

SHIRE OF COCOS (KEELING) ISLANDS

BUDGET REVIEW REPORT

FOR THE PERIOD ENDED 31 JANUARY 2024

LOCAL GOVERNMENT ACT 1995

LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

TABLE OF CONTENTS

Statement of Budget Review	2
Note 1 Basis of Preparation	3
Note 2 Summary Graphs - Budget Review	4
Note 3 Net Current Funding Position	5
Note 4 Predicted Variances / Future Budget Amendments	7
Additional Information for Council	10

SHIRE OF COCOS (KEELING) ISLANDS
STATEMENT OF BUDGET REVIEW
FOR THE PERIOD ENDED 31 JANUARY 2024

		Budget v Actual			Estimated Year End Amount (b)	Predicted Variance (a) - (b)	
	Note	Adopted Budget	Current Budget (a)	Year to Date Actual			
		\$	\$	\$	\$	\$	
OPERATING ACTIVITIES							
Revenue from operating activities							
General rates	4.1	553,855	553,855	500,460	500,460	(53,395)	▼
Grants, subsidies and contributions	4.2	5,579,600	5,588,300	5,328,895	5,478,452	(109,848)	▼
Fees and charges	4.3	2,061,506	2,061,506	986,459	1,179,060	(882,446)	▼
Interest revenue	4.4	169,553	169,553	154,328	219,290	49,737	▲
Other revenue	4.5	26,231	1,604,831	1,050,972	1,636,415	31,584	▲
Profit on asset disposals	4.6	875	875	0	500	(375)	▼
		8,391,620	9,978,920	8,021,113	9,014,177	(964,743)	
Expenditure from operating activities							
Employee costs	4.7	(4,382,881)	(4,393,017)	(2,150,968)	(4,015,298)	377,719	▲
Materials and contracts	4.8	(2,014,282)	(2,042,982)	(917,771)	(1,479,985)	562,997	▲
Utility charges	4.9	(48,361)	(48,361)	(24,557)	(40,728)	7,633	▲
Depreciation	4.10	(1,399,290)	(1,399,290)	(868,866)	(1,481,412)	(82,122)	▼
Finance costs	4.11	(822)	(822)	(624)	(868)	(46)	▼
Insurance	4.12	(178,851)	(178,851)	(173,870)	(173,870)	4,981	▲
Other expenditure	4.13	(990,087)	(979,951)	(477,432)	(951,059)	28,892	▲
Loss on asset disposals	4.14	(2,379)	(44,379)	(252)	(66,252)	(21,873)	▼
		(9,016,953)	(9,087,653)	(4,614,340)	(8,209,472)	878,181	
Non-cash amounts excluded from operating activities	4.15	1,416,278	1,458,278	879,624	1,561,970	103,692	▲
Amount attributable to operating activities		790,945	2,349,545	4,286,398	2,366,675	17,130	
INVESTING ACTIVITIES							
Inflows from investing activities							
Capital grants, subsidies and contributions		847,763	547,763	275,166	547,763	0	
Proceeds from disposal of assets	4.16	1,500	1,500	13,248	248	(1,252)	▼
		849,263	549,263	288,414	548,011	(1,252)	
Outflows from investing activities							
Purchase of land and buildings	4.17	(744,799)	(744,799)	(813,356)	(977,170)	(232,371)	▼
Purchase of plant and equipment	4.18	(930,000)	(988,200)	(512,782)	(697,782)	290,418	▲
Purchase of furniture and equipment	4.19	(81,500)	(81,500)	(3,094)	(45,625)	35,875	▲
Purchase and construction of infrastructure-roads	4.20	(418,161)	(418,161)	(327,688)	(408,272)	9,889	▲
Purchase and construction of infrastructure-other	4.21	(135,490)	(135,490)	(5,751)	(60,116)	75,374	▲
		(2,309,950)	(2,368,150)	(1,662,670)	(2,188,965)	179,185	
Amount attributable to investing activities		(1,460,687)	(1,818,887)	(1,374,257)	(1,640,954)	177,933	
FINANCING ACTIVITIES							
Cash inflows from financing activities							
Transfers from reserve accounts	4.22	1,797,263	2,380,763	674,731	1,867,104	(513,659)	▼
		1,797,263	2,380,763	674,731	1,867,104	(513,659)	
Cash outflows from financing activities							
Payments for principal portion of lease liabilities	4.23	(11,902)	(11,902)	(8,088)	(12,330)	(428)	▼
Transfers to reserve accounts	4.24	(1,817,590)	(3,629,690)	(1,114,756)	(3,331,312)	298,378	▲
		(1,829,492)	(3,641,592)	(1,122,844)	(3,343,642)	297,950	
Amount attributable to financing activities		(32,229)	(1,260,829)	(448,113)	(1,476,538)	(215,709)	
MOVEMENT IN SURPLUS OR DEFICIT							
Surplus or deficit at the start of the financial year	4.25	701,971	730,171	750,817	750,817	20,646	▲
Amount attributable to operating activities		790,945	2,349,545	4,286,398	2,366,675	17,130	▲
Amount attributable to investing activities		(1,460,687)	(1,818,887)	(1,374,257)	(1,640,954)	177,933	▲
Amount attributable to financing activities		(32,229)	(1,260,829)	(448,113)	(1,476,538)	(215,709)	▼
Surplus or deficit after imposition of general rates		0	0	3,214,845	0	(0)	

SHIRE OF COCOS (KEELING) ISLANDS
NOTES TO AND FORMING PART OF THE BUDGET REVIEW REPORT
FOR THE PERIOD ENDED 31 JANUARY 2024

1. BASIS OF PREPARATION

This budget review has been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996*, prescribe that the budget review be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

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

Local Government (Financial Management) Regulations 1996, regulation 33A prescribes contents of the budget review.

