

**SHIRE OF WAROONA**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**LOCAL GOVERNMENT ACT 1995**

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**SHIRE'S VISION**

The Shire of Waroona will create a sense of place and identity, embracing creativity, our natural environment and a strong and diverse economy.

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

	NOTE	2023/24 Budget	2022/23 Actual	2022/23 Budget
<b>Revenue</b>				
		\$	\$	\$
Rates	2(a)	5,812,751	5,393,497	5,389,248
Grants, subsidies and contributions	11	547,585	2,192,172	1,091,672
Fees and charges	15	1,762,065	1,551,361	1,643,818
Interest revenue	12(a)	200,750	223,255	113,750
Other revenue	12(b)	179,700	104,914	112,000
		8,502,851	9,465,199	8,350,488
<b>Expenses</b>				
Employee costs		(4,192,034)	(3,850,676)	(3,944,120)
Materials and contracts		(4,162,700)	(3,075,735)	(4,054,656)
Utility charges		(430,915)	(388,631)	(418,336)
Depreciation	6	(3,444,024)	(3,445,349)	(3,449,419)
Finance costs	12(d)	(59,765)	(68,818)	(64,662)
Insurance		(269,610)	(233,174)	(261,307)
Other expenditure		(232,623)	(204,618)	(217,237)
		(12,791,671)	(11,267,001)	(12,409,737)
		(4,288,820)	(1,801,802)	(4,059,249)
Capital grants, subsidies and contributions	11	7,253,961	4,871,523	7,060,905
Profit on asset disposals	5	92,269	10,199	52,182
Loss on asset disposals		(9,450)	(8,238)	(26,040)
		7,336,780	4,873,484	7,087,047
<b>Net result for the period</b>		<b>3,047,960</b>	<b>3,071,682</b>	<b>3,027,798</b>
<b>Total comprehensive income for the period</b>		<b>3,047,960</b>	<b>3,071,682</b>	<b>3,027,798</b>

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

**SHIRE OF WAROONA**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	2023/24 Budget	2022/23 Actual	2022/23 Budget
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		\$ 5,705,751	\$ 5,421,026	\$ 5,534,003
Grants, subsidies and contributions		88,226	1,339,490	724,010
Fees and charges		1,762,065	1,551,361	1,643,818
Interest revenue		200,750	223,255	113,750
Goods and services tax received		1,248	683	1,861
Other revenue		179,700	104,914	112,000
		7,937,740	8,640,729	8,129,442
<b>Payments</b>				
Employee costs		(4,218,566)	(3,819,153)	(3,906,418)
Materials and contracts		(4,352,509)	(2,079,836)	(4,456,108)
Utility charges		(430,915)	(388,631)	(418,336)
Finance costs		(59,765)	(68,818)	(64,662)
Insurance		(269,610)	(233,174)	(261,307)
Goods and services tax paid		0	20,178	0
Other expenditure		(232,623)	(204,618)	(221,804)
		(9,563,988)	(6,774,052)	(9,328,635)
<b>Net cash provided by (used in) operating activities</b>	4	(1,626,248)	1,866,677	(1,199,193)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	5(a)	(1,924,528)	(822,825)	(1,456,343)
Payments for construction of infrastructure	5(b)	(7,788,646)	(5,168,902)	(8,041,063)
Capital grants, subsidies and contributions		7,253,961	4,871,523	7,060,905
Proceeds from sale of property, plant and equipment	5(a)	323,182	120,218	250,000
Proceeds on disposal of financial assets at fair values through other comprehensive income		0	(2,764)	
<b>Net cash provided by (used in) investing activities</b>		(2,136,031)	(1,002,750)	(2,186,501)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	7(a)	(133,706)	(128,791)	(128,791)
Payments for principal portion of lease liabilities		0	(105,746)	0
Proceeds from new borrowings	7(a)	100,000	0	100,000
<b>Net cash provided by (used in) financing activities</b>		(33,706)	(234,537)	(28,791)
<b>Net increase (decrease) in cash held</b>		(3,795,985)	629,390	(3,414,485)
Cash at beginning of year		6,942,669	6,313,279	6,312,310
<b>Cash and cash equivalents at the end of the year</b>	4	<b>3,146,684</b>	<b>6,942,669</b>	<b>2,897,825</b>

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

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

		2023/24	2022/23	2022/23
	NOTE	Budget	Actual	Budget
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities</b>				
General rates	2(a)	\$ 5,812,751	\$ 5,393,497	\$ 5,389,248
Grants, subsidies and contributions	11	547,585	2,192,172	1,091,672
Fees and charges	15	1,762,065	1,551,361	1,643,818
Interest revenue	12(a)	200,750	223,255	113,750
Other revenue	12(b)	179,700	104,914	112,000
Profit on asset disposals	5	92,269	10,199	52,182
		<b>8,595,120</b>	<b>9,475,398</b>	<b>8,402,670</b>
<b>Expenditure from operating activities</b>				
Employee costs		(4,192,034)	(3,850,676)	(3,944,120)
Materials and contracts		(4,162,701)	(3,075,735)	(4,054,656)
Utility charges		(430,915)	(388,631)	(418,336)
Depreciation	6	(3,444,024)	(3,445,349)	(3,449,419)
Finance costs	12(d)	(59,765)	(68,818)	(64,662)
Insurance		(269,610)	(233,174)	(261,307)
Other expenditure		(232,623)	(280,764)	(217,237)
Loss on asset disposals	5	(9,450)	(8,238)	(26,040)
		<b>(12,801,122)</b>	<b>(11,351,385)</b>	<b>(12,435,777)</b>
Non-cash amounts excluded from operating activities	3(b)	3,319,673	3,451,971	3,456,412
<b>Amount attributable to operating activities</b>		<b>(886,329)</b>	<b>1,575,984</b>	<b>(576,695)</b>
<b>INVESTING ACTIVITIES</b>				
<b>Inflows from investing activities</b>				
Capital grants, subsidies and contributions	11	7,253,961	4,871,523	7,060,905
Proceeds from disposal of assets	5	323,182	120,218	250,000
Proceeds on disposal of financial assets at fair values through other comprehensive income		0	(2,764)	
		<b>7,577,143</b>	<b>4,988,977</b>	<b>7,310,905</b>
<b>Outflows from investing activities</b>				
Payments for property, plant and equipment	5(a)	(1,924,528)	(822,825)	(1,456,343)
Payments for construction of infrastructure	5(b)	(7,788,646)	(5,168,902)	(8,041,063)
		<b>(9,713,174)</b>	<b>(5,991,727)</b>	<b>(9,497,406)</b>
<b>Amount attributable to investing activities</b>		<b>(2,136,031)</b>	<b>(1,002,750)</b>	<b>(2,186,501)</b>
<b>FINANCING ACTIVITIES</b>				
<b>Inflows from financing activities</b>				
Proceeds from new borrowings	7(a)	100,000	0	100,000
Transfers from reserve accounts	9(a)	383,000	352,189	626,863
		<b>483,000</b>	<b>352,189</b>	<b>726,863</b>
<b>Outflows from financing activities</b>				
Repayment of borrowings	7(a)	(133,706)	(128,791)	(128,791)
Payments for principal portion of lease liabilities	3	0	(105,746)	0
Transfers to reserve accounts	9(a)	(193,538)	(147,200)	(159,395)
		<b>(327,244)</b>	<b>(381,737)</b>	<b>(288,186)</b>
<b>Amount attributable to financing activities</b>		<b>155,756</b>	<b>(29,548)</b>	<b>438,677</b>
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>				
<b>Surplus or deficit at the start of the financial year</b>	3	2,866,604	2,322,917	2,324,519
Amount attributable to operating activities		(886,329)	1,575,984	(576,695)
Amount attributable to investing activities		(2,136,031)	(1,002,750)	(2,186,501)
Amount attributable to financing activities		155,756	(29,548)	438,677
<b>Surplus or deficit at the end of the financial year</b>	3	<b>0</b>	<b>2,866,604</b>	<b>0</b>

