



Shire of
Peppermint Grove

ADOPTED BUDGET

**FOR THE FINANCIAL YEAR
ENDED**

30 JUNE 2020

SHIRE OF PEPPERMINT GROVE

BUDGET

FOR THE YEAR ENDED 30 JUNE 2020

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SHIRE'S VISION

TO REMAIN A SHIRE VALUED FOR ITS AMBIENCE AND INDEPENDENCE

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

BY NATURE OR TYPE

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
		\$	\$	\$
Revenue				
Rates	1(a)	3,310,667	3,245,569	3,223,004
Operating grants, subsidies and contributions	9	1,363,459	1,336,095	1,284,373
Fees and charges	8	249,534	245,997	229,165
Interest earnings	10(a)	75,600	79,576	64,000
Other revenue	10(b)	9,200	53,650	12,338
		5,008,460	4,960,887	4,812,880
Expenses				
Employee costs		(2,228,643)	(2,272,305)	(2,241,641)
Materials and contracts		(1,925,767)	(1,862,701)	(1,853,519)
Utility charges		(128,396)	(126,563)	(130,043)
Depreciation on non-current assets	5	(473,123)	(439,982)	(386,563)
Interest expenses	10(d)	(59,316)	(61,030)	(61,030)
Insurance expenses		(100,952)	(94,309)	(94,256)
Other expenditure		(149,540)	(69,750)	(77,250)
		(5,065,737)	(4,926,640)	(4,844,302)
Subtotal		(57,277)	34,247	(31,422)
Non-operating grants, subsidies and contributions	9	357,684	80,867	80,867
		357,684	80,867	80,867
Net result		300,407	115,114	49,445
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		300,407	115,114	49,445

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 (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this budget. This is not in accordance with the requirements of AASB 1051 *Land Under Roads* paragraph 15 and AASB 116 *Property, Plant and Equipment* paragraph 7.

Accounting policies which have been adopted in the preparation of this budget have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the budget has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Shire of Peppermint Grove controls resources to carry on its functions have been included in the financial statements forming part of this budget.

In the process of reporting on the local government as a single unit, all transactions and balances between those Funds (for example, loans and transfers between Funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 14 to the budget.

2018/19 ACTUAL BALANCES

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

CHANGE IN ACCOUNTING POLICIES

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

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

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

KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES

RATES

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

SERVICE CHARGES

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

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

PROFIT ON ASSET DISPOSAL

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

REVENUES (CONTINUED)

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

FEES AND CHARGES

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

INTEREST EARNINGS

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

OTHER REVENUE / INCOME

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

EXPENSES

EMPLOYEE COSTS

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

MATERIALS AND CONTRACTS

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

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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

INSURANCE

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

LOSS ON ASSET DISPOSAL

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

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation 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 PEPPERMINT GROVE

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

BY REPORTING PROGRAM

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
Revenue	1, 8, 9, 10(a),(b)	\$	\$	\$
Governance		6,000	35,721	16,088
General purpose funding		3,421,267	3,367,540	3,313,219
Law, order, public safety		7,600	8,851	12,000
Health		12,780	11,205	16,030
Community amenities		139,446	114,100	94,085
Recreation and culture		1,373,607	1,361,281	1,312,658
Transport		13,900	36,335	18,050
Economic services		33,860	25,569	30,750
Other property and services		0	285	0
		5,008,460	4,960,887	4,812,880
Expenses excluding finance costs	5,10(c)(e)(f)(g)			
Governance		(1,000,920)	(975,998)	(982,110)
General purpose funding		(103,350)	(86,443)	(86,150)
Law, order, public safety		(47,500)	(48,174)	(46,700)
Health		(43,931)	(38,064)	(50,900)
Education and welfare		(61,304)	(56,989)	(65,165)
Community amenities		(758,806)	(698,277)	(688,786)
Recreation and culture		(2,120,751)	(2,092,732)	(2,025,394)
Transport		(756,259)	(763,793)	(742,067)
Economic services		(113,600)	(105,140)	(96,000)
		(5,006,421)	(4,865,610)	(4,783,272)
Finance costs	6, 10(d)			
Recreation and culture		(59,316)	(61,030)	(61,030)
		(59,316)	(61,030)	(61,030)
Subtotal		(57,277)	34,247	(31,422)
Non-operating grants, subsidies and contributions	9	357,684	80,867	80,867
		357,684	80,867	80,867
Net result		300,407	115,114	49,445
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		300,407	115,114	49,445

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

FOR THE YEAR ENDED 30TH JUNE 2020

KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

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

OBJECTIVE

GOVERNANCE

To provide a decision-making process for the efficient allocation of scarce resources.

GENERAL PURPOSE FUNDING

To collect revenue to allow for the provision of services

LAW, ORDER, PUBLIC SAFETY

To provide services to help ensure a safe and environmentally conscience community.

