

SHIRE OF CHITTERING
ANNUAL BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

A Connected thriving community

SHIRE OF CHITTERING
STATEMENT OF COMPREHENSIVE INCOME BY NATURE
FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2023/24 Budget	2022/23 Actual	2022/23 Budget
Revenue		\$	\$	\$
Rates	2(a)	7,161,256	6,548,114	6,533,900
Operating grants, subsidies and contributions	10	2,412,330	1,529,213	2,083,262
Fees and charges	16	1,607,459	1,537,080	1,615,311
Interest revenue	11(a)	178,690	124,127	69,625
Other revenue	11(b)	319,265	435,047	281,040
		11,679,000	10,173,581	10,583,138
Expenses				
Employee costs		(5,173,753)	(4,002,292)	(4,656,401)
Materials and contracts		(4,991,232)	(3,380,476)	(3,981,727)
Utility charges		(254,364)	(153,668)	(194,256)
Depreciation	6	(4,470,134)	(4,097,847)	(3,647,886)
Finance costs	11(d)	(226,910)	(130,418)	(233,076)
Insurance		(249,171)	(214,931)	(234,216)
Other expenditure		(434,471)	(481,111)	(405,398)
		(15,800,035)	(12,460,743)	(13,352,960)
		(4,121,035)	(2,287,162)	(2,769,822)
Capital grants, subsidies and contributions	10	3,312,679	3,558,642	4,040,404
Profit on asset disposals	5	249,581	111,966	225,068
Loss on asset disposals		(10,873)	(2,473)	(16,691)
		3,551,387	3,668,135	4,248,781
Net result for the period		(569,648)	1,380,973	1,478,959
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus		0	48,895,816	0
Total other comprehensive income for the period		0	48,895,816	0
Total comprehensive income for the period		(569,648)	50,276,789	1,478,959

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

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

	NOTE	2023/24 Budget	2022/23 Actual	2022/23 Budget
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
		\$	\$	\$
Rates		7,161,256	6,711,257	6,598,900
Operating grants, subsidies and contributions		2,412,330	1,676,844	2,587,977
Fees and charges		1,607,459	1,537,080	1,615,311
Interest revenue		178,690	124,127	69,625
Goods and services tax received		0	(39,145)	350,000
Other revenue		319,265	435,047	292,755
		11,679,000	10,445,210	11,514,568
Payments				
Employee costs		(5,173,753)	(3,956,994)	(4,584,438)
Materials and contracts		(4,991,232)	(3,748,914)	(3,480,177)
Utility charges		(254,364)	(153,668)	(194,256)
Finance costs		(226,910)	(159,017)	(233,076)
Insurance		(249,171)	(214,931)	(234,216)
Goods and services tax paid		0	0	(350,000)
Other expenditure		(434,471)	(481,111)	(405,398)
		(11,329,901)	(8,714,635)	(9,481,561)
Net cash provided by (used in) operating activities	4	349,099	1,730,575	2,033,007
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5(a)	(4,975,174)	(5,205,279)	(9,136,020)
Payments for construction of infrastructure	5(b)	(4,062,518)	(4,134,266)	(6,355,885)
Capital grants, subsidies and contributions		3,312,679	2,956,203	4,040,404
Proceeds from sale of property, plant and equipment	5(a)	339,500	331,220	603,000
Net cash provided by (used in) investing activities		(5,385,513)	(6,052,122)	(10,848,501)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(544,318)	(343,318)	(569,977)
Proceeds from new borrowings	7(a)	1,203,545	3,301,727	4,505,272
Net cash provided by (used in) financing activities		659,227	2,958,409	3,935,295
Net increase (decrease) in cash held		(4,377,187)	(1,363,138)	(4,880,199)
Cash at beginning of year		8,001,589	9,364,727	6,877,299
Cash and cash equivalents at the end of the year	4	3,624,402	8,001,589	1,997,100

