

TOWN OF BASSENDEAN

BUDGET

FOR THE YEAR ENDED 30TH JUNE 2024

LOCAL GOVERNMENT ACT 1995

TABLE OF CONTENTS

Statement of Comprehensive Income by Nature or Type	2
Basis of Preparation	3
Rate Setting Statement by Nature and Type	4
Statement of Cash Flows	5
Index of Notes to the Budget	6

TOWN OF BASSENDEAN
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2023/24 Budget	2022/23 Estimate	2022/23 Budget
		\$	\$	\$
Revenue				
Rates	1(a)	15,469,341	14,409,305	14,511,165
Operating grants		633,176	536,024	554,442
Fees and charges		6,897,110	6,561,135	6,767,613
Service charges	14	505,423	505,423	513,034
Interest revenue	11(a)	544,923	457,345	317,345
Other revenue	11(b)	81,000	218,794	267,981
		24,130,973	22,688,026	22,931,580
Expenses				
Employee costs		(12,635,098)	(12,049,864)	(12,049,864)
Materials and contracts		(7,604,673)	(7,080,675)	(8,147,824)
Utility charges		(751,119)	(698,715)	(698,715)
Depreciation	5	(4,875,818)	(4,664,896)	(3,881,983)
Finance costs	11(d)	(41,804)	(28,798)	(28,797)
Insurance		(523,133)	(489,297)	(489,297)
Other expenditure		(1,938,353)	(1,964,959)	(2,047,865)
		(28,369,998)	(26,977,204)	(27,344,345)
Subtotal		(4,239,025)	(4,289,178)	(4,412,765)
Capital grants, subsidies and contributions		2,305,824	988,379	1,770,730
Loss on asset disposals	4(b)	(25,000)	(15,000)	(15,000)
		2,280,824	973,379	1,755,730
				0
Net result		(1,958,201)	(3,315,799)	(2,657,035)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		(1,958,201)	(3,315,799)	(2,657,035)

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

BASIS OF PREPARATION

The 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 Town to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this 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.

THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Town of Bassendean controls resources to carry on its functions have been included in the financial statements forming part of this 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 2 to the budget.

2022/23 ACTUAL BALANCES

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

CHANGE IN ACCOUNTING POLICIES

On the 1 July 2023 no new accounting policies are to be adopted and no new policies are expected to impact the annual budget.

KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES

RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, minimum rates, interim rates, back rates, 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 (LOSS) 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.

REVENUES (CONTINUED)

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, , 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.

TOWN OF BASSENDEAN
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2023/24 Budget	2022/23 Estimate	2022/23 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	2(a)	2,474,922	2,206,060	1,320,660
		2,474,922	2,206,060	1,320,660
Revenue from operating activities (excluding rates)				
Operating grants		633,176	536,024	554,442
Fees and charges		6,897,110	6,561,135	6,767,613
Service charges	14	505,423	505,423	513,034
Interest revenue	11(a)	544,923	457,345	317,345
Other revenue	11(b)	81,000	218,794	267,981
		8,661,632	8,278,721	8,420,415
Expenditure from operating activities				
Employee costs		(12,635,098)	(12,049,864)	(12,049,864)
Materials and contracts		(7,604,673)	(7,080,675)	(8,147,824)
Utility charges		(751,119)	(698,715)	(698,715)
Depreciation	5	(4,875,818)	(4,664,896)	(3,881,983)
Finance costs	11(d)	(41,804)	(28,798)	(28,797)
Insurance		(523,133)	(489,297)	(489,297)
Other expenditure		(1,938,353)	(1,964,959)	(2,047,865)
Loss on asset disposals	4(b)	(25,000)	(15,000)	(15,000)
		(28,394,998)	(26,992,204)	(27,359,345)
Non-cash amounts excluded from operating activities	2(b)	4,900,818	4,679,896	3,896,983
Amount attributable to operating activities		(12,357,626)	(11,827,527)	(13,721,287)
INVESTING ACTIVITIES				
Capital grants, subsidies and contributions		2,305,824	988,379	1,770,730
Payments for property, plant and equipment	4(a)	(1,440,740)	(525,736)	(1,516,700)
Payments for construction of infrastructure	4(a)	(4,069,938)	(1,288,228)	(2,991,951)
Proceeds from disposal of assets	4(b)	22,000	52,000	52,000
Proceeds from self-supporting loans	6(a)	21,503	21,503	21,503
Amount attributable to investing activities		(3,161,351)	(752,082)	(2,664,418)
Amount attributable to investing activities		(3,161,351)	(752,082)	(2,664,418)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(287,354)	(104,061)	(104,061)
Principal elements of finance lease payments	7	(134,932)	(160,000)	(160,000)
Proceeds from new borrowings	6(a)	750,000	750,000	750,000
Transfers to cash backed reserves (restricted assets)	8(a)	(1,915,097)	(860,563)	(790,763)
Transfers from cash backed reserves (restricted assets)	8(a)	1,637,019	1,019,850	2,330,707
Amount attributable to financing activities		49,636	645,226	2,025,883
Budgeted deficiency before general rates		(15,469,341)	(11,934,383)	(14,359,822)
Estimated amount to be raised from general rates	1(a)	15,469,341	14,409,305	14,511,165
Net current assets at end of financial year - surplus/(deficit)	2(a)	0	2,474,922	151,343