HEALTH

To provide an operational framework for environmental and community health

EDUCATION AND WELFARE

To provide services to seniors, elderly & youth

COMMUNITY AMENITIES

To provide for service required by the community

RECREATION AND CULTURE

To establish and effectively manage the social well-being of the community

TRANSPORT

To provide safe, effective and efficient transport services to the community

ECONOMIC SERVICES

To help promote the districts economic wellbeing

OTHER PROPERTY AND SERVICES

To monitor and control operating accounts

ACTIVITIES

Activities of members of Council and the administrative support available to Council.

Rates, general purpose grants and interest revenue.

Local laws, animal and other aspects of public safety

Infant health centre, health operations

SHINE community services, seniors week

Refuse collection & disposal, planning, protection of the environment & public conveniences

Community centre, foreshore, parks and gardens, playgrounds & library

Road and footpath construction and maintenance, depots street cleaning, street trees & street lights

Building control'

Private works, plant and overheads

SHIRE OF PEPPERMINT GROVE

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

BY NATURE OR TYPE

NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates	3,313,212	3,279,884	3,268,004
Operating grants, subsidies and contributions	1,358,459	1,320,445	1,284,373
Fees and charges	249,534	245,997	231,165
Interest earnings	75,600	79,576	64,000
Goods and services tax	200,000	198,185	202,000
Other revenue	9,200	53,650	12,338
	5,206,005	5,177,737	5,061,880
Payments			
Employee costs	(2,228,643)	(2,229,215)	(2,253,611)
Materials and contracts	(1,958,535)	(1,635,170)	(1,873,989)
Utility charges	(128,396)	(126,563)	(130,043)
Interest expenses	(59,316)	(61,030)	(61,030)
Insurance expenses	(100,952)	(94,309)	(94,256)
Goods and services tax	(205,000)	(211,379)	(195,000)
Other expenditure	(149,540)	(69,750)	(77,250)
	(4,830,382)	(4,427,416)	(4,685,179)
Net cash provided by (used in) operating activities	3	375,623	750,321
			376,701
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	4(a)	(364,264)	(170,852)
Payments for construction of infrastructure	4(a)	(718,300)	(305,761)
Non-operating grants, subsidies and contributions used for the development of assets	9	357,684	80,867
Proceeds from sale of plant & equipment	4(b)	27,200	100,455
		(697,680)	(295,291)
Net cash provided by (used in) investing activities			(302,633)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	6(a)	(29,645)	(27,701)
		(29,645)	(27,701)
Net cash provided by (used in) financing activities			(27,701)
Net increase (decrease) in cash held		(351,702)	427,329
Cash at beginning of year		2,113,583	1,539,702
Cash and cash equivalents at the end of the year	3	1,761,881	1,967,031
			1,586,069

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

SHIRE OF PEPPERMINT GROVE

RATES SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2020

BY REPORTING PROGRAM

NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
OPERATING ACTIVITIES			
Net current assets at start of financial year - surplus/(deficit)	240,785	234,565	234,565
	240,785	234,565	234,565
Revenue from operating activities (excluding rates)			
Governance	6,000	35,721	16,088
General purpose funding	110,600	121,971	90,215
Law, order, public safety	7,600	8,851	12,000
Health	12,780	11,205	16,030
Community amenities	139,446	114,100	94,085
Recreation and culture	1,373,607	1,361,281	1,312,658
Transport	13,900	36,335	18,050
Economic services	33,860	25,569	30,750
Other property and services	0	285	0
	1,697,793	1,715,318	1,589,876
Expenditure from operating activities			
Governance	(1,000,920)	(975,998)	(982,110)
General purpose funding	(103,350)	(86,443)	(86,150)
Law, order, public safety	(47,500)	(48,174)	(46,700)
Health	(43,931)	(38,064)	(50,900)
Education and welfare	(61,304)	(56,989)	(65,165)
Community amenities	(758,806)	(698,277)	(688,786)
Recreation and culture	(2,180,067)	(2,150,994)	(2,086,424)
Transport	(756,259)	(763,793)	(742,067)
Economic services	(113,600)	(105,140)	(96,000)
	(5,065,737)	(4,923,872)	(4,844,302)
Non-cash amounts excluded from operating activities	431,088	439,982	386,563
Amount attributable to operating activities	(2,696,071)	(2,534,007)	(2,633,298)
INVESTING ACTIVITIES			
Non-operating grants, subsidies and contributions	357,684	80,867	80,867
Purchase property, plant and equipment	(364,264)	(170,852)	(164,500)
Purchase and construction of infrastructure	(718,300)	(333,736)	(349,000)
Proceeds from disposal of assets	27,200	100,455	130,000
Amount attributable to investing activities	(697,680)	(323,266)	(302,633)
FINANCING ACTIVITIES			
Repayment of borrowings	(29,645)	(27,701)	(27,701)
Transfers to cash backed reserves (restricted assets)	(202,002)	(119,810)	(200,300)
Transfers from cash backed reserves (restricted assets)	348,866	0	22,920
Amount attributable to financing activities	117,219	(147,511)	(205,081)
Budgeted deficiency before general rates	(3,276,532)	(3,004,784)	(3,141,012)
Estimated amount to be raised from general rates	3,310,667	3,245,569	3,223,004
Net current assets at end of financial year - surplus/(deficit)	34,135	240,785	81,992

