



Minutes

Special Meeting of Council
23 July 2018

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SHIRE OF JERRAMUNGUP

**SPECIAL MEETING OF COUNCIL TO BE HELD IN THE COUNCIL CHAMBERS, VASEY STREET,
JERRAMUNGUP ON MONDAY 23 JULY 2018, COMMENCING AT 9:20AM**

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The President declared meeting opened at 9.20am.

2. RECORD OF ATTENDANCE

Cr R Lester	President
Cr J Iffla	Deputy President
Cr W Bailey	Member
Cr J Leenhouders	Member
Cr A Price	Member
Cr B Trevaskis	Member
Mr M Cuthbert	Chief Executive Officer
Ms Charmaine Solomon	Deputy CEO
Mr M Flett	Manager of Works

3. APOLOGIES

Nil

4. LEAVE OF ABSENCE PREVIOUSLY APPROVED

Cr R Parsons	Member
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5. PUBLIC QUESTION TIME

Nil

6. APPLICATIONS FOR LEAVE OF ABSENCE

Nil

7. PETITIONS / DEPUTATIONS / PRESENTATIONS

Nil

8. DECLARATIONS OF FINANCIAL INTEREST

Nil

F I N A N C E

SUBMISSION TO:	Finance
AGENDA REFERENCE:	10.2.1
SUBJECT:	Adoption of 2018/19 Budget
LOCATION/ADDRESS:	Shire of Jerramungup
AUTHOR:	Charmaine Solomon
DISCLOSURE OF ANY INTEREST:	Nil
DATE OF REPORT:	17th July 2018

SUMMARY

The purpose of this item is to put the draft budget to Council for adoption.

ATTACHMENT

Attachment 10.2.1 (a) - Shire of Jerramungup 2018/2019 Budget

Attachment 10.2.1 (b) - 2018/2019 Road Construction Program

BACKGROUND

The budget preparation this year has been carried out through consultation with the elected group, senior staff and with guidance from the Shire's integrated planning documents. The Shire's operational budgets are largely derived from historical levels of expenditure with known items of maintenance or renewal derived from quotes or cost estimates. The Shire is currently in the process of finishing up major projects such as the Bremer Bay Town Centre, Skate Park and Paperbarks Park.

The 2018/2019 budget is heavily focused on delivering and improving Council assets and in particular the road network \$2.42 million will be spent on road and transport infrastructure improvements. This will include;

- Raising the flood crossing on Meechi Road to RAV requirements, form drain and resheet works.
- Minor curve realignment to improve visibility on Stock Road
- 3km seal on Black Rocks Road in Point Henry
- Second coat seals and pavement repairs on Needilup North, Gairdner South and Devils Creek Road
- Major works to Lake Magenta, Jacup North, Jerramungup North, Cowalellup, Brook, Rabbit Proof Fence and Dillon Bay Road.
- Townsite reseals in Bremer Bay and Jerramungup on various sections
- Footpath maintenance in Bremer Bay

\$1.02 million in funding will contribute to these works from Main Roads WA (Regional Road Group) and Roads to Recovery Funding.

\$379,000 will be spent on the final stages of the Bremer Bay Town Centre Project finishing works on the Civic Square including a nature play area, tables, shelters, street furniture, native landscaping, public art and the completion of the skate park. The skate park project will also be completed by mid August 2018 utilising the remaining grant funds from Lotterywest and utilising funds from the

Shire's Community Recreation Reserve of \$50,000. The opening event of the Bremer Bay Civic Square and Skate Park is to be held on Saturday 22nd September 2018, commencing at noon.

The Great Southern Development Commission developed a regional business case and funding program called the Great Southern Housing Initiative to facilitate the development of housing projects within the Great Southern shires. The Shire has recently been successful in obtaining State and Federal funding to build Senior Accommodation Units in Bremer Bay and key worker accommodation in Jerramungup and Bremer Bay. The Shire recently received confirmation of funding and has the opportunity under the funding program to build houses in Jerramungup and Bremer Bay as well as independent seniors housing units in Bremer Bay. The Shire will contribute approximately \$1.43 million towards the project in 18/19. This will be made up of a \$500,000 loan through Treasury, labour and plant associated with the site works and construction costs, \$240,000 for the purchase of Lot 3 Yandil Street, Bremer Bay, \$95,000 from the Bremer Bay Retirement Units Reserve, \$175,000 from the building reserve and the sale of 3 Shire houses. Utilising loan funds spreads the cost implications over future generations.

\$132,361 has been reallocated to the Paperbarks Park Project as this was not completed in the 17/18 financial year this includes, a new BBQ area, fencing, internal paths and a small play area. The Shire was successful in gaining Lotterywest funding for this project, Council's financial contribution towards the project was incurred in the 17/18 financial year the remaining amount will be fully funded by grant funds in 2018/19. Council will also contribute \$144,000 towards a major upgrade to the Paperbarks toilet which will include universal access this will complement the upgrade of the Paperbarks Park.

The Shire will acquire 1x crew cab, 1x loader and 1x 12 tonne steel vibrating roller for the construction crew to replace ageing fleet in accordance with Council's plant replacement program. Council's light vehicle fleet due for replacement being the CEO, DCEO and Ranger vehicles will also be changed over, due to the loss on changing over the Klugers for Executive Staff we will now change Executive Officer fleet to the Toyota Prado's.

A \$50,000 provision has also been made in the budget to add additional office furniture to the administration building. A number of Council houses will receive minor refurbishment of aged fixtures.

CONSULTATION

The draft budget has been developed with consultation between Executive staff, Councillors, community submissions and Moore and Stephens Accountants. 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.

