

SHIRE OF RAVENSTHORPE

ANNUAL BUDGET

FOR THE YEAR ENDED 30 JUNE 2023

LOCAL GOVERNMENT ACT 1995

TABLE OF CONTENTS

Statement of Comprehensive Income by Nature or Type	2
Statement of Cash Flows	3
Rate Setting Statement	4
Index of Notes to the Budget	5

SHIRE'S VISION

Growing Our Community

SHIRE OF RAVENSTHORPE
STATEMENT OF COMPREHENSIVE INCOME BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
Revenue				
Rates	2(a)	4,923,089	4,707,550	4,702,128
Operating grants, subsidies and contributions	11	1,909,054	4,136,421	1,937,785
Fees and charges	15	2,508,918	2,471,915	2,710,880
Interest earnings	12(a)	134,000	55,138	59,000
Other revenue	12(a)	638,086	842,034	5,881,312
		10,113,147	12,213,058	15,291,105
Expenses				
Employee costs		(4,883,741)	(4,689,789)	(4,657,494)
Materials and contracts		(3,685,553)	(3,375,256)	(9,079,213)
Utility charges		(420,530)	(261,083)	(241,187)
Depreciation on non-current assets	6	(4,603,791)	(4,760,760)	(5,004,073)
Interest expenses	12(c)	(53,357)	(88,866)	(80,660)
Insurance expenses		(240,558)	(342,455)	(236,818)
Other expenditure		(348,192)	(371,689)	(336,703)
		(14,235,722)	(13,889,898)	(19,636,148)
		(4,122,575)	(1,676,840)	(4,345,043)
Non-operating grants, subsidies and contributions	11	8,612,968	2,286,166	8,979,138
Profit on asset disposals	5(b)	76,900	57,579	57,092
Loss on asset disposals	5(b)	(56,700)	(2,192)	(26,543)
		8,633,168	2,341,553	9,009,687
Net result for the period		4,510,593	664,713	4,664,644
Total comprehensive income for the period		4,510,593	664,713	4,664,644

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

SHIRE OF RAVENSTHORPE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		4,965,589	4,689,121	4,702,128
Operating grants, subsidies and contributions		1,941,854	4,272,880	1,301,014
Fees and charges		2,508,918	2,471,915	2,710,880
Interest received		134,000	55,138	59,000
Goods and services tax received		945,806	931,493	749,974
Other revenue		638,086	842,034	5,881,312
		11,134,253	13,262,581	15,404,308
Payments				
Employee costs		(4,883,741)	(4,714,584)	(4,657,494)
Materials and contracts		(3,062,728)	(3,546,454)	(8,894,128)
Utility charges		(420,530)	(261,083)	(241,187)
Interest expenses		(53,357)	(78,993)	(80,660)
Insurance paid		(240,558)	(342,455)	(236,818)
Goods and services tax paid		(945,806)	(945,806)	(749,974)
Other expenditure		(348,192)	(371,689)	(336,703)
		(9,954,912)	(10,261,064)	(15,196,964)
Net cash provided by (used in) operating activities	4	1,179,341	3,001,517	207,344
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5(a)	(7,296,657)	(4,935,639)	(10,260,209)
Payments for construction of infrastructure	5(a)	(5,181,095)	(1,125,799)	(3,373,639)
Non-operating grants, subsidies and contributions		8,612,968	2,526,548	8,979,138
Proceeds from sale of property, plant and equipment	5(b)	246,000	301,091	275,549
Net cash provided by (used in) investing activities		(3,618,784)	(3,233,799)	(4,379,161)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(143,522)	(426,653)	(426,653)
Principal elements of lease payments	8	(124,855)	(124,398)	(124,398)
Proceeds on disposal of financial assets at amortised cost - term deposits		800,000	0	0
Net cash provided by (used in) financing activities		531,623	(551,051)	(551,051)
Net increase (decrease) in cash held		(1,907,820)	(783,333)	(4,722,868)
Cash at beginning of year		3,991,336	4,774,669	5,767,812
Cash and cash equivalents at the end of the year	4	2,083,516	3,991,336	1,044,944

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

SHIRE OF RAVENSTHORPE
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2022/23 Budget \$	2021/22 Actual \$	2021/22 Budget \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)				
	3	3,060,408	1,687,462	1,585,809
Revenue from operating activities (excluding rates)				
Specified area and ex gratia rates	2(a)(ii)	67,710	53,671	53,671
Operating grants, subsidies and contributions	11	1,909,054	4,136,421	1,937,785
Fees and charges	15	2,508,918	2,471,915	2,710,880
Interest earnings	12(a)	134,000	55,138	59,000
Other revenue	12(a)	638,086	842,034	5,881,312
Gain on revaluation financial asset at FV through P & L		0	0	0
Profit on asset disposals	5(b)	76,900	57,579	57,092
		5,334,668	7,616,758	10,699,740
Expenditure from operating activities				
Employee costs		(4,883,741)	(4,689,789)	(4,657,494)
Materials and contracts		(3,685,553)	(3,375,256)	(9,079,213)
Utility charges		(420,530)	(261,083)	(241,187)
Depreciation on non-current assets	6	(4,603,791)	(4,760,760)	(5,004,073)
Interest expenses	12(c)	(53,357)	(88,866)	(80,660)
Insurance expenses		(240,558)	(342,455)	(236,818)
Other expenditure		(348,192)	(371,689)	(336,703)
Loss on asset disposals	5(b)	(56,700)	(2,192)	(26,543)
		(14,292,422)	(13,892,090)	(19,662,691)
Non-cash amounts excluded from operating activities	3(b)	4,583,591	4,680,578	4,973,524
Amount attributable to operating activities		(1,313,755)	92,708	(2,403,618)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	11	8,612,968	2,286,166	8,979,138
Payments for property, plant and equipment	5(a)	(7,296,657)	(4,935,639)	(10,260,209)
Payments for construction of infrastructure	5(a)	(5,181,095)	(1,125,799)	(3,373,639)
Proceeds from disposal of assets	5(b)	246,000	301,091	275,549
Amount attributable to investing activities		(3,618,784)	(3,474,181)	(4,379,161)
Non-cash amounts excluded from investing activities	3(c)	0	6,881	0
Amount attributable to investing activities		(3,618,784)	(3,467,300)	(4,379,161)
FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(143,522)	(426,653)	(426,653)
Principal elements of finance lease payments	8	(124,855)	(124,398)	(124,398)
Transfers to cash backed reserves (restricted assets)	9(a)	(1,445,128)	(229,608)	(172,479)
Transfers from cash backed reserves (restricted assets)	9(a)	1,790,665	2,561,780	2,857,852
Amount attributable to financing activities		77,160	1,781,121	2,134,322
Budgeted deficiency before general rates		(4,855,379)	(1,593,471)	(4,648,457)
Estimated amount to be raised from general rates	2(a)	4,855,379	4,653,879	4,648,457
Net current assets at end of financial year - surplus/(deficit)	3	0	3,060,408	0