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

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

**1(a) BASIS OF PREPARATION**

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

**Local Government Act 1995 requirements**

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

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

Accounting policies which have been adopted in the preparation of this annual budget have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the annual budget has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

**The local government reporting entity**

All funds through which the Shire controls resources to carry on its functions have been included in the financial statements forming part of this annual budget.

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

**2022/23 actual balances**

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

**Budget comparative figures**

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

**Comparative figures**

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

**Rounding off figures**

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

**Initial application of accounting standards**

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

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

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

**New accounting standards for application in future years**

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

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

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

**Judgements, estimates and assumptions**

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

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

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

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

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

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

**REVENUES**

**RATES**

All rates levied under the *Local Government Act 1995*. Includes general, differential, specific area rates, minimum payment, interim rates, back rates, ex-gratia rates, less discounts offered.

Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

**GRANTS, SUBSIDIES AND CONTRIBUTIONS**

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

**CAPITAL GRANTS, SUBSIDIES AND CONTRIBUTIONS**

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

**REVENUE FROM CONTRACTS WITH CUSTOMERS**

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

**FEES AND CHARGES**

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

**SERVICE CHARGES**

Service charges imposed under *Division 6 of Part 6 of the Local Government Act 1995*. Regulation 54 of the *Local Government (Financial Management) Regulations 1996* identifies the charges which can be raised. These are television and radio broadcasting, underground electricity and neighbourhood surveillance services and water.

Exclude rubbish removal charges which should not be classified as a service charge. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

**INTEREST EARNINGS**

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

**OTHER REVENUE / INCOME**

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

**PROFIT ON ASSET DISPOSAL**

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

**EXPENSES**

**EMPLOYEE COSTS**

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

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

**MATERIALS AND CONTRACTS**

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses (such as telephone and internet charges), advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc.

Local governments may wish to disclose more detail such as contract services, consultancy, information technology and rental or lease expenditures.

**UTILITIES (GAS, ELECTRICITY, WATER)**

Expenditures made to the respective agencies for the provision of power, gas or water.

Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

**INSURANCE**

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

**LOSS ON ASSET DISPOSAL**

Loss on the disposal of fixed assets.

**DEPRECIATION ON NON-CURRENT ASSETS**

Depreciation and amortisation expenses raised on all classes of assets.

**FINANCE COSTS**

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

**OTHER EXPENDITURE**

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

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

**2. RATES AND SERVICE CHARGES**

**(a) Rating Information**

Rate Description	Basis of valuation	Rate in	Number of properties	Rateable value	2023/24 Budgeted rate revenue	2023/24 Budgeted interim rates	2023/24 Budgeted back rates	2023/24 Budgeted total revenue	2022/23 Actual total revenue	2022/23 Budget total revenue
		\$		\$	\$	\$	\$	\$	\$	\$
<b>(i) General rates</b>										
GRV General	Gross rental valuation	0.104568	1,466	26,070,797	2,726,171	0	0	2,726,171	2,661,713	2,657,465
UV General	Unimproved valuation	0.006942	563	251,103,000	1,743,157	0	0	1,743,157	1,897,844	1,897,843
UV Industry and Mining	Unimproved valuation	0.013883	4	27,797,000	385,906	0	0	385,906	0	0
UV Intensive Agriculture	Unimproved valuation	0.010413	4	3,818,000	39,757			39,757		
<b>Total general rates</b>			2,037	308,788,797	4,894,991	0	0	4,894,991	4,559,557	4,555,308
		<b>Minimum</b>								
<b>(ii) Minimum payment</b>		\$								
GRV General	Gross rental valuation	1,280	599	4,452,386	766,720	0	0	766,720	699,870	699,870
UV General	Unimproved valuation	1,280	118	13,368,619	151,040	0	0	151,040	134,070	134,070
UV Industry and Mining	Unimproved valuation	1,280	0	0	0	0	0	0	0	0
<b>Total minimum payments</b>			717	17,821,005	917,760	0	0	917,760	833,940	833,940
<b>Total general rates and minimum payments</b>			2,754	326,609,802	5,812,751	0	0	5,812,751	5,393,497	5,389,248
<b>Total rates</b>					5,812,751	0	0	5,812,751	5,393,497	5,389,248

