



Shire of
Peppermint Grove

ADOPTED BUDGET

FOR THE YEAR ENDED 30 JUNE 2023

adopted by Council at its OCM on the 28 June 2022

SHIRE'S VISION

A Shire valued for its heritage, sense of community and natural ambience”.

Message from the Shire President – 2022/2023 Budget

Council adopted the Shire's 2022/2023 budget at our Council Meeting held on 28th June 2022. Despite a sharp rise in inflation, we have been able to keep this year's rate increase to two percent. Total projected revenue for 2022/2023 is \$5,200,000. This includes \$3,500,000 from rates, \$1,180,000 from the Towns of Cottesloe and Mosman Park towards the library and community centre operations. The Shire also receives income from fees and charges adding a further \$374,000. The majority of the Shire's expenditure relates to employee costs; materials and contractors; insurance and utility charges.

Waste changes

The three-bin service introduced in 2020 has reduced the quantity and cost of municipal waste going to landfill as green waste is now placed in the GO (green lid) bins. However, under our waste collection contracts with Suez and the WMRC there will be an increase in transport and processing fees as a result of higher staff, petrol and other costs in these service areas. The waste fees for additional bins have had to be increased to cover these higher charges.

The Schedule of Fees and Charges includes the following fees:

- Second general waste bin (red top) is \$282.
- Additional recycling bin (yellow top) is \$243.
- Additional GO bin (green top) is \$171.

Major capital works

The budget provides for around \$600,000 in capital works. Major projects include:

- Plant replacement program: \$118,000
- Leake Street median island: \$30,000
- Stirling Highway/Johnston Street disability access: \$35,000
- Minor road, drains and path renewal works: \$40,000
- Drainage works Bayview Terrace/Keane Street: \$100,000
- Renewal of street furniture: \$64,000
- The Grove building & depot renewal program: \$115,000
- Renewal of bollard lighting – The Grove: \$10,000
- Furniture and IT replacement: \$26,000

The capital works projects are funded by contributions of \$108,000 from the Town of Cottesloe and Mosman Park towards library projects; vehicle trade-ins of \$105,000, and operational funds of \$385,000. There are no planned transfers from the Shire's reserve funds in this budget.

Community Events

The budget includes the following activities and events:

- \$15,000: Carols by Candlelight
- \$20,000: Christmas decorations
- \$9,000: Australia Day
- \$2,500: seniors' morning tea
- \$6,500: other minor events

Library Contributions

The net operating cost of running The Grove Library, Community Centre, and Community History Unit, is jointly funded by the councils of the Towns of Mosman Park and Cottesloe and the Shire. The net operating cost for 22/23, excluding capital expenditure, is \$1,300,000 with the Town of Mosman Park contributing \$633,000, Cottesloe \$549,000 and the Shire \$118,000. The contributions are allocated according to population census figures. Contribution costs have increased by 3.1 percent in this year's budget.

Loans

The Shire has one loan that was taken out in 2009 to part fund the Shire's contribution to the library, community centre and office building. The budget provides for capital repayment of \$36,000, leaving a principal balance as at 30 June 2023 of \$655,000. Interest repayments during the year total \$53,000.

Council is not proposing any new loans for its own works, but is in discussion with the Peppermint Grove Tennis Club on a loan to assist with the upgrade of courts. The loan would be self-supporting with costs fully funded by the club.

Reserve funds

The balance of the reserve funds as at 30 June 2022 is projected to be \$1,550,000. Transfers into the reserves during the 22/23 year will be \$310,000 which includes interest earnings for the individual reserves.

- \$20,000 to the Arts & Culture Reserve,
- \$20,000 to the Staff Leave Reserve
- \$33,000 to the Road Reserve.
- \$93,000 to the Infrastructure/ Building Reserve
- \$20,000 to the Library Infrastructure Reserve
- \$20,000 to the Plant Reserve
- \$100,000 to the Investment Reserve (newly created reserve).

Investment Strategy

During the next financial year, Council will be considering the adoption of a long-term Investment Strategy to diversify our income sources and reduce our reliance on rate-payer charges.

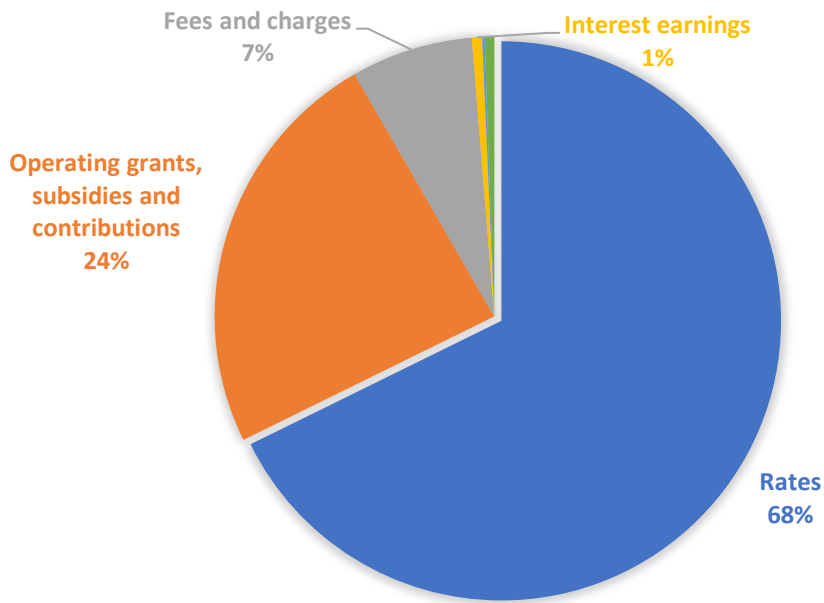
The attached pie graphs show the Shire's revenue sources as well as where we spend our money.