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

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

1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in \$	Number of properties	Rateable value \$	2019/20 Budgeted rate revenue \$	2019/20 Budgeted interim rates \$	2019/20 Budgeted rates in advance \$	2019/20 Budgeted total revenue \$	2018/19 Actual total revenue \$	2018/19 Budget total revenue \$
General Rate									
Gross rental valuations									
Residential	0.078466	570	34,299,365	2,691,334	5,000	22,545	2,718,879	2,669,361	2,646,796
Commercial	0.078466	28	6,136,902	481,538	0	0	481,538	467,105	467,105
Clubs	0.078466	2	530,800	41,650	0	0	41,650	41,238	41,238
Sub-Totals		600	40,967,067	3,214,522	5,000	22,545	3,242,067	3,177,704	3,155,139
Minimum payment									
Gross rental valuations									
Residential	1,400	34	493,740	47,600	0	0	47,600	47,090	47,090
Commercial	1,400	15	160,550	21,000	0	0	21,000	20,775	20,775
Sub-Totals		49	654,290	68,600	0	0	68,600	67,865	67,865
Discounts/concessions (Refer note 1(e))									
		649	41,621,357	3,283,122	5,000	22,545	3,310,667	3,245,569	3,223,004
Total amount raised from general rates									
Specified area rates (Refer note 1(c))							3,310,667	3,245,569	3,223,004
Total rates							3,310,667	3,245,569	3,223,004

All land (other than exempt land) in the Shire of Peppermint Grove is rated according to its Gross Rental Value (GRV).

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

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

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

1. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge \$	Instalment plan interest rate %	Unpaid rates interest rates %
Option one				
Payment in Full	12/08/2019	15	3.0%	6.0%
Option two				
Four Instalment option				
First Instalment	12/08/2019			
Second Instalment	14/10/2019			
Third Instalment	16/12/2019			
Fourth Instalment	17/02/2020			

	2019/20 Budget revenue \$	2018/19 Actual revenue \$	2018/19 Budget revenue \$
Instalment plan admin charge revenue	2,800	2,730	4,500
Instalment plan interest earned	10,000	10,153	7,000
	4,100	6,000	4,000
Unpaid rates and service charge interest earned	16,900	18,883	15,500

(c) Specified Area Rate

The Shire did not raise specified area rates for the year ended 30th June 2020.

(d) Service Charges

The Shire did not raise service charges for the year ended 30th June 2020.

(e) Waivers or concessions

The Shire does not anticipate any waivers or concessions for the year ended 30th June 2020.

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

2 (a). NET CURRENT ASSETS

Note	2019/20	2019/20	2018/19	2018/19
	Budget	Budget	Estimated	Budget
	30 June 2020	01 July 2019	Actual	30 June 2019
	\$	\$	\$	\$
Composition of estimated net current assets				
Current assets				
Cash - unrestricted	3	430,376	657,759	196,683
Cash - restricted reserves	3	1,184,953	1,331,817	1,389,388
Cash - restricted unspent borrowings	6 (b)	0	124,007	0
Receivables		101,574	94,119	44,024
		1,716,903	2,207,702	1,630,095
Less: current liabilities				
Trade and other payables		(415,360)	(448,128)	(161,001)
Contract liabilities		124,007	0	0
Long term borrowings		(31,726)	(29,645)	(29,645)
Provisions		(188,779)	(188,779)	(169,279)
		(511,858)	(666,552)	(359,925)
Net current assets		1,205,045	1,541,150	1,270,170

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

2 (b). NET CURRENT ASSETS (CONTINUED)

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

Operating activities excluded from budgeted deficiency

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

Note	2019/20 Budget 30 June 2020	2019/20 Budget 01 July 2019	2018/19 Estimated Actual 30 June 2019	2018/19 Budget 30 June 2019
	\$	\$	\$	\$
(i) Current assets and liabilities excluded from budgeted deficiency				
Net current assets	2	1,205,045	1,541,150	1,270,170
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement.				
Adjustments to net current assets				
Less: Cash - restricted reserves	3	(1,184,953)	(1,331,817)	(1,389,388)
Add: Current liabilities associated with restricted assets				
- Unspent grants, contributions and reimbursements		(124,007)		
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		31,726	29,645	29,645
- Employee benefit provisions		106,324	148,359	171,565
Adjusted net current assets - surplus/(deficit)		34,135	387,337	81,992
(ii) Operating activities excluded from budgeted deficiency				
The following non-cash revenue or expenditure has been excluded from operating activities within the Rate Setting Statement.				
Adjustments to operating activities				
Less: Movement in liabilities associated with restricted cash		(42,035)		
Add: Change in accounting policies	16		22,545	
Add: Depreciation on assets	5	473,123	439,982	386,563
Non cash amounts excluded from operating activities		431,088	439,982	386,563

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

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

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

2 (c). NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

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

TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire of Peppermint Grove becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