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

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

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

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



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

**2. RATES AND SERVICE CHARGES (CONTINUED)**

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

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

**Option 1 (Full Payment)**

22nd September 2023

**Option 2 (Two Instalments)**

22nd September 2023

22nd November 2023

**Option 3 (Four Instalments)**

22nd September 2023

22nd November 2023

22nd January 2024

22nd March 2024

<b>Instalment options</b>	<b>Date due</b>	<b>Instalment plan admin charge</b>	<b>Instalment plan interest rate</b>	<b>Unpaid rates interest rates</b>
		\$	%	%
<b>Option one</b>				
Single full payment	22nd September 2023	0	0.00%	11.00%
<b>Option two</b>				
First instalment	22nd September 2023	0	0.00%	11.00%
Second instalment	22nd November 2023	10	5.50%	11.00%
<b>Option three</b>				
First instalment	22nd September 2023	0	0.00%	11.00%
Second instalment	22nd November 2023	30	5.50%	11.00%
Third instalment	22nd January 2024	30	5.50%	11.00%
Fourth instalment	22nd March 2024	30	5.50%	11.00%

	<b>2023/24 Budget revenue</b>	<b>2022/23 Actual revenue</b>	<b>2022/23 Budget revenue</b>
	\$	\$	\$
Instalment plan admin charge revenue	17,200	17,210	15,500
Instalment plan interest earned	15,200	15,444	14,000
Unpaid rates and service charge interest earned	25,000	26,576	22,000
	<b>57,400</b>	<b>59,230</b>	<b>51,500</b>

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

**2. RATES AND SERVICE CHARGES (CONTINUED)**

**(c) Objectives and Reasons for Differential Rating**

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

**Differential general rate**

<b>Description</b>	<b>Characteristics</b>	<b>Objects</b>	<b>Reasons</b>
GRV General	Properties that are used primarily for residential purposes and located within a townsite.	The objective of this category is to ensure that all residential ratepayers make a reasonable contribution towards the services and facilities provided and maintained by the Shire for the benefits of the residents.	Revenue derived from this category assists in funding the service levels expected by the community, achieving the Strategic Community Plan and minimum standards of performance to which the Council will be measured by the State Government and others.
UV General	Properties that are used primarily for rural and farming purposes.	The objective of this category is to ensure that all residential ratepayers make a reasonable contribution towards the services and facilities provided and maintained by the Shire for the benefits of the residents.	Revenue derived from this category assists in funding the service levels expected by the community, achieving the Strategic Community Plan and minimum standards of performance to which the Council will be measured by the State Government and others.
UV Industry, Mining and Intensive Agriculture (excludes activities where a contribution agreement is in place under the Road Traffic Act 1974).	Properties that are located outside of a townsite that are held for light or heavy industry, mining, exploration, extractive industry or intensive agriculture use.	The object of this category is to raise additional revenue to offset the costs associated with increased maintenance of infrastructure and higher levels of service provided to properties in this category.	The reason for this rate is the need to offset the higher level of costs associated in servicing these properties, including the costs of transport infrastructure maintenance and renewal/refurbishment, and costs relating to monitoring of land use and environmental impacts.
UV Intensive Agriculture	Properties that are located outside of a townsite that are held for intensive agriculture use.	The object of this category is to raise additional revenue to offset the costs associated with increased maintenance of infrastructure and higher levels of service provided to	The reason for this rate is the need to offset the higher level of costs associated in servicing these properties, including the costs of transport infrastructure maintenance and renewal/refurbishment, and costs relating to monitoring of land use and environmental impacts.

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

**2. RATES AND SERVICE CHARGES (CONTINUED)**

**(d) Service Charges**

	<b>Amount of charge</b>	<b>2023/24 Budgeted revenue</b>	<b>Budget amount to be applied to costs</b>	<b>Budget amount to be set aside to reserve</b>	<b>Reserve amount to be applied to costs</b>	<b>2022/23 Actual revenue</b>	<b>2022/23 Budget revenue</b>
<b>Service charge</b>	\$	\$	\$	\$	\$	\$	\$
Rubbish Collection Charge	160	352,320	352,320	0	0	816,162	814,283
Additional 240L Recycling Charge	126	252	252	0	0	252	252
Waste Operations Levy	228	627,912	489,706	138,206	0	0	0
Swimming Pool Inspection Fee	21	7,518	7,518	0	0	3,078	3,846
Bulk Bin 1.5m Once/Week	2,969	2,969	2,969	0	0	2,625	2,625
Bulk Bin 3.0m Once/Week	3,342	6,684	6,684	0	0	5,962	5,962
Bulk Bin 3.0m Twice/Week	6,684	6,684	6,684	0	0	5,963	5,963
Bulk Bin 4.5m Once/Week	3,721	14,884	14,884	0	0	13,380	13,380
Bulk Bin 3.0m Recycle/Fortnightly	3,479	3,479	3,479	0	0	3,029	3,029
Bulk Bin 1.5m Recycle/Fortnightly	2,491	4,982	4,982	0	0	4,162	4,162
Commercial 3m Weekly + 3m Recycle	6,472	6,472	6,472	0	0	6,238	6,238
Commercial 4.5m Weekly + 4.5m Recyc	7,828	7,828	7,828	0	0	7,553	7,553
		1,041,984	903,778	138,206	0	868,404	867,293

<b>Nature of the service charge</b>	<b>Objects of the charge</b>	<b>Reasons for the charge</b>	<b>Area/Properties charge to be imposed on</b>
Rubbish Collection Charge	Waste Avoidance and Recovery Act 2007 Section 67.	To impose on identified properties a charge for the provision of a kerbside waste service.	All developed properties within a service area.
Waste Operations Levy	Waste Avoidance and Recovery Act 2007 Section 66.	To impose on rateable land within the district an annual rate for the purpose of providing a waste facility.	All rateable properties per assessment.
Swimming Pool Inspection Fee	Legislative framework that mandates the requirement for inspections.	To impose on identified properties within the district an annual rate for the purpose of performing swimming pool and safety barrier inspections.	All properties with a swimming pool.