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

THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Shire of Cocos (Keeling) Islands controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

All monies held in the Trust Fund are excluded from the financial statements.

Judgements and estimates

The preparation of a financial report 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 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.

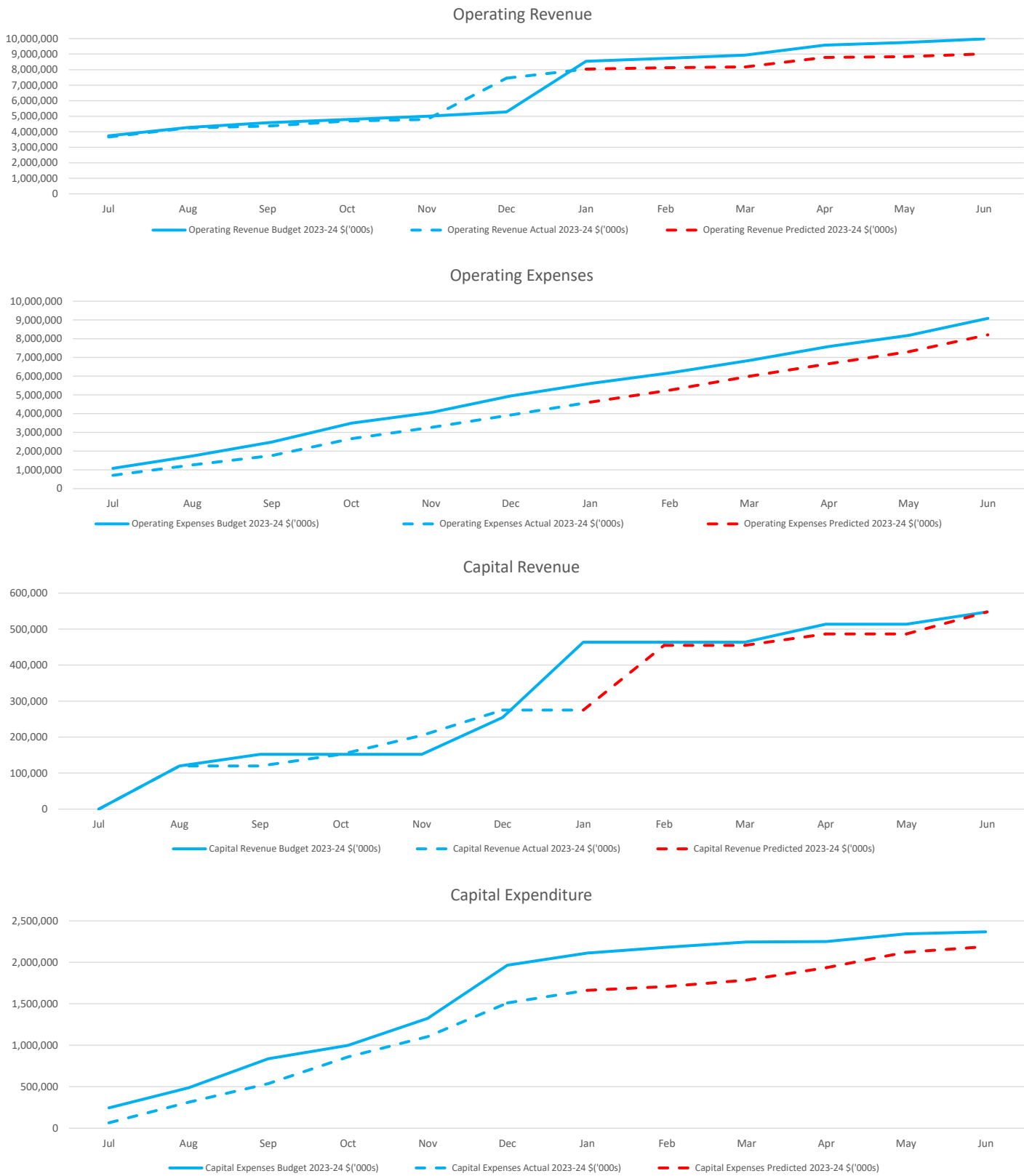
The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, infrastructure and investment property
- estimation uncertainties made in relation to lease accounting
- estimation of fair values of provisions

SIGNIFICANT ACCOUNTING POLICES

Significant accounting policies utilised in the preparation of these statements are as described within the 2023-24 Annual Budget. Please refer to the adopted budget document for details of these policies.

2. SUMMARY GRAPHS - BUDGET REVIEW



This information is to be read in conjunction with the accompanying financial statements and notes.

