

Annual Budget

2020 - 2021



SHIRE OF MURRAY

BUDGET

FOR THE YEAR ENDED 30 JUNE 2021

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

By 2030, the Shire of Murray will be a place where business thrives, we protect our environment, and all people enjoy an outstanding quality of life.

SHIRE OF MURRAY
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)	17,388,333	17,298,315	17,339,747
Operating grants, subsidies and contributions	10(a)	5,438,915	3,703,893	2,644,299
Fees and charges	9	5,554,546	5,653,754	5,501,156
Interest earnings	12(a)	372,250	448,878	597,242
Other revenue	12(b)	215,575	531,212	228,597
		28,969,619	27,636,052	26,311,041
Expenses				
Employee costs		(11,985,880)	(11,531,061)	(12,282,175)
Materials and contracts		(12,034,624)	(8,575,819)	(10,952,157)
Utility charges		(914,233)	(760,826)	(883,620)
Depreciation on non-current assets	5	(6,479,266)	(6,779,651)	(6,359,353)
Interest expenses	12(d)	(146,419)	(129,875)	(137,434)
Insurance expenses		(446,457)	(417,270)	(423,353)
Other expenditure		(2,060,683)	(499,845)	(471,421)
		(34,067,562)	(28,694,347)	(31,509,513)
Subtotal		(5,097,943)	(1,058,295)	(5,198,472)
Non-operating grants, subsidies and contributions	10(b)	19,761,372	6,218,753	12,177,958
Profit on asset disposals	4(b)	1,041,005	2,290	503
Loss on asset disposals	4(b)	(47,763)	(106,788)	(132,724)
		20,754,614	6,114,255	12,045,737
Net result		15,656,671	5,055,960	6,847,265
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		15,656,671	5,055,960	6,847,265

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

SHIRE OF MURRAY

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 Murray 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*. Includes general, differential, specified area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts and concessions offered. Excludes administration fees, interest on instalments, interest on arrears, and service charges.

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

Refers 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, 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, 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, rebates and reimbursements.

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, and 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.

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 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 expenses.

OTHER EXPENDITURE

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

SHIRE OF MURRAY
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)(b)	\$	\$	\$
Governance		34,123	232,721	25,712
General purpose funding		18,835,740	19,725,218	18,766,574
Law, order, public safety		691,165	642,211	668,240
Health		78,454	30,234	136,633
Education and welfare		13,496	70,362	116,713
Housing		25,354	21,361	25,352
Community amenities		3,478,424	3,479,890	3,299,442
Recreation and culture		1,279,122	1,007,839	1,099,664
Transport		283,511	397,444	427,647
Economic services		3,566,049	1,076,337	1,297,715
Other property and services		684,181	952,435	447,349
		28,969,619	27,636,052	26,311,041
Expenses excluding finance costs	5,12(c),(e),(f),(g)			
Governance		(2,057,856)	(1,850,740)	(1,972,120)
General purpose funding		(384,073)	(417,208)	(376,628)
Law, order, public safety		(1,674,136)	(1,574,479)	(1,712,548)
Health		(637,706)	(533,252)	(630,784)
Education and welfare		(176,546)	(190,581)	(291,931)
Housing		(47,296)	(30,764)	(33,306)
Community amenities		(5,871,696)	(5,066,930)	(5,864,974)
Recreation and culture		(8,226,633)	(7,266,593)	(7,682,433)
Transport		(8,397,523)	(7,539,498)	(8,751,229)
Economic services		(5,501,991)	(2,175,880)	(3,230,011)
Other property and services		(945,687)	(1,918,547)	(826,115)
		(33,921,143)	(28,564,472)	(31,372,079)
Finance costs	6(a),7,12(d)			
Governance		(14,265)	(18,559)	(24,209)
Law, order, public safety		(183)	(699)	0
Housing		(26,272)	(26,343)	0
Recreation and culture		(52,389)	(57,144)	(57,848)
Transport		(2,333)	(507)	(27,420)
Economic services		(50,977)	(26,623)	(27,957)
		(146,419)	(129,875)	(137,434)
Subtotal		(5,097,943)	(1,058,295)	(5,198,472)
Non-operating grants, subsidies and contributions	10(b)	19,761,372	6,218,753	12,177,958
Profit on disposal of assets	4(b)	1,041,005	2,290	503
(Loss) on disposal of assets	4(b)	(47,763)	(106,788)	(132,724)
		20,754,614	6,114,255	12,045,737
Net result		15,656,671	5,055,960	6,847,265
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		15,656,671	5,055,960	6,847,265

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 available resources.

ACTIVITIES

Includes the activities of elected members of council and the administrative support available to the Council for the provision of governance of the Shire. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

GENERAL PURPOSE FUNDING

To collect revenue to allow for the provision of services.

Rates revenue, late payment penalties, general purpose grants, untied road grants and interest received on investments.

LAW, ORDER, PUBLIC SAFETY

To provide services to help ensure a safer and environmentally conscious community.

Supervision and enforcement of various local laws relating to fire prevention, animal control, graffiti and litter control, off-road vehicles and other aspects of public safety, including emergency services.

HEALTH

To provide an operational framework for environmental and community health.

Provision of health services, including inspection of food outlets, pest control, noise control and other preventative services.

EDUCATION AND WELFARE

To provide services to disadvantaged persons, the elderly, children and youth.

Provision of pre-school and senior citizen facilities and welfare and youth programs.

HOUSING

To maintain Shire owned residential properties.

Housing owned by the Shire that cannot be allocated to other programs.

COMMUNITY AMENITIES

To provide services required by the community.

Provision of rubbish collection services, operation of waste transfer stations, protection of the environment, administration of town planning schemes, provision and maintenance of public conveniences and bus shelters and operation of the Pinjarra cemetery.

RECREATION AND CULTURE

To establish and manage infrastructure and resources which will help the social wellbeing of the community.

Provision of facilities and support of organisations and the community with leisure, heritage and cultural activities. This support includes halls, sporting grounds, the Murray Aquatic and Leisure Centre, parks and gardens, art and community festivals and the Murray Public Library.

TRANSPORT

To provide safe, effective and efficient transport infrastructure to the community.

Construction and maintenance of roads, bridges, pathways, the works operations centre, canals and waterways, parking facilities and plant purchases.

ECONOMIC SERVICES

To help promote the Shire and its economic wellbeing.

Activities associated with building services, economic development, tourism and area promotion, public utilities and the operation of the Dwellingup Trails and Visitor Centre.

OTHER PROPERTY AND SERVICES

To monitor and control the Shire's overhead operating accounts.

Private works, administration and public works overheads and plant operations.

