



TOWN OF CLAREMONT BUDGET 2020-21

2020-21 Budget Overview

Overview of Budget 2020-21

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2020-21 Budget Overview

1. Opening Balance 1 July 2020 Surplus / (Deficit)

Following completion of the 2019-20 budget review, the 2019-20 closing surplus has been estimated at \$3,308,704. This provides an opening surplus for the start of the 2020-21 year and this balance is reflected as the opening position for the new financial period and the 2020/21 budget.

2. Expenditure

2.1 Operations & Services

Council's operating expenditure of \$18.765M delivers the following broad range of services and activities to the community

PROGRAM	SERVICES/ ACTIVITIES	BUDGET
Governance	Includes the functions and activities of Council and the administrative support provided to this function. Provisions are also provided for the costs related to assisting elected members and ratepayers on matters which concern specific council services.	\$ 1,751,947
General purpose funding	Rates, general purpose government grants and interest revenue.	\$ 498,314
Law, Order and Public Safety	Supervision and enforcement of local laws relating to fire prevention, animal control, emergency services, and other aspects of public safety.	\$ 538,389
Health	Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.	\$ 532,303
Education and Welfare	Maintenance of Pre-schools, aged and disabled facilities and services, senior citizens, welfare administration, donations to welfare organisations.	\$ 258,484
Community Amenities	Rubbish collections, recycling, litter control, public litter bins, Town Planning control, assessments and approvals.	\$ 3,106,343
Recreation and Culture	Public halls, civic centres, swimming pool, golf course, parks, sports grounds, community recreation programs library, community arts program, youth activities, and heritage.	\$ 4,752,309

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	<p>This program includes the following functional areas;</p> <ul style="list-style-type: none"> ✓ Claremont Aquatic Centre ✓ Lake Claremont Golf Course ✓ Parks & Environment ✓ Leased Premises/Parks ✓ Claremont Library ✓ Freshwater Bay Museum ✓ Heritage Services ✓ Claremont Library ✓ Freshwater Bay Museum 	
Transport	Roads, footpaths, cycle ways, rights of way (public), drainage infrastructure and maintenance, road verges, median strips, street lighting, street cleaning, street trees, traffic surveys, parking services and traffic management.	\$ 5,412,727
Economic Services	Community development, building services, commercial leases, strategic planning and activities involving the Royal Agricultural Society, Claremont Town Centre Project (Specified Area Rate) and Anzac Cottage.	\$ 1,879,168
Other property and Services	Public works overheads, plant/vehicle operations, private works and other property services.	\$ 35,916
TOTAL		\$ 18,765,900

Included within these expenditure items are the following community development projects and Council initiatives, some of which relate directly to financial support services developed as a response to the COVID-19 pandemic;

<i>Economic Stimulus Project (includes Claremont Town Centre) and subsidies</i>	<i>\$370,000</i>
<i>Claremont Cares Program, Community Development initiatives (incl. SHINE)</i>	<i>\$460,000</i>
<i>Community Safety (Security Patrols and Graffiti Management)</i>	<i>\$ 51,000</i>
<i>Contributions to Sporting Clubs</i>	<i>\$237,000</i>

In addition to providing a broad range of statutory and discretionary services, the net funding from operational activities result of \$2,290,812 provides funding for asset renewal, reserve growth, and loan reduction.

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2.2 Capital & Renewal Projects

Capital works included within the 2020/21 budget total \$8.206M.

This investment demonstrates the Town's commitment in development of new assets along with upgrade and renewal of existing assets in line with the scheduled renewal program as set out in the Council's Asset Management Plans.

The continued commitment to these programs and the further expansion of some programs is also consistent with the State Government's desire that local government's use their capital programs to act as a stimulus to the local economy, pots the COVID-19 restrictions.

INFRASTRUCTURE		
Parks & Environment		
<i>Capital Expenditure</i>		
66100	Reticulation injection systems	10,000
66100	Playgrounds Renewal	49,000
66100	Reticulation	49,808
66100	Pumps Renewal	32,840
66100	Electrical Cabinets	30,000
66100	Bores Renewal	20,760
66100	Flowmeters Renewal	16,500
66100	Fencing revegetation site Lake Claremont	25,000
66100	Lime stone Path Repairs	40,000
66100	Claremont Parkland Dog Agility Area	30,000
66100	Foreshore Management Plan	20,800
Parks & Environment Total		324,708

Roads			
<i>Capital Expenditure</i>			
66100		Agett Road	157,647
66100		Butler Avenue	119,781
66100		Dunbar Road	145,563
66100		King Street	82,139
66100		Scott Street	57,708
66100		Senate Street	162,900
66100		Walter Street	209,224
66100	51225	Graylands and Lapsley Road intersection	70,000
66110	60141	Loch Street	23,400
66100	60189	Lapsley Rd, btw Davies & Graylands Rd – re sheet	62,147
66100	60199	Princess Rd & BVT Nibs and line marking	20,000
66100	60219	Freshwater Close - Street lighting upgrade	100,000
66100	60216	Lapsley Road upper golf car park upgrade	286,262

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66100	60184	Melvista Ave btw Loton & Parker re-sheet	196,000
Roads Total			1,692,771

Bridges and Other			
66100		Congdon Bridge Projects	40,000
66100		Gugeri St Design Project	30,000
66101		Right of Ways	100,000
66100		Drainage	60,000
Bridges and Other Total			230,000

