

WMRC
ANNUAL BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

LOCAL GOVERNMENT ACT 1995

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WMRC'S VISION

A world where waste and its impact on the environment is minimised.

WMRC
STATEMENT OF COMPREHENSIVE INCOME BY NATURE
FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2023/24 Budget	2022/23 Forecast	2022/23 Budget
Revenue				
		\$	\$	\$
Operating grants, subsidies and contributions	11	2,128,980	1,954,437	1,947,586
Fees and charges	14	5,961,037	5,551,593	5,541,194
Interest revenue	12(a)	49,737	42,841	47,473
Other revenue	12(b)	5,188	6,431	5,914
		<u>8,144,942</u>	<u>7,555,302</u>	<u>7,542,167</u>
Expenses				
Employee costs		(1,948,791)	(1,865,604)	(1,809,405)
Materials and contracts		(5,392,515)	(4,991,746)	(5,021,828)
Utility charges		(24,569)	(31,563)	(30,060)
Depreciation	6	(299,275)	(241,408)	(242,144)
Finance costs	12(d)	(1,082)	(598)	(583)
Insurance		(103,321)	(91,841)	(91,841)
Other expenditure		(182,227)	(160,452)	(167,515)
		<u>(7,951,780)</u>	<u>(7,383,212)</u>	<u>(7,363,376)</u>
		193,162	172,090	178,791
Profit on asset disposals	5	600	0	0
		<u>600</u>	<u>0</u>	<u>0</u>
Net result for the period		193,762	172,090	178,791
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus		0	150,000	0
Total other comprehensive income for the period		0	150,000	0
Total comprehensive income for the period		193,762	322,090	178,791

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

WMRC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

CASH FLOWS FROM OPERATING ACTIVITIES

	NOTE	2023/24 Budget	2022/23 Forecast	2022/23 Budget
Receipts				
Operating grants, subsidies and contributions		\$ 1,928,980	\$ 2,222,317	\$ 1,947,586
Fees and charges		5,961,037	5,551,593	5,541,194
Interest revenue		49,737	42,841	47,473
Goods and services tax received		0	0	5,914
Other revenue		5,188	6,431	5,914
		<u>7,944,942</u>	<u>7,823,182</u>	<u>7,548,081</u>
Payments				
Employee costs		(1,841,869)	(1,880,730)	(1,805,979)
Materials and contracts		(5,392,515)	(5,373,059)	(4,849,129)
Utility charges		(24,569)	(31,563)	(30,060)
Finance costs		(1,082)	(598)	(583)
Insurance		(103,321)	(91,841)	(91,841)
Goods and services tax paid		0	0	(167,515)
Other expenditure		(182,227)	(160,452)	(167,515)
		<u>(7,545,583)</u>	<u>(7,538,243)</u>	<u>(7,112,622)</u>
Net cash provided by (used in) operating activities	4	<u>399,359</u>	<u>284,939</u>	<u>435,459</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Payments for purchase of property, plant & equipment	5(a)	(70,000)	(379,900)	(379,900)
Payments for construction of infrastructure	5(b)	(226,000)	(75,875)	(59,000)
Proceeds from sale of infrastructure	5(b)	600	0	0
Net cash provided by (used in) investing activities		<u>(295,400)</u>	<u>(455,775)</u>	<u>(438,900)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Payments for principal portion of lease liabilities	8	(60,878)	(55,373)	(52,598)
Net cash provided by (used in) financing activities		<u>(60,878)</u>	<u>(55,373)</u>	<u>(52,598)</u>

Net increase (decrease) in cash held

Cash at beginning of year		1,160,653	1,512,176	1,432,957
Cash and cash equivalents at the end of the year	4	<u>1,203,734</u>	<u>1,160,653</u>	<u>1,376,918</u>