SHIRE OF MURRAY
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	18,063,333	16,454,519	18,122,757
Operating grants, subsidies and contributions	4,201,972	6,269,668	2,804,299
Fees and charges	5,554,546	5,653,754	5,511,156
Interest earnings	372,250	448,878	597,242
Goods and services tax	1,635,216	1,611,398	1,231,604
Other revenue	215,575	531,212	228,597
	30,042,892	30,969,429	28,495,655
Payments			
Employee costs	(11,750,880)	(11,296,061)	(12,158,700)
Materials and contracts	(11,439,624)	(9,134,125)	(11,901,249)
Utility charges	(914,233)	(760,826)	(883,620)
Interest expenses	(146,419)	(133,828)	(157,434)
Insurance expenses	(446,457)	(417,270)	(423,353)
Goods and services tax	(1,544,307)	(1,614,985)	(1,273,055)
Other expenditure	(2,060,683)	(499,845)	(471,421)
	(28,302,603)	(23,856,940)	(27,268,832)
Net cash provided by (used in) operating activities	3	1,740,289	7,112,489
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for financial assets at amortised cost - self supporting loans	6	(120,000)	0
Payments for development of land held for resale	4(a)	0	(66,317)
Payments for purchase of property, plant & equipment	4(a)	(15,146,112)	(5,960,498)
Payments for construction of infrastructure	4(a)	(9,852,727)	(5,467,704)
Non-operating grants, subsidies and contributions		16,342,174	6,218,753
Proceeds from sale of land held for resale	4(b)	1,945,000	0
Proceeds from sale of property, plant and equipment	4(b)	392,674	467,572
Proceeds on financial assets at amortised cost - self supporting loans	6(a)	41,243	40,399
Net cash provided by (used in) investing activities		(6,397,748)	(4,767,795)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	6(a)	(529,208)	(535,268)
Principal elements of lease payments	7	(44,396)	(44,178)
Proceeds from new borrowings	6(a)(b)	120,000	1,155,000
Net cash provided by (used in) financing activities		(453,604)	575,554
Net increase (decrease) in cash held		(5,111,063)	2,920,248
Cash at beginning of year		19,211,909	16,291,661
Cash and cash equivalents at the end of the year	3	14,100,846	19,211,909
		10,546,433	10,546,433

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

SHIRE OF MURRAY
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)	5,632,372	5,002,991	5,167,371
	5,632,372	5,002,991	5,167,371
Revenue from operating activities (excluding rates)			
Specified area rates	192,416	191,967	191,064
Operating grants, subsidies and contributions	5,438,915	3,703,893	2,644,299
Fees and charges	5,554,546	5,653,754	5,501,156
Interest earnings	372,250	448,878	597,242
Other revenue	215,575	531,212	228,597
Profit on asset disposals	1,041,005	2,290	503
	12,814,707	10,531,994	9,162,861
Expenditure from operating activities			
Employee costs	(11,985,880)	(11,531,061)	(12,282,175)
Materials and contracts	(12,034,624)	(8,575,819)	(10,952,157)
Utility charges	(914,233)	(760,826)	(883,620)
Depreciation on non-current assets	5 (6,479,266)	(6,779,651)	(6,359,353)
Interest expenses	12(d) (146,419)	(129,875)	(137,434)
Insurance expenses	(446,457)	(417,270)	(423,353)
Other expenditure	(2,060,683)	(499,845)	(471,421)
Loss on asset disposals	4(b) (47,763)	(106,788)	(132,724)
	(34,115,325)	(28,801,135)	(31,642,237)
Operating activities excluded from budgeted deficiency			
Non-cash amounts excluded from operating activities	2 (a)(i) 5,531,024	5,766,527	5,468,959
Amount attributable to operating activities	(10,137,222)	(7,499,623)	(11,843,046)
INVESTING ACTIVITIES			
Non-operating grants, subsidies and contributions	10(b) 19,761,372	6,218,753	12,177,958
Purchase land held for resale	4(a) 0	(66,317)	(201,807)
Purchase property, plant and equipment	4(a) (15,146,112)	(5,960,498)	(11,148,365)
Purchase and construction of infrastructure	4(a) (9,852,727)	(5,467,704)	(8,499,120)
Proceeds from disposal of assets	4(b) 2,337,674	467,572	911,070
Proceeds from self supporting loans	6(a) 41,243	40,399	40,399
Advances of self supporting loans	6(a) (120,000)	0	0
Amount attributable to investing activities	(2,978,550)	(4,767,795)	(6,719,865)
FINANCING ACTIVITIES			
Repayment of borrowings	6(a) (529,208)	(535,268)	(535,268)
Principal elements of finance lease payments	7 (44,396)	(44,178)	0
Proceeds from new borrowings	6(a)(b) 120,000	1,155,000	1,155,000
Transfers to cash backed reserves (restricted assets)	8(a) (6,946,092)	(4,463,791)	(4,015,637)
Transfers from cash backed reserves (restricted assets)	8(a) 4,635,036	4,681,679	6,277,882
Amount attributable to financing activities	(2,764,660)	793,442	2,881,977
Budgeted deficiency before general rates	(15,880,432)	(11,473,976)	(15,680,934)
Estimated amount to be raised from general rates	1(a) 17,195,917	17,106,348	17,148,683
Net current assets at end of financial year - surplus/(deficit)	2 (a)(iii) 1,315,485	5,632,372	1,467,749

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

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SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

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									
Gross rental valuations									
GRV General	0.096760	6,241	101,020,732	9,774,766	73,607	5,260	9,853,633	9,726,932	9,741,630
GRV Commercial	0.077408	147	17,560,846	1,359,350	0	0	1,359,350	1,360,047	1,369,892
Unimproved valuations									
UV General	0.006654	890	577,683,950	3,843,909	29,891	1,831	3,875,631	3,846,968	3,865,850
Sub-Totals		7,278	696,265,528	14,978,025	103,498	7,091	15,088,614	14,933,947	14,977,372
Minimum									
Minimum payment									
	\$								
Gross rental valuations									
GRV General	1,143	1,614	13,847,488	1,844,802	0	0	1,844,802	1,911,096	1,911,096
GRV Commercial	1,143	25	294,235	28,575	0	0	28,575	28,575	28,575
GRV Lesser Minimum	843	185	334,165	155,955	0	0	155,955	155,955	155,955
Unimproved valuations									
UV General	1,143	195	21,450,621	222,885	0	0	222,885	220,599	220,599
Sub-Totals		2,019	35,926,509	2,252,217	0	0	2,252,217	2,316,225	2,316,225
		9,297	732,192,037	17,230,242	103,498	7,091	17,340,831	17,250,172	17,293,597
Ex-gratia rates							4,650	4,737	4,650
Concessions (Refer note 1(f))							(149,564)	(148,561)	(149,564)
Total amount raised from general rates							17,195,917	17,106,348	17,148,683
Specified area rates (Refer note 1(d))							192,416	191,967	191,064
Total rates							17,388,333	17,298,315	17,339,747

All land (other than exempt land) in the Shire of Murray is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the Shire of Murray.

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 interest rates
		\$	%	%
Option one				
Single full payment	1/10/2020	0	0%	8.0%
Option two				
Rate Smoothing	As scheduled	25.00	0%	8.0%
Option three				
First instalment	1/10/2020	0	0%	8.0%
Second Instalment	1/12/2020	10.00	5.5%	8.0%
Third Instalment	1/02/2021	10.00	5.5%	8.0%
Fourth Instalment	2/04/2021	10.00	5.5%	8.0%

In response to the COVID-19 pandemic Council has adopted Policy F9 - COVID19 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	83,000	64,903	83,000
Instalment plan interest earned	89,995	62,047	88,230
Unpaid rates and service charge interest earned	128,631	236,420	173,400
Interest on deferred pensioners	10,824	9,785	10,612
	312,450	373,155	355,242

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
GRV General	Properties that are used for purposes other than commercial.	The object of this differential rate is to ensure that all residential ratepayers make a reasonable contribution towards the services and facilities provided and maintained by the Shire for the benefit of the residents.	Revenue derived from this category to assist funding the service levels expected of the community, achieving the Strategic Community Plan and minimum standards of performance to which the Council will be measured by the State Government and others.
GRV Commercial	Properties that are used for non-residential purposes.	The object of this differential rate is to apply rates to all income producing facilities, including carparks, to contribute to funding the costs associated with the service provided to these properties.	Lower rate in the dollar compared to residential, to reflect the economic circumstances associated with the significant fluctuation in valuations in the 2017/18 financial year. This will encourage retention of commercial activities during current economic circumstances, providing diversification of the economy and opportunity for local employment.
UV General	Properties that are used primarily for rural, farming or mining purposes.	The object of this differential rate is to ensure that all ratepayers make a reasonable contribution towards the services and facilities provided and maintained by the Shire for the benefit of residents.	Revenue derived from this category to assist funding the service levels expected of the community, achieving the Strategic Community Plan and minimum standards of performance to which the Council will be measured by the State Government and others.