CONTRACT ASSETS

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

PROVISIONS

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

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

INVENTORIES

General

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

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

Superannuation

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

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

TRADE AND OTHER RECEIVABLES

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

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

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

CONTRACT LIABILITIES

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

EMPLOYEE BENEFITS

Short-term employee benefits

Provision is made for the Shire of Peppermint Grove'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 Peppermint Grove'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 Peppermint Grove'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 2020**

3. RECONCILIATION OF CASH

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

	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
Cash - unrestricted	430,376	657,759	196,683
Cash - restricted	1,184,953	1,455,824	1,389,388
	1,615,329	2,113,583	1,586,071
The following restrictions have been imposed by regulation or other externally imposed requirements:			
Staff Leave	106,324	148,359	125,206
Plant	21,021	20,532	20,500
Infrastructure/Building	645,646	565,191	564,300
Information Technology	24,244	23,680	23,643
Road	194,527	385,356	384,749
Library Capital	11,214	10,953	10,936
Arts & Culture	20,972	20,484	22,929
Legal Costs	161,005	157,262	237,125
Unspent grants and contributions not held in reserve	0	124,007	0
	1,184,953	1,455,824	1,389,388
Reconciliation of net cash provided by operating activities to net result			
Net result	300,407	115,114	49,445
Depreciation	473,123	439,982	386,563
(Increase)/decrease in receivables	(30,000)	5,471	53,530
(Increase)/decrease in contract assets	0	0	0
Increase/(decrease) in payables	(32,768)	270,621	(14,470)
Increase/(decrease) in contract liabilities	0	0	
Increase/(decrease) in employee provisions	0	0	(17,500)
Change in accounting policies transferred to retained surplus (refer to Note 16)	0	0	0
Grants/contributions for the development of assets	(357,684)	(80,867)	(80,867)
Net cash from operating activities	353,078	750,321	376,701

SIGNIFICANT ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

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

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

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

4. FIXED ASSETS (CONTINUED)

(b) Disposals of Assets

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

	2019/20	2019/20	2019/20	2019/20	2019/20	2018/19	2018/19	2018/19	2018/19	2018/19	2018/19	2018/19	2018/19	2018/19	2018/19	
	Budget	Budget	Budget	Budget	Budget	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
	Net Book	Net Book	Net Book	Net Book	Net Book	Net Book	Net Book	Net Book	Net Book	Net Book	Net Book	Net Book	Net Book	Net Book	Net Book	
	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
By Program																
Governance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other property and services	27,200	27,200	0	0	100,455	100,455	100,455	100,455	0	0	0	0	0	0	0	0
	27,200	27,200	0	0	100,455	100,455	100,455	100,455	0	0	0	0	0	0	0	0
By Class																
<u>Property, Plant and Equipment</u>																
Plant and equipment	27,200	27,200	0	0	100,455	100,455	100,455	100,455	0	0	0	0	0	0	0	0
	27,200	27,200	0	0	100,455	100,455	100,455	100,455	0	0	0	0	0	0	0	0

A detailed breakdown of disposals on an individual asset basis can be found in the supplementary information attached to this budget document as follows:
- Plant replacement programme

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

4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program					2019/20 Budget total	2018/19 Actual total	2018/19 Budget total
	Governance	Community amenities	Recreation and culture	Transport	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	
<u>Property, Plant and Equipment</u>								
Buildings - specialised	40,000		152,906			192,906		
Furniture and equipment	10,000					10,000	40,000	
Plant and equipment		68,158	11,000	25,000	57,200	161,358	130,852	
	50,000	68,158	163,906	25,000	57,200	364,264	170,852	
<u>Infrastructure</u>								
Infrastructure - Roads				411,700		411,700	159,413	
Infrastructure - Footpaths				80,000		80,000	170,000	
Infrastructure - Drainage						0	4,323	
Infrastructure - Other	20,000		206,600			226,600	20,000	
	20,000	0	206,600	491,700	0	718,300	333,736	
Total acquisitions	70,000	68,158	370,506	516,700	57,200	1,082,564	504,588	
							513,500	

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

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

5. ASSET DEPRECIATION

By Program

Governance	
Recreation and culture	
Transport	

By Class

Buildings - specialised	
Furniture and equipment	
Plant and equipment	
Infrastructure - Roads	
Infrastructure - Footpaths	
Infrastructure - Drainage	
Infrastructure - Parks & Ovals	
Infrastructure - Other	

2019/20 Budget	2018/19 Actual	2018/19 Budget
\$	\$	\$
61,359	61,193	93,773
93,565	92,015	78,270
318,199	286,774	214,520
473,123	439,982	386,563
81,392	80,392	105,818
8,045	7,879	2,955
38,392	21,333	28,300
195,352	187,118	145,553
58,314	56,314	52,886
15,607	15,607	14,681
64,942	64,392	34,970
11,079	6,947	1,400
473,123	439,982	386,563

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.

