



Shire of
Cranbrook
Great Southern's Finest

2023/2024 ANNUAL BUDGET





BUDGET SUMMARY

This 2023-2024 Annual Budget has been one of the most challenging in many years. Our local economy is still facing the rise in costs, primarily due to skyrocketing construction costs in response to global supply chain pressures and Federal and State Government induced infrastructure stimulus. Managing these cost increases whilst maintaining a consistent level of service delivery for our residents and ratepayers is something our Council has taken into consideration on its journey towards a balanced budget. Over the last ten years rate increases have been modest and this has in turn weakened our rate base as the value of money decreases and costs increase.

On a more positive note, with cost factors starting to unwind, growth in our costs have begun a path back towards the long-term average. However, the real costs faced by us as a local government will stabilise at a new high and are not expected to return to pre-pandemic levels.

The 7% increase in Rate Revenue for both GRV (Gross Rental Value) and UV (Unimproved Value) translates to an increase of \$190,000 in the Council's budget.

With Local Government sustainability being a continued focus, a strong rate revenue base will enhance Council's ability to continue providing quality services to the Cranbrook, Tenterden and Frankland River communities into the future. The 2023/24 operational considerations used in the recommendation for the rate increase include the March Quarter CPI (Perth) increase of 5.8%, an increase in staff costs of 5.75% (base increase) in line with the national minimum wage increase, and overall insurance premium expense increase of 21% due mainly to unfavourable local and global risk conditions and an increase of 7.5% in street lighting. There will be further employee costs outside the base increase as the labour market has been operating at capacity throughout 2022 with low unemployment rates, and both the Shire's Outside and Inside Staff Enterprise Bargaining Agreements are in the process of renewal.

The Council has also undertaken increased grant applications to leverage on the current and new budget, without increasing staffing numbers. Projects are being funded in 2023/24 outside the Shire of Cranbrook's own source revenue include e-waste infrastructures being built at both rubbish tips, a 50,000 litre water tank being built at Unicup Hall for firefighting purposes, improved planning for Cranbrook stormwater drainage, gravel sheeting of the Cranbrook airstrip, and improved dual use footpaths for Frankland River. The value of these projects from non-Shire funding is \$275,000. In addition, further funding from Federal Government has been distributed to infrastructure and road projects approved by Council, and these are valued at \$695,000. Further road funding has been received and this will be used to complete the Yeriminup Road's drains and shoulders in conjunction with funding from Roads to Recovery. All these extra projects will be managed by the Shire's current staffing as well as the normal road maintenance and construction funded by Roads to Recover and Regional Road Group of \$1.4 million and the Shire's own source revenue through rates.

Cost cutting measures have also been considered, for example, one efficiency that has worked well is the administration of Smart Start by Council staff as opposed to YMCA as the provider, allowing it to carry over the surplus from last year in order to create more engagement with youth activities and professional assistance for the 0 to 4 children in the Shire. Any further cost cutting measures identified will be implemented.

UV land valuations as set by the Valuer General (State Government) has increased by an average overall of 23.67% across the district reflecting the increased value of land following recent sales, and the rates calculation of cents in the dollar has been adjusted downwards to avoid the impact of the increase in valuation.

We wish all those who live in the Cranbrook, Tenterden and Frankland River communities all the best, and please do not hesitate to contact your Councillors or your Chief Executive Officer if you have any concerns or issues during the 2023/24 Financial Year.

Cr Phil Horrocks
SHIRE PRESIDENT



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

LOCAL GOVERNMENT ACT 1995

TABLE OF CONTENTS

Statement of Comprehensive Income	2
Statement of Cash Flows	3
Statement of Financial Activity	4
Index of Notes to the Budget	5
Fees and Charges Schedule	27

SHIRE'S VISION

That the Shire of Cranbrook is a proactive, sustainable, safe, friendly and prosperous place to be.

SHIRE OF CRANBROOK
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)	3,089,815	2,885,732	2,853,161
Grants, subsidies and contributions	11	572,591	2,772,844	636,360
Fees and charges	14	438,998	475,527	408,593
Interest revenue	12(a)	147,325	69,199	23,457
Other revenue	12(b)	123,436	209,709	146,811
		4,372,165	6,413,011	4,068,382
Expenses				
Employee costs		(2,160,683)	(2,021,298)	(2,011,390)
Materials and contracts		(2,008,265)	(1,451,173)	(1,612,462)
Utility charges		(151,930)	(157,209)	(99,350)
Depreciation	6	(2,518,695)	(2,479,422)	(2,370,975)
Finance costs	12(d)	(1,982)	(3,529)	(3,818)
Insurance		(250,135)	(228,379)	(224,330)
Other expenditure		(168,407)	(90,833)	(175,731)
		(7,260,097)	(6,431,843)	(6,498,056)
		(2,887,932)	(18,832)	(2,429,674)
Capital grants, subsidies and contributions	11	4,173,186	2,291,821	5,078,608
Profit on asset disposals	5	148,600	84,896	76,000
Loss on asset disposals		(4,000)	(277,859)	(9,500)
		4,317,786	2,098,858	5,145,108
Net result for the period		1,429,854	2,080,026	2,715,434
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		1,429,854	2,080,026	2,715,434

