

SHIRE OF QUAIRADING

BUDGET

FOR THE YEAR ENDED 30 JUNE 2021

LOCAL GOVERNMENT ACT 1995

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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.

SHIRE OF QUAIRADING
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)	2,311,004	2,279,698	2,299,602
Operating grants, subsidies and contributions	10(a)	1,094,526	2,112,115	1,139,182
Fees and charges	9	441,089	624,502	661,127
Interest earnings	12(a)	49,400	90,056	74,389
Other revenue	12(b)	327,273	306,882	276,189
		4,223,292	5,413,253	4,450,489
Expenses				
Employee costs		(2,249,742)	(1,917,194)	(2,187,004)
Materials and contracts		(1,365,423)	(1,463,008)	(1,505,723)
Utility charges		(229,080)	(212,663)	(250,430)
Depreciation on non-current assets	5	(1,982,450)	(1,994,669)	(1,931,312)
Interest expenses	12(d)	(20,191)	(18,257)	(24,077)
Insurance expenses		(178,523)	(176,349)	(168,455)
Other expenditure		(74,853)	(45,445)	(84,967)
		(6,100,262)	(5,827,585)	(6,151,968)
Subtotal		(1,876,970)	(414,332)	(1,701,479)
Non-operating grants, subsidies and contributions	10(b)	3,916,049	1,165,649	909,397
Profit on asset disposals	4(b)	44,931	26,495	14,960
Loss on asset disposals	4(b)	(25,042)	(17,539)	(26,054)
		3,935,938	1,174,605	898,303
Net result		2,058,968	760,273	(803,176)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		2,058,968	760,273	(803,176)

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

SHIRE OF QUAIRADING 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 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 16 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.

SHIRE OF QUAIRADING
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
Revenue	1,9,10(a),12(a),12(b)	\$	\$	\$
Governance		3,300	9,652	5,824
General purpose funding		3,208,618	4,249,261	3,217,366
Law, order, public safety		218,797	166,364	197,103
Health		10,879	131,775	114,629
Education and welfare		61,708	166,178	190,279
Housing		106,108	98,011	120,076
Community amenities		174,554	148,212	164,458
Recreation and culture		28,346	35,173	30,944
Transport		157,540	165,248	159,679
Economic services		207,170	105,159	154,185
Other property and services		46,272	138,220	95,946
		4,223,292	5,413,253	4,450,489
Expenses excluding finance costs	4(a),5,12(c),(e),(f)			
Governance		(753,037)	(563,498)	(649,699)
General purpose funding		(82,738)	(67,947)	(83,039)
Law, order, public safety		(382,549)	(340,180)	(358,226)
Health		(315,980)	(389,853)	(409,057)
Education and welfare		(222,620)	(305,706)	(356,815)
Housing		(162,773)	(165,336)	(183,945)
Community amenities		(522,815)	(437,324)	(494,667)
Recreation and culture		(917,959)	(841,257)	(931,993)
Transport		(2,001,976)	(2,004,511)	(2,011,133)
Economic services		(690,999)	(451,727)	(596,093)
Other property and services		(26,625)	(241,989)	(53,224)
		(6,080,071)	(5,809,328)	(6,127,891)
Finance costs	,7,6(a),12(d)			
Law, order, public safety		(140)	(626)	0
Recreation and culture		(2,581)	(3,500)	(4,289)
Transport		(15,292)	(13,021)	(16,208)
Economic services		(2,178)	(1,110)	(3,580)
		(20,191)	(18,257)	(24,077)
Subtotal		(1,876,970)	(414,332)	(1,701,479)
Non-operating grants, subsidies and contributions	10(b)	3,916,049	1,165,649	909,397
Profit on disposal of assets	4(b)	44,931	26,495	14,960
(Loss) on disposal of assets	4(b)	(25,042)	(17,539)	(26,054)
		3,935,938	1,174,605	898,303
Net result		2,058,968	760,273	(803,176)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		2,058,968	760,273	(803,176)

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

SHIRE OF QUAIRADING 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 Shire's Community Vision, and for each of its broad activities/programs.