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

WMRC
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2024

		2023/24	2022/23	2022/23
	NOTE	Budget	Forecast	Budget
OPERATING ACTIVITIES				
Revenue from operating activities				
		\$	\$	\$
Rates	2(a)	0	0	0
Operating grants, subsidies and contributions	11	2,128,980	1,954,437	1,947,586
Fees and charges	14	5,961,037	5,551,593	5,541,194
Interest revenue	12(a)	49,737	42,841	47,473
Other revenue	12(b)	5,188	6,431	5,914
Profit on asset disposals	5	600	0	0
		<u>8,145,542</u>	<u>7,555,302</u>	<u>7,542,167</u>
Expenditure from operating activities				
Employee costs		(1,948,791)	(1,865,604)	(1,809,405)
Materials and contracts		(5,392,515)	(4,991,746)	(5,021,828)
Utility charges		(24,569)	(31,563)	(30,060)
Depreciation	6	(299,275)	(241,408)	(242,144)
Finance costs	12(d)	(1,082)	(598)	(583)
Insurance		(103,321)	(91,841)	(91,841)
Other expenditure		(182,227)	(160,452)	(167,515)
		<u>(7,951,780)</u>	<u>(7,383,212)</u>	<u>(7,363,376)</u>
Non-cash amounts excluded from operating activities	3(b)	324,219	240,620	219,970
Amount attributable to operating activities		517,981	412,710	398,761
INVESTING ACTIVITIES				
Inflows from investing activities				
Proceeds from disposal of assets	5	600	0	0
		<u>600</u>	<u>0</u>	<u>0</u>
Outflows from investing activities				
Payments for property, plant and equipment	5(a)	(70,000)	(379,900)	(379,900)
Payments for construction of infrastructure	5(b)	(226,000)	(75,875)	(59,000)
		<u>(296,000)</u>	<u>(455,775)</u>	<u>(438,900)</u>
Amount attributable to investing activities		(295,400)	(455,775)	(438,900)
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserve accounts	9(a)	2,304,965	2,278,467	1,151,670
		<u>2,304,965</u>	<u>2,278,467</u>	<u>1,151,670</u>
Outflows from financing activities				
Payments for principal portion of lease liabilities	8	(60,878)	(55,373)	(52,598)
Transfers to reserve accounts	9(a)	(2,537,402)	(2,143,692)	(1,010,170)
		<u>(2,598,280)</u>	<u>(2,199,065)</u>	<u>(1,062,768)</u>
Amount attributable to financing activities		(293,315)	79,402	88,902
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	2	(289,037)	(325,374)	302,499
Amount attributable to operating activities		517,981	412,710	398,761
Amount attributable to investing activities		(295,400)	(455,775)	(438,900)
Amount attributable to financing activities		(293,315)	79,402	88,902
Surplus or deficit at the end of the financial year	2	(359,771)	(289,037)	351,262

General rates are outside statutory thresholds, amend general rates

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

WMRC
FOR THE YEAR ENDED 30 JUNE 2024
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1(a) BASIS OF PREPARATION

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

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

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

2022/23 actual balances

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

Budget comparative figures

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

Comparative figures

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

Initial application of accounting standards

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

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

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

New accounting standards for application in future years

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

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

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

Judgements, estimates and assumptions

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

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

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

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

Rounding off figures

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

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

REVENUES

RATES

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

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

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

CAPITAL GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

REVENUE FROM CONTRACTS WITH CUSTOMERS

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

FEES AND CHARGES

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

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

SERVICE CHARGES

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

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

INTEREST EARNINGS

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

OTHER REVENUE / INCOME

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

PROFIT ON ASSET DISPOSAL

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

EXPENSES

EMPLOYEE COSTS

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

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

MATERIALS AND CONTRACTS

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

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

UTILITIES (GAS, ELECTRICITY, WATER)

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

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

INSURANCE

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

LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expenses raised on all classes of assets.

FINANCE COSTS

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

OTHER EXPENDITURE

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

2. RATES AND SERVICE CHARGES (CONTINUED)

(a) Service Charges

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

(b) Waivers or concessions

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

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

3. NET CURRENT ASSETS

(a) Composition of estimated net current assets

		2023/24	2022/23	2022/23
	Note	Budget	Forecast	Budget
		30 June 2024	30 June 2023	30 June 2023
		\$	\$	\$
Current assets				
Cash and cash equivalents	4	1,203,734	1,160,653	1,376,918
Receivables		347,269	147,269	480,000
Other assets		0	0	26,500
		<u>1,551,003</u>	<u>1,307,922</u>	<u>1,883,418</u>
Less: current liabilities				
Trade and other payables		(673,060)	(673,060)	(544,811)
Lease liabilities	8	(85,130)	(60,878)	(27,512)
Employee provisions		(260,052)	(178,674)	(248,845)
		<u>(1,018,242)</u>	<u>(912,612)</u>	<u>(821,168)</u>
Net current assets		532,761	395,310	1,062,250
Less: Total adjustments to net current assets	3(c)	(892,532)	(684,347)	(710,988)
Net current assets used in the Rate Setting Statement		<u>(359,771)</u>	<u>(289,037)</u>	<u>351,262</u>