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

INDEX OF NOTES TO THE BUDGET

Note 1	Basis of Preparation	6
Note 2	Rates	9
Note 3	Net Current Assets	14
Note 4	Reconciliation of cash	17
Note 5	Fixed Assets	18
Note 6	Asset Depreciation	20
Note 7	Borrowings	21
Note 8	Leases	23
Note 9	Reserves	24
Note 10	Revenue Recognition	25
Note 11	Program Information	26
Note 12	Other Information	27
Note 13	Elected Members Remuneration	28
Note 14	Joint Arrangements	29
Note 15	Fees and Charges	30

SHIRE OF RAVENSTHORPE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

1 (a) BASIS OF PREPARATION

The annual budget has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

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

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

Financial reporting disclosures in relation to assets and liabilities required by the Australian Accounting Standards have not been made unless considered important for the understanding of the budget or required by legislation.

The local government reporting entity

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

In the process of reporting on the local government as a single unit, all transactions and balances between those Funds (for example, loans and transfers between Funds) have been eliminated.

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

2021/22 actual balances

Balances shown in this budget as 2021/22 Actual are estimates as forecast at the time of preparation of the annual budget and are subject to final adjustments.

Budget comparative figures

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

Comparative figures

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

Initial application of accounting standards

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

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current - Deferral of Effective Date

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 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

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

Judgements, estimates and assumptions

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

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

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

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

Rounding off figures

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

SHIRE OF RAVENSTHORPE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

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

REVENUES

RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specified area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts and concessions offered. Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

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 these as television and radio broadcasting, underground electricity and neighbourhood surveillance services.

Excludes rubbish removal charges. 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.

PROFIT ON ASSET DISPOSAL

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

NON-OPERATING 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.

FEES AND CHARGES

Revenue (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.

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 can not be classified under the above headings, includes dividends, discounts, and rebates. Reimbursements and recoveries should be separated by note to ensure the correct calculation of ratios.

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.

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, 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, rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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 includes loss on disposal of long term investments.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

INTEREST EXPENSES

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 State taxes. Donations and subsidies made to community groups.

1 (c) 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
<p>Governance To provide a decision making process for the efficient allocation of scarce resources.</p>	<p>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.</p>
<p>General purpose funding To collect revenue to allow for the provision of services.</p>	<p>Rates, general purpose government grants and interest revenue.</p>
<p>Law, order, public safety To provide services to help ensure a safer community</p>	<p>Supervision of various locals laws relating to fire prevention, emergency services and animal control.</p>
<p>Health To provide an operational framework for environmental and community health.</p>	<p>Food quality and pest control, maintenance and contributions to health services and facilities.</p>
<p>Education and welfare To meet the needs of the community in these areas</p>	<p>Operation & provision of retirement units & Aged care services, Operation of the Cub House Child Care facility in Ravensthorpe & of Little Barrens Child Care in Hopetoun</p>
<p>Housing Help ensure adequate housing for Council staff</p>	<p>Maintenance of staff and rental housing.</p>
<p>Community amenities Provide services required by the community</p>	<p>Rubbish collection services, operation of tips, noise control, administration of the town planning scheme, maintenance of cemeteries, control and maintenance of coastal reserves and other community/environmental services.</p>
<p>Recreation and culture To establish and effectively manage infrastructure and resources which will help the social and well being of the community</p>	<p>Maintenance of halls, sporting complexes, resource centres, parks and gardens and TV/Radio rebroadcast.</p>
<p>Transport To provide effective and efficient transport services to the community.</p>	<p>Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets, parking facilities, traffic signs, depot maintenance and airstrips.</p>
<p>Economic services To help promote the shire and its economic wellbeing.</p>	<p>The regulation and provision of tourism, area promotion, building control, noxious weeds, vermin control and water supply including stand pipes.</p>
<p>Other property and services To monitor and control the Shire's overhead operating accounts.</p>	<p>Private works, plant repairs and operating costs. Licensing services, Future Fund and BankWest ATM.</p>

SHIRE OF RAVENSTHORPE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in	Number of properties	Rateable value	2022/23 Budgeted rate revenue	2022/23 Budgeted interim rates	2022/23 Budgeted back rates	2022/23 Budgeted total revenue	2021/22 Actual total revenue	2021/22 Budget total revenue
		\$		\$	\$	\$	\$	\$	\$	\$
(i) Differential general rates or general rates										
Residential	Gross rental valuations	0.112618	782	12,472,188	1,404,593	5,000	1,000	1,410,593	1,339,363	1,345,233
Commercial	Gross rental valuations	0.168599	29	1,233,784	208,015	0	0	208,015	196,227	196,227
Industrial	Gross rental valuations	0.138256	36	628,700	86,922	0	0	86,922	82,355	82,355
Transient & Short Stay Accomodation	Gross rental valuations	0.289034	1	1,000,000	289,034	0	0	289,034	279,260	279,260
Mining	Unimproved valuations	0.081471	72	2,705,577	220,426	0	0	220,426	213,022	206,504
Other	Unimproved valuations	0.006149	324	349,193,000	2,147,187	0	0	2,147,187	2,075,145	2,070,943
Sub-Total			1,244	367,233,249	4,356,177	5,000	1,000	4,362,177	4,185,372	4,180,522
	Minimum	\$								
Minimum payment										
Residential	Gross rental valuations	937	376	1,025,967	352,312	0	0	352,312	337,565	337,565
Commercial	Gross rental valuations	937	14	10,015	13,118	0	0	13,118	9,050	8,145
Industrial	Gross rental valuations	937	11	42,243	10,307	0	0	10,307	10,860	10,860
Transient & Short Stay Accomodation	Gross rental valuations	915	1	0	915	0	0	915	0	0
Mining	Unimproved valuations	345	62	96,229	21,390	0	0	21,390	19,980	20,313
Other	Unimproved valuations	915	104	7,206,000	95,160	0	0	95,160	91,052	91,052
Sub-Total			568	8,380,454	493,202	0	0	493,202	468,507	467,935
			1,812	375,613,703	4,849,379	5,000	1,000	4,855,379	4,653,879	4,648,457
Total amount raised from general rates								4,855,379	4,653,879	4,648,457
(ii) Specified area and ex gratia rates										
Ex-gratia rates										
CBH	Tonnage	0.10217		662,695	67,710	0	0	67,710	53,671	53,671
Total ex-gratia rates				662,695	67,710	0	0	67,710	53,671	53,671
Total specified area and ex gratia rates								67,710	53,671	53,671
Total rates								4,923,089	4,707,550	4,702,128

