75
Culverts	80		
Signs	20		
Floodways	10 to 76		
Right of use (buildings)	Based on the remaining lease		
Right of use (plant and equipment)	Based on the remaining lease		

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

6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

	2021/22	2020/21	2020/21
	Budget	Actual	Budget
Housing - GROH Housing			
Principal repayments	\$	\$	\$
Payment in July	46,195	45,386	45,386
Payment in January	46,605	45,790	45,790
	<hr/> 92,800	<hr/> 91,176	<hr/> 91,176
Interest and fee repayments			
Payment in July	11,250	11,586	11,250
Payment in January	11,250	11,057	11,250
Accrual	0	(1,053)	0
	<hr/> 22,500	<hr/> 21,590	<hr/> 22,500
Total repayments	<hr/> <hr/> 115,300	<hr/> <hr/> 112,766	<hr/> <hr/> 113,676
Principal outstanding			
Principal outstanding 01 Jul	843,839	935,015	935,015
Principal repayments	(92,800)	(91,176)	(91,176)
Principal outstanding 30 Jun	<hr/> 751,039	<hr/> 843,839	<hr/> 843,839

Loan details

Institution	Western Australian Treasury Corporation
Type	Fixed rate annuity
Amount of advance	\$980,000
Date of advance	01 Jul 2019
Maturity date	01 Jul 2029
Term	10 years
Repayment schedule	Bi-annual
Interest rate	1.78%

All borrowing repayments will be financed by general purpose revenue.

(b) New borrowings - 2021/22

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

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

6. INFORMATION ON BORROWINGS (CONTINUED)

(c) Unspent borrowings

	2021/22	2020/21	2020/21
	Budget	Actual	Budget
GROH Housing	\$	\$	\$
Unspent borrowings at 01 Jul	61,477	907,776	917,191
Expected new borrowings	0	0	0
Expected amount to be used	(61,477)	(846,299)	(917,000)
Unspent borrowings at 30 Jun	0	61,477	0

(d) Credit Facilities

Undrawn borrowing facilities
credit standby arrangements

Bank overdraft limit	0	0	0
Bank overdraft at balance date	0	0	0
Credit card limit	15,000	15,000	15,000
Credit card balance at balance date	0	14,805	0
Total amount of credit unused	15,000	29,805	15,000

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

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movements

(i) 2021/22 Budget

	Opening Balance	Transfer Interest	Transfer to	Transfer (from)	Closing Balance
	\$	\$	\$	\$	\$
(a) Long service leave reserve	63,409	352	0	0	63,761
(b) Building maintenance reserve	598,347	3,321	0	(130,285)	471,383
(c) Plant replacement reserve	517,888	2,874	0	(200,000)	320,762
(d) Streetscape reserve	319,655	1,774	0	(123,000)	198,429
(e) Sports facilities reserve	123,079	683	0	0	123,762
(f) Tourist park development reserve	254,225	1,411	0	(140,000)	115,636
(g) Water playground reserve	61,147	339	0	0	61,486
(h) Beringarra road reserve	2,530,506	14,044	0	(150,000)	2,394,550
(i) Tourism reserve	124,168	689	0	(40,000)	84,857
(j) Housing / land development reserve	218,246	1,211	0	(150,000)	69,457
(k) Heritage reserve	631,446	3,504	0	(320,785)	314,165
(l) Road maintenance reserve	234,661	1,302	650,000	0	885,963
(m) Infrastructure reserve	229,844	1,276	0	0	231,120
	5,906,621	32,780	650,000	(1,254,070)	5,335,331

(ii) 2020/21 Actual

(a) Long service leave reserve	62,945	464	0	0	63,409
(b) Building maintenance reserve	648,556	4,791	0	(55,000)	598,347
(c) Plant replacement reserve	514,091	3,797	0	0	517,888
(d) Streetscape reserve	317,311	2,344	0	0	319,655
(e) Sports facilities reserve	122,177	902	0	0	123,079
(f) Tourist park development reserve	252,361	1,864	0	0	254,225
(g) Water playground reserve	60,699	448	0	0	61,147
(h) Beringarra road reserve	2,660,835	19,671	0	(150,000)	2,530,506
(i) Tourism reserve	123,258	910	0	0	124,168
(j) Housing / land development reserve	191,829	1,417	25,000	0	218,246
(k) Heritage reserve	626,815	4,631	0	0	631,446
(l) Road maintenance reserve	232,939	1,722	0	0	234,661
(m) Infrastructure reserve	228,160	1,684	0	0	229,844
	6,041,976	44,645	25,000	(205,000)	5,906,621