COMMENT

Significant areas of operational expenditure within the 2018/19 budget include:

1. The Shire has applied for \$169,595 grant under the Mitigation Activity Fund 2018-19. The funding is currently only available to Local Governments that have completed their BRMP to the satisfaction of the Office of Bushfire Risk Management i.e. OBRM

has reviewed and assessed the plan as compliant with the standard for bushfire risk management planning in Western Australia, the *Guidelines for Preparing a Bushfire Risk Management Plan*. The Shire contribution will be project management and administration support

2. Approximately \$185,000 in administrative and business support services for the local General Practitioner.
1. Approximately \$470,000 in waste management contractor expenses and internal employee and plant related costs. In 2018/19 an increase has been applied to services provided to residents for waste and recycling collection. The increased costs on waste and recycling is due to the significant effect of China's ban creating a much-reduced demand in the international market with commodity values decreasing drastically. Additionally compliance requirements from the Department of Environment Regulation continue to evolve and the operational costs of the Ravensthorpe Regional Facility which is estimated at \$180,000 has been factored into the 18/19 budget since the site became operational in February 2018. A portion of these expenses is offset by income from rubbish bin charges and tip gate fees.
2. \$120,000 in internal and external costs relate to the provision of public toilet facilities in the town sites and at coastal sites. A further \$38,000 is spent maintaining and cleaning fish cleaning facilities.
3. \$145,000 is spent maintaining townsite parks and gardens and a further \$27,000 is spent maintaining coastal reserves.
4. Approximately \$73,000 in employee/plant costs and contractor/material expenses to operate the Jerramungup Swimming Pool. In the past Council received an annual contribution of \$32,000 from the Department of Sport & Recreation under the Community Pool Fund provided by Royalties for Regions. This funding is no longer available.
5. Approximately \$860,000 will be spent maintaining townsite and rural roads including approximately \$194,000 of materials and contractor resources to assist our works crew particularly through the winter grading period.

STATUTORY REQUIREMENTS

Sections 6.2, 6.11 & 6.47 of the Local Government Act 1995

(Preparation of annual budget & Concessions), Reserve Accounts

Clauses 24 & 25 of the Local Government (Financial Management) Regulations 1996

(Service charges & fees and charges)

Section 67 of the Waste Avoidance and Resource Recovery Act 2007
(Receptacle Charges for Waste Collections)

Clause 34(5) of the Local Government (Financial Management) Regulations 1996

STRATEGIC IMPLICATIONS

This item relates to the following component from the Shire of Jerramungup Community Plan 2016 - 2026;

Aspiration 2.5: To provide strong civic leadership and governance systems that are open and transparent and ethical.

FINANCIAL IMPLICATIONS

Budget Expenditures and Revenues as detailed in the budget.

POLICY IMPLICATIONS

Accounting policies as detailed within the Budget.

WORKFORCE IMPLICATIONS

Total expenditure on net employee costs is forecast to increase by 4.19% largely due to a 3.5% Fair Work increase to all works employee, the employment of a Waste Facility Officer in Jerramungup and a 0.6 FTE position in the works department to assist in town services.

VOTING REQUIREMENTS

Absolute Majority

RECOMMENDATION**1.1 Adoption of 2018/2019 Budget – Section 6.2 Local Government Act 1995**

That Council:

- a. Adopt the budget for the financial year ending 30 June 2019 which has been prepared in accordance with the Local Government Act 1995 and associated Financial Management Regulations 1997; and
- b. Endorse the Rate Setting Statement as detailing the amount to be made up from rates for the financial year ending 30 June 2019 being \$3,280,348.

8.2 Adoption of Rates – Section 6.32 Local Government Act, 1995

That Council:

- a) General Rates: That Council impose the following rates in dollar and minimum rates for properties within the Shire of Jerramungup to generate a 2% yield increase in total rates.

GRV: 9.8991 cents in the dollar

UV: 1.1087 cents in the dollar

GRV: \$697.00 minimum rate
UV: \$801.00 minimum rate

b) Interest – Section 6.51 Local Government Act 1995

Apply an interest rate of 11% per annum to rates which remain unpaid beyond due dates and where no election has been made to pay rates by instalments.

c) Rates Instalment Payment Options

Offer the following rates instalment options:

Option 1

To pay the total amount of rates and charges included on the rate notice in full by the 27th September 2018 or the 35th day after the date of issue, whichever is the latter.

OR

Option 2

To pay by four instalments as detailed on the rates notices with the first instalment due on 27th September 2018 and in two monthly intervals thereafter.

Or

Option 3

To pay by two instalments as detailed on the rates notices with the first instalment due on 27th September 2018 and second instalment due four months after.

d) Administration Charge – Section 6.45(3) Local Government Act 1995

Impose an administration charge of \$8 per instalment and 5.5% simple interest to the amount on the rate notice where payment of a rate is made via the instalment option.

a) Rubbish and Recycling Collection Charges

a) Residential Properties – 240L Bin

- i) \$397.00 per annum per occupied Lot for one 240L General Rubbish Bin serviced weekly.
- ii) \$229.00 per annum per occupied Lot for one 240L Recycling Bin serviced fortnightly

- iii) \$397.00 per annum per additional 240L Rubbish Bin

b) Commercial Collections – 240L Bin

- i) \$397.00 per annum per occupied Lot for one 240L Bin serviced weekly.
- ii) \$229.00 per annum per occupied Lot for a 240L Recycling Bin serviced fortnightly nominated on the assessments rate file.
- iii) \$397.00 per annum per additional 240L Bin as listed on their properties bin count.
- iv) Ad-hoc additional bins for commercial rubbish pickups will be charged in accordance with the existing fees and charges schedule.

f) Effluent Rate – Townsite of Jerramungup

a) That Council impose the following rates in dollar for GRV properties within the townsite of Jerramungup for the management and maintenance of the Jerramungup Effluent System.

GRV: 4.7226c in the dollar

b) That Council impose the following minimum rate for GRV properties within the townsite of Jerramungup for the management and maintenance of the Jerramungup Effluent System.