All land (other than exempt land) in the Shire of Ravensthorpe is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the Shire of Ravensthorpe.

The general rates detailed for the 2022/23 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than 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 RAVENSTHORPE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

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.

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	8/11/2022	0	0.0%	7.0%
Option two				
First instalment	8/11/2022	0	0.0%	7.0%
Second instalment	9/01/2023	10	5.5%	7.0%
Third instalment	13/03/2023	10	5.5%	7.0%
Fourth instalment	15/05/2023	10	5.5%	7.0%

	2022/23 Budget revenue	2021/22 Actual revenue	2021/22 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	10,500	10,350	11,000
Instalment plan interest earned	15,000	14,857	15,000
Unpaid rates and service charge interest earned	25,000	28,527	20,000
	50,500	53,734	46,000

SHIRE OF RAVENSTHORPE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

2. RATES AND SERVICE CHARGES (CONTINUED)

(c) Objectives and Reasons for Differential Rating

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

Differential general rate

Description	Characteristics	Objects	Reasons
GRV Residential	This rating category consists of properties located within the townsite boundaries which have a zoning of rural residential or residential, as per the Town Planning Scheme No 6.	This rate is to contribute to service desired by the community	The reason for this rate is to reflect the provision of 'residential' services, including significant recreational, cultural and medical facilities, primarily utilised by ratepayers and occupiers of residences within the Shire of Ravensthorpe. The objective of the proposed rate in the dollar for this category is to be the base rate by which all other GRV rated properties are assessed.
GRV Commercial	This rating category consists of properties zoned tourism or mixed use with predominately a commercial or tourism land use. This also includes the predominant land use of short stay tourism accommodation within residential areas.	The objective is to raise additional revenue to contribute towards higher costs associated with commercial activity	The objective of the proposed rate in the dollar is to recognise the costs of servicing commercial activity including car parking, landscaping and other amenities. In addition, costs associated with tourism, economic development and regulatory compliance benefit this category.
GRV Industrial	This rating category consists of properties zoned light and general Industry with predominately an industrial use.	The objective is to raise additional revenue to contribute towards higher costs associated with industrial activity	The objective of the proposed rate in the dollar is to recognise the costs of servicing industrial activity including car parking, landscaping and other amenities. Costs for environmental and regulatory compliances is higher for this category and is reflected in the rate in the dollar.
GRV Transient and Short Stay Accommodation	This rating category consists of properties predominately used for the purpose of Workforce Short Stay Accommodation or for Transient Workforce Accommodation.	The objective is to raise additional revenue to contribute towards higher costs associated with servicing this accommodation base.	The objective of the proposed rate in the dollar is to recognise the costs of servicing this accommodation base including airport infrastructure, sanitation infrastructure and services, recreational facilities including gymnasiums and swimming pools, together with a higher road use concentration within the Shire.
UV Rural	This rating category consists of properties that are predominately rural use	This rate is to contribute to service desired by the community	The objective of the proposed rate in the dollar is to form the basis for calculating all other UV differential rates. Valuations are supplied and updated by the Valuer General on an annual basis.
UV Mining	This rating category consists of properties that are used for mining, exploration or prospecting purposes.	The objective is to raise additional revenue to contribute towards higher costs associated with mining activity	The objective of the proposed rate in the dollar is to recognise the ongoing costs involved in maintaining the Shire's substantial road network that services this land use. Large scale equipment and heavy haulage operations of Mining result in the Shire's road network requiring ongoing maintenance to service these users.

SHIRE OF RAVENSTHORPE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

2. RATES AND SERVICE CHARGES (CONTINUED)

(d) Differential Minimum Payment

Description	Characteristics	Objects	Reasons
All rating categories above except UV Mining, UV Other & GRV Transient & Short Stay Accommodation	Refer Above	This rate is considered the minimum contribution for basic services and infrastructure	This is considered to be the base minimum for all GRV and UV rated properties except UV Mining, UV Other and GRV Transient & Short Stay Accommodation.
UV Mining	Properties with a land use associated with mining, exploration or prospecting purposes.	This rate is lower than other rating categories recognising relatively less costs associated with providing services to principally small undeveloped mining	This provides equitable distribution of the rate burden and ensures less than 50% of properties in this category are paying the minimum amount in accordance with Section 6.35 of the Local Government Act 1995.
UV Other & GRV Transient & Short Stay Accommodation	Properties used predominantly for rural purposes and transient accommodation.	This rate is lower than the base minimum.	This lower minimum reflects a slight discount on the base minimum in recognition of the level of access to basic services and infrastructure.

(e) Variation in Adopted Differential Rates to Local Public Notice

The following rates and minimum payments were previously set out in the local public notice giving notice of the intention to charge differential rates.

