

**SHIRE OF BRIDGETOWN-GREENBUSHES**

**BUDGET**

**FOR THE YEAR ENDED 30 JUNE 2020**

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**SHIRE'S VISION**

**'A beautiful place to live'**

**Working together with the community to achieve our shared objectives**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30TH JUNE 2020**
**BY NATURE OR TYPE**

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
		\$	\$	\$
<b>Revenue</b>				
Rates	1(a)	4,667,928	4,547,425	4,539,351
Operating grants, subsidies and contributions	9	1,626,863	2,486,285	1,573,045
Fees and charges	8	1,656,736	1,598,592	1,695,634
Interest earnings	10(a)	203,128	208,079	199,321
Other revenue	10(b)	140,960	122,577	112,631
		8,295,615	8,962,958	8,119,982
<b>Expenses</b>				
Employee costs		(4,713,779)	(4,215,829)	(4,566,526)
Materials and contracts		(2,823,225)	(2,502,215)	(3,047,741)
Utility charges		(313,274)	(272,181)	(284,442)
Depreciation on non-current assets	5	(3,552,778)	(3,447,523)	(3,470,930)
Interest expenses	10(d)	(72,216)	(77,845)	(77,918)
Insurance expenses		(278,437)	(265,150)	(263,121)
Other expenditure		(316,655)	(299,191)	(305,735)
		(12,070,364)	(11,079,934)	(12,016,413)
<b>Subtotal</b>		(3,774,749)	(2,116,976)	(3,896,431)
Non-operating grants, subsidies and contributions	9	3,226,844	1,564,336	1,595,608
Profit on asset disposals	4(b)	0	7,460	21,350
Loss on asset disposals	4(b)	(14,000)	(54,685)	(34,489)
		3,212,844	1,517,111	1,582,469
<b>Net result</b>		<b>(561,905)</b>	<b>(599,865)</b>	<b>(2,313,962)</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	0	0
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>(561,905)</b>	<b>(599,865)</b>	<b>(2,313,962)</b>

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

**FOR THE YEAR ENDED 30TH JUNE 2020****BASIS OF PREPARATION**

The budget has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations. The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this budget. This is not in accordance with the requirements of AASB 1051 Land Under Roads paragraph 15 and AASB 116 Property, Plant and Equipment paragraph 7.

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

**THE LOCAL GOVERNMENT REPORTING ENTITY**

All funds through which the Shire of Bridgetown-Greenbushes 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 14 to the budget.

**2018/19 ACTUAL BALANCES**

Balances shown in this budget as 2018/19 Actual are estimates as forecast at the time of budget preparation and are subject to final adjustments.

**CHANGE IN ACCOUNTING POLICIES**

On the 1 July 2019 the following new accounting policies are to be adopted and have impacted on the preparation of the budget:

AASB 15 - Revenue from Contracts with Customers;

AASB 16 - Leases; and

AASB 1058 - Income of Not-for-Profit Entities.

Explanation of the changes arising from these standards is provided at Note 16.

**KEY TERMS AND DEFINITIONS - NATURE OR TYPE****REVENUES**

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

**RATES****SERVICE CHARGES**

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

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

**REVENUES (CONTINUED)****PROFIT ON ASSET DISPOSAL**

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

**OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS**

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

**NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS**

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

**FEES AND CHARGES**

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

**INTEREST EARNINGS**

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

**OTHER REVENUE / INCOME**

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

**EXPENSES****EMPLOYEE COSTS**

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

**MATERIALS AND CONTRACTS**

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

**UTILITIES (GAS, ELECTRICITY, WATER, ETC.)**

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

**INSURANCE**

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

**LOSS ON ASSET DISPOSAL**

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

**DEPRECIATION ON NON-CURRENT ASSETS**

Depreciation expense raised on all classes of assets. debentures, overdraft accommodation and refinancing expenses.

**INTEREST EXPENSES**

Interest and other costs of finance paid, including costs of finance for loan

**OTHER EXPENDITURE**

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

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30TH JUNE 2020**
**BY REPORTING PROGRAM**

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
<b>Revenue</b>	1, 8, 9, 10(a),(b)	\$	\$	\$
Governance		929	323	369
General purpose funding		5,836,627	6,695,254	5,697,442
Law, order, public safety		471,610	435,703	442,813
Health		14,100	13,410	18,200
Education and welfare		15,609	596	25,509
Housing		23,160	22,573	22,000
Community amenities		1,076,233	1,054,736	1,112,757
Recreation and culture		405,266	312,481	414,094
Transport		179,772	158,721	112,099
Economic services		133,423	120,404	131,573
Other property and services		138,886	148,757	143,126
		8,295,615	8,962,958	8,119,982
<b>Expenses excluding finance costs</b>	5,10(c)(e)(f)(g)			
Governance		(1,090,117)	(956,994)	(1,040,302)
General purpose funding		(129,234)	(177,979)	(185,977)
Law, order, public safety		(1,013,835)	(876,265)	(964,264)
Health		(124,673)	(85,501)	(85,618)
Education and welfare		(214,802)	(182,531)	(237,877)
Housing		(23,160)	(38,594)	(33,605)
Community amenities		(1,882,029)	(1,697,533)	(1,768,222)
Recreation and culture		(2,762,922)	(2,669,094)	(3,099,678)
Transport		(3,891,831)	(3,606,984)	(3,754,970)
Economic services		(777,004)	(577,592)	(641,916)
Other property and services		(88,541)	(133,022)	(126,066)
		(11,998,148)	(11,002,089)	(11,938,495)
<b>Finance costs</b>	6, 10(d)			
General purpose funding		(100)	0	(100)
Community amenities		(12,903)	(13,354)	(13,310)
Recreation and culture		(59,213)	(64,491)	(64,508)
		(72,216)	(77,845)	(77,918)
<b>Subtotal</b>		(3,774,749)	(2,116,976)	(3,896,431)
Non-operating grants, subsidies and contributions	9	3,226,844	1,564,336	1,595,608
Profit on disposal of assets	4(b)	0	7,460	21,350
(Loss) on disposal of assets	4(b)	(14,000)	(54,685)	(34,489)
		3,212,844	1,517,111	1,582,469
<b>Net result</b>		<b>(561,905)</b>	<b>(599,865)</b>	<b>(2,313,962)</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	0	0
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>(561,905)</b>	<b>(599,865)</b>	<b>(2,313,962)</b>

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

**FOR THE YEAR ENDED 30TH JUNE 2020****KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS**

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

**OBJECTIVE****GOVERNANCE**

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

**GENERAL PURPOSE FUNDING**

To collect revenue to allow for the provision of services.

**LAW, ORDER, PUBLIC SAFETY**

To provide services to help ensure a safer community.

**HEALTH**

To provide an operational framework for good community health.

**EDUCATION AND WELFARE**

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

**HOUSING**

Help ensure adequate housing.

**COMMUNITY AMENITIES**

Provide services required by the community.

**RECREATION AND CULTURE**

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

**TRANSPORT**

To provide effective and efficient transport services to the community.

**ECONOMIC SERVICES**

To help promote the Shire and improve its economic wellbeing.

**OTHER PROPERTY AND SERVICES**

Identification of expenses not included in programs above and for the pooling of costs that have been reallocated to the programs above.