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

	Audited Actual 30 June 2023	Adopted Budget 30 June 2024	Updated Budget Estimates 30 June 2024	Year to Date Actual 31 January 2024	Estimated Year End Amount 30 June 2024
(a) Composition of estimated net current assets	\$	\$	\$	\$	\$
Current assets					
Cash and cash equivalents	4,531,332	3,420,926	4,649,526	6,536,414	5,178,300
Trade and other receivables	291,197	139,489	139,489	820,804	241,619
Inventories	37,054	41,668	41,668	7,322	7,322
Other assets	73,291	24,397	24,397	40,057	0
	4,932,874	3,626,480	4,855,080	7,404,597	5,427,241
Less: current liabilities					
Trade and other payables	(424,668)	(218,577)	(218,577)	(136,335)	(236,335)
Contract liabilities	(160,400)	0	0	0	(176,749)
Capital grant/contribution liability	(32,231)	0	0	(59,141)	0
Lease liabilities	(11,902)	(12,174)	(12,174)	(4,548)	(12,908)
Employee related provisions	(518,768)	(413,148)	(413,148)	(518,767)	(518,767)
	(1,147,969)	(643,899)	(643,899)	(718,791)	(944,759)
Net current assets	3,784,905	2,982,581	4,211,181	6,685,806	4,482,482
Less: Total adjustments to net current assets	(3,034,088)	(2,982,581)	(4,211,181)	(3,470,961)	(4,482,482)
Closing funding surplus / (deficit)	750,817	0	0	3,214,845	0

(b) Non-cash amounts excluded from operating activities

The following non-cash revenue and expenditure has been excluded from operating activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32*.

	Audited Actual 30 June 2023	Adopted Budget 30 June 2024	Updated Budget Estimates 30 June 2024	Year to Date Actual 31 January 2024	Estimated Year at End Amount 30 June 2024
Adjustments to operating activities	\$	\$	\$	\$	\$
Less: Profit on asset disposals	(8,684)	(875)	(875)	0	(500)
Less: Movement in liabilities associated with restricted cash	(68,525)	15,484	15,484	10,506	14,806
Add: Loss on disposal of assets	14,430	2,379	44,379	252	66,252
Add: Depreciation on assets	1,368,269	1,399,290	1,399,290	868,866	1,481,412
Non-cash movements in non-current assets and liabilities: Employee benefit provisions	13,771	0	0	0	0
Non-cash amounts excluded from operating activities	1,319,261	1,416,278	1,458,278	879,624	1,561,970

(c) Current assets and liabilities excluded from budgeted deficiency

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

	Audited Actual 30 June 2023	Adopted Budget 30 June 2024	Updated Budget Estimates 30 June 2024	Year to Date Actual 31 January 2024	Estimated Year at End Amount 30 June 2024
Adjustments to net current assets	\$	\$	\$	\$	\$
Less: Reserve accounts	(3,390,613)	(3,354,861)	(4,583,461)	(3,830,638)	(4,854,820)
Add: Current liabilities not expected to be cleared at end of year					
- Current portion of lease liabilities	11,902	12,174	12,174	4,548	12,909
- Current portion of provisions held in reserve	344,623	360,106	360,106	355,129	359,429
Total adjustments to net current assets	(3,034,088)	(2,982,581)	(4,211,181)	(3,470,961)	(4,482,482)

3 COMMENTS/NOTES - NET CURRENT FUNDING POSITION (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

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.

FINANCIAL ASSETS AT AMORTISED COST

The Shire of Cocos (Keeling) Islands 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.

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 measures them subsequently at amortised cost using the effective interest rate method.

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

The Shire of Cocos (Keeling) Islands 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.

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.

CONTRACT ASSETS

Contract assets primarily relate to the Shire of Cocos (Keeling) Islands's right to consideration for work completed but not billed at the end of the period.

CONTRACT LIABILITIES

Contract liabilities represent the Shire of Cocos (Keeling) Islands's obligation to transfer goods or services to a customer for which the Shire of Cocos (Keeling) Islands has received consideration from the customer.

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

PROVISIONS

Provisions are recognised when the Shire of Cocos (Keeling) Islands 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.

CURRENT AND NON-CURRENT CLASSIFICATION

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

TRADE AND OTHER PAYABLES

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

PREPAID RATES

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

EMPLOYEE BENEFITS

Short-Term Employee Benefits

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

The Shire of Cocos (Keeling) Islands'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 net current funding position. Shire of Cocos (Keeling) Islands's current obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the net current funding position.

Other long-term employee benefits

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

The Shire of Cocos (Keeling) Islands's obligations for long-term employee benefits where the Shire of Cocos (Keeling) Islands does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, are presented as current provisions in the net current funding position.