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

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

		2023/24	2022/23	2022/23
	NOTE	Budget	Actual	Budget
OPERATING ACTIVITIES				
Revenue from operating activities				
Rates	2(a)	\$ 7,161,256	\$ 6,548,114	\$ 6,533,900
Operating grants, subsidies and contributions	10	2,412,330	1,529,213	2,083,262
Fees and charges	16	1,607,459	1,537,080	1,615,311
Interest revenue	11(a)	178,690	124,127	69,625
Other revenue	11(b)	319,265	435,047	281,040
Profit on asset disposals	5	249,581	111,966	225,068
		11,928,581	10,285,547	10,808,206
Expenditure from operating activities				
Employee costs		(5,173,753)	(4,002,292)	(4,656,401)
Materials and contracts		(4,991,232)	(3,380,476)	(3,981,727)
Utility charges		(254,364)	(153,668)	(194,256)
Depreciation	6	(4,470,134)	(4,097,847)	(3,647,886)
Finance costs	11(d)	(226,910)	(130,418)	(233,076)
Insurance		(249,171)	(214,931)	(234,216)
Other expenditure		(434,471)	(481,111)	(405,398)
Loss on asset disposals	5	(10,873)	(2,473)	(16,691)
		(15,810,908)	(12,463,216)	(13,369,651)
Non-cash amounts excluded from operating activities	3(b)	4,231,426	3,988,354	3,443,472
Amount attributable to operating activities		349,099	1,810,685	882,027
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions	10	3,312,679	3,558,642	4,040,404
Proceeds from disposal of assets	5	339,500	331,220	603,000
		3,652,179	3,889,862	4,643,404
Outflows from investing activities				
Payments for property, plant and equipment	5(a)	(4,975,174)	(5,205,279)	(9,136,020)
Payments for construction of infrastructure	5(b)	(4,062,518)	(4,134,266)	(6,355,885)
		(9,037,692)	(9,339,545)	(15,491,905)
Amount attributable to investing activities		(5,385,513)	(5,449,683)	(10,848,501)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from new borrowings	7(a)	1,203,545	3,301,727	4,505,272
Transfers from reserve accounts	8(a)	0	0	30,301
		1,203,545	3,301,727	4,535,573
Outflows from financing activities				
Repayment of borrowings	7(a)	(544,318)	(343,318)	(569,977)
Transfers to reserve accounts	8(a)	(35,000)	0	(35,000)
		(579,318)	(343,318)	(604,977)
Amount attributable to financing activities		624,227	2,958,409	3,930,596
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	3	4,412,187	5,092,776	6,035,878
Amount attributable to operating activities		349,099	1,810,685	882,027
Amount attributable to investing activities		(5,385,513)	(5,449,683)	(10,848,501)
Amount attributable to financing activities		624,227	2,958,409	3,930,596
Surplus or deficit at the end of the financial year	3	0	4,412,187	0

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

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

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 Chittering 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 15 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.

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

Rounding off figures

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

SHIRE OF CHITTERING
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.

OPERATING 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 CHITTERING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in	Number of properties	Rateable value	2023/24 Budgeted rate revenue	2023/24 Budgeted interim rates	2023/24 Budgeted back rates	2023/24 Budgeted total revenue	2022/23 Actual total revenue	2022/23 Budget total revenue
		\$		\$	\$	\$	\$	\$	\$	\$
(i) General rates										
GRV	Gross rental valuation	0.114840	1,785	33,900,316	3,893,112			3,893,112	3724890	3,706,822
UV	Unimproved valuation	0.006080	807	458,362,000	2,786,841			2,786,841	2305363	2,310,018
Total general rates			2,592	492,262,316	6,679,953	0	0	6,679,953	6,030,253	6,016,840
		Minimum								
(ii) Minimum payment		\$								
GRV	Gross rental valuation	1,150	305	30,007,204	350,750			350,750	364100	364,100
UV	Unimproved valuation	1,100	115	455,575,159	126,500			126,500	150150	149,100
Total minimum payments			420	485,582,363	477,250	0	0	477,250	514,250	513,200
Total general rates and minimum payments			3,012	977,844,679	7,157,203	0	0	7,157,203	6,544,503	6,530,040
(iv) Ex-gratia rates										
Ex-gratia rates					4,053			4,053	3611	3,860
Total ex-gratia rates			0	0	4,053	0	0	4,053	3,611	3,860
Total rates					7,161,256	0	0	7,161,256	6,548,114	6,533,900
Total rates					7,161,256	0	0	7,161,256	6,548,114	6,533,900

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

All rateable properties within the shire 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 CHITTERING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

2. RATES AND SERVICE CHARGES (CONTINUED)

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	24/08/2023		2.50%	8.00%
Option three				
First instalment	24/08/2023	10	2.50%	8.00%
Second instalment	26/10/2023	10	2.50%	8.00%
Third instalment	2/01/2024	10	2.50%	8.00%
Fourth instalment	5/03/2024	10	2.50%	8.00%