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

Buildings - specialised	30 - 50 years
Furniture and equipment	4 - 10 years
Plant and equipment	5 - 15 years
Infrastructure - Roads	25 - 50 years
Infrastructure - Footpaths	40 years
Infrastructure - Drainage	60 - 100 years
Infrastructure - Parks & Ovals	10 - 25 years
Infrastructure - Other	10 - 50 years

DEPRECIATION (CONTINUED)

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.

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.

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	2019/20		2019/20		2019/20		2018/19		2018/19		2018/19		2018/19		2018/19		2018/19		2018/19		2018/19				
	Budget Principal 1 July 2019	Budget New loans	Budget Principal repayments	Budget Interest repayments	Budget Principal outstanding 30 June 2020	Actual Principal 1 July 2018	Actual New loans	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding 30 June 2019	Budget Principal 1 July 2018	Budget New loans	Budget Principal repayments	Budget Interest repayments	Budget Principal outstanding 30 June 2019	Actual Principal 1 July 2018	Actual New loans	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding 30 June 2019	Budget Principal 1 July 2018	Budget New loans	Budget Principal repayments	Budget Interest repayments	Budget Principal outstanding 30 June 2019
Recreation and culture	786,353	0	29,645	59,316	756,708	814,053	0	27,701	61,030	786,353	814,053	0	27,701	61,030	786,353	814,053	0	27,701	61,030	786,353	814,053	0	27,701	61,030	786,353
Library/Community Centre	786,353	0	29,645	59,316	756,708	814,053	0	27,701	61,030	786,353	814,053	0	27,701	61,030	786,353	814,053	0	27,701	61,030	786,353	814,053	0	27,701	61,030	786,353
	786,353	0	29,645	59,316	756,708	814,053	0	27,701	61,030	786,353	814,053	0	27,701	61,030	786,353	814,053	0	27,701	61,030	786,353	814,053	0	27,701	61,030	786,353

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

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

6. INFORMATION ON BORROWINGS (CONTINUED)

(b) New borrowings - 2019/20

The Shire does not intend to undertake any new borrowings for the year ended 30th June 2020

(c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30th June 2019 nor is it expected to have unspent borrowing funds as at 30th June 2020.

(d) Credit Facilities

	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
Undrawn borrowing facilities			
credit standby arrangements			
Bank overdraft limit	200,000	200,000	200,000
Bank overdraft at balance date	0	0	0
Credit card limit	25,000	25,000	9,000
Credit card balance at balance date	0	0	0
Total amount of credit unused	225,000	225,000	209,000
Loan facilities			
Loan facilities in use at balance date	756,708	786,353	786,352

Overdraft details	Purpose overdraft was established	Year overdraft established	Amount b/fwd 1 July 2019	2019/20 Budgeted Increase/ (Decrease)	Amount as at 30th June 2020
			\$	\$	\$
NAB Bank	Cash Flow		0	0	0
			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 2020

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2019/20		2019/20		2018/19		2018/19		2018/19		2018/19		2018/19	
	Budget Opening Balance	Transfer to Budget (from)	Budget Closing Balance	Transfer to Budget (from)	Actual Opening Balance	Actual Transfer to (from)	Actual Closing Balance	Budget Opening Balance	Budget Transfer to (from)	Budget Closing Balance	Budget Transfer to (from)	Budget Closing Balance	Budget Transfer to (from)	Budget Closing Balance
Staff Leave	148,359	3,531	106,324	(45,566)	144,512	3,847	148,359	144,513	3,613	125,206	(22,920)	125,206		
Plant	20,532	489	21,021	0	20,000	532	20,532	20,000	500	20,500	0	20,500		
Infrastructure/Building	565,191	183,755	645,646	(103,300)	550,537	14,654	565,191	550,537	13,763	564,300	0	564,300		
Information Technology	23,680	564	24,244	0	23,066	614	23,680	23,066	577	23,643	0	23,643		
Road	385,356	9,171	194,527	(200,000)	375,365	9,991	385,356	375,365	9,384	384,749	0	384,749		
Library Capital	10,953	261	11,214	0	10,669	284	10,953	10,669	267	10,936	0	10,936		
Arts & Culture	20,484	488	20,972	0	2,858	17,626	20,484	2,858	20,071	22,929	0	22,929		
Legal Costs	157,262	3,743	161,005	0	85,000	72,262	157,262	85,000	152,125	237,125	0	237,125		
	1,331,817	202,002	1,184,953	(348,866)	1,212,007	119,810	1,331,817	1,212,008	200,300	1,389,388	(22,920)	1,389,388		

(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
Staff Leave	Ongoing	Funding for ongoing liability to pay staff annual and long service leave upon termination
Plant	Ongoing	To enable the replacement of Council's road plant in accordance with asset management plan
Infrastructure/Building	Ongoing	To enable the renewal of Council's infrastructure and buildings (excluding roads) in accordance with asset management plan
Information Technology	Ongoing	To fund future ICT equipment purchases
Road	Ongoing	To enable the renewal of Council's roads/kerbing infrastructure in accordance with asset management plan
Library Capital	Ongoing	To provide for Council's contribution towards library/community centre capital expenditure
Arts & Culture	Ongoing	To fund future arts and cultural projects including public art
Legal Costs	Ongoing	To fund future legal action including planning, heritage and debt recovery

