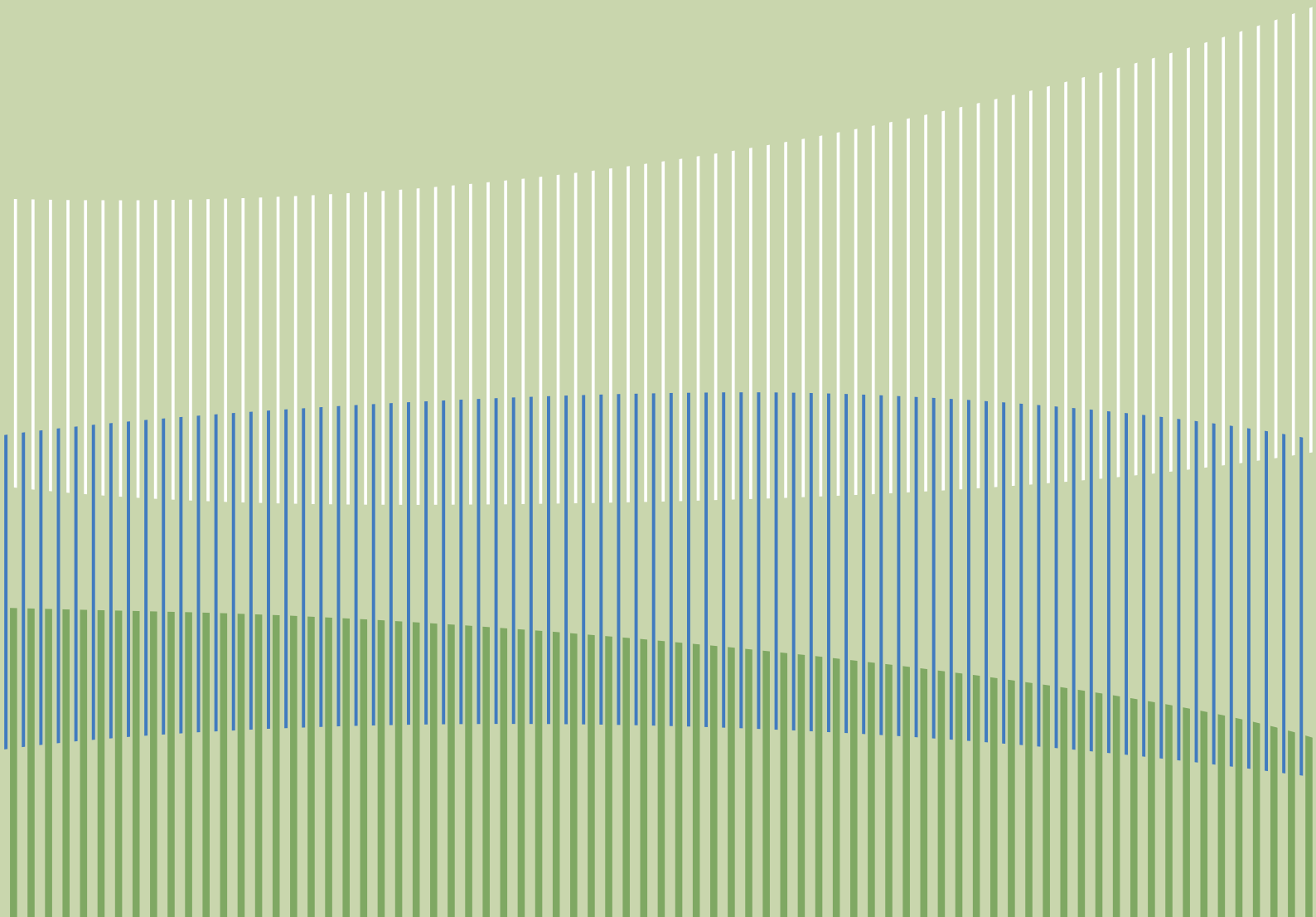


Budget

2019-2020



SHIRE OF MURRAY
BUDGET
FOR THE YEAR ENDED 30 JUNE 2020

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Shire of Murray'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.

We will be an organisation with a can-do attitude that strives for service excellence, continued improvement and a commitment to outcomes.

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

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
		\$	\$	\$
Revenue				
Rates	1(a)	17,339,747	16,441,728	16,790,537
Operating grants, subsidies and contributions	9	2,644,299	3,346,364	1,603,185
Fees and charges	8	5,501,156	5,686,208	5,635,139
Interest earnings	10(a)	597,242	672,093	567,078
Other revenue	10(b)	228,597	683,826	245,548
		26,311,041	26,830,219	24,841,487
Expenses				
Employee costs		(12,282,175)	(11,661,922)	(11,816,750)
Materials and contracts		(10,952,157)	(8,293,079)	(10,271,871)
Utility charges		(883,620)	(809,375)	(880,900)
Depreciation on non-current assets	5	(6,359,353)	(6,543,826)	(5,557,626)
Interest expenses	10(d)	(137,434)	(158,279)	(158,087)
Insurance expenses		(423,353)	(401,278)	(423,703)
Other expenditure		(471,421)	(647,268)	(722,374)
		(31,509,513)	(28,515,027)	(29,831,311)
Subtotal				
		(5,198,472)	(1,684,808)	(4,989,824)
Non-operating grants, subsidies and contributions	9	12,177,958	3,193,789	4,570,640
Profit on asset disposals	4(b)	503	11,295	2,595
Loss on asset disposals	4(b)	(132,724)	(21,319)	(54,791)
		12,045,737	3,183,765	4,518,444
Net result				
		6,847,265	1,498,957	(471,380)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income				
		6,847,265	1,498,957	(471,380)

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

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

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 14 to the budget.

2018/19 ACTUAL BALANCES

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

CHANGE IN ACCOUNTING POLICIES

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

- AASB 15 - Revenue from Contracts with Customers;
- AASB 16 - Leases; and
- AASB 1058 - Income of Not-for-Profit Entities.

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

KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES

RATES

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

SERVICE CHARGES

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

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, 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, and rebates.

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020****KEY TERMS AND DEFINITIONS - NATURE OR TYPE****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 included as a cost of employment.

LOSS ON ASSET DISPOSAL

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

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation expense raised on all classes of assets.

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. Donations and subsidies made to community groups.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2020

BY REPORTING PROGRAM

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
Revenue	1, 8, 9, 10(a),(b)	\$	\$	\$
Governance		25,712	87,453	50,942
General purpose funding		18,766,574	18,864,123	18,148,027
Law, order, public safety		668,240	736,229	493,968
Health		136,633	133,792	117,126
Education and welfare		116,713	104,491	1,705
Housing		25,352	28,728	48,657
Community amenities		3,299,442	3,546,606	3,507,477
Recreation and culture		1,099,664	1,315,497	1,091,010
Transport		427,647	713,639	424,085
Economic services		1,297,715	673,621	522,504
Other property and services		447,349	626,040	435,986
		26,311,041	26,830,219	24,841,487
Expenses excluding finance costs	5,10(c)(e)(f)(g)			
Governance		(1,972,120)	(2,034,692)	(1,990,492)
General purpose funding		(376,628)	(411,462)	(389,751)
Law, order, public safety		(1,712,548)	(1,547,101)	(1,676,715)
Health		(630,784)	(689,349)	(761,876)
Education and welfare		(291,931)	(267,721)	(178,995)
Housing		(33,306)	(33,881)	(27,792)
Community amenities		(5,864,974)	(5,138,058)	(6,056,511)
Recreation and culture		(7,682,433)	(6,380,355)	(6,679,929)
Transport		(8,751,229)	(8,983,284)	(9,112,568)
Economic services		(3,230,011)	(2,098,711)	(2,504,221)
Other property and services		(826,115)	(772,134)	(294,374)
		(31,372,079)	(28,356,748)	(29,673,224)
Finance costs	6, 10(d)			
Governance		(24,209)	(33,444)	(33,444)
Recreation and culture		(57,848)	(67,154)	(66,963)
Transport		(27,420)	(28,502)	(28,502)
Economic services		(27,957)	(29,179)	(29,178)
		(137,434)	(158,279)	(158,087)
Subtotal		(5,198,472)	(1,684,808)	(4,989,824)
Non-operating grants, subsidies and contributions	9	12,177,958	3,193,789	4,570,640
Profit on disposal of assets	4(b)	503	11,295	2,595
(Loss) on disposal of assets	4(b)	(132,724)	(21,319)	(54,791)
		12,045,737	3,183,765	4,518,444
Net result		6,847,265	1,498,957	(471,380)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		6,847,265	1,498,957	(471,380)

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

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

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		ACTIVITIES
GOVERNANCE	To provide a decision making process for the efficient allocation of available resources.	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
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 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 History and Visitor Information 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.

