



MINUTES

SPECIAL COUNCIL MEETING

MONDAY, 4 SEPTEMBER 2017

11.00_{AM}

SHIRE COUNCIL CHAMBERS



WESTERN AUSTRALIA'S
WILDFLOWER COUNTRY

| | |
|---|--|
| <i>Item No/Subject::</i> | 4.1 Shire of Morawa 2017/18 Annual Budget |
| <i>Date of Meeting:</i> | 21 September 2017 |
| <i>Date & Author:</i> | 11 August 2017 - Fred Gledhill - Executive Manager Corporate & Community Services 30 August 2017 – Bev King – Acting EMCCS 1 September 2017 Sean Fletcher, Acting CEO |
| <i>Responsible Officer:</i> | Sean Fletcher – Acting CEO |
| <i>Applicant/Proponent:</i> | Fred Gledhill – Executive Manager Corporate & Community Services |
| <i>Voting Requirement:</i> | Absolute Majority and Simple Majority |
| <i>File Number:</i> | |
| <i>Previous minute/s & Reference:</i> | OCM August 2018 - Item 7.2.2.6 |

SUMMARY

The purpose of this report is for Council to adopt the Shire of Morawa 2017/18 Annual Budget as detail in the presented format.

ATTACHMENTS

4.1a: 2017/2018 Annual Budget for the Shire of Morawa and the 2017/2018 Annual Fees and Charges.

BACKGROUND

It is a requirement of the Local Government Act and the LG Financial Management Regulations that a Budget be adopted in the Australian Accounting Standards (AAS) format prior to 31 August each year. A copy must be submitted to the Executive Director of the Department of Local Government, Sport and Cultural Industries within 30 days of its adoption. Permission was sought and approved by the Department to adopt the Annual Budget after the 31 August 2017.

OFFICER'S COMMENT

The Chief Executive Officer will provide an overview of the budget highlights to be distributed with the rates notice.

The Budget proposes a 2.1% increase (prior to discount) to the GRV Residential/Commercial/UV Rural properties and a nil increase to the UV Mining Tenements.

There are several components to the Budget to be adopted by Council and these are detailed below:

a) Reporting Material Variances

In accordance with the Local Government (Financial Management) Regulations 1996, regulation 34(5), Council is required to adopt a percentage or value calculated in accordance with AAS5 to be used in statements of financial activity for reporting material variances.

The percentage or value that is adopted will require any variances over this figure to be reported in the Monthly Statement of Financial Activity.

It is proposed to once again adopt the percentage of 10% with a minimum value of \$10,000 for reporting material variances.

b) Rate Modelling

Rates in the \$ for the model supplied were considered at the August Ordinary Meeting of Council as follows:

| 8. RATING INFORMATION | | | | | | | | | | | |
|---|----------------|---------------|-------------------|-----------------|------------------|-------------------|------------------|------------|-------------------|-----------------|------------------|
| RATE TYPE | 2016/2017 | Number | 2016/2017 | 2016/17 | 2016/17 | 2016/17 | 2017/2018 | Number | 2017/2018 | 2017/2019 | 2017/2018 |
| | Rate in \$ | of properties | Rateable Value \$ | Rate Revenue \$ | Total Revenue \$ | 2016/17 Budget \$ | Rate in \$ | Properties | Rateable Value \$ | Rate Revenue \$ | Budget \$ |
| General Rate | | | | | | | | | | | |
| GRV Residential/Commercial | 7.41470 | 268 | 2,912,592 | 215,960 | 215,708 | 215,960 | 7.57070 | 269 | 2,829,588 | 215,960 | 214,220 |
| UV Rural | 2.25740 | 204 | 57,874,600 | 1,306,461 | 1,306,460 | 1,306,461 | 2.30430 | 205 | 63,004,000 | 1,306,461 | 1,451,801 |
| UV Mining | 28.96810 | 16 | 469,309 | 135,950 | 135,886 | 135,950 | 28.96810 | 15 | 472,333 | 135,950 | 136,826 |
| | | | | | | 0 | | | | | 0 |
| Sub-Totals | | 488 | 61,256,501 | 1,658,371 | 1,658,054 | 1,658,371 | | 489 | 66,305,921 | 1,658,371 | 1,802,847 |
| | Minimum | | | | | | Minimum | | | | |
| Minimum Rates | \$ | | | | | | \$ | | | | |
| GRV Residential/Commercial | 279 | 48 | 39,055 | 13,392 | 13,392 | 13,392 | 290 | 45 | 26,778 | 13,392 | 13,050 |
| GRV Rural | 239 | | | | 0 | | 239 | | | | |
| UV Rural | 279 | 7 | 55,400 | 1,953 | 1,953 | 1,953 | 290 | 6 | 53,200 | 1,953 | 1,740 |
| UV Mining | 656 | 11 | 10,939 | 7,216 | 7,216 | 7,216 | 656 | 11 | 11,311 | 7,216 | 7,216 |
| | | | | | | | | | | | |
| Sub-Totals | | 66 | 105,394 | 22,561 | 22,561 | 22,561 | | 62 | 91,289 | 22,561 | 22,006 |
| Discounts | | | | | 0 | (30,000) | Discounts | | | | (28,000) |
| Total amount raised from general rates | | | | | 1,680,615 | 1,680,932 | | | | | 1,824,853 |

- **Differential Rates – Rural Rates, Mining Rates**

The Shire advertised the intention to impose a differential rate of 0.289681 cents in the \$ of Unimproved Value (UV) for Mining, Exploration and Drilling.

One submission was received and considered by Council. Accordingly, Council resolved to seek Ministerial approval for 0.023043 cents in the \$ of Unimproved Value (UV) for Rural Rates and of 0.289681cents in the \$ of Unimproved Value (UV) for Mining.

Ministerial approval was subsequently received on Monday 28 August 2017.

- ***Gross Rental Values (GRV)***
GRV Residential and Commercial

The GRV Residential and Commercial is set at 0.075707 cents rate in the \$ of GRV.

Residential, Commercial and GRV Rural minimums will increase from \$279 to \$290.

- ***Unimproved Values (UV)***
UV Rural

UV Rural is set to increase from 0.022574 cents in the \$ to 0.023043 cents in the \$ and the Minimum UV to increase from \$279 to \$290.

- UV Mining

As stated above, Ministerial approval was received so that the Shire can now impose 0.289681 cents in the \$ and the minimums \$656.

- **Fees and Charges**

Due to increased operational costs Council's fees and charges for the forthcoming year have been reviewed and are proposed to increase to reflect an average 3% increase with no increase in the Hire of Plant and Equipment. Fees for the Transfer Station have been included in the Fees and Charges Schedule.

COMMUNITY CONSULTATION

As per item 7.2.2.6 at the August OCM, Local Public Notice of the Council's intention to impose Differential Rates for 2017/2018 was advertised in the Geraldton Guardian Newspaper and the Local Notice Board on Saturday 15 July, 2017. Letters were also sent to the ratepayers where there are less than 30 ratepayers in a category as per the Rating Policy pertaining to Differential Rates.

The closing of submissions was on the 7 August, 2017 with one submission received objecting to the proposed UV Mining rate in the \$. The matters raised in the submission are not considered significantly material in nature. The calculations used by the proponent are incorrect. The total amount raised from the increase in the UV mining tenement value is less the \$1,000. The submission was responded to accordingly.

COUNCILLOR CONSULTATION

Council consultation was held on 11 July 2017 where it was resolved to advertise the proposed rate increase on 15 July 2017.

Council then considered the budget efficiencies and the impact on differential rating at the August 2018 Council Meeting. The outcome was to adopt the differential rates as proposed and to seek the Minister's approval, which was received on Monday 28 August 2017.

STATUTORY ENVIRONMENT

Sections 6.2(1), 6.12(1), 6.16, 6.32, 6.45(3), 6.50, 6.51 of the Local Government Act 1995 Regulations 68 and 70 of the Local Government (Financial Management) Regulations 1996

POLICY IMPLICATIONS

The Federal Government introduced a maximum limit for seniors/pensioner rebates under the Rates and Charges (Rebates and Deferments) Regulations and for the budget being adopted the Department of Treasury and Finance has advised that these have been set at:

Pensioners

- Rates: \$750.00
- Sewerage: \$436.00

Seniors

- Rates: \$ 72.69
- Sewerage: \$100.00

FINANCIAL IMPLICATIONS

A full budget document has been provided to all Councillors under separate cover. Based on the rate increases proposed in this report the overall revenue gain on the previous year is expected to be in the vicinity of 2% allowing for acceptable early payment of the Rates levied.

STRATEGIC IMPLICATIONS

All aspects of Council's adopted Strategic Community Plan, including the Long Term Works Plan, Asset Management Plan; Long Term Financial Plan where applicable due to reviews have been taken into consideration when compiling the draft budget.

RISK MANAGEMENT

The ability for the Council to undertake the work identified in this Budget will rely on effective and successful collection of rates and revenue levied and identified, and the allocation of suitable resources with which to achieve the program outlined in both the Operational and Capital sections of the Budget document.

OFFICER'S RECOMMENDATION

BY ABSOLUTE MAJORITY

1. Budget Adoption

Council adopts the 2017/18 budget for the Shire of Morawa as presented in Attachment 4.1a and in accordance with Section 6.2(1) of the *Local Government Act 1995*.

2. Rates and Charges

As per resolution 1708006, the following rates and charges were adopted for the 2017/18 year in accordance with Section 6.32 of the *Local Government Act 1995*:

General Rates

| | |
|------------------------------|----------|
| ▪ GRV Residential/Commercial | 0.075707 |
| ▪ UV Rural | 0.023043 |
| ▪ UV Mining | 0.289681 |

Minimum Rates

| | |
|------------------------------------|-------|
| ▪ GRV Residential Commercial Rural | \$290 |
| ▪ UV Rural | \$290 |
| ▪ UV Mining | \$656 |

3. Differential Rates

As per resolution 1708006, in accordance with section 6.33 of the *Local Government Act 1995*, Council imposed a differential general rates according to the predominant purpose for which the land is held or used as determined:

| | |
|-----------|------------------------------|
| UV Mining | 0.289681 cents in the dollar |
|-----------|------------------------------|

4. Discount for Payment by Due Date

As per resolution 1708008, in accordance with section 6.12 of the *Local Government Act 1995*, Council authorised the CEO to offer a 2.5% discount if rates are paid in full by 4.30pm (Western Australian time) within thirty-five (35) days from the date of issue of the 2017/18 Rate Notice.

5. Overdue Interest, Instalment and Administration Charges

The following interest rates and administration charges be adopted in accordance with Sections 6.13, 6.45(3) and 6.51 of the *Local Government Act 1995* and Regulations 68 and 70 of the Financial Management Regulations 1996:

- 5.5% on all rates and charges that are late;
- 5.5% on all sundry debtors accounts that remain unpaid after 90 days;
- Instalment plans to comprise of simple interest of 5.5% pa, calculated from the date the first instalment is due, together with,
- Administration fees of \$5 for each instalment notice, (i.e. \$5 for the 2 instalment options and \$15 for the 4 instalment options).

