



SHIRE OF CARNARVON

# AGENDA

SPECIAL COUNCIL MEETING  
31 August 2021

Council Chambers, Stuart Street  
CARNARVON, West Australia Phone: (08)  
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## DISCLAIMER

No responsibility whatsoever is implied or accepted by the Shire of Carnarvon for any act, omission or statement or intimation occurring during Council/Committee Meetings or during formal/informal conversations with Staff or Councillors. The Shire of Carnarvon disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council/Committee Meetings or discussions. Any person or legal entity who acts or fails to act in reliance upon any statement does so at that person's or legal entity's own risk.

In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or limitation of approval made by a member or officer of the Shire of Carnarvon during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Carnarvon. The Shire of Carnarvon warns that anyone who has an application lodged with the Shire of Carnarvon must obtain and only should rely on WRITTEN CONFIRMATION of the outcome of the application, and any conditions attaching to the decision made by the Shire of Carnarvon in respect of the application.

To be noted that, in accordance with Regulation 11 of the Local Government (Administration) Regulations 1996, the minutes of the Council Meeting are a record of the decisions of the Council, any additional officers' advice, and explanatory notes as required. The minutes contain a summary of questions asked by members of the public and the answers given. The minutes are not a transcript of the proceedings of the meetings.

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# **NOTICE OF MEETING**

Notice is hereby given

## **Shire of Carnarvon Special Council Meeting**

will be held  
on Tuesday 31 August 2021  
in the Shire Council Chambers,  
Stuart Street Carnarvon, commencing at 8.15am

Andrea Selvey  
CHIEF EXECUTIVE OFFICER

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# AGENDA

## 1.0 ATTENDANCES , APOLOGIES & APPLICATIONS FOR LEAVE OF ABSENCE

(The Local Government Act 1995 Section 2.25 provides that a Council may, by resolution, grant leave of absence to a member for Ordinary Council Meetings. The leave cannot be granted retrospectively and an apology for non-attendance at a meeting is not an application for leave of absence.)

## 2.0 PUBLIC AND ELECTED MEMBER QUESTION TIME

(In accordance with Section 5.23 of the Local Government Act 1995, and Regulation 12(4) of the Local Government (Administration) Regulations 1996, public question time is made available at a Special Meeting of Council to allow members of the public the opportunity of questioning Council on matters relating to the purpose of the meeting only.

## 3.0 DECLARATIONS OF INTEREST

(Councillors and Staff are reminded of the requirements of Section 5.65 of the Local Government Act 1995, to disclose any interest during the meeting or when the matter is to be discussed.)

## 4.0 ITEMS FOR DISCUSSION

- 4.1 Adoption of 2021/2022 Budget .....5
- 4.2 THOTH – OTC Dish – Request to Lease..... 13

## 5.0 MATTERS FOR WHICH MEETING TO BE CLOSED TO MEMBERS OF THE PUBLIC

## 6.0 CLOSURE

File No:	ADM0027
Date of Meeting:	31 August 2021
Location/Address:	Shire of Carnarvon
Name of Applicant:	Shire of Carnarvon
Name of Owner:	Shire of Carnarvon
Author/s:	Susan Mizen, Manager Finance
Declaration of Interest:	Nil
Voting Requirements:	Absolute Majority
Previous Report	Nil
Schedules	Schedule 8.2.1

#### Authority / Discretion

	<b>Advocacy</b>	When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
X	<b>Executive</b>	The substantial direction setting and oversight role of the Council. E.g., adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.
	<b>Legislative</b>	Includes adopting local laws, town planning schemes and policies.
	<b>Quasi-Judicial</b>	When Council determines an application / matter that directly affects a person's right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses.
	<b>Information</b>	Includes items provided to Council for information purposes only that do not require a decision of Council (i.e. – for noting).

#### Summary of Item:

In accordance with S6.2 of the *Local Government Act 1995*, the Annual Budget for the Shire of Carnarvon for the period 1<sup>st</sup> July 2021 to 30 June 2022 is presented for Council consideration and adoption.

#### Background:

Each year a Local Government is to prepare an annual budget for its Municipal Fund detailing its total foreseen income and expenditure for the coming financial year. The budget for the Financial Year 1 July 2021 to 30 June 2022 is presented for adoption.

Overall income in this budget is \$20.4m plus new borrowings of \$947,000 to fund the purchase of new plant and equipment.

The income is made up of operating income comprising rates, grants, subsidies and contributions of \$3.5m, Fees and Charges of \$3.1m and other income of almost \$600,000. Grants for capital works and other items total \$7.3m, new loans will be sought for approximately \$947,000 to fund the purchase of plant and equipment. Rates required to balance the expenditure are in the vicinity of \$5.7m.

Expenditure comprises of \$9.4m for Infrastructure, \$1.9m for Plant and Equipment, \$5.6m for contracts and materials for operating activities, insurance is \$540k, utilities and other general expenditure is \$1.3m and employee costs estimated to be \$6.9m. Many of the employee wages and salaries are paid through Grant funding.

There is approximately \$13million of roads funding from DRFAWA due to the damage caused by the floods early in the year has not yet been included in the budget. This is because the amount to be received has not yet been finalised, however additional funds have been budgeted for roads betterment works and once final approval of the amount has been received, a budget variation will be presented to Council. It should be noted that this project will have no net impact on the financial position of the Shire as revenue and expenditure are equal amounts.

All local governments in Western Australia are required to develop a Plan for the Future as prescribed under section 5.56(1) of the *Local Government Act 1995 (the Act)*. In 2011, amendments were made to the *Local Government (Administration) Regulations 1996 (Admin Regs)*, specifically the inclusion of Regulation 19BA, which in summary, states that a Plan for the Future is to incorporate a Strategic Community Plan (SCP) and a Corporate Business Plan (CBP).

The CBP is responsible for translating the strategic direction of the Council, articulated within the SCP, into specific priorities and actions at an operational level. The CBP also draws together activities contained within the Long Term Financial Plan (LTFP), Capital Works Programs, Asset Management Plan and various informing strategies. It provides a 4-year snapshot of operational actions and priorities to inform the annual planning and budgeting process.

The CBP is required to be reviewed in line with the budget process to ensure priorities are achievable and effectively timed, this has been delayed due to the delay in the Strategic Community Plan review which was halted as a result of COVID19. The LTFP is the monetary translation of the CBP encapsulating operating, capital, investing and financing activities. The annual Budget is then guided by the high-level projections embodied in the LTFP.

In preparing the various program budgets officers have given consideration to and reviewed where required, the various plans and strategies in place together with any immediate requirements. Funds are available in this budget to update the Strategic Community Plan, the Long Term Financial Plan, and the Corporate Business Plan as well as conduct community consultation.

#### 2021 - 2022 Differential Rates, Minimum Payments and Instalment Payment Arrangements

The purpose of levying rates is to meet Council's budget requirements in each financial year to deliver services and community infrastructure. The rates levied are determined by applying the rate in the dollar to the applicable valuation amount of the properties. The Minister for The Department of Local Government, Sport and Cultural Industries (the Minister) determines the methods of land valuation, with the actual valuation provided by the Valuer General's Office (VGO).

The application of differential rates takes into consideration section 6.33 of the Act, which provides the ability to differentially rate properties based on zoning or land use as determined by the local government. Section 6.35 of the Act also provides the ability to impose a minimum payment which is higher than the general rate, which would otherwise be payable on that land. The application of differential rating based on land use or zoning results in a rate in the dollar and minimum payment amounts for each rating category. Differential rates have been applied for the 2021/2022 Financial Year.

#### Materiality in Financial Reporting

As per FMR 34(5), materiality thresholds can be set as a percentage, or dollar value, against an appropriate base amount. The Shire's materiality threshold provides both; the advantage being is that a minimum value threshold can be set as well as a proportional value threshold, relevant to major items or subtotals. Threshold levels should not be so high as to allow material variances to go unnoticed, and by the same token, should not be so low as to cause an administrative burden.

The Shire has set the follow thresholds on financial reporting to comply with this requirement:

- a) Asset capitalisation threshold of \$5,000;
- b) Reporting variances in the monthly statement of activity on a statutory program, core service, or nature and type-level that are + \$10,000 for operating items and + \$20,000 for capital items or 10%, whichever is higher;
- c) Identifying and addressing over and underachievement of the Budget on a general ledger account or job code level that are + \$10,000 for operating items and + \$20,000 for capital items; and
- d) The tolerable organisational deficit of 1% of operating revenues.

It is noted that when establishing materiality values and percentages, they are a trade-off between the volume of information compared to the significance of that information. However, the amount alone does not always dictate whether an item is material, and disclosures should be adjusted where necessary. Variances can consist of either timing or permanent variances. For example, a timing variance occurs when grant funding is received a month later than initially budgeted, as opposed to a permanent variation when the grant funding will not be received as planned.

The materiality threshold is an internal control measure that prevents financial loss caused by an omission, misstatement, or non-disclosure of financial information. The materiality threshold also minimises administrative inefficiency, ensuring only those variances that represent a medium or high-level risk are reported to management and Council.

#### **Statutory Environment:**

Local Government Act 1995, s6.2. Local government to prepare annual Budget

Local Government Act 1995, s 1.7 Local public notice

Local Government Act 1995, s6.16. Imposition of fees and charges

Local Government Act 1995, s6.17. Setting level of fees and charges

Local Government Act 1995, s6.19. Local government to give notice of fees and charges

Local Government Act 1995, s 6.28 Basis of Rates

Local Government Act 1995, s 6.32 Rates and service charges

Local Government Act 1995, s 6.34 Limit on revenue or income from general rates

Local Government Act 1995, s 6.35. Minimum payment

Local Government Act 1995, s 6.36 Local government to give notice of certain rates

The proposed Differential Rate was advertised for a period of 21 days seeking public comment in accordance with Section 6.36 (1) of the *Local Government Act 1995*, and no submissions were received during this period. The Department of Local Government, Sport and Cultural Industries has advised that the Differential rates adopted and advertised for Unimproved Valued (UV) properties have been approved.