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

2. NET CURRENT ASSETS (CONTINUED)

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

Items excluded from calculation of budgeted deficiency

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

(b) Non-cash amounts excluded from operating activities

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

		2023/24	2022/23	2022/23
	Note	Budget	Actual	Budget
		30 June 2024	30 June 2023	30 June 2023
		\$	\$	\$
Adjustments to operating activities				
Less: Profit on asset disposals	5	(600)	0	0
Add: Depreciation	6	299,275	241,408	242,144
Non-cash movements in non-current assets and liabilities:				
- Employee provisions		25,544	(788)	(22,174)
Non cash amounts excluded from operating activities		<u>324,219</u>	<u>240,620</u>	<u>219,970</u>

(c) Current assets and liabilities excluded from budgeted deficiency

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

Adjustments to net current assets

Less: Cash - reserve accounts	9	(977,662)	(745,225)	(738,500)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of lease liabilities		85,130	60,878	27,512
Total adjustments to net current assets		<u>(892,532)</u>	<u>(684,347)</u>	<u>(710,988)</u>

3(d) NET CURRENT ASSETS (CONTINUED)

MATERIAL ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

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

TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the WMRC prior to the end of the financial year that are unpaid and arise when the WMRC becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

PREPAID RATES

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the WMRC 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 WMRC contributes to a number of superannuation funds on behalf of employees. All funds to which the WMRC contributes are defined contribution plans.

LAND HELD FOR RESALE

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

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

Land held for resale is classified as current except where it is held as non-current based on the WMRC's intentions to release for sale.

GOODS AND SERVICES TAX (GST)

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

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

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

TRADE AND OTHER RECEIVABLES

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

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

Trade receivables are held with the objective to collect the contractual cashflows and therefore the WMRC 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 WMRC 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 WMRC 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 WMRC'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 WMRC's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the determination of the net current asset position. The WMRC's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the determination of the net current asset position.

Other long-term employee benefits

Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The WMRC's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the WMRC does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

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

4. RECONCILIATION OF CASH

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

Note	2023/24 Budget	2022/23 Forecast	2022/23 Budget
	\$	\$	\$
Cash at bank and on hand	458,509	415,428	496,918
Term deposits	745,225	745,225	880,000
Total cash and cash equivalents	1,203,734	1,160,653	1,376,918
Held as			
- Unrestricted cash and cash equivalents	3(a) 226,072	415,428	638,418
- Restricted cash and cash equivalents	3(a) 977,662	745,225	738,500
	1,203,734	1,160,653	1,376,918

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	977,662	745,225	738,500
	977,662	745,225	738,500

The assets are restricted as a result of the specified purposes associated with the liabilities below:

Financially backed reserves	9	977,662	745,225	738,500
		977,662	745,225	738,500

Reconciliation of net cash provided by operating activities to net result

Net result		193,762	172,090	178,791
Depreciation	6	299,275	241,408	242,144
(Profit)/loss on sale of asset	5	(600)	0	0
(Increase)/decrease in receivables		(200,000)	267,880	(6,122)
Increase/(decrease) in payables		0	(374,265)	4,366
Increase/(decrease) in other provision		0	0	19,706
Increase/(decrease) in employee provisions		106,922	(22,174)	(3,426)
Net cash from operating activities		399,359	284,939	435,459

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 WMRC 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.

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

5. FIXED ASSETS

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

	2023/24 Budget Additions	2023/24 Budget Disposals - Sale Proceeds	2023/24 Budget Disposals - Profit or Loss	2022/23 Forecast Additions	2022/23 Budget Additions
	\$	\$	\$	\$	\$
(a) Property, Plant and Equipment					
Buildings - non-specialised	50,000		0		
Plant and equipment	20,000		0	379,900	379,900
Total	70,000	0	0	379,900	379,900
(b) Infrastructure					
Infrastructure	226,000	600	600	75,875	59,000
Total	226,000	600	600	75,875	59,000
(c) Right of Use Assets					
Right of use - Office Lease 2023-25	85,130		0		
Total	85,130	0	0	0	0
Total	381,130	600	600	455,775	438,900

MATERIAL ACCOUNTING POLICIES

RECOGNITION OF ASSETS

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

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.

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.

