

# ANNUAL BUDGET 2021/22



The Shire of Exmouth's Annual Budget indicates our community's civic priorities, projected revenue and costs, and plan for the future - what revenue will pay for which departmental services and for whom those services exist.

**SHIRE OF EXMOUTH**  
**BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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**Community Vision**

To be a prosperous and sustainable community living in harmony with our natural environment

**SHIRE OF EXMOUTH**  
**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
		\$	\$	\$
<b>Revenue</b>				
Rates	1(a)	3,679,000	3,488,773	3,470,000
Operating grants, subsidies and contributions	10(a)	2,119,500	2,305,026	1,054,000
Fees and charges	9	8,887,000	7,583,898	6,585,000
Interest earnings	13(a)	85,000	67,464	131,000
Other revenue	13(b)	267,500	704,521	209,000
		15,038,000	14,149,682	11,449,000
<b>Expenses</b>				
Employee costs		(7,014,000)	(6,159,143)	(6,523,000)
Materials and contracts		(4,053,000)	(3,434,099)	(3,785,000)
Utility charges		(720,500)	(769,082)	(830,000)
Depreciation on non-current assets	5	(3,666,000)	(3,694,488)	(3,607,000)
Interest expenses	13(d)	(68,000)	(72,506)	(66,000)
Insurance expenses		(482,000)	(389,321)	(430,000)
Other expenditure		(695,000)	(240,462)	(518,000)
		(16,698,500)	(14,759,101)	(15,759,000)
<b>Subtotal</b>				
		(1,660,500)	(609,419)	(4,310,000)
Non-operating grants, subsidies and contributions	10(b)	2,783,000	1,376,714	2,659,000
		2,783,000	1,376,714	2,659,000
<b>Net result</b>				
		<b>1,122,500</b>	<b>767,295</b>	<b>(1,651,000)</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>1,122,500</b>	<b>767,295</b>	<b>(1,651,000)</b>

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



SHIRE OF EXMOUTH  
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 Exmouth 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 15 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 EXMOUTH**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
<b>Revenue</b>	1,9,10(a),13(a),13(b)	\$	\$	\$
Governance		0	3,078	0
General purpose funding		5,244,000	4,920,154	4,477,000
Law, order, public safety		80,000	19,828	12,000
Health		42,500	46,525	47,000
Education and welfare		3,000	3,438	0
Housing		50,000	59,742	59,000
Community amenities		1,341,000	1,638,013	1,279,000
Recreation and culture		999,000	1,211,404	907,000
Transport		6,224,000	4,576,194	3,735,000
Economic services		1,022,500	1,164,661	909,000
Other property and services		32,000	506,645	24,000
		15,038,000	14,149,682	11,449,000
<b>Expenses excluding finance costs</b>	4(a),5,13(c)(e)(e)			
Governance		(192,500)	(880,734)	(840,500)
General purpose funding		(161,500)	(138,066)	(129,000)
Law, order, public safety		(436,500)	(384,154)	(356,000)
Health		(320,500)	(204,666)	(300,500)
Education and welfare		(75,000)	(68,280)	(75,500)
Housing		(20,000)	(216,401)	(58,000)
Community amenities		(2,206,500)	(1,523,046)	(1,707,500)
Recreation and culture		(5,857,000)	(5,044,546)	(5,376,000)
Transport		(5,666,500)	(4,667,463)	(5,145,500)
Economic services		(1,397,500)	(1,299,463)	(1,261,000)
Other property and services		(297,000)	(259,776)	(443,500)
		(16,630,500)	(14,686,595)	(15,693,000)
<b>Finance costs</b>	7,6(a),13(d)			
Housing		(30,000)	(24,000)	(24,000)
Community amenities		(1,000)	(3,000)	(3,000)
Recreation and culture		(25,000)	(28,000)	(28,000)
Transport		(2,000)	(6,506)	0
Other property and services		(10,000)	(11,000)	(11,000)
		(68,000)	(72,506)	(66,000)
<b>Subtotal</b>		(1,660,500)	(609,419)	(4,310,000)
Non-operating grants, subsidies and contributions	10(b)	2,783,000	1,376,714	2,659,000
		2,783,000	1,376,714	2,659,000
<b>Net result</b>		<b>1,122,500</b>	<b>767,295</b>	<b>(1,651,000)</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>1,122,500</b>	<b>767,295</b>	<b>(1,651,000)</b>

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

## KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

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

### OBJECTIVE

#### GOVERNANCE

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

### ACTIVITIES

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

#### GENERAL PURPOSE FUNDING

To collect revenue to allow for the provision of services.

The collection of rate revenue and the maintenance of valuation and rating records to support the collection process. General purpose government grant and interest revenue.

#### LAW, ORDER, PUBLIC SAFETY

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

The provision of bushfire control services, animal control and support for emergency services, as well as the maintenance and enforcement of local laws.

#### HEALTH

To provide an operational framework for environment and community health.

Maternal and infant health, preventative service and environmental health.

#### EDUCATION AND WELFARE

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

Maintenance of play group and senior citizens buildings.

#### HOUSING

To provide housing to staff members.

Administration and operation of residential housing for council staff.

#### COMMUNITY AMENITIES

To provide services required by the community.

Maintenance of rubbish service to residents and maintenance of sanitary landfill sites. Town planning and regional development, maintenance of cemeteries and other community amenities.

#### RECREATION AND CULTURE

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

Maintenance of public halls, centres, swimming pool, beaches, recreation centre and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library and radio re-broadcasting facilities.

