

**SHIRE OF AUGUSTA MARGARET RIVER**  
**STATUTORY FINANCIAL REPORT BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2020**

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**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)	22,123,740	21,430,382	21,400,660
Operating grants, subsidies and contributions	9	1,429,985	2,494,418	1,281,929
Fees and charges	8	9,757,140	9,777,793	9,822,552
Service charges	1(e)	4,333	4,000	4,333
Interest earnings	10(a)	1,003,300	1,113,877	943,421
Other revenue	10(b)	35,100	99,868	27,700
		<b>34,353,598</b>	<b>34,920,338</b>	<b>33,480,595</b>
<b>Expenses</b>				
Employee costs		(15,279,729)	(15,036,108)	(14,686,312)
Materials and contracts		(10,248,162)	(8,813,035)	(9,326,709)
Utility charges		(940,000)	(898,584)	(1,019,146)
Depreciation on non-current assets	5	(9,361,200)	(9,379,885)	(9,146,640)
Interest expenses	10(d)	(564,202)	(534,528)	(529,642)
Insurance expenses		(644,547)	(628,242)	(615,473)
Other expenditure		(1,107,594)	(735,198)	(758,636)
		<b>(38,145,434)</b>	<b>(36,025,580)</b>	<b>(36,082,558)</b>
<b>Subtotal</b>				
		<b>(3,791,836)</b>	<b>(1,105,242)</b>	<b>(2,601,963)</b>
Non-operating grants, subsidies and contributions	9	5,707,255	6,354,968	7,664,592
Profit on asset disposals	4(b)	12,373	76,174	2,000
Loss on asset disposals	4(b)	(34,913)	(47,282)	(149,042)
Proceeds from sale of land inventory		0	388,182	0
		<b>5,684,715</b>	<b>6,772,042</b>	<b>7,517,550</b>
<b>Net result</b>				
		<b>1,892,879</b>	<b>5,666,800</b>	<b>4,915,587</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	0	0
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>				
		<b>1,892,879</b>	<b>5,666,800</b>	<b>4,915,587</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 Augusta Margaret River controls resources to carry on its functions have been included in the financial statements forming part of this budget.

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

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

**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		255,495	259,103	303,158
General purpose funding		24,089,083	24,287,458	23,262,379
Law, order, public safety		721,824	785,409	517,149
Health		124,460	134,824	123,915
Education and welfare		430,700	545,885	463,300
Community amenities		5,185,376	5,252,166	5,270,400
Recreation and culture		1,079,120	1,059,049	990,300
Transport		89,400	65,075	105,600
Economic services		2,358,140	2,486,674	2,424,394
Other property and services		20,000	44,693	20,000
		34,353,598	34,920,336	33,480,595
<b>Expenses excluding finance costs</b>	5,10(c)(e)(f)(g)			
Governance		(7,199,432)	(6,572,998)	(7,373,991)
General purpose funding		(1,237,537)	(822,869)	(924,086)
Law, order, public safety		(2,144,382)	(2,047,133)	(1,941,723)
Health		(558,328)	(538,713)	(570,020)
Education and welfare		(455,666)	(444,571)	(438,968)
Community amenities		(5,185,942)	(4,038,604)	(4,565,010)
Recreation and culture		(9,442,197)	(8,428,779)	(8,485,683)
Transport		(9,811,842)	(10,082,534)	(9,665,395)
Economic services		(1,483,108)	(1,395,441)	(1,522,230)
Other property and services		(62,798)	(1,119,408)	(65,810)
		(37,581,232)	(35,491,050)	(35,552,916)
<b>Finance costs</b>	6, 10(d)			
Governance		(385,461)	(334,233)	(330,210)
Community amenities		(333)	(2,466)	(2,556)
Recreation and culture		(143,335)	(156,827)	(156,430)
Transport		(35,073)	0	0
Economic services		0	(41,002)	(40,446)
		(564,202)	(534,528)	(529,642)
<b>Subtotal</b>		(3,791,836)	(1,105,242)	(2,601,963)
Non-operating grants, subsidies and contributions	9	5,707,255	6,354,968	7,664,592
Profit on disposal of assets	4(b)	12,373	76,174	2,000
(Loss) on disposal of assets	4(b)	(34,913)	(47,282)	(149,042)
Proceeds from sale of land inventory		0	388,182	0
		5,684,715	6,772,042	7,517,550
<b>Net result</b>		<b>1,892,879</b>	<b>5,666,800</b>	<b>4,915,587</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	0	0
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>1,892,879</b>	<b>5,666,800</b>	<b>4,915,587</b>

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

## FOR THE YEAR ENDED 30TH JUNE 2020

**KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS**

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

**OBJECTIVE****GOVERNANCE**

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

**ACTIVITIES**

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

**GENERAL PURPOSE FUNDING**

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

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

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

**HEALTH**

To provide an operational framework for environmental and community health.

