



# BUDGET

## 2019-2020



# CHIEF EXECUTIVE OFFICER'S REPORT

(EXTRACT SPECIAL COUNCIL MEETING - MINUTES 27/08/2019)

## ITEM 3.1 2019/2020 ANNUAL BUDGET

<b>Proponent</b>	Shire of Woodanilling
<b>Owner</b>	
<b>Location/Address</b>	
<b>Author of Report</b>	Stephen Gash CEO
<b>Date of Meeting</b>	26/08/2019
<b>Previous Reports</b>	
<b>Disclosure of any Interest</b>	Nil
<b>File Reference</b>	17.1.1
<b>Attachments</b>	2019/20 Draft Budget (under separate cover)

### BRIEF SUMMARY

To adopt Council's 2019/2020 Annual Budget.

### BACKGROUND

The first Draft was presented to the July Audit Committee and Council briefing on Tuesday 23/07/2019. The final draft was considered by the Audit Committee on 20 August 2019 where it resolved to recommend adoption by Council at a Special Council Meeting on 27 August 2019.

### STATUTORY/LEGAL IMPLICATIONS

Section 6.2 of the Local Government Act 1995 provides for the adoption of the budget.

### POLICY IMPLICATIONS

"Significant Accounting Policies" are relevant and have been reviewed as part of the budget adoption process.

### FINANCIAL IMPLICATIONS

The 2019/2020 budget proposes a balanced position (\$0 surplus/deficit) funded by:

- 4% increase in total rate yield
- Carried forward surplus of \$1,080,167 from 2018/19 which included 50% advance payment of financial assistance grants.

Key expenditure items include:

- \$876,214 in capital renewal including:
  - \$773,934 in roads and drainage including resealing parts of Robinson West Rd, Oxley Rd, Cartmeticup Rd, shoulder reinstatement on Robinson West Rd, gravel re-sheeting part of Youngs Rd, part of Ashwell Rd, and stabilising part of Harvey Rd.  
Drainage reinstatement work will be done on McDonald Rd, Cartmeticup Rd, and Watson Rd and improvements made to town drainage to address localised flooding risks.
  - \$20,814 is proposed for footpath reinstatement and infill
  - \$81,466 in property, plant and equipment including the replacement of one vehicle, purchase of a second hand forklift, renewal of town entry signs, and rewiring the hall to take a back-up emergency generator.
- Maintaining similar levels of road and building maintenance to previous years with road tree pruning nominated for Griffiths Rd, Flagstaff Rd, River Rd, and parts of several other roads to be allocated through the year.

- Reinstatement of \$627,336 in cash reserves.

### **STRATEGIC IMPLICATIONS**

The Budget has been drafted with regard to the Strategic Community Plan, Corporate Business Plan and the informing strategies. The Strategic Community Plan will be reviewed by the new Council following the October 2019 elections.

### **CONSULTATION/COMMUNICATION**

Consultation has occurred during the Council process with relevant committee's and community groups.

### **RISK MANAGEMENT**

The 2019/2020 rating process no longer includes differential rating to streamline compliance and timing of approvals previously required for differential rating. It is noted differential rating was imposed to address disparity with five assessments A289, A290, A291, A294, and A437 differentially rated as 'urban farm' that can now achieve the same rate through granting of concession of 50% of the gross rental value.

In considering the budget the Audit Committee have had regard to the financial performance ratios and trends noted by the Office of the Auditor General, specifically the Operating Surplus and Own Source Revenue Coverage ratios from 2015 to 2018.

The 2019/2020 budget is the first in several years that has limited abnormal items such as flood damage works. This impacts on the financial performance ratios of the Shire and makes it difficult to compare trends of the true operating position. Therefore the 2019/2020 budget will be used as the baseline for sustainable operating position and long term financial planning moving forward.

In addition to pursuing operating cost efficiencies, the Council will review its holding costs of low utilisation plant vs hiring machines, and opportunities for revenue growth and resource sharing over the next 12 months to generate more surplus from operations to fund capital renewal.

### **COMMENT**

The 2019/2020 budget includes key works identified in the financial implications section of this report but also seeks to maintain all other services at existing levels with a business as usual approach.

Fees and charges proposed for the budget are largely unchanged except where statutory increases are required. A new fee structure has also been implemented for per person charges for group fitness use of some facilities, where the level of set fee in the past may have discouraged small groups.

Councillor fees are intended to be kept at the 2018/19 level and any adjustment to timing or fees donated/ foregone will be adjusted at the budget review.

### **VOTING REQUIREMENTS**

**Absolute** Majority

#### **COUNCIL DECISION & COMMITTEE RECOMENDATION– ITEM 3.1 2019/2020 DRAFT BUDGET REPORT**

Moved Cr Douglas seconded Cr Morrell

That council:

In accordance with the provisions of Section 6.2 of the Local Government Act 1995, Council adopts the budget for the financial year ending 30 June 2020, including the published fees and charges, as presented.

