



BUDGET 2023-24

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

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

"We are a welcoming inclusive community that celebrates its unique coastal and inland landscapes with an aim to increase visitation to the region"

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

	NOTE	2023/24 Budget	2022/23 Actual	2022/23 Budget
Revenue		\$	\$	\$
Rates	2(a)	10,083,337	9,437,442	9,422,765
Grants, subsidies and contributions	11	1,587,992	3,973,105	1,332,638
Fees and charges	14	4,195,911	4,154,634	3,941,679
Interest revenue	12(a)	308,442	351,417	113,775
Other revenue	12(b)	375,476	405,091	237,509
		16,551,158	18,321,689	15,048,366
Expenses				
Employee costs		(6,856,559)	(5,949,670)	(6,254,772)
Materials and contracts		(7,487,183)	(7,158,425)	(6,649,869)
Utility charges		(509,110)	(484,922)	(474,691)
Depreciation	6	(6,309,532)	(6,044,210)	(4,922,951)
Finance costs	12(d)	(92,173)	(89,953)	(92,430)
Insurance		(393,956)	(382,019)	(350,872)
Other expenditure		(645,229)	(709,257)	(460,465)
		(22,293,742)	(20,818,456)	(19,206,050)
		(5,742,584)	(2,496,767)	(4,157,684)
Capital grants, subsidies and contributions	11	4,336,989	5,317,689	8,088,343
Profit on asset disposals	5	76,025	226,582	0
Loss on asset disposals		(291,099)	(214,747)	0
		4,121,915	5,329,524	8,088,343
Net result for the period		(1,620,669)	2,832,757	3,930,659
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		(1,620,669)	2,832,757	3,930,659

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

SHIRE OF GINGIN
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		\$ 10,083,337	\$ 9,427,521	\$ 9,422,765
Grants, subsidies and contributions		1,062,595	4,104,842	233,670
Fees and charges		4,195,911	4,154,634	3,941,679
Interest revenue		308,442	351,417	113,775
Goods and services tax received		0	56,473	0
Other revenue		375,476	405,091	237,509
		16,025,761	18,499,978	13,949,398
Payments				
Employee costs		(6,856,559)	(6,007,960)	(6,254,772)
Materials and contracts		(7,487,183)	(8,562,555)	(6,649,869)
Utility charges		(509,110)	(484,922)	(474,691)
Finance costs		(92,173)	(92,474)	(92,430)
Insurance		(393,956)	(382,019)	(350,872)
Other expenditure		(645,229)	(709,257)	(460,465)
		(15,984,210)	(16,239,187)	(14,283,099)
Net cash provided by (used in) operating activities	4	41,551	2,260,791	(333,701)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5(a)	(4,919,356)	(2,236,992)	(6,658,428)
Payments for construction of infrastructure	5(b)	(5,303,515)	(6,162,343)	(6,702,036)
Capital grants, subsidies and contributions		4,336,989	5,317,689	8,088,343
Proceeds from sale of property, plant and equipment	5(a)	356,900	404,272	307,000
Proceeds on financial assets at amortised cost - self supporting loans		2,327	2,278	2,278
Proceeds on other loans and receivables - council advance		1,964	1,929	10,974
Net cash provided by (used in) investing activities		(5,524,691)	(2,673,167)	(4,951,869)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(262,349)	(250,521)	(250,520)
Payments for principal portion of lease liabilities	8	(32,089)	(34,088)	(32,001)
Proceeds from new borrowings	7(a)	300,000	250,000	550,000
Net cash provided by (used in) financing activities		5,562	(34,609)	267,479
Net increase (decrease) in cash held		(5,477,578)	(446,985)	(5,018,091)
Cash at beginning of year		13,151,019	13,598,004	13,598,358
Cash and cash equivalents at the end of the year	4	7,673,441	13,151,019	8,580,267

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

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

		2023/24	2022/23	2022/23
	NOTE	Budget	Actual	Budget
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	2(a)	\$ 10,077,038	\$ 9,431,143	\$ 9,416,965
Rates excluding general rates	2(a)	6,299	6,299	5,800
Grants, subsidies and contributions	11	1,587,992	3,973,105	1,332,638
Fees and charges	14	4,195,911	4,154,634	3,941,679
Interest revenue	12(a)	308,442	351,417	113,775
Other revenue	12(b)	375,476	405,091	237,509
Profit on asset disposals	5	76,025	226,582	0
		16,627,183	18,548,271	15,048,366
Expenditure from operating activities				
Employee costs		(6,856,559)	(5,949,670)	(6,254,772)
Materials and contracts		(7,487,183)	(7,158,425)	(6,649,869)
Utility charges		(509,110)	(484,922)	(474,691)
Depreciation	6	(6,309,532)	(6,044,210)	(4,922,951)
Finance costs	12(d)	(92,173)	(89,953)	(92,430)
Insurance		(393,956)	(382,019)	(350,872)
Other expenditure		(645,229)	(709,257)	(460,465)
Loss on asset disposals	5	(291,099)	(214,747)	0
		(22,584,841)	(21,033,203)	(19,206,050)
Non-cash amounts excluded from operating activities	3(b)	6,524,606	6,016,306	4,922,951
Amount attributable to operating activities		566,948	3,531,374	765,267
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions	11	4,336,989	5,317,689	8,088,343
Proceeds from disposal of assets	5	356,900	404,272	307,000
Proceeds from financial assets at amortised cost - self supporting loans		2,327	2,278	2,278
Proceeds on other loans and receivables [describe]		1,964	1,929	10,974
		4,698,180	5,726,168	8,408,595
Outflows from investing activities				
Payments for property, plant and equipment	5(a)	(4,919,356)	(2,236,992)	(6,658,428)
Payments for construction of infrastructure	5(b)	(5,303,515)	(6,162,343)	(6,702,036)
		(10,222,871)	(8,399,335)	(13,360,464)
Amount attributable to investing activities		(5,524,691)	(2,673,167)	(4,951,869)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from new borrowings	7(a)	300,000	250,000	550,000
Transfers from reserve accounts	9(a)	2,917,096	907,624	1,818,497
		3,217,096	1,157,624	2,368,497
Outflows from financing activities				
Repayment of borrowings	7(a)	(262,349)	(250,521)	(250,520)
Payments for principal portion of lease liabilities	8	(32,089)	(34,088)	(32,001)
Transfers to reserve accounts	9(a)	(630,852)	(1,213,776)	(539,595)
		(925,290)	(1,498,385)	(822,116)
Amount attributable to financing activities		2,291,806	(340,761)	1,546,381
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	3	2,665,937	2,148,491	2,640,221
Amount attributable to operating activities		566,948	3,531,374	765,267
Amount attributable to investing activities		(5,524,691)	(2,673,167)	(4,951,869)
Amount attributable to financing activities		2,291,806	(340,761)	1,546,381
Surplus or deficit at the end of the financial year	3	0	2,665,937	0