	2023/24 Budget revenue	2022/23 Actual revenue	2022/23 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	28,350	25,360	26,650
Instalment plan interest earned	27,190	13,359	16,325
Unpaid rates and service charge interest earned	43,500	12,056	40,000
Pensioner Deffered Interest	1,700	2,698	1,000
	100,740	53,473	83,975

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

2. RATES AND SERVICE CHARGES (CONTINUED)

(c) Specified Area Rate

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

(c) Service Charges

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

2. RATES AND SERVICE CHARGES (CONTINUED)

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

SHIRE OF CHITTERING
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	3,624,402	8,001,589	1,997,100
Financial assets		0	0	3,000,000
Receivables		469,545	469,545	302,976
Inventories		5,459	5,459	16,467

Less: current liabilities

Trade and other payables		(901,242)	(901,242)	(1,225,900)
Contract liabilities		(289,652)	(289,652)	(1,202,166)
Long term borrowings	7	(766,522)	(107,295)	(4,095,761)
Employee provisions		(632,752)	(632,752)	(650,123)

Net current assets

Less: Total adjustments to net current assets

Net current assets used in the Rate Setting Statement

Note	2023/24 Budget 30 June 2024	2022/23 Actual 30 June 2023	2022/23 Budget 30 June 2023
	\$	\$	\$
	3,624,402	8,001,589	1,997,100
	0	0	3,000,000
	469,545	469,545	302,976
	5,459	5,459	16,467
	4,099,406	8,476,593	5,316,543
	(901,242)	(901,242)	(1,225,900)
	(289,652)	(289,652)	(1,202,166)
7	(766,522)	(107,295)	(4,095,761)
	(632,752)	(632,752)	(650,123)
	(2,590,168)	(1,930,941)	(7,173,950)
	1,509,238	6,545,652	(1,857,407)
3(c)	(1,509,238)	(2,133,465)	1,857,407
	0	4,412,187	0

SHIRE OF CHITTERING
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 Rate Setting Statement in accordance with *Financial Management Regulation 32*.

Adjustments to operating activities

Less: Profit on asset disposals	5	(249,581)	(111,966)	(225,068)
Add: Loss on asset disposals	5	10,873	2,473	16,691
Add: Depreciation	6	4,470,134	4,097,847	3,647,886
Movement in current employee provisions associated with restricted cash		0	0	3,963

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 - reserve accounts	8	(2,548,295)	(2,513,295)	(2,510,080)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		766,522	107,295	4,095,761
- Current portion of employee benefit provisions held in reserve		272,535	272,535	271,726

Total adjustments to net current assets

Note	2023/24 Budget 30 June 2024	2022/23 Actual 30 June 2023	2022/23 Budget 30 June 2023
	\$	\$	\$
5	(249,581)	(111,966)	(225,068)
5	10,873	2,473	16,691
6	4,470,134	4,097,847	3,647,886
	0	0	3,963
	4,231,426	3,988,354	3,443,472
8	(2,548,295)	(2,513,295)	(2,510,080)
	766,522	107,295	4,095,761
	272,535	272,535	271,726
	(1,509,238)	(2,133,465)	1,857,407

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

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 CHITTERING
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		\$ 3,624,402	\$ 8,001,589	\$ 1,997,100
Total cash and cash equivalents		3,624,402	8,001,589	1,997,100
Held as				
- Unrestricted cash and cash equivalents	3(a)	1,076,107	5,488,294	1,284,854
- Restricted cash and cash equivalents	3(a)	2,548,295	2,513,295	712,246
		3,624,402	8,001,589	1,997,100
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		2,548,295	2,513,295	712,246
- Restricted financial assets at amortised cost - term deposits	3(a)	0	0	3,000,000
		2,548,295	2,513,295	3,712,246
The assets are restricted as a result of the specified purposes associated with the liabilities below:				
Financially backed reserves	8	2,548,295	2,513,295	2,510,080
Unspent capital grants, subsidies and contribution liabilities		0	0	1,202,166
		2,548,295	2,513,295	3,712,246
Reconciliation of net cash provided by operating activities to net result				
Net result		(569,648)	1,380,973	1,478,959
Depreciation	6	4,470,134	4,097,847	3,647,886
(Profit)/loss on sale of asset	5	(238,708)	(109,493)	(208,377)
(Increase)/decrease in receivables		0	91,398	62,500
(Increase)/decrease in inventories		0	8,379	(6,450)
(Increase)/decrease in other assets		0	1,345	
Increase/(decrease) in payables		0	(361,463)	576,000
Increase/(decrease) in contract liabilities		0	180,231	518,930
Increase/(decrease) in unspent capital grants		0	(602,439)	
Increase/(decrease) in employee provisions		0	0	3,963
Capital grants, subsidies and contributions		(3,312,679)	(2,956,203)	(4,040,404)
Net cash from operating activities		349,099	1,730,575	2,033,007