OBJECTIVE	ACTIVITIES
<p>GOVERNANCE To provide a decision making process for the efficient allocation of scarce resources</p>	<p>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;</p>
<p>GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services that are not fully funded by specific fees and charges.</p>	<p>Rates, general purpose government grants and interest revenue.</p>
<p>LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer and environmentally conscious community.</p>	<p>Supervision of local laws, fire control which covers the maintenance of bushfire equipment and insurance; animal control and a shared community emergency services manager.</p>
<p>HEALTH To provide an operational framework for environmental</p>	<p>Health inspections, food quality control, pest control and operation of the medical centre.</p>
<p>EDUCATION AND WELFARE To provide services to disadvantaged persons, the elderly, children and youth.</p>	<p>Operation and maintenance of the Little Rainmakers Childcare Centre (part year), Arthur Kelly Village and minor in-kind association with the Fail Aged Lodge. Youth programme and Quairading Youth centre.</p>
<p>HOUSING To provide and maintain housing.</p>	<p>Maintenance of housing rented to staff and non staff.</p>
<p>COMMUNITY AMENITIES To provide services required by the community.</p>	<p>Rubbish and recycling services and administration of Town Planning Scheme and Heritage services. Community bus service, maintenance of cemeteries, public conveniences and environmental services</p>
<p>RECREATION AND CULTURE To establish and effectively manage infrastructure and resources which will help the social welling of the community</p>	<p>Maintenance of Halls, Swimming pool, Community buildings, Various Reserves and Library.</p>
<p>TRANSPORT To provide safe, effective and efficient transport services to the community</p>	<p>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.</p>
<p>ECONOMIC SERVICES To help promote the Shire of Quairading and it's economic wellbeing.</p>	<p>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.</p>
<p>OTHER PROPERTY AND SERVICES To monitor and control the Shire of Quairading's overheads.</p>	<p>Private works overheads, plant operating costs, Administration allocation of salaries and wages and private works.</p>

SHIRE OF QUAIRADING
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	2,311,004	2,285,490	2,299,602
Operating grants, subsidies and contributions	1,080,825	2,269,788	1,139,182
Fees and charges	441,089	624,502	661,127
Interest earnings	49,400	90,056	74,389
Goods and services tax	0	(3,563)	0
Other revenue	327,273	306,882	276,189
	4,209,591	5,573,155	4,450,489
Payments			
Employee costs	(2,249,742)	(1,942,544)	(2,187,004)
Materials and contracts	(1,365,423)	(1,439,784)	(1,505,723)
Utility charges	(229,080)	(212,663)	(250,430)
Interest expenses	(20,191)	(21,234)	(24,077)
Insurance expenses	(178,523)	(176,349)	(168,455)
Other expenditure	(74,853)	(45,445)	(84,967)
	(4,117,812)	(3,838,019)	(4,220,656)
Net cash provided by (used in) operating activities	3	91,779	229,833
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	4(a)	(1,495,510)	(644,487)
Payments for construction of infrastructure	4(a)	(4,203,911)	(2,095,459)
Non-operating grants, subsidies and contributions		3,916,049	1,165,649
Proceeds from sale of land held for resale	4(b)	35,000	0
Proceeds from sale of plant and equipment	4(b)	230,500	137,959
Proceeds on financial assets at amortised cost - self supporting loans	6(a)	37,393	36,895
		37,393	36,895
Net cash provided by (used in) investing activities		(1,480,479)	(1,399,443)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	6(a)	(98,717)	(89,083)
Principal elements of lease payments	7	(5,069)	0
Proceeds from new borrowings	6(b)	0	150,000
		0	150,000
Net cash provided by (used in) financing activities		(103,786)	38,539
Net increase (decrease) in cash held		(1,492,486)	374,232
Cash at beginning of year		5,107,508	4,733,276
Cash and cash equivalents at the end of the year	3	3,615,022	5,107,508
		3,615,022	3,031,126