As part of the annual budget process, Council must determine the general rate in the dollar and minimum payments for the 2021/22 financial year. Council has recognised the unfavourable economic climate imposed by the COVID-19 pandemic in the previous year, and any resultant challenges and hardship expected in the 2021/2022 financial year together with upswing in Tourism resulting in people holidaying in Western Australia. Also a consideration was the change in property values for Pastoral properties and Intensive Horticultural properties.

As part of the Annual Budget process, Council is required to determine the Minimum Payment for each Differential Rating Category for the 2020-21 financial year. The setting of minimum rates within rating categories recognises that every property within the district receives some minimum level of benefit from the works and services provided by the Council, which is shared by all properties regardless of size, value and use.

The proposed rate in the dollar and minimum rates for each rating category is summarised in the table below.

RATE TYPE	Rate (Cents in the \$)	Number of propertie s	Rateable value	2021/22	2021/22	2021/22	2021/22	2020/21	2020/21
				Budgeted rate revenue	Budgeted interim rates	Budgeted back rates	Budgeted total revenue	Actual total revenue	Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
<b>Differential general rate or general rate</b>									
<b>Gross rental valuations</b>									
GRV Residential	11.1200	1679	22,108,446	2,458,459	(5,000)	4,000	2,457,459	2,334,395	2,338,112
GRV Commercial	10.3000	322		1,601,811	0	0	1,601,810	1,461,707	1,471,824
GRV Industrial			15,551,561						
GRV Special Use/Rural	11.1200	102		195,460	0	0	195,459	188,636	185,692
			1,757,732						
<b>Unimproved valuations</b>									
UV Mining	24.512	46	501,801	123,001	0	4,000	127,001	56,646	65,871
UV Pastoral	11.1100	40	3,143,392	349,231	0	(88,000)	261,230	197,088	197,014
UV Intensive Horticultural	2.2730	170	23,409,501	532,098	0	(8,000)	524,097	468,021	465,282
<b>Sub-Totals</b>		2,359	66,472,433	5,260,060	(5,000)	(88,000)	5,167,056	4,706,493	4,723,795
<b>Minimum payment</b>									
<b>Gross rental valuations</b>									
GRV Residential	1158.58	395	3,238,399	457,639	0	0	457,639	429,549	428,456
GRV Commercial	1158.58	59	453,207	68,356	0		68,356	67,766	68,859
GRV Industrial									
GRV Special Use Rural	1158.58	47	373,933	54,453		0	54,453	51,371	50,278
<b>Unimproved valuations</b>									
UV Mining	400.00	17	12,999	6,800	0	0	6,800	4,351	5,496
UV Pastoral	1158.58	9	30,700	10,427	0	0	10,427	4,149	4,149
UV Intensive Horticultural	1158.58	2	49,999	2,317	0	0	2,317	1,804	902
<b>Sub-Totals</b>		529	4,159,238	599,992	0	0	599,992	558,990	558,140
		2,888	70,631,671	5,860,052	(5,000)	(88,000)	5,767,048	5,265,483	5,281,935
<b>Total amount raised from general rates</b>							5,767,048	5,265,483	5,281,935
Ex gratia rates							9,200	9,372	6,231
Specified area rates (Refer note 1(c))							249,061	235,077	234,963
<b>Total rates</b>							6,025,309	5,509,932	5,523,129

### *Instalment Interest, Penalty Interest and Other Administration Fees*

Under section 6.45 and 6.51(1) of the Act, Council can charge interest on unpaid rates and rates paid on an approved instalment plan. The maximum interest rate for outstanding rates and other monies owed to Council is prescribed by Regulation 70 of the FMR and is currently 7%. Instalment interest is set at 6% of the prescribed rate under FMR 68.

Under FMR 67, instalment charges are set to provide full or partial reimbursement of administration costs. The individual instalment transaction fee of \$6 is set to reflect the administration cost in handling the 2 or 4 instalment options provided to ratepayers. Outstanding rates where no instalment options or special repayment schedules have been committed to will attract penalty interest on outstanding rates of 7%. Where the 2 or 4 instalment options have been chosen by the ratepayer, interest on unpaid rates will be 6%.

### Due Dates for the Payment of Rates and Treatment of Non-Payment of Debts

Instalment Option	Payment Due Date
Proposed rate notice issue date:	08/9/2021
Full Payment	15 October 2021
Two Instalment Option	
First instalment	15 October 2021
Second and final instalment	18 February 2022
Four Payment Option	
First instalment	15 October 2021
Second instalment	17 December 2021
Third instalment	18 February 2022
Fourth and final instalment	22 April 2022

### Relevant Plans and Policy:

Corporate Business Plan 2018 - 2022

### Financial Implications:

The proposed budget is balanced with neither a surplus or deficiency. An amount of \$200,000 is proposed to go to Reserves.

### Consultation:

Workshops were conducted with Members of Council, and Strategic and Community plans were consulted.

### Risk Assessment:

**Consequence** → **STEP 3 – Risk Tolerance Chart Used to Determine Risk**

		Insignificant 1	Minor 2	Major 3	Critical 4	Extreme 5
Likelihood						
Almost certain	A	High	High	Extreme	Extreme	Extreme
Likely	B	Moderate	High	High	Extreme	Extreme
Possible	C	Low	Moderate	High	Extreme	Extreme
Unlikely	D	Low	Low	Moderate	High	Extreme
Rare	E	Low	Low	Moderate	High	High

Risk Category	Description	Rating (Consequence x likelihood)	Mitigating Action/s
Financial	Stakeholders may withdraw funding if the budget is not prepared according to the regulatory framework	Low	The budget is within the prescribed timeframe and according to the applicable Legislation and Regulations
Health & Safety	NA	NA	
Reputation	The reputation of the Shire is impacted by the quality of the services we deliver and the rates and fees we charge. There is a risk that if balance is not achieved ratepayers and residents will be unhappy with either the rates they are charged or the range and level of service offered.	High	Clear communication on the financial management of the Shire. Improved community engagement and participation in the decision making process.
Service disruption	NA	NA	
Compliance	Local Government Act requires Council prepare and adopt an annual budget by 31 August each year.	NA	The budget is within the prescribed timeframe and according to the applicable Legislation and Regulations
Property	NA	NA	
Environment	NA	NA	
Fraud	NA	NA	

#### Community & Strategic Objectives:

ITEM	OUTCOMES AND STRATEGIES
5.2	The Shire has a high standard of governance and accountability
5.2.1	Robust decision-making by culturally aware, well-informed and supported Councillors
5.2.3	Risks are well managed
5.2.6	Compliance with the Local Government Act 1995 and all other relevant legislation and regulations
5.4	Sound financial and asset management
5.4.4	Financial transactions are accurate and timely

#### Comment:

Attached is the Annual Budget for the Shire of Carnarvon for the Financial year 1 July 2021 to 30 June 2022 for consideration and adoption.

## OFFICER'S RECOMMENDATION

That Council, by Absolute Majority, and in accordance with Section 6.2 of the Local Government Act 1995, resolves to:

1. Adopt the 2021/2022 Budget for the Shire of Carnarvon for the financial year ending 30 June 2022 [as presented under separate cover as (Schedule 4.1)] pursuant to Section 6.2 of the Local Government Act 1995 and relevant prescribed Local Government Financial Management Regulations, and incorporating the following:
  - (a) Statement of Comprehensive Income by Nature and Type;
  - (b) Statement of Comprehensive Income by Program;
  - (c) Cash Flow Statement;
  - (d) Rate Setting Statement by Program;
  - (e) Rates and Service Charges;
  - (f) Net Current Assets;
  - (g) Reconciliation of Cash;
  - (h) Fixed Assets;
  - (i) Asset Depreciation;
  - (j) Borrowings;
  - (k) Cash Backed Reserve, noting the transfer to Reserves of \$200,800;
  - (l) Fees and Charges;
  - (m) Grant Revenue;
  - (n) Elected Member remuneration;
  - (o) Other Information;
  - (p) Significant Accounting Policies – Other
  
2. In accordance with Sections 6.32, 6.33, 6.34, 6.35, 6.36 and 6.37 of the Local Government Act 1995, impose the following general rates, minimum rates and specified area rates within the Shire of Carnarvon boundaries in respect of the 2021/2022 financial year based upon current valuations –

### General Rate

#### Gross Rental Value(Residential/Special use)

0.1112 cents in dollar on gross rental valuation of rateable property.

#### Gross Rental Value (Commercial/Industrial)

0.1030 cents in dollar on gross rental valuation of rateable property.

#### Unimproved Value Mining

0.24512 cents in the dollar on unimproved valuation of rateable property including mining claim, leases and licenses.

#### Unimproved Value Pastoral

0.1111 cents in the dollar on unimproved valuation of rateable property.

#### Unimproved Value Intensive Horticulture

0.02273 cents in the dollar on unimproved valuation of rateable property.

#### Minimum Rates

\$1158.58 per assessment on gross rental value properties

\$ 400 per assessment on unimproved value – mining properties

\$ 1158.58 per assessment on unimproved value – pastoral properties

\$ 1158.58 per assessment on unimproved value – intensive horticulture properties

Specified Area Rates (pursuant to part 6, division 6, section 6.37)

Coral Bay Refuse Site Maintenance

0.0683299 cents in the dollar applied to all rateable properties within Coral Bay for the maintenance of the Coral Bay Refuse Site.