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

SHIRE OF CRANBROOK
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		3,089,815	2,877,124	2,853,161
Grants, subsidies and contributions		572,591	2,808,039	686,360
Fees and charges		438,998	475,527	408,593
Interest revenue		147,325	69,199	23,457
Other revenue		123,436	209,709	146,811
		4,372,165	6,439,598	4,118,382
Payments				
Employee costs		(2,160,683)	(1,962,883)	(2,011,390)
Materials and contracts		(2,008,265)	(1,238,922)	(1,612,462)
Utility charges		(151,930)	(157,209)	(99,350)
Finance costs		(1,982)	(4,095)	(3,818)
Insurance		(250,135)	(228,379)	(224,330)
Other expenditure		(168,407)	(90,833)	(175,731)
		(4,741,402)	(3,682,321)	(4,127,081)
Net cash provided by (used in) operating activities	4	(369,237)	2,757,277	(8,699)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for other loans and receivables - clubs/institutions		0	(48,936)	
Payments for purchase of property, plant & equipment	5(a)	(3,742,216)	(769,537)	(5,032,198)
Payments for construction of infrastructure	5(b)	(2,928,705)	(3,265,733)	(3,093,417)
Capital grants, subsidies and contributions		4,173,186	1,851,682	5,078,608
Proceeds from sale of property, plant and equipment	5(a)	775,100	450,975	460,500
Proceeds from sale of infrastructure	5(b)	0	364	0
Proceeds on other loans and receivables - clubs/institutions		11,034	5,500	
Net cash provided by (used in) investing activities		(1,711,601)	(1,775,685)	(2,586,507)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(36,001)	(34,516)	(34,516)
Payments for principal portion of lease liabilities	8	(19,106)	(18,805)	(18,809)
Proceeds from new borrowings	7(a)	0	0	700,170
Net cash provided by (used in) financing activities		(55,107)	(53,321)	646,845
Net increase (decrease) in cash held		(2,135,945)	928,271	(1,948,361)
Cash at beginning of year		5,917,606	4,989,332	4,972,182
Cash and cash equivalents at the end of the year	4	3,781,661	5,917,603	3,023,821

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

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

		2023/24	2022/23	2022/23
	NOTE	Budget	Actual	Budget
OPERATING ACTIVITIES				
Revenue from operating activities				
		\$	\$	\$
Rates	2(a)	3,089,815	2,885,732	2,853,161
Grants, subsidies and contributions	11	572,591	2,772,844	636,360
Fees and charges	14	438,998	475,527	408,593
Interest revenue	12(a)	147,325	69,199	23,457
Other revenue	12(b)	123,436	209,709	146,811
Profit on asset disposals	5	148,600	84,896	76,000
		4,520,765	6,497,907	4,144,382
Expenditure from operating activities				
Employee costs		(2,160,683)	(2,021,298)	(2,011,390)
Materials and contracts		(2,008,272)	(1,451,173)	(1,612,461)
Utility charges		(151,930)	(157,209)	(99,350)
Depreciation	6	(2,518,695)	(2,479,422)	(2,370,975)
Finance costs	12(d)	(1,982)	(3,529)	(3,818)
Insurance		(250,135)	(228,379)	(224,330)
Other expenditure		(168,407)	(90,833)	(175,731)
Loss on asset disposals	5	(4,000)	(277,859)	(9,500)
		(7,264,104)	(6,709,702)	(6,507,555)
Non-cash amounts excluded from operating activities	3(b)	2,365,025	2,717,875	2,334,763
Amount attributable to operating activities		(378,314)	2,506,080	(28,410)
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions	11	4,173,186	2,291,821	5,078,608
Proceeds from disposal of assets	5	775,100	451,339	460,500
Proceeds on other loans and receivables [describe]		11,034	5,500	11,034
		4,959,320	2,748,660	5,550,142
Outflows from investing activities				
Payments for property, plant and equipment	5(a)	(3,742,216)	(769,537)	(5,032,198)
Payments for construction of infrastructure	5(b)	(2,928,705)	(3,265,733)	(3,093,417)
Payments for other loans and receivables [describe]		0	(48,936)	(50,170)
		(6,670,921)	(4,084,206)	(8,175,785)
Amount attributable to investing activities		(1,711,601)	(1,335,546)	(2,625,643)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from new borrowings	7(a)	0	0	700,170
Transfers from reserve accounts	9(a)	245,785	293,727	858,632
		245,785	293,727	1,558,802
Outflows from financing activities				
Repayment of borrowings	7(a)	(36,001)	(34,516)	(34,516)
Payments for principal portion of lease liabilities	8	(19,106)	(18,805)	(18,809)
Transfers to reserve accounts	9(a)	(588,191)	(748,121)	(716,936)
		(643,298)	(801,442)	(770,261)
Amount attributable to financing activities		(397,513)	(507,715)	788,541
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	3	2,487,428	1,824,609	1,865,512
Amount attributable to operating activities		(378,314)	2,506,080	(28,410)
Amount attributable to investing activities		(1,711,601)	(1,335,546)	(2,625,643)
Amount attributable to financing activities		(397,513)	(507,715)	788,541
Surplus or deficit at the end of the financial year	3	0	2,487,428	0