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

BY NATURE OR TYPE

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		18,122,757	16,040,080	16,518,564
Operating grants, subsidies and contributions		2,804,299	3,168,909	1,723,373
Fees and charges		5,511,156	5,661,208	5,700,139
Interest earnings		597,242	676,596	567,078
Goods and services tax		1,231,604	1,581,357	1,775,751
Other revenue		228,597	683,826	108,161
		28,495,655	27,811,976	26,393,066
Payments				
Employee costs		(12,158,700)	(11,531,801)	(11,814,750)
Materials and contracts		(11,901,249)	(7,794,072)	(10,330,646)
Utility charges		(883,620)	(809,375)	(845,900)
Interest expenses		(157,434)	(146,400)	(158,087)
Insurance expenses		(423,353)	(401,278)	(423,703)
Goods and services tax		(1,273,055)	(1,664,961)	(1,795,751)
Other expenditure		(471,421)	(647,268)	(722,374)
		(27,268,832)	(22,995,155)	(26,091,211)
Net cash provided by (used in) operating activities	3	1,226,823	4,816,821	301,855
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for development of land held for resale	4(a)	(201,807)	(398,193)	(600,000)
Payments for purchase of property, plant & equipment	4(a)	(11,148,365)	(2,780,873)	(3,972,723)
Payments for construction of infrastructure	4(a)	(8,499,120)	(5,469,514)	(9,193,304)
Non-operating grants, subsidies and contributions used for the development of assets	9	12,177,958	3,193,789	4,570,640
Proceeds from sale of land held for resale	4(b)	500,000	0	0
Proceeds from sale of plant & equipment	4(b)	411,070	347,100	330,975
Net cash provided by (used in) investing activities		(6,760,264)	(5,107,691)	(8,864,412)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(535,268)	(548,315)	(548,315)
Proceeds from self supporting loans	6(a)	40,399	39,571	39,571
Proceeds from new borrowings	6(b)	1,155,000	322,000	1,647,000
Net cash provided by (used in) financing activities		660,131	(186,744)	1,138,256
Net increase (decrease) in cash held		(4,873,310)	(477,614)	(7,424,301)
Cash at beginning of year		15,419,743	15,897,357	15,903,904
Cash and cash equivalents at the end of the year	3	10,546,433	15,419,743	8,479,603

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

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

BY NATURE OR TYPE

	NOTE	2018/19 Budget	2017/18 Actual	2017/18 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)				
		5,167,371	4,732,672	3,987,871
		5,167,371	4,732,672	3,987,871
Revenue from operating activities (excluding rates)				
Specified area rates	1(d)	191,064	188,802	187,314
Operating grants, subsidies and contributions	9	2,644,299	3,346,364	1,603,185
Fees and charges	8	5,501,156	5,686,208	5,635,139
Interest earnings	10(a)	597,242	672,093	567,078
Other revenue	10(b)	228,597	683,826	245,548
Profit on asset disposals	4(b)	503	11,295	2,595
		9,162,861	10,588,588	8,240,859
Expenditure from operating activities				
Employee costs		(12,282,175)	(11,661,922)	(11,816,750)
Materials and contracts		(10,952,157)	(8,293,079)	(10,271,871)
Utility charges		(883,620)	(809,375)	(880,900)
Depreciation on non-current assets	5	(6,359,353)	(6,543,826)	(5,557,626)
Interest expenses	10(d)	(137,434)	(158,279)	(158,087)
Insurance expenses		(423,353)	(401,278)	(423,703)
Other expenditure		(471,421)	(647,268)	(722,374)
Loss on asset disposals	4(b)	(132,724)	(21,319)	(54,791)
		(31,642,237)	(28,536,346)	(29,886,102)
Operating activities excluded from budgeted deficiency				
Non-cash amounts excluded from operating activities	2 (c)(ii)	5,468,959	6,623,852	5,491,930
Amount attributable to operating activities		(11,843,046)	(6,591,234)	(12,165,442)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	9	12,177,958	3,193,789	4,570,640
Purchase land held for resale	4(a)	(201,807)	(398,193)	(600,000)
Purchase property, plant and equipment	4(a)	(11,148,365)	(2,780,873)	(3,972,723)
Purchase and construction of infrastructure	4(a)	(8,499,120)	(5,469,514)	(9,193,304)
Proceeds from disposal of assets	4(b)	911,070	347,100	330,975
Amount attributable to investing activities		(6,760,264)	(5,107,691)	(8,864,412)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(535,268)	(548,315)	(548,315)
Proceeds from new borrowings	6	1,155,000	322,000	1,647,000
Proceeds from self supporting loans	6(a)	40,399	39,571	39,571
Transfers to cash backed reserves (restricted assets)	7(a)	(4,015,637)	(4,964,796)	(4,004,348)
Transfers from cash backed reserves (restricted assets)	7(a)	6,277,882	5,764,910	7,322,524
Amount attributable to financing activities		2,922,376	613,370	4,456,432
Budgeted deficiency before general rates		(15,680,934)	(11,085,555)	(16,573,422)
Estimated amount to be raised from general rates	1	17,148,683	16,252,926	16,603,223
Net current assets at end of financial year - surplus/(deficit)	2 (c)(i)	1,467,749	5,167,371	29,801

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

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

1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2019/20 Budgeted rate revenue	2019/20 Budgeted interim rates	2019/20 Budgeted back rates	2019/20 Budgeted total revenue	2018/19 Actual total revenue	2018/19 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
Differential general rate									
GRV General	0.096760	6,186	100,146,331	9,690,159	65,550	4,615	9,760,324	9,357,769	9,405,844
GRV Commercial	0.077408	148	17,569,853	1,360,047	9,200	645	1,369,892	1,356,535	1,334,260
UV General	0.006654	875	576,804,008	3,838,054	25,965	1,831	3,865,850	3,787,256	3,700,205
Sub-Totals		7,209	694,520,192	14,888,260	100,715	7,091	14,996,066	14,501,560	14,440,309
	Minimum								
Minimum payment									
	\$								
GRV General	1,143	1,672	14,203,801	1,911,096	0	0	1,911,096	1,979,686	1,979,686
GRV Commercial	1,143	25	294,238	28,575	0	0	28,575	26,904	26,904
GRV General Lesser Minimum	843	185	334,165	155,955	0	0	155,955	151,885	151,885
UV General	1,143	193	21,097,015	220,599	0	0	220,599	145,730	145,730
Sub-Totals		2,075	35,929,219	2,316,225	0	0	2,316,225	2,304,205	2,304,205
		9,284	730,449,411	17,204,485	100,715	7,091	17,312,291	16,805,765	16,744,514
Ex-gratia rates							4,650	4,626	4,650
Rates received in advance							(18,694)	(411,524)	0
Discounts/concessions (Refer note 1(f))							(149,564)	(145,941)	(145,941)
Total amount raised from general rates							17,148,683	16,252,926	16,603,223
Specified area rates (Refer note 1(d))							191,064	188,802	187,314
Total rates							17,339,747	16,441,728	16,790,537

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

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of the Shire's services and facilities. Due to the significant variation in valuations in comparison to other properties within the Shire a lesser minimum payment has been determined for single storage units where the calculated rate is less than the general minimum rate.

