

SHIRE OF EAST PILBARA
ANNUAL BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

LOCAL GOVERNMENT ACT 1995

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SHIRE OF EAST PILBARA
STATEMENT OF COMPREHENSIVE INCOME BY NATURE
FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2023/24 Budget	2022/23 Estimated Actual*	2022/23 Budget
Revenue		\$	\$	\$
Rates	2(a)	31,397,825	28,385,967	28,202,472
Operating grants, subsidies and contributions	10	10,753,760	8,984,824	5,207,450
Fees and charges	15	27,620,158	23,244,300	23,881,336
Service charges	2(f)	148,800	120,328	124,800
Interest revenue	11(a)	2,740,000	96,259	1,065,450
Other revenue	11(b)	1,608,600	1,200,524	1,483,101
		74,269,143	62,032,202	59,964,609
Expenses				
Employee costs		(20,510,091)	(15,874,574)	(16,910,139)
Materials and contracts		(27,004,321)	(19,533,135)	(22,982,229)
Utility charges		(2,245,898)	(1,738,134)	(2,416,200)
Depreciation	6	(16,755,434)	(16,013,700)	(15,511,700)
Finance costs	11(d)	(489,119)	(74,692)	(170,348)
Insurance		(1,578,689)	(1,566,705)	(1,201,700)
Other expenditure		(1,956,414)	(787,090)	(1,387,747)
		(70,539,966)	(55,588,030)	(60,580,063)
		3,729,177	6,444,172	(615,454)
Non-operating grants, subsidies and contributions	10	5,288,298	4,876,931	42,098,283
Profit on asset disposals	5	121,893	814,749	223,839
		5,410,191	5,691,680	42,322,122
Net result for the period		9,139,368	12,135,852	41,706,668
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		9,139,368	12,135,852	41,706,668

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

*2022-23 actuals estimated as at 16.06.2023

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

	NOTE	2023/24 Budget	2022/23 Estimated Actual*	2022/23 Budget
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		\$ 31,112,130	\$ 28,000,344	\$ 27,582,018
Operating grants, subsidies and contributions		10,603,476	8,949,663	4,729,823
Fees and charges		26,496,674	23,032,955	23,881,336
Service charges		148,800	120,328	124,800
Interest revenue		2,740,000	96,259	1,065,450
Other revenue		1,608,600	1,200,524	1,483,101
		72,706,026	61,288,017	58,866,528
Payments				
Employee costs		(20,488,635)	(15,874,422)	(16,910,139)
Materials and contracts		(27,358,003)	(17,601,104)	(22,008,118)
Utility charges		(2,245,898)	(1,738,134)	(2,416,200)
Finance costs		(443,263)	(18,457)	(170,348)
Insurance		(1,578,689)	(1,566,705)	(1,201,700)
Other expenditure		(1,956,414)	(787,090)	(1,387,747)
		(54,070,902)	(37,585,912)	(44,094,252)
Net cash provided by (used in) operating activities	4	18,635,124	23,702,105	14,772,276
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5(a)	(7,880,228)	(4,975,583)	(8,886,188)
Payments for construction of infrastructure	5(b)	(8,061,772)	(24,558,869)	(64,579,065)
Non-operating grants, subsidies and contributions		5,288,298	4,876,931	42,098,283
Proceeds from sale of property, plant and equipment	5(a)	481,000	814,749	618,750
Net cash provided by (used in) investing activities		(10,172,702)	(23,842,772)	(30,748,220)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(3,417,822)	(384,436)	(384,436)
Proceeds from new borrowings	7(a)	630,000	5,000,000	15,000,000
Net cash provided by (used in) financing activities		(2,940,685)	4,361,314	14,615,564
Net increase (decrease) in cash held		5,521,737	4,220,647	(1,360,380)
Cash at beginning of year		38,249,138	34,028,491	57,468,276
Cash and cash equivalents at the end of the year	4	43,770,875	38,249,138	56,107,896

