



Shire of Pingelly



2023/2024
Budget

Council Adopts the 2023/24 Annual Budget

Council adopted its annual budget for the 23/24 financial year at the Special Council Meeting on 2nd August 2023.

The Shire is experiencing significant operating cost increases. It is anticipated that it will cost over 12% (\$514,460) more this year than last year to provide the same level of services. These costs are outside of the Shire's control. Added to this, other operating revenue (excluding rates), particularly grants and subsidies have decreased by 15% (\$209,105). As a result, the 2023/24 budget is focused on keeping all expenditure to a minimum.

Council recognises that our community is also experiencing significant cost increases and have not passed on the full extent of the Shire's operating cost increases to the ratepayer. Rates increases therefore have been kept to 5% (\$117,199) across minimum rates, Gross Rental Value (GRV), and Unimproved Value (UV). The rate in the dollar for UV properties has decreased as valuations have risen more than rates. This is roughly in line with the Long Term Financial Plan which forecast a rate increase of 4.5% for this financial year. The Long Term Financial Plan ensures the long term sustainability of the Shire by making provision for replacement of assets and other major expenses.

Most of the Shire's overall budget is comprised of grant funding, with only 44.5% of the Shire's funding raised through rates. Much of the grant income is tied to specific projects which means that operational service delivery, asset maintenance and projects not funded through grants must be funded through rates if they are to proceed.

Council also recently adopted the Pingelly Community Plan 2023. This plan was developed in collaboration with our community and reflects its priorities. Approximately 10% of the community had direct input into this plan. The foremost priority identified in the community's plan is local roads. As such, the Shire most significant expenditure this year will be on local roads.

Road construction and maintenance is budgeted at \$2,755,832, at 50.2% of overall income, which includes just over \$1 Million for road construction. This investment reflects the Shire's focus on proper maintenance and upgrade of our road infrastructure. This expenditure includes the following projects: rural road grading and verge work; Yenelling Road (reconstruction and widening); Wickopin-Pingelly Road (reconstruction); Aldersyde-Pingelly Road (repairs); Jingaring Road (gravel resheeting); Somerset and Brown Streets (drainage works); and major cleaning and clearing of culverts throughout the network.

Another community priority, second only to local roads is economic development. To stimulate this development, Council has again allocated \$50,000 to the Investment Attraction Fund to attract new businesses and encourage existing businesses to expand. \$55,000 is provided for the Early Learning Centre which will facilitate a 4-5 day per week daycare and before and after school care service. This is important to provide the option for parents to return to work. In addition, Council has allocated \$50,000 for the beautification of the Caravan Park and \$35,000 for town centre works. Both of these projects will contribute to economic development and tourism. Also, Caravan Park fees are low to attract and retain tourists in Pingelly.

Community safety is the next community priority. This budget allocates \$25,000 for additional/improved CCTV streamed directly to the local police station. Interconnected with this priority is another community priority of youth services and facilities. This budget has allocated \$265,000 for the development of these services and facilities in the town centre and at the PRACC. It is envisaged that this funding will be used to leverage other grants to address the gap in youth services and facilities between the ages of 12-18.

Other significant capital investment relates to emergency management. The construction of both the East and West Pingelly Bushfire Brigade Buildings are funded (through grants) within the budget. \$371,000 (plus another \$371,000 in the 24/25 financial year) and \$745,000 are provided for these buildings respectively. Funding also has been allocated to further equip the PRACC as the designated Evacuation Centre and for Fire Danger Monitoring Stations which across the Shire.

Also of note is the increase to the Community Grants to \$15,000. The scope of this grant also has been widened to include events as well as projects which benefit the community.

For further information, please contact the Chief Executive Officer Andrew Dover using the below details.

Contact Us:

17 Queen St Pingelly

Ph: 9887 1066

Email: admin@pingelly.wa.gov.au



Cr Bill Mulroney: 0427 871 191
(Shire President)

Cr Karmvir Singh: 0457 680 994

Cr Peter Wood: 0427 968 452

Cr Jackie McBurney: 0427 944 456
(Deputy President)

Cr Bryan Hotham: 0477 004 157

Cr Anthony Oliveri: 0499 795 792

Cr Peter Narducci: 0417 953 386

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

LOCAL GOVERNMENT ACT 1995

TABLE OF CONTENTS

Statement of Comprehensive Income	2
Statement of Cash Flows	3
Statement of Financial Activity	4
Index of Notes to the Budget	5
Fees and Charges Schedule	25

SHIRE'S VISION

Pingelly, a sustainable community, where a natural beauty and economic diversity provides opportunities for all.