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

**CITY OF SOMEWHERE
FOR THE YEAR ENDED 30 JUNE 2024
INDEX OF NOTES TO THE BUDGET**

Note 1	Basis of Preparation	6
Note 2	Rates and Service Charges	8
Note 3	Net Current Assets	11
Note 4	Reconciliation of cash	14
Note 5	Fixed Assets	15
Note 6	Depreciation	16
Note 7	Borrowings	17
Note 8	Lease Liabilities	19
Note 9	Reserve Accounts	20
Note 10	Revenue Recognition	21
Note 11	Program Information	22
Note 12	Other Information	24
Note 13	Elected Members Remuneration	25
Note 14	Fees and Charges	26

1(a) BASIS OF PREPARATION

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

Local Government Act 1995 requirements

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

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

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

The local government reporting entity

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

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

2022/23 actual balances

Balances shown in this budget as 2022/23 Actual are estimates as forecast at the time of preparation of the annual budget and are subject to final adjustments.

Budget comparative figures

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

Comparative figures

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

Rounding off figures

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

Initial application of accounting standards

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

- AASB 2021-2 Amendments to Australian Accounting Standards
 - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-6 Amendments to Australian Accounting Standards
 - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards

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

New accounting standards for application in future years

The following new accounting standards will have application to local government in future years:

- AASB 2014-10 Amendments to Australian Accounting Standards
 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- AASB 2020-1 Amendments to Australian Accounting Standards
 - Classification of Liabilities as Current or Non-current
- AASB 2021-7c Amendments to Australian Accounting Standards
 - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
- AASB 2022-5 Amendments to Australian Accounting Standards
 - Lease Liability in a Sale and Leaseback
- AASB 2022-6 Amendments to Australian Accounting Standards
 - Non-current Liabilities with Covenants
- AASB 2022-10 Amendments to Australian Accounting Standards
 - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

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

Judgements, estimates and assumptions

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

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

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

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

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

REVENUES

RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specific area rates, minimum payment, interim rates, back rates, ex-gratia rates, less discounts offered.

Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

GRANTS, SUBSIDIES AND CONTRIBUTIONS

All amounts received as grants, subsidies and contributions that are not capital grants.

CAPITAL GRANTS, SUBSIDIES AND CONTRIBUTIONS

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised when the local government satisfies its performance obligations under the contract.

FEES AND CHARGES

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

SERVICE CHARGES

Service charges imposed under *Division 6 of Part 6 of the Local Government Act 1995*. Regulation 54 of the *Local Government (Financial Management) Regulations 1996* identifies the charges which can be raised. These are television and radio broadcasting, underground electricity and neighbourhood surveillance services and water.

Exclude rubbish removal charges which should not be classified as a service charge. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

INTEREST EARNINGS

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

OTHER REVENUE / INCOME

Other revenue, which cannot be classified under the above headings, includes dividends, discounts, rebates etc.

PROFIT ON ASSET DISPOSAL

Gain on the disposal of assets including gains on the disposal of long-term investments.

EXPENSES

EMPLOYEE COSTS

All costs associated with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

Note *AASB 119 Employee Benefits* provides a definition of employee benefits which should be considered.

MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses (such as telephone and internet charges), advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc.

Local governments may wish to disclose more detail such as contract services, consultancy, information technology and rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER)

Expenditures made to the respective agencies for the provision of power, gas or water.

Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

INSURANCE

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expenses raised on all classes of assets.

FINANCE COSTS

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

OTHER EXPENDITURE

Statutory fees, taxes, provision for bad debts, member's fees or levies including DFES levy and State taxes. Donations and subsidies made to community groups.

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

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in	Number of properties	Rateable value	2023/24 Budgeted rate revenue	2023/24 Budgeted interim rates	2023/24 Budgeted back rates	2023/24 Budgeted total revenue	2022/23 Actual total revenue	2022/23 Budget total revenue
		\$		\$	\$	\$	\$	\$	\$	\$
(i) General rates										
Gross rental value		0.133800	248	2,289,188	306,293	250		306,543	285,724	284,896
Unimproved rental value		0.005594	421	456,047,000	2,551,127	1,000		2,552,127	2,383,654	2,380,264
Total general rates			669	458,336,188	2,857,420	1,250	0	2,858,670	2,669,378	2,665,160
	Minimum									
(ii) Minimum payment		\$								
Gross rental value		710	147	229,542	104,370	0		104,370	98,103	97,755
Unimproved rental value		750	64	4,204,635	48,000	750		48,750	45,346	44,800
Total minimum payments			211	4,434,177	152,370	750	0	153,120	143,449	142,555
Total general rates and minimum payments			880	462,770,365	3,009,790	2,000	0	3,011,790	2,812,827	2,807,715
Total ex-gratia rates					78,025	0	0	78,025	72,905	45,446
					3,087,815	2,000	0	3,089,815	2,885,732	2,853,161
Total rates					3,087,815	2,000	0	3,089,815	2,885,732	2,853,161

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

All rateable properties within the district used predominately for non-rural purposes are rated according to their Gross Rental Valuation (GRV), all other properties are rated according to their Unimproved Valuation (UV).

