



BUDGET

FOR THE YEAR ENDED 30 JUNE 2017

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SHIRE OF BRIDGETOWN-GREENBUSHES
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
Revenue				
Rates	8	4,130,711	3,955,837	3,934,151
Operating grants, subsidies and contributions		2,597,817	1,481,868	1,302,564
Fees and charges	15	1,650,736	1,474,248	1,619,380
Interest earnings	2(a)	166,700	200,718	175,450
Other revenue	2(a)	138,139	201,120	165,121
		<u>8,684,103</u>	<u>7,313,791</u>	<u>7,196,666</u>
Expenses				
Employee costs		(4,334,333)	(3,963,067)	(4,271,498)
Materials and contracts		(2,472,165)	(1,771,438)	(1,917,663)
Utility charges		(216,467)	(205,038)	(198,863)
Depreciation on non-current assets	2(a)	(3,746,456)	(3,623,819)	(3,790,859)
Interest expenses	2(a)	(94,868)	(92,537)	(105,881)
Insurance expenses		(236,682)	(221,383)	(224,498)
Other expenditure		(306,252)	(245,035)	(260,839)
		<u>(11,407,223)</u>	<u>(10,122,317)</u>	<u>(10,770,101)</u>
		(2,723,120)	(2,808,526)	(3,573,435)
Non-operating grants, subsidies and contributions		3,096,482	3,023,561	3,029,653
Profit on asset disposals	6	0	5,027	260
Loss on asset disposals	6	(16,071)	(35,377)	(80,795)
NET RESULT		357,291	184,685	(624,317)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u>357,291</u>	<u>184,685</u>	<u>(624,317)</u>

Notes:

All fair value adjustments relating to remeasurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets are impacted upon by external forces and not able to be reliably estimated at the time of budget adoption.

Fair value adjustments relating to the re-measurement of financial assets at fair value through profit or loss will be assessed at the time they occur with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes upon revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

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

SHIRE OF BRIDGETOWN-GREENBUSHES
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
Revenue (Refer Notes 1,2,8,10 to 13 & 15)				
Governance		329	10,309	10,360
General purpose funding		6,221,490	5,121,685	5,092,590
Law, order, public safety		251,008	380,955	238,175
Health		19,500	21,042	16,500
Education and welfare		8,509	43,052	4,617
Housing		12,150	8,580	13,330
Community amenities		979,509	949,277	930,675
Recreation and culture		700,377	253,507	369,034
Transport		169,950	186,315	164,890
Economic services		143,850	144,905	166,550
Other property and services		177,431	194,164	189,945
		8,684,103	7,313,791	7,196,666
Expenses Excluding Finance Costs Refer Notes 1, 2 & 14)				
Governance		(941,705)	(953,146)	(985,634)
General purpose funding		(119,128)	(112,053)	(113,089)
Law, order, public safety		(721,106)	(776,767)	(705,756)
Health		(90,083)	(89,777)	(102,078)
Education and welfare		(206,155)	(207,285)	(187,359)
Housing		(33,643)	(30,461)	(34,764)
Community amenities		(1,557,174)	(1,373,664)	(1,458,358)
Recreation and culture		(3,033,605)	(2,287,987)	(2,553,453)
Transport		(3,834,324)	(3,538,001)	(3,772,301)
Economic services		(594,566)	(513,553)	(609,436)
Other property and services		(180,866)	(147,086)	(141,992)
		(11,312,355)	(10,029,780)	(10,664,220)
Finance Costs (Refer Notes 2 & 7)				
General purpose funding		(100)	0	(100)
Community amenities		(17,303)	(8,563)	(21,790)
Recreation and culture		(76,638)	(82,359)	(82,376)
Economic services		(827)	(1,615)	(1,615)
		(94,868)	(92,537)	(105,881)
Non-operating Grants, Subsidies and Contributions				
Law, order, public safety		534,943	384,956	426,970
Recreation and culture		26,405	1,255,141	1,147,768
Transport		2,535,134	1,383,464	1,429,915
Other property and services		0	0	25,000
		3,096,482	3,023,561	3,029,653
Profit/(Loss) On Disposal Of Assets (Refer Note 6)				
Governance		(4,145)	(877)	(2,250)
Community amenities		(800)	0	0
Recreation and culture		0	(1,686)	(645)
Transport		(7,809)	(27,787)	(77,640)
Economic services		(3,317)	0	0
		(16,071)	(30,350)	(80,535)

SHIRE OF BRIDGETOWN-GREENBUSHES
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
NET RESULT		357,291	184,685	(624,317)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u><u>357,291</u></u>	<u><u>184,685</u></u>	<u><u>(624,317)</u></u>

Notes:

All fair value adjustments relating to remeasurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets are impacted upon by external forces and not able to be reliably estimated at the time of budget adoption.

Fair value adjustments relating to the re-measurement of financial assets at fair value through profit or loss will be assessed at the time they occur with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes upon revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

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

SHIRE OF BRIDGETOWN-GREENBUSHES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		4,128,711	3,956,347	3,929,151
Operating grants, subsidies and contributions		2,603,417	1,441,189	1,263,864
Fees and charges		1,654,736	1,464,027	1,626,380
Interest earnings		166,700	202,784	175,450
Goods and services tax		323,400	275,223	449,700
Other revenue		138,139	200,620	166,121
		<u>9,015,103</u>	<u>7,540,190</u>	<u>7,610,666</u>
Payments				
Employee costs		(4,294,333)	(3,899,000)	(4,246,498)
Materials and contracts		(2,577,769)	(2,071,354)	(1,869,146)
Utility charges		(215,967)	(205,338)	(198,663)
Interest expenses		(94,868)	(92,534)	(105,881)
Insurance expenses		(236,682)	(221,383)	(224,498)
Goods and services tax		(313,600)	(271,144)	(444,800)
Other expenditure		(306,252)	(250,035)	(255,839)
		<u>(8,039,471)</u>	<u>(7,010,788)</u>	<u>(7,345,325)</u>
Net cash provided by (used in) operating activities	3(b)	<u>975,632</u>	<u>529,402</u>	<u>265,341</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5	(1,782,616)	(1,700,804)	(5,147,881)
Payments for construction of infrastructure	5	(3,115,582)	(5,601,442)	(2,583,666)
Non-operating grants, subsidies and contributions used for the development of assets		3,096,482	3,023,561	3,029,653
Proceeds from sale of plant & equipment	6	113,500	218,697	173,000
Net cash provided by (used in) investing activities		<u>(1,688,216)</u>	<u>(4,059,988)</u>	<u>(4,528,894)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures	7	(263,182)	(172,519)	(267,076)
Repayment of finance leases	7	(19,772)	(6,566)	(6,566)
Proceeds from self supporting loans		10,297	9,924	9,924
Proceeds from new debentures	7	0	500,000	500,000
Net cash provided by (used in) financing activities		<u>(272,657)</u>	<u>330,839</u>	<u>236,282</u>
Net increase (decrease) in cash held		(985,241)	(3,199,747)	(4,027,271)
Cash at beginning of year		<u>4,261,989</u>	<u>7,461,736</u>	<u>7,461,736</u>
Cash and cash equivalents at the end of the year	3(a)	<u><u>3,276,748</u></u>	<u><u>4,261,989</u></u>	<u><u>3,434,465</u></u>