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

**3. NET CURRENT ASSETS**

**(a) Composition of estimated net current assets**

**Current assets**

Cash and cash equivalents	4	3,146,684	6,942,669	2,897,825
Receivables		1,737,454	1,280,454	551,195
Inventories		33,236	19,536	7,417
Other assets		9,107	9,107	

**Less: current liabilities**

Trade and other payables		(2,336,508)	(2,387,010)	(935,615)
Contract liabilities		(489,105)	(707,822)	(583,798)

**Net current assets**

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

**Net current assets used in the Statement of Financial Activity**

Note	2023/24 Budget 30 June 2024	2022/23 Actual 30 June 2023	2022/23 Budget 30 June 2023
	\$	\$	\$
	4,926,481	8,251,766	3,456,437
	(2,336,508)	(2,387,010)	(935,615)
	(489,105)	(707,822)	(583,798)
	(2,825,613)	(3,094,832)	(1,519,413)
	2,100,868	5,156,934	1,937,024
3(c)	(2,100,868)	(2,290,330)	(1,937,024)
	0	2,866,604	0

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

**3. NET CURRENT ASSETS (CONTINUED)**

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

**Items excluded from calculation of budgeted deficiency**

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

**(b) Non-cash amounts excluded from operating activities**

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

**Adjustments to operating activities**

Less: Profit on asset disposals	5	(92,269)	(10,199)	(52,182)
Less: Fair value adjustments to financial assets at fair value through profit and loss			(2,764)	
Add: Loss on asset disposals	5	9,450	8,238	26,040
Add: Depreciation	6	3,444,024	3,445,349	3,449,419
- Employee provisions		(41,532)	11,347	33,135

**Non cash amounts excluded from operating activities**

Note	2023/24 Budget 30 June 2024	2022/23 Actual 30 June 2023	2022/23 Budget 30 June 2023
	\$	\$	\$
	3,319,673	3,451,971	3,456,412

**(c) Current assets and liabilities excluded from budgeted deficiency**

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

**Adjustments to net current assets**

Less: Cash - reserve accounts

**Total adjustments to net current assets**

9	(2,100,868)	(2,290,330)	(1,937,024)
	(2,100,868)	(2,290,330)	(1,937,024)

3(d) NET CURRENT ASSETS (CONTINUED)

**MATERIAL ACCOUNTING POLICIES**

**CURRENT AND NON-CURRENT CLASSIFICATION**

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

**TRADE AND OTHER PAYABLES**

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

**PREPAID RATES**

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

**INVENTORIES**

**General**

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

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

**Superannuation**

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

**LAND HELD FOR RESALE**

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

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

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

**GOODS AND SERVICES TAX (GST)**

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

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

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

**CONTRACT LIABILITIES**

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

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

**TRADE AND OTHER RECEIVABLES**

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

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

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

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

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

**PROVISIONS**

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

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

**EMPLOYEE BENEFITS**

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

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

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

**4. RECONCILIATION OF CASH**

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

	Note	2023/24 Budget	2022/23 Actual	2022/23 Budget
		\$	\$	\$
Cash at bank and on hand		856,354	4,652,340	843,331
Term deposits		2,290,330	2,290,329	2,054,494
<b>Total cash and cash equivalents</b>		<b>3,146,684</b>	<b>6,942,669</b>	<b>2,897,825</b>
Held as				
- Unrestricted cash and cash equivalents	3(a)	1,045,816	4,202,339	377,003
- Restricted cash and cash equivalents	3(a)	2,100,868	2,740,330	2,520,822
		<b>3,146,684</b>	<b>6,942,669</b>	<b>2,897,825</b>
<b>Restrictions</b>				
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents		2,100,868	2,740,330	2,520,822
		<b>2,100,868</b>	<b>2,740,330</b>	<b>2,520,822</b>
The assets are restricted as a result of the specified purposes associated with the liabilities below:				
Financially backed reserves	9	2,100,868	2,290,330	1,937,024
Unspent borrowings	7(c)	0	450,000	0
Contract liabilities		0	0	583,798
		<b>2,100,868</b>	<b>2,740,330</b>	<b>2,520,822</b>
<b>Reconciliation of net cash provided by operating activities to net result</b>				
<b>Net result</b>		<b>3,309,599</b>	<b>3,091,036</b>	<b>3,027,798</b>
Depreciation	6	3,444,024	3,445,349	3,449,419
(Profit)/loss on sale of asset	5	(82,819)	(1,961)	(26,142)
(Increase)/decrease in receivables		(688,639)	(384,173)	343,275
(Increase)/decrease in inventories		(13,700)	(10,587)	1,082
(Increase)/decrease in other assets		0	(6,279)	
Increase/(decrease) in payables		(189,861)	1,033,767	(402,534)
Increase/(decrease) in contract liabilities		(109,359)	(440,297)	(564,321)
Increase/(decrease) in employee provisions		(41,532)	11,345	33,135
Capital grants, subsidies and contributions		(7,253,961)	(4,871,523)	(7,060,905)
<b>Net cash from operating activities</b>		<b>(1,626,248)</b>	<b>1,866,677</b>	<b>(1,199,193)</b>

**MATERIAL ACCOUNTING POLICES**

**CASH AND CASH EQUIVALENTS**

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

Bank overdrafts are shown as short term borrowings in current liabilities in Note 3 - Net Current Assets.

**FINANCIAL ASSETS AT AMORTISED COST**

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

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

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

5. FIXED ASSETS

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

	2023/24 Budget	2023/24 Budget	2023/24 Budget	2023/24 Budget		2022/23 Actual	2022/23	2022/23 Actual	2022/23 Actual		2022/23 Budget	2022/23 Budget	2022/23 Budget	2022/23 Budget	
	2023/24 Budget	In-kind	Disposals - Net	Disposals - Sale		Disposals -	2022/23 Actual	In-kind	Disposals - Net		Disposals - Sale	Disposals -	2022/23 Budget	In-kind	Disposals - Net
	Additions	Additions	Book Value	Proceeds	Profit or Loss	Additions	Additions	Book Value	Proceeds	Profit or Loss	Additions	Additions	Book Value	Proceeds	Profit or Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>(a) Property, Plant and Equipment</b>															
Land	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings - non-specialised	787,149	0	0	0	0	226,732	0	0	0	0	490,743	0	0	0	0
Furniture and equipment	38,500	0	0	0	0	72,664	0	0	0	0	48,600	0	0	0	0
Plant and equipment	998,879	0	240,363	323,182	82,819	523,429	0	118,257	120,218	1,961	917,000	0	223,858	250,000	26,142
<b>Total</b>	<b>1,924,528</b>	<b>0</b>	<b>240,363</b>	<b>323,182</b>	<b>82,819</b>	<b>822,825</b>	<b>0</b>	<b>118,257</b>	<b>120,218</b>	<b>1,961</b>	<b>1,456,343</b>	<b>0</b>	<b>223,858</b>	<b>250,000</b>	<b>26,142</b>
<b>(b) Infrastructure</b>															
Infrastructure - roads	2,226,827	0	0	0	0	2,128,876	0	0	0	0	2,869,603	0	0	0	0
Other infrastructure - Other	5,561,819	0	0	0	0	3,040,026	0	0	0	0	5,171,460	0	0	0	0
<b>Total</b>	<b>7,788,646</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,168,902</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,041,063</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>9,713,174</b>	<b>0</b>	<b>240,363</b>	<b>323,182</b>	<b>82,819</b>	<b>5,991,727</b>	<b>0</b>	<b>118,257</b>	<b>120,218</b>	<b>1,961</b>	<b>9,497,406</b>	<b>0</b>	<b>223,858</b>	<b>250,000</b>	<b>26,142</b>

