



ANNUAL BUDGET

for the year ended 30 June 2021

8 Vasey Street
PO Box 92
Jerramungup WA 6337

Phone: 9835 1022

Fax: 9835 1161

2017/2018 ANNUAL REPORT

**“Progressive, Prosperous
and a Premium Place
to Live and Visit.”**



2017/2018 ANNUAL REPORT

Budget for the Financial Year 2020 / 2021 Presented and Adopted at
the Ordinary Meeting of Council held 19 August 2020.

Robert Lester

Shire President

Martin Cuthbert

Chief Executive Officer

2020/2021 BUDGET SUMMARY

The budget for the financial year 2020/2021 has been developed with consultation between executive staff, elected members and community submissions. The budget is also driven by the Shire's Corporate Business Plan and contains a number of projects and income/expenditure parameters from this document.

The Shire of Jerramungup is committed to supporting the whole community withstand the unprecedented challenges arising from the Shire being declared water deficient and the COVID19 pandemic and recognises that these challenges will result in financial hardship for our ratepayers and other debtors who receive services from the Shire. Council agreed to no rate rise this financial year, as per the State Government announcement requiring Local Government to freeze rates, fees and charges to 2019/2020 levels it is hoped that this will provide some relief to our Ratepayers.

The Great Southern agricultural region is experiencing extremely dry conditions following two years of well-below average annual rainfall. The Official Bureau of Meteorology rainfall analysis data demonstrates that 100 percent of the Shire of Jerramungup Local Government Area (LGA) has experienced the lowest 5 percent of rainfall for the last 24 months. This is based on complete records up to the end of October 2019 and on comparison to the long-term rainfall record from 1900-2019. This is a significant decline (also classed as a severe deficiency) in rainfall over an extended period.

The Shire has been proactive assisting our farmers during this time, the Shire has 3 water deficiency declarations in place being Jerramungup North, Jerramungup East and Gairdner. The Shire will continue to support our community by delivering capital projects this year through having improved access to water for agricultural and emergency response purposes.

To ensure that we offer fair, equitable, consistent and dignified support to those suffering hardship, while treating all members of the community with respect and understanding at this difficult time, please consider submitting a Financial Hardship Application (**FHA**).

The Shire would also like to take this opportunity to remind our Community to 'Support Local'. Small business are the heart of our local economy and with closures earlier on in the year many of our much-loved local restaurants, cafes, pubs, clubs, tourism operators, accommodation providers and other businesses are doing it tough. With restrictions now eased we would like to encourage all residents to support and celebrate small businesses in our Shire. Whether its enjoying a meal or night away let's all support the places we know and love.

In conclusion I would like to thank Council and Staff for their commitment and support and I look forward to delivering real benefits to our community, the major projects identified in the 2020/2021 budget allows a planned approach to a sustainable future both economically and socially, assisting the continued economic sustainability of the local and regional area.



Martin Cuthbert

Chief Executive Officer



KEY HIGHLIGHTS FOR 2020/2021

\$2.99 million Road Construction Program

The budget continues to focus on renewing and improving Council assets with particular focus on the road network, \$2.99 million will be spent on Council's road construction program.

- Sealing, pavement repairs and shoulder reinstatement works will be carried out on Devils Creek, Gairdner South, Needilup North, Borden Boxwood, Point Henry, Wellstead and Little Boat Harbour Road, Swamp, Frantom Way, Bremer Bay Road and Sydney Street.
- Complete formation widening upgrades, gravel resheeting and drainage works will be carried out on Brook, Cowalellup, Dillion, Jerramungup North, Marnigarup East, Meechi, Monkey Rock, Rabbit Proof Fence, Cameron, Jacup North and Stock Road.
- \$1.223 million in funding will contribute to these works from Main Roads WA (Regional Road Group), Roads to Recovery and Local Roads and Community Infrastructure Funding.

The Local Roads and Community Infrastructure Program was announced as part of the Australian Government's wider economic response to COVID-19.

\$132,000 Boxwood Hill Community Dam Project

The Shire of Jerramungup has been working closely with DWER and the Boxwood Community to secure an adequate supply of emergency water. The Shire has been closely monitoring the situation however continued dry conditions have depleted on-farm and State Government managed community water supplies. An application for funding has been submitted through the Community Water Supply Program. The project demonstrates positive community, local and state government collaboration which will address the demand for an emergency water supply to be identified for the Boxwood community.

Total Project cost is \$132,694 with the Shire of Jerramungup in-kind and cash contribution totalling \$40,734 and Community Water Supply Program grant requested of \$91,690.

\$200,000 Contribution to the Refurbishment of the Boxwood Hill Sports Club Facility

The Boxwood Hill Combined Sports Club is an integral part of the Boxwood Hills Community. The Club provides for social, recreational, physical, and education activities for the community. The current facility is aged and does not meet the standards or demands required, the refurbishment will ensure that the community has quality infrastructure that will meet current and future needs enhancing the lives of residents, promoting health and wellness opportunities, increase participation in both social and physical activities and create a positive image for the town.

The refurbishment will incorporate the installation of a new septic system, construction of new male and female toilets and change rooms, umpires room, medical room, storerooms, kids play area, increased social space and external verandahs.

Total project cost is \$1,085,970 with the Shire contributing \$200,000, Building Better Regions Funding \$542,985, Community Sport & Recreation Funding \$225,000 and the Boxwood Hill Combined Sports Club contributing \$117,985.



