

**SHIRE OF QUAIRADING**  
**BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**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 Program	7
Rates and Service Charges	8
Net Current Assets	11
Reconciliation of Cash	14
Fixed Assets	15
Asset Depreciation	17
Borrowings	18
Cash Backed Reserves	20
Fees and Charges	23
Grant Revenue	23
Other Information	24
Major Land Transactions	24
Major Trading Undertaking	25
Interests in Joint Arrangements	25
Trust	26
Significant Accounting Policies - Other	27
Significant Accounting Policies - Change in Accounting Policies	29

**SHIRE'S VISION**

The Shire of Quairading is a place for all, where we work together, with thriving industry creating jobs, a bright future for our young people, and a bustling town in a beautiful and productive rural setting.

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

**BY NATURE OR TYPE**

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
		\$	\$	\$
<b>Revenue</b>				
Rates	1(a)	2,299,602	2,198,718	2,211,054
Operating grants, subsidies and contributions	9	1,139,182	2,132,826	4,177,517
Fees and charges	8	661,127	1,042,717	1,116,147
Interest earnings	10(a)	74,389	87,141	94,444
Other revenue	10(b)	276,189	3,385,984	71,787
		4,450,489	8,847,386	7,670,949
<b>Expenses</b>				
Employee costs		(2,187,004)	(2,176,974)	(2,245,848)
Materials and contracts		(1,505,723)	(3,939,764)	(4,706,085)
Utility charges		(250,430)	(264,237)	(221,056)
Depreciation on non-current assets	5	(1,931,312)	(1,934,523)	(3,373,211)
Interest expenses	10(d)	(24,077)	(21,222)	(37,361)
Insurance expenses		(168,455)	(152,906)	(198,094)
Other expenditure		(84,967)	(138,658)	(121,697)
		(6,151,968)	(8,628,284)	(10,903,352)
<b>Subtotal</b>		(1,701,479)	219,102	(3,232,403)
Non-operating grants, subsidies and contributions	9	909,397	601,661	831,780
Profit on asset disposals	4(b)	14,960	19,805	0
Loss on asset disposals	4(b)	(26,054)	(21,155)	0
		898,303	600,311	831,780
<b>Net result</b>		<b>(803,176)</b>	<b>819,413</b>	<b>(2,400,623)</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>(803,176)</b>	<b>819,413</b>	<b>(2,400,623)</b>

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

## FOR THE YEAR ENDED 30TH JUNE 2020

**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 Quairading 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.

**2018/19 ACTUAL BALANCES**

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

**CHANGE IN ACCOUNTING POLICIES**

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

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

Explanation of the changes arising from these standards is provided at Note 14.

**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 2020**
**BY REPORTING PROGRAM**

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
<b>Revenue</b>	1, 8, 9, 10(a),(b)	\$	\$	\$
Governance		5,824	13,513	19,876
General purpose funding		3,217,366	4,104,694	3,112,960
Law, order, public safety		197,103	190,618	188,450
Health		114,629	381,931	456,258
Education and welfare		190,279	166,286	186,798
Housing		120,076	104,393	105,776
Community amenities		164,458	190,912	204,725
Recreation and culture		30,944	233,152	39,039
Transport		159,679	2,912,792	2,956,667
Economic services		154,185	193,159	134,680
Other property and services		95,946	355,936	265,720
		4,450,489	8,847,386	7,670,949
<b>Expenses excluding finance costs</b>	5,10(c)(e)(f)(g)			
Governance		(649,699)	(649,902)	(683,305)
General purpose funding		(83,039)	(67,735)	(105,955)
Law, order, public safety		(358,226)	(313,202)	(338,482)
Health		(409,057)	(669,698)	(715,529)
Education and welfare		(356,815)	(294,486)	(281,663)
Housing		(183,945)	(182,573)	(243,041)
Community amenities		(494,667)	(444,530)	(499,451)
Recreation and culture		(931,993)	(920,578)	(831,392)
Transport		(2,011,133)	(4,099,584)	(6,311,681)
Economic services		(596,093)	(484,421)	(616,226)
Other property and services		(53,224)	(480,353)	(239,266)
		(6,127,891)	(8,607,062)	(10,865,991)
<b>Finance costs</b>	6, 10(d)			
General purpose funding		0	0	(10,000)
Recreation and culture		(4,289)	(5,635)	(7,444)
Transport		(16,208)	(15,587)	(17,444)
Economic services		(3,580)	0	(2,473)
		(24,077)	(21,222)	(37,361)
<b>Subtotal</b>		(1,701,479)	219,102	(3,232,403)
Non-operating grants, subsidies and contributions	9	909,397	601,661	831,780
Profit on disposal of assets	4(b)	14,960	19,805	0
(Loss) on disposal of assets	4(b)	(26,054)	(21,155)	0
		898,303	600,311	831,780
<b>Net result</b>		<b>(803,176)</b>	<b>819,413</b>	<b>(2,400,623)</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>(803,176)</b>	<b>819,413</b>	<b>(2,400,623)</b>

