



Shire of
Peppermint Grove

ADOPTED BUDGET

2018/19



2018/19 Budget

Message from the Shire President

I'm pleased to confirm that our results for the 2017/18 financial year exceeded budget expectations. In 2018/19 the Shire will continue to work towards greater financial sustainability, particularly regarding the maintenance, renewal and replacement of the Shire's assets. This not only includes buildings, but also parks, roads, drainage and footpaths. The

Council wants to ensure that we continue to manage the Shire's finances in a responsible and strategic way to deliver valued services to our residents.

Total projected revenue for 2018/19 is \$4,893,747 of which rates comprise \$3,223,004 or 66% of the Shire revenue. The next major source of income is \$1,239,458 from the Towns of Mosman Park and Cottesloe towards the operation of the Grove Library and Community Centre, which are shared facilities. As the Shire has no other significant revenue streams and receives minimal grant income from the Federal Government, our heavy reliance on rate revenue will continue for the foreseeable future.

The Council is mindful of keeping rate increases to a minimum and was able to keep the average rate rise for 2018/19 to 1.55%. This still allows for a continuation of the current service levels, along with an increase in cash reserves of \$177,000 and a capital works programme totalling \$513,500. Major works for 2018/19 include further roadworks to The Esplanade, Hobbs Place traffic flow improvements, kerbing renewal and footpath renewal.

Please note the rate assessment notice includes the Emergency Services Levy which the Shire collects on behalf of the State Government. The State Government has increased this charge by 10% for 2018/19.

The budget makes provision for a number of community events. These will include the community breakfast in November, Carols by Candlelight in December, Australia Day and Community Awards presentations in January, as well as the extensive program of events and activities held at The Grove Library and Community Centre. The Shire also provides funding to SHINE Community Services, supports the Access & Inclusion Reference Group and is working with our neighbouring local governments to foster seniors' education programmes based at The Grove.

The Shire has only one loan which was taken out in 2010, to part fund the construction of the library, community centre and office complex. The projected balance at 30 June 2019 for this loan will be \$786,352. We do not propose to borrow any further funds during 2018/19.

The Shire's reserve fund balances at 30 June 2019 are projected to be \$1,389,386. Reserve funds are created to ensure that future liabilities or costs are accrued on an annual basis in line with our long-term financial plan. The Shire has eight reserve funds, with the largest ones being the road reserve and the infrastructure/building reserve.

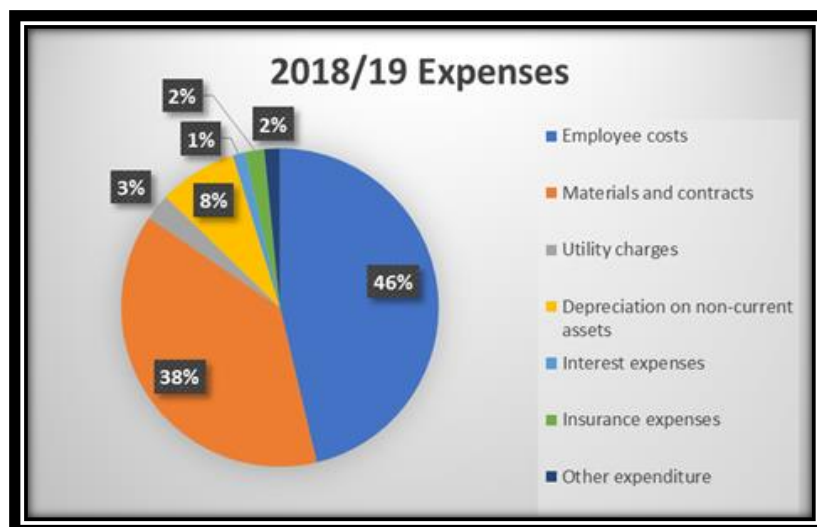
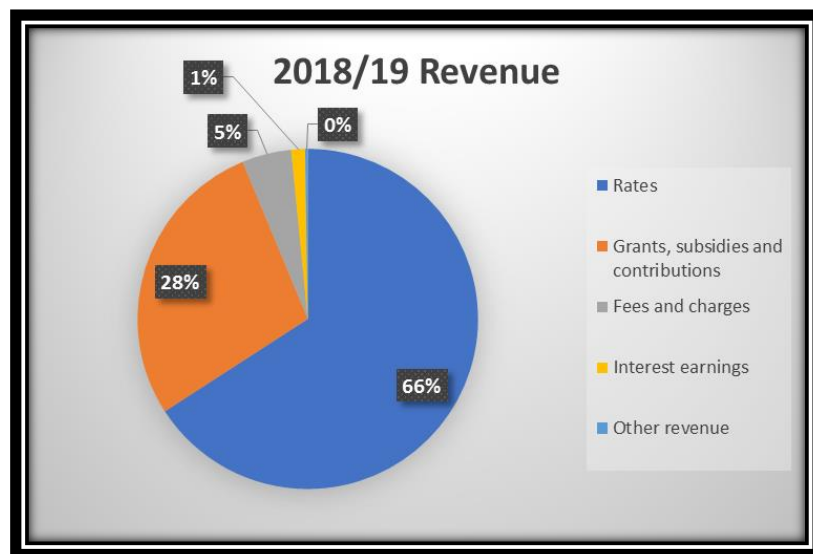
The budget will be on the Shire's website, however, if you would like more information on the budget, please do not hesitate to contact the Shire on 9286 8600.

With best wishes

Rachel Thomas

Rachel Thomas
Shire President

2018/19 Revenue and Expenses



SHIRE OF PEPPERMINT GROVE

ADOPTED BUDGET

FOR THE YEAR ENDED 30 JUNE 2019

TABLE OF CONTENTS

Statement of Comprehensive Income by Nature or Type	2
Statement of Comprehensive Income by Program	3
Statement of Cash Flows	5
Rate Setting Statement	6
Notes to and Forming Part of the Budget	7 to 28
Supplementary Information	
- Capital Expenditure Detail	29
- Operating Budget Detail	30 to 39
Fees & Charges	40 to 42

SHIRE OF PEPPERMINT GROVE
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2018/19 Budget \$	2017/18 Actual \$	2017/18 Budget \$
Revenue				
Rates	8	3,223,004	3,165,048	3,149,311
Operating grants, subsidies and contributions	15	1,284,373	1,413,024	1,386,076
Fees and charges	14	229,165	230,984	261,300
Interest earnings	2(a)	64,000	91,495	62,790
Other revenue	2(a)	12,338	46,353	5,500
		<u>4,812,880</u>	<u>4,946,904</u>	<u>4,864,977</u>
Expenses				
Employee costs		(2,241,641)	(2,200,437)	(2,198,351)
Materials and contracts		(1,853,519)	(1,872,054)	(1,816,643)
Utility charges		(130,043)	(129,779)	(150,973)
Depreciation on non-current assets	2(a)	(386,563)	(392,000)	(136,956)
Interest expenses	2(a)	(61,030)	(63,145)	(63,376)
Insurance expenses		(94,256)	(93,589)	(112,930)
Other expenditure		(77,250)	(70,401)	(64,250)
		<u>(4,844,302)</u>	<u>(4,821,405)</u>	<u>(4,543,479)</u>
		(31,422)	125,499	321,497
Non-operating grants, subsidies and contributions	15	80,867	108,088	85,599
Profit on asset disposals	6	0	278	0
Loss on asset disposals	6	0	(2,300)	0
Loss on revaluation of non current assets		0	0	0
Net result		<u>49,445</u>	<u>231,565</u>	<u>407,096</u>
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		<u>0</u>	<u>0</u>	<u>0</u>
Total comprehensive income		<u><u>49,445</u></u>	<u><u>231,565</u></u>	<u><u>407,096</u></u>

