

# ANNUAL BUDGET 2023/24



The Shire of Exmouth's Annual Budget indicates our community's civic priorities, projected revenue and costs, and plan for the future - what revenue will pay for which departmental services and for whom those services exist.

**SHIRE OF EXMOUTH**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2024**  
**LOCAL GOVERNMENT ACT 1995**  
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**SHIRE'S VISION**

To be a prosperous and sustainable community living in harmony with our natural environment

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

	NOTE	2023/24 Budget	2022/23 Est. Actual	2022/23 Budget
<b>Revenue</b>		\$	\$	\$
Rates	2(a)	4,223,000	3,926,631	3,822,000
Specified area rates	2(a)	62,000	57,254	54,000
Grants, subsidies and contributions	11	2,380,000	5,100,044	2,446,000
Fees and charges	16	11,168,000	9,107,817	8,330,000
Interest revenue	12(a)	292,000	204,377	140,000
Other revenue	12(b)	400,000	401,004	451,000
		18,525,000	18,797,127	15,243,000
<b>Expenses</b>				
Employee costs		(8,529,000)	(7,248,318)	(7,385,000)
Materials and contracts		(6,408,000)	(4,979,254)	(4,338,000)
Utility charges		(940,000)	(850,382)	(859,000)
Depreciation	6	(3,683,000)	(3,681,307)	(3,675,000)
Finance costs	12(d)	(98,000)	(111,753)	(112,000)
Insurance		(709,000)	(608,637)	(579,000)
Other expenditure		(690,000)	(214,097)	(476,000)
		(21,057,000)	(17,693,748)	(17,424,000)
		(2,532,000)	1,103,379	(2,181,000)
Capital grants, subsidies and contributions	11	4,662,000	4,182,126	2,717,000
		4,662,000	4,182,126	2,717,000
<b>Net result for the period</b>		<b>2,130,000</b>	<b>5,285,505</b>	<b>536,000</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>		0	0	0
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>2,130,000</b>	<b>5,285,505</b>	<b>536,000</b>

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

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

**CASH FLOWS FROM OPERATING ACTIVITIES**

**Receipts**

	NOTE	2023/24 Budget	2022/23 Est. Actual	2022/23 Budget
Rates		\$ 4,285,000	\$ 3,821,165	\$ 3,876,000
Grants, subsidies and contributions		3,880,000	3,545,521	2,446,000
Fees and charges		11,168,000	9,107,817	8,330,000
Interest revenue		292,000	204,377	140,000
Other revenue		400,000	401,004	451,000

**Payments**

Employee costs		(8,529,000)	(7,227,051)	(7,385,000)
Materials and contracts		(4,908,000)	(5,409,375)	(4,350,000)
Utility charges		(940,000)	(850,382)	(859,000)
Finance costs		(98,000)	(132,618)	(112,000)
Insurance		(709,000)	(608,637)	(579,000)
Goods and services tax paid		0	(7,357)	
Other expenditure		(690,000)	(214,097)	(476,000)
		(15,874,000)	(14,449,517)	(13,761,000)

**Net cash provided by (used in) operating activities** 4 4,151,000 2,630,367 1,482,000

**CASH FLOWS FROM INVESTING ACTIVITIES**

Payments for purchase of property, plant & equipment	5(a)	(6,169,000)	(446,823)	(1,050,000)
Payments for construction of infrastructure	5(b)	(4,320,000)	(4,627,023)	(4,510,000)
Capital grants, subsidies and contributions		4,624,000	4,113,116	2,717,000
Proceeds from sale of property, plant and equipment	5(a)	140,000	65,600	146,000
<b>Net cash provided by (used in) investing activities</b>		(5,725,000)	(895,130)	(2,697,000)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Repayment of borrowings	7(a)	(367,000)	(354,034)	(354,000)
Payments for principal portion of lease liabilities	8	(7,000)	(1,911)	(6,000)
Proceeds from community loans		38,000	27,600	12,000
Proceeds from new borrowings	7(a)	1,500,000	0	0
<b>Net cash provided by (used in) financing activities</b>		1,164,000	(328,345)	(348,000)

**Net increase (decrease) in cash held**

(410,000) 1,406,892 (1,563,000)