6. Due Dates

- 1) The due date for payment of rates be set at 35 days after date of issue in accordance with Section 6.50 (2) of the Local Government Act 1995 (with the due date being 13 October 2017).
- 2) The instalments being due at intervals of 2 months with the 1st instalment falling due 35 days after date of issue (8 September 2017) of rate notice in accordance with Section 62(2) of the Financial Management Regulations 1996.

Due dates for instalment options:

- 4.30pm, 13 October 2017 - Payment in full less discount or First Instalment
- 4.30pm, 13 December 2017 - Second Instalment
- 4.30pm, 13 February 2018 - Third Instalment
- 4.30pm, 13 April 2018 - Fourth Instalment

7. List of Fees & Charges

Council adopt the proposed fees and charges for 2017/18 as reviewed and included In the 2017/18 Draft Budget documents.

BY SIMPLE MAJORITY

8. FESA Levy

Council impose the following amounts set by FESA to be billed through the rating system for 2017-2018:

1. Category 4 Properties for Residential, Farming and Vacant Land – FESA Levy is to be 0.004641c in \$ with a minimum of \$75 and a maximum of \$138 on each rate notice assessment issued to the property.
2. Category 4 Properties for Commercial, Industrial and Miscellaneous Land – FESA Levy is to be 0.004435c in \$ with a minimum of \$75 and a maximum of \$78,000 on each rate notice assessment issued to the property.
3. Category 5 Properties – FESA Levy is to be \$75 on each rate notice assessment issued to the property.
4. Mining Tenements Fixed Charge \$75
5. The interest rate to be charged for the late payment of ESL by property owners is 11% per annum.

9. Seniors Rebate

Eligible seniors or pension cardholders may receive a pensioner / seniors rebate of no more than the prescribed maximum set by State Revenue for 2017/18 of:

| Pensioners | | Seniors | |
|-------------|----------|----------|----------|
| ▪ Rates: | \$750.00 | Rates | \$ 72.69 |
| ▪ Sewerage: | \$436.00 | Sewerage | \$100.00 |

10. Rubbish Collection Charges

In accordance with the *Health Act 1911*, Council impose the following charges for the 2017/2018 financial year:

Bin Charges

\$380 per annum for each 240 litre bin provided to residential properties

\$760 per annum for each 240 litre bin provided to commercial properties for a twice weekly pickup.

Sewerage Charges

Vacant land \$247 per assessment

Class 1 Properties:

1st major fixture \$779.80

Each additional fixture \$485

Class 2 Properties \$1,155

GRV Residential 7.2391 cents in the dollar

GRV Commercial 7.2391 cents in the dollar

Minimum Charges – Residential \$348.60 per assessment

Minimum Charges – Commercial \$821.00 per assessment

11. Material Variances

Council in accordance with *the Local Government (Financial Management) Regulations 1996* 34(5) adopt a percentage of 10% with a minimum value of \$10,000 for reporting material variances for the 2017/2018 financial year.

12. Comparative Figures

Council elects to use the actual figures from the 2016/17 June Financial Statements as stated in the 2017/18 Budget documents.

COUNCIL RESOLUTION

20170901 Moved: Cr Thornton
 Seconded: Cr Coaker

1. Budget Adoption

Council adopts the 2017/18 budget for the Shire of Morawa as presented in Attachment 4.1a and in accordance with Section 6.2(1) of the *Local Government Act 1995*.

2. Rates and Charges

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| ▪ GRV Residential/Commercial | 0.075707 |
| ▪ UV Rural | 0.023043 |
| ▪ UV Mining | 0.289681 |

Minimum Rates

| | |
|------------------------------------|-------|
| ▪ GRV Residential Commercial Rural | \$290 |
| ▪ UV Rural | \$290 |
| ▪ UV Mining | \$656 |

3. Differential Rates

As per resolution 1708006, in accordance with section 6.33 of the *Local Government Act 1995*, Council imposed a differential general rates according to the predominant purpose for which the land is held or used as determined:

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7. List of Fees & Charges

Council adopt the proposed fees and charges for 2017/18 as reviewed and included In the 2017/18 Draft Budget documents.

Resolutions 1-7 CARRIED BY ABSOLUTE MAJORITY 4/0

COUNCIL RESOLUTION

20170902 Moved: Cr Collins
 Seconded: Cr Coaker

8. FESA Levy

Council impose the following amounts set by FESA to be billed through the rating system for 2017-2018:

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Minimum Charges – Residential \$348.60 per assessment

Minimum Charges – Commercial \$821.00 per assessment

11. Material Variances

Council in accordance with *the Local Government (Financial Management) Regulations 1996* 34(5) adopt a percentage of 10% with a minimum value of \$10,000 for reporting material variances for the 2017/2018 financial year.

12. Comparative Figures

Council elects to use the actual figures from the 2016/17 June Financial Statements as stated in the 2017/18 Budget documents.

Resolutions 8-12 CARRIED 4/0



SHIRE OF MORAWA

BUDGET

FOR THE YEAR ENDED 30 JUNE 2018

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SHIRE OF MORAWA
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2018

| | NOTE | 2017/18 Budget \$ | 2016/17 Actual \$ | 2016/17 Budget \$ |
|---|------|-------------------------|-------------------------|-------------------------|
| Revenue | | | | |
| Rates | 8 | 1,800,645 | 1,664,137 | 1,654,224 |
| Operating grants, subsidies and contributions | 15 | 1,197,480 | 6,026,657 | 1,914,295 |
| Fees and charges | 14 | 837,207 | 758,054 | 866,464 |
| Service charges | 11 | 0 | 0 | 0 |
| Interest earnings | 2(a) | 102,362 | 126,584 | 237,500 |
| Other revenue | 2(a) | 137,989 | 262,503 | 130,737 |
| | | <u>4,075,683</u> | <u>8,837,935</u> | <u>4,803,220</u> |
| Expenses | | | | |
| Employee costs | | (1,717,634) | (1,572,886) | (1,664,521) |
| Materials and contracts | | (1,982,099) | (4,357,954) | (1,571,884) |
| Utility charges | | (360,123) | (502,911) | (341,848) |
| Depreciation on non-current assets | 2(a) | (1,463,496) | (1,480,828) | (1,683,278) |
| Interest expenses | 2(a) | (20,920) | (21,653) | (22,704) |
| Insurance expenses | | (140,979) | (200,120) | (178,523) |
| Other expenditure | | (696,123) | (140,048) | (169,465) |
| | | <u>(6,381,374)</u> | <u>(8,276,400)</u> | <u>(5,632,223)</u> |
| | | (2,305,691) | 561,535 | (829,003) |
| Non-operating grants, subsidies and contributions | 15 | 1,017,064 | 1,531,501 | 3,738,832 |
| Profit on asset disposals | 6 | 13,000 | 1,113 | 1,990 |
| Loss on asset disposals | 6 | 0 | (42,552) | (20,249) |
| Loss on revaluation of non current assets | | 0 | 0 | 0 |
| Net result | | <u>(1,275,627)</u> | <u>(2,051,597)</u> | <u>2,891,570</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>(1,275,627)</u> | <u>2,051,597</u> | <u>2,891,570</u> |

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

SHIRE OF MORAWA
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2018

| | NOTE | 2017/18 Budget \$ | 2016/17 Actual \$ | 2016/17 Budget \$ |
|---|------|---------------------------|-------------------------|-------------------------|
| Revenue (refer notes 1,2,8,10 to 15) | | | | |
| Governance | | 10 | 40 | 10 |
| General purpose funding | | 2,693,995 | 4,156,663 | 3,437,377 |
| Law, order, public safety | | 26,230 | 25,098 | 44,720 |
| Health | | 5,350 | 3,328 | 8,000 |
| Education and welfare | | 133,899 | 22,333 | 45,500 |
| Housing | | 142,761 | 195,171 | 137,711 |
| Community amenities | | 451,091 | 435,500 | 461,431 |
| Recreation and culture | | 69,214 | 47,088 | 96,031 |
| Transport | | 246,130 | 3,665,608 | 264,109 |
| Economic services | | 167,819 | 155,523 | 185,099 |
| Other property and services | | 139,184 | 131,583 | 123,232 |
| | | <u>4,075,683</u> | <u>8,837,935</u> | <u>4,803,220</u> |
| Expenses excluding finance costs (refer notes 1, 2 & 16) | | | | |
| Governance | | (491,640) | (452,991) | (485,346) |
| General purpose funding | | (174,282) | (218,514) | (198,855) |
| Law, order, public safety | | (84,223) | (130,078) | (147,658) |
| Health | | (210,604) | (155,565) | (154,150) |
| Education and welfare | | (800,015) | (175,989) | (299,878) |
| Housing | | (292,350) | (134,050) | (156,049) |
| Community amenities | | (741,202) | (573,534) | (616,433) |
| Recreation and culture | | (1,136,614) | (1,172,151) | (1,143,712) |
| Transport | | (1,598,634) | (4,773,206) | (1,751,425) |
| Economic services | | (794,594) | (415,711) | (628,406) |
| Other property and services | | (36,296) | (52,958) | (27,607) |
| | | <u>(6,360,454)</u> | <u>(8,254,747)</u> | <u>(5,609,519)</u> |
| Finance costs (refer notes 2 & 7) | | | | |
| Housing | | (20,920) | (21,653) | (22,704) |
| | | <u>(20,920)</u> | <u>(21,653)</u> | <u>(22,704)</u> |
| | | (2,305,691) | 561,535 | (829,003) |
| Non-operating grants, subsidies and contributions | 15 | 1,017,064 | 1,531,501 | 3,738,832 |
| Profit on disposal of assets | 6 | 13,000 | 1,113 | 1,990 |
| (Loss) on disposal of assets | 6 | 0 | (42,552) | (20,249) |
| Loss on revaluation of non current assets | | 0 | 0 | 0 |
| | | <u>1,030,064</u> | <u>1,490,062</u> | <u>3,720,573</u> |
| Net result | | (1,275,627) | 2,051,597 | 2,891,570 |
| Other comprehensive income | | | | |
| Changes on revaluation of non-current assets | | 0 | 0 | 0 |
| Total other comprehensive income | | 0 | 0 | 0 |
| Total comprehensive income | | <u>(1,275,627)</u> | <u>2,051,597</u> | <u>2,891,570</u> |