Differential general rate or general rate	Proposed Rate in \$	Adopted Rate in \$	Reasons for the difference
Gross rental valuations			
GRV Residential	0.112618	0.112618	No Change
GRV Commercial	0.168599	0.168599	No Change
GRV industrial	0.138256	0.138256	No Change
GRV - Transient & Short Stay Accommodation	0.289034	0.289034	No Change
Unimproved valuations			
UV - Mining	0.088935	0.081471	Adjusted down to maintain same yield after UV Revaluation
UV - Other	0.006149	0.006149	No Change
Minimum payment			
Gross rental valuations			
GRV Residential	937.00	937.00	No Change
GRV Commercial	937.00	937.00	No Change
GRV industrial	937.00	937.00	No Change
GRV - Transient & Short Stay Accommodation	915.00	915.00	No Change
Unimproved valuations			
UV - Mining	345.00	345.00	No Change
UV - Other	915.00	915.00	No Change

SHIRE OF RAVENSTHORPE
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2023

2. RATES AND SERVICE CHARGES (CONTINUED)

(f) Specified Area Rate (LEVIED UNDER SECTION 41 OF THE HEALTH ACT 1911 - INCLUDED AS FEES AND CHARGES)

	Basis of valuation	Rate in	Rateable value	2022/23	2022/23	2022/23	2022/23	2021/22	2021/22
				Budget specified area rate revenue	Interim specified area rate revenue	Back specified area rate revenue	Total budget specified area rate revenue	Actual revenue	Budget revenue
		\$	\$	\$	\$	\$	\$	\$	\$
Specified Area Rate									
Ravensthorpe	GRV	0.024908	2,081,144	51,837	1,179	0	53,016	51,324	50,432
Ravensthorpe	Minimum	214	413,665	17,120	0	0	17,120	16,560	16,560
Munglinup	GRV	0.028455	58,968	1,678	0	0	1,678	1,621	1,621
Munglinup	Minimum	214	27,872	856	0	0	856	828	828
Sewerage - 1st Fixture	Minimum	214	0	1,070	0	0	1,070	828	828
Sewerage - Additional Fixture	Minimum	134	0	5,360	0	0	5,360	5,587	5,031
			2,581,649	77,921	1,179	0	79,100	76,748	75,300

	Budgeted rate applied to costs	Budgeted rate set aside to reserve	Reserve Amount to be applied to costs	Purpose of the rate	Area or properties rate is to be imposed on
	\$	\$	\$		
Ravensthorpe	53,016	0	0	The effluent rate income services	Ravensthorpe and Munglinup
Ravensthorpe	17,120	0	0	the maintenance and upgrade of	
Munglinup	1,678	0	0	Ravensthorpe and Munglinup	
Munglinup	856	0	0	sewerage systems.	
Sewerage - 1st Fixture	1,070	0	0		
Sewerage - Additional Fixture	5,360	0	0		
	79,100	0	0		

(g) Service Charges

The Shire did not raise service charges for the year ended 30th June 2023.

(h) Waivers or concessions

The Shire does not anticipate any waivers or concessions for the year ended 30th June 2023.

SHIRE OF RAVENSTHORPE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

3. NET CURRENT ASSETS

	2022/23	2021/22	2021/22	
Note	Budget	Actual	Budget	
	30 June 2023	30 June 2022	30 June 2022	
	\$	\$	\$	
(a) Composition of estimated net current assets				
Current assets				
Cash and cash equivalents - unrestricted	4	11,655	2,373,938	(279,764)
Cash and cash equivalents - restricted	4	2,071,861	1,617,398	1,324,708
Financial assets - unrestricted		0	0	0
Financial assets - restricted	4	200,000	1,000,000	0
Receivables		525,344	600,644	639,414
Other assets		938,927	938,927	844,124
Contract assets		0	0	0
Inventories		21,729	25,554	2,273
		3,769,516	6,556,461	2,530,755
Less: current liabilities				
Trade and other payables		(1,497,655)	(878,655)	(1,206,048)
Contract liabilities		0	0	0
Unspent non-operating grants, subsidies and contributions liability		(935,272)	(935,272)	
Lease liabilities	8	(13,725)	(13,725)	(124,398)
Short term borrowings		0	0	
Long term borrowings	7	0	(143,522)	0
Employee provisions		(502,817)	(502,817)	(593,454)
Other provisions		0	0	0
		(2,949,469)	(2,473,991)	(1,923,900)
Net current assets		820,047	4,082,470	606,855
Less: Total adjustments to net current assets	3.(d)	(820,047)	(1,022,062)	(606,855)
Net current assets used in the Rate Setting Statement		0	3,060,408	0

SHIRE OF RAVENSTHORPE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

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 disposal of assets

Add: Depreciation on assets

Movement in employee provisions

Non cash amounts excluded from operating activities

Note	2022/23 Budget 30 June 2023	2021/22 Actual 30 June 2022	2021/22 Budget 30 June 2022
	\$	\$	\$
5(b)	(76,900)	(57,579)	(57,092)
5(b)	56,700	2,192	26,543
6	4,603,791	4,760,760	5,004,073
	0	(24,795)	0
	4,583,591	4,680,578	4,973,524

(c) Non-cash amounts excluded from investing activities

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

Adjustments to investing activities

Movement in non-current other provisions

Non cash amounts excluded from investing activities

	0	6,881	0
	0	6,881	0

(d) 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 - restricted reserves

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	(1,336,589)	(1,682,126)	(1,324,708)
	0	143,522	0
	13,725	13,725	124,398
	502,817	502,817	593,455
	(820,047)	(1,022,062)	(606,855)

SHIRE OF RAVENSTHORPE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

3 (e) NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

An 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 of Ravensthorpe 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.

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 of Ravensthorpe contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Ravensthorpe 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.

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.

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 goods sold and services performed in the ordinary course of business.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Trade receivables are held with the objective to collect the contractual cashflows and therefore 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 statement of financial position. The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

CONTRACT LIABILITIES

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. Grants to acquire or construct recognisable non-financial assets to be controlled by the Shire are recognised as a liability until such time as the Shire satisfies its obligations under the agreement.

