



**Budget
2021/2022
Adopted:
9 August 2021**



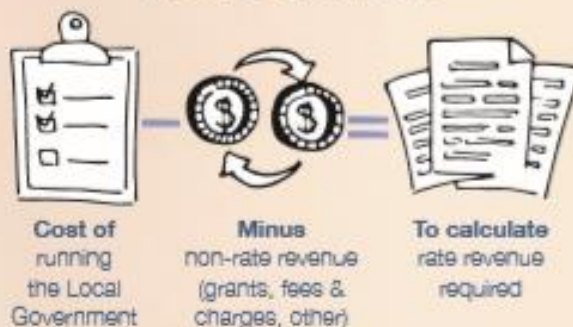
**Our Vision:
Three
Springs
becomes a
healthy
and unified
community
with a
bright
future**



YOUR COUNCIL RATES EXPLAINED

Step 1

Total rates required to run the Local Government



Step 2

Rate in dollar calculated



Step 3

What you pay



SHIRE OF THREE SPRINGS

BUDGET

FOR THE YEAR ENDED 30 JUNE 2022

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

Three Springs becomes a Healthy and Unified Community with a bright future

Powering the Region

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

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
Revenue				
Rates	1(a)	2,237,195	2,156,151	2,148,202
Operating grants, subsidies and contributions	9(a)	837,447	1,561,210	1,707,863
Fees and charges	8	218,620	234,165	242,375
Interest earnings	12(a)	23,518	18,568	30,600
Other revenue	12(b)	81,750	92,508	50,000
		3,398,530	4,062,602	4,179,040
Expenses				
Employee costs		(1,561,779)	(1,554,069)	(1,565,153)
Materials and contracts		(1,495,417)	(1,245,457)	(1,289,538)
Utility charges		(174,600)	(239,755)	(243,355)
Depreciation on non-current assets	5	(1,844,742)	(1,849,379)	(1,671,065)
Interest expenses	12(d)	(2,677)	(3,215)	(6,795)
Insurance expenses		(152,967)	(186,908)	(183,795)
Other expenditure		(111,975)	(48,312)	(83,737)
		(5,344,157)	(5,127,095)	(5,043,438)
Subtotal				
		(1,945,627)	(1,064,493)	(864,398)
Non-operating grants, subsidies and contributions	9(b)	1,206,785	1,328,045	568,458
Profit on asset disposals	4(b)	2,410	10,354	0
Loss on asset disposals	4(b)	(4,717)	(24,630)	(26,218)
		1,204,478	1,313,769	542,240
Net result				
		(741,149)	249,276	(322,158)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income				
		(741,149)	249,276	(322,158)

