



Shire of West Arthur

Budget

2023 -2024



Forest to Wheatbelt

SHIRE OF WEST ARTHUR
ANNUAL BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

LOCAL GOVERNMENT ACT 1995

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**SHIRE OF WEST ARTHUR
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	2023/24 Budget	2022/23 Actual	2022/23 Budget
Revenue		\$	\$	\$
Rates	2(a)	1,998,156	1,887,431	1,885,423
Grants, subsidies and contributions	10	417,215	2,003,624	550,100
Fees and charges	15	336,840	308,302	295,450
Interest revenue	11(a)	201,900	155,727	118,897
Other revenue	11(b)	109,470	124,800	68,353
		3,063,581	4,479,884	2,918,223
Expenses				
Employee costs		(2,169,272)	(1,866,495)	(1,996,848)
Materials and contracts		(1,416,780)	(1,114,459)	(1,131,500)
Utility charges		(118,152)	(109,655)	(90,405)
Depreciation	6	(2,269,487)	(2,269,485)	(2,217,441)
Finance costs	11(d)	(27,016)	(26,499)	(25,062)
Insurance		(130,039)	(116,509)	(117,423)
Other expenditure		(65,800)	(43,631)	(48,000)
		(6,196,546)	(5,546,733)	(5,626,679)
		(3,132,965)	(1,066,849)	(2,708,456)
Capital grants, subsidies and contributions	10	1,310,628	1,257,166	1,200,962
Profit on asset disposals	5	11,124	77,228	20,676
Loss on asset disposals		(5,034)	0	(17,355)
		1,316,718	1,334,394	1,204,283
Net result for the period		(1,816,247)	267,545	(1,504,173)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		(1,816,247)	267,545	(1,504,173)

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

SHIRE OF WEST ARTHUR
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2023/24 Budget	2022/23 Actual	2022/23 Budget
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		\$ 2,028,156	\$ 1,846,969	\$ 1,910,423
Grants, subsidies and contributions		530,465	1,767,766	695,100
Fees and charges		336,840	308,302	295,450
Interest revenue		201,900	155,727	118,897
Goods and services tax received		300,000	522,298	164,500
Other revenue		109,470	124,800	68,353
		3,506,831	4,725,862	3,252,723
Payments				
Employee costs		(2,169,272)	(1,851,625)	(1,996,848)
Materials and contracts		(1,391,349)	(1,107,094)	(1,124,000)
Utility charges		(118,152)	(109,655)	(90,405)
Finance costs		(27,016)	(26,499)	(25,062)
Insurance		(130,039)	(116,509)	(117,423)
Goods and services tax paid		(270,000)	(273,132)	(164,500)
Other expenditure		(65,800)	(43,631)	(48,000)
		(4,171,628)	(3,528,145)	(3,566,238)
Net cash provided by (used in) operating activities	4	(664,797)	1,197,717	(313,515)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5(a)	(1,419,371)	(791,979)	(1,370,445)
Payments for construction of infrastructure	5(b)	(1,564,245)	(1,957,951)	(1,710,877)
Capital grants, subsidies and contributions		1,310,628	744,969	688,765
Proceeds from sale of property, plant and equipment	5(a)	125,000	195,000	144,050
Proceeds on financial assets at amortised cost - self supporting loans	7(a)	30,007	29,032	29,031
Net cash provided by (used in) investing activities		(1,517,981)	(1,780,929)	(2,219,476)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(125,119)	(107,069)	(101,198)
Proceeds from new borrowings	7(a)	150,000	270,000	270,000
Net cash provided by (used in) financing activities		24,881	162,931	168,802
Net increase (decrease) in cash held		(2,157,897)	(420,281)	(2,364,189)
Cash at beginning of year		4,257,269	4,677,550	4,677,550
Cash and cash equivalents at the end of the year	4	2,099,372	4,257,269	2,313,361