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

SHIRE OF PEPPERMINT GROVE
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2018/19 Budget \$	2017/18 Actual \$	2017/18 Budget \$
Revenue (refer notes 1,2,8,10 to 15)				
Governance		16,088	51,477	5,000
General purpose funding		3,313,219	3,314,121	3,245,081
Law, order, public safety		12,000	9,324	15,000
Health		16,030	18,463	17,000
Community amenities		94,085	93,662	100,000
Recreation and culture		1,312,658	1,407,501	1,404,868
Transport		18,050	18,267	16,028
Economic services		30,750	21,287	62,000
Other property and services		0	12,802	0
		<u>4,812,880</u>	<u>4,946,904</u>	<u>4,864,977</u>
Expenses excluding finance costs (refer notes 1, 2 & 16)				
Governance		(982,110)	(1,111,657)	(931,247)
General purpose funding		(86,150)	(81,318)	(85,123)
Law, order, public safety		(46,700)	(39,693)	(40,722)
Health		(50,900)	(63,495)	(49,486)
Education and welfare		(65,165)	(55,801)	(63,191)
Community amenities		(688,786)	(684,279)	(685,414)
Recreation and culture		(2,025,394)	(1,944,850)	(1,994,997)
Transport		(742,067)	(661,108)	(528,546)
Economic services		(96,000)	(103,488)	(101,378)
Other property and services		0	(12,570)	0
		<u>(4,783,272)</u>	<u>(4,758,259)</u>	<u>(4,480,104)</u>
Finance costs (refer notes 2 & 7)				
Recreation and culture		<u>(61,030)</u>	<u>(63,146)</u>	<u>(63,376)</u>
		<u>(61,030)</u>	<u>(63,146)</u>	<u>(63,376)</u>
		<u>(31,422)</u>	<u>125,499</u>	<u>321,497</u>
Non-operating grants, subsidies and contributions	15	80,867	108,088	85,599
Profit on disposal of assets	6	0	278	0
(Loss) on disposal of assets	6	0	(2,300)	0
Loss on revaluation of non current assets		0	0	0
		<u>80,867</u>	<u>106,066</u>	<u>85,599</u>
Net result		49,445	231,565	407,096
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		<u>0</u>	<u>0</u>	<u>0</u>
Total comprehensive income		<u>49,445</u>	<u>231,565</u>	<u>407,096</u>

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

**SHIRE OF PEPPERMINT GROVE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019**

	NOTE	2018/19 Budget \$	2017/18 Actual \$	2017/18 Budget \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		3,268,004	3,180,304	3,149,311
Operating grants, subsidies and contributions		1,284,373	1,412,297	1,386,076
Fees and charges		231,165	230,984	261,300
Interest earnings		64,000	91,495	62,790
Goods and services tax		202,000	203,279	165,000
Other revenue		12,338	46,353	5,500
		<u>5,061,880</u>	<u>5,164,712</u>	<u>5,029,977</u>
Payments				
Employee costs		(2,253,611)	(2,195,652)	(2,198,351)
Materials and contracts		(1,873,989)	(1,912,153)	(1,859,243)
Utility charges		(130,043)	(129,779)	(150,973)
Interest expenses		(61,030)	(63,145)	(63,376)
Insurance expenses		(94,256)	(93,589)	(112,930)
Goods and services tax		(195,000)	(196,795)	(165,000)
Other expenditure		(77,250)	(69,400)	(64,250)
		<u>(4,685,179)</u>	<u>(4,660,513)</u>	<u>(4,614,123)</u>
Net cash provided by (used in) operating activities	3(b)	<u>376,701</u>	<u>504,199</u>	<u>415,854</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5	(164,500)	(125,913)	(43,500)
Payments for construction of infrastructure	5	(349,000)	(326,716)	(414,688)
Non-operating grants, subsidies and contributions used for the development of assets		80,867	108,088	85,599
Proceeds from sale of plant & equipment	6	130,000	90,132	0
Net cash provided by (used in) investing activities		<u>(302,633)</u>	<u>(254,409)</u>	<u>(372,589)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7	(27,701)	(25,884)	(25,884)
Net cash provided by (used in) financing activities		<u>(27,701)</u>	<u>(25,884)</u>	<u>(25,884)</u>
Net increase (decrease) in cash held		46,367	223,906	17,381
Cash at beginning of year		<u>1,539,702</u>	<u>1,315,796</u>	<u>1,243,788</u>
Cash and cash equivalents at the end of the year	3(a)	<u><u>1,586,069</u></u>	<u><u>1,539,702</u></u>	<u><u>1,261,169</u></u>

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

**SHIRE OF PEPPERMINT GROVE
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019**

	NOTE	2018/19 Budget \$	2017/18 Actual \$	2017/18 Budget \$
Net current assets at start of financial year - surplus/(deficit)	4	<u>234,565</u>	<u>355,987</u>	<u>261,470</u>
		234,565	355,987	261,470
Revenue from operating activities (excluding rates)				
Governance		16,088	51,477	5,000
General purpose funding		90,215	149,073	95,770
Law, order, public safety		12,000	9,324	15,000
Health		16,030	18,463	17,000
Community amenities		94,085	93,662	100,000
Recreation and culture		1,312,658	1,407,501	1,404,868
Transport		18,050	18,267	16,028
Economic services		30,750	21,287	62,000
Other property and services		0	13,080	0
		<u>1,589,876</u>	<u>1,782,134</u>	<u>1,715,666</u>
Expenditure from operating activities				
Governance		(982,109)	(1,112,837)	(931,247)
General purpose funding		(86,150)	(81,318)	(85,123)
Law, order, public safety		(46,700)	(39,693)	(40,722)
Health		(50,900)	(63,495)	(49,486)
Education and welfare		(65,165)	(55,801)	(63,191)
Community amenities		(688,786)	(684,279)	(685,414)
Recreation and culture		(2,086,424)	(2,007,996)	(2,058,373)
Transport		(742,067)	(661,108)	(528,546)
Economic services		(96,000)	(103,488)	(101,378)
Other property and services		0	(13,690)	0
		<u>(4,844,302)</u>	<u>(4,823,705)</u>	<u>(4,543,480)</u>
Operating activities excluded from budget				
(Profit) on asset disposals	6	0	(278)	0
Loss on disposal of assets	6	0	2,300	0
Depreciation on assets	2(a)	386,563	392,000	136,956
Amount attributable to operating activities		<u>(2,633,298)</u>	<u>(2,291,561)</u>	<u>(2,429,386)</u>
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	15	80,867	108,088	85,599
Purchase land held for resale	5	0	0	0
Purchase property, plant and equipment	5	(164,500)	(124,912)	(43,500)
Purchase and construction of infrastructure	5	(349,000)	(326,716)	(414,688)
Proceeds from disposal of assets	6	130,000	90,132	0
Amount attributable to investing activities		<u>(302,633)</u>	<u>(253,408)</u>	<u>(372,589)</u>
FINANCING ACTIVITIES				
Repayment of borrowings	7	(27,701)	(25,884)	(25,884)
Proceeds from new borrowings	7	0	(0)	0
Proceeds from self supporting loans		0	0	0
Transfers to cash backed reserves (restricted assets)	9	(200,300)	(433,035)	(340,790)
Transfers from cash backed reserves (restricted assets)	9	22,920	73,405	51,560
Amount attributable to financing activities		<u>(205,081)</u>	<u>(385,514)</u>	<u>(315,114)</u>
Budgeted deficiency before general rates		<u>(3,141,012)</u>	<u>(2,930,483)</u>	<u>(3,117,089)</u>
Estimated amount to be raised from general rates	8	<u>3,223,004</u>	<u>3,165,048</u>	<u>3,149,310</u>
Net current assets at end of financial year - surplus/(deficit)	4	<u>81,992</u>	<u>234,565</u>	<u>32,221</u>

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

**SHIRE OF PEPPERMINT GROVE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2019**

1. SIGNIFICANT ACCOUNTING POLICIES

(a) 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.

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.

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 17 to the budget.

(b) 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.

(c) Rounding off figures

All figures shown in this budget, other than a rate in the dollar, are rounded to the nearest dollar.

(d) Comparative figures

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

(e) 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.

**SHIRE OF PEPPERMINT GROVE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2019**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Forecast fair value adjustments

All fair value adjustments relating to remeasurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets are impacted upon by external forces and not able to be reliably estimated at the time of budget adoption.

Fair value adjustments relating to the re-measurement of financial assets at fair value through profit or loss will be assessed at the time they occur with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes upon revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

(g) Rates, grants, donations and other contributions

Rates, grants, donations and other contributions are recognised as revenues when the Shire of Peppermint Grove 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.

(h) 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.

(i) 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.

(j) 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 4 - Net Current Assets.

(k) 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.

**SHIRE OF PEPPERMINT GROVE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2019**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Inventories

General

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

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

Land held for resale

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

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

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.

(m) Fixed assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Mandatory requirement to revalue non-current assets

Effective from 1 July 2012, the *Local Government (Financial Management) Regulations* were amended and the measurement of non-current assets at Fair Value became mandatory.

During the year ended 30 June 2013, the Shire of Peppermint Grove commenced the process of adopting fair value in accordance with the Regulations.

Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2015 all non-current assets were carried at fair value in accordance with the requirements.

Thereafter, each asset class must be revalued in accordance with the regulatory framework established and the Shire of Peppermint Grove revalues its asset classes in accordance with this mandatory timetable.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

Initial recognition and measurement between mandatory revaluation dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire of Peppermint Grove includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation of the next anniversary date in accordance with the mandatory measurement framework detailed above.