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

## FOR THE YEAR ENDED 30TH JUNE 2020

**KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS**

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

**OBJECTIVE****GOVERNANCE**

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

**ACTIVITIES**

The Governance function accumulates the costs of Members expenses and other costs of Council that relate to the tasks of assisting Councillors and the Ratepayers on matters which do not concern specific Council services, being election expenses; 'meeting costs; allowances and expenses of members;

**GENERAL PURPOSE FUNDING**

To collect revenue to allow for the provision of services that are not fully funded by specific fees and charges.

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 of local laws, fire control which covers the maintenance of bushfire equipment and insurance; animal control and a shared community emergency services manager.

**HEALTH**

To provide an operational framework for environmental

Health inspections, food quality control, pest control and operation of the medical centre.

**EDUCATION AND WELFARE**

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

Operation and maintenance of the Little Rainmakers Childcare Centre, Arthur Kelly Village and minor in-kind association with the Fail Aged Lodge. Youth programme and Quairading Youth centre.

**HOUSING**

To provide and maintain housing.

Maintenance of housing rented to staff and non staff.

**COMMUNITY AMENITIES**

To provide services required by the community.

Rubbish and recycling services and administration of Town Planning Scheme and Heritage services. Community bus service, maintenance of cemeteries, public conveniences and environmental services

**RECREATION AND CULTURE**

To establish and effectively manage infrastructure and resources which will help the social welling of the community

Maintenance of Halls, Swimming pool community buildings and various reserves and library.

**TRANSPORT**

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

Construction and maintenance of roads, drainage works, footpaths, parking facilities and cleaning of streets. Natural disaster road and bridge repairs. On - line licensing centre for Department of Transport. Maintenance of Airstrip.

**ECONOMIC SERVICES**

To help promote the Shire of Quairading and it's economic wellbeing

Community development, operation of caravan park and short stay accommodation, tourism and townscape, control of noxious weeds / plants. Pests and building control, Community gym and building control.

**OTHER PROPERTY AND SERVICES**

To monitor and control the Shire of Quairadings overheads.

Private works overheads, plant operating costs, Administration allocation of salaries and wages. Operation of electrical services and private works.

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

**BY NATURE OR TYPE**

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
		\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		2,299,602	2,204,590	2,252,510
Operating grants, subsidies and contributions		1,139,182	4,644,914	6,977,517
Fees and charges		661,127	1,042,717	1,116,147
Interest earnings		74,389	87,141	94,444
Goods and services tax		0	231,730	50,000
Other revenue		276,189	3,385,984	60,331
		4,450,489	11,597,076	10,550,949
<b>Payments</b>				
Employee costs		(2,187,004)	(2,229,613)	(2,245,848)
Materials and contracts		(1,505,723)	(5,203,828)	(5,056,085)
Utility charges		(250,430)	(264,237)	(221,056)
Interest expenses		(24,077)	(24,889)	(37,361)
Insurance expenses		(168,455)	(152,906)	(198,094)
Goods and services tax		0	(200,000)	0
Other expenditure		(84,967)	(138,658)	(121,697)
		(4,220,656)	(8,214,131)	(7,880,141)
<b>Net cash provided by (used in) operating activities</b>	3	229,833	3,382,945	2,670,808
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	4(a)	(856,322)	(675,404)	(1,409,914)
Payments for construction of infrastructure	4(a)	(2,062,906)	(1,553,167)	(1,976,307)
Non-operating grants, subsidies and contributions used for the development of assets	9	909,397	601,661	831,780
Proceeds from sale of land held for resale	4(b)	35,000	0	0
Proceeds from sale of plant & equipment	4(b)	110,000	150,775	235,000
<b>Net cash provided by (used in) investing activities</b>		(1,864,831)	(1,476,136)	(2,319,441)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(94,443)	(78,722)	(85,199)
Proceeds from self supporting loans	6(a)	36,341	34,573	34,572
Proceeds from new borrowings	6(b)	150,000	0	150,000
<b>Net cash provided by (used in) financing activities</b>		91,898	(44,149)	99,373
<b>Net increase (decrease) in cash held</b>		(1,543,100)	1,862,660	450,740
Cash at beginning of year		4,574,226	2,711,566	2,711,667
<b>Cash and cash equivalents at the end of the year</b>	3	<b>3,031,126</b>	<b>4,574,226</b>	<b>3,162,407</b>