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

*2022-23 actuals estimated as at 16.06.2023

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

	NOTE	2023/24 Budget	2022/23 Estimated Actual*	2022/23 Budget
OPERATING ACTIVITIES				
Revenue from operating activities				
Rates	2(a)	\$ 31,397,825	\$ 26,928,263	\$ 28,202,472
Operating grants, subsidies and contributions	10	10,753,760	8,984,824	5,207,450
Fees and charges	15	27,620,158	23,244,300	23,881,336
Service charges	2(f)	148,800	120,328	124,800
Interest revenue	11(a)	2,740,000	96,259	1,065,450
Other revenue	11(b)	1,608,600	1,200,524	1,483,101
Profit on asset disposals		121,893	814,749	223,839
		74,391,036	61,389,247	60,188,448
Expenditure from operating activities				
Employee costs		(20,510,091)	(15,874,574)	(16,910,139)
Materials and contracts		(27,004,321)	(19,533,135)	(22,982,229)
Utility charges		(2,245,898)	(1,738,134)	(2,416,200)
Depreciation	6	(16,755,434)	(16,013,700)	(15,511,700)
Finance costs	11(d)	(489,119)	(74,692)	(170,348)
Insurance		(1,578,689)	(1,566,705)	(1,201,700)
Other expenditure		(1,956,414)	(787,090)	(1,387,747)
		(70,539,966)	(55,588,030)	(60,580,063)
Non-cash amounts excluded from operating activities	3(b)	16,755,434	15,198,951	15,287,861
Amount attributable to operating activities		20,606,504	21,000,168	14,896,246
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions	10	5,288,298	4,876,931	42,098,283
Proceeds from disposal of assets	5	481,000	814,749	618,750
		5,769,298	5,691,680	42,717,033
Outflows from investing activities				
Payments for property, plant and equipment	5(a)	(7,880,228)	(4,975,583)	(8,886,188)
Payments for construction of infrastructure	5(b)	(8,061,772)	(24,558,869)	(64,579,065)
		(15,942,000)	(29,534,452)	(73,465,253)
Amount attributable to investing activities		(10,172,702)	(23,842,772)	(30,748,220)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from new borrowings	7(a)	630,000	5,000,000	15,000,000
Transfers from reserve accounts	8(a)	325,000	2,502,081	2,969,611
		955,000	7,502,081	17,969,611
Outflows from financing activities				
Repayment of borrowings	7(a)	(3,417,822)	(384,436)	(384,436)
Transfers to reserve accounts	8(a)	(7,970,981)	(2,280,241)	(1,733,201)
		(11,388,802)	(2,664,677)	(2,117,637)
Amount attributable to financing activities		(10,433,802)	4,837,404	15,851,974
Amount Expected to be Carried Forward			1,994,800	
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year				
Amount attributable to operating activities		20,606,504	21,000,168	14,896,246
Amount attributable to investing activities		(10,172,702)	(23,842,772)	(30,748,220)
Amount attributable to financing activities		(10,433,802)	4,837,404	15,851,974
Surplus or deficit at the end of the financial year	3	(0)	(0)	(0)

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

*2022-23 actuals estimated as at 16.06.2023

**SHIRE OF EAST PILBARA
FOR THE YEAR ENDED 30 JUNE 2024
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1(a) BASIS OF PREPARATION

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

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

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

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

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

The local government reporting entity

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

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

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

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.

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

Rounding off figures

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

**SHIRE OF EAST PILBARA
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, specified 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.

OPERATING 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 EAST PILBARA
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 valuations					0			0		0
GRV - Residential	Gross rental valuation	0.0652	1,812	52,507,187	3,424,656			3,424,656	3,153,021	3,153,021
GRV - Non Residential	Gross rental valuation	0.0652	152	23,691,257	1,544,521			1,544,521	1,429,942	1,421,631
GRV - Transient	Gross rental valuation	0.1304	24	37,806,500	4,929,968	440,000		5,369,968	3,502,680	4,569,280
Unimproved valuations					0			0		0
UV - Pastoral	Unimproved valuation	0.1629	39	10,455,582	1,700,908			1,700,908	17,040,950	1,568,337
UV - Mining Other	Unimproved valuation	0.3258	1,013	52,795,400	17,180,277			17,180,277		15,355,844
UV - Mining Prospecting	Unimproved valuation	0.2971	130	547,320	140,145			140,145		329,574
Total general rates			3,170	177,803,246	28,920,475	440,000	0	29,360,475	25,126,593	26,397,687
	Minimum	\$								
(ii) Minimum payment										
Gross rental valuations					0			0		
GRV - Residential	Gross rental valuation	1,100	675	3,512,615	742,500			742,500	680,800	682,000
GRV - Non Residential	Gross rental valuation	1,300	23	230,997	29,900			29,900	28,800	28,800
GRV - Transient	Gross rental valuation	1,300	0	0	0			0	1,200	1,200
Unimproved valuations										
UV - Pastoral	Unimproved valuation	1,300	26	30,705	33,800			33,800	26,000	26,000
UV - Mining Other	Unimproved valuation	1,300	864	1,166,204	1,123,200			1,123,200	994,800	996,000
UV - Mining Prospecting	Unimproved valuation	850	127	130,151	107,950			107,950	70,070	70,785
Total minimum payments			1,715	5,070,672	2,037,350	0	0	2,037,350	1,801,670	1,804,785
Total general rates and minimum payments			4,885	182,873,918	30,957,825	440,000	0	31,397,825	26,928,263	28,202,472
					30,957,825	440,000	0	31,397,825	26,928,263	28,202,472
Total rates					30,957,825	440,000	0	31,397,825	26,928,263	28,202,472

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

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

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 deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year

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

**SHIRE OF EAST PILBARA
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 September 2023			7.00%
Option two				
First instalment	6 September 2023			7.00%
Second instalment	5 November 2023	6	4.00%	7.00%
Option three				
First instalment	6 September 2023			7.00%
Second instalment	5 November 2023	6	4.00%	7.00%
Third instalment	5 January 2024	6	4.00%	7.00%
Fourth instalment	8 March 2024	6	4.00%	7.00%

	2023/24 Budget revenue	2022/23 Actual revenue	2022/23 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	10,000	9,564	5,000
Instalment plan interest earned	30,000	26,121	12,000
Unpaid rates and service charge interest earned	100,000	215,180	80,000
	140,000	250,865	97,000