**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.

Rates, general purpose government grants and interest revenue.

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

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

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.

Maintenance of staff and rental housing.

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.

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

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

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

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

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2020**

**BY NATURE OR TYPE**

NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Rates	4,699,280	4,508,668	4,549,595
Operating grants, subsidies and contributions	1,647,987	2,458,959	1,579,767
Fees and charges	1,686,736	1,578,592	1,683,634
Interest earnings	203,128	208,079	199,321
Goods and services tax	376,159	325,206	473,800
Other revenue	140,960	122,577	112,631
	<b>8,754,250</b>	<b>9,202,081</b>	<b>8,598,748</b>
<b>Payments</b>			
Employee costs	(4,645,891)	(4,309,674)	(4,539,851)
Materials and contracts	(3,234,988)	(2,369,804)	(3,086,699)
Utility charges	(313,274)	(270,681)	(283,642)
Interest expenses	(72,216)	(77,817)	(77,918)
Insurance expenses	(278,437)	(265,150)	(263,121)
Goods and services tax	(365,747)	(320,472)	(479,046)
Other expenditure	(316,655)	(299,191)	(305,735)
	<b>(9,227,208)</b>	<b>(7,912,789)</b>	<b>(9,036,012)</b>
<b>Net cash provided by (used in) operating activities</b>	<b>3 (472,958)</b>	<b>1,289,292</b>	<b>(437,264)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for purchase of property, plant & equipment	4(a) (3,117,765)	(1,233,510)	(1,854,698)
Payments for construction of infrastructure	4(a) (2,628,404)	(2,347,150)	(3,027,955)
Non-operating grants, subsidies and contributions used for the development of assets	9 3,226,844	1,564,336	1,595,608
Proceeds from sale of plant & equipment	4(b) 348,400	201,005	337,864
<b>Net cash provided by (used in) investing activities</b>	<b>(2,170,925)</b>	<b>(1,815,319)</b>	<b>(2,949,181)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings	6(a) (253,216)	(268,033)	(268,034)
Proceeds from self supporting loans	6(a) 8,651	8,337	8,337
Proceeds from new borrowings	6(b) 0	200,000	200,000
<b>Net cash provided by (used in) financing activities</b>	<b>(244,565)</b>	<b>(59,696)</b>	<b>(59,697)</b>
<b>Net increase (decrease) in cash held</b>	<b>(2,888,448)</b>	<b>(585,723)</b>	<b>(3,446,142)</b>
Cash at beginning of year	6,570,760	7,156,483	7,156,483
<b>Cash and cash equivalents at the end of the year</b>	<b>3 3,682,312</b>	<b>6,570,760</b>	<b>3,710,341</b>

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

**RATES SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2020**
**BY REPORTING PROGRAM**

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	2 (b)(i)	2,059,835	1,948,266	1,928,742
		2,059,835	1,948,266	1,928,742
<b>Revenue from operating activities (excluding rates)</b>				
Governance		929	323	369
General purpose funding		1,168,699	2,147,829	1,158,091
Law, order, public safety		471,610	439,690	444,013
Health		14,100	13,410	18,200
Education and welfare		15,609	596	25,509
Housing		23,160	22,573	22,000
Community amenities		1,076,233	1,055,809	1,130,507
Recreation and culture		405,266	312,481	414,094
Transport		179,772	161,121	114,499
Economic services		133,423	120,404	131,573
Other property and services		138,886	148,757	143,126
		3,627,687	4,422,993	3,601,981
<b>Expenditure from operating activities</b>				
Governance		(1,090,117)	(959,684)	(1,041,437)
General purpose funding		(129,334)	(177,979)	(186,077)
Law, order, public safety		(1,023,835)	(916,767)	(989,311)
Health		(124,673)	(85,585)	(85,618)
Education and welfare		(214,802)	(182,531)	(237,877)
Housing		(23,160)	(38,594)	(33,605)
Community amenities		(1,894,932)	(1,710,887)	(1,781,532)
Recreation and culture		(2,822,135)	(2,733,585)	(3,164,186)
Transport		(3,895,831)	(3,618,393)	(3,762,593)
Economic services		(777,004)	(577,592)	(642,600)
Other property and services		(88,541)	(133,022)	(126,066)
		(12,084,364)	(11,134,619)	(12,050,902)
Non-cash amounts excluded from operating activities	2 (b)(ii)	3,255,550	3,460,638	3,484,069
<b>Amount attributable to operating activities</b>		(3,141,292)	(1,302,722)	(3,036,110)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	9	3,226,844	1,564,336	1,595,608
Purchase property, plant and equipment	4(a)	(3,117,765)	(1,233,510)	(1,854,698)
Purchase and construction of infrastructure	4(a)	(2,628,404)	(2,347,150)	(3,027,955)
Proceeds from disposal of assets	4(b)	348,400	201,005	337,864
<b>Amount attributable to investing activities</b>		(2,170,925)	(1,815,319)	(2,949,181)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(253,216)	(268,033)	(268,034)
Proceeds from new borrowings	6(b)	0	200,000	200,000
Proceeds from self supporting loans	6(a)	8,651	8,337	8,337
Transfers to cash backed reserves (restricted assets)	7(a)	(577,558)	(924,569)	(680,899)
Transfers from cash backed reserves (restricted assets)	7(a)	1,466,412	1,614,716	2,186,536
<b>Amount attributable to financing activities</b>		644,289	630,451	1,445,940
<b>Budgeted deficiency before general rates</b>		(4,667,928)	(2,487,590)	(4,539,351)
<b>Estimated amount to be raised from general rates</b>	1	4,667,928	4,547,425	4,539,351
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2 (b)(i)	<b>0</b>	<b>2,059,835</b>	<b>0</b>

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



NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020

1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2019/20 Budgeted rate revenue	2019/20 Budgeted interim rates	2019/20 Budgeted back rates	2019/20 Budgeted total revenue	2018/19 Actual total revenue	2018/19 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
<b>Differential general rate or general rate</b>									
<b>Gross rental valuations</b>									
GRV - Shire	0.087045	1,724	27,707,110	2,411,766	10,000	1,000	2,422,766	2,329,792	2,332,733
<b>Unimproved valuations</b>									
UV - Shire Rural	0.006317	481	184,217,000	1,163,699			1,163,699	1,155,161	1,153,671
UV - Mining	0.075684	15	973,842	73,704			73,704	72,866	71,503
<b>Sub-Totals</b>		2,220	212,897,952	3,649,169	10,000	1,000	3,660,169	3,557,819	3,557,907
<b>Minimum</b>									
<b>Minimum payment</b>									
\$									
<b>Gross rental valuations</b>									
GRV - Shire	942.00	753	3,914,589	709,326			709,326	711,569	711,321
<b>Unimproved valuations</b>									
UV - Shire Rural	1,168.00	250	33,480,400	292,000			292,000	262,891	265,768
UV - Mining	523.00	15	35,935	7,845			7,845	6,689	6,408
<b>Sub-Totals</b>		1,018	37,430,924	1,009,171	0	0	1,009,171	981,149	983,497
		3,238	250,328,876	4,658,340	10,000	1,000	4,669,340	4,538,968	4,541,404
Discounts/concessions (Refer note 1(h))							(1,412)	(2,053)	(2,053)
<b>Total amount raised from general rates</b>							4,667,928	4,536,915	4,539,351
Movement in rate pre-payments							0	10,510	0
<b>Total rates</b>							4,667,928	4,547,425	4,539,351

All land (other than 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 of Bridgetown-Greenbushes.

