

SHIRE OF THREE SPRINGS
ANNUAL BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

Three Springs becomes a Healthy and Unified Community with a bright future
HEART OF NORTH MIDLANDS

SHIRE OF THREE SPRINGS
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)	\$ 2,713,549	\$ 2,327,780	\$ 2,322,613
Grants, subsidies and contributions	10	1,417,285	2,270,622	842,190
Fees and charges	14	279,278	251,304	283,268
Interest revenue	11(a)	155,599	108,574	72,078
Other revenue	11(b)	67,370	48,794	70,400
		4,633,081	5,007,074	3,590,549
Expenses				
Employee costs		(1,944,716)	(1,440,025)	(1,598,401)
Materials and contracts		(1,774,621)	(874,970)	(1,351,587)
Utility charges		(276,253)	(263,801)	(309,203)
Depreciation	6	(2,472,691)	(2,509,163)	(2,503,916)
Finance costs	11(d)	(730)	(1,202)	(1,696)
Insurance		(182,070)	(168,123)	(158,615)
Other expenditure		(103,720)	(64,885)	(112,825)
		(6,754,801)	(5,322,169)	(6,036,243)
		(2,121,720)	(315,095)	(2,445,694)
Capital grants, subsidies and contributions	10	4,982,606	642,261	3,698,406
Profit on asset disposals	5	56,847	14,395	36,333
Loss on asset disposals		(88,077)	(223,916)	(272,965)
		4,951,376	432,740	3,461,774
Net result for the period		2,829,656	117,645	1,016,080
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		2,829,656	117,645	1,016,080

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

SHIRE OF THREE SPRINGS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

CASH FLOWS FROM OPERATING ACTIVITIES

	NOTE	2023/24 Budget	2022/23 Actual	2022/23 Budget
Receipts		\$	\$	\$
Rates		2,727,574	2,309,240	2,316,113
Grants, subsidies and contributions		1,417,285	2,261,691	832,984
Fees and charges		279,278	251,304	283,268
Interest revenue		155,599	108,574	72,078
Goods and services tax received		190,487	190,487	308,123
Other revenue		67,370	48,794	70,400
		4,837,593	5,170,090	3,882,966
Payments				
Employee costs		(1,944,716)	(1,472,169)	(1,598,401)
Materials and contracts		(1,928,851)	(728,039)	(1,232,837)
Utility charges		(276,253)	(263,801)	(309,203)
Finance costs		(730)	(1,763)	(1,696)
Insurance		(182,070)	(168,123)	(158,615)
Goods and services tax paid		(190,487)	(190,487)	(308,123)
Other expenditure		(103,720)	(64,885)	(112,825)
		(4,626,827)	(2,889,267)	(3,721,700)
Net cash provided by (used in) operating activities	4	210,766	2,280,823	161,266

CASH FLOWS FROM INVESTING ACTIVITIES

Payments for purchase of property, plant & equipment	5(a)	(6,453,144)	(684,067)	(4,491,666)
Payments for construction of infrastructure	5(b)	(2,982,459)	(572,062)	(1,462,324)
Capital grants, subsidies and contributions		4,757,606	530,778	3,238,406
Proceeds from sale of property, plant and equipment	5(a)	315,000	156,313	223,000
Proceeds on financial assets at amortised cost - self supporting loans	7(a)	20,051	40,000	19,983
Net cash provided by (used in) investing activities		(4,342,946)	(529,038)	(2,472,601)

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of borrowings	7(a)	(43,712)	(62,762)	(42,745)
Proceeds on disposal of financial assets at amortised cost - term deposits		0	(358,998)	0
Proceeds from new borrowings	7(a)	600,000	0	600,000
Net cash provided by (used in) financing activities		556,288	(421,760)	557,255
Net increase (decrease) in cash held		(3,575,892)	1,330,025	(1,754,080)
Cash at beginning of year		4,018,405	2,688,380	4,475,969
Cash and cash equivalents at the end of the year	4	442,513	4,018,405	2,721,889