SHIRE OF COCOS (KEELING) ISLANDS
NOTES TO THE REVIEW OF THE ANNUAL BUDGET
FOR THE PERIOD ENDED 31 JANUARY 2024

4 PREDICTED VARIANCES / PROPOSED BUDGET VARIATIONS

		Variance
		\$
	Revenue from operating activities	
4.1	General rates	(53,395) ▼
	Backrates on Kampong Rentals - propose to ignore back rates and begin rating from 2023/24.	
	Interfund non-cash transaction	(48,600)
	Other adjustments to Rating categories & interim rates YTD	(4,795)
4.2	Grants, subsidies and contributions	(109,848) ▼
	Financial Assistance Grants - actual received lower than budgeted estimate	(36,439)
	1,000 Jobs Grant - IT Officer only. HR & CDC Officers not eligible	(37,314)
	Election expenses contribution - offset by lower election expenses	(17,500)
	DPIRD Wasp & Siam Weed control funding - lower hours claimed due to Ranger position vacancy	(30,140)
	DoT funding for additional hours for MVR Officer on West Island	10,500
	International Day of Disability funding	1,000
4.3	Fees and charges	(882,446) ▼
	Private works income lower than budgeted - predominantly due to no sandbagging works for Commonwealth	(659,904)
	Lower than budgeted Transfer Station Gate fees (offset by lower off-island waste disposal expenditure).	(237,232)
	Adjustment to rubbish collection fees - bins returned	(24,774)
	Animal Control fees lower than budgeted (vet services / cat desexing)	(2,750)
	Building & Food Licences lower than budgeted	(1,574)
	Container Park rent income - omitted in adopted budget	23,500
	Property Lease income higher than budgeted - CPI increases on Shire leases (excludes trust leases)	14,211
	Higher than budgeted building fees	3,653
	Anchorage and camping fees income higher than budgeted	2,635
	Public Hall hire (Cyclone shelter and Pondok Indah) higher than budgeted	1,300
	Other minor fees & charges	(1,511)
4.4	Interest revenue	49,737 ▲
	Higher than budgeted interest rates on term deposits and cash at bank	49,737
4.5	Other revenue	31,584 ▲
	.cc income lower than budgeted (timing of payments)	(52,594)
	Jobseeker and apprenticeship funding higher than budgeted	34,040
	Workers Compensation claims higher than budgeted	35,941
	Recycling income higher than budgeted	6,697
	MVR Commissions higher than budgeted	2,419
	Museum donations received - unbudgeted	2,617
	Other minor reimbursements	2,463
4.6	Profit on asset disposals	(375) ▼
	Cancel budgeted disposal - Electric Golf car repaired and used for Admin	(375)
	Expenditure from operating activities	
4.7	Employee costs	377,719 ▲
	Salaries & super lower than budgeted (vacancies and higher allocation of hours to capital works and Trust properties)	451,247
	Staff appointment/leaving costs forecast to be lower than budgeted	15,000
	Staff uniforms and PPE lower than budgeted	11,145
	FBT instalments lower than budgeted	6,374
	Staff amenities lower than budgeted	3,854
	Other minor employee costs below budget (professional memberships, ferry tickets, staff airfares allowance)	1,225
	Staff vehicle costs higher than budgeted (re-allocation of depreciation charge)	(27,147)
	Staff training and development higher than budgeted	(6,899)
	Workers compensation insurance higher than budgeted (declaration of asbestos handling)	(9,289)
	Staff housing higher than budgeted (addition of Governance Manager contract allowances)	(10,885)
4.8	Materials and contracts	562,997 ▲
	Waste Management materials and contracts below budget -	
	predominantly off-island shipping & container costs. <i>This is partially offset by lower income from Tfr Stn Gate fees.</i>	368,838
	IT Consultants / software & hardware below budget	66,187
	Plant maintenance materials below budget	63,879
	Property Maintenance materials below budget (excludes Trust properties)	58,033
	Parks & Reserves materials below budget	39,776
	Road maintenance materials below budget	7,724
	Events/ Receptions and Functions below budget	27,282
	Election expenses below budget (offset by Electoral Commission reimbursement)	17,500
	Minor office furniture & equipment lower than budgeted	13,703
	2022/23 AFS Audit fees lower than budgeted	12,500
	Animal & Pest control materials below budget	5,851
	Reallocation of plant costs from capital projects to operating works	(68,690)
	Grant application consultants higher than budgeted (Growing Regions funding)	(26,739)
	Legal advice higher than budgeted (IT/Verisign legal fees offset by other Legal fees being allocated to Trust expense)	(11,609)
	Internet expenses higher than budgeted	(7,015)
	Other minor materials & contracts below budget	(4,223)