The general rates detailed for the 2019/20 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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



**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**1. RATES AND SERVICE CHARGES (CONTINUED)**

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

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

<b>Instalment options</b>	<b>Date due</b>	<b>Instalment plan admin charge</b>	<b>Instalment plan interest rate</b>	<b>Unpaid rates interest rates</b>
		\$	%	%
<b>Option one</b>				
Single full payment	27/09/2019	0.00	0.00%	11.00%
<b>Option two</b>				
First instalment	27/09/2019	0.00	5.50%	11.00%
Second instalment	27/11/2019	8.35	5.50%	11.00%
Third instalment	28/01/2020	8.35	5.50%	11.00%
Fourth instalment	30/03/2020	8.35	5.50%	11.00%

  

	<b>2019/20 Budget revenue</b>	<b>2018/19 Actual revenue</b>	<b>2018/19 Budget revenue</b>
	\$	\$	\$
Instalment plan admin charge revenue	23,800	23,585	23,800
Instalment plan interest earned	16,500	16,251	15,500
Unpaid rates and service charge interest earned	33,050	33,134	28,400
	73,350	72,970	67,700

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**1. RATES AND SERVICE CHARGES (CONTINUED)**

**(c) 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 rate**

<b>Description</b>	<b>Characteristics</b>	<b>Objects</b>	<b>Reasons</b>
Rural (UV)	Consists of properties that are exclusively for rural use.	This rate contributes to the services desired by the community.	This is considered the base rate by which all other UV rated properties are assessed. 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.
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"> <li>• there is substantially greater burden on the Shire's internal road network caused by heavy haulage mining vehicles;</li> <li>• disturbance to the landscape on and adjacent to tenements requires Shire oversight and input with noxious weed mitigation and management; and</li> <li>• 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.</li> </ul>

**(d) Differential Minimum Payment**

<b>Description</b>	<b>Characteristics</b>	<b>Objects</b>	<b>Reasons</b>
Mining (UV)	Consists of mining and exploration tenements located in the district.	To ensure compliance with relevant rating provisions of the Local Government Act 1995.	A reduced minimum rate of \$523.00 will apply to Mining Unimproved Value properties to ensure not more than 50% of properties within this category are on the minimum rate as required by Section 6.35 of the Local Government Act 1995.

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**1. RATES AND SERVICE CHARGES (CONTINUED)**

**(e) Variation in Adopted Differential Rates to Local Public Notice**

The following rates and minimum payments were previously set out in the local public notice giving notice of the intention to charge differential rates.

<b>Differential general</b>	<b>Proposed Rate</b>	<b>Adopted Rate in</b>	<b>Reasons for the difference</b>
GRV - Shire	0.088471 cents	0.087045	As a result of additional surplus funds from 2018/19 being identified and in consideration of the current economic climate, Council adopted a reduced rate in the dollar for the 2019/20 financial year.
UV - Shire Rural	0.006417 cents	0.006317	As a result of additional surplus funds from 2018/19 being identified and in consideration of the current economic climate, Council adopted a reduced rate in the dollar for the 2019/20 financial year.
UV - Mining	0.081436 cents	0.075684	As a result of changes in property valuations, additional surplus funds from 2018/19 being identified and in consideration of the current economic climate, Council adopted a reduced rate in the dollar for the 2019/20 financial year.
<b>Minimum payment</b>	<b>Proposed Minimum</b>	<b>Adopted Minimum</b>	<b>Reasons for the difference</b>
UV - Mining	554.00	523.00	As a result of changes in property valuations received after advertising and to comply with statutory requirements, Council adopted a revised minimum payment for the 2019/20 financial year.

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**1. RATES AND SERVICE CHARGES (CONTINUED)**

**(f) Specified Area Rate**

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.

**(g) Landfill Site Maintenance Rate**

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 1(i) concessions are provided to owners of multiple properties in certain circumstances with regard to this rate.

	<b>Basis of valuation</b>	<b>Rate in</b>	<b>Rateable value</b>	<b>2019/20 Budgeted revenue</b>	<b>2019/20 Budget Applied to Costs</b>	<b>2018/19 Actual revenue</b>
<b>WARR Act Rate</b>		\$	\$	\$	\$	
Minimum charge per assessment \$195.00	GRV	0.00023779	31,621,699	483,015	483,015	477,868
- Interim Rates	UV	0.00006278	218,707,177	148,395	148,395	145,715
						240
				631,410	631,410	623,823
Concessions				(16,575)	(16,575)	(16,019)
			250,328,876	614,835	614,835	607,804

**(h) Rates discounts**

While Council does not provide a discount for early payment of rates, it will offer the following prize for the early payment of rates in full by the due date of 27 September 2019:

- \$600 Community Cash Vouchers (Provided by the Shire of Bridgetown-Greenbushes)

NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020

1. RATES AND SERVICE CHARGES (CONTINUED)

(i) Waivers or concessions

Rate or fee and charge to which the waiver or concession is granted	Type	Discount %	2019/20 Budget	2018/19 Actual	2018/19 Budget	Circumstances in which discount is granted and objects and reasons of the waiver or concession
UV Rural rate	Concession	10%	\$ 1,412	\$ 2,053	\$ 2,053	A concession will apply to properties previously rated in the 'UV Urban Farmland' differential rating category. This concession is in recognition of the higher values applied to properties within the townsite as opposed to land outside of the townsite.
WARR Act rate	Concession	100%	16,575	16,019	19,300	A concession 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."
			17,987	18,072	21,353	

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**2 (a). NET CURRENT ASSETS**

		2019/20 Budget	2019/20 Budget	2018/19 Estimated Actual	2018/19 Budget
	Note	30 June 2020	01 July 2019	30 June 2019	30 June 2019
		\$	\$	\$	\$
<b>Composition of estimated net current assets</b>					
<b>Current assets</b>					
Cash - unrestricted	3	1,178,621	3,178,215	3,178,215	1,133,286
Cash - restricted reserves	3	2,503,691	3,392,545	3,392,545	2,577,055
Receivables		259,080	344,231	344,231	265,164
Inventories		21,120	22,120	22,120	20,513
		3,962,512	6,937,111	6,937,111	3,996,018
<b>Less: current liabilities</b>					
Trade and other payables		(768,479)	(804,714)	(804,714)	(639,188)
Contract liabilities		0	(311,228)	0	0
Long term borrowings		(261,394)	(253,216)	(253,216)	0
Provisions		(863,502)	(853,502)	(853,502)	(956,887)
		(1,893,375)	(2,222,660)	(1,911,432)	(1,596,075)
<b>Net current assets</b>		2,069,137	4,714,451	5,025,679	2,399,943

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**2 (b). NET CURRENT ASSETS**

