



Budget 2022/23



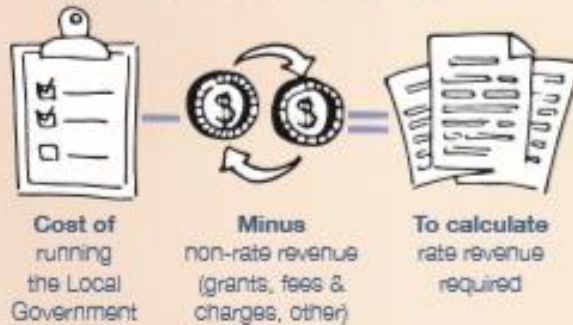
Our Vision:
Three
Springs
becomes a
healthy
and unified
community
with a
bright
future



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
ANNUAL BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

LOCAL GOVERNMENT ACT 1995

TABLE OF CONTENTS

Statement of Comprehensive Income by Nature or Type	2
Statement of Cash Flows	3
Rate Setting Statement	4
Index of Notes to the Budget	5

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 BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
Revenue				
Rates	2(a)	2,322,613	2,242,947	2,237,195
Operating grants, subsidies and contributions	10	842,190	2,019,122	837,447
Fees and charges	14	283,268	262,495	218,620
Interest earnings	11(a)	72,078	19,767	23,518
Other revenue	11(a)	70,400	88,054	81,750
		3,590,549	4,632,385	3,398,530
Expenses				
Employee costs		(1,598,401)	(1,424,608)	(1,561,779)
Materials and contracts		(1,351,587)	(994,714)	(1,495,417)
Utility charges		(309,203)	(280,457)	(174,600)
Depreciation on non-current assets	6	(2,503,916)	(2,465,225)	(1,844,742)
Interest expenses	11(c)	(1,696)	(2,685)	(2,677)
Insurance expenses		(158,615)	(221,653)	(152,967)
Other expenditure		(112,825)	(62,116)	(111,975)
		(6,036,243)	(5,451,458)	(5,344,157)
		(2,445,694)	(819,073)	(1,945,627)
Non-operating grants, subsidies and contributions	10	3,698,406	1,016,379	1,206,785
Profit on asset disposals	5(b)	36,333	0	2,410
Loss on asset disposals	5(b)	(272,965)	(45,908)	(4,717)
		3,461,774	970,471	1,204,478
Net result for the period		1,016,080	151,398	(741,149)
Total comprehensive income for the period		1,016,080	151,398	(741,149)

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 2023

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		2,316,113	2,257,285	2,238,295
Operating grants, subsidies and contributions		832,984	2,014,596	747,031
Fees and charges		283,268	262,495	218,620
Interest received		72,078	19,767	23,518
Goods and services tax received		308,123	397,629	135,462
Other revenue		70,400	88,054	81,750
		3,882,966	5,039,826	3,444,676
Payments				
Employee costs		(1,598,401)	(1,428,872)	(1,555,779)
Materials and contracts		(1,232,837)	(1,201,033)	(1,293,617)
Utility charges		(309,203)	(280,457)	(174,600)
Interest expenses		(1,696)	(3,032)	(2,677)
Insurance paid		(158,615)	(221,653)	(152,967)
Goods and services tax paid		(308,123)	(308,123)	(103,462)
Other expenditure		(112,825)	(62,116)	(111,975)
		(3,721,700)	(3,505,286)	(3,395,077)
Net cash provided by (used in) operating activities	4	161,266	1,534,540	49,599
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for financial assets at amortised cost - self supporting loans	7	0	(80,000)	(80,000)
Payments for purchase of property, plant & equipment	5(a)	(4,491,666)	(188,734)	(623,321)
Payments for construction of infrastructure	5(a)	(1,462,324)	(1,317,305)	(1,380,466)
Non-operating grants, subsidies and contributions		3,238,406	1,631,934	1,206,785
Proceeds from sale of property, plant and equipment	5(b)	223,000	545	80,000
Proceeds on financial assets at amortised cost - self supporting loans	7(a)	19,983	19,949	39,938
Net cash provided by (used in) investing activities		(2,472,601)	66,389	(757,064)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(42,745)	(41,846)	(61,835)
Proceeds from new borrowings	7(a)	600,000	80,000	80,000
Net cash provided by (used in) financing activities		557,255	38,154	18,165
Net increase (decrease) in cash held		(1,754,080)	1,639,083	(689,300)
Cash at beginning of year		4,475,969	2,836,886	2,820,951
Cash and cash equivalents at the end of the year	4	2,721,889	4,475,969	2,131,651