The full 2022/2023 budget is available on the Shire's website at www.peppermintgrove.wa.gov.au.

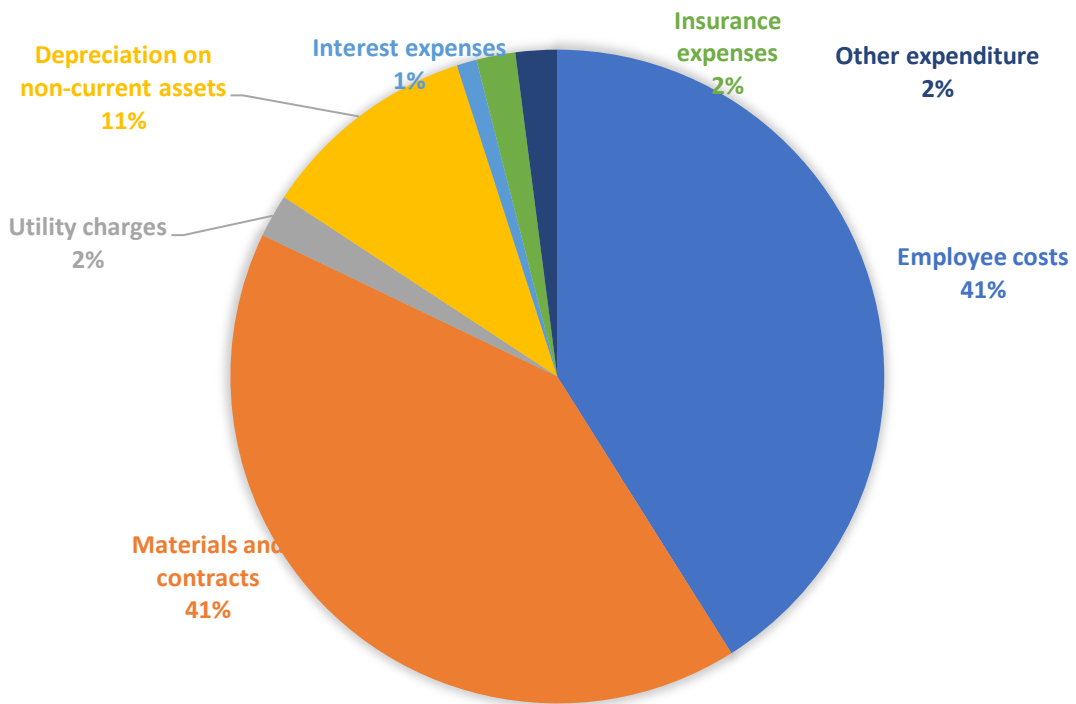
Best wishes
Rachel Thomas

Shire President

2022/23 OPERATING REVENUE

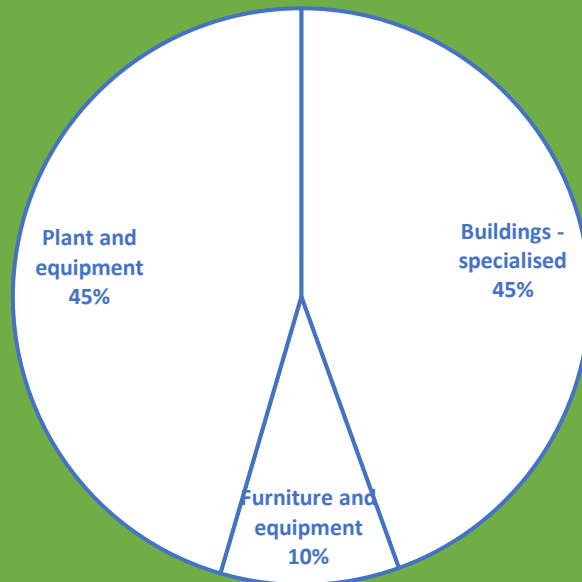


2022/23 OPERATING EXPENSES

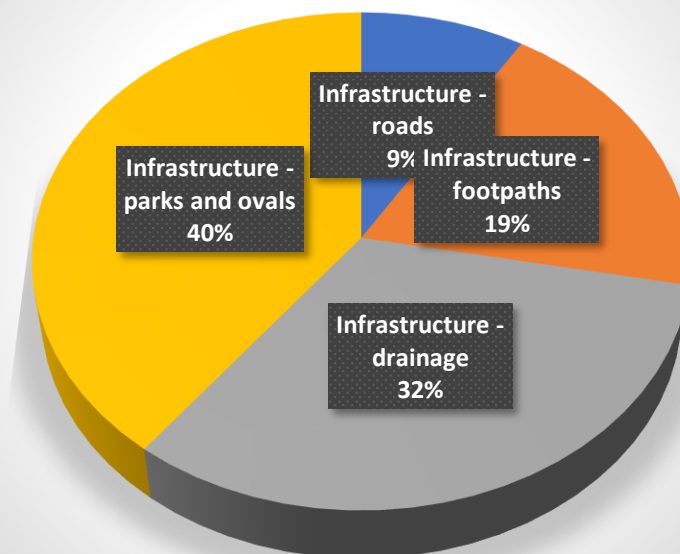


2022/23 CAPITAL EXPENDITURE

PROPERTY, PLANT & EQUIPMENT



INFRASTRUCTURE ASSETS RENEWAL



SHIRE OF PEPPERMINT GROVE

ANNUAL BUDGET

FOR THE YEAR ENDED 30 JUNE 2023

LOCAL GOVERNMENT ACT 1995

TABLE OF CONTENTS

Statement of Comprehensive Income by Nature or Type	2
Statement of Cash Flows	3
Rate Setting Statement	4
Index of Notes to the Budget	6

SHIRE'S VISION

A Shire valued for its heritage, sense of community and natural ambience”.

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

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
Revenue				
Rates	2(a)	3,543,610	3,443,125	3,419,404
Operating grants, subsidies and contributions	10	1,253,319	1,240,360	1,276,524
Fees and charges	14	374,961	351,872	325,698
Service charges	2(d)	0	0	0
Interest earnings	11(a)	31,165	25,590	35,200
Other revenue	11(b)	7,442	7,725	7,442
		5,210,497	5,068,672	5,064,268
Expenses				
Employee costs		(2,216,982)	(2,154,621)	(2,133,401)
Materials and contracts		(2,227,827)	(1,762,699)	(2,017,916)
Utility charges		(114,804)	(90,690)	(94,650)
Depreciation on non-current assets	6	(582,289)	(582,682)	(582,290)
Interest expenses	11(d)	(53,192)	(54,964)	(54,964)
Insurance expenses		(104,280)	(105,258)	(104,134)
Other expenditure		(114,050)	(107,832)	(109,732)
		(5,413,424)	(4,858,746)	(5,097,087)
		(202,927)	209,926	(32,819)
Non-operating grants, subsidies and contributions	10	0	171,915	177,734
Profit on asset disposals	5(b)	28,725	38,586	0
Loss on asset disposals	5(b)	0	0	(20,504)
		28,725	210,501	157,230
Net result for the period		(174,202)	420,427	124,411
Total comprehensive income for the period		(174,202)	420,427	124,411