#### TRANSPORT

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

Construction and maintenance of roads, street, footpaths, depot, cycleways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc. Administration and operation of airport and aerodrome.

#### ECONOMIC SERVICES

The promotion of the district to increase economic activities and the provision of building control within the shire.

Tourism, area promotion and building control.

#### OTHER PROPERTY AND SERVICES

To monitor and control Council's overheads operating accounts.

The provision of private works to the public and the maintenance of cost pools for plant operating, public works overheads and administration costs.

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

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		3,679,000	3,714,425	3,470,000
Operating grants, subsidies and contributions		2,119,500	1,909,604	1,054,000
Fees and charges		8,887,000	7,583,898	6,585,000
Interest received		85,000	67,464	131,000
Other revenue		267,500	704,521	209,000
		15,038,000	13,979,912	11,449,000
<b>Payments</b>				
Employee costs		(7,014,000)	(5,992,268)	(6,523,000)
Materials and contracts		(3,753,000)	(3,076,798)	(3,785,000)
Utility charges		(720,500)	(769,082)	(830,000)
Interest expenses		(68,000)	(81,731)	(66,000)
Insurance paid		(482,000)	(389,321)	(430,000)
Goods and services tax paid		0	(188,975)	0
Other expenditure		(695,000)	(240,462)	(518,000)
		(12,732,500)	(10,738,637)	(12,152,000)
<b>Net cash provided by (used in) operating activities</b>	3	2,305,500	3,241,275	(703,000)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	4(a)	(3,005,000)	(2,089,168)	(2,859,000)
Payments for construction of infrastructure	4(a)	(8,093,000)	(1,949,280)	(3,041,000)
Non-operating grants, subsidies and contributions	10(b)	2,783,000	1,376,714	2,659,000
Proceeds from sale of plant and equipment	4(b)	110,000	200,000	200,000
<b>Net cash provided by (used in) investing activities</b>		(8,205,000)	(2,461,734)	(3,041,000)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(290,500)	(231,701)	(232,000)
Proceeds from self supporting loans		15,000	23,000	23,000
Principal elements of lease payments	7	(135,000)	(148,434)	0
Proceeds from new borrowings	6(a)	4,800,000	540,000	0
<b>Net cash provided by (used in) financing activities</b>		4,389,500	182,865	(209,000)
<b>Net increase (decrease) in cash held</b>		(1,510,000)	962,406	(3,953,000)
Cash at beginning of year		13,171,683	12,209,277	11,651,318
<b>Cash and cash equivalents at the end of the year</b>	3	<b>11,661,683</b>	<b>13,171,683</b>	<b>7,698,318</b>

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

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

	NOTE	2021/22 Budget \$	2020/21 Est. Actual \$	2020/21 Budget \$
<b>OPERATING ACTIVITIES</b>				
Net current assets at start of financial year - surplus/(deficit)	2	2,887,155	2,691,280	2,642,432
		2,887,155	2,691,280	2,642,432
<b>Revenue from operating activities (excluding rates)</b>				
Specified area and ex gratia rates	1(e)	51,000	48,842	48,000
Operating grants, subsidies and contributions	10(a)	2,119,500	2,305,026	1,054,000
Fees and charges	9	8,887,000	7,583,898	6,585,000
Interest earnings	13(a)	85,000	67,464	131,000
Other revenue	13(b)	267,500	704,521	209,000
		11,410,000	10,709,751	8,027,000
<b>Expenditure from operating activities</b>				
Employee costs		(7,014,000)	(6,159,143)	(6,523,000)
Materials and contracts		(4,053,000)	(3,434,099)	(3,785,000)
Utility charges		(720,500)	(769,082)	(830,000)
Depreciation on non-current assets	5	(3,666,000)	(3,694,488)	(3,607,000)
Interest expenses	13(d)	(68,000)	(72,506)	(66,000)
Insurance expenses		(482,000)	(389,321)	(430,000)
Other expenditure		(695,000)	(240,462)	(518,000)
		(16,698,500)	(14,759,101)	(15,759,000)
Non-cash amounts excluded from operating activities	2(b)	3,666,000	4,658,663	3,607,000
<b>Amount attributable to operating activities</b>		1,264,655	3,300,593	(1,482,568)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	10(b)	2,783,000	1,376,714	2,659,000
Payments for property, plant and equipment	4(a)	(3,005,000)	(2,089,168)	(2,859,000)
Payments for construction of infrastructure	4(a)	(8,093,000)	(1,949,280)	(3,041,000)
Proceeds from disposal of assets	4(b)	110,000	200,000	200,000
<b>Amount attributable to investing activities</b>		(8,205,000)	(2,461,734)	(3,041,000)
<b>Amount attributable to investing activities</b>		(8,205,000)	(2,461,734)	(3,041,000)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(290,500)	(231,701)	(232,000)
Proceeds from community loans		15,000	23,000	23,000
Principal elements of finance lease payments	7	(135,000)	(148,434)	0
Proceeds from new borrowings	6(b)	4,800,000	540,000	0
Transfers to cash backed reserves (restricted assets)	8(a)	(3,857,000)	(3,488,500)	(1,027,000)
Transfers from cash backed reserves (restricted assets)	8(a)	2,793,000	1,914,000	2,385,000
<b>Amount attributable to financing activities</b>		3,325,500	(1,391,635)	1,149,000
<b>Budgeted deficiency before general rates</b>		(3,614,845)	(552,776)	(3,374,568)
<b>Estimated amount to be raised from general rates</b>	1(a)	3,628,000	3,439,931	3,422,000
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2	13,155	2,887,155	47,432