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

**SHIRE OF MORAWA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018**

| | NOTE | 2017/18 Budget \$ | 2016/17 Actual \$ | 2016/17 Budget \$ |
|--|------|-------------------------|-------------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts | | | | |
| Rates | | 1,950,645 | 1,548,484 | 1,804,224 |
| Operating grants, subsidies and contributions | | 1,199,980 | 6,986,567 | 2,634,295 |
| Fees and charges | | 837,207 | 758,054 | 866,464 |
| Service charges | | 0 | 0 | 0 |
| Interest earnings | | 102,362 | 126,584 | 237,500 |
| Goods and services tax | | 371,974 | 374,995 | 502,055 |
| Other revenue | | 137,989 | 262,503 | 130,737 |
| | | <u>4,600,157</u> | <u>10,057,187</u> | <u>6,175,275</u> |
| Payments | | | | |
| Employee costs | | (1,715,134) | (1,559,635) | (1,625,407) |
| Materials and contracts | | (1,682,099) | (4,639,522) | (1,366,829) |
| Utility charges | | (360,123) | (502,911) | (341,848) |
| Interest expenses | | (20,420) | (23,014) | (22,704) |
| Insurance expenses | | (140,979) | (200,120) | (178,523) |
| Goods and services tax | | (371,974) | (371,974) | (500,000) |
| Other expenditure | | (696,123) | (140,048) | (169,465) |
| | | <u>(4,986,852)</u> | <u>(7,437,224)</u> | <u>(4,204,776)</u> |
| Net cash provided by (used in) operating activities | 3(b) | <u>(386,695)</u> | <u>2,619,963</u> | <u>1,970,499</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Payments for development of land held for resale | 5 | (20,000) | 0 | 0 |
| Payments for purchase of property, plant & equipment | 5 | (332,870) | (866,618) | (1,259,304) |
| Payments for construction of infrastructure | 5 | (1,807,415) | (2,715,451) | (5,443,746) |
| Non-operating grants, subsidies and contributions used for the development of assets | | 1,017,064 | 1,531,501 | 3,738,832 |
| Proceeds from sale of plant & equipment | 6 | 15,000 | 132,273 | 135,500 |
| Net cash provided by (used in) investing activities | | <u>(1,128,221)</u> | <u>(1,918,295)</u> | <u>(2,828,718)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Repayment of borrowings | 7 | (70,815) | (67,842) | (68,175) |
| Advances to community groups | | 0 | 0 | 0 |
| Proceeds from self supporting loans | | 0 | 0 | 0 |
| Proceeds from new borrowings | 7 | 0 | 0 | 0 |
| Net cash provided by (used in) financing activities | | <u>(70,815)</u> | <u>(67,842)</u> | <u>(68,175)</u> |
| Net increase (decrease) in cash held | | (1,585,731) | 633,826 | (926,394) |
| Cash at beginning of year | | <u>7,046,435</u> | <u>6,412,609</u> | <u>6,299,087</u> |
| Cash and cash equivalents at the end of the year | 3(a) | <u><u>5,460,704</u></u> | <u><u>7,046,435</u></u> | <u><u>5,372,693</u></u> |

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

**SHIRE OF MORAWA
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018**

| | NOTE | 2017/18 Budget \$ | 2016/17 Actual \$ | 2016/17 Budget \$ |
|---|------|-------------------------|-------------------------|-------------------------|
| Net current assets at start of financial year - surplus/(deficit) | 4 | 428,376 | 1,081,056 | 1,088,808 |
| | | <u>428,376</u> | <u>1,081,056</u> | <u>1,088,808</u> |
| Revenue from operating activities (excluding rates) and non-operating grants, subsidies and contributions) | | | | |
| Governance | | 10 | 40 | 10 |
| General purpose funding | | 897,142 | 2,502,434 | 1,786,445 |
| Law, order, public safety | | 26,230 | 25,098 | 44,720 |
| Health | | 5,350 | 3,328 | 8,000 |
| Education and welfare | | 133,899 | 22,333 | 45,500 |
| Housing | | 142,761 | 195,171 | 137,711 |
| Community amenities | | 464,091 | 435,500 | 461,431 |
| Recreation and culture | | 69,214 | 47,088 | 96,031 |
| Transport | | 246,130 | 3,666,721 | 265,609 |
| Economic services | | 167,819 | 155,523 | 185,099 |
| Other property and services | | 139,184 | 131,583 | 123,722 |
| | | <u>2,291,830</u> | <u>7,184,819</u> | <u>3,154,278</u> |
| Expenditure from operating activities | | | | |
| Governance | | (491,640) | (452,991) | (485,346) |
| General purpose funding | | (174,282) | (218,514) | (198,855) |
| Law, order, public safety | | (84,223) | (147,270) | (147,658) |
| Health | | (210,604) | (155,565) | (154,150) |
| Education and welfare | | (800,015) | (175,989) | (299,878) |
| Housing | | (313,270) | (155,703) | (178,753) |
| Community amenities | | (741,202) | (573,534) | (616,433) |
| Recreation and culture | | (1,136,614) | (1,172,151) | (1,143,712) |
| Transport | | (1,598,634) | (4,780,143) | (1,769,563) |
| Economic services | | (794,594) | (415,711) | (628,406) |
| Other property and services | | (36,296) | (71,381) | (29,718) |
| | | <u>(6,381,374)</u> | <u>(8,318,952)</u> | <u>(5,652,472)</u> |
| Operating activities excluded from budget | | | | |
| (Profit) on asset disposals | 6 | (13,000) | (1,113) | (1,990) |
| Loss on disposal of assets | 6 | 0 | 42,552 | 20,249 |
| Depreciation on assets | 2(a) | 1,463,496 | 1,480,828 | 1,683,278 |
| Movement in Leave Reserve (Added Back) | | 0 | (5,514) | 0 |
| Movement in Deferred Pensioner Rates/ESL (non-current) | | 0 | (2,624) | 0 |
| Movement in employee benefit provisions (non-current) | | 0 | (11,275) | 0 |
| Amount attributable to operating activities | | <u>(2,210,672)</u> | <u>1,449,777</u> | <u>292,151</u> |
| INVESTING ACTIVITIES | | | | |
| Non-operating grants, subsidies and contributions | 15 | 1,017,064 | 1,531,501 | 3,738,832 |
| Purchase land held for resale | 5 | (20,000) | 0 | 0 |
| Purchase property, plant and equipment | 5 | (332,870) | (866,618) | (1,259,304) |
| Purchase and construction of infrastructure | 5 | (1,807,415) | (2,715,451) | (5,443,746) |
| Proceeds from disposal of assets | 6 | 15,000 | 132,273 | 135,500 |
| Amount attributable to investing activities | | <u>(1,128,221)</u> | <u>(1,918,295)</u> | <u>(2,828,718)</u> |
| FINANCING ACTIVITIES | | | | |
| Repayment of borrowings | 7 | (70,815) | (67,842) | (68,175) |
| Proceeds from new borrowings | 7 | 0 | 0 | 0 |
| Proceeds from self supporting loans | | 0 | 0 | 0 |
| Transfers to cash backed reserves (restricted assets) | 9 | (278,751) | (1,341,679) | (519,121) |
| Transfers from cash backed reserves (restricted assets) | 9 | 1,892,170 | 652,186 | 1,472,931 |
| Amount attributable to financing activities | | <u>1,542,604</u> | <u>(757,335)</u> | <u>885,635</u> |
| Budgeted deficiency before general rates | | <u>(1,796,289)</u> | <u>(1,225,853)</u> | <u>(1,650,932)</u> |
| Estimated amount to be raised from general rates | 8 | <u>1,796,853</u> | <u>1,654,229</u> | <u>1,650,932</u> |
| Net current assets at end of financial year - surplus/(deficit) | 4 | <u>564</u> | <u>428,376</u> | <u>0</u> |

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

SHIRE OF MORAWA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

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 Morawa 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) 2016/17 actual balances

Balances shown in this budget as 2016/17 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 MORAWA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

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 Morawa 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 Morawa contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Morawa 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 MORAWA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

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 Morawa 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 Morawa 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 Morawa 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 MORAWA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

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 MORAWA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

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 | 40 to 100 years |
| Furniture and Equipment | 5 to 10 years |
| Plant and Equipment | 5 to 15 years |
| Sealed roads and streets | |
| clearing and earthworks | not depreciated |
| construction/road base | 40 years |
| original surfacing and | |
| major re-surfacing | |
| - bituminous seals | 20 years |
| Gravel roads | |
| clearing and earthworks | not depreciated |
| construction/road base | 40 years |
| gravel sheet | 12 years |
| Formed roads (unsealed) | |
| clearing and earthworks | not depreciated |
| construction/road base | 50 years |
| Footpaths - slab | 50 years |
| Drainage | 50 years |
| Other Infrastructure | 10 to 50 years |
| Parks and Ovals | 50 years |
| Airfields | 50 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.

Capitalisation Threshold

Expenditure under the thresholds listed below is not capitalised. Rather, it is recorded on an asset inventory listing.

| | |
|-------------------------|----------------------------|
| - Land | Nil (All Land Capitalised) |
| - Buildings | 5,000 |
| - Plant & Equipment | 5,000 |
| - Furniture & Equipment | 5,000 |
| - Infrastructure | 5,000 |

SHIRE OF MORAWA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Fair value of assets and liabilities

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

Fair value is the price that the Shire of Morawa 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 Morawa 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 Morawa are consistent with one or more of the following valuation approaches:

SHIRE OF MORAWA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

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 Morawa 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 Morawa becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Shire of Morawa 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 MORAWA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

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 Morawa 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 MORAWA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

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 Morawa 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 Morawa 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 MORAWA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

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 2018.

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 Morawa 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 Morawa'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 Morawa'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 Morawa'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 Morawa's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire of Morawa 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 MORAWA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

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 Morawa 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 Morawa, 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 Morawa 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 Morawa's share of net assets of the associate. In addition, the Shire of Morawa'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 Morawa'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 MORAWA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Investment in associates (continued)

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

When the Shire of Morawa's share of losses in an associate equals or exceeds its interest in the associate, the Shire of Morawa 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 Morawa 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 Morawa's interests, in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 20.