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

SHIRE OF THREE SPRINGS
FOR THE YEAR ENDED 30 JUNE 2022

<p>BASIS OF PREPARATION</p> <p>The budget has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the <i>Local Government Act 1995</i> and accompanying regulations.</p> <p>The <i>Local Government Act 1995</i> and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.</p> <p>The <i>Local Government (Financial Management) Regulations 1996</i> specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.</p> <p>Accounting policies which have been adopted in the preparation of this budget have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the budget has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.</p> <p>THE LOCAL GOVERNMENT REPORTING ENTITY</p> <p>All funds through which the Shire of Three Springs controls resources to carry on its functions have been included in the financial statements forming part of this budget.</p> <p>In the process of reporting on the local government as a single unit, all transactions and balances between those Funds (for example, loans and transfers between Funds) have been eliminated.</p> <p>All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 14 to the budget.</p> <p>2020/21 ACTUAL BALANCES</p> <p>Balances shown in this budget as 2020/21 Actual are estimates as forecast at the time of budget preparation and are subject to final adjustments.</p> <p>CHANGE IN ACCOUNTING POLICIES</p> <p>On the 1 July 2021 no new accounting policies are to be adopted and no new policies are expected to impact the annual budget.</p> <p>KEY TERMS AND DEFINITIONS - NATURE OR TYPE</p> <p>REVENUES</p> <p>RATES</p> <p>All rates levied under the <i>Local Government Act 1995</i>. Includes general, differential, specified area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts and concessions offered. Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.</p> <p>SERVICE CHARGES</p> <p>Service charges imposed under Division 6 of Part 6 of the <i>Local Government Act 1995</i>. Regulation 54 of the <i>Local Government (Financial Management) Regulations 1996</i> identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services.</p> <p>Excludes rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.</p> <p>PROFIT ON ASSET DISPOSAL</p> <p>Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.</p>	<p>REVENUES (CONTINUED)</p> <p>OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS</p> <p>Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.</p> <p>NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS</p> <p>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.</p> <p>FEES AND CHARGES</p> <p>Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.</p> <p>INTEREST EARNINGS</p> <p>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.</p> <p>OTHER REVENUE / INCOME</p> <p>Other revenue, which can not be classified under the above headings, includes dividends, discounts, and rebates. Reimbursements and recoveries should be separated by note to ensure the correct calculation of ratios.</p> <p>EXPENSES</p> <p>EMPLOYEE COSTS</p> <p>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.</p> <p>MATERIALS AND CONTRACTS</p> <p>All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.</p> <p>UTILITIES (GAS, ELECTRICITY, WATER, ETC.)</p> <p>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.</p> <p>INSURANCE</p> <p>All insurance other than worker's compensation and health benefit insurance included as a cost of employment.</p> <p>LOSS ON ASSET DISPOSAL</p> <p>Loss on the disposal of fixed assets includes loss on disposal of long term investments.</p> <p>DEPRECIATION ON NON-CURRENT ASSETS</p> <p>Depreciation and amortisation expense raised on all classes of assets.</p> <p>INTEREST EXPENSES</p> <p>Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.</p> <p>OTHER EXPENDITURE</p> <p>Statutory fees, taxes, provision for bad debts, member's fees or State taxes. Donations and subsidies made to community groups.</p>
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SHIRE OF THREE SPRINGS
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
Revenue	1,8,9(a),12(a),12(b)	\$	\$	\$
Governance		40,600	32,637	47,186
General purpose funding		2,812,749	3,552,168	3,621,264
Law, order, public safety		41,513	37,538	31,957
Health		77,500	15,159	78,573
Education and welfare		2,000	2,918	2,300
Housing		82,700	120,424	115,260
Community amenities		112,720	74,973	79,125
Recreation and culture		15,168	50,658	14,650
Transport		119,580	124,687	129,585
Economic services		4,000	8,438	6,140
Other property and services		90,000	43,002	53,000
		3,398,530	4,062,602	4,179,040
Expenses excluding finance costs	4(a),5,12(c)(e)(e)			
Governance		(601,153)	(513,482)	(751,055)
General purpose funding		(115,336)	(123,272)	(136,189)
Law, order, public safety		(217,629)	(193,767)	(392,705)
Health		(262,076)	(208,800)	(253,232)
Education and welfare		(132,404)	(113,176)	(46,183)
Housing		(268,340)	(370,433)	(399,163)
Community amenities		(430,480)	(256,853)	(356,639)
Recreation and culture		(1,234,422)	(1,007,899)	(935,303)
Transport		(1,753,589)	(1,845,162)	(1,519,723)
Economic services		(297,751)	(208,856)	(224,826)
Other property and services		(28,300)	(282,180)	(21,625)
		(5,341,480)	(5,123,880)	(5,036,643)
Finance costs	7,6(a),12(d)			
Governance		0	0	(3,500)
Recreation and culture		(2,677)	(3,215)	(3,295)
		(2,677)	(3,215)	(6,795)
Subtotal		(1,945,627)	(1,064,493)	(864,398)
Non-operating grants, subsidies and contributions	9(b)	1,206,785	1,328,045	568,458
Profit on disposal of assets	4(b)	2,410	10,354	0
(Loss) on disposal of assets	4(b)	(4,717)	(24,630)	(26,218)
		1,204,478	1,313,769	542,240
Net result		(741,149)	249,276	(322,158)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		(741,149)	249,276	(322,158)

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

KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

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

OBJECTIVE

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

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
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		2,238,295	2,156,187	2,148,202
Operating grants, subsidies and contributions		747,031	1,692,866	1,707,863
Fees and charges		218,620	234,165	242,375
Interest received		23,518	18,568	30,600
Goods and services tax received		135,462	64,578	0
Other revenue		81,750	92,508	50,000
		3,444,676	4,258,872	4,179,040
Payments				
Employee costs		(1,555,779)	(1,531,031)	(1,565,153)
Materials and contracts		(1,293,617)	(1,291,658)	(1,289,538)
Utility charges		(174,600)	(239,755)	(243,355)
Interest expenses		(2,677)	(3,291)	(6,795)
Insurance paid		(152,967)	(186,908)	(183,795)
Goods and services tax paid		(103,462)	(103,462)	0
Other expenditure		(111,975)	(48,312)	(83,737)
		(3,395,077)	(3,404,417)	(3,372,373)
Net cash provided by (used in) operating activities	3	49,599	854,455	806,667
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for financial assets at amortised cost - self supporting loans		(80,000)	0	0
Payments for purchase of property, plant & equipment	4(a)	(623,321)	(480,855)	(712,695)
Payments for construction of infrastructure	4(a)	(1,380,466)	(1,870,214)	(1,794,130)
Non-operating grants, subsidies and contributions	9(b)	1,206,785	1,328,045	568,458
Proceeds from sale of plant and equipment	4(b)	80,000	98,115	143,000
Proceeds on financial assets at amortised cost - self supporting loans	6(a)	39,938	0	0
Net cash provided by (used in) investing activities		(757,064)	(924,909)	(1,795,367)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(61,835)	(21,065)	(21,065)
Proceeds from new borrowings	6(a)	80,000	0	0
Net cash provided by (used in) financing activities		18,165	(21,065)	(21,065)
Net increase (decrease) in cash held		(689,300)	(91,519)	(1,009,765)
Cash at beginning of year		2,820,951	2,912,470	2,912,744
Cash and cash equivalents at the end of the year	3	2,131,651	2,820,951	1,902,979