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

**RATES SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2020**
**BY REPORTING PROGRAM**

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	2 (b)(i)	2,233,386	1,634,796	1,839,098
		2,233,386	1,634,796	1,839,098
<b>Revenue from operating activities (excluding rates)</b>				
Governance		5,824	13,513	19,876
General purpose funding		917,764	1,905,976	901,906
Law, order, public safety		197,103	190,618	188,450
Health		114,629	381,931	456,258
Education and welfare		190,279	166,286	186,798
Housing		120,076	104,393	105,776
Community amenities		164,458	190,912	204,725
Recreation and culture		30,944	233,152	39,039
Transport		173,289	2,932,597	2,956,667
Economic services		154,185	193,159	134,680
Other property and services		97,296	355,936	265,720
		2,165,847	6,668,473	5,459,895
<b>Expenditure from operating activities</b>				
Governance		(649,699)	(657,176)	(683,305)
General purpose funding		(83,039)	(67,735)	(115,955)
Law, order, public safety		(358,226)	(313,202)	(338,482)
Health		(409,057)	(669,698)	(715,529)
Education and welfare		(356,815)	(294,486)	(281,663)
Housing		(183,945)	(182,573)	(243,041)
Community amenities		(494,667)	(449,301)	(499,451)
Recreation and culture		(936,282)	(926,213)	(838,836)
Transport		(2,042,888)	(4,124,281)	(6,329,125)
Economic services		(599,673)	(484,421)	(618,699)
Other property and services		(63,731)	(480,353)	(239,266)
		(6,178,022)	(8,649,439)	(10,903,352)
Non-cash amounts excluded from operating activities	2 (b)(ii)	1,945,884	1,930,513	3,373,211
<b>Amount attributable to operating activities</b>		167,095	1,584,343	(231,148)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	9	909,397	601,661	831,780
Purchase property, plant and equipment	4(a)	(856,322)	(675,404)	(1,409,914)
Purchase and construction of infrastructure	4(a)	(2,062,906)	(1,553,167)	(1,976,307)
Proceeds from disposal of assets	4(b)	145,000	150,775	235,000
<b>Amount attributable to investing activities</b>		(1,864,831)	(1,476,136)	(2,319,441)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(94,443)	(78,722)	(85,199)
Proceeds from new borrowings	6(b)	150,000	0	150,000
Proceeds from self supporting loans	6(a)	36,341	34,573	34,572
Transfers to cash backed reserves (restricted assets)	7(a)	(1,300,000)	(467,408)	(463,900)
Transfers from cash backed reserves (restricted assets)	7(a)	736,544	438,018	745,867
<b>Amount attributable to financing activities</b>		(471,558)	(73,539)	381,340
<b>Budgeted deficiency before general rates</b>		(2,169,294)	34,668	(2,169,249)
<b>Estimated amount to be raised from general rates</b>	1	2,299,602	2,198,718	2,211,054
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2 (b)(i)	<b>130,308</b>	<b>2,233,386</b>	<b>41,805</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 2020

## 1. RATES AND SERVICE CHARGES

### (a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2019/20 Budgeted rate revenue	2019/20 Budgeted interim rates	2019/20 Budgeted back rates	2019/20 Budgeted total revenue	2018/19 Actual total revenue	2018/19 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
<b>Differential general rate or general rate</b>									
<b>Gross rental valuations</b>									
GRV - Residential	0.13568	315	2,563,032	347,750			347,750	320,451	333,585
GRV - Industrial	0.13568	20	261,785	35,519			35,519	34,237	34,237
GRV - Commercial	0.13568	11	248,376	33,699			33,699	32,484	32,484
<b>Unimproved valuations</b>									
UV - Rural	0.01230	374	147,974,500	1,820,234			1,820,234	1,752,171	1,751,373
<b>Sub-Totals</b>		720	151,047,693	2,237,202	0	0	2,237,202	2,139,343	2,151,679
<b>Minimum</b>									
<b>Minimum payment</b>									
	\$								
<b>Gross rental valuations</b>									
GRV - Residential	650	61	66,044	39,650			39,650	39,375	38,750
GRV - Industrial	650	5	6,315	3,250			3,250	3,125	3,125
GRV - Commercial	650	0		0			0		
<b>Unimproved valuations</b>									
UV - Rural	650	30	854,736	19,500			19,500	16,875	17,500
<b>Sub-Totals</b>		96	927,095	62,400	0	0	62,400	59,375	59,375
		816	151,974,788	2,299,602	0	0	2,299,602	2,198,718	2,211,054
Discounts/concessions (Refer note 1(d))							0	0	0
<b>Total amount raised from general rates</b>							2,299,602	2,198,718	2,211,054
Specified area rates (Refer note 1(c))							0	0	0
<b>Total rates</b>							2,299,602	2,198,718	2,211,054