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

TOWN OF BASSENDEAN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

CASH FLOWS FROM OPERATING ACTIVITIES

	NOTE	2023/24 Budget	2022/23 Estimate	2022/23 Budget
Receipts				
		\$	\$	\$
Rates		15,469,341	14,409,305	14,511,165
Operating grants, subsidies and contributions		633,176	536,024	554,442
Fees and charges		6,897,110	6,561,135	6,767,613
Service charges		505,423	505,423	513,034
Interest revenue		544,923	457,345	317,345
Goods and services tax received		1,200,000	1,200,000	1,127,030
Other revenue		81,000	218,794	267,981
		25,330,973	23,888,026	24,058,610
Payments				
Employee costs		(12,635,098)	(12,049,864)	(12,049,864)
Materials and contracts		(7,604,673)	(7,080,675)	(8,147,824)
Utility charges		(751,119)	(698,715)	(698,715)
Finance costs		(41,804)	(28,798)	(28,797)
Insurance		(523,133)	(489,297)	(489,297)
Goods and services tax paid		(1,200,000)	(1,200,000)	(1,073,738)
Other expenditure		(1,938,353)	(1,964,959)	(2,047,865)
		(24,694,180)	(23,512,308)	(24,536,100)
Net cash provided by (used in) operating activities	3	636,793	375,718	(477,490)

CASH FLOWS FROM INVESTING ACTIVITIES

Payments for purchase of property, plant & equipment	4(a)	(1,440,740)	(525,736)	(1,516,700)
Payments for construction of infrastructure	4(a)	(4,069,938)	(1,288,228)	(2,991,951)
Capital grants, subsidies and contributions		2,305,824	988,379	1,770,730
Proceeds from sale of property, plant and equipment	4(b)	22,000	52,000	52,000
Net cash provided by (used in) investing activities		(3,182,854)	(773,585)	(2,685,921)

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of borrowings	6(a)	(287,354)	(104,061)	(104,061)
Proceeds from self-supporting loans		21,503	21,503	21,503
Payments for principal portion of lease liabilities	7	(134,932)	(160,000)	(160,000)
Payments for financial assets at amortised cost - term deposits		0	4,398,693	1,000,000
Proceeds from new borrowings	6(b)	750,000	750,000	750,000
Net cash provided by (used in) financing activities		349,217	4,906,135	1,507,442

Net increase (decrease) in cash held

		(2,196,844)	4,508,268	(1,655,969)
Cash at beginning of year		14,010,760	9,502,492	10,970,064
Cash and cash equivalents at the end of the year	3	11,813,916	14,010,760	9,314,095

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

TOWN OF BASSENDEAN
INDEX OF NOTES TO THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

1 Rates	7
2 Net Current Assets	9
3 Reconciliation of cash	11
4a. Asset Acquisitions	12
4b. Asset Disposals	13
5 Depreciation	14
6 Borrowings	15
7 Lease Liabilities	17
8 Reserves	18
9 Revenue Recognition	21
10 Elected Members Remuneration	22
11 Other Information	23
12 Investment In Associates	24
13 Trust	24
14 Service Charges	25
15 Significant Accounting Policies - Other Information	26

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

1. RATES

(a) Rating Information

RATE TYPE	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 Estimated total revenue	2022/23 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
Differential general rate									
Gross rental valuations									
Improved – Residential	0.077400	5,823	119,351,285	9,237,789	98,076	6,500	9,342,365	8,036,495	8,137,249
Improved – Commercial and Industrial	0.089010	346	51,217,380	4,558,859			4,558,859	4,271,428	4,271,428
Vacant Land - Residential, Commercial and Industrial	0.116100	105	2,202,600	255,722			255,722	333,594	334,700
Sub-Totals		6,274	172,771,265	14,052,370	98,076	6,500	14,156,946	12,641,517	12,743,377
Minimum payment									
	\$								
Gross rental valuations									
Improved – Residential	1183	978	14,132,710	1,156,974			1,156,974	1,673,378	1,673,378
Improved - Commercial and Industrial	1183	2	10,400	2,366			2,366	2,212	2,212
Vacant Land - Residential, Commercial and Industrial	1183	136	1,061,090	160,888			160,888	99,540	99,540
Sub-Totals		1,116	15,204,200	1,320,228	0	0	1,320,228	1,775,130	1,775,130
		7,390	187,975,465	15,372,598	98,076	6,500	15,477,174	14,416,647	14,518,507
Concessions							(7,834)	(7,342)	(7,342)
Total amount raised from general rates							15,469,340	14,409,305	14,511,165

All land (other than exempt land) in the Town of Bassendean is rated according to its Gross Rental Value (GRV).