**MATERIAL ACCOUNTING POLICIES**

**RECOGNITION OF ASSETS**

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

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

**GAINS AND LOSSES ON DISPOSAL**

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

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

**6. DEPRECIATION**

**By Class**

Buildings - non-specialised	555,815	555,815	803,470
Furniture and equipment	52,359	46,301	45,508
Plant and equipment	375,910	276,222	216,786
Infrastructure - roads	1,737,215	1,737,215	1,684,241
Infrastructure - other	724,049	724,049	699,414
Right of use - plant and equipment	0	105,746	0
	<b>3,445,348</b>	<b>3,445,348</b>	<b>3,449,419</b>

**By Program**

Governance	181,877	181,878	98,813
Law, order, public safety	140,592	140,592	148,664
Health	34,879	34,879	51,927
Education and welfare	25,591	25,591	39,068
Housing	7,934	7,934	0
Community amenities	324,616	324,616	320,602
Recreation and culture	691,041	691,039	840,157
Transport	1,971,805	1,971,804	1,879,632
Economic services	49,689	49,688	52,159
Other property and services	16,000	17,327	18,397
	<b>3,444,024</b>	<b>3,445,348</b>	<b>3,449,419</b>

<b>2023/24</b>	<b>2022/23</b>	<b>2022/23</b>
<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
\$	\$	\$
555,815	555,815	803,470
52,359	46,301	45,508
375,910	276,222	216,786
1,737,215	1,737,215	1,684,241
724,049	724,049	699,414
0	105,746	0
<b>3,445,348</b>	<b>3,445,348</b>	<b>3,449,419</b>
181,877	181,878	98,813
140,592	140,592	148,664
34,879	34,879	51,927
25,591	25,591	39,068
7,934	7,934	0
324,616	324,616	320,602
691,041	691,039	840,157
1,971,805	1,971,804	1,879,632
49,689	49,688	52,159
16,000	17,327	18,397
<b>3,444,024</b>	<b>3,445,348</b>	<b>3,449,419</b>

**MATERIAL ACCOUNTING POLICIES**

**DEPRECIATION**

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

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

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

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

Buildings - non-specialised	40-60 Years
Furniture and equipment	3-20 Years
Plant and equipment	5-20 Years
Other infrastructure - Bridges	60-90 Years
Other infrastructure - Footpaths	20-50 Years

**Sealed Roads and Streets**

Construction	45-55 Years
Bituminous Seals	15-25 Years
Asphalt Seals	25-30 Years

**Uniformed Roads**

Formed	10-15 Years
Gravel	12-15 Years



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

7. BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Budget Principal 1 July 2023	2023/24 Budget New Loans	2023/24 Budget Principal Repayments	Budget Principal outstanding 30 June 2024	2023/24 Budget Interest Repayments	Actual Principal 1 July 2022	2022/23 Actual New Loans	2022/23 Actual Principal Repayments	Actual Principal outstanding 30 June 2023	2022/23 Actual Interest Repayments	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
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Recreation &amp; Culture</b>			0	0	0	0	0				0						0
Basketball Stadium	117	WATC	18,564	0	(18,564)	0	(906)	35,964	0	(17,400)	18,564	(1,946)	35,965	0	(17,400)	18,565	(2,053)
Rec Centre Upgrade	120	WATC	23,660	0	(23,661)	(1)	(696)	46,422	0	(22,762)	23,660	(1,578)	46,422	0	(22,762)	23,660	(1,595)
Memorial Hall Upgrade	121	WATC	61,413	0	(30,254)	31,159	(1,601)	90,788	0	(29,375)	61,413	(2,310)	90,788	0	(29,375)	61,413	(2,480)
<b>Economic Services</b>			0	0	0	0	0				0						0
Town Precinct Land	122	WATC	588,514	0	(29,400)	559,114	(9,280)	617,450	0	(28,936)	588,514	(9,673)	617,450	0	(28,936)	588,514	(9,744)
Town Precinct Developm	123	WATC	436,357	0	(14,322)	422,035	(21,277)	450,000	0	(13,643)	436,357	(21,708)	450,000	0	(13,643)	436,357	(21,955)
Fouracre Land Purchase	124	WATC	533,325	0	(17,505)	515,820	(26,005)	550,000	0	(16,675)	533,325	(26,531)	550,000	0	(16,675)	533,325	(26,834)
<b>Other Property &amp; Services</b>			0	0	0	0	0				0						0
Preston Beach Land	125	WATC	0	100,000	0	100,000	0	0	0	0	0	0	0	100,000	0	100,000	0
			1,661,833	100,000	(133,706)	1,628,127	(59,765)	1,790,624	0	(128,791)	1,661,833	(63,746)	1,790,625	100,000	(128,791)	1,761,834	(64,662)

All borrowing repayments will be financed by general purpose revenue.