**SHIRE OF PEPPERMINT GROVE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2019**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Fixed assets (continued)

Revaluation

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Land under roads

In Western Australia, all land under roads is Crown land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in *Australian Accounting Standard AASB 1051 Land Under Roads* and the fact *Local Government (Financial Management) Regulation 16(a)(i)* prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, *Local Government (Financial Management) Regulation 16(a)(i)* prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, *Local Government (Financial Management) Regulation 4(2)* provides, in the event of such an inconsistency, the *Local Government (Financial Management) Regulations* prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Shire

**SHIRE OF PEPPERMINT GROVE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2019**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Fixed assets (continued)

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.

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

Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment (except light vehicles)	5 to 15 years
Sealed roads and streets	
formation	not depreciated
- pavement	50 years
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
gravel sheet	12 years
Formed roads (unsealed)	
formation	not depreciated
pavement	50 years
Footpaths - slab	40 years
Sewerage piping	100 years

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.

**SHIRE OF PEPPERMINT GROVE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2019**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Fair value of assets and liabilities

When performing a revaluation, the Shire of Peppermint Grove uses a mix of both independent and management valuations using the following as a guide:

Fair value is the price that the Shire of Peppermint Grove would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset (i.e. the market with the greatest volume and level of activity for the asset or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Shire of Peppermint Grove selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured.

The valuation techniques selected by the Shire of Peppermint Grove are consistent with one or more of the following valuation approaches:

**SHIRE OF PEPPERMINT GROVE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2019**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Fair value of assets and liabilities (continued)

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire of Peppermint Grove gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability and considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The mandatory measurement framework imposed by the *Local Government (Financial Management) Regulations* requires, as a minimum, all assets to be revalued at least every 3 years. Relevant disclosures, in accordance with the requirements of Australian Accounting Standards have been made in the budget as necessary.

(o) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Shire of Peppermint Grove becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Shire of Peppermint Grove commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method.

**SHIRE OF PEPPERMINT GROVE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2019**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Financial instruments (continued)

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Financial assets at fair value through profit and loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short term profit taking. Assets in this category are classified as current assets. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Shire of Peppermint Grove management has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available for sale financial assets are classified as non-current.

(v) Financial liabilities

Non-derivative financial liabilities (excl. financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in the profit or loss.

**SHIRE OF PEPPERMINT GROVE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2019**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Financial instruments (continued)

Impairment

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

Derecognition

Financial assets are derecognised where the contractual rights for receipt of cash flows expire or the asset is transferred to another party, whereby the Shire of Peppermint Grove no longer has any significant continual involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(p) Impairment of assets

In accordance with Australian Accounting Standards the Shire of Peppermint Grove assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. AASB 116) whereby any impairment loss of a revaluation decrease in accordance with that other standard.

**SHIRE OF PEPPERMINT GROVE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2019**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Impairment of assets (continued)

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

At the time of adopting this budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2019.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on this budget document.

(q) 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.

(r) 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.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations or service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire of Peppermint Grove's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire of Peppermint Grove does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

**SHIRE OF PEPPERMINT GROVE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2019**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) 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.

(t) Provisions

Provisions are recognised when the Shire of Peppermint Grove 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.

(u) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Shire of Peppermint Grove, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

(v) Investment in associates

An associate is an entity over which the Shire of Peppermint Grove has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire of Peppermint Grove's share of net assets of the associate. In addition, the Shire of Peppermint Grove's share of the profit or loss of the associate is included in the

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Shire of Peppermint Grove's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

**SHIRE OF PEPPERMINT GROVE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2019**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Investment in associates (continued)

Profits and losses resulting from transactions between the Shire of Peppermint Grove and the associate are eliminated to the extent of the Shire of Peppermint Grove's interest in the associate.

When the Shire of Peppermint Grove's share of losses in an associate equals or exceeds its interest in the associate, the Shire of Peppermint Grove discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Shire of Peppermint Grove will resume recognising its share of these profits once its share of the profits equals the share of the losses not recognised.

(x) 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. Refer to note 1(o) for a description of the equity method of accounting.

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.

(y) 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 Peppermint Grove's operational cycle. In the case of liabilities where the Shire of Peppermint Grove 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.

SHIRE OF PEPPERMINT GROVE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2019

	2018/19 Budget \$	2017/18 Actual \$	2017/18 Budget \$
2. REVENUES AND EXPENSES			
(a) Net result			
The net result includes:			
(i) Charging as an expense:			
Auditors remuneration			
Audit services	25,000	9,413	9,000
Depreciation by program			
Governance	93,773	96,284	96,284
Recreation and culture	78,270	87,437	28,479
Transport	214,520	208,279	12,193
	<u>386,563</u>	<u>392,000</u>	<u>136,956</u>
Depreciation by asset class			
Land and buildings	105,818	105,818	105,818
Furniture and equipment	2,955	2,955	14,945
Plant and equipment	28,300	28,286	16,193
Roads	145,553	149,368	0
Footpaths	52,886	52,786	0
Drainage	14,681	15,607	0
Parks and ovals	34,970	35,780	0
Other	1,400	1,400	0
	<u>386,563</u>	<u>392,000</u>	<u>136,956</u>
Interest expenses (finance costs)			
- Borrowings (refer note 7(a))	61,030	63,145	63,376
	<u>61,030</u>	<u>63,145</u>	<u>63,376</u>
(ii) Crediting as revenues:			
Interest earnings			
Investments			
- Reserve funds	20,000	21,752	20,790
- Other funds	33,000	33,463	25,000
Other interest revenue (refer note 12)	11,000	36,280	17,000
	<u>64,000</u>	<u>91,495</u>	<u>62,790</u>
Other revenue			
Reimbursements and recoveries	12,088	46,017	5,000
Other	250	336	500
	<u>12,338</u>	<u>46,353</u>	<u>5,500</u>

**SHIRE OF PEPPERMINT GROVE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2019**

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

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.

COMMUNITY VISION

TO REMAIN A SHIRE VALUED FOR ITS AMBIENCE AND INDEPENDENCE

GOVERNANCE

Administration and operation of facilities and services to Members of Council. Other costs that relate to the tasks of assisting elected members and ratepayers.

GENERAL PURPOSE FUNDING

Rates, general purpose government grants and interest revenue. Costs associated with raising of rates and other funding activities.

LAW, ORDER, PUBLIC SAFETY

Supervision of various bylaws, fire prevention, emergency services, pest control and animal control.

HEALTH

Maternal and infant health, immunisation control, health inspections, pest control and preventative services.

EDUCATION AND WELFARE

Contributions towards various community services such as aged persons support and other voluntary services.

COMMUNITY AMENITIES

Rubbish collection and recycling services, administration of the Town Planning Scheme and maintenance of bus shelters.

RECREATION AND CULTURE

Maintenance of parks and reserves. Administration of the Cottesloe - Peppermint Grove - Mosman Park Combined Library.

TRANSPORT

Construction and maintenance of roads, drainage, footpaths, parking and traffic signs. Cleaning of streets and maintaining street verges and street trees.

ECONOMIC SERVICES

Implementation of building controls.

OTHER PROPERTY & SERVICES

Plant operation and overheads.

**SHIRE OF PEPPERMINT GROVE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2019**

3. NOTES TO THE STATEMENT OF CASH FLOWS

(a) 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	196,683	327,696	119,563
Cash - restricted	1,389,386	1,212,006	1,141,606
	<u>1,586,069</u>	<u>1,539,702</u>	<u>1,261,169</u>

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

Staff Leave Reserve	125,206	144,513	172,768
Plant Replacement Reserve	20,500	20,000	20,000
Infrastructure/Building Reserve	564,300	550,537	537,321
Information Technology Reserve	23,642	23,066	23,032
Road Reserve	384,749	375,365	374,977
Library Infrastructure Reserve	10,935	10,669	10,654
Arts & Culture Reserve	22,929	2,858	2,854
Legal Costs	237,125	85,000	0
	<u>1,389,386</u>	<u>1,212,006</u>	<u>1,141,606</u>

(b) Reconciliation of net cash provided by operating activities to net result

Net result	49,445	231,565	407,096
Depreciation	386,563	392,000	136,956
(Profit)/loss on sale of asset	0	2,022	0
Loss on revaluation of non current assets	0	0	0
(Increase)/decrease in receivables	53,530	22,014	24,187
Increase/(decrease) in payables	(14,470)	(40,351)	(63,036)
Increase/(decrease) in employee provisions	(17,500)	5,037	(3,750)
Grants/contributions for the development of assets	(80,867)	(108,088)	(85,599)
Net cash from operating activities	<u>376,701</u>	<u>504,199</u>	<u>415,854</u>

**SHIRE OF PEPPERMINT GROVE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2019**

3. NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

	2018/19 Budget \$	2017/18 Actual \$	2017/18 Budget \$
(c) 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	9,000	9,000	9,000
Credit card balance at balance date	0	0	0
Total amount of credit unused	<u>0</u>	<u>0</u>	<u>0</u>
 Loan facilities			
Loan facilities in use at balance date	<u>786,352</u>	<u>814,053</u>	<u>814,053</u>
 Unused loan facilities at balance date	<u>0</u>	<u>0</u>	<u>0</u>

	Note	2018/19 Budget \$	2017/18 Actual \$
4. NET CURRENT ASSETS			

Composition of estimated net current assets

Current assets

Cash - unrestricted	3(a)	196,683	327,696
Cash - restricted reserves	3(a)	1,389,386	1,212,006
Receivables		44,024	97,554
Inventories		0	0
		<u>1,630,093</u>	<u>1,637,256</u>

Less: current liabilities

Trade and other payables		(161,001)	(175,471)
Short term borrowings		0	0
Long term borrowings		(29,645)	(27,701)
Provisions		<u>(169,279)</u>	<u>(188,779)</u>
		<u>(359,925)</u>	<u>(391,951)</u>

Unadjusted net current assets

1,270,168 1,245,305

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 below.