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 CHITTERING
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 Additions	2023/24 Budget In-kind Additions	2023/24 Budget Disposals - Net Book Value	2023/24 Budget Disposals - Sale Proceeds	2023/24 Budget Disposals - Profit or Loss	2022/23 Actual Additions	2022/23 Actual In-kind Additions	2022/23 Disposals - Net Book Value	2022/23 Actual Disposals - Sale Proceeds	2022/23 Actual Disposals - Profit or Loss	2022/23 Budget Additions	2022/23 Budget In-kind Additions	2022/23 Budget Disposals - Net Book Value	2022/23 Budget Disposals - Sale Proceeds	2022/23 Budget Disposals - Profit or Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Property, Plant and Equipment															
Land - freehold land	240,000				0	828,200				0	823,000				0
Buildings - non-specialised	2,519,774				0	2,306,433				0	6,356,336				0
Plant and equipment	2,215,400		100,792	339,500	238,708	2,070,646		221,727	331,220	109,493	1,956,684		394,623	603,000	208,377
Total	4,975,174	0	100,792	339,500	238,708	5,205,279	0	221,727	331,220	109,493	9,136,020	0	394,623	603,000	208,377
(b) Infrastructure															
Infrastructure - roads	2,470,823				0	2,160,536				0	2,436,224				0
Infrastructure - footpaths	30,000				0	515,728				0	28,442				0
Infrastructure - drainage					0	76,413				0	95,000				0
Other infrastructure - parks and ovals	856,312				0	646,093				0	2,648,278				0
Other infrastructure - bridges and culverts					0	477,752				0	454,597				0
Other infrastructure - other	705,383				0	257,744				0	693,344				0
Total	4,062,518	0	0	0	0	4,134,266	0	0	0	0	6,355,885	0	0	0	0
Total	9,037,692	0	100,792	339,500	238,708	9,339,545	0	221,727	331,220	109,493	15,491,905	0	394,623	603,000	208,377

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

6. DEPRECIATION

By Class

Buildings - non-specialised
Buildings - specialised
Plant and equipment
Infrastructure - roads
Infrastructure - footpaths
Infrastructure - drainage
Other infrastructure - parks and ovals
Other infrastructure - bridges and culverts
Other infrastructure - other
Other infrastructure - landfill post closure asset

By Program

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

	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
	13,736	13,736	30,451
	459,385	459,385	639,027
	368,349	296,062	402,651
	2,635,841	2,435,841	1,600,337
	26,460	26,460	31,326
	359,686	359,686	364,389
	243,015	243,015	260,745
	283,712	183,712	185,901
	79,950	79,950	76,990
	0	0	56,069
	4,470,134	4,097,847	3,647,886
	160,525	142,025	148,042
	111,414	102,163	102,220
	3,003	9,591	13,300
	50,415	46,229	48,851
	23,105	24,186	85,585
	510,626	468,229	566,551
	3,296,799	3,023,068	2,192,781
	43,079	39,560	48,060
	271,168	242,796	442,496
	4,470,134	4,097,847	3,647,886

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	30 - 50 Years
Buildings - specialised	50 - 80 Years
Plant and equipment	5 - 15 Years
Infrastructure - roads	25 - 80 Years
Infrastructure - footpaths	10 - 40 Years
Infrastructure - drainage	75-100 Years