Impose the following rates on all rateable property in the Shire of Woodanilling for the 2019/2020 financial year:

#### **General Rates:**

Gross Rental Valued Properties – rate in the dollar = 11.4403 cents in the dollar

Unimproved Valued Properties – rate in the dollar= 0.5787 cents in the dollar

Minimum Rates All Properties        \$390 pa

**Concessions**

Grant a concession of 50% of the rate imposed for properties rated “gross rental value” to properties which are zoned “Local Rural” and are currently run as an operational farm in conjunction with land zoned “Regional Rural” and rated “unimproved value”.

**Rubbish Collection Charges**

Impose the following rubbish rate for all homes and businesses in the rubbish collection district for the 2019/2020 financial year:

Domestic/Commercial (includes recycling)

Once a week single bin pickup = \$325pa for each pickup of

Each bin in addition to the once a week service = \$162.50 pa

**Rate Instalments – Payment Options**

In accordance with the provisions of Section 6.45(1) of the Local Government Act 1995, offers to ratepayers the opportunity to pay rates and rubbish charges in instalments as follows:

Four (4) instalments due on 35 days from date of issue

06/12/2019

07/02/2020

16/04/2020

Two (2) instalments due on 35 days from date of issue

07/02/2020

**Fee for Rate Instalments**

In accordance with the provisions of Section 6.45(3) and (4) of the Local Government Act 1995 and Regulations 67 and 68 of the Local Government (Financial Management) Regulations 1996, impose the following charges for ratepayers electing to pay by instalments:

Administration Fee = \$5.00 per instalment

Interest charge = 5.5% (Calculated on simple interest basis from date of first instalment to the due date of each subsequent instalment)

**Interest on Outstanding Rates**

That in accordance with the provisions of Section 6.51 of the Local Government Act 1995 and Regulations 70 and 71 of the Local Government (Financial Management) Regulations 1996, impose interest on outstanding rates and service charges as follows:

On outstanding rates and service charges where no Instalment election has been made: 11%

(Imposed from the due date until the day before the day on which a payment is received by the local government.)

On outstanding instalments of rates and service charges = 11% (Imposed from when each instalment becomes due and payable) On other monies owing to Council = 11% (Imposed after a period of 35 days from the date issued.)

NOTE: Interest on outstanding rates is in addition to any Instalment interest that may be applicable.

**Discount closing dates:**

Offers to its ratepayers a discount of 5.0% on general rates only, on the condition that all rates (including Rubbish Rates & FESA Levy) and arrears are paid in full on or before 35 days from date of issue.

In addition Council provides a 50% discount on general rates only to Lots 32, 33, 34, 35 & 38 DP 223222, Quartermaine & Shenton Roads, Woodanilling, and Lots 2, 3 & 4 DP 227523 Albany Highway due to Planning restrictions on these lots. This does not apply to any other monies owing to the Council.

**CARRIED BY AN ABSOLUTE MAJORITY 5/0**

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

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**SHIRE'S VISION**

The Shire will endeavour to provide community services and facilities to meet the needs of members of the community and enable them to enjoy a pleasant and healthy way of life.



**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)	768,499	736,579	745,915
Operating grants, subsidies and contributions	9	541,225	1,843,746	2,701,435
Fees and charges	8	456,973	402,368	350,235
Interest earnings	10(a)	8,664	5,700	17,400
Other revenue	10(b)	178,757	4,238	600
		1,954,118	2,992,631	3,815,585
<b>Expenses</b>				
Employee costs		(1,011,434)	(1,105,103)	(1,071,875)
Materials and contracts		(632,218)	(1,365,896)	(2,720,270)
Utility charges		(42,373)	(83,977)	(41,175)
Depreciation on non-current assets	5	(978,337)	(838,898)	(972,390)
Insurance expenses		(96,747)	(75,875)	(69,335)
Other expenditure		(320,296)	(313,728)	(148,975)
		(3,081,405)	(3,783,477)	(5,024,020)
<b>Subtotal</b>		(1,127,287)	(790,846)	(1,208,435)
Non-operating grants, subsidies and contributions	9	556,333	121,600	259,200
Loss on asset disposals	4(b)	(875)	(11,385)	0
		555,458	110,215	259,200
<b>Net result</b>		<b>(571,829)</b>	<b>(680,631)</b>	<b>(949,235)</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>(571,829)</b>	<b>(680,631)</b>	<b>(949,235)</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 Woodanilling 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 13 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 15.