SHIRE OF PINGELLY
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)	2,446,730	2,330,171	2,330,002
Grants, subsidies and contributions	11	619,746	2,313,504	851,786
Fees and charges	14	427,668	345,608	389,449
Interest revenue	12(a)	48,997	51,290	34,740
Other revenue	12(b)	89,221	183,219	118,762
		3,632,362	5,223,792	3,724,739
Expenses				
Employee costs		(2,149,081)	(1,723,329)	(1,789,205)
Materials and contracts		(2,012,475)	(1,479,696)	(1,876,874)
Utility charges		(183,147)	(164,292)	(166,869)
Depreciation	6	(2,933,590)	(2,681,915)	(2,574,810)
Finance costs	12(d)	(89,641)	(102,671)	(103,356)
Insurance		(231,841)	(217,455)	(203,088)
Other expenditure		(93,111)	(83,338)	(105,444)
		(7,692,886)	(6,452,696)	(6,819,646)
		(4,060,524)	(1,228,904)	(3,094,907)
Capital grants, subsidies and contributions	11	2,606,381	2,362,163	2,885,480
Profit on asset disposals	5	2,000	17,526	0
Loss on asset disposals		(9,300)	(24,430)	(5,000)
		2,599,081	2,355,259	2,880,480
Net result for the period		(1,461,443)	1,126,355	(214,427)
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		(1,461,443)	1,126,355	(214,427)

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

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

CASH FLOWS FROM OPERATING ACTIVITIES

	NOTE	2023/24 Budget	2022/23 Actual	2022/23 Budget
Receipts		\$	\$	\$
Rates		2,446,730	2,315,057	2,380,002
Grants, subsidies and contributions		619,746	2,342,089	799,428
Fees and charges		427,668	345,608	389,449
Interest revenue		48,997	51,290	34,740
Goods and services tax received		361,803	310,160	221,896
Other revenue		89,221	183,219	118,762
		3,994,165	5,547,423	3,944,277
Payments				
Employee costs		(2,149,081)	(1,683,523)	(1,789,205)
Materials and contracts		(2,012,475)	(1,699,377)	(1,661,874)
Utility charges		(183,147)	(164,292)	(166,869)
Finance costs		(89,641)	(102,808)	(103,356)
Insurance		(231,841)	(217,455)	(203,088)
Goods and services tax paid		(361,803)	(361,803)	(221,896)
Other expenditure		(93,111)	(83,338)	(105,444)
		(5,121,099)	(4,312,596)	(4,251,732)
Net cash provided by (used in) operating activities	4	(1,126,934)	1,234,827	(307,455)

CASH FLOWS FROM INVESTING ACTIVITIES

Payments for purchase of property, plant & equipment	5(a)	(1,629,168)	(1,096,254)	(1,226,232)
Payments for construction of infrastructure	5(b)	(1,321,162)	(1,246,724)	(1,778,432)
Capital grants, subsidies and contributions		2,606,381	2,008,432	2,521,377
Proceeds from sale of property, plant and equipment	5(a)	42,000	80,817	12,000
Proceeds on financial assets at amortised cost - self supporting loans	7(a)	21,230	19,920	19,920
Net cash provided by (used in) investing activities		(280,719)	(233,809)	(451,367)

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of borrowings	7(a)	(135,336)	(1,226,872)	(1,226,872)
Payments for principal portion of lease liabilities	8	(98,891)	(102,648)	(107,879)
Proceeds on disposal of financial assets at amortised cost - term deposits		0	(109,982)	0
Net cash provided by (used in) financing activities		(234,227)	(1,439,502)	(1,334,751)
Net increase (decrease) in cash held		(1,641,880)	(438,484)	(2,093,573)
Cash at beginning of year		2,155,849	2,594,332	3,460,955
Cash and cash equivalents at the end of the year	4	513,969	2,155,848	1,367,382