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

1. RATES AND SERVICE CHARGES (CONTINUED)

(d) Specified Area Rate

	Basis of valuation	Rate in	Rateable value	2020/21 Budget specified area rate revenue	2020/21 Interim specified area rate revenue	2020/21 Back specified area rate revenue	2020/21 Total budget specified area rate revenue	2019/20 Actual revenue	2019/20 Budget revenue
		\$	\$	\$	\$	\$	\$	\$	\$
Specified area rate									
Yunderup Canal Entrance Dredging	GRV	0.007084	8,200,022	58,089	0	0	58,089	58,022	57,791
Yunderup Canal Maintenance	GRV	0.006599	7,770,032	51,274	0	0	51,274	51,242	51,152
Murray Lakes Canal Maintenance	GRV	0.006645	4,824,990	32,062	0	0	32,062	32,050	32,001
Willow Gardens Canal Maintenance	GRV	0.006653	966,650	6,431	0	0	6,431	6,411	6,371
Austin Lakes Phase 2 Maintenance	GRV	0.007334	6,075,830	44,560	0	0	44,560	44,242	43,749
			27,837,524	192,416	0	0	192,416	191,967	191,064

	Purpose of the rate	Budgeted rate applied to costs	Budgeted rate set aside to reserve	Reserve Amount to be applied to costs
		\$	\$	\$
Specified area rate				
Yunderup Canal Entrance Dredging	For the purpose of dredging the entrance channel to Yunderup Stage 1 Estate, The Moorings and Sapphire Waters.	0	58,089	0
Yunderup Canal Maintenance	For the purpose of maintaining the canal waterway and associated infrastructure.	0	51,274	46,520
Murray Lakes Canal Maintenance	For the purpose of maintaining the canal waterway and associated infrastructure.	0	32,062	20,086
Willow Gardens Canal Maintenance	For the purpose of maintaining the canal waterway and associated infrastructure.	1,678	4,753	75,033
Austin Lakes Phase 2 Maintenance	For the purpose of maintaining the lake and public open space in Austin Lakes Estate Phase 2.	0	44,560	0
		1,678	190,738	141,639

(e) Service Charges

The Shire does not anticipate raising service charges for the year ended 30th June 2021.

SHIRE OF MURRAY
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2021

1. RATES AND SERVICE CHARGES (CONTINUED)

(f) 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 the waiver or concession is granted	Objects and reasons of the waiver or concession
Primary Producer	Concession	15.66%		\$ 141,673	\$ 140,400	\$ 141,369	Bona-fide primary producers residing within the Shire as per Policy F7	In recognition of the critical economic importance of the agricultural industry, Council has adopted Policy F7 to assist bona-fide primary producers
Primary Producer	Concession	7.83%		6,697	6,967	7,001	Bona-fide primary producers residing within neighbouring Shires as per Policy F7	
Riverglades Complex	Concession		6.00	1,194	1,194	1,194	Applied to strata-titled lots within the Riverglades Complex	Concession applied in recognition of property owners required to pay the mandated fee under the Caravan Parks & Camping Grounds Regulations
				149,564	148,561	149,564		

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.

Note	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
	\$	\$	\$
(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			
Less: Profit on asset disposals	4(b) (1,041,005)	(2,290)	(503)
Less: Movement in contract liabilities associated with restricted cash	0	0	(1,073,600)
Add: Non-cash non-current employee provisions	45,000	(45,000)	50,985
Add: Movement in non-current contract liabilities	0	(29,436)	0
Add: Loss on disposal of assets	4(b) 47,763	106,788	132,724
Add: Change in accounting policies	0	(1,043,186)	0
Add: Depreciation on assets	5 6,479,266	6,779,651	6,359,353
Non cash amounts excluded from operating activities	5,531,024	5,766,527	5,468,959
(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	8 (11,350,202)	(9,039,146)	(7,005,789)
Less: Current assets not expected to be received at end of year			
- current portion of self supporting loans receivable	(44,115)	(41,243)	(41,243)
- Land held for resale	0	(905,090)	(100,000)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	482,910	529,208	518,195
- Current portion of lease liabilities	32,079	44,396	0
- Employee benefit provisions	597,002	597,002	597,002
Add: Movement in provisions between current and non-current provisions	110,448	35,448	50,985
Total adjustments to net current assets	(10,171,878)	(8,779,425)	(5,980,850)

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	2,721,208	4,578,095	3,540,644
Cash and cash equivalents - restricted				
Cash backed reserves	8	11,350,202	9,039,146	7,005,789
Unspent grants, subsidies and contributions	10	29,436	5,594,668	0
Financial assets - unrestricted		44,115	41,243	0
Receivables		3,620,865	5,370,865	2,003,387
Inventories		33,175	933,265	125,000
		17,799,001	25,557,282	12,674,820
Less: current liabilities				
Trade and other payables		(3,050,423)	(2,450,423)	(2,335,576)
Contract liabilities		0	(5,565,232)	0
Lease liabilities		(32,079)	(44,396)	(19,414)
Long term borrowings		(482,910)	(529,208)	(518,195)
Provisions		(2,746,226)	(2,556,226)	(2,353,036)
		(6,311,638)	(11,145,485)	(5,226,221)
Net current assets		11,487,363	14,411,797	7,448,599
Less: Total adjustments to net current assets	2 (a)(ii)	(10,171,878)	(8,779,425)	(5,980,850)
Closing funding surplus / (deficit)		1,315,485	5,632,372	1,467,749

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

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 Murray 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.

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

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

Superannuation

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

LAND HELD FOR RESALE

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

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

Land held for 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.