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

**SHIRE OF THREE SPRINGS
FOR THE YEAR ENDED 30 JUNE 2024
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SHIRE OF THREE SPRINGS
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)	\$ 2,703,769	\$ 2,318,000	\$ 2,312,845
Rates excluding general rates	2(a)	9,780	9,780	9,768
Grants, subsidies and contributions	10	1,417,285	2,270,622	842,190
Fees and charges	14	279,278	251,304	283,268
Interest revenue	11(a)	155,599	108,574	72,078
Other revenue	11(b)	67,370	48,794	70,400
Profit on asset disposals	5	56,847	14,395	36,333
		4,689,928	5,021,469	3,626,882
Expenditure from operating activities				
Employee costs		(1,944,716)	(1,440,025)	(1,598,401)
Materials and contracts		(1,774,621)	(874,970)	(1,351,587)
Utility charges		(276,253)	(263,801)	(309,203)
Depreciation	6	(2,472,691)	(2,509,163)	(2,503,916)
Finance costs	11(d)	(730)	(1,202)	(1,696)
Insurance		(182,070)	(168,123)	(158,615)
Other expenditure		(103,720)	(64,885)	(112,825)
Loss on asset disposals	5	(88,077)	(223,916)	(272,965)
		(6,842,878)	(5,546,085)	(6,309,208)
Non-cash amounts excluded from operating activities	3(b)	2,511,566	2,721,983	2,744,945
Amount attributable to operating activities		358,616	2,197,367	62,619
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions	10	4,982,606	642,261	3,698,406
Proceeds from disposal of assets	5	315,000	156,313	223,000
Proceeds from financial assets at amortised cost - self supporting loans	7(a)	20,051	40,000	19,983
		5,317,657	838,574	3,941,389
Outflows from investing activities				
Payments for property, plant and equipment	5(a)	(6,453,144)	(684,067)	(4,491,666)
Payments for construction of infrastructure	5(b)	(2,982,459)	(572,062)	(1,462,324)
		(9,435,603)	(1,256,129)	(5,953,990)
Amount attributable to investing activities		(4,117,946)	(417,555)	(2,012,601)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from new borrowings	7(a)	600,000	0	600,000
Transfers from reserve accounts	8(a)	120,000	75,068	75,068
		720,000	75,068	675,068
Outflows from financing activities				
Repayment of borrowings	7(a)	(43,712)	(62,762)	(42,745)
Transfers to reserve accounts	8(a)	(139,565)	(434,066)	(554,359)
		(183,277)	(496,828)	(597,104)
Amount attributable to financing activities		536,723	(421,760)	77,964
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	3	3,222,607	1,864,555	1,872,018
Amount attributable to operating activities		358,616	2,197,367	62,619
Amount attributable to investing activities		(4,117,946)	(417,555)	(2,012,601)
Amount attributable to financing activities		536,723	(421,760)	77,964
Surplus or deficit at the end of the financial year	3	0	3,222,607	0

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

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 13 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 THREE SPRINGS
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 THREE SPRINGS
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 Residential	Gross rental valuations	0.127549	206	2,033,906	259,423	0	0	259,423	258,550	257,296
GRV Mining	Gross rental valuations	0.239212	1	252,500	60,401	0	0	60,401	32,206	32,206
UV Rural and Arrino Town	Unimproved valuations	0.011500	184	199,554,000	2,294,871	0	0	2,294,871	1,982,706	1,980,964
UV Mining	Unimproved valuations	0.060800	23	955,165	58,074	0	0	58,074	5,038	2,379
Non-Ratebale	Non-Ratebale	0.000000	64	9,256	0	0	0	0	0	0
Total general rates			478	202,804,827	2,672,769	0	0	2,672,769	2,278,500	2,272,845
	Minimum									
(ii) Minimum payment		\$								
GRV Residential	Gross rental valuations	500	22	17,597	11,000	0	0	11,000	11,000	11,000
UV Rural and Arrino Town	Unimproved valuations	500	24	499,050	12,000	0	0	12,000	13,000	13,000
UV Mining	Unimproved valuations	500	16	61,779	8,000	0	0	8,000	15,500	16,000
Total minimum payments			62	578,426	31,000	0	0	31,000	39,500	40,000
Total general rates and minimum payments			540	203,383,253	2,703,769	0	0	2,703,769	2,318,000	2,312,845
(iv) Ex-gratia rates										
Co-operative Bulk Handling based on tonnage	Tonnage	0.054350		151,100	8,213	0	0	8,213	8,213	8,213
Murchison Region Aboriginal Corporation	Gross Rental Valuation	0.127549	1	1,851	236	0	0	236	236	236
Dampier to Bunbury Natural Gas Pipeline Corridor based on annual rate equivalent	As advised by DPNG				1,331	0	0	1,331	1,331	1,319
Total ex-gratia rates			1	152,951	9,780	0	0	9,780	9,780	9,768
					2,713,549	0	0	2,713,549	2,327,780	2,322,613
Total rates					2,713,549	0	0	2,713,549	2,327,780	2,322,613

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 THREE SPRINGS
 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

The following instalment options are available to ratepayers for the payment of rates and service charges.