**EDUCATION AND WELFARE**

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

**HOUSING**

To provide rental and staff housing.

Provision of staff and rental housing. However, the Shire has no housing of this nature.

**COMMUNITY AMENITIES**

To provide services by the community.

**RECREATION AND CULTURE**

To establish and effectively manage infrastructure and resource which will help the social wellbeing of the community.

**TRANSPORT**

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

**ECONOMIC SERVICES**

To help promote the Shire and its economic wellbeing.

**OTHER PROPERTY AND SERVICES**

To monitor and control the Shire's overheads operating accounts.

**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		22,323,740	21,341,035	21,400,660
Operating grants, subsidies and contributions		1,629,985	2,714,331	1,981,929
Fees and charges		9,757,140	9,777,793	9,822,552
Service charges		4,333	4,000	4,333
Interest earnings		1,003,300	1,113,877	943,421
Goods and services tax		131,723	161,102	0
Other revenue		35,100	99,868	27,700
		34,885,321	35,212,006	34,180,595
<b>Payments</b>				
Employee costs		(15,154,729)	(14,885,336)	(14,605,312)
Materials and contracts		(10,073,162)	(9,122,114)	(9,026,709)
Utility charges		(940,000)	(898,584)	(1,019,146)
Interest expenses		(564,202)	(536,496)	(529,642)
Insurance expenses		(644,547)	(628,242)	(615,473)
Goods and services tax		(25,000)	0	0
Other expenditure		(1,107,594)	(735,198)	(758,636)
		(28,509,234)	(26,805,970)	(26,554,918)
<b>Net cash provided by (used in) operating activities</b>	3	6,376,087	8,406,036	7,625,677
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	4(a)	(5,915,962)	(11,614,906)	(13,787,785)
Payments for construction of infrastructure	4(a)	(17,558,000)	(7,251,391)	(12,840,213)
Non-operating grants, subsidies and contributions used for the development of assets	9	5,707,255	6,354,968	7,664,592
Proceeds from sale of plant & equipment	4(b)	435,000	1,437,198	1,217,182
<b>Net cash provided by (used in) investing activities</b>		(17,331,707)	(11,074,131)	(17,746,224)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(924,550)	(853,960)	(853,729)
Advances to community groups	6	0	(40,000)	0
Proceeds from interest free & self supporting loans	6(a)	18,277	15,477	11,317
Proceeds from new borrowings	6(b)	0	500,000	500,000
<b>Net cash provided by (used in) financing activities</b>		(906,273)	(378,483)	(342,412)
<b>Net increase (decrease) in cash held</b>		(11,861,893)	(3,046,578)	(10,462,959)
Cash at beginning of year		31,196,151	34,242,729	34,242,729
<b>Cash and cash equivalents at the end of the year</b>	3	<b>19,334,258</b>	<b>31,196,151</b>	<b>23,779,770</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)	3,587,166	5,254,476	5,103,678
		3,587,166	5,254,476	5,103,678
<b>Revenue from operating activities (excluding rates)</b>				
Governance		255,495	259,103	303,158
General purpose funding		1,965,343	2,857,076	1,861,719
Law, order, public safety		721,824	785,409	517,149
Health		124,460	134,824	123,915
Education and welfare		430,700	545,885	463,300
Community amenities		5,185,376	5,252,166	5,270,400
Recreation and culture		1,079,120	1,059,049	990,300
Transport		101,773	141,249	107,600
Economic services		2,358,140	2,486,674	2,424,394
Other property and services		20,000	44,693	20,000
		12,242,231	13,566,128	12,081,935
<b>Expenditure from operating activities</b>				
Governance		(7,584,893)	(6,907,231)	(7,704,201)
General purpose funding		(1,237,537)	(822,869)	(924,086)
Law, order, public safety		(2,144,382)	(2,047,133)	(1,941,723)
Health		(558,328)	(538,713)	(570,020)
Education and welfare		(455,666)	(444,571)	(438,968)
Community amenities		(5,186,275)	(4,041,070)	(4,567,566)
Recreation and culture		(9,585,532)	(8,585,606)	(8,642,113)
Transport		(9,881,828)	(10,129,816)	(9,814,437)
Economic services		(1,483,108)	(1,436,443)	(1,562,676)
Other property and services		(62,798)	(1,119,408)	(65,810)
		(38,180,347)	(36,072,860)	(36,231,600)
Non-cash amounts excluded from operating activities	2 (b)(ii)	9,383,740	9,350,993	9,293,682
<b>Amount attributable to operating activities</b>		(12,967,210)	(7,901,263)	(9,752,305)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	9	5,707,255	6,354,968	7,664,592
Purchase property, plant and equipment	4(a)	(5,915,962)	(11,614,906)	(13,787,785)
Purchase and construction of infrastructure	4(a)	(17,558,000)	(7,251,391)	(12,840,213)
Proceeds from disposal of assets	4(b)	435,000	1,437,198	1,457,182
<b>Amount attributable to investing activities</b>		(17,331,707)	(11,074,131)	(17,506,224)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(924,550)	(853,960)	(853,729)
Proceeds from new borrowings	6(b)	0	500,000	500,000
Advances to community groups		0	(40,000)	0
Proceeds from interest free and self supporting loans		18,277	15,477	11,318
Transfers to cash backed reserves (restricted assets)	7(a)	(1,113,075)	(4,088,936)	(3,044,817)
Transfers from cash backed reserves (restricted assets)	7(a)	10,194,525	5,599,597	9,245,097
<b>Amount attributable to financing activities</b>		8,175,177	1,132,178	5,857,869
<b>Budgeted deficiency before general rates</b>		(22,123,740)	(17,843,216)	(21,400,660)
<b>Estimated amount to be raised from general rates</b>	1	22,123,740	21,430,382	21,400,660
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2 (b)(i)	<b>0</b>	<b>3,587,166</b>	<b>0</b>