GRV: \$309.00

Non Rateable First Fixture: \$309.00

Additional Fixture: \$173.00

g) Point Henry Fire Levy

Impose a levy of \$110 on all properties within the Point Henry Peninsula to be used for the maintenance of fire fighting equipment and firebreaks on the Point Henry Peninsula. Any balance of funds created by the levy is to be put to the Point Henry Fire Levy Reserve.

1.3 Members Meeting Attendance Fees – Section 5.99 Local Government Act 1995

That Council set the annual meeting attendance fee of \$7,000.00 for Council Members and \$14,000.00 for the Shire President.

1.4 Shire President Allowance – Section 5.98 and 5.98A Local Government Act 1995

That Council:

Set the Shire President allowance of \$12,000.00

Set the Deputy Shire President allowance of \$3,000.00

1.5 Telecommunications Allowance – Section 5.99A Local Government Act, 1995

That Council:

Set a telecommunication allowance of \$1,000.00 for elected members.

1.6 Adoption of Material Variance for Monthly Reports – Financial Management Regulation 34

That Council:

Adopt a material variance level of 10% with a minimum \$10,000.00 variance for the 2018/2019 financial year for monthly reporting purposes.

1.7 Statutory Compliance

That Council confirms that it is satisfied that the services and facilities it provides:

(a) Integrate and coordinate, so far as practicable, with any provided by the Commonwealth, the State or any public body;

(b) do not duplicate, to an extent that the local government considers inappropriate, services or facilities provided by the Commonwealth, the State or any other body or person, whether public or private; and

(c) are managed efficiently and effectively.

In accordance with Section 3.18(3) of the Local Government Act 1995.

1.8 Consideration of funding requests

That Council approve the following funding requests for 2018/19:

- Jerramungup Bowling Club \$50,617 – Replace the current synthetic surface with a new one.
- South Coast Management Group \$2,000 – to assist in its annual operations as the regional coastal management group.
- GS Core \$5000 – Trails Masterplan

- Jerramungup Netball, Basketball & Junior Basketball \$4000 – to reseal floor surface on the entertainment centre floor, including new linemarking on the courts.
- Bremer Bay Sports Club \$5,900 – to replace carpet in the Bremer Bay Sports Club with carpet tiles.
- Gairdner Progress Association \$780 – running expenses for the Gairdner Hall
- Jerramungup Occasional Childcare Association \$250 – annual Christmas Tree Event
- Bremer Bay Community Resource Centre \$250 – RecFish West Event
- Boxwood Sports Club \$19,221 – 1/3 running expenses and 1/3 contribution to rectify lighting of the football field and 1/3 contribution to hall upgrade consultant fees.
- Bremer Bay Community Resource Centre \$2000 – Purchase new stove for Town Hall

That Council decline the following funding requests for 2018/19:

- Fitzgerald Biosphere Group - \$1,500
- Jerramungup Community Resource Centre - \$2590
- Jerramungup Motorcycle Club - \$3,000
- JABBA \$1535
- JABBA \$1260
- Bremer Bay Arts / Gallery \$305
- Bremer Bay Community Resource Centre \$1450

10.00am Cr Iffla left the meeting

10.05am Cr Iffla returned to the meeting

10.05am Martin Cuthbert left the meeting.

OC180701 Moved Cr Iffla / Seconded Cr Leenhouders

Carried 6 – 0

11.04am Martin Cuthbert returned to the meeting.

SHIRE OF JERRAMUNGUP
BUDGET
FOR THE YEAR ENDED 30 JUNE 2019

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SHIRE'S VISION

Progressive, Prosperous and a Premium Place to Live and Visit

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2019**

BY NATURE OR TYPE

	NOTE	2018/19 Budget	2017/18 Actual	2017/18 Budget
		\$	\$	\$
Revenue				
Rates	1	3,280,348	3,222,290	3,222,342
Operating grants, subsidies and contributions	9	1,078,873	4,683,863	4,226,643
Fees and charges	8	801,051	810,433	706,559
Interest earnings	10(a)	76,400	61,450	76,400
Other revenue	10(b)	78,029	47,008	25,000
		<u>5,314,701</u>	<u>8,825,044</u>	<u>8,256,944</u>
Expenses				
Employee costs		(1,947,406)	(1,918,322)	(1,824,223)
Materials and contracts		(1,981,151)	(5,538,368)	(4,871,455)
Utility charges		(187,058)	(174,769)	(186,469)
Depreciation on non-current assets	5	(1,796,522)	(1,947,942)	(1,732,628)
Interest expenses	10(d)	(44,786)	(34,655)	(45,503)
Insurance expenses		(224,770)	(202,393)	(228,465)
Other expenditure		(240,425)	(290,125)	(206,882)
		<u>(6,422,118)</u>	<u>(10,106,574)</u>	<u>(9,095,625)</u>
		<u>(1,107,417)</u>	<u>(1,281,530)</u>	<u>(838,681)</u>
Non-operating grants, subsidies and contributions	9	2,824,604	1,724,947	1,977,104
Profit on asset disposals	4(b)	65,027	0	0
Loss on asset disposals	4(b)	(175,948)	(76,796)	(100,535)
Net result		1,606,266	366,621	1,037,888
Other comprehensive income				
Total other comprehensive income		0	0	0
Total comprehensive income		1,606,266	366,621	1,037,888

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

BASIS OF PREPARATION

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations. Material accounting policies which have been adopted in the preparation of this budget are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the budget has also 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 14 to the budget.

2017/18 ACTUAL BALANCES

Balances shown in this budget as 2017/18 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES RATES

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

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. Exclude 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

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.

REVENUES (CONTINUED)

FEES AND CHARGES

Revenues (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, rebates etc.

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 expense raised on all classes of assets.