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

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

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		3,527,194	3,474,175	3,359,406
Operating grants, subsidies and contributions		1,253,319	1,186,360	1,376,524
Fees and charges		374,961	351,872	285,698
Service charges		0	0	
Interest received		31,165	25,590	35,200
Goods and services tax received		0	0	65,000
Other revenue		7,442	7,725	7,442
		5,194,081	5,045,722	5,129,270
Payments				
Employee costs		(2,216,982)	(2,131,712)	(2,133,401)
Materials and contracts		(2,227,827)	(1,586,780)	(2,017,916)
Utility charges		(114,804)	(90,690)	(94,650)
Interest expenses		(53,192)	(54,964)	(54,964)
Insurance paid		(104,280)	(105,258)	(104,134)
Goods and services tax paid		0	0	(65,000)
Other expenditure		(114,050)	(107,832)	(109,732)
		(4,831,135)	(4,077,236)	(4,579,797)
Net cash provided by (used in) operating activities	4	362,946	968,486	549,473
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for financial assets at amortised cost - self supporting loans		(200,000)	0	0
Payments for purchase of property, plant & equipment	5(a)	(259,500)	(151,297)	(222,900)
Payments for construction of infrastructure	5(a)	(339,000)	(276,343)	(667,850)
Non-operating grants, subsidies and contributions		0	171,915	177,734
Proceeds from sale of property, plant and equipment	5(b)	105,000	96,019	50,000
Proceeds on financial assets at amortised cost - self supporting loans		200,000	0	0
Net cash provided by (used in) investing activities		(493,500)	(159,706)	(663,016)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(36,336)	(33,953)	(40,077)
Proceeds from new borrowings	7(a)	200,000	0	25,000
Net cash provided by (used in) financing activities		163,664	(33,953)	(15,077)
Net increase (decrease) in cash held		33,110	774,827	(128,620)
Cash at beginning of year		2,017,179	1,262,006	1,390,626
Cash and cash equivalents at the end of the year	4	2,050,289	2,036,833	1,262,006