Option 1 (Full Payment)

Full amount of rates and charges including arrears, to be paid on or before 3 October 2023 or 35 days after the date of issue appearing on the rate notice, whichever is the later.

Option 2 (Four Instalments)

First instalment to be made on or before 3 October 2023 or 35 days after the date of issue appearing on the rate notice, whichever is the later including all arrears and a quarter of the current rates and service charges;
 Second instalment to be made on or before 8 December 2023 or 2 months after the first instalment, whichever is the later;
 Third instalment to be made on or before 12 February 2024 or 2 months after the second instalment, whichever is the later; and
 Fourth instalment to be made on or before 19 April 2024 or 2 months after the third instalment, whichever is the later.

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	3/10/2023	0	0.00%	11.00%
Option two				
First instalment	3/10/2023	0	0.00%	11.00%
Second instalment	8/12/2023	15	5.50%	11.00%
Third instalment	12/02/2024	15	5.50%	11.00%
Fourth instalment	19/04/2024	15	5.50%	11.00%

	2023/24 Budget revenue	2022/23 Actual revenue	2022/23 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	2,220	2,208	2,200
Instalment plan interest earned	7,500	7,069	6,200
Interest on ESL	150	157	150
Interest on deferred rates	350	0	350
Unpaid rates and service charge interest earned	6,000	4,230	6,000
	16,220	13,664	14,900

2. RATES AND SERVICE CHARGES (CONTINUED)

(c) Objectives and Reasons for Differential Rating

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

Differential general rate

Description	Characteristics	Objects	Reasons
GRV - Town	Properties within the townsite boundaries	The object of the GRV town rate and minimum payments is to ensure a fair contribution to the revenue requirements of the Shire, to provide a diverse range of services and facilities to the residents and business proprietors of Three Springs, while not risking additional financial pressure of the town residents that affect their long term viability. The town residents have in the past and will continue to provide significant support for the social and economic sustainability of the Shire.	The reasons for the level of rates set for Gross Rental Values is that this allows for a fair contribution to the maintenance and provision of town services and infrastructure to a sustainable level.
GRV - Mining	Mine with capital improvements.	The object of the GRV rates associated with Mining is to ensure the mining sector contributes to the maintenance of the Shire's assets.	Mines benefit greatly from the road infrastructure including bridges. The mining sector transports large tonnage each year on Shire roads. The Gross Rental Value for mining allows for a reasonable contribution to the Shire's infrastructure and reflects the cost of road maintenance to accommodate heavy vehicle movements both on rural roads and in residential areas of the Three Springs townsite (sometimes up to 20 movements per day).
UV Rural & Arrino Town	Properties that are outside of the townsite that are used in farming activities and/or agricultural production.	The object of the UV Rural and Arrino town rate is to ensure that the proportion of total rate revenue derived from UV Rural & Arrino Town is comparable to previous years so that the Shire can continue to operate efficiently and provide a diverse range of services and infrastructure. UV Rural & Arrino Town provides the base rate to assess the other UV rated properties.	The reason for the lower rate for UV Rural & Arrino Town is to reflect the lower impact on transport infrastructure compared to the UV Mining category. The UV Rural & Arrino Town rate applies generally to broad acre faming which is vulnerable to factors such as adverse weather, bushfires, drought, demand for products and fluctuations in export prices. Importantly the rural areas cover vast tracts of land that is often marginal and input costs are far more extensive to gain a smaller return than for mining.
UV Mining	Properties that are used for mining, exploration or prospecting purposes	The objective of the differential rate on UV is to ensure that mining contributes to the maintenance of the Shire's assets and infrastructure to the extent that the mining operators and their connections use them.	The reason for setting UV Mining rate at a higher level than UV Rural is to ensure a sector of ratepayers, that essentially are transitory, contributes to the maintenance of the Shire's established assets and services to the extent that the mining operators use them.

(d) Differential Minimum Payment

The setting of a minimum rate is to ensure that every landowner makes a reasonable contribution to the rate burden.

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

2. RATES AND SERVICE CHARGES (CONTINUED)

(e) Variation in Adopted Differential Rates to Local Public Notice

The following rates and minimum payments were previously set out in the local public notice giving notice of the intention to charge differential rates.

Differential general rate or general rate	Proposed Rate in \$	Adopted Rate in \$	Reasons for the difference
UV Rural & Arrino Town	0.012917	0.011500	the advertised rates in the dollar were altered on adoption of the rate in the dollar and the 2023/24 budget as a result of changes in property valuations received after the advertising of the differential rate and to comply with statutory requirements.