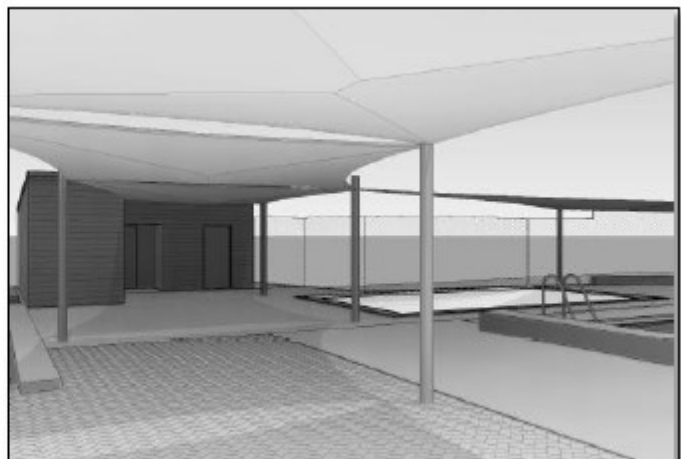
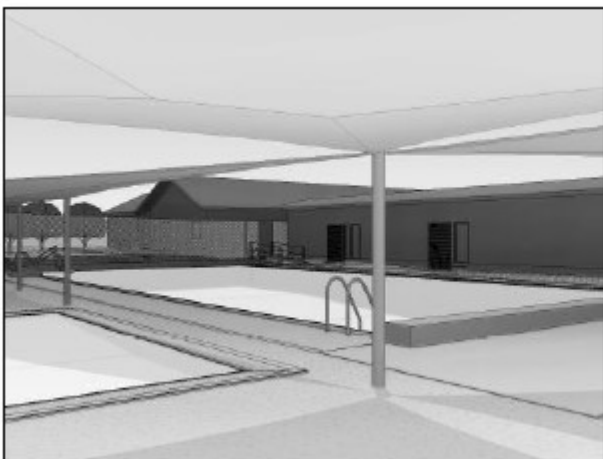
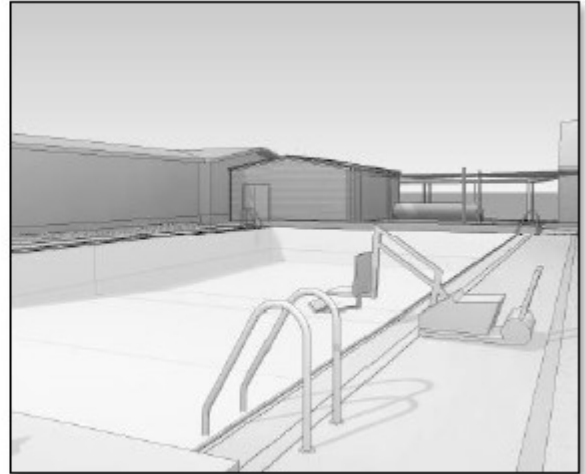
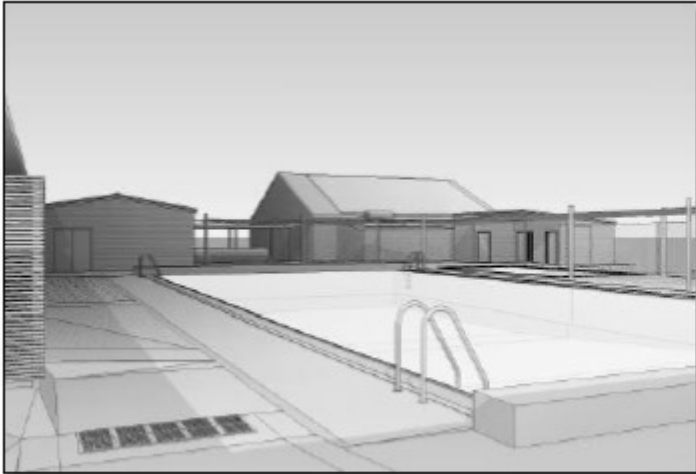
\$4.2 million Jerramungup Swimming Pool Project

This project will deliver a new swimming pool and supporting infrastructure to replace current pool facilities located within the Jerramungup District High school precinct. This project is regarded as critical in consideration that the current infrastructure has reached the end of its useful life. The project aims to provide residents of Jerramungup and surrounding areas with safe learn to swim facilities to assist with reducing the likelihood of drowning or near drowning incidents. This project aligns to supporting economic growth through retaining and attracting people and families to live, work and contribute in the region.

Key project outcomes include;

- Continued teaching of swimming and water safety in a safe environment to assist with prevention of near-drowning and drowning incidents;
- Strengthening of community spirit and quality of life through increased liveability of the region, social connectivity and community cohesion;
- Encouraging a healthy and active community; and
- Stability of the residential community, including retaining skilled employees and increasing social and community capital.

The total budget allocation for 2020/2021 is \$4.2million with \$2.1 million in funding contributing to this project through the Building Better Regions Fund Round 4, \$1.4million from the Department of Education and \$700,000 from Drought Communities Funding.



Design Drawings of Proposed Upgraded Facilities

\$1 million Drought Communities Funded Projects

The Shire of Jerramungup Drought Relief Project aims to deliver small and medium infrastructure activities which will generate local employment and procurement and positively influence social and community sustainability. The project comprises of seven individual projects in the fields of Water Security, Community Facilities, Community Infrastructure, Community Well-being, Capacity and Forward Planning.

Water Security

There will be three projects directly responding to current drought implications with the aim to better support our community through having improved access to water for agricultural and emergency response purposes.

1. \$50,000 Gairdner Community Dam Upgrade

This project involves combining two small dams into one big dam, enlarging the holding capacity of the dam, de-silting the catchments and enlarging the silt traps as well as clearing out two channel drains.

2. \$73,000 Boxwood Hill Community Dam Upgrade

This project involves installation of plumbing and pipelines to direct water from an existing dam on private land into the current community dam across the road (through agreement with private land owner).

3. \$32,000 Bremer Bay Standpipe Access

This project will streamline and simplify the access to the existing Bremer Bay Stand Pipe by installing a swipe card access point instead of the existing key lock. This approach will also serve to enable a greater level of management of water supplies

Community Facilities

There will be two projects addressing the retention and sustainability of community facilities, all identified by the community as being of significant social and economic importance, by assisting with key infrastructure upgrades and equipment needed.

1. \$58,500 Gairdner Community Hall Upgrade

This project seeks to renovate and upgrade the existing community hall, including the installation of a new kitchen to enable improved use of the facility.

2. \$58,500 Needilup Community Hall Upgrade

This project seeks to renovate and upgrade the existing community facility to improve overall usability of the facility.

Community Infrastructure

This project addresses the identified need to redevelop community infrastructure in order to enable and nurture community capacity and wellbeing as well as attracting tourist and visitors to the area and further stimulate local business growth within our Local Government area.

1. \$700,00 Jerramungup Community Swimming Pool Redevelopment

This project will deliver a new swimming pool and supporting infrastructure to replace current pool facilities located within the Jerramungup District High School precinct.

Community Well-being and Capacity

There will be one project designed to engage the entire community on various levels such as nurturing community well-being, fostering community resilience as well as showcasing local businesses and produce.

1. \$28,000 Community Event

The event will be aimed at providing a platform for drought affected and all other community members to share their experiences and strengthen the community spirit during this extraordinary time. The event will aim to generate employment for local people and contractors to deliver a range of activities such as catering and selling their goods and produce.

Forward Planning

There will be one project that addresses the need for forward planning to better support our community in times of need and foster better Community Preparedness.

All nine projects have been selected and planned with the aim to stimulate local employment and fuel local community spending as well as provide long-lasting benefits to our community by enabling agricultural activities that we all depend on and stimulating community and business growth in the years following the projects.

\$33,776 Lions Park Toilet Upgrade Project

This project will see an upgrade to the existing Lions Park toilet, including the installation of new plumbing to enable improved use of the facility.

This project will be fully funded by the Kokoda Op-shop and the Jerramungup Lions Club.

\$800,000 Completion of the Key Worker Accommodation Housing and Seniors Independent Living Units Project

Wauters Construction have finished the construction of 5 x Independent Living Units in Bremer Bay, a management agreement is now in place with Advance Housing to manage the properties. Minor works are still required to be carried out early this financial year however the units are ready to be occupied.

