

SHIRE OF BRIDGETOWN-GREENBUSHES

BUDGET

FOR THE YEAR ENDED 30 JUNE 2021

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

'A beautiful place to live'

Working together with the community to achieve our shared objectives

SHIRE OF BRIDGETOWN-GREENBUSHES
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
Revenue				
Rates	1(a)	4,672,388	4,664,443	4,667,928
Operating grants, subsidies and contributions	10(a)	2,097,704	2,605,244	1,626,863
Fees and charges	9	1,535,718	1,610,232	1,656,736
Interest earnings	12(a)	83,027	146,279	203,128
Other revenue	12(b)	151,594	205,186	140,960
		8,540,431	9,231,384	8,295,615
Expenses				
Employee costs		(4,722,949)	(4,407,798)	(4,713,779)
Materials and contracts		(3,292,024)	(2,201,585)	(2,823,225)
Utility charges		(303,741)	(312,436)	(313,274)
Depreciation on non-current assets	5	(3,752,464)	(3,553,713)	(3,552,778)
Interest expenses	12(d)	(68,819)	(73,489)	(72,216)
Insurance expenses		(264,564)	(260,052)	(278,437)
Other expenditure		(391,150)	(296,091)	(316,655)
		(12,795,711)	(11,105,164)	(12,070,364)
Subtotal				
		(4,255,280)	(1,873,780)	(3,774,749)
Non-operating grants, subsidies and contributions	10(b)	4,997,052	795,137	3,226,844
Profit on asset disposals	4(b)	8,100	0	0
Loss on asset disposals	4(b)	(15,240)	(7,378)	(14,000)
		4,989,912	787,759	3,212,844
Net result				
		734,632	(1,086,021)	(561,905)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income				
		734,632	(1,086,021)	(561,905)

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

SHIRE OF BRIDGETOWN-GREENBUSHES FOR THE YEAR ENDED 30 JUNE 2021

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 16 to the budget.

2019/20 ACTUAL BALANCES

Balances shown in this budget as 2019/20 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 2020 the following new accounting policies are to be adopted and may impact the preparation of the budget:

- AASB 1059 Service Concession Arrangements: Grantors
- AASB 2018-7 Amendments to Australian Accounting Standards - Materiality

AASB 1059 is not expected to impact the annual budget. Specific impacts of AASB 2018-7 have not been identified.

KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES

RATES

All rates levied under the *Local Government Act 1995*. these include general, differential, specified area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts and concessions offered.

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.

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, rubbish collection fees, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

INTEREST EARNINGS

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

OTHER REVENUE / INCOME

Other revenue, which can not be classified under the above headings, includes dividends, discounts, and rebates. reimbursements and recoveries.

EXPENSES

EMPLOYEE COSTS

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

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 costs, leases, postage and freight etc.

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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

INSURANCE

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

LOSS ON ASSET DISPOSAL

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

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

INTEREST EXPENSES

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

OTHER EXPENDITURE

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

SHIRE OF BRIDGETOWN-GREENBUSHES
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
Revenue	1,9,10(a),12(a),12(b)	\$	\$	\$
Governance		369	1,525	929
General purpose funding		5,669,993	6,678,041	5,836,627
Law, order, public safety		590,120	628,189	471,610
Health		7,130	7,658	14,100
Education and welfare		5,859	830	15,609
Housing		24,045	19,525	23,160
Community amenities		1,036,956	1,072,395	1,076,233
Recreation and culture		727,444	274,715	405,266
Transport		179,715	175,812	179,772
Economic services		153,874	140,978	133,423
Other property and services		144,926	231,716	138,886
		8,540,431	9,231,384	8,295,615
Expenses excluding finance costs	4(a),5,12(c),(e),(f),(g)			
Governance		(1,153,838)	(986,209)	(1,090,117)
General purpose funding		(123,657)	(115,602)	(129,234)
Law, order, public safety		(1,198,592)	(1,189,336)	(1,013,835)
Health		(163,837)	(111,959)	(124,673)
Education and welfare		(195,474)	(194,613)	(214,802)
Housing		(21,939)	(30,836)	(23,160)
Community amenities		(1,831,169)	(1,661,993)	(1,882,029)
Recreation and culture		(3,107,158)	(2,464,194)	(2,762,922)
Transport		(4,035,383)	(3,524,292)	(3,891,831)
Economic services		(808,393)	(705,522)	(777,004)
Other property and services		(87,452)	(47,119)	(88,541)
		(12,726,892)	(11,031,675)	(11,998,148)
Finance costs	7,6(a),12(d)			
General purpose funding		(100)	0	(100)
Community amenities		(8,428)	(12,871)	(12,903)
Recreation and culture		(58,940)	(60,014)	(59,213)
Other property and services		(1,351)	(604)	0
		(68,819)	(73,489)	(72,216)
Subtotal		(4,255,280)	(1,873,780)	(3,774,749)
Non-operating grants, subsidies and contributions	10(b)	4,997,052	795,137	3,226,844
Profit on disposal of assets	4(b)	8,100	0	0
(Loss) on disposal of assets	4(b)	(15,240)	(7,378)	(14,000)
		4,989,912	787,759	3,212,844
Net result		734,632	(1,086,021)	(561,905)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		734,632	(1,086,021)	(561,905)

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

KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

In order to discharge its responsibilities to the community, Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the 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.

ACTIVITIES

Administration and operation of facilities and services to members of the council. Other costs that relate to 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

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

LAW, ORDER & PUBLIC SAFETY

To provide services to help ensure a safer community.

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

HEALTH

To provide an operational framework for good community health.

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

EDUCATION AND WELFARE

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

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

Help ensure adequate housing.

Maintenance of staff and rental housing.

COMMUNITY AMENITIES

Provide services required by the community.

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

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

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

TRANSPORT

To provide effective and efficient transport services to the community.

