

Annual Budget

2021 - 2022



Shire of Murray



SHIRE OF MURRAY

BUDGET

FOR THE YEAR ENDED 30 JUNE 2022

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

By 2031, the Shire of Murray will be a place where business thrives, we protect our environment, and all people enjoy an outstanding quality of life.

SHIRE OF MURRAY
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
Revenue				
Rates	1(a)	17,903,061	17,296,533	17,388,333
Operating grants, subsidies and contributions	10(a)	8,583,763	4,288,483	5,438,915
Fees and charges	9	9,338,345	6,385,997	5,554,546
Interest earnings	13(a)	355,660	295,637	372,250
Other revenue	13(b)	251,834	606,349	215,575
		36,432,663	28,872,999	28,969,619
Expenses				
Employee costs		(13,080,216)	(12,225,725)	(11,985,880)
Materials and contracts		(16,077,824)	(8,917,154)	(12,034,624)
Utility charges		(911,466)	(902,165)	(914,233)
Depreciation on non-current assets	5	(6,482,590)	(5,941,390)	(6,479,266)
Interest expenses	13(d)	(126,079)	(150,510)	(146,419)
Insurance expenses		(495,582)	(439,641)	(446,457)
Other expenditure		(4,081,500)	(619,512)	(2,060,683)
		(41,255,257)	(29,196,097)	(34,067,562)
Subtotal				
		(4,822,594)	(323,098)	(5,097,943)
Non-operating grants, subsidies and contributions	10(b)	24,358,439	10,215,931	19,761,372
Profit on asset disposals	4(b)	172,586	707,513	1,041,005
Loss on asset disposals	4(b)	(100,850)	(105,415)	(47,763)
		24,430,175	10,818,029	20,754,614
Net result				
		19,607,581	10,494,931	15,656,671
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income				
		0	0	0
Total comprehensive income				
		19,607,581	10,494,931	15,656,671

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

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 Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

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 15 to the budget.

2020/21 ACTUAL BALANCES

Balances shown in this budget as 2020/21 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 2021 no new accounting policies are to be adopted and no new policies are expected to impact the annual budget.

KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES

RATES

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

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, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees, waste collection fees, rental of property and fines and penalties.

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.

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.

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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

INSURANCE

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

LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets including 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 MURRAY
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
Revenue	1,9,10(a),13(a),13(b)	\$	\$	\$
Governance		24,465	185,978	34,123
General purpose funding		19,340,743	19,964,774	18,835,740
Law, order, public safety		751,194	740,411	691,165
Health		80,396	76,562	78,454
Education and welfare		63,453	36,903	13,496
Housing		25,625	21,835	25,354
Community amenities		3,505,480	3,915,350	3,478,424
Recreation and culture		1,348,420	1,235,817	1,279,122
Transport		351,905	492,657	283,511
Economic services		6,637,121	1,222,725	3,566,049
Other property and services		4,303,861	979,987	684,181
		36,432,663	28,872,999	28,969,619
Expenses excluding finance costs	4(a),5,13(c)(e)(f)			
Governance		(2,268,684)	(1,935,988)	(2,057,856)
General purpose funding		(363,385)	(445,360)	(384,073)
Law, order, public safety		(1,779,556)	(1,597,362)	(1,674,136)
Health		(636,497)	(655,063)	(637,706)
Education and welfare		(228,271)	(160,308)	(176,546)
Housing		(30,405)	(49,857)	(47,296)
Community amenities		(6,147,495)	(5,382,821)	(5,871,696)
Recreation and culture		(8,822,498)	(7,640,359)	(8,226,633)
Transport		(8,421,052)	(7,178,731)	(8,397,523)
Economic services		(8,361,993)	(2,826,285)	(5,501,991)
Other property and services		(4,069,342)	(1,173,453)	(945,687)
		(41,129,178)	(29,045,587)	(33,921,143)
Finance costs	7,6(a),13(d)			
Governance		(4,753)	(14,266)	(14,265)
Law, order, public safety		(70)	(208)	(183)
Housing		(25,095)	(26,273)	(26,272)
Recreation and culture		(45,316)	(57,111)	(52,389)
Transport		(1,715)	(587)	(2,333)
Economic services		(48,209)	(50,977)	(50,977)
Other property and services		(921)	(1,088)	0
		(126,079)	(150,510)	(146,419)
Subtotal		(4,822,594)	(323,098)	(5,097,943)
Non-operating grants, subsidies and contributions	10(b)	24,358,439	10,215,931	19,761,372
Profit on disposal of assets	4(b)	172,586	707,513	1,041,005
(Loss) on disposal of assets	4(b)	(100,850)	(105,415)	(47,763)
		24,430,175	10,818,029	20,754,614
Net result		19,607,581	10,494,931	15,656,671
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		19,607,581	10,494,931	15,656,671

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

KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

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

OBJECTIVE

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 concern specific council services.

GENERAL PURPOSE FUNDING

To collect revenue to allow for the provision of services.

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

LAW, ORDER, PUBLIC SAFETY

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

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

HEALTH

To provide an operational framework for environmental and community health.

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

EDUCATION AND WELFARE

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

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

HOUSING

To maintain Shire owned residential properties.

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

COMMUNITY AMENITIES

To provide services required by the community.

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

RECREATION AND CULTURE

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

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

TRANSPORT

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

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

ECONOMIC SERVICES

To help promote the Shire and its economic wellbeing.

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

OTHER PROPERTY AND SERVICES

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

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

SHIRE OF MURRAY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		19,003,061	17,083,019	18,063,333
Operating grants, subsidies and contributions		10,524,363	5,673,643	4,201,972
Fees and charges		5,838,345	9,885,997	5,554,546
Interest received		355,660	295,637	372,250
Goods and services tax received		1,450,913	839,939	1,635,216
Other revenue		251,834	606,349	215,575
		37,424,176	34,384,584	30,042,892
Payments				
Employee costs		(12,804,256)	(11,872,748)	(11,750,880)
Materials and contracts		(17,322,824)	(7,566,402)	(11,439,624)
Utility charges		(796,466)	(802,165)	(914,233)
Interest expenses		(126,079)	(150,510)	(146,419)
Insurance paid		(495,582)	(439,641)	(446,457)
Goods and services tax paid		(1,550,913)	(1,025,896)	(1,544,307)
Other expenditure		(4,081,500)	(619,512)	(2,060,683)
		(37,177,620)	(22,476,874)	(28,302,603)
Net cash provided by (used in) operating activities	3	246,556	11,907,710	1,740,289
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for financial assets at amortised cost - self supporting loans	6	0	(120,000)	(120,000)
Payments for purchase of property, plant & equipment	4(a)	(24,787,668)	(5,568,786)	(15,146,112)
Payments for construction of infrastructure	4(a)	(8,149,746)	(7,924,906)	(9,852,727)
Non-operating grants, subsidies and contributions		18,198,507	9,800,316	16,342,174
Proceeds from sale of land held for resale	4(b)	338,604	1,379,549	1,945,000
Proceeds from sale of plant and equipment	4(b)	316,390	436,702	392,674
Proceeds on financial assets at amortised cost - self supporting loans	6(a)	44,698	41,243	41,243
Net cash provided by (used in) investing activities		(14,039,215)	(1,955,882)	(6,397,748)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(483,493)	(529,208)	(529,208)
Principal elements of lease payments	7	(83,982)	(72,917)	(44,396)
Proceeds from new borrowings	6(a)	300,000	120,000	120,000
Net cash provided by (used in) financing activities		(267,475)	(482,125)	(453,604)
Net increase (decrease) in cash held		(14,060,134)	9,469,703	(5,111,063)
Cash at beginning of year		28,685,582	19,215,879	19,211,909
Cash and cash equivalents at the end of the year	3	14,625,448	28,685,582	14,100,846