The Key Worker Accommodation Housing Project is also progressing well. This project has been funded by Federal Building Better Regions grants and Shire contributions. Pindan Homes are constructing the houses with 1 house being built in Bremer Bay and a house and 2 units being built in Jerramungup. Completion was expected at the end of August 2020 however this was delayed due to COVID-19. It is anticipated the houses will be completed by end of September 2020.

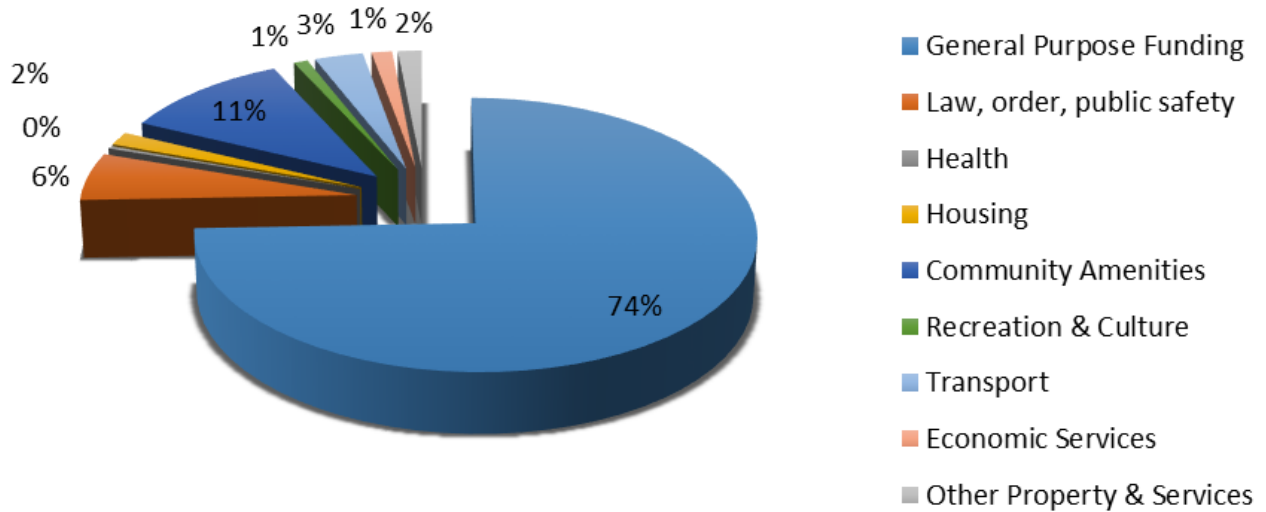


SIGNIFICANT AREAS OF OPERATIONAL EXPENDITURE WITHIN THE 2020/2021 BUDGET INCLUDE:

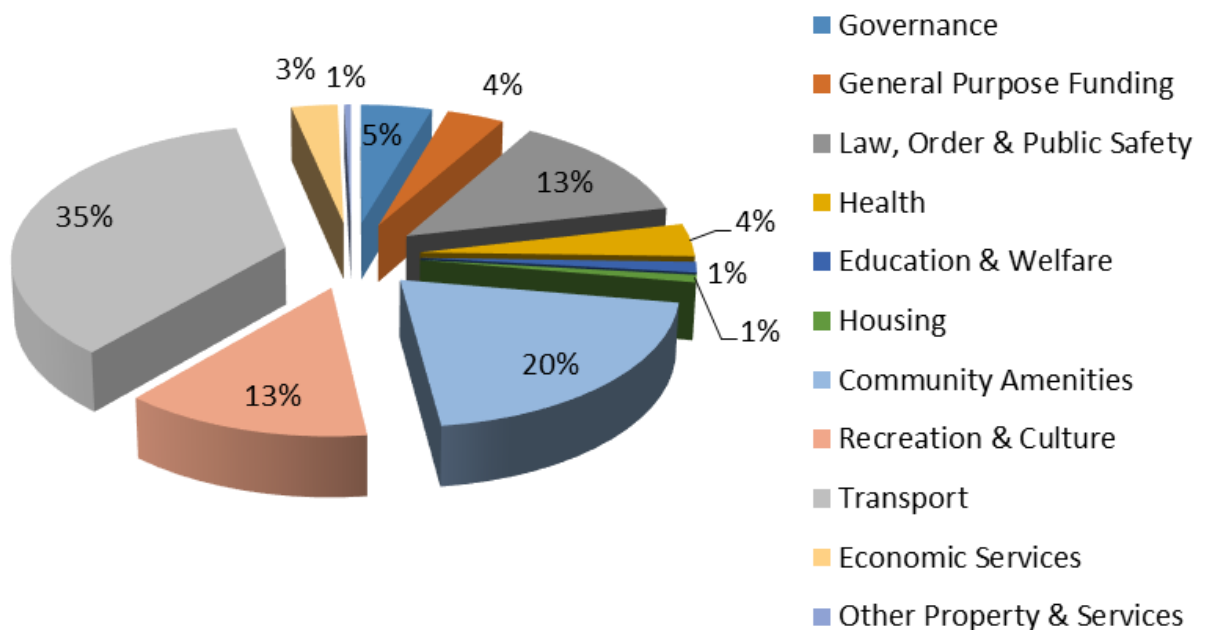
- \$988,178 in maintenance of roads, townsite streets, footpaths and traffic signs maintenance made up of contractor and internal employee and plant related costs;
- \$557,014 in waste management contractor and internal employee and plant related costs;
- \$193,307 in administrative and business support services for the local General Practitioner;
- \$138,700 in contract cleaning services in Bremer Bay;
- \$83,702 in expenses relating to the Bremer Bay and Jerramungup libraries;
- \$710,451 in contractor and internal employee and plant related costs associated with fire prevention and fire fighting expenses;
- \$132,691 in Ranger services for contractor and internal employee and plant related costs;
- \$286,959 in contractor and internal employee and plant related costs associated with the maintenance of parks and gardens, walk trails, public toilets and fish cleaning facilities; and
- \$551,000 in parts and repairs, fuel and oil and tyres.