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

1. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	4/10/2019	0	0.00%	11.00%
Option two				
First Instalment	4/10/2019	0	0.00%	11.00%
Second Instalment	6/12/2019	10.00	5.50%	11.00%
Third Instalment	14/02/2020	10.00	5.50%	11.00%
Fourth Instalment	17/04/2020	10.00	5.50%	11.00%
Option three				
Rate Smoothing	As scheduled	25.00	0.00%	11.00%

	2019/20 Budget revenue	2018/19 Actual revenue	2018/19 Budget revenue
	\$	\$	\$
Instalment plan administration charge revenue	83,000	82,705	82,672
Instalment plan interest earned	88,230	85,915	86,500
Unpaid rates and service charge interest earned	184,012	215,441	167,778
Total interest charged	272,242	301,356	254,278
	355,242	384,061	336,950

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

1. RATES AND SERVICE CHARGES (CONTINUED)

(c) Objectives and Reasons for Differential Rating

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

Differential general rate

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.

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

1. RATES AND SERVICE CHARGES (CONTINUED)

(d) Specified Area Rate

	Basis of valuation	Rate in	Rateable value	2019/20 Budget specified area rate revenue	2019/20 Interim specified area rate revenue	2019/20 Back specified area rate revenue	2019/20 Total budget specified area rate revenue	2018/19 Actual revenue	2018/19 Budget revenue
Specified area rate		\$	\$	\$	\$	\$	\$	\$	\$
Yunderup Canal Entrance Dredging	GRV	0.007084	8,158,042	57,791	0	0	57,791	56,965	56,655
Yunderup Canal Maintenance	GRV	0.006599	7,751,502	51,152	0	0	51,152	50,439	50,150
Murray Lakes Canal Maintenance	GRV	0.006645	4,815,760	32,001	0	0	32,001	31,396	31,373
Willow Gardens Canal Maintenance	GRV	0.006653	957,570	6,371	0	0	6,371	6,246	6,246
Austin Lakes Phase 2 Maintenance	GRV	0.007334	5,965,240	43,749	0	0	43,749	43,756	42,890
			27,648,114	191,064	0	0	191,064	188,802	187,314

	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	57,791	86,297
Yunderup Canal Maintenance	For the purpose of maintaining the canal waterway and associated infrastructure.	0	51,152	35,716
Murray Lakes Canal Maintenance	For the purpose of maintaining the canal waterway and associated infrastructure.	0	32,001	19,644
Willow Gardens Canal Maintenance	For the purpose of maintaining the canal waterway and associated infrastructure.	0	6,371	4,167
Austin Lakes Phase 2 Maintenance	For the purpose of maintaining the lake and public open space in Austin Lakes Estate Phase 2.	0	43,749	0
		0	191,064	145,824

(e) Service Charges

The Shire does not anticipate raising service charges for the year ended 30th June 2020.

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

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 % or Amount \$	2019/20 Budget	2018/19 Actual	2018/19 Budget	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
Primary Producer	Concession	18.36%	\$ 141,369	\$ 136,598	\$ 136,598	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	9.18%	7,001	8,149	8,149	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	145,941	145,941		

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

2 (a). NET CURRENT ASSETS

Note	2019/20	2019/20	2018/19	2018/19
	Budget 30 June 2020	Budget 01 July 2019	Estimated Actual 30 June 2019	Budget 30 June 2019
	\$	\$	\$	\$
Composition of estimated net current assets				
Current assets				
Cash - unrestricted	3	3,540,644	6,151,709	6,151,709
Cash - restricted reserves	3	7,005,789	9,268,034	9,268,034
Receivables		2,003,387	2,914,102	2,914,102
Inventories		125,000	428,287	428,287
		12,674,820	18,762,132	18,762,132
Less: current liabilities				
Trade and other payables		(2,335,576)	(2,132,101)	(2,132,101)
Contract liabilities		(19,414)	(1,073,600)	0
Long term borrowings		(518,195)	(535,268)	(535,268)
Provisions		(2,353,036)	(2,353,036)	(2,353,036)
		(5,226,221)	(6,094,005)	(5,020,405)
Net current assets		7,448,599	12,668,127	13,741,727

2 (b). NET CURRENT ASSETS - SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

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

TRADE AND OTHER PAYABLES

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

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

EMPLOYEE BENEFITS

Short-term employee benefits

Provision is made for the Shire'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 and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The Shire's obligations for short-term employee benefits are recognised as a part of current trade and other payables in the statement of financial position. The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Superannuation

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

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.

TRADE AND OTHER RECEIVABLES

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

CONTRACT 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.

INVENTORIES

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

LAND HELD FOR RESALE

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed. Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point. Land held for sale is classified as current except where it is held as non-current based on Council's intentions to release for sale.

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

2 (c). NET CURRENT ASSETS
- EXPLANATION OF DIFFERENCE IN NET CURRENT ASSETS AND SURPLUS/(DEFICIT)

Operating activities excluded from budgeted deficiency

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

		2019/20 Budget 30 June 2020	2019/20 Budget 01 July 2019	2018/19 Estimated Actual 30 June 2019	2018/19 Budget 30 June 2019	
Note		\$	\$	\$	\$	
(i) Current assets and liabilities excluded from budgeted deficiency						
	Net current assets	2	7,448,599	12,668,127	13,741,727	5,729,447
	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	(7,005,789)	(9,268,034)	(9,268,034)	(6,804,300)
	Less: Current assets not expected to be received at end of year					
	- current portion of self supporting loans receivable		(41,243)	0	0	(40,399)
	- Land held for resale		(100,000)	(398,193)	(398,193)	0
	Add: Current liabilities associated with restricted assets					
	- Unspent grants, contributions and reimbursements	16	0	1,054,186	0	0
	- Lease liabilities - current	16	0	19,414	0	0
	Add: Current liabilities not expected to be cleared at end of year					
	- Current portion of borrowings		518,195	535,268	535,268	665,943
	- Employee benefit provisions		597,002	597,002	597,002	479,110
	Add: Movement in provisions between current and non-current provisions		50,985	(40,399)	(40,399)	0
	Adjusted net current assets - surplus/(deficit)		1,467,749	5,167,371	5,167,371	29,801
(ii) 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)	(503)	(11,295)	(11,295)	(2,595)
	Less: Movement in liabilities associated with restricted cash		(1,073,600)	0	70,002	0
	Add: Loss on disposal of assets	4(b)	132,724	21,319	21,319	54,791
	Add: Change in accounting policies	16	0	1,054,186	0	0
	Add: Non-cash non-current employee provisions		50,985	0	0	(117,892)
	Add: Depreciation on assets	5	6,359,353	6,543,826	6,543,826	5,557,626
	Non cash amounts excluded from operating activities		5,468,959	7,608,036	6,623,852	5,491,930

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

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

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

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:

	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
Cash - unrestricted	3,540,644	6,151,709	1,675,303
Cash - restricted	7,005,789	9,268,034	6,804,300
	10,546,433	15,419,743	8,479,603