SHIRE OF RAVENSTHORPE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

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	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Cash at bank and on hand	1,401,389	3,309,209	44,944
Term deposits	682,127	682,127	1,000,000
Total cash and cash equivalents	2,083,516	3,991,336	1,044,944
Held as			
- Unrestricted cash and cash equivalents	3(a) 11,655	2,373,938	(279,764)
- Restricted cash and cash equivalents	3(a) 2,071,861	1,617,398	1,324,708
	2,083,516	3,991,336	1,044,944
Restrictions			
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	2,071,861	1,617,398	1,324,708
	2,271,861	2,617,398	1,324,708
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Financially backed reserves	9 1,336,589	1,682,126	1,324,708
Unspent non-operating grants, subsidies and contribution liabilities	935,272	935,272	0
	2,271,861	2,617,398	1,324,708
Reconciliation of net cash provided by operating activities to net result			
Net result	4,510,593	664,713	4,664,644
Depreciation	6 4,603,791	4,760,760	5,004,073
(Profit)/loss on sale of asset	5(b) (20,200)	(55,387)	(30,549)
Share of profit or (loss) of associates accounted for using the equity method	0	0	0
(Increase)/decrease in receivables	75,300	103,717	65,000
(Increase)/decrease in inventories	3,825	0	85
(Increase)/decrease in other assets	0	(94,803)	0
Increase/(decrease) in payables	619,000	(66,522)	185,000
Increase/(decrease) in contract liabilities	0	0	(701,771)
Increase/(decrease) in unspent non-operating grants	0	233,501	0
Increase/(decrease) in other provision	0	6,881	0
Increase/(decrease) in employee provisions	0	(24,795)	0
Non-operating grants, subsidies and contributions	(8,612,968)	(2,526,548)	(8,979,138)
Net cash from operating activities	1,179,341	3,001,517	207,344

SIGNIFICANT 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 RAVENSTHORPE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

5. FIXED ASSETS

(a) Acquisition of Assets

The following assets are budgeted to be acquired during the year.

Asset class	Reporting program								2022/23 Budget total	2021/22 Actual total	2021/22 Budget total
	Law, order, public safety	Education and welfare	Housing	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<i>Property, Plant and Equipment</i>											
Land - freehold land	0	0	0	0	0	115,555	0	0	115,555	0	70,360
Buildings - non-specialised	0	0	102,400	0	0	0	0	0	102,400	34,464	10,000
Buildings - specialised	604,858	59,540	0	96,650	4,987,784	20,700	0	0	5,769,532	3,859,089	8,844,698
Furniture and equipment	0	0	0	0	84,167	0	0	121,000	205,167	19,648	32,600
Plant and equipment	60,000	0	0	37,290	38,000	681,013	0	287,700	1,104,003	1,022,438	1,302,551
	664,858	59,540	102,400	133,940	5,109,951	817,268	0	408,700	7,296,657	4,935,639	10,260,209
<i>Infrastructure</i>											
Infrastructure - roads	0	0	0	0	0	3,860,802	0	0	3,860,802	493,932	1,413,561
Infrastructure - footpaths	0	0	0	0	0	112,500	0	0	112,500	30,869	30,900
Infrastructure - drainage	0	0	0	60,200	0	0	0	0	60,200	17,552	41,240
Infrastructure - parks and ovals	0	0	0	0	588,162	0	0	0	588,162	391,952	1,036,385
Infrastructure - other	0	60,000	0	436,623	0	0	27,808	0	524,431	175,244	819,360
Infrastructure - airports	0	0	0	0	0	35,000	0	0	35,000	16,250	32,193
	0	60,000	0	496,823	588,162	4,008,302	27,808	0	5,181,095	1,125,799	3,373,639
Total acquisitions	664,858	119,540	102,400	630,763	5,698,113	4,825,570	27,808	408,700	12,477,752	6,061,438	13,633,848

A detailed breakdown of acquisitions on an individual asset basis can be found in the supplementary information attached to this budget document as follows:

SIGNIFICANT 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.

SHIRE OF RAVENSTHORPE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

5. FIXED ASSETS

(b) Disposals of Assets

The following assets are budgeted to be disposed of during the year.

	2022/23 Budget Net Book Value	2022/23 Budget Sale Proceeds	2022/23 Budget Profit	2022/23 Budget Loss	2021/22 Actual Net Book Value	2021/22 Actual Sale Proceeds	2021/22 Actual Profit	2021/22 Actual Loss	2021/22 Budget Net Book Value	2021/22 Budget Sale Proceeds	2021/22 Budget Profit	2021/22 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Health	0	0	0	0	28,922	39,090	10,168	0	35,000	39,091	4,091	0
Recreation and culture	0	0	0	0	58,569	78,364	19,795	0	67,000	78,364	11,364	0
Transport	122,500	134,000	51,400	(39,900)	0	0	0	0	30,000	49,000	35,000	(16,000)
Economic services	0	0	0	0	0	0	0	0	113,000	113,000	0	0
Other property and services	103,300	112,000	25,500	(16,800)	158,213	183,637	27,616	(2,192)		(3,906)	6,637	(10,543)
	225,800	246,000	76,900	(56,700)	245,704	301,091	57,579	(2,192)	245,000	275,549	57,092	(26,543)
By Class												
<i>Property, Plant and Equipment</i>												
Plant and equipment	225,800	246,000	76,900	(56,700)	245,704	301,091	57,579	(2,192)	245,000	275,549	57,092	(26,543)
	225,800	246,000	76,900	(56,700)	245,704	301,091	57,579	(2,192)	245,000	275,549	57,092	(26,543)

A detailed breakdown of disposals on an individual asset basis can be found in the supplementary information attached to this budget document as follows:

- Staff housing program
- Plant replacement program

SIGNIFICANT ACCOUNTING POLICIES

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 RAVENSTHORPE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

6. ASSET DEPRECIATION

By Program

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

By Class

Buildings - non-specialised
Buildings - specialised
Furniture and equipment
Plant and equipment
Infrastructure - roads
Infrastructure - footpaths
Infrastructure - drainage
Infrastructure - parks and ovals
Infrastructure - other
Infrastructure - airports
Right of use - plant and equipment

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
165,699	165,699	168,210	
23,930	23,930	21,447	
58,673	58,673	63,775	
34,192	34,191	36,634	
245,398	256,205	265,788	
588,787	588,788	639,669	
2,964,551	2,964,551	3,197,560	
40,318	40,318	43,983	
482,243	628,406	567,007	
4,603,791	4,760,760	5,004,073	
35,923	37,148	36,634	
601,215	621,714	675,363	
83,544	86,392	111,911	
650,441	672,618	600,643	
2,294,837	2,373,081	2,553,032	
108,023	111,706	121,861	
360,403	372,691	406,339	
124,318	128,557	138,689	
143,884	148,790	150,528	
76,367	78,971	86,080	
124,836	129,092	122,993	
4,603,791	4,760,760	5,004,073	

SIGNIFICANT 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 - All	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Infrastructure - Roads formation	not depreciated
pavement	20 to 50 years
seal - bituminous seals	20 years
seal - asphalt surfaces	25 years
Gravel roads formation	not depreciated
pavement	50 years
Footpaths	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years
Infrastructure - Park & Ovals	20 to 50 years
Infrastructure - Airport	20 to 50 years
Infrastructure - Other	20 to 50 years

AMORTISATION

The depreciable amount of all intangible assets with a finite useful life, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The assets residual value of intangible assets is considered to be zero and useful live and amortisation method are reviewed at the end of each financial year.