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

SHIRE OF THREE SPRINGS
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2022/23 Budget \$	2021/22 Actual \$	2021/22 Budget \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	3	1,872,018	412,741	478,209
		1,872,018	412,741	478,209
Revenue from operating activities (excluding rates)				
Specified area and ex gratia rates	2(a)(ii)	9,768	9,435	9,000
Operating grants, subsidies and contributions	10	842,190	2,019,122	837,447
Fees and charges	14	283,268	262,495	218,620
Interest earnings	11(a)	72,078	19,767	23,518
Other revenue	11(a)	70,400	88,054	81,750
Profit on asset disposals	5(b)	36,333	0	2,410
		1,314,037	2,398,873	1,172,745
Expenditure from operating activities				
Employee costs		(1,598,401)	(1,424,608)	(1,561,779)
Materials and contracts		(1,351,587)	(994,714)	(1,495,417)
Utility charges		(309,203)	(280,457)	(174,600)
Depreciation on non-current assets	6	(2,503,916)	(2,465,225)	(1,844,742)
Interest expenses	11(c)	(1,696)	(2,685)	(2,677)
Insurance expenses		(158,615)	(221,653)	(152,967)
Other expenditure		(112,825)	(62,116)	(111,975)
Loss on asset disposals	5(b)	(272,965)	(45,908)	(4,717)
		(6,309,208)	(5,497,366)	(5,348,874)
Non-cash amounts excluded from operating activities	3(b)	2,744,945	2,511,678	1,847,602
Amount attributable to operating activities		(378,208)	(174,074)	(1,850,318)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	10	3,698,406	1,016,379	1,206,785
Payments for property, plant and equipment	5(a)	(4,491,666)	(188,734)	(623,321)
Payments for construction of infrastructure	5(a)	(1,462,324)	(1,317,305)	(1,380,466)
Payments for financial assets at amortised cost - self supporting loans	7(a)	0	(80,000)	(80,000)
Proceeds from disposal of assets	5(b)	223,000	545	80,000
Proceeds from financial assets at amortised cost - self supporting loans	7(a)	19,983	19,949	39,938
Amount attributable to investing activities		(2,012,601)	(549,166)	(757,064)
FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(42,745)	(41,846)	(61,835)
Proceeds from new borrowings	7(b)	600,000	80,000	80,000
Transfers to cash backed reserves (restricted assets)	8(a)	(554,359)	(8,349)	(8,500)
Transfers from cash backed reserves (restricted assets)	8(a)	75,068	331,941	369,522
Amount attributable to financing activities		77,964	361,746	379,187
Budgeted deficiency before general rates		(2,312,845)	(361,494)	(2,228,195)
Estimated amount to be raised from general rates	2(a)	2,312,845	2,233,512	2,228,195
Net current assets at end of financial year - surplus/(deficit)	3	0	1,872,018	0

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

INDEX OF NOTES TO THE BUDGET

Note 1	Basis of Preparation	6
Note 2	Rates	9
Note 3	Net Current Assets	12
Note 4	Reconciliation of cash	15
Note 5	Fixed Assets	16
Note 6	Asset Depreciation	18
Note 7	Borrowings	19
Note 8	Reserves	21
Note 9	Revenue Recognition	22
Note 10	Program Information	23
Note 11	Other Information	24
Note 12	Elected Members Remuneration	25
Note 13	Investment in Associates	26
Note 14	Fees and Charges	27

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

1 (a) BASIS OF PREPARATION

The annual budget has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this annual 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.

Financial reporting disclosures in relation to assets and liabilities required by the Australian Accounting Standards have not been made unless considered important for the understanding of the budget or required by legislation.

The local government reporting entity
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 annual budget.

In the process of reporting on the local government as a single unit, all transactions and balances between those Funds (for example, loans and transfers between Funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 13 to the annual budget.

2021/22 actual balances
Balances shown in this budget as 2021/22 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.

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 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current - Deferral of Effective Date

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 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

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

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

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

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

REVENUES

RATES

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

SERVICE CHARGES

Service charges imposed under Division 6 of Part 6 of the *Local Government Act 1995*. Regulation 54 of the *Local Government (Financial Management) Regulations 1996* identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services.

Excludes rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

PROFIT ON ASSET DISPOSAL

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

FEES AND CHARGES

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

INTEREST EARNINGS

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

OTHER REVENUE / INCOME

Other revenue, which can not be classified under the above headings, includes dividends, discounts, and rebates. Reimbursements and recoveries should be separated by note to ensure the correct calculation of ratios.

EXPENSES

EMPLOYEE COSTS

All costs associated with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences safety expenses, medical examinations, fringe benefit tax, etc.

MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

INSURANCE

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets includes loss on disposal of long term investments.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

INTEREST EXPENSES

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

OTHER EXPENDITURE

Statutory fees, taxes, provision for bad debts, member's fees or State taxes. Donations and subsidies made to community groups.

1 (c) 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
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in	Number of properties	Rateable value	2022/23 Budgeted rate revenue	2022/23 Budgeted interim rates	2022/23 Budgeted back rates	2022/23 Budgeted total revenue	2021/22 Actual total revenue	2021/22 Budget total revenue
		\$		\$	\$	\$	\$	\$	\$	\$
(i) General rates										
GRV Residential	Gross rental valuations	0.127549	205	2,017,236	257,296	0	0	257,296	249,111	248,994
GRV Mining	Gross rental valuations	0.127549	1	252,500	32,206	0	0	32,206	31,107	31,107
UV Rural and Arrino Town	Unimproved valuations	0.012917	183	153,361,000	1,980,964	0	0	1,980,964	1,918,105	1,914,024
UV Mining	Unimproved valuations	0.012917	3	184,137	2,379	0	0	2,379	4,639	3,520
Sub-Total			392	155,814,873	2,272,845	0	0	2,272,845	2,202,962	2,197,645
Minimum payment										
		\$								
GRV Residential	Gross rental valuations	500	22	17,597	11,000	0	0	11,000	9,400	9,400
GRV Mining	Gross rental valuations	500	0	0	0	0	0	0	0	0
UV Rural and Arrino Town	Unimproved valuations	500	26		13,000	0	0	13,000	10,810	10,810
UV Mining	Unimproved valuations	500	32	16,000	16,000	0	0	16,000	10,340	10,340
Sub-Total			80	33,597	40,000	0	0	40,000	30,550	30,550
			472	155,848,470	2,312,845	0	0	2,312,845	2,233,512	2,228,195
Total amount raised from general rates								2,312,845	2,233,512	2,228,195
Ex-gratia rates										
GRV Residential	Gross Rental Valuation	0.12755	3	1,851	236	0	0	236	228	0
GRV Commercial/Industrial	Gross Rental Valuation	0.12755	3	74,734	9,532	0	0	9,532	9,207	9,000
Total ex-gratia rates				76,585	9,768	0	0	9,768	9,435	9,000
Total specified area and ex gratia rates								9,768	9,435	9,000
Total rates								2,322,613	2,242,947	2,237,195

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

The general rates detailed for the 2022/23 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.