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

8. FEES & CHARGES REVENUE

	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
Governance	4,000	4,050	4,000
General purpose funding	2,800	2,730	2,250
Law, order, public safety	7,600	8,571	8,000
Health	5,780	4,205	7,530
Community amenities	118,739	134,419	94,085
Recreation and culture	71,155	59,854	70,800
Transport	6,000	7,240	12,000
Economic services	33,460	24,642	30,500
Other property and services	0	285	0
	249,534	245,997	229,165

9. GRANT REVENUE

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

By Program:

Operating grants, subsidies and contributions

Governance	0	10,000	0
General purpose funding	28,200	58,731	23,965
Law, order, public safety	0	4,000	4,000
Health	0	0	8,500
Community amenities	20,707	0	0
Recreation and culture	1,306,652	1,255,560	1,241,858
Transport	7,900	7,804	6,050
	1,363,459	1,336,095	1,284,373

Non-operating grants, subsidies and contributions

Community amenities	14,400	0	0
Recreation and culture	192,151	0	0
Transport	151,133	80,867	80,867
	357,684	80,867	80,867

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

10. OTHER INFORMATION

	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	32,000	32,260	20,000
- Other funds	29,500	31,162	33,000
Other interest revenue (refer note 1b)	14,100	16,153	11,000
	75,600	79,575	64,000
(b) Other revenue			
Reimbursements and recoveries	8,800	53,275	12,088
Other	400	375	250
	9,200	53,650	12,338
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	19,200	14,000	25,000
	19,200	14,000	25,000
(d) Interest expenses (finance costs)			
Borrowings (refer Note 6(a))	59,316	61,030	61,030
Interest expense on lease liabilities	0	0	0
	59,316	61,030	61,030
(e) Elected members remuneration			
Meeting fees	72,731	45,000	52,500
Mayor/President's allowance	15,047	10,750	10,750
Deputy Mayor/President's allowance	3,762	0	0
	91,540	55,750	63,250
(f) Write offs			
General rate	0	151	0
	0	151	0
(g) Low Value lease expenses			
Office equipment - Shire	4,536	4,536	4,536
Office equipment - Library	7,420	6,799	8,000
	11,956	11,335	12,536

SIGNIFICANT ACCOUNTING POLICIES

LEASES

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

At the commencement date, a lessee shall recognise a right-of-use asset and a lease liability.

At the commencement date, a lessee shall measure the right-of-use asset at cost.

LEASES (CONTINUED)

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

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

11. MAJOR LAND TRANSACTIONS

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

12. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

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

13. INTERESTS IN JOINT ARRANGEMENTS

The Shire together with the Towns of Mosman Park and Cottesloe have a joint venture arrangement with regard to the provision of a shared library and community centre.

The only assets are buildings, furniture and a vehicle. The Shire's 9.09% share of these assets are included in Property, Plant & Equipment is as follows:

	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
Non-current assets			
Buildings	1,221,715	1,212,361	1,212,361
Less: accumulated depreciation	(38,427)	(25,618)	(25,618)
	1,183,288	1,186,743	1,186,743

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

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

14. TRUST FUNDS

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

Detail	Balance 1 July 2019	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2020
	\$	\$	\$	\$
Manners Hill Park Bonds	10,150	0	(8,000)	2,150
Community Centre Bonds	4,088	0	(4,088)	0
Footpath & Road Bonds	28,060	0	(10,000)	18,060
	42,298	0	(22,088)	20,210

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

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

GOODS AND SERVICES TAX (GST)

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

ROUNDING OFF FIGURES

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

COMPARATIVE FIGURES

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

BUDGET COMPARATIVE FIGURES

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

REVENUE RECOGNITION

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

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

**16. SIGNIFICANT ACCOUNTING POLICIES - CHANGE
IN ACCOUNTING POLICIES**

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

REVENUE FROM CONTRACTS WITH CUSTOMERS

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

	AASB 118 carrying amount 30 June 19	Reclassification	AASB 15 carrying amount 01 July 19
	\$	\$	\$
Contract assets	0	0	0
Contract liabilities - current			
Unspent grants, contributions and reimbursements	124,007	(124,007)	0
Developer contributions	0		0
Contract liabilities non-current			
Developer contributions	0		0
Cash in lieu of parking	0		0
Adjustment to retained surplus from adoption of AASB 15	124,007	(124,007)	

LEASES

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

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

**16. SIGNIFICANT ACCOUNTING POLICIES - CHANGE
IN ACCOUNTING POLICIES (Continued)**

INCOME FOR NOT-FOR-PROFIT ENTITIES

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

In applying AASB 1058 retrospectively with the cumulative effect of initially applying the Standard on 1 July 2019 changes occurred to the following financial statement line items by application of AASB as compared to AASB 1004 Contributions before the change:

	AASB 1004 carrying amount 30 June 19	Reclassification	AASB 1058 carrying amount 01 July 19
	\$	\$	\$
Trade and other payables	22,545	22,545	0
Adjustment to retained surplus from adoption of AASB 1058	22,545	22,545	0

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

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

Volunteer Services in relation to Volunteer Fire Services have been recognised in budgeted revenue and budgeted expenditure as the fair value of the services can be reliably estimated and the services would have been purchased if they had not been donated.