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

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	14,100,846	19,211,909	3,540,644
Term deposits	0	0	7,005,789
	14,100,846	19,211,909	10,546,433
- Unrestricted cash and cash equivalents	2,721,208	4,578,095	3,540,644
- Restricted cash and cash equivalents	11,379,638	14,633,814	7,005,789
	14,100,846	19,211,909	10,546,433
The following restrictions have been imposed by regulation or other externally imposed requirements on cash and cash equivalents:			
Leave Reserve	597,002	597,002	597,002
Workers Compensation Reserve	198,003	198,003	198,003
Waste Management Reserve	2,147,656	2,732,981	1,658,654
Peel Mosquito Management Reserve	19,128	16,828	18,156
Yunderup Canal General Maintenance Reserve	286,131	281,377	259,491
Willow Gardens General Canal Maintenance Reserve	4,753	73,355	70,772
Murray Lakes General Canal Maintenance Reserve	359,070	347,094	335,057
Entrance Channel Reserve	334,548	218,370	131,609
Austin Lakes Phase 2 Maintenance Reserve	282,785	238,225	237,731
Asset Enhancement Reserve	3,302,175	617,609	610,859
Building Renewal Reserve	271,411	235,060	235,060
Plant & Vehicle Reserve	816,889	845,869	652,167
Road, Drainage & Pathway Reserve	470,271	240,031	144,649
Parks & Recreation Reserve	491,948	344,180	344,180
Heritage Rail Precinct Reserve	49,713	52,633	91,349
General Developers Reserve	517,334	865,826	265,767
Austin Lakes Asset Replacement Reserve	688,603	667,103	681,238
Murray Leisure Centre Capital Reserve	349,486	315,269	344,087
Herron Point Reserve	163,296	152,331	129,958
Unspent grants, subsidies and contributions	29,436	5,594,668	0
	11,379,638	14,633,814	7,005,789
Reconciliation of net cash provided by operating activities to net result			
Net result	15,656,671	5,055,960	6,847,265
Depreciation	5 6,479,266	6,779,651	6,359,353
(Profit)/loss on sale of asset	4(b) (993,242)	104,498	132,221
(Increase)/decrease in receivables	1,675,000	(2,833,090)	911,559
(Increase)/decrease in other assets	0	75,595	0
(Increase)/decrease in inventories	(5,000)	1,919	5,094
Increase/(decrease) in payables	600,000	(639,773)	(850,711)
Increase/(decrease) in contract liabilities	(5,565,232)	4,551,482	0
Increase/(decrease) in employee provisions	235,000	235,000	0
Non-operating grants, subsidies and contributions	(16,342,174)	(6,218,753)	(12,177,958)
Net cash from operating activities	1,740,289	7,112,489	1,226,823

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 MURRAY
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.

Reporting program

Asset class	Governance	Law, order, public safety	Housing	Community amenities	Recreation and culture	Transport	Economic services	Other property and services	2020/21 Budget total	2019/20 Actual total	2019/20 Budget total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>											
Land - freehold land	0	0	0	0	0	0	0	0	0	1,250,000	600,000
Buildings	0	0	30,000	0	511,581	0	13,187,011	0	13,728,592	3,116,353	8,706,408
Furniture and equipment	166,184	0	0	0	94,201	0	0	0	260,385	453,491	484,994
Plant and equipment		67,330	0	0	160,380	871,465	57,960	0	1,157,135	1,140,654	1,356,963
	166,184	67,330	30,000	0	766,162	871,465	13,244,971	0	15,146,112	5,960,498	11,148,365
<i>Infrastructure</i>											
Infrastructure - roads	0	0	0	0	0	3,094,447	0	0	3,094,447	3,037,638	3,019,934
Infrastructure - footpaths	0	0	0	0	0	295,615	0	0	295,615	198,792	206,739
Infrastructure - drainage	0	0	0	0	0	64,385	0	0	64,385	29,505	51,646
Infrastructure - bridges	0	0	0	0	905,000	3,942,646	0	0	4,847,646	509,005	1,563,502
Infrastructure - Other	0	0	0	622,097	918,537	0	0	10,000	1,550,634	1,692,764	3,657,299
	0	0	0	622,097	1,823,537	7,397,093	0	10,000	9,852,727	5,467,704	8,499,120
<i>Land Held for Resale</i>											
Land held for resale									0	66,317	201,807
Total acquisitions	166,184	67,330	30,000	622,097	2,589,699	8,268,558	13,244,971	10,000	24,998,839	11,494,519	19,849,292

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.

SHIRE OF MURRAY
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2021

4. FIXED ASSETS

(b) Disposals of Assets

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

	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss	2019/20 Actual Net Book Value	2019/20 Actual Sale Proceeds	2019/20 Actual Profit	2019/20 Actual Loss	2019/20 Budget Net Book Value	2019/20 Budget Sale Proceeds	2019/20 Budget Profit	2019/20 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Governance	17,100	12,540	0	(4,560)	34,580	25,000	0	(9,580)	61,047	47,460	0	(13,587)
Law, order, public safety	40,612	26,099	0	(14,513)	32,216	28,636	0	(3,580)	55,089	36,480	0	(18,609)
Health		0	0	0	16,233	16,818	585	0	14,513	11,400	0	(3,113)
Community amenities	28,500	23,205	0	(5,295)	0	0	0	0	22,417	15,960	0	(6,457)
Recreation and culture	50,510	43,305	150	(7,355)	54,331	41,382	1,111	(14,060)	78,771	70,990	503	(8,284)
Transport	302,620	287,525	945	(16,040)	309,710	230,736	594	(79,568)	311,454	228,780	0	(82,674)
Economic services		0	0	0	125,000	125,000	0	0	0	0	0	0
Other property and services	905,090	1,945,000	1,039,910	0	0	0	0	0	500,000	500,000	0	0
	1,344,432	2,337,674	1,041,005	(47,763)	572,070	467,572	2,290	(106,788)	1,043,291	911,070	503	(132,724)
By Class												
<u>Property, Plant and Equipment</u>												
Land - freehold land	0	0	0	0	125,000	125,000	0	0	0	0	0	0
Plant and equipment	439,342	392,674	1,095	(47,763)	447,070	342,572	2,290	(106,788)	543,291	411,070	503	(132,724)
<u>Land Held for Resale</u>												
Land held for resale	905,090	1,945,000	1,039,910	0	0	0	0	0	500,000	500,000	0	0
	1,344,432	2,337,674	1,041,005	(47,763)	572,070	467,572	2,290	(106,788)	1,043,291	911,070	503	(132,724)

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.

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

5. ASSET DEPRECIATION

By Program

Law, order, public safety
Health
Education and welfare
Housing
Community amenities
Recreation and culture
Transport
Economic services
Other property and services

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
163,649	176,846	144,303	
184	185	184	
4,291	4,287	4,291	
13,292	15,090	13,292	
66,147	41,031	65,314	
1,135,879	1,274,095	906,221	
4,412,682	4,648,265	4,552,846	
30,848	34,474	135,238	
652,294	585,378	537,664	
6,479,266	6,779,651	6,359,353	
754,446	772,511	754,446	
68,145	72,185	60,753	
610,860	589,300	519,500	
3,049,600	3,267,728	3,049,600	
214,251	228,696	214,251	
385,200	384,310	385,200	
734,384	738,388	734,384	
641,219	698,205	641,219	
7,186	11,696	0	
13,975	16,632	0	
6,479,266	6,779,651	6,359,353	

By Class

Buildings
Furniture and equipment
Plant and equipment
Infrastructure - roads
Infrastructure - footpaths
Infrastructure - drainage
Infrastructure - bridges
Infrastructure - Other
Right of use - buildings
Right of use - plant and equipment

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:

Buildings

Long Life Buildings	84 to 120 years
Medium Life Buildings	56 to 80 years
Short Life Buildings	42 to 60 years

Roof 42 to 60 years

Mechanical 14 to 20 years

Fitout 17 to 25 years

Furniture and Equipment 4 to 40 years

Plant and Equipment 3 to 50 years

Sealed Roads

Formation not depreciated

Pavement (distributors) 42 to 60 years

Pavement (access) 64 to 80 years

Seal (Bituminous) 17 to 25 years

Seal (Asphalt) 21 to 30 years

Gravel roads

Formation not depreciated

Pavement 24 to 30 years

Gravel Sheet 12 years

Formed Roads (unsealed)

Formation not depreciated

Footpaths

Concrete 48 to 60 years

Brick Paved 40 to 50 years

Limestone 15 to 20 years

Sealed 20 to 25 years

Gravel/Timber 15 to 25 years

Stormwater Drainage

Pits 80 to 100 years

Pipes 50 to 100 years

Bridges 60 to 100 years

Other Infrastructure 10 to 100 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 method are reviewed at the end of each financial year.