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

Leave Entitlements Reserve	597,002	597,002	479,110
Workers Compensation Reserve	198,003	198,003	198,003
Waste Management Reserve	1,658,654	2,351,685	2,270,351
Peel Mosquito Management Reserve	18,156	15,856	15,662
Unspent Grants, Contributions & Loans Reserve	0	1,054,186	136,763
Yunderup Canal General Maintenance Reserve	259,491	244,055	215,256
Willow Gardens General Canal Maintenance Reserve	70,772	68,568	65,814
Murray Lakes General Canal Maintenance Reserve	335,057	322,700	305,150
Entrance Channel Reserve	131,609	102,324	308,755
Austin Lakes Phase 2 Maintenance Reserve	237,731	193,982	193,116
Asset Enhancement Reserve	610,859	824,231	194,261
Building Renewal Reserve	235,060	184,358	174,952
Murray Aquatic & Leisure Centre Capital Reserve	344,087	296,214	296,214
Plant & Vehicle Reserve	652,167	845,869	747,046
Road, Drainage & Pathway Reserve	144,649	256,474	90,720
Parks & Recreation Reserve	344,180	216,052	216,052
Herron Point Reserve	129,958	118,993	74,416
Heritage Rail Precinct Reserve	91,349	59,834	61,136
General Developers Reserve	265,767	657,910	142,823
Austin Lakes Asset Replacement Reserve	681,238	659,738	618,700
	7,005,789	9,268,034	6,804,300

Reconciliation of net cash provided by operating activities to net result

Net result	6,847,265	1,498,957	(471,380)
Depreciation	6,359,353	6,543,826	5,557,626
(Profit)/loss on sale of asset	132,221	10,024	52,196
(Increase)/decrease in receivables	911,559	(683,204)	(244,172)
(Increase)/decrease in inventories	5,094	6,080	0
Increase/(decrease) in payables	(850,711)	458,770	(21,775)
Increase/(decrease) in contract liabilities	(1,054,186)	0	0
Increase/(decrease) in employee provisions	0	176,157	0
Change in accounting policies transferred to retained surplus (refer to Note 16)	1,054,186	0	0
Grants/contributions for the development of assets	(12,177,958)	(3,193,789)	(4,570,640)
Net cash from operating activities	1,226,823	4,816,821	301,855

SIGNIFICANT ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown as short term borrowings in current liabilities in Note 2 - Net Current Assets.

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

4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program								2019/20 Budget total	2018/19 Actual total	2018/19 Budget total
	Governance	Law, order, public safety	Health	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<i>Property, Plant and Equipment</i>											
Land - freehold land	0	0	0	600,000	0	0	0	0	600,000	165,395	44,900
Buildings	0	0	0	0	208,250	32,307	8,465,851	0	8,706,408	1,480,204	2,377,521
Furniture and equipment	397,860	0	0	0	87,134	0	0	0	484,994	166,753	515,249
Plant and equipment	119,000	140,000	35,000	41,500	244,888	776,575	0	0	1,356,963	968,521	1,035,053
	516,860	140,000	35,000	641,500	540,272	808,882	8,465,851	0	11,148,365	2,780,873	3,972,723
<i>Infrastructure</i>											
Infrastructure - Roads	0	0	0	0	0	3,019,934	0	0	3,019,934	3,162,341	3,657,692
Infrastructure - Footpaths	0	0	0	0	0	206,739	0	0	206,739	212,241	666,299
Infrastructure - Drainage	0	0	0	0	0	51,646	0	0	51,646	23,803	64,074
Infrastructure - Bridges	0	0	0	0	0	1,563,502	0	0	1,563,502	288,042	635,248
Infrastructure - Other	0	0	0	103,845	2,113,101	115,017	1,325,336	0	3,657,299	1,783,087	4,169,991
	0	0	0	103,845	2,113,101	4,956,838	1,325,336	0	8,499,120	5,469,514	9,193,304
<i>Land Held for Resale</i>											
Land held for resale	0	0	0	0	0	0	0	201,807	201,807	398,193	600,000
Total acquisitions	516,860	140,000	35,000	745,345	2,653,373	5,765,720	9,791,187	201,807	19,849,292	8,648,580	13,766,027

A detailed breakdown of acquisitions on an individual asset basis can be found in the supplementary information on pages 29 to 32 of this budget document.

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

4. FIXED ASSETS (CONTINUED)

(b) Disposals of Assets

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

	2019/20 Budget Net Book Value	2019/20 Budget Sale Proceeds	2019/20 Budget Profit	2019/20 Budget Loss	2018/19 Actual Net Book Value	2018/19 Actual Sale Proceeds	2018/19 Actual Profit	2018/19 Actual Loss	2018/19 Budget Net Book Value	2018/19 Budget Sale Proceeds	2018/19 Budget Profit	2018/19 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Governance	61,047	47,460	0	(13,587)	49,052	44,550	903	(5,405)	65,459	56,410	0	(9,049)
General Purpose Funding		0	0	0	0	0	0	0	0	0	0	0
Law, order, public safety	55,089	36,480	0	(18,609)	0	0	0	0	0	0	0	0
Health	14,513	11,400	0	(3,113)	12,159	11,368	0	(791)	11,052	9,945	0	(1,107)
Education and welfare		0	0	0	0	0	0	0	0	0	0	0
Housing		0	0	0	0	0	0	0	0	0	0	0
Community amenities	22,417	15,960	0	(6,457)	0	0	0	0	0	0	0	0
Recreation and culture	78,771	70,990	503	(8,284)	0	0	0	0	43,443	43,680	2,595	(2,358)
Transport	311,454	228,780	0	(82,674)	235,004	230,273	10,392	(15,123)	251,072	210,995	0	(40,077)
Economic services		0	0	0	0	0	0	0	12,145	9,945	0	(2,200)
Other property and services	500,000	500,000	0	0	60,909	60,909	0	0	0	0	0	0
	1,043,291	911,070	503	(132,724)	357,124	347,100	11,295	(21,319)	383,171	330,975	2,595	(54,791)
By Class												
<u>Property, Plant and Equipment</u>												
Plant and equipment	543,291	411,070	503	(132,724)	357,124	347,100	11,295	(21,319)	383,171	330,975	2,595	(54,791)
<u>Land Held for Resale</u>												
Land held for resale	500,000	500,000	0	0	0	0	0	0	0	0	0	0
	1,043,291	911,070	503	(132,724)	357,124	347,100	11,295	(21,319)	383,171	330,975	2,595	(54,791)

A detailed breakdown of disposals on an individual asset basis can be found in the supplementary information on page 33 of this budget document.

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

5. ASSET DEPRECIATION

	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
By Program			
Law, order, public safety	144,303	140,307	138,695
Health	184	185	184
Education and welfare	4,291	4,287	4,291
Housing	13,292	13,284	13,292
Community amenities	65,314	65,299	63,084
Recreation and culture	906,221	898,970	752,825
Transport	4,552,846	4,728,927	3,918,213
Economic services	135,238	137,311	133,634
Other property and services	537,664	555,256	533,408
	6,359,353	6,543,826	5,557,626
By Class			
Buildings	754,446	748,709	745,782
Furniture and equipment	60,753	69,497	61,289
Plant and equipment	519,500	524,224	515,519
Infrastructure - Roads	3,049,600	3,213,176	2,784,242
Infrastructure - Footpaths	214,251	225,137	213,579
Infrastructure - Drainage	385,200	384,072	330,367
Infrastructure - Bridges	734,384	734,384	448,560
Infrastructure - Other	641,219	644,627	458,288
	6,359,353	6,543,826	5,557,626

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

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

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

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

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

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
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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