Cash at beginning of year 14,232,550 12,825,658 13,659,144

**Cash and cash equivalents at the end of the year** 4 **13,822,550 14,232,550 12,096,144**

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

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

		2023/24	2022/23	2022/23
	NOTE	Budget	Est. Actual	Budget
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities</b>				
Rates	2(a)	\$ 4,223,000	\$ 3,926,631	\$ 3,822,000
Specified area rates	2(a)	62,000	57,254	54,000
Grants, subsidies and contributions	11	2,380,000	5,100,044	2,446,000
Fees and charges	16	11,168,000	9,107,817	8,330,000
Interest revenue	12(a)	292,000	204,377	140,000
Other revenue	12(b)	400,000	401,004	451,000
		<b>18,525,000</b>	<b>18,797,127</b>	<b>15,243,000</b>
<b>Expenditure from operating activities</b>				
Employee costs		(8,529,000)	(7,248,318)	(7,385,000)
Materials and contracts		(6,408,000)	(4,979,254)	(4,338,000)
Utility charges		(940,000)	(850,382)	(859,000)
Depreciation	6	(3,683,000)	(3,681,307)	(3,675,000)
Finance costs	12(d)	(98,000)	(111,753)	(112,000)
Insurance		(709,000)	(608,637)	(579,000)
Other expenditure		(690,000)	(214,097)	(476,000)
		<b>(21,057,000)</b>	<b>(17,693,748)</b>	<b>(17,424,000)</b>
Non-cash amounts excluded from operating activities	3(b)	3,683,000	3,681,307	3,675,000
<b>Amount attributable to operating activities</b>		<b>1,151,000</b>	<b>4,784,686</b>	<b>1,494,000</b>
<b>INVESTING ACTIVITIES</b>				
<b>Inflows from investing activities</b>				
Capital grants, subsidies and contributions	11	4,662,000	4,182,126	2,717,000
Proceeds from disposal of assets	5	140,000	65,600	146,000
		<b>4,802,000</b>	<b>4,247,726</b>	<b>2,863,000</b>
<b>Outflows from investing activities</b>				
Payments for property, plant and equipment	5(a)	(6,169,000)	(446,823)	(1,050,000)
Payments for construction of infrastructure	5(b)	(4,320,000)	(4,627,023)	(4,510,000)
		<b>(10,489,000)</b>	<b>(5,073,846)</b>	<b>(5,560,000)</b>
<b>Amount attributable to investing activities</b>		<b>(5,687,000)</b>	<b>(826,120)</b>	<b>(2,697,000)</b>
<b>FINANCING ACTIVITIES</b>				
<b>Inflows from financing activities</b>				
Proceeds from new borrowings	7(a)	1,500,000	0	0
Transfers from reserve accounts	9(a)	2,953,000	961,928	1,561,000
Proceeds from community loans		38,000	27,600	12,000
		<b>4,491,000</b>	<b>989,528</b>	<b>1,573,000</b>
<b>Outflows from financing activities</b>				
Repayment of borrowings	7(a)	(367,000)	(354,034)	(354,000)
Payments for principal portion of lease liabilities	8	(7,000)	(1,911)	(6,000)
Payments for community loans		0	(102,267)	0
Transfers to reserve accounts	9(a)	(3,779,000)	(2,584,434)	(1,771,000)
		<b>(4,153,000)</b>	<b>(3,042,646)</b>	<b>(2,131,000)</b>
<b>Amount attributable to financing activities</b>		<b>338,000</b>	<b>(2,053,118)</b>	<b>(558,000)</b>
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>				
<b>Surplus or deficit at the start of the financial year</b>	3	4,198,722	2,293,274	1,772,556
Amount attributable to operating activities		1,151,000	4,784,686	1,494,000
Amount attributable to investing activities		(5,687,000)	(826,120)	(2,697,000)
Amount attributable to financing activities		338,000	(2,053,118)	(558,000)
<b>Surplus or deficit at the end of the financial year</b>	3	<b>722</b>	<b>4,198,722</b>	<b>11,556</b>

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

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

**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 15 to the annual budget.

**2022/23 actual balances**

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

**Budget comparative figures**

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

**Comparative figures**

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

**Rounding off figures**

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

**Initial application of accounting standards**

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

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

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

**New accounting standards for application in future years**

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

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

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

**Judgements, estimates and assumptions**

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

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

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

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

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

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

**REVENUES**

**RATES**

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

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

**GRANTS, SUBSIDIES AND CONTRIBUTIONS**

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

**CAPITAL GRANTS, SUBSIDIES AND CONTRIBUTIONS**

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

**REVENUE FROM CONTRACTS WITH CUSTOMERS**

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

**FEES AND CHARGES**

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

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

**SERVICE CHARGES**

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

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

**INTEREST EARNINGS**

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

**OTHER REVENUE / INCOME**

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

**PROFIT ON ASSET DISPOSAL**

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

**EXPENSES**

**EMPLOYEE COSTS**

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

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

**MATERIALS AND CONTRACTS**

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

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

**UTILITIES (GAS, ELECTRICITY, WATER)**

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

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

**INSURANCE**

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

**LOSS ON ASSET DISPOSAL**

Loss on the disposal of fixed assets.

**DEPRECIATION ON NON-CURRENT ASSETS**

Depreciation and amortisation expenses raised on all classes of assets.

**FINANCE COSTS**

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

**OTHER EXPENDITURE**

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



**SHIRE OF EXMOUTH**  
**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
		\$		\$	\$	\$	\$	\$	\$	\$
<b>(i) General rates</b>										
General	Gross rental valuation	0.088900	1,203	29,924,715	2,660,000	10,000	0	2,670,000	2,476,925	2,476,000
Marina Developed	Gross rental valuation	0.120000	119	4,133,407	496,000	0	0	496,000	465,016	432,000
Holiday Homes	Gross rental valuation	0.123200	114	2,760,170	340,000	0	0	340,000	325,674	256,000
Vacant Land	Gross rental valuation	0.177600	210	2,188,530	389,000	0	0	389,000	349,143	379,000
Mining	Unimproved valuation	0.189000	10	358,420	68,000	0	0	68,000	62,939	64,000
Rural	Unimproved valuation	0.094600	6	537,400	50,000	0	0	50,000	47,184	47,000
<b>Total general rates</b>			1,662	39,902,642	4,003,000	10,000	0	4,013,000	3,726,881	3,654,000
	<b>Minimum</b>									
<b>(ii) Minimum payment</b>		\$								
General	Gross rental valuation	1,075	93	623,962	100,000	0	0	100,000	98,030	59,000
Marina Developed	Gross rental valuation	1,075	1	0	1,000	0	0	1,000	3,350	1,000
Holiday Homes	Gross rental valuation	1,075	0	0	0	0	0	0	0	0
Vacant Land	Gross rental valuation	845	124	398,530	105,000	0	0	105,000	94,985	104,000
Mining	Unimproved valuation	280	10	9,366	3,000	0	0	3,000	2,600	3,000
Rural	Unimproved valuation	845	1	5,800	1,000	0	0	1,000	785	1,000
<b>Total minimum payments</b>			229	1,037,658	210,000	0	0	210,000	199,750	168,000
<b>Total general rates and minimum payments</b>			1,891	40,940,300	4,213,000	10,000	0	4,223,000	3,926,631	3,822,000
<b>(iii) Specified area rates</b>										
Marina Specified Area		0.015800			62,000	0	0	62,000	57,254	54,000
<b>Total specified area rates</b>					62,000	0	0	62,000	57,254	54,000
					4,275,000	10,000	0	4,285,000	3,983,885	3,876,000
<b>Total rates</b>					4,275,000	10,000	0	4,285,000	3,983,885	3,876,000