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

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

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	3	291,287	78,475	83,169
		291,287	78,475	83,169
Revenue from operating activities (excluding rates)				
Operating grants, subsidies and contributions	10	1,253,319	1,240,360	1,276,524
Fees and charges	14	374,961	351,872	325,698
Interest earnings	11(a)	31,165	25,590	35,200
Other revenue	11(b)	7,442	7,725	7,442
Profit on asset disposals	5(b)	28,725	38,586	0
		1,695,612	1,664,133	1,644,864
Expenditure from operating activities				
Employee costs		(2,216,982)	(2,154,621)	(2,133,401)
Materials and contracts		(2,227,827)	(1,762,699)	(2,017,916)
Utility charges		(114,804)	(90,690)	(94,650)
Depreciation on non-current assets	6	(582,289)	(582,682)	(582,290)
Interest expenses	11(d)	(53,192)	(54,964)	(54,964)
Insurance expenses		(104,280)	(105,258)	(104,134)
Other expenditure		(114,050)	(107,832)	(109,732)
Loss on asset disposals	5(b)	0	0	(20,504)
		(5,413,424)	(4,858,746)	(5,117,591)
Non-cash amounts excluded from operating activities	3(b)	553,564	544,096	602,794
Amount attributable to operating activities		(2,872,961)	(2,572,042)	(2,786,764)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	10	0	171,915	177,734
Payments for property, plant and equipment	5(a)	(259,500)	(151,297)	(222,900)
Payments for construction of infrastructure	5(a)	(339,000)	(276,343)	(667,850)
Payments for financial assets at amortised cost - self supporting loans	7(a)	(200,000)	0	
Proceeds from disposal of assets	5(b)	105,000	96,019	50,000
Proceeds from financial assets at amortised cost - self supporting loans		200,000	0	0
Amount attributable to investing activities		(493,500)	(159,706)	(663,016)
Non-cash amounts excluded from investing activities	3(c)	0	0	0
Amount attributable to investing activities		(493,500)	(159,706)	(663,016)
FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(36,336)	(33,953)	(40,077)
Principal elements of finance lease payments	8	0	0	0
Proceeds from new borrowings	7(b)	200,000	0	0
Transfers to cash backed reserves (restricted assets)	8(a)	(310,527)	(386,137)	(172,930)
Transfers from cash backed reserves (restricted assets)	8(a)	0	0	248,000
Amount attributable to financing activities		(146,863)	(420,090)	34,993
Budgeted deficiency before general rates		(3,513,324)	(3,151,838)	(3,414,787)
Estimated amount to be raised from general rates	2(a)	3,543,619	3,443,125	3,419,404
Net current assets at end of financial year - surplus/(deficit)	3	30,295	291,287	4,617

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

INDEX OF NOTES TO THE BUDGET

Note 1	Basis of Preparation	6
Note 2	Rates	9
Note 3	Net Current Assets	11
Note 4	Reconciliation of cash	13
Note 5	Fixed Assets	14
Note 6	Asset Depreciation	16
Note 7	Borrowings	17
Note 8	Reserves	19
Note 9	Revenue Recognition	20
Note 10	Program Information	21
Note 11	Other Information	22
Note 12	Elected Members Remuneration	23
Note 13	Investment in Associates	24
Note 14	Trust	25
Note 15	Fees and Charges	26

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

1 (a) BASIS OF PREPARATION

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

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

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

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

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

The local government reporting entity

All funds through which the Shire of Peppermint Grove 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 13 to the annual budget.

2021/22 actual balances

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

Budget comparative figures

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

Comparative figures

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

Initial application of accounting standards

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

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

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

New accounting standards for application in future years

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

- *AASB 2021-2 Amendments to Australian Accounting Standards* - Disclosure of Accounting Policies or Definition of Accounting Estimates
- *AASB 2021-6 Amendments to Australian Accounting Standards* - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards

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

Judgements, estimates and assumptions

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

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

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

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

Rounding off figures

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

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

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

REVENUES

RATES

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

SERVICE CHARGES

Service charges imposed under Division 6 of Part 6 of the *Local Government Act 1995*. Regulation 54 of the *Local Government (Financial Management) Regulations 1996* identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services.

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

PROFIT ON ASSET DISPOSAL

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

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

FEES AND CHARGES

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

INTEREST EARNINGS

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

OTHER REVENUE / INCOME

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

EXPENSES

EMPLOYEE COSTS

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

MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

INSURANCE

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

LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets includes loss on disposal of long term investments.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

INTEREST EXPENSES

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

OTHER EXPENDITURE

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

1 (c) KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

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

OBJECTIVE

Governance

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

General purpose funding

To collect revenue to allow for the provision of services.

Law, order, public safety

To provide services to help ensure a safer and environmentally conscios community

Health

To provide an operational framework for environmental and community health.