Footpaths			
66100		Dunbar Road west	54,982
66100		Fern Street north	36,514
66100		Goldsmith Road north	52,733
66100		Freshwater Parade west	13,747
66100		Judge Avenue north	32,925
66100		King Street north	24,617
66100		Mitford Street south	44,339
66100		Pennell Road south	51,863
66100		Prospect Street north	23,122
66100		Riley Road north	101,358
66100		Rob Roy Street north	15,239
66100		Shenton Road north	76,327
66100		Wood Street south	32,501
66100		Stirling Highway North	108,103
66100		Cliff Road East	13,680
66100		Grange Street East	73,530
66100		Loch Street West	73,080
Footpaths Total			828,660
TOTAL INFRASTRUCTURE			3,076,139

PROPERTY, PLANT AND EQUIPMENT			
Buildings			
<i>Capital Expenditure</i>			
62100		Freshwater Bay Museum	1,207,300
62100		Freshwater Bay - Carpark redevelopment	130,000
62100		Freshwater Bay - Toilet block refurbishment	200,000
62100		McKenzie Pavilion	2,478,900

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62100		Depot Facility	200,000
62100		Aquatic Centre	70,000
62100		Aquatic Centre - Geo Thermal bore	110,000
62100		Building renewal program	141,800
62100		Building renewal program - Bowling Club improvements	75,000
Buildings Total			4,613,000

Plant and Equipment			
<i>Capital Expenditure</i>			
64100		Light Plant Replacement program	91,850
64100		Water Tanker	135,000
64100		Christmas Decorations	30,000
Plant and Equipment Total			256,850

Electronic Equipment			
<i>Capital Expenditure</i>			
65100		Firewall Upgrade	13,000
65100		CCTV Upgrade	30,000
65100		Safer Communities Program	168,000
65100		IT/AV Equipment Council Chambers	50,000
Electronic Equipment Total			261,000
PROPERTY, PLANT AND EQUIPMENT TOTAL			5,130,850
TOTAL ASSETS			8,206,989

2. 3 Transfers to/from Reserves

Reserve Fund transfers proposed to be undertaken during 2020/21 are as follows:

Transfer Purpose	Reserve	20/21
Pool Upgrade	Pool Reserve	80,000
Plant Replacement	Plant Reserve	50,000
Bore Replacement	Bore Reserve	20,000
Public Art	Public Art Reserve	20,000
Building Renewals	Building Reserve	50,000
Rent from commercial lease	Future Fund	85,000
Cash Back Long Service Leave (New)	Employee Entitlements Reserve	200,000
Interest on Reserve Fund	Various	45,642
		\$ 550,642

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Transfer Purpose	Reserve	20/21
Pool Bore	Pool Reserve	110,000
Water Tanker	Plant Reserve	135,000
Claremont TC - Specified Area Rate	Claremont NOW Reserve	120,000
McKenzie Pavilion	Building Reserve	365,000
		\$ 730,000

Total Reserves as at 30 June 2021 is projected to be \$11,902,765 with a projected opening balance at 1 July 2020 of \$12,082,123.

2.4 Loans

Council currently maintains five loans with a total opening balance of \$10,503,243. The total net debt reduction of \$495,205 will leave a closing balance of \$10,008,038.

- ✓ Loan1 - Swimming Pool refurbishment
- ✓ Loan 2 - 333 Stirling Highway purchase
- ✓ Loan 3 - Claremont Community Hub refurbishment
- ✓ Loan 4 - Civic & Administration Centre (No. 1 Claremont) rebuild and extension.
- ✓ Loan 5 – Underground Power Project

Note – Loan 4 is maturing during the financial year and will be re-financed to the value of \$1.4M.

2.5 Closing Balance (2020-21 Surplus C/Fwd.)

The 2020-21 Budget proposes a Closing Surplus balance of \$229,113.

Total expenditure of \$26,972,889 is required to be funded from rates, fees & charges, use of reserves and restricted cash, borrowings, grants and proceeds from sale of assets.

3. Revenue

3.1 Non-operating Grants

Non-operating grants and contributions of \$2,605,536 are included to assist in the funding of several capital projects, including the renewal of the Museum and McKenzie Pavilion.

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3.2 Rates

2020/21 coincided with a scheduled triannual revaluation of Gross Rental Value (GRV) properties across the district. This revaluation posed significant challenges to Council and the 2020/21 budget in seeking to abide by Council's desire for a 0% rate rise, minimise the impact of the COVID-19 pandemic upon all ratepayers whilst also trying to offset the significant variations and fluctuations that arose through this revaluation process.

The resultant budget, and the clear directions from Council has resulted in changes being made to the rate in the dollar for the 2020/21 financial year, that goes beyond the initial 0% rate rise as initially sought by Council, whilst also seeking to significantly reduce any impact to any individual ratepayers generated by the revaluation process.

The end result of this is a comparative 2.8% further reduction in the rates yield that would have been required to simply raise the same level of rates as the 2019/20 financial year, resulting in an anticipated rate yield of over \$400,000 less rates than that received in 2019/20.

3.3 Gross Rental Values (GRV)

This year Landgate completed the triennial revaluation of Gross Rental Values (GRV) for all properties in the Perth metropolitan area.

The GRV is the gross annual rental that the land, as assessed by the Valuer Generals Office, a property might reasonably be expected to realise if let on a tenancy from year to year. Where the GRV cannot be reasonably determined, the Valuer General's Office determines an assessed value based on a percentage of its capital value.

3.4 Special Area Rates

2020/21 has also seen the Council approve the waiving of the Specified Area Rate (SAR) on commercial properties within Central Business District (CBD) for the 2020/21 financial year.

Whilst these funds are usually used to fund 50% of the costs of the Claremont NOW project (for the Claremont Town Centre), 2020/21 will see the Council fully fund the estimated \$250,000 required for this program, with no costs or specified area rate being levied on Claremont Town Centre businesses.