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

**2. RATES AND SERVICE CHARGES (CONTINUED)**

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

The following instalment options are available to ratepayers for the payment of rates and service charges.

**Option 1 (Full Payment)**

Full amount of rates and charges including arrears, to be paid on or before 5 September 2023 or 35 days after the date of service appearing on the rate notice, whichever is the later.

**Option 2 (Two Instalments)**

First instalment to be made on or before 5 September 2023 or 35 days after the date of service appearing on the rate notice, whichever is later and including all arrears and half the current rates and service charges; and

Second instalment to be made on or before 17 November 2023, or 2 months after the due date of the first instalment, whichever is later.

**Option 3 (Four Instalments)**

First instalment to be made on or before 5 September 2023 or 35 days after the date of service appearing on the rate notice, whichever is later and including all arrears and a quarter of the current rates and service charges;

Second instalment to be made on or before 17 November 2023, or 2 months after the due date of the first instalment, whichever is later;

Third instalment to be made on or before 23 January 2024, or 2 months after the due date of the second instalment, whichever is later; and

Fourth instalment to be made on or before 3 April 2024, or 2 months after the due date of the third instalment, whichever is later.

<b>Instalment options</b>	<b>Date due</b>	<b>Instalment plan admin charge</b>	<b>Instalment plan interest rate</b>	<b>Unpaid rates interest rates</b>
		\$	%	%
<b>Option one</b>				
Single full payment	5/09/2023	0	0.00%	7.00%
<b>Option two</b>				
First instalment	5/09/2023	0	0.00%	7.00%
Second instalment	17/11/2023	16	5.50%	7.00%
<b>Option three</b>				
First instalment	5/09/2023	0	0.00%	7.00%
Second instalment	17/11/2023	16	5.50%	7.00%
Third instalment	23/01/2024	16	5.50%	7.00%
Fourth instalment	3/04/2024	16	5.50%	7.00%

	<b>2023/24 Budget revenue</b>	<b>2022/23 Actual revenue</b>	<b>2022/23 Budget revenue</b>
	\$	\$	\$
Instalment plan admin charge revenue	12,000	10,575	12,000
Instalment plan interest earned	12,000	10,209	15,000
Unpaid rates and service charge interest earned	20,000	21,027	20,000
	<b>44,000</b>	<b>41,811</b>	<b>47,000</b>

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

**2. RATES AND SERVICE CHARGES (CONTINUED)**

**(c) Objectives and Reasons for Differential Rating**

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

**Differential general rate**

<b>Description</b>	<b>Characteristics</b>	<b>Objects</b>	<b>Reasons</b>
GRV General	This rating category consists of properties zoned as: <ul style="list-style-type: none"> <li>•Residential</li> <li>•Urban Development</li> <li>•Commercial</li> <li>•Tourism</li> <li>•Light Industry</li> <li>•Service Commercial</li> <li>•General Industry</li> <li>•Industrial Development</li> <li>•Rural Residential</li> </ul>	Revenue derived from this category assists funding to operate efficiently the service levels expected by the community as outlined in our Strategic Plan and Corporate Business Plan.	Means any land that is predominantly used for singular and multi-dwelling and is zoned in accordance with the characteristics detailed.
GRV Marina Developed	This rating category consists of developed properties zoned as: <ul style="list-style-type: none"> <li>•Marina</li> </ul>	The object of the rate for this category is to reflect the additional revenue required to fund the costs associated with the higher level of maintenance provided to these properties including maintaining the seawall to the north of the marina, maintain public jetties, canal footbridge, beach stabilisation, landscaping, road sweeping, and maintenance of street furniture, canal drainage and footbridge lighting. Also responsible for boat ramps and associated with cost within the area and maintenance of water way adjoining public open space.	This rate applies to developed properties zoned as marina
GRV Holiday Homes	This rating category consists of residential properties that have received Town Planning approval to operate as short term holiday accommodation.	This category is rated higher than the GRV General Rate to assist with contribution to tourism, marketing and related projects throughout the district. Additionally, it includes the development of tourist related services and infrastructure.	Means any land approved and predominantly used to provide holiday accommodation.
GRV Vacant Land	This rating category consists of all vacant land within Town site boundaries.	The object of the rate for this category is to reflect the additional revenue required to fund the costs associated with the higher level of service provided to properties in this category, including but not limited to firebreaks maintenance, upgrade and renewal of the street network, roadside sweeping, CBD car parking, landscaping, dust control management, drainage, footbridge lighting, street furniture and other amenities.	To encourage development of vacant land and to assist with the higher level of service provided to these properties.