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

**SHIRE OF WEST ARTHUR
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2024**

		2023/24	2022/23	2022/23
	NOTE	Budget	Actual	Budget
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	2(a)	\$ 1,998,156	\$ 1,887,431	\$ 1,885,423
Grants, subsidies and contributions	10	417,215	2,003,624	550,100
Fees and charges	15	336,840	308,302	295,450
Interest revenue	11(a)	201,900	155,727	118,897
Other revenue	11(b)	109,470	124,800	68,353
Profit on asset disposals	5	11,124	77,228	20,676
		3,074,705	4,557,112	2,938,899
Expenditure from operating activities				
Employee costs		(2,169,272)	(1,866,495)	(1,996,848)
Materials and contracts		(1,416,780)	(1,114,459)	(1,131,500)
Utility charges		(118,152)	(109,655)	(90,405)
Depreciation	6	(2,269,487)	(2,269,485)	(2,217,441)
Finance costs	11(d)	(27,016)	(26,499)	(25,062)
Insurance		(130,039)	(116,509)	(117,423)
Other expenditure		(65,800)	(43,631)	(48,000)
Loss on asset disposals	5	(5,034)	0	(17,355)
		(6,201,580)	(5,546,733)	(5,644,034)
Non-cash amounts excluded from operating activities	3(b)	2,263,397	2,223,735	2,214,120
Amount attributable to operating activities		(863,478)	1,234,114	(491,015)
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions	10	1,310,628	1,257,166	1,200,962
Proceeds from disposal of assets	5	125,000	195,000	144,050
Proceeds from financial assets at amortised cost - self supporting loans	7(a)	30,007	29,032	29,031
		1,465,635	1,481,198	1,374,043
Outflows from investing activities				
Payments for property, plant and equipment	5(a)	(1,419,371)	(791,979)	(1,370,445)
Payments for construction of infrastructure	5(b)	(1,564,245)	(1,957,951)	(1,710,877)
		(2,983,616)	(2,749,930)	(3,081,322)
Amount attributable to investing activities		(1,517,981)	(1,268,732)	(1,707,279)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from new borrowings	7(a)	150,000	270,000	270,000
Transfers from reserve accounts	8(a)	1,146,546	527,806	993,650
		1,296,546	797,806	1,263,650
Outflows from financing activities				
Repayment of borrowings	7(a)	(125,119)	(107,069)	(101,198)
Transfers to reserve accounts	8(a)	(478,654)	(448,664)	(445,499)
		(603,773)	(555,733)	(546,697)
Amount attributable to financing activities		692,773	242,073	716,953
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	3	1,688,686	1,481,231	1,481,341
Amount attributable to operating activities		(863,478)	1,234,114	(491,015)
Amount attributable to investing activities		(1,517,981)	(1,268,732)	(1,707,279)
Amount attributable to financing activities		692,773	242,073	716,953
Surplus or deficit at the end of the financial year	3	0	1,688,686	0

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

**SHIRE OF WEST ARTHUR
FOR THE YEAR ENDED 30 JUNE 2024
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**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024**

1(a) BASIS OF PREPARATION

The annual budget is a forward looking document and has been prepared in accordance with the Local Government Act 1995 and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the annual budget be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for 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 annual budget have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the annual 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 controls resources to carry on its functions have been included in the financial statements forming part of this annual budget.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 14 to the annual budget.

2022/23 actual balances

Balances shown in this budget as 2022/23 Actual are estimates as forecast at the time of preparation of the annual budget and are subject to final adjustments.

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.

Comparative figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Rounding off figures

All figures shown in this statement are rounded to the nearest dollar.

Initial application of accounting standards

During the budget year, the below revised Australian Accounting Standards and Interpretations are expected to be compiled, become mandatory and be applicable to its operations.

- AASB 2021-2 Amendments to Australian Accounting Standards
 - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-6 Amendments to Australian Accounting Standards
 - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards

It is not expected these standards will have an impact on the annual budget.

New accounting standards for application in future years

The following new accounting standards will have application to local government in future years:

- AASB 2014-10 Amendments to Australian Accounting Standards
 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- AASB 2020-1 Amendments to Australian Accounting Standards
 - Classification of Liabilities as Current or Non-current
- AASB 2021-7c Amendments to Australian Accounting Standards
 - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
- AASB 2022-5 Amendments to Australian Accounting Standards
 - Lease Liability in a Sale and Leaseback
- AASB 2022-6 Amendments to Australian Accounting Standards
 - Non-current Liabilities with Covenants
- AASB 2022-10 Amendments to Australian Accounting Standards
 - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

It is not expected these standards will have an impact on the annual budget.

Judgements, estimates and assumptions

The preparation of the annual 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.

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- estimation of fair values of land and buildings and investment property
- impairment of financial assets
- estimation uncertainties and judgements made in relation to lease accounting
- estimated useful life of assets

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024**

1(b) KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES

RATES

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

GRANTS, SUBSIDIES AND CONTRIBUTIONS

All amounts received as grants, subsidies and contributions that are not capital grants.

CAPITAL 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.

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised when the local government satisfies its performance obligations under the contract.

FEES AND CHARGES

Revenues (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.

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 the charges which can be raised. These are television and radio broadcasting, underground electricity and neighbourhood surveillance services and water.

Exclude rubbish removal charges which should not be classified as a service charge. 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.

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 cannot be classified under the above headings, includes dividends, discounts, rebates etc.

PROFIT ON ASSET DISPOSAL

Gain on the disposal of assets including gains on the disposal of long-term investments.

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.

Note *AASB 119 Employee Benefits* provides a definition of employee benefits which should be considered.

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 (such as telephone and internet charges), 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 and rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER)

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.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expenses raised on all classes of assets.

FINANCE COSTS

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 levies including DFES levy and State taxes. Donations and subsidies made to community groups.