**SHIRE OF EAST PILBARA
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

Description	Characteristics	Objects	Reasons
GRV - Residential	This incorporates residential single dwellings, duplex, multi-unit and strata improved properties.	To ensure that the proportion of total rate revenue derived from residential remains essentially consistent with previous years and also includes the ongoing maintenance and service provision of Shire assets and services primarily used by residential ratepayers.	This will ensure a reasonable contribution to the Cost of Local Government services and facilities available to residents.
GRV - Transient Workforce Accommodation	This incorporates all mass accommodation facilities provided for a workforce that is not permanently located within the district.	To ensure rates are distributed equitably across property used for residential and non-residential workers. Temporary workers are consumers of Shire services but unless they are also property owners within the Shire, are not contributing to the cost of services which they use.	Mass accommodation properties have the potential to have a greater impact on Shire services and assets than other property types due to their number of occupants in a relatively small land parcel.
GRV - Non Residential	This incorporates all light industry, general industry, commercial and mixed use properties.	To ensure that the proportion of total rate revenue derived from non-residential properties remains essentially consistent with previous years and to recognise the additional costs of servicing these types of properties. Non-residential properties generate higher volumes of pedestrian and traffic movements than residential properties which results in increased road and streetscape maintenance requirements, additional on street parking needs and the requirement to install additional traffic treatments. Due to the increased presence of litter surrounding non-residential land the Shire is also required to provide additional litter collection services to these areas.	Patrons and employees of commercial and industrial premises are consumers of Shire services but unless they are also property owners within the Shire, are not contributing to the cost of services which they use.

2. RATES AND SERVICE CHARGES (CONTINUED)

(c) Objectives and Reasons for Differential Rating

Differential general rate

Description	Characteristics	Objects	Reasons
UV - Pastoral	This incorporates all properties issued with pastoral leases granted by the State Government. OR Does not have the characteristics of any other UV differential rate category.	To ensure rates are reflective of the level of service utilized by ratepayers in this category.	To reflect the additional costs associated with gravel road maintenance albeit to a lesser extent than that of mining.
UV - Mining/ Prospecting	This incorporates all mining prospecting tenements, as defined under the Mining Act 1978 s.40 to 56 as prospecting land use.	The rate in the dollar and minimum charge are comparatively lower than UV Mining / Other.	To reflect having a lesser impact upon the road network, and their operations may not be income-producing.
UV - Mining/ Other	This incorporates mining tenements, permits, drilling reservations, leases or licences held, extracting, stock piling, processing or refining of minerals and the extraction, processing or refining of fuel sources, and any other land use, not including prospecting tenements.	To ensure rates are reflective of the ongoing costs involved in maintaining the road network across broad Shire boundaries, and towards supporting regional communities.	To ensure the proportion of total rate revenue derived from mining related activities reflects the financial impact associated with activities from these assessments, which is generally considered higher than other assessments.

(d) Differential Minimum Payment

Gross rental valuations	\$
GRV - Residential	1,100
GRV - Non Residential	1,300
GRV - Transient	1,300
Unimproved valuations	
UV - Pastoral/ Special Leases	1,300
UV - Mining Other	1,300
UV - Mining Prospecting	850

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

2. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Differential general rate or general rate	Proposed Rate in \$	Adopted Rate in \$	Reasons for the difference
Gross rental valuations			
GRV - Residential	0.0652	0.0652	No change
GRV - Non Residential	0.0652	0.0652	No change
GRV - Transient	0.1304	0.1304	No change
Unimproved valuations			
UV - Pastoral/ Special Leases	0.1629	0.1629	No change
UV - Mining Other	0.3258	0.3258	No change
UV - Mining Prospecting	0.2971	0.2971	No change
Minimum payment	Proposed Minimum \$	Adopted Minimum \$	Reasons for the difference
Gross rental valuations			
	1,100	1,100	No change
GRV - Residential	1,300	1,300	No change
GRV - Non Residential	1,300	1,300	No change
GRV - Transient			
Unimproved valuations			
UV - Pastoral	1,300	1,300	No change
UV - Mining Other	1,300	1,300	No change
UV - Mining Prospecting	850	850	No change

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

2. RATES AND SERVICE CHARGES (CONTINUED)

(f) Service Charges

	Amount of charge	2023/24 Budgeted revenue	Budget amount to be applied to costs	Budget amount to be set aside to reserve	Reserve amount to be applied to costs	2022/23 Estimated Actual revenue	2022/23 Budget revenue
Service charge	\$	\$	\$	\$	\$	\$	\$
Security & Surveillance Service Charge	62	124,800	35,000	89,800	98,479	123,188	124,800
		124,800	35,000	89,800	98,479	123,188	124,800

Nature of the service charge	Objects of the charge	Reasons for the charge	Area/Properties charge to be imposed on
Security & Surveillance Service Charge	A service charge of \$62.00 per Newman town site property is imposed for the provision of Property Surveillance & Security through Closed Circuit TV (CCTV) for shire community property and spaces.	Funding for ongoing maintenance and operation of the CCTV Network and the future replacement of the network	Newman Townsite

The Shire does not anticipate any discounts 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 EAST PILBARA
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
 Financial assets
 Receivables
 Inventories