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

**2. RATES AND SERVICE CHARGES (CONTINUED)**

**(c) Objectives and Reasons for Differential Rating**

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

**Differential general rate**

<b>Description</b>	<b>Characteristics</b>	<b>Objects</b>	<b>Reasons</b>
UV Mining	This rating category consists of properties used for mining, exploration or prospecting purposes.	The object of the rate for this category is to raise revenue to fund additional costs to Council including, but not limited to frequent heavy vehicle use over extensive lengths of Shire roads throughout the year.	To raise additional revenue to fund costs associated with mining activity.
UV Rural	This rating category consists of properties zoned Rural.	This rate is required to meet our community expectations and needs in our Strategic Community and Corporate Business Plans. The object of the rate for this category is to be the base rate by which all other UV rated properties are assessed.	The reason is these properties are large extensive parcels of land with little commercial activity.

**(d) Differential Minimum Payment**

GRV Rate Categories	Includes all GRV rated properties.	This rate is considered the minimum contribution for basic services and infrastructure.	This is considered to be the base minimum for GRV rated properties.
UV Rate Categories	Includes all UV rated properties.	This rate is considered the minimum contribution for basic services and infrastructure.	This is considered to be the base minimum for UV rated properties.

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

**2. RATES AND SERVICE CHARGES (CONTINUED)**

**(e) Specified Area Rate**

	<b>Budgeted rate applied to costs</b>	<b>Budgeted rate set aside to reserve</b>	<b>Reserve Amount to be applied to costs</b>	<b>Purpose of the rate</b>	<b>Area or properties rate is to be imposed on</b>
<b>Specified area rate</b>	\$	\$	\$		
Marina Specified Area	0	62,000	0	The proceeds of these funds are applied in full on environmental monitoring and maintenance of the canal waterway, dredging and entrance channel navigation including both onshore & offshore, cost of clearing the sand traps, maintaining the main breakwaters including all breakwaters and groynes surrounding and protecting the outer harbour and other preservation works in accordance with the Exmouth Marina Village Agreement between the Minister for Transport, Landcorp & Shire of Exmouth.	This Specified Area Rate applies to properties zoned Marina that have canal frontage in the Exmouth Marina Precinct.
	0	62,000	0		

**(f) Service Charges**

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

**(g) Waivers or concessions**

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

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

**3. NET CURRENT ASSETS**

**(a) Composition of estimated net current assets**

**Current assets**

Cash and cash equivalents  
 Receivables  
 Inventories

**Less: current liabilities**

Trade and other payables  
 Contract liabilities  
 Lease liabilities  
 Long term borrowings  
 Employee provisions

**Net current assets**

**Less: Total adjustments to net current assets**

**Net current assets used in the Statement of Financial Activity**

Note	2023/24 Budget 30 June 2024	2022/23 Actual 30 June 2023	2022/23 Budget 30 June 2023
	\$	\$	\$
4	13,822,550	14,232,550	12,096,144
	3,237,853	4,699,853	2,501,716
	152,032	152,032	118,276
	17,212,435	19,084,435	14,716,136
	(3,091,754)	(1,591,754)	(2,915,168)
	(354,092)	(354,092)	(409,363)
8	(7,000)	(7,000)	(122)
7	(379,000)	(367,000)	(366,177)
	(778,391)	(778,391)	(720,752)
	(4,610,237)	(3,098,237)	(4,411,582)
	12,602,198	15,986,198	10,304,554
3(c)	(12,601,476)	(11,787,476)	(10,292,998)
	722	4,198,722	11,556

**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**

Add: Depreciation

**Non cash amounts excluded from operating activities**

Note	2023/24 Budget 30 June 2024	2022/23 Actual 30 June 2023	2022/23 Budget 30 June 2023
	\$	\$	\$
6	3,683,000	3,681,307	3,675,000
	3,683,000	3,681,307	3,675,000

**(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  
 Less: Current assets not expected to be received at end of year  
 - Current portion of community loans  
 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	(13,727,867)	(12,901,867)	(11,441,297)
	(38,000)	(38,000)	12,000
	379,000	367,000	366,177
	7,000	7,000	122
	778,391	778,391	770,000
	(12,601,476)	(11,787,476)	(10,292,998)

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 EXMOUTH**  
**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		\$ 13,822,550	\$ 14,232,550	\$ 12,096,144
<b>Total cash and cash equivalents</b>		<b>13,822,550</b>	<b>14,232,550</b>	<b>12,096,144</b>
Held as				
- Unrestricted cash and cash equivalents	3(a)	94,683	1,330,683	245,484
- Restricted cash and cash equivalents	3(a)	13,727,867	12,901,867	11,850,660
		13,822,550	14,232,550	12,096,144
<b>Restrictions</b>				
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		13,727,867	12,901,867	11,850,660
		13,727,867	12,901,867	11,850,660
The assets are restricted as a result of the specified purposes associated with the liabilities below:				
Financially backed reserves	9	13,727,867	12,901,867	11,441,297
Contract liabilities		0	0	409,363
		13,727,867	12,901,867	11,850,660
<b>Reconciliation of net cash provided by operating activities to net result</b>				
<b>Net result</b>		2,130,000	5,285,505	536,000
Depreciation	6	3,683,000	3,681,307	3,675,000
(Increase)/decrease in receivables		1,500,000	(1,724,600)	0
(Increase)/decrease in inventories		0	16,153	0
Increase/(decrease) in payables		1,500,000	(445,872)	0
Capital grants, subsidies and contributions		(4,662,000)	(4,182,126)	(2,717,000)
<b>Net cash from operating activities</b>		<b>4,151,000</b>	<b>2,630,367</b>	<b>1,494,000</b>