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

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

**BY NATURE OR TYPE**

	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)	3,587,166	5,254,476	5,103,678
		3,587,166	5,254,476	5,103,678
<b>Revenue from operating activities (excluding rates)</b>				
Operating grants, subsidies and contributions	9	1,429,985	2,494,418	1,281,929
Fees and charges	8	9,757,140	9,777,793	9,822,552
Service charges	1(e)	4,333	4,000	4,333
Interest earnings	10(a)	1,003,300	1,113,877	943,421
Other revenue	10(b)	35,100	99,868	27,700
Profit on asset disposals	4(b)	12,373	76,174	2,000
		12,242,231	13,566,130	12,081,935
<b>Expenditure from operating activities</b>				
Employee costs		(15,279,729)	(15,036,108)	(14,686,312)
Materials and contracts		(10,248,162)	(8,813,035)	(9,326,709)
Utility charges		(940,000)	(898,584)	(1,019,146)
Depreciation on non-current assets	5	(9,361,200)	(9,379,885)	(9,146,640)
Interest expenses	10(d)	(564,202)	(534,528)	(529,642)
Insurance expenses		(644,547)	(628,242)	(615,473)
Other expenditure		(1,107,594)	(735,198)	(758,636)
Loss on asset disposals	4(b)	(34,913)	(47,282)	(149,042)
		(38,180,347)	(36,072,862)	(36,231,600)
<b>Operating activities excluded from budgeted deficiency</b>				
Non-cash amounts excluded from operating activities	2 (b)(ii)	9,383,740	9,350,993	9,293,682
<b>Amount attributable to operating activities</b>		(12,967,210)	(7,901,263)	(9,752,305)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	9	5,707,255	6,354,968	7,664,592
Purchase property, plant and equipment	4(a)	(5,915,962)	(11,614,906)	(13,787,785)
Purchase and construction of infrastructure	4(a)	(17,558,000)	(7,251,391)	(12,840,213)
Proceeds from disposal of assets	4(b)	435,000	1,437,198	1,457,182
<b>Amount attributable to investing activities</b>		(17,331,707)	(11,074,131)	(17,506,224)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(924,550)	(853,960)	(853,729)
Proceeds from new borrowings	6	0	500,000	500,000
Advances to community groups		0	(40,000)	0
Proceeds from interest free and self supporting loans		18,277	15,477	11,318
Transfers to cash backed reserves (restricted assets)	7(a)	(1,113,075)	(4,088,936)	(3,044,817)
Transfers from cash backed reserves (restricted assets)	7(a)	10,194,525	5,599,597	9,245,097
<b>Amount attributable to financing activities</b>		8,175,177	1,132,178	5,857,869
<b>Budgeted deficiency before general rates</b>		(22,123,740)	(17,843,216)	(21,400,660)
<b>Estimated amount to be raised from general rates</b>	1	22,123,740	21,430,382	21,400,660
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2 (b)(i)	0	3,587,166	0