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

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

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



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

## 1. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
<b>Option one</b>				
Single Full Payment	13/09/2019			11.0%
<b>Option two</b>				
First Instalment	13/09/2019			11.0%
Second Instalment	13/11/2019	5	5.5%	11.0%
Third Instalment	13/01/2019	5	5.5%	11.0%
Fourth Instalment	13/03/2019	5	5.5%	11.0%

	2019/20 Budget revenue	2018/19 Actual revenue	2018/19 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	1,700	1,715	1,950
Instalment plan interest earned	3,700	4,186	3,700
Unpaid rates and service charge interest earned	14,400	23,040	14,400
	19,800	28,941	20,050

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

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

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

**(c) Service Charges**

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

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

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

**(d) Waivers or concessions**

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

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

2 (a). NET CURRENT ASSETS

Note	2019/20 Budget 30 June 2020	2019/20 Budget 01 July 2019	2018/19 Estimated Actual 30 June 2019	2018/19 Budget 30 June 2019
	\$	\$	\$	\$
<b>Composition of estimated net current assets</b>				
<b>Current assets</b>				
Cash - unrestricted	79,075	2,221,972	2,221,972	1,148,019
Cash - restricted reserves	2,889,202	2,325,746	2,325,746	2,014,388
Receivables	452,777	452,777	452,777	421,343
Inventories	669,371	704,371	704,371	2,391
	4,090,425	5,704,866	5,704,866	3,586,141
<b>Less: current liabilities</b>				
Trade and other payables	(218,474)	(218,474)	(218,474)	(1,384,971)
Long term borrowings	(55,557)	0	0	(43,221)
Provisions	(393,660)	(393,660)	(393,660)	(387,149)
	(667,691)	(612,134)	(612,134)	(1,815,341)
<b>Net current assets</b>	<b>3,422,734</b>	<b>5,092,732</b>	<b>5,092,732</b>	<b>1,770,800</b>

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

2 (b). NET CURRENT ASSETS (CONTINUED)

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

Operating activities excluded from budgeted deficiency

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

	Note	2019/20 Budget 30 June 2020	2019/20 Budget 01 July 2019	2018/19 Estimated Actual 30 June 2019	2018/19 Budget 30 June 2019
		\$	\$	\$	\$
<b>(i) Current assets and liabilities excluded from budgeted deficiency</b>					
<b>Net current assets</b>	2	3,422,734	5,092,732	5,092,732	1,770,800
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: Cash - restricted reserves	3	(2,889,202)	(2,325,746)	(2,325,746)	(2,014,388)
Less: Current assets not expected to be received at end of year					
- current portion of self supporting loans receivable			(36,341)	(36,341)	34,572
- Land held for resale		(664,502)	(699,502)	(699,502)	
Add: Current liabilities not expected to be cleared at end of year					
- Current portion of borrowings		55,557	0	0	43,221
- Employee benefit provisions		205,721	202,243	202,243	207,600
<b>Adjusted net current assets - surplus/(deficit)</b>		<b>130,308</b>	<b>2,233,386</b>	<b>2,233,386</b>	<b>41,805</b>
<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)	(14,960)	(19,805)	(19,805)	0
Less: Movement in liabilities associated with restricted cash		3,478		(5,360)	
Add: Loss on disposal of assets	4(b)	26,054	21,155	21,155	0
Add: Depreciation on assets	5	1,931,312	1,934,523	1,934,523	3,373,211
<b>Non cash amounts excluded from operating activities</b>		<b>1,945,884</b>	<b>1,935,873</b>	<b>1,930,513</b>	<b>3,373,211</b>

**(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 14 for further explanation of the impact of the changes in accounting policies

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

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

**SIGNIFICANT ACCOUNTING POLICIES**

**CURRENT AND NON-CURRENT CLASSIFICATION**

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

**TRADE AND OTHER PAYABLES**

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

All funds to which the Shire of Quairading 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 Quairading'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 Quairading'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 Quairading's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