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

**7. BORROWINGS**

**(b) New borrowings - 2023/24**

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
Loan 125	WATC	Debenture	3 years	3.10%	\$ 100,000	\$ 5,499	\$ 100,000	\$ 0
					100,000	5,499	100,000	0

**(c) Unspent borrowings**

Loan Details	Purpose of the loan	Year loan taken	Amount b/fwd.	Amount used 2023/24 Budget	New loans unspent at 30 June 2024	Amount as at 30 June 2024
Loan 123	Waroona Community Precinct Development	2022/23	\$ 450,000	\$ 450,000	\$ 0	\$ 0

**(d) Credit Facilities**

	2023/24 Budget	2022/23 Actual	2022/23 Budget
<b>Undrawn borrowing facilities credit standby arrangements</b>	\$	\$	\$
Bank overdraft limit	500,000	0	500,000
Bank overdraft at balance date	0	0	0
Credit card limit	57,000	57,000	52,000
Credit card balance at balance date	0	0	0
<b>Total amount of credit unused</b>	<b>557,000</b>	<b>57,000</b>	<b>552,000</b>
<b>Loan facilities</b>			
Loan facilities in use at balance date	1,628,127	1,661,833	1,761,834
Unused loan facilities at balance date			450,000

**MATERIAL ACCOUNTING POLICIES**

**BORROWING COSTS**

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

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

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

8. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease	2023/24 Budget	2023/24 Budget	Budget Lease	2023/24 Budget	Actual Principal	2022/23 Actual	2022/23 Actual	Actual Lease	2022/23 Actual	Budget Principal	2022/23 Budget	2022/23 Budget	Budget Lease	2022/23 Budget	2022/23 Budget	
					Principal 1 July 2023	New Leases	Lease Principal Repayments	Lease Principal outstanding 30 June 2024	Lease Interest Repayments		New Leases	Lease Principal repayments	Lease Principal outstanding 30 June 2023	Lease Interest repayments		New Leases	Lease Principal repayments	Lease Principal outstanding 30 June 2023	Lease Interest repayments		
Server	SOW01042021A	Vestone	1.70%	60 months	\$ 97,045	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Spin Bike's	E6N0163401	Maia Financial	1.10%	48 months	11,686		(36,139)	60,906	0	131,233		(34,188)	97,045	(1,952)	131,233		(36,139)	95,094	0	0	0
Gym Equipment 1	E6N0160721	Maia Financial	2.10%	60 months	0		(7,858)	3,828	0	19,370		(7,684)	11,686	(174)	19,370		(7,858)	11,512	0	0	0
CCTV	E6N0160761	Maia Financial	2.10%	60 months	0		0	0	0	4,570		(4,570)	0	(40)	4,570		(6,146)	(1,576)	0	0	0
Photocopier's	E6N0162301	Maia Financial	2.20%	60 months	10,375		(2,143)	(2,143)	0	2,119		(2,119)	0	(24)	2,119		(2,143)	(24)	0	0	0
PC's	SOW020120	Vestone	1.10%	48 months	10,352		(14,062)	(3,687)	0	23,945		(13,570)	10,375	(387)	23,945		(13,957)	9,988	0	0	0
Bushfire Brigade Laptops	SOW011020	Vestone	1.20%	48 months	3,601		(24,507)	(14,155)	0	30,886		(20,534)	10,352	(236)	30,886		(20,770)	10,116	0	0	0
Rec Centre Solar Panels	SOW01072020	Vestone	1.50%	60 months	14,304		(2,903)	698	0	6,444		(2,843)	3,601	(61)	6,444		(2,904)	3,540	0	0	0
Gym Equipment 2	SOW03012023	Vestone	4.90%	48 months	46,802		(7,263)	7,041	0	21,297		(6,993)	14,304	(270)	21,297		(7,263)	14,034	0	0	0
Admin Laptops	SOW01072022	Vestone	4.40%	48 months	9,437		(14,555)	32,247	0	53,135		(6,333)	46,802	(1,192)	53,135		(15,307)	37,828	0	0	0
Admin Solar Panels	SOW01042042A	Vestone	1.80%	60 months	12,459		(3,359)	6,078	0	12,343		(2,906)	9,437	(475)	12,343		(3,359)	8,984	0	0	0
Chambers IT					0		(4,269)	8,190	0	16,466		(4,007)	12,459	(261)	16,466		(4,291)	12,175	0	0	0
					0	8,500	(2,125)	6,375	0	0		0	0	0	0	0	0	0	0	0	0
					216,061	8,500	(119,183)	105,378	0	268,673	53,135	(105,747)	216,061	(5,072)	268,673	53,135	(120,137)	201,671	0	0	0

MATERIAL ACCOUNTING POLICIES

LEASES

At the inception of a contract, the Shire assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and a lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.

LEASE LIABILITIES

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

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

**9. RESERVE ACCOUNTS**

**(a) Reserve Accounts - Movement**

	2023/24 Budget Opening Balance	2023/24 Budget Transfer to	2023/24 Budget Transfer (from)	2023/24 Budget Closing Balance	2022/23 Actual Opening Balance	2022/23 Actual Transfer to	2022/23 Actual Transfer (from)	2022/23 Actual Closing Balance	2022/23 Budget Opening Balance	2022/23 Budget Transfer to	2022/23 Budget Transfer (from)	2022/23 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Restricted by council</b>												
(a) Sporting Reserve	74,849			74,849	81,213		(6,364)	74,849	78,257		(15,000)	63,257
(b) Council Building Maintenance Reserve	102,203	42,000		144,203	102,203			102,203	98,483			98,483
(c) Rec Centre Building Maintenance Reserve	72,895			72,895	72,895			72,895	70,239			70,239
(d) Preston Beach Volunteer Ranger Reserve	69,789	12,882		82,671	62,614	12,175	(5,000)	69,789	60,335	24,060	(25,000)	59,395
(e) Emergency Assistance Reserve	110,387			110,387	110,387			110,387	106,370			106,370
(f) Works Depot Redevelopment Reserve	83,618			83,618	83,618			83,618	80,575			80,575
(g) Council Building Construction Reserve	172,137		(15,000)	157,137	176,562		(4,425)	172,137	170,136		(4,425)	165,711
(h) Information Technology Reserve	100,887			100,887	149,487		(48,600)	100,887	144,046		(48,600)	95,446
(i) Footpath Construction Reserve	33,190			33,190	33,190			33,190	31,982			31,982
(j) Plant Replacement Reserve	238,681		(113,000)	125,681	272,481		(33,800)	238,681	262,557		(33,800)	228,757
(k) Staff Leave Reserve	15,408			15,408	95,408		(80,000)	15,408	91,934		(80,000)	11,934
(l) Strategic Planning Reserve	20,795		(20,000)	795	20,795			20,795	20,038		(20,038)	0
(m) Waste Management Reserve	1,099,481	138,206	(200,000)	1,037,687	1,138,846	134,635	(174,000)	1,099,481	1,097,401	134,635	(400,000)	832,036
(n) History Book Reprint Reserve	10,848	450		11,298	10,458	390		10,848	10,077	700		10,777
(o) Risk and Insurance Reserve	9,601			9,601	9,601			9,601	9,251			9,251
(p) Drakesbrook Cemetery Reserve	75,561		(35,000)	40,561	75,561			75,561	72,811			72,811
	2,290,330	193,538	(383,000)	2,100,868	2,495,319	147,200	(352,189)	2,290,330	2,404,492	159,395	(626,863)	1,937,024
	2,290,330	193,538	(383,000)	2,100,868	2,495,319	147,200	(352,189)	2,290,330	2,404,492	159,395	(626,863)	1,937,024