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

SHIRE OF QUAIRADING
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)				
		1,836,054	2,376,208	2,233,386
		1,836,054	2,376,208	2,233,386
Revenue from operating activities (excluding rates)				
Governance		3,300	9,652	5,824
General purpose funding		909,070	1,966,049	917,764
Law, order, public safety		218,797	166,364	197,103
Health		10,879	131,775	114,629
Education and welfare		61,708	166,178	190,279
Housing		106,108	98,011	120,076
Community amenities		174,554	148,212	164,458
Recreation and culture		28,346	35,173	30,944
Transport		202,471	183,658	173,289
Economic services		207,170	105,159	154,185
Other property and services		46,272	146,305	97,296
		1,968,675	3,156,536	2,165,847
Expenditure from operating activities				
Governance		(753,037)	(563,498)	(649,699)
General purpose funding		(82,738)	(67,947)	(83,039)
Law, order, public safety		(382,689)	(340,806)	(358,226)
Health		(315,980)	(389,853)	(409,057)
Education and welfare		(222,620)	(305,706)	(356,815)
Housing		(162,773)	(165,336)	(183,945)
Community amenities		(522,815)	(437,324)	(494,667)
Recreation and culture		(920,540)	(844,757)	(936,282)
Transport		(2,034,818)	(2,021,789)	(2,042,888)
Economic services		(693,177)	(452,837)	(599,673)
Other property and services		(34,117)	(255,271)	(63,731)
		(6,125,304)	(5,845,124)	(6,178,022)
Non-cash amounts excluded from operating activities	2 (a)(i)	1,896,660	1,989,149	1,945,884
Amount attributable to operating activities		(423,915)	1,676,769	167,095
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	10(b)	3,916,049	1,165,649	909,397
Purchase property, plant and equipment	4(a)	(1,495,510)	(644,487)	(856,322)
Purchase and construction of infrastructure	4(a)	(4,203,911)	(2,095,459)	(2,062,906)
Proceeds from disposal of assets	4(b)	265,500	137,959	145,000
Proceeds from self supporting loans	6(a)	37,393	36,895	36,341
Amount attributable to investing activities		(1,480,479)	(1,399,443)	(1,828,490)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(98,717)	(89,083)	(94,443)
Principal elements of finance lease payments	7	(5,069)	(22,378)	0
Proceeds from new borrowings	6(b)	0	150,000	150,000
Transfers to cash backed reserves (restricted assets)	8(a)	(875,000)	(1,310,315)	(1,300,000)
Transfers from cash backed reserves (restricted assets)	8(a)	711,777	547,292	736,544
Amount attributable to financing activities		(267,009)	(724,484)	(507,899)
Budgeted deficiency before general rates		(2,171,403)	(447,158)	(2,169,294)
Estimated amount to be raised from general rates	1	2,299,548	2,283,212	2,299,602
Net current assets at end of financial year - surplus/(deficit)	2 (a)(iii)	128,145	1,836,054	130,308

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

SHIRE OF QUAIRADING
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FOR THE YEAR ENDED 30 JUNE 2021

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SHIRE OF QUAIRADING
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									
GRV - Residential	0.13570	315	2,563,032	347,793			347,793	332,746	347,750
GRV - Industrial	0.13570	20	261,785	35,523			35,523	35,519	35,519
GRV - Commercial	0.13570	11	248,376	33,704			33,704	33,699	33,699
Unimproved valuations									
UV - Rural	0.01177	361	154,596,500	1,818,828			1,818,828	1,818,848	1,820,234
Sub-Totals		707	157,669,693	2,235,848	0	0	2,235,848	2,220,812	2,237,202
Minimum									
Minimum payment									
	\$								
Gross rental valuations									
GRV - Residential	650	61	66,044	39,650			39,650	39,650	39,650
GRV - Industrial	650	5	6,315	3,250			3,250	3,250	3,250
GRV - Commercial	650	0	0	0			0	0	0
Unimproved valuations									
UV - Rural	650	32	1,041,736	20,800			20,800	19,500	19,500
Sub-Totals		98	1,114,095	63,700	0	0	63,700	62,400	62,400
		805	158,783,788	2,299,548	0	0	2,299,548	2,283,212	2,299,602
Total amount raised from general rates							2,299,548	2,283,212	2,299,602
Write off							(700)	(15,670)	0
Ex-gratia rates							12,156	12,156	0
Total rates							2,311,004	2,279,698	2,299,602