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024**

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in	Number of properties	Rateable value	2023/24 Budgeted rate revenue	2023/24 Budgeted interim rates	2023/24 Budgeted back rates	2023/24 Budgeted total revenue	2022/23 Actual total revenue	2022/23 Budget total revenue
		\$		\$	\$	\$	\$	\$	\$	\$
(i) General rates										
GRV Townsite		0.083280	85	744,156	61,973	0	0	61,973	58,468	58,468
GRV Commercial		0.083280	13	239,564	19,951	0	0	19,951	18,823	18,823
GRV Industrial		0.083280	7	112,580	9,376	0	0	9,376	8,845	8,845
GRV Other Townsite		0.083280	15	95,888	7,986	0	0	7,986	7,534	7,534
UV Rural		0.003954	371	455,842,000	1,802,399	0	0	1,802,399	1,702,177	1,701,759
Total general rates			491	457,034,188	1,901,685	0	0	1,901,685	1,795,847	1,795,429
	Minimum									
(ii) Minimum payment		\$								
GRV Townsite		597	47	179,632	28,059	0	0	28,059	26,461	25,898
GRV Commercial		597	9	22,440	5,373	0	0	5,373	5,067	5,067
GRV Industrial		597	3	9,690	1,791	0	0	1,791	2,432	1,689
GRV Other Townsite		417	19	20,820	7,923	0	0	7,923	7,467	7,467
UV Rural		597	60	6,693,100	35,820	0	0	35,820	33,780	33,780
UV Industrial		597	5	194,500	2,985	0	0	2,985	2,815	2,815
UV Mining		597	18	203,834	10,746	0	0	10,746	10,001	9,571
Total minimum payments			161	7,324,016	92,697	0	0	92,697	88,023	86,287
Total general rates and minimum payments			652	464,358,204	1,994,382	0	0	1,994,382	1,883,870	1,881,716
(iv) Ex-gratia rates										
Ex-gratia rates			0	0	3,774	0	0	3,774	0	3,707
Total ex-gratia rates			0	0	3,774	0	0	3,774	3,561	3,707
					1,998,156	0	0	1,998,156	1,887,431	1,885,423
Total rates					1,998,156	0	0	1,998,156	1,887,431	1,885,423

The Shire did not raise specified area rates for the year ended 30th June 2024.

All rateable properties within the district used predominately for non-rural purposes are rated according to their Gross Rental Valuation (GRV), all other properties are rated according to their Unimproved Valuation (UV).

The general rates detailed for the 2023/24 financial year have been determined by Council on the basis of raising the revenue required to meet the estimated deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than general rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024**

2. RATES AND SERVICE CHARGES (CONTINUED)

(b) Interest Charges and Instalments - Rates and Service Charges

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	20/10/2023	0	3.00%	7.00%
Option two				
First instalment	20/10/2023	0	3.00%	7.00%
Second instalment	22/12/2023	7	3.00%	7.00%
Option three				
First instalment	20/10/2023	0	3.00%	7.00%
Second instalment	22/12/2023	7	3.00%	7.00%
Third instalment	23/02/2024	7	3.00%	7.00%
Fourth instalment	26/04/2024	7	3.00%	7.00%

	2023/24 Budget revenue	2022/23 Actual revenue	2022/23 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	750	724	800
Instalment plan interest earned	1,800	1,239	1,800
Unpaid rates and service charge interest earned	15,200	16,959	16,200
	17,750	18,922	18,800

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024**

2. RATES AND SERVICE CHARGES (CONTINUED)

(c) Service Charges

The Shire did not raise service charges for the year ended 30th June 2024.

(d) Waivers or concessions

The Shire does not anticipate any waivers or concessions for the year ended 30th June 2024.

3(d) NET CURRENT ASSETS (CONTINUED)

MATERIAL ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current 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 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. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

PREPAID RATES

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

INVENTORIES

General

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

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

Superannuation

The Shire contributes to a number of superannuation funds on behalf of employees. All funds to which the Shire 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.

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

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.

CONTRACT LIABILITIES

Contract liabilities represent the Shire's obligation to transfer goods or services to a customer for which the Shire has received consideration from the customer.

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

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 grants, contributions, reimbursements, and goods sold and services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

Trade receivables are held with the objective to collect the contractual cashflows and therefore the Shire 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 determination of the net current asset position. The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the determination of the net current asset position.

Other long-term employee benefits

Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024**

3. NET CURRENT ASSETS

(a) Composition of estimated net current assets

Note	2023/24 Budget 30 June 2024	2022/23 Actual 30 June 2023	2022/23 Budget 30 June 2023
	\$	\$	\$
Current assets			
Cash and cash equivalents	2,099,372	4,257,269	2,313,361
Financial assets	31,016	30,007	30,007
Receivables	178,809	358,809	154,905
Inventories	13,485	14,985	14,756
	2,322,682	4,661,070	2,513,029
Less: current liabilities			
Trade and other payables	(260,094)	(236,163)	(235,961)
Contract liabilities	0	(6,750)	
Long term borrowings	(135,795)	(125,119)	(117,887)
Employee provisions	(316,845)	(316,845)	(205,874)
	(712,734)	(684,877)	(559,722)
Net current assets	1,609,948	3,976,193	1,953,307
Less: Total adjustments to net current assets	(1,609,948)	(2,287,507)	(1,953,307)
Net current assets used in the Statement of Financial Activity	0	1,688,686	0