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

SHIRE OF MURRAY
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)				
	2	6,651,930	5,887,343	5,632,372
		6,651,930	5,887,343	5,632,372
Revenue from operating activities (excluding rates)				
Specified area rates	1(d)	189,274	195,157	192,416
Operating grants, subsidies and contributions	10(a)	8,583,763	4,288,483	5,438,915
Fees and charges	9	9,338,345	6,385,997	5,554,546
Interest earnings	13(a)	355,660	295,637	372,250
Other revenue	13(b)	251,834	606,349	215,575
Profit on asset disposals	4(b)	172,586	707,513	1,041,005
		18,891,462	12,479,136	12,814,707
Expenditure from operating activities				
Employee costs		(13,080,216)	(12,225,725)	(11,985,880)
Materials and contracts		(16,077,824)	(8,917,154)	(12,034,624)
Utility charges		(911,466)	(902,165)	(914,233)
Depreciation on non-current assets	5	(6,482,590)	(5,941,390)	(6,479,266)
Interest expenses	13(d)	(126,079)	(150,510)	(146,419)
Insurance expenses		(495,582)	(439,641)	(446,457)
Other expenditure		(4,081,500)	(619,512)	(2,060,683)
Loss on asset disposals	4(b)	(100,850)	(105,415)	(47,763)
		(41,356,107)	(29,301,512)	(34,115,325)
Non-cash amounts excluded from operating activities	2(b)	6,636,814	5,380,355	5,531,024
Amount attributable to operating activities		(9,175,901)	(5,554,678)	(10,137,222)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	10(b)	24,358,439	10,215,931	19,761,372
Payments for property, plant and equipment	4(a)	(24,787,668)	(5,568,786)	(15,146,112)
Payments for construction of infrastructure	4(a)	(8,149,746)	(7,924,906)	(9,852,727)
Payments for financial assets at amortised cost - self supporting loans	6(a)	0	(120,000)	(120,000)
Proceeds from disposal of assets	4(b)	654,994	1,816,251	2,337,674
Proceeds from financial assets at amortised cost - self supporting loans	6(a)	44,698	41,243	41,243
Amount attributable to investing activities		(7,879,283)	(1,540,267)	(2,978,550)
Amount attributable to investing activities		(7,879,283)	(1,540,267)	(2,978,550)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(483,493)	(529,208)	(529,208)
Principal elements of finance lease payments	7	(83,982)	(72,917)	(44,396)
Proceeds from new borrowings	6(b)	300,000	120,000	120,000
Transfers to cash backed reserves (restricted assets)	8(a)	(5,630,108)	(6,810,965)	(6,946,092)
Transfers from cash backed reserves (restricted assets)	8(a)	6,654,173	3,938,589	4,635,036
Amount attributable to financing activities		756,590	(3,354,501)	(2,764,660)
Budgeted deficiency before general rates		(16,298,594)	(10,449,446)	(15,880,432)
Estimated amount to be raised from general rates	1(a)	17,713,787	17,101,376	17,195,917
Net current assets at end of financial year - surplus/(deficit)	2	1,415,193	6,651,930	1,315,485

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

SHIRE OF MURRAY
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FOR THE YEAR ENDED 30 JUNE 2022

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1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2021/22 Budgeted rate revenue	2021/22 Budgeted interim rates	2021/22 Budgeted back rates	2021/22 Budgeted total revenue	2020/21 Actual total revenue	2020/21 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
Differential general rate or general rate									
Gross rental valuations									
GRV General	0.09775	6,314	102,408,335	10,010,415	195,640	5,339	10,211,394	9,866,731	9,853,633
GRV Commercial	0.07820	147	17,581,080	1,374,840	0	0	1,374,840	1,362,483	1,359,350
Unimproved valuations									
UV General	0.007032	911	556,082,282	3,910,371	35,000	1,858	3,947,229	3,774,523	3,875,631
Sub-Totals		7,372	676,071,697	15,295,626	230,640	7,197	15,533,463	15,003,737	15,088,614
Minimum									
Minimum payment									
	\$								
Gross rental valuations									
GRV General	1,160	1,634	13,907,615	1,895,440	0	0	1,895,440	1,844,802	1,844,802
GRV Commercial	1,160	25	294,237	29,000	0	0	29,000	28,575	28,575
GRV Lesser Minimum	860	185	334,165	159,100	0	0	159,100	155,955	155,955
Unimproved valuations									
UV General	1,160	216	24,019,522	250,560	0	0	250,560	222,885	222,885
Sub-Totals		2,060	38,555,539	2,334,100	0	0	2,334,100	2,252,217	2,252,217
		9,432	714,627,236	17,629,726	230,640	7,197	17,867,563	17,255,954	17,340,831
Concessions (Refer note 1(f))							(158,426)	(160,221)	(149,564)
Ex gratia rates							4,650	5,643	4,650
Total amount raised from general rates							17,713,787	17,101,376	17,195,917
Specified area rates (Refer note 1(d))							189,274	195,157	192,416
Total rates							17,903,061	17,296,533	17,388,333

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.

The general rates detailed for the 2021/22 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

1. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	15/10/2021	0	0.0%	7.0%
Option two				
Rate Smoothing	As scheduled	25	0.0%	7.0%
Option three				
First instalment	15/10/2021	0	0.0%	7.0%
Second instalment	15/12/2021	10	5.5%	7.0%
Third instalment	14/02/2022	10	5.5%	7.0%
Fourth instalment	19/04/2022	10	5.5%	7.0%

In response to the COVID-19 pandemic Council has adopted Policy F9 - COVID19 Financial Hardship. Under that policy, and in line with Local Government (COVID-19 Response) Amendment Order 2021, excluded persons will not be charged the above interest on instalments or overdue rates.

	2021/22 Budget revenue	2020/21 Actual revenue	2020/21 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	83,733	57,526	83,000
Instalment plan interest earned	91,795	53,118	89,995
Unpaid rates and service charge interest earned	180,405	188,130	128,631
Interest on deferred pensioners	11,040	0	10,824
	366,973	298,774	312,450

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 by 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 by 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.

1. RATES AND SERVICE CHARGES (CONTINUED)

(d) Specified Area Rate

	Basis of valuation	Rate in	Rateable value	2021/22 Budget specified area rate revenue	2021/22 Interim specified area rate revenue	2021/22 Back specified area rate revenue	2021/22 Total budget specified area rate revenue	2020/21 Actual revenue	2020/21 Budget revenue
Specified area rate		\$	\$	\$	\$	\$	\$	\$	\$
Yunderup Canal Entrance Dredging	GRV	0.0071548	8,242,912	58,976	0	0	58,976	58,301	58,089
Yunderup Canal Maintenance	GRV	0.0066650	7,802,162	52,001	0	0	52,001	51,400	51,274
Murray Lakes Canal Maintenance	GRV	0.0067115	4,833,320	32,439	0	0	32,439	32,099	32,062
Willow Gardens Canal Maintenance	GRV	0.0067200	966,650	6,496	0	0	6,496	6,431	6,431
Austin Lakes Phase 2 Maintenance	GRV	0.0059760	6,586,700	39,362	0	0	39,362	46,926	44,560
			28,431,744	189,274	0	0	189,274	195,157	192,416

	Purpose of the rate	Budgeted rate applied to costs	Budgeted rate set aside to reserve	Reserve Amount to be applied to costs
Specified area rate		\$	\$	\$
Yunderup Canal Entrance Dredging	For the purpose of dredging the entrance channel to Yunderup Stage 1 Estate, The Moorings and Sapphire Waters.	0	58,976	0
Yunderup Canal Maintenance	For the purpose of maintaining the canal waterway and associated infrastructure.	0	52,001	41,416
Murray Lakes Canal Maintenance	For the purpose of maintaining the canal waterway and associated infrastructure.	0	32,439	155,953
Willow Gardens Canal Maintenance	For the purpose of maintaining the canal waterway and associated infrastructure.	0	6,496	24,346
Austin Lakes Phase 2 Maintenance	For the purpose of maintaining the lake and public open space in Austin Lakes Estate Phase 2.	0	39,362	0
		0	189,274	221,715

(e) Service Charges

The Shire does not anticipate raising service charges for the year ended 30th June 2022.