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

SHIRE OF PINGELLY
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)	\$ 2,446,730	\$ 2,330,171	\$ 2,329,767
Rates excluding general rates	2(a)	0	0	235
Grants, subsidies and contributions	11	619,746	2,313,504	851,786
Fees and charges	14	427,668	345,608	389,449
Interest revenue	12(a)	48,997	51,290	34,740
Other revenue	12(b)	89,221	183,219	118,762
Profit on asset disposals	5	2,000	17,526	0
		3,634,362	5,241,318	3,724,739
Expenditure from operating activities				
Employee costs		(2,149,081)	(1,723,329)	(1,789,205)
Materials and contracts		(2,012,475)	(1,479,696)	(1,876,874)
Utility charges		(183,147)	(164,292)	(166,869)
Depreciation	6	(2,933,590)	(2,681,915)	(2,574,810)
Finance costs	12(d)	(89,641)	(102,671)	(103,356)
Insurance		(231,841)	(217,455)	(203,088)
Other expenditure		(93,111)	(83,338)	(105,444)
Loss on asset disposals	5	(9,300)	(24,430)	(5,000)
		(7,702,186)	(6,477,126)	(6,824,646)
Non-cash amounts excluded from operating activities	3(b)	2,940,890	2,688,819	2,579,810
Amount attributable to operating activities		(1,126,934)	1,453,011	(520,097)
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions	11	2,606,381	2,362,163	2,885,480
Proceeds from disposal of assets	5	42,000	80,817	12,000
Proceeds from financial assets at amortised cost - self supporting loans	7(a)	21,230	19,920	19,920
		2,669,611	2,462,900	2,917,400
Outflows from investing activities				
Payments for property, plant and equipment	5(a)	(1,629,168)	(1,096,254)	(1,226,232)
Payments for construction of infrastructure	5(b)	(1,321,162)	(1,246,724)	(1,778,432)
		(2,950,330)	(2,342,978)	(3,004,664)
Amount attributable to investing activities		(280,719)	119,922	(87,264)
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserve accounts	9(a)	269,691	196,150	161,150
		269,691	196,150	161,150
Outflows from financing activities				
Repayment of borrowings	7(a)	(135,336)	(1,226,872)	(1,226,872)
Payments for principal portion of lease liabilities	8	(98,891)	(102,648)	(107,879)
Transfers to reserve accounts	9(a)	(504,638)	(306,132)	(303,195)
		(738,865)	(1,635,652)	(1,637,946)
Amount attributable to financing activities		(469,174)	(1,439,502)	(1,476,796)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	3	1,876,827	1,743,396	2,084,157
Amount attributable to operating activities		(1,126,934)	1,453,011	(520,097)
Amount attributable to investing activities		(280,719)	119,922	(87,264)
Amount attributable to financing activities		(469,174)	(1,439,502)	(1,476,796)
Surplus or deficit at the end of the financial year	3	0	1,876,827	0

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

SHIRE OF PINGELLY
FOR THE YEAR ENDED 30 JUNE 2024
INDEX OF NOTES TO THE BUDGET

Note 1	Basis of Preparation	6
Note 2	Rates and Service Charges	8
Note 3	Net Current Assets	10
Note 4	Reconciliation of cash	13
Note 5	Fixed Assets	14
Note 6	Depreciation	15
Note 7	Borrowings	16
Note 8	Lease Liabilities	18
Note 9	Reserve Accounts	19
Note 10	Revenue Recognition	20
Note 11	Program Information	21
Note 12	Other Information	23
Note 13	Elected Members Remuneration	24
Note 18	Fees and Charges	26

1(a) BASIS OF PREPARATION

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

Local Government Act 1995 requirements

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

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

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

The local government reporting entity

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

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

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 PINGELLY
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 - Residential	Gross rental Valuations	0.140900	321	3,661,944	515,968	0	0	515,968	489,444	486,282
GRV - Rural Residential	Gross rental Valuations	0.140900	65	807,924	113,836	0	0	113,836	108,399	108,397
GRV - Commercial Industrial	Gross rental Valuations	0.140900	28	396,080	55,808	0	0	55,808	53,142	53,141
GRV - Townsites	Gross rental Valuations	0.140900	13	155,480	21,907	0	0	21,907	19,396	19,395
UV - Broadacre Rural	Unimproved valuations	0.00729	238	214,707,000	1,566,073	0	0	1,566,073	1,484,029	1,486,791
Total general rates			665	219,728,428	2,273,592	0	0	2,273,592	2,154,410	2,154,006
	Minimum									
(ii) Minimum payment		\$								
GRV - Residential	Gross rental Valuations	1,043	61	82,646	63,623	0	0	63,623	61,566	61,566
GRV - Rural Residential	Gross rental Valuations	1,043	23	55,170	23,989	0	0	23,989	23,832	23,832
GRV - Commercial Industrial	Gross rental Valuations	1,043	13	55,980	13,559	0	0	13,559	13,902	13,902
GRV - Townsites	Gross rental Valuations	1,043	7	15,685	7,301	0	0	7,301	7,944	7,944
UV - Broadacre Rural	Unimproved valuations	1,043	62	5,573,662	64,666	0	0	64,666	68,517	68,517
Total minimum payments			166	5,783,143	173,138	0	0	173,138	175,761	175,761
Total general rates and minimum payments			831	225,511,571	2,446,730	0	0	2,446,730	2,330,171	2,329,767
(iv) Ex-gratia rates										
Ex-gratia rates					0	0	0	0	0	235
Total ex-gratia rates			0	0	0	0	0	0	0	235
					2,446,730	0	0	2,446,730	2,330,171	2,330,002
Total rates					2,446,730	0	0	2,446,730	2,330,171	2,330,002

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 PINGELLY
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)

Full amount of rates and charges including arrears, to be paid on or before 26 September 2023 or 35 days after the date of issue appearing on the rate notice, whichever is the later.

Option 2 (Two Instalments)

First instalment to be made on or before 26 September 2023 or 35 days after the date of issue appearing on the rate notice, whichever is the later, including all arrears and half the current rates and service charges; and
 Second instalment to be made on or before 29 January 2024 or 4 months after the first instalment, whichever is the later.