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

**SHIRE OF GINGIN
FOR THE YEAR ENDED 30 JUNE 2024
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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, if applicable, appears within the notes 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 GINGIN
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 GINGIN
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 Townsites	Gross rental valuation	0.092598	1,595	30,572,286	2,830,933	0	0	2,830,933	2,639,224	2,635,335
GRV Other	Gross rental valuation	0.092598	979	18,179,385	1,683,375	0	0	1,683,375	1,554,432	1,546,286
UV Rural	Unimproved valuation	0.004848	463	366,649,000	1,777,514	0	0	1,777,514	1,726,793	1,720,594
UV Other	Unimproved valuation	0.004848	3	2,686,000	13,022	0	0	13,022	11,788	11,788
UV Intensive/Mining	Unimproved valuation	0.007376	131	97,379,000	718,268	0	0	718,268	701,265	701,452
UV Exploration Mining	Unimproved valuation	0.004848	0	0	0	0	0	0	(2,919)	0
Total general rates			3,171	515,465,671	7,023,112	0	0	7,023,112	6,630,583	6,615,455
(ii) Minimum payment										
		\$								
GRV Townsites	Gross rental valuation	1,248	1,033	9,760,775	1,289,184	0	0	1,289,184	1,219,636	1,218,470
GRV Other	Gross rental valuation	1,248	744	4,222,360	928,512	0	0	928,512	890,824	891,990
UV Rural	Unimproved valuation	1,444	346	76,307,000	499,624	0	0	499,624	408,250	402,300
UV Other	Unimproved valuation	1,444	1	180,000	1,444	0	0	1,444	1,350	1,350
UV Intensive/Mining	Unimproved valuation	2,461	118	23,639,885	290,398	0	0	290,398	234,600	241,500
UV Exploration Mining	Unimproved valuation	1,444	31	101,934	44,764	0	0	44,764	45,900	45,900
Total minimum payments			2,273	114,211,954	3,053,926	0	0	3,053,926	2,800,560	2,801,510
Total general rates and minimum payments			5,444	629,677,625	10,077,038	0	0	10,077,038	9,431,143	9,416,965
(iv) Ex-gratia rates										
Ex-gratia rates					6,299			6,299	6,299	5,800
Total ex-gratia rates			0	0	6,299	0	0	6,299	6,299	5,800
Total rates					10,083,337	0	0	10,083,337	9,437,442	9,422,765
Total rates					10,083,337	0	0	10,083,337	9,437,442	9,422,765

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 GINGIN
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)

10th October 2023

Option 2 (Two Instalments)

10th October 2023

13th February 2024

Option 3 (Four Instalments)

10th October 2023

12th December 2023

13th February 2024

16th April 2024

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	10th October 2023	0	0.0%	7.0%
Option two				
First instalment	10th October 2023	0	5.5%	5.5%
Second instalment	13th February 2024	5	5.5%	5.5%
Option three				
First instalment	10th October 2023	0	5.5%	5.5%
Second instalment	12th December 2023	5	5.5%	5.5%
Third instalment	13th February 2024	5	5.5%	5.5%
Fourth instalment	16th April 2024	5	5.5%	5.5%

	2023/24 Budget revenue	2022/23 Actual revenue	2022/23 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	3,500	3,165	16,000
Instalment plan interest earned	26,000	26,244	26,000
Unpaid rates and service charge interest earned	40,000	42,699	50,000
Deferred Pensioner Rates Interest	500	0	1,050
	70,000	72,108	93,050

SHIRE OF GINGIN
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

Description	Characteristics	Objects	Reasons
Rural and Rural Other (including exploration and prospecting tenements).	Where land is used predominantly for rural purposes, the rate levied shall be based upon its unimproved value (UV).	The objective of this differential rating category is to impose a differential general rate on land held or used for the purposes of rural broad acre farming, rural residential, rural industry, other non-intensive uses as determined by Council (including exploration and prospecting tenements).	It recognises that land within this category does not have the same impacts on Shire transport infrastructure as the rural intensive/mining differential rate category.
Rural Intensive/Mining (excluding exploration and prospecting tenements)	Any or a combination of the following characteristics: (a) The purpose for which the land is zoned, whether (b) a purpose for which the land is held or used as determined by the local government; or (c) whether the land is vacant or not; or (d) any other characteristic or combination of	The objective of this differential rating category is to impose a differential general rate on land held or used for the purposes of Agriculture Intensive, Animal Husbandry - Intensive (excluding exploration and prospecting tenements), Extractive Industry, Mining, Aquaculture, or Water.	It recognises that land within this category has higher impacts on Shire transport infrastructure and increased environmental monitoring costs.