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



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

1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2019/20 Budgeted rate revenue	2019/20 Budgeted interim rates	2019/20 Budgeted back rates	2019/20 Budgeted total revenue	2018/19 Actual total revenue	2018/19 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
<b>Differential general rate or general rate</b>									
<b>Gross rental valuations</b>									
Residential GRV	0.107581	4,945	82,711,810	8,898,222	135,000	10,000	9,043,222	8,610,603	8,666,774
Residential GRV Vacant	0.206089	249	3,090,210	636,858			636,858	774,022	720,427
Rural Residential GRV	0.103055	661	13,569,972	1,398,453			1,398,453	1,331,952	1,327,854
Rural Residential GRV Vacant	0.200600	153	1,758,780	352,811			352,811	347,406	340,589
Commercial, Industrial & Tourism	0.127427	1,153	40,385,743	5,146,234			5,146,234	4,886,516	4,828,987
<b>Unimproved valuations</b>									
Rural Strata Titled Vineyard UV	0.004705	0	0	0			0	0	0
UV Rural	0.004705	782	518,613,000	2,440,074			2,440,074	2,368,737	2,375,802
UV1 (one non rural use)	0.005880	114	72,955,000	428,975			428,975	409,970	418,560
UV2 (two non rural uses)	0.007057	22	13,308,000	93,915			93,915	91,970	91,433
UV3 (over 2two non rural uses)	0.008233	14	12,304,000	101,299			101,299	107,878	107,878
UV Conservation	0.004598	71	57,195,000	262,983			262,983	271,837	267,608
<b>Sub-Totals</b>		8,164	815,891,515	19,759,824	135,000	10,000	19,904,824	19,200,891	19,145,912
<b>Minimum payment</b>									
\$									
<b>Gross rental valuations</b>									
Residential GRV	1,335	390	4,101,989	520,650			520,650	511,686	514,290
Residential GRV Vacant	1,335	618	2,706,220	825,030			825,030	843,696	893,172
Rural Residential GRV	1,625	146	2,023,270	237,250			237,250	226,655	228,240
Rural Residential GRV Vacant	1,625	30	133,050	48,750			48,750	41,210	41,210
Commercial, Industrial & Tourism	1,434	207	1,602,143	296,838			296,838	283,997	285,396
<b>Unimproved valuations</b>									
Rural Strata Titled Vineyard UV	879	37	2,700,000	32,523			32,523	226,455	31,746
UV Rural	1,498	153	36,020,777	229,194			229,194	31,746	230,838
UV1 (one non rural use)	1,498	6	1,192,000	8,988			8,988	8,766	8,766
UV2 (two non rural uses)	1,498	0	0	0			0	0	0
UV3 (over 2two non rural uses)	1,498	0	0	0			0	0	0
UV Conservation	1,441	17	4,316,000	24,497			24,497	21,090	21,090
<b>Sub-Totals</b>		1,604	54,795,449	2,223,720	0	0	2,223,720	2,195,301	2,254,748
		9,768	870,686,964	21,983,544	135,000	10,000	22,128,544	21,396,192	21,400,660
Movement in Excess Rates								36,794	
Discounts/concessions (Refer note 1(f))							(4,804)	(2,604)	0
<b>Total amount raised from general rates</b>							22,123,740	21,430,382	21,400,660
Specified area rates (Refer note 1(e))							0	0	0
<b>Total rates</b>							22,123,740	21,430,382	21,400,660

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

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.

