

# ANNUAL BUDGET

## 2020/21



**SHIRE OF EXMOUTH**  
**BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**TABLE OF CONTENTS**

Statement of Comprehensive Income by Nature or Type	2
Basis of Preparation	3
Statement of Comprehensive Income by Program	4
Statement of Cash Flows	6
Rate Setting Statement by Nature or Type	7
Rate Setting Statement by Program	8
Rates and Service Charges	9
Net Current Assets	15
Reconciliation of Cash	17
Fixed Assets	18
Asset Depreciation	20
Borrowings	21
Cash Backed Reserves	23
Fees and Charges	24
Grant Revenue	24
Other Information	25
Major Land Transactions	26
Major Trading Undertaking	26
Interests in Joint Arrangements	26
Trust	27
Significant Accounting Policies - Other	28

**COMMUNITY VISION**

To be a prosperous and sustainable community living in harmony with our natural environment

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30TH JUNE 2021**

**BY NATURE OR TYPE**

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
<b>Revenue</b>				
Rates	1(a)	3,470,000	3,444,805	3,434,306
Operating grants, subsidies and contributions	9	1,054,000	2,156,025	976,000
Fees and charges	8	6,585,000	5,922,923	7,165,610
Interest earnings	10(a)	131,000	171,065	195,051
Other revenue	10(b)	209,000	131,694	88,399
		11,449,000	11,826,512	11,859,366
<b>Expenses</b>				
Employee costs		(6,523,000)	(6,135,310)	(6,713,128)
Materials and contracts		(3,785,000)	(3,156,972)	(3,664,652)
Utility charges		(830,000)	(879,677)	(799,314)
Depreciation on non-current assets	5	(3,607,000)	(3,593,679)	(2,905,447)
Interest expenses	10(d)	(66,000)	(123,077)	(81,595)
Insurance expenses		(430,000)	(424,499)	(462,594)
Other expenditure		(518,000)	(443,909)	(437,779)
		(15,759,000)	(14,757,123)	(15,064,509)
<b>Subtotal</b>		(4,310,000)	(2,930,611)	(3,205,143)
Non-operating grants, subsidies and contributions	9	2,659,000	936,595	722,332
Profit on asset disposals	4(b)	0	139,334	0
Loss on asset disposals	4(b)	0	(20,633)	(131,359)
		2,659,000	1,055,296	590,973
<b>Net result</b>		<b>(1,651,000)</b>	<b>(1,875,315)</b>	<b>(2,614,170)</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	0	0
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>(1,651,000)</b>	<b>(1,875,315)</b>	<b>(2,614,170)</b>

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

**FOR THE YEAR ENDED 30TH JUNE 2021****BASIS OF PREPARATION**

The budget has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations. The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this budget. This is not in accordance with the requirements of AASB 1051 *Land Under Roads* paragraph 15 and AASB 116 *Property, Plant and Equipment* paragraph 7.

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

**THE LOCAL GOVERNMENT REPORTING ENTITY**

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

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

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

**2019/20 ACTUAL BALANCES**

Balances shown in this budget as 2019/20 Actual are estimates as forecast at the time of budget preparation and are subject to final adjustments.

**CHANGE IN ACCOUNTING POLICIES**

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

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

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

**KEY TERMS AND DEFINITIONS - NATURE OR TYPE****REVENUES****RATES**

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

**SERVICE CHARGES**

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

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

**PROFIT ON ASSET DISPOSAL**

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

**REVENUES (CONTINUED)****OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS**

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

**NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS**

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

**FEES AND CHARGES**

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

**INTEREST EARNINGS**

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

**OTHER REVENUE / INCOME**

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

**EXPENSES****EMPLOYEE COSTS**

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

**MATERIALS AND CONTRACTS**

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

**UTILITIES (GAS, ELECTRICITY, WATER, ETC.)**

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

**INSURANCE**

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

**LOSS ON ASSET DISPOSAL**

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

**DEPRECIATION ON NON-CURRENT ASSETS**

Depreciation expense raised on all classes of assets.

**INTEREST EXPENSES**

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

**OTHER EXPENDITURE**

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

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30TH JUNE 2021**

**BY REPORTING PROGRAM**

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
<b>Revenue</b>	1, 8, 9, 10(a),(b)	\$	\$	\$
Governance		0	14,841	0
General purpose funding		4,477,000	5,392,312	4,544,376
Law, order, public safety		12,000	35,069	16,020
Health		47,000	43,580	46,222
Education and welfare		0	2,155	1,600
Housing		59,000	59,487	44,200
Community amenities		1,279,000	1,225,579	1,242,442
Recreation and culture		907,000	600,838	709,450
Transport		3,735,000	3,726,469	4,624,579
Economic services		909,000	523,541	613,577
Other property and services		24,000	202,641	16,900
		11,449,000	11,826,512	11,859,366
<b>Expenses excluding finance costs</b>	5, 10(c)(e)(f)(f)			
Governance		(840,500)	(800,589)	(780,925)
General purpose funding		(129,000)	(81,539)	(96,330)
Law, order, public safety		(356,000)	(297,088)	(335,438)
Health		(300,500)	(216,878)	(301,351)
Education and welfare		(75,500)	(69,725)	(69,998)
Housing		(58,000)	(91,417)	(21,990)
Community amenities		(1,707,500)	(1,301,293)	(1,811,343)
Recreation and culture		(5,376,000)	(4,287,697)	(4,797,129)
Transport		(5,145,500)	(4,879,386)	(5,344,984)
Economic services		(1,261,000)	(808,499)	(1,326,842)
Other property and services		(443,500)	(1,799,935)	45,458
		(15,693,000)	(14,634,046)	(14,840,872)
<b>Finance costs</b>	6, 10(d)			
Housing		(24,000)	(32,724)	(65,557)
Community amenities		(3,000)	(5,579)	(81,953)
Recreation and culture		(28,000)	(29,292)	(55,948)
Other property and services		(11,000)	(55,482)	(20,179)
		(66,000)	(123,077)	(223,637)
<b>Subtotal</b>		(4,310,000)	(2,930,611)	(3,205,143)
Non-operating grants, subsidies and contributions	9	2,659,000	936,595	722,332
Profit on disposal of assets	4(b)	0	139,334	0
(Loss) on disposal of assets	4(b)	0	(20,633)	(131,359)
		2,659,000	1,055,296	590,973
<b>Net result</b>		(1,651,000)	(1,875,315)	(2,614,170)
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	0	0
<b>Total other comprehensive income</b>		0	0	0
<b>Total comprehensive income</b>		(1,651,000)	(1,875,315)	(2,614,170)

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

**FOR THE YEAR ENDED 30TH JUNE 2021****KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS**

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

**OBJECTIVE****ACTIVITIES****GOVERNANCE**

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

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

**GENERAL PURPOSE FUNDING**

To collect revenue to allow for the provision of services.