Education and Welfare

To provide services to disadvantaged persons, the elderly, children and youth

Community Amenities

To provide services to the Community

Recreation and Culture

To establish and effectively manage infrastructure and resources which will help the social wellbeing of the Community

Transport

To provide safe , effective and efficient transport services to the Community

Economic services

To help promote the Shire and its economic wellbeing

Other property and services

To monitor and control Council's overhead operating accounts.

ACTIVITIES

Administration and operation of facilities and services to Members of Council. Other costs that relate to the tasks of assisting elected members and ratepayers.

Rates, general purpose government grants and interest revenue. Costs associated with raising of rates and other funding activities

Supervision of various local laws, fire prevention, emergency services and animal control

Maternal and Infant Health, immunisation control, health inspection pest control and preventative services

Contributions towards the operations of a community service provider, Aged Persons Support Service, Community Centre and other voluntary services.

Rubbish Collection and recycling services, admisntration of the Town Planning Scheme; maintenance of bus shelters

Maintenance of Parks & reserves, Administration of the Library and Community centrethat services the Cottesloe, Mosman Park and Peppermint Grove localities.

Construction and maintenance of roads, drainage works, footpaths, parking facilities and traffic signs. Cleaning of streets and maintaining street verge and street trees.

Implelmentaiton of Building controls

Plant operations and public works overhead costs

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

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in	Number of properties	Rateable value	2022/23 Budgeted rate revenue	2022/23 Budgeted interim rates	2022/23 Budgeted back rates	2022/23 Budgeted total revenue	2021/22 Actual total revenue	2021/22 Budget total revenue
		\$		\$	\$	\$	\$	\$	\$	\$
(i) General Rates										
	Gross rental Valuation	0.08920	553	38,527,921	3,436,691	14,000		3,450,691	3,351,989	3,328,268
					0			0		
Sub-Total			553	38,527,921	3,436,691	14,000	0	3,450,691	3,351,989	3,328,268
		Minimum								
		\$								
Minimum payment										
	Gross rental Valuation	1,452	64		92,928			92,928	91,136	91,136
Sub-Total			64	0	92,928	0	0	92,928	91,136	91,136
			617	38,527,921	3,529,619	14,000	0	3,543,619	3,443,125	3,419,404
	Discounts on general rates (Refer note 2(e))							0	0	0
	Concessions on general rates (Refer note 2(e))							0	0	0
	Total amount raised from general rates							3,543,619	3,443,125	3,419,404
	Total rates							3,543,619	3,443,125	3,419,404

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

The general rates detailed for the 2022/23 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

2. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	23/08/2022	0	4.0%	4.0%
Option two				
First instalment	23/08/2022			4.0%
Second instalment	25/10/2022	15	4.0%	4.0%
Option two				
First instalment	23/08/2022			4.0%
Second instalment	25/10/2022	15	4.0%	4.0%
Third instalment	3/01/2023	15	4.0%	4.0%
Fourth instalment	7/03/2023	15	4.0%	4.0%

	2022/23 Budget revenue	2021/22 Actual revenue	2021/22 Budget revenue
	\$	\$	\$
Instalment plan interest earned	12,000	11,137	15,000
Unpaid rates and service charge interest earned	6,700	7,495	4,700
	18,700	18,632	19,700

d by

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

3 (d) NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

An asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the Shire's intentions to release for sale.

TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire of Peppermint Grove becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

PREPAID RATES

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

INVENTORIES

General

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Superannuation

The Shire of Peppermint Grove contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Peppermint Grove contributes are defined contribution plans.

LAND HELD FOR RESALE

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

TRADE AND OTHER RECEIVABLES

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

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

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

The Shire applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

PROVISIONS

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

EMPLOYEE BENEFITS

Short-term employee benefits

Provision is made for the Shire's obligations for short-term employee benefits. Short term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

4. RECONCILIATION OF CASH

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Estimated cash at the end of the reporting period is as follows:

	Note	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
Cash at bank and on hand		2,050,289	2,017,179	1,765,797
Term deposits		0	0	
Total cash and cash equivalents		2,050,289	2,017,179	1,765,797
Held as				
- Unrestricted cash and cash equivalents	3(a)	189,748	467,165	522,853
- Restricted cash and cash equivalents	3(a)	1,860,541	1,550,014	1,242,944
		2,050,289	2,017,179	1,765,797
Restrictions				
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents		1,860,541	1,550,014	1,242,944
		1,860,541	1,550,014	1,242,944
The restricted assets are a result of the following specific purposes to which the assets may be used:				
Financially backed reserves	8	1,860,541	1,550,014	1,242,944
		1,860,541	1,550,014	1,242,944
Reconciliation of net cash provided by operating activities to net result				
Net result		(174,202)	420,427	124,411
Depreciation	6	582,289	582,682	582,290
(Profit)/loss on sale of asset	5(b)	(28,725)	(38,586)	20,504
Share of profit or (loss) of associates accounted for using the equity method		0	0	0
(Increase)/decrease in receivables		(16,416)	(22,950)	
Increase/(decrease) in payables		0	198,828	
Non-operating grants, subsidies and contributions		0	(171,915)	(177,734)
Net cash from operating activities		362,946	968,486	549,471

SIGNIFICANT ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Bank overdrafts are shown as short term borrowings in current liabilities in Note 3 - Net Current Assets.