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

7. BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	Budget	2023/24	2023/24	Budget	2023/24	Actual	2022/23	2022/23	Actual	2022/23	Budget	2022/23	2022/23	Budget	2022/23
				Principal	Budget	Budget	Principal	Principal	Actual	Actual	Actual	Actual	Principal	Budget	Budget	Budget	Principal	Principal
				1 July 2023	New Loans	Repayments	outstanding 30 June 2024	Repayments	1 July 2022	New Loans	Repayments	outstanding 30 June 2023	Repayments	1 July 2022	New Loans	Repayments	outstanding 30 June 2023	Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Loan 80 Admin Server/	80	WATC	2.72%	1	0	1	0	21,095		(21,094)	1	(336)	22,327		(21,095)	1,232	(431)	
Loan 79 Multi Purpose I	79	WATC	4.41%	414,216	(33,773)	380,443	(17,898)	446,548		(32,332)	414,216	(11,321)	463,849		(15,075)	448,774	(9,018)	
Loan 72 Staff Housing I	72	Keystart	5.92%	0	0	0	0	0		0	0	0	(164)		0	(164)	0	
Loan 73 Senior & Comr	73	WATC	6.63%	0	0	0	0	0		0	0	0	2,480		0	2,480	0	
Loan 89 Muchea Comp	89	WATC	2.36%	1,765,921	(78,026)	1,687,895	(40,360)	1,803,805		(37,884)	1,765,921	(20,933)	1,841,247		(155,542)	1,685,705	(150,029)	
Loan 90 Mountain Bike	90	WATC	55.00%	242,696	(96,942)	145,754	(949)	290,831		(48,135)	242,696	(647)	338,832		(136,442)	202,390	(38,774)	
Loan 91 Mountain Bike	91	WATC	4.33%	0	1,203,545	1,203,545	0	0	0	0	0	0	0	1,203,545	0	1,203,545	0	
Loan 74 Land Acquisitic	74	WATC		0	0	0	0	0		0	0	24	8,487		0	8,487	0	
Loan 92 Muchea Comp	92	WATC	4.33%	3,250,513	(105,986)	3,144,527	(148,225)	0	3,301,727	(51,214)	3,250,513	(82,414)	0	3,301,727	0	3,301,727	0	
Loan 79 Grader	79	WATC	4.41%	193,139	(15,748)	177,391	(8,346)	208,215		(15,076)	193,139	(5,278)	190,916		(32,332)	158,584	(19,340)	
Loan 82 Land - Lot 168	82	WATC	3.05%	324,239	(68,285)	255,954	(9,372)	390,488		(66,249)	324,239	(7,723)	390,487		(66,249)	324,238	(11,409)	
Loan 83 Lifestyle Villag	83	WATC	1.61%	200,501	(134,202)	66,299	(1,623)	266,270		(65,769)	200,501	(1,650)	331,513		(132,067)	199,446	(3,757)	
Loan 86 Admin Telephon	86	WATC	1.61%	16,966	(11,356)	5,610	(137)	22,531		(5,565)	16,966	(140)	28,052		(11,175)	16,877	(318)	
				6,408,192	1,203,545	(544,318)	7,067,419	(226,910)	3,449,783	3,301,727	(343,318)	6,408,192	(130,418)	3,618,026	4,505,272	(569,977)	7,553,321	(233,076)

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

SHIRE OF CHITTERING
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 91 Mountain Bike	WATC	Debenture	20	4.30%	\$ 1,203,545	\$ 601,541	\$ 1,203,545	\$ 0
					1,203,545	601,541	1,203,545	0

The Shire intends to undertake a loan of \$1,203,545 to fund the Mountain Bike Park Camping Site. For budgetary purposes, an interest rate of 4.3% was chosen. The final interest rate will be determined by the firm quote from Treasury.

(c) Unspent borrowings

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

(d) Credit Facilities

	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
Undrawn borrowing facilities credit standby arrangements			
Bank overdraft limit	150,000	150,000	150,000
Bank overdraft at balance date	0	0	0
Credit card limit	25,000	25,000	25,000
Credit card balance at balance date	(14,826)	(14,826)	0
Total amount of credit unused	160,174	160,174	175,000
Loan facilities			
Loan facilities in use at balance date	7,067,419	6,408,192	7,553,321

Overdraft details	Purpose overdraft was established	Year overdraft established	Amount b/fwd 1 July 2023	2023/24 Budgeted Increase/ (Decrease)	Amount as at 30th June 2024
Bendigo & Adelaide Bank Short Term Liqui		2010	\$ 150,000	\$ 0	\$ 150,000
			150,000	0	150,000

MATERIAL 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 CHITTERING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

8. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

	2023/24 Budget Opening Balance	2023/24 Budget Transfer to	2023/24 Budget Transfer (from)	2023/24 Budget Closing Balance	2022/23 Actual Opening Balance	2022/23 Actual Transfer to	2022/23 Actual Transfer (from)	2022/23 Actual Closing Balance	2022/23 Budget Opening Balance	2022/23 Budget Transfer to	2022/23 Budget Transfer (from)	2022/23 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Employee entitlement reserve	272,535			272,535	272,535			272,535	271,726			271,726
(b) Plant replacement reserve	386,005			386,005	386,005			386,005	383,838			383,838
(c) Waste water treatment reserve	95,196			95,196	95,196			95,196	94,844			94,844
(d) Public amenities & buildings reserve	720,000			720,000	720,000			720,000	720,000			720,000
(e) Community hoursing reserve	74,832			74,832	74,832			74,832	74,555			74,555
(f) Seniors housing reserve	19,737			19,737	19,737			19,737	19,664			19,664
(g) Public open space reserve	80,457			80,457	80,457			80,457	79,419			79,419
(h) Recreation development reserve	377,195			377,195	377,195			377,195	375,800			375,800
(i) Waste management reserve	418,548	35,000		453,548	418,548	0		418,548	417,000	35,000		452,000
(j) Contributions to roadworks reserve	38,678			38,678	38,678			38,678	38,535			38,535
(k) Economic recovery stimulus reserve	30,112			30,112	30,112		0	30,112	30,000		(30,301)	(301)
	2,513,295	35,000	0	2,548,295	2,513,295	0	0	2,513,295	2,505,381	35,000	(30,301)	2,510,080

(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) Employee entitlement reserve	Ongoing	to be used to fund employee accumulated annual,sick, long service leave and employee gratuities
(b) Plant replacement reserve	Ongoing	to be used to fund plant purchases, trades or major overhauls
(c) Waste water treatment reserve	Ongoing	to be used to fund the development of a Waste Water Management System for the Shire
(d) Public amenities & buildings reserve	Ongoing	to be used to fund repairs, improvements, extensions or construction of public amenities
(e) Community hoursing reserve	Ongoing	to be used to fund repairs, improvements, extensions or construction of community units
(f) Seniors housing reserve	Ongoing	to be used to fund repairs, improvements, extensions or construction of seniors units
(g) Public open space reserve	Ongoing	to be used to fund public open spaced developments in accordance with developer precincts
(h) Recreation development reserve	Ongoing	to be used to fund the development or acquisition of recreation land or facilities
(i) Waste management reserve	Ongoing	to be used to fund the replacement landfill sites and rehabilitation of existing landfill sites
(j) Contributions to roadworks reserve	Ongoing	to be used for the maintenance of Mooliabeenie Road
(k) Economic recovery stimulus reserve	30/06/2023	to be used for projects for the community to assist in recovery post COVID19

9. REVENUE RECOGNITION

MATERIAL ACCOUNTING POLICIES

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of Revenue recognition
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
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 CHITTERING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

10. PROGRAM INFORMATION

(a) Key Terms and Definitions - Reporting Programs

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

OBJECTIVE

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 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 and operational framework for environmental and community health.

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance and contributions to medical health and community health centre.

Education and welfare

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

Senior citizens programs, youth services and events.

Housing

To provide and maintain staff, community and seniors housing.

Provision and maintenance of staff, community and seniors housing.

Community amenities

To provide services required by the community.

Waste collection services, operation of waste landfill sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of the town planning scheme, cemetery and public conveniences.

Recreation and culture

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

Maintenance of halls, the library and various parks, reserves and other recreation activities and cultural pursuits.

Transport

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

Construction and maintenance of roads, bridges, footpaths, drainage works, lighting and cleaning of streets and verge maintenance.

Economic services

To help promote the Shire and its economic wellbeing.

Tourism and area promotion. Provision of rural services including weed control, community bus operations, economic and community development programs and building control.

Other property and services

To monitor and control Council's overhead operating accounts.