**(b) Reserve Accounts - Purposes**

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

Reserve name	Anticipated date of use	Purpose of the reserve
(a) Sporting Reserve	Ongoing	To provide funds for sporting facilities and equipment as determined by Council together with low interest loans applications
(b) Council Building Maintenance Reserve	Ongoing	To provide funds for future building maintenance.
(c) Rec Centre Building Maintenance Reserve	Ongoing	To be used for future building asset maintenance items at the Recreation Centre, particularly items of plant.
(d) Preston Beach Volunteer Ranger Reserve	Ongoing	To provide funds to assist in the operations of the volunteer ranger functions including replacement of equipment.
(e) Emergency Assistance Reserve	Ongoing	To provide funds to assist in emergency situations eg. major fire.
(f) Works Depot Redevelopment Reserve	Ongoing	To provide funds for the provision of vehicle storage bays at Works Depot.
(g) Council Building Construction Reserve	Ongoing	To provide funds for future capital construction works in accordance with Council's Long Term Financial & Community Strategic Plans.
(h) Information Technology Reserve	Ongoing	To be used to ensure that the network computer system is maintained including external site connections.
(i) Footpath Construction Reserve	Ongoing	To provide funds for future extension of dual use path network.
(j) Plant Replacement Reserve	Ongoing	To be used for the purchase and replacement of major plant.
(k) Staff Leave Reserve	Ongoing	To be used to fund annual and long service leave requirements.
(l) Strategic Planning Reserve	Ongoing	To provide funds for the future requirements of Council's Strategic Planning.
(m) Waste Management Reserve	Ongoing	To be used to maintain operations at Buller Road Refuse Site.
(n) History Book Reprint Reserve	Ongoing	To be used to fund the update reprint of the 'Drakesbrook days and Waroona years' historical book.
(o) Risk and Insurance Reserve	Ongoing	To be used for expenses associated with risk assessments and insurance adjustments or unforeseen expenses.
(p) Drakesbrook Cemetery Reserve	Ongoing	To be used for future upgrades of the Drakesbrook Public Cemetery.

## 10 REVENUE RECOGNITION

### MATERIAL ACCOUNTING POLICIES

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of Revenue recognition
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
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
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

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

**11. PROGRAM INFORMATION**

**(a) Key Terms and Definitions - Reporting Programs**

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

**OBJECTIVE**

**ACTIVITIES**

**Governance**

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

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

**General purpose funding**

To collect revenue to allow for the provision of services

Rates, general purpose government grants and interest revenue.

**Law, order, public safety**

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

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

**Health**

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

Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centres. Provision and maintenance of home and community care programs and youth services.

**Education and welfare**

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

Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centres. Provision and maintenance of home and community care programs and youth services.

**Housing**

To provide and maintain staff and elderly residents housing.

Provision and maintenance of staff and elderly residents housing.

**Community amenities**

To provide services required by the community.

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban stormwater drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

**Recreation and culture**

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

Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

**Transport**

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

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

**Economic services**

To help promote the shire and its economic wellbeing.

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.

**Other property and services**

To monitor and control the Shire's overhead operating accounts.

Private works operation, plant repair and operation costs and engineering operation costs.

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

**11 PROGRAM INFORMATION (Continued)**

**(b) Income and expenses**

	<b>2023/24</b>	<b>2022/23</b>	<b>2022/23</b>
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
<b>Income excluding grants, subsidies and contributions</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Governance	51,926	50,277	41,524
General purpose funding	6,090,949	5,674,650	5,574,548
Law, order, public safety	112,004	38,813	41,321
Health	55,500	56,658	41,350
Education and welfare	310	310	310
Housing	20,800	16,090	32,680
Community amenities	1,297,166	1,016,925	1,187,432
Recreation and culture	216,850	211,347	166,850
Transport	186,208	100,693	128,187
Economic services	151,339	113,278	91,796
Other property and services	5,000	14,387	5,000
	<b>8,188,052</b>	<b>7,293,428</b>	<b>7,310,998</b>
<b>Grants, subsidies and contributions</b>			
Governance	8,600	11,171	10,050
General purpose funding	3,610	1,428,398	219,847
Law, order, public safety	86,314	99,108	79,653
Health	100	0	100
Education and welfare	36,053	47,325	49,355
Housing	0	6,809	0
Community amenities	86,948	169,655	205,385
Recreation and culture	299,960	305,542	411,707
Transport	0	43,762	43,900
Economic services	0	9,856	53,075
Other property and services	26,000	70,545	18,600
	<b>547,585</b>	<b>2,192,171</b>	<b>1,091,672</b>
<b>Capital grants, subsidies and contributions</b>			
General purpose funding	658,416	905,540	590,241
Law, order, public safety	247,253	186,567	208,271
Community amenities	0	5,982	0
Recreation and culture	644,520	228,874	748,394
Transport	1,548,001	1,476,382	2,260,050
Economic services	4,155,771	2,068,178	3,253,949
Other property and services	0	0	0
	<b>7,253,961</b>	<b>4,871,523</b>	<b>7,060,905</b>
<b>Total Income</b>	<b>15,989,598</b>	<b>14,357,122</b>	<b>15,463,575</b>
<b>Expenses</b>			
Governance	(1,767,350)	(1,568,195)	(1,607,987)
General purpose funding	(13,059)	(111,685)	(132,615)
Law, order, public safety	(733,768)	(695,622)	(698,517)
Health	(236,963)	(198,223)	(294,424)
Education and welfare	(437,921)	(347,091)	(423,748)
Housing	(21,918)	(26,465)	(18,208)
Community amenities	(2,262,535)	(1,792,254)	(2,069,825)
Recreation and culture	(3,066,621)	(2,817,100)	(3,178,760)
Transport	(3,304,899)	(2,902,988)	(3,072,625)
Economic services	(802,471)	(713,914)	(835,128)
Other property and services	(32,494)	(92,549)	(103,940)
<b>Total expenses</b>	<b>(12,679,999)</b>	<b>(11,266,086)</b>	<b>(12,435,777)</b>
<b>Net result for the period</b>	<b>3,309,599</b>	<b>3,091,036</b>	<b>3,027,798</b>