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

SHIRE OF MORAWA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

| | 2017/18 Budget \$ | 2016/17 Actual \$ | 2016/17 Budget \$ |
|--|-------------------------|-------------------------|-------------------------|
| 2. REVENUES AND EXPENSES | | | |
| (a) Net result | | | |
| The net result includes: | | | |
| (i) Charging as an expense: | | | |
| Auditors remuneration | | | |
| Audit services | 27,000 | 23,633 | 25,937 |
| Other services | 22,000 | 6,350 | 23,000 |
| Depreciation by program | | | |
| Governance | 28,286 | 28,260 | 26,611 |
| Law, order, public safety | 16,124 | 38,857 | 35,393 |
| Health | 22,413 | 22,393 | 20,697 |
| Education and welfare | 16,409 | 16,395 | 16,386 |
| Housing | 85,289 | 85,211 | 82,131 |
| Community amenities | 83,210 | 83,135 | 81,941 |
| Recreation and culture | 282,830 | 283,739 | 287,996 |
| Transport | 561,371 | 560,859 | 762,146 |
| Economic services | 142,504 | 142,373 | 138,513 |
| Other property and services | 225,060 | 219,606 | 231,464 |
| | <u>1,463,496</u> | <u>1,480,828</u> | <u>1,683,278</u> |
| Depreciation by asset class | | | |
| Land and buildings | 457,621 | 463,041 | 452,294 |
| Furniture and equipment | 13,394 | 13,553 | 4,231 |
| Plant and equipment | 228,537 | 231,244 | 274,044 |
| Roads | 493,050 | 498,888 | 723,794 |
| Footpaths | 20,779 | 21,025 | 20,612 |
| Dams | 35,915 | 36,340 | 0 |
| Parks and ovals | 7,679 | 7,770 | 7,632 |
| Sewerage | 73,523 | 74,394 | 72,248 |
| Airfields | 12,354 | 12,500 | 12,279 |
| Playground equipment | 5,238 | 5,300 | 5,206 |
| Infrastructure other | 115,406 | 116,773 | 110,938 |
| | <u>1,463,496</u> | <u>1,480,828</u> | <u>1,683,278</u> |
| Interest expenses (finance costs) | | | |
| - Borrowings (refer note 7(a)) | 20,920 | 21,653 | 22,704 |
| | <u>20,920</u> | <u>21,653</u> | <u>22,704</u> |
| (ii) Crediting as revenues: | | | |
| Interest earnings | | | |
| Investments | | | |
| - Reserve funds | 63,862 | 52,673 | 200,000 |
| - Other funds | 10,000 | 10,332 | 10,000 |
| Other interest revenue (refer note 12) | 28,500 | 63,579 | 27,500 |
| | <u>102,362</u> | <u>126,584</u> | <u>237,500</u> |
| (iii) Other revenue | | | |
| Reimbursements and recoveries | 67,934 | 192,427 | 59,682 |
| Other | 70,055 | 70,076 | 71,055 |
| | <u>137,989</u> | <u>262,503</u> | <u>130,737</u> |

SHIRE OF MORAWA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

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.

A VISION FOR MORAWA

MORAWA IS 'BREAKING NEW GROUND'

Our vision is for Morawa to become the future regional centre of the North Midlands, the primary industry hub of the mid-west and a **centre of excellence in research, education and training**.

It will be recognised as a welcoming, safe and attractive town with resourceful and colourful personalities. As a **proud and inclusive** community, our people will remain faithful to the rural values and lifestyle whilst embracing Morawa's rewarding career prospects and exceptional health and social facilities and quality, affordable housing.

Morawa will entice our youth to building futures in the town, for our elderly to age in place, and encourage city dwellers and transient workers to contemplate Morawa as a future home for their families.

Morawa's re-energised town centre and inviting main street will signal a return to the golden days with commercial and retail businesses run by locals, and community organisations operating alongside government agencies supporting the health and well-being of the region.

Our heritage buildings will come to life through contemporary social and cultural festivities year round. Careful management will ensure Morawa's **well utilised recreational facilities** remain the lifeblood of the community, complemented by a network of natural open spaces for people all ages to enjoy.

Sustained by the town's agricultural, mining and energy industries as well as the diverse education and training opportunities; **Morawa's economy will remain strong**. Our people will be employed by spirited, **ground breaking** and progressive businesses, whilst new partnerships will attract investment and enhance Morawa's growth.

As the innovation hub of the North Midlands, Morawa will also service, and be serviced by, a network of self-supporting satellite communities. An efficient bus network and quality roads will be used by students, workers, elderly, tourist, farmers, miners and other residents between Morawa and the surrounding towns.

Strong and committed partnerships with our neighbouring towns, coupled with friendly 'country town rivalries' will bind us with our neighbours and position the North Midlands district as a strategic and formidable West Australian region.

SHIRE OF MORAWA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

2. REVENUES AND EXPENSES (Continued)

(b) Statement of objective (Continued)

GOVERNANCE

Objective:

To provide a management & administrative structure to service Council & the community.

Activities:

Includes members of Council, Civic Functions & Public Relations, Council Elections, Training/Education.

GENERAL PURPOSE FUNDING

Objective:

To manage Council's finances.

Activities:

Includes Rates, Loans, Investments & Grants.

LAW, ORDER, PUBLIC SAFETY

Objective:

To provide, develop & manage services in response to community needs.

Activities:

Includes Emergency Services & Animal Control.

HEALTH

Objective:

To provide, develop & manage services in response to community needs.

Activities:

Includes Environmental Health, Medical & Health facilities.

EDUCATION AND WELFARE

Objective:

To provide, develop & manage services in response to community needs.

Activities:

Includes Education, Welfare & Children's Services.

HOUSING

Objective:

To ensure quality housing and appropriate infrastructure is maintained.

Activities:

Includes Staff & Other Housing.

COMMUNITY AMENITIES

Objective:

To provide, develop & manage services in response to community needs.

Activities:

Includes Refuse Collection, Sewerage, Cemetery, Building Control, Town Planning & Townscape.

SHIRE OF MORAWA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

2. REVENUES AND EXPENSES (Continued)

(b) Statement of objective (Continued)

RECREATION AND CULTURE

Objective:

To ensure the recreational & cultural needs of the community are met.

Activities:

Includes Pools, Halls, Library, Oval, Parks & Gardens & Recreational Facilities.

TRANSPORT

Objective:

To effectively manage transport infrastructure.

Activities:

Includes Roads, Footpaths, Private Works, Machine Operating Costs, Outside Wages & Airstrip.

ECONOMIC SERVICES

Objective:

To foster economic development, tourism & rural services in the district.

Activities:

Includes Tourism, Rural Services, Economic Development & Caravan Park.

OTHER PROPERTY & SERVICES

Objective:

To provide control accounts and reporting facilities for all other operations.

Activities:

Includes Private Works, Public Works Overheads, Plant Operating Costs, Administration Overheads and Unclassified Items.

SHIRE OF MORAWA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

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:

| | 2017/18 Budget \$ | 2016/17 Actual \$ | 2016/17 Budget \$ |
|---------------------|----------------------------------|----------------------------------|----------------------------------|
| Cash - unrestricted | 76,108 | 48,420 | 17,981 |
| Cash - restricted | 5,384,596 | 6,998,015 | 5,354,712 |
| | <u>5,460,704</u> | <u>7,046,435</u> | <u>5,372,693</u> |

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

| | | | |
|---|------------------|------------------|------------------|
| Leave Reserve | 208,748 | 281,137 | 261,740 |
| Plant Reserve | 953,929 | 905,518 | 938,842 |
| Building Reserve | 70,905 | 99,976 | 101,551 |
| Economic Development Reserve | 85,323 | 109,308 | 111,460 |
| Community Development Reserve | 1,188,589 | 1,187,559 | 1,020,235 |
| Sewerage Reserve | 180,834 | 216,306 | 219,186 |
| Unspent Grants and Contributions Reserve | 52,568 | 877,391 | 40,178 |
| Morawa Community Trust Reserve | 100,086 | 88,036 | 86,406 |
| Morawa Community Future Funds Reserve | 2,104,830 | 2,121,127 | 2,150,779 |
| Refuse Transfer Station Reserve | 27 | 27 | 138,780 |
| Aged Care Units 6-9 Reserve | 9,216 | 9,131 | 9,311 |
| ST-N/Midlands Solar Thermal Power Reserve | 14,830 | 559,632 | 28,146 |
| ST-Morawa Revitalisation Reserve | 0 | 176,558 | 0 |
| Business Units | 102,722 | 81,961 | 83,182 |
| Legal Fees Reserve | 25,364 | 20,177 | 20,478 |
| Road Reserve | 142,965 | 141,649 | 144,438 |
| Aged Care Units 1-4 Reserve | 68,595 | 67,964 | 0 |
| Aged Care Unit 5 Reserve | 55,065 | 54,558 | 0 |
| Swimming Pool Reserve | 20,000 | 0 | 0 |
| | <u>5,384,596</u> | <u>6,998,015</u> | <u>5,354,712</u> |

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

| | | | |
|--|------------------|------------------|------------------|
| Net result | (1,275,627) | 2,051,597 | 2,891,570 |
| Depreciation | 1,463,496 | 1,480,828 | 1,683,278 |
| (Profit)/loss on sale of asset | (13,000) | 41,439 | 18,259 |
| Loss on revaluation of non current assets | 0 | 0 | 0 |
| (Increase)/decrease in receivables | 152,500 | 847,278 | 872,055 |
| (Increase)/decrease in inventories | 0 | 0 | 0 |
| Increase/(decrease) in payables | 303,000 | (297,664) | 209,257 |
| Increase/(decrease) in employee provisions | 0 | 27,986 | 34,912 |
| Grants/contributions for the development of assets | (1,017,064) | (1,531,501) | (3,738,832) |
| Net cash from operating activities | <u>(386,695)</u> | <u>2,619,963</u> | <u>1,970,499</u> |

SHIRE OF MORAWA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

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

| | 2017/18 Budget \$ | 2016/17 Actual \$ | 2016/17 Budget \$ |
|---|-------------------------|-------------------------|-------------------------|
| (c) Undrawn borrowing facilities | | | |
| credit standby arrangements | | | |
| Bank overdraft limit | 0 | 0 | 800,000 |
| Bank overdraft at balance date | 0 | 0 | 0 |
| Credit card limit | 15,000 | 15,000 | 15,000 |
| Credit card balance at balance date | 0 | (3,350) | 0 |
| Total amount of credit unused | <u>15,000</u> | <u>11,650</u> | <u>815,000</u> |
| Loan facilities | | | |
| Loan facilities in use at balance date | <u>380,682</u> | <u>451,497</u> | <u>451,164</u> |
| Unused loan facilities at balance date | <u>0</u> | <u>0</u> | <u>0</u> |

| | Note | 2017/18 Budget \$ | 2016/17 Actual \$ |
|------------------------------|------|-------------------------|-------------------------|
| 4. NET CURRENT ASSETS | | | |

Composition of estimated net current assets

Current assets

| | | | |
|----------------------------|------|------------------|------------------|
| Cash - unrestricted | 3(a) | 76,108 | 48,420 |
| Cash - restricted reserves | 3(a) | 5,384,596 | 6,998,015 |
| Receivables | | 390,142 | 542,642 |
| Inventories | | 21,335 | 1,335 |
| | | <u>5,872,181</u> | <u>7,590,412</u> |

Less: current liabilities

| | | | |
|--------------------------|--|------------------|------------------|
| Trade and other payables | | (363,497) | (60,497) |
| Short term borrowings | | 0 | 0 |
| Long term borrowings | | (56,939) | 6,938 |
| Provisions | | (384,662) | (384,662) |
| | | <u>(805,098)</u> | <u>(438,221)</u> |