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

ECONOMIC SERVICES

To help promote the Shire and improve its economic wellbeing.

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

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.

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

SHIRE OF BRIDGETOWN-GREENBUSHES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		4,662,388	4,623,793	4,699,280
Operating grants, subsidies and contributions		1,956,141	3,160,152	1,647,987
Fees and charges		1,565,718	1,590,232	1,686,736
Interest earnings		83,027	146,279	203,128
Goods and services tax		428,150	359,480	376,159
Other revenue		151,594	205,186	140,960
		8,847,018	10,085,122	8,754,250
Payments				
Employee costs		(4,732,949)	(4,485,650)	(4,645,891)
Materials and contracts		(3,288,424)	(2,186,670)	(3,234,988)
Utility charges		(303,741)	(312,436)	(313,274)
Interest expenses		(68,819)	(73,520)	(72,216)
Insurance expenses		(264,564)	(260,052)	(278,437)
Goods and services tax		(425,150)	(359,439)	(365,747)
Other expenditure		(389,990)	(296,091)	(316,655)
		(9,473,637)	(7,973,858)	(9,227,208)
Net cash provided by (used in) operating activities	3	(626,619)	2,111,264	(472,958)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	4(a)	(3,780,518)	(719,400)	(3,117,765)
Payments for construction of infrastructure	4(a)	(3,835,439)	(1,156,679)	(2,628,404)
Non-operating grants, subsidies and contributions		4,144,527	745,578	3,226,844
Proceeds from sale of plant and equipment	4(b)	314,760	50,410	348,400
Proceeds on financial assets at amortised cost - self supporting loans	6(a)	8,976	8,651	8,651
Net cash provided by (used in) investing activities		(3,147,694)	(1,071,440)	(2,162,274)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(260,734)	(253,216)	(253,216)
Principal elements of lease payments	7	(37,933)	(13,166)	0
Proceeds from new borrowings	6(b)	312,500	0	0
Net cash provided by (used in) financing activities		13,833	(266,382)	(253,216)
Net increase (decrease) in cash held		(3,760,480)	773,442	(2,888,448)
Cash at beginning of year		7,344,203	6,570,761	6,570,760
Cash and cash equivalents at the end of the year	3	3,583,723	7,344,203	3,682,312

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 2021

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)				
		2,187,365	2,093,422	2,059,835
		2,187,365	2,093,422	2,059,835
Revenue from operating activities (excluding rates)				
Governance		369	1,525	929
General purpose funding		997,605	2,013,598	1,168,699
Law, order, public safety		593,120	628,189	471,610
Health		7,130	7,658	14,100
Education and welfare		5,859	830	15,609
Housing		24,045	19,525	23,160
Community amenities		1,039,556	1,072,395	1,076,233
Recreation and culture		727,944	274,715	405,266
Transport		181,715	175,812	179,772
Economic services		153,874	140,978	133,423
Other property and services		144,926	231,716	138,886
		3,876,143	4,566,941	3,627,687
Expenditure from operating activities				
Governance		(1,157,838)	(988,603)	(1,090,117)
General purpose funding		(123,757)	(115,602)	(129,334)
Law, order, public safety		(1,201,782)	(1,189,380)	(1,023,835)
Health		(163,837)	(111,959)	(124,673)
Education and welfare		(195,474)	(194,613)	(214,802)
Housing		(21,939)	(30,836)	(23,160)
Community amenities		(1,839,597)	(1,674,864)	(1,894,932)
Recreation and culture		(3,166,098)	(2,525,308)	(2,822,135)
Transport		(4,043,433)	(3,528,132)	(3,895,831)
Economic services		(808,393)	(705,522)	(777,004)
Other property and services		(88,803)	(47,723)	(88,541)
		(12,810,951)	(11,112,542)	(12,084,364)
Non-cash amounts excluded from operating activities	2 (a)(i)	2,680,398	4,161,194	3,255,550
Amount attributable to operating activities		(4,067,045)	(290,985)	(3,141,292)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	10(b)	4,997,052	795,137	3,226,844
Purchase property, plant and equipment	4(a)	(3,780,518)	(719,400)	(3,117,765)
Purchase and construction of infrastructure	4(a)	(3,835,439)	(1,156,679)	(2,628,404)
Proceeds from disposal of assets	4(b)	314,760	50,410	348,400
Proceeds from self supporting loans	6(a)	8,976	8,651	8,651
Amount attributable to investing activities		(2,295,169)	(1,021,881)	(2,162,274)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(260,734)	(253,216)	(253,216)
Principal elements of finance lease payments	7	(37,933)	(13,166)	0
Proceeds from new borrowings	6(b)	312,500	0	0
Transfers to cash backed reserves (restricted assets)	8(a)	(541,529)	(1,580,649)	(577,558)
Transfers from cash backed reserves (restricted assets)	8(a)	2,217,522	682,819	1,466,412
Amount attributable to financing activities		1,689,826	(1,164,212)	635,638
Budgeted deficiency before general rates		(4,672,388)	(2,477,078)	(4,667,928)
Estimated amount to be raised from general rates	1	4,672,388	4,664,443	4,667,928
Net current assets at end of financial year - surplus/(deficit)	2 (a)(iii)	0	2,187,365	0