The general rates detailed for the 2023/24 financial year have been determined by Council on the basis of raising the revenue required to meet the estimated deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than general rates and also considering the extent of any increase in rating over the level adopted in the previous year.

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of local government services/facilities.

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

2. RATES AND SERVICE CHARGES (CONTINUED)

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	6/09/2023	n/a	0.00%	11.00%
Option two				
First instalment	6/09/2023	n/a	0.00%	11.00%
Second instalment	10/01/2024	11	5.50%	11.00%
Option three				
First instalment	6/09/2023	n/a	0.00%	11.00%
Second instalment	8/11/2023	11	5.50%	11.00%
Third instalment	10/01/2024	11	5.50%	11.00%
Fourth instalment	13/06/2024	11	5.50%	11.00%

	2023/24 Budget revenue	2022/23 Actual revenue	2022/23 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	4,000	3,980	2,200
Instalment plan interest earned	10,500	10,341	10,500
Unpaid rates interest earned	6,500	5,119	6,500
	21,000	19,440	19,200

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

2. RATES AND SERVICE CHARGES (CONTINUED)

(c) Service Charges

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

(d) Rates Incentives

The Shire of Cranbrook offers an incentive to encourage rate payers to pay their rates by the due date. To be eligible, rates must be paid in full before 4 pm on the due date of the first instalment.

There are a total of three prizes to be won this financial year (2023-2024).

First prize draw: \$1,000
Second prize draw: \$300
Third prize draw: \$200

(e) Waivers or concessions

Rate, fee or charge to which the waiver or concession is granted	Type	Waiver/ Concession	Discount %	2023/24 Budget	2022/23 Actual	2022/23 Budget	Circumstances in which the waiver or concession is granted
			%	\$	\$	\$	
Waste and recycling collection	Fee and charge	Waiver	100.00%	2,000	1,355		0 Policy 4.5 Rates and Sundry Debtors Charges – Write Offs, Recovery Process
Hall/facility hire	Fee and charge	Waiver	100.00%	3,000	2,875		0 Policy 7.3 - Community Facilities and Equipment - Usage
Cranbrook Caravan Park charges	Fee and charge	Concession	30.00%	10,500	10,143		0 Delegation 1.9 Grant Discounts, Waive or Refund Fees and Charges, Write Off of Minor Debts
				15,500	14,373	0	

SHIRE OF CRANBROOK
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

		2023/24 Budget 30 June 2024	2022/23 Actual 30 June 2023	2022/23 Budget 30 June 2023
Cash and cash equivalents	4	3,781,662	5,917,606	3,311,784
Financial assets		(9,500)	1,534	12,034
Receivables		120,324	120,324	189,655
Inventories		36,206	36,206	40,438
Other assets		161,914	161,914	
		4,090,606	6,237,584	3,553,911

Less: current liabilities

Trade and other payables		(274,267)	(274,262)	(265,763)
Capital grant/contribution liability		(75,437)	(75,437)	(451,469)
Lease liabilities	8	0	(19,106)	0
Long term borrowings	7	(1)	(36,002)	(700,171)
Employee provisions		(441,376)	(441,376)	(444,737)
Other provisions		(31,987)	(31,988)	0
		(823,068)	(878,171)	(1,862,140)

Net current assets

		3,267,538	5,359,413	1,691,771
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Less: Total adjustments to net current assets

	3(c)	(3,267,537)	(2,871,985)	(1,691,771)
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Net current assets used in the Statement of Financial Activity

		1	2,487,428	0
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SHIRE OF CRANBROOK
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

3. NET CURRENT ASSETS (CONTINUED)

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

Items excluded from calculation of budgeted deficiency

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

(b) Non-cash amounts excluded from operating activities

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

Adjustments to operating activities

		2023/24 Budget 30 June 2024	2022/23 Actual 30 June 2023	2022/23 Budget 30 June 2023
Less: Profit on asset disposals	5	(148,600)	(84,896)	(76,000)
Add: Loss on asset disposals	5	4,000	277,859	9,500
Add: Depreciation	6	2,518,695	2,479,422	2,370,975
Movement in current employee provisions associated with restricted cash		(9,070)	34,391	30,288
Non-cash movements in non-current assets and liabilities:				
- Pensioner deferred rates		0	(2,940)	0
- Receivables for employee related provisions		0	(15,728)	0
- Employee provisions		0	29,767	0
		2,365,025	2,717,875	2,334,763

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	9	(3,494,546)	(3,152,137)	(2,563,248)
Less: Current assets not expected to be received at end of year				
- Current financial assets at amortised cost - self supporting loans		9,500	(1,534)	(51,170)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		1	36,002	700,171

- Current portion of lease liabilities	0	19,106	0
- Current portion of employee benefit provisions held in reserve	217,508	226,578	222,476
Total adjustments to net current assets	(3,267,537)	(2,871,985)	(1,691,771)