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4. Summary

The 2020-21 Budget has required a material change in many of the assumptions usually considered during the development of an annual budget as a result of the impact of COVID-19 and a clear desire by the Council, confirmed by its earlier resolutions in April and May 2020, with respect to the development of Hardship Policies, commitments to a 0% rate rise, freezing of fees and charges and range of funding strategies and programs designed to directly respond to the challenges faced by the community as result of recent events.

The 2020-21 Budget aims to both continue to deliver the strategic objectives as outlined in Council's Strategic Community Plan and Asset Management Plan, meet and exceed the Council's desire to apply a zero percent rates rise, freeze all fees and charges, offset costs to the business sector for the Claremont NOW project, whilst also delivering one the largest capital programs in recent years.

The Council has achieved this through careful financial management, a restructure of its organisation all whilst upholding the Town's commitment to a programmed delivery of a diverse range of services to the community.

5. Material Variance for Financial Reporting Purposes

The Local Government Act 1995 requires Council to set the material variance each financial year for the purpose of reporting material variances to Council. This material variance is set at \$20,000.

TOWN OF CLAREMONT

BUDGET

FOR THE YEAR ENDED 30 JUNE 2021

LOCAL GOVERNMENT ACT 1995

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TOWN'S VISION

Claremont will develop as a harmonious cosmopolitan town creating opportunities for community wellbeing and business prosperity; whilst respecting and celebrating the past.

TOWN OF CLAREMONT
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
Revenue				
Rates	1(a)	14,821,593	15,403,798	15,262,767
Operating grants, subsidies and contributions	9(a)	184,021	547,721	489,960
Fees and charges	8	2,532,224	3,184,618	3,332,838
Interest earnings	11(a)	446,413	475,941	523,636
Other revenue	11(b)	253,750	890,808	272,807
		18,238,001	20,502,886	19,882,008
Expenses				
Employee costs		(6,793,091)	(7,356,676)	(7,538,887)
Materials and contracts		(6,437,893)	(5,957,934)	(6,686,369)
Utility charges		(537,687)	(553,123)	(554,995)
Depreciation on non-current assets	5	(3,233,457)	(2,807,196)	(2,930,256)
Interest expenses	11(d)	(409,387)	(362,699)	(412,384)
Insurance expenses		(221,522)	(206,234)	(217,122)
Other expenditure		(1,111,614)	(663,625)	(724,610)
		(18,744,651)	(17,907,487)	(19,064,623)
Subtotal		(506,650)	2,595,399	817,385
Non-operating grants, subsidies and contributions	9(b)	2,605,536	822,398	2,147,162
Profit on asset disposals	4(b)	17,658	10,528	0
Loss on asset disposals	4(b)	(21,249)	(9,840)	(17,792)
		2,601,945	823,086	2,129,370
Net result		2,095,295	3,418,485	2,946,755
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		2,095,295	3,418,485	2,946,755

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

TOWN OF CLAREMONT FOR THE YEAR ENDED 30 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 Town of Claremont 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 12 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 2020 the following new accounting policies are to be adopted and may impact the preparation of the budget:

AASB 1059 Service Concession Arrangements: Grantors

AASB 2018-7 Amendments to Australian Accounting Standards - Materiality

AASB 1059 is not expected to impact the annual budget.

Specific impacts of AASB 2018-7 have not been identified.

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 and concessions 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 and amortisation 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.

TOWN OF CLAREMONT
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
Revenue	1,8,9(a),11(a),11(b)	\$	\$	\$
Governance		16,800	89,994	20,794
General purpose funding		15,542,489	16,022,116	16,001,017
Law, order, public safety		21,300	23,869	15,300
Health		75,270	95,026	81,300
Community amenities		359,700	613,326	487,900
Recreation and culture		1,069,949	1,175,959	1,302,444
Transport		687,500	1,582,059	1,114,148
Economic services		461,993	897,204	854,224
Other property and services		3,000	3,333	4,881
		18,238,001	20,502,886	19,882,008
Expenses excluding finance costs	4(a),5,11(c),(e),(f)			
Governance		(1,705,946)	(1,682,902)	(1,639,915)
General purpose funding		(498,314)	(492,362)	(581,092)
Law, order, public safety		(538,389)	(405,765)	(485,893)
Health		(528,340)	(374,159)	(365,954)
Education and welfare		(258,484)	(221,972)	(252,898)
Community amenities		(3,099,696)	(2,903,977)	(2,885,699)
Recreation and culture		(4,663,318)	(4,377,087)	(5,316,412)
Transport		(5,310,879)	(4,835,973)	(5,164,317)
Economic services		(1,706,621)	(1,719,538)	(1,945,832)
Other property and services		(25,277)	(531,053)	(14,227)
		(18,335,264)	(17,544,788)	(18,652,239)
Finance costs	,6(a),11(d)			
Governance		(46,001)	(41,120)	(46,001)
Recreation and culture		(88,991)	(86,920)	(91,988)
Transport		(101,848)	(78,768)	(101,848)
Economic services		(172,547)	(155,891)	(172,547)
		(409,387)	(362,699)	(412,384)
Subtotal		(506,650)	2,595,399	817,385
Non-operating grants, subsidies and contributions	9(b)	2,605,536	822,398	2,147,162
Profit on disposal of assets	4(b)	17,658	10,528	0
(Loss) on disposal of assets	4(b)	(21,249)	(9,840)	(17,792)
		2,601,945	823,086	2,129,370
Net result		2,095,295	3,418,485	2,946,755
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		2,095,295	3,418,485	2,946,755

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

**TOWN OF CLAREMONT
FOR THE YEAR ENDED 30 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 Town'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 scarce 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.