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

SHIRE OF BRIDGETOWN-GREENBUSHES
INDEX OF NOTES TO THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

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1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2020/21 Budgeted rate revenue	2020/21 Budgeted interim rates	2020/21 Budgeted back rates	2020/21 Budgeted total revenue	2019/20 Actual total revenue	2019/20 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
Differential general rate or general rate									
Gross rental valuations									
Shire	0.087045	1,760	28,233,720	2,457,604	10,000	1,000	2,468,604	2,424,043	2,422,766
Unimproved valuations									
Shire Rural	0.006220	480	186,915,000	1,162,611	0	0	1,162,611	1,162,377	1,163,699
Mining	0.071478	12	994,855	71,110	0	0	71,110	72,458	73,704
Sub-Totals		2,252	216,143,575	3,691,325	10,000	1,000	3,702,325	3,658,878	3,660,169
Minimum									
Minimum payment									
	\$								
Gross rental valuations									
Shire	942.00	720	3,830,749	678,240	0	0	678,240	709,326	709,326
Unimproved valuations									
Shire Rural	1,168.00	253	33,962,000	295,504	0	0	295,504	290,768	292,000
Mining	523.00	11	31,574	5,753	0	0	5,753	6,861	7,845
Sub-Totals		984	37,824,323	979,497	0	0	979,497	1,006,955	1,009,171
		3,236	253,967,898	4,670,822	10,000	1,000	4,681,822	4,665,833	4,669,340
Concessions (Refer note 1(h))							(9,434)	(1,390)	(1,412)
Total amount raised from general rates							4,672,388	4,664,443	4,667,928

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 2020/21 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.

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.

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates (no payment plan) interest rates	Unpaid rates
					(payment plan with full payment of rates by 30/06/2021) interest rates
		\$	%	%	%
Option one					
Single full payment	9/10/2020	0.00	0.0%	8.0%	5.5%
Option two					
First instalment	9/10/2020	0.00	3.0%	8.0%	5.5%
Second instalment	9/12/2020	0.00	3.0%	8.0%	5.5%
Third instalment	9/02/2021	0.00	3.0%	8.0%	5.5%
Fourth instalment	9/04/2021	0.00	3.0%	8.0%	5.5%

In response to the COVID-19 pandemic Council has adopted Policy F.24 - COVID-19 Financial Hardship. Under that policy and in line with Local Government (COVID-19 Response) Order 2020, excluded persons will not be charged the above interest on instalments or overdue rates.

	2020/21 Budget revenue	2019/20 Actual revenue	2019/20 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	0	23,525	23,800
Instalment plan interest earned	9,000	16,525	16,500
Unpaid rates and service charge interest earned	18,775	28,518	33,050
	27,775	68,568	73,350

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

Description	Characteristics	Objects	Reasons
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"> • 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.

(d) Differential Minimum Payment

Description	Characteristics	Objects	Reasons
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.

1. RATES AND SERVICE CHARGES (CONTINUED)

(e) Specified Area Rate

The Shire of Bridgetown-Greenbushes does not intend to impose specified area rates under Section 6.37 of the Local Government Act 1995 during the budget period.

(f) 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.

				2020/21 Budgeted revenue	2020/21 Budget applied to Costs	2019/20 Actual revenue
	Basis of valuation	Rate in	Rateable value			
		\$	\$	\$	\$	
WARR Act Rate						
Minimum charge per assessment \$187.00	GRV	0.00022804	32,064,469	463,760	463,760	482,008
	UV	0.00005936	221,903,429	141,185	141,185	148,395
- Interim Rates				0	0	0
				604,945	604,945	630,403
Concessions				(15,895)	(15,895)	(16,575)
			253,967,898	589,050	589,050	613,828

(g) 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 9 October 2020:

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

1. RATES AND SERVICE CHARGES (CONTINUED)

(h) Waivers or concessions

Rate or fee and charge to which the waiver or concession is granted	Type	Discount %	Discount (\$)	2020/21 Budget	2019/20 Actual	2019/20 Budget	Circumstances in which discount is granted and objects and reasons of the waiver or concession
UV Rural rate	Concession		Various	\$ 1,412	\$ 1,390	\$ 1,412	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.
UV Rural rate	Concession	10%		8,022	0	0	A concession will apply to each property who would receive a rate increase as a result of a greater than the average increase in valuation (as included in the annual UV property revaluation roll) to ensure the same level of rating as in 2019/20.
WARR Act rate	Concession	100%		15,895	16,575	16,575	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."
				25,329	17,965	17,987	

2 (a). NET CURRENT ASSETS

Items excluded from calculation of budgeted deficiency

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

(i) Operating activities excluded from budgeted deficiency

The following non-cash revenue or expenditure has been excluded from operating activities within the Rate Setting Statement.

Adjustments to operating activities

	Note	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
		\$	\$	\$
Less: Profit on asset disposals	4(b)	(8,100)	0	0
Less: Non-cash grants and contributions for assets		0	0	(311,228)
Less: Movement in contract liabilities associated with restricted cash		(1,080,648)	1,080,648	0
Less: Movement in employee liabilities associated with restricted cash		1,442	2,944	0
Add: Movement in pensioner deferred rates (non-current)		0	(16,346)	0
Add: Movement in employee benefit provisions (non-current)		0	5,851	0
Add: Loss on disposal of assets	4(b)	15,240	7,378	14,000
Add: Change in accounting policies		0	(472,994)	0
Add: Depreciation on assets	5	3,752,464	3,553,713	3,552,778
Non cash amounts excluded from operating activities		2,680,398	4,161,194	3,255,550

(ii) Current assets and liabilities excluded from budgeted deficiency

The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement.