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

6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Budget	2019/20	2019/20	2019/20	Budget	Actual	2018/19	2018/19	2018/19	Actual	Budget	2018/19	2018/19	2018/19	Budget
	Principal 1 July 2019	Budget New loans	Budget Principal repayments	Budget Interest repayments	Principal outstanding 30 June 2020	Principal 1 July 2018	Actual New loans	Actual Principal repayments	Actual Interest repayments	Principal outstanding 30 June 2019	Principal 1 July 2018	Budget New loans	Budget Principal repayments	Budget Interest repayments	Principal outstanding 30 June 2019
	\$	\$	\$	\$			\$	\$	\$		\$	\$	\$	\$	\$
Governance															
161 - Administration Centre Extension	237,626	0	73,796	16,657	163,830	306,488	0	68,862	22,014	237,626	306,488	0	68,862	22,014	237,626
173 - Administration Centre Extension	125,223	0	60,740	7,552	64,483	182,438	0	57,215	11,430	125,223	182,438	0	57,215	11,430	125,223
Recreation and culture															
170 - Aquatic Centre Construction	98,314	0	98,314	5,312	0	191,002	0	92,688	11,504	98,314	191,002	0	92,688	11,504	98,314
174d - Lots 85-88 George Street	0	0	0	0	0	64,381	0	64,381	2,141	0	64,381	0	64,381	2,141	0
174e - Lots 85-88 George Street	476,832	0	73,600	17,056	403,232	548,245	0	71,413	19,668	476,832	548,245	0	71,413	19,668	476,832
175a - Lot 1213 South Western Highway	718,725	0	101,410	26,316	617,315	817,054	0	98,329	30,082	718,725	817,054	0	98,329	30,082	718,725
179 - Murray Foreshore Upgrade	0	200,000	0	0	200,000	0	0	0	0	0	0	200,000	0	0	200,000
180 - Exchange Hotel Restoration	322,000	0	29,218	6,704	292,782	0	322,000	0	192	322,000	0	322,000	0	0	322,000
Transport															
182 - Camp Road Properties	645,762	0	25,978	27,420	619,784	670,823	0	25,061	28,502	645,762	670,823	0	25,061	28,502	645,762
176 - Entrance Channel Dredging Works	0	0	0	0	0	0	0	0	0	0	0	550,000	0	0	550,000
Economic services															
178 - Underground Power	710,542	0	31,813	27,957	678,729	741,337	0	30,795	29,179	710,542	741,337	0	30,795	29,179	710,542
184 - Dwellingup Trails Centre	0	955,000	0	0	955,000	0	0	0	0	0	0	575,000	0	0	575,000
	3,335,024	1,155,000	494,869	134,974	3,995,155	3,521,768	322,000	508,744	154,712	3,335,024	3,521,768	1,647,000	508,744	154,520	4,660,024
Self Supporting Loans															
Recreation and culture															
181 - Yunderup Sport & Recreation Club Inc	102,586	0	40,399	2,460	62,187	142,157	0	39,571	3,567	102,586	142,157	0	39,571	3,567	102,586
	102,586	0	40,399	2,460	62,187	142,157	0	39,571	3,567	102,586	142,157	0	39,571	3,567	102,586
	3,437,610	1,155,000	535,268	137,434	4,057,342	3,663,925	322,000	548,315	158,279	3,437,610	3,663,925	1,647,000	548,315	158,087	4,762,610

All borrowing repayments, other than Self Supporting Loans, will be financed by general purpose revenue.
The self supporting loan repayment will be fully reimbursed.

(b) New borrowings - 2019/20

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount	Total	Amount	Balance
					borrowed budget	interest & charges	used budget	unspent
				%	\$	\$	\$	\$
179 - Murray Foreshore Upgrade	Western Australian Treasury Corporation	Debenture	10	4.2%	200,000	46,994	200,000	0
184 - Dwellingup Trails Centre	Western Australian Treasury Corporation	Debenture	15	4.2%	955,000	341,877	955,000	0
					1,155,000	388,871	1,155,000	0

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

6. INFORMATION ON BORROWINGS (CONTINUED)

(c) Credit Facilities

	2019/20 Budget	2018/19 Actual	2018/19 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	(45,000)	(23,175)	(45,000)
Total amount of credit unused	155,000	176,825	155,000
Loan facilities			
Loan facilities in use at balance date	4,057,342	3,437,610	4,762,610
Unused loan facilities at balance date	0	0	0

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 may be capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

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

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2019/20 Budget Opening Balance	2019/20 Budget Transfer to	2019/20 Budget Transfer (from)	2019/20 Budget Closing Balance	2018/19 Actual Opening Balance	2018/19 Actual Transfer to	2018/19 Actual Transfer (from)	2018/19 Actual Closing Balance	2018/19 Budget Opening Balance	2018/19 Budget Transfer to	2018/19 Budget Transfer (from)	2018/19 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Leave Entitlements Reserve	597,002	0		597,002	597,002	0	0	597,002	597,002	0	(117,892)	479,110
Workers Compensation Reserve	198,003	0		198,003	198,003	0	0	198,003	198,003	0	0	198,003
Waste Management Reserve	2,351,685	3,058,275	(3,751,306)	1,658,654	2,076,488	3,270,888	(2,995,691)	2,351,685	2,069,985	3,282,175	(3,081,809)	2,270,351
Peel Mosquito Management Reserve	15,856	2,300		18,156	13,162	2,694	0	15,856	13,162	2,500	0	15,662
Unspent Grants, Contributions & Loans Reserve	1,054,186	0	(1,054,186)	0	2,087,857	399,093	(1,432,764)	1,054,186	2,089,856	0	(1,953,093)	136,763
Yunderup Canal General Maintenance Reserve	244,055	51,152	(35,716)	259,491	200,818	50,439	(7,202)	244,055	199,952	50,150	(34,846)	215,256
Willow Gardens General Canal Maintenance Reserve	68,568	6,371	(4,167)	70,772	63,163	6,246	(841)	68,568	63,633	6,246	(4,065)	65,814
Murray Lakes General Canal Maintenance Reserve	322,700	32,001	(19,644)	335,057	302,774	31,396	(11,470)	322,700	302,942	31,373	(29,165)	305,150
Entrance Channel Reserve	102,324	115,582	(86,297)	131,609	330,048	113,930	(341,654)	102,324	497,362	113,310	(301,917)	308,755
Austin Lakes Phase 2 Maintenance Reserve	193,982	43,749		237,731	150,226	43,756	0	193,982	150,226	42,890	0	193,116
Asset Enhancement Reserve	824,231	340,000	(553,372)	610,859	1,668,449	60,000	(904,218)	824,231	1,668,445	40,000	(1,514,184)	194,261
Building Renewal Reserve	184,358	50,702		235,060	120,455	63,903	0	184,358	111,049	63,903	0	174,952
Murray Aquatic & Leisure Centre Capital Reserve	296,214	47,873		344,087	231,631	64,583	0	296,214	231,631	64,583	0	296,214
Plant & Vehicle Reserve	845,869	0	(193,702)	652,167	711,494	134,375	0	845,869	612,671	134,375	0	747,046
Road, Drainage & Pathway Reserve	256,474	30,240	(142,065)	144,649	235,551	53,929	(33,006)	256,474	235,551	30,240	(175,071)	90,720
Parks & Recreation Reserve	216,052	128,128		344,180	181,408	34,644	0	216,052	181,408	34,644	0	216,052
Herron Point Reserve	118,993	43,494	(32,529)	129,958	91,183	50,416	(22,606)	118,993	90,649	41,230	(57,463)	74,416
Heritage Rail Precinct Reserve	59,834	44,270	(12,755)	91,349	22,973	52,319	(15,458)	59,834	23,486	45,229	(7,579)	61,136
General Developers Reserve	657,910	0	(392,143)	265,767	142,823	515,087	0	657,910	142,823	0	0	142,823
Austin Lakes Asset Replacement Reserve	659,738	21,500		681,238	642,640	17,098	0	659,738	642,640	21,500	(45,440)	618,700
	9,268,034	4,015,637	(6,277,882)	7,005,789	10,068,148	4,964,796	(5,764,910)	9,268,034	10,122,476	4,004,348	(7,322,524)	6,804,300