**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		8,200	153	11,700
General purpose funding		1,216,966	1,580,587	1,163,830
Law, order, public safety		34,910	71,989	231,175
Health		750	420	725
Education and welfare		113,500	64,079	91,920
Housing		19,300	6,858	30,340
Community amenities		32,850	30,824	32,850
Recreation and culture		2,250	2,079	1,100
Transport		367,102	1,107,267	2,185,445
Economic services		64,150	47,190	22,500
Other property and services		94,140	81,185	44,000
		1,954,118	2,992,631	3,815,585
<b>Expenses excluding finance costs</b>	5,10(c)(d)(e)(f)			
Governance		(229,142)	(360,743)	(208,225)
General purpose funding		(16,086)	(25,352)	(19,700)
Law, order, public safety		(159,529)	(184,131)	(324,315)
Health		(38,737)	(37,796)	(37,900)
Education and welfare		(44,434)	(41,645)	(43,180)
Housing		(62,010)	(72,885)	(93,875)
Community amenities		(134,226)	(128,880)	(137,985)
Recreation and culture		(147,746)	(200,260)	(141,850)
Transport		(2,183,892)	(2,594,466)	(3,930,590)
Economic services		(50,232)	(62,555)	(44,200)
Other property and services		(15,371)	(74,764)	(42,200)
		(3,081,405)	(3,783,477)	(5,024,020)
<b>Subtotal</b>		(1,127,287)	(790,846)	(1,208,435)
Non-operating grants, subsidies and contributions	9	556,333	121,600	259,200
(Loss) on disposal of assets	4(b)	(875)	(11,385)	0
		555,458	110,215	259,200
<b>Net result</b>		<b>(571,829)</b>	<b>(680,631)</b>	<b>(949,235)</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>(571,829)</b>	<b>(680,631)</b>	<b>(949,235)</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****ACTIVITIES****GOVERNANCE**

Members of Council, civic reception, functions, public relations, electoral requirements and administration

Members of Council  
Administration

**GENERAL PURPOSE FUNDING**

Rates, general purpose revenue

Rates  
General purpose revenue

**LAW, ORDER, PUBLIC SAFETY**

Supervision of various by-laws, fire prevention and animal control

Fire prevention  
Animal control  
Other

**HEALTH**

Food control, meat inspection, water testing and health inspection services

Preventative services  
Community health  
Other

**EDUCATION AND WELFARE**

Well aged housing and services for youth and aged

Disability access and inclusion  
Care of senior citizens

**HOUSING**

Staff housing

Staff housing

**COMMUNITY AMENITIES**

Refuse site, cemetery and public conveniences

Sanitation  
Storm water drainage  
Town planning  
Protection of environment  
Other

**RECREATION AND CULTURE**

Maintenance of halls, parks, gardens and ovals, library and heritage

Public halls  
Swimming areas  
Libraries  
Other

**TRANSPORT**

Road construction and maintenance, footpaths and traffic signs

Road construction  
Road maintenance  
Road plant purchases  
Transport licensing agency

**ECONOMIC SERVICES**

Area promotion, pest control, building control

Rural services  
Tourism  
Building control  
Other

**OTHER PROPERTY AND SERVICES**

Private works, public works overheads and plant operation

Private works  
Public works overheads  
Plant operation costs  
Stock control  
Salaries and wages

**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		768,499	725,224	745,915
Operating grants, subsidies and contributions		541,225	2,537,981	3,287,470
Fees and charges		456,973	402,368	350,235
Interest earnings		8,664	5,700	17,400
Goods and services tax		67,133	197,280	0
Other revenue		178,757	4,238	600
		2,021,251	3,872,791	4,401,620
<b>Payments</b>				
Employee costs		(1,011,434)	(1,105,103)	(1,071,875)
Materials and contracts		(431,467)	(1,549,272)	(2,720,270)
Utility charges		(42,373)	(83,977)	(41,175)
Insurance expenses		(96,747)	(75,875)	(69,335)
Goods and services tax		(67,133)	(197,280)	0
Other expenditure		(320,296)	(313,728)	(148,975)
		(1,969,450)	(3,325,235)	(4,051,630)
<b>Net cash provided by (used in) operating activities</b>	3	51,801	547,556	349,990
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	4(a)	(81,466)	(305,832)	(311,835)
Payments for construction of infrastructure	4(a)	(794,748)	(251,727)	(328,622)
Non-operating grants, subsidies and contributions used for the development of assets	9	556,333	121,600	259,200
Proceeds from sale of plant & equipment	4(b)	16,000	31,500	39,370
<b>Net cash provided by (used in) investing activities</b>		(303,881)	(404,459)	(341,887)
<b>Net increase (decrease) in cash held</b>		(252,080)	143,097	8,103
Cash at beginning of year		1,208,740	1,065,643	1,063,663
<b>Cash and cash equivalents at the end of the year</b>	3	<b>956,660</b>	<b>1,208,740</b>	<b>1,071,766</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)	1,080,167	1,292,687	1,227,678
		1,080,167	1,292,687	1,227,678
<b>Revenue from operating activities (excluding rates)</b>				
Governance		8,200	153	11,700
General purpose funding		448,467	844,008	417,915
Law, order, public safety		34,910	71,989	231,175
Health		750	420	725
Education and welfare		113,500	64,079	91,920
Housing		19,300	6,858	30,340
Community amenities		32,850	30,824	32,850
Recreation and culture		2,250	2,079	1,100
Transport		367,102	1,107,267	2,185,445
Economic services		64,150	47,190	22,500
Other property and services		94,140	81,185	44,000
		1,185,619	2,256,052	3,069,670
<b>Expenditure from operating activities</b>				
Governance		(229,142)	(361,324)	(208,225)
General purpose funding		(16,086)	(25,352)	(19,700)
Law, order, public safety		(159,529)	(184,131)	(324,315)
Health		(38,737)	(39,066)	(37,900)
Education and welfare		(44,434)	(41,645)	(43,180)
Housing		(62,010)	(72,885)	(93,875)
Community amenities		(134,226)	(128,880)	(137,985)
Recreation and culture		(147,746)	(200,260)	(141,850)
Transport		(2,184,767)	(2,604,000)	(3,930,590)
Economic services		(50,232)	(62,555)	(44,200)
Other property and services		(15,371)	(74,764)	(42,200)
		(3,082,280)	(3,794,862)	(5,024,020)
Non-cash amounts excluded from operating activities	2 (b)(ii)	979,212	850,283	972,390
<b>Amount attributable to operating activities</b>		162,718	604,160	245,718
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	9	556,333	121,600	259,200
Purchase property, plant and equipment	4(a)	(81,466)	(305,832)	(311,835)
Purchase and construction of infrastructure	4(a)	(794,748)	(251,727)	(328,622)
Proceeds from disposal of assets	4(b)	16,000	31,500	39,370
<b>Amount attributable to investing activities</b>		(303,881)	(404,459)	(341,887)
<b>FINANCING ACTIVITIES</b>				
Transfers to cash backed reserves (restricted assets)	7(a)	(627,336)	(552,080)	(806,738)
Transfers from cash backed reserves (restricted assets)	7(a)	0	775,367	107,800
<b>Amount attributable to financing activities</b>		(627,336)	223,287	(698,938)
<b>Budgeted deficiency before general rates</b>		(768,499)	422,988	(795,107)
<b>Estimated amount to be raised from general rates</b>	1	768,499	736,579	745,915
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2 (b)(i)	0	1,159,567	(49,192)