2020/2021 REVENUE BY PROGRAM



2020/2021 EXPENSES BY PROGRAM



SHIRE OF JERRAMUNGUP

BUDGET

FOR THE YEAR ENDED 30 JUNE 2021

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

Progressive, Prosperous and a Premium Place to Live and Visit

SHIRE OF JERRAMUNGUP
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)	3,405,452	3,405,757	3,396,372
Operating grants, subsidies and contributions	10(a)	1,200,821	1,642,093	1,941,594
Fees and charges	9	719,420	840,299	801,909
Interest earnings	12(a)	55,375	68,505	75,308
Other revenue	12(b)	116,466	204,882	23,850
		5,497,534	6,161,536	6,239,033
Expenses				
Employee costs		(2,058,976)	(1,833,665)	(2,046,153)
Materials and contracts		(1,916,141)	(1,334,546)	(1,671,815)
Utility charges		(198,404)	(181,654)	(187,058)
Depreciation on non-current assets	5	(2,088,419)	(1,975,757)	(1,884,684)
Interest expenses	12(d)	(29,978)	(29,913)	(43,625)
Insurance expenses		(280,561)	(238,009)	(234,724)
Other expenditure		(141,688)	(180,721)	(156,888)
		(6,714,167)	(5,774,265)	(6,224,947)
Subtotal		(1,216,633)	387,271	14,086
Non-operating grants, subsidies and contributions	10(b)	6,151,375	2,816,363	3,386,193
Profit on asset disposals	4(b)	7,600	104,703	110,027
Loss on asset disposals	4(b)	(37,554)	(65,063)	(94,607)
		6,121,421	2,856,003	3,401,613
Net result		4,904,788	3,243,274	3,415,699
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		4,904,788	3,243,274	3,415,699

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

SHIRE OF JERRAMUNGUP

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 Jerramungup 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 13 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. Exclude 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. 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.

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.

REVENUES (CONTINUED)

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

FEES AND CHARGES

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

INTEREST EARNINGS

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

OTHER REVENUE / INCOME

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

EXPENSES

EMPLOYEE COSTS

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

MATERIALS AND CONTRACTS

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

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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

INSURANCE

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

LOSS ON ASSET DISPOSAL

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

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation 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. Donations and subsidies made to community groups.

SHIRE OF JERRAMUNGUP
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
Revenue	1,9,10(a),12(a),12(b)	\$	\$	\$
Governance		0	15,357	0
General purpose funding		4,090,444	4,869,263	4,141,722
Law, order, public safety		318,112	195,965	165,030
Health		17,548	24,584	7,363
Education and welfare		0	6,029	1,088
Housing		88,885	74,738	129,233
Community amenities		602,803	553,219	502,976
Recreation and culture		49,849	80,893	927,225
Transport		172,474	241,352	168,221
Economic services		73,139	61,038	69,895
Other property and services		84,280	39,098	126,280
		5,497,534	6,161,536	6,239,033
Expenses excluding finance costs	4(a),5,12(c),(e),(f),(g)			
Governance		(305,948)	(296,398)	(334,675)
General purpose funding		(247,859)	(223,373)	(243,278)
Law, order, public safety		(881,905)	(474,768)	(537,417)
Health		(266,725)	(278,809)	(281,260)
Education and welfare		(86,241)	(78,682)	(127,807)
Housing		(60,292)	(23,591)	(227,402)
Community amenities		(1,360,915)	(1,140,422)	(1,360,361)
Recreation and culture		(890,963)	(975,017)	(742,767)
Transport		(2,356,407)	(1,881,769)	(2,141,888)
Economic services		(198,892)	(258,996)	(188,164)
Other property and services		(28,042)	(112,527)	3,697
		(6,684,189)	(5,744,352)	(6,181,322)
Finance costs	6(a),7,12(d)			
Housing		(8,060)	(3,684)	(9,005)
Community amenities		(6,403)	(7,595)	0
Transport		(14,702)	(17,630)	(33,628)
Other property and services		(813)	(1,004)	(992)
		(29,978)	(29,913)	(43,625)
Subtotal		(1,216,633)	387,271	14,086
Non-operating grants, subsidies and contributions	10(b)	6,151,375	2,816,363	3,386,193
Profit on disposal of assets	4(b)	7,600	104,703	110,027
(Loss) on disposal of assets	4(b)	(37,554)	(65,063)	(94,607)
		6,121,421	2,856,003	3,401,613
Net result		4,904,788	3,243,274	3,415,699
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		4,904,788	3,243,274	3,415,699

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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 scarce resources.

Administration and operation of facilities and services to members of Council; Other costs that relate to the tasks 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, general purpose government grants & interest revenue.

LAW, ORDER, PUBLIC SAFETY

To provide services to help ensure a safer community.

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

HEALTH

To provide an operational framework for good community health.

Food quality and pest control, maintenance and contributions to health services & facilities.

EDUCATION AND WELFARE

To meet the needs of the community in these areas,

Operation and provision of services to seniors and child care centres within the Shire.

HOUSING

Help ensure adequate housing for key community personnel such as police.

Maintenance of staff and rental housing.

COMMUNITY AMENITIES

To provide services required by the community.

Rubbish collection services, operation of tips, noise control, administration of the town planning scheme, maintenance of cemeteries, control and maintenance of coastal reserves and other community/environmental services.

RECREATION AND CULTURE

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

Maintenance of public halls, sporting complexes, resource centres, various parks and associated facilities, provision of library services in Jerramungup and Bremer Bay. Maintenance and upgrade of radio repeater services.

TRANSPORT

To provide safe and efficient transport services to the community.

Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets, parking facilities, traffic signs, depot maintenance and airstrips maintenance.

ECONOMIC SERVICES

To help promote the shire and improve its economic wellbeing.

The regulation and provision of tourism, area promotion, building control, saleyards, noxious weeds, vermin control and water supply including stand pipes.

OTHER PROPERTY AND SERVICES

Other activities which contribute to the governance and operations of the Shire.

Private works operation, plant repairs and operations costs, administration expenses.

SHIRE OF JERRAMUNGUP
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		3,405,452	3,395,283	3,423,291
Operating grants, subsidies and contributions		291,730	1,369,916	2,040,654
Fees and charges		719,420	840,299	801,909
Interest earnings		55,375	68,505	75,308
Goods and services tax		191,019	148,001	187,150
Other revenue		116,466	204,882	23,850
		4,779,462	6,026,886	6,552,162
Payments				
Employee costs		(2,058,976)	(1,901,015)	(2,046,153)
Materials and contracts		(1,916,141)	(2,850,528)	(2,574,127)
Utility charges		(198,404)	(181,654)	(187,058)
Interest expenses		(29,978)	(21,834)	(163,625)
Insurance expenses		(280,561)	(238,009)	(234,724)
Goods and services tax		(191,019)	(152,861)	(187,150)
Other expenditure		(141,688)	(180,721)	(156,888)
		(4,816,767)	(5,526,622)	(5,549,725)
Net cash provided by (used in) operating activities	3	(37,305)	500,264	1,002,437
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	4(a)	(1,635,451)	(3,586,475)	(5,752,267)
Payments for construction of infrastructure	4(a)	(7,381,147)	(1,986,917)	(2,707,947)
Non-operating grants, subsidies and contributions		6,680,447	2,287,291	3,386,193
Proceeds from sale of plant and equipment	4(b)	222,000	781,818	779,410
Net cash provided by (used in) investing activities		(2,114,151)	(2,504,283)	(4,294,611)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(196,749)	(178,127)	(220,884)
Principal elements of lease payments	7	(14,485)	(13,018)	0
Proceeds from new borrowings	6(b)	0	500,000	1,000,000
Net cash provided by (used in) financing activities		(211,234)	308,855	779,116
Net increase (decrease) in cash held		(2,362,690)	(1,695,164)	(2,513,058)
Cash at beginning of year		4,825,401	6,520,565	6,615,772
Cash and cash equivalents at the end of the year	3	2,462,711	4,825,401	4,102,714