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income.

SHIRE OF RAVENSTHORPE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

7. INFORMATION ON 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	2022/23	2022/23	Budget	2022/23	Actual	2021/22	2021/22	Actual	2021/22	Budget	2021/22	2021/22	Budget	2021/22
				Principal	Budget	Budget	Principal	Principal		Actual	Actual	Actual	Actual		Principal	Budget	Budget	Budget
				1 July 2022	New Loans	Repayments	outstanding 30 June 2023	Repayments	1 July 2021	New Loans	Repayments	outstanding 30 June 2022	Repayments	1 July 2021	New Loans	Repayments	outstanding 30 June 2022	Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Housing																		
Loan 145 - Staff Housing	145	WATC*	2.9%	117,270	0	(37,986)	79,284	(4,390)	154,192	0	(36,922)	117,270	(6,578)	154,192	0	(36,922)	117,270	(5,453)
Loan 147 - Daw Street	147	WATC*	3.4%	187,726	0	(18,188)	169,538	(7,716)	205,318	0	(17,592)	187,726	(9,782)	205,318	0	(17,592)	187,726	(8,312)
Recreation and culture																		
Loan 146 - HCC	146	WATC*	3.6%	269,699	0	(15,130)	254,569	(11,628)	284,301	0	(14,602)	269,699	(15,876)	284,301	0	(14,602)	269,699	(12,157)
Transport																		
Loan 138D - Town Streets	138D	WATC*	6.7%	0	0	0	0	0	232,135	0	(232,135)	0	(16,320)	232,135	0	(232,135)	0	(16,766)
Loan 144 - Town Streets	144	WATC*	5.0%	0	0	0	0	0	55,265	0	(55,265)	0	(2,660)	55,265	0	(55,265)	0	(2,978)
Loan 143B - Town Streets	143B	WATC*	2.9%	105,022	0	(38,200)	66,822	(3,931)	138,087	0	(33,065)	105,022	(5,891)	138,087	0	(33,065)	105,022	(4,884)
Loan 138E - Town Streets	1,383	WATC*	3.0%	159,917	0	(34,018)	125,899	(6,143)	196,989	0	(37,072)	159,917	(8,920)	196,989	0	(37,072)	159,917	(7,271)
				839,634	0	(143,522)	696,112	(33,808)	1,266,287	0	(426,653)	839,634	(66,027)	1,266,287	0	(426,653)	839,634	(57,821)

* WA Treasury Corporation

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

SHIRE OF RAVENSTHORPE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

7. INFORMATION ON BORROWINGS

(b) New borrowings - 2022/23

The Shire does not intend to undertake any new borrowings for the year ended 30th June 2023

(c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30th June 2022 nor is it expected to have unspent borrowing funds as at 30th June 2023.

(d) Credit Facilities

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Undrawn borrowing facilities			
credit standby arrangements			
Bank overdraft limit	500,000	500,000	500,000
Credit card limit	26,000	26,000	26,000
Credit card balance at balance date	0	(5,751)	0
Total amount of credit unused	526,000	520,249	526,000
Loan facilities			
Loan facilities in use at balance date	696,112	839,634	839,634

Overdraft details	Purpose overdraft was established	Year overdraft established	Amount b/fwd 1 July 2022	2022/23	
				Budgeted Increase/ (Decrease)	Amount as at 30th June 2023
			\$	\$	\$
Bankwest	Working Capital	2009	500,000	0	500,000
			500,000	0	500,000

SIGNIFICANT ACCOUNTING POLICIES

BORROWING COSTS

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

SHIRE OF RAVENSTHORPE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

8. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease	2022/23 Budget	Budget Lease	2022/23 Budget	Actual Principal	2021/22 Actual	Actual Lease	2021/22 Actual	Budget	2021/22 Budget	Budget Lease	Budget Lease	2021/22 Budget	2021/22 Budget	
					Principal 1 July 2022	New Leases	Principal outstanding 30 June 2023	Lease Interest Repayments		Principal 1 July 2021	New Leases	Principal repayments	Principal outstanding 30 June 2022	Lease Interest repayments	Principal 1 July 2021	New Leases	Principal repayments	Principal outstanding 30 June 2022	Lease Interest repayments
Law, order, public safety					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
CESO Holden Colorado	3	SG Fleet	1.36%	4 yrs	13,726	0	(13,726)	0	(101)	16,538	13,726	(16,538)	13,726	(122)	16,538	0	(16,538)	0	(122)
Community amenities																			
Bomag Compactor	1	SG Fleet	2.99%	10 yrs	474,784	0	(75,632)	399,152	(13,165)	548,191	0	(73,407)	474,784	(15,390)	548,192	0	(73,407)	474,785	(15,390)
Komatsu Wheel Loader	2	SG Fleet	2.99%	10 yrs	226,310	0	(35,497)	190,813	(6,283)	260,763	0	(34,453)	226,310	(7,327)	260,763	0	(34,453)	226,310	(7,327)
					714,820	0	(124,855)	589,965	(19,549)	825,492	13,726	(124,398)	714,820	(22,839)	825,493	0	(124,398)	701,095	(22,839)