1. RATES AND SERVICE CHARGES (CONTINUED)

(f) Waivers or concessions

Rate or fee and charge to which the waiver or concession is granted	Type	Discount %	Discount (\$)	2021/22 Budget	2020/21 Actual	2020/21 Budget	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
Primary Producer	Concession	14.80%		\$ 143,998	\$ 140,810	\$ 141,673	Bona-fide primary producers residing within the Shire as per Policy F7	In recognition of the critical economic importance of the agricultural industry, Council has adopted Policy F7 to assist bona-fide primary producers
Primary Producer	Concession	7.40%		6,615	6,699	6,697	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
Wheeler Airfield	Concession		1,400	1,400	1,186	0	Applied to the property located at Lot 7 Mounsey Road, West Coolup whilst the property is made available as a recognised forward fire base	Concession applied in recognition of the community benefit afforded by the use of the airfield in assisting with firefighting activities
Pinjarra Paceway	Concession		5,219	5,219	10,332	0	Applied to the property located at 7 Paceway Court Pinjarra	Concession applied to reduce rates on the property to an equitable level in recognition of the importance of the equine industry to the district
				158,426	160,221	149,564		

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

2. NET CURRENT ASSETS

	2021/22 Budget 30 June 2022	2020/21 Actual 30 June 2021	2020/21 Budget 30 June 2021
Note	\$	\$	\$
(a) Composition of estimated net current assets			
Current assets			
Cash and cash equivalents - unrestricted	3,917,823	8,284,560	2,750,644
Cash and cash equivalents - restricted	10,707,625	20,401,022	11,350,202
Financial assets - unrestricted	23,876	44,698	44,115
Receivables	2,570,400	4,545,400	3,620,865
Inventories	30,281	206,299	33,175
	17,250,005	33,481,979	17,799,001
Less: current liabilities			
Trade and other payables	(3,169,244)	(4,269,244)	(3,050,423)
Contract liabilities	0	(3,527,400)	0
Unspent non-operating grant, subsidies and contributions liability	0	(5,141,932)	0
Lease liabilities	(73,444)	(74,138)	(32,079)
Long term borrowings	(414,615)	(483,493)	(482,910)
Employee provisions	(2,531,069)	(2,531,069)	(2,746,226)
	(6,188,372)	(16,027,276)	(6,311,638)
Net current assets	11,061,633	17,454,703	11,487,363
Less: Total adjustments to net current assets	(9,646,440)	(10,802,773)	(10,171,878)
Net current assets used in the Rate Setting Statement	1,415,193	6,651,930	1,315,485

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

2. NET CURRENT ASSETS (CONTINUED)

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

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.

(b) Operating activities excluded from budgeted deficiency

The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with *Financial Management Regulation 32*.

Adjustments to operating activities

	Note	2021/22 Budget 30 June 2022	2020/21 Actual 30 June 2021	2020/21 Budget 30 June 2021
		\$	\$	\$
Less: Profit on asset disposals	4(b)	(172,586)	(707,513)	(1,041,005)
Add: Loss on disposal of assets	4(b)	100,850	105,415	47,763
Add: Depreciation on assets	5	6,482,590	5,941,390	6,479,266
Movement in non-current pensioner deferred rates		0	(62,937)	0
Movement in non-current employee provisions		225,960	104,000	45,000
Non cash amounts excluded from operating activities		6,636,814	5,380,355	5,531,024

(c) 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 in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

Adjustments to net current assets

Less: Cash - restricted reserves	8	(10,707,625)	(11,731,690)	(11,350,202)
Less: Current assets not expected to be received at end of year				
- Current portion of self supporting loans receivable		(23,876)	(44,698)	(44,115)
- Land held for resale		0	(181,018)	0
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		414,615	483,493	482,910
- Current portion of lease liabilities		73,444	74,138	32,079
- Movement in provisions between current and non-current provisions		0	0	110,448
- Current portion of employee benefit provisions held in reserve		597,002	597,002	597,002
Total adjustments to net current assets		(9,646,440)	(10,802,773)	(10,171,878)

2 (d) NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

An 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 or 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.

PREPAID RATES

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

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.

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.

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.

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.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

The Shire applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

2 (d) NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

PROVISIONS

Provisions are recognised when the Shire has a present 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.

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, 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'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'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.

CONTRACT LIABILITIES

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

3. RECONCILIATION OF CASH

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

	Note	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
Cash at bank and on hand		12,121,418	26,181,552	14,100,846
Term deposits		2,504,030	2,504,030	0
Total cash and cash equivalents		14,625,448	28,685,582	14,100,846
Held as				
- Unrestricted cash and cash equivalents		3,917,823	8,284,560	2,750,644
- Restricted cash and cash equivalents		10,707,625	20,401,022	11,350,202
		14,625,448	28,685,582	14,100,846
Restrictions				
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents		10,707,625	20,401,022	11,350,202
		10,707,625	20,401,022	11,350,202
The restricted assets are a result of the following specific purposes to which the assets may be used:				
Reserves - cash/financial asset backed	8	10,707,625	11,731,690	11,350,202
Contract liabilities		0	3,527,400	0
Unspent non-operating grants, subsidies and contribution liabilities		0	5,141,932	0
		10,707,625	20,401,022	11,350,202
Reconciliation of net cash provided by operating activities to net result				
Net result		19,607,581	10,494,931	15,656,671
Depreciation	5	6,482,590	5,941,390	6,479,266
(Profit)/loss on sale of asset	4(b)	(71,736)	(602,098)	(993,242)
(Increase)/decrease in receivables		1,975,000	858,359	1,675,000
(Increase)/decrease in inventories		(5,000)	2,895	(5,000)
Increase/(decrease) in payables		(1,100,000)	1,572,764	600,000
Increase/(decrease) in contract liabilities		(3,527,400)	3,527,400	0
Increase/(decrease) in unspent non-operating grants		(5,141,932)	(415,615)	(5,565,232)
Increase/(decrease) in employee provisions		225,960	328,000	235,000
Non-operating grants, subsidies and contributions		(18,198,507)	(9,800,316)	(16,342,174)
Net cash from operating activities		246,556	11,907,710	1,740,289

SIGNIFICANT ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

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

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

FINANCIAL ASSETS AT AMORTISED COST

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

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

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program											2021/22 Budget total	2020/21 Actual total	2020/21 Budget total
	Governance	General purpose funding	Law, order, public safety	Health	Education and welfare	Housing	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>														
Buildings - non-specialised								5,520,104	16,971	17,617,055		23,154,130	4,292,088	13,728,592
Furniture and equipment	136,498							140,190				276,688	334,452	260,385
Plant and equipment			239,400	29,960			74,900	303,110	645,015	64,465		1,356,850	942,246	1,157,135
	136,498	0	239,400	29,960	0	0	74,900	5,963,404	661,986	17,681,520	0	24,787,668	5,568,786	15,146,112
<i>Infrastructure</i>														
Infrastructure - roads									3,496,550			3,496,550	2,816,340	3,094,447
Infrastructure - footpaths									409,724			409,724	261,360	295,615
Infrastructure - drainage									85,312			85,312	21,958	64,385
Infrastructure - bridges									319,225			319,225	3,854,522	4,847,646
Infrastructure - other							310,081	3,159,733	272,621	96,500		3,838,935	970,726	1,550,634
	0	0	0	0	0	0	310,081	3,159,733	4,583,432	96,500	0	8,149,746	7,924,906	9,852,727
<i>Right of use assets</i>														
Right of use - buildings												0	186,356	0
Right of use - plant and equipment			9,844									9,844	4,186	0
	0	0	9,844	0	0	0	0	0	0	0	0	9,844	190,542	0
Total acquisitions	136,498	0	249,244	29,960	0	0	384,981	9,123,137	5,245,418	17,778,020	0	32,947,258	13,684,234	24,998,839

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

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 may be recognised as one asset and capitalised.