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

SHIRE OF JERRAMUNGUP
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

		2020/21	2019/20	2019/20
	NOTE	Budget	Actual	Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)		1,485,686	1,509,542	4,211,721
		1,485,686	1,509,542	4,211,721
Revenue from operating activities (excluding rates)				
Governance		0	15,357	0
General purpose funding		684,992	1,463,506	745,350
Law, order, public safety		318,112	195,965	165,030
Health		17,548	24,584	7,363
Education and welfare		0	6,029	1,088
Housing		88,885	74,738	129,233
Community amenities		602,803	553,219	502,976
Recreation and culture		49,849	80,893	927,225
Transport		172,474	241,352	168,221
Economic services		73,139	61,038	69,895
Other property and services		91,880	143,801	236,307
		2,099,682	2,860,482	2,952,688
Expenditure from operating activities				
Governance		(305,948)	(296,398)	(334,675)
General purpose funding		(247,859)	(223,373)	(243,278)
Law, order, public safety		(881,905)	(474,768)	(537,417)
Health		(266,725)	(278,809)	(281,260)
Education and welfare		(86,241)	(78,682)	(127,807)
Housing		(68,352)	(27,275)	(236,407)
Community amenities		(1,367,318)	(1,154,553)	(1,366,849)
Recreation and culture		(890,963)	(975,017)	(742,767)
Transport		(2,404,914)	(1,946,666)	(2,252,458)
Economic services		(198,892)	(258,996)	(188,164)
Other property and services		(32,604)	(124,791)	(8,472)
		(6,751,721)	(5,839,328)	(6,319,554)
Non-cash amounts excluded from operating activities	2 (a)(i)	2,118,769	1,945,879	(489,462)
Amount attributable to operating activities		(1,047,584)	476,575	355,393
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	10(b)	6,151,375	2,816,363	3,386,193
Purchase property, plant and equipment	4(a)	(1,635,451)	(3,586,475)	(5,752,267)
Purchase and construction of infrastructure	4(a)	(7,381,147)	(1,986,917)	(2,707,947)
Proceeds from disposal of assets	4(b)	222,000	781,818	779,410
Amount attributable to investing activities		(2,643,223)	(1,975,211)	(4,294,611)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(196,749)	(178,127)	(220,884)
Principal elements of finance lease payments	7	(14,485)	(13,018)	0
Proceeds from new borrowings	6(b)	0	500,000	1,000,000
Transfers to cash backed reserves (restricted assets)	8(a)	(233,819)	(768,790)	(824,653)
Transfers from cash backed reserves (restricted assets)	8(a)	735,000	38,500	591,670
Amount attributable to financing activities		289,947	(421,435)	546,133
Budgeted deficiency before general rates		(3,400,860)	(1,920,071)	(3,393,085)
Estimated amount to be raised from general rates	1	3,405,452	3,405,757	3,396,372
Net current assets at end of financial year - surplus/(deficit)	2 (a)(iii)	4,592	1,485,686	3,287

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

SHIRE OF JERRAMUNGUP
INDEX OF NOTES TO THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

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1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2020/21 Budgeted rate revenue	2020/21 Budgeted interim rates	2020/21 Budgeted back rates	2020/21 Budgeted total revenue	2019/20 Actual total revenue	2019/20 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
Differential general rate or general rate									
Gross rental valuations									
GRV Properties	0.09899	545	6,787,896	671,961	0	0	671,961	660,086	654,003
Unimproved valuations									
UV Properties	0.00975	329	251,213,004	2,449,326	0	0	2,449,326	2,443,854	2,443,310
Sub-Totals		874	258,000,900	3,121,287	0	0	3,121,287	3,103,940	3,097,313
Minimum									
Minimum payment									
\$									
Gross rental valuations									
GRV Properties	685	306	1,247,956	209,610	0	0	209,610	218,812	215,090
Unimproved valuations									
UV Properties	685	33	939,957	22,605	0	0	22,605	31,208	32,040
Sub-Totals		339	2,187,913	232,215	0	0	232,215	250,020	247,130
		1,213	260,188,813	3,353,502	0	0	3,353,502	3,353,960	3,344,443
Total amount raised from general rates							3,353,502	3,353,960	3,344,443
Ex-gratia rates							52,100	52,080	52,079
Rates written off							(150)	(283)	(150)
Total rates							3,405,452	3,405,757	3,396,372

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

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				
One payment	9/10/2020	0	0.0%	0.0%
Option two				
1st Instalment	9/10/2020	0	0.0%	8.0%
2nd Instalment	12/02/2021	0	5.5%	8.0%
Option three				
1st Instalment	9/10/2020	0	0.0%	8.0%
2nd Instalment	11/12/2020	0	5.5%	8.0%
3rd Instalment	12/02/2021	0	5.5%	8.0%
4th Instalment	16/04/2021	0	5.5%	8.0%

	2020/21 Budget revenue	2019/20 Actual revenue	2019/20 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	0	6,240	6,500
Instalment plan interest earned	16,000	16,965	16,000
Unpaid rates and service charge interest earned	6,000	10,772	10,000
	22,000	33,977	32,500

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

1. RATES AND SERVICE CHARGES (CONTINUED)

(c) Specified Area Rate

The Shire did not raise specified area rates for the year ended 30 June 2021.

(d) Service Charges

The Shire did not raise service charges for the year ended 30 June 2021.

1. RATES AND SERVICE CHARGES (CONTINUED)

(e) Waivers or concessions

The Shire does not anticipate any waivers or concessions for the year ended 30 June 2021.