SIGNIFICANT ACCOUNTING POLICIES

LEASES

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

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

LEASE LIABILITIES

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

SHIRE OF RAVENSTHORPE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

9. FINANCIALLY BACKED RESERVES

(a) Financially Backed Reserves - Movement

	2022/23 Budget Opening Balance	2022/23 Budget Transfer to	2022/23 Budget Transfer (from)	2022/23 Budget Closing Balance	2021/22 Actual Opening Balance	2021/22 Actual Transfer to	2021/22 Actual Transfer (from)	2021/22 Actual Closing Balance	2021/22 Budget Opening Balance	2021/22 Budget Transfer to	2021/22 Budget Transfer (from)	2021/22 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Leave Reserve	43,015	1,279	0	44,294	42,907	108	0	43,015	42,854	214	0	43,068
(b) Plant Reserve	276,503	867,219	(813,013)	330,709	1,038,064	2,622	(764,183)	276,503	1,036,963	5,172	(987,212)	54,923
(c) Emergency Farm Water Reserve	12,295	365	0	12,660	12,264	31	0	12,295	12,249	61	0	12,310
(d) Building Reserve	305,726	161,089	(336,679)	130,136	1,721,170	99,556	(1,515,000)	305,726	1,719,473	68,784	(1,515,000)	273,257
(e) Road and Footpath Reserve	299,396	328,027	(370,833)	256,590	530,273	1,258	(232,135)	299,396	497,519	34,751	(267,135)	265,135
(f) Swimming Pool Upgrade Reserve	45,253	1,345	0	46,598	12,869	32,384	0	45,253	45,086	225	0	45,311
(g) Airport Reserve	340,656	10,126	(47,500)	303,282	381,953	9,165	(50,462)	340,656	381,488	1,903	(88,505)	294,886
(h) Waste and Sewerage Reserve	319,282	29,490	(202,640)	146,132	274,798	44,484	0	319,282	274,449	21,369	0	295,818
(i) Recreation Reserve	20,000	20,594	0	40,594	0	20,000	0	20,000	0	20,000	0	20,000
(j) IT and Equipment Reserve	20,000	25,594	(20,000)	25,594	0	20,000	0	20,000	0	20,000	0	20,000
	1,682,126	1,445,128	(1,790,665)	1,336,589	4,014,298	229,608	(2,561,780)	1,682,126	4,010,081	172,479	(2,857,852)	1,324,708
	1,682,126	1,445,128	(1,790,665)	1,336,589	4,014,298	229,608	(2,561,780)	1,682,126	4,010,081	172,479	(2,857,852)	1,324,708

(b) Financially Backed Reserves - 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 be used to fund long service leave and non-current annual leave requirements.
(b) Plant Reserve	Ongoing	To be used to assist in the purchasing of major plant and machinery.
(c) Emergency Farm Water Reserve	Ongoing	To be used for the repair and/or construction of emergency farm water supplies.
(d) Building Reserve	Ongoing	To be used for the construction, refurbishment, modification or renovation of all buildings.
(e) Road and Footpath Reserve	Ongoing	To be used for the construction, rejuvenation, resealing or repair to the road & footpath network.
(f) Swimming Pool Upgrade Reserve	Ongoing	To be used towards any major repairs or renovations of the Ravensthorpe Swimming Pool.
(g) Airport Reserve	Ongoing	To be used for the construction, reconstruction, repairs or modification of activities including buildings, tarmac, airstrip and associated infrastructure at the Ravensthorpe Airport.
(h) Waste and Sewerage Reserve	Ongoing	To be used for the repair and/or construction of waste and sewerage facilities.
(i) Recreation Reserve	Ongoing	To be used for the construction, renewal, refurbishment and upgrade of all recreation facilities and reserves
(j) IT and Equipment Reserve	Ongoing	To be used for the upgrade and renewal of hardware, communication and software technological systems and machinery

SHIRE OF RAVENSTHORPE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

10. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

Recognition of revenue 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	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
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	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
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Waste management 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
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
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods

SHIRE OF RAVENSTHORPE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

11. PROGRAM INFORMATION

Income and expenses	2022/23 Budget	2021/22 Actual	2021/22 Budget
Income excluding grants, subsidies and contributions	\$	\$	\$
Governance	0	58,937	40,000
General purpose funding	5,125,589	4,840,738	4,805,128
Law, order, public safety	41,500	44,286	35,300
Health	5,300	15,508	9,291
Education and welfare	723,500	691,166	774,380
Housing	18,200	18,864	11,800
Community amenities	789,886	752,034	765,300
Recreation and culture	77,800	146,987	71,264
Transport	1,046,400	970,191	860,000
Economic services	314,318	318,380	287,000
Other property and services	138,500	277,125	5,750,949
	8,280,993	8,134,216	13,410,412
Operating grants, subsidies and contributions			
Governance	20,000	4,000	4,000
General purpose funding	560,625	2,733,328	1,036,229
Law, order, public safety	677,151	410,799	492,497
Education and welfare	119,800	139,880	3,000
Community amenities	13,000	3,000	0
Recreation and culture	280,157	393,831	162,000
Transport	208,321	199,938	194,445
Economic services	0	35,500	35,614
Other property and services	30,000	216,145	10,000
	1,909,054	4,136,421	1,937,785
Non-operating grants, subsidies and contributions			
General purpose funding	1,000,000	0	0
Law, order, public safety	473,500	539	724,856
Education and welfare	0	0	300,000
Community amenities	293,623	61,357	284,000
Recreation and culture	5,397,875	1,645,169	6,867,502
Transport	1,447,970	519,803	738,780
Economic services	0	59,298	64,000
	8,612,968	2,286,166	8,979,138
Total Income	18,803,015	14,556,803	24,327,335
Expenses			
Governance	(1,166,701)	(805,375)	(887,656)
General purpose funding	(283,779)	(306,010)	(300,523)
Law, order, public safety	(1,261,693)	(1,006,544)	(1,141,282)
Health	(388,986)	(295,953)	(386,177)
Education and welfare	(1,321,810)	(1,088,324)	(1,244,462)
Housing	(207,737)	(265,903)	(206,101)
Community amenities	(1,580,799)	(1,403,102)	(1,586,199)
Recreation and culture	(2,092,512)	(1,942,924)	(2,058,964)
Transport	(5,346,124)	(5,431,389)	(5,384,635)
Economic services	(456,747)	(582,263)	(669,916)
Other property and services	(185,534)	(764,303)	(5,796,776)
Total expenses	(14,292,422)	(13,892,090)	(19,662,691)
Net result for the period	4,510,593	664,713	4,664,644