The collection of rate revenue and the maintenance of valuation and rating records to support the collection process. General purpose government grant and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

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

The provision of bushfire control services, animal control and support for emergency services, as well as the maintenance and enforcement of local laws.

**HEALTH**

To provide an operational framework for environment and community health.

Maternal and infant health, preventative service and environmental health.

**EDUCATION AND WELFARE**

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

Maintenance of play group and senior citizens buildings.

**HOUSING**

To provide housing to staff members.

Administration and operation of residential housing for council staff.

**COMMUNITY AMENITIES**

To provide services required by the community.

Maintenance of rubbish service to residents and maintenance of sanitary landfill sites. Town planning and regional development, maintenance of cemeteries and other community amenities.

**RECREATION AND CULTURE**

To establish and effectively manage infrastructure and resources which will help the social well being of the community.

Maintenance of public halls, centres, swimming pool, beaches, recreation centre and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library and radio re-broadcasting facilities.

**TRANSPORT**

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

Construction and maintenance of roads, street, footpaths, depot, cycleways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc. Administration and operation of airport and aerodrome.

**ECONOMIC SERVICES**

The promotion of the district to increase economic activities and the provision of building control within the shire.

Tourism, area promotion and building control.

**OTHER PROPERTY AND SERVICES**

To monitor and control Council's overheads operating accounts.

The provision of private works to the public and the maintenance of cost pools for plant operating, public works overheads and administration costs.

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30TH JUNE 2021**

**BY NATURE OR TYPE**

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		3,470,000	3,314,927	3,434,306
Operating grants, subsidies and contributions		1,054,000	2,185,861	976,000
Fees and charges		6,585,000	5,922,923	7,165,610
Interest earnings		131,000	171,065	195,051
Other revenue		209,000	131,694	88,399
		11,449,000	11,726,470	11,859,366
<b>Payments</b>				
Employee costs		(6,523,000)	(6,135,994)	(6,713,128)
Materials and contracts		(3,785,000)	(1,841,812)	(3,664,652)
Utility charges		(830,000)	(879,677)	(799,314)
Interest expenses		(66,000)	(133,412)	(81,595)
Insurance expenses		(430,000)	(424,499)	(462,594)
Other expenditure		(518,000)	(443,909)	(437,779)
		(12,152,000)	(9,859,303)	(12,159,062)
<b>Net cash provided by (used in) operating activities</b>	3	(703,000)	1,867,167	(299,696)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	4(a)	(2,859,000)	(2,144,127)	(2,158,100)
Payments for construction of infrastructure	4(a)	(3,041,000)	(1,552,095)	(2,015,170)
Non-operating grants, subsidies and contributions used for the development of assets	9	2,659,000	936,595	722,332
Proceeds from sale of plant & equipment	4(b)	200,000	577,738	80,500
<b>Net cash provided by (used in) investing activities</b>		(3,041,000)	(2,181,889)	(3,370,438)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(232,000)	(223,637)	(223,637)
Proceeds from self supporting loans	6(a)	23,000	3,000	0
Proceeds from new borrowings	6(b)	0	0	0
<b>Net cash provided by (used in) financing activities</b>		(209,000)	(220,637)	(223,637)
<b>Net increase (decrease) in cash held</b>		(3,953,240)	(535,359)	(3,893,771)
Cash at beginning of year		11,651,318	12,182,541	12,165,339
<b>Cash and cash equivalents at the end of the year</b>	3	<b>7,698,318</b>	<b>11,647,182</b>	<b>8,271,568</b>

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



**RATES SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2021**

**BY NATURE OR TYPE**

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
Net current assets at start of financial year - surplus/(deficit)	2 (b)(i)	2,642,432	3,716,619	3,040,153
		2,642,432	3,716,619	3,040,153
<b>Revenue from operating activities (excluding rates)</b>				
Specified area rates	1(e)	48,000	48,140	47,081
Operating grants, subsidies and contributions	9	1,054,000	2,156,025	976,000
Fees and charges	8	6,585,000	5,922,923	7,165,610
Interest earnings	10(a)	131,000	171,065	195,051
Other revenue	10(b)	209,000	131,694	88,399
Profit on asset disposals	4(b)	0	139,334	0
		8,027,000	8,569,181	8,472,141
<b>Expenditure from operating activities</b>				
Employee costs		(6,523,000)	(6,135,310)	(6,713,128)
Materials and contracts		(3,785,000)	(3,156,972)	(3,664,652)
Utility charges		(830,000)	(879,677)	(799,314)
Depreciation on non-current assets	5	(3,607,000)	(3,593,679)	(2,905,447)
Interest expenses	10(d)	(66,000)	(123,077)	(81,595)
Insurance expenses		(430,000)	(424,499)	(462,594)
Other expenditure		(518,000)	(443,909)	(437,779)
Loss on asset disposals	4(b)	0	(20,633)	(131,359)
		(15,759,000)	(14,777,756)	(15,196,455)
<b>Operating activities excluded from budgeted deficiency</b>				
Non-cash amounts excluded from operating activities	2 (b)(ii)	3,607,000	3,796,978	3,196,907
<b>Amount attributable to operating activities</b>		(1,482,568)	1,305,022	(487,254)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	9	2,659,000	936,595	722,332
Purchase property, plant and equipment	4(a)	(2,859,000)	(2,144,127)	(2,158,100)
Purchase and construction of infrastructure	4(a)	(3,041,000)	(1,552,095)	(2,015,170)
Proceeds from disposal of assets	4(b)	200,000	577,738	80,500
<b>Amount attributable to investing activities</b>		(3,041,000)	(2,181,889)	(3,370,438)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(232,000)	(223,637)	(223,637)
Proceeds from self supporting loans	6(a)	23,000	3,000	0
Transfers to cash backed reserves (restricted assets)	7(a)	(1,027,000)	(1,042,229)	(587,049)
Transfers from cash backed reserves (restricted assets)	7(a)	2,385,000	1,385,500	1,329,300
<b>Amount attributable to financing activities</b>		1,149,000	122,634	518,614
<b>Budgeted deficiency before general rates</b>		(3,374,568)	(754,233)	(3,339,078)
<b>Estimated amount to be raised from general rates</b>	1	3,422,000	3,396,665	3,387,225
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2 (b)(i)	47,432	2,642,432	48,147