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.

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	22/09/2022	0	0.0%	7.0%
Option two				
First instalment	22/09/2022	0	5.5%	7.0%
Second instalment	28/11/2022	12	5.5%	7.0%
Third instalment	2/02/2023	12	5.5%	7.0%
Fourth instalment	11/04/2023	12	5.5%	7.0%

	2022/23 Budget revenue	2021/22 Actual revenue	2021/22 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	2,200	2,160	2,000
Instalment plan interest earned	6,200	6,042	5,000
Interest on ESL	150	0	0
Interest on deferred rates	350	326	300
Unpaid rates and service charge interest earned	6,000	4,485	6,000
	14,900	13,013	13,300

SHIRE OF THREE SPRINGS
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2023

2. RATES AND SERVICE CHARGES (CONTINUED)

(c) Specified Area Rate

The Shire did not raise specified area rates for the year ended 30th June 2023.

(d) Service Charges

The Shire did not raise service charges for the year ended 30th June 2023.

2. RATES AND SERVICE CHARGES (CONTINUED)

(e) Waivers or concessions

Rate, fee or charge to which the waiver or concession is granted	Note	Type	Discount %	Discount (\$)	2022/23 Budget	2021/22 Actual	2021/22 Budget	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
Community Bus	2(a)(i)	Waiver	100.0%	0	\$ 800	\$ 114	\$ 850	TS Primary School	Promote Educational Activities & Support Local Primary School
Pool Charges	2(a)(i)	Waiver	100.0%	0	200	220	600	TS Primary School	Promote Educational Activities & Support Local Primary School
Community Hall Charges	2(a)(i)	Waiver	100.0%	0	2,000	16,156	10,600	Wildflower Committee, Hospital Fete Committee & TS Primary School	Promote School and Community activities in the Shire
Photocopying Charges	2(a)(i)	Waiver	100.0%	0	500	2	15,250	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	2(a)(i)	Waiver	100.0%	0	0	0	5,500	COVID-19 response to support all Sporting Clubs and commercial tenants	Support Local Community Group for overall community benefit
Yakabout Advertising	2(a)(i)	Waiver	100.0%	0	4,000	12,108	0	Not for Profit Organisations and Community Groups	Assist Community Groups and Not for Profit Organisations in promoting their activities within the Shire.
					7,500	29,161	32,800		

3. NET CURRENT ASSETS

(a) Composition of estimated net current assets

Current assets

Cash and cash equivalents - unrestricted

4

166,817

1,934,182

321,991

Cash and cash equivalents - restricted

4

2,555,072

2,541,787

1,809,660

Receivables

35,292

25,592

71,123

Other assets

0

0

504

Inventories

24,622

18,372

0

2,781,803

4,519,933

2,203,278

Less: current liabilities

Trade and other payables

(233,950)

(108,950)

(467,754)

Contract liabilities

(20,000)

(26,006)

0

Unspent non-operating grants, subsidies and contributions liability

(208,691)

(668,691)

0

Long term borrowings

7

0

0

(18,165)

Employee provisions

(193,701)

(193,701)

(122,394)

(656,342)

(997,348)

(608,313)

Net current assets

2,125,461

3,522,585

1,594,965

Less: Total adjustments to net current assets

3.(c)

(2,125,461)

(1,650,567)

(1,594,965)

Net current assets used in the Rate Setting Statement

0

1,872,018

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

Non cash amounts excluded from operating activities

(c) Current assets and liabilities excluded from budgeted deficiency

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

Adjustments to net current assets

Less: Cash - restricted reserves
Add: Current liabilities not expected to be cleared at end of year
- Current portion of borrowings
- Current portion of leave liability not required to be funded

Total adjustments to net current assets

Note	2022/23 Budget 30 June 2023	2021/22 Actual 30 June 2022	2021/22 Budget 30 June 2022
	\$	\$	\$
5(b)	(36,333)	0	(2,410)
5(b)	272,965	45,908	4,717
6	2,503,916	2,465,225	1,844,742
	4,397	545	553
	2,744,945	2,511,678	1,847,602
8	(2,267,881)	(1,788,590)	(1,751,160)
	0	0	18,165
	142,420	138,023	138,030
	(2,125,461)	(1,650,567)	(1,594,965)

3 (d) NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

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

TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire of 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 Shire recognises revenue for the prepaid rates that have not been refunded.

INVENTORIES

General

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

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

Superannuation

The Shire of 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.

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.

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.