Unadjusted net current assets

5,067,083 **7,152,191**

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) | (5,384,596) | (6,998,015) |
| Less: Land held for resale | | (20,000) | 0 |
| Less: Current loans - clubs / institutions | | 0 | 0 |
| Add: Current portion of borrowings | | 56,939 | (6,938) |
| Add: Current liabilities not expected to be cleared at end of year | | 281,138 | 281,138 |
| Adjusted net current assets - surplus/(deficit) | | <u>564</u> | <u>428,376</u> |

SHIRE OF MORAWA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

5. ACQUISITION OF ASSETS

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

| Asset class | Reporting program | | | | | | | | | | 2017/18 Budget total \$ | 2016/17 Actual total \$ | |
|--------------------------------------|-------------------|-------------------------------------|---------------------------------------|--------------|-----------------------------------|---------------|------------------------------|---------------------------------|-----------------|----------------------------|----------------------------------|-------------------------------|--|
| | Governance \$ | General purpose funding \$ | Law, order, public safety \$ | Health \$ | Education and welfare \$ | Housing \$ | Community amenities \$ | Recreation and culture \$ | Transport \$ | Economic services \$ | | | Other property and services \$ |
| <u>Property, Plant and Equipment</u> | | | | | | | | | | | | | |
| Land and buildings | 50,000 | | | | | 60,000 | 20,000 | | 25,000 | | | 155,000 | 76,121 |
| Furniture and equipment | | | | | | | 20,000 | | | 2,870 | | 22,870 | 0 |
| Plant and equipment | | | | | | 135,000 | | | | 20,000 | | 155,000 | 790,497 |
| | <u>50,000</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>60,000</u> | <u>40,000</u> | <u>0</u> | <u>25,000</u> | <u>22,870</u> | <u>332,870</u> | <u>866,618</u> | |
| <u>Infrastructure</u> | | | | | | | | | | | | | |
| Roads | | | | | | | | 1,631,978 | | | | 1,631,978 | 1,526,706 |
| Footpaths | | | | | | | | 27,937 | | | | 27,937 | 0 |
| Airfields | | | | | | | | 10,000 | | | | 10,000 | 0 |
| Infrastructure other | | | | | | 70,000 | 30,000 | | 37,500 | | | 137,500 | 1,188,745 |
| | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>30,000</u> | <u>1,669,915</u> | <u>37,500</u> | <u>0</u> | <u>1,807,415</u> | <u>2,715,451</u> | |
| <u>Land Held for Resale</u> | | | | | | | | | | | | | |
| Land held for resale | | | | | | | | | 20,000 | | | 20,000 | 0 |
| | <u>50,000</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>60,000</u> | <u>70,000</u> | <u>1,669,915</u> | <u>82,500</u> | <u>22,870</u> | <u>2,160,285</u> | <u>3,582,069</u> | |

A detailed breakdown of acquisitions on an individual asset basis can be found in

the supplementary information attached to this budget document as follows:

- plant replacement programme
- other property, plant and equipment
- road replacement programme
- other parks and ovals

SHIRE OF MORAWA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

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 | 2017/18 Budget | | 2016/17 Actual | | 2016/17 Budget | |
|-----------------------------|----------------|---------------|----------------|----------|----------------|-----------------|----------------|-----------------|
| | | | Profit | Loss | Profit | Loss | Profit | Loss |
| Law, order, public safety | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ (17,192) | \$ 0 | \$ 0 |
| Community amenities | 2,000 | 15,000 | 13,000 | 0 | 0 | 0 | 0 | 0 |
| Transport | 0 | 0 | 0 | 0 | 1,113 | (6,937) | 1,500 | (18,138) |
| Other property and services | 0 | 0 | 0 | 0 | 0 | (18,423) | 490 | (2,111) |
| | 2,000 | 15,000 | 13,000 | 0 | 1,113 | (42,552) | 1,990 | (20,249) |

| <u>By Class</u> | Net book value | Sale proceeds | 2017/18 Budget | | 2016/17 Actual | | 2016/17 Budget | |
|----------------------------|----------------|---------------|----------------|----------|----------------|-----------------|----------------|-----------------|
| | | | Profit | Loss | Profit | Loss | Profit | Loss |
| Plant and equipment | \$ 2,000 | \$ 15,000 | \$ 13,000 | \$ 0 | \$ 1,113 | \$ (42,552) | \$ 1,990 | \$ (20,249) |
| | 2,000 | 15,000 | 13,000 | 0 | 1,113 | (42,552) | 1,990 | (20,249) |

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 MORAWA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

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 1-Jul-17 | New loans | Principal repayments | | Principal outstanding | | Interest repayments | |
|-----------------------------|-----------------------|--------------|-------------------------|-------------------|--------------------------|-------------------|------------------------|-------------------|
| | | | 2017/18 Budget | 2016/17 Actual | 2017/18 Budget | 2016/17 Actual | 2017/18 Budget | 2016/17 Actual |
| Housing | | | | | | | | |
| Loan 133 - GEHA House | 69,522 | 0 | 34,156 | 33,092 | 35,366 | 69,522 | 4,600 | 4,889 |
| Loan 134 - 2 Broad Street | 49,838 | 0 | 24,158 | 22,726 | 25,680 | 49,838 | 3,389 | 3,338 |
| Loan 136 - 24 Harley Street | 332,137 | 0 | 12,501 | 12,024 | 319,636 | 332,137 | 12,931 | 13,426 |
| | 451,497 | 0 | 70,815 | 67,842 | 380,682 | 451,497 | 20,920 | 21,653 |

All borrowing repayments will be financed by general purpose revenue.

(b) New borrowings - 2017/18

The Shire does not expect to borrow any funds in the 2017/18 financial year.

(c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30th June 2017 nor is it expected to have unspent borrowing funds as at 30th June 2018.

(d) Overdraft

The Shire utilised an overdraft facility during the financial year which was held with Bankwest. The overdraft facility of \$800,000 was in place for 3 months only. It is not anticipated that a facility will be required to be raised during 2017/18.

SHIRE OF MORAWA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

8. RATING INFORMATION

| RATE TYPE | Rate in \$ | Number of properties | Rateable value \$ | 2017/18 Budgeted rate revenue \$ | 2017/18 Budgeted interim rates \$ | 2017/18 Budgeted back rates \$ | 2017/18 Budgeted total revenue \$ | 2016/17 Actual \$ |
|--|-------------------|-----------------------------|--------------------------|---|--|---------------------------------------|--|--------------------------|
| Differential general rate or general rate | | | | | | | | |
| GRV Residential/Commercial | 0.075707 | 269 | 2,829,588 | 214,220 | 0 | 0 | 214,220 | 217,201 |
| UV Rural | 0.023043 | 205 | 63,004,000 | 1,451,801 | 0 | 0 | 1,451,801 | 1,306,460 |
| UV Mining | 0.289681 | 15 | 472,333 | 136,826 | 0 | 0 | 136,826 | 135,886 |
| Sub-Totals | | 489 | 66,305,921 | 1,802,847 | 0 | 0 | 1,802,847 | 1,659,547 |
| Minimum payment | | | | | | | | |
| GRV Residential/Commercial | 290 | 45 | 26,778 | 13,050 | 0 | 0 | 13,050 | 13,392 |
| UV Rural | 290 | 6 | 53,200 | 1,740 | 0 | 0 | 1,740 | 1,953 |
| UV Mining | 656 | 11 | 11,311 | 7,216 | 0 | 0 | 7,216 | 7,216 |
| Sub-Totals | | 62 | 91,289 | 22,006 | 0 | 0 | 22,006 | 22,561 |
| Discounts/concessions (Refer note 13) | | | | | | | | |
| Total amount raised from general rates | | 551 | 66,397,210 | 1,824,853 | 0 | 0 | 1,824,853 | 1,682,108 |
| Specified area rates (Refer note 10) | | | | | | | | |
| Ex-Gratia Rates | | | | | | | (28,000) | (27,879) |
| Rates Written Off | | | | | | | 5,792 | 5,792 |
| Movement in Excess Rates | | | | | | | (2,000) | (1,625) |
| Total rates | | | | | | | 1,800,645 | 1,664,137 |

SHIRE OF MORAWA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

8(a). RATING INFORMATION
Statement of Objects and Reasons

In accordance with Section 6.36 of the Local Government Act 1995 and the notice of Council's intention to levy Differential Rates for the 2017/2018 financial year, the following is the proposed Differential Rates and Minimum Payments for the Shire of Morawa and the Objects and Reasons for these Differential Rates.

| Rate Type | Rate in the Dollar (Cents) | Minimum \$ |
|------------------------------------|-----------------------------------|-------------------|
| GRV Residential/ Commercial | 7.5707 | 290 |
| UV Rural | 2.3043 | 290 |
| UV Mining | 28.9681 | 656 |

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.

OVERALL OBJECTIVE

The overall objective of the proposed rates in the dollar and minimum payments in the 2017/2018 Budget is to provide for the net funding requirements of Council's Operational and Capital Budget. The estimated rates in the dollar and minimum payments indicated above, are based on a 2.1% increase on the previous year rate in the dollar for GRV Residential and Commercial Properties and for UV Rural Properties only, with no increase for UV Mining Properties.

The basis for the calculation of Rates is either the Gross Rental Value (GRV) or Unimproved Value (UV) for each individual property; these valuations are provided by the Valuer General's Office.

GRV Residential/Commercial

The object of the GRV rates and minimum payments is to require a fair contribution to the revenue requirements of the Shire, which include but not limited to - street lighting, entrance statements, town square, cleaning of facilities, public parks and gardens, sporting facilities, tourist information, youth centre, medical, refuse collections, aerodrome - while not risking additional financial pressure on the uses in those areas that affect their long term viability. They have been in the past, and are likely to continue into the long term future, to provide the main support for the social and economic life of the Shire. The reasons for the levels of rates and minimum payments set is that they allow for a fair contribution to the revenue requirements of the Shire at the highest sustainable level.