**LAND HELD FOR RESALE**

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

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

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

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

### 3. RECONCILIATION OF CASH

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

	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
Cash - unrestricted	141,924	2,248,480	1,148,019
Cash - restricted	2,889,202	2,325,746	2,014,388
	3,031,126	4,574,226	3,162,407
The following restrictions have been imposed by regulation or other externally imposed requirements:			
Building & Infrastructure	799,693	906,199	395,784
Furniture, Fittings & IT Equipment	63,448	62,375	61,287
Plant	430,573	313,777	535,800
Health	47,870	47,060	42,121
Swimming Pool	301	296	304
Long Service Leave	205,721	202,243	185,373
Sustainable Environment	165,512	162,714	162,926
Town Planning & Development	389,808	290,660	291,042
Homeswest Joint Venture	5,238	5,149	5,155
Road Infrastructure	439,055	284,169	284,596
Rec Centre Multi Purpose Precinct	51,983	51,104	50,000
Building Renewal	120,000	0	0
Independent Living	170,000	0	0
	2,889,202	2,325,746	2,014,388
<b>Reconciliation of net cash provided by operating activities to net result</b>			
<b>Net result</b>	(803,176)	819,413	(2,400,623)
Depreciation	1,931,312	1,934,523	3,373,211
(Profit)/loss on sale of asset	11,094	1,350	0
(Increase)/decrease in receivables	0	2,749,690	2,880,000
(Increase)/decrease in contract assets	0	0	
(Increase)/decrease in inventories	0	5,387	
Increase/(decrease) in payables	0	(1,525,757)	(350,000)
Increase/(decrease) in contract liabilities	0	0	
Change in accounting policies transferred to retained surplus (refer to Note 14)	0	0	0
Grants/contributions for the development of assets	(909,397)	(601,661)	(831,780)
<b>Net cash from operating activities</b>	229,833	3,382,945	2,670,808

#### SIGNIFICANT ACCOUNTING POLICES

##### CASH AND CASH EQUIVALENTS

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

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

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

**4. FIXED ASSETS**

**(a) Acquisition of Assets**

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

	Reporting program					2019/20 Budget total	2018/19 Actual total	2018/19 Budget total
	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
Asset class	\$	\$	\$	\$	\$	\$	\$	
<i>Property, Plant and Equipment</i>								
Land - freehold land	155,851					155,851		
Buildings - non-specialised						0		19,500
Buildings - specialised		9,850		250,151		260,001	299,627	744,714
Plant and equipment	41,870		360,600		38,000	440,470	375,777	645,700
	197,721	9,850	360,600	250,151	38,000	856,322	675,404	1,409,914
<i>Infrastructure</i>								
Infrastructure - Roads			1,509,323			1,509,323	1,400,694	1,629,967
Infrastructure - Footpaths			50,000			50,000		10,000
Infrastructure - Other Community & recreation facilities	57,950	425,633		20,000		503,583	152,473	336,340
	57,950	425,633	1,559,323	20,000	0	2,062,906	1,553,167	1,976,307
<b>Total acquisitions</b>	255,671	435,483	1,919,923	270,151	38,000	2,919,228	2,228,572	3,386,221

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

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

4. FIXED ASSETS (CONTINUED)

(b) Disposals of Assets

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

	2019/20 Budget Net Book Value	2019/20 Budget Sale Proceeds	2019/20 Budget Profit	2019/20 Budget Loss	2018/19 Actual Net Book Value	2018/19 Actual Sale Proceeds	2018/19 Actual Profit	2018/19 Actual Loss	2018/19 Budget Net Book Value	2018/19 Budget Sale Proceeds	2018/19 Budget Profit	2018/19 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>By Program</b>												
Governance	0	0	0	0	43,637	36,363	0	(7,274)	35,000	35,000	0	0
Community amenities	35,000	35,000	0	0	5,000	229	0	(4,771)	0	0	0	0
Transport	76,936	74,999	13,610	(15,547)	103,488	114,183	19,805	(9,110)	200,000	200,000	0	0
Other property and services	44,158	35,001	1,350	(10,507)	0	0	0	0	0	0	0	0
	156,094	145,000	14,960	(26,054)	152,125	150,775	19,805	(21,155)	235,000	235,000	0	0
<b>By Class</b>												
<u>Property, Plant and Equipment</u>												
Land - freehold land	0	0	0	0	5,000	229	0	(4,771)	0	0	0	0
Plant and equipment	121,094	110,000	14,960	(26,054)	147,125	150,546	19,805	(16,384)	235,000	235,000	0	0
<u>Land Held for Resale</u>												
Land held for resale	35,000	35,000	0	0	0	0	0	0	0	0	0	0
	156,094	145,000	14,960	(26,054)	152,125	150,775	19,805	(21,155)	235,000	235,000	0	0