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.

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

1. RATES (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				
Option one- Full amount				
Single full payment	31-Aug-23	0	0.0%	11.0%
Option two- Two instalments				
First instalment	31-Aug-23	0	0.0%	11.0%
Second instalment	9-Jan-24	14	5.5%	11.0%
Option two- Two instalments				
First instalment	31-Aug-23	0	0.0%	11.0%
Second instalment	31-Oct-23	14	5.5%	11.0%
Third instalment	9-Jan-24	14	5.5%	11.0%
Fourth instalment	12-Mar-24	14	5.5%	11.0%

	2023/24 Budget revenue	2022/23 Estimated revenue	2022/23 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	59,598	56,844	150,000
Instalment plan interest earned	66,200	65,507	4,500
Unpaid rates and penioner deferred interest earned	108,924	68,180	57,250
	234,722	190,531	211,750

(c) Waivers or concessions

Rate or fee and charge to which the waiver or concession is granted	Type	Discount %	Discount (\$)	2023/24 Budget	2022/23 Estimate	2022/23 Budget	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
Concessions	"Concession"	50.0%	0	\$ (7,834)	\$ (7,342)	\$ (7,342)	Westcare Inc.	Assist in maintaining the ability to fulfill the mission of 'empowering, enriching and enhancing' the lives of people with disabilities.
				(7,834)	(7,342)	(7,342)		

(d) Incentive for e-Rates

Rate payers who join the competition to register for e-rates by the 30 June 2023 will go into a draw for a \$500 discount towards their 2023/24 rates.

Refer to the Town's website for terms and conditions.

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

2 NET CURRENT ASSETS

(a) Composition of estimated net current assets

		2023/24 Budget 30 June 2024	2022/23 Estimate 30 June 2023	2022/23 Budget 30 June 2023
	Note	\$	\$	\$
Current assets				
Cash and cash equivalents	3	11,813,916	14,010,760	9,314,095
Financial assets	3	0	0	172,237
Receivables		0	0	2,000,000
Contract assets		1,720,000	1,720,000	809,666
Other assets		5,000	5,000	4,562
		13,538,916	15,735,760	12,300,560
Less: current liabilities				
Trade and other payables		(200,000)	(200,000)	(267,012)
Bonds and Deposits		(2,000,000)	(2,000,000)	(2,013,548)
Contract liabilities		(300,000)	(300,000)	(425,948)
Rates in Advance		(95,000)	(95,000)	0
Lease liabilities	7	(110,000)	(110,000)	(108,701)
Short term borrowings	6	(120,000)	(120,000)	(104,061)
Employee provisions		(2,300,000)	(2,300,000)	(2,424,877)
Other provisions		(20,130)	(20,130)	(20,130)
		(5,145,130)	(5,145,130)	(5,364,277)
Net current assets		8,393,786	10,590,630	6,936,283
Less: Total adjustments to net current assets		(8,393,786)	(8,115,708)	(6,784,940)
Net current assets used in the Rate Setting Statement		0	2,474,922	151,343

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*.

		2023/24 Budget 30 June 2024	2022/23 Estimate 30 June 2023	2022/23 Budget 30 June 2023
	Note	\$	\$	\$
Adjustments to operating activities				
Add: Loss on asset disposals	2	25,000	15,000	15,000
Add: Depreciation	2	4,875,818	4,664,896	3,881,983
Non cash amounts excluded from operating activities		4,900,818	4,679,896	3,896,983

(c) Non-cash amounts excluded from investing activities

Adjustments to investing activities

Movement in current other provision associated with restricted cash

Non cash amounts excluded from investing activities

		0	0	25,000
--	--	---	---	--------

(d) Current assets and liabilities excluded from budgeted deficiency

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

Adjustments to net current assets

Less: Cash - reserve accounts	3	(8,862,294)	(8,584,216)	(7,236,210)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		120,000	120,000	104,061
- Current portion of lease liabilities		110,000	110,000	108,701
- Current portion of employee benefit provisions held in reserve		238,508	238,508	238,508
Total adjustments to net current assets		(8,393,786)	(8,115,708)	(6,784,940)

TOWN OF BASSENDEAN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024
2(e) NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

An asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Town's operational cycle. In the case of liabilities where the Town 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 Town's intentions to release for sale.

TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Town prior to the end of the financial year that are unpaid and arise when the Town of Bassendean 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 City 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 Town of Bassendean contributes to a number of superannuation funds on behalf of employees.

All funds to which the Town of Bassendean 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.

CONTRACT ASSETS

A contract asset is the right to consideration in exchange for goods or services the entity has transferred to a customer when that right is conditioned on something other than the passage of time.