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

4. FIXED ASSETS

(b) Disposals of Assets

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

	2021/22 Budget Net Book Value	2021/22 Budget Sale Proceeds	2021/22 Budget Profit	2021/22 Budget Loss	2020/21 Actual Net Book Value	2020/21 Actual Sale Proceeds	2020/21 Actual Profit	2020/21 Actual Loss	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Governance	0	0	0	0	61,424	78,009	16,585	0	17,100	12,540	0	(4,560)
Law, order, public safety	36,554	23,120	0	(13,434)	20,728	21,364	636	0	40,612	26,099	0	(14,513)
Health	13,908	9,630	0	(4,278)	0	0	0	0	0	0	0	0
Community amenities	16,212	12,840	0	(3,372)	20,261	21,137	876	0	28,500	23,205	0	(5,295)
Recreation and culture	170,298	117,335	0	(52,963)	105,326	56,192	4,439	(53,573)	50,510	43,305	150	(7,355)
Transport	110,095	102,470	15,000	(22,625)	282,342	260,000	29,500	(51,842)	302,620	287,525	945	(16,040)
Economic services	55,173	50,995	0	(4,178)	0	0	0	0	0	0	0	0
Other property and services	181,018	338,604	157,586	0	724,072	1,379,549	655,477	0	905,090	1,945,000	1,039,910	0
	583,258	654,994	172,586	(100,850)	1,214,153	1,816,251	707,513	(105,415)	1,344,432	2,337,674	1,041,005	(47,763)
By Class												
<i>Property, Plant and Equipment</i>												
Furniture and equipment	0	0	0	0	52,003	5,580	0	(46,423)	0	0	0	0
Plant and equipment	402,240	316,390	15,000	(100,850)	438,078	431,122	52,036	(58,992)	439,342	392,674	1,095	(47,763)
<i>Land Held for Resale</i>												
Land held for resale	181,018	338,604	157,586	0	724,072	1,379,549	655,477	0	905,090	1,945,000	1,039,910	0
	583,258	654,994	172,586	(100,850)	1,214,153	1,816,251	707,513	(105,415)	1,344,432	2,337,674	1,041,005	(47,763)

A detailed breakdown of disposals on an individual asset basis can be found in the supplementary information attached to this budget document on page 37.

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

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

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

5. ASSET DEPRECIATION

By Program

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

2021/22 Budget	2020/21 Actual	2020/21 Budget
\$	\$	\$
172,913	164,483	163,649
185	169	184
4,287	3,930	4,291
13,284	13,833	13,292
70,123	38,005	66,147
1,257,351	1,221,287	1,135,879
4,194,269	3,850,661	4,412,682
90,904	87,545	30,848
679,274	561,477	652,294
6,482,590	5,941,390	6,479,266

By Class

Buildings - non-specialised
Furniture and equipment
Plant and equipment
Infrastructure - roads
Infrastructure - footpaths
Infrastructure - drainage
Infrastructure - bridges
Infrastructure - other
Right of use - buildings
Right of use - plant and equipment
Right of use - furniture and fittings

808,269	740,910	754,446
111,237	106,500	68,145
608,290	537,857	610,860
2,798,928	2,565,683	3,049,600
232,307	212,948	214,251
387,926	355,599	385,200
745,463	683,341	734,384
732,613	689,394	641,219
8,306	8,306	7,186
12,001	17,662	13,975
37,250	23,190	0
6,482,590	5,941,390	6,479,266

SIGNIFICANT ACCOUNTING POLICIES

DEPRECIATION

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

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

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

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

Buildings

Long Life Buildings	84 to 120 years
Medium Life Buildings	56 to 80 years
Short Life Buildings	42 to 60 years
Roof	42 to 60 years
Mechanical	14 to 20 years
Fitout	17 to 25 years
Furniture and Equipment	4 to 40 years
Plant and Equipment	3 to 50 years

Sealed Roads

Formation	not depreciated
Pavement (distributors)	42 to 60 years
Pavement (access)	64 to 80 years
Seal (Bituminous)	17 to 25 years
Seal (Asphalt)	21 to 30 years

Gravel roads

Formation	not depreciated
Pavement	24 to 30 years
Gravel Sheet	12 years

Formed Roads (unsealed)

Formation	not depreciated
Footpaths	
Concrete	48 to 60 years
Brick Paved	40 to 50 years
Limestone	15 to 20 years
Sealed	20 to 25 years
Gravel/Timber	15 to 25 years

Stormwater Drainage

Pits	80 to 100 years
Pipes	50 to 100 years
Bridges	60 to 100 years
Other Infrastructure	10 to 100 years

AMORTISATION

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

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

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

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Interest Rate	Budget	2021/22	2021/22	Budget	2021/22	Actual	2020/21	2020/21	Actual	2020/21	Budget	2020/21	2020/21	Budget	2020/21	
			Principal	Budget	Budget	Principal	Actual		Actual	Actual	Actual	Principal		Budget	Budget	Budget	Principal	Budget
			1 July 2021	New Loans	Repayments	outstanding 30 June 2022	Repayments	1 July 2020	New Loans	Repayments	Principal outstanding 30 June 2021	Repayments	1 July 2020	New Loans	Repayments	outstanding 30 June 2021	Repayments	
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Governance																		
Administration Centre Extension	161	6.9%	84,748		(84,748)	0	(4,753)	163,830	0	(79,082)	84,748	(10,907)	163,830	0	(79,082)	84,748	(10,907)	
Administration Centre Extension	173	6.1%	0		0	0	0	64,483	0	(64,483)	0	(3,359)	64,483	0	(64,483)	0	(3,359)	
Recreation and culture																		
Lots 85-88 George Street	174e	3.04%	327,377		(78,178)	249,199	(11,564)	403,232	0	(75,855)	327,377	(14,347)	403,232	0	(75,855)	327,377	(14,347)	
Lot 1213 South Western Highway	175a	3.11%	512,727		(107,867)	404,860	(18,385)	617,316	0	(104,589)	512,727	(22,405)	617,315	0	(104,589)	512,726	(22,406)	
Murray Foreshore Upgrade	179	1.49%	181,309		(18,970)	162,339	(3,845)	200,000	0	(18,691)	181,309	(4,257)	200,000	0	(18,691)	181,309	(4,257)	
Exchange Hotel Restoration	180	2.13%	262,939		(30,482)	232,457	(7,209)	292,782	0	(29,843)	262,939	(8,058)	292,782	0	(29,843)	262,939	(8,058)	
Sir Ross McLarty Clubrooms	185	2.5%	0	300,000	0	300,000	0	0	0	0	0	0	0	0	0	0	0	
Transport																		
Camp Road Properties	182	3.6%	592,855		(27,914)	564,941	(25,095)	619,784	0	(26,929)	592,855	(26,272)	619,784	0	(26,929)	592,855	(26,272)	
Economic services																		
Underground Power	178	3.3%	645,864		(33,952)	611,912	(25,345)	678,729	0	(32,865)	645,864	(26,665)	678,729	0	(32,865)	645,864	(26,665)	
Dwellingup Trails Centre	184	1.9%	899,372		(56,684)	842,688	(22,864)	955,000	0	(55,628)	899,372	(24,312)	955,000	0	(55,628)	899,372	(24,311)	
			3,507,191	300,000	(438,795)	3,368,396	(119,060)	3,995,156	0	(487,965)	3,507,191	(140,582)	3,995,155	0	(487,965)	3,507,190	(140,582)	
Self Supporting Loans																		
Recreation and culture																		
Yunderup Sport & Recreation Club	181	0.0208	20,944	0	(20,944)	0	(232)	62,187	0	(41,243)	20,944	(1,327)	62,187	0	(41,243)	20,944	(1,327)	
Pinjarra Bowling & Recreation Club	183	0.0175	120,000	0	(23,754)	96,246	(1,311)	0	120,000	0	120,000	(384)	0	120,000	0	120,000	0	
			140,944	0	(44,698)	96,246	(1,543)	62,187	120,000	(41,243)	140,944	(1,711)	62,187	120,000	(41,243)	140,944	(1,327)	
			3,648,135	300,000	(483,493)	3,464,642	(120,603)	4,057,343	120,000	(529,208)	3,648,135	(142,293)	4,057,342	120,000	(529,208)	3,648,134	(141,909)	

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.
The self supporting loan(s) repayment will be fully reimbursed.