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

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

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

HEALTH

To provide an operational framework for environmental and community health.

Inspection of food outlets and their control, provision of meat inspection services, noise control.

EDUCATION AND WELFARE

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

Pre-schools, aged and disabled, senior citizens, welfare administration, donations to welfare organisations.

COMMUNITY AMENITIES

To provide services required by the community.

Rubbish collections, recycling, litter control, public litter bins, town planning control/studies.

TRANSPORT

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

Roads, footpaths, cycleways, right of way, drainage, road verges, median strips, street lighting, street cleaning, street trees, traffic surveys, parking services, traffic management and underground power.

ECONOMIC SERVICES

To help promote the shire and its economic wellbeing.

Building services, commercial leases, strategic planning and activities involving the Royal Agricultural Society, Claremon Now and Anzac Cottage.

OTHER PROPERTY AND SERVICES

To monitor and control council's overheads operating accounts.

Public works overheads, plant/vehicle operations, private works and other property.

TOWN OF CLAREMONT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		14,821,593	15,386,233	15,262,767
Operating grants, subsidies and contributions		184,021	1,107,115	489,960
Fees and charges		2,532,224	3,184,618	3,332,838
Interest earnings		446,413	475,941	523,636
Goods and services tax		643,789	186,124	2,550,000
Other revenue		253,750	890,808	272,807
		18,881,790	21,230,839	22,432,008
Payments				
Employee costs		(6,793,091)	(7,426,108)	(7,538,887)
Materials and contracts		(6,437,893)	(5,604,163)	(6,686,369)
Utility charges		(537,687)	(553,123)	(554,995)
Interest expenses		(409,387)	(376,588)	(412,384)
Insurance expenses		(221,522)	(206,234)	(217,122)
Goods and services tax		(643,789)	(93,062)	(2,550,000)
Other expenditure		(1,111,614)	(663,625)	(724,610)
		(16,154,983)	(14,922,903)	(18,684,367)
Net cash provided by (used in) operating activities	3	2,726,807	6,307,936	3,747,641
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	4(a)	(5,130,850)	(1,469,667)	(3,312,700)
Payments for construction of infrastructure	4(a)	(3,076,139)	(1,985,993)	(2,885,113)
Non-operating grants, subsidies and contributions		2,197,284	822,398	2,147,162
Proceeds from sale of plant and equipment	4(b)	113,500	118,561	77,800
Net cash provided by (used in) investing activities		(5,896,205)	(2,514,701)	(3,972,851)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(1,895,206)	(511,983)	(511,984)
Proceeds on disposal of financial assets at amortised cost - term deposits		0	(5,112,167)	0
Proceeds from new borrowings	6(b)	1,400,000	0	300,000
Net cash provided by (used in) financing activities		(495,206)	(5,624,150)	(211,984)
Net increase (decrease) in cash held		(3,664,604)	(1,830,915)	(437,194)
Cash at beginning of year		6,979,866	8,810,781	13,708,872
Cash and cash equivalents at the end of the year	3	3,315,262	6,979,866	13,271,678

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

TOWN OF CLAREMONT
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
OPERATING ACTIVITIES			
Net current assets at start of financial year - surplus/(deficit)	3,742,102	2,157,366	801,624
	3,742,102	2,157,366	801,624
Revenue from operating activities (excluding rates)			
Governance	16,800	89,994	20,794
General purpose funding	720,896	736,898	858,250
Law, order, public safety	21,673	28,934	15,300
Health	75,270	95,026	81,300
Community amenities	359,700	613,326	487,900
Recreation and culture	1,069,949	1,175,959	1,302,444
Transport	687,500	1,582,059	1,114,148
Economic services	461,993	897,204	854,224
Other property and services	20,285	8,796	4,881
	3,434,066	5,228,196	4,739,241
Expenditure from operating activities			
Governance	(1,751,947)	(1,724,022)	(1,685,916)
General purpose funding	(498,314)	(492,362)	(581,092)
Law, order, public safety	(538,389)	(405,765)	(489,688)
Health	(532,303)	(374,159)	(365,954)
Education and welfare	(258,484)	(221,972)	(252,898)
Community amenities	(3,106,343)	(2,910,861)	(2,893,272)
Recreation and culture	(4,752,309)	(4,464,485)	(5,410,198)
Transport	(5,412,727)	(4,914,741)	(5,266,165)
Economic services	(1,879,168)	(1,875,429)	(2,118,379)
Other property and services	(35,916)	(533,531)	(18,853)
	(18,765,900)	(17,917,327)	(19,082,415)
Non-cash amounts excluded from operating activities	2 (a)(i) 2,801,053	3,214,760	2,948,048
Amount attributable to operating activities	(8,788,679)	(7,317,005)	(10,593,502)
INVESTING ACTIVITIES			
Non-operating grants, subsidies and contributions	9(b) 2,605,536	822,398	2,147,162
Purchase property, plant and equipment	4(a) (5,130,850)	(1,469,667)	(3,312,700)
Purchase and construction of infrastructure	4(a) (3,076,139)	(1,985,993)	(2,885,113)
Proceeds from disposal of assets	4(b) 113,500	118,561	77,800
Amount attributable to investing activities	(5,487,953)	(2,514,701)	(3,972,851)
FINANCING ACTIVITIES			
Repayment of borrowings	6(a) (1,895,206)	(511,983)	(511,984)
Proceeds from new borrowings	6(b) 1,400,000	0	300,000
Transfers to cash backed reserves (restricted assets)	7(a) (550,642)	(1,199,427)	(688,584)
Transfers from cash backed reserves (restricted assets)	7(a) 730,000	0	365,000
Amount attributable to financing activities	(315,848)	(1,711,410)	(535,568)
Budgeted deficiency before general rates	(14,592,480)	(11,543,116)	(15,101,921)
Estimated amount to be raised from general rates	1 14,821,593	15,285,218	15,142,767
Net current assets at end of financial year - surplus/(deficit)	2 (a)(iii) 229,113	3,742,102	40,846