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 Town 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 Town 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 Town'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 Town'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 Town's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

CONTRACT LIABILITIES

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

3 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 Estimate	2022/23 Budget
Cash at bank and on hand		\$ 7,813,916	\$ 10,010,760	\$ 5,314,095
Term deposits		4,000,000	4,000,000	4,000,000
Total cash and cash equivalents		11,813,916	14,010,760	9,314,095
Held as				
- Unrestricted cash and cash equivalents	3(a)	651,622	3,126,544	1,638,389
- Restricted cash and cash equivalents	3(a)	11,162,294	10,884,216	7,675,706
- Restricted cash and cash equivalents		11,813,916	14,010,760	9,314,095
Restricted financial assets at amortised cost		0	0	2,000,000
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		11,162,294	10,884,216	7,675,706
- Restricted financial assets at amortised cost - term deposits	3(a)	0	0	2,000,000
		11,162,294	10,884,216	9,675,706
The assets are restricted as a result of the specified purposes associated with the liabilities below:				
Financially backed reserves	0	8,862,294	8,584,216	7,236,210
Contract liabilities		300,000	300,000	425,948
Bonds and other deposits	3(b)	1,897,500	1,897,500	1,911,048
Hyde Retirement Village Bonds		102,500	102,500	102,500
		11,162,294	10,884,216	9,675,706
Reconciliation of net cash provided by operating activities to net result				
Net result		(1,958,201)	(3,315,799)	(2,657,035)
Depreciation	5	4,875,818	4,664,896	3,881,983
(Profit)/loss on sale of asset	4(b)	25,000	15,000	15,000
(Increase)/decrease in receivables		0	0	51,556
(Increase)/decrease in inventories		0	0	1,736
Capital grants, subsidies and contributions		(2,305,824)	(988,379)	(1,770,730)
Net cash from operating activities		636,793	375,718	(477,490)

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 Town 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.

TOWN OF BASSENDEAN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024
4 FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program				2023/24 Budget total	2022/23 Estimated total	2022/23 Budget total
	Community amenities	Recreation and culture	Transport	Other property and services			
	\$	\$	\$	\$	\$	\$	
<i>Property, Plant and Equipment</i>							
Land - freehold land				100,000	100,000		100,000
Buildings - specialised				581,620	581,620	141,918	505,700
Furniture and equipment	127,000				127,000	170,903	345,618
Plant and equipment				632,120	632,120	204,132	462,000
	127,000	0	0	1,313,740	1,440,740	516,953	1,413,318
<i>Infrastructure</i>							
Infrastructure - roads	35,000		1,475,965		1,510,965	736,723	1,277,724
Infrastructure - Footpaths			245,579	15,000	260,579	23,838	116,011
Infrastructure - Parks & Ovals	370,000	1,477,744	20,000	65,650	1,933,394	204,222	1,116,500
Infrastructure - Drainage	320,000		45,000		365,000	48,628	585,098
	725,000	1,477,744	1,786,544	80,650	4,069,938	1,013,410	3,095,333
Total acquisitions	852,000	1,477,744	1,786,544	1,394,390	5,510,678	1,530,363	4,508,651

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.

TOWN OF BASSENDEAN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024
4 FIXED ASSETS

(b) Disposals of Assets

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

	2023/24 Budget Net Book Value	2023/24 Budget Sale Proceeds	2023/24 Budget Loss	2022/23 Estimated Net Book Value	2022/23 Estimated Sale Proceeds	2022/23 Estimated Loss	2022/23 Budget Net Book Value	2022/23 Budget Sale Proceeds	2022/23 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program									
Transport	47,000	22,000	(25,000)	67,000	52,000	(15,000)	67,000	52,000	(15,000)
	47,000	22,000	(25,000)	67,000	52,000	(15,000)	67,000	52,000	(15,000)
By Class									
<i>Property, Plant and Equipment</i>									
Plant and equipment	47,000	22,000	(25,000)	67,000	52,000	(15,000)	67,000	52,000	(15,000)
	47,000	22,000	(25,000)	67,000	52,000	(15,000)	67,000	52,000	(15,000)

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.

TOWN OF BASSENDEAN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024
5 DEPRECIATION

(a) By Program

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

By Class

Buildings - specialised
Furniture and equipment
Plant and equipment
Infrastructure - Roads
Infrastructure - Footpaths
Infrastructure - Parks & Ovals
Infrastructure - Drainage

	2023/24 Budget	2022/23 Estimate	2022/23 Budget
	\$	\$	\$
	112,466	107,601	96,736
	0	0	21,102
	0	0	91,433
	7,589	7,261	129,239
	262,438	251,085	0
	146,342	140,011	53,443
	1,465,808	1,402,399	881,557
	2,620,628	2,507,263	2,445,108
	0	0	5,768
	260,547	249,276	157,597
	4,875,818	4,664,896	3,881,983
	1,341,921	1,322,321	522,826
	105,014	96,007	36,473
	156,049	81,962	152,507
	1,893,467	1,893,467	1,658,125
	272,838	272,838	253,918
	704,995	596,767	638,403
	401,534	401,534	619,731
	4,875,818	4,664,896	3,881,983

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	18 to 120 years
Infrastructure - Footpaths	20 years
Infrastructure - Parks & Ovals	80 years
Infrastructure - Drainage	30 to 75 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.