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

SHIRE OF THREE SPRINGS
RATE SETTING STATEMENT BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	2(a)	478,209	894,356	1,012,765
		478,209	894,356	1,012,765
Revenue from operating activities (excluding rates)				
Governance		40,600	32,637	47,186
General purpose funding		584,554	1,405,156	1,473,062
Law, order, public safety		41,513	37,538	31,957
Health		77,500	17,490	78,573
Education and welfare		2,000	2,918	2,300
Housing		82,700	120,424	115,260
Community amenities		112,720	74,973	79,125
Recreation and culture		15,168	50,658	14,650
Transport		121,990	132,710	129,585
Economic services		4,000	8,438	6,140
Other property and services		90,000	43,002	53,000
		1,172,745	1,925,944	2,030,838
Expenditure from operating activities				
Governance		(601,153)	(516,740)	(754,555)
General purpose funding		(115,336)	(123,272)	(136,189)
Law, order, public safety		(217,629)	(193,767)	(392,705)
Health		(262,076)	(208,800)	(253,232)
Education and welfare		(132,404)	(113,176)	(46,183)
Housing		(268,340)	(370,433)	(399,163)
Community amenities		(430,480)	(256,853)	(356,639)
Recreation and culture		(1,237,099)	(1,011,114)	(938,598)
Transport		(1,758,306)	(1,866,534)	(1,545,941)
Economic services		(297,751)	(208,856)	(224,826)
Other property and services		(28,300)	(282,180)	(21,625)
		(5,348,874)	(5,151,725)	(5,069,656)
Non-cash amounts excluded from operating activities	2(b)	1,847,602	1,862,766	1,697,283
Amount attributable to operating activities		(1,850,318)	(468,659)	(328,770)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		1,206,785	1,328,045	568,458
Payments for property, plant and equipment	4(a)	(623,321)	(480,855)	(712,695)
Payments for construction of infrastructure	4(a)	(1,380,466)	(1,870,214)	(1,794,130)
Payments for financial assets at amortised cost - self supporting loans	6(a)	(80,000)	0	0
Proceeds from disposal of assets	4(b)	80,000	98,115	143,000
Proceeds from financial assets at amortised cost - self supporting loans	6(a)	39,938	0	0
Amount attributable to investing activities		(757,064)	(924,909)	(1,795,367)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(61,835)	(21,065)	(21,065)
Proceeds from new borrowings	6(a)	80,000	0	0
Transfers to cash backed reserves (restricted assets)	7(a)	(8,500)	(254,170)	(53,000)
Transfers from cash backed reserves (restricted assets)	7(a)	369,522	0	50,000
Amount attributable to financing activities		379,187	(275,235)	(24,065)
Budgeted deficiency before imposition of general rates		(2,228,195)	(1,668,803)	(2,148,202)
Estimated amount to be raised from general rates	1	2,228,195	2,147,012	2,148,202
Net current assets at end of financial year - surplus/(deficit)	2(a)	0	478,209	0