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

6. INFORMATION ON BORROWINGS

(b) New borrowings - 2021/22

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
Loan 185 - SRMO Clubrooms	WATC	Debenture	10	2.5%	\$ 300,000	\$ 40,922	\$ 300,000	\$ 0
					300,000	40,922	300,000	0

(c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30th June 2021 nor is it expected to have unspent borrowing funds as at 30th June 2022.

(d) Credit Facilities

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Undrawn borrowing facilities credit standby arrangements			
Bank overdraft limit	0	0	0
Bank overdraft at balance date	0	0	0
Credit card limit	200,000	200,000	200,000
Credit card balance at balance date	(10,000)	(6,246)	(10,000)
Total amount of credit unused	190,000	193,754	190,000
Loan facilities			
Loan facilities in use at balance date	3,464,642	3,648,135	3,648,134

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.

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

7. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease	2021/22 Budget	Budget Lease	2021/22 Budget	Actual Principal	2020/21 Actual	Actual Lease	2020/21 Actual	Budget Lease	2020/21 Budget	Budget Lease	Budget Lease	2020/21 Budget		
					Principal 1 July 2021	New Leases	Principal Repayments	outstanding 30 June 2022		Interest Repayments	Principal 1 July 2020	New Leases	Principal repayments	outstanding 30 June 2021	Interest repayments	Principal 1 July 2020	New Leases	Principal repayments	outstanding 30 June 2021
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Law, order, public safety																			
Ford Ranger MY12336	4	Toyota Financial	2.13%	36	0	0	0	0	537	0	(537)	0	(1)	537	0	(537)	0	(1)	
Ford Ranger MY12336	4a	Fleet Partners	2.13%	14	704	0	(704)	0	0	4,186	(3,482)	704	(49)	0	0	0	0	0	
Ford Ranger PX MKII	11	Fleet Partners	2.13%	24	1,144	0	(1,144)	0	14,719	0	(13,575)	1,144	(159)	14,719	0	(13,575)	1,144	(182)	
Ford Ranger PX MKII	11a	Fleet Partners	1.25%	10	0	9,844	(9,844)	0	0	0	0	0	0	0	0	0	0	0	
Recreation and culture																			
Pinjarra Court House	12	National Trust	2.13%	480	92,091	0	(1,538)	90,553	(1,962)	93,597	0	(1,506)	92,091	(3,789)	93,597	0	(1,506)	92,091	(1,994)
Solar Panels MALC	15	Capital Finance	2.13%	60	77,389	0	(24,545)	52,844	(1,410)	101,417	0	(24,028)	77,389	(1,824)	101,417	0	(24,028)	77,389	(1,926)
Cardio Equipment MALC	16	Maia Financial	1.11%	48	81,359	0	(22,924)	58,435	(808)	0	92,726	(11,367)	81,359	(720)	0	0	0	0	0
Transport																			
Solar Panels Ops Centre	1	Maia Financial	2.13%	60	16,153	0	(4,852)	11,301	(305)	20,903	0	(4,750)	16,153	(587)	20,903	0	(4,750)	16,153	(407)
Other property and services																			
Photocopiers	17	Maia Financial	1.26%	60	79,957	0	(18,431)	61,526	(921)	0	93,629	(13,672)	79,957	(1,088)	0	0	0	0	0
					348,797	9,844	(83,982)	274,659	(5,476)	231,173	190,541	(72,917)	348,797	(8,217)	231,173	0	(44,396)	186,777	(4,510)

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.

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.

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

8. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2021/22 Budget Opening Balance	2021/22 Budget Transfer to	2021/22 Budget Transfer (from)	2021/22 Budget Closing Balance	2020/21 Actual Opening Balance	2020/21 Actual Transfer to	2020/21 Actual Transfer (from)	2020/21 Actual Closing Balance	2020/21 Budget Opening Balance	2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance
(a) Reserves cash backed - Leave reserve	\$ 597,002	\$ 0	\$ 0	\$ 597,002	\$ 597,002	\$ 0	\$ 0	\$ 597,002	\$ 597,002	\$ 0	\$ 0	\$ 597,002
(b) Workers Compensation Reserve	198,003	0	0	198,003	198,003	0	0	198,003	198,003	0	0	198,003
(c) Waste Management Reserve	2,736,768	3,243,625	(4,091,554)	1,888,839	2,686,253	3,287,341	(3,236,826)	2,736,768	2,732,981	3,155,447	(3,740,772)	2,147,656
(d) Peel Mosquito Management Reserve	0	4,500	0	4,500	17,184	0	(17,184)	0	16,828	2,300	0	19,128
(e) Yunderup Canal General Maintenance Reserve	313,614	52,001	(41,416)	324,199	281,350	51,400	(19,136)	313,614	281,377	51,274	(46,520)	286,131
(f) Willow Gardens General Canal Maintenance Reserve	78,232	6,495	(24,346)	60,381	73,353	6,431	(1,552)	78,232	73,355	6,431	(75,033)	4,753
(g) Murray Lakes General Canal Maintenance Reserve	370,197	32,439	(155,953)	246,683	347,079	32,099	(8,981)	370,197	347,094	32,062	(20,086)	359,070
(h) Entrance Channel Reserve	326,263	117,954	0	444,217	209,662	116,601	0	326,263	218,370	116,178	0	334,548
(i) Austin Lakes Phase 2 Maintenance Reserve	285,151	39,362	0	324,513	238,225	46,926	0	285,151	238,225	44,560	0	282,785
(j) Asset Enhancement Reserve	2,842,899	840,000	(1,700,312)	1,982,587	687,459	2,414,549	(259,109)	2,842,899	617,609	2,980,000	(295,434)	3,302,175
(k) Building Renewal Reserve	239,411	41,417	(10,000)	270,828	235,060	36,351	(32,000)	239,411	235,060	36,351	0	271,411
(l) Plant & Vehicle Reserve	676,823	31,361	0	708,184	652,167	53,636	(28,980)	676,823	845,869	0	(28,980)	816,889
(m) Road, Drainage & Pathway Reserve	599,918	1,037,932	(30,940)	1,606,910	240,031	359,887	0	599,918	240,031	230,240	0	470,271
(n) Parks & Recreation Reserve	491,948	0	(49,191)	442,757	344,180	147,768	0	491,948	344,180	147,768	0	491,948
(o) Heritage Rail Precinct Reserve	39,794	44,270	(36,500)	47,564	52,190	30,865	(43,261)	39,794	52,633	44,270	(47,190)	49,713
(p) General Developers Reserve	896,697	0	(262,042)	634,655	865,826	160,321	(129,450)	896,697	865,826	0	(348,492)	517,334
(q) Austin Lakes Asset Replacement Reserve	668,810	21,500	0	690,310	667,103	1,707	0	668,810	667,103	21,500	0	688,603
(r) Murray Leisure Centre Capital Reserve	215,876	73,758	(69,390)	220,244	315,269	34,217	(133,610)	215,876	315,269	34,217	0	349,486
(s) Herron Point Reserve	154,284	43,494	(182,529)	15,249	151,918	30,866	(28,500)	154,284	152,331	43,494	(32,529)	163,296
	11,731,690	5,630,108	(6,654,173)	10,707,625	8,859,314	6,810,965	(3,938,589)	11,731,690	9,039,146	6,946,092	(4,635,036)	11,350,202