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

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TOWN OF CLAREMONT
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 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
	\$		\$	\$	\$	\$	\$	\$	\$
Differential general rate or general rate									
Gross rental valuations									
General rates	0.06600	3,921	199,548,373	12,638,825	196,000		12,834,825	13,827,992	13,686,855
Sub-Totals		3,921	199,548,373	12,638,825	196,000	0	12,834,825	13,827,992	13,686,855
	Minimum								
Minimum payment									
	\$								
Gross rental valuations									
General rates	0.06600	1,512	23,075,388	1,986,768	0	0	1,986,768	1,457,226	1,455,912
Sub-Totals		1,512	23,075,388	1,986,768	0	0	1,986,768	1,457,226	1,455,912
		5,433	222,623,761	14,625,593	196,000	0	14,821,593	15,285,218	15,142,767
Total amount raised from general rates							14,821,593	15,285,218	15,142,767
Specified area rates (Refer note 1(c))							0	118,580	120,000
Total rates							14,821,593	15,403,798	15,262,767

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

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.

1. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Full payment	20/08/2020	0	0.0%	8.0%
Option two				
Instalment one	20/08/2020	0	0.0%	8.0%
Instalment two	12/11/2020	17	5.5%	8.0%
Instalment three	4/02/2021	17	5.5%	8.0%
Instalment four	29/04/2021	17	5.5%	8.0%

	2020/21 Budget revenue	2019/20 Actual revenue	2019/20 Budget revenue
	\$	\$	\$
Instalment plan interest earned	100,000	96,861	82,000
Unpaid rates and service charge interest earned	40,000	49,512	27,000
	140,000	146,373	179,000

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

1. RATES AND SERVICE CHARGES (CONTINUED)

(c) 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
Specified area rate		\$	\$	\$	\$	\$	\$	\$	\$
BID Program-CBD	GRV			0	0	0	0	120,000	120,000
			0	0	0	0	0	120,000	120,000

(d) Service Charges

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

(e) Waivers or concessions

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

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

2 (a). NET CURRENT ASSETS

Items excluded from calculation of 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	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
	\$	\$	\$
(i) Operating activities excluded from budgeted deficiency			
The following non-cash revenue or expenditure has been excluded from operating activities within the Rate Setting Statement.			
Adjustments to operating activities			
Less: Profit on asset disposals	4(b) (17,658)	(10,528)	0
Less: Movement in contract liabilities associated with restricted cash	(408,252)	0	0
Less: Movement in employee liabilities associated with restricted cash	(27,743)	0	0
Add: Loss on disposal of assets	4(b) 21,249	9,840	17,792
Add: Unspent grant - restricted cash 2019	0	408,252	0
Add: Depreciation on assets	5 3,233,457	2,807,196	2,930,256
Non cash amounts excluded from operating activities	2,801,053	3,214,760	2,948,048
(ii) Current assets and liabilities excluded from budgeted deficiency			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement.			
Adjustments to net current assets			
Less: Cash - restricted reserves	3 (160,135)	(339,493)	(10,908,993)
Less: Financial assets - restricted	3 (12,701,719)	(12,701,719)	0
Less : Unspent grant - restricted			0
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	495,206	495,206	482,302
- Current portion of contract liability held in reserve	(408,252)	0	0
- Employee benefit provisions	(27,743)	0	0
Total adjustments to net current assets	(12,802,643)	(12,546,006)	(10,426,691)

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

2 (a). NET CURRENT ASSETS (CONTINUED)

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

	Note	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
		\$	\$	\$
(iii) Composition of estimated net current assets				
Current assets				
Cash and cash equivalents- unrestricted	3	1,755,127	6,640,373	2,362,685
Cash and cash equivalents - restricted				
Cash backed reserves	3	160,135	339,493	10,908,993
Unspent borrowings	6(c)	1,400,000	0	0
Financial assets - restricted	3	12,701,719	12,701,719	
Receivables		1,600,785	1,600,785	487,300
Inventories		4,625	4,625	0
		17,622,391	21,286,995	13,758,978
Less: current liabilities				
Trade and other payables		(3,241,850)	(3,241,850)	(1,479,127)
Contract liabilities		408,252	0	0
Long term borrowings		(495,206)	(495,206)	(482,302)
Provisions		(1,261,831)	(1,261,831)	(1,330,012)
		(4,590,635)	(4,998,887)	(3,291,441)
Net current assets		13,031,756	16,288,108	10,467,537
Less: Total adjustments to net current assets	2 (a)(ii)	(12,802,643)	(12,546,006)	(10,426,691)
Closing funding surplus / (deficit)		229,113	3,742,102	40,846

2 (b). 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 Town's operational cycle. In the case of liabilities where the Town 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 Town's intentions to release for sale.

TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Town prior to the end of the financial year that are unpaid and arise when the Town of Claremont 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 Town 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 Town of Claremont contributes to a number of superannuation funds on behalf of employees.

All funds to which the Town of Claremont contributes are defined contribution plans.

LEASE LIABILITIES

The present value of future lease payments not paid at the reporting date discounted using the incremental borrowing rate where the implicit interest rate in the lease is not readily determined.

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.

EMPLOYEE BENEFITS

Short-term employee benefits

Provision is made for the Town of Claremont'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 Town of Claremont'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 Town of Claremont'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.