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

7. CASH BACKED RESERVES (CONTINUED)

(b) Cash Backed Reserves - Purposes

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

Reserve name	Purpose of the reserve
Leave Entitlements Reserve	Provision for employees and ex-employees leave/termination entitlements.
Workers Compensation Reserve	To provide contingency funds for the annual workers compensation insurance premium under the performance based contributions scheme.
Waste Management Reserve	To provide for current and future waste management services for the Shire of Murray.
Peel Mosquito Management Reserve	To provide contingency funds for the Peel Mosquito Management Group as per the CLAG memorandum of understanding.
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.
Yunderup Canal General Maintenance Reserve	To receive specified area rates to be used in maintaining the canal waterway and associated infrastructure.
Willow Gardens General Canal Maintenance Reserve	To receive specified area rates to be used in maintaining the canal waterway and associated infrastructure.
Murray Lakes General Canal Maintenance Reserve	To receive specified area rates to be used in maintaining the canal waterway and associated infrastructure.
Entrance Channel Reserve	To receive specified area rates for the purpose of dredging the entrance channel to Yunderup Estate and Murray Waters.
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.
Asset Enhancement Reserve	Provision for the construction, acquisition, upgrade or maintenance of property, plant & equipment, excluding heavy plant and light vehicles.
Building Renewal Reserve	Provision for the renewal of building assets.
Murray Aquatic & Leisure Centre Capital Reserve	Provision for the renewal of capital items at the Murray Aquatic & Leisure Centre.
Plant & Vehicle Reserve	Provision for the replacement or purchase of heavy plant and light vehicles.
Road, Drainage & Pathway Reserve	Provision for the construction, upgrade or renewal of infrastructure assets.
Parks & Recreation Reserve	Provision for the construction, upgrade or renewal of infrastructure assets associated with parks, recreation, waterways and streetscapes.
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.
Heritage Rail Precinct Reserve	Provision for the upgrade and maintenance of the rail heritage building and surrounding precinct.
General Developers Reserve	To receive developer's contributions to assist in the construction or upgrade of infrastructure associated with new land developments.
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.

A detailed breakdown of budgeted transfers to and from reserves during 2019/2020 can be found in the supplementary information on pages 34 and 35 of this budget document.

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

8. FEES & CHARGES REVENUE

	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
Governance	307	359	306
General purpose funding	153,380	150,600	158,228
Law, order, public safety	125,690	161,685	121,761
Health	122,559	133,792	117,126
Education and welfare	109	1,715	107
Housing	25,220	28,495	48,398
Community amenities	3,265,939	3,375,612	3,482,800
Recreation and culture	892,667	823,048	822,515
Transport	35,176	21,647	35,075
Economic services	521,310	519,904	500,797
Other property and services	358,799	469,351	348,026
	5,501,156	5,686,208	5,635,139

9. GRANT REVENUE

Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:

By Program:

Operating grants, subsidies and contributions

Governance	0	0	5,700
General purpose funding	856,269	1,784,243	819,498
Law, order, public safety	519,024	539,950	332,235
Education and welfare	130,074	99,795	1,598
Housing	0	0	259
Community amenities	17,973	79,322	24,677
Recreation and culture	120,090	181,622	125,605
Transport	245,156	546,042	244,586
Economic services	755,713	115,390	17,627
Other property and services	0	0	31,400
	2,644,299	3,346,364	1,603,185

Non-operating grants, subsidies and contributions

General purpose funding	259,283	256,462	256,462
Law, order, public safety	0	145,032	0
Community amenities	85,000	0	10,000
Recreation and culture	940,000	134,276	479,603
Transport	3,111,733	2,102,019	2,371,988
Economic services	7,781,942	556,000	1,452,587
Other property and services	0	0	0
	12,177,958	3,193,789	4,570,640

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

10. OTHER INFORMATION

	2019/20 Budget	2018/19 Actual	2018/19 Budget
The net result includes as revenues	\$	\$	\$
(a) Interest earnings			
Investments			
- Reserve funds	175,000	214,483	170,000
- Other funds	150,000	156,254	142,800
Other interest revenue (refer note 1b)	272,242	301,356	254,278
	597,242	672,093	567,078
(b) Other revenue			
Reimbursements and recoveries	138,586	308,888	137,387
Other	90,011	374,938	108,161
	228,597	683,826	245,548
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	31,000	17,800	18,700
Other services	5,000	2,620	4,900
	36,000	20,420	23,600
(d) Interest expenses (finance costs)			
Borrowings (refer Note 6(a))	137,434	158,279	158,087
	137,434	158,279	158,087
(e) Elected members remuneration			
Meeting fees	141,597	136,352	141,597
President's allowance	35,525	35,525	35,525
Deputy President's allowance	8,881	8,881	8,881
Travelling expenses	450	400	450
Telecommunications allowance	31,500	30,334	31,500
	217,953	211,492	217,953
(f) Write offs			
General rate	1,000	19,297	1,000
	1,000	19,297	1,000
(g) Low value lease expenses			
Office equipment	294,818	267,477	244,957
Plant and equipment	58,220	44,117	52,144
	353,038	311,594	297,101

SIGNIFICANT ACCOUNTING POLICIES

LEASES

At inception of a contract, an entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the commencement date, a lessee shall recognise a right-of-use asset and a lease liability. At the commencement date, a lessee shall measure the right-of-use asset at cost.

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

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

11. MAJOR LAND TRANSACTIONS

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

12. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated any trading undertakings or major trading undertakings will occur in 2019/20.

13. INTERESTS IN JOINT ARRANGEMENTS

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

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. The Shire of Murray's interests in the assets liabilities revenue and expenses of joint operations are included in the respective line items of the financial statements.

14. TRUST FUNDS

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

Detail	Balance 1 July 2019	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2020
	\$	\$	\$	\$
Unclaimed Monies	44,524	500	(1,000)	44,024
DAP Secretariat	0	16,000	(16,000)	0
	44,524	16,500	(17,000)	44,024

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020****15. 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.

REVENUE RECOGNITION

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

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

16. SIGNIFICANT ACCOUNTING POLICIES - CHANGE IN ACCOUNTING POLICIES

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

REVENUE FROM CONTRACTS WITH CUSTOMERS

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

	AASB 118 carrying amount 30 June 19		Reclassification	AASB 15 carrying amount 01 July 19	
	\$		\$	\$	
Contract assets	0		0		0
Contract liabilities - current					
Unspent grants, contributions and reimbursements	0		1,054,186		1,054,186
Lease liabilities	0		19,414		19,414
Adjustment to retained surplus from adoption of AASB 15	0		(1,073,600)		(1,073,600)

LEASES

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

INCOME FOR NOT-FOR-PROFIT ENTITIES

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

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

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

The impact on the Shire of Murray of the changes as at 1 July 2019 is as follows:

	2019
	\$
Retained surplus - 30/06/2019	105,448,109
Adjustment to retained surplus from adoption of AASB 15	(1,073,600)
Adjustment to retained surplus from adoption of AASB 1058	(1,073,600)
Retained surplus - 01/07/2019	104,374,509