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 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				
Single Full Payment	18/09/2020			8.0%
Option three				
First Instalment	18/09/2020			8.0%
Second Instalment	18/11/2020	5	3.0%	8.0%
Third Instalment	18/01/2021	5	3.0%	8.0%
Fourth Instalment	18/03/2021	5	3.0%	8.0%

	2020/21 Budget revenue	2019/20 Actual revenue	2019/20 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	1,700	1,695	1,700
Instalment plan interest earned	3,000	3,959	3,700
Unpaid rates and service charge interest earned	15,400	24,756	14,400
	20,100	30,410	19,800

1. RATES AND SERVICE CHARGES (CONTINUED)

(c) Specified Area Rate

The Shire did not raise specified area rates for the year ended 30 June 2021.

(d) Service Charges

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

1. RATES AND SERVICE CHARGES (CONTINUED)

(e) Waivers or concessions

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

SHIRE OF QUAIRADING
 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) (44,931)	(26,495)	(14,960)
Less: Movement in contract liabilities associated with restricted cash	(27,046)	0	0
Less: Movement in employee liabilities associated with restricted cash	(38,855)	3,436	3,478
Add: Loss on disposal of assets	4(b) 25,042	17,539	26,054
Add: Depreciation on assets	5 1,982,450	1,994,669	1,931,312
Non cash amounts excluded from operating activities	1,896,660	1,989,149	1,945,884
(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 (3,252,604)	(3,089,381)	(2,889,202)
Less: Current assets not expected to be received at end of year			
- current portion of self supporting loans receivable	0	(37,393)	0
- Land held for resale	0	0	(664,502)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	0	98,717	55,557
- Current portion of contract liability held in reserve	(27,046)	0	0
- Current portion of lease liabilities	(5,042)	27	0
- Employee benefit provisions	166,876	205,731	205,721
Total adjustments to net current assets	(3,117,816)	(2,822,299)	(3,292,426)

SHIRE OF QUAIRADING
 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	362,418	1,991,081	79,075
Cash and cash equivalents - restricted				
Cash backed reserves	3	3,252,604	3,089,381	2,889,202
Unspent grants, subsidies and contributions	10	0	27,046	0
Financial assets - unrestricted		0	37,393	0
Receivables		265,724	279,069	452,777
Inventories		4,275	4,275	669,371
		3,885,021	5,428,245	4,090,425
Less: current liabilities				
Trade and other payables		(330,611)	(330,611)	(218,474)
Contract liabilities		2,473	(24,573)	0
Lease liabilities		5,042	(27)	0
Long term borrowings		0	(98,717)	(55,557)
Provisions		(315,964)	(315,964)	(393,660)
		(639,060)	(769,892)	(667,691)
Net current assets		3,245,961	4,658,353	3,422,734
Less: Total adjustments to net current assets	2 (a)(ii)	(3,117,816)	(2,822,299)	(3,292,426)
Closing funding surplus / (deficit)		128,145	1,836,054	130,308

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

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 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.

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 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.

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.