3. 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) Non-cash amounts excluded from operating activities

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

Note	2023/24 Budget 30 June 2024	2022/23 Actual 30 June 2023	2022/23 Budget 30 June 2023
	\$	\$	\$
Adjustments to operating activities			
Less: Profit on asset disposals	(11,124)	(77,228)	(20,676)
Add: Loss on asset disposals	5,034	0	17,355
Add: Depreciation	2,269,487	2,269,485	2,217,441
Movement in current employee provisions associated with restricted cash	0	75,788	0
Non-cash movements in non-current assets and liabilities:			
- Employee provisions	0	(44,310)	0
Non cash amounts excluded from operating activities	2,263,397	2,223,735	2,214,120

(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 Statement of Financial Activity 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 - reserve accounts	8	(2,086,986)	(2,754,878)	(2,285,869)
Less: Current assets not expected to be received at end of year				
- Current financial assets at amortised cost - self supporting loans		(31,016)	(30,007)	(30,007)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		135,795	125,119	117,887
- Employee benefit provision		316,845	316,845	205,875
- Accrued salaries and wages		55,414	55,414	38,807
Total adjustments to net current assets		(1,609,948)	(2,287,507)	(1,953,307)

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024**

4. 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	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
Cash at bank and on hand	2,099,372	4,257,269	2,313,361
Total cash and cash equivalents	2,099,372	4,257,269	2,313,361
Held as			
- Unrestricted cash and cash equivalents	3(a) 12,386	1,502,391	27,492
- Restricted cash and cash equivalents	3(a) 2,086,986	2,754,878	2,285,869
	2,099,372	4,257,269	2,313,361
Restrictions			
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	2,086,986	2,754,878	2,285,869
	2,086,986	2,754,878	2,285,869
The assets are restricted as a result of the specified purposes associated with the liabilities below:			
Financially backed reserves	8 2,086,986	2,754,878	2,285,869
	2,086,986	2,754,878	2,285,869
Reconciliation of net cash provided by operating activities to net result			
Net result	(1,816,247)	267,545	(1,504,173)
Depreciation	6 2,269,487	2,269,485	2,217,441
(Profit)/loss on sale of asset	5 (6,090)	(77,228)	(3,321)
(Increase)/decrease in receivables	180,000	(33,904)	170,000
(Increase)/decrease in inventories	1,500	2,271	2,500
Increase/(decrease) in payables	23,931	5,094	5,000
Increase/(decrease) in contract liabilities	(6,750)	6,750	
Increase/(decrease) in unspent capital grants	0	(512,197)	(512,197)
Increase/(decrease) in employee provisions	0	14,870	
Capital grants, subsidies and contributions	(1,310,628)	(744,969)	(688,765)
Net cash from operating activities	(664,797)	1,197,717	(313,515)

MATERIAL 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 3 - 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 WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

5. FIXED ASSETS

The following assets are budgeted to be acquired and/or disposed of during the year.

	2023/24 Budget Additions	2023/24 Budget Disposals - Net Book Value	2023/24 Budget Disposals - Sale Proceeds	2023/24 Budget Disposals - Profit or Loss	2022/23 Actual Additions	2022/23 Disposals - Net Book Value	2022/23 Actual Disposals - Sale Proceeds	2022/23 Actual Disposals - Profit or Loss	2022/23 Budget Additions	2022/23 Budget Disposals - Net Book Value	2022/23 Budget Disposals - Sale Proceeds	2022/23 Budget Disposals - Profit or Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Property, Plant and Equipment												
Land - freehold land	120,620	46,000	50,000	4,000	0	0	0	0	0	0	0	0
Buildings - non-specialised	606,000	0	0	0	28,823	0	0	0	597,100	0	0	0
Buildings - specialised	25,000	0	0	0	121,725	0	0	0	137,649	0	0	0
Furniture and equipment	188,000	0	0	0	0	0	0	0	0	0	0	0
Plant and equipment	479,751	72,910	75,000	2,090	641,431	117,772	195,000	77,228	635,696	140,729	144,050	3,321
Total	1,419,371	118,910	125,000	6,090	791,979	117,772	195,000	77,228	1,370,445	140,729	144,050	3,321
(b) Infrastructure												
Infrastructure - roads	1,153,551	0	0	0	1,186,870	0	0	0	1,083,221	0	0	0
Other infrastructure	410,694	0	0	0	771,081	0	0	0	627,656	0	0	0
Total	1,564,245	0	0	0	1,957,951	0	0	0	1,710,877	0	0	0
Total	2,983,616	118,910	125,000	6,090	2,749,930	117,772	195,000	77,228	3,081,322	140,729	144,050	3,321

MATERIAL 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.