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

**Operating activities excluded from budgeted deficiency**

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

	2019/20 Budget 30 June 2020	2019/20 Budget 01 July 2019	2018/19 Estimated Actual 30 June 2019	2018/19 Budget 30 June 2019
Note	\$	\$	\$	\$
<b>(i) Current assets and liabilities excluded from budgeted deficiency</b>				
<b>Net current assets</b>	2,069,137	4,714,451	5,025,679	2,399,943
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement.				
<b>Adjustments to net current assets</b>				
Less: Cash - restricted reserves	(2,503,691)	(3,392,545)	(3,392,545)	(2,577,055)
Less: Current assets not expected to be received at end of year				
- current portion of self supporting loans receivable	(8,976)	(8,651)	(8,651)	0
Add: Current liabilities associated with restricted assets				
- Unspent grants, contributions and reimbursements	0	311,228	0	0
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	261,394	253,216	253,216	0
- Employee benefit provisions	182,136	182,136	182,136	177,112
<b>Adjusted net current assets - surplus/(deficit)</b>	<b>0</b>	<b>2,059,835</b>	<b>2,059,835</b>	<b>0</b>



**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**2 (b). NET CURRENT ASSETS (CONTINUED)**

Note	2019/20 Budget 30 June 2020	2019/20 Budget 01 July 2019	Estimated Actual 30 June 2019	2018/19 Budget 30 June 2019
	\$	\$	\$	\$
<b>(ii) Operating activities excluded from budgeted deficiency</b>				
The following non-cash revenue or expenditure has been excluded from operating activities within the Rate Setting Statement.				
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals	4(b) 0	(7,460)	(7,460)	(21,350)
Less: Movement in deferred rates (non-current)	0	(23,713)	(23,713)	0
Less: Movement in liabilities associated with restricted cash	(311,228)	(10,397)	(10,397)	0
Add: Loss on disposal of assets	4(b) 14,000	54,685	54,685	34,489
Add: Change in accounting policies	16 0	400,489	0	0
Add: Depreciation on assets	5 3,552,778	3,447,523	3,447,523	3,470,930
<b>Non cash amounts excluded from operating activities</b>	<b>3,255,550</b>	<b>3,861,127</b>	<b>3,460,638</b>	<b>3,484,069</b>

**(iii) Reason for adjustment to Adjusted net current assets - surplus/(deficit) on 1 July 2019**

The Shire has elected to retrospectively apply the cumulative effect of applying AASB 1058 Income of Not-for-Profit Entities at the date of initial application of the standard, being 1 July 2019. The impact of applying the standard was to recognise unspent grants and contributions for construction of recognisable non-financial assets controlled by the Shire as a liability. The opening budgeted surplus/deficit on 1 July 2019 has been amended accordingly from the estimated actual closing surplus/deficit. Refer to note 16 for further explanation of the impact of the changes in accounting policies

## NOTES TO AND FORMING PART OF THE BUDGET FOR THE YEAR ENDED 30TH JUNE 2020

### 2 (c). NET CURRENT ASSETS

#### SIGNIFICANT ACCOUNTING POLICIES

##### 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.

##### TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire of Bridgetown-Greenbushes 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.

##### CONTRACT ASSETS

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

##### 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.

##### 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.

##### 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.

##### CONTRACT LIABILITIES

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

##### EMPLOYEE BENEFITS

###### Short-term employee benefits

Provision is made for the Shire of Bridgetown-Greenbushes' 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 Bridgetown-Greenbushes' 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 of Bridgetown-Greenbushes' obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

###### Superannuation

The Shire of Bridgetown-Greenbushes contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Bridgetown-Greenbushes contributes are defined contribution plans.

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**3. RECONCILIATION OF CASH**

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

	<b>2019/20 Budget</b>	<b>2018/19 Actual</b>	<b>2018/19 Budget</b>
	\$	\$	\$
Cash - unrestricted	1,178,621	3,178,215	1,133,286
Cash - restricted	2,503,691	3,392,545	2,577,055
	<b>3,682,312</b>	<b>6,570,760</b>	<b>3,710,341</b>
The following restrictions have been imposed by regulation or other externally imposed requirements:			
Leave Reserve	186,752	182,136	182,817
Plant Reserve	299,871	424,561	171,078
Land & Building Reserve	554,150	714,400	685,464
Bush Fire Reserve	11,011	10,739	5,870
Maranup Ford Road Maintenance Reserve	5,389	5,256	3,639
Subdivision Reserve	218,254	390,331	402,113
Sanitation Reserve	17,311	65,647	4,258
Recreation Centre Floor and Solar Reserve	205,138	190,315	191,279
Refuse Site Post Closure Reserve	186,568	219,017	206,544
Drainage Reserve	31,618	21,084	21,415
Community Bus Replacement Reserve	56,651	50,374	50,563
SBS Tower and Infrastructure Replacement Reserve	32,390	31,589	31,707
Playground Equipment Reserve	35,120	30,497	29,775
Swimming Pool Reserve	4,541	4,429	4,446
Car Park Reserve	972	948	952
ROMANS Reserve	0	4,721	4,739
Building Maintenance Reserve	149,462	145,768	150,239
Strategic Projects Reserve	96,441	98,934	71,363
Matched Grants Reserve	42,139	38,293	31,263
Aged Care Infrastructure Reserve	57,442	56,022	56,232
Equipment Reserve	6,162	6,010	6,032
Assets and GRV Revaluation Reserve	72,205	57,656	54,268
Bridgetown Leisure Centre Reserve	60,519	117,894	119,836
Trails Reserve	26,824	21,285	21,365
Light Fleet Vehicle Reserve	37,214	64,021	134
Prepaid Rates Reserve	0	30,097	30,966
Blackspot Works Reserve	20,286	10,032	10,322
Unspent Grants and Loans Reserve	89,261	400,489	28,376
	<b>2,503,691</b>	<b>3,392,545</b>	<b>2,577,055</b>

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**3. RECONCILIATION OF CASH (CONTINUED)**

	<b>2019/20 Budget</b>	<b>2018/19 Actual</b>	<b>2018/19 Budget</b>
	\$	\$	\$
<b>Reconciliation of net cash provided by operating activities to net result</b>			
<b>Net result</b>	(561,905)	(599,865)	(2,313,962)
Depreciation	3,552,778	3,447,523	3,470,930
(Profit)/loss on sale of asset	14,000	47,225	13,139
(Increase)/decrease in receivables	85,476	(90,316)	3,766
(Increase)/decrease in contract assets	0	0	0
(Increase)/decrease in inventories	1,000	(107)	1,500
Increase/(decrease) in payables	(436,724)	142,975	(42,029)
Increase/(decrease) in contract liabilities	(311,228)	0	
Increase/(decrease) in employee provisions	10,000	(93,807)	25,000
Change in accounting policies transferred to retained surplus (refer to Note 16)	400,489	0	0
Grants/contributions for the development of assets	(3,226,844)	(1,564,336)	(1,595,608)
<b>Net cash from operating activities</b>	<b>(472,958)</b>	<b>1,289,292</b>	<b>(437,264)</b>

**SIGNIFICANT ACCOUNTING POLICES**

**CASH AND CASH EQUIVALENTS**

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

Bank overdrafts are shown as short term borrowings in current liabilities in Note 2 - Net Current Assets.