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



**RATES SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2021**

**BY REPORTING PROGRAM**

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	2 (b)(i)	2,642,432	3,716,619	3,040,153
		2,642,432	3,716,619	3,040,153
<b>Revenue from operating activities (excluding rates)</b>				
Governance		0	14,841	0
General purpose funding		1,055,000	1,995,647	1,157,151
Law, order, public safety		12,000	35,069	16,020
Health		47,000	43,580	46,222
Education and welfare		0	2,155	1,600
Housing		59,000	59,487	44,200
Community amenities		1,279,000	1,225,579	1,242,442
Recreation and culture		907,000	600,838	709,450
Transport		3,735,000	3,865,803	4,624,579
Economic services		909,000	523,541	613,577
Other property and services		24,000	202,641	16,900
		8,027,000	8,569,181	8,472,141
<b>Expenditure from operating activities</b>				
Governance		(840,500)	(800,589)	(780,925)
General purpose funding		(129,000)	(81,539)	(96,330)
Law, order, public safety		(356,000)	(297,088)	(335,438)
Health		(300,500)	(216,878)	(301,351)
Education and welfare		(75,500)	(69,725)	(69,998)
Housing		(82,000)	(124,141)	(87,547)
Community amenities		(1,710,500)	(1,306,872)	(1,893,296)
Recreation and culture		(5,404,000)	(4,316,989)	(4,853,077)
Transport		(5,145,500)	(4,900,019)	(5,476,930)
Economic services		(1,261,000)	(808,499)	(1,326,842)
Other property and services		(454,500)	(1,855,417)	25,279
		(15,759,000)	(14,777,756)	(15,196,455)
Non-cash amounts excluded from operating activities	2 (b)(ii)	3,607,000	3,796,978	3,196,907
<b>Amount attributable to operating activities</b>		(1,482,568)	1,305,022	(487,254)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	9	2,659,000	936,595	722,332
Purchase property, plant and equipment	4(a)	(2,859,000)	(2,144,127)	(2,158,100)
Purchase and construction of infrastructure	4(a)	(3,041,000)	(1,552,095)	(2,015,170)
Proceeds from disposal of assets	4(b)	200,000	577,738	80,500
<b>Amount attributable to investing activities</b>		(3,041,000)	(2,181,889)	(3,370,438)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(232,000)	(223,637)	(223,637)
Proceeds from new borrowings	6(b)	0	0	0
Proceeds from self supporting loans	6(a)	23,000	3,000	0
Transfers to cash backed reserves (restricted assets)	7(a)	(1,027,000)	(1,042,229)	(587,049)
Transfers from cash backed reserves (restricted assets)	7(a)	2,385,000	1,385,500	1,329,300
<b>Amount attributable to financing activities</b>		1,149,000	122,634	518,614
<b>Budgeted deficiency before general rates</b>		(3,374,568)	(754,233)	(3,339,078)
<b>Estimated amount to be raised from general rates</b>	1	3,422,000	3,396,665	3,387,225
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2 (b)(i)	<b>47,432</b>	<b>2,642,432</b>	<b>48,147</b>

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

NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2021

## 1. RATES AND SERVICE CHARGES

### (a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2020/21 Budgeted rate revenue	2020/21 Budgeted interim rates	2020/21 Budgeted back rates	2020/21 Budgeted total revenue	2019/20 Actual total revenue	2019/20 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
<b>Differential general rate or general rate</b>									
<b>Gross rental valuations</b>									
General	0.07510	1,181	29,059,377	2,182,000	5,000	1,000	2,188,000	2,187,450	2,195,470
Marina Developed	0.10130	101	3,621,207	367,000	0	0	367,000	369,758	356,161
Holiday Homes	0.10410	78	1,992,380	207,000	0	0	207,000	186,258	171,084
Vacant Land	0.15010	232	2,383,884	358,000	0	0	358,000	366,722	383,933
<b>Unimproved valuations</b>									
Mining	0.15990	12	359,652	58,000	1,000	1,000	60,000	56,054	48,121
Rural	0.08000	7	658,420	53,000	0	0	53,000	40,718	45,541
<b>Sub-Totals</b>		1,611	38,074,920	3,225,000	6,000	2,000	3,233,000	3,206,960	3,200,310
<b>Minimum</b>									
<b>Minimum payment</b>									
	\$								
<b>Gross rental valuations</b>									
General	930	84	842,002	78,000	0	0	78,000	78,120	78,120
Marina Developed	930	1	0	1,000	0	0	1,000	1,665	930
Vacant Land	735	146	483,700	107,000	0	0	107,000	106,425	104,370
<b>Unimproved valuations</b>									
Mining	230	10	8,426	2,000	0	0	2,000	2,760	2,760
Rural	735	1	5,800	1,000	0	0	1,000	735	735
<b>Sub-Totals</b>		242	1,339,928	189,000	0	0	189,000	189,705	186,915
		1,853	39,414,848	3,414,000	6,000	2,000	3,422,000	3,396,665	3,387,225
Discounts/concessions (Refer note 1(g))							0	0	0
<b>Total amount raised from general rates</b>							3,422,000	3,396,665	3,387,225
Specified area rates (Refer note 1(e))							48,000	48,140	47,081
<b>Total rates</b>							3,470,000	3,444,805	3,434,306

All land (other than exempt land) in the Shire of Exmouth is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the Shire of Exmouth.