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

SHIRE OF BRIDGETOWN-GREENBUSHES
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
Net current assets at start of financial year - surplus/(deficit)	4	610,113	1,353,497	1,334,595
Revenue from operating activities (excluding rates and non-operating grants, subsidies and contributions)	1,2			
Governance		329	10,309	10,360
General purpose funding		2,090,679	1,165,753	1,158,339
Law, order, public safety		251,008	380,955	238,175
Health		19,500	21,042	16,500
Education and welfare		8,509	43,052	4,617
Housing		12,150	8,580	13,330
Community amenities		979,509	949,277	930,675
Recreation and culture		700,377	253,507	369,034
Transport		169,950	191,342	165,150
Economic services		143,850	144,905	166,550
Other property and services		177,431	194,164	189,945
		<u>4,553,292</u>	<u>3,362,886</u>	<u>3,262,675</u>
Expenditure from operating activities	1,2			
Governance		(945,850)	(954,023)	(987,884)
General purpose funding		(119,228)	(112,053)	(113,189)
Law, order, public safety		(721,106)	(776,767)	(705,756)
Health		(90,083)	(89,777)	(102,078)
Education and welfare		(206,155)	(207,285)	(187,359)
Housing		(33,643)	(30,461)	(34,764)
Community amenities		(1,575,277)	(1,382,227)	(1,480,148)
Recreation and culture		(3,110,243)	(2,372,032)	(2,636,474)
Transport		(3,842,133)	(3,570,815)	(3,850,201)
Economic services		(598,710)	(515,168)	(611,051)
Other property and services		(180,866)	(147,086)	(141,992)
		<u>(11,423,294)</u>	<u>(10,157,694)</u>	<u>(10,850,896)</u>
Operating activities excluded from budget				
(Profit)/Loss on asset disposals	6	16,071	30,350	80,535
Depreciation on assets	2(a)	3,746,456	3,623,819	3,790,859
Movement in deferred rates (non-current)		0	815	0
Movement in employee benefit provisions (non-current)		0	38,229	0
Amount attributable to operating activities		<u>(2,497,362)</u>	<u>(1,748,098)</u>	<u>(2,382,232)</u>
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		3,096,482	3,023,561	3,029,653
Purchase property, plant and equipment	5	(1,782,616)	(1,700,804)	(5,147,881)
Purchase and construction of infrastructure	5	(3,115,582)	(5,601,442)	(2,583,666)
Proceeds from disposal of assets	6	113,500	218,697	173,000
Amount attributable to investing activities		<u>(1,688,216)</u>	<u>(4,059,988)</u>	<u>(4,528,894)</u>
FINANCING ACTIVITIES				
Repayment of debentures	7	(263,182)	(172,519)	(267,076)
Repayment of finance leases	7	(19,772)	(6,566)	(6,566)
Proceeds from new debentures	7	0	500,000	500,000
Proceeds from self supporting loans		10,297	9,924	9,924
Transfers to cash backed reserves (restricted assets)	9	(459,694)	(890,393)	(361,250)
Transfers from cash backed reserves (restricted assets)	9	787,118	3,021,821	3,101,843
Amount attributable to financing activities		<u>54,767</u>	<u>2,462,267</u>	<u>2,976,875</u>
Budgeted deficiency before general rates		<u>(4,130,811)</u>	<u>(3,345,819)</u>	<u>(3,934,251)</u>
Estimated amount to be raised from general rates	8	4,130,811	3,955,932	3,934,251
Net current assets at end of financial year - surplus/(deficit)	4	0	610,113	0

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

SHIRE OF BRIDGETOWN-GREENBUSHES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this budget are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the budget has also 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 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 17 to this budget document.

(b) 2015/16 Actual Balances

Balances shown in this budget as 2015/16 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

(c) Rounding Off Figures

All figures shown in this budget, other than a rate in the dollar, are rounded to the nearest dollar.

(d) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the Shire obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

(e) 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.

(f) Superannuation

The Shire contributes to a number of superannuation funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

SHIRE OF BRIDGETOWN-GREENBUSHES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) 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 4 - Net Current Assets.

(h) 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.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

(i) 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.

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

(j) Fixed Assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Initial Recognition and Measurement between Mandatory Revaluation Dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

SHIRE OF BRIDGETOWN-GREENBUSHES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets (Continued)

Initial Recognition and Measurement between Mandatory Revaluation Dates (Continued)

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation of the next anniversary date in accordance with the mandatory measurement framework detailed above.

Revaluation

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Land Under Roads

In Western Australia, all land under roads is Crown land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Shire.

**SHIRE OF BRIDGETOWN-GREENBUSHES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets (Continued)

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.