<b>Instalment options</b>	<b>Date due</b>	<b>Instalment plan admin charge</b>	<b>Instalment plan interest rate</b>	<b>Unpaid rates interest rates</b>
		\$	%	%
<b>Option one</b>	13/09/2019		0.0%	11.0%
<b>Option two</b>	13/09/2019	0	5.5%	11.0%
	15/11/2019	8.00	5.5%	11.0%
	17/01/2020	8.00	5.5%	11.0%
	20/03/2020	8.00	5.5%	11.0%

	<b>2019/20 Budget revenue</b>	<b>2018/19 Actual revenue</b>	<b>2018/19 Budget revenue</b>
	\$	\$	\$
Instalment plan admin charge revenue	90,000	88,488	80,000
Instalment plan interest earned	140,000	149,340	130,000
Unpaid rates and service charge interest earned	100,000	121,092	90,000
	<b>330,000</b>	<b>358,920</b>	<b>300,000</b>

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

All land except exempt land in the Shire of Augusta Margaret River is rated according to its Gross Rental Value (GRV) or Unimproved Value (UV) depending upon the zoning of the property and uses undertaken on the property.

The general rates detailed for the 2017/18 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.

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

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

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

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

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

**Differential general rate**

<b>Description</b>	<b>Characteristics</b>	<b>Objects</b>	<b>Reasons</b>
Residential	Developed properties zoned residential and future development that are primarily located within the townsites of Augusta, Cowaramup, Gnarabup, Gracetown, Kudardup, Karridale, Margaret River, Prevelly and Witchcliffe where	The object of the rate for this category is to provide the base for the other GRV rate categories.	The other GRV categories are considered to have different demand and requirement characteristics to the residential category.
Residential Vacant	Vacant properties zoned residential and future development that are primarily located within the townsites of Augusta, Cowaramup, Gnarabup, Gracetown, Kudardup, Karridale, Margaret River, Prevelly and Witchcliffe where the land uses consist of Residential and Ancillary Residential Uses.	The object of having the same minimum payment but a higher rate in the dollar than the Residential category is to encourage land owners to develop residential land.	Excessive vacant residential land impacts upon the aesthetics of the area and does not contribute to the economic wellbeing of the Shire.
Residential Vacant	Vacant properties zoned residential and future development that are primarily located within the townsites of Augusta, Cowaramup, Gnarabup, Gracetown, Kudardup, Karridale, Margaret River, Prevelly and Witchcliffe where the land uses consist of Residential and Ancillary Residential Uses.	The object of having the same minimum payment but a higher rate in the dollar than the Residential category is to encourage land owners to develop residential land.	Excessive vacant residential land impacts upon the aesthetics of the area and does not contribute to the economic wellbeing of the Shire.
Rural Residential	Properties zoned rural residential that are developed and located outside of townsite boundaries.	The object of the rate is to raise the revenue required to provide services to these larger lots.	These larger lots are considered to generate additional infrastructure, social and administrative demands on the Shire.

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

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

**Differential general rate**

<b>Description</b>	<b>Characteristics</b>	<b>Objects</b>	<b>Reasons</b>
Rural Residential Vacant	Properties zoned rural residential with a vacant land use. The minimum payment is the same as Rural Residential, however the rate in the dollar is higher.	The object is to encourage landowners to develop their property.	Excessive vacant rural residential land impacts upon the aesthetics of the area and does not contribute to the economic wellbeing of the Shire.
Commercial, Industrial and Tourism	Includes properties zoned industry and composite industry such as light industry and workshops; properties zoned service commercial, town centre and village centre; properties zoned chalet and camping, caravan park and tourism and properties with Planning approval to operate as short term holiday rental.	The object of the rate for these categories is to raise additional revenue to fund the level of service provided to these properties and the costs that result from the visitors to these properties.	Higher costs such as carparking, landscaping, street cleaning and provision of amenities are incurred. Additional costs associated with supporting tourism and economic development also benefit property owners.
UV Rural	Properties zoned priority agriculture, general agriculture and cluster farm where the predominant use is rural.	Sets the base rate for the UV categories.	The other UV categories are considered to have a higher demand on Shire services and resources.
Strata Title Vineyard	A strata title property in the Priority Agriculture zone.	To apply a lower minimum payment than the rural category.	Property size restricts use.
UV1 (one non-rural use)	Properties where the predominant use is rural but they have one non-rural use.	Rate in the dollar is 1.25 times the base rate to recognise the additional non-rural use.	The provision of non rural uses in rural areas results in additional costs.
UV2 (two non-rural uses)	Properties where the predominant use is rural but they have two non-rural uses.	Rate in the dollar is 1.5 times the base rate to recognise the additional two non-rural uses.	The provision of non rural uses in rural areas results in additional costs.
UV3 (three or more non-rural uses)	Properties where the predominant use is rural and more than two non-rural uses.	Rate in the dollar is 1.75 times the base rate to recognise the three or more non-rural uses..	The provision of non rural uses in rural areas results in additional costs.
UV Conservation	Properties zoned bushland protection, Leeuwin Naturaliste Ridge and Southern Ocean Foreshore protection.	To apply a lower rate in the dollar and minimum payment than the rural category.	Limited development is allowed in order to maintain significant conservation and/or landscape values.