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

6. DEPRECIATION

By Class

	2023/24 Budget	2022/23 Forecast	2022/23 Budget
	\$	\$	\$
Buildings - non-specialised	36,677	35,010	35,010
Furniture and equipment	2,447	2,447	2,447
Plant and equipment	81,425	71,511	73,086
Infrastructure	112,115	71,507	70,638
Right of use - land	4,159	4,159	4,159
Right of use - Office Lease 2023-25	40,862		
Right of use - Kubota	18,343	18,343	18,343
Right of use - Office Lease 2021-23	3,247	38,432	38,462
	<u>299,275</u>	<u>241,408</u>	<u>242,144</u>

By Program

Community amenities	299,275	241,408	242,144
	<u>299,275</u>	<u>241,408</u>	<u>242,144</u>

MATERIAL ACCOUNTING POLICIES

DEPRECIATION

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

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

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

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

Buildings - non-specialised	50 Years
Furniture and equipment	3-5 Years
Plant and equipment	5-20 Years
Infrastructure	10-20 Years
Right of use - land	40 Years
Right of use - Office Lease 2023-25	Based on Lease
Right of use - Kubota	Based on Lease
Right of use - Office Lease 2021-23	Based on Lease

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

7. BORROWINGS

(a) New borrowings - 2023/24

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

(b) Unspent borrowings

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

(c) Credit Facilities

	2023/24 Budget	2022/23 Forecast	2022/23 Budget
	\$	\$	\$
Undrawn borrowing facilities credit standby arrangements			
Bank overdraft limit	0	0	0
Bank overdraft at balance date	0	0	0
Credit card limit	14,000	14,000	14,000
Credit card balance at balance date	300	6	6
Total amount of credit unused	14,300	14,006	14,006

MATERIAL ACCOUNTING POLICIES

BORROWING COSTS

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

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

8. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease	2023/24 Budget	2023/24 Budget Lease	Budget Lease	2023/24 Budget Lease	Forecast	2022/23 Forecast	Forecast Lease	2022/23 Forecast Lease	Budget	2022/23 Budget	2022/23 Budget Lease	Budget Lease	2022/23 Budget Lease	
					Principal	New Leases	Principal Repayments	Principal outstanding 30 June 2024	Interest Repayments	Principal 1 July 2022	New Leases	Principal repayments	Principal outstanding 30 June 2023	Interest repayments	Principal 1 July 2022	New Leases	Principal repayments	Principal outstanding 30 June 2023	Interest repayments
Admin Office Lease	AD1	Churchill Strata	1.50%	2	\$ 3,267	\$	\$ (3,267)	\$ 0	\$ 0	\$ 41,712	\$	\$ (38,445)	\$ 3,267	\$ (310)	\$ 39,251	\$	\$ (35,670)	\$ 3,581	\$ (295)
Admin Office Lease	AD2	Churchill Strata	1.50%	2	0	85,130	(40,530)	44,600	(947)			0					0		
2021 R430 Wheel Loader	RC2	Kubota Australia	0.90%	3	24,245		(17,081)	7,164	(135)	41,173		(16,928)	24,245	(288)	41,173		(16,928)	24,245	(288)
					27,512	85,130	(60,878)	51,764	(1,082)	82,885	0	(55,373)	27,512	(598)	80,424	0	(52,598)	27,826	(583)

MATERIAL ACCOUNTING POLICIES

LEASES

At the inception of a contract, the WMRC 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 WMRC 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.

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

9. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

	2023/24 Budget Opening Balance	2023/24 Budget Transfer to	2023/24 Budget Transfer (from)	2023/24 Budget Closing Balance	2022/23 Actual Opening Balance	2022/23 Forecast Transfer to	2022/23 Forecast Transfer (from)	2022/23 Forecast Closing Balance	2022/23 Budget Opening Balance	2022/23 Budget Transfer to	2022/23 Budget Transfer (from)	2022/23 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by legislation												
(a) Development Reserve	595,225	492,437	(260,000)	827,662	28,228	1,538,783	(971,786)	595,225	28,228	731,211	(421,670)	337,769
(b) Operations Reserve	150,000	2,044,965	(2,044,965)	150,000	851,772	604,909	(1,306,681)	150,000	851,772	278,959	(730,000)	400,731
	745,225	2,537,402	(2,304,965)	977,662	880,000	2,143,692	(2,278,467)	745,225	880,000	1,010,170	(1,151,670)	738,500
Restricted by council												
	0	0	0	0	0	0	0	0	0	0	0	0
	745,225	2,537,402	(2,304,965)	977,662	880,000	2,143,692	(2,278,467)	745,225	880,000	1,010,170	(1,151,670)	738,500

(b) Reserve Accounts - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve
(a) Development Reserve	2023-2024	Capital Expenses
(b) Operations Reserve	2023-2024	Shared Services Charge

10 REVENUE RECOGNITION

MATERIAL ACCOUNTING POLICIES

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

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

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

11. PROGRAM INFORMATION

(a) Key Terms and Definitions - Reporting Programs

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

OBJECTIVE

ACTIVITIES

Governance

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

Member Council elected delegates and corporate support services. Includes the administration and operation of facilities and services to members and other costs that relate to the tasks of assisting members on matters which do not concern specific Council services.