3. Note that no submissions were received with regard to the advertised proposed differential rates (including minimum differential rates).
4. Charge an interest rate of 7% on any outstanding rates and charges that remain overdue after the last instalment as per Clause 8(3) of Government Gazette, WA on 8 May 2020. Charge an interest rate of 6% on outstanding rates where options 2 and 3 are chosen by the ratepayer.
5. Provide the option for ratepayers to pay their rates as a single payment, or by 2 or 4 instalments in accordance with S6.45(1) of the Act
6. Impose the following Rubbish Service Charges:

01	Domestic Rubbish	475.00
02	Commercial M/G/Bin	475.00

7. Adopt a value (+) or (-) of \$10,000 for operating items and (+) or (-) \$20,000 for capital items or 10%, whichever is higher as the variance for financial reports to Council during 2021/2022 in accordance with Clause 34(5) of the Local Government (Financial Management) Regulations, 1996 and AASB 1031 Materiality.

File No:	ADM2063
Date of Meeting:	31 August 2021
Location/Address:	Lot 2. (No. 35) Mahoney Ave, Brown Range – OTC site
Name of Applicant:	Caroline Roberts, President & CEO Thoth Technology, Inc
Name of Owner:	Shire of Carnarvon
Author/s:	Carolien Claassens – Operations Manager Corporate & Community
Declaration of Interest:	The author is the Treasurer of the Carnarvon Space & Technology Museum adjacent to the OTC Dish.
Voting Requirements:	<b>Recommendation 1:</b> Simple Majority <b>Recommendation 2:</b> Absolute Majority <b>Recommendation 3:</b> Simple Majority
Schedules:	Schedule 4.2

#### Authority / Discretion

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#### Summary of Item:

This report details a request from Thoth Technology Inc (Thoth) seeking Council's approval to lease a portion of Lot 2. (No. 35) Mahoney Ave, Brown Range, commonly known as the 'OTC Dish' for the purpose of space domain awareness, space traffic management and radio astronomy.

#### Background:

The OTC Dish installed in 1969 was part of the OTC Satellite Earth Station to facilitate better communication between the NASA Tracking Station and the USA. Unfortunately, since closing the Earth Station in the 1980s, the OTC Dish has turned into disrepair. Figure 1 below, includes a map of the OTC Dish:



Figure 1 – OTC Dish

Earlier this year Thoth contracted the Shire to discuss leasing the OTC Dish. A formal request to lease the OTC dish for a twenty (20) year peppercorn fee arrangement was received by the Shire on 1 July 2021. The request included Thoth assuming responsibility for the full restoration of the dish. A copy of the request is provided in **Schedule 4.2**

Thoth is a Canadian space and defence company specialised in Space Domain Awareness, Space Traffic Management, and radio astronomy. Thoth is investing in an expansion of their capacities into the Pacific. Revitalisation and utilising the Carnarvon OTC Dish will extend their network. Thoth has conducted a similar and successful project in Canada.

The intent of restoring a Carnarvon icon and introducing a commercial use of the dish has offered a unique opportunity for the town. In order to discuss the proposal in more detail the Shire and Thoth met via a video call. Part of the meeting was to discuss the peppercorn lease arrangements.

Reviewing the requirements under Policy C016 - Lease and Licensing Classification, a lease arrangement with Thoth would be considered commercial, which includes annual rent based on market value. Considering the significant investment and the risk involved for Thoth, the Shire negotiated a lease payment based upon:

- a peppercorn for the first five (5) years; and
- 5% of the gross revenue for the remaining fifteen (15) years.

The Shire acknowledges that the first 5 years will include investment to renovate and modernise the OTC-Dish. It is unlikely Thoth would be able to generate a commercial return in these initial years. But to consider a future return to the community a percentage of Thoth gross revenue seems reasonable.

Of note, the Shire negotiated some further benefits to the community in the form of:

- Assisting the Carnarvon Space & Technology Museum by providing resources and technical expertise for exhibits at the Museum;
- Engaging with high school children in the surrounding community by providing annual science project prizes and similar such activities;
- Where possible, engaging local contractors and employees; and
- Encouraging attention (including international attention) in relation to the history of the OTC Dish.

#### **Consultation:**

As mentioned above the Shire has been in contact with Thoth. Both parties are currently reviewing a draft lease, in anticipation of Council's approval of the lease arrangement.

To get a better understanding of the insurance and the cost further information had been requested from the Shire's insurer – LGIS.

#### **Statutory Environment:**

- S. 3.58 Disposing of Property - of the Local Government Act 1995
- S. 5.42 Delegation of some powers and duties to CEO – of the Local Government Act

#### **Relevant Plans and Policy:**

- Policy C016 Lease and Licensing Classification; Tier Three - Commercial lease.
- Delegation No: 1034 Executing and Affixing of Common Seal to Documents.

#### **Financial Implications:**

Significant financial implications are to be considered regarding this proposal. The cost of maintaining and insuring the dish is an ongoing financial impost for the Shire.

In 2020 a Structural Condition Report of the OTC Dish included a cost estimate of \$1.7 MIL to restore the structure of the dish. External funding, to repair the dish was sought but the application failed. Thoht assuming the responsibility of restoring the dish would result in a significant saving for the Shire.

Further savings will be realised by this proposed lease to Thoht via reduction in insurance costs. At present the Dish is insured for a value of \$7,588,700 which includes full reinstatement of the Dish. The annual cost of this insurance is significant, being \$20,692.82 (2021/22). Should this lease be supported, the officers recommend that the Shire only insure the OTC Dish for demolition only at a cost of approximately \$6,500 (pending a final value of the demolition insurance.)

In the proposed lease term, there is no financial return in the initial 5 years of the lease. The potential income from the 6<sup>th</sup> year, being 5% of the gross revenue could generate a sound income stream for the Shire. No market valuation has taken place for the OTC Dish. In addition to it being a costly exercise, establishing a market value for the OTC Dish would be complex, due to its uniqueness and very specific use.

Thoht has proposed that each party to be responsible for their own legal cost related to the preparation and execution of the lease. In accordance with Council policy C016 the lessee should be responsible for all the legal expenses. Depending on the extent of lease negotiations, the cost of legal fees are to be expected to be around \$2,500. This is considered a minor financial implication to the Shire. For this reason, the officer recommend that Council accepts this request.

**Risk Assessment:**

		<b>STEP 3 – Risk Tolerance Chart Used to Determine Risk</b>				
		<b>Insignificant 1</b>	<b>Minor 2</b>	<b>Major 3</b>	<b>Critical 4</b>	<b>Extreme 5</b>
<b>Consequence</b>						
<b>Likelihood</b>						
<b>Almost certain</b>	<b>A</b>	High	High	Extreme	Extreme	Extreme
<b>Likely</b>	<b>B</b>	Moderate	High	High	Extreme	Extreme
<b>Possible</b>	<b>C</b>	Low	Moderate	High	Extreme	Extreme
<b>Unlikely</b>	<b>D</b>	Low	Low	Moderate	High	Extreme
<b>Rare</b>	<b>E</b>	Low	Low	Moderate	High	High

Risk Category	Description	Rating (Consequence x likelihood)	Mitigating Action/s
Financial	Not accepting the lease request will result in the Shire to be responsible for the upgrade & ongoing maintenance of the OTC Dish.	A5 - Extreme	Approving the lease request
Health & Safety	N/A	N/A	
Reputation	Losing the opportunity to improve an icon in Carnarvon and find a commercial use.	A5 - Extreme	Approving the lease request
Service disruption	N/A	N/A	
Compliance	N/A	N/A	
Property	The Structural Condition Report of the OTC dish notes a significant number of	4B – Extreme	Approving the lease request. Potentially the Shire could find external funding sources, which has proven to be difficult.

	defects to the structure. Currently the dish is closed for entry. Not accepting the lease request will most likely result in further deterioration of the property.		
Environment	N/A	N/A	
Fraud	N/A	N/A	

**Community & Strategic Objectives:**

*Goal 1: Economic*

*A strong and growing economy, with a thriving regional centre, abundant business opportunities and jobs.*

ITEM	OUTCOMES AND STRATEGIES
1.1	Local business growth

*Goal 2: Natural and built environment*

*A sustainable natural and built environment that meets current and future community needs*

ITEM	OUTCOMES AND STRATEGIES
2.8	Preservation of local heritage buildings and places of interest

*Goal 5: Civic*

*Strong and listening Council.*

ITEM	OUTCOMES AND STRATEGIES
5.2	The Shire has a high standard of governance and accountability
5.4	Sound financial and asset management
5.6	The Shire advocates on behalf of its community

**Comment:**

Important to note, to simplify the lease arrangements Thoth is currently incorporating a new Australian Thoth entity. The Australian Thoth entity would be the lessee.

Currently the road around the OTC Dish is utilised by the Carnarvon Space & Technology Museum (the Museum) as the exit of the museum. The Museum is in support of the lease and will allow for a new exit. The lease with the Museum accommodates this proposal.

It should be noted, if submissions are received the matter will referred back to Council for further consideration.

**OFFICER'S RECOMMENDATION PART 1**

*That Council, by Simple Majority, pursuant to Section 3.58 of the Local Government Act 1995, resolves to give local public notice of the proposed disposition by lease of the OTC Dish located at OTC Site as identified in Figure*

1. with a consideration of a twenty (20) year lease term, the first five years being at a Peppercorn Rent and thereafter at a Rent that is based upon 5% of Gross Revenue of the Lessee.

OFFICER'S RECOMMENDATION PART 2

*That Council, by Absolute Majority, pursuant to section 5.42 of the Local Government Act 1995, subject to nil submissions opposing the lease being received, resolves to delegate authority to the CEO to make any necessary non-material amendments and finalise execution of a lease agreement between Thoth Technology Inc. and the Shire of Carnarvon for the OTC Dish at the OTC Site identified approximately in Figure 1.*

OFFICER'S RECOMMENDATION PART 3

*That Council, by Simple Majority, resolves to accept the shared cost arrangements of the legal fees for the lease preparation and execution whereby the Shire is responsible for its own legal costs and Thoth Technology Inc. is responsible for their costs.*

# SHIRE OF CARNARVON

## BUDGET

### FOR THE YEAR ENDED 30 JUNE 2022

#### LOCAL GOVERNMENT ACT 1995

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

- A connected community across leaders, cultures, and generations
- A future for every young person
- A job-rich economy, built on local strengths
- A still-natural environment, looked after and used

The Shire of Carnarvon acknowledges the Yingarrda people as the Traditional Custodians of this land which we work and live on. We pay our respects to their Elders past, present and emerging and extend this respect to all Aboriginal people and their ongoing connection to this Country.