2. RATES AND SERVICE CHARGES (CONTINUED)

(f) Specified Area Rate

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

(g) Service Charges

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

(h) Waivers or concessions

Rate, fee or charge to which the waiver or concession is granted	Type	Waiver/ Concession	Discount %	Discount (\$)	2023/24 Budget	2022/23 Actual	2022/23 Budget	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
Community Bus	Fee and charge	Waiver	100.0%	\$ 0	\$ 800	\$ 432	\$ 800	TS Primary School	Promote Educational Activities & Support Local Primary School
Pool Charges	Fee and charge	Waiver	100.0%	0	10,000	343	200	TS Primary School	Promote Educational Activities & Support Local Primary School
Community Hall Charges	Fee and charge	Waiver	100.0%	0	2,000	13,271	2,000	Wildflower Committee, Hospital Fete Committee & TS Primary School	Promote School and Community activities in the Shire
Photocopying Charges	Fee and charge	Waiver	100.0%	0	600	46	500	Certain Community Groups such as: Yakabout (Local Newspaper), St John Ambulance, Volunteer Bush Fire Brigade & Wildflower Committee	Support Local Community Group for overall community benefit
COVID-19 Response	Fee and charge	Waiver	100.0%	0	0	0	0	COVID-19 response to support all Sporting Clubs and commercial tenants	Support Local Community Group for overall community benefit
Yakabout Advertising	Fee and charge	Waiver	100.0%	0	3,000	7,563	4,000	Not for Profit Organisations and Community Groups	Assist Community Groups and Not for Profit Organisations in promoting their activities within the Shire.
					16,400	21,655	7,500		

FOR THE YEAR ENDED 30 JUNE 2024

3. NET CURRENT ASSETS

(a) Composition of estimated net current assets

Net current assets used in the Rate Setting Statement

	2023/24 Budget 30 June 2024	2022/23 Actual 30 June 2023	2022/23 Budget 30 June 2023
Note	\$	\$	\$
4	442,513	4,018,405	2,721,889
	2,147,587	2,147,587	0
	71,187	85,212	35,292
	20,119	17,914	24,622
	2,681,406	6,269,118	2,781,803
	(128,179)	(280,204)	(233,950)
	0	0	(20,000)
	(342,208)	(567,208)	(208,691)
7	(600,000)	(43,712)	0
	(194,819)	(194,819)	(193,701)
	(1,265,206)	(1,085,943)	(656,342)
	1,416,200	5,183,175	2,125,461
3(c)	(1,416,200)	(1,960,568)	(2,125,461)
	0	3,222,607	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 Rate Setting Statement in accordance with *Financial Management Regulation 32*.

Adjustments to operating activities

Less: Profit on asset disposals
Add: Loss on asset disposals
Add: Depreciation
Movement in current employee provisions associated with restricted cash
Non-cash movements in non-current assets and liabilities:
- Pensioner deferred rates

Non cash amounts excluded from operating activities

Note	2023/24 Budget 30 June 2024	2022/23 Actual 30 June 2023	2022/23 Budget 30 June 2023
	\$	\$	\$
5	(56,847)	(14,395)	(36,333)
5	88,077	223,916	272,965
6	2,472,691	2,509,163	2,503,916
	7,645	5,284	4,397
	0	(1,985)	0
	2,511,566	2,721,983	2,744,945

(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 - reserve accounts
Add: Current liabilities not expected to be cleared at end of year
- Current portion of borrowings
- Current portion of employee benefit provisions held in reserve

Total adjustments to net current assets

8	(2,167,152)	(2,147,587)	(2,267,881)
	600,000	43,712	0
	150,952	143,307	142,420
	(1,416,200)	(1,960,568)	(2,125,461)

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 THREE SPRINGS
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		\$ 11,522	\$ 1,587,414	\$ 2,721,889
Term deposits		430,991	2,430,991	0
Total cash and cash equivalents		442,513	4,018,405	2,721,889
Held as				
- Unrestricted cash and cash equivalents	3(a)	22,240	3,392,697	166,817
- Restricted cash and cash equivalents	3(a)	420,273	625,708	2,555,072
		442,513	4,018,405	2,721,889
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		420,273	625,708	2,555,072
- Restricted financial assets at amortised cost - term deposits	3(a)	2,147,587	2,147,587	0
		2,567,860	2,773,295	2,555,072
The assets are restricted as a result of the specified purposes associated with the liabilities below:				
Financially backed reserves	8	2,167,152	2,147,587	2,267,881
Contract liabilities		0	0	78,500
Unspent capital grants, subsidies and contribution liabilities		400,708	625,708	208,691
		2,567,860	2,773,295	2,555,072
Reconciliation of net cash provided by operating activities to net result				
Net result		2,829,656	117,645	1,016,080
Depreciation	6	2,472,691	2,509,163	2,503,916
(Profit)/loss on sale of asset	5	31,230	209,521	236,632
(Increase)/decrease in receivables		14,025	(12,841)	(9,700)
(Increase)/decrease in inventories		(2,205)	2,408	(6,250)
(Increase)/decrease in other assets		0	37,109	0
Increase/(decrease) in payables		(152,025)	74,709	125,000
Increase/(decrease) in contract liabilities		0	(14,630)	(6,006)
Increase/(decrease) in unspent capital grants		(225,000)	(111,483)	(460,000)
Capital grants, subsidies and contributions		(4,757,606)	(530,778)	(3,238,406)
Net cash from operating activities		210,766	2,280,823	161,266