FINANCIAL ASSETS AT AMORTISED COST

The Shire classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

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

5. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program				2022/23 Budget total	2021/22 Actual total	2021/22 Budget total
	Governance	Recreation and culture	Transport	Other property and services			
	\$	\$	\$	\$	\$	\$	
<i>Property, Plant and Equipment</i>							
Buildings - specialised	33,000	82,500			115,500	11,727	69,900
Furniture and equipment	6,000	20,000			26,000	0	3,000
Plant and equipment				118,000	118,000	139,570	150,000
	39,000	102,500	0	118,000	259,500	151,297	222,900
<i>Infrastructure</i>							
Infrastructure - roads			30,000		30,000	17,270	20,000
Infrastructure - footpaths			65,000		65,000	80,800	175,000
Infrastructure - drainage			110,000		110,000	2,622	279,350
Infrastructure - parks and ovals		134,000	0		134,000	175,651	193,500
	0	134,000	205,000	0	339,000	276,343	667,850
Total acquisitions	39,000	236,500	205,000	118,000	598,500	427,640	890,750

SIGNIFICANT ACCOUNTING POLICIES

RECOGNITION OF ASSETS

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

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

5. FIXED ASSETS

(b) Disposals of Assets

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

	2022/23 Budget Net Book Value	2022/23 Budget Sale Proceeds	2022/23 Budget Profit	2022/23 Budget Loss	2021/22 Actual Net Book Value	2021/22 Actual Sale Proceeds	2021/22 Actual Profit	2021/22 Actual Loss	2021/22 Budget Net Book Value	2021/22 Budget Sale Proceeds	2021/22 Budget Profit	2021/22 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Transport	76,275	105,000	28,725	0	57,433	96,019	38,586	0	70,505	50,000	0	(20,505)
	76,275	105,000	28,725	0	57,433	96,019	38,586	0	70,505	50,000	0	(20,505)
By Class												
<i>Property, Plant and Equipment</i>												
Plant and equipment	76,275	105,000	28,725		57,433	96,019	38,586		70,505	50,000		(20,505)
	76,275	105,000	28,725	0	57,433	96,019	38,586	0	70,505	50,000	0	(20,505)

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

6. ASSET DEPRECIATION

By Program

Governance	
Recreation and culture	
Transport	

By Class

Buildings - specialised	
Furniture and equipment	
Plant and equipment	
Infrastructure - roads	
Infrastructure - footpaths	
Infrastructure - drainage	
Infrastructure - parks and ovals	

2022/23 Budget	2021/22 Actual	2021/22 Budget
\$	\$	\$
74,551	74,551	74,551
113,214	113,607	113,214
394,524	394,524	394,524
582,289	582,682	582,289
220,675	221,068	220,675
2,238	2,238	2,238
32,504	32,504	32,504
187,118	187,118	187,118
56,314	56,314	56,314
15,607	15,607	15,607
67,833	67,833	67,833
582,289	582,682	582,289

SIGNIFICANT ACCOUNTING POLICIES

DEPRECIATION

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

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

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

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

Buildings - specialised	50 to 80 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Infrastructure - roads	20 to 80 years
Infrastructure - footpaths	20 years
Infrastructure - drainage	80 years
Infrastructure - parks and ovals	10 to 60 Years

AMORTISATION

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

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

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

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

7. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	Budget	2022/23	2022/23	Budget	2022/23	Actual	2021/22	2021/22	Actual	2021/22	Budget	2021/22	2021/22	Budget	2021/22	
				Principal	Budget	Budget	Principal	Budget		Actual	Actual	Principal	Actual		Principal	Actual	Principal	Budget	Budget
				1 July 2022	New Loans	Principal Repayments	Principal outstanding 30 June 2023	Interest Repayments	1 July 2021	New Loans	Principal Repayments	Principal outstanding 30 June 2022	Interest Repayments	1 July 2021	New Loans	Principal Repayments	Principal outstanding 30 June 2022	Interest Repayments	
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Recreation and culture																			
Library/ Community Centre		WATC	6.9%	691,515		(36,336)	655,179	(53,192)	725,468		(33,953)	691,515	(54,964)	724,982		(33,257)	691,725	(54,647)	
				691,515	0	(36,336)	655,179	(53,192)	725,468	0	(33,953)	691,515	(54,964)	724,982	0	(33,257)	691,725	(54,647)	
Self Supporting Loans																			
Recreation and culture																			
Tennis Club - SSL	0	WATC	TBC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
				0	200,000	0	200,000	0	0	0	0	0	0	0	0	0	0	0	
				0	200,000	0	200,000	0	0	0	0	0	0	0	0	0	0	0	
				691,515	200,000	(36,336)	855,179	(53,192)	725,468	0	(33,953)	691,515	(54,964)	724,982	0	(33,257)	691,725	(54,647)	