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 WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

6. DEPRECIATION

	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
By Class			
Buildings - non-specialised	34,726	34,726	43,961
Buildings - specialised	212,802	212,802	165,199
Furniture and equipment	5,937	5,937	4,833
Plant and equipment	375,077	375,075	396,358
Infrastructure - roads	1,003,050	1,003,050	969,195
Other infrastructure	138,054	138,054	138,054
Infrastructure - bridges	499,841	499,841	499,841
	2,269,487	2,269,485	2,217,441
By Program			
Law, order, public safety	78,313	78,313	77,662
Health	50,655	50,655	41,663
Housing	11,892	11,892	19,425
Community amenities	16,046	16,046	15,924
Recreation and culture	227,007	227,007	197,183
Transport	1,519,129	1,519,127	1,484,413
Economic services	24,394	24,394	20,925
Other property and services	342,051	342,051	360,246
	2,269,487	2,269,485	2,217,441

MATERIAL ACCOUNTING POLICIES

DEPRECIATION

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

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

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

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

Buildings	30 to 100 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	70 years
seal	
bituminous seals	15 to 25 years
asphalt surfaces	15 to 25 years
Gravel roads	
formation	not depreciated
pavement	50 years
gravel sheeting	10 to 15 years
Formed roads (unsealed)	
formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years
Bridges	60 to 90 years

SHIRE OF WEST ARTHUR
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2024

7. 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	2023/24	2023/24	Budget	2023/24	Actual	2022/23	2022/23	Actual	2022/23	Budget	2022/23	2022/23	Budget	2022/23
				Principal	Budget	Budget	Principal	Principal	Actual	Actual	Actual	Actual	Principal	Budget	Budget	Budget	Principal	Principal
				1 July 2023	New Loans	Repayments	outstanding 30 June 2024	Interest Repayments	1 July 2022	New Loans	Repayments	outstanding 30 June 2023	Interest Repayments	1 July 2022	New Loans	Repayments	outstanding 30 June 2023	Interest Repayments
GROH Housing	70	WATC	6.60%	\$ 96,079	\$ 0	\$ (53,558)	\$ 42,521	\$ (5,003)	\$ 146,263	\$ 0	\$ (50,184)	\$ 96,079	\$ (8,377)	\$ 146,263	\$ 0	\$ (50,184)	\$ 96,079	\$ (8,377)
Industrial Land	72	WATC	3.30%	28,059	0	(10,950)	17,109	(784)	38,658	0	(10,599)	28,059	(1,135)	38,658	0	(10,599)	28,059	(1,135)
ERP	75	WATC	4.12%	0	150,000	(6,781)	143,219	(1,571)	0	0	0	0	0	0	0	0	0	0
Loader	74	WATC	4.00%	252,746	0	(23,823)	228,923	(9,758)	0	270,000	(17,254)	252,746	(6,111)	0	270,000	(11,384)	258,616	(4,674)
				376,884	150,000	(95,112)	431,772	(17,116)	184,921	270,000	(78,037)	376,884	(15,623)	184,921	270,000	(72,167)	382,754	(14,186)
Self Supporting Loans																		
WA Cottage Homes	73	WATC	3.3%	309,374	0	(30,007)	279,367	(9,900)	338,406	0	(29,032)	309,374	(10,876)	338,406	0	(29,031)	309,375	(10,876)
				309,374	0	(30,007)	279,367	(9,900)	338,406	0	(29,032)	309,374	(10,876)	338,406	0	(29,031)	309,375	(10,876)
				686,258	150,000	(125,119)	711,139	(27,016)	523,327	270,000	(107,069)	686,258	(26,499)	523,327	270,000	(101,198)	692,129	(25,062)

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

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024**

7. BORROWINGS

(b) New borrowings - 2023/24

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
ERP and EDRMS software	WATC	Fixed	5	% 4.19%	\$ 150,000	\$ 17,042	\$ 150,000	\$ 0
					150,000	17,042	150,000	0

(c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30th June 2023 nor is it expected to have unspent borrowing funds as at 30th June 2024.

(d) Credit Facilities

	2023/24 Budget	2022/23 Actual	2022/23 Budget
Undrawn borrowing facilities credit standby arrangements	\$	\$	\$
Bank overdraft limit	150,000	150,000	150,000
Bank overdraft at balance date	0	0	0
Credit card limit	15,000	15,000	15,000
Credit card balance at balance date	(6,089)	0	0
Total amount of credit unused	158,911	165,000	165,000
Loan facilities			
Loan facilities in use at balance date	711,139	686,258	692,129

MATERIAL ACCOUNTING POLICIES

BORROWING COSTS

The Shire has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the unobservable inputs, including own credit risk.