4.9	Utility charges		7,633	▲
	Water - lower than budgeted due to reallocation of some water rates against Trust properties	(12,932)		
	Electricity - higher than budgeted increases	(826)		
4.10	Depreciation		(82,122)	▼
	Predominantly higher than budgeted plant depreciation due to new plant	(82,122)		
4.11	Finance costs		(46)	▼
	Interest on WI Office lease - higher than budgeted CPI increase in lease fees	(46)		
4.12	Insurance		4,981	▲
	Excess claim payment \$2,500 offset by reallocation of some property insurance against Trust properties	4,981		
4.13	Other expenditure		28,892	▲
	Members Expenses below budget (Councillor flights and accomodation allocated for WALGA Convention)	26,601		
	Community & Business grants lower than budgeted (low applications in first round of Business Improvement Grants)	7,053		
	1979 Land Trust net expenditure (\$741)			
	Higher than budgeted property income (Kampong and other HI leases)	1,721		
	Higher than budgeted legal advice expense (Housing policy, leasing policy)	(129,754)		
	Higher than budgeted Property maintenance expenses (Kampong) - Salaries, plant allocation & materials	(66,565)		
	Higher than budgeted utility expenses (Water rates on Kampong rentals and other HI Shire operated properties)	(13,891)		
	Higher than budgeted property insurance (see savings in Shire insurance due to reallocation of properties to Trust)	(3,022)		
	Lower than budget audit fees on Trust accounts	1,864		
	Capital - Kampong rentals renewals lower than budgeted, carry forward to 2024/25 pending Housing legal advice	208,906		
	1984 Land Trust net expenditure (\$4,021)			
	Higher than budgeted property income (WI leases)	17,997		
	Lower than budget audit fees on Trust accounts	9,600		
	Lower than budgeted property insurance	1,677		
	Higher than budgeted Property maintenance expenses - Salaries, plant allocation & materials	(27,530)		
	Higher than budgeted legal advice expense (Commercial leasing policy)	(3,261)		
	Higher than budgeted utility expenses (Water rates and other HI Shire operated properties)	(1,562)		
	Capital - HI Admin Office Building Upgrades - Shire Office roof replacement lower than budgeted	8,058		
	Capital - Chula Shed Electrical Upgrades - for Jukong restoration project.	(9,000)		
4.14	Loss on asset disposals		(21,873)	▼
	Demolition of Direction Island Lookout Deck	(25,000)		
	Originally budgeted disposal of Kubota tractor - onhold	2,327		
	Adjustment to WDV on disposal of HI Ablutions block	1,000		
	Loss on disposal of Rubbish Truck	(200)		
	Non-cash amounts excluded from operating activities		103,692	▲
	Depreciation adjustment per above	82,122		
	Profit / Loss on disposal of assets adjustment per above	22,248		
	Movement in liabilities associated with restricted cash (Current Employee leave provision)	(678)		
	Inflows from investing activities			
4.16	Proceeds from disposal of assets		(1,252)	▼
	Cancel budgeted disposal - Electric Golf car repaired and used for Admin	(1,000)		
	Net Proceeds on sale of Rubbish truck	(252)		
	Outflows from investing activities			
4.17	Purchase of land and buildings		(232,371)	▼
	HI Retail Precinct Extension works - budget overrun	(218,986)		
	Depot WI - Ablutions	(2,877)		
	Beach Shelters - Direction Island - reallocate funding from DI Lookout	(21,429)		
	Toilets - Direction Island - reallocate funding from DI Lookout	(13,414)		
	Depot HI - Shelving/fitout - reallocate budget to furniture & equipment	22,910		
4.18	Purchase of plant and equipment		290,418	▲
	Minor Plant Purchases (<\$5,000) - lower than budgeted - items yet to be identified	5,000		
	Plant Replacement - Bobcat (Skid Steer) - purchase completed higher than budgeted	(3,357)		
	Plant Replacement - Kubota Tractor - Home Island - tractor purchase amended to ride on mower	115,000		
	Plant Replacement - Eneco Work Punt Motor only - purchase completed lower than budgeted	2,347		
	Crusher Bucket - quotes and shipping expected to be higher than budgeted	(9,719)		
	Diesel Fuel Tank for Home Island - Purchased portable 650L tank (not capital) as temporary measure pending outcome of Growing Regions Funding.	35,000		
	Roll out Boat Ramp Matting - project onhold.	100,000		
	Plant replacement - Light Vehicle & buggie replacement. Purchases completed below budget	45,367		
4.19	Purchase of furniture and equipment		35,875	▲
	Depot HI - Shelving/fitout - reallocate budget to furniture & equipment	(22,910)		
	Depot HI - Shelving/fitout - under budget	3,714		
	West Island Video Conferencing Equip - lower than budget	3,572		
	Photocopier Renewal - bring forward from 2024/25 ICT Strategic Plan due to condition of current Admin photocopier	(20,000)		
	Telephone System renewal - carry forward to 2024/25 once internet reliability is improved	10,000		
	Server Upgrades - carry forward to 2024/25 once internet reliability is improved	6,500		
	WI to HI Point 2 Point - carry forward to 2024/25 once internet reliability is improved	55,000		

4.20	Purchase and construction of infrastructure-roads		9,889	▲
	Jalan Raya (from Bunga Mawar to Jalan Kangkong)	(15,104)		
	Jalan Baru (infront of Retail Centre) - reallocate funds to Jalan Raya	24,993		
4.21	Purchase and construction of infrastructure-other		75,374	▲
	Lookout Deck - Direction Island - works cancelled - deck to be demolished and funding reallocated to other DI works	31,187		
	Sandbagging - HI Cemetery - works cancelled	43,616		
	Cash inflows from financing activities			
4.22	Transfers from reserve accounts		(513,659)	▼
	Plant & Equipment Reserve - Plant replacement capital purchases below budget	(151,938)		
	Building Reserve - lower expenditure on Kampong renewals	(31,853)		
	IT & Communications reserve - lower IT capital and operating expenditure	(74,559)		
	Waste Management Reserve - lower income to cover waste expenditure	(255,309)		
	Cash outflows from financing activities			
4.23	Payments for principal portion of lease liabilities		(428)	▼
	minor CPI adjustment to office lease contract	(428)		
4.24	Transfers to reserve accounts		298,378	▲
	Higher than budgeted interest on term deposits (ICT Reserve)	(9,525)		
	IT & Communications reserve - lower than budgeted .cc income	52,594		
	Waste Management Reserve - lower income to cover waste expenditure	255,309		
4.25	Surplus or deficit at the start of the financial year		20,646	▲
	minor underspend in 2022/23	20,646		