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

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

7. INFORMATION ON BORROWINGS

(d) Credit Facilities

				2022/23	2021/22	2021/22
				Budget	Actual	Budget
				\$	\$	\$
Undrawn borrowing facilities						
credit standby arrangements						
Bank overdraft limit				200,000	200,000	200,000
Bank overdraft at balance date				0	0	0
Credit card limit				50,000	50,000	50,000
Credit card balance at balance date				0	7,500	0
Total amount of credit unused				250,000	257,500	250,000
Loan facilities						
Loan facilities in use at balance date				855,179	691,515	691,725
Overdraft details	Purpose overdraft was established	Year overdraft established	Amount b/fwd 1 July 2022	2022/23 Budgeted Increase/ (Decrease)	Amount as at 30th June 2023	
			\$	\$	\$	\$
Municipal Fund	To cover the term between the end of financial year and the receipt of the Rates	2000	0	0	0	0
			0	0	0	0

SIGNIFICANT ACCOUNTING POLICIES

BORROWING COSTS

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

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

8. FINANCIALLY BACKED RESERVES

(a) Financially Backed Reserves - Movement

	2022/23 Budget Opening Balance	2022/23 Budget Transfer to	2022/23 Budget Transfer (from)	2022/23 Budget Closing Balance	2021/22 Actual Opening Balance	2021/22 Actual Transfer to	2021/22 Actual Transfer (from)	2021/22 Actual Closing Balance	2021/22 Budget Opening Balance	2021/22 Budget Transfer to	2021/22 Budget Transfer (from)	2021/22 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by legislation												
(a) Road & Drainage Reserve	494,239	33,180		527,419	391,739	102,500		494,239	444,239	30	(113,000)	331,269
(b) Library Infrastructure Reserve	35,513	20,725		56,238	11,134	24,379		35,513	35,513	20,700		56,213
(c) Staff Leave Reserve	158,273	21,250		179,523	105,816	52,457		158,273	108,273	50,900		159,173
(d) Infrastructure/ Building Reserve	693,402	93,452		786,854	589,552	103,850		693,402	643,402	101,300	(135,000)	609,702
(e) Plant Reserve	103,214	20,850		124,064	20,873	82,341		103,214	21,214			21,214
(f) Legal Costs Reserve	20,085	295		20,380	19,867	218		20,085	20,085			20,085
(g) Information Technology Reserve	24,465	350		24,815	24,073	392		24,465	24,465			24,465
(h) Arts & Culture Reserve	20,823	20,425		41,248	823	20,000		20,823	20,823			20,823
(i) Investment Reserve	0	100,000		100,000	0			0				0
	1,550,014	310,527	0	1,860,541	1,163,877	386,137	0	1,550,014	1,318,014	172,930	(248,000)	1,242,944
	0	0	0	0	0	0	0	0	0	0	0	0
	1,550,014	310,527	0	1,860,541	1,163,877	386,137	0	1,550,014	1,318,014	172,930	(248,000)	1,242,944

(b) Financially Backed Reserves - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve
(a) Road & Drainage Reserve	on-going	To fund renewal & expansion of Council's roads & drainage system
(b) Library Infrastructure Reserve	on-going	To fund the Shire's portion of Capital items at the grove Library and/or Community Centre
(c) Staff Leave Reserve	on-going	To fund Annual & Long Service Leave entitlements
(d) Infrastructure/ Building Reserve	on-going	To fund replacement and upgrading of recreational infrastructure and Municipal Buildings
(e) Plant Reserve	on-going	To fund replacment and upgrading of Council vehicles and plant
(f) Legal Costs Reserve	on-going	To provide for future general expenses including building and Planning actions
(g) Information Technology Reserve	on-going	To fund replacment and upgrading of Council's Information & technology assets
(h) Arts & Culture Reserve	on-going	To fund the purchase of Public Art
(i) Investment Reserve	on-going	To fund the implemenation of an Investment Portfolio

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

9. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contractual commitments	General appropriations and contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods