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

SHIRE OF THREE SPRINGS
RATE SETTING STATEMENT BY NATURE AND TYPE
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2021/22 Budget \$	2020/21 Actual \$	2020/21 Budget \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	2	478,209	894,356	1,012,765
		478,209	894,356	1,012,765
Revenue from operating activities (excluding rates)				
Specified area rates and rate revenue other than revenue raised from general rates	1(c)	9,000	9,139	0
Operating grants, subsidies and contributions	9(a)	837,447	1,561,210	1,707,863
Fees and charges	8	218,620	234,165	242,375
Interest earnings	12(a)	23,518	18,568	30,600
Other revenue	12(b)	81,750	92,508	50,000
Profit on asset disposals	4(b)	2,410	10,354	0
		1,172,745	1,925,944	2,030,838
Expenditure from operating activities				
Employee costs		(1,561,779)	(1,554,069)	(1,565,153)
Materials and contracts		(1,495,417)	(1,245,457)	(1,289,538)
Utility charges		(174,600)	(239,755)	(243,355)
Depreciation on non-current assets	5	(1,844,742)	(1,849,379)	(1,671,065)
Interest expenses	12(d)	(2,677)	(3,215)	(6,795)
Insurance expenses		(152,967)	(186,908)	(183,795)
Other expenditure		(111,975)	(48,312)	(83,737)
Loss on asset disposals	4(b)	(4,717)	(24,630)	(26,218)
		(5,348,874)	(5,151,725)	(5,069,656)
Non-cash amounts excluded from operating activities	2(b)	1,847,602	1,862,766	1,697,283
Amount attributable to operating activities		(1,850,318)	(468,659)	(328,770)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	9(b)	1,206,785	1,328,045	568,458
Payments for property, plant and equipment	4(a)	(623,321)	(480,855)	(712,695)
Payments for construction of infrastructure	4(a)	(1,380,466)	(1,870,214)	(1,794,130)
Payments for financial assets at amortised cost - self supporting loans	6(a)	(80,000)	0	0
Proceeds from disposal of assets	4(b)	80,000	98,115	143,000
Proceeds from financial assets at amortised cost - self supporting loans	6(a)	39,938	0	0
Amount attributable to investing activities		(757,064)	(924,909)	(1,795,367)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(61,835)	(21,065)	(21,065)
Proceeds from new borrowings	6(b)	80,000	0	0
Transfers to cash backed reserves (restricted assets)	7(a)	(8,500)	(254,170)	(53,000)
Transfers from cash backed reserves (restricted assets)	7(a)	369,522	0	50,000
Amount attributable to financing activities		379,187	(275,235)	(24,065)
Budgeted deficiency before general rates		(2,228,195)	(1,668,803)	(2,148,202)
Estimated amount to be raised from general rates	1(a)	2,228,195	2,147,012	2,148,202
Net current assets at end of financial year - surplus/(deficit)	2	0	478,209	0

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

SHIRE OF THREE SPRINGS
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FOR THE YEAR ENDED 30 JUNE 2022

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

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2021/22 Budgeted rate revenue	2021/22 Budgeted interim rates	2021/22 Budgeted back rates	2021/22 Budgeted total revenue	2020/21 Actual total revenue	2020/21 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
Differential general rate or general rate									
Gross rental valuations									
GRV Residential	0.123195	206	2,021,136	248,994	0	0	248,994	241,742	241,742
GRV Mining	0.123195	1	252,500	31,107	0	0	31,107	30,201	30,201
Unimproved valuations									
UV Rural and Arrino Town	0.013861	183	138,087,000	1,914,024	0	0	1,914,024	1,844,880	1,844,880
UV Mining	0.013861	5	253,954	3,520	0	0	3,520	3,624	3,624
Sub-Totals		395	140,614,590	2,197,645	0	0	2,197,645	2,120,447	2,120,447
Minimum									
Minimum payment									
	\$								
Gross rental valuations									
GRV Residential	470	20	13,439	9,400	0	0	9,400	9,100	8,645
GRV Mining	470	0	0	0	0	0	0	0	0
Unimproved valuations									
UV Rural and Arrino Town	470	23	330,950	10,810	0	0	10,810	8,525	10,920
UV Mining	470	22	210,533	10,340	0	0	10,340	8,940	8,190
Sub-Totals		65	554,922	30,550	0	0	30,550	26,565	27,755
		460	141,169,512	2,228,195	0	0	2,228,195	2,147,012	2,148,202
Total amount raised from general rates							2,228,195	2,147,012	2,148,202
Ex gratia rates							9,000	9,139	0
Total rates							2,237,195	2,156,151	2,148,202

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

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

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

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

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	27/09/2021	0	0.0%	7.0%
Option two				
First instalment	27/09/2021	0	5.5%	7.0%
Second instalment	29/11/2021	12	5.5%	7.0%
Third instalment	31/01/2022	12	5.5%	7.0%
Fourth instalment	4/04/2022	12	5.5%	7.0%

	2021/22 Budget revenue	2020/21 Actual revenue	2020/21 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	2,000	0	0
Instalment plan interest earned	5,000	0	0
Interest on deferred rates	300	275	0
Unpaid rates and service charge interest earned	6,000	0	0
	13,300	275	0

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

(c) Specified Area Rate
 The Shire did not raise specified area rates for the year ended 30th June 2022.

(d) Service Charges
 The Shire did not raise service charges for the year ended 30th June 2022.