Adjustments to net current assets

Less: Cash - restricted reserves	3	(2,614,383)	(4,290,376)	(2,503,691)
Less: Current assets not expected to be received at end of year				
- current portion of self supporting loans receivable		0	(8,976)	(8,976)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		186,040	260,735	261,394
- Current portion of contract liability held in reserve		0	1,080,648	0
- Current portion of lease liabilities		35,374	37,933	0
- Employee benefit provisions		186,522	185,080	182,136
Total adjustments to net current assets		(2,206,447)	(2,734,956)	(2,069,137)

2 (a). NET CURRENT ASSETS (CONTINUED)

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

	Note	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
		\$	\$	\$
(iii) Composition of estimated net current assets				
Current assets				
Cash and cash equivalents- unrestricted	3	969,340	3,053,827	1,178,621
Cash and cash equivalents - restricted				
Cash backed reserves	3	2,614,383	4,290,376	2,503,691
Financial assets - unrestricted		0	8,976	0
Receivables		375,176	435,177	259,080
Contract assets		0	49,559	0
Inventories		20,191	12,191	21,120
		<u>3,979,090</u>	<u>7,850,106</u>	<u>3,962,512</u>
Less: current liabilities				
Trade and other payables		(780,283)	(767,523)	(768,479)
Contract liabilities		0	(1,080,648)	0
Lease liabilities		(35,374)	(37,933)	0
Long term borrowings		(186,040)	(260,735)	(261,394)
Provisions		(770,946)	(780,946)	(863,502)
		<u>(1,772,643)</u>	<u>(2,927,785)</u>	<u>(1,893,375)</u>
Net current assets		<u>2,206,447</u>	<u>4,922,321</u>	<u>2,069,137</u>
Less: Total adjustments to net current assets	2 (a)(ii)	<u>(2,206,447)</u>	<u>(2,734,956)</u>	<u>(2,069,137)</u>
Closing funding surplus / (deficit)		<u>0</u>	<u>2,187,365</u>	<u>0</u>

2 (b). NET CURRENT ASSETS (CONTINUED)

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.

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.

LEASE LIABILITIES

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

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.

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.

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.

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.

3. RECONCILIATION OF CASH

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

Note	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Cash at bank and on hand	969,340	3,053,827	1,178,621
Term deposits	2,614,383	4,290,376	2,503,691
	<u>3,583,723</u>	<u>7,344,203</u>	<u>3,682,312</u>
- Unrestricted cash and cash equivalents	969,340	3,053,827	1,178,621
- Restricted cash and cash equivalents	2,614,383	4,290,376	2,503,691
	<u>3,583,723</u>	<u>7,344,203</u>	<u>3,682,312</u>

The following restrictions have been imposed by regulation or other externally imposed requirements on cash and cash equivalents: and financial assets at amortised cost:

Leave Reserve	186,522	185,080	186,752
Unspent Grants and Loans Reserve	0	1,080,648	89,261
Plant Reserve	284,946	681,975	299,871
Land and Building Reserve	555,399	574,343	554,150
Bushfire Reserve	20,926	18,284	11,011
Maranup Road Maintenance Reserve	5,383	5,341	5,389
Subdivision Reserve	237,901	250,238	218,254
Sanitation Reserve	50,911	100,131	17,311
Recreation Centre Floor and Solar Reserve	214,975	203,391	205,138
Refuse Site Post Closure Reserve	191,330	227,558	186,568
Drainage Reserve	62,648	61,023	31,618
Community Bus Replacement Reserve	61,627	56,189	56,651
SBS Tower and Infrastructure Replacement Reserve	32,350	32,100	32,390
Playground Equipment Reserve	38,242	34,126	35,120
Swimming Pool Reserve	4,535	4,500	4,541
Car Park Reserve	971	963	972
Building Maintenance Reserve	227,592	225,833	149,462
Strategic Projects Reserve	82,548	135,970	96,441
Matched Grants Reserve	50,100	51,697	42,139
Aged Care Infrastructure Reserve	57,371	56,928	57,442
Equipment Reserve	6,155	6,107	6,162
Assets and GRV Valuation Reserve	52,026	99,253	72,205
Bridgetown Leisure Centre Reserve	41,197	60,724	60,519
Trails Reserve	31,837	26,630	26,824
Light Fleet Vehicle Reserve	86,540	91,150	37,214
Blackspot Works Reserve	30,351	20,194	20,286
	<u>2,614,383</u>	<u>4,290,376</u>	<u>2,503,691</u>

3. RECONCILIATION OF CASH (CONTINUED)

Reconciliation of net cash provided by operating activities to net result	Note	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
Net result		734,632	(1,086,021)	(561,905)
Depreciation	5	3,752,464	3,553,713	3,552,778
(Profit)/loss on sale of asset	4(b)	7,140	7,378	14,000
(Increase)/decrease in receivables		60,001	(113,355)	85,476
(Increase)/decrease in contract assets		49,559	(49,559)	0
(Increase)/decrease in inventories		(8,000)	8,666	1,000
Increase/(decrease) in payables		12,760	6,218	(436,724)
Increase/(decrease) in contract liabilities		(1,080,648)	607,654	(311,228)
Increase/(decrease) in employee provisions		(10,000)	(77,852)	10,000
Change in accounting policies transferred to retained surplus		0	0	400,489
Non-operating grants, subsidies and contributions		(4,144,527)	(745,578)	(3,226,844)
Net cash from operating activities		(626,619)	2,111,264	(472,958)

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.