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	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Cash at bank and on hand	2,721,889	4,475,969	19,470
Term deposits	0	0	2,112,181
Total cash and cash equivalents	2,721,889	4,475,969	2,131,651
Held as			
- Unrestricted cash and cash equivalents	3(a) 166,817	1,934,182	321,991
- Restricted cash and cash equivalents	3(a) 2,555,072	2,541,787	1,809,660
	2,721,889	4,475,969	2,131,651
Restrictions			
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	2,555,072	2,541,787	1,809,660
	2,555,072	2,541,787	1,809,660
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Financially backed reserves	8 2,267,881	1,788,590	1,751,160
Contract liabilities	78,500	84,506	58,500
Unspent non-operating grants, subsidies and contribution liabilities	208,691	668,691	0
	2,555,072	2,541,787	1,809,660
Reconciliation of net cash provided by operating activities to net result			
Net result	1,016,080	151,398	(741,149)
Depreciation	6 2,503,916	2,465,225	1,844,742
(Profit)/loss on sale of asset	5(b) 236,632	45,908	2,307
(Increase)/decrease in receivables	(9,700)	108,312	39,100
(Increase)/decrease in inventories	(6,250)	(16,067)	1,800
(Increase)/decrease in other assets	0	3,194	0
Increase/(decrease) in payables	125,000	(198,057)	206,000
Increase/(decrease) in contract liabilities	(6,006)	(8,994)	(96,416)
Increase/(decrease) in unspent non-operating grants	(460,000)	615,555	0
Non-operating grants, subsidies and contributions	(3,238,406)	(1,631,934)	(1,206,785)
Net cash from operating activities	161,266	1,534,540	49,599

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 3 - Net Current Assets.

FINANCIAL ASSETS AT AMORTISED COST

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

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

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

5. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program								2022/23 Budget total	2021/22 Actual total	2021/22 Budget total
	Governance	Law, order, public safety	Health	Housing	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>											
Buildings - non-specialised	0	0	0	170,700	0	0	0	0	170,700	0	0
Buildings - specialised	5,000	0	5,000	58,158	540,208		2,639,500	35,000	3,282,866	118,961	240,821
Plant and equipment	0	21,000	0	0	10,000	655,600	236,500	115,000	1,038,100	69,773	382,500
	5,000	21,000	5,000	228,858	550,208	655,600	2,876,000	150,000	4,491,666	188,734	623,321
<i>Infrastructure</i>											
Infrastructure - roads	0	0	0	0	0	1,189,999	0	0	1,189,999	1,108,803	1,193,096
Infrastructure - parks and ovals	0	0	0	0	272,325	0	0	0	272,325	208,502	187,370
	0	0	0	0	272,325	1,189,999	0	0	1,462,324	1,317,305	1,380,466
Total acquisitions	5,000	21,000	5,000	228,858	822,533	1,845,599	2,876,000	150,000	5,953,990	1,506,039	2,003,787

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

- Statement Of Estimated Capital Expenditure And Sources Of Funds For The Period 1 July 2022 To 30 June 2023

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.

5. FIXED ASSETS

(b) Disposals of Assets

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

	2022/23 Budget Net Book Value	2022/23 Budget Sale Proceeds	2022/23 Budget Profit	2022/23 Budget Loss	2021/22 Actual Net Book Value	2021/22 Actual Sale Proceeds	2021/22 Actual Profit	2021/22 Actual Loss	2021/22 Budget Net Book Value	2021/22 Budget Sale Proceeds	2021/22 Budget Profit	2021/22 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Governance	0	0	0	0	2,858	545	0	(2,313)	0	0	0	0
Housing	300,965	55,000	0	(245,965)	43,595	0	0	(43,595)	0	0	0	0
Transport	133,667	148,000	36,333	(22,000)	0	0	0	0	82,307	80,000	2,410	(4,717)
Other property and services	25,000	20,000	0	(5,000)	0	0	0	0	0	0	0	0
	459,632	223,000	36,333	(272,965)	46,453	545	0	(45,908)	82,307	80,000	2,410	(4,717)
By Class												
<u>Property, Plant and Equipment</u>												
Land - freehold land	16,000	10,000	0	(6,000)	43,595	0	0	(43,595)	0	0	0	0
Buildings - specialised	284,965	45,000	0	(239,965)	0	0	0	0	0	0	0	0
Furniture and equipment	0	0	0	0	2,858	545	0	(2,313)	0	0	0	0
Plant and equipment	158,667	168,000	36,333	(27,000)	0	0	0	0	82,307	80,000	2,410	(4,717)
	459,632	223,000	36,333	(272,965)	46,453	545	0	(45,908)	82,307	80,000	2,410	(4,717)

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

- Staff housing program
- Plant replacement program

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 2023

6. ASSET DEPRECIATION

By Program

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

By Class

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

2022/23 Budget	2021/22 Actual	2021/22 Budget
\$	\$	\$
83,485	83,485	87,446
28,139	28,139	54,197
34,502	34,502	66,493
113,717	113,717	143,033
16,427	16,427	20,053
335,608	335,608	332,428
1,579,730	1,579,730	862,450
17,016	17,016	10,382
295,292	256,601	268,260
2,503,916	2,465,225	1,844,742
440,668	433,859	574,649
48,562	47,812	38,100
300,458	295,815	286,295
1,526,754	1,503,162	764,415
24,404	24,027	9,462
132,124	130,082	100,765
30,946	30,468	71,056
2,503,916	2,465,225	1,844,742

SIGNIFICANT ACCOUNTING POLICIES

DEPRECIATION

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested 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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

DEPRECIATIONS RATES

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

ASSET CLASS	Useful life
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
Water supply piping and drainage systems	10 to 80 years
Infrastructure - parks and ovals	15 to 40 years
Infrastructure - airfield	15 to 80 years

DEPRECIATION ON REVALUATION

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

(a) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or

(b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

AMORTISATION

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The residual value of intangible assets is considered to be zero and the useful life 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 and in the note above.