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

8. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

	2023/24 Budget Opening Balance	2023/24 Budget Transfer to	2023/24 Budget Transfer (from)	2023/24 Budget Closing Balance	2022/23 Actual Opening Balance	2022/23 Actual Transfer to	2022/23 Actual Transfer (from)	2022/23 Actual Closing Balance	2022/23 Budget Opening Balance	2022/23 Budget Transfer to	2022/23 Budget Transfer (from)	2022/23 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Leave reserve	125,105	5,972	0	131,077	121,148	3,957	0	125,105	121,149	3,634	0	124,783
(b) Plant reserve	556,751	326,576	(376,926)	506,401	454,017	305,006	(202,272)	556,751	454,017	303,798	(194,650)	563,165
(c) Building reserve	691,759	33,021	(694,620)	30,160	734,309	23,982	(66,532)	691,759	734,309	22,029	(565,000)	191,338
(d) Town development reserve	1,578	75	0	1,653	1,528	50	0	1,578	1,528	46	0	1,574
(e) Recreation reserve	168,617	8,049	0	176,666	163,284	5,333	0	168,617	163,285	4,899	0	168,184
(f) Heritage reserve	6,563	463	0	7,026	6,091	472	0	6,563	6,091	483	0	6,574
(g) Community housing reserve	191,208	10,127	(1,000)	200,335	169,135	22,073	0	191,208	169,135	25,074	(50,000)	144,209
(h) Waste management reserve	117,002	5,585	(35,000)	87,587	122,753	4,009	(9,760)	117,002	122,753	3,683	(100,000)	26,436
(i) Darkan swimming pool reserve	55,826	7,665	0	63,491	49,219	6,607	0	55,826	49,219	6,477	0	55,696
(j) Information technology reserve	57,723	2,755	(25,000)	35,478	66,550	5,173	(14,000)	57,723	66,549	4,996	(14,000)	57,545
(k) Darkan Sport and Community Centre reserve	184,875	38,825	0	223,700	325,421	39,482	(180,028)	184,875	325,422	39,763	0	365,185
(l) Arthur River Country Club reserve	47,461	8,266	0	55,727	40,150	7,311	0	47,461	40,150	7,205	0	47,355
(m) Museum reserve	132,904	6,344	(5,000)	134,248	128,701	4,203	0	132,904	128,701	3,861	(5,000)	127,562
(n) Moodiarrup Sports Club reserve	22,156	6,058	0	28,214	17,582	4,574	0	22,156	17,581	5,527	0	23,108
(o) Landcare reserve	29,067	1,388	(5,000)	25,455	32,990	1,077	(5,000)	29,067	32,989	990	(5,000)	28,979
(p) Corporate planning and valuation reserve	4,596	219	0	4,815	19,945	651	(16,000)	4,596	19,945	598	(16,000)	4,543
(q) Kids Central reserve	7,088	338	(2,000)	5,426	7,156	234	(302)	7,088	7,156	215	0	7,371
(r) The Shed reserve	13,103	625	0	13,728	12,824	419	(140)	13,103	12,824	385	0	13,209
(s) Recreation trails reserve	1,258	60	0	1,318	1,218	40	0	1,258	1,217	37	0	1,254
(t) Community Gym reserve	8,558	409	(2,000)	6,967	12,004	2,646	(6,092)	8,558	12,004	1,360	(9,000)	4,364
(u) Economic development reserve	89,885	4,291	0	94,176	113,847	3,718	(27,680)	89,885	113,847	3,415	(35,000)	82,262
(v) Road reserve	241,795	11,543	0	253,338	234,148	7,647	0	241,795	234,149	7,024	0	241,173
	2,754,878	478,654	(1,146,546)	2,086,986	2,834,020	448,664	(527,806)	2,754,878	2,834,020	445,499	(993,650)	2,285,869

(b) Reserve Accounts - Purposes

In accordance with Council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

Reserve name	Anticipated date of use	Purpose of the reserve
(a) Leave reserve	Ongoing	To be used to fund long service leave and annual leave requirements
(b) Plant reserve	Ongoing	To be used for the purchase of major plant
(c) Building reserve	Ongoing	To be used for the construction and maintenance of Council buildings
(d) Town development reserve	Ongoing	To be used to enhance town infrastructure
(e) Recreation reserve	Ongoing	To be used to enhance recreation infrastructure
(f) Heritage reserve	Ongoing	To be used to maintain and improve the heritage buildings of the Shire
(g) Community housing reserve	Ongoing	To be used for the maintenance and provision of housing within the Shire
(h) Waste management reserve	Ongoing	To be used to assist with funding future infrastructure requirements for waste management
(i) Darkan swimming pool reserve	Ongoing	To be used to assist with funding works at the Darkan swimming pool
(j) Information technology reserve	Ongoing	To be used for upgrades to computers and office equipment
(k) Darkan Sport and Community Centre reserve	Ongoing	To be used to maintain and improve the Darkan Sport and Community Centre
(l) Arthur River Country Club reserve	Ongoing	To be used to maintain and improve the Arthur River Country Club
(m) Museum reserve	Ongoing	To be used to maintain and to provide new displays in the Museum
(n) Moodiarrup Sports Club reserve	Ongoing	To be used to maintain and improve the Moodiarrup Sports Club Reserve
(o) Landcare reserve	Ongoing	To be used to fund the landcare expenditure of the Shire
(p) Corporate planning and valuation reserve	Ongoing	To be used to fund the corporate planning and valuation expenditure of the Shire
(q) Kids Central reserve	Ongoing	To be used to fund the renewal of equipment and infrastructure
(r) The Shed reserve	Ongoing	To be used to fund the renewal of equipment and infrastructure
(s) Recreation trails reserve	Ongoing	To be used for the construction and maintenance of recreation trails
(t) Community Gym reserve	Ongoing	To be used for the renewal of gym equipment and activities
(u) Economic development reserve	Ongoing	To be used for economic development initiatives that benefit the Shire
(v) Road reserve	Ongoing	To be used to fund road improvements or urgent repairs