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



SHIRE OF EXMOUTH  
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FOR THE YEAR ENDED 30 JUNE 2022

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**SHIRE OF EXMOUTH**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2022**  
**1. RATES AND SERVICE CHARGES**

**(a) Rating Information**

RATE TYPE	Rate in	Number of properties	Rateable value	2021/22 Budgeted rate revenue	2021/22 Budgeted interim rates	2021/22 Budgeted back rates	2021/22 Budgeted total revenue	2020/21 Actual total revenue	2020/21 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
<b>Differential general rate or general rate</b>									
<b>Gross rental valuations</b>									
General	0.07870	1,202	29,743,464	2,341,000	6,000	2,000	2,349,000	2,206,562	2,188,000
Marina Developed	0.10620	101	3,624,847	385,000	0	0	385,000	363,940	367,000
Holiday Homes	0.10910	87	2,197,000	240,000	0	0	240,000	227,773	207,000
Vacant Land	0.15730	235	2,374,330	373,000	0	0	373,000	351,228	358,000
<b>Unimproved valuations</b>									
Mining	0.16760	11	356,252	60,000	0	0	60,000	53,696	60,000
Rural	0.08380	6	648,420	54,000	0	0	54,000	47,337	53,000
<b>Sub-Totals</b>		1,642	38,944,313	3,453,000	6,000	2,000	3,461,000	3,250,536	3,233,000
<b>Minimum</b>									
<b>Minimum payment</b>									
	\$								
<b>Gross rental valuations</b>									
General	950	60	549,082	57,000	0	0	57,000	78,120	78,000
Marina Developed	950	1	950	1,000	0	0	1,000	930	1,000
Holiday Homes	950	0	0	0	0	0	0	0	0
Vacant Land	750	141	465,880	106,000	0	0	106,000	107,310	107,000
<b>Unimproved valuations</b>									
Mining	250	10	8,426	2,000	0	0	2,000	2,300	2,000
Rural	750	1	5,800	1,000	0	0	1,000	735	1,000
<b>Sub-Totals</b>		213	1,030,138	167,000	0	0	167,000	189,395	189,000
		1,855	39,974,451	3,620,000	6,000	2,000	3,628,000	3,439,931	3,422,000
<b>Total amount raised from general rates</b>							3,628,000	3,439,931	3,422,000
Specified area rates (Refer note 1(e))							51,000	48,842	48,000
<b>Total rates</b>							3,679,000	3,488,773	3,470,000

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

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

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

SHIRE OF EXMOUTH  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2022  
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	3/09/2021	0.00	0.0%	7.0%
<b>Option two</b>				
First instalment	3/09/2021	0.00	0.0%	7.0%
Second instalment	15/11/2021	14.75	5.5%	7.0%
<b>Option three</b>				
First instalment	3/09/2021	0.00	0.0%	7.0%
Second instalment	15/11/2021	14.75	5.5%	7.0%
Third instalment	21/01/2022	14.75	5.5%	7.0%
Fourth instalment	1/04/2022	14.75	5.5%	7.0%

	2021/22 Budget revenue	2020/21 Actual revenue	2020/21 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	15,000	0	0
Instalment plan interest earned	15,000	0	0
Unpaid rates and service charge interest earned	25,000	22,565	17,000
	55,000	22,565	17,000

SHIRE OF EXMOUTH  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2022  
1. RATES AND SERVICE CHARGES (CONTINUED)

(c) Objectives and Reasons for Differential Rating

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

Differential general rate

Description	Characteristics	Objects	Reasons
GRV General	This rating category consists of properties zoned as: <ul style="list-style-type: none"><li>•Residential</li><li>•Urban Development</li><li>•Commercial</li><li>•Tourism</li><li>•Light Industry</li><li>•Service Commercial</li><li>•General Industry</li><li>•Industrial Development</li><li>•Rural Residential</li><li>•Properties within Wilderness Estate</li></ul>	Revenue derived from this category assists funding to operate efficiently the service levels expected by the community as outlined in our Strategic Plan and Corporate Business Plan.	Means any land that is predominantly used for singular and multi-dwelling and is zoned in accordance with the characteristics detailed.
GRV Marina Developed	This rating category consists of developed properties zoned as: <ul style="list-style-type: none"><li>•Marina</li></ul>	The object of the rate for this category is to reflect the additional revenue required to fund the costs associated with the higher level of maintenance provided to these properties including maintaining the seawall to the north of the marina, maintain public jetties, canal footbridge, beach stabilisation, landscaping, road sweeping, and maintenance of street furniture, canal drainage and footbridge lighting. Also responsible for boat ramps and associated with cost within the area and maintenance of water way adjoining public open space.	This rate applies to developed properties zoned as marina.
GRV Holiday Homes	This rating category consists of residential properties that have received Town Planning approval to operate as short term holiday accommodation.	This category is rated higher than the GRV General Rate to assist with contribution to tourism, marketing and related projects throughout the district. Additionally, it includes the development of tourist related services and infrastructure.	Means any land approved and predominantly used to provide holiday accommodation.



