

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

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

Our Land - Looking after our Land

Our People - Looking after our People

Our Leadership - Showing the way for our Community

SHIRE OF NGAANYATJARRAKU
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)	469,845	406,777	238,093
Grants, subsidies and contributions	10	1,205,138	8,441,764	3,853,545
Fees and charges	13	585,518	979,004	515,490
Interest revenue	11(a)	370,250	351,589	218,745
Other revenue	11(b)	12,770	52,907	940
		2,643,521	10,232,041	4,826,813
Expenses				
Employee costs		(2,670,650)	(2,201,789)	(2,824,415)
Materials and contracts		(2,314,309)	(1,714,229)	(2,689,888)
Utility charges		(34,100)	(22,506)	(74,400)
Depreciation	6	(2,183,055)	(2,216,304)	(1,844,685)
Insurance		(141,605)	(160,866)	(138,282)
Other expenditure		(118,572)	(97,085)	(60,150)
		(7,462,291)	(6,412,779)	(7,631,820)
		(4,818,770)	3,819,262	(2,805,007)
Capital grants, subsidies and contributions	10	3,585,181	3,569,602	3,684,173
Profit on asset disposals	5	42,373	39,619	5,000
		3,627,554	3,609,221	3,689,173
Net result for the period		(1,191,216)	7,428,483	884,166
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		(1,191,216)	7,428,483	884,166

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

SHIRE OF NGAANYATJARRAKU
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		469,845	422,365	253,093
Grants, subsidies and contributions		734,487	8,684,794	3,181,169
Fees and charges		585,518	979,004	515,490
Interest revenue		370,250	351,589	218,745
Goods and services tax received		260,859	345,780	315,693
Other revenue		12,770	52,907	940
		2,433,729	10,836,439	4,485,130
Payments				
Employee costs		(2,670,650)	(2,201,789)	(2,824,415)
Materials and contracts		(2,314,309)	(1,901,860)	(2,671,388)
Utility charges		(34,100)	(22,506)	(74,400)
Insurance		(141,605)	(160,866)	(138,282)
Goods and services tax paid		(260,859)	(381,677)	(315,693)
Other expenditure		(118,572)	(97,085)	(60,150)
		(5,540,095)	(4,765,783)	(6,084,328)
Net cash provided by (used in) operating activities	4	(3,106,366)	6,070,656	(1,599,198)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5(a)	(270,000)	(178,640)	(1,223,000)
Payments for construction of infrastructure	5(b)	(6,422,126)	(5,648,128)	(5,081,569)
Capital grants, subsidies and contributions		3,585,181	3,392,493	3,684,173
Proceeds from sale of property, plant and equipment	5(a)	125,000	41,591	35,000
Net cash provided by (used in) investing activities		(2,981,945)	(2,392,684)	(2,585,396)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds on disposal of financial assets at amortised cost				
- term deposits		0	9,077,576	0
Net cash provided by (used in) financing activities		0	9,077,576	0
Net increase (decrease) in cash held		(6,088,311)	12,755,548	(4,184,594)
Cash at beginning of year		14,965,648	2,210,100	11,287,677
Cash and cash equivalents at the end of the year	4	8,877,337	14,965,648	7,103,083