Differential general rate

| Description | Characteristics | Objects | Reasons |
|--------------------|---------------------------|--|---|
| UV RURAL | Pastoral and Agricultural | To raise the amount of revenue that Council believes is required to operate efficiently and to provide the diverse range of services and facilities. | The rate in the dollar for this category is set at a comparatively low amount to offset the relatively high property valuations in this category. The Shire has a large pastoral and agricultural sector and is that it be maintained throughout difficult times. |

SHIRE OF MORAWA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

8(a). RATING INFORMATION (continued)
Statement of Objects and Reasons (continued)

| | | | |
|-------------------------------------|---|--|--|
| UV MINING | Mining | To raise the amount of revenue that Council believes is required to operate efficiently and to provide the diverse range of services and facilities. | The reasons that the rate in the dollar has been set at a comparatively high amount is to offset the relatively low property valuations in this rating category. Being mindful that operators in the mining industry, when they come to the district, have the advantage of all the established Shire services and facilities which often have been provided by the rates contributed in the long term by ratepayers in other sectors, who will continue to in the long term future to contribute in the same way. The maintenance of Shire assets and services for the benefit of all users, long term and short term, is a burden which, to a significant extent, falls upon the long term ratepayers. |
| | | | |
| Differential minimum payment | | | |
| UV RURAL | Characteristics Pastoral and Agricultural | Objects To raise revenue that Council believes is required to operate efficiently and to provide the diverse range of services and facilities. | Reasons Minimum rates are set at a lower level to allow the Rural sector to be maintained throughout difficult times. |
| UV MINING | Mining | To raise revenue that Council believes is required to operate efficiently and to provide the diverse range of services and facilities. | Minimum rates for the mining sector are set to allow for a fair contribution of revenue for the Shire to achieve a sustainable level of revenue requirements. |

SHIRE OF MORAWA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

9. CASH BACKED RESERVES

| | 2017/18 | 2017/18 | 2017/18 | 2017/18 | 2016/17 | 2016/17 | 2016/17 | 2016/17 | 2016/17 | 2016/17 | 2016/17 | 2016/17 |
|---|------------------|----------------|------------------|------------------|------------------|------------------|------------------|----------------|--------------------|----------------|--------------------|------------------|
| | Budget | Budget | Actual | Actual | Actual | Budget | Budget | Budget | Budget | Budget | Budget | Budget |
| | Opening | Transfer | Opening | Transfer | Actual | Opening | Transfer | Transfer | Transfer | Transfer | Transfer | Closing |
| | balance | to | balance | to | Closing | balance | (from) | to | (from) | to | (from) | balance |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Leave Reserve | 281,137 | 7,611 | 286,652 | 8,377 | 281,137 | 286,652 | (13,892) | 14,088 | (39,000) | 14,088 | (39,000) | 261,740 |
| Plant Reserve | 905,518 | 108,411 | 941,344 | 166,184 | 905,518 | 941,344 | (202,010) | 198,998 | (201,500) | 198,998 | (201,500) | 938,842 |
| Building Reserve | 99,976 | 20,929 | 79,045 | 20,931 | 99,976 | 79,045 | 0 | 22,506 | 0 | 22,506 | 0 | 101,551 |
| Economic Development Reserve | 109,308 | 1,015 | 108,035 | 1,273 | 109,308 | 108,035 | 0 | 3,425 | 0 | 3,425 | 0 | 111,460 |
| Community Development Reserve | 1,187,559 | 11,030 | 1,376,593 | 10,966 | 1,187,559 | 1,376,593 | (200,000) | 43,642 | (400,000) | 43,642 | (400,000) | 1,020,235 |
| Sewerage Reserve | 216,306 | 34,528 | 144,602 | 71,704 | 216,306 | 144,602 | 0 | 74,584 | 0 | 74,584 | 0 | 219,186 |
| Unspent Grants and Contributions Reserve | 877,391 | 8,149 | 92,743 | 852,969 | 877,391 | 92,743 | (68,321) | 2,940 | (55,505) | 2,940 | (55,505) | 40,178 |
| Morawa Community Trust Reserve | 88,036 | 12,050 | 54,705 | 33,331 | 88,036 | 54,705 | 0 | 31,701 | 0 | 31,701 | 0 | 86,406 |
| Morawa Community Future Funds Reserve | 2,121,127 | 19,703 | 2,140,600 | 13,214 | 2,121,127 | 2,140,600 | (32,687) | 67,861 | (57,682) | 67,861 | (57,682) | 2,150,779 |
| Refuse Transfer Station Reserve | 27 | 0 | 134,515 | 788 | 27 | 134,515 | (135,276) | 4,265 | 0 | 4,265 | 0 | 138,780 |
| Aged Care Units 6-9 Reserve | 9,131 | 85 | 9,025 | 106 | 9,131 | 9,025 | 0 | 286 | 0 | 286 | 0 | 9,311 |
| ST-N/Midlands Solar Thermal Power Reserve | 559,632 | 5,198 | 550,687 | 8,945 | 559,632 | 550,687 | 0 | 17,459 | (540,000) | 17,459 | (540,000) | 28,146 |
| ST-Morawa Revitalisation Reserve | 176,558 | 1,640 | 173,736 | 2,822 | 176,558 | 173,736 | 0 | 5,508 | (179,244) | 5,508 | (179,244) | 0 |
| Business Units | 81,961 | 20,761 | 61,240 | 20,721 | 81,961 | 61,240 | 0 | 21,942 | 0 | 21,942 | 0 | 83,182 |
| Legal Fees Reserve | 20,177 | 5,187 | 15,000 | 5,177 | 20,177 | 15,000 | 0 | 5,478 | 0 | 5,478 | 0 | 20,478 |
| Road Reserve | 141,649 | 1,316 | 140,000 | 1,649 | 141,649 | 140,000 | 0 | 4,438 | 0 | 4,438 | 0 | 144,438 |
| Aged Care Units 1-4 Reserve | 67,964 | 631 | 0 | 67,964 | 67,964 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Aged Care Unit 5 Reserve | 54,558 | 507 | 0 | 54,558 | 54,558 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Swimming Pool Reserve | 0 | 20,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | <u>6,998,015</u> | <u>278,751</u> | <u>6,308,522</u> | <u>1,341,679</u> | <u>6,998,015</u> | <u>6,308,522</u> | <u>(652,186)</u> | <u>519,121</u> | <u>(1,472,931)</u> | <u>519,121</u> | <u>(1,472,931)</u> | <u>5,354,712</u> |

SHIRE OF MORAWA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

9. CASH BACKED RESERVES (Continued)

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

| Reserve name | Anticipated date of use | Purpose of the reserve |
|---|--------------------------------|---|
| Leave Reserve | Ongoing | - to be used to fund leave requirements. |
| Plant Reserve | Ongoing | - to be used to upgrade, replace or purchase new plant and equipment. |
| Building Reserve | Ongoing | - to be used to refurbish, replace, extend or establish Council owned buildings. |
| Economic Development Reserve | Ongoing | - to be used to create economic development initiatives in the local community. |
| Community Development Reserve | Ongoing | - to be used for Community Projects within the Shire of Morawa |
| Sewerage Reserve | Ongoing | - to be used to repair, replace or extend the sewerage facility. |
| Unspent Grants and Contributions Reserve | Ongoing | - to be used as a quarantine for unspent committed funds. |
| Morawa Community Trust Reserve | Ongoing | - to be used for Morawa Community Projects |
| Morawa Community Future Funds Reserve | Ongoing | - to be used to provide an ongoing conduit for benefits to the people and environment of the Morawa Shire through the Sinosteel Midwest Corporation Morawa Future Fund Foundation Memorandum. |
| Refuse Transfer Station Reserve | 17/18 | - to be used for Morawa Landfill closure |
| Aged Care Units 6-9 Reserve | Ongoing | - to be used for the maintenance/ construction of Aged Care Units at the Morawa Perenjori Health Centre |
| ST-N/Midlands Solar Thermal Power Reserve | Ongoing | - Super Town funds to be used for the N/Midlands Solar Thermal Power feasibility Study Project |
| ST-Morawa Revitalisation Reserve | 17/18 | - Super Town funds to be used for the Morawa Town Revitalisation Project |
| Business Units | Ongoing | - to be utilised for the refurbishment/repairs of the current Units or to establish new Business Units |
| Legal Fees Reserve | Ongoing | - to be utilised for unforeseen Legal Fees. |
| Road Reserve | Ongoing | - to be utilised for future Road Construction and Maintenance. |
| Aged Care Units 1-4 Reserve | Ongoing | - to be used for the maintenance/upgrade of Aged Care Units 1-4 at the Morawa Perenjori Health Centre |
| Aged Care Unit 5 Reserve | Ongoing | - to be used for the maintenance/upgrade Aged Care Unit 5 at the Morawa Perenjori Health Centre |
| Swimming Pool Reserve | Ongoing | - to be used for the maintenance/upgrade to Morawa Swimming Pool |

SHIRE OF MORAWA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

10. SPECIFIED AREA RATE

No Specified Area Rates will be levied in 2017/18.

11. SERVICE CHARGES

The Shire of Morawa does not intend to raise any Service Charges during 2017/18.

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 | | | | |
| Single full payment | 3/10/2017 | | | 5.50% |
| Option two | | | | |
| First Instalment | 3/10/2017 | | 5.50% | 5.50% |
| Second Instalment | 5/02/2018 | 5 | 5.50% | 5.50% |
| Option three | | | | |
| First Instalment | 3/10/2017 | | 5.50% | 5.50% |
| Second Instalment | 4/12/2017 | 5 | 5.50% | 5.50% |
| Third Instalment | 5/02/2018 | 5 | 5.50% | 5.50% |
| Fourth Instalment | 5/04/2018 | 5 | 5.50% | 5.50% |
| | | | 2017/18 Budget revenue \$ | 2016/17 Actual \$ |
| | | | 1,000 | 970 |
| | | | 3,500 | 3,423 |
| | | | 25,000 | -60,156 |
| | | | <u>29,500</u> | <u>64,549</u> |
| Instalment plan admin charge revenue | | | | |
| Instalment plan interest earned | | | | |
| Unpaid rates interest earned | | | | |

SHIRE OF MORAWA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

13. PAYMENT DISCOUNTS, WAIVERS AND CONCESSIONS

| Rates discounts | | | | | |
|--|------------------------------|--------------------------|--------------------------|--|--|
| Rate or fee to which discount is granted | Disc % or Amount (\$) | 2017/18 Budget \$ | 2016/17 Actual \$ | Circumstances in which discount is granted | |
| General rates | 2.5% | 28,000 | 27,879 | A discount of 2.50% of the current rates levied (excluding Rubbish and ESL) will be offered to rate payers whose payment of the full amount owing, including arrears, and service charges is received on or before Tuesday 3rd October 2017 or 35 days after the date of service appearing on the rate notice, whichever is the later. | |
| | | 28,000 | 27,879 | | |
| Waivers or concessions | | | | | |
| Rate or fee and charge to which the waiver or concession is granted | Type | 2017/18 Budget \$ | 2016/17 Actual \$ | Circumstances in which the waiver or concession is granted | Objects of the waiver or concession |
| Nil | | 0 | 0 | | |