The general rates detailed for the 2020/21 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2021

## 1. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
<b>Option one</b>				
Single full payment	3/09/2020	0	0.0%	8.0%
<b>Option two</b>				
First instalment	3/09/2020	0	0.0%	8.0%
Second instalment	15/11/2020	0	0.0%	8.0%
<b>Option three</b>				
First instalment	3/09/2020	0	0.0%	8.0%
Second instalment	15/11/2020	0	0.0%	8.0%
Third instalment	21/01/2021	0	0.0%	8.0%
Fourth instalment	1/04/2021	0	0.0%	8.0%

	2020/21 Budget revenue	2019/20 Actual revenue	2019/20 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	0	15,138	19,000
Instalment plan interest earned	0	17,256	18,000
Unpaid rates and service charge interest earned	17,000	37,140	40,000
	17,000	69,534	77,000

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2021**

**1. RATES AND SERVICE CHARGES (CONTINUED)**

**(c) Objectives and Reasons for Differential Rating**

To provide equity in the rating of properties across the Shire the following rate categories have been determined for the implementation of differential rating.

**Differential general rate**

<b>Description</b>	<b>Characteristics</b>	<b>Objects</b>	<b>Reasons</b>
GRV General	Properties zoned as: Industrial Mixed Use Strategic Industrial Tourist Composite Development Residential Residential Development Urban Residential (Preston Street) Properties within Wilderness Estate	Revenue derived from this category assists funding to operate efficiently the service levels expected by the community as outlined in our Strategic Plan and Corporate Business Plan	Means any land that is predominantly used for singular and multi-dwelling and is zoned in accordance with the characteristics detailed.
GRV Marina Developed	Developed properties zoned as marina.	The objective of this rate is to raise additional revenue required to fund costs associated with the higher level of maintenance provided to these properties including maintaining the seawall to north of marina, maintain jetties, canal footbridge, beach stabilisation, responsible for boat ramps and associated with car/trailer car park within the area and maintenance of waterway adjoining public open space.	The rate applies to developed properties zoned as marina.
GRV Holiday Homes	Restricted properties that have received town planning approval to operate as a short term holiday accommodation.	Means any land approved and predominantly used to provide holiday accommodation.	The rate in the dollar for these homes is acknowledging the approved use of the property as a holiday home. This additional amount is to contribute to Tourism and marketing and related projects throughout the district.

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2021**

**1. RATES AND SERVICE CHARGES (CONTINUED)**

**(c) Objectives and Reasons for Differential Rating**

GRV Vacant Land	Vacant land located within the townsite boundaries	The objective of this rate is to encourage development of vacant land and to assist with the higher level of service provided to these properties.	This category is rated higher than the GRV General rate to assist with costs associated with firebreak maintenance, upgrade and renewal of the street network, roadside sweeping, CBD car parking, landscaping, dust control managements, drainage, footbridge lighting, street furniture and other amenities. Additionally it includes the development of tourist related services and infrastructure.
UV Mining	Properties with a land use associated with mining tenements	The objective of this rate is to raise additional revenue to fund costs associated with mining activity.	The objective is to raise additional revenue to contribute towards higher costs including but not limited to frequent heavy vehicle use over extensive lengths of Shire roads throughout the year.
UV Rural	Properties used predominantly for rural purposes.	This rate is required to meet our community expectations and needs in our Strategic Community and Corporate Business Plan.	This is considered the base rate above which all other UV rated properties are assessed.

**(d) Differential Minimum Payment**

Description	Characteristics	Objects	Reasons
GRV Rate Categories	Includes all GRV rated properties.	This rate is considered the minimum contribution for basic services and infrastructure.	This is considered to be the base minimum for GRV rated properties.
UV Rate Categories	Includes all UV rated properties.	This rate is considered the minimum contribution for basic services and infrastructure.	This is considered to be the base minimum for UV rated properties.

NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2021

1. RATES AND SERVICE CHARGES (CONTINUED)

(e) Specified Area Rate

	Basis of valuation	Rate in	Rateable value	2020/21 Budget specified area rate revenue	2020/21 Interim specified area rate revenue	2020/21 Back specified area rate revenue	2020/21 Total budget specified area rate revenue	2019/20 Actual revenue	2019/20 Budget revenue
<b>Specified area rate</b>		\$	\$	\$	\$	\$	\$	\$	\$
Marina Specified Area	GRV Marina	0.01339	3,621,207	48,000	0	0	48,000	48,140	47,081
			3,621,207	48,000	0	0	48,000	48,140	47,081

	Purpose of the rate	Area or properties rate is to be imposed on	Budgeted rate applied to costs	Budgeted rate set aside to reserve	Reserve Amount to be applied to costs
<b>Specified area rate</b>			\$	\$	\$
Marina Specified Area	The proceeds of the rate applied in full on the environmental monitoring and maintenance of the canal waterway, dredging and entrance channel navigation including both onshore and offshore, cost of clearing the sand traps, maintaining the main breakwaters including all breakwaters and groynes surrounding and protecting the Outer Harbour and other preservation works in accordance with the Exmouth Marina Village agreement between Minister for Transport, Landcorp & Shire of Exmouth.	Properties zoned Marina and Marina canals	0	48,000	0
			0	48,000	0

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

**1. RATES AND SERVICE CHARGES (CONTINUED)**

**(f) Service Charges**

The Shire did not raise service charges for the year ended 30th June 2021.

**(g) Waivers or concessions**

The Shire does not anticipate any waivers or concessions for the year ended 30th June 2021.



NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2021

2 (a). NET CURRENT ASSETS

Note	2020/21 Budget 30 June 2021	2020/21 Budget 30 June 2020	2019/20 Estimated Actual	2019/20 Budget
			29 June 2020	29 June 2020
	\$	\$	\$	\$
<b>Composition of estimated net current assets</b>				
<b>Current assets</b>				
Cash - unrestricted	3	47,432	2,642,432	(1,080,588)
Cash - restricted reserves	3	7,650,886	9,008,886	8,609,905
Receivables		1,933,000	1,956,000	1,822,643
Inventories		56,000	56,000	55,830
		9,687,318	13,663,318	9,407,790
<b>Less: current liabilities</b>				
Trade and other payables		(1,989,000)	(1,989,000)	(925,066)
Long term borrowings		(240,000)	(232,000)	(180,620)
Provisions		(958,000)	(958,000)	(958,906)
		(3,187,000)	(3,179,000)	(2,064,592)
<b>Net current assets</b>		6,500,318	10,484,318	7,343,198

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

Operating activities excluded from budgeted deficiency

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

Note	2020/21 Budget 30 June 2021	2020/21 Budget 30 June 2020	2019/20 Estimated Actual	2019/20 Budget
			29 June 2020	29 June 2020
	\$	\$	\$	\$
<b>(i) Current assets and liabilities excluded from budgeted deficiency</b>				
<b>Net current assets</b>	2	6,500,318	10,484,318	7,343,198
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement.				
<b>Adjustments to net current assets</b>				
Less: Unspent borrowings	6(c)	0	0	(410,000)
Less: Cash - restricted reserves	3	(7,650,886)	(9,008,886)	(8,609,905)
Less: Community Loans		0	(23,000)	0
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		240,000	232,000	180,620
- Employee benefit provisions		958,000	958,000	0
<b>Adjusted net current assets - surplus/(deficit)</b>		47,432	2,642,432	(1,496,087)
<b>(ii) Operating activities excluded from budgeted deficiency</b>				
The following non-cash revenue or expenditure has been excluded from operating activities within the Rate Setting Statement.				
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals	4(b)	0	(139,334)	0
Less: Movement in liabilities associated with restricted cash		0	322,000	160,101
Add: Loss on disposal of assets	4(b)	0	20,633	131,359
Add: Depreciation on assets	5	3,607,000	3,593,679	2,905,447
<b>Non cash amounts excluded from operating activities</b>		3,607,000	3,796,978	3,196,907

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

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

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2021**

**2 (c). NET CURRENT ASSETS (CONTINUED)**

**SIGNIFICANT ACCOUNTING POLICIES**

**CURRENT AND NON-CURRENT CLASSIFICATION**

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

**TRADE AND OTHER PAYABLES**

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

**CONTRACT ASSETS**

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

**PROVISIONS**

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

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

**INVENTORIES**

**General**

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

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

**Superannuation**

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

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

**TRADE AND OTHER RECEIVABLES**

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

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

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

**CONTRACT LIABILITIES**

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

**EMPLOYEE BENEFITS**

**Short-term employee benefits**

Provision is made for the Shire of Exmouth'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 Exmouth'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 Exmouth's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

**LAND HELD FOR RESALE**

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

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

Land held for sale is classified as current except where it is held as non-current based on Council's intentions to release for sale.

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2021**

**3. RECONCILIATION OF CASH**

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

	<b>2020/21 Budget</b>	<b>2019/20 Actual</b>	<b>2019/20 Budget</b>
	\$	\$	\$
Cash - unrestricted	47,432	2,642,432	(1,080,588)
Cash - restricted	7,650,886	9,008,886	8,609,905
	<b>7,698,318</b>	<b>11,651,318</b>	<b>7,529,317</b>
The following restrictions have been imposed by regulation or other externally imposed requirements:			
Leave Reserve	704,534	695,534	697,572
Aviation Reserve	1,171,528	1,166,528	1,232,588
Building Infrastructure Reserve	86,735	595,735	585,256
Community Development Fund Reserve	1,382,402	1,375,402	1,358,002
Community Interest Free Loans Reserve	325,436	321,436	345,355
Insurance/Natural Disasters Reserve	185,009	183,009	184,069
Land Acquisition & Disposal Reserve	176,825	736,825	717,892
Marina Canal Reserve (Specified Area Rates)	412,253	360,253	313,921
Marina Village Asset Replace & Preservation Reserve	33,267	33,267	33,460
Mosquito Management	10,108	10,108	10,000
Ningaloo Centre	258,826	255,826	335,643
Plant Reserve	500,938	187,938	579,424
Public Radio Infrastructure Reserve	5,158	5,158	5,188
Rehabilitation Reserve	255,106	252,106	252,900
Roads Reserve	405,820	592,820	591,106
Shire Staff Housing Reserve	138,373	136,373	135,479
Swimming Pool Reserve	654,808	547,808	549,079
Tourism Development Fund	203,000	200,000	0
Town Planning Scheme Reserve	21,854	21,854	21,969
Waste & Recycle Reserve	604,906	1,073,906	803,302
Shire President COVID-19 Relief Fund	40,000	40,000	0
Unspent Grants	74,000	217,000	(142,300)
	<b>7,650,886</b>	<b>9,008,886</b>	<b>8,609,905</b>
<b>Reconciliation of net cash provided by operating activities to net result</b>			
<b>Net result</b>	<b>(1,651,000)</b>	<b>(1,875,315)</b>	<b>(2,614,170)</b>
Depreciation	3,607,000	3,593,679	2,905,447
(Profit)/loss on sale of asset	0	(118,701)	131,359
(Increase)/decrease in receivables	0	(100,042)	0
(Increase)/decrease in inventories	0	321,397	0
Increase/(decrease) in payables	0	983,428	0
Increase/(decrease) in employee provisions	0	(684)	0
Grants/contributions for the development of assets	(2,659,000)	(936,595)	(722,332)
<b>Net cash from operating activities</b>	<b>(703,000)</b>	<b>1,867,167</b>	<b>(299,696)</b>