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

SHIRE OF NGAANYATJARRAKU
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)	\$ 468,583	\$ 405,797	\$ 237,113
Rates excluding general rates	2(a)	1,262	980	980
Grants, subsidies and contributions	10	1,205,138	8,441,764	3,853,545
Fees and charges	13	585,518	979,004	515,490
Interest revenue	11(a)	370,250	351,589	218,745
Other revenue	11(b)	12,770	52,907	940
Profit on asset disposals	5	42,373	39,619	5,000
		2,685,894	10,271,660	4,831,813
Expenditure from operating activities				
Employee costs		(2,670,650)	(2,201,789)	(2,824,415)
Materials and contracts		(2,314,309)	(1,714,229)	(2,689,888)
Utility charges		(34,100)	(22,506)	(74,400)
Depreciation	6	(2,183,055)	(2,216,304)	(1,844,685)
Insurance		(141,605)	(160,866)	(138,282)
Other expenditure		(118,572)	(97,085)	(60,150)
		(7,462,291)	(6,412,779)	(7,631,820)
Non-cash amounts excluded from operating activities	3(b)	2,140,682	2,176,685	1,839,685
Amount attributable to operating activities		(2,635,715)	6,035,566	(960,322)
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions	10	3,585,181	3,569,602	3,684,173
Proceeds from disposal of assets	5	125,000	41,591	35,000
		3,710,181	3,611,193	3,719,173
Outflows from investing activities				
Payments for property, plant and equipment	5(a)	(270,000)	(178,640)	(1,223,000)
Payments for construction of infrastructure	5(b)	(6,422,126)	(5,648,128)	(5,081,569)
		(6,692,126)	(5,826,768)	(6,304,569)
Amount attributable to investing activities		(2,981,945)	(2,215,575)	(2,585,396)
FINANCING ACTIVITIES				
Outflows from financing activities				
Transfers to reserve accounts	8(a)	(411,335)	(2,502,031)	(1,309,360)
Amount attributable to financing activities		(411,335)	(2,502,031)	(1,309,360)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	3	6,028,995	4,711,035	4,855,078
Amount attributable to operating activities		(2,635,715)	6,035,566	(960,322)
Amount attributable to investing activities		(2,981,945)	(2,215,575)	(2,585,396)
Amount attributable to financing activities		(411,335)	(2,502,031)	(1,309,360)
Surplus or deficit at the end of the financial year	3	0	6,028,995	0

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

**SHIRE OF NGAANYATJARRAKU
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.

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
- impairment of financial assets
- 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.

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										
Unimproved valuations	Unimproved valuation	0.220000	32	2,129,925	468,583	0	0	468,583	405,797	237,113
Total general rates			32	2,129,925	468,583	0	0	468,583	405,797	237,113
(ii) Minimum payment										
		Minimum								
		\$								
Unimproved valuations	Unimproved valuation	252.50	5	5,113	1,262			1,262	980	980
Total minimum payments			5	5,113	1,262	0	0	1,262	980	980
Total general rates and minimum payments			37	2,135,038	469,845	0	0	469,845	406,777	238,093
Total rates					469,845	0	0	469,845	406,777	238,093

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.

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	10/10/2023	0	0.00%	7.00%
Option two				
First instalment	10/10/2023	0	0.00%	7.00%
Second instalment	12/12/2023	0	0.00%	7.00%
Option three				
First instalment	10/10/2023	0	0.00%	7.00%
Second instalment	12/12/2023	0	0.00%	7.00%
Third instalment	13/02/2024	0	0.00%	7.00%
Fourth instalment	17/04/2024	0	0.00%	7.00%

	2023/24 Budget revenue	2022/23 Actual revenue	2022/23 Budget revenue
	\$	\$	\$
Unpaid rates and service charge interest earned	250	242	150
	250	242	150

(c) Service Charges

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

(d) Waivers or concessions

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

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

3. NET CURRENT ASSETS

(a) Composition of estimated net current assets

Current assets

Cash and cash equivalents
 Receivables
 Inventories

Less: current liabilities

Trade and other payables
 Contract liabilities
 Employee provisions
 Other provisions

Net current assets

Less: Total adjustments to net current assets

Net current assets used in the Statement of Financial Activity

(b) Non-cash amounts excluded from operating activities

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

Adjustments to operating activities

Less: Profit on asset disposals
 Add: Depreciation

Non cash amounts excluded from operating activities

(c) Current assets and liabilities excluded from budgeted deficiency

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

Adjustments to net current assets

Less: Cash - reserve accounts

Total adjustments to net current assets

Note	2023/24 Budget 30 June 2024	2022/23 Actual 30 June 2023	2022/23 Budget 30 June 2023
	\$	\$	\$
4	8,877,337	14,965,648	7,103,083
	91,963	91,963	319,112
	46,299	46,299	57,029
	9,015,599	15,103,910	7,479,224
	(252,816)	(252,816)	(389,112)
	0	(470,651)	0
	(266,618)	(266,618)	(197,897)
	(5,583)	(5,583)	(5,639)
	(525,017)	(995,668)	(592,648)
	8,490,582	14,108,242	6,886,576
3(c)	(8,490,582)	(8,079,247)	(6,886,576)
	0	6,028,995	0
5	(42,373)	(39,619)	(5,000)
6	2,183,055	2,216,304	1,844,685
	2,140,682	2,176,685	1,839,685
8	(8,490,582)	(8,079,247)	(6,886,576)
	(8,490,582)	(8,079,247)	(6,886,576)