**SHIRE OF CARNARVON**  
**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)	6,025,309	5,509,932	5,523,129
Operating grants, subsidies and contributions	10(a)	3,535,225	6,207,953	3,287,310
Fees and charges	9	3,180,701	2,804,092	2,737,910
Interest earnings	13(a)	83,500	104,628	68,584
Other revenue	13(b)	259,268	253,689	306,558
		13,084,003	14,880,294	11,923,491
<b>Expenses</b>				
Employee costs		(6,898,727)	(6,835,304)	(7,171,945)
Materials and contracts		(5,560,361)	(4,437,828)	(5,003,286)
Utility charges		(813,400)	(754,488)	(809,328)
Depreciation on non-current assets	5	(8,212,681)	(8,345,229)	(8,286,606)
Interest expenses	13(d)	(44,634)	(61,655)	(35,164)
Insurance expenses		(540,661)	(487,557)	(496,958)
Other expenditure		(455,000)	(447,620)	(502,066)
		(22,525,464)	(21,369,681)	(22,305,353)
<b>Subtotal</b>				
		(9,441,461)	(6,489,387)	(10,381,862)
Non-operating grants, subsidies and contributions	10(b)	7,356,828	2,760,367	4,258,072
Profit on asset disposals	4(b)	0	0	0
Loss on asset disposals	4(b)	(25,400)	(22,906)	0
		7,331,428	2,737,461	4,258,072
<b>Net result</b>				
		<b>(2,110,033)</b>	<b>(3,751,926)</b>	<b>(6,123,790)</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>(2,110,033)</b>	<b>(3,751,926)</b>	<b>(6,123,790)</b>

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

# SHIRE OF CARNARVON

## 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 Carnarvon 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 CARNARVON**  
**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)	\$	\$	\$
General purpose funding		8,338,875	10,409,327	7,755,835
Law, order and public safety		384,612	504,495	225,169
Health		45,600	32,103	43,442
Housing		0	6,254	23,900
Community amenities		2,086,561	2,207,074	1,943,896
Recreation and culture		131,199	102,942	264,258
Transport		1,136,519	1,012,760	773,652
Economic services		341,775	253,558	408,663
Other property and services		242,788	50,739	127,937
		13,084,003	14,880,294	11,923,491
<b>Expenses excluding finance costs</b>	4(a),5,13(c)(e)(e)			
Governance		(1,475,012)	(1,448,167)	(1,423,183)
General purpose funding		(270,954)	(271,414)	(204,795)
Law, order and public safety		(1,122,956)	(1,152,532)	(977,206)
Health		(781,701)	(634,796)	(672,783)
Education and welfare		(840,461)	(925,150)	(1,070,896)
Housing		(184,842)	(1,004)	(115,575)
Community amenities		(1,937,433)	(1,996,931)	(2,426,510)
Recreation and culture		(4,218,164)	(3,927,720)	(4,859,723)
Transport		(9,322,668)	(9,326,524)	(9,226,000)
Economic services		(1,352,130)	(1,071,015)	(1,188,273)
Other property and services		(974,509)	(552,774)	(105,245)
		(22,480,830)	(21,308,027)	(22,270,189)
<b>Finance costs</b>	7,6(a),13(d)			
Housing		0	(334)	(296)
Economic services		0	0	0
Other property and services		(25,365)	(50,105)	(25,365)
		(44,634)	(61,654)	(35,164)
<b>Subtotal</b>		(9,441,461)	(6,489,387)	(10,381,862)
Non-operating grants, subsidies and contributions	10(b)	7,356,828	2,760,367	4,258,072
Profit on disposal of assets	4(b)	0	0	0
(Loss) on disposal of assets	4(b)	(25,400)	(22,906)	0
		7,331,428	2,737,461	4,258,072
<b>Net result</b>		<b>(2,110,033)</b>	<b>(3,751,926)</b>	<b>(6,123,790)</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>(2,110,033)</b>	<b>(3,751,926)</b>	<b>(6,123,790)</b>

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

## SHIRE OF CARNARVON FOR THE YEAR ENDED 30 JUNE 2022

### KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

#### PROGRAM NAME AND OBJECTIVES GOVERNANCE

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

#### ACTIVITIES

Administration and operations of facilities and services to members of Council. Other costs which relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services.

#### GENERAL PURPOSE FUNDING

To collect general revenue to allow for the provision of services.

Rates activity, general purpose grants, banking costs and interest revenue.

#### LAW, ORDER, PUBLIC SAFETY

To provide services to help ensure a safer community.

Supervision of various local laws, fire prevention, emergency services, CBD security, administration of the Crime Prevention Plan.

#### HEALTH

To provide an operational framework for good community health.

Food quality and pest control, inspections and infant health. This function also provides for the implementation of the Healthy Lifestyles model.

#### EDUCATION AND WELFARE

To meet the needs of the community in these areas.

Support pre-school facilities and assistance of seniors and retirement villages. This function also provides for Youth Strategy and the accounting of the Carnarvon Youth Co-Ordinating Networks finance as part of the agreement.

#### HOUSING

To meet the needs of the Shire of Carnarvon Staff.

Staff Housing.

#### COMMUNITY AMENITIES

To provide sanitary and essential services required by the community. To provide land development strategies and to process land development activities. Environmental sustainability.

Refuse collection services, operation of refuse site, administration of town planning scheme, cemetery services and maintenance, environmental protection services and land development services.

#### RECREATION AND CULTURE

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

Operations of the Civic Centre (Camel Lane), aquatic centre and beach areas, regional library service, cultural and heritage services and facilities, reserves, parks and gardens.

#### TRANSPORT

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

Maintenance of streets, roads, footpaths, street lighting, airport. Agency for Department of Planning and Infrastructure's on line vehicle licensing services.

#### ECONOMIC SERVICES

To help promote and market the Shire of Carnarvon to the world and improve the economic well being. To ensure building development regulations are adhered to.

Noxious weed control, tourism and area promotion, building control and services.

#### OTHER PROPERTY AND SERVICES

To ensure works programs are operating efficiently.

Private works operations, public works operations and plant operations.

**SHIRE OF CARNARVON**  
**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		6,825,309	5,999,264	5,523,129
Operating grants, subsidies and contributions		3,965,914	6,042,870	3,287,310
Fees and charges		3,180,701	2,804,092	2,737,910
Interest received		83,500	104,628	68,584
Goods and services tax received		250,000	333,640	0
Other revenue		259,268	253,689	306,557
		14,564,692	15,538,183	11,923,490
<b>Payments</b>				
Employee costs		(6,898,727)	(6,892,341)	(7,171,945)
Materials and contracts		(4,860,361)	(5,743,314)	(5,003,286)
Utility charges		(813,400)	(754,488)	(809,328)
Interest expenses		(44,634)	(61,655)	(35,164)
Insurance paid		(540,661)	(487,557)	(496,958)
Goods and services tax paid		(250,000)	(550,000)	0
Other expenditure		(455,000)	(447,620)	(502,066)
		(13,862,783)	(14,936,975)	(14,018,747)
<b>Net cash provided by (used in) operating activities</b>	3	701,909	601,208	(2,095,256)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	4(a)	(1,893,266)	(542,208)	(576,360)
Payments for construction of infrastructure	4(a)	(9,423,040)	(3,311,884)	(6,578,315)
Non-operating grants, subsidies and contributions		5,111,677	3,430,409	4,258,072
Proceeds from sale of plant and equipment	4(b)	30,000	4,465	0
<b>Net cash provided by (used in) investing activities</b>		(6,174,629)	(419,218)	(2,896,603)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(44,832)	(53,244)	(53,245)
Principal elements of lease payments	7	(298,028)	(302,382)	(365,391)
Proceeds from new borrowings	6(a)	947,000	0	0
<b>Net cash provided by (used in) financing activities</b>		604,141	(355,626)	(418,635)
<b>Net increase (decrease) in cash held</b>		(4,868,579)	(173,636)	(5,410,494)
Cash at beginning of year		7,761,361	7,934,996	7,814,282
<b>Cash and cash equivalents at the end of the year</b>	3	<b>2,892,782</b>	<b>7,761,361</b>	<b>2,403,788</b>