(b) Cash Backed Reserves - Purposes

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

Reserve name	Purpose of the reserve
(a) Reserves cash backed - Leave reserve	To fund annual and long service leave/termination entitlements.
(b) Workers Compensation Reserve	To provide contingency funds for the annual workers compensation insurance premium under the performance based contributions scheme.
(c) Waste Management Reserve	To provide for current and future waste management services for the Shire of Murray.
(d) Peel Mosquito Management Reserve	To provide contingency funds for the Peel Mosquito Management Group as per the CLAG memorandum of understanding.
(e) Yunderup Canal General Maintenance Reserve	To receive specified area rates to be used in maintaining the canal waterway and associated infrastructure.
(f) Willow Gardens General Canal Maintenance Reserve	To receive specified area rates to be used in maintaining the canal waterway and associated infrastructure.
(g) Murray Lakes General Canal Maintenance Reserve	To receive specified area rates to be used in maintaining the canal waterway and associated infrastructure.
(h) Entrance Channel Reserve	To receive specified area rates for the purpose of dredging the entrance channel to Yunderup Estate and Murray Waters.
(i) 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.
(j) Asset Enhancement Reserve	Provision for the construction, acquisition, upgrade or maintenance of property, plant & equipment, excluding heavy plant and light vehicles.
(k) Building Renewal Reserve	Provision for the renewal of building assets.
(l) Plant & Vehicle Reserve	Provision for the replacement or purchase of heavy plant and light vehicles.
(m) Road, Drainage & Pathway Reserve	Provision for the construction, upgrade or renewal of infrastructure assets.
(n) Parks & Recreation Reserve	Provision for the construction, upgrade or renewal of infrastructure assets associated with parks, recreation, waterways and streetscapes.
(o) Heritage Rail Precinct Reserve	Provision for the upgrade and maintenance of the rail heritage building and surrounding precinct.
(p) General Developers Reserve	To receive developer's contributions to assist in the construction or upgrade of infrastructure associated with new land developments.
(q) 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.
(r) Murray Leisure Centre Capital Reserve	Provision for the renewal of capital items at the Murray Aquatic & Leisure Centre.
(s) Herron Point Reserve	To receive excess revenue proceeds from the Herron Point Camping Grounds to assist in the future upgrade and development of the area.

A detailed breakdown of budgeted transfers to and from reserves during 2021/2022 can be found in the supplementary information attached to this budget document.

9. FEES & CHARGES REVENUE

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Governance	310	226	306
General purpose funding	155,520	178,600	153,380
Law, order, public safety	133,361	144,827	131,096
Health	80,397	76,562	78,454
Education and welfare	111	2,409	109
Housing	25,490	21,603	25,220
Community amenities	3,387,572	3,746,834	3,326,141
Recreation and culture	939,486	854,508	882,525
Transport	33,570	203,731	35,176
Economic services	374,767	448,776	327,054
Other property and services	4,207,761	707,921	595,085
	9,338,345	6,385,997	5,554,546

10. GRANT REVENUE

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
By Program:			
(a) Operating grants, subsidies and contributions			
Governance	0	0	11,200
General purpose funding	1,104,775	2,373,575	1,103,193
Law, order, public safety	601,640	587,824	539,171
Education and welfare	62,726	26,841	12,777
Community amenities	77,367	137,632	131,748
Recreation and culture	170,343	112,521	167,137
Transport	318,335	286,427	248,335
Economic services	6,248,577	739,937	3,225,354
Other property and services	0	23,726	0
	8,583,763	4,288,483	5,438,915
(b) Non-operating grants, subsidies and contributions			
Law, order, public safety	0	15,453	0
Community amenities	10,000	0	0
Recreation and culture	4,995,483	253,685	842,422
Transport	2,528,639	5,539,439	5,731,939
Economic services	16,824,317	4,407,354	13,187,011
	24,358,439	10,215,931	19,761,372
Total grants, subsidies and contributions	32,942,202	14,504,414	25,200,287

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

11. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contractual commitments	General appropriations and contributions with no specific contractual commitments	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	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. ELECTED MEMBERS REMUNERATION

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
President			
President's allowance	36,058	35,525	35,525
Meeting attendance fees	15,969	15,733	15,733
Annual allowance for ICT expenses	3,500	3,500	3,500
Annual allowance for travel and accommodation expenses	50	50	50
	55,577	54,808	54,808
Deputy President			
Deputy President's allowance	9,015	8,881	8,881
Meeting attendance fees	15,969	15,733	15,733
Annual allowance for ICT expenses	3,500	3,500	3,500
Annual allowance for travel and accommodation expenses	50	50	50
	28,534	28,164	28,164
Councillor 1			
Meeting attendance fees	15,969	15,733	15,733
Annual allowance for ICT expenses	3,500	3,500	3,500
Annual allowance for travel and accommodation expenses	50	50	50
	19,519	19,283	19,283
Councillor 2			
Meeting attendance fees	15,969	15,733	15,733
Annual allowance for ICT expenses	3,500	3,500	3,500
Annual allowance for travel and accommodation expenses	50	50	50
	19,519	19,283	19,283
Councillor 3			
Meeting attendance fees	15,969	15,733	15,733
Annual allowance for ICT expenses	3,500	3,500	3,500
Annual allowance for travel and accommodation expenses	50	50	50
	19,519	19,283	19,283
Councillor 4			
Meeting attendance fees	15,969	15,733	15,733
Annual allowance for ICT expenses	3,500	3,500	3,500
Annual allowance for travel and accommodation expenses	50	50	50
	19,519	19,283	19,283
Councillor 5			
Meeting attendance fees	15,969	15,733	15,733
Annual allowance for ICT expenses	3,500	3,500	3,500
Annual allowance for travel and accommodation expenses	50	50	50
	19,519	19,283	19,283
Councillor 6			
Meeting attendance fees	15,969	15,733	15,733
Annual allowance for ICT expenses	3,500	3,500	3,500
Annual allowance for travel and accommodation expenses	50	50	50
	19,519	19,283	19,283
Councillor 7			
Meeting attendance fees	15,969	15,733	15,733
Annual allowance for ICT expenses	3,500	3,500	3,500
Annual allowance for travel and accommodation expenses	50	50	50
	19,519	19,283	19,283
Total Elected Member Remuneration	220,744	217,953	217,953
President's allowance	36,058	35,525	35,525
Deputy President's allowance	9,015	8,881	8,881
Meeting attendance fees	143,721	141,597	141,597
Annual allowance for ICT expenses	31,500	31,500	31,500
Annual allowance for travel and accommodation expenses	450	450	450
	220,744	217,953	217,953

13. OTHER INFORMATION

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	33,048	22,674	71,400
- Other funds	39,372	31,716	71,400
Late payment of fees and charges *	180,405	188,129	218,626
Other interest revenue	102,835	53,118	10,824
	355,660	295,637	372,250
* The Shire has resolved to charge interest under section 6.13 for the late payment of any amount of money at 7%.			
(b) Other revenue			
Reimbursements and recoveries	178,223	343,921	136,894
Other	73,611	262,428	78,681
	251,834	606,349	215,575
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	31,500	24,010	31,000
Other services	5,955	4,420	5,720
	37,455	28,430	36,720
(d) Interest expenses (finance costs)			
Borrowings (refer Note 6(a))	120,603	142,293	141,909
Interest expense on lease liabilities (refer note 7)	5,476	8,217	4,510
	126,079	150,510	146,419
(e) Write offs			
General rate	1,000	19,935	1,000
	1,000	19,935	1,000
(f) Low Value lease expenses			
Office equipment	174,432	203,221	189,493
Plant and equipment	22,424	273	36,683
	196,856	203,494	226,176

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

14. MAJOR LAND TRANSACTIONS

Lot 102 Lakes Road, North Dandalup

(a) Details

Freehold land held by Council situated at Lot 102 Lakes Road, North Dandalup has been subdivided into residential lots ranging in size from 2020sqm to 3185sqm. The lots are all cleared and serviced with sealed road, bitumen crossovers, front boundary fences, scheme water and underground power. As at 30 June 2020 there were 2 lots available for sale.