9. REVENUE RECOGNITION

MATERIAL ACCOUNTING POLICIES

Recognition of revenue from contracts with customers 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	Timing of Revenue recognition
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contractual commitments	General appropriations and contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Fees and charges for other goods and services	Cemetery services, 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

SHIRE OF WEST ARTHUR

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30 JUNE 2024

10. PROGRAM INFORMATION

(a) Key Terms and Definitions - Reporting Programs

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

OBJECTIVE

Governance

To set and achieve Council's goals and objectives for the ratepayers by providing high level direction, co-ordination and management policy.

General purpose funding

To collect revenue to allow for the provision of services.

Law, order, public safety

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

Health

To provide an operational framework for environmental and community health.

Education and welfare

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

Housing

To provide housing for employees of local industry and government departments.

Community amenities

To provide services required by the community.

Recreation and culture

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

Transport

To provide a smooth, safe, efficient and clearly defined road network that is environmentally acceptable and which enhances travels throughout the Shire.

Economic services

To help promote the local government and its economic wellbeing.

Other property and services

To monitor and control operating accounts.

ACTIVITIES

Cost associated with meetings, elections, preparing annual reports and other statutory reporting requirements, public relations and policy development and review.

Costs associated with raising and collecting rates, rate enquiries, preparing general purpose grant returns and investing the Shire's surplus funds.

Fire control and prevention, and animal control.

Provision and maintenance of medical buildings and subsidies to health services, services of an Environmental Health Officer including food control.

School bus routes, support to families and childrens services including schools, support for seniors and welfare services.

Maintenance and provision of GROH and community housing.

Rubbish collection services, operation of refuse site, administration of the town planning scheme, storm water drainage, protection of the environment, cemetery maintenance.

Maintenance of halls, provision of library services, maintenance of historical buildings and maintenance of reserves and recreation facilities.

Maintenance of roads, drainage works, footpaths, street lighting, median strips, traffic management, parking facilities and roadworks program.

Tourism and area promotion, caravan park, standpipes, pest control services and implementation of building controls.

Public works overheads, plant/vehicle operations, stock and materials, depot operations and private works.

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024**

10 PROGRAM INFORMATION (Continued)

(b) Income and expenses

	2023/24	2022/23	2022/23
	Budget	Actual	Budget
	\$	\$	\$
Income excluding grants, subsidies and contributions			
Governance	1,700	1,781	0
General purpose funding	2,226,956	2,064,944	2,000,744
Law, order, public safety	2,700	4,587	2,200
Health	7,550	7,497	7,084
Education and welfare	13,500	16,457	15,500
Housing	109,600	101,369	91,245
Community amenities	67,290	54,556	53,500
Recreation and culture	37,570	36,837	33,850
Transport	8,324	78,294	20,676
Economic services	120,600	106,994	105,100
Other property and services	61,700	80,172	58,900
	2,657,490	2,553,488	2,388,799
Grants, subsidies and contributions			
Governance	350	300	500
General purpose funding	63,506	1,649,101	135,000
Law, order, public safety	51,112	49,844	49,844
Education and welfare	90	5,090	5,000
Recreation and culture	37,344	151,930	215,500
Transport	158,376	147,359	144,256
Economic services	106,437	0	0
	417,215	2,003,624	550,100
Capital grants, subsidies and contributions			
Law, order, public safety	37,825	27,035	17,147
Recreation and culture	379,827	507,544	476,544
Transport	885,881	722,587	707,271
Economic services	7,095	0	0
	1,310,628	1,257,166	1,200,962
Total Income	4,385,333	5,814,278	4,139,861
Expenses			
Governance	(658,886)	(500,875)	(622,927)
General purpose funding	(147,863)	(129,309)	(118,516)
Law, order, public safety	(221,455)	(215,379)	(232,287)
Health	(185,092)	(164,210)	(121,845)
Education and welfare	(84,089)	(77,063)	(73,406)
Housing	(145,569)	(109,062)	(101,097)
Community amenities	(312,453)	(310,578)	(339,831)
Recreation and culture	(750,108)	(817,586)	(958,472)
Transport	(3,041,582)	(2,790,063)	(2,690,608)
Economic services	(542,620)	(332,668)	(280,367)
Other property and services	(111,863)	(99,940)	(104,678)
Total expenses	(6,201,580)	(5,546,733)	(5,644,034)
Net result for the period	(1,816,247)	267,545	(1,504,173)