(iii) 2020/21 Budget

(a) Long service leave reserve	62,945	625	0	0	63,570
(b) Building maintenance reserve	648,556	6,441	0	(235,000)	419,997
(c) Plant replacement reserve	514,091	5,105	0	(150,000)	369,196
(d) Streetscape reserve	317,311	3,151	0	(123,000)	197,462
(e) Sports facilities reserve	122,177	1,213	0	0	123,390
(f) Tourist park development reserve	252,361	2,506	0	(140,000)	114,867
(g) Water playground reserve	60,699	603	0	0	61,302
(h) Beringarra road reserve	2,660,835	26,423	0	(150,000)	2,537,258
(i) Tourism reserve	123,258	1,224	0	(40,000)	84,482
(j) Housing / land development reserve	191,829	1,905	25,000	(150,000)	68,734
(k) Heritage reserve	626,815	6,225	0	(281,070)	351,970
(l) Road maintenance reserve	232,939	2,313	0	(50,000)	185,252
(m) Infrastructure reserve	228,160	2,266	0	(45,000)	185,426
	6,041,976	60,000	25,000	(1,364,070)	4,762,906

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

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) Long service leave reserve	as required	to be used to fund long service leave requirements
(b) Building maintenance reserve	as required	to be used to fund maintenance and capital expenditure on Council owned buildings
(c) Plant replacement reserve	as required	to be used for the purchase or significant overhaul of major plant
(d) Streetscape reserve	as required	to be used to fund streetscape improvements within the town centre of Cue
(e) Sports facilities reserve	as required	to be used to fund maintenance and capital expenditure on the sports facilities
(f) Tourist park development reserve	as required	to be used to fund the development of the Cue Tourist Park
(g) Water playground reserve	as required	to be used to fund the maintenance of the Water Playground
(h) Beringarra road reserve	as required	to be used for maintenance and capital expenditure on Beringarra Road
(i) Tourism reserve	as required	to be used to fund and maintain Tourism related infrastructure and programs
(j) Housing / land development reserve	as required	to be used to assist with the provision of affordable housing and the establishment of an incubator hub
(k) Heritage reserve	as required	to be used to maintain / renovate / promote heritage places and buildings owned or under a Shire management order
(l) Road maintenance reserve	as required	to be used for maintenance and capital expenditure on Shire roads
(m) Infrastructure reserve	as required	to be used to fund maintenance and capital expenditure for Shire's infrastructure assets

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

8. FEES AND CHARGES

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
General purpose funding	2,000	2,150	1,000
Law, order, public safety	1,500	425	3,000
Health	1,200	920	1,200
Housing	94,295	25,900	73,320
Community amenities	88,385	84,042	84,885
Recreation and culture	2,300	1,419	4,800
Transport	175,000	182,455	145,000
Economic services	453,700	491,098	290,700
Other property and services	37,000	28,430	37,000
	855,380	816,839	640,905

9. GRANT REVENUE

(a) Operating grants, subsidies and contributions

General purpose funding	876,926	2,053,758	952,786
Law, order, public safety	7,500	7,923	7,500
Education and welfare	0	1,238	0
Recreation and culture	800	21,000	800
Transport	790,284	125,049	108,000
Economic services	0	47,553	0
Other property and services	84,000	80,123	40,000
	1,759,510	2,336,644	1,109,086

(b) Non-operating grants, subsidies and contributions

General purpose funding	1,239,135	12,393	340,000
Housing	1,000,000	0	1,200,000
Community amenities	340,000	0	260,000
Recreation and culture	2,190,000	0	2,190,000
Transport	3,977,885	6,446,092	7,337,179
Economic services	135,000	59,231	185,000
	8,882,020	6,517,716	11,512,179

Total grants, subsidies and contributions	10,641,530	8,854,360	12,621,265
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(c) Unspent grants, subsidies and contributions