FINANCIAL ASSETS AT AMORTISED COST

The Shire classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

SHIRE OF BRIDGETOWN-GREENBUSHES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program							2020/21 Budget total	2019/20 Actual total	2019/20 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	87,791	87,791	70,374	213,427
Buildings - non-specialised	0	0	15,000	0	0	0	0	0	15,000	6,963	0
Buildings - specialised	186,953	535,122	0	0	1,604,932	17,261	0	0	2,344,268	478,304	1,304,904
Furniture and equipment	25,247	12,617	0	0	0	0	0	0	37,864	26,861	12,684
Plant and equipment	81,000	154,305	0	0	27,700	1,032,590	0	0	1,295,595	136,898	1,586,750
	293,200	702,044	15,000	0	1,632,632	1,049,851	0	87,791	3,780,518	719,400	3,117,765
<i>Infrastructure</i>											
Infrastructure - roads	0	0	0	0	0	852,780	0	0	852,780	1,024,496	1,081,850
Infrastructure - footpaths	0	0	0	0	0	10,000	0	0	10,000	1,031	17,805
Infrastructure - drainage	0	0	0	40,374	0	0	0	0	40,374	62,500	91,101
Infrastructure - parks & ovals	0	0	0	0	1,053,686	0	0	0	1,053,686	14,522	93,392
Infrastructure - bridges	0	0	0	0	0	1,094,582	0	0	1,094,582	0	1,017,000
Infrastructure - other	0	0	0	56,500	679,831	0	47,686	0	784,017	54,130	327,256
	0	0	0	96,874	1,733,517	1,957,362	47,686	0	3,835,439	1,156,679	2,628,404
<i>Right of use assets</i>											
Right of use - plant and equipment	0	0	0	0	0	0	0	0	0	9,137	0
Right of use - furniture and fittings	0	0	0	0	0	0	0	0	0	139,685	0
	0	0	0	0	0	0	0	0	0	148,822	0
Total acquisitions	293,200	702,044	15,000	96,874	3,366,149	3,007,213	47,686	87,791	7,615,957	2,024,901	5,746,169

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

SIGNIFICANT ACCOUNTING POLICIES

RECOGNITION OF ASSETS

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with Financial Management Regulation 17A (5). These assets are expensed immediately. Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

4. FIXED ASSETS

(b) Disposals of Assets

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

	2020/21				2019/20				2019/20			
	Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss	Actual Net Book Value	2019/20 Actual Sale Proceeds	2019/20 Actual Profit	2019/20 Actual Loss	Budget Net Book Value	2019/20 Budget Sale Proceeds	2019/20 Budget Profit	2019/20 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Governance	17,000	13,000	0	(4,000)	36,030	33,636	0	(2,394)	53,000	53,000	0	0
Law, order, public safety	35,000	34,810	3,000	(3,190)	3,636	3,592	0	(44)	122,400	112,400	0	(10,000)
Community amenities	2,400	5,000	2,600	0	0	0	0	0	0	0	0	0
Recreation and culture	2,000	2,500	500	0	1,100	0	0	(1,100)	0	0	0	0
Transport	252,500	246,450	2,000	(8,050)	17,022	13,182	0	(3,840)	171,000	167,000	0	(4,000)
Economic services	13,000	13,000	0	0	0	0	0	0	16,000	16,000	0	0
	321,900	314,760	8,100	(15,240)	57,788	50,410	0	(7,378)	362,400	348,400	0	(14,000)
By Class												
<i>Property, Plant and Equipment</i>												
Furniture and equipment	0	0	0	0	1,100	0	0	(1,100)	0	0	0	0
Plant and equipment	321,900	314,760	8,100	(15,240)	56,688	50,410	0	(6,278)	362,400	348,400	0	(14,000)
	321,900	314,760	8,100	(15,240)	57,788	50,410	0	(7,378)	362,400	348,400	0	(14,000)

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

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

5. ASSET DEPRECIATION

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
By Program			
Governance	1,711	1,712	2,311
Law, order, public safety	222,185	225,460	174,309
Education and welfare	17,290	17,270	17,271
Housing	18,442	17,140	16,743
Community amenities	170,938	170,320	155,146
Recreation and culture	594,504	570,315	565,247
Transport	2,241,477	2,226,018	2,234,070
Economic services	26,116	25,775	25,775
Other property and services	459,801	299,703	361,906
	3,752,464	3,553,713	3,552,778
By Class			
Buildings	517,541	514,359	511,484
Furniture and equipment	19,427	18,766	22,546
Plant and equipment	570,994	423,993	441,977
Infrastructure - roads	1,964,296	1,948,708	1,950,451
Infrastructure - footpaths	63,570	63,570	63,570
Infrastructure - drainage	93,024	92,245	92,483
Infrastructure - parks & ovals	149,258	149,258	149,326
Infrastructure - bridges	178,596	178,596	185,029
Infrastructure - other	156,087	150,882	135,912
Right of use - plant and equipment	4,568	3,792	0
Right of use - furniture and fittings	35,103	9,544	0
	3,752,464	3,553,713	3,552,778

5. ASSET DEPRECIATION (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

DEPRECIATION

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

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

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

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

Asset Class	Useful life
Buildings	30 to 120 Years
Furniture and equipment	4 to 15 Years
Plant and equipment	3 to 25 Years
Infrastructure - Roads	
Pavement	60 Years
Seal	
- bituminous	20 Years
- asphalt surfaces	25 Years
Kerb barriers	50 Years
Infrastructure - Footpaths	40 to 50 Years
Infrastructure - Drainage	80 Years
Infrastructure - Parks and ovals	15 to 50 Years
Bridges	
Road bridges	80 Years
Pedestrian bridges	50 Years
Infrastructure - Other	
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
Intangible assets - rehabilitation costs	40 years

AMORTISATION

The depreciable amount of all intangible assets with a finite useful life, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The assets residual value of intangible assets is considered to be zero and useful life and amortisation methods are reviewed at the end of each financial year.

Amortisation is included within depreciation on non-current assets in the Statement of Comprehensive Income.