SHIRE OF THREE SPRINGS

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30 JUNE 2023

7. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	Budget Principal 1 July 2022	2022/23 Budget New Loans	2022/23 Budget Principal Repayments	Budget Principal outstanding 30 June 2023	2022/23 Budget Interest Repayments	Actual Principal 1 July 2021	2021/22 Actual New Loans	2021/22 Actual Principal Repayments	Actual Principal outstanding 30 June 2022	2021/22 Actual Interest Repayments	Budget Principal 1 July 2021	2021/22 Budget New Loans	2021/22 Budget Principal Repayments	Budget Principal outstanding 30 June 2022	2021/22 Budget Interest Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Recreation and culture																		
Swimming Pool	160	WATC	3.91%	46,423	0	(22,762)	23,661	(1,595)	68,320	0	(21,897)	46,423	(2,289)	68,320	0	(21,897)	46,423	(2,459)
Economic services																		
Duffy Store Development	162	WATC	4.03%	0	600,000	0	600,000		0	0	0	0	0	0	0	0	0	0
				46,423	600,000	(22,762)	623,661	(1,595)	68,320	0	(21,897)	46,423	(2,289)	68,320	0	(21,897)	46,423	(2,459)
Self Supporting Loans																		
Recreation and culture																		
Bowling Green Resurface	161	WATC	3.373%	60,051	0	(19,983)	40,068	(101)	0	80,000	(19,949)	60,051	(396)	0	80,000	(39,938)	40,062	(218)
				60,051	0	(19,983)	40,068	(101)	0	80,000	(19,949)	60,051	(396)	0	80,000	(39,938)	40,062	(218)
				106,474	600,000	(42,745)	663,729	(1,696)	68,320	80,000	(41,846)	106,474	(2,685)	68,320	80,000	(61,835)	86,485	(2,677)

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 2023

7. INFORMATION ON BORROWINGS

(b) New borrowings - 2022/23

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	4.03%	600,000	0	0	600,000
					600,000	0	0	600,000

(c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30th June 2022 nor is it expected to have unspent borrowing funds as at 30th June 2023.

(d) Credit Facilities

**Undrawn borrowing facilities
credit standby arrangements**

	2022/23 Budget	2021/22 Actual	2021/22 Budget
Credit card limit	10,000	10,000	10,000
Credit card balance at balance date	0	0	(500)
Total amount of credit unused	10,000	10,000	9,500

Loan facilities

Loan facilities in use at balance date	663,729	106,474	86,485
--	---------	---------	--------

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 2023

8. FINANCIALLY BACKED RESERVES

(a) Financially Backed Reserves - Movement

	2022/23 Budget Opening Balance	2022/23 Budget Transfer to	2022/23 Budget Transfer (from)	2022/23 Budget Closing Balance	2021/22 Actual Opening Balance	2021/22 Actual Transfer to	2021/22 Actual Transfer (from)	2021/22 Actual Closing Balance	2021/22 Budget Opening Balance	2021/22 Budget Transfer to	2021/22 Budget Transfer (from)	2021/22 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Leave reserve	138,023	4,397	0	142,420	137,478	545	0	138,023	137,477	553	0	138,030
(b) Plant reserve	187,067	5,959	0	193,026	415,415	1,652	(230,000)	187,067	415,416	1,672	(230,000)	187,088
(c) Housing and development reserve	446,451	14,221	0	460,672	546,221	2,171	(101,941)	446,451	546,222	2,198	(101,941)	446,479
(d) Joint venture housing reserve	170,022	5,416	0	175,438	169,349	673	0	170,022	169,349	682	0	170,031
(e) Gravel pit reserve	50,206	1,599	0	51,805	50,007	199	0	50,206	50,007	201	0	50,208
(f) Swimming pool equipment reserve	127,916	4,075	0	131,991	127,410	506	0	127,916	127,409	513	0	127,922
(g) Day care centre reserve	37,534	0	(37,534)	0	37,430	104	0	37,534	37,430	151	(37,581)	0
(h) Lovelock soak reserve	104,198	28,319	0	132,517	103,786	412	0	104,198	103,786	418	0	104,204
(i) Road reserve	102,462	3,264	0	105,726	102,056	406	0	102,462	102,057	411	0	102,468
(j) Town drainage reserve	366,197	11,665	0	377,862	364,748	1,449	0	366,197	364,747	1,468	0	366,215
(k) Refuse site reserve	58,514	1,864	0	60,378	58,282	232	0	58,514	58,282	233	0	58,515
(l) Silo projection reserve	0	37,534	(37,534)	0	0	0	0	0	0	0	0	0
(m) Glyde Street redevelopment reserve	0	436,046	0	436,046	0	0	0	0	0	0	0	0
	1,788,590	554,359	(75,068)	2,267,881	2,112,182	8,349	(331,941)	1,788,590	2,112,182	8,500	(369,522)	1,751,160
	1,788,590	554,359	(75,068)	2,267,881	2,112,182	8,349	(331,941)	1,788,590	2,112,182	8,500	(369,522)	1,751,160

(b) Financially 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 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 recreational equipment for the 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.