**SIGNIFICANT ACCOUNTING POLICES**

**CASH AND CASH EQUIVALENTS**

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

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

NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2021

#### 4. FIXED ASSETS

##### (a) Acquisition of Assets

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

Asset class	Reporting program					2020/21 Budget total	2019/20 Actual total	2019/20 Budget total
	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$
<u>Property, Plant and Equipment</u>								
Land - freehold land	0	0	0	0	325,000	325,000	0	0
Buildings - non-specialised	0	0	0	0	0	0	0	87,000
Buildings - specialised	0	1,538,000	0	140,000	140,000	1,818,000	990,216	1,076,100
Furniture and equipment	0	50,000	10,000	0	0	60,000	0	0
Plant and equipment	0	0	656,000	0	0	656,000	1,153,911	995,000
	0	1,588,000	666,000	140,000	465,000	2,859,000	2,144,127	2,158,100
<u>Infrastructure</u>								
Infrastructure - Roads	0	0	1,738,000	0	0	1,738,000	897,000	918,782
Infrastructure - Other	868,000	115,000	0	0	320,000	1,303,000	655,095	1,096,388
	868,000	115,000	1,738,000	0	320,000	3,041,000	1,552,095	2,015,170
<b>Total acquisitions</b>	868,000	1,703,000	2,404,000	140,000	785,000	5,900,000	3,696,222	4,173,270

NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2021

4. FIXED ASSETS (CONTINUED)

(b) Disposals of Assets

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

	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss	2019/20 Actual Net Book Value	2019/20 Actual Sale Proceeds	2019/20 Actual Profit	2019/20 Actual Loss	2019/20 Budget Net Book Value	2019/20 Budget Sale Proceeds	2019/20 Budget Profit	2019/20 Budget Loss
<b>By Program</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Transport	200,000	200,000	0	0	459,037	577,738	139,334	(20,633)	211,859	80,500	0	(131,359)
	200,000	200,000	0	0	459,037	577,738	139,334	(20,633)	211,859	80,500	0	(131,359)
<b>By Class</b>												
<u>Property, Plant and Equipment</u>												
Plant and equipment	200,000	200,000	0	0	459,037	577,738	139,334	(20,633)	211,859	80,500	0	(131,359)
	200,000	200,000	0	0	459,037	577,738	139,334	(20,633)	211,859	80,500	0	(131,359)

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2021**

**5. ASSET DEPRECIATION**

**By Program**

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

**By Class**

Buildings - non-specialised
Buildings - specialised
Furniture and equipment
Plant and equipment
Infrastructure - Roads
Infrastructure - Other

<b>2020/21 Budget</b>	<b>2019/20 Actual</b>	<b>2019/20 Budget</b>
\$	\$	\$
13,000	12,333	12,863
17,500	16,965	13,534
39,000	39,319	39,260
111,500	109,559	108,559
113,500	115,049	112,482
1,027,500	1,039,051	670,251
1,913,000	1,895,056	1,569,258
52,000	51,070	51,536
320,000	315,277	327,704
<b>3,607,000</b>	<b>3,593,679</b>	<b>2,905,447</b>
82,500	90,213	89,322
955,500	946,327	572,339
260,500	257,434	260,478
375,000	372,625	392,711
1,441,000	1,426,985	1,097,405
492,500	500,095	493,192
<b>3,607,000</b>	<b>3,593,679</b>	<b>2,905,447</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**DEPRECIATION**

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

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

**DEPRECIATION (CONTINUED)**

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

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

**RECOGNITION OF ASSETS**

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately.

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

6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Budget Principal 1 July 2020	2020/21 Budget New loans	2020/21 Budget Principal repayments	2020/21 Budget Interest repayments	Budget Principal outstanding 30 June 2021	Actual Principal 1 July 2019	2019/20 Actual New loans	2019/20 Actual Principal repayments	2019/20 Actual Interest repayments	Actual Principal outstanding 29 June 2020	Budget Principal 1 July 2019	2019/20 Budget New loans	2019/20 Budget Principal repayments	2019/20 Budget Interest repayments	Budget Principal outstanding 29 June 2020
		\$	\$	\$	\$			\$	\$	\$			\$	\$	\$
<b>Housing</b>															
80 - Staff Dwellings	548,983	0	69,000	24,000	479,983	614,540	0	65,557	32,724	548,983	614,540	0	65,557	27,659	548,983
<b>Community amenities</b>															
81 - Rubbish Truck	219,915		84,000	4,000	135,915	301,868		81,953	5,579	219,915	301,868		81,953	5,579	219,915
<b>Recreation and culture</b>															
82 - Ningaloo Centre	837,551	0	58,000	27,000	779,551	893,499	0	55,948	29,292	837,551	893,499	0	55,948	29,292	837,551
<b>Other property and services</b>															
76 - 1 Bennette Street	218,875	0	21,000	11,000	197,875	239,054	0	20,179	13,801	218,875	239,054	0	20,179	11,797	218,875
	1,825,324	0	232,000	66,000	1,593,324	2,048,961	0	223,637	81,396	1,825,324	2,048,961	0	223,637	74,327	1,825,324
	1,825,324	0	232,000	66,000	1,593,324	2,048,961	0	223,637	81,396	1,825,324	2,048,961	0	223,637	74,327	1,825,324

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.

The self supporting loan(s) repayment will be fully reimbursed.



**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2021**

**6. INFORMATION ON BORROWINGS (CONTINUED)**

**(b) New borrowings - 2020/21**

The Shire does not intend to undertake any new borrowings for the year ended 30th June 2021

**(c) Unspent borrowings**

The Shire had no unspent borrowing funds as at 30th June 2020 nor is it expected to have unspent borrowing funds as at 30th June 2021.