6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	Budget	2020/21	2020/21	Budget	2020/21	Actual	2019/20	2019/20	Actual	2019/20	Budget	2019/20	2019/20	Budget	2019/20
				Principal 1 July 2020	Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2021	Budget Interest Repayments		Principal 1 July 2019	Actual New Loans	Actual Principal Repayments	Actual outstanding 30 June 2020		Actual Interest Repayments	Budget Principal 1 July 2019	Budget New Loans	Budget Principal Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Community amenities																		
	108	WATC	4.13%	50,302		(24,637)	25,665	(1,826)	73,952		(23,650)	50,302	(2,807)	73,952		(23,650)	50,302	(2,813)
	113	WATC	2.28%	104,585		(104,585)	0	(1,792)	206,825		(102,240)	104,585	(4,130)	206,825		(102,240)	104,585	(4,136)
	114	WATC	2.73%	73,943		(23,982)	49,961	(1,856)	97,284		(23,341)	73,943	(2,494)	97,284		(23,341)	73,943	(2,498)
	115	WATC	1.61%	80,636		(19,677)	60,959	(1,219)	100,000		(19,364)	80,636	(1,527)	100,000		(19,364)	80,636	(1,541)
	116	WATC	1.96%	90,855		(9,325)	81,530	(1,735)	100,000		(9,145)	90,855	(1,913)	100,000		(9,145)	90,855	(1,915)
Recreation and culture																		
	112	WATC	4.04%	1,401,069		(69,552)	1,331,517	(55,908)	1,467,894		(66,825)	1,401,069	(58,627)	1,467,894		(66,825)	1,401,069	(58,635)
	117	WATC	1.57%	0	189,500	0	189,500	0										
	118	WATC	1.57%	0	123,000	0	123,000	0										
				1,801,390	312,500	(251,758)	1,862,132	(64,336)	2,045,955	0	(244,565)	1,801,390	(71,498)	2,045,955	0	(244,565)	1,801,390	(71,538)
Self Supporting Loans																		
Recreation and culture																		
	110	WATC	3.73%	8,976	0	(8,976)	0	(252)	17,627	0	(8,651)	8,976	(577)	17,627	0	(8,651)	8,976	(578)
				8,976	0	(8,976)	0	(252)	17,627	0	(8,651)	8,976	(577)	17,627	0	(8,651)	8,976	(578)
				1,810,366	312,500	(260,734)	1,862,132	(64,588)	2,063,582	0	(253,216)	1,810,366	(72,075)	2,063,582	0	(253,216)	1,810,366	(72,116)

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

6. INFORMATION ON BORROWINGS

(b) New borrowings - 2020/21

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
				%	\$	\$	\$	\$
Youth Precinct Redevelopment	WATC	Debenture	10	1.68%	189,500	24,309	189,500	0
Bridgetown Civic Centre Revitalisation	WATC	Debenture	10	1.68%	123,000	15,779	123,000	0
					312,500	40,088	312,500	0

(c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30 June 2020 nor is it expected to have unspent borrowing funds as at 30 June 2021.

(d) Credit Facilities

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Undrawn borrowing facilities credit standby arrangements			
Bank overdraft limit	0	0	200,000
Bank overdraft at balance date	0	0	0
Credit card limit	10,000	5,000	5,000
Credit card balance at balance date	0	0	0
Total amount of credit unused	10,000	5,000	205,000
Loan facilities			
Loan facilities in use at balance date	1,862,132	1,810,366	1,810,366

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 2019/20 financial year. This facility was cancelled 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.

7. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget	2020/21	Budget	2020/21	Actual	2019/20	Actual	2019/20		
					Lease Principal 1 July 2020	2020/21 Budget New Leases	Lease Principal Repayments	Lease Principal Outstanding 30 June 2021		Lease Interest Repayments	2019/20 Actual New Leases	Lease Principal Repayments 30 June 2020	Lease Principal Outstanding 30 June 2020	Lease Interest Repayments
					\$	\$	\$	\$	\$	\$	\$	\$		
Recreation and culture														
Gym Equipment	003	Macquarie Bank Ltd	3.45%	48 months	95,161		(24,211)	70,950	(2,780)	0	101,116	(5,955)	95,161	(810)
Other property and services														
Photocopiers and Printers	002	Maia Financial Pty Ltd	4.45%	48 months	35,168		(9,158)	26,010	(1,315)	0	38,569	(3,401)	35,168	(536)
CESM Vehicle	001	Custom Service Leasing	1.11%	24 months	5,327		(4,564)	763	(36)	0	9,137	(3,810)	5,327	(68)
					135,656	0	(37,933)	97,723	(4,131)	0	148,822	(13,166)	135,656	(1,414)

SIGNIFICANT ACCOUNTING POLICIES

LEASES

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

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

8. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2020/21 Budget	2020/21 2020/21 Budget	2020/21 2020/21 Budget	2020/21 2020/21 Budget	2019/20 Actual	2019/20 2019/20 Actual	2019/20 2019/20 Actual	2019/20 2019/20 Actual	2019/20 Budget	2019/20 2019/20 Budget	2019/20 2019/20 Budget	2019/20 2019/20 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Leave Reserve	185,080	1,442	0	186,522	182,136	2,944	0	185,080	182,136	4,616	0	186,752
Unspent Grants and Loans Reserve	1,080,648	0	(1,080,648)	0	400,489	848,991	(168,832)	1,080,648	400,489	0	(311,228)	89,261
Plant Reserve	681,975	288,471	(685,500)	284,946	424,561	257,414	0	681,975	424,561	261,310	(386,000)	299,871
Land and Building Reserve	574,343	4,473	(23,417)	555,399	714,400	34,353	(174,410)	574,343	714,400	18,160	(178,410)	554,150
Bushfire Reserve	18,284	10,142	(7,500)	20,926	10,739	10,045	(2,500)	18,284	10,739	10,272	(10,000)	11,011
Maranup Road Maintenance Reserve	5,341	42	0	5,383	5,256	85	0	5,341	5,256	133	0	5,389
Subdivision Reserve	250,238	11,949	(24,286)	237,901	390,331	12,106	(152,199)	250,238	390,331	19,892	(191,969)	218,254
Sanitation Reserve	100,131	780	(50,000)	50,911	65,647	34,484	0	100,131	65,647	1,664	(50,000)	17,311
Recreation Centre Floor and Solar Reserve	203,391	11,584	0	214,975	190,315	13,076	0	203,391	190,315	14,823	0	205,138
Refuse Site Post Closure Reserve	227,558	6,772	(43,000)	191,330	219,017	8,541	0	227,558	219,017	10,551	(43,000)	186,568
Drainage Reserve	61,023	10,475	(8,850)	62,648	21,084	39,939	0	61,023	21,084	10,534	0	31,618
Community Bus Replacement Reserve	56,189	5,438	0	61,627	50,374	5,815	0	56,189	50,374	6,277	0	56,651
SBS Tower and Infrastructure Replacement Reserve	32,100	250	0	32,350	31,589	511	0	32,100	31,589	801	0	32,390
Playground Equipment Reserve	34,126	4,116	0	38,242	30,497	3,629	0	34,126	30,497	4,623	0	35,120
Swimming Pool Reserve	4,500	35	0	4,535	4,429	71	0	4,500	4,429	112	0	4,541
Car Park Reserve	963	8	0	971	948	15	0	963	948	24	0	972
ROMANS Reserve	0	0	0	0	4,721	9	(4,730)	0	4,721	0	(4,721)	0
Building Maintenance Reserve	225,833	1,759	0	227,592	145,768	93,665	(13,600)	225,833	145,768	3,694	0	149,462
Strategic Projects Reserve	135,970	11,059	(64,481)	82,548	98,934	41,536	(4,500)	135,970	98,934	42,507	(45,000)	96,441
Matched Grants Reserve	51,697	10,403	(12,000)	50,100	38,293	20,528	(7,124)	51,697	38,293	10,970	(7,124)	42,139