Community amenities

To provide essential waste services to Member councils as required by the community.

Costs associated with the financing, administration, operation, and maintenance of the West Metro Recycling Centre, including green waste, weightbridge activities, community education and Verge Valet.

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

11 PROGRAM INFORMATION (Continued)

(b) Income and expenses

	2023/24	2022/23	2022/23
	Budget	Forecast	Budget
Income excluding grants, subsidies and contributions	\$	\$	\$
General purpose funding	49,737	42,841	47,473
Community amenities	5,966,825	5,558,024	5,547,108
	<u>6,016,562</u>	<u>5,600,865</u>	<u>5,594,581</u>
Operating grants, subsidies and contributions			
Community amenities	2,128,980	1,954,437	1,947,586
	<u>2,128,980</u>	<u>1,954,437</u>	<u>1,947,586</u>
Expenses			
Community amenities	(7,951,780)	(7,383,212)	(7,363,376)
Total expenses	<u>(7,951,780)</u>	<u>(7,383,212)</u>	<u>(7,363,376)</u>
Net result for the period	<u>193,762</u>	<u>172,090</u>	<u>178,791</u>

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

12. OTHER INFORMATION

The net result includes as revenues

	2023/24 Budget	2022/23 Forecast	2022/23 Budget
	\$	\$	\$
(a) Interest earnings			
Investments			
- Reserve accounts	42,237	35,341	37,737
- Other funds	7,500	7,500	9,736
	<u>49,737</u>	<u>42,841</u>	<u>47,473</u>

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

(b) Other revenue

Reimbursements and recoveries	5,188	6,431	5,914
	<u>5,188</u>	<u>6,431</u>	<u>5,914</u>

The net result includes as expenses

(c) Auditors remuneration

Audit services	28,537	19,025	19,025
	<u>28,537</u>	<u>19,025</u>	<u>19,025</u>

(d) Interest expenses (finance costs)

expense on lease liabilities (refer Note 8)	1,082	598	583
	<u>1,082</u>	<u>598</u>	<u>583</u>

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

13. ELECTED MEMBERS REMUNERATION

	2023/24 Budget	2022/23 Forecast	2022/23 Budget
	\$	\$	\$
Cr Paul Macfarlane			
President's allowance	16,700	7,498	
Meeting attendance fees	13,184	11,683	8,659
Annual allowance for ICT expenses	500	500	500
Annual allowance for travel and accommodation expenses	100	66	66
	30,484	19,747	9,225
Cr Stephanie Stroud			
Deputy President's allowance	4,175	2,563	2,563
Meeting attendance fees	8,792	8,659	8,659
Annual allowance for ICT expenses	500	500	500
Annual allowance for travel and accommodation expenses	100	66	66
	13,567	11,788	11,788
Cr Andrew Maurice			
Meeting attendance fees	8,792	8,659	8,659
Annual allowance for ICT expenses	500	500	500
Annual allowance for travel and accommodation expenses	100	66	66
	9,392	9,225	9,225
Cr Paul Kelly			
Meeting attendance fees	8,792	8,659	8,659
Annual allowance for ICT expenses	500	500	500
Annual allowance for travel and accommodation expenses	100	66	66
	9,392	9,225	9,225
Cr Peter Macintosh			
Meeting attendance fees	8,792	6,477	
Annual allowance for ICT expenses	500	400	
Annual allowance for travel and accommodation expenses	100	50	
	9,392	6,927	0
Cr Charles Hohnen - Retired			
Presidents allowance		2,752	10,250
Meeting attendance fees		3,487	12,988
Annual allowance for ICT expenses		100	500
Annual allowance for travel and accommodation expenses		16	66
	0	3,603	13,554
Total Elected Member Remuneration	72,227	60,515	53,017
President's allowance	16,700	10,250	10,250
Deputy President's allowance	4,175	2,563	2,563
Meeting attendance fees	48,352	47,624	47,624
Annual allowance for ICT expenses	2,500	2,500	2,500
Annual allowance for travel and accommodation expenses	500	330	330
	72,227	63,267	63,267

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

14. FEES AND CHARGES

	2023/24 Budget	2022/23 Forecast	2022/23 Budget
	\$	\$	\$
By Program:			
Community amenities	5,961,037	5,551,593	5,541,194
	<u>5,961,037</u>	<u>5,551,593</u>	<u>5,541,194</u>

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