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**4. FIXED ASSETS**

**(a) Acquisition of Assets**

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

Asset class	Reporting program							2019/20 Budget total	2018/19 Actual total	2018/19 Budget 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 - freehold land	0	0	0	0	0	0	0	213,427	213,427	40,081	41,326
Buildings - specialised	13,500	533,700	6,500	6,000	712,904	7,300	25,000	0	1,304,904	346,721	583,083
Furniture and equipment	12,684	0	0	0	0	0	0	0	12,684	0	16,500
Plant and equipment	92,000	832,800			19,950	610,000	32,000	0	1,586,750	846,708	1,213,789
	118,184	1,366,500	6,500	6,000	732,854	617,300	57,000	213,427	3,117,765	1,233,510	1,854,698
<i>Infrastructure</i>											
Roads	0	0	0	0	0	1,081,850	0	0	1,081,850	1,511,744	1,862,012
Footpaths	0	0	0	0	0	17,805	0	0	17,805	0	5,000
Drainage	0	0	0	91,101	0	0	0	0	91,101	95,530	128,022
Parks and ovals	0	0	0	0	37,392	0	56,000	0	93,392	17,841	40,810
Bridges	0	0	0	0	0	1,017,000	0	0	1,017,000	332,216	450,561
Other Infrastructure	0	0	0	30,000	281,556	15,700	0	0	327,256	389,819	541,550
	0	0	0	121,101	318,948	2,132,355	56,000	0	2,628,404	2,347,150	3,027,955
<b>Total acquisitions</b>	118,184	1,366,500	6,500	127,101	1,051,802	2,749,655	113,000	213,427	5,746,169	3,580,660	4,882,653

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

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**4. FIXED ASSETS (CONTINUED)**

**(b) Disposals of Assets**

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

	2019/20				2018/19				2018/19			
	Budget	2019/20	2019/20	2019/20	Actual	2018/19	2018/19	2018/19	Budget	2018/19	2018/19	2018/19
	Net	Budget	2019/20	2019/20	Net	Actual	2018/19	2018/19	Net	Budget	2018/19	2018/19
	Book	Sale	Budget	Budget	Book	Sale	Actual	Actual	Book	Sale	Budget	Budget
	Value	Proceeds	Profit	Loss	Value	Proceeds	Profit	Loss	Value	Proceeds	Profit	Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>By Program</b>												
Governance	53,000	53,000	0	0	20,245	17,555	0	(2,690)	18,335	17,200	0	(1,135)
Law, order, public safety	122,400	112,400	0	(10,000)	86,047	49,532	3,987	(40,502)	85,047	61,200	1,200	(25,047)
Health		0	0	0	18,266	18,182	0	(84)	18,000	18,000	0	0
Community amenities		0	0	0	16,909	17,982	1,073	0	69,750	87,500	17,750	0
Transport	171,000	167,000	0	(4,000)	106,763	97,754	2,400	(11,409)	141,187	135,964	2,400	(7,623)
Economic services	16,000	16,000	0	0		0	0	0	18,684	18,000	0	(684)
	362,400	348,400	0	(14,000)	248,230	201,005	7,460	(54,685)	351,003	337,864	21,350	(34,489)
<b>By Class</b>												
<u>Property, Plant and</u>												
<u>Equipment</u>												
Plant and equipment	362,400	348,400		(14,000)	248,230	201,005	7,460	(54,685)	351,003	337,864	21,350	(34,489)
	362,400	348,400	0	(14,000)	248,230	201,005	7,460	(54,685)	351,003	337,864	21,350	(34,489)

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

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**5. ASSET DEPRECIATION**

	<b>2019/20 Budget</b>	<b>2018/19 Actual</b>	<b>2018/19 Budget</b>
	\$	\$	\$
<b>By Program</b>			
Governance	2,311	2,564	2,232
Law, order, public safety	174,309	157,344	153,270
Education and welfare	17,271	17,270	17,214
Housing	16,743	17,552	17,576
Community amenities	155,146	143,483	143,299
Recreation and culture	565,247	577,288	574,561
Transport	2,234,070	2,205,987	2,205,584
Economic services	25,775	26,148	26,148
Other property and services	361,906	299,887	331,046
	<b>3,552,778</b>	<b>3,447,523</b>	<b>3,470,930</b>
<b>By Class</b>			
Land and buildings	511,484	508,097	504,849
Furniture and equipment	22,546	38,891	37,006
Plant and equipment	441,977	364,000	392,540
Infrastructure - roads	1,950,451	1,930,840	1,930,840
Infrastructure - footpaths	63,570	63,570	63,570
Infrastructure - drainage	92,483	90,648	90,648
Infrastructure - parks and ovals	149,326	148,520	148,520
Infrastructure - bridges	185,029	176,423	176,423
Infrastructure - other	135,912	126,534	126,534
	<b>3,552,778</b>	<b>3,447,523</b>	<b>3,470,930</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**RECOGNITION OF ASSETS**

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

**DEPRECIATION**

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

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

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

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.

**DEPRECIATION (CONTINUED)**

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

<b>Buildings</b>	30 to 120 Years
<b>Furniture and equipment</b>	4 to 15 Years
<b>Plant and equipment</b>	3 to 25 Years
<b>Infrastructure - Roads</b>	
Pavement	60 Years
Seal	
- bituminous	20 Years
- asphalt surfaces	25 Years
Kerb barriers	50 Years
<b>Infrastructure - Footpaths</b>	40 to 50 Years
<b>Infrastructure - Drainage</b>	80 Years
<b>Infrastructure - Parks and ovals</b>	15 to 50 Years
<b>Bridges</b>	
Road bridges	80 Years
Pedestrian bridges	50 Years
<b>Infrastructure - Other</b>	
Car parks pavement	60 Years
Car parks seal	25 Years
Street furniture	15 Years
Bus shelters	15 Years
Reservoirs and dams	50 Years
Swimming pool infrastructure	50 Years
All other infrastructure	15 to 50 Years