SHIRE OF QUAIRADING
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	3,615,022	5,107,508	3,031,126
	3,615,022	5,107,508	3,031,126
- Unrestricted cash and cash equivalents	362,418	1,991,081	141,924
- Restricted cash and cash equivalents	3,252,604	3,116,427	2,889,202
	3,615,022	5,107,508	3,031,126
The following restrictions have been imposed by regulation or other externally imposed requirements on cash and cash equivalents:			
Staff Leave	166,876	205,731	205,721
Building & Infrastructure	603,935	847,541	799,693
Furniture, Fittings & IT Equipment & Software	113,967	63,451	63,448
Plant	787,465	433,964	430,573
Health	48,260	47,871	47,870
Swimming Pool	264	262	301
Sustainable Environment	166,865	165,520	165,512
Town Planning & Development	353,030	548,624	389,808
Homeswest Joint Venture	5,281	5,238	5,238
Road Infrastructure	308,469	425,771	439,055
Rec Centre Multi Purpose Precinct	227,409	51,986	51,983
Building Renewal	122,393	121,416	120,000
Independent Living	348,390	172,006	170,000
Unspent grants, subsidies and contributions	10 0	27,046	
	3,252,604	3,116,427	2,889,202
Reconciliation of net cash provided by operating activities to net result			
Net result	2,058,968	760,273	(803,176)
Depreciation	5 1,982,450	1,994,669	1,931,312
(Profit)/loss on sale of asset	4(b) (19,889)	(8,956)	11,094
(Increase)/decrease in receivables	13,345	135,329	0
(Increase)/decrease in inventories	0	595	0
Increase/(decrease) in payables	0	(5,698)	0
Increase/(decrease) in contract liabilities	(27,046)	24,573	0
Non-operating grants, subsidies and contributions	(3,916,049)	(1,165,649)	(909,397)
Net cash from operating activities	91,779	1,735,136	229,833

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 Shire 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.

SHIRE OF QUAIRADING
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.

Asset class	Reporting program						2020/21 Budget total	2019/20 Actual total	2019/20 Budget total
	Law, order, public safety	Education and welfare	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	
<i>Property, Plant and Equipment</i>									
Land - freehold land					200,000		200,000	6,423	155,851
Buildings - specialised		157,300	177,770		352,130		687,200	208,430	260,001
Furniture and equipment	27,310						27,310		
Plant and equipment				486,000		95,000	581,000	429,634	440,470
	27,310	157,300	177,770	486,000	552,130	95,000	1,495,510	644,487	856,322
<i>Infrastructure</i>									
Infrastructure - roads				3,071,701			3,071,701	1,735,356	1,509,323
Infrastructure - footpaths				90,000			90,000	58,983	50,000
Infrastructure - other		10,000	936,690	85,020	10,500		1,042,210	301,120	503,583
	0	10,000	936,690	3,246,721	10,500	0	4,203,911	2,095,459	2,062,906
Total acquisitions	27,310	167,300	1,114,460	3,732,721	562,630	95,000	5,699,421	2,739,946	2,919,228

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.

SHIRE OF QUAIRADING
 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												
Community amenities		0	0	0	0	0	0	0	35,000	35,000	0	0
Transport	142,619	170,000	44,931	(17,550)	77,484	91,637	18,410	(4,257)	76,936	74,999	13,610	(15,547)
Other property and services	102,992	95,500	0	(7,492)	51,519	46,322	8,085	(13,282)	44,158	35,001	1,350	(10,507)
	245,611	265,500	44,931	(25,042)	129,003	137,959	26,495	(17,539)	156,094	145,000	14,960	(26,054)
By Class												
<u>Property, Plant and Equipment</u>												
Plant and equipment	210,611	230,500	44,931	(25,042)	129,003	137,959	26,495	(17,539)	121,094	110,000	14,960	(26,054)
<u>Land Held for Resale</u>												
Land held for resale	35,000	35,000	0	0	0	0	0	0	35,000	35,000	0	0
	245,611	265,500	44,931	(25,042)	129,003	137,959	26,495	(17,539)	156,094	145,000	14,960	(26,054)

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.