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.

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	0	0	0	0	0	16,000	0	(16,000)	0	16,000	10,000	(6,000)
Buildings - non-specialised	706,974	0	0	0	14,556	0	0	0	170,700	0	0	0
Buildings - specialised	3,753,239	0	0	0	175,438	287,916	80,000	(207,916)	3,282,866	284,965	45,000	(239,965)
Plant and equipment	1,992,931	346,230	315,000	(31,230)	494,073	61,918	76,313	14,395	1,038,100	158,667	168,000	9,333
Total	6,453,144	346,230	315,000	(31,230)	684,067	365,834	156,313	(209,521)	4,491,666	459,632	223,000	(236,632)
(b) Infrastructure												
Infrastructure - roads	2,428,660	0	0	0	569,792	0	0	0	1,189,999	0	0	0
Infrastructure - parks and ovals	553,799	0	0	0	2,270	0	0	0	272,325	0	0	0
Total	2,982,459	0	0	0	572,062	0	0	0	1,462,324	0	0	0
Total	9,435,603	346,230	315,000	(31,230)	1,256,129	365,834	156,313	(209,521)	5,953,990	459,632	223,000	(236,632)

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.

6. DEPRECIATION

By Class

Buildings - non-specialised
Buildings - specialised
Furniture and equipment
Plant and equipment
Infrastructure - roads
Infrastructure - footpaths
Infrastructure - parks and ovals
Infrastructure - airport

By Program

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

2023/24 Budget	2022/23 Actual	2022/23 Budget
\$	\$	\$
90,909	92,250	0
325,657	330,460	440,668
43,874	44,521	48,562
286,425	290,650	300,458
1,509,791	1,532,061	1,526,754
23,678	24,027	24,404
162,332	164,726	132,124
30,025	30,468	30,946
2,472,691	2,509,163	2,503,916
83,485	83,485	83,485
28,139	28,139	28,139
34,502	34,502	34,502
113,717	102,338	113,717
16,427	16,427	16,427
335,608	366,170	335,608
1,579,730	1,610,457	1,579,730
17,016	15,188	17,016
264,067	252,457	295,292
2,472,691	2,509,163	2,503,916

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 - non specialised	20 to 80 years
Buildings - specialised	20 to 80 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets	
Formation	not depreciated
Pavement	60 to 100 years
Seal	
- Bituminous seals	15 to 40 years
- Asphalt surfaces	15 to 40 years
- Concrete	60 years
Gravel roads	
Formation	not depreciated
Pavement	60 to 100 years
Gravel sheet	15 to 60 years
Footpaths - slab	10 to 40 years
Sewerage piping	30 to 80 years
Water supply piping and drainage system	10 to 80 years
Infrastructure - parks and ovals	15 to 40 years
Infrastructure - airfield	15 to 80 years

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 Principal	2023/24 Budget New Loans	2023/24 Budget Principal Repayments	Budget Principal outstanding	2023/24 Budget Interest Repayments	Actual Principal	2022/23 Actual New Loans	2022/23 Actual Principal Repayments	Actual Principal outstanding	2022/23 Actual Interest Repayments	Budget Principal	2022/23 Budget New Loans	2022/23 Budget Principal Repayments	Budget Principal outstanding	2022/23 Budget Interest Repayments
				1 July 2023			30 June 2024		1 July 2022			30 June 2023		1 July 2022			30 June 2023	
Swimming Pool	160	WATC	3.91%	\$ 23,661	\$ 0	\$ (23,661)	\$ 0	\$ (696)	\$ 46,423	\$ 0	\$ (22,762)	\$ 23,661	\$ (1,330)	\$ 46,423	\$ 0	\$ (22,762)	\$ 23,661	\$ (1,595)
	162	WATC	4.55%	0	600,000	0	600,000	0	0	0	0	0	0	0	600,000	0	600,000	0
				23,661	600,000	(23,661)	600,000	(696)	46,423	0	(22,762)	23,661	(1,330)	46,423	600,000	(22,762)	623,661	(1,595)
Self Supporting Loans																		
	161	WATC	3.910%	20,051	0	(20,051)	0	(34)	60,051	0	(40,000)	20,051	128	60,051	0	(19,983)	40,068	(101)
				20,051	0	(20,051)	0	(34)	60,051	0	(40,000)	20,051	128	60,051	0	(19,983)	40,068	(101)
				43,712	600,000	(43,712)	600,000	(730)	106,474	0	(62,762)	43,712	(1,202)	106,474	600,000	(42,745)	663,729	(1,696)