CAPITAL EXPENDITURE

Capital Expenditure	Program	New / Renewal	Adopted Budget	Current Budget	YTD Actual	Forecast Budget Review	Variance Fcst to Current Budget	Comments
			FY23/24	FY23/24		FY23/24	FY23/24	
			\$	\$		\$		
Buildings / Minor Structures								
Studio Unit Lot 198 HI	Housing	New	44,189	44,189	4,845	43,448	(741)	Unit now delivered to HI, awaiting final connections.
HI Retail Precinct Extension works	Economic Services	New / Upgrade	507,297	507,297	689,199	726,283	218,986	Majority works complete.
Depot WI - Ablutions	Transport	Renewal	15,547	15,547	18,424	18,424	2,877	Complete
Emden Memorial Restoration - Direction Island	Heritage	Renewal	56,554	56,554	35,857	55,871	(683)	In Progress
Beach Shelters - Direction Island	Recreation And Culture	Renewal	42,133	42,133	23,287	63,562	21,429	In Progress - reallocate Grant funding from DI Lookout Deck
Toilets - Direction Island	Community Amenities	Renewal	38,169	38,169	41,583	51,583	13,414	Majority works complete. Reallocate funding from DI Lookout Deck
HI Cyclone Shelter - Undercroft Lighting	Recreation And Culture	New	18,000	18,000	0	18,000	0	
Buildings Total			721,889	721,889	813,196	977,170	255,281	
Intangible Assets								
Intangible Assets								
			0	0	0	0	0	
Plant, Furniture and Equipment								
Furniture and Equipment								
Depot HI - Shelving/fitout	PWOH	Renewal	22,910	22,910	160	19,196	(3,714)	Materials to be ordered
IT & Communications Equipment								
West Island Video Conferencing Equip	Admin OH	New	10,000	10,000	3,094	6,428	(3,572)	Orders have been placed.
Photocopier Renewal	Admin OH	Renewal	0	0	0	20,000	20,000	Bring forward from 2024/25 ICT Strategic Plan as Admin Photocopier is not working properly.
Telephone System renewal	Admin OH	Renewal	10,000	10,000	0	0	(10,000)	Cfwd to 2024/25 - Fast and reliable internet is required - discuss with Focus once Starlink is installed
Server Upgrades	Admin OH	Renewal	6,500	6,500	0	0	(6,500)	cfwd to 2024/25 - Dell server warranty expires in June 2024.
WI to HI Point 2 Point	Admin OH	New	55,000	55,000	0	0	(55,000)	cfwd to 2024/25 - Fast and reliable internet is required - gain access to the SUB.CO fibre optic cable
Plant and Equipment								
Minor Plant Purchases (<\$5,000)	PWOH	Renewal	15,000	15,000	0	10,000	(5,000)	Annual provision for minor plant items.
Plant Replacement - Bobcat (Skid Steer)	PWOH	Renewal	0	8,200	11,557	11,557	3,357	Completed.
Plant Replacement - Kubota Tractor - Home Island (C1262)	PWOH	Renewal	200,000	200,000	0	85,000	(115,000)	Remove and replace with PC1450 - Home Island Ride on Mower
Plant Replacement - Eneco Work Punt Motor only	PWOH	Renewal	18,000	18,000	10,653	15,653	(2,347)	Completed.
Plant Replacement - Loader Home Island	PWOH	Renewal	240,000	290,000	289,219	289,219	(781)	Completed.
Crusher Bucket	PWOH	New	77,000	77,000	1,719	86,719	9,719	Quotes received and are being evaluated
Diesel Fuel Tank for Home Island	PWOH	New	35,000	35,000	0	0	(35,000)	Quotes received - awaiting advice from Coop as to status of fuel supply on HI
Roll out Boat Ramp Matting	PWOH	New	100,000	100,000	0	0	(100,000)	ON HOLD
Motor Vehicles								
Plant replacement - 2x Light Vehicles (Works - West Island)	PWOH	Renewal	100,000	100,000	111,930	111,930	11,930	Complete
Plant replacement - PE1404 (Works - Home Island)	PWOH	Renewal	65,000	65,000	23,754	23,754	(41,246)	Complete
Plant replacement - PE430 (Works - West Island)	PWOH	Renewal	80,000	80,000	63,949	63,949	(16,051)	Complete
Plant , Furniture and Equipment Total			1,034,410	1,092,610	516,035	743,406	(349,204)	
Roads								
Jalan Raya (from Bunga Mawar to Jalan Kangkong)	Transport	Renewal	157,738	157,738	157,349	172,842	15,104	Majority works complete.
Jalan Baru (infront of Retail Centre)	Transport	Renewal	260,423	260,423	170,339	235,430	(24,993)	Majority works complete.
Roads Total			418,161	418,161	327,688	408,272	(9,889)	
Infrastructure - Other								
Fencing - Home Island Transfer Station	Community Amenities	Renewal	44,482	44,482	0	44,037	(445)	RFQ issued and awarded to Coop.
Lookout Deck - Direction Island	Economic Services	Renewal	31,187	31,187	0	0	(31,187)	Platform to be removed - funding to be reallocated to other works on DI.
HI Container Park Pins	Economic Services	New	16,205	16,205	5,751	16,080	(125)	Design complete and materials ordered
Sandbagging - HI Cemetery	Community Amenities	Renewal	43,616	43,616	0	0	(43,616)	On hold
Infrastrucutre - Other Total			135,490	135,490	5,751	60,116	(75,374)	
Capital Expenditure Total (Municipal Fund)			2,309,950	2,368,150	1,662,670	2,188,965	(179,185)	
Capital Expenditure - LAND TRUST ASSETS								
			Adopted Budget	Current Budget	YTD Actual	Forecast Budget Review	Variance Fcst to Current Budget	Comments
			FY23/24	FY23/24		FY23/24	Budget FY22	
Kampong - House Renewals/Upgrades (Rentals)	Housing	Renewal	343,586	343,586	2,427	134,680	(208,906)	Carry forward project. ON HOLD
Buildings 1979 Trust Total			343,586	343,586	2,427	134,680	(208,906)	
HI Admin Office Building Upgrades	Admin OH	Renewal	198,660	198,660	122,003	190,602	(8,058)	Roof repairs
Chula Shed Electrical Upgrades	Recreation - Heritage	Upgrade	0	0	0	9,000	9,000	For Jukong projects
Buildings 1984 Trust Total			198,660	198,660	122,003	199,602	942	
Capital Expenditure Total (Including Land Trust Expenditure)			2,852,196	2,910,396	1,787,101	2,523,246	(387,150)	