**(d) Credit Facilities**

**Undrawn borrowing facilities**

**credit standby arrangements**

Bank overdraft limit

Bank overdraft at balance date

Credit card limit

**Total amount of credit unused**

**Loan facilities**

Loan facilities in use at balance date

Unused loan facilities at balance date

<b>2020/21 Budget</b>	<b>2019/20 Actual</b>	<b>2019/20 Budget</b>
\$	\$	\$
400,000	400,000	400,000
0	0	0
24,000	24,000	24,000
424,000	424,000	424,000
1,593,324	1,825,324	1,825,324
0	0	410,000

**SIGNIFICANT ACCOUNTING POLICIES**

**BORROWING COSTS**

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2021

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2020/21 Budget Opening Balance	2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance	2019/20 Actual Opening Balance	2019/20 Actual Transfer to	2019/20 Actual Transfer (from)	2019/20 Actual Closing Balance	2019/20 Budget Opening Balance	2019/20 Budget Transfer to	2019/20 Budget Transfer (from)	2019/20 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Leave Reserve	695,534	9,000	0	704,534	688,110	7,424	0	695,534	688,110	9,462	0	697,572
Aviation Reserve	1,166,528	15,000	(10,000)	1,171,528	1,244,600	13,428	(91,500)	1,166,528	1,244,600	17,988	(30,000)	1,232,588
Building Infrastructure Reserve	595,735	8,000	(517,000)	86,735	628,949	6,786	(40,000)	595,735	628,949	6,307	(50,000)	585,256
Community Development Fund Reserve	1,375,402	18,000	(11,000)	1,382,402	1,360,721	14,681	0	1,375,402	1,360,721	27,281	(30,000)	1,358,002
Community Interest Free Loans Reserve	321,436	4,000	0	325,436	339,770	3,666	(22,000)	321,436	339,770	5,585	0	345,355
Insurance/Natural Disasters Reserve	183,009	2,000	0	185,009	181,056	1,953	0	183,009	181,056	3,013	0	184,069
Land Acquisition & Disposal Reserve	736,825	10,000	(570,000)	176,825	717,892	443,933	(425,000)	736,825	717,892	0	0	717,892
Marina Canal Reserve (Specified Area Rates)	360,253	52,000	0	412,253	308,782	51,471	0	360,253	308,782	5,139	0	313,921
Marina Village Asset Replace & Preservation Reserve	33,267	0	0	33,267	32,912	355	0	33,267	32,912	548	0	33,460
Mosquito Management	10,108	0	0	10,108	10,000	108	0	10,108	10,000	0	0	10,000
Ningaloo Centre	255,826	3,000	0	258,826	253,095	2,731	0	255,826	253,095	82,548	0	335,643
Plant Reserve	187,938	502,000	(189,000)	500,938	984,318	10,620	(807,000)	187,938	984,318	402,106	(807,000)	579,424
Public Radio Infrastructure Reserve	5,158	0	0	5,158	5,103	55	0	5,158	5,103	85	0	5,188
Rehabilitation Reserve	252,106	3,000	0	255,106	249,415	2,691	0	252,106	249,415	3,485	0	252,900
Roads Reserve	592,820	273,000	(460,000)	405,820	586,492	6,328	0	592,820	586,492	4,614	0	591,106
Shire Staff Housing Reserve	136,373	2,000	0	138,373	134,917	1,456	0	136,373	134,917	562	0	135,479
Swimming Pool Reserve	547,808	107,000	0	654,808	541,961	5,847	0	547,808	541,961	7,118	0	549,079
Tourism Development Fund	200,000	3,000	0	203,000	0	200,000	0	200,000	0	0	0	0
Town Planning Scheme Reserve	21,854	0	0	21,854	21,621	233	0	21,854	21,621	348	0	21,969
Waste & Recycle Reserve	1,073,906	16,000	(485,000)	604,906	1,062,443	11,463	0	1,073,906	1,062,442	10,860	(270,000)	803,302
Shire President COVID-19 Relief Fund	40,000	0	0	40,000	0	40,000	0	40,000	0	0	0	0
Unspent Grants	217,000	0	(143,000)	74,000	0	217,000	0	217,000	0	0	(142,300)	(142,300)
	9,008,886	1,027,000	(2,385,000)	7,650,886	9,352,157	1,042,229	(1,385,500)	9,008,886	9,352,156	587,049	(1,329,300)	8,609,905

(b) Cash Backed Reserves - Purposes

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

Reserve name	Purpose of the reserve
Leave Reserve	To be used for annual and long service leave requirements.
Aviation Reserve	To be used to fund aviation improvements.
Building Infrastructure Reserve	To be used for the development, preservation and maintenance of building infrastructure within the Shire of Exmouth.
Community Development Fund Reserve	To be used for major community development initiatives.
Community Interest Free Loans Reserve	To be used to fund major community development projects.
Insurance/Natural Disasters Reserve	To be used for the purpose of funding insurance claims where the excess is higher than the cost of repairs in addition to any weather related insurance/WANDRRA claims.
Land Acquisition & Disposal Reserve	To be used to fund the acquisition and disposal of land and buildings, and provide contributions for land development within the Shire of Exmouth.
Marina Canal Reserve (Specified Area Rates)	To be used for the purpose of funding future dredging costs as well as environmental water control and maintenance of the canals.
Marina Village Asset Replace & Preservation Reserve	These funds were derived from levying specified area rate titles Marina Specified Area Rate.
Mosquito Management	To be used for the preservation and maintenance of infrastructure related to the Exmouth Marina Village.
Ningaloo Centre	To be used in years where mosquito-borne disease/nuisance is greater than normal.
Plant Reserve	To be used for the preservation and maintenance of the Ningaloo Centre.
Public Radio Infrastructure Reserve	To be used for the purchase of major plant and equipment.
	To be used for to maintain the rebroadcasting infrastructure.
Rehabilitation Reserve	To be used to manage the funds associated with the environmental rehabilitation of the sand and gravel pits within the Shire of Exmouth.
Roads Reserve	To be used for the preservation and maintenance of roads.
Shire Staff Housing Reserve	To be used to fund housing for staff.
Swimming Pool Reserve	To be used to fund swimming pool upgrades.
Tourism Development Fund	To be used to fund the development and implementation of initiatives to achieve the strategic tourism and economic developments of the Shire of Exmouth.
Town Planning Scheme Reserve	To be used for the purpose of funding a review of the future Town Planning Scheme.
Waste & Recycle Reserve	To be used to fund capital and operational costs of Refuse Site including implementation of post closure plan.
Shire President COVID-19 Relief Fund	To be used to support the community who are severely financially affected by COVID-19.
Unspent Grants	To be used to contain funds that are derived from unspent or prepaid grants and contributions from external parties.