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.
The self supporting loan(s) repayment will be fully reimbursed.

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
				%	\$	\$	\$	\$
Duffy Store Development	WATC	Debenture	10	4.55%	600,000	0	600,000	0
					600,000	0	600,000	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			
Credit card limit	10,000	10,000	10,000
Credit card balance at balance date	0	(220)	0
Total amount of credit unused	10,000	9,780	10,000
Loan facilities			
Loan facilities in use at balance date	600,000	43,712	663,729

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 THREE SPRINGS
 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	143,307	7,645	0	150,952	138,023	5,284	0	143,307	138,023	4,397	0	142,420
(b) Plant reserve	194,229	10,361	0	204,590	187,067	7,162	0	194,229	187,067	5,959	0	193,026
(c) Housing and development reserve	513,546	27,396	0	540,942	446,452	67,094	0	513,546	446,451	14,221	0	460,672
(d) Joint venture housing reserve	176,532	9,417	0	185,949	170,022	6,510	0	176,532	170,022	5,416	0	175,438
(e) Gravel pit reserve	52,128	2,781	0	54,909	50,206	1,922	0	52,128	50,206	1,599	0	51,805
(f) Swimming pool equipment reserve	132,813	7,085	(120,000)	19,898	127,915	4,898	0	132,813	127,916	4,075	0	131,991
(g) Day care centre reserve	0	0	0	0	37,534	0	(37,534)	0	37,534	0	(37,534)	0
(h) Lovelock soak reserve	133,188	32,105	0	165,293	104,198	28,990	0	133,188	104,198	28,319	0	132,517
(i) Road reserve	106,385	5,675	0	112,060	102,462	3,923	0	106,385	102,462	3,264	0	105,726
(j) Town drainage reserve	380,217	20,283	0	400,500	366,196	14,021	0	380,217	366,197	11,665	0	377,862
(k) Refuse site reserve	60,754	3,241	0	63,995	58,514	2,240	0	60,754	58,514	1,864	0	60,378
(l) Silo projection reserve	0	0	0	0	0	37,534	(37,534)	0	0	37,534	(37,534)	0
(m) Glyde Street redevelopment reserve	254,488	13,576	0	268,064	0	254,488	0	254,488	0	436,046	0	436,046
	2,147,587	139,565	(120,000)	2,167,152	1,788,589	434,066	(75,068)	2,147,587	1,788,590	554,359	(75,068)	2,267,881

(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 annual and long service leave requirements.
(b) Plant reserve	Ongoing	To be used for the purchase of major plant.
(c) Housing and development reserve	Ongoing	To be used to fund housing/accommodation projects.
(d) Joint venture housing reserve	Ongoing	To be used to maintain the joint Ministry of Housing/Local Government properties.
(e) Gravel pit reserve	Ongoing	To be used for the rehabilitation of disused gravel pits.
(f) Swimming pool equipment reserve	Ongoing	To be used to purchase pool equipment and capital works of swimming pool.
(g) Day care centre reserve	July 2022	Closed funds transferred to new Silo projection reserve.
(h) Lovelock soak reserve	Ongoing	To be used to upgrade potable water infrastructure.
(i) Road reserve	Ongoing	To be used for future capital road works.
(j) Town drainage reserve	Ongoing	To be used for construction of proper town drainage system.
(k) Refuse site reserve	Ongoing	To be used for the future development and maintenance of the refuse site.
(l) Silo projection reserve	April 2023	To be used for the purchase of equipment to enable projection of materials.
(m) Glyde Street redevelopment reserve	Ongoing	To be used to create a subdivision for future housing needs.

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
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
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Gravel, bluemetel and water from standpipes	Single point in time	In full in advance, on 15 day credit	None	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Not applicable	Output method based on goods

SHIRE OF THREE SPRINGS
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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

ACTIVITIES

Governance

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

Administration and operation of facilities and services to members of Council: Other costs that relate to the tasks of assisting elected members and taxpayers on matters which do not concern specific Council services.