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

6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan		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	
	Number	Institution		Principal 2023	Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2024	Budget Interest Repayments		Principal 1 July 2022	Estimated New Loans	Estimated Principal Repayments	Principal outstanding 30 June 2023	Estimated Interest Repayments	Principal 1 July 2022	Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2023	Budget Interest Repayments
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Recreation and culture																			
Civil Centre Development	160A	WATC	6.41%	65,919	0	(65,919)	0	(2,620)	127,777	0	(61,858)	65,919	(6,618)	127,777	0	(61,858)	65,919	(6,618)	
Civil Centre Development	160B	WATC	5.92%	45,236	0	(21,954)	23,282	(2,227)	65,936	0	(20,700)	45,236	(3,450)	65,936	0	(20,700)	45,236	(3,450)	
Economic services																			
Underground Power	164	WATC	4.37%	750,000	0	(177,978)	572,022	(21,922)	0	750,000	0	750,000	(2,229)	0	750,000	0	750,000	(2,228)	
Underground Power *	TBA	WATC	4.37%	0	750,000		750,000												
				861,155	750,000	(265,851)	1,345,304	(26,769)	193,713	750,000	(82,558)	861,155	(12,297)	193,713	750,000	(82,558)	861,155	(12,296)	
Self Supporting Loans																			
Recreation and culture																			
TADWA	162	WATC	6.7%	139,397	0	(21,503)	117,894	(8,705)	160,900	0	(21,503)	139,397	(10,171)	160,900	0	(21,503)	139,397	(10,171)	
				139,397	0	(21,503)	117,894	(8,705)	160,900	0	(21,503)	139,397	(10,171)	160,900	0	(21,503)	139,397	(10,171)	
				1,000,552	750,000	(287,354)	1,463,198	(35,474)	354,613	750,000	(104,061)	1,000,552	(22,468)	354,613	750,000	(104,061)	1,000,552	(22,467)	

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.

Underground Power is partially funded by a Service Charge.

The self supporting loan(s) repayment will be fully reimbursed.

* No interest provided in the budget as borrowing effected in end June 2024.

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

6 INFORMATION ON BORROWINGS

(b) New borrowings - 2023/24

The Town has plans to borrow for Underground Power-Eden Hill in the year ended 30th June 2024 from Western Australian Treasury Corporation for loan of up to \$750,000 as required to enable the Town to meet its cash call obligations under co-funding agreement with Western Power.

(c) Unspent borrowings

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

(d) Credit Facilities

	2023/24 Budget	2022/23 Estimate	2022/23 Budget
	\$	\$	\$
Undrawn borrowing facilities credit standby arrangements			
Bank overdraft limit	100,000	100,000	100,000
Bank overdraft at balance date			
Credit card limit	150,000	150,000	150,000
Credit card balance at balance date	(15,000)	(18,720)	(15,000)
Total amount of credit unused	235,000	231,280	235,000
Loan facilities			
Loan facilities in use at balance date	1,463,198	1,000,552	1,000,552

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.

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

7 LEASE LIABILITIES

Purpose	Budget	2023/24		Budget	2023/24	2022/23		2022/23	2022/23	2022/23		2022/23	2022/23	2022/23	
	Lease Principal 1 July 2023	2023/24 Budget New Leases	Budget Lease Principal Repayments	Lease Principal outstanding 30 June 2024	Budget Lease Interest Repayments	Actual Principal 1 July 2022	Estimated New Leases	Estimated Lease Principal Repayments	Lease Principal outstanding 30 June 2023	Estimated Lease Interest Repayments	Budget Principal 1 July 2022	Budget New Leases	Budget Lease Principal repayments	Lease Principal outstanding 30 June 2022	Budget Lease Interest repayments
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Governance															
Furniture and equipment	41,676	30,000	(42,000)	29,676	(3,798)	63,676	30,000	(52,000)	41,676	(3,798)	30,585	30,000	(52,000)	8,585	(3,798)
Other property and services															
Plant and equipment	123,431	80,000	(92,932)	110,499	(2,532)	151,431	80,000	(108,000)	123,431	(2,532)	37,981	80,000	(108,000)	9,981	(2,532)
	165,107	110,000	(134,932)	140,175	(6,330)	215,107	110,000	(160,000)	165,107	(6,330)	68,566	110,000	(160,000)	18,566	(6,330)