**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 EXMOUTH**  
**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	2022/23 Actual Additions	2022/23 Disposals - Net Book Value	2022/23 Actual Disposals - Sale Proceeds	2022/23 Budget Additions	2022/23 Budget Disposals - Net Book Value	2022/23 Budget Disposals - Sale Proceeds
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>(a) Property, Plant and Equipment</b>									
Buildings - non-specialised	0	0	0	32,341	0	0	200,000	0	0
Buildings - specialised	4,490,000	0	0	387,174	0	0	130,000	0	0
Furniture and equipment	15,000	0	0	21,496	0	0	0	0	0
Plant and equipment	1,664,000	140,000	140,000	5,812	65,600	65,600	720,000	146,000	146,000
<b>Total</b>	<b>6,169,000</b>	<b>140,000</b>	<b>140,000</b>	<b>446,823</b>	<b>65,600</b>	<b>65,600</b>	<b>1,050,000</b>	<b>146,000</b>	<b>146,000</b>
<b>(b) Infrastructure</b>									
Infrastructure - roads	2,725,000	0	0	2,255,160	0	0	3,015,000	0	0
Infrastructure - other	1,595,000	0	0	2,371,863	0	0	1,495,000	0	0
<b>Total</b>	<b>4,320,000</b>	<b>0</b>	<b>0</b>	<b>4,627,023</b>	<b>0</b>	<b>0</b>	<b>4,510,000</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>10,489,000</b>	<b>140,000</b>	<b>140,000</b>	<b>5,073,846</b>	<b>65,600</b>	<b>65,600</b>	<b>5,560,000</b>	<b>146,000</b>	<b>146,000</b>

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

**6. DEPRECIATION**

**By Class**

Buildings - non-specialised  
 Buildings - specialised  
 Furniture and equipment  
 Plant and equipment  
 Infrastructure - roads  
 Infrastructure - other  
 Right of use asset

**By Program**

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

	<b>2023/24 Budget</b>	<b>2022/23 Actual</b>	<b>2022/23 Budget</b>
	\$	\$	\$
	160,000	164,197	104,000
	895,500	910,840	981,000
	167,000	162,029	135,000
	315,000	312,556	349,000
	1,521,000	1,512,580	1,447,000
	624,500	619,105	528,000
	0	0	131,000
	<b>3,683,000</b>	<b>3,681,307</b>	<b>3,675,000</b>
	1,500	4,697	1,500
	23,000	23,620	10,500
	0	1,903	38,000
	160,000	162,938	103,000
	140,000	139,363	112,000
	1,147,000	1,148,037	1,082,000
	1,863,500	1,851,381	1,978,000
	69,000	70,983	55,000
	279,000	278,385	295,000
	<b>3,683,000</b>	<b>3,681,307</b>	<b>3,675,000</b>

**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.

SHIRE OF EXMOUTH  
 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	Actual		Actual	Principal	Actual	Principal	Budget	Budget	Budget	Budget	Principal
				1 July 2023	New Loans	Principal Repayments	outstanding 30 June 2024	Budget Interest Repayments	1 July 2022	New Loans	Principal Repayments	outstanding 30 June 2023	Interest Repayments	1 July 2022	New Loans	Principal Repayments	outstanding 30 June 2023	Interest Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Staff Dwellings	80	WATC	4.73%	332,676	0	(79,000)	253,676	(14,000)	408,208	0	(75,532)	332,676	(17,685)	408,209	0	(76,000)	332,209	(18,000)
Staff Dwellings	83	WATC	1.44%	438,103	0	(52,000)	386,103	(6,000)	489,417	0	(51,314)	438,103	(6,858)	489,417	0	(51,000)	438,417	(7,000)
Staff Dwellings	84	WATC	3.40%	1,518,016	0	(147,000)	1,371,016	(50,000)	1,660,000	0	(141,984)	1,518,016	(55,198)	1,660,000	0	(142,000)	1,518,000	(55,000)
Ningaloo Centre	82	WATC	3.33%	658,181	0	(64,000)	594,181	(21,000)	719,956	0	(61,775)	658,181	(23,465)	719,956	0	(62,000)	657,956	(23,000)
1 Bennett Street	76	WATC	5.04%	151,945	0	(25,000)	126,945	(7,000)	175,374	0	(23,429)	151,945	(8,547)	175,374	0	(23,000)	152,374	(9,000)
Heliport Works				0	1,500,000	0	1,500,000	0	0	0	0	0	0	0	0	0	0	0
				3,098,921	1,500,000	(367,000)	4,231,921	(98,000)	3,452,955	0	(354,034)	3,098,921	(111,753)	3,452,956	0	(354,000)	3,098,956	(112,000)

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

**7. BORROWINGS**

**(b) New borrowings - 2023/24**

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
Heliport Works			10	%	\$ 1,500,000	\$ 0	\$ 1,500,000	\$ 0
					1,500,000	0	1,500,000	0

**(c) Unspent borrowings**

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

**(d) Credit Facilities**

	2023/24 Budget	2022/23 Actual	2022/23 Budget
<b>Undrawn borrowing facilities credit standby arrangements</b>	\$	\$	\$
Bank overdraft limit	400,000	400,000	400,000
Bank overdraft at balance date	0	0	0
Credit card limit	25,000	25,000	25,000
Credit card balance at balance date	0	0	0
<b>Total amount of credit unused</b>	<b>425,000</b>	<b>425,000</b>	<b>425,000</b>
<b>Loan facilities</b>			
Loan facilities in use at balance date	4,231,921	3,098,921	3,098,956