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

Buildings - Long Life	81 to 120 years
Buildings - Medium Life	61 to 80 years
Buildings - Short Life	30 to 50 years
Furniture and equipment	4 to 15 years
Plant and equipment	3 to 15 years
Sealed roads and streets formation	not depreciated
pavement seal	50 years
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads formation	not depreciated
pavement gravel sheet	50 years 10 years
Formed roads (unsealed) formation	not depreciated
pavement	50 years
Parks and ovals	20 years
Bridges	100 years
Car Parks	40 years
Footpaths - slab	35 years
Sewerage piping	80 years
Water supply piping and drainage systems	80 years

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.

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.

Capitalisation Threshold

The following minimal capitalisation thresholds for the realisation of capital assets has been applied:

\$2,000 - for property, plant and equipment

\$5,000 - for infrastructure assets

SHIRE OF BRIDGETOWN-GREENBUSHES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Fair Value of Assets and Liabilities

When performing a revaluation, the Shire uses a mix of both independent and management valuations using the following as a guide:

Fair Value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset (i.e. the market with the greatest volume and level of activity for the asset or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

Fair Value Hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

SHIRE OF BRIDGETOWN-GREENBUSHES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Fair Value of Assets and Liabilities (Continued)

Valuation techniques (Continued)

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability and considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The mandatory measurement framework imposed by the *Local Government (Financial Management) Regulations* requires, as a minimum, all assets to be revalued at least every 3 years. Relevant disclosures, in accordance with the requirements of Australian Accounting Standards have been made in the budget as necessary.

(l) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Shire becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Shire commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method.

SHIRE OF BRIDGETOWN-GREENBUSHES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Financial assets at fair value through profit and loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short term profit taking. Assets in this category are classified as current assets. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Shire management has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available for sale financial assets are classified as non-current.

(v) Financial liabilities

Non-derivative financial liabilities (excl. financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in the profit or loss.

SHIRE OF BRIDGETOWN-GREENBUSHES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial Instruments (Continued)

Impairment

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

Derecognition

Financial assets are derecognised where the contractual rights for receipt of cash flows expire or the asset is transferred to another party, whereby the Shire no longer has any significant continual involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(m) Impairment of Assets

In accordance with Australian Accounting Standards the Shire assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. AASB 116) whereby any impairment loss of a revaluation decrease in accordance with that other standard.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

At the time of adopting this budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2017.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on this budget document.

SHIRE OF BRIDGETOWN-GREENBUSHES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Trade and Other Payables

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

(o) Employee Benefits

Short-Term Employee Benefits

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

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

Other Long-Term Employee Benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits 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 or service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

(p) 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.

(q) Provisions

Provisions are recognised when the Shire has a 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.

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Shire, are classified as finance leases.

SHIRE OF BRIDGETOWN-GREENBUSHES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Leases (Continued)

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

(s) 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 venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(o) for a description of the equity method of accounting.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 20.

(t) Current and Non-Current Classification

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

(u) Comparative Figures

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

(v) Budget Comparative Figures

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

SHIRE OF BRIDGETOWN-GREENBUSHES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
2. REVENUES AND EXPENSES			
(a) Net Result			
The net result includes:			
(i) Charging as an expense:			
Auditors remuneration			
Audit services	15,500	14,700	14,700
Other services	5,500	1,800	5,500
Depreciation By Program			
Governance	2,205	2,204	1,986
Law, order, public safety	168,593	154,264	154,674
Education and welfare	14,500	14,500	14,500
Housing	21,710	21,710	21,277
Community amenities	145,021	127,352	127,040
Recreation and culture	714,317	647,812	689,667
Transport	2,367,439	2,348,286	2,461,202
Economic services	27,085	25,705	25,390
Other property and services	285,586	281,986	295,123
	<u>3,746,456</u>	<u>3,623,819</u>	<u>3,790,859</u>
Depreciation By Asset Class			
Land and buildings	653,335	640,073	685,286
Furniture and equipment	35,042	35,155	40,050
Plant and equipment	387,121	368,588	372,178
Roads	2,128,991	2,112,596	2,224,870
Footpaths	75,811	74,289	74,289
Drainage	89,788	88,447	88,448
Parks and ovals	163,578	161,431	161,431
Bridges	109,673	109,288	109,288
Other infrastructure	103,117	33,952	35,019
	<u>3,746,456</u>	<u>3,623,819</u>	<u>3,790,859</u>
Interest Expenses (Finance Costs)			
- Debentures (<i>refer note 7(a)</i>)	93,941	90,922	104,166
- Finance lease charges (<i>refer note 7(b)</i>)	827	1,615	1,615
Other	100	0	100
	<u>94,868</u>	<u>92,537</u>	<u>105,881</u>
(ii) Crediting as revenues:			
Interest Earnings			
Investments			
- Reserve funds	52,500	72,557	65,000
- Other funds	73,500	86,281	75,000
Other interest revenue (<i>refer note 13</i>)	40,700	41,880	35,450
	<u>166,700</u>	<u>200,718</u>	<u>175,450</u>
(iii) Other Revenue			
Reimbursements and recoveries	99,989	141,868	109,971
Other	38,150	59,252	55,150
	<u>138,139</u>	<u>201,120</u>	<u>165,121</u>

**SHIRE OF BRIDGETOWN-GREENBUSHES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017**

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

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

COMMUNITY VISION

A wonderful place to live, work, invest and visit with the community working together to achieve shared objectives.

Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

GOVERNANCE

Objective:

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

Activities:

Administration and operation of facilities and services to members of the council. Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services. Development of policies, strategic planning and long term financial plans.

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objective:

To provide services to help ensure a safer community.

Activities:

Supervision of various by-laws, fire prevention, emergency services and animal control.

HEALTH

Objective:

To provide an operational framework for good community health.

Activities:

Food quality, pest control, and support the operation of child health clinics.

EDUCATION AND WELFARE

Objective:

To support disadvantaged persons, the elderly, children and youth.

Activities:

Support with the provision of day care and pre-school facilities; assistance to playgroups, retirement villages, services for senior citizens and youth, and other voluntary services.

HOUSING

Objective:

Help ensure adequate housing.

Activities:

Maintenance of staff and rental housing.

**SHIRE OF BRIDGETOWN-GREENBUSHES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017**

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

COMMUNITY AMENITIES

Objective:

Provide services required by the community.