## SHIRE OF EXMOUTH

### NOTES TO AND FORMING PART OF THE BUDGET

#### FOR THE YEAR ENDED 30 JUNE 2022

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

GRV Vacant Land	This rating category consists of all vacant land within Town site boundaries.	The object of the rate for this category is to reflect the additional revenue required to fund the costs associated with the higher level of service provided to properties in this category, including but not limited to firebreaks maintenance, upgrade and renewal of the street network, roadside sweeping, CBD car parking, landscaping, dust control management, drainage, footbridge lighting, street furniture and other amenities.	This rate is to encourage development of vacant land and to assist with the higher level of service provided to these properties.
UV Mining	This rating category consists of properties used for mining, exploration or prospecting purposes.	The object of the rate for this category is to raise revenue to fund additional costs to Council including, but not limited to frequent heavy vehicle use over extensive lengths of Shire roads throughout the year.	This rate is to raise additional revenue to fund costs associated with mining activity.
UV Rural	This rating category consists of properties zoned Rural.	This rate is required to meet our community expectations and needs in our Strategic Community and Corporate Business Plans. The object of the rate for this category is to be the base rate by which all other UV rated properties are assessed.	The reason is these properties are large extensive parcels of land with little commercial activity.

#### (d) Differential Minimum Payment

Description	Characteristics	Objects	Reasons
GRV Rate Categories	Includes all GRV rated properties.	This rate is considered the minimum contribution for basic services and infrastructure.	This is considered to be the base minimum for GRV rated properties.
UV Rate Categories	Includes all UV rated properties.	This rate is considered the minimum contribution for basic services and infrastructure.	This is considered to be the base minimum for UV rated properties.

SHIRE OF EXMOUTH

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30 JUNE 2022

1. RATES AND SERVICE CHARGES (CONTINUED)

(e) Specified Area Rate

	Basis of valuation	Rate in	Rateable value	2021/22 Budget specified area rate revenue	2021/22 Interim specified area rate revenue	2021/22 Back specified area rate revenue	2021/22 Total budget specified area rate revenue	2020/21 Actual revenue	2020/21 Budget revenue
Specified area rate		\$	\$	\$	\$	\$	\$	\$	\$
Marina Specified Area	GRV Marina	0.01400	3,624,847	51,000			51,000	48,842	48,000
			3,624,847	51,000	0	0	51,000	48,842	48,000

	Purpose of the rate	Area or properties rate is to be imposed on	Budgeted rate applied to costs	Budgeted rate set aside to reserve	Reserve Amount to be applied to costs
Specified area rate			\$	\$	\$
Marina Specified Area	The proceeds of these funds are applied in full on environmental monitoring and maintenance of the canal waterway, dredging and entrance channel navigation including both onshore & offshore, cost of clearing the sand traps, maintaining the main breakwaters including all breakwaters and groynes surrounding and protecting the outer harbour and other preservation works in accordance with the Exmouth Marina Village Agreement between the Minister for Transport, Landcorp & Shire of Exmouth.	This Specified Area Rate applies to properties zoned Marina that have canal frontage in the Exmouth Marina Precinct.	0	51,000	0
			0	51,000	0

SHIRE OF EXMOUTH  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2022  
1. RATES AND SERVICE CHARGES (CONTINUED)  
(f) Service Charges

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

(g) Waivers or concessions

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

**SHIRE OF EXMOUTH**  
**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**

**Current assets**

Cash and cash equivalents- unrestricted  
Cash and cash equivalents - restricted  
Receivables  
Inventories

**Less: current liabilities**

Trade and other payables  
Contract liabilities  
Lease liabilities  
Long term borrowings  
Employee provisions

**Net current assets**

**Less: Total adjustments to net current assets**

**Net current assets used in the Rate Setting Statement**

Note	2021/22 Budget 30 June 2022	2020/21 Actual 30 June 2021	2020/21 Budget 30 June 2021
	\$	\$	\$
3	14,297	2,327,950	47,432
3	11,647,386	10,843,733	7,650,886
	1,822,283	1,922,253	1,933,000
	82,724	82,724	56,000
	13,566,690	15,176,660	9,687,318
	(1,689,275)	(1,389,275)	(1,989,000)
	(217,000)	(217,000)	
7	(6,369)	(141,369)	
6	(488,500)	(290,000)	(240,000)
	(769,874)	(769,874)	(958,000)
	(3,171,018)	(2,807,518)	(3,187,000)
	10,395,672	12,369,142	6,500,318
2.(c)	(10,382,517)	(9,481,987)	(6,452,886)
	13,155	2,887,155	47,432



## 2. NET CURRENT ASSETS (CONTINUED)

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

## Items excluded from calculation of budgeted deficiency

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

## (b) Operating activities excluded from budgeted deficiency

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

## Adjustments to operating activities

Add: Depreciation on assets

Movement of non-current inventory

## Non cash amounts excluded from operating activities

## (c) Current assets and liabilities excluded from budgeted deficiency

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

## Adjustments to net current assets

Less: Cash - restricted reserves

Less: Current assets not expected to be received at end of year

- Current portion of community loans receivable

Add: Current liabilities not expected to be cleared at end of year

- Current portion of borrowings

- Current portion of lease liabilities

- Current portion of employee benefit provisions held in reserve

## Total adjustments to net current assets

Note	2021/22 Budget 30 June 2022	2020/21 Actual 30 June 2021	2020/21 Budget 30 June 2021
	\$	\$	\$
5	3,666,000	3,694,488	3,607,000
	0	964,175	0
	3,666,000	4,658,663	3,607,000
8	(11,647,386)	(10,583,386)	(7,650,886)
	0	(2,000)	0
	488,500	290,000	240,000
	6,369	43,399	0
	770,000	770,000	958,000
	(10,382,517)	(9,481,987)	(6,452,886)