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>General rate</b>									
<b>Gross rental valuations</b>									
GRV	0.114403	99	879,552	100,623	0	0	100,623	95,735	99,229
<b>Unimproved valuations</b>									
UV	0.005787	196	117,131,000	677,837	0	0	677,837	648,136	655,561
<b>Sub-Totals</b>		295	118,010,552	778,460	0	0	778,460	743,871	754,790
<b>Minimum</b>									
<b>Minimum payment</b>									
	\$								
<b>Gross rental valuations</b>									
GRV	390	66	99,595	25,740	0	0	25,740	19,500	19,500
<b>Unimproved valuations</b>									
UV	390	18	699,770	7,020	0	0	7,020	5,625	5,625
<b>Sub-Totals</b>		84	799,365	32,760	0	0	32,760	25,125	25,125
		379	118,809,917	811,220	0	0	811,220	768,996	779,915
Discounts (Refer note 1(e))							(36,742)	(32,417)	(34,000)
Concessions (Refer note 1(f))							(7,425)	0	0
Ex-gratia rates							1,446	0	0
<b>Total amount raised from general rates</b>							768,499	736,579	745,915

All land (other than exempt land) in the Shire of Woodanilling is rated according to its Gross Rental Value (GRV) for non-rural properties or Unimproved Value (UV) in the remainder of the Shire of Woodanilling.

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>				
35 days from notice	3/10/2019	0	0.0%	11.0%
<b>Option two</b>				
Instalment one	3/10/2019	0	0.0%	11.0%
Instalment two	7/02/2020	5	5.5%	11.0%
<b>Option three</b>				
Instalment one	3/10/2019	0	0.0%	11.0%
Instalment two	6/12/2019	5	5.5%	11.0%
Instalment three	7/02/2020	5	5.5%	11.0%
Instalment four	16/04/2020	5	5.5%	11.0%

	2019/20 Budget revenue	2018/19 Actual revenue	2018/19 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	500	842	600
Instalment plan interest earned	926	854	900
Unpaid rates and service charge interest earned	7,203	3,079	7,000
	8,629	4,775	8,500

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

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

**(c) Specified Area Rate**

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

**(d) Service Charges**

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

**(e) Rates discounts**

Rate or fee to which discount is granted	Discount %	Discount (\$)	2019/20 Budget	2018/19 Actual	2018/19 Budget	Circumstances in which discount is granted
General Rates	5%		\$ 36,742	\$ 32,417	\$ 34,000	All rates and charges paid in full within 35 days of issue. In addition Council provides a 50% discount on general rates only to lots 32,33,34,35 & 38 DP 223222, Quartermaine and Shenton Roads, Woodanilling, and lots 2,3 & 4 DP 227523 Albany Highway due to planning restrictions on these lots.
			36,742	32,417	34,000	

**(f) Waivers or concessions**

Rate or fee and charge to which the waiver or concession is granted	Type	Discount %	Discount (\$)	2019/20 Budget	2018/19 Actual	2018/19 Budget	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
GRV Urban farm	Concession	50.0%		\$ 7,425	\$ 0	\$ 0	0 Assessments being land zoned "local rural" adjacent to land zoned "regional rural" that is currently being run as an operational farm that would otherwise be rated on unimproved land.	In moving from differential rates to general rates, resulting in unimproved land being rated.
				7,425	0	0		