INTEREST EXPENSES

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

OTHER EXPENDITURE

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2019**

BY PROGRAM

	NOTE	2018/19 Budget	2017/18 Actual	2017/18 Budget
Revenue	1, 8, 9, 10(a),(b)	\$	\$	\$
General purpose funding		4,000,992	4,615,615	4,014,967
Law, order, public safety		236,321	225,057	149,388
Health		7,363	12,146	7,363
Education and welfare		1,088	2,706	1,088
Housing		129,233	145,025	135,643
Community amenities		578,085	532,168	532,168
Recreation and culture		12,911	84,832	112,134
Transport		126,500	2,981,538	3,100,367
Economic services		61,895	61,188	37,895
Other property and services		160,313	159,286	165,931
		5,314,701	8,825,044	8,256,944
Expenses excluding finance costs	5,10(c),(e),(f)			
Governance		(393,160)	(269,348)	(292,195)
General purpose funding		(125,603)	(119,938)	(139,774)
Law, order, public safety		(617,322)	(649,551)	(647,110)
Health		(269,267)	(314,513)	(298,952)
Education and welfare		(84,569)	(84,542)	(80,707)
Housing		(211,659)	(194,387)	(215,599)
Community amenities		(1,374,960)	(1,037,565)	(1,144,415)
Recreation and culture		(778,096)	(895,965)	(837,029)
Transport		(2,365,032)	(6,300,282)	(5,026,705)
Economic services		(90,208)	(260,792)	(253,988)
Other property and services		(67,456)	54,964	(113,648)
		(6,377,332)	(10,071,919)	(9,050,122)
Finance costs	6, 10(d)			
Housing		(13,253)	(6,561)	(9,041)
Community amenities		(9,423)	(8,272)	(10,840)
Transport		(22,110)	(19,822)	(25,622)
		(44,786)	(34,655)	(45,503)
		(1,107,417)	(1,281,530)	(838,681)
Non-operating grants, subsidies and contributions	9	2,824,604	1,724,947	1,977,104
Profit on disposal of assets	4(b)	65,027	0	0
(Loss) on disposal of assets	4(b)	(175,948)	(76,796)	(100,535)
Net result		1,606,266	366,621	1,037,888
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		1,606,266	366,621	1,037,888

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

FOR THE YEAR ENDED 30TH JUNE 2019

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.

PROGRAM NAME	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 and 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 resource 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.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2019**

BY NATURE OR TYPE

	NOTE	2018/19 Budget	2017/18 Actual	2017/18 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		3,286,179	3,278,778	3,262,342
Operating grants, subsidies and contributions		1,078,873	7,378,538	4,899,499
Fees and charges		1,611,484	1,693,681	706,559
Interest earnings		137,850	144,439	76,400
Goods and services tax		229,928	643,952	837,599
Other revenue		3,321,591	424,908	25,000
		<u>9,665,905</u>	<u>13,564,296</u>	<u>9,807,399</u>
Payments				
Employee costs		(1,947,406)	(1,962,133)	(1,824,223)
Materials and contracts		(1,981,151)	(5,974,027)	(4,687,604)
Utility charges		(438,334)	(340,679)	(186,469)
Interest expenses		(79,441)	(87,403)	(45,503)
Insurance expenses		(427,163)	(427,275)	(228,465)
Goods and services tax		(229,928)	(589,787)	(812,294)
Other expenditure		(3,135,565)	(3,475,385)	(206,882)
		<u>(8,238,988)</u>	<u>(12,856,689)</u>	<u>(7,991,440)</u>
Net cash provided by (used in) operating activities	3	<u>1,426,917</u>	<u>707,607</u>	<u>1,815,959</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	4(a)	(3,327,092)	(403,262)	(438,964)
Payments for construction of infrastructure	4(a)	(2,845,979)	(2,200,953)	(4,127,063)
Non-operating grants, subsidies and contributions used for the development of assets	9	2,824,604	1,724,947	1,977,104
Proceeds from sale of plant & equipment	4(b)	607,000	168,669	193,855
Net cash provided by (used in) investing activities		<u>(2,741,467)</u>	<u>(710,599)</u>	<u>(2,395,068)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6	(224,406)	(194,238)	(194,239)
Proceeds from new borrowings	6(b)	500,000	0	0
Net cash provided by (used in) financing activities		<u>275,594</u>	<u>(194,238)</u>	<u>(194,239)</u>
Net increase (decrease) in cash held		<u>(1,038,956)</u>	<u>(197,230)</u>	<u>(773,348)</u>
Cash at beginning of year		2,229,491	2,426,721	2,441,501
Cash and cash equivalents at the end of the year	3	<u>1,190,535</u>	<u>2,229,491</u>	<u>1,668,153</u>