(e) Waivers or concessions

Rate or fee and charge to which the waiver or concession is granted	Type	Discount %	Discount (\$)	2021/22 Budget	2020/21 Actual	2020/21 Budget	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
Community Bus	Waiver	Per Fees & Charges		\$ 850	\$ 840	\$ 650	TS Primary School	Promote Educational Activities & Support Local Primary School
Pool Charges	Waiver	Per Fees & Charges		600	564	500	TS Primary School	Promote Educational Activities & Support Local Primary School
Community Hall Charges	Waiver	Per Fees & Charges		10,600	10,602	2,500	Wildflower Committee, Hospital Fete Committee & TS Primary School	Promote School and Community activities in the Shire
Photocopying Charges	Waiver	Per Fees & Charges		15,250	15,248	2,000	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 Responsee	Waiver	Per Fees & Charges		5,500	5,434	5,400	COVID-19 response to support all Sporting Clubs and commercial tenants	Support Local Community Group for overall community benefit
				32,800	32,688	11,050		

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
2. NET CURRENT ASSETS

(a) Composition of estimated net current assets

Current assets

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

Less: current liabilities

Trade and other payables
Contract liabilities
Long term borrowings
Employee provisions

Net current assets

Less: Total adjustments to net current assets

Net current assets used in the Rate Setting Statement

Note	2021/22 Budget 30 June 2022	2020/21 Actual 30 June 2021	2020/21 Budget 30 June 2021
	\$	\$	\$
3	321,991	553,853	41,968
3	1,809,660	2,267,098	1,861,011
	71,123	110,223	204,701
	504	2,304	4,804
	2,203,278	2,933,478	2,112,484
	(467,754)	(261,754)	(251,473)
	0	(96,416)	0
6	(18,165)	0	21,065
	(122,394)	(122,394)	(92,289)
	(608,313)	(480,564)	(322,697)
	1,594,965	2,452,914	1,789,787
2.(c)	(1,594,965)	(1,974,705)	(1,789,787)
	0	478,209	0

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
2. NET CURRENT ASSETS (CONTINUED)

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

Items excluded from calculation of budgeted deficiency

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

(b) Operating activities excluded from budgeted deficiency

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

Adjustments to operating activities

Less: Profit on asset disposals
Add: Loss on disposal of assets
Add: Depreciation on assets
Movement in non-current pensioner deferred rates
Movement in current employee provisions associated with restricted cash

Non cash amounts excluded from operating activities

	2021/22 Budget 30 June 2022	2020/21 Actual 30 June 2021	2020/21 Budget 30 June 2021
Note			
	\$	\$	\$
4(b)	(2,410)	(10,354)	0
4(b)	4,717	24,630	26,218
5	1,844,742	1,849,379	1,671,065
	0	(1,676)	0
	553	787	0
	1,847,602	1,862,766	1,697,283
7	(1,751,160)	(2,112,182)	(1,861,011)
	18,165	0	(21,065)
	138,030	137,477	92,289
	(1,594,965)	(1,974,705)	(1,789,787)

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

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

TRADE AND OTHER PAYABLES

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

PREPAID RATES

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

INVENTORIES

General

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

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

Superannuation

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

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

LAND HELD FOR RESALE

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

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

CONTRACT ASSETS

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

TRADE AND OTHER RECEIVABLES

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

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

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

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

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

PROVISIONS

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

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

EMPLOYEE BENEFITS

Short-term employee benefits

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

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

CONTRACT LIABILITIES

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

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
3. RECONCILIATION OF CASH

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

	Note	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
Cash at bank and on hand		19,470	708,770	44,968
Term deposits		2,112,181	2,112,181	1,858,011
Total cash and cash equivalents		2,131,651	2,820,951	1,902,979
Held as				
- Unrestricted cash and cash equivalents		321,991	553,853	41,968
- Restricted cash and cash equivalents		1,809,660	2,267,098	1,861,011
		2,131,651	2,820,951	1,902,979
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		1,809,660	2,267,098	1,861,011
		1,809,660	2,267,098	1,861,011
The restricted assets are a result of the following specific purposes to which the assets may be used:				
Reserves - cash/financial asset backed	7	1,751,160	2,112,182	1,861,011
Contract liabilities		58,500	154,916	0
		1,809,660	2,267,098	1,861,011
Reconciliation of net cash provided by operating activities to net result				
Net result		(741,149)	249,276	(322,158)
Depreciation	5	1,844,742	1,849,379	1,671,065
(Profit)/loss on sale of asset	4(b)	2,307	14,276	26,218
(Increase)/decrease in receivables		39,100	14,224	0
(Increase)/decrease in inventories		1,800	2,501	0
(Increase)/decrease in other assets		0	62,813	0
Increase/(decrease) in payables		206,000	(88,553)	0
Increase/(decrease) in contract liabilities		(96,416)	78,584	0
Non-operating grants, subsidies and contributions		(1,206,785)	(1,328,045)	(568,458)
Net cash from operating activities		49,599	854,455	806,667