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

(d) Differential Minimum Payment

<p>Rural and Rural Other (including exploration and prospecting tenements).</p>	<p>Where land is used predominantly for rural purposes, the rate levied shall be based upon its unimproved value (UV).</p>	<p>The objective of the proposed minimum payment of \$1,444 (from \$1,350) is to ensure that the proportion of total rate revenue derived from Rural and Rural Other UV properties is essentially consistent with the overall rate increase for this category (including exploration and prospecting tenements).</p>	<p>It recognises that every property receives a minimum level of benefit from works and services provided.</p>
<p>Rural Intensive/Mining (excluding exploration and prospecting tenements)</p>	<p>Any or a combination of the following characteristics: (a) The purpose for which the land is zoned, whether (b) a purpose for which the land is held or used as (c) whether the land is vacant or not; or (d) any other characteristic or combination of characteristics prescribed.</p>	<p>The objective of this minimum payment is to reflect the additional costs from this sector associated with the higher impact on transport infrastructure and environmental monitoring. The minimum rate of \$2,461 (from \$2,300) also ensure that the proportion of total rate revenue from Rural Intensive/Mining UV properties (excluding exploratioin and prospecting tenements) is essentially consistent with the overall rate increase for this category.</p>	<p>It recognises that land within this category has higher impacts on Shire transport infrastructure and increased environmental monitoring costs, and the capacity of property owners to pass on the rates charge as a business cost.</p>

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

2. RATES AND SERVICE CHARGES (CONTINUED)

(e) Specified Area Rate

The Shire will not raise specified area rates for the year ended 30 June 2024

(f) Service Charges

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

(g) Waivers or concessions

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

SHIRE OF GINGIN
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

	Note	2023/24 Budget 30 June 2024	2022/23 Actual 30 June 2023	2022/23 Budget 30 June 2023
Cash and cash equivalents	4	7,673,441	13,151,019	8,580,267
Financial assets		4,377	4,291	0
Receivables		896,054	896,054	1,940,054
Contract assets		0	407,832	0
Inventories		27,406	27,406	389,877
Other assets		39,059	39,059	19,325

Less: current liabilities

Trade and other payables		(1,940,781)	(1,940,781)	(3,392,338)
Contract liabilities		0	(933,229)	0
Lease liabilities	8	0	(20,122)	0
Long term borrowings	7	(300,000)	(262,349)	(550,001)
Employee provisions		(809,513)	(809,513)	(1,004,339)
Other provisions		(120,544)	(120,544)	0

Net current assets

Less: Total adjustments to net current assets

Net current assets used in the Statement of Financial Activity	3(c)	(5,469,499)	(7,773,186)	(5,982,845)
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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

	Note	2023/24 Budget 30 June 2024	2022/23 Actual 30 June 2023	2022/23 Budget 30 June 2023
Less: Profit on asset disposals	5	(76,025)	(226,582)	0
Add: Loss on asset disposals	5	291,099	214,747	0
Add: Depreciation	6	6,309,532	6,044,210	4,922,951
Non-cash movements in non-current assets and liabilities:				
- Pensioner deferred rates		0	(16,069)	0

Non cash amounts excluded from operating activities

6,524,606 6,016,306 4,922,951

(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	9	(5,765,122)	(8,051,366)	(6,532,846)
Less: Current assets not expected to be received at end of year				
- Current financial assets at amortised cost - self supporting loans		(2,378)	(2,327)	0
- Other loans and receivables - Council advance		(1,999)	(1,964)	0
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		300,000	262,349	550,001
- Current portion of lease liabilities		0	20,122	0

Total adjustments to net current assets

(5,469,499) (7,773,186) (5,982,845)

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.

CONTRACT ASSETS

Contract assets primarily relate to the Shire's right to consideration for work completed but not billed at the end of the period.

SHIRE OF GINGIN
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		\$ 7,673,441	\$ 13,151,019	\$ 8,580,267
Total cash and cash equivalents		7,673,441	13,151,019	8,580,267
Held as				
- Unrestricted cash and cash equivalents	3(a)	1,908,319	5,099,653	2,047,421
- Restricted cash and cash equivalents	3(a)	5,765,122	8,051,366	6,532,846
		7,673,441	13,151,019	8,580,267
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		5,765,122	8,051,366	6,532,846
		5,765,122	8,051,366	6,532,846
The assets are restricted as a result of the specified purposes associated with the liabilities below:				
Financially backed reserves	9	5,765,122	8,051,366	6,532,846
		5,765,122	8,051,366	6,532,846
Reconciliation of net cash provided by operating activities to net result				
Net result		(1,620,669)	2,832,757	3,930,659
Depreciation	6	6,309,532	6,044,210	4,922,951
(Profit)/loss on sale of asset	5	215,074	(11,835)	0
(Increase)/decrease in receivables		0	1,063,646	0
(Increase)/decrease in contract assets		407,832	(407,832)	0
(Increase)/decrease in inventories		0	21,485	0
(Increase)/decrease in other assets		0	(19,734)	0
Increase/(decrease) in payables		0	(1,466,692)	0
Increase/(decrease) in contract liabilities		(933,229)	(477,525)	(1,098,968)
Capital grants, subsidies and contributions		(4,336,989)	(5,317,689)	(8,088,343)
Net cash from operating activities		41,551	2,260,791	(333,701)