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

**RATES SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2019**

BY REPORTING PROGRAM

	NOTE	2018/19 Budget	2017/18 Actual	2017/18 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	2	1,485,152	1,804,095	1,782,007
		1,485,152	1,804,095	1,782,007
Revenue from operating activities (excluding rates)				
General purpose funding		720,644	1,393,325	792,625
Law, order, public safety		236,321	225,057	149,388
Health		7,363	12,146	7,363
Education and welfare		1,088	2,706	1,088
Housing		129,233	145,025	135,643
Community amenities		578,085	532,168	532,168
Recreation and culture		12,911	84,832	112,134
Transport		126,500	2,981,538	3,100,367
Economic services		61,895	61,188	37,895
Other property and services		225,340	159,286	165,931
		2,099,380	5,602,754	5,034,602
Expenditure from operating activities				
Governance		(393,160)	(269,348)	(292,195)
General purpose funding		(125,603)	(119,938)	(139,774)
Law, order, public safety		(617,322)	(649,551)	(647,110)
Health		(269,267)	(314,513)	(298,952)
Education and welfare		(84,569)	(84,542)	(80,707)
Housing		(224,912)	(200,948)	(224,640)
Community amenities		(1,384,383)	(1,045,837)	(1,166,655)
Recreation and culture		(778,096)	(895,965)	(837,029)
Transport		(2,491,922)	(6,320,104)	(5,130,947)
Economic services		(90,208)	(260,792)	(253,988)
Other property and services		(138,624)	(21,832)	(124,164)
		(6,598,066)	(10,183,370)	(9,196,161)
Operating activities excluded from budget				
(Profit) on asset disposals	4(b)	(65,027)	0	0
Loss on disposal of assets	4(b)	175,948	76,796	100,535
Depreciation on assets	5	1,796,522	1,947,942	1,732,628
Amount attributable to operating activities		(1,106,091)	(751,783)	(546,389)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	9	2,824,604	1,724,947	1,977,104
Purchase property, plant and equipment	4(a)	(3,327,092)	(403,262)	(438,964)
Purchase and construction of infrastructure	4(a)	(2,845,979)	(2,200,953)	(4,127,063)
Proceeds from disposal of assets	4(a)	607,000	168,669	193,855
Amount attributable to investing activities		(2,741,467)	(710,599)	(2,395,068)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(224,406)	(194,238)	(194,239)
Proceeds from new borrowings	6(b)	500,000	0	0
Transfers to cash backed reserves (restricted assets)	7(a)	(612,214)	(708,682)	(717,050)
Transfers from cash backed reserves (restricted assets)	7(a)	903,830	628,164	630,403
Amount attributable to financing activities		567,210	(274,756)	(280,886)
Budgeted deficiency before general rates		(3,280,348)	(1,737,138)	(3,222,343)
Estimated amount to be raised from general rates	1	3,280,348	3,222,290	3,222,343
Net current assets at end of financial year - surplus/(deficit)	2	0	1,485,152	0

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

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

1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2018/19 Budgeted rate revenue	2018/19 Budgeted interim rates	2018/19 Budgeted back rates	2018/19 Budgeted total revenue	2017/18 Actual Revenue
	\$		\$	\$	\$	\$	\$	\$
Differential general rate or general rate								
Gross rental value valuations								
GRV Properties	0.098991	532	6,550,298	648,421	0	0	648,421	744,871
Unimproved value valuations								
UV Properties	0.011087	325	215,496,210	2,389,206	0	0	2,389,206	2,221,509
Sub-Totals		857	222,046,508	3,037,627	0	0	3,037,627	2,966,380
Minimum	\$							
Minimum payment								
Gross rental value valuations								
GRV Properties	679	315	1,273,243	213,885	0	0	213,885	224,510
Unimproved value valuations								
UV Properties	801	36	0	28,836	0	0	28,836	31,400
Sub-Totals		351	1,273,243	242,721	0	0	242,721	255,910
		1,208	223,319,751	3,280,348	0	0	3,280,348	3,222,290
Discounts/concessions (Refer note 1(g))							0	0
Total amount raised from general rates							3,280,348	3,222,290
Total rates							3,280,348	3,222,290

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 2018/19 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 rate(s) has|have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of local government services/facilities.

(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	27/09/2018	0	0.00%	11.00%
Option two				
Two instalments	27/09/2018 24/01/2019	0 8	0.00% 5.50%	11.00% 11.00%
Option three				
Four instalments	27/09/2018 29/11/2018 24/01/2019 28/03/2019	0 8 8 8	0.00% 5.50% 5.50% 5.50%	11.00% 11.00% 11.00% 11.00%

	2018/19 Budget revenue	2017/18 Actual
	\$	\$
Instalment plan admin charge revenue	6,700	6,552
Instalment plan interest earned	16,000	16,718
Unpaid rates and service charge interest earned	12,400	11,449
	35,100	34,719

(c) Specified Area Rate

The Shire does not intend to raise a specified area rate for the year ended 30th June 2019.

(d) Service Charges

The Shire does not intend to raise service charges for the year ended 30th June 2019.

(e) Rates discounts

The Shire does not anticipate any waivers or concessions for the year ended 30th June 2019.

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

2. NET CURRENT ASSETS

	Note	2018/19 Budget	2017/18 Actual
		\$	\$
Composition of estimated net current assets			
Current assets			
Cash - unrestricted	3	0	747,340
Cash - restricted reserves	3	1,190,535	1,482,151
Receivables		628,954	1,434,785
Inventories		22,671	22,671
		<u>1,842,160</u>	<u>3,686,947</u>
Less: current liabilities			
Trade and other payables		(651,625)	(719,644)
Long term borrowings		0	(224,406)
Provisions		(319,202)	(319,202)
		<u>(970,827)</u>	<u>(1,263,252)</u>
Unadjusted net current assets		871,333	2,423,695
Adjustments			
Less: Cash - restricted reserves	3	(1,190,535)	(1,482,151)
Add: Current portion of borrowings		0	224,406
Add: Current liabilities not expected to be cleared at end of year		319,202	319,202
Adjusted net current assets - surplus/(deficit)		<u>0</u>	<u>1,485,152</u>

Reason for Adjustments

The differences between the net current assets at the end of each financial year in the rate setting statement and net current assets detailed above arise from amounts which have been excluded when calculating the budget deficiency in accordance with *Local Government (Financial Management) Regulation 32* as movements for these items have been funded within the budget estimates. These differences are disclosed as adjustments above.

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 of Jerramungup's operational cycle. In the case of liabilities where the Shire of Jerramungup 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 of Jerramungup's intentions to release for sale.

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.

2. NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

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.

PROVISIONS

Provisions are recognised when the Shire of Jerramungup 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.

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.