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 CRANBROOK
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		\$ 629,522	\$ 2,765,467	\$ 3,311,784
Term deposits		3,152,140	3,152,140	0
Total cash and cash equivalents		3,781,662	5,917,606	3,311,784
Held as				
- Unrestricted cash and cash equivalents	3(a)	211,679	2,690,032	297,067
- Restricted cash and cash equivalents	3(a)	3,569,983	3,227,574	3,014,717
		3,781,662	5,917,606	3,311,784
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		3,569,983	3,227,574	3,014,717
		3,569,983	3,227,574	3,014,717
The assets are restricted as a result of the specified purposes associated with the liabilities below:				
Financially backed reserves	9	3,494,546	3,152,137	2,563,248
Unspent capital grants, subsidies and contribution liabilities		75,437	75,437	451,469
		3,569,983	3,227,574	3,014,717
Reconciliation of net cash provided by operating activities to net result				
Net result		1,429,854	2,080,027	2,715,436
Depreciation	6	2,518,695	2,479,422	2,370,975
(Profit)/loss on sale of asset	5	(144,600)	192,963	(66,500)
(Increase)/decrease in receivables		0	26,587	50,000
(Increase)/decrease in inventories		0	4,232	0
(Increase)/decrease in other assets		0	126,108	0
Increase/(decrease) in payables		0	81,467	0
Increase/(decrease) in unspent capital grants		0	(440,238)	0
Increase/(decrease) in other provision		0	99	0
Increase/(decrease) in employee provisions		0	58,293	0
Capital grants, subsidies and contributions		(4,173,186)	(1,851,682)	(5,078,608)
Net cash from operating activities		(369,237)	2,757,278	(8,697)

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

5. FIXED ASSETS

The following assets are budgeted to be acquired and/or disposed of during the year.

	2023/24 Budget Additions	2023/24 Budget Disposals - Net Book Value	2023/24 Budget Disposals - Sale Proceeds	2023/24 Budget Disposals - Profit or Loss	2022/23 Actual Additions	2022/23 Disposals - Net Book Value	2022/23 Actual Disposals - Sale Proceeds	2022/23 Actual Disposals - Profit or Loss	2022/23 Budget Additions	2022/23 Budget Disposals - Net Book Value	2022/23 Budget Disposals - Sale Proceeds	2022/23 Budget Disposals - Profit or Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Property, Plant and Equipment												
Buildings - specialised	2,347,116	0		0	99,816	61,207	1,000	(60,207)	4,205,698	0	0	0
Plant and equipment	1,395,100	630,500	775,100	144,600	669,721	365,080	449,975	84,895	826,500	394,000	460,500	66,500
Total	3,742,216	630,500	775,100	144,600	769,537	426,287	450,975	24,688	5,032,198	394,000	460,500	66,500
(b) Infrastructure												
Infrastructure - roads	2,150,221	0	0	0	1,856,561	0	0	0	1,881,937	0	0	0
Infrastructure - other	677,484	0	0	0	1,354,222	218,015	364	(217,651)	1,211,480	0	0	0
Infrastructure - bridges	101,000	0	0	0	54,950	0	0	0	0	0	0	0
Total	2,928,705	0	0	0	3,265,733	218,015	364	(217,651)	3,093,417	0	0	0
Total	6,670,921	630,500	775,100	144,600	4,035,270	644,302	451,339	(192,963)	8,125,615	394,000	460,500	66,500

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

6. DEPRECIATION

By Class

Buildings	
Furniture and equipment	
Plant and equipment	
Infrastructure	
Infrastructure - waste sites rehabilitation	
Right of use - plant and equipment	

By Program

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

2023/24 Budget	2022/23 Actual	2022/23 Budget
\$	\$	\$
344,095	327,867	332,810
32,400	18,800	23,000
726,010	663,467	635,310
1,361,235	1,414,425	1,360,855
35,955	35,954	0
19,000	18,910	19,000
2,518,695	2,479,422	2,370,975
90,000	89,906	98,280
154,610	153,672	154,610
3,800	3,795	3,800
113,050	111,966	77,050
230,235	223,853	211,735
1,380,000	1,353,038	1,325,000
37,000	36,829	30,000
510,000	506,365	470,500
2,518,695	2,479,422	2,370,975

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	50 years
Buildings - specialised	50 years
Furniture and equipment	3 to 15 years
Plant and equipment	1 to 15 years
Infrastructure - roads	
Sealed roads and streets:	
formation	not depreciated
pavement	50 years
seal	
- bitumous seal	20 years
- asphalt surfaces	25 years
Gravel roads and streets:	
formation	not depreciated
pavement	50 years
Infrastructure - other	30 to 50 years
Footpaths	10-50 years
Drainage systems	30 to 50 years
Bridges	50 years