Activities:

Rubbish collection services, operation of refuse sites, environmental protection, administration of the town planning scheme, development of land, maintenance of cemeteries, maintenance and operation of public conveniences and storm water drainage maintenance.

RECREATION AND CULTURE

Objective:

To establish and manage efficiently infrastructure and resources which will help the social well being of the community.

Activities:

Maintenance of halls, the aquatic centre, recreation centre and various reserves; operation of library, heritage facilities and cultural activities.

TRANSPORT

Objective:

To provide effective and efficient transport services to the community.

Activities:

Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets, depot maintenance and parking control.

ECONOMIC SERVICES

Objective:

To help promote the Shire and improve its economic wellbeing.

Activities:

The regulation and provision of tourism, area promotion, economic development, building control, (agricultural) noxious weeds management and standpipes.

OTHER PROPERTY & SERVICES

Activities:

Private works, plant repairs and operation costs, business units activities and directorate costs.

SHIRE OF BRIDGETOWN-GREENBUSHES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

3. NOTES TO THE STATEMENT OF CASH FLOWS

(a) 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:

	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
Cash - unrestricted	824,760	1,482,577	1,273,792
Cash - restricted	2,451,988	2,779,412	2,160,673
	<u>3,276,748</u>	<u>4,261,989</u>	<u>3,434,465</u>

The following restrictions have been imposed by regulation or other externally imposed requirements:

101 Leave reserve	171,293	167,856	168,060
102 Plant reserve	193,526	209,777	141,795
103 Land and building reserve	622,685	676,544	599,986
104 Bush fire reserve	780	19,383	841
105 Maranup Ford Road maintenance reserve	98,190	96,220	96,337
106 Subdivision reserve	331,270	314,824	336,874
107 Sanitation reserve	63,364	179,685	50,925
109 Recreation centre floor reserve	169,550	166,148	166,351
111 Mobile garbage bins reserve	71,783	70,343	70,429
112 Refuse site post closure reserve	196,422	187,581	187,952
113 Drainage reserve	3,615	3,542	3,546
114 Community bus reserve	86,809	82,617	83,146
115 SBS tower replacement reserve	29,708	29,112	29,148
118 Playground equipment reserve	17,296	14,793	12,160
119 Swimming pool reserve	4,166	4,082	4,086
121 Car par reserve	892	874	875
123 ROMANS reserve	4,440	4,351	4,356
125 Building maintenance reserve	56,272	65,085	55,133
126 Strategic projects reserve	32,907	27,347	26,931
127 Matched grants reserve	18,151	20,615	25,710
128 Aged care infrastructure reserve	52,687	51,630	51,836
129 Equipment reserve	6,480	3,900	3,976
130 Assets & GRV valuations reserve	64,438	31,052	23,354
131 Bridgetown Leisure Centre reserve	130,548	136,748	0
132 Trails reserve	20,000	0	0
201 Unspent grants & loans reserve	4,716	215,303	16,866
	<u>2,451,988</u>	<u>2,779,412</u>	<u>2,160,673</u>

(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result

Net result	357,291	184,685	(624,317)
Depreciation	3,746,456	3,623,819	3,790,859
(Profit)/loss on sale of asset	16,071	30,350	80,535
(Increase)/decrease in receivables	8,000	(44,601)	(36,000)
(Increase)/decrease in inventories	(2,000)	971	(4,500)
Increase/(decrease) in payables	(63,704)	(281,087)	78,417
Increase/(decrease) in employee provisions	10,000	38,826	10,000
Grants/contributions for the development of assets	(3,096,482)	(3,023,561)	(3,029,653)
Net Cash from Operating Activities	<u>975,632</u>	<u>529,402</u>	<u>265,341</u>

SHIRE OF BRIDGETOWN-GREENBUSHES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

3. NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
(c) Undrawn Borrowing Facilities			
Credit Standby Arrangements			
Bank overdraft limit	200,000	200,000	200,000
Bank overdraft at balance date	0	0	0
Credit card limit	5,000	5,000	5,000
Credit card balance at balance date	0	0	0
Total Amount of Credit Unused	<u>205,000</u>	<u>205,000</u>	<u>205,000</u>
 Loan Facilities			
Loan facilities in use at balance date	<u>2,268,671</u>	<u>2,531,853</u>	<u>2,437,297</u>
 Unused loan facilities at balance date	<u>0</u>	<u>0</u>	<u>0</u>

	Note	2016/17 Budget \$	2015/16 Actual \$
4. NET CURRENT ASSETS			

Composition of estimated net current assets

CURRENT ASSETS

Cash - unrestricted	3(a)	824,760	1,482,577
Cash - restricted reserves	3(a)	2,451,988	2,779,412
Receivables		285,239	303,536
Inventories		18,788	16,788
		<u>3,580,775</u>	<u>4,582,313</u>

LESS: CURRENT LIABILITIES

Trade and other payables		(410,773)	(474,477)
Short term borrowings		0	0
Long term borrowings		0	(282,954)
Provisions		(885,870)	(875,870)
		<u>(1,296,643)</u>	<u>(1,633,301)</u>

Unadjusted net current assets

2,284,132 **2,949,012**

Differences between the net current assets at the end of each financial year in the rate setting statement and net current assets detailed above arise from amounts which have been excluded when calculating the budget deficiency in accordance with FM Reg 32 as movements for these items have been funded within the budget estimates.

These differences are disclosed as adjustments below.