8. CASH BACKED RESERVES (CONTINUED)

(a) Cash Backed Reserves - Movement (Continued)

	2020/21 Budget	2020/21 2020/21 Budget	2020/21 Budget	2020/21 Budget	2019/20 Actual	2019/20 2019/20 Actual	2019/20 Actual	2019/20 Actual	2019/20 Budget	2019/20 2019/20 Budget	2019/20 Budget	2019/20 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Aged Care Infrastructure Reserve	56,928	443	0	57,371	56,022	906	0	56,928	56,022	1,420	0	57,442
Equipment Reserve	6,107	48	0	6,155	6,010	97	0	6,107	6,010	152	0	6,162
Assets and GRV Valuation Reserve	99,253	32,773	(80,000)	52,026	57,656	41,597	0	99,253	57,656	42,049	(27,500)	72,205
Bridgetown Leisure Centre Reserve	60,724	473	(20,000)	41,197	117,894	1,130	(58,300)	60,724	117,894	2,988	(60,363)	60,519
Trails Reserve	26,630	5,207	0	31,837	21,286	5,344	0	26,630	21,285	5,539	0	26,824
Light Fleet Vehicle Reserve	91,150	113,230	(117,840)	86,540	64,021	93,603	(66,474)	91,150	64,021	94,193	(121,000)	37,214
Prepaid Rates Reserve	0	0	0	0	30,097	53	(30,150)	0	30,097	0	(30,097)	0
Blackspot Works Reserve	20,194	10,157	0	30,351	10,032	10,162	0	20,194	10,032	10,254	0	20,286
	4,290,376	541,529	(2,217,522)	2,614,383	3,392,546	1,580,649	(682,819)	4,290,376	3,392,545	577,558	(1,466,412)	2,503,691

(b) Cash Backed Reserves - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve
Leave Reserve	Ongoing	To be used to fund annual and long service leave requirements.
Unspent Grants and Loans Reserve	Ongoing	To be used for the recording of unspent grant and loan funds.
Plant Reserve	Ongoing	To be used for the purchase of major plant.
Land and Building Reserve	Ongoing	To be used for the future acquisition of land and buildings.
Bushfire Reserve	Ongoing	To be used for the purchase of district fire fighting equipment, buildings and fire fighting plant.
Maranup Road Maintenance Reserve	Ongoing	To be used to maintain the section of Maranup Ford Road between the old and new entrances to the Talison Mine.

8. CASH BACKED RESERVES (CONTINUED)

(b) Cash Backed Reserves - Purposes (Continued)

Reserve name	Anticipated date of use	Purpose of the reserve
Subdivision Reserve	Ongoing	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	Ongoing	To be used for the provision of waste management services and waste facilities.
Recreation Centre Floor and Solar Reserve	Ongoing	To be used to fund future timber floor and solar equipment replacements at the Bridgetown Leisure Centre.
Refuse Site Post Closure Reserve	Ongoing	To be used to rehabilitate the Shire's refuse sites.
Drainage Reserve	Ongoing	To be used for drainage upgrade works.
Community Bus Replacement Reserve	Ongoing	To be used to purchase a replacement community bus.
SBS Tower and Infrastructure Replacement Reserve	Ongoing	To be used for replacement of the SBS tower and associated infrastructure.
Playground Equipment Reserve	Ongoing	To be used for replacement of playground equipment.
Swimming Pool Reserve	Ongoing	To be used for studies on the pool for life expectancy and upgrades required to enable its future usage.
Car Park Reserve	Ongoing	To hold contributions for funding car park construction.
ROMANS Reserve	2019/20	To be used to fund the take-up of roads condition information into ROMANS.
Building Maintenance Reserve	Ongoing	To be used to fund capital improvements to council buildings and facilities.
Strategic Projects Reserve	Ongoing	To be used to fund strategic planning actions and other strategic initiatives as determined by the Council.
Matched Grants Reserve	Ongoing	To provide a funding mechanism for grants that require a matched funding component.
Aged Care Infrastructure Reserve	Ongoing	To contribute to the construction of non-council aged care buildings.
Equipment Reserve	Ongoing	To be used to fund the purchase of gym and exercise equipment.
Assets and GRV Valuation Reserve	Ongoing	To be used to fund future property and infrastructure revaluations.
Bridgetown Leisure Centre Reserve	Ongoing	To be used for the purpose of funding new initiatives at the Bridgetown Leisure Centre.
Trails Reserve	Ongoing	To be used for funding of new local trail initiatives and projects.
Light Fleet Vehicle Reserve	Ongoing	To be used for the purchase of light fleet vehicles.
Prepaid Rates Reserve	2019/20	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	Ongoing	To provide a funding mechanism for Blackspot Grant projects that require a matched funding component.