Adjustments

Less: Cash - restricted reserves	3(a)	(1,389,386)	(1,212,006)
Add: Current portion of borrowings		29,645	27,701
Add: Current liabilities not expected to be cleared at end of year		171,565	173,565
Adjusted net current assets - surplus/(deficit)		<u><u>81,992</u></u>	<u><u>234,565</u></u>

SHIRE OF PEPPERMINT GROVE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2019

5. ACQUISITION OF ASSETS

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

Asset class	Reporting program											Other property and services \$	2018/19 Budget total \$	2017/18 Actual total \$
	Governance \$	General purpose funding \$	Law, order, public safety \$	Health \$	Education and welfare \$	Housing \$	Community amenities \$	Recreation and culture \$	Transport \$	Economic services \$				
<u>Property, Plant and Equipment</u>														
Land and buildings	0	0	0	0	0	0	0	0	0	0	0	0	0	19,160
Furniture and equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plant and equipment	30,000	0	0	0	0	0	0	25,000	0	0	109,500	164,500	105,752	
	30,000	0	0	0	0	0	0	25,000	0	0	109,500	164,500	124,912	
<u>Infrastructure</u>														
Roads	0	0	0	0	0	0	0	0	270,000	0	0	270,000	135,648	
Footpaths	0	0	0	0	0	0	0	0	50,000	0	0	50,000	46,593	
Drainage	0	0	0	0	0	0	0	0	9,000	0	0	9,000	0	
Parks and ovals	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other	0	0	0	0	0	0	0	0	20,000	0	0	20,000	144,475	
	0	0	0	0	0	0	0	0	349,000	0	0	349,000	326,716	
Total acquisitions	30,000	0	0	0	0	0	0	25,000	349,000	0	109,500	513,500	451,628	

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

SHIRE OF PEPPERMINT GROVE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2019

6. DISPOSALS OF ASSETS

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

<u>By Program</u>	Net book value \$	Sale proceeds \$	2018/19 Budget Profit \$	2018/19 Budget Loss \$	2017/18 Actual Profit \$	2017/18 Actual Loss \$	2017/18 Budget Profit \$	2017/18 Budget Loss \$
Governance	27,000	27,000	0	0	0	(1,180)	0	0
Other property and services	103,000	103,000	0	0	278	(1,120)	0	0
	130,000	130,000	0	0	278	(2,300)	0	0

<u>By Class</u>	Net book value \$	Sale proceeds \$	2018/19 Budget Profit \$	2018/19 Budget Loss \$	2017/18 Actual Profit \$	2017/18 Actual Loss \$	2017/18 Budget Profit \$	2017/18 Budget Loss \$
Plant and equipment	130,000	130,000	0	0	278	(2,300)	0	0
	130,000	130,000	0	0	278	(2,300)	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:

- Staff housing programme
- plant replacement programme

SHIRE OF PEPPERMINT GROVE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2019

7. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Principal 01-Jul-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
Recreation and culture Library (Loan 41)	814,053	0	27,701	25,884	786,352	814,053	61,030	63,145
	814,053	0	27,701	25,884	786,352	814,053	61,030	63,145

All borrowing repayments will be financed by general purpose revenue.

(b) New borrowings - 2018/19

No new loan borrowings are proposed for 2018/19.

(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) Overdraft

The Shire has not utilised an overdraft facility during the financial year although an overdraft facility of \$200,000 with the National Australia Bank does exist. It is not anticipated that this facility will be required to be utilised during 2018/19.

SHIRE OF PEPPERMINT GROVE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2019

8. RATING INFORMATION

RATE TYPE	Rate in \$	Number of properties	Rateable value \$	Budgeted rate revenue \$	Budgeted interim rates \$	Budgeted back rates \$	Budgeted total revenue \$	2017/18 Actual \$
General Rate								
Residential	7.7690	576	34,004,320	2,641,796	5,000	0	2,646,796	2,606,152
Commercial	7.7690	22	6,012,427	467,105	0	0	467,105	451,650
Clubs	7.7690	2	530,800	41,238	0	0	41,238	40,606
Sub-Totals		600	40,547,547	3,150,139	5,000	0	3,155,139	3,098,408
Minimum payment	Minimum \$							
Residential	1385	34	493,740	47,090	0	0	47,090	46,240
Commercial	1385	15	160,550	20,775	0	0	20,775	20,400
Sub-Totals		49	654,290	67,865	0	0	67,865	66,640
Discounts/concessions (Refer note 13)		649	41,201,837	3,218,004	5,000	0	3,223,004	3,165,048
Total amount raised from general rates								
Specified area rates (Refer note 10)								
Total rates								
							3,223,004	3,165,048
							3,223,004	3,165,048

All land except exempt land in the Shire of Peppermint Grove is rated according to its Gross Rental Value (GRV) in townships or Unimproved Value (UV) in the remainder of the Shire of Peppermint Grove.

The general rates detailed above 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 rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of the Local Government services/facilities.

SHIRE OF PEPPERMINT GROVE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2019

9. CASH BACKED RESERVES

	2018/19	2018/19	2018/19	2017/18	2017/18	2017/18	2017/18	2017/18	2017/18	2017/18	2017/18	2017/18	2017/18
	Budget	Budget	Budget	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Budget	Budget
	Opening	Transfer	Transfer	Opening	Transfer	Transfer	Transfer	Opening	Transfer	Transfer	Transfer	Closing	Closing
	balance	to	(from)	balance	to	(from)	(from)	balance	to	(from)	(from)	balance	balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Staff Leave Reserve	144,513	3,613	(22,920)	170,578	10,780	(36,845)	144,513	169,018	3,750	0	0	172,768	172,768
Plant Replacement Reserve	20,000	500	0	0	20,000	0	20,000	0	20,000	0	0	20,000	20,000
Infrastructure/Building Reserve	550,537	13,763	0	377,871	209,226	(36,560)	550,537	379,431	209,450	(51,560)	0	537,321	537,321
Information Technology Reserve	23,066	577	0	22,472	594	0	23,066	22,472	560	0	0	23,032	23,032
Road Reserve	375,365	9,384	0	268,277	107,088	0	375,365	268,277	106,700	0	0	374,977	374,977
Library Infrastructure Reserve	10,669	267	0	10,394	275	0	10,669	10,394	260	0	0	10,654	10,654
Arts & Culture Reserve	2,858	20,071	0	2,784	74	0	2,858	2,784	70	0	0	2,854	2,854
Legal Costs	85,000	152,125	0	0	85,000	0	85,000	0	0	0	0	0	0
	1,212,006	200,300	(22,920)	852,376	433,035	(73,405)	1,212,006	852,376	340,790	(51,560)	(51,560)	1,141,606	1,141,606

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 Reserve	Ongoing	Funding for ongoing liability to pay staff annual and long service leave upon termination
Plant Replacement Reserve	Ongoing	To enable the replacement of Council's road plant in accordance with asset management plan
Infrastructure/Building Reserve	Ongoing	To enable the renewal of Council's infrastructure and buildings (excluding roads) in accordance with asset management plan
Information Technology Reserve	Ongoing	To fund future ICT equipment purchases
Road Reserve	Ongoing	To enable the renewal of Council's roads/kerbing infrastructure in accordance with asset management plan
Library Infrastructure Reserve	Ongoing	To provide for Council's contribution towards library/community centre capital expenditure
Arts & Culture Reserve	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

**SHIRE OF PEPPERMINT GROVE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2019**

10. SPECIFIED AREA RATE

No specified area rate will apply in 2018/19.