Option 3 (Four Instalments)

First instalment to be made on or before 26 September 2023 or 35 days after the date of issue appearing on the rate notice, whichever is the later including all arrears and a quarter of the current rates and service charges;

Second instalment to be made on or before 27 November 2023 or 2 months after the first instalment, whichever is the later;

Third instalment to be made on or before 29 January 2024 or 2 months after the second instalment, whichever is the later; and

Fourth instalment to be made on or before 2 April 2024 or 2 months after the third instalment, whichever is the later.

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	26/09/2023	0	0.00%	11.00%
Option two				
First instalment	26/09/2023	0	5.50%	11.00%
Second instalment	29/01/2024	10	5.50%	11.00%
Option three				
First instalment	26/09/2023	0	5.50%	11.00%
Second instalment	27/11/2023	10	5.50%	11.00%
Third instalment	29/01/2024	10	5.50%	11.00%
Fourth instalment	2/04/2024	10	5.50%	11.00%

	2023/24 Budget revenue	2022/23 Actual revenue	2022/23 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	4,500	4,050	4,500
Instalment plan interest earned	8,250	8,151	8,254
Interest on ESL	800	670	800
Interest on deferred rates	970	970	450
Unpaid rates and service charge interest earned	12,500	12,416	12,972
	27,020	26,257	26,976

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

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

3. NET CURRENT ASSETS

(a) Composition of estimated net current assets

Current assets

Cash and cash equivalents
Financial assets
Receivables
Inventories
Other assets

Less: current liabilities

Trade and other payables
Contract liabilities
Capital grant/contribution liability
Lease liabilities
Long term borrowings
Employee provisions
Other provisions

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
	\$	\$	\$
4	513,969	2,155,849	1,367,382
	961,511	961,511	6,432
	497,170	497,170	315,923
	2,105	2,105	18,986
	51,273	51,273	
	2,026,028	3,667,908	1,708,723
	(330,141)	(330,141)	(363,713)
	(45,924)	(45,924)	(50,000)
	(453,504)	(453,504)	(300,000)
8	(98,891)	(98,891)	(92,859)
7	0	(135,336)	0
	(347,736)	(347,736)	(391,552)
	(25,287)	(25,287)	(25,743)
	(1,301,483)	(1,436,819)	(1,223,867)
	724,545	2,231,089	484,856
3(c)	(724,545)	(354,262)	(484,856)
	0	1,876,827	0

3. NET CURRENT ASSETS (CONTINUED)

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

Items excluded from calculation of budgeted deficiency

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

(b) Non-cash amounts excluded from operating activities

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

Adjustments to operating activities

Less: Profit on asset disposals

Add: Loss on asset disposals

Add: Depreciation

Non cash amounts excluded from operating activities

Note	2023/24 Budget 30 June 2024	2022/23 Actual 30 June 2023	2022/23 Budget 30 June 2023
	\$	\$	\$
5	(2,000)	(17,526)	0
5	9,300	24,430	5,000
6	2,933,590	2,681,915	2,574,810
	2,940,890	2,688,819	2,579,810

(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

Less: Current assets not expected to be received at end of year

- Current financial assets at amortised cost - self supporting loans

- Other liabilities [describe]

Add: Current liabilities not expected to be cleared at end of year

- Current portion of borrowings

- Current portion of lease liabilities

- Current portion of employee benefit provisions held in reserve

Total adjustments to net current assets

9	(1,191,458)	(956,511)	(988,573)
	0	0	(1,437)
	(5,000)	(5,000)	(5,000)
	0	135,336	0
	98,891	98,891	92,859
	373,022	373,022	417,295
	(724,545)	(354,262)	(484,856)

3(d) NET CURRENT ASSETS (CONTINUED)

MATERIAL ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

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

TRADE AND OTHER PAYABLES

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

PREPAID RATES

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

INVENTORIES

General

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

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

Superannuation

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

LAND HELD FOR RESALE

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

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

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

GOODS AND SERVICES TAX (GST)

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

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

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

CONTRACT LIABILITIES

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

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

TRADE AND OTHER RECEIVABLES

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

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

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

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

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

PROVISIONS

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

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

EMPLOYEE BENEFITS

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

SHIRE OF PINGELLY
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		\$ 513,969	\$ 2,155,849	\$ 520,853
Term deposits		0	0	846,529
Total cash and cash equivalents		513,969	2,155,849	1,367,382
Held as				
- Unrestricted cash and cash equivalents	3(a)	(174,482)	1,702,345	3,066
- Restricted cash and cash equivalents	3(a)	688,451	453,504	1,364,316
		513,969	2,155,849	1,367,382
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		688,451	453,504	1,364,316
- Restricted financial assets at amortised cost - term deposits	3(a)	956,511	956,511	0
		1,644,962	1,410,015	1,364,316
The assets are restricted as a result of the specified purposes associated with the liabilities below:				
Financially backed reserves	9	1,191,458	956,511	988,573
Unspent capital grants, subsidies and contribution liabilities		453,504	453,504	375,743
		1,644,962	1,410,015	1,364,316
Reconciliation of net cash provided by operating activities to net result				
Net result		(1,461,443)	1,126,355	(214,427)
Depreciation	6	2,933,590	2,681,915	2,574,810
(Profit)/loss on sale of asset	5	7,300	6,904	5,000
(Increase)/decrease in receivables		0	43,263	75,000
(Increase)/decrease in inventories		0	17,589	0
(Increase)/decrease in other assets		0	(46,629)	0
Increase/(decrease) in payables		0	(150,972)	215,000
Increase/(decrease) in contract liabilities		0	(81,435)	(77,358)
Increase/(decrease) in unspent capital grants		0	(353,731)	(364,103)
Capital grants, subsidies and contributions		(2,606,381)	(2,008,432)	(2,521,377)
Net cash from operating activities		(1,126,934)	1,234,827	(307,455)