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

7. BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	Budget	2023/24	2023/24	Budget	2023/24	Actual	2022/23	2022/23	Actual	2022/23	Budget	2022/23	2022/23	Budget	2022/23
				Principal	Budget	Budget	Principal	Principal		Actual	Actual	Actual	Actual		Principal	Budget	Budget	Principal
				1 July 2023	New	Principal	outstanding	Budget	1 July 2022	New	Principal	outstanding	Actual	1 July 2022	New	Principal	outstanding	Actual
				\$	Loans	Repayments	30 June 2024	Repayments	\$	Loans	Repayments	30 June 2023	\$	\$	Loans	Repayments	30 June 2023	\$
Lot 9 Edward Street MOW Residence	77	WATC	4.3%	36,001	0	(36,001)	0	(1,405)	70,517	0	(34,516)	36,001	(2,651)	70,517	0	(34,516)	36,001	(2,940)
Frankland River Community Facility	n/a	WATC	n/a	0	0	0	0	0	0	0	0	0	0	0	700,170	0	700,170	0
				36,001	0	(36,001)	0	(1,405)	70,517	0	(34,516)	36,001	(2,651)	70,517	700,170	(34,516)	736,171	(2,940)

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

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

7. BORROWINGS

(b) New borrowings - 2023/24

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

(c) Unspent borrowings

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

(d) Credit Facilities

Undrawn borrowing facilities

credit standby arrangements

Bank overdraft limit
 Bank overdraft at balance date
 Credit card limit
 Credit card balance at balance date

Total amount of credit unused

Loan facilities

Loan facilities in use at balance date

	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
Bank overdraft limit	0	0	0
Bank overdraft at balance date	0	0	0
Credit card limit	7,000	7,000	7,000
Credit card balance at balance date	0	(2,637)	0
Total amount of credit unused	7,000	4,363	7,000
Loan facilities			
Loan facilities in use at balance date	0	36,001	736,171

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

8. LEASE LIABILITIES

Purpose	Lease Interest Rate	Lease Term	Budget	2023/24	Budget	2023/24	Actual	2022/23	Actual	2022/23	Budget	2022/23	Budget	2022/23
			Lease Principal 1 July 2023	Budget Lease Principal Repayments	Lease Principal outstanding 30 June 2024	Budget Lease Interest Repayments	Principal 1 July 2022	Actual Lease Principal repayments	Lease Principal outstanding 30 June 2023	Actual Lease Interest repayments	Principal 1 July 2022	Budget Lease Principal repayments	Lease Principal outstanding 30 June 2023	Budget Lease Interest repayments
CESM vehicle lease	1.60%	5 year	\$ 45,060	\$ (19,106)	\$ 25,954	\$ (577)	\$ 63,865	\$ (18,805)	\$ 45,060	\$ (878)	\$ 63,865	\$ (18,809)	\$ 45,056	\$ (878)
			45,060	(19,106)	25,954	(577)	63,865	(18,805)	45,060	(878)	63,865	(18,809)	45,056	(878)

MATERIAL ACCOUNTING POLICIES

LEASES

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

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

LEASE LIABILITIES

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

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

9. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

	2023/24 Budget Opening Balance	2023/24 Budget Transfer to	2023/24 Budget Transfer (from)	2023/24 Budget Closing Balance	2022/23 Actual Opening Balance	2022/23 Actual Transfer to	2022/23 Actual Transfer (from)	2022/23 Actual Closing Balance	2022/23 Budget Opening Balance	2022/23 Budget Transfer to	2022/23 Budget Transfer (from)	2022/23 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Employee Entitlement Reserve	226,578	28,860	(47,000)	208,438	192,187	62,476	(28,085)	226,578	192,187	60,288	(30,000)	222,475
(b) Plant Replacement Reserve	451,915	15,817	(136,050)	331,682	251,001	200,914	0	451,915	251,001	198,107	0	449,108
(c) Waste and Water Management Reserve	28,629	11,002	0	39,631	18,290	10,339	0	28,629	18,290	10,027	0	28,317
(d) Information Technology and Office Equipment Reserve	83,326	72,916	0	156,242	13,306	70,020	0	83,326	13,305	70,020	0	83,325
(e) Building Asset Management Reserve	201,723	7,060	(42,735)	166,048	199,240	2,483	0	201,723	199,240	299	(42,735)	156,804
(f) Community Associations Financial assistance Reserves	18,148	21,669	0	39,817	50,351	16,733	(48,936)	18,148	50,350	16,110	(50,170)	16,290
(g) Roadworks Reserve	78,282	77,740	0	156,022	0	78,282	0	78,282	0	78,282	0	78,282
(h) Land Reserves	123,878	4,336	0	128,214	122,136	1,742	0	123,878	122,136	183	0	122,319
(i) Frankland River Sporting Facilities Reserve	172,662	6,043	0	178,705	170,534	2,128	0	172,662	170,534	256	(170,790)	0
(j) Housing Reserve	374,928	13,122	0	388,050	370,006	4,922	0	374,928	370,005	555	0	370,560
(k) Frankland River Asset Replacement Fund (Bowling Green) Reserve	78,651	7,753	0	86,404	72,607	6,044	0	78,651	72,606	5,109	0	77,715
(l) Cranbrook Asset Replacement Fund (Bowling Green) Reserve	83,658	7,928	0	91,586	77,606	6,052	0	83,658	77,606	5,116	0	82,722
(m) Rate Discount Reserve	923,030	260,131	(20,000)	1,163,161	917,175	222,559	(216,706)	923,027	917,174	211,954	(564,937)	564,191
(n) Emergency Response Reserve	104,823	23,669	0	128,492	83,761	21,062	0	104,823	83,762	20,126	0	103,888
(o) Works Depot Reserve	161,655	25,658	0	187,313	159,544	2,111	0	161,655	159,544	239	0	159,784
(p) Cranbrook Youth Precinct Reserve	0	0	0	0	0	0	0	0	7,203	11	0	7,214
(q) Refuse Site Reserve	40,254	4,487	0	44,741	0	40,254	0	40,254	0	40,254	0	40,254
	3,152,140	588,191	(245,785)	3,494,546	2,697,744	748,121	(293,727)	3,152,137	2,704,943	716,936	(858,632)	2,563,248