12. OTHER INFORMATION

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	50,000	10,139	20,000
- Other funds	44,000	1,615	4,000
Other interest revenue (refer note 1b)	40,000	43,384	35,000
	134,000	55,138	59,000
(a) Other revenue			
Reimbursements and recoveries	447,800	477,052	86,112
Other	190,286	364,982	5,795,200
	638,086	842,034	5,881,312
The net result includes as expenses			
(b) Auditors remuneration			
Audit services	30,000	0	28,000
Other services	7,000	5,160	5,500
	37,000	5,160	33,500
(c) Interest expenses (finance costs)			
Borrowings (refer Note 7(a))	33,808	66,027	57,821
Interest expense on lease liabilities	19,549	22,839	22,839
	53,357	88,866	80,660
(d) Write offs			
General rate	2,000	13	2,000
	2,000	13	2,000

13. ELECTED MEMBERS REMUNERATION

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Cr Keith Dunlop, Shire President			
President's allowance	14,200	13,800	13,800
Meeting attendance fees	21,600	21,000	21,000
Annual allowance for ICT expenses	1,240	1,200	1,200
Travel and accommodation expenses	1,858	4,072	1,571
	38,898	40,072	37,571
Cr Jules Bell, Deputy Shire President			
Deputy President's allowance	3,550	3,431	3,450
Meeting attendance fees	14,400	11,831	14,000
Annual allowance for ICT expenses	1,240	1,014	1,200
Travel and accommodation expenses	1,857	586	1,571
	21,047	16,862	20,221
Cr Ian Goldfinch			
Meeting attendance fees	0	3,120	14,000
Annual allowance for ICT expenses	0	267	1,200
Travel and accommodation expenses	0	2,554	1,571
	0	5,941	16,771
Cr Sue Leighton			
Meeting attendance fees	14,400	14,000	14,000
Annual allowance for ICT expenses	1,240	1,200	1,200
Travel and accommodation expenses	1,857	0	1,571
	17,497	15,200	16,771
Cr Tom Major			
Meeting attendance fees	14,400	14,000	14,000
Annual allowance for ICT expenses	1,240	1,200	1,200
Travel and accommodation expenses	1,857	187	1,571
	17,497	15,387	16,771
Cr Mark Mudie			
Meeting attendance fees	14,400	14,000	14,000
Annual allowance for ICT expenses	1,240	1,200	1,200
Travel and accommodation expenses	1,857	3,296	1,571
	17,497	18,496	16,771
Cr Graham Richardson			
Meeting attendance fees	14,400	14,000	14,000
Annual allowance for ICT expenses	1,240	1,200	1,200
Travel and accommodation expenses	1,857	1,980	1,574
	17,497	17,180	16,774
Cr Rachel Livingston			
Meeting attendance fees	14,400	7,723	0
Annual allowance for ICT expenses	1,240	662	0
Travel and accommodation expenses	1,857	0	0
	17,497	8,385	0
Total Elected Member Remuneration	147,430	137,523	141,650
President's allowance	14,200	13,800	13,800
Deputy President's allowance	3,550	3,431	3,450
Meeting attendance fees	108,000	99,674	105,000
Annual allowance for ICT expenses	8,680	7,943	8,400
Travel and accommodation expenses	13,000	12,675	11,000
	147,430	137,523	141,650

SHIRE OF RAVENSTHORPE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

13. JOINT ARRANGEMENTS

Joint arrangement - Ravensthorpe Region Landfill

The Shire of Ravensthorpe together with the Shire of Jerramungup, have entered into a joint operation with regard to a regional waste management facility located on Reserve 7380, Moir Road Ravensthorpe.

The agreement between both Shire's govern the operation of the waste facility, covering operating and capital costs, responsibilities of the two Shire's, setting of fees and charges, record keeping etc. The Shire of Ravensthorpe is responsible for the day to day management of the facility. Key operating decisions in relations to the operating cost and future capital cost of the facility are to be agreed by both Shire's.

The regional waste facility commenced its operation in February 2018. Building of the facility was fully funded and is recognised in the financials of the Shire of Ravensthorpe as outlined below:

The apportionment of annual facility operating costs between the Shires of Ravensthorpe and Jerramungup is determined by the percentage of total waste tonnage (measured in cubic metres) delivered to the Facility by each Shire in the preceding financial year.

The Shire of Ravensthorpe's share of annual operating cost is determined by its percentage of total waste tonnage (measured in cubic metres) delivered to the facility by both parties in the proceeding year. This is estimated to be 74.5% for Ravensthorpe and 25.5% for Jerramungup.

	2022/23	2021/22	2021/22
	Budget	Actual	Budget
	\$	\$	\$
Non current assets			
Land and buildings	2,194,385	2,194,385	2,194,385
Less: accumulated depreciation	(463,619)	(390,546)	(390,546)
Total assets	1,730,766	1,803,839	1,803,839
Statement of Comprehensive income			
Ravensthorpe			
Income	98,286	84,703	88,000
Expenditure	(277,236)	(237,513)	(246,669)
Net result for the period	(178,950)	(152,810)	(158,669)
Jerramungup			
Income	0	0	0
Expenditure	(94,893)	(81,296)	(84,430)
Net result for the period	(94,893)	(81,296)	(84,430)
Facility Total			
Income	98,286	84,703	88,000
Expenditure	(372,129)	(318,809)	(331,099)
Net result for the period	(273,843)	(234,106)	(243,099)
Total comprehensive income for the period	(178,950)	(152,810)	(158,669)

SIGNIFICANT ACCOUNTING POLICIES

INTERESTS IN JOINT ARRANGEMENTS

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire of Ravensthorpe's interests in the assets liabilities revenue and expenses of joint operations are included in the respective line items of the financial statements.

Interests in joint arrangements (Continued)

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements.

15. FEES AND CHARGES

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
By Program:			
General purpose funding	36,500	37,534	24,000
Law, order, public safety	41,500	44,287	35,300
Health	5,300	5,339	5,200
Education and welfare	280,500	257,981	754,380
Housing	18,200	18,864	11,800
Community amenities	686,800	639,737	675,300
Recreation and culture	77,800	122,149	59,900
Transport	995,000	968,066	825,000
Economic services	314,318	318,379	287,000
Other property and services	53,000	59,579	33,000
	2,508,918	2,471,915	2,710,880

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