Less: current liabilities

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

Net current assets

Less: Total adjustments to net current assets

Net current assets used in the Rate Setting Statement

Note	2023/24 Budget 30 June 2024	2022/23 Actual 30 June 2023	2022/23 Budget 30 June 2023
	\$	\$	\$
4	43,770,875	38,249,138	56,107,896
	43,044,534	42,891,671	19,951,682
	4,615,044	4,175,411	6,283,475
	844,219	312,584	145,483
	92,274,672	85,628,804	82,488,536
	(8,747,866)	(8,523,601)	(7,631,318)
	(1,985,476)	(1,985,476)	(1,132,588)
	(2,009,129)	(2,009,129)	(2,391,628)
7	2,403,386	(384,436)	(15,000,000)
	(1,245,399)	(1,245,399)	(1,172,391)
	(11,584,484)	(14,148,041)	(27,327,925)
	80,690,188	71,480,763	55,160,611
3(c)	(80,690,188)	(71,480,763)	(55,160,611)
	0	0	0

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

Items excluded from calculation of budgeted deficiency

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

(b) Non-cash amounts excluded from operating activities

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

Adjustments to operating activities

Less: Profit on asset disposals
 Add: Depreciation

Non cash amounts excluded from operating activities

Note	2023/24 Budget 30 June 2024	2022/23 Estimated Actual 30 June 2023	2022/23 Budget 30 June 2023
	\$	\$	\$
5	0	(814,749)	(223,839)
6	16,755,434	16,013,700	15,511,700
	16,755,434	15,198,951	15,287,861

(c) Current assets and liabilities excluded from budgeted deficiency

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

Adjustments to net current assets

Less: Cash - reserve accounts
 Less: Current assets not expected to be received at end of year
 - Rates receivable
 Less: Funds expected to be used for Carry Forwards
 Add: Current liabilities not expected to be cleared at end of year
 - Current portion of borrowings

Total adjustments to net current assets

8	(76,005,072)	(68,359,091)	(60,259,620)
	(2,281,730)	(1,511,308)	(9,900,991)
	(2,403,386)	384,436	15,000,000
	(80,690,188)	(71,480,763)	(55,160,611)

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

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 EAST PILBARA
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 Estimated Actual	2022/23 Budget
Cash at bank and on hand		\$ 24,896,096	\$ 19,875,215	\$ 9,668,064
Term deposits		18,874,779	18,373,923	46,439,832
Total cash and cash equivalents		43,770,875	38,249,138	56,107,896
Held as				
- Unrestricted cash and cash equivalents	3(a)	8,801,208	10,772,589	12,275,742
- Restricted cash and cash equivalents	3(a)	34,969,667	27,476,549	43,832,154
		43,770,875	38,249,138	56,107,896
Reconciliation of net cash provided by operating activities to net result				
Net result		9,139,368	12,135,852	41,706,668
Depreciation	6	16,755,434	16,013,700	15,511,700
(Profit)/loss on sale of asset	5	(121,893)	(814,749)	(223,839)
(Increase)/decrease in receivables		(439,633)	(783,135)	(1,098,081)
(Increase)/decrease in inventories		(531,635)	(56,706)	(175,000)
Increase/(decrease) in payables		(878,219)	(3,043,152)	1,149,111
Increase/(decrease) in contract liabilities		0	250,295	
Capital grants, subsidies and contributions		(5,288,298)	(0)	(42,098,283)
Net cash from operating activities		18,635,124	23,702,105	14,772,276

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 cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

**SHIRE OF EAST PILBARA
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			2022/23 Actual			2022/23 Budget		
	2023/24 Budget Additions	Disposals - Sale Proceeds	2023/24 Budget Disposals - Profit or Loss	2022/23 Actual Additions	Disposals - Sale Proceeds	2022/23 Actual Disposals - Profit or Loss	2022/23 Budget Additions	Disposals - Sale Proceeds	2022/23 Budget Disposals - Profit or Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Property, Plant and Equipment									
Buildings - non-specialised	1,520,500		0	2,357,867		0	2,413,000		0
Buildings - specialised	3,550,735		0			0	2,329,185		0
Furniture and equipment	210,000		0	55,990		0	625,000		0
Plant and equipment	2,598,993	481,000	481,000	2,561,726	814,749	814,749	3,519,003	618,750	618,750
Total	7,880,228	481,000	481,000	4,975,583	814,749	814,749	8,886,188	618,750	618,750
(b) Infrastructure									
Infrastructure - roads	6,783,571		0	3,458,695		0	6,300,064		0
Infrastructure - footpaths	326,818		0	425,865		0	525,500		0
Infrastructure - drainage	224,000		0			0	0		0
Infrastructure - water supply	0		0	10,542,635		0	41,303,501		0
Infrastructure - parks and ovals	727,383		0	10,131,674		0	16,450,000		0
Total	8,061,772	0	0	24,558,869	0	0	64,579,065	0	0
Total	15,942,000	481,000	481,000	29,534,452	814,749	814,749	73,465,253	618,750	618,750

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 EAST PILBARA
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 - footpaths
Infrastructure - drainage
Infrastructure - parks and ovals
Infrastructure - Airport Infrastructure