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

**12. OTHER INFORMATION**

**The net result includes as revenues**

**(a) Interest earnings**

	<b>2023/24 Budget</b>	<b>2022/23 Actual</b>	<b>2022/23 Budget</b>
Investments	\$	\$	\$
- Reserve accounts	90,000	90,824	67,800
- Other funds	110,750	132,431	45,950
Other interest revenue	40,200	42,020	36,000
	<u>240,950</u>	<u>265,275</u>	<u>149,750</u>

\* The Shire has resolved to charge interest under section 6.13 for the late payment of any amount of money at 11%.

**(b) Other revenue**

Reimbursements and recoveries	179,700	104,914	112,000
	<u>179,700</u>	<u>104,914</u>	<u>112,000</u>

**The net result includes as expenses**

**(c) Auditors remuneration**

Audit services	37,750	38,700	39,300
	<u>37,750</u>	<u>38,700</u>	<u>39,300</u>

**(d) Interest expenses (finance costs)**

Borrowings (refer Note 7(a))	59,765	63,746	64,662
expense on lease liabilities (refer Note 8)	0	5,072	0
	<u>59,765</u>	<u>68,818</u>	<u>64,662</u>



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

**13. ELECTED MEMBERS REMUNERATION**

	<b>2023/24 Budget</b>	<b>2022/23 Actual</b>	<b>2022/23 Budget</b>
	\$	\$	\$
<b>Elected member 1</b>			
President's allowance	10,816	10,405	10,405
Meeting attendance fees	10,258	9,868	9,868
Other expenses	0	55	0
Annual ICT & communication expenses	1,471	1,415	1,415
Travel and accommodation expenses	1,429	1,939	1,429
	<b>23,974</b>	<b>23,682</b>	<b>23,117</b>
<b>Elected member 2</b>			
Deputy President's allowance	2,704	2,601	2,601
Meeting attendance fees	10,258	9,868	9,868
Other expenses	0	20	0
Annual ICT & communication expenses	1,471	1,415	1,415
Travel and accommodation expenses	1,429	4,362	1,429
	<b>15,862</b>	<b>18,266</b>	<b>15,313</b>
<b>Elected member 3</b>			
Meeting attendance fees	10,258	9,868	9,868
Other expenses	0	50	0
Annual ICT & communication expenses	1,471	1,414	1,413
Travel and accommodation expenses	1,429	0	1,429
	<b>13,158</b>	<b>11,332</b>	<b>12,710</b>
<b>Elected member 4</b>			
Meeting attendance fees	10,258	9,868	9,868
Other expenses	0	20	0
Annual ICT & communication expenses	1,471	1,414	1,413
Travel and accommodation expenses	1,429	0	1,429
	<b>13,158</b>	<b>11,302</b>	<b>12,710</b>
<b>Elected member 5</b>			
Meeting attendance fees	10,258	9,868	9,868
Other expenses	0	20	0
Annual ICT & communication expenses	1,471	1,414	1,413
Travel and accommodation expenses	1,429	0	1,429
	<b>13,158</b>	<b>11,302</b>	<b>12,710</b>
<b>Elected member 6</b>			
Meeting attendance fees	10,258	9,868	9,868
Other expenses	0	20	0
Annual ICT & communication expenses	1,471	1,414	1,413
Travel and accommodation expenses	1,429	0	1,429
	<b>13,158</b>	<b>11,302</b>	<b>12,710</b>
<b>Elected member 7</b>			
Meeting attendance fees	10,258	9,868	9,868
Other expenses	0	20	0
Annual ICT & communication expenses	1,471	1,414	1,413
Travel and accommodation expenses	1,429	972	1,429
	<b>13,158</b>	<b>12,274</b>	<b>12,710</b>
<b>Total Elected Member Remuneration</b>	<b>105,626</b>	<b>99,460</b>	<b>101,980</b>
President's allowance	10,816	10,405	10,405
Deputy President's allowance	2,704	2,601	2,601
Meeting attendance fees	71,806	69,076	69,076
Other expenses	0	205	0
Annual ICT & communication expenses	10,297	9,900	9,895
Travel and accommodation expenses	10,003	7,273	10,003
	<b>105,626</b>	<b>99,460</b>	<b>101,980</b>

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

**14. TRUST FUNDS**

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

<b>Detail</b>	<b>Balance 1 July 2023</b>	<b>Estimated amounts received</b>	<b>Estimated amounts paid</b>	<b>Estimated balance 30 June 2024</b>
	\$	\$	\$	\$
Public Open Spaces	129,890	470	0	130,360
Alcoa Waroona Sustainability Fund	2,695,957	310,000	(292,500)	2,713,457
Extractive Industries	18,129	55	0	18,184
Commercial Bond	14,330	40	0	14,370
	<u>2,858,307</u>	<u>310,565</u>	<u>(292,500)</u>	<u>2,876,372</u>

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

**15. FEES AND CHARGES**

	<b>2023/24 Budget</b>	<b>2022/23 Actual</b>	<b>2022/23 Budget</b>
	\$	\$	\$
<b>By Program:</b>			
Governance	41,000	40,651	38,250
General purpose funding	49,000	42,454	54,500
Law, order, public safety	32,650	38,812	33,500
Health	55,500	56,658	41,350
Education and welfare	310	310	310
Housing	20,800	16,090	32,680
Community amenities	1,189,166	1,016,924	1,184,432
Recreation and culture	216,850	211,347	166,850
Transport	450	450	150
Economic services	151,339	113,278	91,796
Other property and services	5,000	14,387	5,000
	<b>1,762,065</b>	<b>1,551,361</b>	<b>1,648,818</b>

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