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

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

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	Interest Rate	Budget Principal 1 July 2020	2020/21 Budget New Loans	2020/21 Budget Principal Repayments	Budget Principal outstanding 30 June 2021	2020/21 Budget Interest Repayments	Actual Principal 1 July 2019	2019/20 Actual New Loans	2019/20 Actual Principal Repayments	Actual Principal outstanding 30 June 2020	2019/20 Actual Interest Repayments	Budget Principal 1 July 2019	2019/20 Budget New Loans	2019/20 Budget Principal Repayments	Budget Principal outstanding 30 June 2020	2019/20 Budget Interest Repayments	
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Governance																		
Administration Centre Extension	161	6.94%	163,830	0	(79,082)	84,748	(10,907)	237,626	0	(73,796)	163,830	(12,916)	237,626	0	(73,796)	163,830	(16,657)	
Administration Centre Extension	173	6.07%	64,483	0	(64,483)	0	(3,359)	125,223	0	(60,740)	64,483	(5,642)	125,223	0	(60,740)	64,483	(7,552)	
Recreation and culture																		
Aquatic Centre Construction	170		0	0	0	0	0	98,314	0	(98,314)	0	(5,312)	98,314	0	(98,314)	0	(5,312)	
Lots 85-88 George Street	174e	3.04%	403,232	0	(75,855)	327,377	(14,347)	476,832	0	(73,600)	403,232	(15,165)	476,832	0	(73,600)	403,232	(17,056)	
Lot 1213 South Western Highway	175a	3.11%	617,315	0	(104,589)	512,726	(22,406)	718,725	0	(101,410)	617,315	(22,467)	718,725	0	(101,410)	617,315	(26,316)	
Murray Foreshore Upgrade	179	1.49%	200,000	0	(18,691)	181,309	(4,257)	0	200,000	0	200,000	(238)	0	200,000	0	200,000	0	
Exchange Hotel Restoration	180	2.13%	292,782	0	(29,843)	262,939	(8,058)	322,000	0	(29,218)	292,782	(8,316)	322,000	0	(29,218)	292,782	(6,704)	
Transport																		
Camp Road Properties	182	3.61%	619,784	0	(26,929)	592,855	(26,272)	645,762	0	(25,978)	619,784	(26,344)	645,762	0	(25,978)	619,784	(27,420)	
Economic services																		
Underground Power	178	3.28%	678,729	0	(32,865)	645,864	(26,665)	710,542	0	(31,813)	678,729	(25,487)	710,542	0	(31,813)	678,729	(27,957)	
Dwellingup Trails Centre	184	1.89%	955,000	0	(55,628)	899,372	(24,311)	0	955,000	0	955,000	(1,135)	0	955,000	0	955,000	0	
			3,995,155	0	(487,965)	3,507,190	(140,582)	3,335,024	1,155,000	(494,869)	3,995,155	(123,022)	3,335,024	1,155,000	(494,869)	3,995,155	(134,974)	
Self Supporting Loans																		
Recreation and culture																		
Yunderup Sport & Recreation Club	181	2.08%	62,187	0	(41,243)	20,944	(1,327)	102,586	0	(40,399)	62,187	(1,594)	102,586	0	(40,399)	62,187	(2,460)	
Pinjarra Bowling & Recreation Club	183	1.75%	0	120,000	0	120,000	0	0	0	0	0	0	0	0	0	0	0	
			62,187	120,000	(41,243)	140,944	(1,327)	102,586	0	(40,399)	62,187	(1,594)	102,586	0	(40,399)	62,187	(2,460)	
			4,057,342	120,000	(529,208)	3,648,134	(141,909)	3,437,610	1,155,000	(535,268)	4,057,342	(124,616)	3,437,610	1,155,000	(535,268)	4,057,342	(137,434)	

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.

Self supporting loan repayments will be fully reimbursed by the associated community club.

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

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
				%	\$	\$	\$	\$
Pinjarra Bowling & Recreation Club S/S Loan Green Upgrades	WATC	Debenture	5	1.8%	120,000	5,850	120,000	0
					120,000	5,850	120,000	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	0
Bank overdraft at balance date	0	0	0
Credit card limit	200,000	200,000	200,000
Credit card balance at balance date	(10,000)	(9,774)	(45,000)
Total amount of credit unused	190,000	190,226	155,000
Loan facilities			
Loan facilities in use at balance date	3,648,134	4,057,342	4,057,342

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.

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

7. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease	2020/21 Budget	Budget Lease	2020/21 Budget	Actual	2019/20 Actual	Actual Lease	Actual Lease	2019/20 Actual	Budget	2019/20 Budget	Budget Lease	Budget Lease	2019/20 Budget	2019/20 Budget
					Principal 1 July 2020	New Leases	Principal outstanding 30 June 2021	Lease Interest	Principal 1 July 2019	New Leases	Principal repayments	Principal outstanding 30 June 2020	Lease Interest	Principal 1 July 2019	New Leases	Principal repayments	Principal outstanding 30 June 2020	Lease Interest	
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Law, order, public safety																			
	9	Toyota Financial	2.13%	14	537	(537)	0	(1)	0	3,720	(3,183)	537	(48)	0	0	0	0	0	0
	11	Fleet Partners	2.13%	24	14,719	(13,575)	1,144	(182)	28,008	0	(13,289)	14,719	(468)	28,008	0	(13,289)	14,719	(467)	
Recreation and culture																			
	12	National Trust	2.13%	480	93,597	(1,506)	92,091	(1,994)	95,072	0	(1,475)	93,597	(2,025)	95,072	0	(1,475)	93,597	(3,850)	
	15	Capital Finance	2.13%	60	101,417	(24,028)	77,389	(1,926)	0	122,998	(21,581)	101,417	(2,211)	0	0	0	0	0	
Transport																			
	1	Maia Financial	2.13%	60	20,903	(4,750)	16,153	(407)	25,553	0	(4,650)	20,903	(507)	25,553		(4,650)	20,903	(507)	
					231,173	0	(44,396)	186,777	(4,510)	148,633	126,718	(44,178)	231,173	(5,259)	148,633	0	(19,414)	129,219	(4,824)