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.

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 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															
Buildings - non-specialised	1,324,477	0	0	0	0	206,380	0	0	0	0	803,782	0	0	0	0
Furniture and equipment	25,000	0	0	0	0	0	0	0	0	0	37,150	0	0	0	0
Plant and equipment	279,691	0	49,300	42,000	(7,300)	889,874	0	63,291	80,817	17,526	385,300	0	17,000	12,000	(5,000)
Total	1,629,168	0	49,300	42,000	(7,300)	1,096,254	0	63,291	80,817	17,526	1,226,232	0	17,000	12,000	(5,000)
(b) Infrastructure															
Infrastructure - roads	967,970	0	0	0	0	725,009	0	0	0	0	827,344	0	0	0	0
Other infrastructure - footpaths	0	0	0	0	0	0	0	0	0	0	12,244	0	0	0	0
Other infrastructure - Kerbs and drains	0	0	0	0	0	0	0	0	0	0	734,194	0	0	0	0
Other infrastructure - other	353,192	0	0	0	0	403,417	0	0	0	0	204,650	0	0	0	0
Other infrastructure - bridges	0	0	0	0	0	118,298	0	0	0	0	0	0	0	0	0
Total	1,321,162	0	0	0	0	1,246,724	0	0	0	0	1,778,432	0	0	0	0
(c) Right of Use Assets															
Right of use - plant and equipment	0	0	0	0	0	0	0	24,430	0	(24,430)	0	0	0	0	0
Right of use - furniture and fittings	0	0	0	0	0	16,032	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	16,032	0	24,430	0	(24,430)	0	0	0	0	0
Total	2,950,330	0	49,300	42,000	(7,300)	2,359,010	0	87,721	80,817	(6,904)	3,004,664	0	17,000	12,000	(5,000)

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.

6. DEPRECIATION

By Class

Buildings - non-specialised
Buildings - specialised
Furniture and equipment
Plant and equipment
Infrastructure - roads
Other infrastructure - footpaths
Other infrastructure - Kerbs and drains
Other infrastructure - other
Other infrastructure - bridges
Right of use - plant and equipment
Right of use - furniture and fittings

By Program

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

2023/24 Budget	2022/23 Actual	2022/23 Budget
\$	\$	\$
14,276	13,051	138,878
374,211	342,107	207,753
13,657	12,485	12,214
211,514	193,368	152,301
1,367,727	1,250,389	1,187,186
46,501	42,512	42,789
237,299	216,941	216,941
352,474	322,235	328,454
257,194	235,129	234,464
33,405	30,539	24,995
25,332	23,159	28,835
2,933,590	2,681,915	2,574,810
106,498	96,085	101,595
94,237	88,132	45,979
33,430	30,353	30,336
29,290	26,044	26,579
549,716	498,137	494,030
1,959,700	1,779,367	1,714,900
58,634	52,958	54,953
102,085	110,839	106,438
2,933,590	2,681,915	2,574,810

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	5 to 60 years
Buildings - specialised	5 to 50 years
Furniture and equipment	1 to 10 years
Plant and equipment	2 to 50 years
Infrastructure - roads	15 to 80 years
Other infrastructure - footpaths	20 to 80 years
Other infrastructure - Kerbs and drains	8 to 100 years
Other infrastructure - other	30 to 75 years
Other infrastructure - bridges	10 to 75 Years
Right of use - plant and equipment	Based on the remaining lease
Right of use - furniture and fittings	Based on the remaining lease