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

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

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	2(a)	6,215,963	4,611,013	5,152,400
		6,215,963	4,611,013	5,152,400
<b>Revenue from operating activities (excluding rates)</b>				
Governance		65,884	9,557	148,705
General purpose funding		2,322,766	4,908,767	2,467,669
Law, order, public safety		384,612	504,495	225,169
Health		45,600	32,103	43,442
Education and welfare		310,190	291,485	208,034
Housing		0	6,254	23,900
Community amenities		2,335,622	2,442,151	1,943,896
Recreation and culture		131,199	102,942	264,258
Transport		1,136,519	1,012,760	773,652
Economic services		341,775	253,558	408,663
Other property and services		242,788	50,739	127,937
		7,316,955	9,614,811	6,635,325
<b>Expenditure from operating activities</b>				
Governance		(1,475,458)	(1,448,252)	(1,423,629)
General purpose funding		(270,954)	(271,414)	(204,795)
Law, order, public safety		(1,122,956)	(1,152,532)	(977,206)
Health		(781,701)	(634,796)	(672,783)
Education and welfare		(840,461)	(925,150)	(1,070,896)
Housing		(184,842)	(1,338)	(115,871)
Community amenities		(1,937,433)	(1,996,931)	(2,426,510)
Recreation and culture		(4,218,164)	(3,927,720)	(4,859,723)
Transport		(9,366,891)	(9,360,560)	(9,235,057)
Economic services		(1,352,130)	(1,071,015)	(1,188,273)
Other property and services		(999,874)	(602,879)	(130,610)
		(22,550,864)	(21,392,587)	(22,305,353)
Non-cash amounts excluded from operating activities	2(b)	5,992,930	9,065,269	8,686,301
<b>Amount attributable to operating activities</b>		(3,025,016)	1,898,506	(1,831,327)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		7,356,828	2,760,367	4,258,072
Payments for property, plant and equipment	4(a)	(1,893,266)	(542,208)	(576,360)
Payments for construction of infrastructure	4(a)	(9,423,040)	(3,311,884)	(6,578,315)
Proceeds from disposal of assets	4(b)	30,000	4,465	0
		(3,929,478)	(1,089,260)	(2,896,603)
<b>Amount attributable to investing activities</b>		(3,929,478)	(1,089,260)	(2,896,603)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(44,831)	(53,244)	(53,244)
Principal elements of finance lease payments	7	(298,028)	(302,382)	(365,390)
Proceeds from new borrowings	6(a)	947,000	0	0
Transfers to cash backed reserves (restricted assets)	8(a)	(200,800)	(352,232)	(1,400,181)
Transfers from cash backed reserves (restricted assets)	8(a)	784,105	849,091	1,512,110
<b>Amount attributable to financing activities</b>		1,187,446	141,233	(306,705)
<b>Budgeted deficiency before imposition of general rates</b>		(5,767,048)	950,480	(5,034,635)
<b>Estimated amount to be raised from general rates</b>	1	5,767,048	5,265,483	5,288,166
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2(a)	<b>0</b>	<b>6,215,963</b>	<b>253,531</b>

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

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

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	2	6,215,963	4,611,013	5,152,400
		6,215,963	4,611,013	5,152,400
<b>Revenue from operating activities (excluding rates)</b>				
Specified area and ex gratia rates	1(c)	258,261	244,449	241,194
Operating grants, subsidies and contributions	10(a)	3,535,225	6,207,953	3,287,310
Fees and charges	9	3,180,701	2,804,092	2,737,910
Interest earnings	13(a)	83,500	104,628	68,584
Other revenue	13(b)	259,268	253,689	306,558
		7,316,955	9,614,811	6,641,556
<b>Expenditure from operating activities</b>				
Employee costs		(6,898,727)	(6,835,304)	(7,171,945)
Materials and contracts		(5,560,361)	(4,437,828)	(5,003,286)
Utility charges		(813,400)	(754,488)	(809,328)
Depreciation on non-current assets	5	(8,212,681)	(8,345,229)	(8,286,606)
Interest expenses	13(d)	(44,634)	(61,655)	(35,164)
Insurance expenses		(540,661)	(487,557)	(496,958)
Other expenditure		(455,000)	(447,620)	(502,066)
Loss on asset disposals	4(b)	(25,400)	(22,906)	0
		(22,550,864)	(21,392,587)	(22,305,353)
Non-cash amounts excluded from operating activities	2(b)	5,992,930	9,065,269	8,686,301
<b>Amount attributable to operating activities</b>		(3,025,016)	1,898,506	(1,825,096)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	10(b)	7,356,828	2,760,367	4,258,072
Payments for property, plant and equipment	4(a)	(1,893,266)	(542,208)	(576,360)
Payments for construction of infrastructure	4(a)	(9,423,040)	(3,311,884)	(6,578,315)
Proceeds from disposal of assets	4(b)	30,000	4,465	0
<b>Amount attributable to investing activities</b>		(3,929,478)	(1,089,260)	(2,896,603)
<b>Amount attributable to investing activities</b>		(3,929,478)	(1,089,260)	(2,896,603)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(44,831)	(53,244)	(53,244)
Principal elements of finance lease payments	6	(298,028)	(302,382)	(365,390)
Proceeds from new borrowings	6(b)	947,000	0	0
Transfers to cash backed reserves (restricted assets)	8(a)	(200,800)	(352,232)	(1,400,181)
Transfers from cash backed reserves (restricted assets)	8(a)	784,105	849,091	1,512,110
<b>Amount attributable to financing activities</b>		1,187,446	141,233	(306,705)
<b>Budgeted deficiency before general rates</b>		(5,767,048)	950,480	(5,028,404)
<b>Estimated amount to be raised from general rates</b>	1(a)	5,767,048	5,265,483	5,281,935
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2	0	6,215,963	253,531

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

SHIRE OF CARNARVON  
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FOR THE YEAR ENDED 30 JUNE 2022

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

**1. RATES AND SERVICE CHARGES**

**(a) Rating Information**

<b>RATE TYPE</b>	<b>Rate (Cents in the \$)</b>	<b>Number of properties</b>	<b>Rateable value</b>	<b>2021/22 Budgeted rate revenue</b>	<b>2021/22 Budgeted interim rates</b>	<b>2021/22 Budgeted back rates</b>	<b>2021/22 Budgeted total revenue</b>	<b>2020/21 Actual total revenue</b>	<b>2020/21 Budget total revenue</b>
	\$		\$	\$	\$	\$	\$	\$	\$
<b>Differential general rate or general rate</b>									
<b>Gross rental valuations</b>									
GRV Residential	11.1200	1679	22,108,446	2,458,459	(5,000)	4,000	2,457,459	2,334,395	2,338,112
GRV Commercial/Industrial	10.3000	322	15,551,561	1,601,811	0	0	1,601,810	1,461,707	1,471,824
GRV Special Use/Rural	11.1200	102	1,757,732	195,460	0	0	195,459	188,636	185,692
<b>Unimproved valuations</b>									
UV Mining	24.512	46	501,801	123,001	0	4,000	127,001	56,646	65,871
UV Pastoral	11.1100	40	3,143,392	349,231	0	(88,000)	261,230	197,088	197,014
UV Intensive Horticultural	2.2730	170	23,409,501	532,098	0	(8,000)	524,097	468,021	465,282
<b>Sub-Totals</b>		2,359	66,472,433	5,260,060	(5,000)	(88,000)	5,167,056	4,706,493	4,723,795
<b>Minimum payment</b>									
	\$								
<b>Gross rental valuations</b>									
GRV Residential	1158.58	395	3,238,399	457,639	0	0	457,639	429,549	428,456
GRV Commercial/Industrial	1158.58	59	453,207	68,356	0	0	68,356	67,766	68,859
GRV Special Use/Rural	1158.58	47	373,933	54,453	0	0	54,453	51,371	50,278
<b>Unimproved valuations</b>									
UV Mining	400.00	17	12,999	6,800	0	0	6,800	4,351	5,496
UV Pastoral	1158.58	9	30,700	10,427	0	0	10,427	4,149	4,149
UV Intensive Horticultural	1158.58	2	49,999	2,317	0	0	2,317	1,804	902
<b>Sub-Totals</b>		529	4,159,238	599,992	0	0	599,992	558,990	558,140
		2,888	70,631,671	5,860,052	(5,000)	(88,000)	5,767,048	5,265,483	5,281,935
Discounts (Refer note 1(e))							0	0	0
Concessions (Refer note 1(e))							0	0	0
<b>Total amount raised from general rates</b>							5,767,048	5,265,483	5,281,935
Ex gratia rates							9,200	9,372	6,231
Specified area rates (Refer note 1(c))							249,061	235,077	234,963
Ex gratia rates									
<b>Total rates</b>							6,025,309	5,509,932	5,523,129

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

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.

## 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	22/10/2021	0	0.0%	0.0%
<b>Option two</b>				
First instalment	22/10/2021			
Second instalment	18/02/2022	\$6.60	6.00%	7.00%
<b>Option three</b>				
First instalment	22/10/2021			
Second instalment	24/12/2021	\$6.60	6.0%	7.0%
Third instalment	25/02/2022	\$6.60	6.0%	7.0%
Fourth instalment	29/04/2022	\$6.60	6.0%	7.0%

  

	2021/22 Budget revenue	2020/21 Actual revenue	2020/21 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	6,000	4,916	2,000
Instalment plan interest earned	22,000	20,402	5,000
Unpaid rates and service charge interest earned	60,000	82,462	43,584
Rates Arrangement Fee	1,600	1,535	100
	89,600	109,315	50,684

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

1. RATES AND SERVICE CHARGES (CONTINUED)

(c) 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
<b>Specified area rate</b>		\$	\$	\$	\$	\$	\$	\$	\$
GRV Coral Bay	GRV	0.06833	3,644,983	249,061	0	0	249,061	235,077	234,963

(d) Service Charges

The Shire does not anticipate raising service charges for the year ended 30th June 2022.