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

8. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease	2023/24 Budget	2023/24 Budget Lease	Budget Lease	2023/24 Budget Lease	Actual Principal	2022/23 Actual	2022/23 Actual Lease	Actual Lease	2022/23 Actual Lease	Budget Principal	2022/23 Budget	2022/23 Budget Lease	Budget Lease	2022/23 Budget Lease
					Principal 1 July 2023	New Leases	Principal Repayments	Principal outstanding 30 June 2024	Interest Repayments		Principal 1 July 2022	New Leases	Principal repayments	Principal outstanding 30 June 2023	Interest repayments	Principal 1 July 2022	New Leases	Principal repayments	Principal outstanding 30 June 2023
RAAF Airport Lease		DOD		30 years	\$ 74,089	\$ 0	\$ (7,000)	\$ 67,089	\$ 0	\$ 0	\$ 76,000	\$ (1,911)	\$ 74,089	\$ 0	\$ 6,122	\$ 0	\$ (6,000)	\$ 122	\$ 0
					\$ 74,089	\$ 0	\$ (7,000)	\$ 67,089	\$ 0	\$ 0	\$ 76,000	\$ (1,911)	\$ 74,089	\$ 0	\$ 6,122	\$ 0	\$ (6,000)	\$ 122	\$ 0

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 EXMOUTH**  
**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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Restricted by legislation</b>												
(a) Marina Canal Reserve (Specified Area Rate)	528,329	73,000	0	601,329	464,554	63,775	0	528,329	465,149	58,000	0	523,149
	528,329	73,000	0	601,329	464,554	63,775	0	528,329	465,149	58,000	0	523,149
<b>Restricted by council</b>												
(a) Leave reserve	711,834	14,000	0	725,834	701,601	10,233	0	711,834	702,202	6,000	0	708,202
(b) Aviation Reserve	1,141,876	422,000	(550,000)	1,013,876	1,125,461	16,415	0	1,141,876	1,113,684	10,000	0	1,123,684
(c) Building Infrastructure Reserve	82,924	2,000	0	84,924	81,732	1,192	0	82,924	81,401	1,000	0	82,401
(d) Community Development Fund Reserve	929,384	19,000	0	948,384	1,125,029	16,355	(212,000)	929,384	1,126,283	10,000	0	1,136,283
(e) Community Interest Free Loan Reserve	180,795	3,000	0	183,795	279,018	4,044	(102,267)	180,795	279,065	3,000	0	282,065
(f) Insurance Natural Disaster Reserve	187,298	4,000	0	191,298	184,605	2,693	0	187,298	184,974	2,000	0	186,974
(g) Land Acquisition & Disposal Reserve	1,411,921	28,000	0	1,439,921	1,391,625	20,296	0	1,411,921	1,373,802	14,000	0	1,387,802
(h) Marina Asset Replacement Reserve	34,047	1,000	0	35,047	33,557	490	0	34,047	33,442	0	0	33,442
(i) Mosquito Management Reserve	10,345	0	0	10,345	10,196	149	0	10,345	10,161	0	0	10,161
(j) Ningaloo Centre Reserve	453,314	546,000	0	999,314	295,057	341,257	(183,000)	453,314	295,175	40,000	0	335,175
(k) Plant Replacement Reserve	997,317	1,250,000	(1,394,000)	853,317	460,599	536,718	0	997,317	432,296	534,000	(720,000)	246,296
(l) Public Radio Infrastructure Reserve	5,279	0	0	5,279	5,203	76	0	5,279	5,185	0	0	5,185
(m) Rehabilitation Reserve	258,014	5,000	0	263,014	254,305	3,709	0	258,014	254,435	2,000	0	256,435
(n) Road Reserve	917,431	818,000	(260,000)	1,475,431	904,289	200,142	(187,000)	917,431	905,228	8,000	0	913,228
(o) Shire Staff Housing Reserve	1,088,110	22,000	0	1,110,110	37,566	1,050,544	0	1,088,110	40,209	0	(40,000)	209
(p) Shire President COVID-19 Relief Fund	0	0	0	0	40,347	221	(40,568)	0	38,092	1,050,000	0	1,088,092
(q) Swimming Pool Reserve	2,339,846	45,000	0	2,384,846	2,306,210	33,636	0	2,339,846	2,296,793	22,000	0	2,318,793
(r) Tourism Reserve	360,226	7,000	(100,000)	267,226	355,048	5,178	0	360,226	354,832	3,000	0	357,832
(s) Town Planning Scheme Reserve	22,366	0	0	22,366	22,045	321	0	22,366	21,969	0	0	21,969
(t) Waste & Recycle Reserve	1,034,081	520,000	(480,000)	1,074,081	822,091	211,990	0	1,034,081	815,557	8,000	(400,000)	423,557
(u) Unspent Grants Reserve	207,130	0	(169,000)	38,130	379,223	65,000	(237,093)	207,130	401,363	0	(401,000)	363
	12,373,538	3,706,000	(2,953,000)	13,126,538	10,814,807	2,520,659	(961,928)	12,373,538	10,766,148	1,713,000	(1,561,000)	10,918,148
	12,901,867	3,779,000	(2,953,000)	13,727,867	11,279,361	2,584,434	(961,928)	12,901,867	11,231,297	1,771,000	(1,561,000)	11,441,297