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 Town are recognised as a liability until such time as the Town satisfies its obligations under the agreement.

TOWN OF CLAREMONT
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 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:

Note	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Cash at bank and on hand	473,777	4,138,381	13,271,678
Term deposits	2,841,485	2,841,485	
	3,315,262	6,979,866	13,271,678
- Unrestricted cash and cash equivalents	1,755,127	6,640,373	2,362,685
- Restricted cash and cash equivalents	1,560,135	339,493	10,908,993
	3,315,262	6,979,866	13,271,678
- Restricted financial assets at amortised cost - term deposits	12,701,719	12,701,719	0
The following restrictions have been imposed by regulation or other externally imposed requirements on cash and cash equivalents and financial assets at amortised cost:			
Employee entitlements	200,000	0	0
Pool Upgrade	617,130	644,873	242,757
Plant Replacement	116,219	200,517	169,004
Bore Replacement	593,824	571,823	92,446
Public Art	168,823	148,304	148,677
Cash in lieu Reserve	554,016	552,084	553,949
Parking	330,567	329,414	330,185
Building	511,409	823,527	398,168
Future Fund	8,202,868	8,089,556	7,445,198
Claremont Joint Venture	981,374	977,951	974,679
Claremont NOW	127,276	246,414	94,814
NEP Developer Contribution	390,766	389,403	390,953
Heritage Grant Reserve	67,582	67,346	68,163
Unspent borrowings	1,400,000	0	0
	14,261,854	13,041,212	10,908,993
Reconciliation of net cash provided by operating activities to net result			
Net result	2,095,295	3,418,485	2,946,755
Depreciation	5 3,233,457	2,807,196	2,930,256
(Profit)/loss on sale of asset	4(b) 3,591	(688)	17,792
(Increase)/decrease in receivables	0	678,319	0
Increase/(decrease) in payables	0	258,829	0
Increase/(decrease) in contract liabilities	(408,252)	0	0
Increase/(decrease) in employee provisions	0	(31,807)	0
Non-operating grants, subsidies and contributions	(2,197,284)	(822,398)	(2,147,162)
Net cash from operating activities	2,726,807	6,307,936	3,747,641

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.

FINANCIAL ASSETS AT AMORTISED COST

The Town classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

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

4. FIXED ASSETS

(a) Acquisition of Assets

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

Reporting program

Asset class	Reporting program					2020/21	2019/20	2019/20
	Governance	Law, order, public safety	Community amenities	Recreation and culture	Transport	Budget total	Actual total	Budget total
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>								
Buildings - specialised	0	0	1,679,100	2,733,900	200,000	4,613,000	1,046,954	0
Furniture and equipment	0	0	0	0	0	0	0	2,704,000
Electronic Equipment	93,000	198,000	0	0	0	291,000	35,714	292,000
Major Plant and Equipment	0	0	0	135,000	0	135,000	386,999	316,700
Motor Vehicles	0	29,425	29,425	0	33,000	91,850	0	0
	93,000	227,425	1,708,525	2,868,900	233,000	5,130,850	1,469,667	3,312,700
<i>Infrastructure</i>								
Infrastructure - roads	0	0	0	0	1,476,509	1,476,509	1,985,993	1,302,575
Infrastructure - footpaths	0	0	0	0	828,660	828,660	0	642,614
Infrastructure - drainage	0	0	0	0	60,000	60,000	0	180,000
Infrastructure - parks & reserves	0	0	0	164,800	0	164,800	0	102,700
Infrastructure - car parks	0	0	0	0	0	0	0	286,262
Infrastructure - street furniture	0	0	0	0	286,262	286,262	0	0
Infrastructure - street lights	0	0	0	0	100,000	100,000	0	130,000
Infrastructure - reticulation	0	0	0	159,908	0	159,908	0	240,962
	0	0	0	324,708	2,751,431	3,076,139	1,985,993	2,885,113
Total acquisitions	93,000	227,425	1,708,525	3,193,608	2,984,431	8,206,989	3,455,660	6,197,813

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

SIGNIFICANT ACCOUNTING POLICIES

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.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

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

4. FIXED ASSETS

(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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Law, order, public safety	13,627	14,000	373	0	19,253	24,318	5,065	0	18,495	14,700	0	(3,795)
Health	18,963	15,000	0	(3,963)	0	0	0	0	0	0	0	0
Community amenities	21,647	15,000	0	(6,647)	24,763	17,879	0	(6,884)	25,673	18,100	0	(7,573)
Recreation and culture		0	0	0	15,478	15,000	0	(478)	17,548	15,750	0	(1,798)
Other property and services	62,854	69,500	17,285	(10,639)	58,379	61,364	5,463	(2,478)	33,876	29,250	0	(4,626)
	117,091	113,500	17,658	(21,249)	117,873	118,561	10,528	(9,840)	95,592	77,800	0	(17,792)
By Class												
<u>Property, Plant and Equipment</u>												
Major Plant and Equipment	117,091	113,500	17,658	(21,249)	117,873	118,561	10,528	(9,840)	95,592	77,800	0	(17,792)
	117,091	113,500	17,658	(21,249)	117,873	118,561	10,528	(9,840)	95,592	77,800	0	(17,792)

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

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

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.

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

5. ASSET DEPRECIATION

By Program

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

By Class

Buildings - non-specialised
Furniture and equipment
Electronic Equipment
Major Plant and Equipment
Infrastructure - roads
Infrastructure - parks & reserves

2020/21 Budget	2019/20 Actual	2019/20 Budget
\$	\$	\$
307,872	232,952	260,904
33,258	30,583	28,080
14,320	13,057	17,448
67,248	61,644	67,248
71,952	76,348	76,908
599,361	540,921	627,300
2,020,250	1,744,974	1,730,688
54,672	50,116	57,156
64,524	56,601	64,524
3,233,457	2,807,196	2,930,256
520,881	480,568	510,948
48,252	41,998	50,424
211,656	145,183	180,312
242,067	224,462	252,276
1,924,659	1,914,985	1,936,296
285,942	0	0
3,233,457	2,807,196	2,930,256

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.