By Program

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

2023/24 Budget	2022/23 Estimated Actuals	2022/23 Budget
\$	\$	\$
639,808	571,676	553,755
3,128,881	3,070,030	2,973,790
304,563	297,068	287,755
1,471,639	1,395,698	1,351,945
7,938,007	8,388,055	8,125,105
445,579	427,899	414,485
347,942	337,768	327,180
584,710	439,079	425,315
1,894,305	1,086,428	1,052,370
16,755,434	16,013,700	15,511,700
559,632	518,762	502,500
197,934	183,967	178,200
15,115	13,834	13,400
453,393	421,204	408,000
510,087	466,834	452,200
816,303	653,899	633,400
2,424,154	2,158,877	2,091,200
11,060,886	10,881,928	10,540,800
666,267	667,113	646,200
51,663	47,282	45,800
16,755,434	16,013,700	15,511,700

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

SHIRE OF EAST PILBARA
 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	Principal
				1 July 2023	New Loans	Principal Repayments	outstanding 30 June 2024	Interest Repayments	1 July 2022	New Loans	Principal Repayments	Principal outstanding 30 June 2023	Interest Repayments	1 July 2022	New Loans	Principal Repayments	outstanding 30 June 2023	Interest Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Housing																		
Staff Housing	71	WATC	6.49%	509,227		(159,024)	350,204	(30,509)	658,412		(149,184)	509,227	(47,349)	658,412		(149,184)	509,227	(47,349)
Community amenities																		
Sewerage Plant	72	WATC	4.49%	961,955		(143,069)	818,886	(41,604)	1,098,810		(136,855)	961,955	(57,017)	1,098,810		(136,855)	961,955	(57,017)
Sewerage Plant	73	WATC	3.05%	537,495		(101,142)	436,353	(15,636)	635,891		(98,397)	537,495	(24,082)	635,891		(98,397)	537,495	(24,082)
Liquid Waste	76					(2,086,297)	(1,456,297)	(225,480)							6,500,000		6,500,000	
Water Treatment Plant															3,500,000		3,500,000	
Landfill Waste Heavy Plant	TBA	WATC	3.77%		630,000	0	0	0										
Transport																		
Marble Bar Airport	75	WATC	3.69%	5,000,000		(928,290)	4,071,710	(175,890)		5,000,000		5,000,000	(41,900)		5,000,000		5,000,000	(41,900)
				7,008,677	630,000	(3,417,822)	4,220,855	(489,119)	2,393,113	5,000,000	(384,436)	7,008,677	(170,348)	2,393,113	15,000,000	(384,436)	17,008,677	(170,348)

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 EAST PILBARA
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
Landfill Waste Heavy Plant	TBA	Fixed	5	% TBA	\$ 630,000	\$	\$	\$
					630,000	0	0	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
	\$	\$	\$
Undrawn borrowing facilities			
credit standby arrangements	0	0	0
Bank overdraft limit	0	0	0
Bank overdraft at balance date	0	0	0
Credit card limit	60,000	60,000	60,000
Credit card balance at balance date	0	(38,639)	0
Total amount of credit unused	60,000	21,361	60,000
Loan facilities			
Loan facilities in use at balance date	4,220,855	7,008,677	17,008,677

MATERIAL ACCOUNTING POLICIES

BORROWING COSTS

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

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

8. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

	2023/24	2023/24	2023/24	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	
	Budget	2023/24	Budget	Actual	2022/23	Actual	Actual	Actual	Budget	2022/23	Budget	
	Opening	Budget	Transfer	Opening	Actual	Transfer	Closing	Closing	Opening	Budget	Transfer	
	Balance	Transfer to	(from)	Balance	Transfer to	(from)	Balance	Balance	Balance	Transfer to	(from)	
	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
a Employee Entitlements Reserve	989,978	29,000		1,018,978	974,978	15,000		989,978	973,678	15,000	0	988,678
b Alice Springs Road Reserve	225,014	6,500		231,514	217,314	7,700	0	225,014	217,024	7,700	0	224,724
c Heavy Road Plant Reserve	106,550	1,003,100		1,109,650	1,514,350	23,200	(1,431,000)	106,550	1,511,495	23,200	(1,165,000)	369,695
d Cape Keraudren Development Reserve	604,181	17,500		621,681	594,581	9,600	0	604,181	594,623	9,600	0	604,223
e Computer Technology Reserve	1,185,775	934,500	(325,000)	1,795,275	672,375	513,400	0	1,185,775	671,477	13,400	0	684,877
f Newman Airport Reserve	49,758,248	4,263,981		54,022,229	50,109,329	270,000	(621,081)	49,758,248	43,675,938	270,000	(1,531,697)	42,414,241
g Recreation Facilities Maintenance Reserve	2,403,940	70,500		2,474,440	2,367,500	36,440	0	2,403,940	2,364,342	36,440	0	2,400,782
h Staff Housing Reserve	721,929	21,000		742,929	864,829	7,100	(150,000)	721,929	863,676	7,100	(150,000)	720,776
i Waste Management Reserve	1,691,689	249,500		1,941,189	1,967,189	24,500	(300,000)	1,691,689	1,964,565	24,500	0	1,989,065
j Public Art Reserve	232,421	6,800		239,221	225,821	6,600	0	232,421	225,520	6,600	0	232,120
k Newman House Reserve	754,790	22,000		776,790	735,590	19,200	0	754,790	734,609	19,200	0	753,809
l Public Building Maintenance	2,369,445	69,500		2,438,945	2,333,445	36,000	0	2,369,445	2,580,658	36,000	0	2,616,658
m Martumili Operations Reserve	656,333	19,000		675,333	598,193	58,140	0	656,333	815,596	7,100	0	822,696
n Martumili Infrastructure Project Reserve	909,052	26,500		935,552	909,052	0	0	909,052	908,636	5,000	(122,914)	790,722
o Future Infrastructure Reserve	5,166,851	1,101,000		6,267,851	4,008,290	1,158,561		5,166,851	3,157,073	1,158,561	0	4,315,634
p Insurance Reserve	488,095	14,000		502,095	488,095	0		488,095	237,120	4,000	0	241,120
q Security & Surveillance Service Charge Res	94,800	116,600		211,400	0	94,800		94,800	0	89,800	0	89,800
r Interest Reserve	0			0	0			0				
	68,359,091	7,970,981	(325,000)	76,005,072	68,580,931	2,280,241	(2,502,081)	68,359,091	61,496,030	1,733,201	(2,969,611)	60,259,620