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

5. ASSET DEPRECIATION

By Program

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 - other
Infrastructure - bridges
Right of use - plant and equipment

2020/21 Budget	2019/20 Actual	2019/20 Budget
\$	\$	\$
99,940	113,211	92,000
6,460	6,461	8,250
24,960	24,968	24,950
46,960	46,969	47,535
47,310	47,327	48,700
294,250	293,785	285,790
1,132,620	1,132,040	1,119,660
143,355	143,359	144,200
186,595	186,549	160,227
1,982,450	1,994,669	1,931,312
46,400	46,403	46,800
245,160	245,154	239,660
16,430	16,431	21,975
321,390	321,393	301,777
908,280	908,278	886,950
5,870	5,869	5,870
306,140	306,144	295,500
132,780	132,784	132,780
	12,213	0
1,982,450	1,994,669	1,931,312

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
Buildings - specialised	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Infrastructure - roads	15 to 120 Years
Infrastructure - footpaths	100 to 120 years
Infrastructure - other	30 to 80 years
Infrastructure - bridges	75 to 85 years
Right of use - plant and equipment	Based on the remaining lease

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.

SHIRE OF QUAIRADING
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		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	
	Number	Institution		Principal	Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2021	Budget Interest Repayments		Principal 1 July 2019	Actual New Loans	Actual Principal Repayments	Principal outstanding 30 June 2020		Actual Interest Repayments	Principal 1 July 2019	Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2020
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Recreation and culture																			
Transport																			
Depot Building	118	WATC	3.04%	388,767	0	(46,896)	341,871	15,292	434,269	0	(45,502)	388,767	13,021	434,269	0	(45,502)	388,767	16,208	
Economic services																			
Park Cottages	119	WATC	1.48%	143,014	0	(14,128)	128,886	2,178	0	150,000	(6,986)	143,014	1,110	0	150,000	(12,600)	137,400	3,581	
				531,781	0	(61,024)	470,757	17,470	434,269	150,000	(52,488)	531,781	14,131	434,269	150,000	(58,102)	526,167	19,789	
Self Supporting Loans																			
Recreation and culture																			
Bowling Club	115	WATC	0.0639	44,177	0	(36,046)	8,131	2,324	78,011	0	(33,834)	44,177	3,224	78,011	0	(33,834)	44,177	3,902	
Tennis Club	116	WATC	0.0389	0	0	0	0	0	1,178	0	(1,178)	0	18	1,178	0	(924)	254	116	
Golf Club	117	WATC	0.0408	4,899	0	(1,647)	3,252	257	6,482	0	(1,583)	4,899	258	6,482	0	(1,583)	4,899	270	
				49,076	0	(37,693)	11,383	2,581	85,671	0	(36,595)	49,076	3,500	85,671	0	(36,341)	49,330	4,288	
				580,857	0	(98,717)	482,140	20,051	519,940	150,000	(89,083)	580,857	17,631	519,940	150,000	(94,443)	575,497	24,077	

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.

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

6. INFORMATION ON BORROWINGS

(b) New borrowings - 2020/21

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

(c) Unspent borrowings

The Shire 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			
Bank overdraft at balance date			
Credit card limit	5,000	5,000	5,000
Credit card balance at balance date	0	464	0
Total amount of credit unused	5,000	5,464	5,000
Loan facilities			
Loan facilities in use at balance date	482,140	580,857	575,497

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.

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

7. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease Principal	2020/21 Budget Lease New	2020/21 Budget Lease Principal outstanding	2020/21 Budget Lease Repayments	Actual Principal	2019/20 Actual New Leases	2019/20 Actual Lease repayments	Actual Lease Principal outstanding	2019/20 Actual Lease repayments	Budget Lease Principal	2019/20 Budget Lease New Leases	2019/20 Budget Lease repayments	Budget Lease Principal outstanding	2019/20 Budget Lease repayments
					1 July 2020	Leases	Repayments	30 June 2021	Repayments	1 July 2019	Leases	repayments	30 June 2020	repayments	1 July 2019	Leases	repayments	30 June 2020
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Law, order, public safety																		
CESM Vehicle Lease					5,069	0	(5,069)	0	141	27,447	0	(22,378)	5,069	626	0	0	0	0
					5,069	0	(5,069)	0	141	27,447	0	(22,378)	5,069	626	0	0	0	0

SIGNIFICANT ACCOUNTING POLICIES

LEASES

At the inception of a contract, the Shire assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and a lease liability. at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.