SHIRE OF MORAWA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

| | 2017/18 Budget \$ | 2016/17 Actual \$ |
|--|-------------------------|-------------------------|
| 14. FEES & CHARGES REVENUE | | |
| Governance | 10 | 40 |
| General purpose funding | 3,520 | 6,049 |
| Law, order, public safety | 3,325 | 2,129 |
| Health | 350 | 471 |
| Education and welfare | 2,000 | 190 |
| Housing | 140,511 | 66,070 |
| Community amenities | 451,091 | 434,155 |
| Recreation and culture | 37,214 | 40,269 |
| Transport | 422 | 882 |
| Economic services | 167,764 | 177,584 |
| Other property and services | 31,000 | 30,215 |
| | <u>837,207</u> | <u>758,054</u> |
| 15. GRANT 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 | 787,468 | 2,359,438 |
| Law, order, public safety | 18,905 | 18,968 |
| Education and welfare | 131,899 | 18,993 |
| Housing | 0 | 4,546 |
| Recreation and culture | 32,000 | 5,000 |
| Transport | 227,208 | 3,647,212 |
| Economic services | 0 | (30,000) |
| Other property and services | 0 | 2,500 |
| | <u>1,197,480</u> | <u>6,026,657</u> |
| Non-operating grants, subsidies and contributions | | |
| Governance | 20,000 | 0 |
| Law, order, public safety | 0 | 370,940 |
| Education and welfare | 0 | 11,000 |
| Housing | 5,000 | 0 |
| Community amenities | 90,000 | 3,829 |
| Recreation and culture | 0 | 219,500 |
| Transport | 846,564 | 926,232 |
| Economic services | 55,500 | 0 |
| | <u>1,017,064</u> | <u>1,531,501</u> |

**SHIRE OF MORAWA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

| 16. ELECTED MEMBERS REMUNERATION | 2017/18 Budget \$ | 2016/17 Actual \$ |
|--|----------------------------------|----------------------------------|
| The following fees, expenses and allowances were paid to council members and/or the President. | | |
| Meeting fees | 64,000 | 64,000 |
| President's allowance | 17,000 | 17,000 |
| Deputy President's allowance | 4,250 | 4,250 |
| Travelling expenses | 200 | 0 |
| Telecommunications allowance | 1,500 | 1,270 |
| | 86,950 | 86,520 |

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 1-Jul-17 \$ | Estimated amounts received \$ | Estimated amounts paid (\$) | Estimated balance 30-Jun-18 \$ |
|--|------------------------------------|--|--|---|
| Housing Bonds | 2,000 | 600 | (900) | 1,700 |
| Dreghorn Unit Bonds | 1,164 | 0 | 0 | 1,164 |
| Bonds Hall/Rec Centre Hire | 100 | 200 | (300) | 0 |
| Aged Care - Bond Karl Strudwick Number 5 | 1,266 | 0 | 0 | 1,266 |
| Youth Centre | 865 | 0 | 0 | 865 |
| Council Nominations | 0 | 320 | (320) | 0 |
| Bill Johnson Unit 1 Bond | 0 | 0 | 0 | 0 |
| Haulmore Trailers Land Dep | 4,641 | 0 | 0 | 4,641 |
| Social Club Payments | 0 | 0 | 0 | 0 |
| Local Drug Action Group | 660 | 0 | (400) | 260 |
| BCITF/BRB Training Levy | 1,818 | 3,600 | (5,418) | (0) |
| Daphne Little - Excess Rent | 1,704 | 0 | (1,704) | 0 |
| Morawa Oval Function Centre | 1,762 | 0 | 0 | 1,762 |
| | 15,980 | 4,720 | (9,042) | 11,658 |

**SHIRE OF MORAWA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

18. MAJOR LAND TRANSACTIONS

It is not anticipated any Major Land Transactions will occur in 2017/18.

19. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated any trading undertakings or major trading undertakings will occur in 2017/18.

20. INTERESTS IN JOINT ARRANGEMENTS

The Shire of Morawa is involved in the following Joint Venture agreements with the Department of Housing & Works:

Lot 55 (33) Dreghorn Street - Units 1, 2 & 3.

Lot 559 (48) Yewers Avenue - Units 1, 2, 3 & 4

| SCHEDULE OF FEES & CHARGES | | | | | |
|--|--|---------------------------------------|-----------|-------------|-------------|
| 2017/2018 BUDGET | | | | | |
| GL | All Fee Prices are quoted as INCLUSIVE of GST | | GST (Y/N) | 2016 - 2017 | 2017 - 2018 |
| | | Indicates change from previous year | | | |
| SCH 3 GENERAL PURPOSE FUNDING | | | | | |
| RATES: | | | | | |
| 03137.156 | Rates Enquiry | | n | \$ 35.00 | \$ 38.00 |
| | Orders and Requisitions | | n | \$ 105.00 | \$ 108.00 |
| SCH 4 GOVERNANCE | | | | | |
| 04230.156 | PHOTOCOPYING: | | | | |
| | Per page Mono A4 | | y | 0.55 | 0.60 |
| | Per page Mono A3 | | y | 0.65 | 0.70 |
| | Per double-sided Mono A4 | | y | 0.65 | 0.70 |
| | Per double-sided Mono A3 | | y | 1.35 | 1.40 |
| | Per page Colour A4 | | y | 1.15 | 1.20 |
| | Per page Colour A3 | | y | 1.65 | 1.70 |
| | Per doublesided Colour A4 | | y | 1.65 | 1.70 |
| | Per doublesided Colour A3 | | y | 3.25 | 3.30 |
| | If supply own paper or over 1000 copies | | | | |
| | Price reduction of 50% applies | | | | |
| 04230.156 | FACSIMILE: | | | | |
| | Per page sent local | | y | 1.00 | 1.50 |
| | Per page sent elsewhere | | y | 2.00 | 2.50 |
| | Per page received | | y | 0.60 | 0.80 |
| GENERAL: | | | | | |
| 04230.156 | Sale of yearly meeting minutes | | y | 60.00 | 60.00 |
| 04230.156 | Sale of individual meeting minutes | | y | 12.00 | 12.00 |
| 14640.121 | Secretarial work (per hour) | | y | 65.00 | 65.00 |
| 04131.156 | Hire of Council Chambers (per day) | | y | 275.00 | 275.00 |
| 04131.156 | Equipment Fee - Electronic White Board (per day) | | y | 27.50 | 27.50 |
| \$250 BOND on PA System and Portable Projector | | | | | |
| 04131.156 | Equipment Fee - Public Address System (per day) | | y | 27.50 | 27.50 |
| 04131.156 | Equipment Fee - Power Point Projector & Screen (per day) | | y | 27.50 | 27.50 |
| 04230.156 | MORAWA SCENE: | | | | |
| | Hard copy edition | | y | 1.00 | 1.00 |
| | Full page advertisement | | y | 0.00 | 0.00 |
| | Half page advertisement | | y | 0.00 | 0.00 |
| | Quarter page advertisement | | y | 0.00 | 0.00 |
| SCH 5 LAW, ORDER & PUBLIC SAFETY | | | | | |
| POUND FEES: | | | | | |
| 05220.156 | Impounding of Dog | TO BE IN LINE WITH SURROUNDING SHIRES | n | 100.00 | 100.00 |
| 05222.156 | Daily Maintenance Fee | | y | 20.00 | 20.00 |
| | Authorised Destruction of Dog | | y | 50.00 | 50.00 |
| | Dog at Large | | | 100.00 | 100.00 |
| | Kennel Registration Fee | | n | 220.00 | 220.00 |
| 05221.156 | DOG REGISTRATION FEES: | | | | |
| | Dog/Bitch as per regulation | | n | | |
| | Sterilised Dog/Bitch as per regulation | | n | | |
| | Sheep Dog/Bitch as per regulation | | n | | |
| | Sterilised Sheep Dog/Bitch as per regulation | | n | | |
| | Pensioner Rates as per regulation | | n | | |
| | CAT /REGISTRATION FEES: | As per regulation | n | | |
| SCH 7 HEALTH | | | | | |
| | Doctor's Surgery Rent | As Per Agreement | y | | |
| 07430.151 | Food Vendor's Licence | | n | 100.00 | 100.00 |
| | Abattoir Supervision | | | | |
| 07330.156 | Meat inspectionservices each visit | | y | 70.00 | 70.00 |
| Fees and charges in accordance with various regulations made under the Health Act 1911 | | | | | |
| SCH 8 EDUCATION AND WELFARE | | | | | |
| 13631.156 | Childcare (per hour) | Enquire at centre | y | | |
| 13631.156 | Childcare (daily 8am to 3pm) | | y | | |
| 13631.156 | Administration Levy | | y | | |
| SCH 9 HOUSING | | | | | |
| STAFF HOUSING RENTAL: | | | | | |
| | | As per Employment agreements | T | | |
| OTHER HOUSING RENTAL: | | | | | |
| 09234.150 | Doctor's Residence (Waddilove Road) | As per Agreement | n | | |
| 09230.150 | Single Quarters (3 units) | As per Agreement | n | | |