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 NGAANYATJARRAKU
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		\$ 386,755	\$ 14,965,648	\$ 1,032,433
Term deposits		8,490,582	0	6,070,650
Total cash and cash equivalents		8,877,337	14,965,648	7,103,083
Held as				
- Unrestricted cash and cash equivalents	3(a)	386,755	6,886,401	216,507
- Restricted cash and cash equivalents	3(a)	8,490,582	8,079,247	6,886,576
		8,877,337	14,965,648	7,103,083
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		8,490,582	8,079,247	6,886,576
		8,490,582	8,079,247	6,886,576
The assets are restricted as a result of the specified purposes associated with the liabilities below:				
Financially backed reserve accounts	8	8,490,582	8,079,247	6,886,576
		8,490,582	8,079,247	6,886,576
Reconciliation of net cash provided by operating activities to net result				
Net result		(1,191,216)	7,428,483	884,166
Depreciation	6	2,183,055	2,216,304	1,844,685
(Profit)/loss on sale of asset	5	(42,373)	(39,619)	(5,000)
(Increase)/decrease in receivables		0	527,337	295,000
Increase/(decrease) in payables		0	(187,631)	18,500
Increase/(decrease) in contract liabilities		(470,651)	(304,616)	(952,376)
Capital grants, subsidies and contributions		(3,585,181)	(3,392,493)	(3,684,173)
Net cash from operating activities		(3,106,366)	6,070,656	(1,599,198)

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 NGAANYATJARRAKU
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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 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	2022/23 Budget Disposals - Profit or Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Property, Plant and Equipment												
Buildings - non-specialised	0	0	0	0	0	0	0	0	950,000	0	0	0
Furniture and equipment	15,000	0	0	0	0	0	0	0	25,000	0	0	0
Plant and equipment	255,000	82,627	125,000	42,373	178,640	1,972	41,591	39,619	248,000	30,000	35,000	5,000
Total	270,000	82,627	125,000	42,373	178,640	1,972	41,591	39,619	1,223,000	30,000	35,000	5,000
(b) Infrastructure												
Infrastructure - roads	6,352,126	0	0	0	5,533,646	0	0	0	4,781,569	0	0	0
Infrastructure - other	70,000	0	0	0	114,482	0	0	0	300,000	0	0	0
Total	6,422,126	0	0	0	5,648,128	0	0	0	5,081,569	0	0	0
Total	6,692,126	82,627	125,000	42,373	5,826,768	1,972	41,591	39,619	6,304,569	30,000	35,000	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.

SHIRE OF NGAANYATJARRAKU
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FOR THE YEAR ENDED 30 JUNE 2024

6. DEPRECIATION

By Class

Buildings - non-specialised
Furniture and equipment
Plant and equipment
Infrastructure - roads
Infrastructure - recreation
Infrastructure - other

By Program

Governance
Law, order, public safety
Health
Education and welfare
Housing
Community amenities
Recreation and culture
Transport

2023/24 Budget	2022/23 Actual	2022/23 Budget
\$	\$	\$
248,100	251,833	153,275
14,280	14,525	7,258
107,220	111,190	115,179
1,800,540	1,825,615	1,555,935
2,715	2,757	2,773
10,200	10,384	10,265
2,183,055	2,216,304	1,844,685
45,480	43,321	40,115
0	1,301	1,831
20,820	21,140	16,396
30,600	31,049	25,629
132,000	134,052	92,109
15,636	23,890	32,457
98,379	99,319	49,596
1,840,140	1,862,232	1,586,552
2,183,055	2,216,304	1,844,685

MATERIAL ACCOUNTING POLICIES

DEPRECIATION

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

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

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

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

Buildings - non-specialised	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Infrastructure - roads	20 to 80 years
Infrastructure - recreation	20 years
Infrastructure - other	80 years

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

7. BORROWINGS

(a) New borrowings - 2023/24

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

(b) 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.