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2021**

## 8. FEES & CHARGES REVENUE

	<b>2020/21 Budget</b>	<b>2019/20 Actual</b>	<b>2019/20 Budget</b>
	\$	\$	\$
General purpose funding	23,000	37,501	41,100
Law, order, public safety	8,000	8,506	12,020
Health	47,500	38,569	36,222
Education and welfare	0	450	100
Housing	59,000	57,313	44,200
Community amenities	1,258,500	1,224,692	1,129,767
Recreation and culture	577,500	524,754	573,470
Transport	3,735,000	3,816,446	4,624,579
Economic services	876,000	213,464	597,577
Other property and services	500	1,228	900
	<b>6,585,000</b>	<b>5,922,923</b>	<b>7,059,935</b>

## 9. GRANT REVENUE

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

### By Program:

#### Operating grants, subsidies and contributions

General purpose funding	900,000	1,787,080	920,000
Law, order, public safety	0	0	160,000
Health	0	5,011	0
Recreation and culture	18,000	11,887	0
Transport	0	101,772	0
Economic services	33,000	0	0
Other property and services	18,000	17,092	16,000
	<b>969,000</b>	<b>1,922,842</b>	<b>1,096,000</b>

#### Non-operating grants, subsidies and contributions

Recreation and culture	1,580,000	170,000	290,000
Transport	1,079,000	766,595	432,332
	<b>2,659,000</b>	<b>936,595</b>	<b>722,332</b>

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2021**

**10. OTHER INFORMATION**

**The net result includes as revenues**

**(a) Interest earnings**

Investments			
- Reserve funds	114,000	100,900	117,051
- Other funds	0	15,769	18,000
Other interest revenue (refer note 1b)	17,000	54,396	58,000
	131,000	171,065	193,051

**(b) Other revenue**

Reimbursements and recoveries	209,000	131,694	88,399
	209,000	131,694	88,399

**The net result includes as expenses**

**(c) Auditors remuneration**

Audit services	55,000	50,685	51,500
Other services	11,000	1,750	35,800
	66,000	52,435	87,300

**(d) Interest expenses (finance costs)**

Borrowings (refer Note 6(a))	66,000	81,396	74,327
Other	0	41,681	0
	66,000	123,077	74,327

**(e) Elected members remuneration**

Meeting fees	86,000	85,742	85,752
Mayor/President's allowance	30,000	29,566	29,565
Deputy Mayor/President's allowance	7,500	7,391	7,391
Travelling expenses	10,000	4,185	18,900
Telecommunications allowance	4,000	3,931	4,000
	137,500	130,815	145,608

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2021**

## 11. MAJOR LAND TRANSACTIONS

It is not anticipated any major land transaction will occur in 2020/21

## 12. MAJOR TRADING UNDERTAKINGS

Learmonth Airport is the general aviation and regular transport for the Shire of Exmouth. It is the main 'regional base for aircraft charter operations and private flying in Exmouth. 'The Shire is responsible for operating the civil terminal, apron and taxiway; the RAAF are responsible for 'maintaining the other civil facilities used for civil aviation to comply with defence legislations and regulations.

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30TH JUNE 2021**

**BY NATURE OR TYPE**

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
<b>Revenue</b>				
Fees and charges		3,618,000	3,565,952	4,536,579
		3,618,000	3,565,952	4,536,579
<b>Expenses</b>				
Employee costs		(946,000)	(1,300,606)	(1,390,992)
Materials and contracts		(1,019,500)	(749,929)	(1,039,476)
Utility charges		(116,000)	(89,854)	(125,000)
Depreciation on non-current assets		(338,500)	(337,649)	(338,037)
Insurance expenses		(56,000)	(56,029)	(58,894)
Other expenditure		(500)	(269,224)	(260,500)
		(2,476,500)	(2,803,291)	(3,212,899)
<b>Subtotal</b>		1,141,500	762,661	1,323,680
Non-operating grants, subsidies and contributions	9	20,000	255,000	0
		20,000	255,000	0
<b>Net result</b>		<b>1,161,500</b>	<b>1,017,661</b>	<b>1,323,680</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	0	0
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>1,161,500</b>	<b>1,017,661</b>	<b>1,323,680</b>

## 13. MAJOR TRADING UNDERTAKINGS

It is not anticipated the Shire will be party to any joint venture arrangements during 2020/21.

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2021**

**14. TRUST FUNDS**

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

<b>Detail</b>	<b>Balance 30 June 2020</b>	<b>Estimated amounts received</b>	<b>Estimated amounts paid</b>	<b>Estimated balance 30 June 2021</b>
	\$	\$	\$	\$
Exmouth Volunteer Fire & Rescue	50,828	0	0	50,828
Bond Deed Exmouth Marina Holdings	18,186	0	0	18,186
Cash in Lieu POS	212,473	0	0	212,473
BCITF Levy	6,888	0	0	6,888
BSL Levy	2,519	0	0	2,519
Unclaimed Monies	7,616	0	0	7,616
	298,510	0	0	298,510

## NOTES TO AND FORMING PART OF THE BUDGET FOR THE YEAR ENDED 30TH JUNE 2021

### 15. SIGNIFICANT ACCOUNTING POLICIES - OTHER INFORMATION

#### GOODS AND SERVICES TAX (GST)

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

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

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

#### CRITICAL ACCOUNTING ESTIMATES

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

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

#### ROUNDING OFF FIGURES

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

#### COMPARATIVE FIGURES

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

#### BUDGET COMPARATIVE FIGURES

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

#### REVENUE RECOGNITION

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