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 GINGIN
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 Additions	2023/24 Budget Disposals - Net Book Value	2023/24 Budget Disposals - Sale Proceeds	2023/24 Budget Disposals - Profit or Loss	2022/23 Actual Additions	2022/23 Disposals - Net Book Value	2022/23 Actual Disposals - Sale Proceeds	2022/23 Actual Disposals - Profit or Loss	2022/23 Budget Additions	2022/23 Budget Disposals - Net Book Value	2022/23 Budget Disposals - Sale Proceeds
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Property, Plant and Equipment											
Land - freehold land	90,000	0	0	0	2,625	0	0	0	477,400	0	0
Buildings - non-specialised	1,092,900	0	0	0	22,790	0	0	0	0	0	0
Buildings - specialised	558,687	0	0	0	516,361	119,583	0	(119,583)	1,106,828	0	0
Plant and equipment	2,416,097	498,963	296,900	(202,063)	489,865	40,624	75,455	34,831	5,074,200	307,000	307,000
Vehicles	761,672	47,053	60,000	12,947	1,205,351	151,492	328,817	177,325	0	0	0
Total	4,919,356	546,016	356,900	(189,116)	2,236,992	311,699	404,272	92,573	6,658,428	307,000	307,000
(b) Infrastructure											
Infrastructure - roads	2,855,954	0	0	0	4,793,156	0	0	0	4,730,059	0	0
Infrastructure - footpaths	0	0	0	0	25,119	0	0	0	20,000	0	0
Infrastructure - drainage	30,000	0	0	0	0	0	0	0	135,000	0	0
Infrastructure - parks and ovals	242,500	18,225	0	(18,225)	640,855	80,738	0	(80,738)	1,290,146	0	0
Infrastructure - bridges	1,682,061	0	0	0	114,119	0	0	0	0	0	0
Infrastructure - other	493,000	7,733	0	(7,733)	589,094	0	0	0	226,831	0	0
Other infrastructure - sewer				0				0	300,000	0	0
Total	5,303,515	25,958	0	(25,958)	6,162,343	80,738	0	(80,738)	6,702,036	0	0
(c) Right of Use Assets											
Right of use - buildings	22,634	0	0	0	0	0	0	0	0	0	0
Right of use - furniture and fittings	22,333	0	0	0	0	0	0	0	0	0	0
Total	44,967	0	0	0	0	0	0	0	0	0	0
Total	10,267,838	571,974	356,900	(215,074)	8,399,335	392,437	404,272	11,835	13,360,464	307,000	307,000

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

6. DEPRECIATION

By Class

Buildings - non-specialised
Buildings - specialised
Furniture and equipment
Plant and equipment
Vehicles
Infrastructure - roads
Infrastructure - footpaths
Infrastructure - drainage
Infrastructure - parks and ovals
Infrastructure - bridges
Infrastructure - other
Right of use - buildings
Right of use - furniture and fittings

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
	\$	\$	\$
Buildings - non-specialised	33,646	30,870	46,404
Buildings - specialised	738,671	796,854	1,128,182
Furniture and equipment	42,537	17,217	51,880
Plant and equipment	469,862	332,883	601,645
Vehicles	253,026	151,458	0
Infrastructure - roads	3,173,059	3,173,058	1,800,000
Infrastructure - footpaths	25,665	25,666	0
Infrastructure - drainage	86,204	86,204	0
Infrastructure - parks and ovals	832,349	767,665	773,337
Infrastructure - bridges	142,156	143,278	116,228
Infrastructure - other	481,457	485,122	373,307
Right of use - buildings	6,900	8,925	6,958
Right of use - furniture and fittings	24,000	25,010	25,010
	6,309,532	6,044,210	4,922,951
Law, order, public safety	275,246	281,646	175,670
Health	14,990	15,009	16,625
Education and welfare	58,216	59,085	64,988
Housing	42,952	43,034	
Community amenities	39,676	39,605	226,364
Recreation and culture	1,598,659	1,522,828	1,655,654
Transport	3,468,631	3,468,931	1,944,518
Economic services	172,431	177,814	69,265
Other property and services	638,731	436,258	769,867
	6,309,532	6,044,210	4,922,951

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	2 to 60 Years
Buildings - specialised	2 to 80 Years
Furniture and equipment	3 to 50 Years
Plant and equipment	1 to 35 years
Vehicles	3 to 20 years
Infrastructure - roads	20 to 50 Years
Infrastructure - footpaths	40 years
Infrastructure - drainage	85 Years
Infrastructure - parks and ovals	1 to 40 years
Infrastructure - bridges	2 to 100 years
Infrastructure - other	1 to 75 years
Right of use - buildings	Based on remaining lease
Right of use - furniture and fittings	Based on remaining lease