SIGNIFICANT ACCOUNTING POLICIES

LEASES

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

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

LEASE LIABILITIES

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

TOWN OF BASSENDEAN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024
8 CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2023/24 Budget Opening Balance	Interest 2023/24 Budget Transfer to	Direct 2023/24 Budget Transfer to	2023/24 Budget Transfer (from)	2023/24 Budget Closing Balance	2022/23 Actual Opening Balance	2022/23 Estimated Transfer to	2022/23 Estimated Transfer (from)	2022/23 Estimated Closing Balance	2022/23 Budget Opening Balance	2022/23 Budget Transfer to	2022/23 Budget Transfer (from)	2022/23 Budget Closing Balance
(a) Employee Entitlements Reserve	\$ 643,891	\$ 19,317	\$ 0	\$ 0	663,208	839,916	21,098	(217,123)	643,891	915,479	15,982	(250,000)	681,461
(b) Unspent Grants Reserve	0	0	0	0	0	144,674	3,505	(148,179)	0	469,481	3,521	(473,002)	0
(c) Fleet and Plant Reserve	171,507	5,145	608,505	(610,220)	174,937	369,531	6,108	(204,132)	171,507	468,618	6,137	(403,500)	71,255
(d) Wind in the Willows Childcare Reserve	366,590	10,998	55,000	(125,000)	307,588	265,110	101,480	0	366,590	130,239	101,954	(125,000)	107,193
(e) Aged Persons Reserve	422,100	12,663	0	0	434,763	513,632	8,468	(100,000)	422,100	567,189	8,508	(100,000)	475,697
(f) Youth Development Reserve	20,617	619	0	0	21,236	30,168	449	(10,000)	20,617	30,081	451	(10,000)	20,532
(g) Community Facilities Reserve	152,236	4,567	0	(156,803)	0	155,343	1,893	(5,000)	152,236	129,795	1,902	(5,000)	126,697
(h) Underground Power Reserve	88,366	2,651	0	0	91,017	87,070	1,296	0	88,366	86,820	1,302	0	88,122
(i) HACCC Asset Replacement Reserve	0	0	0	0	0	0	0	0	0	115,376	1,731	(117,107)	0
(j) Bus Shelter Reserve	0	0	0	0	0	21,931	0	(21,931)	0	21,867	(21,867)	0	0
(k) Street Tree Reserve	47,163	1,415	0	0	48,578	94,265	2,898	(50,000)	47,163	194,144	2,912	(50,000)	147,056
(l) Drainage Infrastructure Reserve	190,687	5,721	0	(196,408)	(0)	138,346	102,341	(50,000)	190,687	137,992	102,820	(50,000)	190,812
(m) Land and Buildings Infrastructure Reserve	2,396,830	71,905	0	(140,000)	2,328,735	2,362,135	34,695	0	2,396,830	2,423,799	34,857	(200,000)	2,258,656
(n) Information Technology Reserve	950,093	28,503	106,366	0	1,084,962	881,412	210,166	(141,485)	950,093	571,388	211,149	(150,000)	632,537
(o) Future Projects Reserve	694,951	20,849	0	0	715,800	682,020	12,931	0	694,951	731,097	12,991	(185,098)	558,990
(p) Marine Assets Reserve	76,299	2,289	0	(78,588)	(0)	75,176	1,123	0	76,299	75,179	1,128	0	76,307
(q) Waste Processing/Disposal Reserve	683,058	19,634	9,817	0	712,509	677,288	5,770	0	683,058	418,480	5,797	(94,000)	330,277
(r) Waste Asset Reserve	215,384	6,462	50,000	0	271,846	200,000	15,384	0	215,384	320,780	15,456	(50,000)	286,236
(s) Waste Programs Reserve	972,159	45,632	9,817	(320,000)	707,609	903,931	78,228	(10,000)	972,159	622,457	8,467	(6,000)	624,924
(t) Natural Area Reserves	193,732	5,812	110,975	0	310,519	251,555	4,177	(62,000)	193,732	295,818	4,197	(62,000)	238,015
(u) Jubilee Reserve Reserve	252,803	7,584	250,000	0	510,387	50,000	202,803	0	252,803	50,075	203,751	0	253,826
(v) Underground Power Reserve - Eden Hill	13,819	415	0	0	14,234	0	13,819	0	13,819	0	35,750	0	35,750
(w) Events & Culture Reserve	31,931	958	9,682	(10,000)	32,571	0	31,931	0	31,931	0	31,867	0	31,867
(x) Asset Enhancement Reserve	0	0	431,799	0	431,799	0	0	0	0	0	0	0	0
(y) Carry Forward Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
	8,584,216	273,136	1,641,961	(1,637,019)	8,862,294	8,743,503	860,563	(1,019,850)	8,584,216	8,776,154	790,763	(2,330,707)	7,236,210

TOWN OF BASSENDEAN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024
8 CASH BACKED RESERVES