(e) Waivers/Exemptions/Concessions

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

**SHIRE OF CARNARVON**  
**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	3	9,305	2,049,428	351,095
Cash and cash equivalents - restricted reserves	3	2,883,477	5,711,933	5,365,238
Cash and cash equivalents - unspent grants		0	0	1,617,607
Receivables		317,531	1,548,220	1,273,915
Inventories		13,090	63,090	72,460

---

**Less: current liabilities**

Trade and other payables		(339,926)	310,074	(598,697)
		0	0	0
Contract liabilities		0	(2,245,151)	(1,904,210)
Lease liabilities	7	(21,827)	(319,855)	365,917
Long term borrowings	6	(7,719)	(52,550)	(1,290)
Employee provisions		(1,003,582)	(1,003,582)	(689,059)

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**Net current assets**

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

2.(c)	(1,850,349)	154,356	(5,599,445)
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**Net current assets used in the Rate Setting Statement**

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	0	6,215,963	253,531
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**SHIRE OF CARNARVON**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2022**  
**2. NET CURRENT ASSETS (CONTINUED)**

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

**Items excluded from calculation of budgeted deficiency**

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

**(b) Operating activities excluded from budgeted deficiency**

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

**Adjustments to operating activities**

Add: Loss on disposal of assets  
 Add: Depreciation on assets  
 Movement in current contract liabilities associated with restricted cash  
 Movement in current employee provisions associated with restricted cash

**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: unspent grants  
 Add: Current liabilities expected to be cleared at end of year  
     - Current portion of borrowings  
     - Current portion of lease liabilities  
     - Current portion of unspent non-operating grants held in reserve  
     - Provisions

**Total adjustments to net current assets**

Note	2021/22 Budget 30 June 2022	2020/21 Actual 30 June 2021	2020/21 Budget 30 June 2021
	\$	\$	\$
4(b)	25,400	22,906	0
5	8,212,681	8,345,229	8,286,606
	(2,245,151)	670,042	399,695
	0	27,092	
	5,992,930	9,065,269	8,686,301
	(2,883,477)	(3,466,782)	(5,365,238)
	0	2,245,151	(1,617,607)
	7,719	52,550	1,290
	21,827	319,855	(365,917)
			1,058,968
	1,003,582	1,003,582	689,059
	(1,850,349)	154,356	(5,599,445)

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

**PREPAID RATES**

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

**INVENTORIES**

**General**

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

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

**Superannuation**

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

All funds to which the Shire of Carnarvon 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.

### 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	2,892,782	7,761,361	2,403,788
Term deposits	0	0	3,312,545
<b>Total cash and cash equivalents</b>	<b>2,892,782</b>	<b>7,761,361</b>	<b>5,716,333</b>
Held as			
- Unrestricted cash and cash equivalents	9,305	2,049,428	351,095
- Restricted cash and cash equivalents	2,883,477	5,711,933	5,365,238
	2,892,782	7,761,361	5,716,333
<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	2,883,477	5,711,933	5,365,238
	2,883,477	5,711,933	5,365,238
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash/financial asset backed	8 2,883,477	3,466,782	3,747,631
Unspent non-operating grants, subsidies and contribution liabilities	0	2,245,151	1,617,607
	2,883,477	5,711,933	5,365,238
<b>Reconciliation of net cash provided by operating activities to net result</b>			
<b>Net result</b>	<b>(2,084,633)</b>	<b>(3,751,926)</b>	<b>(6,123,790)</b>
Depreciation	5 8,212,681	8,345,229	8,286,606
(Increase)/decrease in receivables	1,230,689	107,889	0
(Increase)/decrease in inventories	50,000	9,369	0
Increase/(decrease) in payables	650,000	(1,398,984)	0
Increase/(decrease) in unspent non-operating grants	(2,245,151)	670,042	0
Increase/(decrease) in employee provisions	0	27,092	0
Non-operating grants, subsidies and contributions	(5,111,677)	(3,430,409)	(4,258,072)
<b>Net cash from operating activities</b>	<b>727,309</b>	<b>601,208</b>	<b>(2,095,256)</b>

#### SIGNIFICANT ACCOUNTING POLICES

##### CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Bank overdrafts are shown as short term borrowings in current liabilities in Note 2 - Net Current Assets.

##### FINANCIAL ASSETS AT AMORTISED COST

The Shire classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

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

**4. FIXED ASSETS**

**(a) Acquisition of Assets**

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

Asset class	Reporting program							2021/22 Budget total	2020/21 Actual total	2020/21 Budget total
	Governance	Law, order and public safety	Housing	Community amenities	Recreation and culture	Transport	Economic services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<i>Property, Plant and Equipment</i>										
Buildings	30,000	141,000	15,000	100,000	20,000	130,416	0	436,416	433,929	311,360
Furniture and equipment	76,000	0	0	0	35,000	0	0	111,000	13,440	60,000
Plant and equipment	0	0	0	265,000	60,000	1,020,850	0	1,345,850	94,839	205,000
	106,000	141,000	15,000	365,000	115,000	1,151,266	0	1,893,266	542,208	576,360
<i>Infrastructure</i>										
Infrastructure Roads	0	0	0	0	0	5,398,253	0	5,398,253	1,696,004	3,137,125
Infrastructure - drainage	0	0	0	0	0	40,000	0	40,000	4,285	37,000
Infrastructure - footpaths	0	0	0	0	0	198,724	0	198,724	20,667	232,040
Infrastructure - parks and ovals	0	0	0	0	925,497	0	0	925,497	770,590	1,142,046
Infrastructure - bridges	0	0	0	0	0	0	0	0	0	0
Infrastructure - Levee System	0	0	0	0	0	0	0	0	0	0
Infrastructure - airports	0	0	0	0	0	1,152,911	0	1,152,911	28,751	756,731
Infrastructure - Carparks	0	0	0	0	0	0	0	0	0	0
Infrastructure Other	0	0	0	74,000	1,014,443	20,000	204,212	1,312,655	789,233	1,099,461
Infrastructure Landfill	0	0	0	395,000	0	0	0	395,000	2,354	173,912
	0	0	0	469,000	1,939,940	6,809,888	204,212	9,423,040	3,311,884	6,578,315
<b>Total acquisitions</b>	106,000	141,000	15,000	834,000	2,054,940	7,961,154	204,212	11,316,306	3,854,092	7,154,675

**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 CARNARVON  
 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>By Asset</b>												
Sam Display Trailer	0		0	0	3,571	715	0	(2,856)	0	0	0	0
Arow Kerbing Machin	0		0	0	14,000	500		(13,500)	0	0	0	0
Mazda BT-50	0	0	0	0	9,800	3,250		(6,550)	0	0	0	0
Rubbish Truck	46,500	23,000	0	23,500			0	0	0	0	0	0
Utility vehicle	8,900	7,000	0	1,900			0	0	0	0	0	0
	55,400	30,000	0	25,400	27,371	4,465	0	(22,906)	0	0	0	0
<b>By Program</b>												
Transport	0	0	0	0	27,371	4,465	0	(22,906)	0	0	0	0
	0	30,000	0	0	27,371	4,465	0	(22,906)	0	0	0	0
<b>By Class</b>												
<i>Property, Plant and Equipment</i>												
Plant and equipment	55,400	30,000	0	25,400	27,371	4,465	0	(22,906)	0	0	0	0
	55,400	30,000	0	25,400	27,371	4,465	0	(22,906)	0	0	0	0

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

**6. INFORMATION ON BORROWINGS**

**(a) Borrowing repayments**

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

Purpose	Loan Number	Institution	Interest Rate	Budget	2021/22	2021/22	Budget	2021/22	Actual	2020/21	Actual	2020/21	Budget	2020/21	Budget	2020/21	
				Principal 1 July 2021	Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2022	Budget Interest Repayments	Principal 1 July 2020	Actual Principal Repayments	Principal outstanding 30 June 2021	Actual Interest Repayments	Principal 1 July 2020	Budget Principal Repayments	Principal outstanding 30 June 2021	Budget Interest Repayments	
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Housing</b>																	
Staff Housing	213	WATC *	0.0604%	0	0	0	0	0	9,750	(9,750)	0	334	9,751	(9,750)	1	296	
<b>Transport</b>																	
Airport Corrective Works	216	WATC *	3.1%	264,239	0	(44,831)	219,408	7,720	307,733	(43,494)	264,239	11,130	307,732	(43,494)	264,238	9,057	
Water Truck	TBC	WATC*	1.5%	0	256,720	0	256,720	11,103	0	0	0	0	0	0	0	0	
Rubbish Trust	TBC	WATC*	1.5%	0	353,000	0	353,000	0	0	0	0	0	0	0	0	0	
Utility Vehicles (5)	TBC	WATC*	1.5%	0	227,280	0	227,280	0	0	0	0	0	0	0	0	0	
LWB Utility Truck	TBC	WATC*	1.5%	0	110,000	0	110,000	0	0	0	0	0	0	0	0	0	
				264,239	947,000	(44,831)	1,166,408	18,823	317,483	(53,244)	264,239	11,464	317,483	(53,244)	264,239	9,353	
				264,239	947,000	(44,831)	1,166,408	18,823	317,483	(53,244)	264,239	11,464	317,483	(53,244)	264,239	9,353	

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

\*WATC - WA Treasury Corporation

**SHIRE OF CARNARVON**  
**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	Total	Amount	Balance
					borrowed budget	interest & charges	used budget	unspent
					\$	\$	\$	\$
Water Truck	WATC*	Debenture	10	1.5%**	256,720	2,925	256,720	0
Rubbish Trust	WATC*	Debenture	8	1.5%**	353,000	3,648	353,000	0
Utility Vehicles (5)	WATC*	Debenture	4	1.5%**	227,280	2,705	227,280	0
LWB Utility Truck	WATC*	Debenture	4	1.5%**	110,000	1,825	110,000	0
					947,000	11,103	947,000	0

\*\*Interest rates are subject to change and as the Plant, Equipment and Vehicles are not likely to be available until later in the year.