## **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 Exmouth becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

### **PREPAID RATES**

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

### **INVENTORIES**

#### **General**

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

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

#### **Superannuation**

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

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

### **LAND HELD FOR RESALE**

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

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

### **CONTRACT ASSETS**

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

### **TRADE AND OTHER RECEIVABLES**

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

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

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

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

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

### **PROVISIONS**

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

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

### **EMPLOYEE BENEFITS**

#### **Short-term employee benefits**

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

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

### **CONTRACT LIABILITIES**

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

SHIRE OF EXMOUTH  
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 at bank and on hand		11,661,683	13,171,683	7,698,318
<b>Total cash and cash equivalents</b>		11,661,683	13,171,683	7,698,318
Held as				
- Unrestricted cash and cash equivalents		14,297	2,327,950	47,432
- Restricted cash and cash equivalents		11,647,386	10,843,733	7,650,886
		11,661,683	13,171,683	7,698,318
<b>Restrictions</b>				
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents		11,647,386	10,843,733	7,650,886
		11,647,386	10,843,733	7,650,886
The restricted assets are a result of the following specific purposes to which the assets may be used:				
Reserves - cash/financial asset backed	8	11,647,386	10,583,386	7,650,886
Contract liabilities		0	217,000	
Capital expenditure provisions		0	43,347	
		11,647,386	10,843,733	7,650,886
<b>Reconciliation of net cash provided by operating activities to net result</b>				
<b>Net result</b>		1,122,500	767,295	(1,651,000)
Depreciation	5	3,666,000	3,694,488	3,607,000
(Increase)/decrease in receivables		0	(663,389)	
(Increase)/decrease in inventories		0	964,715	
Increase/(decrease) in payables		300,000	(144,817)	
Increase/(decrease) in employee provisions		0	(303)	
Non-operating grants, subsidies and contributions		(2,783,000)	(1,376,714)	(2,659,000)
<b>Net cash from operating activities</b>		2,305,500	3,241,275	(703,000)

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

(a) Acquisition of Assets

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

	Reporting program								
	Health	Housing	Community amenities	Recreation and culture	Transport	Other property and services	2021/22 Budget total	2020/21 Actual total	2020/21 Budget total
Asset class	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>									
Land - freehold land	0	0	0	0	0		0	329,380	325,000
Buildings - non-specialised	0	1,970,000	0	0	0		1,970,000	575,733	0
Buildings - specialised	0	0	10,000	15,000	355,000		380,000	1,042,822	1,818,000
Furniture and equipment	0	0	0	0	0		0	67,619	60,000
Plant and equipment	0	0	0	0	655,000		655,000	73,614	656,000
	0	1,970,000	10,000	15,000	1,010,000	0	3,005,000	2,089,168	2,859,000
<i>Infrastructure</i>									
Infrastructure - roads	0		0	0	1,835,000	0	1,835,000	1,640,815	1,738,000
Other infrastructure - other	20,000		505,000	5,678,000	35,000	20,000	6,258,000	308,465	1,303,000
	20,000	0	505,000	5,678,000	1,870,000	20,000	8,093,000	1,949,280	3,041,000
Total acquisitions	20,000	1,970,000	515,000	5,693,000	2,880,000	20,000	11,098,000	4,038,448	5,900,000

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

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 EXMOUTH

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30 JUNE 2022

4. FIXED ASSETS

(b) Disposals of Assets

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

	2021/22 Budget Net Book Value	2021/22 Budget Sale Proceeds	2021/22 Budget Profit	2021/22 Budget Loss	2020/21 Actual Net Book Value	2020/21 Actual Sale Proceeds	2020/21 Actual Profit	2020/21 Actual Loss	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Transport	110,000	110,000	0	0	200,000	200,000	0	0	200,000	200,000	0	0
	110,000	110,000	0	0	200,000	200,000	0	0	200,000	200,000	0	0
By Class												
<u>Property, Plant and Equipment</u>												
Plant and equipment	110,000	110,000			200,000	200,000			200,000	200,000		
	110,000	110,000	0	0	200,000	200,000	0	0	200,000	200,000	0	0

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

- Staff housing programme
- Plant replacement programme

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 EXMOUTH**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2022**  
**5. ASSET DEPRECIATION**

**By Program**

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

**By Class**

Buildings - non-specialised
Buildings - specialised
Furniture and equipment
Plant and equipment
Infrastructure - roads
Other infrastructure - other
Right of use - leases

2021/22 Budget	2020/21 Actual	2020/21 Budget
\$	\$	\$
7,500	6,711	13,000
13,500	13,510	17,500
38,000	38,400	39,000
91,000	91,735	111,500
117,000	116,864	113,500
1,019,000	1,065,019	1,027,500
2,020,000	2,002,584	1,913,000
49,000	49,204	52,000
311,000	310,461	320,000
3,666,000	3,694,488	3,607,000
0	46,974	82,500
1,011,000	1,011,391	955,500
157,000	154,523	260,500
379,000	376,542	375,000
1,483,000	1,482,956	1,441,000
505,000	507,102	492,500
131,000	115,000	0
3,666,000	3,694,488	3,607,000