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

2 (a). NET CURRENT ASSETS

		2019/20 Budget	2019/20 Budget	2018/19 Estimated Actual	2018/19 Budget
	Note	30 June 2020	01 July 2019	30 June 2019	30 June 2019
		\$	\$	\$	\$
<b>Composition of estimated net current assets</b>					
<b>Current assets</b>					
Cash - unrestricted	3	328,444	1,207,860	1,207,860	40,861
Cash - restricted reserves	3	628,216	880	880	1,030,905
Receivables		250,947	250,947	250,947	81,652
Inventories		18,904	18,904	18,904	15,887
		1,226,511	1,478,591	1,478,591	1,169,305
<b>Less: current liabilities</b>					
Trade and other payables		(456,668)	(176,517)	(176,517)	(29,467)
Contract liabilities		0	(79,400)	0	
Provisions		(141,627)	(141,627)	(141,627)	(158,125)
		(598,295)	(397,544)	(318,144)	(187,592)
<b>Net current assets</b>		628,216	1,081,047	1,160,447	981,713

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	628,216	1,081,047	1,160,447	981,713
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	(628,216)	(880)	(880)	(1,030,905)
<b>Adjusted net current assets - surplus/(deficit)</b>		0	1,080,167	1,159,567	(49,192)
<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>					
Add: Loss on disposal of assets	4(b)	875	11,385	11,385	0
Add: Change in accounting policies	15	0	79,400	0	0
Add: Depreciation on assets	5	978,337	838,898	838,898	972,390
<b>Non cash amounts excluded from operating activities</b>		979,212	929,683	850,283	972,390

(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 15 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 Woodanilling 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 Woodanilling contributes to a number of superannuation funds on behalf of employees.

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

**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:

	<b>2019/20 Budget</b>	<b>2018/19 Actual</b>	<b>2018/19 Budget</b>
	\$	\$	\$
Cash - unrestricted	328,444	1,207,860	40,861
Cash - restricted	628,216	880	1,030,905
	<b>956,660</b>	<b>1,208,740</b>	<b>1,071,766</b>
The following restrictions have been imposed by regulation or other externally imposed requirements:			
Plant replacement reserve	448,391	628	566,163
Building reserve	42,036	59	40,500
Affordable housing reserve	102,177	143	59,682
Office equipment reserve	14,012	20	23,018
Recreation reserve	0	0	127,979
Road construction reserve	21,600	30	213,563
	<b>628,216</b>	<b>880</b>	<b>1,030,905</b>
<b>Reconciliation of net cash provided by operating activities to net result</b>			
<b>Net result</b>	<b>(571,829)</b>	<b>(680,631)</b>	<b>(949,235)</b>
Depreciation	978,337	838,898	972,390
(Profit)/loss on sale of asset	875	11,385	0
(Increase)/decrease in receivables	0	682,880	586,035
(Increase)/decrease in inventories	0	(2,694)	0
Increase/(decrease) in payables	200,751	(180,682)	0
Increase/(decrease) in contract liabilities	(79,400)	0	0
Change in accounting policies transferred to retained surplus (refer to Note 15)	79,400	0	0
Grants/contributions for the development of assets	(556,333)	(121,600)	(259,200)
<b>Net cash from operating activities</b>	<b>51,801</b>	<b>547,556</b>	<b>349,990</b>

#### SIGNIFICANT ACCOUNTING POLICES

##### CASH AND CASH EQUIVALENTS

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

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

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 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	Other property and services			
Asset class	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>							
Buildings - non-specialised	0	10,000	0	0	10,000	72,622	70,065
Furniture and equipment	14,966	0	0	0	14,966	47,400	47,400
Plant and equipment	0	0	16,500	40,000	56,500	185,810	194,370
	14,966	10,000	16,500	40,000	81,466	305,832	311,835
<i>Infrastructure</i>							
Roads	0	0	768,873	0	768,873	251,727	328,622
Footpaths	0	0	20,814	0	20,814	0	0
Drainage	0	0	5,061	0	5,061	0	0
	0	0	794,748	0	794,748	251,727	328,622
<b>Total acquisitions</b>	14,966	10,000	811,248	40,000	876,214	557,559	640,457

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

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	581	0	0	(581)	0	0	0	0
Health	0	0	0	0	1,270	0	0	(1,270)	0	0	0	0
Transport	16,875	16,000	0	(875)	41,034	31,500	0	(9,534)	39,370	39,370	0	0
	16,875	16,000	0	(875)	42,885	31,500	0	(11,385)	39,370	39,370	0	0
<b>By Class</b>												
<u>Property, Plant and Equipment</u>												
Furniture and equipment	0	0	0	0	581	0	0	(581)	0	0	0	0
Plant and equipment	16,875	16,000	0	(875)	42,304	31,500	0	(10,804)	39,370	39,370	0	0
	16,875	16,000	0	(875)	42,885	31,500	0	(11,385)	39,370	39,370	0	0

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

- Staff housing programme
- Plant replacement programme



**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
Education and welfare
Housing
Community amenities
Recreation and culture
Transport
Other property and services

### By Class

Buildings - non-specialised
Furniture and equipment
Plant and equipment
Roads
Footpaths
Parks and ovals