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

8. RESERVE ACCOUNTS

(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 Entitlements Reserve	Ongoing	Provision for the employee entitlements for staff of the Shire.
b Alice Springs Road Reserve	Ongoing	To establish a road link to Alice Springs from Marble Bar to the Northern Territory border.
c Heavy Road Plant Reserve	Ongoing	To fund the purchase of heavy plant that is needed for the operation of the Shire.
d Cape Keraudren Development Reserve	Ongoing	For the maintenance, development & enhancement of the Cape Keraudren Reserve.
e Computer Technology Reserve	Ongoing	For the replacement, enhancement and upgrading of computer hardware and software.
f Newman Airport Reserve	Ongoing	For the upgrading, maintenance and enhancement of the Newman Airport .
g Recreation Facilities Maintenance Reserve	Ongoing	For the upgrading and enhancement of recreation facilities.
h Staff Housing Reserve	Ongoing	For the upgrading and maintenance of staff and community housing assets.
i Waste Management Reserve	Ongoing	For the development, maintenance & enhancement of waste facilities including the sewerage plant.
j Public Art Reserve	Ongoing	For the development, maintenance & enhancement of Public Art within the three towns of the East Pilbara Shire.
k Newman House Reserve	Ongoing	For the upgrade, maintenance and enhancement of Newman House.
l Public Building Maintenance	Ongoing	For the upgrading, maintenance and enhancement of Public Buildings.
m Martumili Operations Reserve	Ongoing	To hold and utilise the allocation of Martumili's funds.
n Martumili Infrastructure Project Reserve	Ongoing	For the upgrading, maintenance and enhancement of Martumili Buildings.
o Future Infrastructure Reserve	Ongoing	For the development of new or replacement infrastructure with total project cost of greater than one (1) million dollars.
p Insurance Reserve	Ongoing	To provide for the liabilities that may arise from the Shire's insurance requirements
q Security & Surveillance Service Charge Res	Ongoing	To provide for the maintenance and future replacement of the Shire's CCTV network

(c) Reserve Accounts - Change in Use

The Shire has resolved to make the following changes in the use of part of the money in a reserve account. This money is to be used or set aside for a purpose other than the purpose for which the account was established.

Reserve name	Proposed new purpose of the reserve	Objects of changing of the reserve	Reasons for changing the use of the reserve	2023/24 Budget amount to be used	2023/24 Budget amount change of purpose
Heavy Road Plant Reserve	To fund the purchase of heavy plant that is needed for the operation of the Shire and to loan funds to other Reserves for the purpose of such plant where funds are not available.	To assist with the purchase of Waste vehicles & heavy plant.	To assist with the purchase of Waste vehicles & heavy plant.	\$ 630,000	\$ 630,000
				630,000	630,000

**SHIRE OF EAST PILBARA
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FOR THE YEAR ENDED 30 JUNE 2024**

9. REVENUE RECOGNITION

MATERIAL ACCOUNTING POLICIES

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of Revenue recognition
Grant contracts with customers	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 EAST PILBARA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

10. PROGRAM INFORMATION

(a) Key Terms and Definitions - Reporting Programs

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

OBJECTIVE

ACTIVITIES

Governance

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

Members of council, general governance including administration, finance and other corporate services, computer administration and community liaison.

General purpose funding

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

Law, order, public safety

To provide services to help ensure a safer and environmentally conscious community.

Supervision of Local Laws, fire prevention, emergency services and animal control.

Health

To provide an operational framework for environmental and community health.

Health inspection services, food and water quality control, mosquito control and public health.

Education and welfare

To provide services to children and youth.

Community services and support and services for children and youth.

Housing

to provide and maintain staff and community housing.

Aged person housing, staff housing and community housing.

Community amenities

To provide services required to the community.