**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.

**AMORTISATION**

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

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

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

SHIRE OF EXMOUTH

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30 JUNE 2022

6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	Budget Principal 1 July 2021	2021/22 Budget New Loans	2021/22 Budget Principal Repayments	Budget Principal outstanding 30 June 2022	2021/22 Budget Interest Repayments	Actual Principal 1 July 2020	2020/21 Actual New Loans	2020/21 Actual Principal Repayments	Actual Principal outstanding 30 June 2021	2020/21 Actual Interest Repayments	Budget Principal 1 July 2020	2020/21 Budget New Loans	2020/21 Budget Principal Repayments	Budget Principal outstanding 30 June 2021	2020/21 Budget Interest Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Housing																		
80 - Staff Dwellings				1,020,257	1,800,000	(122,500)	2,697,757	(29,000)	548,983	540,000	(68,726)	1,020,257	(24,490)	548,983	0	(69,000)	479,983	(24,000)
Community amenities																		
81 - Rubbish Truck				85,975	0	(86,000)	(25)	(2,000)	169,915	0	(83,940)	85,975	(3,592)	219,915	0	(84,000)	135,915	(4,000)
Recreation and culture																		
82 - Ningaloo Centre				779,725	0	(60,000)	719,725	(25,000)	837,551	0	(57,826)	779,725	(27,413)	837,551	0	(58,000)	779,551	(27,000)
Swimming Pool				0	3,000,000	0	3,000,000	0	0	0	0	0	0	0	0	0	0	0
Other property and services																		
76 - 1 Bennett Street				197,666	0	(22,000)	175,666	(10,000)	218,875	0	(21,209)	197,666	(10,767)	218,875	0	(21,000)	197,875	(11,000)
				2,083,623	4,800,000	(290,500)	6,593,123	(66,000)	1,775,324	540,000	(231,701)	2,083,623	(66,262)	1,825,324	0	(232,000)	1,593,324	(66,000)
				2,083,623	4,800,000	(290,500)	6,593,123	(66,000)	1,775,324	540,000	(231,701)	2,083,623	(66,262)	1,825,324	0	(232,000)	1,593,324	(66,000)

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

The self supporting loan(s) repayment will be fully reimbursed.

**SHIRE OF EXMOUTH**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2022**  
**6. INFORMATION ON BORROWINGS**

**(b) New borrowings - 2021/22**

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
				%	\$	\$	\$	\$
Staff Housing	WATC	P&I	10	TBC	1,000,000	0	1,000,000	0
Ingleton Housing	WATC	P&I	10	TBC	800,000	0	800,000	0
Pool Renewal	WATC	P&I	20	TBC	3,000,000	0	3,000,000	0
					4,800,000	0	4,800,000	0

**(c) Unspent borrowings**

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

**(d) Credit Facilities**

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
<b>Undrawn borrowing facilities</b>			
<b>credit standby arrangements</b>			
Bank overdraft limit	400,000	400,000	400,000
Bank overdraft at balance date	0	0	0
Credit card limit	24,000	24,000	24,000
Credit card balance at balance date	0	0	0
<b>Total amount of credit unused</b>	424,000	424,000	424,000
<b>Loan facilities</b>			
Loan facilities in use at balance date	6,593,123	2,083,623	1,593,324

**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 EXMOUTH

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30 JUNE 2022

7. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease Principal 1 July 2021	2021/22 Budget New Leases	2021/22 Budget Lease Principal Repayments	Budget Lease Principal outstanding 30 June 2022	2021/22 Budget Lease Interest Repayments	Actual Principal 1 July 2020	2020/21 Actual New Leases	2020/21 Actual Lease Principal repayments	Actual Lease Principal outstanding 30 June 2021	2020/21 Actual Lease Interest repayments	Budget Principal 1 July 2020	2020/21 Budget New Leases	2020/21 Budget Lease Principal repayments	Budget Lease Principal outstanding 30 June 2021	2020/21 Budget Lease Interest repayments
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Housing</b>																			
Rental Dugong Close		Ray White		24 mths	12,979	0	(13,000)	(21)	0	43,734	0	(30,755)	12,979	(531)	0	0	0	0	0
<b>Transport</b>																			
Airport X-Ray Scanner		Maia Leasing		72 mths	113,320	0	(113,000)	320	(2,000)	222,320	0	(109,000)	113,320	(5,108)	0	0	0	0	0
RAAF Airport Lease		DOD		30 years	15,070	0	(9,000)	6,070	0	23,749	0	(8,679)	15,070	(605)	0	0	0	0	0
					141,369	0	(135,000)	6,369	(2,000)	289,803	0	(148,434)	141,369	(6,244)	0	0	0	0	0

SIGNIFICANT ACCOUNTING POLICIES

<p><b>LEASES</b></p> <p>At the inception of a contract, the Shire assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.</p> <p>At the commencement date, a right-of-use asset is recognised at cost and a lease liability. at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.</p>	<p><b>LEASE LIABILITIES</b></p> <p>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.</p>
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SHIRE OF EXMOUTH