General purpose funding

To collect revenue to fund provision of services.

Rates, general purpose government grants and interest revenue.

Law, order, public safety

To ensure a safer community in which to live.

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

Health

To provide an operational framework for good community health.

Food quality and pest control, maintenance of child health centre, doctors surgery and

Education and welfare

To support the needs of the community in education and welfare.

Assistance to Day Care Centre, Playgroup, Youth activities and other voluntary services.

Housing

Provide adequate housing to attract and retain staff and non-staff.

Maintenance of Council owned housing

Community amenities

Provide services as required by the community.

Rubbish collection services, tip operation, noise control, town planning administration.

Recreation and culture

To establish and efficiently manage infrastructure and resources which will help the community.

Maintenance of halls, swimming pool, library, parks, ovals, gardens and reserves.

Transport

To provide effective and efficient transport services to the community.

Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets, traffic lights, depot maintenance and airstrip maintenance

Economic services

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

Regulation and provision of tourism, area promotion, building control, noxious weeds, vermin control, plant nursery and standpipes.

Other property and services

Private works, plant repairs and operation costs, fuel stock and materials.

Private works, plant repairs and operation costs, fuel stock and materials.

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

10 PROGRAM INFORMATION (Continued)

(b) Income and expenses

Income excluding grants, subsidies and contributions

	2023/24 Budget	2022/23 Actual	2022/23 Budget
Governance	\$ 1,880	\$ 0	\$ 25,600
General purpose funding	2,879,272	2,442,811	2,405,639
Law, order, public safety	6,900	7,462	6,600
Health	40,005	17,586	17,900
Education and welfare	0	0	1,000
Housing	121,090	97,968	104,100
Community amenities	110,852	98,973	99,241
Recreation and culture	22,530	22,986	21,879
Transport	34,614	27,280	50,333
Economic services	12,900	5,038	31,700
Other property and services	42,600	30,743	20,700

3,272,643 2,750,847 2,784,692

Grants, subsidies and contributions

General purpose funding	436,774	1,988,592	538,554
Law, order, public safety	652,587	35,080	37,090
Health	61,773	61,773	60,000
Education and welfare	1,000	500	1,000
Community amenities	32,147	32,903	32,000
Recreation and culture	75,500	8,989	28,541
Transport	142,504	132,785	130,005
Other property and services	15,000	10,000	15,000

1,417,285 2,270,622 842,190

Capital grants, subsidies and contributions

Recreation and culture	1,377,786	172,752	756,779
Transport	1,604,820	330,633	802,751
Economic services	2,000,000	138,876	2,138,876

4,982,606 642,261 3,698,406

Total Income

9,672,534 5,663,730 7,325,288

Expenses

Governance	(604,764)	(358,969)	(595,702)
General purpose funding	(162,379)	(101,162)	(121,483)
Law, order, public safety	(355,419)	(184,252)	(261,116)
Health	(315,223)	(225,864)	(261,067)
Education and welfare	(110,306)	(92,052)	(103,854)
Housing	(324,338)	(468,579)	(504,310)
Community amenities	(470,073)	(314,377)	(505,949)
Recreation and culture	(1,326,705)	(1,136,792)	(1,338,460)
Transport	(2,740,755)	(2,407,800)	(2,259,918)
Economic services	(387,704)	(244,287)	(333,837)
Other property and services	(45,212)	(11,951)	(23,512)

Total expenses

(6,842,878) (5,546,085) (6,309,208)

Net result for the period

2,829,656 117,645 1,016,080

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11. OTHER INFORMATION

The net result includes as revenues

(a) Interest earnings

Investments			
- Reserve accounts	114,565	67,044	55,777
- Other funds	27,000	30,202	3,601
- Self supporting loans	34	(128)	0
Other interest revenue	14,000	11,456	12,700
	155,599	108,574	72,078

(b) Other revenue

Reimbursements and recoveries	25,590	13,551	15,200
Other	41,780	35,243	55,200
	67,370	48,794	70,400

The net result includes as expenses

(c) Auditors remuneration

Audit services	32,750	35,000	40,000
Other services	3,000	55	0
	35,750	35,055	40,000

(d) Interest expenses (finance costs)

Borrowings (refer Note 7(a))	730	1,202	1,696
	730	1,202	1,696

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12. ELECTED MEMBERS REMUNERATION