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

	2019
	\$
Retained surplus - 30/06/2019	9,841,073
Adjustment to retained surplus from adoption of AASB 15	(124,007)
Adjustment to retained surplus from adoption of AASB 1058	(22,545)
Retained surplus - 01/07/2019	9,694,521



Shire of
Peppermint Grove

FEES AND CHARGES

**FOR THE FINANCIAL YEAR
ENDED**

30 JUNE 2020

SHIRE OF PEPPERMINT GROVE SCHEDULE OF FEES AND CHARGES FOR THE YEAR ENDING 30 JUNE 2020.

Program	Type of Fee	Legislation	Fee/Charge – * GST Inclusive	\$ Estimated Revenue	
General Purpose Funding	Rate/Property Enquiry Fee	Local Government Act 1995	\$150 for each written enquiry	4,000	
	Rate Instalment Fee	Local Government Act 1995	\$15 per assessment	2,250	
Governance	FOI Applications	FOI Act 1992	\$30 per application	30	
Law, Order & Safety	Cat/Dog Fines and penalties	Dog Act 1976/Cat Act 2013	As per relevant Act	100	
	Cat/Dog Impounding Fees	Dog Act 1976/Cat Act 2013	\$120	250	
	Cat/Dog License Fees	Dog Act 1976/Cat Act 2013	Various	4,000	
	Vehicle Impounding Fees	Local Government Act 1995	\$250 plus towing costs	200	
	ESL Administration Fee	Local Government Act 1995		4,000	
Health	Notification Fee	Food Act 2008/Local Government Act 1995	Fee for Service	50	
	Exempted Food Premises fee	Food Act 2008/Local Government Act 1995	Nil	0	
	Fee	High Risk	Food Act 2008/Local Government Act 1995	Primary Classification \$525	1,550
		High Risk	Food Act 2008/Local Government Act 1995	Additional Classification \$230	460
		Medium Risk	Food Act 2008/Local Government Act 1995	Primary Classification \$460	3,220
		Medium Risk	Food Act 2008/Local Government Act 1995	Additional Classification \$230	230
		Low Risk	Food Act 2008/Local Government Act 1995	Primary Classification \$230	1,840
		Low Risk	Food Act 2008/Local Government Act 1995	Additional Classification \$230	460
		Very Low Risk	Food Act 2008/Local Government Act 1995	No fee	0
	Transfer Fee	Food Act 2008/Local Government Act 1995	Fee for Service	50	
	Application Fee Construction and Establishment of Food Premises (Including one off notification fee)				
	Risk Level	High/Medium	Food Act 2008/Local Government Act 1995	Fee for Service	400
		Low Risk	Food Act 2008/Local Government Act 1995	Fee for Service	150
		Very Low Risk	Food Act 2008/Local Government Act 1995	Fee for Service	50
		To amend or refurbish a good	Food Act 2008/Local Government Act 1995	Fee for Service	200
Community Amenities	Additional Domestic Refuse	Waste Avoidance and Resource Recovery Act	\$362 pa for (1) Weekly Service – 240L MGB	47,784	
	Refuse Service – Non Rateable	Waste Avoidance and Resource Recovery Act	\$362 pa for (1) Weekly Service – 240L MGB	724	
	Commercial Refuse Service	Waste Avoidance and Resource Recovery Act	\$362 pa for (1) Weekly Service – 240L MGB	13,394	
	Additional Domestic Recycling	Waste Avoidance and Resource Recovery Act	\$199 pa for (1) Weekly Service – 240L MGB	199	
	Additional Green Waste	Waste Avoidance and Resource Recovery Act	\$199 pa for (1) Weekly Service – 240L MGB	199	
	Special Rubbish Removal	Waste Avoidance and Resource Recovery Act	Various costs with a minimum of \$125*	250	
	Additional Rate Payer Tip Pass	Local Government Act 1995	\$100* per each additional tip pass	200	
	Town Planning Fees	Town Planning (Local Govt Planning Fees) Regs 2000	Various – Scale of charges based on cost of development	0	
	Permit for use of foreshore/Parks for commercial use	Local Government Act 1995	\$300 Permit fee for use of foreshore/parks for commercial use	600	
	Bus Shelter Rent	Local Government Act 1995	Advertising and Rental	3,500	
	Fence Approval Administration Fees	Local Government Act 1995	\$120* per application. Where over-height fence is requested (1.8 m - 2.1+ m)	720	

SHIRE OF PEPPERMINT GROVE SCHEDULE OF FEES AND CHARGES FOR THE YEAR ENDING 30 JUNE 2020.