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

8. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2020/21 Budget Opening Balance	2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance	2019/20 Actual Opening Balance	2019/20 Actual Transfer to	2019/20 Actual Transfer (from)	2019/20 Actual Closing Balance	2019/20 Budget Opening Balance	2019/20 Budget Transfer to	2019/20 Budget Transfer (from)	2019/20 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Staff Leave	205,731	1,672	(40,527)	166,876	202,295	3,436	0	205,731	202,243	3,478	0	205,721
(b) Building & Infrastructure Furniture, Fittings & IT Equipment & Software	847,541 63,451	106,894 50,516	(350,500) 0	603,935 113,967	906,547 62,391	164,727	(223,733)	847,541 63,451	906,199	165,587	(272,093)	799,693 63,448
(c) Software						1,060	0		62,375	1,073	0	
(d) Plant	433,964	353,501	0	787,465	313,858	428,706	(308,600)	433,964	313,777	425,396	(308,600)	430,573
(e) Health	47,871	389	0	48,260	47,071	800	0	47,871	47,060	810	0	47,870
(f) Swimming Pool	262	2	0	264	258	4	0	262	296	5	0	301
(g) Sustainable Environment	165,520	1,345	0	166,865	162,755	2,765	0	165,520	162,714	2,798	0	165,512
(h) Town Planning & Development	548,624	4,406	(200,000)	353,030	290,735	257,889	0	548,624	290,660	254,999	(155,851)	389,808
(i) Homeswest Joint Venture	5,238	43	0	5,281	5,151	87	0	5,238	5,149	89	0	5,238
(j) Road Infrastructure	425,771	3,448	(120,750)	308,469	284,179	156,551	(14,959)	425,771	284,169	154,886	0	439,055
(k) Rec Centre Multi Purpose Precint	51,986	175,423	0	227,409	51,118	868	0	51,986	51,104	879	0	51,983
(l) Building Renewal	121,416	977	0	122,393	0	121,416	0	121,416	0	120,000	0	120,000
(m) Independent Living	172,006	176,384	0	348,390	0	172,006	0	172,006	0	170,000	0	170,000
	3,089,381	875,000	(711,777)	3,252,604	2,326,358	1,310,315	(547,292)	3,089,381	2,325,746	1,300,000	(736,544)	2,889,202

8. CASH BACKED RESERVES (CONTINUED)

(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) Staff Leave	On Going	To be used to fund future Employee Leave requirements.
(b) Building & Infrastructure	On Going	To be used to Develop and Upgrade Council Infrastructure and Building Assets.
(c) Furniture, Fittings & IT Equipment & Software	On Going	To be used in funding the various furniture, fittings and equipment installed in Council buildings and for the purchase of IT Hardware and Software.
(d) Plant	On Going	To be used to assist in funding the purchase of major plant items.
(e) Health	On Going	To be used to assist in funding the improvement of Medical Services and Facilities.
(f) Swimming Pool	On Going	To be used to assist in funding future major capital/upgrade works at the Quairading Memorial Swimming Pool.
(g) 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.
(h) 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.
(i) 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.
(j) Road Infrastructure	On Going	To be used towards road infrastructure projects including replacement of culverts and bridges.
(k) 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.
(l) Building Renewal	On Going	To be used to fund the maintenance and renewal of Councils Building assets.
(m) Independent Living	On Going	To be used to fund the development of Independent Living Units.

8. 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.