2019/20 Budget	2018/19 Actual	2018/19 Budget
\$	\$	\$
23,884	30,514	23,210
36,504	49,388	35,475
31,261	26,208	30,380
12,984	14,950	13,605
3,637	3,034	3,535
16,470	58,793	16,005
673,208	399,568	654,235
180,389	256,443	195,945
978,337	838,898	972,390
65,574	56,228	65,175
11,953	10,249	11,880
244,637	209,770	243,150
644,432	552,584	640,515
9,291	7,967	9,235
2,450	2,100	2,435
978,337	838,898	972,390

## 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:

Buildings - non-specialised	30-50 years
Furniture and equipment	4-10 years
Plant and equipment	5-15 years
Roads	25-50 years
Footpaths	20 years
Parks and ovals	25 years
Drainage	75 years

### 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 2020**

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

**(a) Borrowing repayments**

The Shire has not budgeted to have any borrowings for the year ended 30th June 2020 and did not have or budget to have any borrowings for the year ended 30th June 2019

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

The Shire does not intend to undertake any new borrowings for the year ended 30th June 2020

**(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.

**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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant replacement reserve	628	447,763	0	448,391	160,000	286,628	(446,000)	628	160,000	406,163	0	566,163
Building reserve	59	41,977	0	42,036	15,000	20,859	(35,800)	59	15,000	25,500	0	40,500
Affordable housing reserve	143	102,034	0	102,177	36,460	31,343	(67,660)	143	36,460	23,222	0	59,682
Office equipment reserve	20	13,992	0	14,012	5,000	10,420	(15,400)	20	5,000	18,018	0	23,018
Recreation reserve	0	0	0	0	0	62,400	(62,400)	0	0	127,979	0	127,979
Road construction reserve	30	21,570	0	21,600	7,707	140,430	(148,107)	30	7,707	205,856	0	213,563
Unspent grants reserve	0	0	0	0	0	0	0	0	107,800	0	(107,800)	0
	880	627,336	0	628,216	224,167	552,080	(775,367)	880	331,967	806,738	(107,800)	1,030,905

### (b) Cash Backed Reserves - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve
Plant replacement reserve	As per plant replacement program	To be used to fund the net cost of plant and equipment purchases as determined in the 10 year Plant Replacement Program.
Building reserve	As per building plan	To be used to meet requirements for providing new buildings for Council purposes, other than affordable housing or recreational facilities, or for major maintenance.
Affordable housing reserve	As per building plan	To be used to meet requirements for affordable housing, either new or major upgrades into the future.
Office equipment reserve	As required	To be used for the purchase of office equipment and future computer upgrades.
Recreation reserve	As required	To be used to fund capital improvements at recreational facilities, including sporting facilities or halls.
Road construction reserve	As required	To be used to fund road construction projects within the Woodanilling Shire, or to leverage additional funding.
Unspent grants reserve	1/07/2020	To be used to record unexpended tied grants.

**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	2,200	31	4,200
General purpose funding	1,900	1,940	1,300
Law, order, public safety	5,073	6,586	4,800
Health	750	420	725
Education and welfare	51,500	54,749	49,920
Housing	17,800	6,050	27,840
Community amenities	32,850	30,825	32,850
Recreation and culture	2,250	2,079	1,100
Transport	265,000	243,230	187,500
Economic services	64,150	47,191	21,500
Other property and services	13,500	9,267	18,500
	<b>456,973</b>	<b>402,368</b>	<b>350,235</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	181	7,500
General purpose funding	436,286	835,723	398,615
Law, order, public safety	29,837	66,216	226,375
Education and welfare	0	9,330	42,000
Housing	0	808	2,500
Transport	75,102	858,944	1,997,945
Other property and services	0	72,544	25,500
	<b>541,225</b>	<b>1,843,746</b>	<b>2,700,435</b>

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

Recreation and culture	0	0	52,550
Transport	556,333	121,600	206,650
	<b>556,333</b>	<b>121,600</b>	<b>259,200</b>

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

**10. OTHER INFORMATION**

**The net result includes as revenues**

**(a) Interest earnings**

Investments

- Reserve funds

- Other funds

Other interest revenue (refer note 1b)

**(b) Other revenue**

Reimbursements and recoveries

Other

**The net result includes as expenses**

**(c) Auditors remuneration**

Audit services

Other services

**(d) Elected members remuneration**

Meeting fees

President's allowance

Deputy President's allowance

Travelling expenses

Conferences

**(e) Write offs**

General rate

**(f) Low Value lease expenses**

Office equipment

	<b>2019/20 Budget</b>	<b>2018/19 Actual</b>	<b>2018/19 Budget</b>
	\$	\$	\$
	515	712	9,000
	20	1,055	500
	8,129	3,933	7,900
	8,664	5,700	17,400
	178,140	4,238	600
	617	0	0
	178,757	4,238	600
	29,800	28,000	28,000
	0	1,414	0
	29,800	29,414	28,000
	3,500	2,842	27,300
	11,850	10,863	7,000
	9,875	10,863	4,000
	1,050	2,842	0
	0	4,566	4,500
	26,275	31,976	42,800
	0	1,509	0
	0	1,509	0
	5,000	0	0
	5,000	0	0

**SIGNIFICANT ACCOUNTING POLICIES**

**LEASES**

At inception of a contract, an entity shall assess 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 lessee shall recognise a right-of-use asset and a lease liability.