(c) Cash Backed Reserves - Change in Use

The Shire has resolved to make the following changes in the use of part of the money in a reserve account. This money is to be used or set aside for a purpose other than the purpose for which the account was established.

Cash Backed Reserve	Proposed new purpose of the reserve	Objects of changing of the reserve	Reasons for changing the use of the reserve	2022/23 Budget amount to be used	2022/23 Budget amount change of purpose
Day Care Centre Reserve	Silo Project reserve	To partially fund the Silo Project as per Strategic Plan.	Reserve no longer needed for original purpose as completion of a new day centre occurred in 2019/20.	\$ 37,534	\$ 37,534
				37,534	37,534

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

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

10. PROGRAM INFORMATION

Income and expenses

Income excluding grants, subsidies and contributions

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Governance	25,600	9,066	40,600
General purpose funding	2,405,639	2,271,578	2,274,195
Law, order, public safety	6,600	8,316	5,700
Health	17,900	21,091	17,500
Education and welfare	1,000	475	1,000
Housing	104,100	104,122	82,700
Community amenities	99,241	90,005	80,720
Recreation and culture	21,879	18,332	12,668
Transport	50,333	25,128	2,410
Economic services	31,700	24,015	4,000
Other property and services	20,700	41,135	42,000
	2,784,692	2,613,263	2,563,493

Operating grants, subsidies and contributions

General purpose funding	538,554	1,685,081	538,554
Law, order, public safety	37,090	40,462	35,813
Health	60,000	76,449	60,000
Education and welfare	1,000	0	1,000
Community amenities	32,000	33,149	32,000
Recreation and culture	28,541	15,433	2,500
Transport	130,005	119,563	119,580
Other property and services	15,000	48,985	48,000
	842,190	2,019,122	837,447

Non-operating grants, subsidies and contributions

General purpose funding	0	150,000	150,000
Recreation and culture	756,779	82,795	118,785
Transport	802,751	780,084	938,000
Economic services	2,138,876	3,500	0
	3,698,406	1,016,379	1,206,785

Total Income	7,325,288	5,648,764	4,607,725
---------------------	------------------	------------------	------------------

Expenses

Governance	(595,702)	(461,400)	(601,153)
General purpose funding	(121,483)	(103,862)	(115,336)
Law, order, public safety	(261,116)	(187,727)	(217,629)
Health	(261,067)	(246,786)	(262,076)
Education and welfare	(103,854)	(80,851)	(132,404)
Housing	(504,310)	(288,418)	(268,340)
Community amenities	(505,949)	(284,679)	(430,480)
Recreation and culture	(1,338,460)	(1,064,365)	(1,237,099)
Transport	(2,259,918)	(2,565,375)	(1,758,306)
Economic services	(333,837)	(246,904)	(297,751)
Other property and services	(23,512)	33,001	(28,300)

Total expenses	(6,309,208)	(5,497,366)	(5,348,874)
-----------------------	--------------------	--------------------	--------------------

Net result for the period	1,016,080	151,398	(741,149)
----------------------------------	------------------	----------------	------------------

11. OTHER INFORMATION

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	55,777	8,349	8,500
- Other funds	3,601	565	3,718
Other interest revenue (refer note 1b)	12,700	10,853	11,300
	72,078	19,767	23,518
(a) Other revenue			
Reimbursements and recoveries	15,200	36,246	27,150
Other	55,200	51,808	54,600
	70,400	88,054	81,750
The net result includes as expenses			
(b) Auditors remuneration			
Audit services	40,000	42,400	40,000
	40,000	42,400	40,000
(c) Interest expenses (finance costs)			
Borrowings (refer Note 7(a))	1,696	2,685	2,677
	1,696	2,685	2,677
(d) Write offs			
Fees and charges	0	296	0
	0	296	0

12. 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

Total Elected Member Remuneration

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

2022/23 Budget	2021/22 Actual	2021/22 Budget
\$	\$	\$
15,000	15,000	15,000
6,575	5,315	6,575
2,100	2,000	2,000
23,675	22,315	23,575
3,750	3,750	3,750
4,175	4,000	4,175
2,100	2,000	2,000
10,025	9,750	9,925
4,175	2,715	4,175
2,100	2,000	2,000
6,275	4,715	6,175
4,175	3,800	4,175
2,100	2,000	2,000
6,275	5,800	6,175
4,175	3,715	4,175
2,100	2,000	2,000
1,500	0	500
7,775	5,715	6,675
4,175	3,600	4,175
2,100	2,000	2,000
1,500	0	500
7,775	5,600	6,675
4,175	2,000	4,175
2,100	2,000	2,000
6,275	4,000	6,175
68,075	57,895	65,375
15,000	15,000	15,000
3,750	3,750	3,750
31,625	25,145	31,625
14,700	14,000	14,000
3,000	0	1,000
68,075	57,895	65,375

12. JOINT ARRANGEMENT

(a) Joint arrangement - 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:

Non current assets
Land and buildings
Less: accumulated depreciation
Total assets

Statement of Comprehensive income

Fees and charges - housing revenue
Materials and contracts - housing expenditure
Net result for the period

Total comprehensive income for the period

2022/23 Budget	2021/22 Actual	2021/22 Budget
\$	\$	\$
180,926	180,926	142,674
(9,781)	(6,868)	(30,761)
171,145	174,058	111,913
31,200	30,194	31,200
(30,566)	(28,416)	(24,015)
634	1,778	7,185
634	1,778	7,185

(b) Joint arrangement - 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:

Non current assets
Land and buildings
Less: accumulated depreciation
Total assets