Rubbish collection services, maintenance of cemeteries and public toilets, the maintenance of the Newman Waste Water Treatment Plant

Recreation and culture

To establish and effectively manage infrastructure and resources which will help the social and physical wellbeing of the community.

Maintenance of public halls, Newman and Marble Bar aquatic centres, Newman Recreation Centre, public parks and gardens, libraries and recreation services.

Transport

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

Construction and maintenance of roads, footpaths, drainage works, parking facilities, traffic signs, street lighting, depot operations, street cleaning and operation of the Newman airport and Marble Bar and Nullagine airstrips.

Economic services

To help promote the Shire and its economic wellbeing.

Tourism support, building services and controls, caravan parks and bus services.

Other property and services

To monitor and control the Shire's overheads and operating accounts.

Private works carried out by the Shire and allocations to works and service of all salaries and wages, overheads and plant costs incurred. Miscellaneous unclassified areas.

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

10 PROGRAM INFORMATION (Continued)

(b) Income and expenses

	2023/24 Budget	2022/23 Actual	2022/23 Budget
Income excluding grants, subsidies and contributions	\$	\$	\$
Governance	2,040,200	58,740	110,124
General purpose funding	32,137,825	27,672,993	28,981,471
Law, order, public safety	286,993	167,286	171,707
Health	53,600	76,787	68,800
Education and welfare	0	3,539	26,266
Housing	375,000	304,849	304,100
Community amenities	7,357,940	6,019,597	6,661,036
Recreation and culture	1,340,100	2,275,572	1,244,855
Transport	18,747,699	15,111,123	15,823,155
Economic services	692,918	1,330,365	899,718
Other property and services	605,000	841,277	689,765
	63,637,275	53,862,128	54,980,997
Operating grants, subsidies and contributions			
Governance	0	173	100
General purpose funding	3,612,000	3,968,371	2,300,000
Law, order, public safety	73,486	51,761	30,000
Health	10,000	31,057	18,000
Education and welfare	62,000	2,588	1,500
Housing	0	69,878	40,500
Community amenities	297,368	247,592	143,500
Recreation and culture	3,286,226	2,304,675	1,335,750
Transport	2,485,600	1,690,871	980,000
Economic services	260,080	263,810	152,900
Other property and services	667,000	354,048	205,200
	10,753,760	8,984,824	5,207,450
Capital grants, subsidies and contributions			
Law, order, public safety	0	218,117	292,685
Community amenities	0	995,027	27,500,200
Recreation and culture	750,000	(429,131)	1,460,996
Transport	4,538,298	4,070,800	12,844,402
	5,288,298	4,876,931	42,098,283
Total Income	79,679,333	67,723,883	102,286,730
Expenses			
Governance	(3,489,865)	(340,071)	(2,017,254)
General purpose funding	(656,656)	(328,561)	(531,069)
Law, order, public safety	(1,543,091)	(1,379,663)	(1,218,109)
Health	(827,904)	(547,216)	(651,450)
Education and welfare	(3,175,049)	(2,415,547)	(2,767,871)
Housing	(2,250,710)	(1,028,865)	(1,047,549)
Community amenities	(7,835,991)	(6,900,942)	(6,852,977)
Recreation and culture	(15,996,005)	(13,857,315)	(14,507,315)
Transport	(28,853,507)	(24,017,393)	(26,703,594)
Economic services	(3,712,648)	(2,836,048)	(2,413,875)
Other property and services	(2,198,539)	(1,936,410)	(1,868,999)
Total expenses	(70,539,965)	(55,588,031)	(60,580,062)
Net result for the period	9,139,368	12,135,852	41,706,668

**SHIRE OF EAST PILBARA
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FOR THE YEAR ENDED 30 JUNE 2024**

11. OTHER INFORMATION

The net result includes as revenues

(a) Interest earnings

	2023/24 Budget	2022/23 Actual	2022/23 Budget
Investments	\$	\$	\$
- Other funds	2,610,000		1,065,450
Other interest revenue	130,000	96,259	92,000
	<u>2,740,000</u>	<u>96,259</u>	<u>1,157,450</u>

* The Shire has resolved to charge interest under section 6.13 for the late payment of any amount of money at 5%.

(b) Other revenue

Reimbursements and recoveries	1,608,600	1,200,524	1,483,101
	<u>1,608,600</u>	<u>1,200,524</u>	<u>1,483,101</u>

The net result includes as expenses

(c) Auditors remuneration

Audit services	85,000		80,000
	<u>85,000</u>	<u>0</u>	<u>80,000</u>

(d) Interest expenses (finance costs)

Borrowings (refer Note 7(a))	489,119	74,692	170,348
	<u>489,119</u>	<u>74,692</u>	<u>170,348</u>

(e) Write offs

General rate	350,000		150,000
Fees and charges	10,000		10,000
	<u>360,000</u>	<u>0</u>	<u>160,000</u>