SHIRE OF GINGIN
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	Principal	Principal	Principal	Principal	Principal	Principal	Principal	Principal
				1 July 2023	New Loans	Principal Repayments	outstanding 30 June 2024	Interest Repayments	1 July 2022	New Loans	Principal Repayments	Principal outstanding 30 June 2023	Interest Repayments	1 July 2022	New Loans	Principal Repayments	outstanding 30 June 2023	Interest Repayments	
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Gingin Medical Centre	100	WATC*	6.51%	36,082	0	(36,081)	0	(1,771)	69,891	0	(33,809)	36,082	(3,084)	69,891	0	(33,809)	36,082	(4,009)	
Wannamal West Road - Tip Rationalisation	111	WATC*	6.49%	374,840	0	(22,797)	352,043	(23,963)	396,226	0	(21,386)	374,840	(24,852)	396,226	0	(21,386)	374,840	(25,374)	
Guiderton Country Club	114	WATC*	7.14%	254,993	0	(44,105)	210,888	(17,433)	296,110	0	(41,117)	254,993	(20,086)	296,110	0	(41,117)	254,993	(20,421)	
Regional Hardcourt Facility	120	WATC*	6.68%	192,913	0	(27,111)	165,802	(12,441)	218,299	0	(25,386)	192,913	(14,110)	218,299	0	(25,386)	192,913	(14,165)	
Lot 44 Weld Street	123	WATC*	6.96%	116,589	0	(20,241)	96,348	(7,768)	135,491	0	(18,902)	116,589	(8,834)	135,491	0	(18,902)	116,589	(9,107)	
Regional Hardcourt Facility	124A	WATC*	4.13%	188,721	0	(23,769)	164,952	(7,551)	211,538	0	(22,817)	188,721	(8,434)	211,538	0	(22,817)	188,721	(8,503)	
Swimming Pool Tiling	126	WATC*	3.10%	49,937	0	(16,136)	33,801	(1,424)	65,584	0	(15,647)	49,937	(1,714)	65,584	0	(15,647)	49,937	(1,913)	
Seabird Sea Wall	127	WATC*	2.51%	81,001	0	(22,426)	58,575	(1,893)	102,875	0	(21,874)	81,001	(2,211)	102,876	0	(21,874)	81,002	(2,446)	
Lancelin Caravan Park Assets	128	WATC*	2.52%	0	0	0	0	0	21,146	0	(21,146)	0	(68)	21,146	0	(21,146)	0	(266)	
Altus Financials Suite Software Upgrade	131	WATC*	1.94%	139,253	0	(9,516)	129,736	(2,653)	148,587	0	(9,334)	139,253	(2,829)	148,587	0	(9,334)	139,253	(2,835)	
Gingin Outdoor Activity Space	132	WATC*	1.43%	143,591	0	(17,065)	126,526	(1,995)	160,415	0	(16,824)	143,591	(2,228)	160,415	0	(16,824)	143,591	(2,237)	
Cunliffe Street Redevelopment	133	WATC*	4.56%	250,000	0	(20,774)	229,226	(11,165)	0	250,000	0	250,000	(311)	0	250,000	0	250,000	0	
Guiderton Caravan Park Sewage	New			0	300,000	0	300,000	0	0	0	0	0	0	0	300,000	0	300,000	0	
				1,827,919	300,000	(260,022)	1,867,897	(90,059)	1,826,162	250,000	(248,243)	1,827,919	(88,761)	1,826,163	550,000	(248,242)	2,127,921	(91,276)	
Self Supporting Loans																			
Ledge Point Country Club Coolroom	130	WATC*	2.2%	14,745	0	(2,327)	12,418	(306)	17,023	0	(2,278)	14,745	(350)	17,023	0	(2,278)	14,745	(355)	
				14,745	0	(2,327)	12,418	(306)	17,023	0	(2,278)	14,745	(350)	17,023	0	(2,278)	14,745	(355)	
				1,842,664	300,000	(262,349)	1,880,314	(90,365)	1,843,185	250,000	(250,521)	1,842,664	(89,111)	1,843,186	550,000	(250,520)	2,142,666	(91,631)	

*Western Australian Treasury Corporation

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

SHIRE OF GINGIN
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
Guilderton Caravan Park Waste Water	WATC*	Debenture	10	4.54%	\$ 300,000	\$ 0	\$ 300,000	\$ 0
					300,000	0	300,000	0

(c) Unspent borrowings

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

(d) Credit Facilities

	2023/24 Budget	2022/23 Actual	2022/23 Budget
Undrawn borrowing facilities credit standby arrangements	\$	\$	\$
Bank overdraft limit	500,000	500,000	500,000
Bank overdraft at balance date	0	0	0
Credit card limit	27,000	27,000	24,000
Credit card balance at balance date	0	(10,104)	0
Total amount of credit unused	527,000	516,896	524,000
Loan facilities			
Loan facilities in use at balance date	1,880,314	1,842,664	2,142,666

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.

8. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease	2023/24 Budget Lease	Budget Lease	2023/24 Budget Lease	Actual Principal	2022/23 Actual	Actual Lease	2022/23 Actual	Budget Principal	2022/23 Budget	Budget Lease	Budget Lease	2022/23 Budget	
					Principal 1 July 2023	New Leases	Principal outstanding 30 June 2024	Interest Repayments		Principal 1 July 2022	New Leases	Principal repayments	Principal outstanding 30 June 2023	Interest repayments	Principal 1 July 2022	New Leases	Principal repayments	Principal outstanding 30 June 2023
Lancelin Administration - Building	1	LJ Hughes	1.30%	36	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,043	\$ 2,085	\$ (9,128)	\$ 0	\$ (91)	\$ 7,041	\$ 0	\$ (7,041)	\$ 0	\$ (50)
Lancelin Administration - Building	1A	LJ Hughes	4.20%	36	0	22,634	(7,237)	15,397	0	0	0	0	0	0	0	0	0	0
Gingin Administration - Photocopier	2	QPC Group	1.10%	36	2,559	0	(2,559)	0	10,181	0	(7,622)	2,559	(75)	10,181	0	(7,622)	2,559	(73)
Gingin Administration - Photocopier	2A	QPC Group	4.20%	36	0	22,333	(4,730)	17,603	0	0	0	0	0	0	0	0	0	0
Gingin Administration - IT Server	3	Dell Financial Services	1.30%	60	42,835	0	(17,563)	25,272	60,173	0	(17,338)	42,835	(676)	60,175	0	(17,338)	42,837	(676)
					45,394	44,967	(32,089)	58,272	77,397	2,085	(34,088)	45,394	(842)	77,397	0	(32,001)	45,396	(799)