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

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

10 PROGRAM INFORMATION (Continued)

(b) Income and expenses

	2023/24 Budget	2022/23 Actual	2022/23 Budget
Income excluding grants, subsidies and contributions	\$	\$	\$
Governance	5,500	509	6,500
General purpose funding	7,454,351	6,817,052	6,692,035
Law, order, public safety	72,886	101,705	79,050
Health	65,034	61,518	62,383
Education and welfare	3,653	3,594	320
Housing	135,954	123,373	144,978
Community amenities	1,203,518	1,209,857	1,245,000
Recreation and culture	18,056	13,147	11,945
Transport	225,573	63,021	201,795
Economic services	223,514	175,635	174,134
Other property and services	108,212	186,923	106,804
	9,516,251	8,756,334	8,724,944
Operating grants, subsidies and contributions			
Governance	600	723	0
General purpose funding	682,500	641,004	1,248,498
Law, order, public safety	1,536,825	726,424	677,500
Education and welfare	3,000	0	3,000
Recreation and culture	0	369	0
Transport	142,882	134,580	133,264
Economic services	46,523	26,113	21,000
	2,412,330	1,529,213	2,083,262
Capital grants, subsidies and contributions			
Law, order, public safety	0	1,662,656	0
Recreation and culture	535,870	559,894	1,594,365
Transport	2,776,809	1,336,092	2,446,039
	3,312,679	3,558,642	4,040,404
Total Income	15,241,260	13,844,189	14,848,610
Expenses			
Governance	(1,370,636)	(785,734)	(1,142,522)
General purpose funding	(535,065)	(338,737)	(326,582)
Law, order, public safety	(1,802,793)	(1,901,354)	(1,880,782)
Health	(513,033)	(371,328)	(445,841)
Education and welfare	(64,592)	(44,529)	(73,116)
Housing	(358,354)	(269,464)	(335,490)
Community amenities	(2,411,300)	(1,970,699)	(2,472,974)
Recreation and culture	(2,178,395)	(1,418,735)	(1,880,464)
Transport	(5,356,000)	(4,151,961)	(3,701,420)
Economic services	(1,184,253)	(804,219)	(1,085,063)
Other property and services	(36,487)	(406,456)	(25,397)
Total expenses	(15,810,908)	(12,463,216)	(13,369,651)
Net result for the period	(569,648)	1,380,973	1,478,959

**SHIRE OF CHITTERING
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11. OTHER INFORMATION

The net result includes as revenues

(a) Interest earnings

	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
Investments			
- Reserve accounts	90,000	0	10,000
- Other funds	16,700	97,696	1,000
Late payment of fees and charges *	1,300	1,016	2,300
Other interest revenue	70,690	25,415	56,325
	178,690	124,127	69,625

* The Shire has resolved to charge interest under section 6.13 for the late payment of any amount of money at 5%.

(b) Other revenue

Reimbursements and recoveries	319,265	435,047	281,040
	319,265	435,047	281,040

The net result includes as expenses

(c) Auditors remuneration

Audit services	33,000	35,000	67,320
Other services	7,000	3,000	
	40,000	38,000	67,320

(d) Interest expenses (finance costs)

Borrowings (refer Note 7(a))	226,910	130,418	233,076
	226,910	130,418	233,076

(e) Write offs

General rate	27,000	0	22,459
	27,000	0	22,459

(f) Low Value lease expenses

Office equipment	36,901	9,354	49,485
	36,901	9,354	49,485

SHIRE OF CHITTERING
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12. ELECTED MEMBERS REMUNERATION

	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
Elected member Cr Aaron King			
President's allowance	15,265	14,401	14,401
Meeting attendance fees	19,835	18,713	18,713
ICT expenses	3,180	3,153	3,153
Travel and accommodation expenses	2,857	970	3,329
	41,137	37,237	39,596
Elected member Cr Mary Angus			
Deputy President's allowance	3,816	3,600	3,600
Meeting attendance fees	12,826	12,100	12,100
ICT expenses	3,180	3,153	3,153
Travel and accommodation expenses	2,857	431	3,329
	22,679	19,284	22,182
Elected member Cr Kylie Hughes			
Meeting attendance fees	12,826	12,100	12,100
ICT expenses	3,180	3,153	3,153
Travel and accommodation expenses	2,857	468	3,329
	18,863	15,721	18,582
Elected member Cr Carmel Ross			
Meeting attendance fees	12,826	12,100	12,100
ICT expenses	3,180	3,153	3,153
Travel and accommodation expenses	2,857		3,329
	18,863	15,253	18,582
Elected member Cr John Curtis			
Meeting attendance fees	12,826	12,100	12,100
ICT expenses	3,180	3,153	3,153
Travel and accommodation expenses	2,857	298	3,329
	18,863	15,551	18,582
Elected member Cr Mark Campbell			
Meeting attendance fees	12,826	12,100	12,100
ICT expenses	3,180	3,153	3,153
Travel and accommodation expenses	2,857	850	3,329
	18,863	16,103	18,582
Elected member Cr David Dewar			
Meeting attendance fees	12,826	12,100	12,100
ICT expenses	3,180	3,153	3,153
Travel and accommodation expenses	2,857	2,009	3,329
	18,863	17,262	18,582
Total Elected Member Remuneration	158,131	136,411	154,688
President's allowance	15,265	14,401	14,401
Deputy President's allowance	3,816	3,600	3,600
Meeting attendance fees	96,791	91,313	91,313
ICT expenses	22,260	22,071	22,071
Travel and accommodation expenses	19,999	5,026	23,303
	158,131	136,411	154,688