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

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:

	2018/19 Budget	2017/18 Actual	2017/18 Budget
	\$	\$	\$
Cash - unrestricted	0	747,340	204,812
Cash - restricted	1,190,535	1,482,151	1,463,341
	<u>1,190,535</u>	<u>2,229,491</u>	<u>1,668,153</u>
The following restrictions have been imposed by regulation or other externally imposed requirements:			
Leave Reserve	34,803	63,966	63,591
Plant Reserve	7,864	42,311	42,234
Community Recreation	133,117	182,258	181,196
Bremer Bay Youth Camp Reserve	53,084	52,399	52,303
Building Reserve	7,900	180,539	180,209
Bremer Bay Retirement Units Reserve	3,184	96,917	96,740
JMP Entertainment Centre Reserve	8,656	8,544	8,528
Effluent Reserve	645,331	572,128	573,453
Point Henry Fire Levy Reserve	523	516	291
Jerramungup Retirement Units Reserve	95,650	94,415	94,241
Bremer Bay Boat Ramp Reserve	116,105	114,606	114,396
Capital Works Reserve	9,338	9,218	6,937
Swimming Pool Reserve	8,264	8,157	8,143
Roe Park Reserve	51,778	41,239	41,079
	<u>1,190,535</u>	<u>1,482,151</u>	<u>1,463,341</u>
Reconciliation of net cash provided by operating activities to net result			
Net result	1,606,266	366,621	1,037,888
Depreciation	1,796,522	1,947,942	1,732,628
(Profit)/loss on sale of asset	110,921	76,796	100,535
(Increase)/decrease in receivables	805,831	(404,190)	738,161
Increase/(decrease) in payables	(68,019)	459,203	183,851
Grants/contributions for the development of assets	(2,824,604)	(1,724,947)	(1,977,104)
Net cash from operating activities	<u>1,426,917</u>	<u>707,607</u>	<u>1,815,959</u>

SIGNIFICANT ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

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

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

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

4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program					2018/19 Budget total	2017/18 Actual total
	Education and welfare	Community amenities	Recreation and culture	Transport	Other property and services		
	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>							
Buildings - non-specialised	16,750	44,500	0	0	2,683,500	2,744,750	53,021
Furniture and equipment	0	0	24,340	0	62,777	87,117	11,702
Plant and equipment	0	0	0	386,063	109,162	495,225	338,539
	16,750	44,500	24,340	386,063	2,855,439	3,327,092	403,262
<i>Infrastructure</i>							
Infrastructure - Roads	0	0	0	2,273,686	0	2,273,686	2,050,877
Infrastructure - Footpaths	0	0	0	61,034	0	61,034	150,076
Infrastructure - Parks and ovals	0	0	511,259	0	0	511,259	0
	0	0	511,259	2,334,720	0	2,845,979	2,200,953
Total acquisitions	16,750	44,500	535,599	2,720,783	2,855,439	6,173,071	2,604,215

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

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

4. FIXED ASSETS (CONTINUED)

(b) Disposals of Assets

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

	Net book	Sale	2018/19 Budget		2017/18 Actual		2017/18 Budget	
	value	proceeds	Profit	Loss	Profit	Loss	Profit	Loss
	\$	\$	\$	\$	\$	\$	\$	\$
By Program								
Community amenities			0	0	0	0	0	(11,400)
Transport	209,780	105,000	0	(104,780)	0	0	0	(78,620)
Other property and services	508,141	502,000	65,027	(71,168)	0	(76,796)	0	(10,515)
	717,921	607,000	65,027	(175,948)	0	(76,796)	0	(100,535)
By Class								
<u>Property, Plant and Equipment</u>								
Buildings - non-specialised	386,855	400,000	65,027	(51,882)	0	0	0	0
Plant and equipment	354,286	207,000	0	(124,066)	0	(76,796)	0	(100,535)
	741,141	607,000	65,027	(175,948)	0	(76,796)	0	(100,535)

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

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

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

By Class

Buildings
Furniture and equipment
Plant and equipment
Roads

2018/19 Budget	2017/18 Actual	2017/18 Budget
\$	\$	\$
33,669	92,696	82,450
3,050	1,349	1,200
39,555	37,663	33,500
67,501	87,035	77,415
49,825	34,791	30,945
272,160	258,824	230,215
1,083,554	1,190,614	1,059,011
48,211	61,835	55,000
198,997	183,135	162,892
1,796,522	1,947,942	1,732,628
544,152	535,670	476,460
17,453	16,620	14,783
179,417	227,993	202,792
1,055,500	1,167,659	1,038,593
1,796,522	1,947,942	1,732,628

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 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.

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.

DEPRECIATION (CONTINUED)

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

Buildings	3 to 5 Years
Furniture and equipment	4 to 10 Years
Plant and equipment	5 to 15 Years
Sealed roads and streets formation	not depreciated
pavement seal	50 years
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads formation	not depreciated
pavement gravel sheet	50 years
12 years	
Formed roads formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping & drainage systems	75 years

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

6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Principal 30-Jun-18	New loans	Principal repayments		Principal outstanding		Interest repayments	
			2018/19 Budget	2017/18 Actual	2018/19 Budget	2017/18 Actual	2018/19 Budget	2017/18 Actual
			\$	\$	\$	\$	\$	\$
Housing								
Loan 259 Key Personnel	155,403	0	63,095	59,232	92,308	155,403	5,178	6,561
Loan 264 Staff Housing and Seniors Independent Living	0	500,000	21,379	0	478,621	0	8,075	0
Community amenities								
Loan 261 Housing Bremer Bay	260,144	0	34,008	32,592	226,136	260,144	9,423	8,272
Transport								
Loan 260 Bremer Bay Town Centre	323,943	0	50,679	48,664	273,264	323,943	10,772	8,565
Loan 262 Grader	97,076	0	23,987	23,450	73,089	97,076	1,543	2,026
Loan 263 Bremer Bay Town Centre Stage 2	350,000	0	31,258	30,300	318,742	350,000	9,795	9,231
	1,186,566	500,000	224,406	194,238	1,462,160	1,186,566	44,786	34,655

All borrowing repayments will be financed by general purpose revenue.