Cash Backed Reserve	Proposed new purpose of the reserve	Objects of changing of the reserve	Reasons for changing the use of the reserve	2020/21 Budget amount to be used	2020/21 Budget amount change of purpose
Furniture, Fittings & IT Equipment & Software	To be used in funding the various furniture, fittings and equipment installed in Council buildings and for the purchase of IT Hardware and Software.	To fund the purchase of furniture, fittings and equipment and IT Hardware and Software	To allow for the purchase of Software	\$ 0	\$ 63,451
				0	63,451

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

9. FEES & CHARGES REVENUE

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
General purpose funding	1,700	5,079	1,700
Law, order, public safety	4,200	3,327	4,200
Health	379	127,204	80,379
Education and welfare	34,053	106,550	118,548
Housing	99,708	93,084	114,426
Community amenities	150,334	147,809	137,834
Recreation and culture	24,765	23,745	24,855
Economic services	125,850	103,389	154,085
Other property and services	100	14,315	25,100
	441,089	624,502	661,127

10. 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		842,014	1,872,886	843,164
Law, order, public safety	18,698	0	(18,698)	0		62,480	42,262	34,884
Health				0		10,000	10,245	33,750
Education and welfare	8,348	0	(8,348)	0		8,000	36,425	51,481
Community amenities				0		17,020	0	24,624
Transport				0		137,540	135,679	135,679
Other property and services				0		17,472	14,618	15,600
	27,046	0	(27,046)	0	0	1,094,526	2,112,115	1,139,182
(b) Non-operating grants, subsidies and contributions								
Law, order, public safety				0		27,310	0	0
Education and welfare				0		146,000	0	0
Housing				0		0	19,089	0
Community amenities				0		0	10,280	30,560
Recreation and culture				0		777,000	115,571	111,467
Transport				0		2,645,739	1,020,709	767,370
Economic services				0		320,000	0	0
	0	0	0	0	0	3,916,049	1,165,649	909,397
Total	27,046	0	(27,046)	0	0	5,010,575	3,277,764	2,048,579

(c) Unspent grants, subsidies and contributions were restricted as follows:

	Budget Closing Balance 30 June 2021	Actual Balance 30 June 2020
Unspent grants, subsidies and contributions	0	27,046
	0	27,046

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

11. 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
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
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

12. OTHER INFORMATION

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	25,000	50,315	40,000
- Other funds	6,000	11,026	16,289
Other interest revenue (refer note 1b)	18,400	28,715	18,100
	49,400	90,056	74,389
(b) Other revenue			
Reimbursements and recoveries	41,885	84,744	276,189
Other	285,388	222,138	0
	327,273	306,882	276,189
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	30,700	22,306	22,700
Other services	3,000	1,500	6,000
	33,700	23,806	28,700
(d) Interest expenses (finance costs)			
Borrowings (refer Note 6(a))	(20,051)	(17,631)	(24,077)
Interest expense on lease liabilities	(141)	(626)	0
	(20,191)	(18,257)	(24,077)
(e) Elected members remuneration			
Meeting fees	33,500	29,742	26,500
Mayor/President's allowance	513	513	513
	34,013	30,255	27,013
(f) Write offs			
General rate	700	15,670	700
	700	15,670	700

13. MAJOR LAND TRANSACTIONS

It is not anticipated the Shire will have any Major Land Transactions 2020/21.

14. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated the Shire will have any Trading Undertakings during 2020/21.

15. INTERESTS IN JOINT ARRANGEMENTS

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

SIGNIFICANT ACCOUNTING POLICIES

INTERESTS IN JOINT ARRANGEMENTS

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire of Quairading's interests in the assets liabilities revenue and expenses of joint operations are included in the respective line items of the financial statements.

16. 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 30 June 2020	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2021
	\$	\$	\$	\$
Police Licencing	9,696	394,712	(400,509)	3,899
	9,696	394,712	(400,509)	3,899

17. 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.