**SUPPLEMENTARY NOTES TO THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020**

ASSET ACQUISITIONS

	2019/20 Budget \$	Funding Sources					Comments
		Municipal Funds	Grants & Contributions	Loan Borrowings	Reserve Funds	Asset Sales	
Furniture & Equipment							
Corporate Business System - OpenOffice	351,565	-			351,565		Asset Enhancement Reserve
Computer Software	46,295	46,295					Agenda & Minutes
Pinjarra Civic Centre	24,000	24,000					Replacement chairs
Murray Aquatic & Leisure Centre Pool Equipment	21,986	21,986					
Murray Aquatic & Leisure Centre Capital Equipment	41,148	41,148					
	<u>484,994</u>	<u>133,429</u>	<u>-</u>	<u>-</u>	<u>351,565</u>	<u>-</u>	
Land & Buildings							
North Pinjarra Clubrooms	5,000	5,000					Modifications to toilet access
MALC Building Renewal	68,500	68,500					Upgrade of changerooms & installation of handrail to front ramp
MALC Refurbishment of Basketball Courts	7,647	7,647					Reseal of court floors
MALC 24 Hour Gym Upgrade	42,500	42,500					
St John's Church Restoration Works	5,000	5,000					Alarm system installation
Exchange Heritage & Upgrade Works	79,603	79,603					
Operation Centre Upgrade	32,307	32,307					
Edenvale Complex Building Renewal Works	30,923	30,923					
Dwellingup National Adventure & Trails Centre	1,879,928	5,108	855,000	955,000	64,820		Upgrade works forming part of the Dwellingup National Adventure & Trails Centre; funded by Building Better Regions & Asset Enhancement Reserve
6 George Street Building Renewal	30,000	30,000					Ceiling repairs
Agri-Innovation Precinct	6,525,000	-	6,525,000				
Purchase of Land	600,000	-			600,000		Purchase of Lot 70 Corio Road; funded from Waste Reserve
Land Development Lot 102 Lakes Road	201,807	-			201,807		Asset Enhancement Reserve
	<u>9,508,215</u>	<u>306,588</u>	<u>7,380,000</u>	<u>955,000</u>	<u>866,627</u>	<u>-</u>	

**SUPPLEMENTARY NOTES TO THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020**

ASSET ACQUISITIONS

	2019/20 Budget \$	Funding Sources					Comments
		Municipal Funds	Grants & Contributions	Loan Borrowings	Reserve Funds	Asset Sales	
Plant & Equipment							
Vehicle 4002MY (Director Corporate Services)	35,000	21,740				13,260	
Vehicle 4011MY (Mgr Murray Aquatic & Leisure Centre)	28,000	20,020				7,980	
Vehicle 4013MY (Manager Operations)	38,000	22,040				15,960	
Vehicle 4014MY (Manager IT)	28,000	14,320				13,680	
Vehicle 4015MY (Strategic Planning)	35,000	19,040				15,960	
Vehicle 4016MY (Ranger Vehicle)	56,000	44,600				11,400	
Vehicle 4017MY (Mgr Ranger & Emergency Services)	28,000	14,320				13,680	
Vehicle 4022MY (Civil Supervisor)	62,000	47,180				14,820	
Vehicle 4023MY (Reticulation Utility)	38,000	30,020				7,980	
Vehicle 4025MY (Parks Supervisor)	35,000	21,320				13,680	
Vehicle 4027MY (Manager Governance)	28,000	15,460				12,540	
Vehicle 4028MY (Ranger Vehicle)	56,000	44,600				11,400	
Vehicle 4033MY (Manager Community Development)	28,000	20,020				7,980	
Vehicle 4047MY (Mosquito Control)	35,000	23,600				11,400	
Vehicle 4024MY (Flat Top Truck)	58,000	37,800				20,200	
Vehicle 4041MY (Signs Truck)	73,000	55,000				18,000	
Vehicle 4042MY (Tip Truck)	285,000	210,000				75,000	
Vehicle 4052MY Loader	300,000	195,000				105,000	
Vehicle 4063MY Zero Turn Mower	26,438	19,388				7,050	
Vehicle 4066MY Zero Turn Mower	26,438	19,388				7,050	
Vehicle 4069MY Zero Turn Mower	26,437	19,387				7,050	
Trailer Multi Mower	6,575	6,575					
Trailer P1795	6,575	6,575					
Plate Compactor	12,000	12,000					
Tyre Rim Remover	6,500	-			6,500		
	1,356,963	939,393	-	-	6,500	411,070	

**SUPPLEMENTARY NOTES TO THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020**

ASSET ACQUISITIONS

	2019/20 Budget \$	Funding Sources					Comments
		Municipal Funds	Grants & Contributions	Loan Borrowings	Reserve Funds	Asset Sales	
Infrastructure - Other							
War Memorial Relocation	70,000	70,000					
Yunderup Sport & Recreation Club Refurbishment	40,000	40,000					Contribution towards replacement of bowling green
Murray River Foreshore Works	1,255,367	30,584	649,783	200,000	375,000		Lotterywest, ALP, Alcoa & Peel Development Commission
Cantwell Park	46,876	46,876					Renewal of Pirate Boat & Rubber Softfall
North Dandalup Oval & Playspace	500,000	-				500,000	
York Street Park	45,000	45,000					
Gowman Reserve	75,000	75,000					
Minor Parks Development	17,500	17,500					
Parks & Reserves Renewal Works	58,358	58,358					
Murray Aquatic & Leisure Centre Shade Sails	5,000	5,000					
Corio Road Transfer Station	50,000	-			50,000		Access road 71 Corio Road; Waste Reserve
Corio Road Tip Face	53,845	-			53,845		Waste Reserve
Annual Pathway Renewal	206,739	206,739					
Drainage Program	23,601	23,601					Annual renewal program
James Street Drainage	28,045	28,045					
North Yunderup Rd Bridge #3537A	700,000	-	700,000				Dept Infrastructure
Burnside Road Bridge #3530A	516,799	-	516,799				Dept Infrastructure & MRWA
Regional Road Bridge Program	346,703	-			346,703		General Developers Reserve
Communications Network	64,275	64,275					
Edenvale Complex Ground Upgrades	62,000	62,000					
Dwellingup National Adventure & Trails Centre	1,263,336	784,149	337,122		142,065		Skate park and pump park construction forming part of the Dwellingup National Adventure & Trails Centre; funded by PDC, DSR & Lotterywest & Asset Enhancement and Road, Drainage & Pathways Reserves
	5,428,444	1,557,127	2,203,704	200,000	967,613	500,000	

**SUPPLEMENTARY NOTES TO THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020**

ASSET ACQUISITIONS

2019/20 Budget \$	Funding Sources					Comments
	Municipal Funds	Grants & Contributions	Loan Borrowings	Reserve Funds	Asset Sales	
Infrastructure - Road Works						
Municipal Funded						
Traffic Management	32,500	32,500				
Bus Routes	15,000	15,000				
Urban/Industrial Reseals	120,000	120,000				
Rural Reseals	162,500	162,500				
Intersection Reseals	35,000	35,000				
Resheeting	100,000	100,000				
Boyd Road	50,000	50,000				
Marinup Street	50,000	50,000				
Readheads Road	60,000	60,000				
Coolup Road South	40,000	40,000				
Kerbing Improvements	50,742	50,742				
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
Lakes Road	375,000	125,000	250,000			Regional Road Group
Burnside Road	375,000	125,000	250,000			Regional Road Group
East Coolup Road	90,000	30,000	60,000			Regional Road Group
Roads to Recovery						
Resheeting Program	91,606	-	91,606			Roads to Recovery
Curtis Lane	33,328	-	-	33,328		Unspent Grants Reserve
Culeenup Road West	300,000	-	300,000			Roads to Recovery
Coolup Road South	160,000	-	160,000			Roads to Recovery
Other Funded Roadworks						
Kirkham Road	180,000	-	180,000			
	3,070,676	1,175,742	1,861,606	-	33,328	-
	19,849,292	4,112,279	11,445,310	1,155,000	2,225,633	911,070