	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
Elected member - Chris Lane			
President's allowance	15,000	15,000	15,000
Meeting attendance fees	5,260	6,200	6,575
Annual allowance for ICT expenses	2,100	2,100	2,100
Travel and accommodation expenses	429	0	0
	22,789	23,300	23,675
Elected member - Chris Connaughton			
Deputy President's allowance	3,750	3,750	3,750
Meeting attendance fees	2,860	3,545	4,175
Annual allowance for ICT expenses	2,100	2,100	2,100
Travel and accommodation expenses	429	0	0
	9,139	9,395	10,025
Elected member - Jim Heal			
Meeting attendance fees	2,860	2,315	4,175
Annual allowance for ICT expenses	2,100	2,100	2,100
Travel and accommodation expenses	428	0	0
	5,388	4,415	6,275
Elected member - Jenny Mutter			
Meeting attendance fees	2,860	3,115	4,175
Annual allowance for ICT expenses	2,100	2,100	2,100
Travel and accommodation expenses	429	0	0
	5,389	5,215	6,275
Elected member - Nadine Eva			
Meeting attendance fees	2,860	4,115	4,175
Annual allowance for ICT expenses	2,100	2,100	2,100
Travel and accommodation expenses	429	0	1,500
	5,389	6,215	7,775
Elected member - Julia Ennor			
Meeting attendance fees	2,860	3,000	4,175
Annual allowance for ICT expenses	2,100	2,100	2,100
Travel and accommodation expenses	428	0	1,500
	5,388	5,100	7,775
Elected member - Zac Mills			
Meeting attendance fees	2,860	1,800	4,175
Annual allowance for ICT expenses	2,100	2,100	2,100
Travel and accommodation expenses	428	0	0
	5,388	3,900	6,275
Total Elected Member Remuneration	58,870	57,540	68,075
President's allowance	15,000	15,000	15,000
Deputy President's allowance	3,750	3,750	3,750
Meeting attendance fees	22,420	24,090	31,625
Annual allowance for ICT expenses	14,700	14,700	14,700
Travel and accommodation expenses	3,000	0	3,000
	58,870	57,540	68,075

13. JOINT ARRANGEMENTS

(a) Share of joint operations

Aged Residents Housing

The Shire together with the Housing Authority constructed four units for aged residents in 2002/03 and a further two units in 2008/09, known as Kadathinni Units, Carter Street, Three Springs. This joint arrangement constitutes a joint operation and Council has a 22.34% equity in the first 4 units (units 1,2,3 and 4) and a 15.35% in the last two units (units 5 and 6) in this development and is included in Land and Buildings as follows:

Statement of Financial Position	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
Land and buildings	180,926	180,926	180,926
Less: accumulated depreciation	(12,694)	(9,781)	(9,781)
Total assets	168,232	171,145	171,145
Statement of comprehensive income			
Fees and charges - housing revenue	31,200	28,791	31,200
Materials and contracts - housing expenditure	(43,769)	(33,155)	(30,566)
Net result for the period	(12,569)	(4,364)	634
Other comprehensive income			
Changes in asset revaluation surplus	0	0	0
Total comprehensive income for the period	(12,569)	(4,364)	634

(b) Share of joint operations

Community Housing

The Shire together with the Housing Authority constructed two houses for community housing purposes in 1985/86 in Glyde Street, Three Springs. This joint arrangement constitutes a joint operation and Council has a 10.78% equity in 54 Glyde Street and 11.14% equity in 60 Glyde Street and is included in Land and Buildings as follows:

Statement of Financial Position	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
Land and buildings	48,368	48,368	48,368
Less: accumulated depreciation	(4,982)	(4,114)	(4,113)
Total assets	43,386	44,254	44,255
Statement of comprehensive income			
Fees and charges - housing revenue	12,000	8,160	12,480
Materials and contracts - housing expenditure	(12,723)	17,950	(9,716)
Net result for the period	(12,723)	17,950	2,764
Other comprehensive income			
Changes in asset revaluation surplus	0	0	0
Share of comprehensive income of associates and joint ventures	0	0	0
Total comprehensive income for the period	(12,723)	17,950	2,764

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14. FEES AND CHARGES

	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
By Program:			
General purpose funding	8,308	6,488	9,200
Law, order, public safety	2,550	2,825	2,350
Health	17,672	17,586	17,800
Education and welfare	0	0	1,000
Housing	103,400	96,503	98,200
Community amenities	110,852	98,973	99,241
Recreation and culture	22,396	23,032	21,677
Economic services	12,000	4,458	29,700
Other property and services	2,100	1,439	4,100
	279,278	251,304	283,268

The subsequent pages detail the fees and charges proposed to be imposed by the local government.