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30 JUNE 2022

8. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2021/22 Budget Opening Balance	2021/22 Budget Transfer to	2021/22 Budget Transfer (from)	2021/22 Budget Closing Balance	2020/21 Actual Opening Balance	2020/21 Actual Transfer to	2020/21 Actual Transfer (from)	2020/21 Actual Closing Balance	2020/21 Budget Opening Balance	2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave reserve	698,134	3,000	0	701,134	695,534	2,600	0	698,134	695,534	9,000	0	704,534
(b) Aviation reserve	1,171,028	5,000	(80,000)	1,096,028	1,166,528	4,500	0	1,171,028	1,166,528	15,000	(10,000)	1,171,528
(c) Building infrastructure reserve	80,935	0	0	80,935	595,735	2,200	(517,000)	80,935	595,735	8,000	(517,000)	86,735
(d) Community development reserve	1,369,602	5,000	0	1,374,602	1,375,402	5,200	(11,000)	1,369,602	1,375,402	18,000	(11,000)	1,382,402
(e) Community interest free loan reserve	184,009	1,000	0	185,009	182,809	1,200	0	184,009	321,436	4,000	0	325,436
(f) Insurance/natural disaster reserve	322,636	1,000	0	323,636	321,636	1,000	0	322,636	183,009	2,000	0	185,009
(g) Land acquisition reserve	1,469,825	7,000	(250,000)	1,226,825	736,825	1,303,000	(570,000)	1,469,825	736,825	10,000	(570,000)	176,825
(h) Marina canal reserve (Specified area rates)	409,753	51,000	0	460,753	360,253	49,500	0	409,753	360,253	52,000	0	412,253
(i) Marina village asset replacement reserve	33,267	0	0	33,267	33,267	0	0	33,267	33,267	0	0	33,267
(j) Mosquito management reserve	10,108	0	0	10,108	10,108	0	0	10,108	10,108	0	0	10,108
(k) Ningaloo centre reserve	256,826	38,000	0	294,826	255,826	1,000	0	256,826	255,826	3,000	0	258,826
(l) Plant reserve	549,938	532,000	(650,000)	431,938	187,938	551,000	(189,000)	549,938	187,938	502,000	(189,000)	500,938
(m) Public radio infrastructure reserve	5,158	0	0	5,158	5,158	0	0	5,158	5,158	0	0	5,158
(n) Rehabilitation reserve	253,106	1,000	0	254,106	252,106	1,000	0	253,106	252,106	3,000	0	255,106
(o) Roads reserve	900,020	4,000	0	904,020	592,820	767,200	(460,000)	900,020	592,820	273,000	(460,000)	405,820
(p) Shire President COVID-19 relief fund	41,000	0	0	41,000	40,000	1,000	0	41,000	40,000	0	0	40,000
(q) Staff housing reserve	137,373	1,501,000	(100,000)	1,538,373	136,373	1,000	0	137,373	136,373	2,000	0	138,373
(r) Swimming pool reserve	649,908	1,703,000	(450,000)	1,902,908	547,808	102,100	0	649,908	547,808	107,000	0	654,808
(s) Tourism development reserve	251,000	1,000	0	252,000	200,000	51,000	0	251,000	200,000	3,000	0	203,000
(t) Town planning scheme reserve	21,854	0	0	21,854	21,854	0	0	21,854	21,854	0	0	21,854
(u) Waste & recycling management reserve	1,052,906	4,000	(548,000)	508,906	1,073,906	4,000	(25,000)	1,052,906	1,073,906	16,000	(485,000)	604,906
(v) Unspent grants & contributions reserve	715,000	0	(715,000)	0	217,000	640,000	(142,000)	715,000	217,000	0	(143,000)	74,000
	10,583,386	3,857,000	(2,793,000)	11,647,386	9,008,886	3,488,500	(1,914,000)	#####	9,008,886	1,027,000	(2,385,000)	7,650,886

(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	Purpose of the reserve
(a) Leave reserve	To be used for annual and long service leave requirements.
(b) Aviation reserve	To be used to fund aviation improvements.
(c) Building infrastructure reserve	To be used for the development, preservation and maintenance of building infrastructure with the Shire of Exmouth.
(d) Community development reserve	To be used for major community development initiatives.
(e) Community interest free loan reserve	To be to fund major community development projects.
(f) Insurance/natural disaster reserve	To be used for the purpose of funding insurance claims where the excess is higher than the cost of repairs in addition to any weather related insurance/WANDRRA claims.
(g) Land acquisition reserve	To be used to fund the acquisition and disposal of land and buildings and provide contributions for land development within the Shire of Exmouth.
(h) Marina canal reserve (Specified area rates)	These funds are derived from levying specified area rate titles Marina Specified Area Rates.
(i) Marina village asset replacement reserve	To be used for the preservation and maintenance of infrastructure related to the Exmouth Marina Village.
(j) Mosquito management reserve	To be used in years where mosquito-borne disease/nuisance is greater than normal.
(k) Ningaloo centre reserve	To be used for the preservation and maintenance of the Ningaloo Centre.
(l) Plant reserve	To be used for the purchase of major plant and equipment.
(m) Public radio infrastructure reserve	To be used to maintain the rebroadcasting infrastructure.
(n) Rehabilitation reserve	To be used to manage the funds associated with the environmental rehabilitation of the sand and gravel pits within the Shire of Exmouth.
(o) Roads reserve	To be used for the preservation and maintenance of roads.
(p) Shire President COVID-19 relief fund	To be used to support the community who are severely financially affected by COVID-19.
(q) Staff housing reserve	To be used to fund housing for staff.
(r) Swimming pool reserve	To be used to fund swimming pool upgrades.
(s) Tourism development reserve	To be used to fund the development and implementation of initiatives to achieve the strategic tourism and economic developments of the Shire of Exmouth.
(t) Town planning scheme reserve	To be used for the purpose of funding a review of the future Town Planning Scheme.
(u) Waste & recycling management reserve	To be used to fund capital and operational costs of Refuse Site including implementation of post closure plan.
(v) Unspent grants & contributions reserve	To be used to contain funds that are derived from unspent grants or prepaid grants and contributions from external parties.