**SUPPLEMENTARY NOTES TO THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020**

ASSET DISPOSALS

	2019/2020 Budget			
	Net book value \$	Sale Proceeds \$	Profit \$	Loss \$
Plant & Equipment				
Vehicle 4002MY 2015 Holden Commodore SV6 Auto Sedan (Director Corporate Services)	13,260	13,260	-	-
Vehicle 4014 MY 2014 Volkswagon Amarok Dual Cab (Manager IT)	21,256	13,680	-	(7,576)
Vehicle 4027 MY 2015 Ford Ranger 4x4 3.2L Diesel (Manager Governance)	18,175	12,540	-	(5,635)
Vehicle 4017MY (Mgr Ranger & Emergency Services)	21,116	13,680	-	(7,436)
Vehicle 4016 MY 2014 PX Ford Ranger 3.2L Diesel (Ranger Vehicle)	17,420	11,400	-	(6,020)
Vehicle 4028 MY 2014 PX Ranger 4x4 XL Super Cab 3.2L Diesel (Ranger)	16,553	11,400	-	(5,153)
Vehicle 4047 MY 2015 Ford Ranger 4X4 Super Cab 3.2L Diesel	14,513	11,400	-	(3,113)
Vehicle 4033 MY 2015 Honda Civic Vti-S Hatch (Coordinator Community Develop)	8,356	7,980	-	(376)
Vehicle 4015 MY 2015 Ford Ranger XLS 3.2L Dual Cab	22,417	15,960	-	(6,457)
Vehicle 4023 MY 2012 Ford Ranger PX Single Cab XL 3.2 Ltr Turbo Diesel	9,758	7,980	-	(1,778)
Vehicle 4024 MY Fuso Canter 515 (Flat Top Truck)	20,133	20,200	67	-
Vehicle 4025 MY 2015 Isuzu D-Max SX Crew Cab 4X4 3.0L T/D Manual	17,369	13,680	-	(3,689)
Vehicle 4063 MY 2017 Toro ZMaster 6000 Zero Turn Mower	7,989	7,050	-	(939)
Vehicle 4069 MY 2017 Toro ZMaster 6000 Zero Turn Mower	7,989	7,050	-	(939)
Vehicle 4066 MY 2017 Toro ZMaster 6000 Zero Turn Mower	7,989	7,050	-	(939)
Vehicle 4011MY Toyota Corolla (Mgr Murray Aquatic & Leisure Centre)	7,544	7,980	436	-
Vehicle 4013 MY 2015 Ford Ranger 4x4 (Manager Operations)	20,829	15,960	-	(4,869)
Vehicle 4032 MY 2008 Toyota Landcruiser Turbo Manual Diesel	17,000	14,820	-	(2,180)
Vehicle 4052 MY 2013 Volvo L70F Wheel Loader	146,044	105,000	-	(41,044)
Vehicle 4041 MY 2013 Mitsubishi Canter 4.5 tonne Signs Truck	18,735	18,000	-	(735)
Vehicle 4042 MY 2015 Iveco Powerstar 6800 Tip Truck	108,846	75,000	-	(33,846)
	543,291	411,070	503	(132,724)
Land Held for Resale				
Part lots of 102 Lakes Road	500,000	500,000	-	-
	1,043,291	911,070	503	(132,724)

**SUPPLEMENTARY NOTES TO THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020**

PURPOSE OF TRANSFERS TO/(FROM) RESERVES

Transfers to Reserves

Waste Management Reserve		
Transfer of waste revenue raised		3,058,275
Peel Mosquito Management Reserve		
Transfer of contingency funds as per MOU		2,300
Yunderup Canal General Maintenance Reserve		
Specified Area Rate revenue raised		51,152
Willow Gardens General Canal Maintenance Reserve		
Specified Area Rate revenue raised		6,371
Murray Lakes General Canal Maintenance Reserve		
Specified Area Rate revenue raised		32,001
Entrance Channel Reserve		
Specified Area Rate revenue raised plus 100% matching municipal funds		115,582
Austin Lakes Phase 2 Maintenance Reserve		
Specified Area Rate revenue raised		43,749
Asset Enhancement Reserve		
Repayment of advance - Pinjarra Bowling Club Inc	40,000	
Transfer to fund future asset upgrades	<u>300,000</u>	340,000
Building Renewal Reserve		
Transfer of general revenue for future asset renewal		50,702
Murray Aquatic & Leisure Centre Capital Renewal Reserve		
Transfer of general revenue for future asset renewal		47,873
Parks and Recreation Reserve		
Transfer of general revenue for future parks renewal		128,128
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
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>4,015,637</u></u>

Transfers From Reserves

Waste Management Reserve		
Transfer to fund waste management operations	(3,738,653)	
Transfer to fund the decontamination works Moores Road	<u>(12,653)</u>	(3,751,306)
Yunderup Canal General Maintenance Reserve		
Transfer to assist with the cost of Canal Management, Weed Management and Surveys		(35,716)
Willow Gardens General Canal Maintenance Reserve		
Transfer to assist with the cost of Canal Management, Weed Management and Surveys		(4,167)
Murray Lakes General Canal Maintenance Reserve		
Transfer to assist with the cost of Canal Management, Weed Management and Surveys		(19,644)
Sub-total Carried Forward		<u>(3,810,833)</u>

**SUPPLEMENTARY NOTES TO THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020**

PURPOSE OF TRANSFERS TO/(FROM) RESERVES

Transfers From Reserves

	Sub-total <u>Brought Forward</u>	(3,810,833)
Entrance Channel Reserve		
Transfer to fund Entrance Channel Dredging works		(86,297)
Asset Enhancement Reserve		
Transfer to part fund implementation of new corporate business system	(351,565)	
Transfer to fund land development Lot 102 Lakes Rd	<u>(201,807)</u>	(553,372)
Plant and Vehicle Reserve		
Transfer to fund vehicle & plant changeovers		(193,702)
Road, Drainage & Pathway Reserve		
Transfer to part fund the Dwellingup National Adventure & Trails Centre		(142,065)
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)	
Contribution towards Community Men's Shed	<u>(6,255)</u>	(12,755)
General Developers Reserve		
Transfer to fund Regional Road Bridge Program	(346,703)	
Transfer to fund Old Mandurah Road design works	<u>(45,440)</u>	(392,143)
Unspent Grants, Contributions and Loans Reserve		
USG - Bushfire Risk Management	(172,931)	
USG - DFES BFB Operating	(58,779)	
USG - LEMA Review	(2,663)	
USG - Community Evacuation Exercise	(5,042)	
USG - DFES SES Operating	(10,559)	
USG - ATSI Mental Health	(14,074)	
USC - Sustainable Agriculture Tool	(5,606)	
USG - Pinjarra Wetlands	(2,925)	
USG - Murray Delta Monitoring	(1,875)	
USG - Community Infrastructure Plan	(3,388)	
USG - Murray River Foreshore - ALP	(100,000)	
USG - Murray River Foreshore - PDC	(275,000)	
USG - DSR Club Development Workshops	(1,223)	
USG - Ravenswood Sporting Precinct	(16,470)	
USG - STEM Project	(10,000)	
USG - Pinjarra Placemaking	(492)	
USG - Back to Pinjarra Massacre	(11,000)	
USC - Alcoa Dwellingup Community Grants	(4,798)	
USG - Roads to Recovery	(33,328)	
USG - Peel Regional Trails Strategy	(5,000)	
USG - Dwellingup National Trails	(64,820)	
USG - Economic Development Marketing Strategies	(20,008)	
USG - CY O'Connor Research Facility	(54,732)	
USG - Southern Dirt Peel Growers	(20,000)	
USG - Murrayfield Airport	(25,000)	
USC - Peel Innovation Ecosystem Bootcamp	(6,750)	
USG - Transform Peel Project	<u>(127,723)</u>	(1,054,186)
Total Transfers From Reserves		<u><u>(6,277,882)</u></u>
Total Net Transfer To/(From) Reserves		<u><u>(2,262,245)</u></u>