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

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

8. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2020/21 Budget Opening Balance	2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance	2019/20 Actual Opening Balance	2019/20 Actual Transfer to	2019/20 Actual Transfer (from)	2019/20 Actual Closing Balance	2019/20 Budget Opening Balance	2019/20 Budget Transfer to	2019/20 Budget Transfer (from)	2019/20 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave Reserve	597,002	0	0	597,002	597,002	0	0	597,002	597,002	0	0	597,002
(b) Workers Compensation Reserve	198,003	0	0	198,003	198,003	0	0	198,003	198,003	0	0	198,003
(c) Waste Management Reserve	2,732,981	3,155,447	(3,740,772)	2,147,656	2,351,685	3,185,233	(2,803,937)	2,732,981	2,351,685	3,058,275	(3,751,306)	1,658,654
(d) Peel Mosquito Management Reserve	16,828	2,300	0	19,128	15,856	972	0	16,828	15,856	2,300	0	18,156
(e) Unspent Grants, Contributions & Loans Reserve	0	0	0	0	1,043,186	0	(1,043,186)	0	1,054,186	0	(1,054,186)	0
(f) Yunderup Canal General Maintenance Reserve	281,377	51,274	(46,520)	286,131	244,055	51,242	(13,920)	281,377	244,055	51,152	(35,716)	259,491
(g) Willow Gardens General Canal Maintenance Reserve	73,355	6,431	(75,033)	4,753	68,568	6,411	(1,624)	73,355	68,568	6,371	(4,167)	70,772
(h) Murray Lakes General Canal Maintenance Reserve	347,094	32,062	(20,086)	359,070	322,700	32,050	(7,656)	347,094	322,700	32,001	(19,644)	335,057
(i) Entrance Channel Reserve	218,370	116,178	0	334,548	102,324	116,046	0	218,370	102,324	115,582	(86,297)	131,609
(j) Austin Lakes Phase 2 Maintenance Reserve	238,225	44,560	0	282,785	193,982	44,243	0	238,225	193,982	43,749	0	237,731
(k) Asset Enhancement Reserve	617,609	2,980,000	(295,434)	3,302,175	824,231	300,000	(506,622)	617,609	824,231	340,000	(553,372)	610,859
(l) Building Renewal Reserve	235,060	36,351	0	271,411	184,358	50,702	0	235,060	184,358	50,702	0	235,060
(m) Plant & Vehicle Reserve	845,869	0	(28,980)	816,889	845,869	0	0	845,869	845,869	0	(193,702)	652,167
(n) Road, Drainage & Pathway Reserve	240,031	230,240	0	470,271	256,474	125,622	(142,065)	240,031	256,474	30,240	(142,065)	144,649
(o) Parks & Recreation Reserve	344,180	147,768	0	491,948	216,052	128,128	0	344,180	216,052	128,128	0	344,180
(p) Heritage Rail Precinct Reserve	52,633	44,270	(47,190)	49,713	59,834	23,183	(30,384)	52,633	59,834	44,270	(12,755)	91,349
(q) General Developers Reserve	865,826	0	(348,492)	517,334	657,910	290,493	(82,577)	865,826	657,910	0	(392,143)	265,767
(r) Austin Lakes Asset Replacement Reserve	667,103	21,500	0	688,603	659,738	7,365	0	667,103	659,738	21,500	0	681,238
(s) Murray Leisure Centre Capital Reserve	315,269	34,217	0	349,486	296,214	47,873	(28,818)	315,269	296,214	47,873	0	344,087
(t) Herron Point Reserve	152,331	43,494	(32,529)	163,296	118,993	54,228	(20,890)	152,331	118,993	43,494	(32,529)	129,958
	9,039,146	6,946,092	(4,635,036)	11,350,202	9,257,034	4,463,791	(4,681,679)	9,039,146	9,268,034	4,015,637	(6,277,882)	7,005,789

8. CASH BACKED RESERVES (CONTINUED)

(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
(a) Leave Reserve	Provision for employees and ex-employees leave/termination entitlements.
(b) Workers Compensation Reserve	To provide contingency funds for the annual workers compensation insurance premium under the performance based contributions scheme.
(c) Waste Management Reserve	To provide for current and future waste management services for the Shire of Murray.
(d) Peel Mosquito Management Reserve	To provide contingency funds for the Peel Mosquito Management Group as per the CLAG memorandum of understanding.
(e) Unspent Grants, Contributions & Loans Reserve	For the placement of grants, contributions and loan funding that is unlikely to be expended in the current financial year.
(f) Yunderup Canal General Maintenance Reserve	To receive specified area rates to be used in maintaining the canal waterway and associated infrastructure.
(g) Willow Gardens General Canal Maintenance Reserve	To receive specified area rates for the purpose of maintaining the canal waterway and associated infrastructure.
(h) Murray Lakes General Canal Maintenance Reserve	To receive specified area rates to be used in maintaining the canal waterway and associated infrastructure.
(i) Entrance Channel Reserve	To receive specified area rates for the purpose of dredging the entrance channel to Yunderup Estate and Murray Waters.
(j) Austin Lakes Phase 2 Maintenance Reserve	To receive specified area rates for the purpose of maintaining the lake and public open space in Austin Lakes Phase 2.
(k) Asset Enhancement Reserve	Provision for the construction, acquisition, upgrade or maintenance of property, plant & equipment, excluding heavy plant and light vehicles.
(l) Building Renewal Reserve	Provision for the renewal of building assets.
(m) Plant & Vehicle Reserve	Provision for the replacement or purchase of heavy plant and light vehicles.
(n) Road, Drainage & Pathway Reserve	Provision for the construction, upgrade or renewal of infrastructure assets.
(o) Parks & Recreation Reserve	Provision for the construction, upgrade or renewal of infrastructure assets associated with parks, recreation, waterways and streetscapes.
(p) Heritage Rail Precinct Reserve	Provision for the upgrade and maintenance of the rail heritage building and surrounding precinct.
(q) General Developers Reserve	To receive developer's contributions to assist in the construction or upgrade of infrastructure associated with new land developments.
(r) Austin Lakes Asset Replacement Reserve	To receive developer's contributions to assist in the repair, maintenance and replacement of major infrastructure associated with the lake development at Austin Lakes Estate and to assist in maintaining lake water quality.
(s) Murray Leisure Centre Capital Reserve	Provision for the renewal of capital items at the Murray Aquatic & Leisure Centre.
(t) Herron Point Reserve	To receive excess revenue proceeds from the Herron Point Camping Grounds to assist in the future upgrade and development of the area.

A detailed breakdown of budgeted transfers to and from reserves during 2020/2021 can be found in the supplementary information attached to this budget document.

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

9. FEES & CHARGES REVENUE

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Governance	306	4,521	307
General purpose funding	153,380	134,778	153,380
Law, order, public safety	131,096	126,040	125,690
Health	78,454	30,819	122,559
Education and welfare	109	2,144	109
Housing	25,220	20,311	25,220
Community amenities	3,326,141	3,445,620	3,265,939
Recreation and culture	882,525	676,622	892,667
Transport	35,176	57,493	35,176
Economic services	327,054	419,902	521,310
Other property and services	595,085	735,504	358,799
	5,554,546	5,653,754	5,501,156

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								
Governance	0		0	0	0	11,200	0	0
General purpose funding	0		0	0	0	1,103,193	2,035,214	856,269
Law, order, public safety	108,320		(78,884)	29,436	0	539,171	466,711	519,024
Education and welfare	11,777		(11,777)	0	0	12,777	65,074	130,074
Community amenities	49,988		(49,988)	0	0	131,748	74,710	17,973
Recreation and culture	61,470		(61,470)	0	0	167,137	85,079	120,090
Transport	0		0	0	0	248,335	340,073	245,156
Economic services	1,899,655		(1,899,655)	0	0	3,225,354	587,181	755,713
Other property and services	0		0	0	0	0	49,851	0
	2,131,210	0	(2,101,774)	29,436	0	5,438,915	3,703,893	2,644,299
(b) Non-operating grants, subsidies and contributions								
Governance	0		0	0	0	0	0	259,283
Law, order, public safety	0		0	0	0	0	18,015	0
Community amenities	44,260		(44,260)	0	0	0	0	85,000
Recreation and culture	0		0	0	0	842,422	1,035,064	940,000
Transport	541,679		(541,679)	0	0	5,731,939	2,857,503	3,111,733
Economic services	2,877,519		(2,877,519)	0	0	13,187,011	2,308,171	7,781,942
	3,463,458	0	(3,463,458)	0	0	19,761,372	6,218,753	12,177,958
Total	5,594,668	0	(5,565,232)	29,436	0	25,200,287	9,922,646	14,822,257

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

	Budget Closing Balance 30 June 2021	Actual Balance 30 June 2020
Unspent grants, subsidies and contributions	29,436	5,594,668
	29,436	5,594,668

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

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
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	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 terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
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 terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
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 annual 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
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	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
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

The net result includes as revenues

(a) Interest earnings

Investments			
- Reserve funds	71,400	89,461	175,000
- Other funds	71,400	51,165	150,000
Late payment of fees and charges *	218,626	298,467	261,630
Other interest revenue (refer note 1b)	10,824	9,785	10,612
	372,250	448,878	597,242

* The Shire has resolved to charge interest under section 6.13 for the late payment of any amount of money at 8%.