MATERIAL ACCOUNTING POLICIES

BORROWING COSTS

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

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

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

8. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

	2023/24 Budget Opening Balance	2023/24 Budget Transfer to	2023/24 Budget Transfer (from)	2023/24 Budget Closing Balance	2022/23 Actual Opening Balance	2022/23 Actual Transfer to	2022/23 Actual Transfer (from)	2022/23 Actual Closing Balance	2022/23 Budget Opening Balance	2022/23 Budget Transfer to	2022/23 Budget Transfer (from)	2022/23 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Leave reserve	324,523	0	0	324,523	312,479	12,044	0	324,523	312,479	0	0	312,479
(b) Asset replacement, acquisition and development reserve	6,808,565	411,335	0	7,219,900	4,546,270	2,262,295	0	6,808,565	4,546,270	1,309,360	0	5,855,630
(c) Cultural centre reserve	289,480	0	0	289,480	182,448	107,032	0	289,480	182,448	0	0	182,448
(d) Strategic reserve	656,679	0	0	656,679	536,019	120,660	0	656,679	536,019	0	0	536,019
	8,079,247	411,335	0	8,490,582	5,577,216	2,502,031	0	8,079,247	5,577,216	1,309,360	0	6,886,576

(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) Leave reserve	Ongoing	To provide for the payment of employee entitlements.
(b) Asset replacement, acquisition and development reserve	Ongoing	To provide and replace the necessary equipment, furniture, plant, buildings and infrastructure comprising of roads, drains, footpaths and recreational reserves.
(c) Cultural centre reserve	Ongoing	To provide for the successful operation of the Cultural Centre as provided in clause 8.21 of the management deed between the Shire of Ngaanyatjarraku, Warburton Community Incorporated and the Ngaanyatjarra Council (Aboriginal Corporation), transfers to the reserve representing surplus funds from the day to day operations of the Cultural Centre after deducting costs incurred by the Shire.
(d) Strategic reserve	Ongoing	To provide for the reduction of financial risk of unanticipated events in the occurrence of a natural disaster. To provide for strategic actions in support of identified activities that cannot be funded in the one budget period. To provide for the capacity to take-up unanticipated strategic opportunities.

9. REVENUE RECOGNITION

MATERIAL ACCOUNTING POLICIES

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of Revenue recognition
Grant contracts with customers	Minor facilities 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
Fees and charges for other goods and services	Shire services, other 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	Warta shop and visitor centre stock	Single point in time	In full in advance.	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 NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

10. PROGRAM INFORMATION

(a) Key Terms and Definitions - Reporting Programs

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

OBJECTIVE

ACTIVITIES

Governance

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

Includes the activities of members of council and the administrative support available to 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 safer and an environmentally conscious community.

Supervision and enforcement of various laws relating to 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, and a waste pick-up service in Warburton.

Education and welfare

To provide services to children and youth.

Nil.

Housing

To provide and maintain staff housing.

Provision and maintenance of staff housing.

Community amenities

To provide services required by the community.

Rubbish collection services, litter control; Warburton.

Recreation and culture

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

Maintenance of public halls, civic centres, Warburton recreation centre and operation of recreation services in Warburton. Provision and maintenance of parks and playgrounds. Operation of other cultural facilities.

Transport

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

Construction and maintenance of roads, streets, footpaths, depot and traffic control. Cleaning of streets and maintenance of street trees.

Economic services

To help promote the Shire and its economic well being.

Tourism and area promotion and building control.

Other property and services

To monitor and control council's overheads operating accounts.

Private works operation, plant repairs, operation costs and administrative costs.