Program	Type of Fee	Legislation	Fee/Charge – * GST Inclusive	\$ Estimated Revenue
Recreation & Culture	Manners Hill Park Pavilion	Local Government Act 1995	\$250* per use. Shire of Peppermint Grove residents- Inc electricity	1,760
	Manners Hill Park Pavilion	Local Government Act 1995	\$415* per use. Non-Shire of Peppermint Grove	1,750
	Manners Hill Park Pavilion - bond	Local Government Act 1995	\$550* per booking	0
	Foreshore Dinghy Storage	Local Government Act 1995	\$200 per mooring bay p a	2,500
	Foreshore Dinghy impound fee	Local Government Act 1995	\$110* per vessel impounded.	
	Peppermint Grove Tennis Club	Local Government Act 1995	Annual reticulation-pump-hire-fee	2,300
	Library Café Rental	Local Government Act 1995	\$8,000 annual lease	8,000
	Library – Lost and Damaged	Local Government Act 1995	Depreciated and/or replacement value of each	3,000
	Library – Account fee for very over	Local Government Act 1995	\$3.00 per item, to a maximum of \$15.	5,500
	Library – Photocopying & Printing	Local Government Act 1995	20c* per sheet (Black); .50c* per sheet (Colour)	8,000
	Library - Replacement Cards &	Local Government Act 1995	\$5.50* per card	1,500
	Library – Local History - copying	Local Government Act 1995	\$8.60* (scanning additional as per below)	500
	Library - Sale of Books	Local Government Act 1995	Various - Full or partial cost recovery	3,000
	Library - Pod Room	Local Government Act 1995	\$12.00 per hour	2,000
	Library - Book club book hire	Local Government Act 1995	\$5 per meeting per year paid in advance	200
	Library - Events	Local Government Act 1995	Various - full or partial cost recovery	0
	Local History Hi res image transfer	Local Government Act 1995	New \$25 up to 5 images	50
	Local History Hi res image transfer - commercial	Local Government Act 1995	New \$50 up to 5 images	250
	Colour printing - photographic	Local Government Act 1995	New \$10 per page	100
	Hire of scanner	Local Government Act 1995	New \$10 per hour	50
	Sakle of USB	Local Government Act 1995	New \$5.50 each	11
	Blank CD	Local Government Act 1995	New \$2.00 each	10
	Ear buds	Local Government Act 1995	New \$4.00 each	8
	Community Centre & Flax Room- Community Groups Meetings,	Local Government Act 1995	\$25.00 per hour	12,000
	Community Centre & Small Meetings spaces - Local	Local Government Act 1995	\$125 full day (8am to 6pm Mon - Fri; 8am to 4pm Weekends)	5,000
	Community Centre & Library Hall - All other hirers	Local Government Act 1995	\$60per hour or \$275 full day (8am to 6pm Mon - Fri; 8am to 4pm Weekends)	6,000
	Community Centre & Library Hall - All other hirers	Local Government Act 1995	\$300 full day (8am to 6pm Monday to Friday, 8am to 4pm Saturday or Sunday)	600
	Community Centre - Cancellation Fee. More than 24 hours notice.	Local Government Act 1995	Cancellation Fee	55
	West Coast Community Group	Local Government Act 1995	\$10,000 as per MOU	10,000
	Community Centre - Cancellation Fee. Less than 24 hours notice.	Local Government Act 1995	Full hire cost forfeited	
	Bond (Booking Deposit)	Local Government Act 1995	Up to \$200 per booking	400
	Small Meeting Rooms/Spaces - All hirers	Local Government Act 1995	\$22.00* per hour	120
	Small Meeting Rooms/Spaces - Community Groups Meetings,	Local Government Act 1995	\$15.00* per hour (min 2 hours after 6pm)	45
Small Meeting Rooms/Spaces - Private Hirers/Commercial	Local Government Act 1995	\$20.00* per hour (min 2 hours after 6pm)	60	
Community Centre & Library Hall - All other hirers - After hours duty management	Local Government Act 1995	\$60 per hour per member of staff - Weeknights after 6pm & Saturdays; \$55 per staff member Sundays	540	

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Program	Type of Fee	Legislation	Fee/Charge – * GST Inclusive	\$ Estimated Revenue
Planning and Building	Plannng Application	Planning and Development Act 2005	Fees on sliding scale as adoped by WAPC and paid entirely to the local government.	40,000
	Building Application/Permit	Building Act 2011	Various fees from 1 July 2017 as published by the Building Commisston (inc retrospective approvals)	18,000
Transport	Parking Fines	Local Government Act 1995	As per Local Law	12,000
	Demolition/Construction bond	Local Government Act 1995	Up to \$2000	
	Road Verge Footpath Reinstatement	Local Government Act 1995	Various	0
Economic Services	Building Permit Statistical Information	Local Government Act 1995	\$44.00* per annum	500
	Copy of Building Plans	Local Government Act 1995	Fee for Service	50
	Demolition permit	Local Government Act 1995	For each Level=\$97.70	488.50
	Swimming Pool Inspection Fee	Local Government Act 1995	\$30 per swimming pool, annual charge	8,460
			TOTAL	249,094