(b) Other revenue

Reimbursements and recoveries	136,894	388,628	138,586
Other	78,681	142,584	90,011
	215,575	531,212	228,597

The net result includes as expenses

(c) Auditors remuneration

Audit services	31,000	12,700	31,000
Other services	5,720	3,220	5,000
	36,720	15,920	36,000

(d) Interest expenses (finance costs)

Borrowings (refer Note 6(a))	141,909	124,616	137,434
Interest expense on lease liabilities	4,510	5,259	0
	146,419	129,875	137,434

(e) Elected members remuneration

Meeting fees	141,597	136,860	141,597
President's allowance	35,525	35,525	35,525
Deputy President's allowance	8,881	8,881	8,881
Travelling expenses	450	450	450
Telecommunications allowance	31,500	30,447	31,500
	217,953	212,163	217,953

(f) Write offs

General rate	1,000	51,406	1,000
Fees and charges	0	522	0
	1,000	51,928	1,000

(g) Low value lease expenses

Office equipment	189,493	208,376	294,818
Plant and equipment	36,683	42,740	58,220
	226,176	251,116	353,038

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

13. MAJOR LAND TRANSACTIONS

Lot 102 Lakes Road, North Dandalup

(a) Details

Freehold land held by Council situated at Lot 102 Lakes Road, North Dandalup has been subdivided into residential lots ranging in size from 2020sqm to 3185sqm. The lots are all cleared and serviced with sealed road, bitumen crossovers, front boundary fences, scheme water and underground power.

(b) Current year transactions

Note	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Capital revenue			
Proceeds on sale of land	1,945,000	0	500,000
Capital expenditure			
Development costs of subdivision	0	66,317	201,807
	<u>1,945,000</u>	<u>66,317</u>	<u>701,807</u>

Council has resolved that all lots be sold by public auction during the 2020/21 financial year and therefore the assets are classified as current at 30 June 2020. Proceeds from the sale of the land will be transferred to the Asset Enhancement Reserve to fund future asset development.

(c) Expected future cash flows

	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	\$	\$	\$	\$	\$	\$
Cash Inflows						
Proceeds on sale of land	1,945,000	0	0	0	0	1,945,000
	<u>1,945,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,945,000</u>
Net cash flows	<u>1,945,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,945,000</u>

14. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated any trading undertakings or major trading undertakings will occur in 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 interest 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
	\$	\$	\$	\$
Unclaimed Monies	49,391	500	(14,496)	35,395
	49,391	500	(14,496)	35,395

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.

**SUPPLEMENTARY NOTES TO THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2021**

ASSET ACQUISITIONS

	2020/21 Budget \$	Funding Sources					Comments
		Municipal Funds	Grants & Contributions	Loan Borrowings	Reserve Funds	Asset Sales	
<u>Furniture & Equipment</u>							
Corporate Business System - OpenOffice	122,206	-			122,206		Asset Enhancement Reserve
Computer Software	43,978	43,978					Agenda & Minutes
Murray Aquatic & Leisure Centre Pool Equipment	45,650	45,650					
Murray Aquatic & Leisure Centre Capital Equipment	48,551	48,551					
	260,385	138,179	-	-	122,206	-	
<u>Land & Buildings</u>							
Pinjarra Court House	12,742	12,742					
MALC Building Renewal	128,000	128,000					Upgrade of changerooms & toilets
MALC Refurbishment of Basketball Courts	7,647	7,647					Reseal of court floors
Dwellingup Hall	49,953	49,953					
Edenvale Liveringa	20,000	20,000					
Edenvale Old Schoolmaster's House	15,000	5,000	10,000				
George Beacham Pavilion	6,663	6,663					
James Street 22 Residence	30,000	30,000					
Sir Ross McLarty Changerooms	20,000	20,000					
Dwellingup National Adventure & Trails Centre	521,992	-	521,992				Upgrade works forming part of the Dwellingup National Adventure & Trails Centre; funded by Building Better Regions
Agri-Innovation Precinct	12,665,019	-	12,665,019				
Exchange Hotel	132,816	132,816					
Edenvale Building Conservation Works	118,760	118,760					
	13,728,592	531,581	13,197,011	-	-	-	
<u>Plant & Equipment</u>							
4009MY Light Vehicle - Director P&C	28,980	28,980					
4017MY Light Vehicle - Mgr Rangers & Emergency	28,000	14,320				13,680	
4025MY Utility - Parks Maintenance Supervisor	35,000	21,320				13,680	
4026MY Utility - Reticulation	46,575	39,330				7,245	
4031MY Utility - Chief Bushfire Control Officer	39,330	26,910				12,420	
4034MY Utility - Development Engineer	39,330	39,330					
4036MY Drainage Truck (with Hiab)	245,000	175,000				70,000	

**SUPPLEMENTARY NOTES TO THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2021**

ASSET ACQUISITIONS

Plant & Equipment (continued)

2020/21 Budget \$	Funding Sources					Comments
	Municipal Funds	Grants & Contributions	Loan Borrowings	Reserve Funds	Asset Sales	
4044MY Light Vehicle - Place Leader	23,805	16,560			7,245	
4045MY Light Vehicle - Manager AIP	28,980	-		28,980		Plant & Vehicle Reserve
4050MY Grader	435,600	260,150			175,450	
4063MY Zero Turn Mower	27,500	20,300			7,200	
4065MY Zero Turn Mower	27,500	20,300			7,200	
4088MY Trailer - Tipper	113,975	82,250			31,725	
Trailer Refurbishments	37,560	37,560				
	1,157,135	782,310	-	-	28,980	345,845

Infrastructure - Other

Pinjarra Cemetery Upgrade	15,000	15,000				
Murray River Foreshore Works	465,908	115,908	200,000	150,000		Lotterywest; Asset Enhancement Reserve
Cantwell Park	100,000	100,000				Playground renewal
York Road Park	45,000	45,000				
Gowman Reserve	50,000	50,000				
Minor Parks Development	35,000	35,000				
Murray River Country Estate Irrigation	35,000	35,000				
Parks & Reserves Renewal Works	44,573	44,573				
Sir Ross McLarty Cricket Wicket	78,930	44,930	34,000			
Pinjarra Bowling Club Green Upgrade	26,500	26,500				
Lot 102 Lakes Road Landscape Works	10,000	10,000				
Corio Road Tip Face	607,097	-		607,097		Waste Reserve
Annual Pathway Renewal	195,615	195,615				
Path Upgrades	100,000	100,000				
Drainage Program	36,340	36,340				Annual renewal program
James Street Drainage	28,045	28,045				
North Yunderup Rd Bridge #3537A	3,677,000	-	3,677,000			Dept Infrastructure
Regional Road Bridge Program	265,646	-		265,646		General Developers Reserve
Redcliffe Pedestrian Bridge	100,000	100,000				
Pelicans Reserve Pedestrian Bridge	205,000	134,228		70,772		Willow Gardens General Canal Reserve
James Street Pedestrian Bridge	600,000	11,578	588,422			
Edenvale Complex Ground Upgrades	37,626	37,626				
	6,758,280	1,165,343	4,499,422	-	1,093,515	-