11. SERVICE CHARGES

No service charges will apply in 2018/19

12. 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				
Rates in full (incl. arrears)	3 September 2018			6.00%
Option two				
Four Instalment Option		15	3.00%	
First Instalment (incl. arrears)	3 September 2018			
Second Instalment	5 November 2018			
Third Instalment	3 January 2019			
Fourth Instalment	4 March 2019			
Instalment plan admin charge revenue				
Instalment plan interest earned				
Unpaid rates interest earned				
		2018/19 Budget revenue \$	2017/18 Actual \$	
		2,250	4,500	
		7,000	13,900	
		4,000	21,982	
		<u>13,250</u>	<u>40,382</u>	

13. PAYMENT DISCOUNTS, WAIVERS AND CONCESSIONS

No payment discounts, waivers or concessions are proposed for 2018/19.

**SHIRE OF PEPPERMINT GROVE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2019**

	2018/19 Budget \$	2017/18 Actual \$
14. FEES & CHARGES REVENUE		
Governance	4,000	5,460
General purpose funding	2,250	4,500
Law, order, public safety	8,000	9,324
Health	7,530	8,552
Community amenities	94,085	93,662
Recreation and culture	70,800	63,531
Transport	12,000	12,201
Economic services	30,500	20,952
Other property and services	0	12,802
	<u>229,165</u>	<u>230,984</u>
15. GRANT, SUBSIDIES & CONTRIBUTION REVENUE		
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	23,965	50,497
Law, order, public safety	4,000	0
Health	8,500	12,491
Education and welfare	0	909
Recreation and culture	1,241,858	1,343,061
Transport	6,050	6,066
	<u>1,284,373</u>	<u>1,413,024</u>
Non-operating grants, subsidies and contributions		
Recreation and culture	0	13,000
Transport	80,867	95,088
	<u>80,867</u>	<u>108,088</u>

**SHIRE OF PEPPERMINT GROVE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2019**

	2018/19 Budget \$	2017/18 Actual \$
16. ELECTED MEMBERS REMUNERATION		
The following fees, expenses and allowances were paid to council members and/or the President.		
Meeting fees	52,500	52,500
Mayor/President's allowance	10,750	10,750
	<u>63,250</u>	<u>63,250</u>

17. 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 01-Jul-18 \$	Estimated amounts received \$	Estimated amounts paid (\$)	Estimated balance 30-Jun-19 \$
Manners Hill Park Bonds	10,400	12,000	(15,000)	7,400
Community Centre Bonds	5,638	1,400	(1,400)	5,638
Footpath & Road Bonds	104,060	40,000	(45,000)	99,060
	<u>120,098</u>	<u>53,400</u>	<u>(61,400)</u>	<u>112,098</u>

**SHIRE OF PEPPERMINT GROVE
2018/19 BUDGET
CAPITAL EXPENDITURE SCHEDULE**

ACCOUNT NUMBER	DESCRIPTION	COST	FUNDING			
		Expenditure	Grant Income	Reserve	Trade-In	Municipal
Roads	The Esplanade (Keane St to Irvine St)	\$ 130,000	\$ 80,867	\$ -	-	\$ 49,133
Roads	Hobbs Place	120,000	-	-	-	120,000
Roads	Kerbing Renewal	20,000	-	-	-	20,000
Footpaths	Footpath Renewal	50,000	-	-	-	50,000
Plant	Kubota Tractor/Mower/Backhoe	25,000	-	-	2,000	30,000
Plant	Ford Ranger	43,500	-	-	39,000	4,500
Plant	Toyota Hilux	33,000	-	-	31,000	2,000
Plant	Toyota Hilux	33,000	-	-	31,000	2,000
Plant	Skoda Octavia	30,000	-	-	27,000	3,000
Inf - Other	Depot Fence	20,000	-	-	-	20,000
Inf - Drainage	Sump Fence	9,000	-	-	-	9,000
	Total	513,500	80,867	-	130,000	309,633

(a) Renewal CAPEX net of grants/trade-ins	293,633
(b) Estimated Depreciation Expense	386,563
Asset Sustainability Ratio (a) divided by (b)	0.76

Statement of Financial Performance (Profit and Loss)
Draft Budget for 2018/19

No.	Name	2018/19 Draft Budget	2017/18		2018/19 Draft Budget	
			Forecast	Rev. Budget	SHIRE	LIBRARY/CC
10001	Operating Income					
11000	Rates Revenue					
11110	General Rates	(3,150,139)	(3,073,977)	(3,077,671)	(3,150,139)	0
11120	Interim Rates	(5,000)	(24,431)	(20,093)	(5,000)	0
11130	Minimum Rates	(67,865)	(66,640)	(66,640)	(67,865)	0
11999	Total Rates Revenue	(3,223,004)	(3,165,048)	(3,164,404)	(3,223,004)	0
12000	Contributions & Donations					
12130	Grove Contributions	(1,239,458)	(1,335,831)	(1,349,991)	0	(1,239,458)
12140	Infant Health Contributions	(8,500)	(9,911)	(10,000)	(7,000)	0
12999	Total Contributions & Donations	(1,247,958)	(1,345,742)	(1,359,991)	(7,000)	(1,239,458)
13000	Reimbursements					
13110	Reimbursements (GST Included)	(11,378)	(18,084)	(14,900)	(8,578)	(2,800)
13120	Reimbursements (GST Free)	(710)	(27,933)	(22,000)	(710)	0
13999	Total Reimbursements	(12,088)	(46,017)	(36,900)	(9,288)	(2,800)
14000	Grants - Operating					
14120	Grants Commission General Purpose	(14,914)	(30,775)	(14,289)	(14,914)	0
14130	Local Roads	(9,051)	(19,722)	(8,753)	(9,051)	0
14140	Other Road Grant/Subsidy	(6,050)	(6,066)	(6,006)	(6,050)	0
14150	Other Grants	(6,400)	(8,139)	(6,630)	(4,000)	(2,400)
14999	Total Grants - Operating	(36,415)	(64,702)	(35,678)	(34,015)	(2,400)
15000	Grants - Non Operating					
15110	Non Operating Grants - Roads RRG	(80,867)	(66,459)	(66,459)	(80,867)	0
15115	Non Operating Grants - Roads RtR	0	(28,629)	(28,629)	0	0
15120	Other Non Operating Grants	0	(13,000)	(13,000)	0	0
15999	Total Grants - Non Operating	(80,867)	(108,088)	(108,088)	(80,867)	0

Statement of Financial Performance (Profit and Loss)
Draft Budget for 2018/19

No.	Name	2018/19 Draft Budget	2017/18		2018/19 Draft Budget	
			Forecast	Rev. Budget	SHIRE	LIBRARY/CC
17000	Interest Earnings					
17110	Interest on Rates Instalments	(7,000)	(13,900)	(13,000)	(7,000)	0
17120	Interest on Rates Outstanding	(4,000)	(22,600)	(22,000)	(4,000)	0
17130	Interest on Municipal Account	(8,000)	(9,498)	(10,000)	(8,000)	0
17150	Interest on Muni Investments	(25,000)	(26,325)	(24,000)	(25,000)	0
17160	Interest on Reserve Fund Investments	(20,000)	(21,752)	(20,790)	(20,000)	0
17999	Total Interest Earnings	(64,000)	(94,076)	(89,790)	(64,000)	0
18000	Profit on Disposal of Assets					
18500	Profit on Disposal of Plant	0	(278)		0	0
18999	Total Profit on Disposal of Assets	0	(278)	0	0	0
20000	Fees Charges & Penalties					
20160	Building Licence Fees	(30,000)	(19,910)	(40,000)	(30,000)	0
20170	Building Statistics	(500)	(785)	(1,000)	(500)	0
20175	Bus Shelter Rent	(2,000)	(625)	(600)	(2,000)	
20180	Community Centre Hire Fees	(30,000)	(23,582)	(24,000)	0	(30,000)
20190	Demolition Licences	0	(257)	(500)	0	0
20200	Dog Licences	(3,500)	(4,471)	(5,000)	(3,500)	0
20205	Cat Licences	(500)	(853)	(500)	(500)	0
20210	Dinghy Registration Fees	(2,500)	(2,580)	(3,000)	(2,500)	0
20220	Food Act Fees	(7,530)	(8,552)	(7,000)	(7,530)	0
20230	ESL Administration Fee	(4,000)	(4,000)	(4,000)	(4,000)	0
20240	Fines & Penalties (Parking)	(12,000)	(12,110)	(8,000)	(12,000)	0
20250	Fines - Library Late Returns	(5,500)	(5,473)	(7,000)	0	(5,500)
20260	Impounded & Abandoned Vehicles	0	(91)	0	0	0
20270	Information Search Fee	0	(90)	0	0	0
20280	Instalment Administration Fee	(2,250)	(4,500)	(4,000)	(2,250)	0
20290	Lease/Rent Revenue	(8,000)	(8,000)	(8,000)	0	(8,000)
20300	Fines & Penalties - Dogs	0	0	(2,000)	0	0
20310	Lost Book Charges	(3,000)	(2,913)	(3,000)	0	(3,000)