**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2019**

**6. INFORMATION ON BORROWINGS**

**(a) Borrowing repayments**

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

Purpose	Budget	2019/20	2019/20	2019/20	Budget	Actual	2018/19	2018/19	2018/19	Actual	Budget	2018/19	2018/19	2018/19	Budget
	Principal 1 July 2019	Budget New loans	Budget Principal repayments	Budget Interest repayments	Principal outstanding 30 June 2020	Principal 1 July 2018	Actual New loans	Actual Principal repayments	Actual Interest repayments	Principal outstanding 30 June 2019	Principal 1 July 2018	Budget New loans	Budget Principal repayments	Budget Interest repayments	Principal outstanding 30 June 2019
		\$	\$	\$	\$		\$	\$	\$			\$	\$	\$	\$
<b>Community amenities</b>															
Loan 108 - Landfill Plant	73,952		23,650	2,813	50,302	96,655		22,703	3,755	73,952	96,654		22,703	3,760	73,951
Loan 113 - Landfill Site New Cell	206,825		102,240	4,136	104,585	306,774		99,949	6,422	206,825	306,774		99,949	6,428	206,825
Loan 114 - Liquid Waste & Inert Waste Site	97,284		23,341	2,498	73,943	120,000		22,716	3,119	97,284	120,000		22,716	3,122	97,284
Loan 115 - Landfill Cell Extension	100,000		19,364	1,541	80,636	0	100,000		26	100,000	0	100,000	0	0	100,000
Loan 116 - Liquid Waste Facility	100,000		9,145	1,915	90,855	0	100,000		32	100,000	0	100,000	0	0	100,000
<b>Recreation and culture</b>															
Loan 105 - Memorial Park Improvements	0				0	27,987		27,987	1,314	0	27,987		27,987	1,319	0
Loan 106 - Somme Creek Parkland	0				0	22,136		22,136	1,039	0	22,137		22,137	1,043	0
Loan 112 - Bridgetown Swimming Pool	1,467,894		66,825	58,635	1,401,069	1,532,099		64,205	61,248	1,467,894	1,532,099		64,205	61,255	1,467,894
	<b>2,045,955</b>	<b>0</b>	<b>244,565</b>	<b>71,538</b>	<b>1,801,390</b>	<b>2,105,651</b>	<b>200,000</b>	<b>259,696</b>	<b>76,955</b>	<b>2,045,955</b>	<b>2,105,651</b>	<b>200,000</b>	<b>259,697</b>	<b>76,927</b>	<b>2,045,954</b>
<b>Self Supporting Loans</b>															
<b>Recreation and culture</b>															
Loan 110 - Bridgetown Bowling Club	17,627	0	8,651	578	8,976	25,964	0	8,337	890	17,627	25,964	0	8,337	891	17,627
	<b>17,627</b>	<b>0</b>	<b>8,651</b>	<b>578</b>	<b>8,976</b>	<b>25,964</b>	<b>0</b>	<b>8,337</b>	<b>890</b>	<b>17,627</b>	<b>25,964</b>	<b>0</b>	<b>8,337</b>	<b>891</b>	<b>17,627</b>
	<b>2,063,582</b>	<b>0</b>	<b>253,216</b>	<b>72,116</b>	<b>1,810,366</b>	<b>2,131,615</b>	<b>200,000</b>	<b>268,033</b>	<b>77,845</b>	<b>2,063,582</b>	<b>2,131,615</b>	<b>200,000</b>	<b>268,034</b>	<b>77,818</b>	<b>2,063,581</b>

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

- Loan 108, 113, 114, 115 and 116 are funded by the Landfill Site Maintenance Rate
- Loan 110 funded directly by the Bridgetown Bowling Club

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**6. INFORMATION ON BORROWINGS (CONTINUED)**

**(b) New borrowings - 2019/20**

The Shire does not intend to undertake any new borrowings for the year ended 30th June 2020.

**(c) Unspent borrowings**

The Shire had no unspent borrowing funds as at 30th June 2019 nor is it expected to have unspent borrowing funds as at 30th June 2020.

**(d) Credit Facilities**

	<b>2019/20 Budget</b>	<b>2018/19 Actual</b>	<b>2018/19 Budget</b>
	\$	\$	\$
<b>Undrawn borrowing facilities credit standby arrangements</b>			
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	1,727	0
<b>Total amount of credit unused</b>	<b>205,000</b>	<b>203,273</b>	<b>205,000</b>
<b>Loan facilities</b>			
Loan facilities in use at balance date	1,810,366	2,063,582	2,063,581

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 2018/19 financial year and it is not anticipated that this facility will be required to be utilised during 2019/20.

**SIGNIFICANT ACCOUNTING POLICIES**

**BORROWING COSTS**

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

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**7. CASH BACKED RESERVES**

**(a) Cash Backed Reserves - Movement**

	2019/20 Budget Opening Balance	2019/20 2019/20 Budget Transfer to	2019/20 Budget Transfer (from)	2019/20 Budget Closing Balance	2018/19 Actual Opening Balance	2018/19 2018/19 Actual Transfer to	2018/19 Actual Transfer (from)	2018/19 Actual Closing Balance	2018/19 Budget Opening Balance	2018/19 2018/19 Budget Transfer to	2018/19 Budget Transfer (from)	2018/19 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Leave Reserve	182,136	4,616	0	186,752	177,112	5,024	0	182,136	177,112	5,705	0	182,817
Plant Reserve	424,561	261,310	(386,000)	299,871	318,625	244,371	(138,435)	424,561	318,625	270,888	(418,435)	171,078
Land & Building Reserve	714,400	18,160	(178,410)	554,150	709,401	45,080	(40,081)	714,400	709,401	21,389	(45,326)	685,464
Bush Fire Reserve	10,739	10,272	(10,000)	11,011	687	10,052	0	10,739	687	5,183	0	5,870
Maranup Ford Road Maintenance Reserve	5,256	133	0	5,389	101,525	1,731	(98,000)	5,256	101,525	114	(98,000)	3,639
Subdivision Reserve	390,331	19,892	(191,969)	218,254	379,565	10,766	0	390,331	379,565	22,548	0	402,113
Sanitation Reserve	65,647	1,664	(50,000)	17,311	19,903	104,544	(58,800)	65,647	19,903	102,355	(118,000)	4,258
Recreation Centre Floor and Solar Reserve	190,315	14,823	0	205,138	175,310	15,005	0	190,315	175,310	15,969	0	191,279
MGB Reserve	0	0	0	0	74,222	253	(74,475)	0	74,222	0	(74,222)	0
Refuse Site Post Closure Reserve	219,017	10,551	(43,000)	186,568	208,098	10,919	0	219,017	208,099	11,445	(13,000)	206,544
Drainage Reserve	21,084	10,534	0	31,618	10,747	10,337	0	21,084	10,747	10,668	0	21,415
Community Bus Replacement Reserve	50,374	6,277	0	56,651	48,985	1,389	0	50,374	48,985	1,578	0	50,563
SBS Tower and Infrastructure Replacement Reserve	31,589	801	0	32,390	30,718	871	0	31,589	30,718	989	0	31,707
Playground Equipment Reserve	30,497	4,623	0	35,120	25,846	4,651	0	30,497	25,846	3,929	0	29,775
Swimming Pool Reserve	4,429	112	0	4,541	4,307	122	0	4,429	4,307	139	0	4,446
Car Park Reserve	948	24	0	972	922	26	0	948	922	30	0	952
ROMANS Reserve	4,721	0	(4,721)	0	4,591	130	0	4,721	4,591	148	0	4,739
Building Maintenance Reserve	145,768	3,694	0	149,462	145,551	4,084	(3,867)	145,768	145,551	4,688	0	150,239
Strategic Projects Reserve	98,934	42,507	(45,000)	96,441	64,136	34,798	0	98,934	64,136	12,227	(5,000)	71,363
Matched Grants Reserve	38,293	10,970	(7,124)	42,139	30,287	10,882	(2,876)	38,293	30,287	10,976	(10,000)	31,263
Aged Care Infrastructure Reserve	56,022	1,420	0	57,442	54,477	1,545	0	56,022	54,477	1,755	0	56,232
Equipment Reserve	6,010	152	0	6,162	5,844	166	0	6,010	5,844	188	0	6,032

NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020

7. CASH BACKED RESERVES (CONTINUED)

(a) Cash Backed Reserves - Movement (Continued)