Statement of Comprehensive income

Fees and charges - housing revenue
Materials and contracts - housing expenditure
Net result for the period

Total comprehensive income for the period

2022/23 Budget	2021/22 Actual	2021/22 Budget
\$	\$	\$
48,368	48,368	112,568
(4,113)	(3,245)	(38,710)
44,255	45,123	73,858
12,480	12,640	12,480
(9,716)	(9,711)	(10,909)
2,764	2,929	1,571
2,764	2,929	1,571

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 arrangements providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method. The equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

Interests in joint arrangements (Continued)

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

14. FEES AND CHARGES

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
By Program:			
General purpose funding	9,200	9,092	7,200
Law, order, public safety	2,350	4,082	1,600
Health	17,800	17,187	17,500
Education and welfare	1,000	475	1,000
Housing	98,200	100,526	78,200
Community amenities	99,241	90,004	80,720
Recreation and culture	21,677	18,167	12,400
Transport	0	200	0
Economic services	29,700	22,058	3,500
Other property and services	4,100	704	16,500
	283,268	262,495	218,620

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

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

DETAILED BREAKDOWN OF ACQUISITIONS AS PER NOTE 5(a)

Assets	Account Number	Balance Sheet Category	Job Number	Annual Budget	FUNDING SOURCE				
					Borrowings	Grants / Contributions	Reserves	Proceeds on Sale of Assets	Council funds
				\$					
Buildings									
Governance									
Council Chambers - Building (Capital)	4040110	510	BC4001	(5,000)					(5,000)
Total - Governance				(5,000)	0	0	0	0	(5,000)
Health									
Medical Centre - Thomas Street - Building (Capital)	4070710	510	BC1584	(5,000)					(5,000)
Total - Health				(5,000)	0	0	0	0	(5,000)
Housing									
House - (Lot 10) 41 Slaughter St - Building (Capital)	4090110	510	BC9000	(5,000)					(5,000)
House - (Lot 182) 58 Carter St - Building (Capital)	4090110	510	BC9001	(50,000)					(50,000)
House - (Lot 74) 5 Gooch St - Building (Capital)	4090110	510	BC9002	(18,400)					(18,400)
House - (Lot 29) 5 Howard St - Building (Capital)	4090110	510	BC9007	(5,000)					(5,000)
House - (Lot 35) 47 Williamson St - Building (Capital)	4090110	510	BC9009	(15,000)					(15,000)
House - (Lot 157) 65 Carter St - Building (Capital)	4090110	510	BC9011	(37,500)					(37,500)
House - (Lot 67) 19 Gooch St - Building (Capital)	4090110	510	BC9061	(30,400)					(30,400)
House - (Lot 173) 50 Carter St - Building (Capital)	4090110	510	BC9079	(9,400)					(9,400)
House - (Lot 214) 21 Franklin St - Building (Capital)	4090210	510	BC9003	(15,744)					(15,744)
House - (Lot 54) 17 Glyde St (LGCHP) - JV - Building (Capital)	4090210	510	BC9054	(18,914)					(18,914)
House - 3 (Lot 30) Howard Place - Dentist Rental - Building (Capital)	4090210	510	BC9081	(16,000)					(16,000)
Kadathinni Unit 6 - (Lot 235) Carter St - Building (Capital)	4090310	510	BC90496	(7,500)					(7,500)
Total - Housing				(228,858)	0	0	0	0	(228,858)
Recreation And Culture									
Community Hall - Carter Street - Building (Capital)	4110310	510	BC1101	(508,208)		(508,208)			
Pavillion - Oval - Building (Capital) (incl NEW GYM postings - use B	4110310	510	BC1103	(5,000)					(5,000)
Squash Courts/Gymnasium - Slaughter Street - Building (Capital)	4110310	510	BC1105	(7,000)					(7,000)
Sporting Club - Slaughter Street - Building (Capital)	4110310	510	BC1106	(20,000)					(20,000)
Total - Recreation And Culture				(540,208)	0	(508,208)	0	0	(32,000)
Economic Services									
Duffy's Store Redevelopment Intial Planning Costs	4130810	510	BC1021	(20,000)					(20,000)
Westrail Building - Railway Road - Building (Capital)	4130810	510	BC013	(19,500)					(19,500)
Duffy Store Redevelopment Capex	4130810	510	BC1021A	(2,600,000)	(600,000)	(2,000,000)			0
Total - Economic Services				(2,639,500)	(600,000)	(2,000,000)	0	0	(39,500)
Other Property & Services									
Admin - Transportable building for Archive purposes (Capital)	4140210	510	BC4002A	(35,000)					(35,000)
Total - Other Property & Services				(35,000)	0	0	0	0	(35,000)
Total - Buildings				(3,453,566)	(600,000)	(2,508,208)	0	0	(345,358)
Plant & Equipment									
Other Law, Order & Public Safety									
CCTV equipment	4050330	530	PE0501	(21,000)					(21,000)
Total - Other Law, Order & Public Safety				(21,000)	0	0	0	0	(21,000)
Recreation & Culture									
Gym Equipment	4110330	530	PE1103	(10,000)					(10,000)
Total - Recreation & Culture				(10,000)	0	0	0	0	(10,000)
Transport									
Purchase of Caterpillar Loader	4120330	530	PA5008	(305,600)				(70,000)	(235,600)
New Elevated Work Platform	4120330	530	PA001	(20,000)					(20,000)
Multitpac Roller	4120330	530	PA5012	(195,000)				(20,000)	(175,000)
Tri-Axle Semi Side Tipper Trailer (TS7001)	4120330	530	PA7001	(110,000)				(50,000)	(60,000)
Hydraulic slasher to suit Skidsteer	4120330	530	PA1245	(10,000)				(5,000)	(5,000)
Skid/Tractor mounted Spray Unit	4120330	530	PA1421	(15,000)				(3,000)	(12,000)
Total - Transport				(655,600)	0	0	0	(148,000)	(507,600)
Economic Services									
Silo Projection Project	4130230	530	PE1104	(230,000)		(132,376)	(37,534)		(60,090)
Regional Arts Grant Video/Audio Recording	4130230	530	PE1105	(6,500)		(6,500)			0
Total - Economic Services				(236,500)	0	(138,876)	(37,534)	0	(60,090)
Other Property & Services									
Admin - Server	4140230	530	PE1401	(35,000)					(35,000)
Admin - Phone System	4140230	530	PE1402	(10,000)					(10,000)
Admin - Photocopier	4140230	530	PE1403	(10,000)					(10,000)
001TS New DCEO Vehicle	4140230	530	PA002	(60,000)				(20,000)	(40,000)
Total - Other Property & Services				(115,000)	0	0	0	(20,000)	(95,000)
Total - Plant & Equipment				(1,038,100)	0	(138,876)	(37,534)	(168,000)	(693,690)
Infrastructure - Roads									
Transport									
Roads - Bitumen Sealing Towns Streets - General (Budgeting Only)	4120146	540	RC000A	(50,000)					(50,000)
Roads - Crack Sealing Towns Streets - General (Budgeting Only)	4120146	540	RC000B	(30,000)					(30,000)
McKenzie Road 2021-22 Gravel resheet SLK 0-3800 (R2R)	4120146	540	R2R056	(44,578)		(44,129)			(449)
Bunney Road (R2R)	4120146	540	R2R050	(180,000)		(180,000)			0
Second North Road (R2R)	4120146	540	R2R009	(23,548)		(23,548)			0
Strutton Road (R2R)	4120146	540	R2R095	(11,290)		(11,290)			0
Broad Road (R2R)	4120146	540	R2R013	(23,548)		(23,548)			0
Hydraulic Road (R2R)	4120146	540	R2R028	(53,901)		(53,901)			0
Arrino South Road Sealed 2021-22 SLK 9.75-13.96 (RRG)	4120149	540	RRG006	(29,581)		(29,581)			0
Dudawa Road Sealed 2021-22 SLK 3.53 - 8.39 (RRG)	4120149	540	RRG002	(96,064)		(26,868)			(69,196)
Dudawa Road Sealed 2022-23 SLK 0-5 Table drain reinstatement (f	4120149	540	RRG002A	(323,745)		(200,000)			(123,745)
Dudawa Road Sealed 2022-23 (RRG) - SLK 0-0.63 Rd reconstruction	4120149	540	RRG002B	(323,745)		(200,000)			(123,745)
Total - Transport				(1,189,999)	0	(792,865)	0	0	(397,134)
Total - Infrastructure - Roads				(1,189,999)	0	(792,865)	0	0	(397,134)