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

**5. ASSET DEPRECIATION**

**By Program**

Governance
Law, order, public safety
Health
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 - Footpaths
Infrastructure - Bridges
Infrastructure - Other Community & recreation facilities

	<b>2019/20 Budget</b>	<b>2018/19 Actual</b>	<b>2018/19 Budget</b>
	\$	\$	\$
	0	24,380	29,300
	92,000	92,125	93,900
	8,250	7,235	4,900
	24,950	24,968	18,470
	47,535	47,374	67,445
	48,700	48,703	32,130
	285,790	285,834	237,569
	1,119,660	1,109,499	2,519,167
	144,200	144,265	233,830
	160,227	150,140	136,500
	<b>1,931,312</b>	<b>1,934,523</b>	<b>3,373,211</b>
	46,800	46,403	70,191
	239,660	234,656	240,999
	21,975	21,926	20,644
	301,777	308,280	292,610
	886,950	886,949	2,303,798
	5,870	5,869	6,518
	132,780	132,784	129,705
	295,500	297,656	308,746
	<b>1,931,312</b>	<b>1,934,523</b>	<b>3,373,211</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.

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

**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 2019	2019/20 Budget New loans	2019/20 Budget Principal repayments	2019/20 Budget Interest repayments	Budget Principal outstanding 30 June 2020	Actual Principal 1 July 2018	2018/19 Actual New loans	2018/19 Actual Principal repayments	2018/19 Actual Interest repayments	Actual Principal outstanding 30 June 2019	Budget Principal 1 July 2018	2018/19 Budget New loans	2018/19 Budget Principal repayments	2018/19 Budget Interest repayments	Budget Principal outstanding 30 June 2019
		\$	\$	\$	\$		\$	\$	\$	\$		\$	\$	\$	\$
<b>Recreation and culture</b>															
<b>Transport</b>															
Loan - 118 Depot Building	434,269	0	45,502	16,208	388,767	478,419	0	44,150	15,587	434,269	478,419	0	44,150	17,444	434,269
<b>Economic services</b>															
Loan 119 - Park Cottages	0	150,000	12,600	3,581	137,400					0		150,000	6,477	2,473	143,523
	434,269	150,000	58,102	19,789	526,167	478,419	0	44,150	15,587	434,269	478,419	150,000	50,627	19,917	577,792
<b>Self Supporting Loans</b>															
<b>Recreation and culture</b>															
Loan 115 - Bowling Club	78,011	0	33,834	3,902	44,177	109,267	0	31,256	5,216	78,011	109,267	0	31,256	6,962	78,011
Loan 116 - Tennis Club	1,178	0	924	116	253	2,974	0	1,796	92	1,178	2,974	0	1,796	106	1,178
Loan 117 - Golf Club	6,482	0	1,583	270	4,899	8,002	0	1,520	326	6,482	8,002	0	1,520	376	6,482
	85,670	0	36,341	4,289	49,329	120,243	0	34,573	5,635	85,670	120,243	0	34,572	7,444	85,671
	519,940	150,000	94,443	24,077	575,496	598,662	0	78,722	21,222	519,940	598,662	150,000	85,199	27,361	663,463

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 2020**

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

**(b) New borrowings - 2019/20**

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
Park Cottages	WATC	Debenture	10	1.9%	\$ 150,000	\$ 15,494	\$ 150,000	\$ 0
					150,000	15,494	150,000	0

**(c) Unspent borrowings**

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

**(d) Credit Facilities**

	2019/20 Budget	2018/19 Actual	2018/19 Budget
Credit Card	\$ 0	\$ 655	\$ 0
<b>Loan facilities</b>			
Loan facilities in use at balance date	575,496	519,940	663,463