Adjustments

Less: Cash - restricted reserves	3(a)	(2,451,988)	(2,779,412)
Less: Current loans - clubs / institutions		0	(10,297)
Add: Current portion of debentures		0	282,954
Add: Component of Leave liabilities not required to be funded		167,856	167,856
Adjusted net current assets - surplus/(deficit)		<u>0</u>	<u>610,113</u>

SHIRE OF BRIDGETOWN-GREENBUSHES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

5. ACQUISITION OF ASSETS

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

Asset Class	Reporting Program								2016/17 Budget Total \$	2015/16 Actual Total \$
	Governance \$	Law, Order, Public Safety \$	Housing \$	Community Amenities \$	Recreation and Culture \$	Transport \$	Economic Services \$	Other Property and Services \$		
<i>Property, Plant and Equipment</i>										
Land and buildings	31,331	47,343	27,979	54,003	362,657	23,717	10,347	73,709	631,086	678,338
Furniture and equipment	31,130								31,130	7,760
Plant and equipment	40,000	516,900		275,000	7,500	244,500	36,500		1,120,400	1,014,706
	102,461	564,243	27,979	329,003	370,157	268,217	46,847	73,709	1,782,616	1,700,804
<i>Infrastructure</i>										
Roads						1,463,953			1,463,953	1,545,683
Footpaths						82,457			82,457	65,108
Drainage				93,844					93,844	107,245
Parks and ovals					16,580				16,580	578,954
Bridges						1,365,000			1,365,000	30,465
Other Infrastructure				33,929	59,819				93,748	3,273,987
	0	0	0	127,773	76,399	2,911,410	0	0	3,115,582	5,601,442
Total Acquisitions	102,461	564,243	27,979	456,776	446,556	3,179,627	46,847	73,709	4,898,198	7,302,246

A detailed breakdown of acquisitions on an individual asset basis can be found in the supplementary information attached to this budget.

SHIRE OF BRIDGETOWN-GREENBUSHES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

6. DISPOSALS OF ASSETS

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

<u>By Program</u>	2016/17 Budget			
	Net Book Value \$	Sale Proceeds \$	Profit \$	Loss \$
Other Governance				
P3055 - 2014 Subaru Liberty (Executive Manager Corporate Services)	22,145	18,000	0	(4,145)
Community Amenities				
P2147 - 2005 Hino Cab Chassis (Rubbish Truck)	25,000	25,000	0	0
55058 - Rubbish Truck Compactor	800	0	0	(800)
Transport				
P2072 - 2010 John Deere Backhoe Loader	45,966	40,000	0	(5,966)
P2065 - 2009 Ford PK Ranger (Plant Mechanic)	13,843	12,000	0	(1,843)
P2225 - 2002 Ford Courier Tray Top (Landfill Site)	500	500	0	0
Economic Services				
P3090 - 2014 Colden Colorado 7 (Manager Building Services)	21,317	18,000	0	(3,317)
	129,571	113,500	0	(16,071)

<u>By Class</u>	2016/17 Budget			
	Net Book Value \$	Sale Proceeds \$	Profit \$	Loss \$
Plant and Equipment				
P3055 - 2014 Subaru Liberty (Executive Manager Corporate Services)	22,145	18,000	0	(4,145)
P2147 - 2005 Hino Cab Chassis (Rubbish Truck)	25,000	25,000	0	0
55058 - Rubbish Truck Compactor	800	0	0	(800)
P2072 - 2010 John Deere Backhoe Loader	45,966	40,000	0	(5,966)
P2065 - 2009 Ford PK Ranger (Plant Mechanic)	13,843	12,000	0	(1,843)
P2225 - 2002 Ford Courier Tray Top (Landfill Site)	500	500	0	0
P3090 - 2014 Colden Colorado 7 (Manager Building Services)	21,317	18,000	0	(3,317)
	129,571	113,500	0	(16,071)

SHIRE OF BRIDGETOWN-GREENBUSHES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

7. INFORMATION ON BORROWINGS

(a) Debenture Repayments

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

Particulars	Principal 1-Jul-16 \$	New Loans \$	Principal Repayments		Principal Outstanding		Interest Repayments	
			2016/17 Budget \$	2015/16 Actual \$	2016/17 Budget \$	2015/16 Actual \$	2016/17 Budget \$	2015/16 Actual \$
Community amenities								
Loan 107 Transfer Station	0		0	12,198	0	0	0	492
Loan 107A Transfer Station	12,913		12,913	12,439	0	12,913	366	838
Loan 107B Transfer Station	18,670		9,184	8,891	9,486	18,670	536	827
Loan 108 Landfill Plant	139,368		20,921	20,083	118,447	139,368	5,542	6,375
Loan 113 Landfill Site New Cell	500,000		95,518	0	404,482	500,000	10,859	31
Recreation and culture								
Loan 105 Memorial Park Improvements	79,050		24,746	23,269	54,304	79,050	4,560	6,033
Loan 106 Somme Creek Parkland	62,524		19,573	18,404	42,951	62,524	3,607	4,772
Loan 109 Sports Ground Dam	10,761		10,761	10,366	0	10,761	305	698
Loan 112 Bridgetown Swimming Pool	1,653,055		59,269	56,945	1,593,786	1,653,055	66,191	68,508
	2,476,341	0	252,885	162,595	2,223,456	2,476,341	91,966	88,574
Self Supporting Loans								
Recreation and culture								
Loan 110 Bridgetown Bowling Club	55,512		10,297	9,924	45,215	55,512	1,975	2,348
	55,512	0	10,297	9,924	45,215	55,512	1,975	2,348
	2,531,853	0	263,182	172,519	2,268,671	2,531,853	93,941	90,922

Debenture repayments are to be financed by general purpose revenue with the exception of the following:

- Loan 107A, 107B, 108 and 113 are funded by the Landfill Site Maintenance Rate
- Loan 110 funded directly by the Bridgetown Bowling Club

**SHIRE OF BRIDGETOWN-GREENBUSHES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017**

7. INFORMATION ON BORROWINGS (Continued)

(b) Finance Lease Repayments

Particulars	Principal 1-Jul-16 \$	New Loans \$	Principal Repayments		Principal Outstanding		Interest Repayments	
			2016/17 Budget \$	2015/16 Actual \$	2016/17 Budget \$	2015/16 Actual \$	2016/17 Budget \$	2015/16 Actual \$
Economic Services								
Holden Colorado Vehicle	19,772	0	19,772	6,566	0	19,772	827	1,615
	19,772	0	19,772	6,566	0	19,772	827	1,615

All finance lease repayments are to be financed by general purpose revenue.

(c) New Debentures - 2016/17

The Shire of Bridgetown-Greenbushes does not expect to take up any borrowings during the Budget year.

(d) Unspent Debentures

The Shire of Bridgetown-Greenbushes had no unspent debenture funds as at 30th June 2016 nor is it expected to have unspent debenture funds as at 30th June 2017.