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

9. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

	2023/24	2023/24	2023/24	2023/24	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23
	Budget	2023/24	Budget	Budget	Actual	2022/23	Actual	Actual	Budget	2022/23	Budget	Budget
	Opening	Budget	Transfer	Closing	Opening	Actual	Transfer	Closing	Opening	Budget	Transfer	Closing
	Balance	Transfer to	(from)	Balance	Balance	Transfer to	(from)	Balance	Balance	Transfer to	(from)	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
LSL, Annual, Sick Leave and Staff Contingency	440,075	8,829	0	448,904	429,670	10,405	0	440,075	429,670	2,912	0	432,582
Office Equipment Reserve	0	0	0	0	0	0	0	0	0	69	0	69
Plant and Equipment Reserve	1,438,722	36,359	(1,295,955)	179,126	1,593,152	38,578	(193,008)	1,438,722	1,593,152	8,985	(987,200)	614,937
Land and Buildings Reserve	893,170	17,916	(875,350)	35,736	916,406	22,191	(45,427)	893,170	916,407	4,976	(590,097)	331,286
Guilderton Caravan Park Reserve	4,842	100,097	0	104,939	34,018	824	(30,000)	4,842	34,018	246	0	34,264
Shire Recreation Development Reserve	393,010	7,883	(40,000)	360,893	469,779	11,376	(88,145)	393,010	515,566	518	0	516,084
Redfield Park Reserve	32,231	647	0	32,878	31,469	762	0	32,231	31,469	217	0	31,686
Ocean Farm Recreation Reserve	31,915	640	0	32,555	31,160	755	0	31,915	31,160	215	0	31,375
Tip Rationalisation Reserve	2,302,313	117,609	(37,500)	2,382,422	1,973,830	358,153	(29,670)	2,302,313	1,973,829	28,060	(55,000)	1,946,889
Lancelin Community Sport and Recreation Reserve	127,542	29,088	0	156,630	103,514	29,380	(5,352)	127,542	98,640	425	0	99,065
Community Infrastructure Reserve	35,790	8,718	0	44,508	36,531	859	(1,600)	35,790	36,531	12,000	0	48,531
Staff Housing	34,372	689	(34,372)	689	33,559	813	0	34,372	33,560	0	0	33,560
Future Infrastructure Reserve	542,123	10,874	0	552,997	529,306	12,817	0	542,123	567,840	0	0	567,840
Guilderton Country Club Reserve	21,219	8,658	0	29,877	27,237	8,982	(15,000)	21,219	19,157	0	0	19,157
Coastal Management Reserve - Coastal Inundation	344,272	106,906	(85,000)	366,178	292,392	107,080	(55,200)	344,272	292,391	0	(40,200)	252,191
Guilderton Foreshore Reserve	232,411	84,593	(50,000)	267,004	121,076	111,335	0	232,411	121,076	69,520	0	190,596
Unspent Grants Reserve - Youth Services Website Grant	5,136	103	0	5,239	5,015	121	0	5,136	5,014	0	0	5,014
Seniors Housing Reserve	157,126	28,152	(150,000)	35,278	162,145	28,926	(33,945)	157,126	162,145	80,957	(146,000)	97,102
Gingin Railway Station Reserve	5,886	118	0	6,004	5,747	139	0	5,886	5,747	0	0	5,747
Contributions to Roads Reserve - Cullalla Road Intersection	46,221	927	0	47,148	45,128	1,093	0	46,221	45,128	0	0	45,128
Contribution to Roads Reserve - Cowalla Road Intersection	16,434	330	0	16,764	16,045	389	0	16,434	16,045	0	0	16,045
Contribution to Roads Reserve - Chitna Road	3,081	62	0	3,143	3,008	73	0	3,081	3,008	0	0	3,008
Contribution to Roads Reserve - Balance of Muni Funds	739,584	14,835	(348,919)	405,500	700,374	379,460	(340,250)	739,584	700,375	300,000	0	1,000,375
Community Infrastructure Reserve - Lower Coastal Fire Control	25,878	519	0	26,397	25,266	612	0	25,878	25,266	15	0	25,281
Community Infrastructure Reserve - Gingin Logo Plates	8,497	470	0	8,967	8,030	467	0	8,497	8,030	0	0	8,030
Community Infrastructure Reserve - Gingin Ambulance	55,285	7,109	0	62,394	48,120	7,165	0	55,285	48,120	6,000	0	54,120
Community Infrastructure Reserve - Concept Plan for Granville Park Gingin	0	0	0	0	0	0	0	0	0	0	0	0
Community Infrastructure - Lancelin Ambulance	49,686	18,997	0	68,683	30,937	18,749	0	49,686	30,937	18,000	0	48,937
Coastal Management Reserve - BEN Signs	0	0	0	0	0	0	0	0	0	0	0	0
Subdivision Reserve - Mallee Lane Subdivision Contribution towards DUP	0	0	0	0	14,672		(15,027)	0			0	14,672
Cheriton Rd to Brockman St						355			14,672	0		
Public Open Space Reserve	26,681	535	0	27,216	26,050	631	0	26,681	26,050	0	0	26,050
Guilderton Trailer Parking Reserve	32,913	5,340	0	38,253	26,744	6,169	0	32,913	26,745	6,480	0	33,225
Gingin Outdoor Activity Space (GOAS) Playground	4,951	99	0	5,050	4,834	117	0	4,951	0	0	0	0
Wheatbelt Development Commission - Tourism Project	0	0	0	0	0	55,000	(55,000)	0	0	0	0	0
Gingin Resilience Fund	0	13,750	0	13,750	0	0	0	0	0	0	0	0
	8,051,366	630,852	(2,917,096)	5,765,122	7,745,214	1,213,776	(907,624)	8,051,366	7,811,748	539,595	(1,818,497)	6,532,846