	Balance 30 Jun 21	Amounts received	Amounts exhausted	Balance 30 Jun 22
	\$	\$	\$	\$
Transport				
Roads to Recovery	45,957	0	(45,957)	0
LRCIP	455,316	0	(455,316)	0
	501,273	0	(501,273)	0

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

10. OTHER INFORMATION

(a) The net result includes as revenues

	2021/22 Budget	2020/21 Actual	2020/21 Budget
(i) Interest earnings	\$	\$	\$
Investments - Reserve funds	32,780	44,645	60,000
Investments - Other funds	10,000	23,516	32,000
Other interest revenue (Refer Note 1(b))	18,500	13,284	21,500
	<u>61,280</u>	<u>81,445</u>	<u>113,500</u>
(ii) Other revenue			
Reimbursements and recoveries	43,500	24,145	12,000
Other	56,500	109,615	67,500
	<u>100,000</u>	<u>133,760</u>	<u>79,500</u>

(b) The net result includes as expenses

(i) Auditors remuneration			
Audit services	36,500	35,750	35,750
	<u>36,500</u>	<u>35,750</u>	<u>35,750</u>
(ii) Interest expenses (finance costs)			
Borrowings (Refer Note 6(a))	22,500	21,590	22,500
	<u>22,500</u>	<u>21,590</u>	<u>22,500</u>
(iii) Write offs			
General rates	43,643	275	43,645
	<u>43,643</u>	<u>275</u>	<u>43,645</u>

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

10. OTHER INFORMATION (CONTINUED)

(b) The net result includes as expenses (Continued)

(iv) Elected members remuneration

	2021/22	2020/21	2020/21
	Budget	Actual	Budget
President - Ross Pigdon	\$	\$	\$
Presidents allowance	10,900	10,896	10,900
Meeting fees	5,880	7,469	5,880
Travelling expenses	2,786	2,357	2,786
Telecommunications allowance	3,500	3,480	3,500
Deputy President - Les Price			
Deputy Presidents allowance	2,800	2,724	2,800
Meeting fees	4,103	3,689	4,103
Travelling expenses	2,786	4,856	2,786
Telecommunications allowance	3,500	3,480	3,500
Councillor - Fred Spindler			
Meeting fees	4,103	3,451	4,103
Travelling expenses	2,786	0	2,786
Telecommunications allowance	3,500	3,480	3,500
Christmas lights prize	0	200	0
Councillor - Elizabeth Houghton			
Meeting fees	4,103	3,451	4,103
Travelling expenses	2,786	0	2,786
Telecommunications allowance	3,500	3,480	3,500
Councillor - Leonie Fitzpatrick			
Meeting fees	4,103	3,213	4,103
Travelling expenses	2,786	0	2,786
Telecommunications allowance	3,500	3,480	3,500
Councillor - Ronald Hogben			
Meeting fees	4,103	3,451	4,103
Travelling expenses	2,786	0	2,786
Telecommunications allowance	3,500	3,480	3,500
Councillor - Ian Dennis			
Meeting fees	4,103	3,808	4,103
Travelling expenses	2,786	0	2,786
Telecommunications allowance	3,500	3,480	3,500
	88,200	73,925	88,200
Total Remuneration			
President's allowance	10,900	10,896	10,900
Deputy President's allowance	2,800	2,724	2,800
Meeting Fees	30,498	28,532	30,498
Travelling expenses	19,502	7,213	19,502
Telecommunications allowance	24,500	24,360	24,500
Christmas lights prize	0	200	0
	88,200	73,925	88,200

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

11 MAJOR LAND TRANSACTIONS

It is not anticipated any major land transactions will occur in 2021/22.

12. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated any major trading undertakings will occur in 2021/22.

13. INTERESTS IN JOINT ARRANGEMENTS

It is not anticipated the Shire will be party to any joint venture arrangements during 2021/22.

14. TRUST FUNDS

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

Detail	Balance 30 June 2021	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2022
	\$	\$	\$	\$
Cue Land Conservation District Committee	2,080	0	0	2,080
	2,080	0	0	2,080

15. SIGNIFICANT ACCOUNTING POLICIES - OTHER
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.