SIGNIFICANT ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

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

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

FINANCIAL ASSETS AT AMORTISED COST

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

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

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program					2021/22 Budget total	2020/21 Actual total	2020/21 Budget total
	Governance	Housing	Recreation and culture	Transport	Economic services			
	\$	\$	\$	\$	\$	\$	\$	\$
<u>Property, Plant and Equipment</u>								
Buildings - non-specialised	0	0	0	0	0	0	0	474,695
Buildings - specialised	0	163,424	22,897	0	54,500	240,821	285,792	0
Furniture and equipment	0	0	0	0	0	0	0	62,000
Plant and equipment	9,500	0	8,000	365,000	0	382,500	195,063	176,000
	9,500	163,424	30,897	365,000	54,500	623,321	480,855	712,695
<u>Infrastructure</u>								
Infrastructure - roads	0	0	0	1,193,096	0	1,193,096	1,003,465	1,629,130
Infrastructure - footpaths	0	0	0	0	0	0	64,992	0
Infrastructure - parks and ovals	0	0	0	187,370	0	187,370	801,757	165,000
Infrastructure - airfield	0	0	0	0	0	0	0	0
	0	0	0	1,380,466	0	1,380,466	1,870,214	1,794,130
Total acquisitions	9,500	163,424	30,897	1,745,466	54,500	2,003,787	2,351,069	2,506,825

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

SIGNIFICANT ACCOUNTING POLICIES

RECOGNITION OF ASSETS

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation* 17A (5). These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

SHIRE OF THREE SPRINGS
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2022
 4. FIXED ASSETS

(b) Disposals of Assets

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

	2021/22 Budget Net Book Value	2021/22 Budget Sale Proceeds	2021/22 Budget Profit	2021/22 Budget Loss	2020/21 Actual Net Book Value	2020/21 Actual Sale Proceeds	2020/21 Actual Profit	2020/21 Actual Loss	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Governance	0	0	0	0	27,575	24,317	0	(3,258)	0	0	0	0
Health	0	0	0	0	19,714	22,045	2,331	0	0	0	0	0
Transport	82,307	80,000	2,410	(4,717)	65,102	51,753	8,023	(21,372)	169,218	143,000	0	(26,218)
	82,307	80,000	2,410	(4,717)	112,391	98,115	10,354	(24,630)	169,218	143,000	0	(26,218)
By Class												
<u>Property, Plant and Equipment</u>												
Plant and equipment	82,307	80,000	2,410	(4,717)	112,391	98,115	10,354	(24,630)	169,218	143,000	0	(26,218)
	82,307	80,000	2,410	(4,717)	112,391	98,115	10,354	(24,630)	169,218	143,000	0	(26,218)

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

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
5. ASSET DEPRECIATION

By Program

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

By Class

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

2021/22 Budget	2020/21 Actual	2020/21 Budget
\$	\$	\$
0	0	52,000
0	0	0
87,446	87,405	80,500
54,197	54,148	48,400
66,493	66,426	15,000
143,033	143,114	135,000
20,053	20,098	29,000
332,428	330,093	311,365
862,450	863,755	802,000
10,382	10,373	5,800
268,260	273,967	192,000
1,844,742	1,849,379	1,671,065
0	0	505,376
574,649	576,093	0
38,100	38,196	30,200
286,295	287,015	255,827
764,415	766,336	707,556
9,462	9,486	7,879
100,765	101,018	95,813
71,056	71,235	68,414
1,844,742	1,849,379	1,671,065

SIGNIFICANT ACCOUNTING POLICIES

DEPRECIATION

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

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

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

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

Buildings - non-specialised	5 to 50 years
Buildings - specialised	5 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Infrastructure - roads	10 to 50 years
Infrastructure - footpaths	40 years
Infrastructure - parks and ovals	10 to 20 years
Infrastructure - airfield	10 to 20 years

AMORTISATION

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

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

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

SHIRE OF THREE SPRINGS

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30 JUNE 2022

6. INFORMATION ON BORROWINGS

(a) **Borrowing repayments**

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

Purpose	Loan Number	Institution	Interest Rate	Budget Principal	2021/22 Budget New Loans	2021/22 Budget Principal Repayments	Budget Principal outstanding	2021/22 Budget Interest Repayments	Actual Principal	2020/21 Actual New Loans	2020/21 Actual Principal Repayments	Actual Principal outstanding	2020/21 Actual Interest Repayments	Budget Principal	2020/21 Budget New Loans	2020/21 Budget Principal Repayments	Budget Principal outstanding	2020/21 Budget Interest Repayments
				1 July 2021			30 June 2022		1 July 2020			30 June 2021		1 July 2020			30 June 2021	
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Recreation and culture																		
Swimming Pool	160	WATC	3.91%	68,320	0	(21,897)	46,423	(2,459)	89,385	0	(21,065)	68,320	(3,215)	89,384	0	(21,065)	68,319	(3,295)
				68,320	0	(21,897)	46,423	(2,459)	89,385	0	(21,065)	68,320	(3,215)	89,384	0	(21,065)	68,319	(3,295)
Self Supporting Loans																		
Recreation and culture																		
Bowling Green Resurface	161	WATC	3.119%	0	80,000	(39,938)	40,062	(218)	0	0	0	0	0	0	0	0	0	0
				0	80,000	(39,938)	40,062	(218)	0	0	0	0	0	0	0	0	0	0
				68,320	80,000	(61,835)	86,485	(2,677)	89,385	0	(21,065)	68,320	(3,215)	89,384	0	(21,065)	68,319	(3,295)