(b) New borrowings - 2018/19

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
				%	\$	\$	\$	\$
Loan 264	WATC	Debenture	10	3	500,000	Unknown	500,000	0
					500,000		500,000	0

The new loan purpose will be for Staff Housing and Seniors Independent Living

(c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30th June 2018 nor is it expected to have unspent borrowing funds as at 30th June 2019.

(d) Credit Facilities

It is the Councils intention to utilise the Funds held in reserve for the purpose of not extending Councils municipal overdraft facilities, from time to time, for short periods during the financial year. The direct benefit to Council being reduced financing costs.

	2018/19 Budget	2017/18 Actual	2017/18 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	1,462,160	1,186,566	992,327
Unused loan facilities at balance date	0	0	0

SIGNIFICANT ACCOUNTING POLICIES

BORROWING COSTS

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they 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.

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

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2018/19 Budget Opening Balance	2018/19 Budget Transfer to	2018/19 Budget Transfer (from)	2018/19 Budget Closing Balance	2017/18 Actual Opening Balance	2017/18 Actual Transfer to	2017/18 Actual Transfer (from)	2017/18 Actual Closing Balance	2017/18 Budget Opening Balance	2017/18 Budget Transfer to	2017/18 Budget Transfer (from)	2017/18 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Leave Reserve	63,966	837	(30,000)	34,803	33,228	30,738	0	63,966	33,226	30,365	0	63,591
Plant Reserve	42,311	15,553	(50,000)	7,864	41,774	537	0	42,311	41,774	460	0	42,234
Community Recreation	182,258	83,019	(132,160)	133,117	148,922	83,336	(50,000)	182,258	148,922	82,274	(50,000)	181,196
Bremer Bay Youth Camp Reserve	52,399	685	0	53,084	51,734	665	0	52,399	51,734	569	0	52,303
Building Reserve	180,539	402,361	(575,000)	7,900	178,247	2,292	0	180,539	178,248	1,961	0	180,209
Bremer Bay Retirement Units Reserve	96,917	1,267	(95,000)	3,184	95,686	1,230	0	96,917	95,687	1,053	0	96,740
JMP Entertainment Centre Reserve	8,544	112	0	8,656	8,435	108	0	8,544	8,435	93	0	8,528
Effluent Reserve	572,128	73,203	0	645,331	508,262	563,866	(500,000)	572,128	508,262	565,191	(500,000)	573,453
Point Henry Fire Levy Reserve	516	21,677	(21,670)	523	26,494	22,186	(48,164)	516	26,494	21,961	(48,164)	291
Jerramungup Retirement Units Reserve	94,415	1,235	0	95,650	93,216	1,198	0	94,415	93,216	1,025	0	94,241
Bremer Bay Boat Ramp Reserve	114,606	1,499	0	116,105	113,152	1,455	0	114,606	113,151	1,245	0	114,396
Capital Works Reserve	9,218	120	0	9,338	38,751	468	(30,000)	9,218	38,750	426	(32,239)	6,937
Swimming Pool Reserve	8,157	107	0	8,264	8,054	104	0	8,157	8,054	89	0	8,143
Roe Park Reserve	41,239	10,539	0	51,778	30,740	499	0	41,239	30,741	10,338	0	41,079
Restricted Cash	14,938	0	0	14,938	14,780	0	0	14,938	0	0	0	0
	1,482,151	612,214	(903,830)	1,190,535	1,391,475	708,682	(628,164)	1,482,151	1,376,694	717,050	(630,403)	1,463,341

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

7. CASH BACKED RESERVES (CONTINUED)

(b) Cash Backed Reserves - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve
Leave Reserve	Ongoing	- to be used to fund annual and long service leave requirements
Plant Reserve	Ongoing	- to be used for the purchase of major plant
Community Recreation	Ongoing	- to be used to assist local sporting groups to upgrade their facilities
Bremer Bay Youth Camp Reserve	Ongoing	- for the ongoing management and future upgrade of the reserve land on Lot 70 Borden Bremer Bay Road
Building Reserve	Ongoing	- to be used for the construction of new Council buildings
Bremer Bay Retirement Units Reserve	Ongoing	- to be used for the provisions required at the units
JMP Entertainment Centre Reserve	Ongoing	- to be used for capital building improvements
Effluent Reserve	Ongoing	- to be used to maintain the efficient running of the facility
Point Henry Fire Levy Reserve	Ongoing	- to be used for the provision, maintenance and construction of strategic fire prevention activities within the Point Henry Peninsula
Jerramungup Retirement Units Reserve	Ongoing	- to be used for the provisions required at the units
Bremer Bay Boat Ramp Reserve	Ongoing	- to be used to upgrade and maintain the boat ramp facility at Fisheries Beach in Bremer Bay
Capital Works Reserve	Ongoing	- to be used to supplement future capital works programs
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
Roe Park Reserve	Ongoing	- to be used for holding funds associated with subdivision works

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

8. FEES & CHARGES REVENUE

	2018/19 Budget	2017/18 Actual
	\$	\$
General purpose funding	13,300	13,456
Law, order, public safety	25,820	26,122
Health	7,363	7,449
Education and welfare	1,088	1,101
Housing	129,233	130,747
Community amenities	501,918	507,797
Recreation and culture	18,134	18,346
Transport	15,800	15,985
Economic services	61,895	62,620
Other property and services	26,500	26,810
	801,051	810,433

9. GRANT REVENUE

	2018/19 Budget	2017/18 Actual
	\$	\$
Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:		
By Program:		
Operating grants, subsidies and contributions		
General purpose funding	568,915	1,308,991
Law, order, public safety	200,055	163,218
Housing	0	6,410
Community amenities	8,500	55,238
Recreation and culture	5,223	49,086
Transport	110,700	2,949,811
Other property and services	117,813	151,109
	1,011,206	4,683,863
Non-operating grants, subsidies and contributions		
Recreation and culture	209,382	509,618
Transport	1,165,972	1,215,329
Other property and services	1,449,250	0
	2,824,604	1,724,947

11. MAJOR LAND TRANSACTIONS

It is not anticipated any land transactions or major land transactions will occur in 2018/19.

12. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated any trading undertakings or major trading undertakings will occur in 2018/19.

13. INTERESTS IN JOINT ARRANGEMENTS

The Shire of Jerramungup is currently finalising a joint project with the Shire of Ravensthorpe to construct a Regional Waste Facility and the closure and rehabilitation of waste sites for the Shires of Gnowangerup, Nyabing and Jerramungup. The Regional Waster Project is nearly complete and is expected to cost approximately \$3m which is funded by Royalties for Regions.

SIGNIFICANT ACCOUNTING POLICIES

INTERESTS IN JOINT ARRANGEMENTS

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

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

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

14. TRUST FUNDS

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

Detail	Balance 30-Jun-18	Estimated amounts received	Estimated amounts paid	Estimated balance 30-Jun-19
	\$	\$	(\$)	\$
Building Bonds	24,000	12,000	(12,000)	24,000
Pool and JEC Key Bonds	650	0	0	650
Housing Bonds	440	0	0	440
Subdivision Bonds	55,658	0	0	55,658
Other Bonds	1,250	0	0	1,250
Regional and Stategic Waste Management	2,812,000	0	(2,812,000)	0
	2,893,998	12,000	(2,824,000)	81,998

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

**15. SIGNIFICANT ACCOUNTING POLICIES - OTHER
INFORMATION**

GOODS AND SERVICES TAX (GST)

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

ROUNDING OFF FIGURES

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

COMPARATIVE FIGURES

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

BUDGET COMPARATIVE FIGURES

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

REVENUE RECOGNITION

Rates, grants, donations and other contributions are recognised as revenues when the Shire of Jerramungup obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

2018 / 2019 Budget Road Infrastructure Construction Program				
Project	Proposed Works	Total Budget	Allocated Materials / Contracts	Wages / Plant
Jerramungup North Road	Form, drain and resheet works	\$137,343	\$22,998	\$114,345
Cowalellup Road	Gravel resheet	\$130,042	\$30,858	\$99,184
Black Rocks Road	3km Seal	\$68,230	\$63,910	\$4,320
Brook Road	Gravel resheet	\$130,000	\$31,378	\$98,622
Dillon Bay Road	Gravel resheet 2.3kms	\$121,706	\$23,385	\$98,321
Rabbit Proof Fence Road	Gravel resheeting for 3kms	\$145,000	\$33,510	\$111,490
Stock Road Improvements	Minor curve realignment and minor cut to fill to improve visibility	\$87,831	\$20,012	\$67,819
Staff Housing & Seniors Living	Site works	\$115,000	\$60,000	\$55,000
Upgrade 4WD Access	Upgrade 4WD access to Blossoms Beach, Main Beach and Reef Beach	\$8,000	\$0	\$8,000
Townsite Reseals – Bremer Bay	Various sections	\$60,000	\$51,500	\$8,500
Council Funded Construction Total		\$1,003,152	\$337,551	\$665,601
Townsite Footpaths – Bremer Bay		\$28,600	\$22,600	\$6,000
Bremer Bay Town Centre footpaths around Lot 1 Seadragon Ave	This is a commitment as part of the Town Centre works	\$15,000	\$15,000	\$0
Extra path in the new Town Centre	Connecting the new park to the path to the north	\$18,000	\$18,000	\$0
Council Footpath Construction Total		\$61,600	\$55,600	\$6,000
Devils Creek Road – 18/19 funding	Second coat seal and minor pavement repairs from SLK 10.00 – 15.00	\$180,000	\$162,972	\$17,028
Lake Magenta Road – 18/19 funding	Widen, form, upgrade drainage & gravel resheet works from SLK 10.0 – 15.00	\$240,000	\$33,000	\$207,000
Gairdner South Road – 18/19 funding	Pavement repairs / surface correction, shoulder reinstatement and re-seal to 6.4m wide from Bremer Bay Road SLK 0.00 to South Coast Highway (SLK 22.3)	\$225,000	\$207,972	\$17,028
Needilup North Road – 18/19 funding	Seal edge repairs / reinstate to full width & minor pavement repairs and surface corrections and seal (second coat) over primerseal.	\$180,000	\$162,972	\$17,028
Borden Boxwood Road – 18/19 funding	Reseal full width from Monjebup Road	\$90,000	\$83,000	\$7,000
MRWA Projects Total		RRG allocation 18/19 \$610,000	\$915,000	\$649,916
Townsite Reseals – Jerramungup	Various Sections	\$30,000	\$24,138	\$5,862
Jacup North Road	Widen, form, upgrade drainage & gravel resheet and seal with 14mm	\$240,000	\$107,000	\$133,000
Meechi Road	Project carryover from 16-17 Re-align 90 deg corner, raise flood crossing to RAV requirements Form, drain and re-sheet works. There will be a subdivision process required to swap land with the adjoining properties to straighten out bend in Meechi Road. \$	\$170,638	\$55,209	\$115,429
Roads to Recovery Projects Total		R2R allocation 18/19 \$410,638	\$440,638	\$186,347
Total Road and Footpath Construction			\$2,420,390	\$1,190,976

11. COUNCILLOR REPORTS

Nil

12. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY LEAVE OF THE PRESIDING MEMBER

12.1 From Officers

Nil

12.2 From Elected Members

Nil

13. NEXT MEETING/S

Ordinary Meeting – to be held Wednesday 15 August 2018 commencing 2:00pm at the Bremer Bay Department of Fire and Emergency Shed.

14. CLOSURE

President declared the meeting closed at 11.05am