SHIRE OF COCOS (KEELING) ISLANDS
CASH RESERVES

											BUDGET REVIEW 2023/24				
Cash backed reserve						Current Budget FY22/23					Forecast Actual FY23/24				
Reserve name	Adopted Budget FY 23/24														
	Opening Balance	Budget Interest Earned	Budget Transfers In (+)	Budget Transfers Out (-)	Budget Closing Balance	Budget Opening Balance	Budget Interest Earned	Budget Transfers In (+)	Budget (-)	Budget Closing Balance	Actual Opening Balance	Forecast Interest Earned	Forecast Transfers In (+)	Forecast Transfers Out (-)	Revised Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Staff Leave Reserve	344,622	15,484	0	0	360,106	344,622	15,484	0		360,106	344,623	14,807	0	0	359,429
Plant Replacement Reserve	959,132	38,358	470,009	(702,500)	764,999	959,132	38,358	470,009	(752,500)	714,999	977,331	37,384	470,009	(600,562)	884,162
Building Reserve	1,280,353	56,033	270,608	(181,533)	1,425,461	1,280,353	56,033	270,608	(181,533)	1,425,461	1,286,428	56,534	270,608	(149,680)	1,463,891
Furniture & Equipment Reserve	18,792	844	22,190	0	41,826	18,792	844	22,190	0	41,826	18,792	807	22,190	0	41,789
Climate Adaptation Reserve	86,585	3,890	0	0	90,475	86,585	3,890	0	0	90,475	86,585	3,724	0	0	90,309
Community Reserve	460,149	18,630	0	0	478,779	460,149	18,630	0	0	478,779	491,953	21,339	0	0	513,292
Self Insurance Reserve	104,401	4,691	0	0	109,092	104,401	4,691	0	0	109,092	104,401	4,482	0	0	108,883
Land Trust Administration Reserve	80,500	3,623	0	0	84,123	80,500	3,623	0	0	84,123	80,500	2,852	0	0	83,352
IT & Communications Reserve	0	0	0	0	0	0	0	1,578,600	(533,500)	1,045,100	0	9,150	1,526,006	(458,941)	1,076,215
Waste Management Reserve	0	0	913,230	(913,230)	0	0	0	913,230	(913,230)	0	0	0	657,921	(657,921)	0
Infrastructure Reserve	0	0	0	0	0	0	0	233,500	0	233,500	0	0	233,500	0	233,500
Total Reserves	3,334,534	141,553	1,676,037	(1,797,263)	3,354,861	3,334,534	141,553	3,488,137	(2,380,763)	4,583,461	3,390,612	151,078	3,180,234	(1,867,104)	4,854,820

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
Leave Reserve	Ongoing	- to be used to fund annual and long service leave requirements.
Plant Reserve	Ongoing	- to be used for the purchase of major plant.
Building Reserve	Ongoing	- to be used for the construction of Council buildings.
Climate Adaption Reserve	Ongoing	- to be used for the purpose of providing for the needs of climate adaptation in the future.
Community Reserve	Ongoing	- to be used for the development of Home Island facilities and infrastructure.
Furniture and Equipment Reserve	Ongoing	- to be used for the purchase of furniture and office equipment.
Self Insurance Reserve	Ongoing	- to be used to ensure that Council has sufficient cover on all insurance policies
Land Trust Administration Reserve	Ongoing	- to be used to provide funds for the future administration and winding-up of the 1979 and 1984 Land Trusts
IT & Communications Reserve	Ongoing	- to be used to restrict .cc income to fund Shire ICT costs and other Island wide communication/connectivity improvement initiatives.
Waste Management Reserve	Ongoing	- to be used to restrict bin collection and transfer station gate fees to funding waste management operating and capital costs
Infrastructure Reserve	Ongoing	- to be used to restrict funds for use towards future Shire infrastructure projects