9. RESERVE ACCOUNTS

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

(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
LSL, Annual, Sick Leave and Staff Contingency	As required	Used to fund annual leave, long service leave, sick leave, redundancy/retirement and staff contingency.
Plant and Equipment Reserve	As required	Used for the purchase of major plant and equipment.
Land and Buildings Reserve	As required	Used for the replacement and/ or acquisition of land and buildings.
Guilderton Caravan Park Reserve	As required	Used for the development of Guilderton Caravan Park facilities.
Shire Recreation Development Reserve	As required	Used for the development of Shire Recreation facilities.
Redfield Park Reserve	As required	Used for the development of Public Open Space within the Redfield Park subdivision.
Ocean Farm Recreation Reserve	As required	Used for the development of recreation and community facilities with the Ocean Farm subdivision.
Tip Rationalisation Reserve	As required	Used for rationalisation of rubbish tip facilities within the Shire.
Lancelin Community Sport and Recreation Reserve	As required	Used in developing building and other associated infrastructure at the Lancelin Community Sporting Club and are to be spent upon request from the club, and approval from Council.
Community Infrastructure Reserve	As required	Used to assist in financing of community facilities.
Staff Housing	As required	To be used to fund Staff housing infrastructure additions and/ or replacement.
Future Infrastructure Reserve	As required	To be used to fund future infrastructure construction, purchase, additions and/or renewals.
Guilderton Country Club Reserve	As required	To be used to fund the development of the Guilderton Country Club and are to be spent upon request from the Club, and approval from Council.
Coastal Management Reserve - Coastal Inundation	As required	For the purpose of funding coastal erosion mitigation and inundation works.
Guilderton Foreshore Reserve	As required	For the purpose of upgrading facilities and amenity within the Guilderton foreshore area.
Unspent Grants Reserve - Youth Services Website Grant	As required	For the purpose of isolating grant funds received and not used during a financial period.
Seniors Housing Reserve	As required	For the purpose of repairs, improvements, extensions or construction of seniors housing.
Gingin Railway Station Reserve	As required	For the purpose of improving and maintaining the Gingin Railway Station.
Contributions to Roads Reserve - Cullalla Road Intersection	As required	For the purpose of funding future road works
Contribution to Roads Reserve - Cowalla Road Intersection	As required	For the purpose of funding future road works
Contribution to Roads Reserve - Chitna Road	As required	For the purpose of funding future road works
Contribution to Roads Reserve - Balance of Muni Funds	As required	For the purpose of funding future road works
Community Infrastructure Reserve - Lower Coastal Fire Control	As required	Used to assist in the financing of community facilities.
Community Infrastructure Reserve - Gingin Logo Plates	As required	Used to assist in the financing of community facilities.
Community Infrastructure Reserve - Gingin Ambulance	As required	Used to assist in the financing of community facilities.
Community Infrastructure Reserve - Lancelin Ambulance	As required	Used to assist in the financing of community facilities.
Subdivision Reserve - Mallee Lane Subdivision Contribution towards DUP Charge	As required	For the purpose of isolating subdivision monies intended for future works.
Public Open Space Reserve	As required	For the purpose of funding development of public open space.
Guilderton Trailer Parking Reserve	As required	For the purpose of future trailer park bay maintenance at Guilderton Foreshore.
Gingin Outdoor Activity Space (GOAS) Playground	As required	Used for the development of Shire Recreation facilities.
Wheatbelt Development Commission - Tourism Project	As required	To be used to fund future infrastructure construction, purchase, additions and/or renewals.
Gingin Resilience Fund	30/06/2025	To be used in delivering of Resilience Plan as set out in funding agreement.

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 GINGIN
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 an operational framework for environmental and community health

Inspection of food outlets and their control, noise control and waste disposal compliance.

Education and welfare

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

Maintenance of playgroup centre, aged care housing and Wangaree Community Centre. Provision and maintenance of youth services.

Housing

To provide and maintain staff and other housing

Provision and maintenance of staff and other 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 storm water 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 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.

Other property and services

To monitor and control Shire's overheads operating accounts

Private works operation, plant repair and operation costs and engineering operation costs, administration costs allocated and other unclassified works and services.