**SIGNIFICANT ACCOUNTING POLICIES**

**BORROWING COSTS**

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

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

## 7. CASH BACKED RESERVES

### (a) Cash Backed Reserves - Movement

	2019/20 Budget Opening Balance	2019/20 Budget Transfer to	2019/20 Budget Transfer (from)	2019/20 Budget Closing Balance	2018/19 Actual Opening Balance	2018/19 Actual Transfer to	2018/19 Actual Transfer (from)	2018/19 Actual Closing Balance	2018/19 Budget Opening Balance	2018/19 Budget Transfer to	2018/19 Budget Transfer (from)	2018/19 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Building & Infrastructure	906,199	165,587	(272,093)	799,693	964,731	41,468	(100,000)	906,199	633,163	42,621	(280,000)	395,784
Furniture, Fittings & IT Equipment	62,375	1,073	0	63,448	11,026	51,349	0	62,375	11,028	50,259	0	61,287
Plant	313,777	425,396	(308,600)	430,573	284,547	260,487	(231,257)	313,777	616,115	256,685	(337,000)	535,800
Health	47,060	810	0	47,870	46,040	1,020	0	47,060	46,039	1,082	(5,000)	42,121
Swimming Pool	296	5	0	301	6,904	153	(6,761)	296	6,903	162	(6,761)	304
Long Service Leave	202,243	3,478	0	205,721	207,601	44,642	(50,000)	202,243	207,601	44,878	(67,106)	185,373
Sustainable Environment	162,714	2,798	0	165,512	159,186	3,528	0	162,714	159,185	3,741	0	162,926
Town Planning & Development	290,660	254,999	(155,851)	389,808	284,359	6,301	0	290,660	284,360	6,682	0	291,042
Homeswest Joint Venture	5,149	89	0	5,238	5,038	111	0	5,149	5,037	118	0	5,155
Road Infrastructure	284,169	154,886	0	439,055	326,924	7,245	(50,000)	284,169	326,924	7,672	(50,000)	284,596
Rec Centre Multi Purpose Precint	51,104	879	0	51,983	0	51,104	0	51,104	0	50,000	0	50,000
Building Renewal	0	120,000	0	120,000	0	0	0	0	0	0	0	0
Independent Living	0	170,000	0	170,000	0	0	0	0	0	0	0	0
	2,325,746	1,300,000	(736,544)	2,889,202	2,296,356	467,408	(438,018)	2,325,746	2,296,355	463,900	(745,867)	2,014,388

**(b) Cash Backed Reserves - Purposes**

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

<b>Reserve name</b>	<b>Anticipated date of use</b>	<b>Purpose of the reserve</b>
	On Going	
Building & Infrastructure	On Going	To be used to Develop and Upgrade Council Infrastructure and Building Assets.
Furniture, Fittings & IT Equipment	On Going	To be used in funding the various furniture, fittings and equipment installed in Council buildings.
Plant	On Going	To be used to assist in funding the purchase of major plant items.
Health	On Going	To be used to assist in funding the improvement of Medical Services and Facilities.
Swimming Pool	On Going	To be used to assist in funding future major capital/upgrade works at the Quairading Memorial Swimming Pool.
Long Service Leave	On Going	To be used to fund future Employee Leave requirements.
Sustainable Environment	On Going	To be used to assist in funding projects and initiatives which foster a sustainable environment. Such areas include waste management, recycling, water usage, gravel supplies, energy conservation and environmentally sustainable projects.
Town Planning & Development	On Going	To be used to assist in funding of planning and implementation of the development of Council land and the purchase of land for future development.
Homeswest Joint Venture	On Going	To be used to assist with compliance with Council's Joint Venture Agreement held with the State Housing Commission and to provide funds for the maintenance, management and improvement of the Joint Venture Units.
Road Infrastructure	On Going	To be used towards road infrastructure projects including replacement of culverts and bridges.
Rec Centre Multi Purpose Precint	On Going	To be used in providing assistance in the future redevelopment and capital upgrade works at the Multi Purpose Precint.
Building Renewal	On Going	To be used to fund the maintenance and renewal of Councils Building assets.
Independent Living	On Going	To be used to fund the development of Independent Living Units.

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

**7. CASH BACKED RESERVES (CONTINUED)**

**(c) Cash Backed Reserves - Change in Use**

The Shire has resolved to make the following changes in the use of part of the money in a reserve account. This money is to be used or set aside for a purpose other than the purpose for which the account was established.

<b>Cash Backed Reserve</b>	<b>Proposed new purpose of the reserve</b>	<b>Objects of changing of the reserve</b>	<b>Reasons for changing the use of the reserve</b>	<b>2019/20 Budget amount to be used</b>	<b>2019/20 Budget amount change of purpose</b>
Building & Infrastructure	To be used to Develop and Upgrade Council Infrastructure and Building Assets.	To fund a large scope of Council Projects	To allow for the funding of a larger scope of Council Projects	\$ 272,093	\$ 906,199
				272,093	906,199