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) (7,600)	(104,703)	(110,027)
Less: Movement in contract liabilities associated with restricted cash	0	0	(2,358,726)
Less: Movement in employee liabilities associated with restricted cash	396	732	0
Add: Movement in non-current employee benefit provisions	0	9,030	0
Add: Loss on disposal of assets	4(b) 37,554	65,063	94,607
Add: Depreciation on assets	5 2,088,419	1,975,757	1,884,684
Non cash amounts excluded from operating activities	2,118,769	1,945,879	(489,462)
(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 (1,718,078)	(2,219,259)	(1,756,228)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	177,355	196,749	0
- Current portion of lease liabilities	14,789	14,485	0
- Employee benefit provisions	66,350	65,954	299,687
- Bonds and deposits held	0	0	81,395
Total adjustments to net current assets	(1,459,584)	(1,942,071)	(1,375,146)

2 (a). NET CURRENT ASSETS (CONTINUED)

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

	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
Note	\$	\$	\$
(iii) Composition of estimated net current assets			
Current assets			
Cash and cash equivalents- unrestricted	744,633	1,697,051	2,346,486
Cash and cash equivalents - restricted			
Cash backed reserves	1,718,078	2,219,259	1,756,228
Unspent grants, subsidies and contributions	0	909,091	0
Receivables	553,156	553,156	140,000
Contract assets	0	529,072	0
Inventories	32,948	32,948	32,306
	3,048,815	5,940,577	4,275,020
Less: current liabilities			
Trade and other payables	(1,037,718)	(1,037,718)	(2,596,900)
Contract liabilities	0	(909,091)	0
Lease liabilities	(14,789)	(14,485)	0
Long term borrowings	(177,355)	(196,749)	0
Provisions	(354,777)	(354,777)	(299,687)
	(1,584,639)	(2,512,820)	(2,896,587)
Net current assets	1,464,176	3,427,757	1,378,433
Less: Total adjustments to net current assets	(1,459,584)	(1,942,071)	(1,375,146)
Closing funding surplus / (deficit)	4,592	1,485,686	3,287

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 Jerramungup becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

CONTRACT ASSETS

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

PROVISIONS

Provisions are recognised when the Shire has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

INVENTORIES

General

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Superannuation

The Shire of Jerramungup contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Jerramungup contributes are defined contribution plans.

LEASE LIABILITIES

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

TRADE AND OTHER RECEIVABLES

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

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

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

EMPLOYEE BENEFITS

Short-term employee benefits

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

LAND HELD FOR RESALE

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

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

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

CONTRACT LIABILITIES

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

SHIRE OF JERRAMUNGUP
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	2,462,711	4,825,401	2,346,486
Term deposits	0	0	1,756,228
	2,462,711	4,825,401	4,102,714
- Unrestricted cash and cash equivalents	744,633	1,697,051	2,346,486
- Restricted cash and cash equivalents	1,718,078	3,128,350	1,756,228
	2,462,711	4,825,401	4,102,714

The following restrictions have been imposed by regulation or other externally imposed requirements on cash and cash equivalents:

Leave reserve	66,350	65,954	46,056
Developer contributions reserve	7,209	7,166	80,145
Carpark payment in lieu reserve	0	0	1,250
Plant reserve	48,684	58,334	8,057
Community recreation reserve	96,711	213,430	16,436
Bremer Bay youth camp reserve	54,351	54,027	54,111
Building reserve	240,781	656,840	506,439
Bremer Bay retirement units reserve	20,527	99,928	5,084
Jerramungup retirement units reserve	97,932	97,348	8,823
JMP entertainment centre reserve	18,862	8,809	729,828
Effluent reserve	794,793	733,617	3,329
Point Henry fire levy reserve	46,563	24,745	97,500
Bremer Bay boat ramp reserve	113,877	118,168	118,352
Capital works reserve	19,562	9,505	9,519
Swimming pool reserve	8,588	8,537	8,424
Roe Park reserve	73,228	62,851	62,875
Skate Park reserve	10,060	0	0
Unspent grants, subsidies and contributions	10(c) 0	909,091	0
	1,718,078	3,128,350	1,756,228

Reconciliation of net cash provided by operating activities to net result

Net result		4,904,788	3,243,274	3,415,699
Depreciation	5	2,088,419	1,975,757	1,884,684
(Profit)/loss on sale of asset	4(b)	29,954	(39,640)	(15,420)
(Increase)/decrease in receivables		0	(241,871)	125,979
(Increase)/decrease in contract assets		529,072	(529,072)	0
(Increase)/decrease in inventories		0	(4,893)	0
Increase/(decrease) in payables		0	(1,594,711)	(1,077,970)
Increase/(decrease) in contract liabilities		(909,091)	(45,640)	55,658
Increase/(decrease) in employee provisions		0	24,351	0
Non-operating grants, subsidies and contributions		(6,680,447)	(2,287,291)	(3,386,193)
Net cash from operating activities		(37,305)	500,264	1,002,437

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

4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program						2020/21 Budget total	2019/20 Actual total	2019/20 Budget total
	Housing	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	
<i>Property, Plant and Equipment</i>									
Buildings - non-specialised	814,640	0	0	0	0	0	814,640	2,780,000	4,911,312
Furniture and equipment	0	33,776	77,000	0	0	32,175	142,951	0	0
Plant and equipment	0	0	6,591	448,519	103,220	119,530	677,860	806,475	840,955
	814,640	33,776	83,591	448,519	103,220	151,705	1,635,451	3,586,475	5,752,267
<i>Infrastructure</i>									
Infrastructure - Roads	0	0	0	2,996,673	0	0	2,996,673	1,882,747	2,575,117
Infrastructure - Footpaths	0	0	0	0	0	0	0	63,266	132,830
Infrastructure - Parks and Ovals	0	0	0	0	0	0	0	6,451	0
Infrastructure - Other	0	0	4,200,000	0	184,474	0	4,384,474	34,453	0
	0	0	4,200,000	2,996,673	184,474	0	7,381,147	1,986,917	2,707,947
<i>Right of use assets</i>									
Right of use - furniture and fittings	0	0	0	0	0	0	0	58,665	0
	0	0	0	0	0	0	0	58,665	0
Total acquisitions	814,640	33,776	4,283,591	3,445,192	287,694	151,705	9,016,598	5,632,057	8,460,214

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

SIGNIFICANT ACCOUNTING POLICIES

RECOGNITION OF ASSETS

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

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

SHIRE OF JERRAMUNGUP
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												
Community amenities	0	0	0	0	29,490	22,954	0	(6,536)	32,588	26,100	0	(6,488)
Transport	167,805	134,000	0	(33,805)	288,176	240,909	0	(47,267)	290,252	213,310	0	(76,942)
Other property and services	84,149	88,000	7,600	(3,749)	424,512	517,955	104,703	(11,260)	441,150	540,000	110,027	(11,177)
	251,954	222,000	7,600	(37,554)	742,178	781,818	104,703	(65,063)	763,990	779,410	110,027	(94,607)
By Class												
<i>Property, Plant and Equipment</i>												
Buildings - non-specialised	0	0	0	0	369,449	470,000	104,703	(4,152)	386,855	384,973	0	(1,882)
Plant and equipment	251,954	222,000	7,600	(37,554)	372,729	311,818	0	(60,911)	377,135	394,437	110,027	(92,725)
	251,954	222,000	7,600	(37,554)	742,178	781,818	104,703	(65,063)	763,990	779,410	110,027	(94,607)