OPERATING GRANTS AND CONTRIBUTIONS

Operating grants, subsidies and contributions	FY23/24	FY23/24	Opening Contract Liability	FY23/24		Variance to Current Budget	Comments
	Adopted Budget Revenue	Current Budget Receivable		Forecast Receivable	Forecast Revenue		
	\$		\$	\$	\$		
General purpose funding							
Local Government General Purpose Grant	4,816,728	4,816,728	0	4,766,056	4,766,056	(50,672)	FAGS - final amount confirmed 3.9% increase, originally budgeted 5% increase.
Local Government General Purpose Grant - Roads	188,684	188,684	0	202,917	202,917	14,233	FAGS - final amount confirmed 12.92% increase, originally budgeted 5% increase.
Governance							
WALGA - Councillor Training Contribution	5,000	5,000	0	5,000	5,000	0	
Election Expenses Contribution	22,000	22,000	0	4,500	4,500	(17,500)	Lower than budgeted election expenses (returning officer accomodation only)
Law, order, public safety							
Fisheries Services in the Cocos (Keeling) Islands	320,228	320,228	176,749	373,266	320,273	45	12 month Contract started March 2023. Assume renewal.
Health							
Dept Primary Industries - Declared Pest Program	100,320	100,320	0	70,180	70,180	(30,140)	Wasp Control - Contract renewed annually. Assistant Ranger vacant position.
Recreation & Culture							
Library - LisWA Book Exchange	5,000	5,000	0	5,000	5,000	0	
National Maritime Museum - Jukong Restoration Project	0	8,700	0	8,700	8,700	0	
International Day of Disability	0	0	0	1,000	1,000	1,000	
Transport							
Dept. Transport - Provision of Licencing Services	65,640	65,640	0	76,140	76,140	10,500	MVR - per Service Agreement contract (expires June 2024). Additional funding for WI hours
			0				
Other Property & Services							
1,000 Jobs Program Grant	56,000	56,000	0	18,686	18,686	(37,314)	ICT Officer only
TOTALS	5,579,600		176,749	5,531,445	5,478,452	(109,848)	

CAPITAL GRANTS AND CONTRIBUTIONS

Non-operating grants, subsidies and contributions Provider	Adopted Budget Receivable	Adopted Budget Revenue	Opening Liability 1 Jul 2023	Forecast Increase In Liability	Forecast Reduction (As revenue)	Closing Unspent Funding Liability	Forecast Receivable	Forecast Revenue	Comments
	\$		\$	\$	\$	\$	\$		
Recreation and Culture									
Saluting Their Service Commemorative Grant	0	32,231	32,231	0	(32,231)	0	0	32,231	Emden Memorial Restoration
LRCI Phase 4 - Cyclone Shelter Lighting	18,000	18,000	0	18,000	(18,000)	0	18,000	18,000	
LRCI Phase 4 - Beach Shelters - Direction Island	42,133	42,133	0	42,133	(42,133)	0	42,133	42,133	
Economic Services									
LRCI Phase 4 - Container Pins	10,000	10,000	0	10,000	(10,000)	0	10,000	10,000	
LRCI Phase 4 - Lookout Deck - Direction Island	28,435	28,435	0	28,435	(28,435)	0	28,435	28,435	to be reallocated to other DI projects
Economic Stimulus Funding - Retail Centre	300,000	300,000	0	0	0	0	300,000	0	Funding no longer available.
Transport									
Roads to Recovery Funding	99,921	99,921	0	99,921	(99,921)	0	99,921	99,921	Jalan Baru
Supplementary Roads Funding	200,000	200,000	0	200,000	(200,000)	0	200,000	200,000	Jalan Raya
LRCI Phase 4 - Roads only	78,874	78,874	0	78,874	(78,874)	0	78,874	78,874	Jalan Baru
Community amenities									
LRCI Phase 4 - Toilets - Direction Island	38,169	38,169	0	38,169	(38,169)	0	38,169	38,169	Toilets - Direction Island
TOTALS	815,532	847,763	32,231	515,532	(547,763)	0	815,532	547,763	

DISPOSAL OF ASSETS

				Budget Review						
Rego	Asset Ref.	Plant Ref.	Asset description	Net Book Value	Proceeds	Cost to remove from island	Net proceeds	Profit	(Loss)	Comment
				\$	\$			\$	\$	
			Buildings							
	LB030		Toilets - Lot 103 Home Island Industrial Area	41,000	0	0	0	0	(41,000)	per OCM 4 Oct 2023. Item 10.3.1
			Other Infrastructure							
	IO041		DI RIP Lookout Deck	25,000	0	0	0	0	(25,000)	Reallocation of renewal funding in Budget Review.
			Motor Vehicles							
C1404	PE1404	PC1404	2018 EziGo Electric Golf Car (HI)	0	0	0	0	0	0	Cancelled, vehicle repaired for Admin use
C1253	PE428	PC1253	Plant Replacement - Holden Single Cab Ute	0	10,000	(10,000)	0	0	0	To be shipped off-island in February
C1151	PE422	PC1151	Plant Replacement - Mitsubishi Triton Crew Cab	0	10,000	(10,000)	0	0	0	To be shipped off-island in February
C1252	PE430	PC1252	Plant Replacement PE430 - Crewcab	0	10,000	(10,000)	0	0	0	To be shipped off-island in February
C929	PE416	PC929	Plant Replacement PE416	0	10,000	(10,000)	0	0	0	To be shipped off-island in February
C1023	PE714	PC1023	Plant Replacement PE714	0	0	0	0	0	0	Vehicle fire - diposed late 2022/23.
			Plant & Equipment							
C1081	PE723	PC1081	Isuzu Rubish Truck	0	29,091	(29,343)	(252)	0	(252)	rolled from 2022/23.
C1266	PE737	PC1266	Plant Replacement - Kubota Tractor (HI)	0	0	0	0	0	0	On hold - re-allocate to replace ride-on mower
C1220	PE730	PC1220	Plant Replacement - Loader - (HI)	0	13,500	(13,500)	0	0	0	awaiting off-island shipping invoice
	PE224 - Boat		Plant Replacement - Eneco Work Punt Motor only	0	500	0	500	500	0	sell on-island
				66,000	83,091	(82,843)	248	500	(66,252)	
								Net Profit/(Loss)	(65,752)	