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.

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

Buildings - non-specialised	30 to 50 years
Furniture and equipment	4 to 10 years
Electronic Equipment	5 to 15 years
Major Plant and Equipment	
Infrastructure - roads	
Infrastructure - parks & reserves	30 to 75 years

AMORTISATION

The depreciable amount of all intangible assets with a finite useful life, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The assets residual value of intangible assets is considered to be zero and useful live and amortisation method are reviewed at the end of each financial year.

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income.

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

6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	Budget	2020/21	2020/21	Budget	2020/21	Actual	2019/20	2019/20	Actual	2019/20	Budget	2019/20	2019/20	Budget	2019/20	
				Principal	Budget	Budget	Principal	Principal		Actual	Actual	Actual	Actual		Principal	Budget	Budget	Budget	Principal
				1 July 2020	New Loans	Repayments	outstanding 30 June 2021	Repayments	1 July 2019	New Loans	Repayments	outstanding 30 June 2020	Repayments	1 July 2019	New Loans	Repayments	outstanding 30 June 2020	Repayments	
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Governance																			
Loan 4 - Claremont No.1	4b	WATC	2.4%	1,440,559	0	(1,440,559)	0	(34,159)	1,508,459	0	(67,900)	1,440,559	(41,120)	1,508,459	0	(67,900)	1,440,559	(46,001)	
Loan 4 - Claremont No.1	4c	WATC	2.4%	0	1,400,000	0	1,400,000	0	0	0	0	0	0	0	0	0	0	0	
Recreation and culture																			
Loan 1 - Aquatic Centre Reurbist	1	WATC	6.3%	674,250	0	(46,903)	627,347	(42,016)	718,315	0	(44,065)	674,250	(47,330)	718,315	0	(44,065)	674,250	(49,652)	
Loan 3 - Claremont Community H	3	WATC	4.5%	788,614	0	(50,998)	737,616	(34,532)	837,417	0	(48,803)	788,614	(39,590)	837,417	0	(48,803)	788,614	(42,336)	
Loan 6 - McKenzie Pavilion	6	WATC	0.0%	0	0	0	0	0	0	0	0	0	0	0	300,000	0	300,000	0	
Transport																			
Loan 5 - Underground Power	5	WATC	2.9%	2,700,000	0	(150,000)	2,550,000	(78,278)	2,850,000	0	(150,000)	2,700,000	(78,768)	2,850,000	0	(150,000)	2,700,000	(101,848)	
Economic services																			
Loan 2 - 333 Stirling Highway	2	WATC	2.7%	4,899,820	0	(206,746)	4,693,074	(132,364)	5,101,035	0	(201,215)	4,899,820	(155,891)	5,101,035	0	(201,216)	4,899,819	(172,547)	
				10,503,243	1,400,000	(1,895,206)	10,008,037	(321,349)	11,015,226	0	(511,983)	10,503,243	(362,699)	11,015,226	300,000	(511,984)	10,803,242	(412,384)	
				10,503,243	1,400,000	(1,895,206)	10,008,037	(321,349)	11,015,226	0	(511,983)	10,503,243	(362,699)	11,015,226	300,000	(511,984)	10,803,242	(412,384)	

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.

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

6. INFORMATION ON BORROWINGS

(b) New borrowings - 2020/21

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
				%	\$	\$	\$	\$
Loan 4 - Claremont No.1					1,400,000	0	0	1,400,000
					1,400,000	0	0	1,400,000

(c) Unspent borrowings

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

(d) Credit Facilities

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Undrawn borrowing facilities			
credit standby arrangements			
Bank overdraft limit	0	0	0
Bank overdraft at balance date	0	0	0
Credit card limit	60,000	60,000	42,000
Credit card balance at balance date	(12,000)	(12,000)	(12,000)
Total amount of credit unused	48,000	48,000	30,000
Loan facilities			
Loan facilities in use at balance date	10,008,037	10,503,243	10,803,242

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.

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

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2020/21 Budget Opening Balance	2020/21 2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance	2019/20 Actual Opening Balance	2019/20 2019/20 Actual Transfer to	2019/20 Actual Transfer (from)	2019/20 Actual Closing Balance	2019/20 Budget Opening Balance	2019/20 2019/20 Budget Transfer to	2019/20 Budget Transfer (from)	2019/20 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Employee entitlements	0	200000	0	200,000	0	0	0	0	0	0	0	0
(b) Pool Upgrade	644,873	82,257	(110,000)	617,130	557,392	87,481	0	644,873	158,787	83,970	0	242,757
(c) Plant Replacement	200,517	50,702	(135,000)	116,219	179,100	21,417	0	200,517	147,223	21,781	0	169,004
(d) Bore Replacement	571,823	22,001	0	593,824	70,863	500,960	0	571,823	70,679	21,767	0	92,446
(e) Public Art	148,304	20,519	0	168,823	125,837	22,467	0	148,304	125,539	23,138	0	148,677
(f) Cash in lieu Reserve	552,084	1,932	0	554,016	541,763	10,321	0	552,084	540,438	13,511	0	553,949
(g) Parking	329,414	1,153	0	330,567	322,955	6,459	0	329,414	322,132	8,053	0	330,185
(h) Building	823,527	52,882	(365,000)	511,409	763,282	60,245	0	823,527	695,774	67,394	(365,000)	398,168
(i) Future Fund	8,089,556	113,312	0	8,202,868	7,737,316	352,240	0	8,089,556	7,033,512	411,686	0	7,445,198
(j) Claremont Joint Venture	977,951	3,423	0	981,374	959,246	18,705	0	977,951	950,906	23,773	0	974,679
(k) Claremont NOW	246,414	862	(120,000)	127,276	133,509	112,905	0	246,414	92,501	2,313	0	94,814
(l) NEP Developer Contribution	389,403	1,363	0	390,766	384,068	5,335	0	389,403	381,418	9,535	0	390,953
(m) Heritage Grant Reserve	67,346	236	0	67,582	66,454	892	0	67,346	66,500	1,663	0	68,163
	13,041,212	550,642	(730,000)	12,861,854	11,841,785	1,199,427	0	13,041,212	10,585,409	688,584	(365,000)	10,908,993