At the commencement date, a lessee shall measure the right-of-use asset at cost.

**LEASES (CONTINUED)**

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

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

**11. MAJOR LAND TRANSACTIONS, TRADING UNDERTAKINGS**

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

**12. INTERESTS IN JOINT ARRANGEMENTS**

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**

**13. TRUST FUNDS**

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

<b>Detail</b>	<b>Balance 1 July 2019</b>	<b>Estimated amounts received</b>	<b>Estimated amounts paid</b>	<b>Estimated balance 30 June 2020</b>
	\$	\$	\$	\$
Unclaimed monies	280	0	0	280
Nomination fees	0	240	(240)	0
LGIS insurance rebate	21,553	0	(21,553)	0
	21,833	240	(21,793)	280

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

**14. 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 15.

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

**15. 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.

**REVENUE FROM CONTRACTS WITH CUSTOMERS**

The Shire of Woodanilling adopted AASB 15 on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the Shire of Woodanilling 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 liabilities - current			
Unspent grants, contributions and reimbursements	0	46,400	46,400
Adjustment to retained surplus from adoption of AASB 15		(46,400)	

**LEASES**

On adoption of AASB 16, for leases which had previously been classified as an 'operating lease' when applying AASB 117, the Shire of Woodanilling 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**

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

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

The Shire of Woodanilling 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 Woodanilling 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 no changes occurred to the 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	456,668	33,000	489,668
Adjustment to retained surplus from adoption of AASB 1058		(33,000)	

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 Woodanilling. When the taxable event occurs the financial liability is extinguished and the Shire of Woodanilling 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 Woodanilling 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.

Volunteer Services in relation to Volunteer Fire Services have not been recognised in budgeted revenue and budgeted expenditure as the fair value of the services can not be reliably estimated and the services would have not been purchased if they had not been donated.

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

	2019
	\$
Retained surplus - 30/06/2019	13,718,140
Adjustment to retained surplus from adoption of AASB 15	(46,400)
Adjustment to retained surplus from adoption of AASB 1058	(33,000)
Retained surplus - 01/07/2019	13,638,740

**SCHEDULE OF FEES & CHARGES 2019/2020**

**ALL FEES ARE QUOTED GST INCLUSIVE UNLESS OTHERWISE STATED**

<b>FACILITIES CHARGES</b>		<b>2019/2020</b>
<b>Woodanilling Hall/Council Chambers</b>		
Hall Hire - Casual	9 - 24 hours	\$66.00
Hall Hire - Funeral (incl set up & pack up)		\$220.00
Meetings/Day Rate - Main Hall	1-8 hours	\$22.00
Hall Kitchen only	1 - 24 hours	\$11.00
Service of Alcohol Fee		\$38.50
Bond – refundable – to be paid 14 days in advance ( <b>GST Not applicable</b> )		\$220.00
Council Chambers (Councillor or staff member must be present) Mon-Fri only	1-8 hours	\$66.00
<b>Woodanilling Oval &amp; Buildings - Day Rates (users other than Groups affiliated with the WSRA Inc)</b>		
Individual use fees (Group sessions ie Yoga, pilates etc)	per person	\$5.00
Casual Hirers - Ground Hire (access to ablutions only)	24 hours	\$132.00
Casual Hirers - Pavilion and Rec Shed (no use of grounds)	24 hours	\$192.50
Casual Hirers - Grounds and buildings	24 hours	\$324.50
Casual Hirers - Grounds and buildings	Per ½ day (4 hours)	\$162.25
Casual Hirers - Grounds and buildings	Per hour	\$40.70
Pavilion Hire - Funeral (incl set up & packup)		\$385.00
Service of Alcohol Fee		\$42.35
Trestle Tables, Bain Marie, Crockery/Cutlery	Included in casual hirers fees	Not for separate hire
Chairs & Tables-old (at Kenmare Hall) Note: New chairs not to leave facility		free
Bond – refundable – to be paid 14 days in advance ( <b>GST not applicable</b> )		\$400.00
Cleaning fee (may be charged if special cleaning required after use)	May be paid in advance	\$330.00
Tennis Courts	Per ½ day or part thereof	\$11.00
<b>RV Camping as per Council Policy</b>		
Woodanilling Recreation Grounds	RV Friendly site (Dump site available)	\$5.00
Queerearrup Lake		Free
<b>Affiliated WSRA Inc Clubs – Complex Annual Charge (Applicable to operating Clubs only)</b>		
<b>Charges are based on average number of days required during the year. This includes training, competitions, meetings or social gatherings.</b>		
	Up to 1 day per week (half year only)	\$130.00
	> 1 day per week (half year only)	\$260.00
	> 2 days per week (half year only)	\$390.00
	Up to 1 day per week (full year)	\$260.00
	Occasional use (< than 9 times per year)	\$45.00
	<b>(The above is based on \$5 per use)</b>	
<b>ADMINISTRATION &amp; OTHER COUNCIL PROPERTIES</b>		
<b>Sale of Water</b>		
As per cost recovery		
Keycard - first card		\$25.00
Keycard - replacement card		\$30.00
<b>Photocopying</b>		
A3/A4 Black & White	per copy	\$0.50
A3/A4 Colour	per copy	\$0.70
<b>Scan &amp; Email</b>		
Outgoing	per document	\$2.00
<b>Laminating</b>		
A4	per page	\$5.50
A3	per page	\$9.90
<b>Binding</b>		
Spiral binding of documents	per document	\$5.50
<b>Rate Enquiry</b>		
Detailed – per assessment		\$77.00
<b>Other</b>		
Special Series Number Plates	each	DOT Cost + \$75.00
Historical Photos on USB memory stick	Postage extra as per current cost	\$12.00
Bushfire Maps		\$22.00
<b>ANIMAL CONTROL</b>		
<b>Dog &amp; Cat Registration Fees:</b>		
All fees & charges relating to dog registration and control are adopted pursuant to the Dog Act and Cat Act, and relevant Regulations and Local Laws		
Pound Fee	per day	\$20.00
Impound and release fee		\$70.00
Surrender of Dog or Cat		\$55.00
<b>Misc Fees relating to Animal Control</b>		
Application fee to keep more than two (2) dogs	Application & Renewal charge	\$200.00
<b>CEMETERY</b>		
All fees & charges relating to the Woodanilling Cemetery are adopted pursuant to the Cemeteries Act 1986, and relevant Regulations All fees and charges are inclusive of 10% GST (except where shown exempt)		
Right of Burial - Renewal		\$50.00
Right of Burial - Transfer		\$50.00