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13. MAJOR LAND TRANSACTIONS

Muchea Clubroom Redevelopment

(a) Details

The business case for the Muchea Club and Changeroom facility outlines the scope of the project as including:

- A large main club room (16230 x 8860) with access to, and windows facing, the sports oval;
- A slightly larger social room (10200 x 15560) also with access to, and windows facing, the sports oval;
- Commercial kitchen with servery to the outside of the clubhouse (under cover) and inside to the main club room;
- Full bar facilities with cool room storage and openings to the main club room and social room;
- Community amenities consisting of male and female toilets, including ambulant accessible facilities and two unisex accessible (disabled) toilets
- Two changerrooms specifically for the use of sporting clubs with each changerroom comprising:
 - o Racks, benches and lockers for changing and storage of personal belongings;
 - o A treatment area for rubdowns, massages and strapping
- Main foyer;
- Administration Office;
- Storage areas

This current concept would see the facility being able to meet current and future needs of sporting groups, provide modern inclusive fitouts which meet current building codes and cater for individual access needs of disabled and ambulant community members, as well as provision of appropriate hygienic amenities with a layout that offers privacy, space and a safe environment for all sports participants to shower and get changed.

Mountain Bike Park

Details

- Earthworks , culverts, conduit and trenching and other site works
- Water Connection Points
- Power Connection Points
- Double flush toilet
- Camp Kitchen
- Picnic Tables & Benches
- Play equipment
- Greywater outlet
- Sewerage

(b) Current year transactions

Note	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
Operating revenue			
Muchea Complex Contribution	50,000		68,630
Muchea Complex Grant	279,370	252,000	580,000
Capital revenue			
Muchea Complex Loan			3,301,727
Mountain Bike Park Loan	1,203,545		1,203,545
Capital expenditure			
Mountain Bike Park Caravan Park	(1,203,545)	668,432	(1,203,545)
Muchea Complex Redevelopment	(833,372)	2,734,969	(5,678,608)
	(504,002)	3,655,401	(1,728,251)

(c) Expected future cash flows

	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	\$	\$	\$	\$	\$	\$
Cash outflows						
Mountain Bike Park Caravan Park	(1,203,545)	(14,626)	(15,065)	(15,517)	(16,019)	(1,264,772)
Muchea Complex Redevelopment	(833,372)	(31,333)	(32,273)	(33,241)	(34,425)	(964,644)
	(2,036,917)	(45,959)	(47,338)	(48,758)	(50,444)	(2,229,416)
Cash Inflows						
Mountain Bike Park Caravan Park	54,600	109,200	117,390	126,194	135,659	543,043
Muchea Complex Redevelopment	210	215	221	226	232	1,104
	54,810	109,415	117,611	126,420	135,891	544,147
Net cash flows	(1,982,107)	63,456	70,273	77,662	85,447	(1,685,269)

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14. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated the Shire will have any Trade or Major Trade Undertakings during 2023/2024.

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15. INVESTMENT IN ASSOCIATES

(a) Investment in associate

It is not anticipated the Shire will have any Investment in Associates during 2023/2024.

MATERIAL ACCOUNTING POLICIES

Investments in associates

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

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

Investments in associates (continued)

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

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16. FEES AND CHARGES

	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
By Program:			
Governance	500	508	1,500
General purpose funding	63,795	53,435	76,900
Law, order, public safety	42,600	36,858	49,500
Health	48,034	47,764	45,383
Education and welfare	3,653	3,594	320
Housing	134,574	123,622	143,599
Community amenities	1,089,120	1,089,785	1,125,226
Recreation and culture	11,956	8,355	8,445
Transport	0	3,330	0
Economic services	206,215	169,197	157,634
Other property and services	7,012	632	6,804
	1,607,459	1,537,080	1,615,311

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