Statement of Financial Performance (Profit and Loss)
Draft Budget for 2018/19

No.	Name	2018/19 Draft Budget	2017/18		2018/19 Draft Budget	
			Forecast	Rev. Budget	SHIRE	LIBRARY/CC
20320	Manners Hill Park Fees	(4,000)	(3,600)	(4,000)	(4,000)	0
20350	Other Library Income	(4,000)	(4,339)	(5,000)	0	(4,000)
20370	Photocopier Charges - Library	(8,000)	(9,636)	(5,000)	0	(8,000)
20390	Private Works Income	0	(12,802)	(12,570)	0	0
20400	Property Enquiry Fees	(4,000)	(5,370)	(4,000)	(4,000)	0
20410	Public Email Charges	(500)	(441)	(500)	0	(500)
20459	Refuse Removal - GST Applicable - Commercial	(14,111)	(16,664)	(10,000)	(14,111)	0
20460	Refuse Removal- GST Applicable - Residential	(47,974)	(54,995)	(60,000)	(47,974)	0
20480	Sundry Fees and Charges	0	0	(500)	0	0
20490	Sale of Books & Publications	(3,000)	(682)	(3,000)	0	(3,000)
20630	Tennis Club Fees	(2,300)	(2,286)	(2,300)	(2,300)	0
20640	Tip Pass Sales	0	(273)	0	0	0
20650	Development Application Fees	(30,000)	(21,105)	(30,000)	(30,000)	0
20999	Total Fees Charges and Penalties	(229,165)	(230,984)	(254,470)	(167,165)	(62,000)
22000	Other Revenue					
22110	Commissions (BSL & CTF)	(250)	(336)	(500)	(250)	0
22120	Refund Suspense Account	0	0	0	0	0
22999	Total Other Revenue	(250)	(336)	(500)	(250)	0
24999	Total Income	(4,893,747)	(5,055,270)	(5,049,821)	(3,585,589)	(1,306,658)

Statement of Financial Performance (Profit and Loss)
Draft Budget for 2018/19

No.	Name	2018/19 Draft Budget	2017/18		2018/19 Draft Budget	
			Forecast	Rev. Budget	SHIRE	LIBRARY/CC
25000	Operating Expenditure					
26000	Employee Costs					
26110	Salaries	1,851,030	1,798,987	1,862,313	1,071,512	779,518
26550	Staff Subsidies (Allowances)	36,900	36,264	36,000	31,700	5,200
26220	Leave - Public Holidays	64,540	65,633	62,660	37,500	27,040
26240	Leave - LSL	0	6,684	6,684	0	0
26310	Superannuation	252,171	250,911	240,123	161,486	90,685
26530	Staff Uniforms/Protective Clothing	2,000	2,616	4,000	2,000	0
26540	Staff Training/Conferences	10,000	8,898	12,017	10,000	0
26560	FBT Expenses	21,000	20,632	20,000	16,000	5,000
26570	OH&S Expenses	4,000	3,955	4,000	4,000	0
26590	First Aid Expenses	0	821	2,000	0	0
26610	Employee Accruals	0	5,037	0	0	0
26999	Total Employee Costs	2,241,641	2,200,437	2,249,797	1,334,198	907,443
27000	Office Expenses					
27110	Office Equipment Lease Expenses	12,536	22,369	22,916	4,536	8,000
27120	Audit Fees	25,000	9,424	10,000	25,000	0
27130	Bank Charges	9,220	8,955	8,590	9,000	220
27140	Other Office Expenses	4,000	5,058	3,000	4,000	0
27150	Office Equipment Maintenance	7,000	6,507	8,000	7,000	0
27160	IT Operations	193,227	174,282	191,772	77,237	115,990
27170	Legal Expenses	80,000	38,883	55,000	80,000	0
27180	Periodicals/Publications	7,000	7,225	6,000	0	7,000
27190	Postage & Freight	5,500	4,666	8,000	5,000	500
27210	Printing - External	4,958	2,862	6,500	3,000	1,958
27250	Stationery	11,000	14,480	14,000	5,000	6,000
27260	Subscriptions/Memberships	16,100	15,446	14,290	16,100	0
27499	Total Office Expenses	375,541	310,157	348,068	235,873	139,668

Statement of Financial Performance (Profit and Loss)
Draft Budget for 2018/19

No.	Name	2018/19 Draft Budget	2017/18		2018/19 Draft Budget	
			Forecast	Rev. Budget	SHIRE	LIBRARY/CC
27500	Consultancy					
27530	Community Consultation	0	16,290	16,290	0	0
27570	Engineering (Transport)	20,300	8,579	25,300	20,300	0
27580	Environmental	2,000	6,871	11,516	2,000	0
27600	Heritage Architect	4,000	8,955	4,000	4,000	0
27620	Tree Consultant	4,000	805	4,000	4,000	0
27630	Legal	0	72,334	44,000	0	0
27650	Project Management	10,000	0	10,000	0	0
27660	Risk Management	10,000	0	10,000	10,000	0
27670	Workplace Relations Consultant	0	9,975	9,975	0	0
27790	Other Consultants	23,589	27,439	30,005	23,589	0
27999	Total Consultancy	73,889	151,247	165,086	63,889	0
28000	Materials & Contracts					
28120	Advertising & Promotions	7,000	5,516	4,000	6,000	1,000
28140	Analytical Expenses	480	455	580	480	0
28150	Aged Person's Expenses	4,500	695	4,000	4,500	0
28200	Contract Drainage Mtce	25,000	18,102	25,000	25,000	0
28210	Conference Expenses	4,000	2,369	4,000	4,000	0
28238	Records Management	16,000	1,234	16,000	16,000	0
28240	Contract Labour External	8,720	15,899	15,700	8,720	0
28250	Contract Mowing	41,824	40,326	31,980	41,824	0
28260	Contract Road Sweeping	29,702	29,108	29,900	29,702	0
28270	Contracted Parks & Reserves Mtce.	80,000	72,811	80,000	80,000	0
28275	Community Safety Expenses	3,000	0	3,000	3,000	0
28280	Dining & Refreshments	20,000	22,148	18,000	20,000	0
28290	Disability Services Plan	2,000	3,615	4,000	2,000	0
28300	Animal Control Expenses	3,500	2,136	5,000	3,500	0
28310	Election Expenses	0	12,141	14,500	0	0
28320	Emergency Services Levy	7,500	7,200	6,770	3,500	4,000
28340	Activities / Events	20,620	2,702	4,120	20,620	0

Statement of Financial Performance (Profit and Loss)
Draft Budget for 2018/19

No.	Name	2018/19 Draft Budget	2017/18		2018/19 Draft Budget	2018/19 Draft Budget	
			Forecast	Rev. Budget		SHIRE	LIBRARY/CC
28350	Minor Plant & Tools	5,000	2,931	6,000		5,000	0
28360	Fuel & Oil	17,500	16,703	16,200		15,000	1,000
28460	Lost Library Book Purchases	4,000	2,620	3,500		0	4,000
28470	Library Acquisitions-Adult	27,000	28,430	25,000		0	27,000
28471	Library Acquisitions-Children	14,000	12,144	12,000		0	14,000
28472	Library Acquisitions-eResources	9,901	11,135	11,864		0	9,901
28473	Library Acquisitions/Video's/DVD's	3,000	3,342	3,000		0	3,000
28480	License & Registration Fees vehicles	4,000	2,309	4,900		3,600	400
28490	Materials - Road/Path Repairs	15,000	23,671	25,000		15,000	0
28500	Minor Equipment	2,000	3,511	2,000		0	2,000
28510	Newsletter (PEPTALK)	6,400	1,562	3,300		6,400	0
28520	Library Special Services Program	4,500	7,486	7,000		0	4,500
28525	Children's Book Week	3,100	3,100	2,500		0	3,100
28530	Library Training/Conferences	2,000	1,945	4,000		0	2,000
28535	Library IT Enhancements	850	956	1,180		0	850
28540	Library Board Van Expenses	9,465	9,443	6,800		0	9,465
28545	Library Media Applications	3,561	2,947	3,095		0	3,561
28550	Library Internet/WiFi	11,458	9,456	9,235		0	11,458
28555	Local History Materials	0	0	2,500		0	0
28560	Pest Control	1,800	5,800	6,800		1,800	0
28570	Library Photocopier Costs	2,000	2,280	2,500		0	2,000
28575	Oral History Project	9,000	3,705	9,000			9,000
28580	Carols by Candlelight	10,000	7,757	7,757		10,000	0
28590	SHINE Contributions	16,965	16,471	16,470		16,965	0
28595	Private Works Expenditure	0	12,570	12,570		0	0
28600	Parking Control- Contract	29,005	28,205	28,800		29,005	0
28605	Parking Control Expenses - Other	800	839	600		800	0
28610	Building Control - Contract	6,000	4,263	6,000		6,000	0
28615	Swimming Pool Fence Reimbursement	0	9,675	0		0	0
28620	School Related Expenses	3,700	700	3,000		3,700	0
28625	Neighbourhood Watch Expenses	2,800	97	2,800		2,800	0