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

10 PROGRAM INFORMATION (Continued)

(b) Income and expenses

	2023/24 Budget	2022/23 Actual	2022/23 Budget
Income excluding grants, subsidies and contributions	\$	\$	\$
Governance	18,053	45,721	750
General purpose funding	840,095	758,366	456,838
Law, order, public safety	10,500	465	440
Health	270	100	270
Education and welfare	140,920	140,232	102,000
Housing	150,000	151,471	150,000
Community amenities	32,659	31,728	31,520
Recreation and culture	236,770	270,928	228,000
Transport	0	39,619	5,000
Economic services	51,489	391,266	3,450
	1,480,756	1,829,896	978,268
Grants, subsidies and contributions			
Governance	0	0	2,000
General purpose funding	0	5,181,324	1,343,932
Recreation and culture	55,000	64,052	59,957
Transport	1,150,138	3,196,388	2,447,656
	1,205,138	8,441,764	3,853,545
Capital grants, subsidies and contributions			
Transport	3,585,181	3,569,602	3,684,173
	3,585,181	3,569,602	3,684,173
Total Income	6,271,075	13,841,262	8,515,986
Expenses			
Governance	(155,748)	(192,324)	(136,719)
General purpose funding	(150)	(9)	(150)
Law, order, public safety	(48,601)	(12,208)	(29,311)
Health	(187,770)	(188,356)	(153,842)
Education and welfare	(77,070)	(65,653)	(66,307)
Housing	(423,039)	(497,262)	(511,136)
Community amenities	(465,147)	(224,282)	(442,625)
Recreation and culture	(738,095)	(587,914)	(762,712)
Transport	(5,173,128)	(4,545,710)	(5,363,147)
Economic services	(193,543)	(99,061)	(165,871)
Total expenses	(7,462,291)	(6,412,779)	(7,631,820)
Net result for the period	(1,191,216)	7,428,483	884,166

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

11. OTHER INFORMATION

The net result includes as revenues

(a) Interest earnings

	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
Investments			
- Reserve accounts	230,000	214,966	158,405
- Other funds	140,000	136,381	60,190
Other interest revenue	250	242	150
	<u>370,250</u>	<u>351,589</u>	<u>218,745</u>

* 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	12,770	52,907	940
	<u>12,770</u>	<u>52,907</u>	<u>940</u>

The net result includes as expenses

(c) Auditors remuneration

Audit services	24,100	24,100	24,100
Other services	7,900	1,500	7,900
	<u>32,000</u>	<u>25,600</u>	<u>32,000</u>

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

12. ELECTED MEMBERS REMUNERATION

	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
Elected member 1			
President's allowance	6,000	6,000	6,000
Meeting attendance fees	6,110	5,240	7,120
Travel and accommodation expenses	1,500	0	1,000
	13,610	11,240	14,120
Elected member 2			
Deputy President's allowance	1,500	1,500	1,500
Meeting attendance fees	3,250	2,260	3,480
Travel and accommodation expenses	750	2,893	500
	5,500	6,653	5,480
Elected member 3			
Meeting attendance fees	3,250	2,620	3,480
Travel and accommodation expenses	750	0	500
	4,000	2,620	3,980
Elected member 4			
Meeting attendance fees	3,250	2,620	3,480
Travel and accommodation expenses	750	0	500
	4,000	2,620	3,980
Elected member 5			
Meeting attendance fees	3,250	2,620	3,480
Travel and accommodation expenses	750	0	500
	4,000	2,620	3,980
Elected member 6			
Meeting attendance fees	0	1,900	3,480
Travel and accommodation expenses	0	0	500
	0	1,900	3,980
Elected member 7			
Meeting attendance fees	0	2,860	3,480
Travel and accommodation expenses	0	0	500
	0	2,860	3,980
Total Elected Member Remuneration	31,110	30,513	39,500
President's allowance	6,000	6,000	6,000
Deputy President's allowance	1,500	1,500	1,500
Meeting attendance fees	19,110	20,120	28,000
Travel and accommodation expenses	4,500	2,893	4,000
	31,110	30,513	39,500

SHIRE OF NGAANYATJARRAKU
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FOR THE YEAR ENDED 30 JUNE 2024

13. FEES AND CHARGES

	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
By Program:			
Governance	250	120	250
Health	270	100	270
Education and welfare	140,920	140,232	102,000
Housing	150,000	151,120	150,000
Community amenities	32,659	31,728	31,520
Recreation and culture	210,000	264,538	228,000
Transport	51,419	391,166	3,450
	585,518	979,004	515,490

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