**(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	Purpose of the reserve
(a) Marina Canal Reserve (Specified Area Rate)	These funds are derived from levying specified area rate titles Marina Specified Area Rates.
(a) Leave reserve	To be used for annual and long service leave requirements.
(b) Aviation Reserve	To be used to fund aviation improvements.
(c) Building Infrastructure Reserve	To be used for the development, preservation and maintenance of building infrastructure with the the Shire of Exmouth.
(d) Community Development Fund Reserve	To be used for major community development initiatives.
(e) Community Interest Free Loan Reserve	To be to fund major community development projects
(f) Insurance Natural Disaster Reserve	To be used for the purpose of funding insurance claims where the excess is higher than the cost of repairs in addition to any weather related insurance/W/
(g) Land Acquisition & Disposal Reserve	To be used to fund the acquisition and disposal of land and buildings and provide contributions for land development within the Shire of Exmouth.
(h) Marina Asset Replacement Reserve	To be used for the preservation and maintenance of infrastructure related to the Exmouth Marina Village.
(i) Mosquito Management Reserve	To be used in years where mosquito-borne disease/nuisance is greater than normal.
(j) Ningaloo Centre Reserve	To be used for the preservation and maintenance of the Ningaloo Centre.
(k) Plant Replacement Reserve	To be used for the purchase of major plant and equipment.
(l) Public Radio Infrastructure Reserve	To be used to maintain the rebroadcasting infrastructure.
(m) Rehabilitation Reserve	To be used to manage the funds associated with the environmental rehabilitation of the sand and gravel pits within the Shire of Exmouth.
(n) Road Reserve	To be used for the preservation and maintenance of roads.
(o) Shire Staff Housing Reserve	To be used to support the community who are severely financially affected by COVID-19.
(p) Shire President COVID-19 Relief Fund	To be used to fund housing for staff.
(q) Swimming Pool Reserve	To be used to fund swimming pool upgrades.
(r) Tourism Reserve	To be used to fund the development and implementation of initiatives to achieve the strategic tourism and economic developments of the Shire of Exmouth
(s) Town Planning Scheme Reserve	To be used from the propose of funding a review of the future Town Planning Scheme.
(t) Waste & Recycle Reserve	To be used to fund capital and operational costs of Refuse Site including implementation of post closure plan.
(u) Unspent Grants Reserve	To be used to contain funds that are derived from unspent grants or prepaid grants and contributions from external parties.

10 REVENUE RECOGNITION

MATERIAL ACCOUNTING POLICIES

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of Revenue recognition
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods

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

**11 PROGRAM INFORMATION (Continued)**

**(b) Income and expenses**

**Income excluding grants, subsidies and contributions**

	<b>2023/24 Budget</b>	<b>2022/23 Actual</b>	<b>2022/23 Budget</b>
	\$	\$	\$
Governance	0	55	0
General purpose funding	4,609,000	4,226,749	4,048,000
Law, order, public safety	59,000	54,814	108,000
Health	42,000	43,475	41,000
Education and welfare	0	34,193	3,000
Housing	0	5,142	0
Community amenities	1,455,000	1,559,702	1,490,500
Recreation and culture	1,042,000	1,105,270	1,024,000
Transport	7,695,000	4,883,878	4,889,000
Economic services	1,237,000	1,776,575	1,187,500
Other property and services	6,000	7,230	6,000

16,145,000 13,697,083 12,797,000

**Grants, subsidies and contributions**

General purpose funding	1,515,000	573,322	1,215,000
Health	2,000	1,941	0
Housing	50,000	54,257	50,000
Community amenities	305,000	240,000	65,000
Recreation and culture	65,000	360,517	71,000
Transport	423,000	3,314,804	1,025,000
Economic services	0	538,046	0
Other property and services	20,000	17,157	20,000

2,380,000 5,100,044 2,446,000

**Capital grants, subsidies and contributions**

Recreation and culture	420,000	760,583	470,000
Transport	4,242,000	2,540,776	2,247,000
Economic services	0	880,767	0

4,662,000 4,182,126 2,717,000

**Total Income**

23,187,000 22,979,253 17,960,000

**Expenses**

Governance	(413,000)	(275,136)	(272,000)
General purpose funding	(220,000)	(165,794)	(241,000)
Law, order, public safety	(728,000)	(571,023)	(663,500)
Health	(402,000)	(343,721)	(397,000)
Education and welfare	(40,500)	(34,339)	(80,000)
Housing	(85,500)	(156,151)	(158,000)
Community amenities	(3,063,000)	(1,831,748)	(2,267,000)
Recreation and culture	(6,238,000)	(5,359,955)	(5,952,000)
Transport	(7,929,500)	(6,257,774)	(6,075,000)
Economic services	(1,766,000)	(1,914,669)	(1,501,500)
Other property and services	(171,500)	(783,438)	183,000

**Total expenses**

(21,057,000) (17,693,748) (17,424,000)

**Net result for the period**

2,130,000 5,285,505 536,000



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

**12. OTHER INFORMATION**

	<b>2023/24 Budget</b>	<b>2022/23 Actual</b>	<b>2022/23 Budget</b>
<b>The net result includes as revenues</b>			
	\$	\$	\$
<b>(a) Interest earnings</b>			
Investments			
- Reserve accounts	250,000	158,435	100,000
- Other funds	10,000	14,706	5,000
Other interest revenue	32,000	31,236	35,000
	<b>292,000</b>	<b>204,377</b>	<b>140,000</b>
<b>(b) Other revenue</b>			
Reimbursements and recoveries	400,000	401,004	451,000
	<b>400,000</b>	<b>401,004</b>	<b>451,000</b>
<b>The net result includes as expenses</b>			
<b>(c) Auditors remuneration</b>			
Audit services	60,000	51,670	55,000
Other services	12,000	5,400	27,000
	<b>72,000</b>	<b>57,070</b>	<b>82,000</b>
<b>(d) Interest expenses (finance costs)</b>			
Borrowings (refer Note 7(a))	98,000	111,753	112,000
	<b>98,000</b>	<b>111,753</b>	<b>112,000</b>