Statement of Financial Performance (Profit and Loss)
Draft Budget for 2018/19

No.	Name	2018/19 Draft Budget	2017/18		2018/19 Draft Budget	
			Forecast	Rev. Budget	SHIRE	LIBRARY/CC
28630	Tree Purchases	6,000	4,982	4,000	6,000	0
28640	Street Tree Contractor	80,000	51,349	80,000	80,000	0
28645	Street Verges	4,000	10,897	4,000	4,000	0
28650	Town Planning Scheme Expenses	2,000	1,033	2,000	2,000	0
28670	Removal - Abandoned & Non Perishable Goods	200	260	0	200	0
28680	Safety & First Aid	2,000	273	0	1,700	300
28770	Sundry Expenses	3,493	2,224	3,480	0	3,493
28780	Title Searches	150	101	150	150	0
28790	Traffic Signs & Linemarking	10,000	15,023	8,000	10,000	0
28810	Tyres	2,000	2,142	2,000	2,000	0
28820	Valuation Expenses	2,000	1,267	2,000	2,000	0
28830	Plant Parts & Repairs	19,000	21,552	16,000	18,000	1,000
28835	Protective Clothing - Depot	1,200	2,285	0	1,200	0
28840	Occupational Health/Safety	2,000	11,099	11,000	2,000	0
28845	Works Admin Expenses	3,000	2,319	3,000	3,000	0
28850	Works Staff Training Expenses	2,000	1,980	0	2,000	0
28860	Office Landscaping Supplies	11,000	1,451	3,000	8,250	2,750
28870	Website Maintenance	20,000	0	20,000	20,000	0
28900	Residential Waste Collection/Disposal	225,301	215,481	226,940	225,301	0
28905	Residential Bulk Waste Collection/Disposal	42,900	41,685	40,500	42,900	0
28910	Poisons & Pesticides Disposal	0	0	100	0	0
28915	Residential Tip Passes	12,000	22,561	12,000	12,000	0
28920	Bin Valet Service	45,526	60,180	56,420	45,526	0
28925	Waste Recycling - Collection/Processing	52,539	53,692	53,560	52,539	0
28930	Bin Replacements/Repairs	4,000	4,482	9,000	4,000	0
28935	Other Refuse Collection/Disposal	109,282	97,358	110,000	109,282	0
28940	Residential Greenwaste Collection/Disposal	0	0	0	0	0
28945	Red Bin Lids/Greenwaste Bins	0	0	0	0	0
28950	Contribution to WMRC Legal Costs	5,738	0	0	5,738	0
28999	Total Materials & Contracts	1,165,981	1,098,184	1,179,071	1,044,703	119,778

Statement of Financial Performance (Profit and Loss)
Draft Budget for 2018/19

No.	Name	2018/19 Draft Budget	2017/18		2018/19 Draft Budget
			Forecast	Rev. Budget	
29000	Council Buildings & Facilities Maintenance				
29100	Administration Building Maintenance	27,788	49,743	42,113	0
29110	Chambers Building Maintenance	2,000	3,195	0	0
29120	Shire Depot Building Maintenance	2,000	1,054	2,000	0
29130	Manners Hill Toilet Maintenance	2,000	0	2,000	0
29140	Keane's Pt Toilet Maintenance	1,500	0	1,500	0
29160	Freshwater Bay Riverwall/Jetty Maintenance	40	19,966	20,000	0
29200	Grove Library & Cafe Building Mtce.	84,416	95,329	90,885	84,416
29210	Community Centre Building Maintenance	15,200	32,021	41,400	15,200
29220	Infant Health Clinic Building Mtce.	4,900	6,341	4,106	0
29230	Cleaning of Infrastructure - Contractors	96,264	92,857	102,176	46,060
29300	Building Maintenance - Cleaning Materials	0	2,225	2,000	0
29500	Tennis Pavilion Building Mtce	0	7,705	0	0
29700	Building Security	2,000	2,031	2,000	1,000
29999	Total Council Building & Facilities Maint.	238,108	312,466	310,180	146,676
30000	Utilities				
30100	Electricity	75,073	68,747	82,373	49,448
30200	Gas	150	132	150	100
30300	Water	9,100	12,654	16,500	4,000
30400	Communications (Telephones & Data) - General	7,100	10,865	11,000	600
30500	Telephones - Mobiles	3,720	4,087	3,000	0
30700	Street Lighting	34,900	33,295	37,950	0
30999	Total Utilities	130,043	129,779	150,973	54,148

Statement of Financial Performance (Profit and Loss)
Draft Budget for 2018/19

No.	Name	2018/19 Draft Budget	2017/18		2018/19 Draft Budget	
			Forecast	Rev. Budget	SHIRE	LIBRARY/CC
31000	Insurance					
31110	Industrial Special Risk (Property) Insurance	34,656	28,735	28,735	10,656	24,000
31120	Public Liability Insurance	14,945	12,996	13,630	13,595	1,350
31130	Vehicle & Plant Insurance	4,124	4,414	4,700	3,844	280
31150	Crime/Cyber Liability Insurance	2,326	2,259	1,200	2,326	-
31160	Worker's Compensation Insurance	25,200	32,448	32,450	10,761	14,439
31190	Personal Injury Insurance	425	425	450	425	-
31200	Journey Injury Insurance	750	750	750	750	-
31210	Management Liability Insurance	8,287	8,287	8,400	8,287	-
31220	Marine Cargo Insurance	200	200	200	200	-
31230	Salary Continuance Insurance	3,343	3,075	3,200	3,343	-
31999	Total Insurance	94,256	93,589	93,715	54,187	40,069
32000	Depreciation					
32300	Depreciation on Buildings & Improvements	105,818	105,818	105,818	105,818	-
32400	Depreciation on Furniture & Equipment	2,955	2,955	14,945	2,955	-
32500	Depreciation on Plant & Equipment	28,300	28,286	16,193	28,300	-
32600	Depreciation on Road Infrastructure	145,566	151,017	0	145,566	-
32700	Depreciation on Other Infrastructure	103,924	103,924	0	103,924	-
32999	Total Depreciation	386,563	392,000	136,956	386,563	-
33000	Loss on Disposal of Assets					
33500	Loss on Disposal of Plant	0	2,300		0	0
33999	Total Loss on Disposal of Assets	0	2,300	0	0	0
35000	Interest Expense					
35100	Interest on Loans/Overdraft	55,700	57,517	57,517	55,700	-
35110	Guarantee Fee	5,330	5,629	5,860	5,330	-
35999	Total Interest Expense	61,030	63,146	63,377	61,030	-

Statement of Financial Performance (Profit and Loss)
Draft Budget for 2018/19

No.	Name	2018/19 Draft Budget	2017/18		2018/19 Draft Budget	
			Forecast	Rev. Budget	SHIRE	LIBRARY/CC
37000	Elected Members Costs					
37110	Allowances - Mayor & Deputy Mayor	10,750	10,750	10,750	10,750	-
37120	Allowances - Councillors	52,500	52,500	52,500	52,500	-
37999	Total Elected Members Costs	63,250	63,250	63,250	63,250	-
38000	Other Expenses					
38170	Library Refunds to Member LG's	-	-	-	-	42,418
38200	Emergency Services Contributions	5,000	1,000	1,000	5,000	-
38250	Donations, Contributions & Subsidies	5,000	2,409	5,000	5,000	-
38280	Other Sundry Expenses	0	23	-	-	-
38420	Debt Collection Costs	4,000	3,719	3,800	4,000	-
38999	Total Other Expenses	14,000	7,151	9,800	14,000	42,418
44999	Total Expenditure	4,844,302	4,823,705	4,770,273	3,425,020	1,450,200
45999	(Profit) Loss	(49,445)	(231,565)	(279,548)	(160,569)	143,542

SHIRE OF PEPPERMINT GROVE SCHEDULE OF FEES AND CHARGES FOR THE YEAR ENDING 30 JUNE 2019.