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

DETAILED BREAKDOWN OF ACQUISITIONS AS PER NOTE 5(a) Continued

Assets	Account Number	Balance Sheet Category	Job Number	Annual Budget	FUNDING SOURCE				
					Borrowings	Grants / Contributions	Reserves	Proceeds on Sale of Assets	Council funds
				\$					
Infrastructure - Parks & Ovals									
Recreation And Culture									
Lovelock Soak Plumbings	4110370	570	PC006	(40,000)					(40,000)
Dominican Park	4110370	570	PC007	(4,000)					(4,000)
Jack Thorpe Gardens Capital Works	4110370	570	PC210	(4,000)					(4,000)
Netball Courts & Lighting Capital Works	4110370	570	PC1133	(224,325)		(192,215)			(32,110)
Total - Recreation And Culture				(272,325)	0	(192,215)	0	0	(80,110)
Total - Infrastructure - Parks & Ovals				(272,325)	0	(192,215)	0	0	(80,110)
Grand Total				(5,953,990)	(600,000)	(3,632,164)	(37,534)	(168,000)	(1,516,292)

DETAILED BREAKDOWN OF DISPOSALS AS PER NOTE 5(b)

Asset Description	Net Book			
	Value	Proceeds	Profit	(Loss)
	\$	\$	\$	\$
Building Non Specialised				
30 (Lot 16) Touche St (Old Dental Surgery) Assessment # 291	284,965	45,000	0	(239,965)
30, Lot 16 Touche St (Assess 291) Vol 280 Fol 15A Diagram 32533	16,000	10,000	0	(6,000)
Plant and Equipment				
Caterpillar 2011 Loader 928Zq 2011(Ts5008)	64,654	70,000	5,346	0
Multi Tyred Roller	42,000	20,000	0	(22,000)
Tri-Axle Semi Side Tipper Trailer (Ts7001)	27,014	50,000	22,986	0
Hydraulic Slasher To Suit Skidsteer	0	5,000	5,000	0
Skid Mounted Retraspray 500Lt Sprayer With Boom & Spot Gun	0	3,000	3,000	0
Ford Ranger 2019.75My Pu Wildtrack (001Ts) Dceo	25,000	20,000	0	(5,000)
	459,632	223,000	36,333	(272,965)