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

**13. ELECTED MEMBERS REMUNERATION**

	<b>2023/24 Budget</b>	<b>2022/23 Actual</b>	<b>2022/23 Budget</b>
	\$	\$	\$
<b>Shire President</b>			
President's allowance	38,450	37,881	37,881
Meeting attendance fees	26,370	25,976	25,976
ICT expenses	500	230	700
Travel and accommodation expenses	15,000	4,004	10,000
	<b>80,320</b>	<b>68,091</b>	<b>74,557</b>
<b>Deputy President</b>			
Deputy President's allowance	9,613	9,470	9,470
Meeting attendance fees	13,624	13,421	13,421
ICT expenses	500	230	700
Travel and accommodation expenses	12,000	2,760	0
	<b>35,737</b>	<b>25,881</b>	<b>23,591</b>
<b>Elected member 3</b>			
Meeting attendance fees	13,624	13,421	13,421
ICT expenses	500	230	700
Travel and accommodation expenses	8,000	2,296	0
	<b>22,124</b>	<b>15,947</b>	<b>14,121</b>
<b>Elected member 4</b>			
Meeting attendance fees	13,624	13,421	13,421
Annual allowance for ICT expenses	600	600	600
Travel and accommodation expenses	8,000	0	0
	<b>22,224</b>	<b>14,021</b>	<b>14,021</b>
<b>Elected member 5</b>			
Meeting attendance fees	13,624	13,421	13,421
Annual allowance for ICT expenses	600	600	600
Travel and accommodation expenses	5,000	230	0
	<b>19,224</b>	<b>14,251</b>	<b>14,021</b>
<b>Elected member 6</b>			
Meeting attendance fees	13,624	11,426	13,421
ICT expenses	500	230	0
Annual allowance for ICT expenses	0	0	600
Travel and accommodation expenses	5,000	0	0
	<b>19,124</b>	<b>11,656</b>	<b>14,021</b>
<b>Total Elected Member Remuneration</b>	<b>198,753</b>	<b>149,847</b>	<b>154,332</b>
President's allowance	38,450	37,881	37,881
Deputy President's allowance	9,613	9,470	9,470
Meeting attendance fees	94,490	91,086	93,081
ICT expenses	2,000	920	2,100
Annual allowance for ICT expenses	1,200	1,200	1,800
Travel and accommodation expenses	53,000	9,290	10,000
	<b>198,753</b>	<b>149,847</b>	<b>154,332</b>

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

**14. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

**(a) Details**

Learmonth Airport is the general aviation and regular transport for the Shire of Exmouth. It is the main regional base for aircraft charter operations and private flying in Exmouth. The Shire is responsible for operating the civil terminal, apron and taxiway; the RAAF are responsible for maintaining the other civil facilities used for civil aviation to comply with defence legislations and regulations.

**(b) Statement of Comprehensive Income**

	<b>2023/24 Budget</b>	<b>2022/23 Actual</b>	<b>2022/23 Budget</b>
	\$	\$	\$
<b>Revenue</b>			
Fees and charges	6,668,000	6,081,238	4,804,000
Grants, subsidies and contributions	0	1,759,603	600,000
Other revenue	0	0	3,000
	<b>6,668,000</b>	<b>7,840,841</b>	<b>5,407,000</b>
<b>Expenditure</b>			
Employee costs	(1,490,000)	(1,113,706)	(1,284,000)
Materials and contracts	(2,463,000)	(1,774,844)	(1,097,500)
Utility charges	(122,000)	(113,171)	(120,000)
Depreciation	(269,000)	(244,494)	(414,000)
Insurance	(94,000)	(89,594)	(83,000)
Other expenditure	(400,000)	107,004	(200,000)
	<b>(4,838,000)</b>	<b>(3,228,805)</b>	<b>(3,198,500)</b>
<b>NET RESULT</b>	<b>1,830,000</b>	<b>4,612,036</b>	<b>2,208,500</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>1,830,000</b>	<b>4,612,036</b>	<b>2,208,500</b>

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

**15. TRUST FUNDS**

Funds held at balance date which are required by legislation to be credited to the trust fund and which are not included in the financial statements are as follows:

<b>Detail</b>	<b>Balance 1 July 2023</b>	<b>Estimated amounts received</b>	<b>Estimated amounts paid</b>	<b>Estimated balance 30 June 2024</b>
	\$	\$	\$	\$
Cash in Lieu POS	45,640	0	0	45,640
Bond Deed Exmouth Marina Holdings	18,186	0	0	18,186
Exmouth Volunteer Fire & Rescue	50,828	0	0	50,828
	<u>114,654</u>	<u>0</u>	<u>0</u>	<u>114,654</u>

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

**16. FEES AND CHARGES**

	<b>2023/24 Budget</b>	<b>2022/23 Actual</b>	<b>2022/23 Budget</b>
	\$	\$	\$
<b>By Program:</b>			
Governance	0	55	0
General purpose funding	32,000	38,488	32,000
Law, order, public safety	49,000	45,374	37,000
Health	42,000	43,514	41,000
Education and welfare	0	1,185	1,000
Housing	0	5,142	0
Community amenities	1,455,000	1,559,702	1,490,500
Recreation and culture	878,000	973,978	855,000
Transport	7,695,000	4,883,839	4,886,000
Economic services	1,016,000	1,552,190	986,500
Other property and services	1,000	4,350	1,000
	<b>11,168,000</b>	<b>9,107,817</b>	<b>8,330,000</b>

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