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

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

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

(b) New borrowings - 2021/22

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
Bowling Green Resurface	WATC	Debenture	2	3.119%	\$ 80,000	\$ 312	\$ 80,000	\$ 0
					80,000	312	80,000	0

(c) Unspent borrowings

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

(d) Credit Facilities

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Undrawn borrowing facilities			
credit standby arrangements			
Credit card limit	10,000	11,000	11,000
Credit card balance at balance date	(500)	0	(500)
Total amount of credit unused	9,500	11,000	10,500
Loan facilities			
Loan facilities in use at balance date	86,485	68,320	68,319

SIGNIFICANT ACCOUNTING POLICIES

BORROWING COSTS

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2021/22 Budget Opening Balance	2021/22 Budget Transfer to	2021/22 Budget Transfer (from)	2021/22 Budget Closing Balance	2020/21 Actual Opening Balance	2020/21 Actual Transfer to	2020/21 Actual Transfer (from)	2020/21 Actual Closing Balance	2020/21 Budget Opening Balance	2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave Reserve	137,477	553	0	138,030	136,690	787	0	137,477	136,689	1,500	0	138,189
(b) Plant Reserve	415,416	1,672	(230,000)	187,088	369,793	45,623	0	415,416	369,793	36,400	0	406,193
(c) Housing & Development Reserve	546,222	2,198	(101,941)	446,479	543,104	3,118	0	546,222	543,103	6,000	0	549,103
(d) Joint Venture Housing Reserve	169,349	682	0	170,031	168,382	967	0	169,349	168,383	2,000	0	170,383
(e) Gravel Pit Reserve	50,007	201	0	50,208	49,722	285	0	50,007	49,720	500	0	50,220
(f) Swimming Pool Equipment Reserve	127,409	513	0	127,922	126,682	727	0	127,409	126,682	1,250	(50,000)	77,932
(g) Day Care Centre Reserve	37,430	151	(37,581)	0	37,216	214	0	37,430	37,216	500	0	37,716
(h) Lovelock Sock Reserve	103,786	418	0	104,204	103,194	592	0	103,786	103,194	1,000	0	104,194
(i) Road Reserve	102,057	411	0	102,468	101,474	583	0	102,057	101,475	1,200	0	102,675
(j) Drainage Reserve	364,747	1,468	0	366,215	163,806	200,941	0	364,747	163,806	2,000	0	165,806
(k) Refuse Site Reserve	58,282	233	0	58,515	57,949	333	0	58,282	57,950	650	0	58,600
	2,112,182	8,500	(369,522)	1,751,160	1,858,012	254,170	0	2,112,182	1,858,011	53,000	(50,000)	1,861,011

(b) Cash Backed Reserves - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve
(a) 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 & Development Reserve	Ongoing	- to be used to fund housing accomodation projects.
(d) Joint Venture Housing Reserve	Ongoing	- to be used to maintain the joint venture with Department of housing and LG Properties.
(e) Gravel Pit Reserve	Ongoing	- to be used for rehabilitation of disused gravel pits.
(f) Swimming Pool Equipment Reserve	Ongoing	- to be used to purchase equipment for the swimming pool.
(g) Day Care Centre Reserve	30/06/2022	- to be used to fund for future building works OR Re-Purpose to other reserve.
(h) Lovelock Sock Reserve	Ongoing	- to be used to upgrade Portable water infrastructure.
(i) Road Reserve	Ongoing	- to be used to fund for future capital road works.
(j) Drainage Reserve	Ongoing	- to be used for design and construction of new drainage system.
(k) Refuse Site Reserve	Ongoing	- to be used for rehabilitation of refuse site.