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

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

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

5. ASSET DEPRECIATION

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
By Program			
Law, order, public safety	23,444	24,618	33,669
Health	3,729	3,729	3,050
Education and welfare	20,894	22,986	39,555
Housing	54,246	62,895	67,635
Community amenities	41,028	78,172	32,568
Recreation and culture	286,148	415,157	267,907
Transport	1,273,210	975,033	1,083,554
Economic services	48,606	60,878	48,211
Other property and services	337,114	332,289	308,535
	2,088,419	1,975,757	1,884,684
By Class			
Buildings	521,395	530,043	522,776
Furniture and equipment	21,865	281	17,453
Plant and equipment	298,685	298,272	288,955
Infrastructure - Roads	650,126	554,706	532,924
Infrastructure - Footpaths	37,100	37,100	18,672
Infrastructure - Parks and Ovals	128,627	126,581	117,022
Infrastructure - Drainage	339,732	339,728	312,511
Infrastructure - Sewerage	26,315	26,315	26,315
Infrastructure - Other	27,200	26,562	25,147
Infrastructure - Aerodromes	22,909	22,909	22,909
Right of use - furniture and fittings	14,465	13,260	0
	2,088,419	1,975,757	1,884,684

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	30 to 60 years
Furniture and equipment	4 to 25 years
Plant and equipment	5 to 25 years
Infrastructure - Roads	
Formation	not depreciated
Pavement	70 to 120 years
Bituminous seal	20 years
Asphalt surfaces	15 to 20 years
Infrastructure - Footpaths	30 to 80 years
Infrastructure - Parks and Ovals	5 to 50 years
Infrastructure - Drainage	20 to 80 years
Infrastructure - Sewerage	60 to 70 years
Infrastructure - Other	5 to 70 years
Infrastructure - Aerodromes	20 to 40 years
Right of use - furniture and fittings	2 - 5 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 JERRAMUNGUP
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

Purpose	Loan Number	Institution	Interest Rate	Budget	2020/21	2020/21	Budget	2020/21	Actual	2019/20	2019/20	Actual	2019/20	Budget	2019/20	2019/20	Budget	2019/20	
				Principal	Budget	Budget	Principal	Principal		Actual	Actual	Actual	Actual		Principal	Budget	Budget	Budget	Principal
				1 July 2020	New Loans	Repayments	Principal outstanding 30 June 2021	Repayments	1 July 2019	New Loans	Repayments	Principal outstanding 30 June 2020	Repayments	1 July 2019	New Loans	Repayments	Principal outstanding 30 June 2020	Repayments	
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Housing																			
Loan 259 Key Personne	259	WATC	6.4%	0	0	0	0	0	33,075	0	(33,075)	0	(534)	33,075	0	(33,075)	0	(1,061)	
Loan 264 Staff	264	WATC	1.7%																
Housing and Seniors Independent Living				500,000	0	(46,385)	453,615	(8,060)	0	500,000	0	500,000	(3,150)	0	500,000	(21,379)	478,621	(8,075)	
Loan 265 Key worker accomodation				0	0	0	0	0	0	0	0	0	0	0	500,000	(21,379)	478,621	(8,075)	
Community amenities																			
Loan 261 Housing Brerr	261	WATC	4.3%	158,057	0	(37,030)	121,027	(6,403)	193,543	0	(35,486)	158,057	(7,595)	193,543	0	(35,486)	158,057	(7,944)	
Transport																			
Loan 260 Bremer Bay T	260	WATC	4.1%	171,819	0	(54,965)	116,854	(6,487)	224,599	0	(52,780)	171,819	(7,985)	224,599	0	(52,780)	171,819	(8,673)	
Loan 262 Grader	262	WATC	2.3%	25,100	0	(25,100)	0	(430)	49,638	0	(24,538)	25,100	(979)	73,626	0	(24,537)	49,089	(992)	
Loan 263 Bremer Bay T	263	WATC	3.1%	256,193	0	(33,269)	222,924	(7,785)	288,441	0	(32,248)	256,193	(8,666)	288,441	0	(32,248)	256,193	(8,805)	
				1,111,169	0	(196,749)	914,420	(29,165)	789,296	500,000	(178,127)	1,111,169	(28,909)	813,284	1,000,000	(220,884)	1,592,400	(43,625)	

All borrowing repayments, will be financed by general purpose revenue.

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

6. INFORMATION ON BORROWINGS

(b) New borrowings - 2020/21

The Shire does not intend to undertake any new borrowings for the year ended 30 June 2021

(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	15,000	15,000	15,000
Credit card balance at balance date	0	0	0
Total amount of credit unused	15,000	15,000	15,000
Loan facilities			
Loan facilities in use at balance date	914,420	1,111,169	1,592,400

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 JERRAMUNGUP
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 Principal	2020/21 Budget Lease Principal	Budget Lease Principal outstanding	2020/21 Budget Lease Interest	Actual Principal	2019/20 Actual New Leases	2019/20 Actual Lease repayments	Actual Lease Principal outstanding	2019/20 Actual Lease repayments	Budget Principal	2019/20 Budget New Leases	2019/20 Budget Lease repayments	Budget Lease Principal outstanding	2019/20 Budget Lease Interest	
					1 July 2020	2020/21 Budget New Leases	30 June 2021	Repayments	1 July 2019	Leases	Principal	30 June 2020	1 July 2019	Leases	repayments	30 June 2020	1 July 2019	Leases	repayments
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Other property and services																			
Konica Minolta C656	1	Classic funding group (835)	2.1%	48 months	45,647	0	(14,485)	31,162	(813)	0	58,665	(13,018)	45,647	(1,004)	0	0	0	0	0
					45,647	0	(14,485)	31,162	(813)	0	58,665	(13,018)	45,647	(1,004)	0	0	0	0	0