10. PROGRAM INFORMATION

Income and expenses	2022/23 Budget	2021/22 Actual	2021/22 Budget
Income excluding grants, subsidies and contributions	\$	\$	\$
Governance	7,442	8,810	8,000
General purpose funding	3,647,578	3,578,810	3,591,578
Law, order, public safety	9,300	8,922	9,000
Health	11,000	4,000	11,000
Education and welfare	0	6,865	0
Housing	0	0	0
Community amenities	406,688	481,739	120,900
Recreation and culture	1,112,854	1,138,420	1,256,292
Transport	31,375	51,586	0
Economic services	41,710	0	67,500
Other property and services	0	21	0
	5,267,947	5,279,173	5,064,270
Operating grants, subsidies and contributions			
Transport	0	0	177,732
	0	0	177,732
Total Income	5,267,947	5,279,173	5,242,002
Expenses			
Governance	(1,571,741)	(1,450,170)	(1,664,814)
General purpose funding	(18,800)	(1,975)	(2,750)
Law, order, public safety	(1,000)	(480)	(22,000)
Health	(500)	(9,050)	(12,000)
Education and welfare	(26,800)	(17,474)	(17,500)
Housing	0	0	0
Community amenities	(1,017,631)	(769,910)	(824,000)
Recreation and culture	(1,480,810)	(1,368,080)	(1,608,495)
Transport	(328,730)	(246,528)	(646,882)
Economic services	(17,000)	(1,880)	(6,000)
Other property and services	(979,137)	(993,199)	(313,150)
Total expenses	(5,442,149)	(4,858,746)	(5,117,591)
Net result for the period	(174,202)	420,427	124,411

11. OTHER INFORMATION

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	9,465	4,890	7,500
- Other funds	2,500	2,068	8,000
Other interest revenue (refer note 1b)	18,700	18,632	19,700
	30,665	25,590	35,200
* The Shire has resolved to charge interest under section 6.13 for the late payment of any amount of money at 4%.			
(b) Other revenue			
Reimbursements and recoveries	7,442	7,725	7,442
	7,442	7,725	7,442
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	29,000	27,575	25,000
	29,000	27,575	25,000
(d) Interest expenses (finance costs)			
Borrowings (refer Note 7(a))	53,192	54,964	54,647
	53,192	54,964	54,647

12. ELECTED MEMBERS REMUNERATION

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Rachel Thomas			
President's allowance	15,424	15,048	15,048
Meeting attendance fees	18,177	18,176	18,176
Annual allowance for ICT expenses	1,200		0
	34,801	33,224	33,224
Charles Hohnen			
Deputy President's allowance	3,856	3,762	3,762
Meeting attendance fees	9,315	9,088	9,088
Annual allowance for ICT expenses	1,200		
	14,371	12,850	12,850
Peter MacIntosh			
Meeting attendance fees	9,315	9,088	9,088
Annual allowance for ICT expenses	1,200		
	10,515	9,088	9,088
Dawne Horrex			
Meeting attendance fees	9,315	9,088	9,088
Annual allowance for ICT expenses	1,200		
	10,515	9,088	9,088
Karen Farley			
Meeting attendance fees	9,315	9,088	9,088
Annual allowance for ICT expenses	1,200		
	10,515	9,088	9,088
Patrick Dawkins			
Meeting attendance fees	9,315	9,088	9,088
Annual allowance for ICT expenses	1,200		
	10,515	9,088	9,088
Doug Jackson			
Meeting attendance fees	9,315	9,088	9,088
Annual allowance for ICT expenses	1,200		
	10,515	9,088	9,088
Total Elected Member Remuneration	101,748	91,514	91,514
President's allowance	15,424	15,048	15,048
Deputy President's allowance	3,856	3,762	3,762
Meeting attendance fees	74,068	72,704	72,704
Annual allowance for ICT expenses	8,400	0	0
	101,748	91,514	91,514

12. INVESTMENT IN ASSOCIATES & JOINT ARRANGEMENTS

The Shire has a 9.091% interest in the Grove Library, which involves the provision of Library services for the Shire of Peppermint Grove, Town of Cottesloe and Town of Mosman Park. The voting rights of the Shire is a 33.33%. The principal place of the business, is 1 Leake Street Peppermint Grove, WA 6011.

The Shire's interest in the grove Library are accounted for as a joint venture using the proportional consolidation method in the financial statements as at 30 June 2020 and the year then ended and adjusted for the Shire's proportional interest (9.091%) is set out below.

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Interest income	0	0	
Other revenue	36,558	38,600	44,200
Contributions	1,192,516	1,169,628	1,155,646
Total revenue	1,229,074	1,208,228	1,199,846
Interest expense	0	0	0
Operating expenses	(1,347,298)	(1,284,018)	(1,315,512)
Total operating expenses	(1,347,298)	(1,284,018)	(1,315,512)
Net result for the period	(118,224)	(75,790)	(115,666)
Total comprehensive income for the period	(118,224)	(75,790)	(115,666)

SIGNIFICANT 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.

13. 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 30 June 2022	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2023
	\$	\$	\$	\$
Manners Hill Park Bonds	2,700	3,600	(2,800)	3,500
Footpath Deposits	30,500	72,110	(38,000)	64,610
	33,200	75,710	(40,800)	68,110

14. FEES AND CHARGES

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
By Program:			
Governance	17,200	20,198	13,831
Law, order, public safety	5,300	4,922	7,800
Health	7,200	6,865	43,664
Community amenities	179,464	169,851	97,645
Recreation and culture	81,612	79,436	87,835
Transport	2,400	1,580	0
Economic services	81,785	69,020	74,923
	374,961	351,872	325,698

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