	2019/20 Budget Opening Balance	2019/20 Budget Transfer to	2019/20 Budget Transfer (from)	2019/20 Budget Closing Balance	2018/19 Actual Opening Balance	2018/19 Actual Transfer to	2018/19 Actual Transfer (from)	2018/19 Actual Closing Balance	2018/19 Budget Opening Balance	2018/19 Budget Transfer to	2018/19 Budget Transfer (from)	2018/19 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Assets and GRV Revaluation Reserve	57,656	42,049	(27,500)	72,205	84,308	37,992	(64,644)	57,656	84,308	37,460	(67,500)	54,268
Bridgetown Leisure Centre Reserve	117,894	2,988	(60,363)	60,519	124,897	3,334	(10,337)	117,894	124,897	3,739	(8,800)	119,836
Trails Reserve	21,285	5,539	0	26,824	20,698	587	0	21,285	20,698	667	0	21,365
Light Fleet Vehicle Reserve	64,021	94,193	(121,000)	37,214	19,500	95,524	(51,003)	64,021	19,500	94,834	(114,200)	134
Prepaid Rates Reserve	30,097	0	(30,097)	0	0	30,097	0	30,097	0	30,966	0	30,966
Blackspot Works Reserve	10,032	10,254	0	20,286	0	10,032	0	10,032	0	10,322	0	10,322
Unspent Grants and Loans Reserve	400,489	0	(311,228)	89,261	1,242,430	230,257	(1,072,198)	400,489	1,242,429	0	(1,214,053)	28,376
	3,392,545	577,558	(1,466,412)	2,503,691	4,082,692	924,569	(1,614,716)	3,392,545	4,082,692	680,899	(2,186,536)	2,577,055

(b) Cash Backed Reserves - Purposes

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

Reserve name	Purpose of the reserve
Leave Reserve	To be used to fund annual and long service leave requirements.
Plant Reserve	To be used for the purchase of major plant.
Land & Building Reserve	To be used for the future acquisition of land and buildings.
Bush Fire Reserve	To be used for the purchase of district fire fighting equipment, buildings and fire fighting plant.
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.
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.
Sanitation Reserve	To be used for the provision of waste management services and waste facilities.
Recreation Centre Floor and Solar Reserve	To be used to fund future timber floor and solar equipment replacements at the Bridgetown Leisure Centre.
Refuse Site Post Closure Reserve	To be used to rehabilitate the Shire's refuse sites.

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**7. CASH BACKED RESERVES (CONTINUED)**

**(b) Cash Backed Reserves - Purposes (Continued)**

<b>Reserve name</b>	<b>Purpose of the reserve</b>
Drainage Reserve	To be used for drainage upgrade works.
Community Bus Replacement Reserve	To be used to purchase a replacement community bus.
SBS Tower and Infrastructure Replacement Reserve	To be used for replacement of the SBS tower and associated infrastructure.
Playground Equipment Reserve	To be used for replacement of playground equipment.
Swimming Pool Reserve	To be used for studies on the pool for life expectancy and upgrades required to enable its future usage.
Car Park Reserve	To hold contributions for funding car park construction.
ROMANS Reserve	To be used to fund the take-up of roads condition information into ROMANS.
Building Maintenance Reserve	To be used to fund capital improvements to council buildings and facilities.
Strategic Projects Reserve	To be used to fund strategic planning actions and other strategic initiatives as determined by the Council.
Matched Grants Reserve	To provide a funding mechanism for grants that require a matched funding component.
Aged Care Infrastructure Reserve	To contribute to the construction of non-council aged care buildings.
Equipment Reserve	To be used to fund the purchase of gym and exercise equipment.
Assets and GRV Revaluation Reserve	To be used to fund future property and infrastructure revaluations.
Bridgetown Leisure Centre Reserve	To be used for the purpose of funding new initiatives at the Bridgetown Leisure Centre.
Trails Reserve	To be used for funding of new local trail initiatives and projects.
Light Fleet Vehicle Reserve	To be used for the purchase of light fleet vehicles.
Prepaid Rates Reserve	To ensure funding is available in 2019/20 to offset the derecognition of prepaid rates as revenue due to the introduction of Accounting Standard AASB1058.
Blackspot Works Reserve	To provide a funding mechanism for Blackspot Grant projects that require a matched funding component.
Unspent Grants and 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 the exception being closure of two reserves detailed in Note 7(c) & (d).

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**7. CASH BACKED RESERVES (CONTINUED)**

**(c) Cash Backed Reserves - Change in Use**

The Shire has resolved to make the following changes in the use of the money in a reserve account. This money is to be used or set aside for a purpose other than the purpose for which the account was established.

<b>Cash Backed Reserve</b>	<b>Proposed new purpose of the reserve</b>	<b>Reasons for changing the use of the reserve</b>	<b>2019/20 Budget change of purpose</b>
ROMANS Reserve	To be used to fund future property and infrastructure revaluations	All funds held in the reserve are to be transferred to the Assets and GRV Revaluation Reserve. The ROMANS Reserve was previously used to fund the take-up of roads condition information into the ROMANS system, this is now incorporated into the process when undertaking infrastructure asset revaluation.	\$ 4,721
			4,721

**(d) Cash Backed Reserves - Closure of Reserve**

The following reserve accounts will be closed during 2019/20.

<b>Cash Backed Reserve</b>	<b>Reason for closure of the reserve</b>
ROMANS Reserve	Funds are to be transferred to the Assets and GRV Revaluation Reserve
Prepaid Rates Reserve	Following introduction of new accounting standard as at 1 July 2019, this reserve is no longer required

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**8. FEES & CHARGES REVENUE**

	<b>2019/20 Budget</b>	<b>2018/19 Actual</b>	<b>2018/19 Budget</b>
	\$	\$	\$
Governance	269	229	269
General purpose funding	52,200	52,839	55,600
Law, order, public safety	41,800	44,090	36,050
Health	14,100	13,410	18,200
Education and welfare	9	9	9
Housing	21,360	21,170	20,950
Community amenities	1,071,233	1,048,628	1,112,757
Recreation and culture	244,662	227,288	241,171
Transport	8,230	7,498	8,755
Economic services	133,023	118,494	127,973
Other property and services	69,850	64,937	73,900
	<b>1,656,736</b>	<b>1,598,592</b>	<b>1,695,634</b>

**9. GRANT REVENUE**

	<b>2019/20 Budget</b>	<b>2018/19 Actual</b>	<b>2018/19 Budget</b>
	\$	\$	\$
Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:			
<b>By Program:</b>			
<b>Operating grants, subsidies and contributions</b>			
General purpose funding	903,949	1,879,259	894,061
Law, order, public safety	412,810	387,100	404,763
Education and welfare	15,000	0	25,000
Recreation and culture	133,762	68,704	156,077
Transport	161,342	151,222	93,144
	<b>1,626,863</b>	<b>2,486,285</b>	<b>1,573,045</b>
<b>Non-operating grants, subsidies and contributions</b>			
Law, order, public safety	1,198,500	449,159	315,000
Community amenities	11,364	0	0
Recreation and culture	326,276	128,205	20,000
Transport	1,690,704	986,972	1,260,608
	<b>3,226,844</b>	<b>1,564,336</b>	<b>1,595,608</b>