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 Principal	2023/24 Budget New Loans	2023/24 Budget Principal Repayments	Budget Principal outstanding	2023/24 Budget Interest Repayments	Actual Principal	2022/23 Actual New Loans	2022/23 Actual Principal Repayments	Actual Principal outstanding	2022/23 Actual Interest Repayments	Budget Principal	2022/23 Budget New Loans	2022/23 Budget Principal Repayments	Budget Principal outstanding	2022/23 Budget Interest Repayments
				1 July 2023			30 June 2024		1 July 2022			30 June 2023		1 July 2022			30 June 2023	
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Recreation and Culture Centre	123	WATC	4.20%	1,739,757	0	(114,106)	1,625,651	(72,055)	1,849,207	0	(109,450)	1,739,757	(76,699)	1,849,207	0	(109,450)	1,739,757	(76,712)
Recreation and Culture Centre	124	WATC	0.70%	0	0	0	0	0	1,097,502	0	(1,097,502)	0	(3,468)	1,097,502	0	(1,097,502)	0	(3,586)
				1,739,757	0	(114,106)	1,625,651	(72,055)	2,946,709	0	(1,206,952)	1,739,757	(80,167)	2,946,709	0	(1,206,952)	1,739,757	(80,298)
Self Supporting Loans																		
Education and Welfare	120	WATC	6.47%	93,669	0	(21,230)	72,439	(5,722)	113,589	0	(19,920)	93,669	(7,025)	113,589	0	(19,920)	93,669	(7,032)
				93,669	0	(21,230)	72,439	(5,722)	113,589	0	(19,920)	93,669	(7,025)	113,589	0	(19,920)	93,669	(7,032)
				1,833,426	0	(135,336)	1,698,090	(77,777)	3,060,298	0	(1,226,872)	1,833,426	(87,192)	3,060,298	0	(1,226,872)	1,833,426	(87,330)

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.
The self supporting loan(s) repayment will be fully reimbursed.

7. BORROWINGS

(b) New borrowings - 2023/24

The Shire does not intend to undertake any new borrowings for the year ended 30th June 2024

(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

Undrawn borrowing facilities
credit standby arrangements

Bank overdraft limit
Bank overdraft at balance date
Credit card limit
Credit card balance at balance date
Total amount of credit unused

Loan facilities

Loan facilities in use at balance date

2023/24 Budget	2022/23 Actual	2022/23 Budget
\$	\$	\$
500,000	500,000	500,000
0	0	0
20,000	15,000	20,000
0	(4,786)	0
520,000	510,214	520,000
1,698,090	1,833,426	1,833,426

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 Principal 1 July 2023	2023/24 Budget New Leases	2023/24 Budget Lease Principal Repayments	Budget Lease Principal outstanding 30 June 2024	2023/24 Budget Lease Interest Repayments	Actual Principal 1 July 2022	2022/23 Actual New Leases	2022/23 Actual Lease Principal repayments	Actual Lease Principal outstanding 30 June 2023	2022/23 Actual Lease Interest repayments	Budget Principal 1 July 2022	2022/23 Budget New Leases	2022/23 Budget Lease Principal repayments	Budget Lease Principal outstanding 30 June 2023	2022/23 Budget Lease Interest repayments
Photocopier	001	Classic Funding Group	3.00%	5	21,456	\$ 0	\$ (3,421)	\$ 18,035	\$ (587)	\$ 16,154	\$ 16,031	\$ (10,729)	\$ 21,456	\$ (157)	\$ 16,154	\$ 0	\$ (16,154)	\$ 0	\$ (824)
Computer Server	002	Vestone Capital	5.40%	5	5,492	0	(3,612)	1,880	(225)	8,914	0	(3,422)	5,492	(413)	32,798	0	(8,788)	24,010	(1,932)
Solar System -Admin	003	Vestone Capital	5.40%	5	24,010	0	(9,242)	14,768	(1,045)	32,798	0	(8,788)	24,010	(1,518)	8,913	0	(3,442)	5,471	(592)
CCTV Server	005	Vestone Capital	6.00%	5	12,230	0	(4,216)	8,014	(643)	16,201	0	(3,971)	12,230	(888)	15,901	0	(3,971)	11,930	(818)
Motor Grader	004	Vestone Capital	3.10%	5	170,833	0	(62,421)	108,412	(4,400)	231,357	0	(60,524)	170,833	(6,297)	231,357	0	(60,524)	170,833	(11,860)
Loader	007	Vestone Capital	8.40%	5	71,356	0	(15,979)	55,377	(4,964)	86,570	0	(15,214)	71,356	(6,206)	0	0	(15,000)	(15,000)	0
					305,377	0	(98,891)	206,486	(11,864)	391,994	16,031	(102,648)	305,377	(15,479)	305,123	0	(107,879)	197,244	(16,026)

MATERIAL ACCOUNTING POLICIES

LEASES	LEASE LIABILITIES
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.	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.
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.	

9. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

	2023/24 Budget Opening Balance	2023/24 Budget Transfer to	2023/24 Budget Transfer (from)	2023/24 Budget Closing Balance	2022/23 Actual Opening Balance	2022/23 Actual Transfer to	2022/23 Actual Transfer (from)	2022/23 Actual Closing Balance	2022/23 Budget Opening Balance	2022/23 Budget Transfer to	2022/23 Budget Transfer (from)	2022/23 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Reserve cash backed - Leave reserve	198,012	275	0	198,287	196,395	1,617	0	198,012	196,395	185	0	196,580
(b) Reserves cash backed -Plant reserve	165,988	329,054	(269,691)	225,351	85,124	239,864	(159,000)	165,988	85,124	239,407	(124,000)	200,531
(c) Reserve cash backed - Building reserve	378,019	56,077	0	434,096	374,932	3,087	0	378,019	374,932	2,068	0	377,000
(d) Reserve cash backed - Electronic equipment reserve	53,094	24,663	0	77,757	54,793	35,451	(37,150)	53,094	54,793	35,249	(37,150)	52,892
(e) Reserve cash backed - Community bus reserve	64,342	50,328	0	114,670	43,980	20,362	0	64,342	43,979	20,220	0	64,199
(f) Reserve cash backed - Swimming Pool reserve	38,345	40,247	0	78,592	33,073	5,272	0	38,345	33,072	5,166	0	38,238
(g) Reserve cash backed - Refuse Site Rehabilitation reserve	16,369	1,122	0	17,491	16,235	134	0	16,369	16,236	82	0	16,318
(h) Reserve cash backed - Tutanning Nature reserve	2,013	1,682	0	3,695	1,997	16	0	2,013	1,997	18	0	2,015
(i) Reserve cash backed - Wheatbelt Secondary Freight Network	40,329	1,190	0	41,519	40,000	329	0	40,329	40,000	800	0	40,800
(j) Reserve cash Backed - PRACC Facility Reserve	0	0	0	0	0	0	0	0	0	0	0	0
	956,511	504,638	(269,691)	1,191,458	846,529	306,132	(196,150)	956,511	846,528	303,195	(161,150)	988,573

(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) Reserve cash backed - Leave reserve	Ongoing	to fund annual and long service leave requirements
(b) Reserves cash backed -Plant reserve	Ongoing	for the purchase of major plant
(c) Reserve cash backed - Building reserve	Ongoing	to fund the rennovation/purchase of Shire of Pingelly buildings and recreation
(d) Reserve cash backed - Electronic equipment reserve	Ongoing	to fund the purchase of information technology hardware and software equipment
(e) Reserve cash backed - Community bus reserve	Ongoing	to fund the change over of the community bus
(f) Reserve cash backed - Swimming Pool reserve	Ongoing	to fund the upgrading of the swimming pool complex
(g) Reserve cash backed - Refuse Site Rehabilitation reserve	Ongoing	to facilitate the rehabilitation/closure of the town refuse site
(h) Reserve cash backed - Tutanning Nature reserve	Ongoing	for the operations, improvements and promotion of the Tutanning Nature reserve
(i) Reserve cash backed - Wheatbelt Secondary Freight Network	Ongoing	for the Shire of Pingelly's contribution for infrastructure renewal for the future Wheatbelt Secondary Freight Network capital renewal
(j) Reserve cash Backed - PRACC Facility Reserve	Ongoing	for the Shire of Pingelly's PRACC Facility for operations, improvements and maintenance

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
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contractual commitments	General appropriations and contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Fees and charges - pool Inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annual fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Fees and charges - other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment . None prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on time of inspection	Not applicable	Revenue recognised after inspection event occurs
Fees and charges - 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
Fees and charges - waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Fees and charges - 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 - property hire and entry	Use of Halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Fees and charges - memberships	Gym and Pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the collection period	Returns limited to repayment of transaction price	Output method based on provision of service or completion of works
Fees and charges - 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
Fees and charges - fines	Fines issued for breaches of local laws	Single point in time	Payment in full within defined time	None	Adopted by Council through local law	When taxable event occurs	Not applicable	When fine notice is issued

SHIRE OF PINGELLY

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 Effective leadership and Governance.	Administration and operation of facilities and services to members of Council: other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council services
General purpose funding A financially sustainable Shire.	Rates, general purpose government grants and interest revenue.
Law, order, public safety A safe community.	Fire prevention, animal control and assistance to emergency services.
Health Health and family support services that are accessible and meet the needs of the community.	Food quality control, provision of doctor services.
Education and welfare Quality of life for the aged and disables. Development and participation of young people.	Maintenance of a daycare centre and assistance to the provision of aged care accommodation.
Community amenities Appropriate development which is diverse in nature and protects local heritage.	Rubbish and recyclables collection and disposal services, operation of the refuse site, administration of the town planning scheme, mainteance of the cemetery, maintenance of the public toilets and maintenance of the storm water drainage.
Recreation and culture Access to recreation, sporting and leisure opportunities.	Maintenance of the Town Hall, Pingelly Recreation and Cultural Centre, recreation ground, swimming pool complex, reserves, operation of the library together with support of cultural events.
Transport Safe and reliable transport infrastructure.	Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets and depot maintenance.
Economic services Support the promotion and marketing of local businesses and tourism initiatives.	The regulation and provision of building control, control of noxious weeds and vermin, standpipe water supplies and area promotion.
Other property and services Provide support services for works and plant operations.	Private works operations, plant repairs and operation costs.