(b) Cash 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) Employee Entitlements Reserve	Ongoing	To provide funds for future payments to staff for employee entitlements.
(b) Unspent Grants Reserve	Closed	To provide for unspent funding received as grant contributions to Works and Services.
(c) Fleet and Plant Reserve	Ongoing	To accrue funds for the purpose of replacement of fleet and plant.
(d) Wind in the Willows Childcare Reserve	Ongoing	To accrue funds for the purpose of asset improvement in the Centre and to cater for future surplus or deficit in operations.
(e) Aged Persons Reserve	Ongoing	To accrue funds to provide for the operational deficit, refurbishment and capital expenses, for Hyde Retirement Village.
(f) Youth Development Reserve	Ongoing	To provide funds for activities and facilities for the benefit of youth in the Town.
(g) Community Facilities Reserve	Closed	To accrue funds for major expenditure in the provision of community facilities.
(h) Underground Power Reserve	Ongoing	To accrue funds to assist residents facing financial hardship with meeting the property owner contribution costs of underground power.
(i) HACC Asset Replacement Reserve	Closed	To provide funding for support of community care programs for senior and disability services.
(j) Bus Shelter Reserve	Closed	To provide funds for the purpose of installation or replacement of bus shelters within the Town.
(k) Street Tree Reserve	Closed	To accrue unspent funds from tree planting program for the purpose of planting and maintaining trees.
(l) Drainage Infrastructure Reserve	Closed	To provide for the renewal and upgrade of the drainage network.
(m) Land and Buildings Infrastructure Reserve	Ongoing	To hold funds accrued as a result of sale of land and buildings for the provisions of funds for the purchase and development of land and building infrastructure.
(n) Information Technology Reserve	Ongoing	To fund the acquisition and enhancement of technology and digital service delivery initiatives.
(o) Future Projects Reserve	Ongoing	To assist in funding new and upgrade capital initiatives that are generally significant in nature and provide a means to spread the costs of intergenerational assets over multiple years.
(p) Marine Assets Reserve	Closed	To fund the renewal of marine assets ie. jetty, pontoons and associated river bank restoration projects.
(q) Waste Processing/Disposal Reserve	Ongoing	To accrue funds to accommodate fluctuations in annual waste collection costs and start-up costs of new waste processing (or reduction) programs.
(r) Waste Asset Reserve	Ongoing	To accrue funds for the long term asset renewal and purchase of new waste management assets.
(s) Waste Programs Reserve	Ongoing	To implement programs and projects identified in the Strategic Waste Plan.
(t) Natural Area Reserves	Ongoing	To provide for the future restoration of Natural Area Reserves at Point Reserve and Bindaring Park.
(u) Jubilee Reserve Reserve	Ongoing	To accrue funds for major expenditure in the provision of community facilities at Jubilee Reserve.
(v) Underground Power Reserve - Eden Hill	Ongoing	To enable an equalisation reserve to cover any timing income and expenditure related to Eden Hill Underground Project.
(w) Events & Culture Reserve	Ongoing	To accrue funds for significant or major events/cultural activities.
(x) Asset Enhancement Reserve	New	To accrue funds for upgrade and Replacement of Infrastructure Assets.
(y) Carry Forward Reserve	New	To accrue unspent funds from Operating and Capital Works Programs to enable continuation in future years

TOWN OF BASSENDEAN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024
8 CASH BACKED RESERVES

(c) Cash Backed Reserves - Change in Use

The Town 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.

Cash Backed Reserve	Proposed new purpose of the reserve	Objects of changing of the reserve	Reasons for changing the use of the reserves	2023/24 Budget amount to be used	2023/24 Budget amount change of purpose
Community Facilities Reserve	Asset Enhancement Reserve	To accrue funds for upgrade and replacement of infrastructure assets	This will provide Council with greater flexibility to channel funds to priority areas	\$ 0	\$ 431,799
Drainage Infrastructure Reserve				0	0
Marine Assets Reserve				0	0

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

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
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
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
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right
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
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

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

10 ELECTED MEMBERS REMUNERATION

Fees, expenses and allowances to be paid or reimbursed to elected council members.