**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**10. OTHER INFORMATION**

	<b>2019/20 Budget</b>	<b>2018/19 Actual</b>	<b>2018/19 Budget</b>
<b>The net result includes as revenues</b>	\$	\$	\$
<b>(a) Interest earnings</b>			
Investments			
- Reserve funds	75,000	77,253	79,530
- Other funds	78,000	80,550	75,000
Self supporting loans	578	891	891
Other interest revenue (refer note 1b)	49,550	49,385	43,900
	<b>203,128</b>	<b>208,079</b>	<b>199,321</b>
<b>(b) Other revenue</b>			
Reimbursements and recoveries	86,664	50,920	59,205
Other	54,296	71,657	53,426
	<b>140,960</b>	<b>122,577</b>	<b>112,631</b>
<b>The net result includes as expenses</b>			
<b>(c) Auditors remuneration</b>			
Audit services	22,750	11,850	19,750
Other services	5,000	0	3,000
	<b>27,750</b>	<b>11,850</b>	<b>22,750</b>
<b>(d) Interest expenses (finance costs)</b>			
Borrowings (refer Note 6(a))	72,116	77,845	77,818
Other	100	0	100
	<b>72,216</b>	<b>77,845</b>	<b>77,918</b>
<b>(e) Elected members remuneration</b>			
Meeting fees	76,351	74,453	78,200
President's allowance	8,611	8,500	8,500
Deputy President's allowance	2,153	2,125	2,125
Telecommunications allowance	18,087	17,632	18,540
Travelling expenses	1,000	0	2,000
	<b>106,202</b>	<b>102,710</b>	<b>109,365</b>
<b>(f) Write offs</b>			
General rate	100	125	100
Fees and charges	0	1,732	0
	<b>100</b>	<b>1,857</b>	<b>100</b>
<b>(g) Low Value lease expenses</b>			
Office equipment	9,479	54,274	54,683
Plant and equipment	715	4,354	6,819
	<b>10,194</b>	<b>58,628</b>	<b>61,502</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**LEASES**

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

At the commencement date, a lessee shall recognise a right-of-use asset and a lease liability.

At the commencement date, a lessee shall measure the right-of-use asset at cost.

**LEASES (CONTINUED)**

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**11. MAJOR LAND TRANSACTIONS**

It is not anticipated any land transactions or major land transactions will occur in 2019/20.

**12. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

It is not anticipated the Shire will be party to any trading undertakings or major trading undertakings during 2019/20.

**13. INTERESTS IN JOINT ARRANGEMENTS**

It is not anticipated the Shire will be party to any joint venture arrangements during 2019/20.

**14. 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 July 2019	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2020
	\$	\$	\$	\$
BCITF Levy	0	15,000	(15,000)	0
Builders Registration Board Levy	2,817	32,000	(34,817)	0
Traffic Act (Police Licensing Service)	0	1,250,000	(1,250,000)	0
Bushfire Donations	5,430	0	0	5,430
Accommodation - Visitor Centre	32,793	200,000	(232,793)	0
South West Coach Lines	410	6,500	(6,910)	0
Other Visitor Centre (Commission Sales)	310	3,500	(3,810)	0
TransWA	1,018	13,000	(14,018)	0
Other General Trust	50,436	0	(47,260)	3,176
	93,214	1,520,000	(1,604,608)	8,606

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**15. SIGNIFICANT ACCOUNTING POLICIES - OTHER INFORMATION**

**OTHER INFORMATION**

**GOODS AND SERVICES TAX (GST)**

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

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

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

**CRITICAL ACCOUNTING ESTIMATES**

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

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

**ROUNDING OFF FIGURES**

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

**COMPARATIVE FIGURES**

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

**BUDGET COMPARATIVE FIGURES**

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

**REVENUE RECOGNITION**

Accounting Policies for the recognition of income and revenue from contracts with customers is described in Note 16.

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**16. SIGNIFICANT ACCOUNTING POLICIES - CHANGE IN ACCOUNTING POLICIES**

**CHANGE IN ACCOUNTING POLICIES**

This note explains the impact of the adoption of AASB 15 Revenue from Contracts with Customers, AASB 16 Leases and AASB 1058 Income for Not-for-Profit Entities.

**REVENUE FROM CONTRACTS WITH CUSTOMERS**

The Shire of Bridgetown-Greenbushes adopted AASB 15 on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the Shire of Bridgetown-Greenbushes has adopted the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. In summary the following adjustments were made to the amounts recognised in the balance sheet at the date of initial application (1 July 2019):

	AASB 118 carrying amount 30 June 19	Reclassification	AASB 15 carrying amount 01 July 19
	\$	\$	\$
Contract assets	0	0	0
Contract liabilities - current			
Unspent grants and contributions	0	311,228	311,228
Developer contributions	0	0	0
Contract liabilities non-current			
Developer contributions	0	0	0
Unspent grants and contributions	0	89,261	89,261
Adjustment to retained surplus from adoption of AASB 15		(400,489)	

**LEASES**

On adoption of AASB 16, for leases which had previously been classified as an 'operating lease' when applying AASB 117, the Shire of Bridgetown-Greenbushes is not required to make any adjustments on transition for leases for which the underlying asset is of low value. Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with Financial Management Regulation 17A (5).

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**16. SIGNIFICANT ACCOUNTING POLICIES - CHANGE IN ACCOUNTING POLICIES (Continued)**

**CHANGE IN ACCOUNTING POLICIES**

**INCOME FOR NOT-FOR-PROFIT ENTITIES**

The Shire of Bridgetown-Greenbushes has adopted AASB 1058 from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions AASB 1058, the Shire of Bridgetown-Greenbushes has adopted the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods shall not be restated in accordance with AASB 1058 transition requirements.

In applying AASB 1058 retrospectively with the cumulative effect of initially applying the Standard on 1 July 2019 changes occurred to the following financial statement line items by application of AASB as compared to AASB 1004 Contributions before the change:

	AASB 1004 carrying amount 30 June 19	Reclassification	AASB 1058 carrying amount 01 July 19
	\$	\$	\$
Trade and other payables	804,714	72,505	877,219
Adjustment to retained surplus from adoption of AASB 1058		(72,505)	

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Therefore the rates received in advance give rise to a financial liability that is within the scope of AASB 9. On 1 July 2019 the prepaid rates were recognised as a financial asset and a related amount was recognised as a financial liability and no income was recognised by the Shire of Bridgetown-Greenbushes. When the taxable event occurs the financial liability is extinguished and the Shire of Bridgetown-Greenbushes recognises income for the prepaid rates that have not been refunded.

Assets that were acquired for consideration that was significantly less than fair value principally to enable the Shire of Bridgetown-Greenbushes to further its objectives may have been measured on initial recognition under other Australian Accounting Standards at a cost that was significantly less than fair value. Such assets are not required to be remeasured at fair value.

The impact on the Shire of Bridgetown-Greenbushes of the changes as at 1 July 2019 is as follows:

	2019
	\$
Retained surplus - 30/06/2019	
Adjustment to retained surplus from adoption of AASB 15	(400,489)
Adjustment to retained surplus from adoption of AASB 1058	(72,505)
Retained surplus - 01/07/2019	(472,994)