(e) Overdraft

In 2000 Council established an overdraft facility of \$200,000 to assist with short term liquidity requirements. Council did not utilise this overdraft facility during the 2015/16 financial year and it is not anticipated that this facility will be required to be utilised during 2016/17.

**SHIRE OF BRIDGETOWN-GREENBUSHES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017**

8. RATING INFORMATION - 2016/17 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	2016/17 Budgeted Rate Revenue \$	2016/17 Budgeted Interim Rates \$	2016/17 Budgeted Back Rates \$	2016/17 Budgeted Total Revenue \$	2015/16 Actual \$
Differential general rate or general rate								
GRV - Shire	0.083307	1,599	24,435,684	2,035,662			2,035,662	1,908,009
UV - Shire Rural	0.006079	482	171,379,000	1,041,813			1,041,813	1,000,912
UV - Urban Farmland	0.005169	3	2,200,000	11,372			11,372	11,066
UV - Mining	0.079172	10	792,362	62,733			62,733	63,745
Sub-Totals		2,094	198,807,046	3,151,580	0	0	3,151,580	2,983,732
Minimum payment	Minimum \$							
GRV - Shire	827.00	876	4,319,551	724,452		827	725,279	731,669
UV - Shire Rural	1,024.00	240	30,505,540	245,760			245,760	229,988
UV - Urban Farmland	1,024.00	0	0	0			0	0
UV - Mining	1,024.00	8	22,311	8,192			8,192	3,634
Sub-Totals		1,124	34,847,402	978,404	0	827	979,231	965,291
Add increase in pre-payments							0	6,909
Total amount raised from general rates							4,130,811	3,955,932
Less rates written off							(100)	(95)
Total Rates							4,130,711	3,955,837

All land except exempt land in the Shire of Bridgetown-Greenbushes is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the Shire.

The general rates detailed above for the 2016/17 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 the Local Government services/facilities.

**SHIRE OF BRIDGETOWN-GREENBUSHES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017**

8(a). RATING INFORMATION - 2016/17 FINANCIAL YEAR (Continued)

OBJECTIVES AND REASONS FOR DIFFERENTIAL RATING

To provide equity in the rating of properties across the Shire the following rate categories have been determined for the implementation of Differential Rating.

Differential General Rates

Gross Rental Value (GRV)

The Local Government Act 1995 determines that properties of a non-rural purpose be rated using the Gross Rental Valuation (GRV) as the basis for the calculation of annual rates. The Shire of Bridgetown-Greenbushes applies one general GRV rate in the dollar to all such properties. The rate in the dollar applied ensures this rating category will pay a particular percentage of the overall rate yield to reflect the level of services provided.

Unimproved Value (UV)

The Local Government Act 1995 indicates that where the land is used predominantly for rural or for mining purposes, the unimproved value of the land will be used as the basis for the rates. Unimproved value (UV) means the capital amount that an estate of fee simple in the land might reasonably be expected to realise upon sale, assuming that any improvements to the land had not been made. Unimproved values are supplied and updated by the Valuer General on an annual basis. Council applies the following differential unimproved value rating categories:

Description	Characteristics	Objects	Reasons
Rural (UV)	Consists of properties that are exclusively for rural use.	This rate contributes to the service desired by the community.	This is considered the base rate by which all other UV rated properties are assessed.
Urban Farmland (UV)	Land within the Bridgetown townsite area that is used primarily for 'rural' purposes.	To provide equity in rating for rural properties within the townsite compared to rural properties outside of the townsite.	The lower Urban Farmland differential rate is in recognition of the higher values applied to properties within the townsite as opposed to land outside of the townsite and reflects the lower cost associated with supplying services to rural properties within the townsite.
Mining (UV)	Consists of mining and exploration tenements located in the district.	The objective is to raise additional revenue to contribute toward higher costs associated with mining activity.	The higher rate applied to this category reflects the Shire's experience that mining activities associated with these tenements impact as follows: <ul style="list-style-type: none"> • there is substantially greater burden on the Shire's internal road network caused by heavy haulage mining vehicles; • disturbance to the landscape on and adjacent to tenements requires Shire oversight and input with noxious weed mitigation and management; and • administration and oversight of the application and approvals process for new tenement areas noting that these applications do not attract a fee to the Shire.

SHIRE OF BRIDGETOWN-GREENBUSHES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