(b) Cash Backed Reserves - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve
(a) Employee entitlements	2019/20	To fund annual and long service leave requirements
(b) Pool Upgrade	Ongoing	To fund major maintenance of the Claremont Pool
(c) Plant Replacement	Ongoing	To provide for the replacement of major items of heavy plant.
(d) Bore Replacement	Ongoing	To provide funds for the replacement of park bores.
(e) Public Art	Ongoing	To assist with the programmed purchase and development of Public Art assets throughout the Town.
(f) Cash in lieu Reserve	Ongoing	To provide for the purchase of land for car parking in accordance with Clause 33(2).
(g) Parking	Ongoing	To provide for the purchase, upgrade or renewal of parking infrastructure.
(h) Building	Ongoing	To provide for building renewal in accordance with Council's Asset Management Plans.
(i) Future Fund	Ongoing	To receive proceeds of Lakeway Subdivision sales and to provide for the future planning and undertaking of capital and infrastructure works in the Town.
(j) Claremont Joint Venture	Ongoing	To provide for traffic modifications/road works within the Town Centre zone and the surrounding roads.
(k) Claremont NOW	Ongoing	To fund promotion and publicity of Claremont CBD.
(l) NEP Developer Contribution	Ongoing	To accumulate funds to cover the Town's contribution to NEP Development arising from ownership of Lot 11578 Claremont Crescent.
(m) Heritage Grant Reserve	Ongoing	To assist with funding of the Town' heritage grant maintenance program

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

8. FEES & CHARGES REVENUE

	2020/21 Budget	2019/20 Actual	2019/20 Budget
Governance	\$ 300	\$ 2,830	\$ 300
General purpose funding	106,000	113,227	106,150
Law, order, public safety	21,100	23,714	15,100
Health	73,420	93,535	81,200
Community amenities	349,500	456,362	382,700
Recreation and culture	1,036,824	1,110,128	1,268,096
Transport	526,200	753,707	827,300
Economic services	418,880	631,115	651,992
	2,532,224	3,184,618	3,332,838

9. GRANT REVENUE

	Unspent grants, subsidies and contributions liability					Grants, subsidies and contributions revenue		
	Liability 1 July 2020	Increase in Liability	Liability Reduction (As revenue)	Total Liability 30 June 2021	Current Liability 30 June 2021	2020/21 Budget	2019/20 Actual	2019/20 Budget
By Program:	\$	\$	\$	\$	\$	\$	\$	\$
(a) Operating grants, subsidies and contributions								
General purpose funding	0	0	0	0	0	152,196	222,745	317,600
Community amenities	0	0	0	0	0	0	154,650	105,000
Recreation and culture	0	0	0	0	0	1,225	10,113	1,760
Transport	0	0	0	0	0	25,600	36,133	40,600
Economic services	0	0	0	0	0	5,000	124,080	25,000
	0	0	0	0	0	184,021	547,721	489,960
(b) Non-operating grants, subsidies and contributions								
Law, order, public safety	0	0	0	0	0	188,000	0	0
Recreation and culture	0	0	0	0	0	2,310,000	225,000	1,600,000
Transport	408,252	0	(408,252)	0	0	107,536	597,398	547,162
	408,252	0	(408,252)	0	0	2,605,536	822,398	2,147,162
Total	408,252	0	(408,252)	0	0	2,789,557	1,370,119	2,637,122

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

10. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

11. OTHER INFORMATION

The net result includes as revenues

(a) Interest earnings

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Investments			
- Reserve funds	141,513	220,338	264,636
- Other funds	155,700	89,702	150,000
Interest on damage bonds	9,200	19,528	0
Other interest revenue (refer note 1b)	140,000	146,373	109,000
	446,413	475,941	523,636

* The Town has resolved to charge interest under section 6.13 for the late payment of any amount of money at 8%.

(b) Other revenue

Reimbursements and recoveries	79,950	840,077	118,488
Other	173,800	50,731	154,319
	253,750	890,808	272,807

The net result includes as expenses

(c) Auditors remuneration

Audit services	70,500	46,836	42,000
Other services	0	2,318	3,000
	70,500	49,154	45,000

(d) Interest expenses (finance costs)

Borrowings (refer Note 6(a))	321,349	362,699	412,384
Other	88,038	0	0
	409,387	362,699	412,384

(e) Elected members remuneration

Meeting fees	172,654	177,287	172,645
Mayor/President's allowance	36,958	36,957	36,958
Deputy Mayor/President's allowance	9,240	4,574	9,240
Travelling expenses	0	0	1,000
Telecommunications allowance	35,400	35,000	35,000
	254,252	253,818	254,843

(f) Low Value lease expenses

Office equipment	30,078	29,404	31,697
	30,078	29,404	31,697

12. 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.