**SUPPLEMENTARY NOTES TO THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2021**

ASSET ACQUISITIONS

Infrastructure - Road Works

Municipal Funded

	2020/21 Budget \$	Municipal Funds	Grants & Contributions	Loan Borrowings	Reserve Funds	Asset Sales	Comments
Boyd Road	40,000	40,000					
Murray Street (Coolup)	10,000	10,000					
Road Shoulder Improvements	50,000	50,000					
Bus Routes	15,000	15,000					
Reseals - Intersections	50,000	50,000					
Reseals - Rural	60,000	60,000					
Resheeting	95,333	95,333					
Traffic Management	40,000	40,000					
Kerbing Improvements	32,508	32,508					

Regional Road Group

Burnside Road	375,000	125,000	250,000				Regional Road Group
Lakes Road	105,000	35,000	70,000				Regional Road Group
Hopeland Road	60,000	20,000	40,000				Regional Road Group
Paterson Road	375,000	125,000	250,000				Regional Road Group
Del Park Road	375,000	55,000	320,000				Regional Road Group \$250K; Alcoa \$70K

State Blackspot

Paterson Road	350,000	116,667	233,333				
Carrabungup Road	400,000	133,333	266,667				
Nanga Road	110,000	36,667	73,333				

Roads to Recovery

Coolup Road South	200,000	-	200,000				Roads to Recovery
Marinup Street	300,000	-	300,000				Unspent Grants Reserve
Resheeting	51,606	-	51,606				Roads to Recovery

	3,094,447	1,039,508	2,054,939	-	-	-	
	24,998,839	3,656,921	19,751,372	-	1,244,701	345,845	

**SUPPLEMENTARY NOTES TO THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2021**

ASSET DISPOSALS

2020/2021 Budget				
Net book value \$	Sale Proceeds \$	Profit \$	Loss \$	
<u>Plant & Equipment</u>				
4015MY Utility - Exec Manager Strategic Development	20,500	15,960	-	(4,540)
4017MY Light Vehicle - Manager Rangers & Emergency	21,117	13,680	-	(7,437)
4025MY Utility - Parks Maintenance Supervisor	17,100	13,680	-	(3,420)
4026MY Utility - Reticulation	10,700	7,245	-	(3,455)
4027MY Utility - Manager Governance	17,100	12,540	-	(4,560)
4031MY Utility - Chief Bushfire Control Officer	19,496	12,420	-	(7,076)
4033MY Light Vehicle - Manager Community Development	7,980	7,980	-	(0)
4034MY Utility - Development Engineer	15,094	10,350	-	(4,744)
4036MY Drainage Truck (with Hiab)	70,500	70,000	-	(500)
4044MY Light Vehicle - Place Leader	8,000	7,245	-	(755)
4050MY Grader	186,246	175,450	-	(10,796)
4063MY Zero Turn Mower	7,050	7,200	150	-
4065MY Zero Turn Mower	7,680	7,200	-	(480)
4088MY Trailer - Tipper	30,780	31,725	945	-
	439,342	392,675	1,095	(47,763)
<u>Land Held for Resale</u>				
Part lots of 102 Lakes Road	905,090	1,945,000	1,039,910	-
	1,344,432	2,337,675	1,041,005	(47,763)

**SUPPLEMENTARY NOTES TO THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2021**

PURPOSE OF TRANSFERS TO/(FROM) RESERVES

Transfers to Reserves

Waste Management Reserve		
Transfer of waste revenue raised		3,155,447
Peel Mosquito Management Reserve		
Transfer of contingency funds as per MOU		2,300
Yunderup Canal General Maintenance Reserve		
Specified Area Rate revenue raised		51,274
Willow Gardens General Canal Maintenance Reserve		
Specified Area Rate revenue raised		6,431
Murray Lakes General Canal Maintenance Reserve		
Specified Area Rate revenue raised		32,062
Entrance Channel Reserve		
Specified Area Rate revenue raised plus 100% matching municipal funds		116,178
Austin Lakes Phase 2 Maintenance Reserve		
Specified Area Rate revenue raised		44,560
Asset Enhancement Reserve		
Proceeds from Sale of Lot 102 Lakes Road	1,945,000	
Transfer to fund future asset upgrades	<u>1,035,000</u>	2,980,000
Building Renewal Reserve		
Transfer of general revenue for future asset renewal		36,351
Murray Aquatic & Leisure Centre Capital Renewal Reserve		
Transfer of general revenue for future asset renewal	24,275	
Repayment of lighting upgrade funds	<u>9,942</u>	34,217
Parks and Recreation Reserve		
Transfer of general revenue for future parks renewal		147,768
Herron Point Reserve		
Transfer of revenue received from Herron Point campground operations to fund future maintenance		43,494
Road, Drainage & Pathway Reserve		
Transfer of Keysbrook Leucoxene Pty Ltd annual road maintenance fee Hopeland Road	30,240	
Transfer for provision for future road renewal	<u>200,000</u>	230,240
Heritage Rail Precinct Reserve		
Rental revenue received from Rail Heritage Building		44,270
Austin Lakes Asset Replacement Reserve		
Transfer of developer contributions received	10,000	
Interest on funds held in reserve	<u>11,500</u>	21,500
Total Transfers to Reserves		<u><u>6,946,092</u></u>

Transfers From Reserves

Waste Management Reserve		
Transfer to fund waste management operations	(3,121,022)	
Transfer to fund tip face upgrade	(607,097)	
Transfer to fund the decontamination works Moores Road	<u>(12,653)</u>	(3,740,772)
Yunderup Canal General Maintenance Reserve		
Transfer to assist with the cost of Canal Management, Weed Management and Surveys	(36,520)	
Transfer to fund launching facility feasibility study	<u>(10,000)</u>	(46,520)
	Sub-total Carried Forward	<u>(3,787,292)</u>

**SUPPLEMENTARY NOTES TO THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2021**

PURPOSE OF TRANSFERS TO/(FROM) RESERVES

Transfers From Reserves

	Sub-total Brought Forward	(3,787,292)
Willow Gardens General Canal Maintenance Reserve		
Transfer to assist with the cost of Canal Management, Weed Management and Surveys	(4,261)	
Transfer to part fund pedestrian bridge repairs	<u>(70,772)</u>	(75,033)
Murray Lakes General Canal Maintenance Reserve		
Transfer to assist with the cost of Canal Management, Weed Management and Surveys		(20,086)
Asset Enhancement Reserve		
Transfer to part fund implementation of new corporate business system	(122,206)	
Transfer to fund Edenvale Strategic Review	(23,228)	
Transfer to fund Murray River Foreshore Project	<u>(150,000)</u>	(295,434)
Plant and Vehicle Reserve		
Transfer to fund vehicle & plant changeovers		(28,980)
Herron Point Reserve		
Transfer for maintenance & operations of Herron Point Camping Grounds		(32,529)
Heritage Rail Precinct Reserve		
Transfer to fund building operations	(6,500)	
Transfer to fund the Heritage Rail Precinct Masterplan	<u>(40,690)</u>	(47,190)
General Developers Reserve		
Transfer to fund Regional Road Bridge Program	(265,646)	
Transfer to fund Fiegert Road design works	(38,926)	
Transfer to fund Old Mandurah Road design works	<u>(43,920)</u>	(348,492)
Total Transfers From Reserves		<u><u>(4,635,036)</u></u>
Total Net Transfer To/(From) Reserves		<u><u>2,311,056</u></u>