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

**8. FEES & CHARGES REVENUE**

	<b>2019/20 Budget</b>	<b>2018/19 Actual</b>	<b>2018/19 Budget</b>
	\$	\$	\$
Governance	0	16	100
General purpose funding	1,700	5,756	5,450
Law, order, public safety	4,200	3,891	4,200
Health	80,379	377,131	455,758
Education and welfare	118,548	37,534	28,548
Housing	114,426	97,800	100,126
Community amenities	137,834	146,317	140,725
Recreation and culture	24,855	23,413	23,655
Economic services	154,085	86,477	124,585
Other property and services	25,100	264,382	233,000
	<b>661,127</b>	<b>1,042,717</b>	<b>1,116,147</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**

Governance	0	0	16,130
General purpose funding	843,164	1,800,387	798,000
Law, order, public safety	34,884	43,759	180,250
Health	33,750	0	500
Education and welfare	51,481	45,866	158,250
Housing	0	0	5,650
Community amenities	24,624	44,624	64,000
Recreation and culture	0	0	2,800
Transport	135,679	127,291	2,932,717
Economic services	0	10,000	10,000
Other property and services	15,600	11,554	9,220
	<b>1,139,182</b>	<b>2,083,481</b>	<b>4,177,517</b>

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

Law, order, public safety	0	74,400	81,840
Community amenities	30,560	90,000	0
Recreation and culture	111,467	18,110	264,449
Transport	767,370	419,151	485,491
	<b>909,397</b>	<b>601,661</b>	<b>831,780</b>

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

**10. OTHER INFORMATION**

	<b>2019/20 Budget</b>	<b>2018/19 Actual</b>	<b>2018/19 Budget</b>
	\$	\$	\$
<b>The net result includes as revenues</b>			
<b>(a) Interest earnings</b>			
Investments			
- Reserve funds	40,000	38,772	53,900
- Other funds	16,289	21,143	22,444
Other interest revenue (refer note 1b)	18,100	27,226	18,100
	<b>74,389</b>	<b>87,141</b>	<b>94,444</b>
<b>(b) Other revenue</b>			
Reimbursements and recoveries	276,189	3,385,984	11,456
Other			60,331
	<b>276,189</b>	<b>3,385,984</b>	<b>71,787</b>
<b>The net result includes as expenses</b>			
<b>(c) Auditors remuneration</b>			
Audit services	22,700	22,497	20,700
Other services	6,000	2,100	6,000
	<b>28,700</b>	<b>24,597</b>	<b>26,700</b>
<b>(d) Interest expenses (finance costs)</b>			
Borrowings (refer Note 6(a))	24,077	21,222	27,361
Interest expense on lease liabilities			
Other	0	0	10,000
	<b>24,077</b>	<b>21,222</b>	<b>37,361</b>
<b>(e) Elected members remuneration</b>			
Meeting fees	26,500	26,786	32,205
Mayor/President's allowance	513	508	508
	<b>27,013</b>	<b>27,294</b>	<b>32,713</b>
<b>(f) Write offs</b>			
General rate	700	1,279	700
	<b>700</b>	<b>1,279</b>	<b>700</b>



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

**11. MAJOR LAND TRANSACTIONS, TRADING UNDERTAKINGS AND INTERESTS IN JOINT ARRANGEMENTS**

It is not anticipated the Shire will be party to any Major Land Transactions or Trading Undertakings during 2019/20.

It is not anticipated the Shire will be party to any joint venture arrangements during 2019/20.

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

**12. TRUST FUNDS**

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

Detail	Balance 1 July 2019	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2020
	\$	\$	\$	\$
Department of Transport	9,507	350,000	(359,507)	0
Seniors Christmas Lucheon	4,351			4,351
Doodenanning Cemetery	1,196			1,196
South Caroling Cemetery	4,887			4,887
Town Planning Bond - Peacock	1,000			1,000
Rural Youth - Community Park	73,227			73,227
	94,168	350,000	(359,507)	84,661

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

**13. 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 14.

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

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

This note explains the impact of the adoption of AASB 15 Revenue from Contracts with Customers, AASB 16 Leases and AASB 1058 Income for Not-for-Profit Entities. Implications from these changes have not yet been fully calculated and are therefore not shown in this Budget.

**REVENUE FROM CONTRACTS WITH CUSTOMERS**

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

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

**LEASES**

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

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

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

**INCOME FOR NOT-FOR-PROFIT ENTITIES**

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

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

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

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

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

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

	2019
	\$
Retained surplus - 30/06/2019	
Adjustment to retained surplus from adoption of AASB 15	0
Adjustment to retained surplus from adoption of AASB 1058	0
Retained surplus - 01/07/2019	0