(b) Current year transactions

Note	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Capital revenue			
Proceeds on sale of land	4(b) 338,604		1,945,000
	338,604	0	1,945,000

(c) Expected future cash flows

	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	\$	\$	\$	\$	\$	\$
Cash Inflows						
Proceeds on sale of land	4(b) 338,604	0	0	0	0	338,604
	338,604	0	0	0	0	338,604
Net cash flows	338,604	0	0	0	0	338,604

15. TRUST FUNDS

Funds held at balance date which are required by legislation to be credited to the trust fund and which are not included in the financial statements are as follows:

Detail	Balance 30 June 2021	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2022
	\$	\$	\$	\$
Unclaimed Monies	48,720	1,000	(14,496)	35,224
	48,720	1,000	(14,496)	35,224

16. SIGNIFICANT ACCOUNTING POLICIES - OTHER INFORMATION

GOODS AND SERVICES TAX (GST)

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

ROUNDING OFF FIGURES

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

COMPARATIVE FIGURES

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

BUDGET COMPARATIVE FIGURES

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

**SUPPLEMENTARY NOTES TO THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2022**

ASSET ACQUISITIONS

	2021/22 Budget \$	Funding Sources					Comments
		Municipal Funds	Grants & Contributions	Loan Borrowings	Reserve Funds	Asset Sales	
<u>Furniture & Equipment</u>							
Corporate Business System - OpenOffice	122,206	-			122,206		Asset Enhancement Reserve
Computer Software	14,292	14,292					Agenda & Minutes
Murray Aquatic & Leisure Centre Pool Equipment	61,000	61,000					
Murray Aquatic & Leisure Centre Boiler Units	69,390	-			69,390		Murray Leisure Centre Capital Reserve
Murray Aquatic & Leisure Centre Capital Equipment	9,800	9,800					
	276,688	85,092	-	-	191,596	-	
<u>Land & Buildings</u>							
CWA Hall North Yunderup	200,000	-			200,000		Asset Enhancement Reserve
Dwellingup National Adventure & Trails Centre	102,909	102,909					
Exchange Hotel	80,722	80,722					
Edenvale Basement Conservations Works	85,000	85,000					
Edenvale Building Conservation Works	76,249	76,249					
George Beacham Pavilion	7,226	7,226					
Herron Point Toilets	150,000	-			150,000		Herron Point Reserve
Lovegrove Street Clubrooms	10,000	-			10,000		Building Renewal Reserve
McLarty Event Space Clubrooms	33,236	33,236					
MALC Building Renewal	45,952	45,952					
MALC Pool & Flooring Refurbishment	240,000	240,000					
MALC Refurbishment of Basketball Courts	6,657	6,657					Reseal of court floors
Operation Centre	16,971	16,971					
Pinjarra Heritage Rail Station	17,310	17,310					
Pinjarra Court House	19,995	19,995					
Ravenswood Community Centre	900,000	150,000	750,000				
Sir Ross McLarty Clubrooms	2,140,757	60,327	1,780,430	300,000			LCRI & CSRFF
South Yunderup Oval Pavilion	1,657,000	-	1,263,105		393,895		Asset Enhancement Reserve
The Exchange - COVID-19 Recovery Project	981,507	39,829	441,678		500,000		BBRF & Waste Reserve
WA Food Innovation Precinct	16,382,639	-	16,382,639				
	23,154,130	982,383	20,617,852	300,000	1,253,895	-	

**SUPPLEMENTARY NOTES TO THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2022**

ASSET ACQUISITIONS

	2021/22 Budget \$	Funding Sources					Comments
		Municipal Funds	Grants & Contributions	Loan Borrowings	Reserve Funds	Asset Sales	
<u>Plant & Equipment</u>							
Tow Behind Slasher	19,500	19,250				250	
Tow Behind Road Broom	87,000	72,000				15,000	
Miscellaneous Plant	6,875	6,875					
4003MY Utility - Director P&S	37,450	24,610				12,840	
4005MY Utility - Mgr Building	40,660	27,820				12,840	
4006MY Light Vehicle - Civil Design	24,610	17,120				7,490	
4007MY Light Vehicle - Mgr Engineering	29,960	20,330				9,630	
4010MY Light Vehicle - Parks & Waterways	24,610	17,120				7,490	
4018MY Light Vehicle - Mgr Environmental Health	29,960	20,330				9,630	
4028MY Utility - Ranger	64,200	64,200					
4029MY Utility - Ranger	64,200	53,500				10,700	
4031MY Utility - Chief Bushfire Control Officer	43,000	30,580				12,420	
4033MY Light Vehicle - Mgr Tourism	37,450	20,450				17,000	
4034MY Utility - Development Engineer	39,330	28,980				10,350	
4038MY Tipper tray (Mowing)	124,500	94,500				30,000	
4044MY Light Vehicle - Mgr Place & Econ Dev	23,805	16,560				7,245	
4062MY Zero Turn Mower	25,000	18,000				7,000	
4064MY Zero Turn Mower	25,000	18,000				7,000	
4071MY Tractor Mowing	84,500	63,500				21,000	
MY11026 Small Loader	147,000	109,650				37,350	
4073MY Tractor	65,500	55,500				10,000	
4088MY Trailer - Tipper	109,800	84,800				25,000	
4089MY Trailer - Tipper	120,000	95,000				25,000	
MY15047 Heavy Duty Plant Trailer	14,940	14,940					
PV4100 Utility - Coordinator Emergency Services	68,000	68,000					
	1,356,850	1,061,615	-	-	-	295,235	

**SUPPLEMENTARY NOTES TO THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2022**

ASSET ACQUISITIONS

	2021/22 Budget \$	Funding Sources					Comments
		Municipal Funds	Grants & Contributions	Loan Borrowings	Reserve Funds	Asset Sales	
Infrastructure - Other							
Annual Pathway Renewal	109,724	109,724					
Path Upgrades	300,000	200,000	100,000				
Drainage Program	57,267	57,267					Annual renewal program
James Street Drainage	28,045	28,045					
Nicholson Rd Bridge #3358	140,029	-	140,029				Grants Commission Special Grants
Regional Road Bridge Program	179,196	-		179,196			General Developers Reserve
Pinjarra Cemetery Upgrade	20,150	20,150					
Murray River Foreshore Works	340,339	340,339					
Cantwell Park	195,000	195,000					Playground renewal
York Road Park	45,000	45,000					
North Dandalup Public Open Space	500,000	-		500,000			Asset Enhancement Reserve
Minor Parks Development	48,591	48,591					
Sir Ross McLarty Oval Works	150,000	-	150,000				LCRI
Parks & Reserves Renewal Works	176,820	176,820					
Sir Ross McLarty Cricket Wicket	40,949	40,949					
Sandy Cove Park Upgrade	241,590	-	100,000	141,590			Lotterywest; Asset Enhancement Reserve
Ravenswood Canoe Launch Facility	79,000	29,000	50,000				
Dwellingup National Adventure & Trails Centre	81,500	81,500					
North Pinjarra Oval Fencing	15,000	15,000					
Tourism Signage & Wayfinding	15,000	15,000					
Heritage Steam Train	100,000	-		100,000			Asset Enhancement & Heritage Rail Reserves
Corio Road Tip Face	289,931	-		289,931			Waste Reserve
Wharf Cove Boating Facility	545,460	-	409,995	135,465			Murray Lakes Canal Reserve
Waterways Annual Renewal	106,777	36,005		70,772			Willow Gardens General Canal Reserve
Lot 1261 Willowdale Road Gravel Pit	272,621	-		272,621			Asset Enhancement Reserve
James Street Pedestrian Bridge	513,359	21,406	491,953				
Edenvale Signage & Wayfinding	40,000	40,000					
Edenvale Complex Ground Upgrades	21,848	21,848					
	4,653,196	1,521,644	1,441,977	-	1,689,575	-	

**SUPPLEMENTARY NOTES TO THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2022**

ASSET ACQUISITIONS

2021/22 Budget \$	Funding Sources					Comments
	Municipal Funds	Grants & Contributions	Loan Borrowings	Reserve Funds	Asset Sales	

Infrastructure - Road Works

Municipal Funded

Murray Street (Coolup)	10,000	10,000			
Bus Routes	15,000	15,000			
Reseals - Intersections	50,000	50,000			
Reseals - Rural	230,000	230,000			
Reseals - Urban/Industrial	120,000	120,000			
Resheeting	310,333	310,333			
Traffic Management	42,757	42,757			
Kerbing Improvements	41,348	41,348			

Regional Road Group

Burnside Road	110,889	36,963	73,926			Main Roads WA
Lakes Road	375,000	125,000	250,000			Main Roads WA
Hopeland Road	137,647	14,942	91,765	30,940		Main Roads WA; Road, Drainage & Pathways Reserve
Paterson Road	15,000	5,000	10,000			Main Roads WA
Del Park Road	125,000	-	125,000			Main Roads WA; Alcoa \$70K