(b) Reserve Accounts - Purposes

In accordance with Council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

Reserve name	Anticipated date of use	Purpose of the reserve
(a) Employee Entitlement Reserve	ongoing	To fund current and past employee leave entitlements
(b) Plant Replacement Reserve	ongoing	For the purchase or replacement of capital plant and equipment
(c) Waste and Water Management Reserve	ongoing	For the establishment or improvements of waste sites, water harvesting and re-use initiatives, and infrastructure to be used as part of ongoing water security strategies.
(d) Information Technology and Office Equipment Reserve	ongoing	To fund the purchase and upgrade of computer equipment, software and office equipment.
(e) Building Asset Management Reserve	ongoing	For capital maintenance on Council owned public buildings
(f) Community Associations Financial assistance Reserves	ongoing	For the provision of interest free loans to community organisations
(g) Roadworks Reserve	ongoing	To be used on road construction projects
(h) Land Reserves	30/06/2023	For the acquisition and development of land
(i) Frankland River Sporting Facilities Reserve	ongoing	For upgrading or improvements to sporting facilities in Frankland River
(j) Housing Reserve	ongoing	For the provision of new housing and capital maintenance and improvements of existing housing
(k) Frankland River Asset Replacement Fund (Bowling Green) Reserve	ongoing	For the replacement of the synthetic bowling green at Frankland River
(l) Cranbrook Asset Replacement Fund (Bowling Green) Reserve	ongoing	For the replacement of the synthetic bowling green at Cranbrook
(m) Rate Discount Reserve	Completed	For the upgrade of existing and construction of new community facilities
(n) Emergency Response Reserve	ongoing	To fund expenses arising for unforeseen circumstances, or other urgent expenditure.
(o) Works Depot Reserve	Completed	For upgrading and improvements to the Shire's works depot
(p) Cranbrook Youth Precinct Reserve	ongoing	For upgrading and developing the youth precinct at Frederick Square Cranbrook
(q) Refuse Site Reserve	ongoing	To fund infrastructure development and rehabilitation costs associated with the Shire's waste sites.

10 REVENUE RECOGNITION

MATERIAL ACCOUNTING POLICIES

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of Revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
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 CRANBROOK
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024**

11. PROGRAM INFORMATION

(a) Key Terms and Definitions - Reporting Programs

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

OBJECTIVE

ACTIVITIES

Governance

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

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 no 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 for a safer community.

Fire prevention, animal control and the administration of local-laws.

Health

To provide services for environmental and community health.

Food quality control, provide and maintain the Cranbrook and Frankland River doctor's surgeries.

Education and welfare

To provide services for the aged, disadvantaged, children and youth.

Provide financial assistance to community groups and childcare.

Housing

To provide and maintain staff and other housing.

Operating, maintenance and rental of Council's staff housing and other housing.

Community amenities

To provide services required by the community.

Rubbish and recycling collection services, maintenance of rubbish disposal sites, control and co-ordination of cemeteries, public conveniences and storm water drainage maintenance. The administration of the town planning scheme, community and environmental services.

Recreation and culture

To establish and manage recreational and cultural infrastructure and resources.

Maintenance of halls, sporting complexes, reserves, community centres, Lake Poorrarecup and Lake Nunijup. Operation of the Cranbrook and Frankland River libraries.

Transport

To provide safe and efficient transport services to the community.

Construction and maintenance of streets, roads, footpaths, parking facilities; cleaning and lighting of streets, traffic signage and depot maintenance.

Economic services

To assist in the promotion of the shire and its economic wellbeing.

The regulation and provision of tourism, area promotion, building control, noxious weeds and the operation of the Cranbrook and Frankland River caravan parks.

Other property and services

To monitor and control council's overheads

Private works operations, plant repairs and operations costs.