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

12. ELECTED MEMBERS REMUNERATION

	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
Cr Anthony Middleton			
President's allowance	65,915	55,828	56,903
Meeting attendance fees	32,410	27,521	28,039
Annual allowance for ICT expenses	3,500	2,917	3,000
Travel and accommodation expenses		40	
	101,825	86,305	87,942
Cr Wendy McWhirter-Brooks			
Deputy President's allowance	16,478	13,956	14,225
Meeting attendance fees	24,170	20,520	20,907
Annual allowance for ICT expenses	3,500	2,528	2,667
Travel and accommodation expenses		7,410	
	44,148	44,414	37,799
Cr Matthew Anick			
Meeting attendance fees	24,170	20,520	20,907
Annual allowance for ICT expenses	3,500	2,528	2,667
Travel and accommodation expenses		536	
	27,670	23,584	23,574
Cr Peta Baer			
Meeting attendance fees	24,170	20,520	20,907
Annual allowance for ICT expenses	3,500	2,528	2,667
	27,670	23,048	23,574
Cr Langtree Coppin			
Meeting attendance fees	24,170	20,520	20,907
Annual allowance for ICT expenses	3,500	2,528	2,667
Travel and accommodation expenses		5,232	
	27,670	28,280	23,574
Cr Anita Grace			
Meeting attendance fees		3,097	20,907
Annual allowance for ICT expenses		306	2,667
	0	3,403	23,574
Cr David Kular			
Meeting attendance fees	24,170	20,520	20,907
Annual allowance for ICT expenses	3,500	2,528	2,667
	27,670	23,048	23,574

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

12. ELECTED MEMBERS REMUNERATION

Cr Annabell Landy

Meeting attendance fees	24,170	20,520	20,907
Annual allowance for ICT expenses	3,500	2,528	2,667
Travel and accommodation expenses		8,464	
	27,670	31,512	23,574

Cr Karen Lockyer

Meeting attendance fees	24,170	20,520	20,907
Annual allowance for ICT expenses	3,500	2,528	2,667
	27,670	23,048	23,574

Cr Adrienne Mortimer

Meeting attendance fees	24,170	20,520	20,907
Annual allowance for ICT expenses	3,500	2,528	2,667
Travel and accommodation expenses		184	
	27,670	23,231	23,574

Cr Stacey Smith

Meeting attendance fees	24,170	20,520	20,907
Annual allowance for ICT expenses	3,500	2,528	2,667
Travel and accommodation expenses		2,052	
	27,670	25,099	23,574

Reduction / Vacant Councillor Positions

Meeting attendance fees	(8,057)		20,907
Annual allowance for ICT expenses	(1,167)		2,667
	(9,224)	0	23,574

Total Elected Member Remuneration

President's allowance	65,915	55,828	56,903
Deputy President's allowance	16,478	13,956	14,225
Meeting attendance fees	241,883	215,295	258,016
Annual allowance for ICT expenses	33,833	25,974	32,337
Travel and accommodation expenses	0	23,918	0
	358,109	334,971	361,481

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

13. INVESTMENT IN ASSOCIATES

(a) Share of Investment in Country Regional Council

Summarised statement of comprehensive income

	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
Interest income	1,065,450	1,065,450	1,065,450
Other revenue	1,483,101	1,483,101	1,483,101
Total operating revenue	2,548,551	2,548,551	2,548,551
Depreciation	(15,511,700)	(15,511,700)	(15,511,700)
Finance costs	(170,348)	(170,348)	(170,348)
Other expenses	(1,387,747)	(1,387,747)	(1,387,747)
Total operating expenses	(17,069,795)	(17,069,795)	(17,069,795)
Profit/(loss) from continuing operations	(14,521,244)	(14,521,244)	(14,521,244)
Reconciliation to carrying amounts			
Opening net assets 1 July	14,521,244	14,521,244	14,521,244
Profit/(Loss) for the period	(14,521,244)	(14,521,244)	(14,521,244)
Closing net assets 1 July	0	0	0

MATERIAL ACCOUNTING POLICIES

Investments in associates

An associate is an entity over which the Shire has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss. recognised.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Shire's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Investments in associates (continued)

Profits and losses resulting from transactions between the Shire and the associate are eliminated to the extent of the Shire's interest in the associate. When the Shire's share of losses in an associate equals or exceeds its interest in the associate, the Shire discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Shire will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

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

14. 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:

Detail	Balance 1 July 2023	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2024
	\$	\$	\$	\$
Cash in Lieu of Public Open Space	758,224	0	0	758,224
Impounded Vehicle Income	4,545	0	0	4,545
Pilbara Regional Council	27,335	0	0	27,335
	<u>790,104</u>	<u>0</u>	<u>0</u>	<u>790,104</u>

**SHIRE OF EAST PILBARA
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FOR THE YEAR ENDED 30 JUNE 2024**

15. FEES AND CHARGES

	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
By Program:			
Governance	100	487	500
General purpose funding		96,359	99,000
Law, order, public safety	31,300	33,385	34,300
Health	53,600	66,965	68,800
Education and welfare		2,433	2,500
Housing	360,000	289,078	297,000
Community amenities	6,857,940	6,118,842	6,286,536
Recreation and culture	884,100	731,843	751,900
Transport	18,742,200	15,047,604	15,460,000
Economic services	690,918	852,438	875,800
Other property and services		4,867	5,000
	27,620,158	23,244,300	23,881,336

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