9. FEES & CHARGES REVENUE

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Governance	269	74	269
General purpose funding	26,250	53,661	52,200
Law, order, public safety	32,350	30,200	41,800
Health	7,130	7,658	14,100
Education and welfare	9	10	9
Housing	22,960	18,849	21,360
Community amenities	1,035,956	1,068,211	1,071,233
Recreation and culture	228,820	219,172	244,662
Transport	5,500	6,323	8,230
Economic services	113,474	141,521	133,023
Other property and services	63,000	64,553	69,850
	1,535,718	1,610,232	1,656,736

10. GRANT REVENUE

	Unspent grants, subsidies and contributions liability				Grants, subsidies and contributions revenue			
	Liability 1 July 2020	Increase in Liability	Liability Reduction (As revenue)	Total Liability 30 June 2021	Current Liability 30 June 2021	2020/21 Budget	2019/20 Actual	2019/20 Budget
By Program:	\$	\$	\$	\$	\$	\$	\$	\$
(a) Operating grants, subsidies and contributions								
General purpose funding	0	0	0	0	0	878,580	1,810,480	903,949
Law, order, public safety	138,522	0	(138,522)	0	0	540,770	594,201	412,810
Education and welfare	0	0	0	0	0	5,000	0	15,000
Recreation and culture	100,659	0	(100,659)	0	0	469,339	38,421	133,762
Transport	0	0	0	0	0	164,015	162,142	161,342
Economic services	0	0	0	0	0	40,000	0	0
	239,181	0	(239,181)	0	0	2,097,704	2,605,244	1,626,863

10. GRANT REVENUE (CONTINUED)

	Unspent grants, subsidies and contributions liability				Grants, subsidies and contributions revenue			
	Liability 1 July 2020	Increase in Liability	Liability Reduction (As revenue)	Total Liability 30 June 2021	Current Liability 30 June 2021	2020/21 Budget	2019/20 Actual	2019/20 Budget
By Program:	\$	\$	\$	\$	\$	\$	\$	\$
(b) Non-operating grants, subsidies and contributions								
Law, order, public safety	5,786	0	(5,786)	0	0	613,944	0	1,198,500
Community amenities	11,364	0	(11,364)	0	0	11,364	0	11,364
Recreation and culture	64,842	0	(64,842)	0	0	2,603,458	121,434	326,276
Transport	759,475	0	(759,475)	0	0	1,768,286	673,703	1,690,704
	841,467	0	(841,467)	0	0	4,997,052	795,137	3,226,844
Total	1,080,648	0	(1,080,648)	0	0	7,094,756	3,400,381	4,853,707

(c) Unspent grants, subsidies and contributions were restricted as follows:

	Budget Closing Balance 30 June 2021	Actual Balance 30 June 2020
Unspent Grants and Loans Reserve	0	1,080,648
	0	1,080,648

11. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/ Refunds/ Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed term transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed term transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility

11. REVENUE RECOGNITION (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/ Refunds/ Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Revenue recognition
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

12. OTHER INFORMATION

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	25,000	42,713	75,000
- Other funds	30,000	57,946	78,000
Self supporting loans	252	577	578
Other interest revenue (refer note 1b)	27,775	45,043	49,550
	83,027	146,279	203,128
(b) Other revenue			
Reimbursements and recoveries	61,457	139,042	86,664
Other	90,137	66,144	54,296
	151,594	205,186	140,960
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	22,750	22,750	22,750
Other services	5,000	1,400	5,000
	27,750	24,150	27,750
(d) Interest expenses (finance costs)			
Borrowings (refer Note 6(a))	64,588	72,075	72,116
Interest expense on lease liabilities	4,131	1,414	0
Other	100	0	100
	68,819	73,489	72,216
(e) Elected members remuneration			
Meeting fees	71,300	76,628	76,351
President's allowance	7,750	8,611	8,611
Deputy President's allowance	1,938	2,153	2,153
Other	1,000	0	1,000
Telecommunications allowance	16,902	18,155	18,087
	98,890	105,547	106,202
(f) Write offs			
General rate	100	60	100
	100	60	100
(g) Low Value lease expenses			
Office equipment	0	0	9,479
Plant and equipment	0	0	715
	0	0	10,194

13. MAJOR LAND TRANSACTIONS

It is not anticipated any land transactions or major land transactions will occur in 2020/21.

14. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated the Shire will be party to any trading undertakings or major trading undertakings during 2020/21.

15. INTERESTS IN JOINT ARRANGEMENTS

It is not anticipated the Shire will be party to any joint venture arrangements during 2020/21.

SIGNIFICANT ACCOUNTING POLICIES

INTERESTS IN JOINT ARRANGEMENTS

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

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. Any interests in the assets liabilities revenue and expenses of joint operations are included in the respective line items of the financial statements.

16. 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 30 June 2020	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2021
	\$	\$	\$	\$
Accommodation - Visitor Centre	24,725	130,000	(135,000)	19,725
South West Coach Lines	102	4,000	(4,000)	102
Other Visitor Centre (Commission Sales)	76	2,500	(2,500)	76
TransWA	149	10,000	(10,000)	149
Draper	703	0	0	703
Unclaimed Monies	252	0	0	252
	26,007	146,500	(151,500)	21,007

17. SIGNIFICANT ACCOUNTING POLICIES - OTHER INFORMATION

GOODS AND SERVICES TAX (GST)

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

ROUNDING OFF FIGURES

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

COMPARATIVE FIGURES

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

BUDGET COMPARATIVE FIGURES

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