State Blackspot

Lakes Road	20,000	6,667	13,333			Main Roads WA
Readheads Road	164,550	54,850	109,700			Main Roads WA
Carrabungup Road	357,280	119,093	238,187			Main Roads WA
Nanga Road	40,140	13,380	26,760			Main Roads WA
Corio Road	15,000	5,000	10,000			Main Roads WA
Allambi Way	15,000	5,000	10,000			Main Roads WA

Roads to Recovery

Coolup Road South	100,000	-	100,000			Roads to Recovery
Moore Street	315,000	-	315,000			Roads to Recovery
George Beacham Way	85,000	-	85,000			Roads to Recovery
Resheeting	51,606	-	51,606			Roads to Recovery

**SUPPLEMENTARY NOTES TO THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2022**

ASSET ACQUISITIONS

2021/22 Budget \$	Funding Sources					Comments
	Municipal Funds	Grants & Contributions	Loan Borrowings	Reserve Funds	Asset Sales	

Infrastructure - Road Works (continued)

Other Funded Roadworks

Gull Road

750,000	-	750,000				Main Roads WA
3,496,550	1,205,333	2,260,277	-	30,940	-	
32,937,414	4,856,067	24,320,106	300,000	3,166,006	295,235	

**SUPPLEMENTARY NOTES TO THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2022**

ASSET DISPOSALS

	2021/2022 Budget			
	Net book value	Sale Proceeds	Profit	Loss
	\$	\$	\$	\$
<u>Plant & Equipment</u>				
Tow Behind Slasher	1,456	250	-	(1,206)
Tow Behind Road Broom	-	15,000	15,000	-
4003MY Utility - Director P&S	16,212	12,840	-	(3,372)
4005MY Utility - Mgr Building	15,317	12,840	-	(2,477)
4006MY Light Vehicle - Civil Design	7,980	7,490	-	(490)
4007MY Light Vehicle - Mgr Engineering	12,564	9,630	-	(2,934)
4008MY Light Vehicle - Mgr Investment Attraction	14,793	13,910	-	(883)
4010MY Light Vehicle - Parks & Waterways	8,225	7,490	-	(735)
4018MY Light Vehicle - Mgr Environmental Health	13,908	9,630	-	(4,278)
4026MY Utility - Reticulation	10,700	7,245	-	(3,455)
4029MY Utility - Ranger	17,881	10,700	-	(7,181)
4031MY Utility - Chief Bushfire Control Officer	18,673	12,420	-	(6,253)
4033MY Light Vehicle - Mgr Tourism & Customer Svc	17,063	17,000	-	(63)
4034MY Utility - Development Engineer	14,101	10,350	-	(3,751)
4038MY Tipper tray (Mowing)	37,265	30,000	-	(7,265)
4044MY Light Vehicle - Mgr Place & Econ Dev	8,000	7,245	-	(755)
4062MY Zero Turn Mower	12,291	7,000	-	(5,291)
4064MY Zero Turn Mower	12,291	7,000	-	(5,291)
4071MY Tractor Mowing	41,121	21,000	-	(20,121)
MY11026 Small Loader	46,949	37,350	-	(9,599)
4073MY Tractor	12,000	10,000	-	(2,000)
4088MY Trailer - Tipper	30,780	25,000	-	(5,780)
4089MY Trailer - Tipper	32,670	25,000	-	(7,670)
	402,239	316,390	15,000	(100,850)
<u>Land Held for Resale</u>				
Part lots of 102 Lakes Road	181,018	338,604	157,586	-
	583,257	654,994	172,586	(100,850)

**SUPPLEMENTARY NOTES TO THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2022**

PURPOSE OF TRANSFERS TO/(FROM) RESERVES

Transfers to Reserves

Waste Management Reserve		
Transfer of waste revenue raised		3,243,625
Peel Mosquito Management Reserve		
Transfer of contingency funds as per MOU		4,500
Yunderup Canal General Maintenance Reserve		
Specified Area Rate revenue raised		52,001
Willow Gardens General Canal Maintenance Reserve		
Specified Area Rate revenue raised		6,495
Murray Lakes General Canal Maintenance Reserve		
Specified Area Rate revenue raised		32,439
Entrance Channel Reserve		
Specified Area Rate revenue raised plus 100% matching municipal funds		117,954
Austin Lakes Phase 2 Maintenance Reserve		
Specified Area Rate revenue raised		39,362
Asset Enhancement Reserve		
Proceeds from Sale of Lot 102 Lakes Road	340,000	
Transfer to fund future asset upgrades	<u>500,000</u>	840,000
Plant and Vehicle Reserve		
Transfer of general revenue for future asset renewal		31,361
Building Renewal Reserve		
Transfer of general revenue for future asset renewal		41,417
Murray Aquatic & Leisure Centre Capital Renewal Reserve		
Transfer of general revenue for future asset renewal	63,816	
Repayment of lighting upgrade funds	<u>9,942</u>	73,758
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	
Keralup Private Works	807,692	
Transfer for provision for future road renewal	<u>200,000</u>	1,037,932
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>5,630,108</u></u>

Transfers From Reserves

Waste Management Reserve		
Transfer to fund waste management operations	(3,301,623)	
Transfer to fund tip face upgrade	(289,931)	
Transfer to part fund The Exchange COVID-19 Recovery Project	<u>(500,000)</u>	(4,091,554)
Yunderup Canal General Maintenance Reserve		
Transfer to assist with the cost of Canal Management, Weed Management and Surveys	(37,250)	
Transfer to fund launching facility feasibility study	(4,166)	(41,416)
Willow Gardens General Canal Maintenance Reserve		
Transfer to assist with the cost of Canal Management, Weed Management and Surveys	(4,346)	
Transfer to part fund pedestrian bridge design works	<u>(20,000)</u>	(24,346)
	Sub-total Carried Forward	<u>(4,157,316)</u>

**SUPPLEMENTARY NOTES TO THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2022**

PURPOSE OF TRANSFERS TO/(FROM) RESERVES

Transfers From Reserves

	Sub-total Brought Forward	(4,157,316)
Murray Lakes General Canal Maintenance Reserve		
Transfer to assist with the cost of Canal Management, Weed Management and Surveys	(20,488)	
Transfer to part fund Wharf Cove Jetty Upgrade	<u>(135,465)</u>	(155,953)
Asset Enhancement Reserve		
Transfer to part fund implementation of new corporate business system	(122,206)	
Transfer to fund Lot 1261 Willowdale Gravel Pit	(272,621)	
Transfer to part fund Sandy Cove Park Upgrade	(141,590)	
Transfer to fund North Dandalup POS Upgrade	(500,000)	
Transfer to part fund South Yunderup Oval Pavilion	(393,895)	
Transfer to fund purchase of CWA Hall North Yunderup	(200,000)	
Transfer to part fund purchase of Heritage Steam Train	<u>(70,000)</u>	(1,700,312)
Building Renewal Reserve		
Transfer to fund Lovegrove Clubroom works		(10,000)
Murray Aquatic & Leisure Centre Capital Renewal Reserve		
Transfer to fund MALC Boiler Units		(69,390)
Parks & Recreation Reserve		
Transfer to fund Parks Renewal		(49,191)
Herron Point Reserve		
Transfer for maintenance & operations of Herron Point Camping Grounds	(32,529)	
Transfer to fund Herron Point Toilets	<u>(150,000)</u>	(182,529)
Road, Drainage & Pathway Reserve		
Transfer to part fund Hopeland Road works		(30,940)
Heritage Rail Precinct Reserve		
Transfer to fund building operations	(6,500)	
Transfer to part fund purchase of Heritage Steam Train	<u>(30,000)</u>	(36,500)
General Developers Reserve		
Transfer to fund Regional Road Bridge Program	(179,196)	
Transfer to fund Fiegert Road design works	(38,926)	
Transfer to fund Old Mandurah Road design works	<u>(43,920)</u>	(262,042)
Total Transfers From Reserves		<u><u>(6,654,173)</u></u>
Total Net Transfer To/(From) Reserves		<u><u>(1,024,065)</u></u>