**SHIRE OF WEST ARTHUR
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FOR THE YEAR ENDED 30 JUNE 2024**

11. OTHER INFORMATION

	2023/24 Budget	2022/23 Actual	2022/23 Budget
The net result includes as revenues			
	\$	\$	\$
(a) Interest earnings			
Investments			
- Reserve accounts	130,000	91,410	85,021
- Other funds	45,000	35,243	5,000
Self supporting loan	9,900	10,876	10,876
Other interest revenue	17,000	18,198	18,000
	<u>201,900</u>	<u>155,727</u>	<u>118,897</u>
(b) Other revenue			
Reimbursements and recoveries	109,470	124,800	68,353
	<u>109,470</u>	<u>124,800</u>	<u>68,353</u>
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	33,600	32,055	32,000
	<u>33,600</u>	<u>32,055</u>	<u>32,000</u>
(d) Interest expenses (finance costs)			
Borrowings (refer Note 7(a))	27,016	26,499	25,062
	<u>27,016</u>	<u>26,499</u>	<u>25,062</u>

SHIRE OF WEST ARTHUR
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12. ELECTED MEMBERS REMUNERATION

	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
Cr Neil Morrell			
President's allowance	6,000	4,000	4,000
Meeting attendance fees	4,200	3,300	5,200
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	1,220	1,202	2,350
	11,920	9,002	12,050
Cr Graham Peirce			
Deputy President's allowance	1,500	1,000	1,000
Meeting attendance fees	3,000	2,540	5,100
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	694	688	1,450
	5,694	4,728	8,050
Cr Adam Squires			
Meeting attendance fees	2,500	1,830	3,640
Annual allowance for ICT expenses	500	500	500
	3,000	2,330	4,140
Cr Neil Manuel			
Meeting attendance fees	2,700	1,360	3,640
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	365	336	850
	3,565	2,196	4,990
Cr Karen Harrington			
Meeting attendance fees	3,100	3,150	3,640
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	251	233	850
	3,851	3,883	4,990
Cr Robyn Lubcke			
Meeting attendance fees	3,200	3,140	3,640
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	732	726	1,600
	4,432	4,366	5,740
Cr Duncan South			
Meeting attendance fees	2,600	2,010	3,640
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	238	223	900
	3,338	2,733	5,040
Total Elected Member Remuneration	35,800	29,238	45,000
President's allowance	6,000	4,000	4,000
Deputy President's allowance	1,500	1,000	1,000
Meeting attendance fees	21,300	17,330	28,500
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	3,500	3,408	8,000
	35,800	29,238	45,000

**SHIRE OF WEST ARTHUR
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13. INVESTMENT IN ASSOCIATES

(a) Investment in associate

The Shire has a joint arrangement with Department of Communities which provides housing for the community. The only assets are land and housing units of which the Shire owns a percentage share. the assets are included in Property, Plant and Equipment as follows:

Name of entity	% of ownership interest		2023/24	2022/23	2022/23
	2023/24	2022/23	Budget	Actual	Budget
			\$	\$	\$
Non-current assets					
Land - 10 Hillman Street	54%	54%	3,500	3,500	16,200
Land - 12 Hillman Street	35%	35%	5,400	5,400	10,500
Land - 18 Gibbs St/25 Nangip Cres	22%	22%	2,200	2,200	6,820
Building - 10 Hillman Street	54%	54%	89,230	90,515	123,905
Building - 12 Hillman Street	35%	35%	58,072	58,786	51,800
Building - 18 Gibbs Street	22%	22%	31,007	31,454	12,595
Building - 25 Nangip Cres	22%	22%	31,007	31,454	9,310
Total equity accounted investments			220,416	223,309	231,130

MATERIAL ACCOUNTING POLICIES

Investments in associates

An associate is an entity over which the Shire has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss. recognised.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Shire's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Investments in associates (continued)

Profits and losses resulting from transactions between the Shire and the associate are eliminated to the extent of the Shire's interest in the associate. When the Shire's share of losses in an associate equals or exceeds its interest in the associate, the Shire discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Shire will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

**SHIRE OF WEST ARTHUR
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14. TRUST FUNDS

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

Detail	Balance 1 July 2023	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2024
	\$	\$	\$	\$
Westcare	43,822	1,534	(1,000)	44,356
Seniors Luncheon	1,513	53	(150)	1,416
Arthur River Development	2,766	97	(1,500)	1,363
RSL trust fund	4,141	145	(300)	3,986
Darkan Arts Council	8,006	280	(400)	7,886
Arthur River Hall	2,840	99	(300)	2,639
Arthur River Restoration	10,622	372	(750)	10,244
	73,710	2,580	(4,400)	71,890