## 9. FEES & CHARGES REVENUE

General purpose funding
Law, order, public safety
Health
Education and welfare
Housing
Community amenities
Recreation and culture
Transport
Economic services
Other property and services

2021/22 Budget	2020/21 Actual	2020/21 Budget
\$	\$	\$
30,000	18,682	23,000
9,500	14,670	8,000
39,000	46,525	47,500
1,000	1,694	0
50,000	59,742	59,000
1,281,000	1,635,492	1,258,500
742,000	843,933	577,500
5,710,000	3,914,980	3,735,000
1,022,500	1,043,482	876,000
2,000	4,698	500
8,887,000	7,583,898	6,585,000

## 10. GRANT REVENUE

### By Program:

#### (a) Operating grants, subsidies and contributions

Governance
General purpose funding
Health
Community amenities
Recreation and culture
Transport
Economic services
Other property and services

2021/22 Budget	2020/21 Actual	2020/21 Budget
\$	\$	\$
0	1,182	0
1,450,000	1,659,163	900,000
3,500	0	0
60,000	0	0
72,000	266,854	18,000
514,000	245,003	85,000
0	117,417	33,000
20,000	15,407	18,000
2,119,500	2,305,026	1,054,000

#### (b) Non-operating grants, subsidies and contributions

Recreation and culture
Transport

1,728,000	318,272	1,580,000
1,055,000	1,058,442	1,079,000
2,783,000	1,376,714	2,659,000
4,902,500	3,681,740	3,713,000

Total grants, subsidies and contributions



**SHIRE OF EXMOUTH**

**NOTES TO AND FORMING PART OF THE BUDGET**

**FOR THE YEAR ENDED 30 JUNE 2022**

**11. REVENUE RECOGNITION**

**SIGNIFICANT ACCOUNTING POLICIES**

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

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

## 12. ELECTED MEMBERS REMUNERATION

### Shire President

President's allowance  
Meeting attendance fees  
ICT expenses

### Deputy President

Deputy President's allowance  
Meeting attendance fees  
ICT expenses

### Councillors

Meeting attendance fees  
Annual allowance for ICT expenses

President's allowance  
Deputy President's allowance  
Meeting attendance fees  
ICT expenses  
Annual allowance for ICT expenses

2021/22 Budget	2020/21 Actual	2020/21 Budget
\$	\$	\$
37,000	36,957	37,000
25,000	25,342	25,000
1,000		1,000
63,000	62,299	63,000
9,000	9,239	9,000
13,000	13,094	13,000
1,000		1,000
23,000	22,333	23,000
52,000	52,376	52,000
2,000	1,800	2,000
54,000	54,176	54,000
140,000	138,808	140,000
37,000	36,957	37,000
9,000	9,239	9,000
90,000	90,812	90,000
2,000	0	2,000
2,000	1,800	2,000
140,000	138,808	140,000

Interest expense on lease liabilities (refer Note 7)

2021/22 Budget	2020/21 Actual	2020/21 Budget
\$	\$	\$
40,000	39,899	114,000
5,000	5,000	0
40,000	22,565	17,000
85,000	67,464	131,000
267,500	704,521	209,000
267,500	704,521	209,000
60,000	47,000	55,000
3,500	1,960	11,000
63,500	48,960	66,000
66,000	66,262	66,000
2,000	6,244	0
68,000	72,506	66,000

**14. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS****Learmonth Airport****(a) Details**

Learmonth Airport is the general aviation and regular transport for the Shire of Exmouth. It is the main regional base for aircraft charter operations and private flying in Exmouth.

The Shire is responsible for operating the civil terminal, apron and taxiway; the RAAF are responsible for maintaining the other civil facilities used for civil aviation to comply with defence legislations and regulations.

**(b) Statement of Comprehensive Income**

	<b>2021/22 Budget</b>	<b>2020/21 Actual</b>	<b>2020/21 Budget</b>
	\$	\$	\$
<b>Revenue</b>			
Fees and charges	5,614,500	3,829,178	3,618,000
Operating grants, subsidies and contributions	79,000	0	0
	<b>5,693,500</b>	<b>3,829,178</b>	<b>3,618,000</b>
<b>Expenditure</b>			
Employee costs	(1,174,000)	(1,030,091)	(946,000)
Materials and contracts	(1,046,000)	(742,547)	(1,019,500)
Utility charges	(110,000)	(69,502)	(116,000)
Depreciation on non-current assets	(424,000)	(407,120)	(338,500)
Interest expenses	(2,000)	(2,000)	0
Insurance expenses	(60,000)	(58,443)	(56,000)
Other expenditure	(200,000)	(16,036)	(500)
	<b>(3,016,000)</b>	<b>(2,325,739)</b>	<b>(2,476,500)</b>
<b>NET RESULT</b>	<b>2,677,500</b>	<b>1,503,439</b>	<b>1,141,500</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>2,677,500</b>	<b>1,503,439</b>	<b>1,141,500</b>

SHIRE OF EXMOUTH  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2022  
**15. 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
	\$	\$	\$	\$
BCITF	22,895	0	0	22,895
BSL Levy	8,477	0	0	8,477
Cash in Lieu POS	212,502	0	0	212,502
Bond Deed Exmouth Marina Holdings	18,186	0	0	18,186
Exmouth Volunteer Fire & Rescue	50,828	0	0	50,828
	312,888	0	0	312,888

16. 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.