9. CASH BACKED RESERVES

	2016/17 Budget				2015/16 Actual				2015/16 Budget			
	Opening Balance \$	Transfer to \$	Transfer (from) \$	Closing Balance \$	Opening Balance \$	Transfer to \$	Transfer (from) \$	Closing Balance \$	Opening Balance \$	Transfer to \$	Transfer (from) \$	Closing Balance \$
101 Leave reserve	167,856	3,437	0	171,293	162,941	4,915	0	167,856	162,941	5,119	0	168,060
102 Plant reserve	209,777	253,749	(270,000)	193,526	293,226	254,362	(337,811)	209,777	293,226	252,919	(404,350)	141,795
103 Land and building reserve	676,544	13,850	(67,709)	622,685	1,387,948	25,350	(736,754)	676,544	1,387,948	18,279	(806,241)	599,986
104 Bush fire reserve	19,383	397	(19,000)	780	18,815	568	0	19,383	18,815	26	(18,000)	841
105 Maranup Ford Road maintenance reserve	96,220	1,970	0	98,190	93,402	2,818	0	96,220	93,402	2,935	0	96,337
106 Subdivision reserve	314,824	16,446	0	331,270	292,375	22,449	0	314,824	317,374	19,500	0	336,874
107 Sanitation reserve	179,685	3,679	(120,000)	63,364	75,757	103,928	0	179,685	48,612	2,313	0	50,925
109 Recreation centre floor reserve	166,148	3,402	0	169,550	161,283	4,865	0	166,148	161,284	5,067	0	166,351
111 Mobile garbage bins reserve	70,343	1,440	0	71,783	68,283	2,060	0	70,343	68,284	2,145	0	70,429
112 Refuse site post closure reserve	187,581	8,841	0	196,422	177,227	10,354	0	187,581	177,227	10,725	0	187,952
113 Drainage reserve	3,542	73	0	3,615	3,438	104	0	3,542	3,438	108	0	3,546
114 Community bus reserve	82,617	4,192	0	86,809	65,613	17,004	0	82,617	65,613	17,533	0	83,146
115 SBS tower replacement reserve	29,112	596	0	29,708	28,260	852	0	29,112	28,260	888	0	29,148
118 Playground equipment reserve	14,793	2,503	0	17,296	11,639	3,154	0	14,793	11,640	520	0	12,160
119 Swimming pool reserve	4,082	84	0	4,166	3,962	120	0	4,082	3,962	124	0	4,086
121 Car par reserve	874	18	0	892	848	26	0	874	848	27	0	875
123 ROMANS reserve	4,351	89	0	4,440	4,224	127	0	4,351	4,223	133	0	4,356
125 Building maintenance reserve	65,085	54,123	(62,936)	56,272	53,454	46,149	(34,518)	65,085	53,454	1,679	0	55,133
126 Strategic projects reserve	27,347	25,560	(20,000)	32,907	36,415	10,932	(20,000)	27,347	36,415	10,516	(20,000)	26,931
127 Matched grants reserve	20,615	5,422	(7,886)	18,151	29,657	742	(9,784)	20,615	29,657	783	(4,730)	25,710
128 Aged care infrastructure reserve	51,630	1,057	0	52,687	45,257	6,373	0	51,630	45,257	6,579	0	51,836
129 Equipment reserve	3,900	2,580	0	6,480	1,355	2,545	0	3,900	1,355	2,621	0	3,976
130 Assets & GRV valuations reserve	31,052	33,386	0	64,438	30,143	909	0	31,052	22,643	711	0	23,354
131 Bridgetown Leisure Centre reserve	136,748	2,800	(9,000)	130,548	0	223,986	(87,238)	136,748	0	0	0	0
132 Trails reserve	0	20,000	0	20,000	0	0	0	0	0	0	0	0
201 Unspent grants & loans reserve	215,303	0	(210,587)	4,716	1,865,318	145,701	(1,795,716)	215,303	1,865,388	0	(1,848,522)	16,866
	2,779,412	459,694	(787,118)	2,451,988	4,910,840	890,393	(3,021,821)	2,779,412	4,901,266	361,250	(3,101,843)	2,160,673

**SHIRE OF BRIDGETOWN-GREENBUSHES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017**

9. CASH BACKED RESERVES (Continued)

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

Purpose of the reserve

- | | |
|---|---|
| 101 Leave reserve | - to be used to fund annual and long service leave requirements. As funds are utilised, further transfers to reserve are expected. |
| 102 Plant reserve | - to be used for the purchase of major plant. As funds are utilised, further transfers to reserve are expected. |
| 103 Land and building reserve | - to be used for the future acquisition of land and buildings. |
| 104 Bush fire reserve | - to be used for the purchase of district fire fighting equipment, buildings and fire fighting plant. |
| 105 Maranup Ford Road maintenance reserve | - to be used to maintain the section of Maranup Ford Road between the old and new entrances to the Talison Mine. |
| 106 Subdivision reserve | - to be used for the construction of sub-division feeder roads and road upgrades where it is a condition of planning or development approval. |
| 107 Sanitation reserve | - to be used for the provision of waste management services and waste facilities. |
| 109 Recreation centre floor reserve | - to be used to fund future timber floor replacement at the Bridgetown Leisure Centre. |
| 111 Mobile garbage bins reserve | - to be used for the maintenance of the mobile garbage bin project. |
| 112 Refuse site post closure reserve | - to be used to rehabilitate the Shire's refuse sites. |
| 113 Drainage reserve | - to be used for drainage upgrade works. |
| 114 Community bus reserve | - to be used to purchase a replacement community bus. |
| 115 SBS tower replacement reserve | - to be used for replacement of the SBS tower. |
| 118 Playground equipment reserve | - to be used for replacement of playground equipment. |
| 119 Swimming pool reserve | - to be used for studies on the pool for life expectancy and upgrades required to enable its future usage. |
| 121 Car park reserve | - to hold contributions for funding car park construction. |
| 123 ROMANS reserve | - to be used to fund the take-up of roads condition information into ROMANS. |
| 125 Building maintenance reserve | - to be used to fund capital improvements to council buildings and facilities. As funds are utilised, further transfers to reserve are expected. |
| 126 Strategic projects reserve | - to be used to fund strategic planning actions and other strategic initiatives as determined by the Council. As funds are utilised, further transfers to reserve are expected. |
| 127 Matched grants reserve | - to provide a funding mechanism for grants that require a matched funding component. As funds are utilised, further transfers to reserve are expected. |
| 128 Aged care infrastructure reserve | - to contribute to the construction of non-council aged care buildings. |
| 129 Equipment reserve | - to be used to fund the purchase of gym and exercise equipment. |
| 130 Assets & GRV valuations reserve | - to be used to fund future property and infrastructure revaluations. |
| 131 Bridgetown Leisure Centre reserve | - to be used for the purpose of funding new initiatives at the Bridgetown Leisure Centre |
| 132 Trails reserve | - to be used for funding of new local trail initiatives and projects. |
| 201 Unspent grants & loans reserve | - to be used for the recording of unspent grant and loan funds. |

Reserves are not expected to be used within a set period as further transfers to the reserve accounts are expected as funds are utilised.

**SHIRE OF BRIDGETOWN-GREENBUSHES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017**

10. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR

The Shire of Bridgetown-Greenbushes does not intend to impose a specified area rate under Section 6.32(b)(i) of the Local Government Act 1995 during the budget period.

11. SERVICE CHARGES - 2016/17 FINANCIAL YEAR

The Shire of Bridgetown-Greenbushes does not intend to impose a service charge under Section 6.32(c) of the Local Government Act 1995 during the budget period.

12. LANDFILL SITE MAINTENANCE RATE - 2016/17 FINANCIAL YEAR

Council, under Section 66 of the Waste Avoidance and Resource Recovery Act (WARR Act) will impose a Landfill Site Maintenance Rate on all rateable properties within the Shire for the purpose of funding all its waste services other than kerbside rubbish and recycling collection services. As detailed in Note 14 concessions are provided to owners of multiple properties in certain circumstances with regard to this rate.