**(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	200,000	200,000	200,000
Bank overdraft at balance date	0	0	0
Credit card limit	13,000	13,000	13,000
Credit card balance at balance date	(5,000)	(2,501)	0
<b>Total amount of credit unused</b>	208,000	210,499	213,000
<b>Loan facilities</b>			
Loan facilities in use at balance date	1,166,408	264,239	264,239

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

**7. LEASE LIABILITIES**

Institution	Lease Term	Budget Lease	2021/22 Budget Lease	Budget Lease	2021/22 Budget Lease	2020/21 Actual Lease	Actual Lease	2020/21 Actual Lease	2020/21 Actual Lease	Budget Lease	2020/21 Budget Lease	Budget Lease	2020/21 Budget Lease	
		Principal 1 July 2021	Principal Repayments	Principal outstanding 30 June 2022	Principal Repayments	Principal 1 July 2020	Principal repayments	Principal outstanding 30 June 2021	Principal repayments	Principal 1 July 2020	New Leases	Principal repayments	Principal outstanding 30 June 2021	Principal Lease repayments
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Richo	48	2,426	(2,426)	0	11	11,973	(9,547)	2,426	200	11,973		(9,547)	2,426	200
Easifleet P330	48					6,581	(6,581)	0	41	6,581		(6,581)	0	41
Easifleet P330B	12	4,180	(2,877)	1,303	74			0					0	
Easifleet P331	60					2,888	(2,888)	0	12	2,888		(2,888)	0	12
Easifleet P331B	12	5,370	(4,475)	895	72			0					0	
Easifleet PUTE35	60	0		0		2,572	(2,572)	0	87	2,572		(2,572)	0	87
Easifleet PUTE35B	12	1,600	(1,600)	0	10			0					0	
Easifleet PUTE36	60	0		0		2,572	(2,572)	0	87	2,572		(2,572)	0	87
Easifleet PUTE36B	12	1,832	(1,832)	0	11			0					0	
Easifleet PUTE37	60	0		0		2,968	(2,968)	0	114	2,968		(2,968)	0	114
Easifleet PUTE37B	12	2,013	(2,013)		12									
Easifleet P343	60	17,201	(6,658)	10,543	375	23,859	(6,658)	17,201	544	23,859		(6,658)	17,201	544
SG Fleet P299	120	91,206	(31,223)	59,983	2,540	121,417	(30,210)	91,207	3,553	121,417		(30,211)	91,206	3,553
SG Fleet P303	120	97,624	(34,480)	63,144	2,703	130,986	(33,362)	97,624	3,821	130,986		(33,362)	97,624	3,821
SG Fleet P342	36	14,140	(14,140)	0	104	41,894	(27,754)	14,140	734	41,894		(27,754)	14,140	734
SG Fleet P344	36	13,161	(13,161)	0	124	32,496	(19,335)	13,161	594	32,496		(19,335)	13,161	594
SGFleet P345	36	15,047	(15,047)	0	158	34,674	(19,627)	15,047	646	34,674		(19,627)	15,047	646
SG Fleet P346	60	19,741	(7,235)	12,506	449	26,781	(7,040)	19,741	634	26,781		(7,040)	19,741	634
SG Fleet P 312	12	0		0		1,303	(1,303)	0	2	1,303		(1,303)	0	2
SG Fleet P347	60	208,077	(62,071)	146,006	4,907	268,478	(60,401)	208,077	6,577	268,478		(60,401)	208,077	6,577
SG Fleet P348	60	78,228	(26,432)	51,796	1,853	100,343	(22,115)	78,228	2,464	100,343		(22,115)	78,228	2,464
SGFleet P349	60	33,053	(9,602)	23,451	783	42397	-9344	33,053	1041	42397		-9344	33,053	1041
SG Gleet P350	60	24,646	(7,160)	17,486	584	31,614	(6,968)	24,646	776	31,614		(6,968)	24,646	776
SG Fleet P351	60	22,521	(6,543)	15,978	533	28,888	(6,367)	22,521	709	28,888		(6,367)	22,521	533
SG Fleet P356	36	13,966	(9,806)	4,160	238	23,529	(9,563)	13,966	481	23,529		(9,563)	13,966	481
SG Fleet P354	36	18,927	(13,290)	5,637	323	31,887	(12,960)	18,927	652	31,887		(12,960)	18,927	652
SG Fleet P353	36	15,434	(10,838)	4,596	263	26,003	(10,569)	15,434	532	26,003		(10,569)	15,434	532
SG Fleet P352	60	24,793	(6,677)	18,116	594	31,290	(6,497)	24,793	773	31,290		(6,497)	24,793	773
SG Fleet P355	60	13,466	(8,442)	5,024	241	21,699	(8,233)	13,466	450	21,699		(8,233)	13,466	450
Finalised leases 2021							23,052	23,052		6,500		(39,955)	(33,455)	463
		738,651	(298,028)	440,623	16,962	1,049,092	(302,382)	746,710	25,524	1,055,592	0	(365,390)	690,202	25,811

**SIGNIFICANT ACCOUNTING POLICIES**

**LEASES**

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.

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.

**LEASE LIABILITIES**

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

SHIRE OF CARNARVON  
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	229,798	100,000	0	329,798	172,529	57,269	0	229,798	172,529	230,000	0	402,529
(b) Plant Reserve	192,449		0	192,449	154,881	37,568	0	192,449	154,881	150,000	0	304,881
(c) Waste Disposal Reserve	103,320	50,000	0	153,320	78,279	25,041	0	103,320	78,279	100,000	0	178,279
(d) Public Ablutions Reserve	1,764		0	1,764	1,764	0	0	1,764	1,764	0	0	1,764
(e) Staff Housing Reserve	700,510		0	700,510	700,219	291	0	700,510	700,219	0	0	700,219
(f) Civic Centre Reserve	60,512		0	60,512	60,487	25	0	60,512	60,487	0	0	60,487
(g) It Replacement Reserve	107,061		0	107,061	94,522	12,539	0	107,061	94,522	50,000	0	144,522
(h) Airport Reserve	59,299		0	59,299	59,275	24	0	59,299	59,275	0	0	59,275
(i) Coral Bay Tip Reserve	21,859	50,000	0	71,859	21,850	9	0	21,859	21,850	0	0	21,850
(j) Surge/Fascine Wall Reserve	414,424		0	414,424	356,382	58,042		414,424	356,382	231,500	0	587,882
(k) Town Planning Reserve	1,451		0	1,451	1,451	0	0	1,451	1,451	0	0	1,451
(l) Fascine Dredging Reserve	84,690		0	84,690	84,654	36	0	84,690	84,654	0	0	84,654
(m) Flood Mitigation Reserve	11,885		0	11,885	11,880	5	0	11,885	11,880	50,000	0	61,880
(n) Otc/Nasa Reserve	21,367		0	21,367	8,850	12,517	0	21,367	8,850	0	0	8,850
(o) Blowholes Reserve	2,750		0	2,750	2,748	2	0	2,750	2,748	0	0	2,748
(p) Land & Infrastructure Development Reserve	224,854		0	224,854	225,248	57,606	(58,000)	224,854	225,248	230,000	(58,000)	397,248
(q) Asset Management Reserve	38,894		0	38,894	36,879	2,015	0	38,894	36,879	8,000	0	44,879
(r) Emergency Response Reserve	265,391		0	265,391	252,787	12,604	0	265,391	252,787	50,000	0	302,787
(s) Mosquito Management Reserve	5,373	800	0	6,173	3,845	1,528	0	5,373	3,845	681	0	4,526
(t) Country Roads Grading	135,026		0	135,026	60,000	75,026	0	135,026	60,000	300,000	0	360,000
(u) Unspent Grants & Contributions Reserve	784,105		(784,105)	0	1,575,111	85	(791,091)	784,105	1,471,030	0	(1,454,110)	16,920
	3,466,782	200,800	(784,105)	2,883,477	3,963,641	352,232	(849,091)	3,466,782	3,859,560	1,400,181	(1,512,110)	3,747,631

SHIRE OF CARNARVON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2022  
8. CASH BACKED RESERVES

Cash Backed Reserves - Consolidation	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
<b>LEAVE RESERVE</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave Reserve	230,115	100,000	0	330,115	172,529	57,586	0	230,115	172,529	230,000	0	402,529
	230,115	100,000	0	330,115	172,529	57,586	0	230,115	172,529	230,000	0	402,529
<b>WASTE DISPOSAL AND TIPS RESERVE</b>												
(c) Waste Disposal Reserve	103,320	50,000	0	153,320	78,279	25,041	0	103,320	78,279	100,000	0	178,279
(i) Coral Bay Tip Reserve	21,859	50,000	0	71,859	21,850	9	0	21,859	21,850	0	0	21,850
	125,179	100,000	0	225,179	100,129	25,050	0	125,179	100,129	100,000	0	200,129
<b>LAND &amp; INFRASTRUCTURE RESERVE</b>												
(p) Land & Infrastructure Development Reserve	224,854	0	0	524,854	225,248	57,606	(58,000)	224,854	225,248	230,000	(58,000)	397,248
(k) Town Planning Reserve	1,451	0	0	1,451	1,451	0	0	1,451	1,451	0	0	1,451
(j) Surge/Fascine Wall Reserve	414,424	0	0	464,424	356,382	58,042	0	414,424	356,382	231,500	0	587,882
(h) Airport Reserve	59,299	0	0	59,299	59,275	24	0	59,299	59,275	0	0	59,275
(l) Fascine Dredging Reserve	84,690	0	0	84,690	84,654	36	0	84,690	84,654	0	0	84,654
(m) Flood Mitigation Reserve	11,885	0	0	31,885	11,880	5	0	11,885	11,880	50,000	0	61,880
(t) Country Roads Grading	135,026	0	0	435,026	60,000	75,026	0	135,026	60,000	300,000	0	360,000
	931,629	0	0	1,601,629	798,889	190,740	(58,000)	931,629	798,889	811,500	(58,000)	1,552,390
<b>PLANT &amp; ASSET MANAGEMENT RESERVE</b>												
(q) Asset Management Reserve	38,894	0	0	88,894	36,879	2,015	0	38,894	36,879	8,000	0	44,879
(b) Plant Reserve	192,449	0	0	272,449	154,881	37,568	0	192,449	154,881	150,000	0	304,881
(d) Public Ablutions Reserve	1,764	0	0	1,764	1,764	0	0	1,764	1,764	0	0	1,764
(e) Staff Housing Reserve	700,510	0	0	700,510	700,219	291	0	700,510	700,219	0	0	700,219
(f) Civic Centre Reserve	60,512	0	0	60,512	60,487	25	0	60,512	60,487	0	0	60,487
(g) It Replacement Reserve	107,061	0	0	157,061	94,522	12,539	0	107,061	94,522	50,000	0	144,522
(n) Otc/Nasa Reserve	21,367	0	0	21,367	8,850	12,517	0	21,367	8,850	0	0	8,850
(o) Blowholes Reserve	2,750	0	0	2,750	2,748	2	0	2,750	2,748	0	0	2,748
(r) Emergency Response Reserve	265,391	0	0	315,391	252,787	12,604	0	265,391	252,787	50,000	0	302,787
	1,390,698	0	0	1,620,698	1,313,138	77,560	0	1,390,698	1,313,138	258,000	0	1,571,137
<b>MOSQUITO MANAGEMENT RESERVE</b>												
(s) Mosquito Management Reserve	5,373	800	0	6,173	12,346	1,528	0	5,373	3,845	681	0	4,526
	5,373	800	0	6,173	12,346	1,528	0	5,373	3,845	681	0	4,526
<b>UNSPENT GRANTS AND CONTRIBUTIONS RESERVE</b>												
(s) Unspent Grants and Contributions Reserve	784,105	0	(784,105)	0	1,575,111	85	(791,091)	784,105	1,471,030	0	(1,454,110)	16,920
	784,105	0	(784,105)	0	1,575,111	85	(791,091)	784,105	1,471,030	0	(1,454,110)	16,920