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

11 PROGRAM INFORMATION (Continued)

(b) Income and expenses

Income excluding grants, subsidies and contributions

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

Grants, subsidies and contributions

General purpose funding
Law, order, public safety
Education and welfare
Community amenities
Recreation and culture
Transport
Economic services

Capital grants, subsidies and contributions

Governance
Law, order, public safety
Education and welfare
Recreation and culture
Transport
Economic services

Total Income

Expenses

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

Total expenses

Net result for the period

2023/24 Budget	2022/23 Actual	2022/23 Budget
\$	\$	\$
70,260	62,186	57,225
2,520,666	2,406,865	2,382,674
10,617	7,617	9,667
2,694	2,682	2,461
12,731	14,781	18,041
242,730	224,999	220,740
32,141	95,921	68,816
4,000	17,526	2,000
52,550	45,703	51,950
66,227	49,534	59,379
3,014,616	2,927,814	2,872,953
49,031	2,053,896	371,198
456,662	77,019	308,620
1,000	0	5,000
0	4,920	0
0	18,733	3,000
113,053	128,275	96,823
0	30,661	67,145
619,746	2,313,504	851,786
25,000	0	0
1,116,814	763,345	724,714
55,194	50,000	0
318,368	253,315	556,194
1,006,712	1,289,796	1,494,572
84,293	5,707	110,000
2,606,381	2,362,163	2,885,480
6,240,743	7,603,481	6,610,219
(678,281)	(477,943)	(462,669)
(240,620)	(234,827)	(226,770)
(696,320)	(383,215)	(513,836)
(201,126)	(182,723)	(184,622)
(110,229)	(110,174)	(111,862)
(439,224)	(389,612)	(406,344)
(1,631,589)	(1,538,031)	(1,509,928)
(3,231,052)	(2,672,023)	(2,877,742)
(467,466)	(437,052)	(526,663)
(6,279)	(51,526)	(4,210)
(7,702,186)	(6,477,126)	(6,824,646)
(1,461,443)	1,126,355	(214,427)

SHIRE OF PINGELLY
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

Investments			
- Reserve accounts	6,000	6,969	4,032
- Other funds	14,755	15,089	1,200
- Self supporting loans	5,722	7,025	7,032
Other interest revenue	22,520	22,207	22,476
	48,997	51,290	34,740

(b) Other revenue

Reimbursements and recoveries	89,221	183,219	20,830
Other	0	0	97,932
	89,221	183,219	118,762

The net result includes as expenses

(c) Auditors remuneration

Audit services	30,500	0	23,500
Other services	4,100	0	7,180
	34,600	0	30,680

(d) Interest expenses (finance costs)

Borrowings (refer Note 7(a))	77,777	87,192	87,330
expense on lease liabilities (refer Note 8)	11,864	15,479	16,026
	89,641	102,671	103,356

(e) Write offs

General rate	200	0	200
	200	0	200

SHIRE OF PINGELLY

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
	\$	\$	\$
Elected member 1			
President's allowance	1,500	1,200	1,200
Meeting attendance fees	10,000	10,000	10,000
Annual allowance for ICT expenses	600		100
	12,100	11,200	11,300
Elected member 2			
Deputy President's allowance	500	300	300
Meeting attendance fees	4,400	4,400	4,400
ICT expenses	500		
	5,400	4,700	4,700
Elected member 3			
Meeting attendance fees	4,000	4,000	4,000
ICT expenses	500		
	4,500	4,000	4,000
Elected member 4			
Meeting attendance fees	4,000	4,000	4,000
ICT expenses	500		
	4,500	4,000	4,000
Elected member 5			
Meeting attendance fees	4,000	4,000	4,000
ICT expenses	500		
	4,500	4,000	4,000
Elected member 6			
Meeting attendance fees	4,000	4,000	4,000
ICT expenses	500		
	4,500	4,000	4,000
Elected member 7			
Meeting attendance fees	4,000	4,000	4,000
ICT expenses	500		
	4,500	4,000	4,000
Elected member 8			
Meeting attendance fees			4,000
	0	0	4,000
Total Elected Member Remuneration	40,000	35,900	40,000
President's allowance	1,500	1,200	1,200
Deputy President's allowance	500	300	300
Meeting attendance fees	34,400	34,400	38,400
ICT expenses	3,000	0	0
Annual allowance for ICT expenses	600	0	100
	40,000	35,900	40,000

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

14. FEES AND CHARGES

	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
By Program:			
Governance	45,525	32,986	34,500
General purpose funding	10,725	8,802	10,500
Law, order, public safety	10,617	4,018	6,417
Health	2,694	2,682	2,461
Education and welfare	0	0	4,000
Community amenities	242,730	223,670	220,740
Recreation and culture	16,600	17,478	15,502
Economic services	52,550	45,525	51,950
Other property and services	46,227	10,447	43,379
	427,668	345,608	389,449

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



www.pingelly.wa.gov.au
admin@pingelly.wa.gov.au
08 9887 1066