8. FEES & CHARGES REVENUE

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

2021/22 Budget	2020/21 Actual	2020/21 Budget
\$	\$	\$
0	0	4,600
7,200	5,366	0
1,600	2,120	1,100
17,500	17,297	16,800
1,000	918	800
78,200	113,531	101,760
80,720	72,689	77,475
12,400	9,217	9,700
3,500	8,155	5,140
16,500	4,872	25,000
218,620	234,165	242,375

9. GRANT REVENUE

By Program:

(a) Operating grants, subsidies and contributions

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

2021/22 Budget	2020/21 Actual	2020/21 Budget
\$	\$	\$
0	606	31,586
538,554	1,361,000	1,463,062
35,813	31,327	30,857
60,000	0	61,773
1,000	2,000	1,000
0	0	3,000
32,000	0	0
2,500	41,455	3,700
119,580	112,911	112,885
48,000	11,911	0
837,447	1,561,210	1,707,863

(b) Non-operating grants, subsidies and contributions

General purpose funding
Recreation and culture
Transport

2021/22 Budget	2020/21 Actual	2020/21 Budget
\$	\$	\$
150,000	350,000	0
118,785	411,874	0
938,000	566,171	568,458
1,206,785	1,328,045	568,458

Total grants, subsidies and contributions

2,044,232 2,889,255 2,276,321

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
10. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

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

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

11. ELECTED MEMBERS REMUNERATION

Elected member - Chris Lane

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

Elected member - Chris Connaughton

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

Elected member - Jim Heal

Meeting attendance fees
Annual allowance for ICT expenses

Elected member - Jenny Mutter

Meeting attendance fees
Annual allowance for ICT expenses

Elected member - Nadine Eva

Meeting attendance fees
Annual allowance for ICT expenses
Travel and accommodation expenses

Elected member - Julia Ennor

Meeting attendance fees
Annual allowance for ICT expenses
Travel and accommodation expenses

Elected member - Zac Mills

Meeting attendance fees
Annual allowance for ICT expenses

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

2021/22 Budget	2020/21 Actual	2020/21 Budget
\$	\$	\$
15,000	10,000	7,500
6,575	3,900	3,500
2,000	2,500	2,000
23,575	16,400	13,000
3,750	2,500	1,875
4,175	2,200	2,300
2,000	2,500	2,000
9,925	7,200	6,175
4,175	1,700	2,300
2,000	2,500	2,000
6,175	4,200	4,300
4,175	2,100	2,300
2,000	2,500	2,000
6,175	4,600	4,300
4,175	2,200	2,300
2,000	2,500	2,000
500	392	662
6,675	5,092	4,962
4,175	2,400	2,300
2,000	2,500	2,000
500	304	663
6,675	5,204	4,963
4,175	1,800	2,300
2,000	2,500	2,000
6,175	4,300	4,300
65,375	46,996	42,000
15,000	10,000	7,500
3,750	2,500	1,875
31,625	16,300	17,300
14,000	17,500	14,000
1,000	696	1,325
65,375	46,996	42,000

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
13. INTERESTS IN JOINT ARRANGEMENTS

The Shire together with the Department of Housing and Works have a joint venture arrangement with regard to the provision of housing for aged resident and community housing. The assets are two houses for community and 6 units for aged residents. The Shire has a share of 10.76% and 11.14% in the two houses, 22.34% for Units 1 to 4 and 15.35% in Unit 5 and 6.

The housing and aged care units are included in Property, Plant & Equipment is as follow:

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Non-current assets			
Plant and equipment	255,242	255,242	208,727
Less: accumulated depreciation	(69,471)	(54,068)	(14,752)
	185,771	201,174	193,975

SIGNIFICANT ACCOUNTING POLICIES
INTERESTS IN JOINT ARRANGEMENTS

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire of Three Springs's interests in the assets liabilities revenue and expenses of joint operations are included in the respective line items of the financial statements.

12. OTHER INFORMATION

The net result includes as revenues

(a) Interest earnings

Investments			
- Reserve funds	8,500	9,723	20,600
- Other funds	3,718	8,570	10,000
Other interest revenue (refer note 1b)	11,300	275	0
	23,518	18,568	30,600

(b) Other revenue

Reimbursements and recoveries	31,150	56,001	50,000
Other	50,600	36,507	0
	81,750	92,508	50,000

The net result includes as expenses

(c) Auditors remuneration

Audit services	40,000	39,800	41,000
	40,000	39,800	41,000

(d) Interest expenses (finance costs)

Borrowings (refer Note 6(a))	2,677	3,215	3,295
Other	0	0	3,500
	2,677	3,215	6,795

14. SIGNIFICANT ACCOUNTING POLICIES - OTHER
INFORMATION

GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

CRITICAL ACCOUNTING ESTIMATES

The preparation of a budget in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

ROUNDING OFF FIGURES

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

COMPARATIVE FIGURES

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

BUDGET COMPARATIVE FIGURES

Unless otherwise stated, the budget comparative figures shown in the budget relate to the original budget estimate for the relevant item of disclosure.