WARR Act Rate	Basis of Valuation	Rate in \$	Rateable Value \$	2016/17 Budgeted Revenue \$	Budget Applied to Costs \$	2015/16 Actual Revenue \$
Minimum charge per assessment \$171.00	GRV	0.00018288	28,755,235	423,396	423,396	415,296
- Interim Rates	UV	0.00005951	204,899,213	127,053	127,053	124,320
				0	0	168
Concessions				550,449	550,449	539,784
				(17,100)	(17,100)	(16,534)
			233,654,448	533,349	533,349	523,250

13. INTEREST CHARGES AND INSTALMENTS - RATES - 2016/17 FINANCIAL YEAR

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 Rate %
Option One				
Single full payment	23/09/2016	0.00	0.0%	11%
Option Two				
First instalment	23/09/2016	0.00	5.5%	11%
Second instalment	23/11/2016	10.70	5.5%	11%
Third instalment	23/01/2017	10.70	5.5%	11%
Fourth instalment	23/03/2017	10.70	5.5%	11%

	2016/17 Budget Revenue \$	2015/16 Actual \$
Interest and Charges		
Instalment Plan Admin Charge Revenue	28,500	28,928
Instalment Plan Interest Earned	14,000	14,593
Unpaid Rates Interest Earned	26,700	27,287
	69,200	70,808

**SHIRE OF BRIDGETOWN-GREENBUSHES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017**

**14. PAYMENT DISCOUNTS, WAIVERS AND CONCESSIONS
- 2016/17 FINANCIAL YEAR**

Rates Discounts

While Council does not provide a discount for early payment of rates, it does offer prizes for the early payment of rates in full by the due date of 23 September 2016. The value of prizes for the 2016/17 year is \$1,406. Prizes to be offered are as follows:

- 1st Prize - \$600 Community Cash Vouchers (Provided by the Shire of Bridgetown-Greenbushes)
- 2nd Prize - 2 night stay at Perth Ambassador Hotel including breakfast (Donated by Perth Ambassador Hotel)
- 3rd Prize - 1 Double pass to Asher Fisch & WASO: Stuart Skelton Sings Wagner Concert (Donated by WASO)
- 4th Prize - 1 Double pass to Asher Fisch & WASO: Stuart Skelton Sings Wagner Concert (Donated by WASO)

Waivers or Concessions

Concessions will be granted as follows in relation to the Landfill Site Maintenance Rate to recognise that owners of multiple vacant properties would generate less landfill requirements than if the land was developed:

"Where more than one assessment is held in identical name or names, no more than one charge will apply, except in the following situations:

- (i) A habitable dwelling house or commercial rented premises is situated on the additional property; or
- (ii) The additional properties are separated by more than 10 kilometres as measured cadastrally on an appropriate map."

The estimated value of these concessions is as follows

Concessions	2016/17 Budget \$	2015/16 Actual \$
WARR Act Rate	17,100	16,534
	17,100	16,534

**SHIRE OF BRIDGETOWN-GREENBUSHES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017**

15. FEES & CHARGES REVENUE	2016/17 Budget \$	2015/16 Actual \$
Governance	229	210
General purpose funding	59,900	59,235
Law, order, public safety	43,670	47,274
Health	19,500	21,042
Education and welfare	9	9
Housing	11,300	7,800
Community amenities	979,409	945,305
Recreation and culture	307,369	170,478
Transport	10,850	9,960
Economic services	140,200	137,191
Other property and services	78,300	75,744
	<u>1,650,736</u>	<u>1,474,248</u>

16. ELECTED MEMBERS REMUNERATION	2016/17 Budget \$	2015/16 Actual \$
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The following fees, expenses and allowances were paid to council members and/or President.

Meeting fees	78,200	78,200
President's allowance	8,500	8,500
Deputy President's allowance	2,125	2,125
Telecommunications allowance	18,540	18,540
	<u>107,365</u>	<u>107,365</u>

SHIRE OF BRIDGETOWN-GREENBUSHES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

17. TRUST FUNDS

Funds held at balance date over which the local government has no control and which are not included in the financial statements are as follows:

Detail	Balance 1-Jul-16 \$	Estimated Amounts Received \$	Estimated Amounts Paid (\$)	Estimated Balance 30-Jun-17 \$
BCITF	4,922	35,000	(39,922)	0
Builders Registration Board Levy	5,296	31,000	(36,296)	0
Traffic Act	0	1,300,000	(1,300,000)	0
Relocated Housing Bonds	29,761	5,000	(10,000)	24,761
Subdivision Clearance Bonds	30,212	10,000	0	40,212
Cat Trap Bonds	0	900	(900)	0
Community Bus Bonds	550	2,500	(3,050)	0
Community Stall Bonds	300	1,200	(1,300)	200
Landscaping/Retaining Wall Bonds	75,739	6,000	(15,000)	66,739
Hall Hire Bonds	1,606	4,500	(4,000)	2,106
Standpipe Card Bonds	7,100	2,100	(2,500)	6,700
Council Built Asset Bonds	45,564	0	(11,000)	34,564
Crossover Bonds	1,256	0	(756)	500
Bushfire Donations	5,349	0	0	5,349
Accommodation - Visitor Centre	63,710	325,000	(388,710)	0
South West Coach Lines	263	7,700	(7,963)	0
Other Visitor Centre	429	2,300	(2,729)	0
TransWA	1,646	17,000	(18,646)	0
Other General Trust	51,503	0	(38,290)	13,213
	<u>325,206</u>	<u>1,750,200</u>	<u>(1,881,062)</u>	<u>194,344</u>

18. MAJOR LAND TRANSACTIONS

It is not anticipated any major land transactions will occur in 2016/17.

19. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated any trading undertakings or major trading undertakings will occur in 2016/17.

20. INTERESTS IN JOINT ARRANGEMENTS

It is not anticipated the Shire of Bridgetown-Greenbushes will be party to any joint venture arrangements during 2016/17.