SIGNIFICANT ACCOUNTING POLICIES

LEASES

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

At the commencement date, a right-of-use asset is recognised at cost and a lease liability, at the present value of the lease payments that are not paid at that date. 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 JERRAMUNGUP
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	65,954	10,396	(10,000)	66,350	65,222	732	0	65,954	65,221	835	(20,000)	46,056
(b) Developer contributions reserve	7,166	43	0	7,209	0	45,666	(38,500)	7,166	0	80,145	0	80,145
(c) Carpark payment in lieu reserve	0	0	0	0	0	0	0	0	0	1,250	0	1,250
(d) Plant reserve	58,334	350	(10,000)	48,684	7,955	50,379	0	58,334	7,955	50,102	(50,000)	8,057
(e) Community recreation reserve	213,430	83,281	(200,000)	96,711	129,502	83,928	0	213,430	163,778	82,658	(230,000)	16,436
(f) Bremer Bay youth camp reserve	54,027	324	0	54,351	53,428	599	0	54,027	53,427	684	0	54,111
(g) Building reserve	656,840	3,941	(420,000)	240,781	184,083	472,757	0	656,840	184,083	497,356	(175,000)	506,439
(h) Bremer Bay retirement units reserve	99,928	599	(80,000)	20,527	98,819	1,109	0	99,928	98,819	1,265	(95,000)	5,084
(i) Jerramungup retirement units reserve	97,348	584	0	97,932	96,268	1,080	0	97,348	8,711	112	0	8,823
(j) JMP entertainment centre reserve	8,809	10,053	0	18,862	8,711	98	0	8,809	655,162	74,666	0	729,828
(k) Effluent reserve	733,617	71,176	(10,000)	794,793	655,162	78,455	0	733,617	3,041	21,958	(21,670)	3,329
(l) Point Henry fire levy reserve	24,745	21,818	0	46,563	3,041	21,704	0	24,745	96,268	1,232	0	97,500
(m) Bremer Bay boat ramp reserve	118,168	709	(5,000)	113,877	116,856	1,312	0	118,168	116,856	1,496	0	118,352
(n) Capital works reserve	9,505	10,057	0	19,562	9,399	106	0	9,505	9,399	120	0	9,519
(o) Swimming pool reserve	8,537	51	0	8,588	8,317	220	0	8,537	8,318	106	0	8,424
(p) Roe Park reserve	62,851	10,377	0	73,228	52,206	10,645	0	62,851	52,207	10,668	0	62,875
(q) Skate Park reserve	0	10,060	0	10,060	0	0	0	0	0	0	0	0
	2,219,259	233,819	(735,000)	1,718,078	1,488,969	768,790	(38,500)	2,219,259	1,523,245	824,653	(591,670)	1,756,228

(b) Cash Backed Reserves - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve
(a) Leave reserve	Ongoing	To be used to fund annual and long service leave requirements
(b) Developer contributions reserve	Ongoing	To be used to hold developer contributions until expenditure is complete
(c) Carpark payment in lieu reserve	Ongoing	To be used to hold car park contributions until the funds are utilised
(d) Plant reserve	Ongoing	To be used for the purchase of major plant
(e) Community recreation reserve	Ongoing	To be used to assist local sporting groups to upgrade their facilities
(f) Bremer Bay youth camp reserve	Ongoing	For the ongoing management and future upgrade of the reserve land on Lot 70 Bremer Bay Road
(g) Building reserve	Ongoing	To fund capital construction of new council buildings and to fund capital renewal of council buildings and associated assets
(h) Bremer Bay retirement units reserve	Ongoing	To be used for the construction of new council buildings and to fund capital renewal of buildings
(i) Jerramungup retirement units reserve	Ongoing	To be used for the construction of new council buildings and to fund capital renewal of buildings
(j) JMP entertainment centre reserve	Ongoing	To be used for maintenance and capital building improvements
(k) Effluent reserve	Ongoing	To be used to maintain the efficient running of the facility
(l) Point Henry fire levy reserve	Ongoing	To be used for the provision, maintenance and construction of strategic fire prevention activities within the Point Henry Peninsular
(m) Bremer Bay boat ramp reserve	Ongoing	To be used to upgrade and maintain the boat ramp facility at Fisheries Beach in Bremer Bay
(n) Capital works reserve	Ongoing	To be used to supplement future capital works programs
(o) Swimming pool reserve	Ongoing	To preserve any surplus funds from the Jerramungup Swimming Pool's operations for future financial requirements of the Jerramungup Swimming Pool and associated facilities
(p) Roe Park reserve	Ongoing	To provide funding for the replacement of assets within Roe Park, Jerramungup
(q) Skate Park reserve	Ongoing	To maintain and upgrade the skate park

SHIRE OF JERRAMUNGUP
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
	\$	\$	\$
General purpose funding	6,600	6,870	13,100
Law, order, public safety	24,820	25,369	24,820
Health	7,363	12,418	7,363
Education and welfare	0	0	1,088
Housing	72,385	96,427	129,233
Community amenities	506,527	514,332	502,476
Recreation and culture	11,386	51,002	18,134
Transport	21,200	63,979	15,800
Economic services	66,139	55,636	61,895
Other property and services	3,000	14,266	28,000
	719,420	840,299	801,909

10. GRANT REVENUE

	Unspent grants, subsidies and contributions liability				Grants, subsidies and contributions revenue			
	Liability 1 July 2020	Increase in Liability	Liability Reduction (As revenue)	Total Liability 30 June 2021	Current Liability 30 June 2021	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$	\$	\$	\$	\$	\$
By Program:								
(a) Operating grants, subsidies and contributions								
General purpose funding	0	0	0	0	0	615,017	1,357,043	649,092
Law, order, public safety	0	0	0	0	0	293,292	124,411	140,210
Community amenities	0	0	0	0	0	73,776	3,418	500
Recreation and culture	0	0	0	0	0	62,182	4,800	0
Transport	0	0	0	0	0	151,274	152,421	152,421
Economic services	0	0	0	0	0	0	0	8,000
Other property and services	0	0	0	0	0	5,280	0	991,371
	0	0	0	0	0	1,200,821	1,642,093	1,941,594
(b) Non-operating grants, subsidies and contributions								
Law, order, public safety	0	0	0	0	0	0	159,219	150,000
Housing	0	0	0	0	0	339,552	1,581,438	0
Community amenities	0	0	0	0	0	0	5,645	0
Recreation and culture	909,091	0	(909,091)	0	0	4,277,000	0	0
Transport	0	0	0	0	0	1,287,863	1,070,061	1,060,693
Economic services	0	0	0	0	0	246,960	0	2,175,500
	909,091	0	(909,091)	0	0	6,151,375	2,816,363	3,386,193
Total	909,091	0	(909,091)	0	0	7,352,196	4,458,456	5,327,787
(c) Unspent grants, subsidies and contributions were restricted as follows:				Budget Closing Balance 30 June 2021	Actual Balance 30 June 2020			
Unspent grants reserve				0	0			
Unspent grants, subsidies and contributions				0	909,091			

SHIRE OF JERRAMUNGUP
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
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 annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
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

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	13,375	18,098	19,308
- Other funds	20,000	22,670	30,000
Other interest revenue (refer note 1b)	22,000	27,737	26,000
	55,375	68,505	75,308
* 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	116,466	204,882	23,850
	116,466	204,882	23,850
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	37,000	30,000	35,000
	37,000	30,000	35,000
(d) Interest expenses (finance costs)			
Borrowings (refer Note 6(a))	29,165	28,909	43,625
Interest expense on lease liabilities	813	1,004	0
	29,978	29,913	43,625
(e) Elected members remuneration			
Meeting fees	56,000	54,250	56,000
President's allowance	12,000	12,000	12,000
Deputy President's allowance	3,000	3,000	3,000
Travelling expenses	1,500	0	1,500
Telecommunications allowance	7,000	6,750	7,000
	79,500	76,000	79,500
(f) Write offs			
General rate	150	283	150
	150	283	150
(g) Low Value lease expenses			
Office equipment	0	3,824	15,298
Office equipment solar panel lease	5,072	5,072	5,579
Vehicle	25,085	4,968	0
	30,157	13,864	20,877

13. 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.