	2023/24	2022/23	2022/23
	Budget	Estimate	Budget
	\$	\$	\$
Councillor Kathryn Hamilton, Mayor			
Mayor's annual allowance	38,450	37,881	37,881
Meeting attendance fees	26,370	25,976	25,976
ICT expenses	3,500	3,500	3,500
Training Expenses	3,785	2,738	3,886
	72,105	70,095	71,243
Councillor Renee McLennan, Deputy Mayor			
Deputy Mayor's annual allowance	9,612	9,470	9,470
Meeting attendance fees	17,030	16,776	16,776
ICT expenses	3,500	3,500	3,500
Training Expenses	3,785	5,581	3,886
	33,927	35,327	33,632
Councillor Hillary Macwilliam			
Meeting attendance fees	17,030	16,776	16,776
ICT expenses	3,500	3,500	3,500
Training Expenses	3,785	1,048	3,886
	24,315	21,324	24,162
Councillor Tallan Ames			
Meeting attendance fees	17,030	16,776	16,776
ICT expenses	3,500	3,500	3,500
Training Expenses	3,785	2,324	3,886
	24,315	22,600	24,162
Councillor Jennie Carter			
Meeting attendance fees	17,030	16,776	16,776
ICT expenses	3,500	3,500	3,500
Training Expenses	3,785	1,975	3,886
	24,315	22,251	24,162
Councillor Paul Poliwka			
Meeting attendance fees	17,030	16,776	16,776
ICT expenses	3,500	3,500	3,500
Training Expenses	3,785	1,048	3,885
	24,315	21,324	24,161
Councillor Emily Wilding			
Meeting attendance fees	17,030	16,776	16,776
ICT expenses	3,500	3,500	3,500
Training Expenses	3,790	1,048	3,885
	24,320	21,324	24,161
Total	227,612	214,242	225,683
	2023/24	2022/23	2022/23
	Budget	Estimate	Budget
	\$	\$	\$
Mayor's allowance	38,450	37,881	37,881
Deputy Mayor's allowance	9,612	9,470	9,470
Meeting attendance fees	128,550	126,632	126,632
ICT expenses	24,500	24,500	24,500
Training Expenses	26,500	15,759	27,200
	227,612	214,242	225,683

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

11 OTHER INFORMATION

	Note	2023/24 Budget	2022/23 Estimate	2022/23 Budget
		\$	\$	\$
The net result includes as revenues				
(a) Interest earnings				
Investments				
- Reserve funds		273,136	158,946	110,100
- Other funds		75,160	143,209	123,992
Loans receivables -clubs/institutions		21,503	21,503	21,503
Other interest revenue	1(b)	175,124	133,687	61,750
		544,923	457,345	317,345
(b) Other revenue				
Reimbursements and recoveries		24,000	48,132	72,000
Dividends received from EMRC		0	0	100,000
Other		57,000	170,662	95,981
		81,000	218,794	267,981
The net result includes as expenses				
(c) Auditors remuneration				
External Audit services		50,000	54,268	45,000
Internal Audit services		50,000	24,051	45,000
Other services		1,200	1,200	1,200
		101,200	79,519	91,200
(d) Interest expenses (finance costs)				
Borrowings	6(a)	35,474	22,468	22,467
Interest expense on lease liabilities	7	6,330	6,330	6,330
		41,804	28,798	28,797

12 INVESTMENT IN ASSOCIATES

The Council is a member of the Eastern Metropolitan Regional Council (EMRC). EMRC was established in accordance with the Local Government Act 1995 and consists of five local governments, namely, Town of Bassendean, City of Bayswater, City of Kalamunda, Shire of Mundaring and City of Swan. The Town's interest in the associate calculated by EMRC as at 30 June 2022 was 4.72%, representing its share of the net assets of \$8,057,038. The interest in the associate at 30 June 2023 is yet to be determined.

SIGNIFICANT ACCOUNTING POLICIES

INTERESTS IN JOINT ARRANGEMENTS

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

Separate joint arrangements providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method. The equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Town's share of net assets of the associate. In addition, the Town's share of the profit or loss of the associate is included in the Town's profit or loss.

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 2023	Estimated amounts received	Estimated amounts paid	Budget balance 30 June 2024
	\$	\$	\$	\$
Public Open Space	335,157	3,797	0	338,954
	335,157	3,797	0	338,954

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

14 SERVICE CHARGES

	2023/24 Budget	2022/23 Estimate	2022/23 Budget
	\$	\$	\$
Underground Power Projects - Eden Hill			
Operating Income			
Service Charges	505,423	505,423	513,034
Total Operating Income	505,423	505,423	513,034
Operating Expenditure			
Operating Expenditure	(1,227,284)	(1,227,284)	(1,227,284)
Total Operating Expenditure	(1,227,284)	(1,227,284)	(1,227,284)
Funds Used			
Interest Expenditure	0	(2,229)	(2,228)
Borrowings	750,000	750,000	750,000
Transfer to Underground Power Reserve - Eden Hill	28,139	25,910	33,522

The Town imposes the following service charge for properties in the Eden Hill NRUPP Underground Power Program for the year ended 30th June 2024:

- i. NRUPP - Consumer Mains Connection, \$2,910; and
- ii. NRUPP – Cut and Cap Connection, \$1,455.

The amount of the service charge applicable for multi-unit developments within the NRUPP Underground Power Program for a 'parent' connection will be shared equally among the property owners in the development according to the number of units owned.

Refer to Note 1(b) for payment options.

15 SIGNIFICANT ACCOUNTING POLICIES - OTHER INFORMATION

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.

CRITICAL ACCOUNTING ESTIMATES

The preparation of a 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.

ROUNDING OFF FIGURES

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

COMPARATIVE FIGURES

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

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.