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

11 PROGRAM INFORMATION (Continued)

(b) Income and expenses

	2023/24	2022/23	2022/23
	Budget	Actual	Budget
Income excluding grants, subsidies and contributions	\$	\$	\$
Governance	58,450	101,071	37,400
General purpose funding	3,248,340	2,963,584	2,885,818
Law, order, public safety	10,300	10,862	10,300
Health	600	110	600
Education and welfare	0	0	1,000
Housing	82,498	89,286	93,988
Community amenities	116,950	143,430	120,134
Recreation and culture	30,400	28,285	32,100
Transport	123,500	62,809	69,600
Economic services	235,036	231,889	196,982
Other property and services	42,100	93,739	60,100
	3,948,174	3,725,065	3,508,022
Grants, subsidies and contributions			
General purpose funding	0	2,320,561	191,993
Law, order, public safety	241,519	255,754	250,775
Education and welfare	52,332	1,523	2,500
Community amenities	70,000	0	0
Recreation and culture	10,000	10,000	10,000
Transport	198,740	185,006	181,092
	572,591	2,772,844	636,360
Capital grants, subsidies and contributions			
Law, order, public safety	1,910,000	0	1,213,000
Community amenities	22,000	0	0
Recreation and culture	607,371	998,947	2,603,386
Transport	1,610,815	1,292,874	1,262,222
Economic services	23,000	0	0
	4,173,186	2,291,821	5,078,608
Total Income	8,693,951	8,789,730	9,222,990
Expenses			
Governance	(780,444)	(531,980)	(636,185)
General purpose funding	(121,797)	(102,144)	(117,376)
Law, order, public safety	(639,605)	(669,442)	(625,469)
Health	(65,848)	(51,914)	(71,683)
Education and welfare	(190,539)	(70,179)	(94,299)
Housing	(73,819)	(77,025)	(59,786)
Community amenities	(850,831)	(681,613)	(646,975)
Recreation and culture	(1,203,881)	(1,090,043)	(1,070,898)
Transport	(2,596,836)	(2,508,459)	(2,563,807)
Economic services	(638,033)	(563,130)	(562,487)
Other property and services	(102,464)	(363,774)	(58,589)
Total expenses	(7,264,097)	(6,709,703)	(6,507,554)
Net result for the period	1,429,854	2,080,027	2,715,436

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

12. OTHER INFORMATION

The net result includes as revenues

(a) Interest earnings

	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
Investments			
- Reserve accounts	110,325	37,395	4,057
- Other funds	20,000	15,982	2,000
Late payment of fees and charges *	0	362	400
Other interest revenue	17,000	15,460	17,000
	147,325	69,199	23,457

(b) Other revenue

Reimbursements and recoveries	54,956	209,668	71,831
Other	68,480	41	74,980
	123,436	209,709	146,811

The net result includes as expenses

(c) Auditors remuneration

Audit services	40,250	34,900	35,000
	40,250	34,900	35,000

(d) Interest expenses (finance costs)

Borrowings (refer Note 7(a))	1,405	2,651	2,940
expense on lease liabilities (refer Note 8)	577	878	878
	1,982	3,529	3,818

(e) Write offs

General rate	500	359	500
	500	359	500

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

13. ELECTED MEMBERS REMUNERATION

	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
Elected member 1			
President's allowance	13,608	6,000	6,000
Meeting attendance fees	10,700	10,000	10,000
Annual allowance for ICT expenses	1,285	1,200	1,200
	25,593	17,200	17,200
Elected member 2			
Deputy President's allowance	3,402	1,500	1,500
Meeting attendance fees	5,350	5,000	5,000
Annual allowance for ICT expenses	640	600	600
	9,392	7,100	7,100
Elected member 3			
Meeting attendance fees	5,350	5,000	5,000
Annual allowance for ICT expenses	640	600	600
	5,990	5,600	5,600
Elected member 4			
Meeting attendance fees	5,350	5,000	5,000
Annual allowance for ICT expenses	640	600	600
	5,990	5,600	5,600
Elected member 5			
Meeting attendance fees	5,350	5,000	5,000
Annual allowance for ICT expenses	640	600	600
	5,990	5,600	5,600
Elected member 6			
Meeting attendance fees	5,350	5,000	5,000
Annual allowance for ICT expenses	640	600	600
	5,990	5,600	5,600
Elected member 7			
Meeting attendance fees	5,350	5,000	5,000
Annual allowance for ICT expenses	640	600	600
	5,990	5,600	5,600
Elected member 8			
Meeting attendance fees	1,338	5,000	5,000
Annual allowance for ICT expenses	160	600	600
	1,498	5,600	5,600
Elected member 9			
Meeting attendance fees	1,338	5,000	5,000
Annual allowance for ICT expenses	160	600	600
	1,498	5,600	5,600
Total Elected Member Remuneration	67,930	63,500	63,500
President's allowance	13,608	6,000	6,000
Deputy President's allowance	3,402	1,500	1,500
Meeting attendance fees	45,475	50,000	50,000
Annual allowance for ICT expenses	5,445	6,000	6,000
	67,930	63,500	63,500

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

14. FEES AND CHARGES

	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
By Program:			
Governance	750	813	200
General purpose funding	6,500	8,811	4,700
Law, order, public safety	6,300	6,862	6,300
Health	600	110	600
Housing	78,998	88,461	90,488
Community amenities	110,950	135,119	102,905
Recreation and culture	19,600	17,772	18,800
Economic services	212,300	210,919	169,600
Other property and services	3,000	6,661	15,000
	438,998	475,527	408,593

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