**SHIRE OF CARNARVON**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2022**  
**8. CASH BACKED RESERVES**

**(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:

<b>Reserve name</b>	<b>Anticipated date of use</b>	<b>Purpose of the reserve</b>
(a) Leave Reserve	Ongoing	To be used to fund annual and long service leave requirements.
(b) Plant Reserve	Ongoing	To be used to implement the Shire's Plant Replacement Program.
(c) Waste Disposal Reserve	Ongoing	To be used for maintenance or capital expenditure at Browns Range Refuse Site.
(d) Public Ablutions Reserve	Ongoing	To be used to contribute to replacement of major upgrades on Shire of Carnarvon
(e) Staff Housing Reserve	Ongoing	To be used for major maintenance and capital purchases with respect to staff housing.
(f) Civic Centre Reserve	Ongoing	To be used for major building and equipment upgrades to Carnarvon Civic Centre.
(g) It Replacement Reserve	Ongoing	To be used to fund the Shire of Carnarvon Information Technology Strategy.
(h) Airport Reserve	Ongoing	To be used to contribute to capital costs in relation to the Carnarvon Airport.
(i) Coral Bay Tip Reserve	Ongoing	To be used for maintenance and capital costs associated with Coral Bay Refuse Site.
(j) Surge/Fascine Wall Reserve	Ongoing	To be used for capital upgrade costs associated with the Fascine Wall.
(k) Town Planning Reserve	Ongoing	To be used to contribute to funding town planning scheme reviews, new scheme & relevant town planning purposes.
(l) Fascine Dredging Reserve	Ongoing	To be used for capital upgrade costs associated with the Fascine Wall.
(m) Flood Mitigation Reserve	Ongoing	To be used to finance Council's obligations with respect to the Flood Mitigation Strategy.
(n) Otc/Nasa Reserve	Ongoing	To be used for the development & conservation of the OTC site.
(o) Blowholes Reserve	Ongoing	To be used to assist with the removal of shack debris and post demolition rehabilitation of shack area.
(p) Land & Infrastructure Development Reserve	Ongoing	To be used for the purchase of land and development of infrastructure within the Shire of Carnarvon.
(q) Asset Management Reserve	Ongoing	To be used for the replacement and improvement of specified assets within the Shire of Carnarvon in accordance with the Shire's Asset Management Plan.
(r) Emergency Response Reserve	Ongoing	To be used in the preparation for and providing immediate assistance, relief and recovery to the community in response to an Emergency within the Shire of Carnarvon.
(s) Mosquito Management Reserve	Ongoing	To be used for the purpose of delivering services to assist in mosquito management within the Shire of Carnarvon, which includes funding from the Department of Health.
(t) Country Roads Grading	Ongoing	To be used for the country roads grading program in seasons when the climatic conditions are suitable.
(u) Unspent Grants & Contributions Reserve	Ongoing	To be used to isolate grants and contributions for specific purposes to be spent at a later date or in subsequent years.

## 9. FEES & CHARGES REVENUE

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

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
	8,834	4,676	15,834
	36,600	16,842	23,210
	15,500	15,489	21,540
	37,000	25,639	34,870
	0	0	990
	1,829,500	1,909,420	1,700,452
	80,433	76,982	176,529
	721,389	635,538	399,660
	251,445	116,018	281,555
	200,000	3,488	83,270
	3,180,701	2,804,092	2,737,910

## 10. GRANT REVENUE

### By Program:

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

Governance
General purpose funding
Law, order, public safety
Health
Education and welfare
Community amenities
Recreation and culture
Transport

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
	30,000	0	33,460
	2,438,527	5,009,000	2,368,734
	355,512	480,166	192,579
	8,000	5,312	8,000
	244,190	279,190	199,000
	0	49,408	0
	49,866	20,273	76,289
	409,130	364,604	360,570
	3,535,225	6,207,953	3,287,310

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

Law, order, public safety
Community amenities
Recreation and culture
Transport
Economic services

	151,500	120,969	134,100
	206,000	171,250	0
	1,878,395	1,004,352	1,526,746
	4,916,721	1,233,796	2,597,226
	204,212	230,000	0
	7,356,828	2,760,367	4,258,072

Total grants, subsidies and contributions

	10,892,053	8,968,320	7,545,382
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**SHIRE OF CARNARVON**  
**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
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Payment in line with inspection	None	Set by State legislation	Applied fully on timing of inspection	No refunds	Revenue recognised after inspection event occurs
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
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
Fees and charges for other goods and services	Cemetery services, library fees, rental income, 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
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	On- charge of expenses & 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

	<b>2021/22 Budget</b>	<b>2020/21 Actual</b>	<b>2020/21 Budget</b>
	\$	\$	\$
President's allowance	46,000	42,988	46,000
Deputy President's allowance	11,500	13,181	11,500
Meeting attendance fees	141,000	142,854	141,000
Training expenses	40,000	28,695	41,500
Travel and accommodation expenses	23,000	1,532	2,000
	<b>261,500</b>	<b>229,250</b>	<b>242,000</b>

### 13. OTHER INFORMATION

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
<b>The net result includes as revenues</b>			
<b>(a) Interest earnings</b>			
Investments			
- Other funds	1,500	1,763	20,000
Other interest revenue (refer note 1b)	82,000	102,865	48,584
	83,500	104,628	68,584
<b>(b) Other revenue</b>			
Reimbursements and recoveries	143,938	70,475	170,764
Other	115,330	183,214	135,794
	259,268	253,689	306,558
<b>The net result includes as expenses</b>			
<b>(c) Auditors remuneration</b>			
Audit services	80,000	35,961	65,000
Other services		23,845	0
	80,000	59,806	65,000
<b>(d) Interest expenses (finance costs)</b>			
Borrowings (refer Note 6(a))	18,823	11,464	9,353
Interest expense on lease liabilities	16,962	25,524	25,811
Other	8,849		
	44,634	36,988	35,164

## 15. 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.



**THOTH TECHNOLOGY, INC.**

1 July 2021

Andrea Selvey  
Chief Executive Officer  
Shire of Carnarvon  
PO Box 459, Carnarvon WA 6701

**RE: Carnarvon Tracking Station**

Dear Andrea,

I am pleased to write on behalf of Thoth regarding our request to lease the Overseas Telecommunication Commission (OTC) dish located in Carnarvon. Thoth is a Canadian space and defence company specializing in Space Domain Awareness (SDA), Space Traffic Management (STM), and radio astronomy. We are very interested in expanding our capabilities into the Pacific and, in particular, in revitalizing the OTC dish to extend our network.

We understand the OTC station has been sitting unused since the 1980s and is in need of major repairs at significant cost. Thoth has an established track record in the restoration of defunct radio antennas. We are presently based at the Algonquin Radio Observatory (ARO) in Ontario. ARO is Canada's national radio observatory and features a 46 m diameter radio antenna that is the largest fully steerable dish in Canada and one of the largest in the world. Thoth acquired the site through a renewable twenty-year lease with the Federal Government in 2007 based on a peppercorn lease arrangement. The 1,500 ton antenna had suffered major mechanical failure and was in a poor state of repair. Thoth completed a revitalization of the historic structure, replacing bearings, installing new control systems, and many other refurbishments, bringing the antenna back to operation over a four-year period. We now have a successful pulsar research program with the Canadian Institute for Theoretical Astrophysics at the University of Toronto. Using ARO, we have also developed an innovative Earthfence Deep Space Radar (DSR) for tracking satellites and debris in geostationary (GEO) orbits for SDA and STM, which is a unique commercial capability in the world, and a capability that we now plan to bring to Australia.

Our plan is to revitalize the OTC dish over a two-year period, equipping it with a deep space radar for SDA, STM, and radio astronomy. We will bring high tech employment to the area, enhance SDA in Australia, and support the mission of the Carnarvon Space and Technology Museum. The OTC dish requires a great deal of work, including the restoration of the concrete, metal and mechanical infrastructure, and the replacement of the drive, control and encoder systems. We will also install a modern DSR backend and super computer cluster.

In order to commit capital to the project, we would be grateful for a twenty-year lease based upon a peppercorn fee arrangement. Thoth has the unique expertise and experience to accomplish a full restoration which will benefit Western Australia and the local community, restoring new life and purpose to this iconic landmark.

With best regards,

Caroline Roberts, D. Phil. (Oxon.)  
President & CEO



Caroline Roberts, D.Phil. (Oxon.), President & CEO, Thoth Technology Inc.  
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