**SCHEDULE OF FEES & CHARGES 2019/2020**

**ALL FEES ARE QUOTED GST INCLUSIVE UNLESS OTHERWISE STATED**

Land for Graves		
Land 2.4m x 1.2m		\$490.00
Land 2.4m x 2.4m (2 plots alongside each other)		\$980.00
<b>Interment Fees (Sinking Fees)</b>		
Ordinary Adult Grave		\$820.00
Ordinary Child Grave (under 12 years)		\$540.00
Hand dug grave to 1.8m		\$1,320.00
Grave to be sunk deeper than 1.8m (max 2.4m)		
- Machine or hand dug per additional 300mm or part thereof (Min \$230)		\$230.00
Stillborn Child Grave		\$405.00
Reopening Fees for interment in existing grave		\$1,610.00
Placement of ashes in family grave (300mm depth)		\$230.00
<b>Re-opening Fees for Exhumation</b>		
	Service not offered - contact	
	Metropolitan Cemeteries Board	
	for details	N/A
<b>Additional Cemetery Charges</b>		
Interment without due notice (2 days)		\$440.00
- Monday to Friday		\$275.00
- Saturdays, Sundays and Public Holidays		\$525.00
Hire of equipment (wheelbarrow & shovels for filling in grave)		Free
<b>Niche Wall Charges</b>		
Double Niche		\$340.00
Double Niche - pre-need purchase		\$170.00
Double Niche - re-open		\$170.00
Single Niche		\$250.00
Single Niche - pre-need purchase		\$125.00
Attendance of placement of ashes		\$80.00
<b>Memorial Plaques</b>		
Administration Fees to arrange -		
- Single Memorial Plaque with Standard Inscription		\$70.00
- Double Memorial Plaque with Standard Inscription		\$70.00
- Second Inscription on Double memorial Plaque		\$70.00
<i>Note: Cost of Freight and the Plaque shall be paid by the purchaser.</i>		
<b>Cemetery Licences</b>		
Licence to erect a Headstone and/or kerbing		\$40.00
Licence to erect a Monument		\$40.00
Licence to erect a Nameplate		\$40.00
Funeral Directors Single Licence for one Internment		\$100.00
Funeral Directors Annual Licence Fee		\$100.00
<b>RUBBISH RATES</b>		
<b>Rubbish and Recycling</b>		
Rubbish & Recycling Collection Charges:	<b>GST NOT APPLICABLE</b>	
Domestic/Commercial - combined charge for both refuse & recycling	1 <sup>st</sup> 240lt bin	\$325.00
	Each bin thereafter	\$162.50
<b>Refuse Site Fees (to be applied when no Tip Pass is shown)</b>		
1 x 120 litre or 240 litre Mobile Garbage Bin (and units of 240 litre there-after)		\$10.00
Car Boot Load		\$10.00
Van - Utility – Trailer (not exceeding 1.8m x 2.4m)		\$20.00
Small Truck (2-4 tonne)		\$50.00
Medium Truck (4-6 tonne)		\$75.00
Truck (6-8 tonne)		\$100.00
Truck (8 plus tonne single axle)		\$200.00
Truck (8 plus tonne dual axle)		\$220.00
Truck (semi trailer 20m <sup>3</sup> capacity)		\$330.00
Bulk Bin (3m <sup>3</sup> or less)		\$75.00
Bulk Bin (3m <sup>3</sup> - 6m <sup>3</sup> )		\$100.00
Bulk Bin (6m <sup>3</sup> - 10m <sup>3</sup> )		\$200.00