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

11 PROGRAM INFORMATION (Continued)

(b) Income and expenses

	2023/24	2022/23	2022/23
	Budget	Actual	Budget
Income excluding grants, subsidies and contributions	\$	\$	\$
Governance	11,200	7,198	8,560
General purpose funding	10,456,837	9,846,989	9,559,514
Law, order, public safety	120,575	276,220	120,674
Health	60,000	64,682	58,545
Education and welfare	7,500	22,263	9,500
Housing	125,550	114,290	123,718
Community amenities	1,995,294	1,769,774	1,736,016
Recreation and culture	148,042	121,105	120,576
Transport	225,098	236,997	199,000
Economic services	1,773,545	1,974,407	1,678,575
Other property and services	115,550	141,241	101,050
	15,039,191	14,575,166	13,715,728
Grants, subsidies and contributions			
Governance	0	0	0
General purpose funding	12,000	2,763,076	376,440
Law, order, public safety	1,170,182	735,896	482,031
Health	0	273	0
Education and welfare	0	8,005	0
Housing	0	0	0
Community amenities	83,580	128,523	173,887
Recreation and culture	10,000	10,000	10,600
Transport	273,830	311,080	248,580
Economic services	38,400	16,252	12,000
Other property and services	0	0	29,100
	1,587,992	3,973,105	1,332,638
Capital grants, subsidies and contributions			
Governance	0	0	0
General purpose funding	0	0	0
Law, order, public safety	844,487	1,228,247	3,775,788
Health	0	0	0
Education and welfare	0	0	0
Housing	0	0	0
Community amenities	0	0	126,450
Recreation and culture	103,500	607,217	1,603,005
Transport	3,389,002	3,482,225	2,583,100
Economic services	0	0	0
Other property and services	0	0	0
	4,336,989	5,317,689	8,088,343
Total Income	20,964,172	23,865,960	23,136,709
Expenses			
Governance	(1,674,738)	(1,983,218)	(2,239,694)
General purpose funding	(546,097)	(453,126)	(469,441)
Law, order, public safety	(2,845,833)	(2,068,804)	(1,457,290)
Health	(587,852)	(673,723)	(554,748)
Education and welfare	(285,179)	(154,074)	(195,732)
Housing	(359,188)	(144,300)	(99,341)
Community amenities	(2,883,452)	(2,427,759)	(3,320,327)
Recreation and culture	(3,960,175)	(3,566,064)	(3,478,382)
Transport	(6,957,422)	(6,196,167)	(4,997,854)
Economic services	(1,759,909)	(1,532,860)	(1,429,899)
Other property and services	(724,996)	(1,833,108)	(963,342)
Total expenses	(22,584,841)	(21,033,203)	(19,206,050)
Net result for the period	(1,620,669)	2,832,757	3,930,659

SHIRE OF GINGIN
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

	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
Investments			
- Reserve accounts	161,500	187,525	26,199
- Other funds	80,000	107,316	11,576
Late payment of fees and charges *	40,442	30,332	48,950
Other interest revenue	26,500	26,244	27,050
	308,442	351,417	113,775

* 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	257,758	273,476	90,395
Other	117,718	131,615	147,114
	375,476	405,091	237,509

The net result includes as expenses

(c) Auditors remuneration

Audit services	34,000	30,808	55,000
Other services	3,800	1,500	0
	37,800	32,308	55,000

(d) Interest expenses (finance costs)

Borrowings (refer Note 7(a))	90,365	89,111	91,631
Expense on lease liabilities (refer Note 8)	1,808	842	799
	92,173	89,953	92,430

(e) Write offs

General rate	0	7,019	0
	0	7,019	0

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

13. ELECTED MEMBERS REMUNERATION

	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
Cr Fewster - Shire President			
President's allowance	16,000	16,000	16,000
Meeting attendance fees	15,600	15,600	15,600
Annual allowance for ICT expenses	2,500	2,500	2,500
Travel and accommodation expenses	2,723	1,631	3,438
	36,823	35,731	37,538
Cr Rule - Deputy President to 14 November 2022			
Deputy President's allowance	4,000	1,489	4,000
Meeting attendance fees	8,320	8,320	8,320
Annual allowance for ICT expenses	2,500	2,500	2,500
Travel and accommodation expenses	2,723	0	3,438
	17,543	12,309	18,258
Cr Vis - Deputy President from 15 November 2022			
Deputy President's allowance	0	2511	0
Meeting attendance fees	8,320	8,320	8,320
Annual allowance for ICT expenses	2,500	2,500	2,500
Travel and accommodation expenses	2,722	0	3,438
	13,542	13,331	14,258
Cr Johnson - Councillor			
Meeting attendance fees	8,320	8,320	8,320
Annual allowance for ICT expenses	2,500	2,500	2,500
Travel and accommodation expenses	2,722	1,462	3,438
	13,542	12,282	14,258
Cr Peczka - Councillor			
Meeting attendance fees	8,320	8,320	8,320
Annual allowance for ICT expenses	2,500	2,500	2,500
Travel and accommodation expenses	2,722	3,337	3,438
	13,542	14,157	14,258
Cr Balcombe - Councillor			
Meeting attendance fees	8,320	8,320	8,320
Annual allowance for ICT expenses	2,500	2,500	2,500
Travel and accommodation expenses	2,722	0	3,438
	13,542	10,820	14,258
Cr Sorenson - Councillor			
Meeting attendance fees	8,320	8,320	8,320
Annual allowance for ICT expenses	2,500	2,500	2,500
Travel and accommodation expenses	2,722	1,308	3,438
	13,542	12,128	14,258
Cr Kestel - Councillor			
Meeting attendance fees	8,320	0	8,320
Annual allowance for ICT expenses	2,500	0	2,500
Travel and accommodation expenses	2,722	0	3,434
	13,542	0	14,254
Vacant - Councillor			
Meeting attendance fees	8,320	0	0
Annual allowance for ICT expenses	2,500	0	0
Travel and accommodation expenses	2,722	0	0
	13,542	0	0
Total Elected Member Remuneration	149,160	110,758	141,340
President's allowance	16,000	16,000	16,000
Deputy President's allowance	4,000	4,000	4,000
Meeting attendance fees	82,160	65,520	73,840
Annual allowance for ICT expenses	22,500	17,500	20,000
Travel and accommodation expenses	24,500	7,738	27,500
	149,160	110,758	141,340

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FOR THE YEAR ENDED 30 JUNE 2024

14. FEES AND CHARGES

	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
By Program:			
Governance	0	0	360
General purpose funding	3,500	3,165	16,000
Law, order, public safety	59,260	71,379	108,910
Health	51,000	49,693	50,000
Education and welfare	7,500	7,183	9,500
Housing	124,150	114,206	123,468
Community amenities	1,976,286	1,747,827	1,727,516
Recreation and culture	115,500	108,483	119,850
Transport	98,000	105,335	129,000
Economic services	1,728,715	1,917,990	1,614,075
Other property and services	32,000	29,373	43,000
	4,195,911	4,154,634	3,941,679

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