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
	Copy of Electoral Rolls	Local Government Act 1995	\$50 per copy	0
	Sale of Council Minutes	Local Government Act 1995	\$15* per copy	0
	Sale of Annual Report/Budget	Local Government Act 1995	\$15* per copy	0
	Copy of Council Local Laws	Local Government Act 1995	\$25 per local law	0
Law, Order & Safety	Copy of Council Local Laws	Local Government Act 1995	\$30 per application	0
	FOI Applications	FOI Act 1992	\$100 per copy	0
	Copy of Rate Book/Street Listing	Local Government Act 1995	As per relevant Act	0
	Cal/Dog Fines and penalties	Dog Act 1976/Cat Act 2013	\$120	0
	Cal/Dog Impounding Fees	Dog Act 1976/Cat Act 2013	Various	4,000
	Vehicle Impounding Fees	Local Government Act 1995	\$250 plus towing costs	0
Health	ESL Administration Fee	Local Government Act 1995		4,000
	Notification Fee	Food Act 2008/Local Government Act 1995	\$50	0
	Exempted Food Premises fee	Food Act 2008/Local Government Act 1995	Nil	0
	Annual Risk Assessment/ Inspection 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	0
	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
	Very Low Risk	Food Act 2008/Local Government Act 1995	\$50	0
	Transfer Fee			0
	Application Fee Construction and Establishment of Food Premises (including one off notification fee)			
	Risk Level			
Community Amenities	High/Medium	Food Act 2008/Local Government Act 1995	\$400	0
	Low Risk	Food Act 2008/Local Government Act 1995	\$150	0
	Very Low Risk	Food Act 2008/Local Government Act 1995	\$50	0
	To amend or refurbish a good premises	Food Act 2008/Local Government Act 1995	\$200	0
	Additional Domestic Refuse Service	Waste Avoidance and Resource Recovery Act 2007 - s.67 and	\$398* pa for (1) Weekly Service – 240L MGB	47,760
	Refuse Service – Non Rateable Properties	Waste Avoidance and Resource Recovery Act 2007 - s.67 and	\$398* pa for (1) Weekly Service – 240L MGB	724
	Commercial Refuse Service	Waste Avoidance and Resource Recovery Act 2007 - s.67 and	\$398* pa for (1) Weekly Service – 240L MGB	13,387
	Additional Domestic Recycling Service	Waste Avoidance and Resource Recovery Act 2007 - s.67 and	\$235* pa for (1) Weekly Service – 240L MGB	214
	Additional Commercial Recycling Service	Waste Avoidance and Resource Recovery Act 2007 - s.67 and	\$235* pa for (1) Weekly Service – 240L MGB	0
	Special Rubbish Removal	Waste Avoidance and Resource Recovery Act 2007 - s.67 and	Various costs with a minimum of \$125*	0
	Additional Rate Payer Tip Pass Fees	Local Government Act 1995	\$100* per each additional tip pass	0
	Town Planning Fees	Town Planning (Local Govt Planning Fees) Regs 2000	Various – Scale of charges based on cost of development	0
	Bus Shelter Rent	Local Government Act 1995		30,000
	Sale of Town Planning Scheme Text	Local Government Act 1995	\$35 per copy	2,000
	Fence Approval Administration Fees	Local Government Act 1995	\$120* per application	0
	Sale of Municipal Heritage Inventory:	Local Government Act 1995		
	- Single property Black & White (hard copy) Fee		\$4.40* per double sided sheet	0
	- Single property Colour Fee (hard copy) Fee		\$5.50* per double sided sheet	0
	- Whole Inventory Colour (hard copy) Fee		\$66.00* per copy	0
	- Whole Inventory Black & White (hard copy) Fee		\$44.00* per copy	0

SHIRE OF PEPPERMINT GROVE SCHEDULE OF FEES AND CHARGES FOR THE YEAR ENDING 30 JUNE 2019.

Program	Type of Fee	Legislation	Fee/Charge – * GST Inclusive	\$ Estimated Revenue
Recreation & Culture	Manners Hill Park Pavilion	Local Government Act 1995	\$220* per use, Shire of Peppermint Grove residents	1,760
	Manners Hill Park Pavilion	Local Government Act 1995	\$385* per use, Non-Shire of Peppermint Grove residents	1,750
	Manners Hill Park Electricity	Local Government Act 1995	\$55* per use	490
	Manners Hill Park Pavilion - bond	Local Government Act 1995	\$550* per booking	0
	Keane's Point - Hire of Childrens Play Sheller	Local Government Act 1995	\$55* per hire	0
	Foreshore Dinghy Mooring	Local Government Act 1995	\$66* per mooring per annum.	2,500
	Foreshore Dinghy impound fee	Local Government Act 1995	\$110* per vessel impounded.	0
	Peppermint Grove Tennis Club	Local Government Act 1995	Annual reticulation pump hire	2,300
	Manners Hill Park Parking Supervision	Local Government Act 1995	At cost	0
	Library Café Rental	Local Government Act 1995	\$6,000 annual lease	8,000
	Library – Lost and Damaged Books	Local Government Act 1995	Depreciated and/or replacement value of each item	3,000
	Library – Account fee for very over due items	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 & Sundry Income	Local Government Act 1995	\$5.50* per card	1,500
	Library - Non member Internet usage	Local Government Act 1995	\$3.00* per hour	500
	Library – Local History - copying and supply of CD	Local Government Act 1995	\$56.60* (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	\$11.00* per hour	2,000
	Library - Book club book hire	Local Government Act 1995	Various - full cost recovery	0
	Library - Events	Local Government Act 1995	Various - full or partial cost recovery	0
	Library - Pod Hire	Local Government Act 1995	\$11.00* per hour	0
	Library - After Hours Duty Management	Local Government Act 1995	\$46.20* per hour per member of staff - Weeknights after 8pm & Saturdays	0
	Library - After Hours Duty Management	Local Government Act 1995	\$55.00* per hour per member of staff - Sundays	0
	Library - Replacement of locker key	New	\$11.00*	0
	Community Centre & Flax Room- Community Groups Meetings, classes & groups	Local Government Act 1995	\$22.00* per hour	17,000
	Community Centre & Small Meetings spaces - Community Groups Meetings, classes & groups	Local Government Act 1995	\$15.00* per hour (min 2 hours after 6pm)	2,000
	Community Centre & Small Meetings spaces - Local Community Groups Meetings	Local Government Act 1995	\$112.50* full day (8am to 6pm Mon - Fri, 8am to 4pm Weekends)	5,000
	Community Centre & Library Hall - All other hirers	Local Government Act 1995	\$45* per hour or \$275 full day (8am to 6pm Mon - Fri, 8am to 4pm Weekends)	6,000
	Community Centre & Library Hall - Private Hirers/Commercial meetings & seminars	Local Government Act 1995	\$30.00* per hour (min 2 hours after 6pm)	0
	Community Centre & Library Hall - All other hirers	Local Government Act 1995	\$275.00* full day (8am to 6pm Monday to Friday, 8am to 4pm Saturday or Sunday)	0
	Community Centre - Cancellation Fee. More than 24 hours notice.	Local Government Act 1995	\$55.00*	0
	Community Centre - Cancellation Fee. Less than 24 hours notice.	Local Government Act 1995	Full hire cost forfeited	0
	Bond (Booking Deposit)	Local Government Act 1995	\$100.00 per booking	0
	Small Meeting Rooms/Spaces - Community Groups	Local Government Act 1995	\$15.00* per hour	0
	Small Meeting Rooms/Spaces - All hirers	Local Government Act 1995	\$22.00* per hour	0
	Small Meeting Rooms/Spaces - Community Groups Meetings, classes & groups	Local Government Act 1995	\$15.00* per hour (min 2 hours after 6pm)	0
	Small Meeting Rooms/Spaces - Private Hirers/Commercial meetings & seminars	Local Government Act 1995	\$20.00* per hour (min 2 hours after 6pm)	0
	Community Centre & Library Hall - All other hirers - After hours duty management	Local Government Act 1995	\$46.20* per hour per member of staff - Weeknights after 8pm & Saturdays; \$55 per staff member Sundays	0

SHIRE OF PEPPERMINT GROVE SCHEDULE OF FEES AND CHARGES FOR THE YEAR ENDING 30 JUNE 2019.

Program	Type of Fee	Legislation	Fee/Charge – * GST Inclusive	\$ Estimated Revenue
Transport	Parking Fines	Local Government Act 1995	At cost	12,000
	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	\$50	0
	Building Fees	Building Act 2011	Various fees from 1 July 2017 as published by the Building Commission	30,000
	Swimming Pool Inspection Fee	Local Government Act 1995	\$25 per swimming pool	0
TOTAL				229,165