| SCHEDULE OF FEES & CHARGES | | | | | |
|----------------------------|--|-------------------------------------|-----------|----------------|-------------|
| 2017/2018 BUDGET | | | | | |
| GL | All Fee Prices are quoted as INCLUSIVE of GST | | GST (Y/N) | 2016 - 2017 | 2017 - 2018 |
| | | Indicates change from previous year | | | |
| 09233.150 | 78 Yewers Avenue | As per Agreement | n | | |
| 09231.150 | 18B Evans Street (GEHA) | As per Agreement | n | | |
| 09232.150 | Lot 345 Grove Street (GEHA) | As per Agreement | n | | |
| | SCH 10 COMMUNITY AMENITIES | | | | |
| | AIR PORT FEE | | | | |
| 12632.156 | Airport landing and departure fee per passenger of Commercial operations | | y | 8.00 | |
| | General Aviation between 1001kg -5000kg | | y | \$7/ per tonne | |
| | General Aviation greater than 5000kg | | y | \$8 /per tonne | |
| | RUBBISH REMOVAL CHARGES: | 3% increase | | | |
| 10130.157 | 240 Litre Bin - Residential Service | Per annum | n | \$ 369.00 | \$ 380.00 |
| 10231.157 | 240 Litre Bin - Commercial Service | Per annum | n | \$ 738.00 | \$ 760.00 |
| | SALE OF BINS: | | | | |
| 10131.156 | 240L Green Bin | | y | 100.00 | 100.00 |
| 10233.156 | TRANSFER STATION FEES | | | | |
| | General Unsorted - Residential | | y | 40.00 | 40.00 |
| | General Unsorted - Commercial | | | 50.00 | 50.00 |
| | General Refuse Sorted - Residential | 4 free tickets | y | 20.00 | 20.00 |
| | General Refuse Sorted - Commercial | | y | 25.00 | 25.00 |
| | Separated recyclables | | | Free | Free |
| | Clean fill | | | Free | Free |
| | Scrap metal | | | Free | Free |
| | Car Tyres without rims (each) | | | 3.60 | 3.60 |
| | 4x4 Tyres without rims (each) | | | 4.80 | 4.80 |
| | Truck Tyres without rims (each) | | | 12.00 | 12.00 |
| | 4x4 & Car Tyres with rims (each) | | | 12.00 | 12.00 |
| | Truck Tyres with rims (each) | | | 33.00 | 33.00 |
| | Asbestos (per cubic meter) | | | 72.00 | 72.00 |
| | Asbestos - Minimum Charge | | | 72.00 | 72.00 |
| | Freezers, Fridges, Air conditioners -Residential | each | | 10.00 | 10.00 |
| | Freezers, Fridges, Air conditioners -Commercial | each | | 15.00 | 15.00 |
| | Used Oil (per litre) | | | 0.30 | 0.30 |
| | Oil Filters (each) | | | 1.00 | 1.00 |
| | Uncontaminated green waste ie NO WEEDS | | | Free | Free |
| | Uncontaminated concrete/bricks | | | Free | Free |
| | Problematic wastes # | per cubic meter | | 72.00 | 72.00 |
| 10233.157 | Emergency opening fee | per hour | | 72.00 | 72.00 |
| | # Problematic Waste includes waste that requires additional handling - ie animal carcasses, construction waste that requires further processing etc. | | | | |
| | All fridges, freezers and white goods will be chargeable regardless of its gassed state | | | | |
| 10735.156 | COMMUNITY BUS HIRE: | | | | |
| | \$300 BOND ON HIRE OF COMMUNITY BUS | | | | |
| | Hire of Community Bus - Community Hire (per day) Plus required to refill full tank | | y | 75.00 | 75.00 |
| | Hire of Community Bus - Commercial Hire (per day) Plus required to refill full tank | | y | 150.00 | 150.00 |
| | SEWERAGE CHARGES: | | | | |
| | Non Rateable Properties Connected to the Sewer Cpi 3% increase | | | | |
| | Class 1 Properties: Institutional, Recreational, Educational, Religious or public amenity type properties. | | | | |
| | | First Major Fixture Charge | n | | |
| | | Each Additional Major Fixture | n | | |
| | Class 2 Properties: Properties owned and operated by CBH for storage and handling of grain & State | | | | |
| | Headworks charge | | | | |
| | | Per Connection | n | 1,155.00 | |
| 10331.156 | Mining Camp WC(Pan Charge): | For Each Major Fixture | n | 692.00 | |
| 10337.156 | Septic Tank Fees: | As determined by regulation yearly | n | 236.00 | 236.00 |
| | Control Waste dumping Fees | per litre | | 0.07 | 0.07 |
| | CEMETERY FEES: | | | | |
| | Per Local Law Relating to the Operation of the Morawa Cemetery | | | | |
| 10730.156 | Burial Fees | | n | | |
| 10731.156 | Nich / Monument Fees | | n | | |
| | SCH 11 RECREATION & CULTURE | | | | |
| | A key deposit of \$10.00 applies to all keys issued. | | | | |
| | Hair dressing Salon | | | 10.00 | 15.00 |
| | | | | \$30/Day | \$32/Day |
| 11130.153 | GENERAL HALL HIRE: | | | | |
| 11372 | \$500 bond required and returned on inspection/linen cleaned | | | | |
| | Main Hall | | y | 500.00 | 500.00 |
| | Lesser Hall | | y | 100.00 | 100.00 |
| | Kitchen | | y | | |
| | Gutha Hall | | y | 80.00 | 80.00 |
| 11131.156 | Liquor Surcharge | | n | 50.00 | 50.00 |

| SCHEDULE OF FEES & CHARGES | | | | | | | |
|----------------------------|---|-----------------------------|---------|---------------------------------------|-----------|-------------|-------------|
| 2017/2018 BUDGET | | | | | | | |
| GL | All Fee Prices are quoted as INCLUSIVE of GST | | | | GST (Y/N) | 2016 - 2017 | 2017 - 2018 |
| | | | | Indicates change from previous year | | | |
| | Unit 5 | Asset Based/Non Asset Based | Private | 25% of of singles income AB \$250 NAB | | | |
| | Unit 6-9 | Non Asset Based | SOM | | | \$250.00 | \$250.00 |
| | EXTRACTIVE INDUSTRIES: | | | | | | |
| | Initial License Application | | | | n | \$1,600.00 | \$1,600.00 |
| | Renewable Annual Fee (<Hectare) | | | | n | \$1,030.00 | \$1,030.00 |
| | Renewable Annual Fee (>Hectare) | | | | n | \$1,600.00 | \$1,600.00 |
| | TOWN PLANNING | | | | | | |
| | The Town Planning (Local Government Planning Fees) Regulations 2000 apply | | | | n | | |
| | BUILDING FEES | | | | | | |
| | The Building Act 2011 applies | | | | n | | |
| | GENERAL: | | | | | | |
| 13230.156 | Sale of Maps | | A1/A3 | | y | \$10/\$5 | \$10/\$5 |
| 13630.156 | Sale of Water | | per kl | | n | \$6.80 | \$6.80 |
| | SCH 14 OTHER PROPERTY & SERVICES | | | | | | |
| 14130.156 | PLANT HIRE RATES (HOURLY): | | | | | | |
| | Grader/Free Roller | | | | y | \$180.00 | \$180.00 |
| | 938G Front End Loader | | | | y | \$195.00 | \$195.00 |
| | Street Sweeper | | | | y | \$175.00 | \$175.00 |
| | Water Truck 25,000 litre | | | | y | \$160.00 | \$160.00 |
| | Backhoe/Loader | | | | y | \$155.00 | \$155.00 |
| | Truck - Tandem Axle Tipper | | | | y | \$155.00 | \$155.00 |
| | Truck - Tandem Axle Tipper with Trailer | | | | y | \$175.00 | \$175.00 |
| | Truck - Tandem Axle Tipper with Low Loader and Dolly | | | | y | \$180.00 | \$180.00 |
| | Multi Tyred Roller | | | | y | \$140.00 | \$140.00 |
| | Eamman Roller | | | | y | \$140.00 | \$140.00 |
| | Tractor | | | | y | \$120.00 | \$120.00 |
| | Tractor with Road Broom | | | | y | \$140.00 | \$140.00 |
| | Tractor with Implement (Slasher, Post Hole Digger, etc) | | | | y | \$140.00 | \$140.00 |
| | Compressor | | | | y | \$125.00 | \$125.00 |
| | Skid Steer | | | | y | \$140.00 | \$140.00 |
| | The above hourly rates will incur a 50% surcharge for non-standard and after hours hire. | | | | | | |
| | All other items are only to be hired out at the discretion of the CEO and/or the Works Supervisor. | | | | | | |
| 14430.156 | MATERIALS SALES (per cubic metre) - Pick up from Shire Depot | | | | | | |
| | Yellow Sand | | | as recommended by PWS | y | 21.00 | 60.00 |
| | Gravel | | | | y | 21.00 | 21.00 |
| | Loam | | | | y | 21.00 | 21.00 |
| | White Sand (At the Depot) | | | | y | 60.00 | 60.00 |
| | Blue Metal 7mm | | | | y | 53.00 | 53.00 |
| | Blue Metal 10mm | | | | y | 68.00 | 68.00 |
| | Cracker Dust | | | | y | 42.00 | 42.00 |
| | | | | | | | |
| | | | | | | | |
| 14430.156 | MATERIALS SALES (per cubic metre) - Delivered in Town | | | | | | |
| | Yellow Sand | | | as recommended by PWS | y | 42.00 | 80.00 |
| | Gravel | | | | y | 42.00 | 42.00 |
| | Loam | | | | y | 42.00 | 42.00 |
| | White Sand (Delivered in Town) | | | | y | 80.00 | 80.00 |
| | Blue Metal 7mm | | | | y | 72.00 | 72.00 |
| | Blue Metal 10mm | | | | y | 87.00 | 87.00 |
| | Cracker Dust | | | | y | 62.00 | 62.00 |
| | | | | | | | |
| | | | | | | | |
| | For deliveries to places other than in town, the materials priced as at the depot plus private works rates for delivery. | | | | | | |
| | | | | | | | |
| | | | | | | | |

Attachment A

Cemeteries Act 1986

MORAWA PUBLIC CEMETERY

SCALE OF FEES AND CHARGES (GST Inclusive)

On application for 'Form of Grant of Right of Burial' for -

| | | |
|---|--|-------|
| A | Land 2.4m x 1.2m where directed by Board | \$70 |
| | Land 2.4m x 2.4m where directed by Board | \$110 |
| | Land 2.4m x 3.6m where directed by Board | \$140 |
| | Land 2.4m x 1.2m selected by Applicant | \$140 |
| | Land 2.4m x 2.4m selected by Applicant | \$170 |
| | Land 2.4m x 3.6m selected by Applicant | \$200 |

B Sinking Fee - On application for a 'Form of Order for Burial' for -

| | |
|--|-------|
| Ordinary Grave for an adult | \$440 |
| Grave for any child under seven years of age | \$270 |
| Grave for any still born child | \$180 |

If graves are required to be sunk deeper than 1.8m the following charges shall be payable -

| | |
|--|------|
| First additional 0.3 metres | \$50 |
| Second additional 0.3 metres | \$70 |
| Third additional 0.3 metres | \$90 |
| And so on in proportion for each additional 0.3 metres | |

Re-opening fees: Re-opening an ordinary grave for each interment or exhumation -

| | | |
|---|---|-------|
| A | Ordinary grave for an adult | \$360 |
| | Of a child under seven years of age | \$220 |
| | Of a still born child | \$160 |
| | Where removal of kerbing, tiles, grass etc is necessary | |
| | According to time required - per man hour at | \$70 |
| | Any brick grave | \$140 |
| | Any vault, according to work required from | \$140 |

Extra Charges for -

| | | |
|---|--|-------|
| A | Interment without 24 hours due notice | \$330 |
| B | Interment not in usual hours 8:30am - 4:30pm | |
| | Monday to Friday | \$330 |
| | Saturday, Sunday & Public Holidays | \$440 |
| C | Exhumations | \$330 |

Miscellaneous Charges -

| | |
|--|------|
| Permission to erect a headstone and for kerbing | \$60 |
| Permission to erect a monument | \$90 |
| Permission to erect a name plate | \$40 |
| Registration of Transfer of Form of Grant of Right of Burial | \$40 |
| Copy of Grant of Burial | \$30 |
| Grave Number Plate | \$60 |
| Undertakers Annual Licence | \$70 |
| Making a Search of the Register | \$20 |
| Copy of Local Laws | \$20 |

Niche Wall Interment Fees -

| | |
|--------------------|-------|
| Single Compartment | \$110 |
| Double Compartment | \$170 |

Standard Niche Wall Plaque Fees

| | |
|------------------------------|-------|
| Single Plaque | \$220 |
| Double Plaque | \$440 |
| Second Inscription on Plaque | \$140 |

5. Application for Leave of Absence

Nil

6. Next Meeting

The next ordinary meeting of the Morawa Shire Council will be held on Thursday 21 September 2017.

7. Meeting Closure

The President declared the meeting closed at 11.04am.

.....**Presiding Person**