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

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

**(d) Differential Minimum Payment**

<b>Description</b>	<b>Characteristics</b>	<b>Objects</b>	<b>Reasons</b>
Rural Residential	Properties zoned rural residential that are developed and located outside of townsite boundaries.	The object is to obtain the minimum contribution for basic services and infrastructure for rural residential properties which are generally larger than residential properties.	This is considered to be the base minimum for GRV rated rural residential properties.
Rural Residential Vacant	Properties zoned rural residential with a vacant land use. The minimum payment is the same as Rural Residential, however the rate in the dollar is higher.	The object is to obtain the minimum contribution for basic services and infrastructure from rural residential vacant land owners.	The minimum payment for this category is designed to encourage land owners to develop their land.
Commercial, Industrial and Tourism	Includes properties zoned industry and composite industry such as light industry and workshops; properties zoned service commercial, town centre and village centre; properties zoned chalet and camping, caravan	The object is to obtain the minimum contribution for basic services and infrastructure provided for commercial, industrial and tourism zoned properties.	This is considered to be the base minimum for GRV commercial, industrial and tourism properties.
UV Rural	Properties zoned priority agriculture, general agriculture and cluster farm where the predominant use is rural.	The object is to obtain the minimum contribution for basic services and infrastructure provided for rural properties.	This is considered to the base minimum for UV rated properties.
Strata Title Vineyard	A strata title property in the Priority Agriculture zone.	To apply a lower minimum payment than the rural category.	The lesser minimum payment recognises that land size and restricted land use for this rural property are different to normal rural properties.
UV1 (one non-rural use)	Properties where the predominant use is rural but they have one non-rural use.	The object is to obtain the minimum contribution for basic services and infrastructure provided for rural properties.	This is considered to the base minimum for UV rated properties.
UV2 (two non-rural use)	Properties where the predominant use is rural but they have two non-rural uses.	The object is to obtain the minimum contribution for basic services and infrastructure provided for rural properties.	This is considered to the base minimum for UV rated properties.
UV3 (three non-rural use)	Properties where the predominant use is rural and more than two non-rural uses.	The object is to obtain the minimum contribution for basic services and infrastructure provided for rural properties.	This is considered to the base minimum for UV rated properties.
UV Conservation	Properties zoned bushland protection, Leeuwin Naturaliste Ridge and Southern Ocean Foreshore protection.	To apply a lower minimum payment than the rural category.	This lower minimum payment recognises the land conservation restrictions on these properties.

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

## 1. RATES AND SERVICE CHARGES (CONTINUED)

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

### (e) Service Charges

	Amount of charge	2019/20 Budgeted revenue	Budget Amount to be applied to costs	Budget Amount to be set aside to reserve	Reserve Amount to be applied to costs	2018/19 Actual revenue	2018/19 Budget revenue
<b>Service charge</b>	\$	\$	\$	\$	\$	\$	\$
Cowaramup Underground Power	333	4,333	4,333	0	0	4,000	4,333
		4,333	4,333	0	0	4,000	4,333

Nature of the service charge	Objects of the charge	Reasons for the charge	Area/Properties charge to be imposed on
Cowaramup Underground Power	To recover the cost of undergrounding electricity in the Cowaramup CBD.	The undergrounding of electricity directly benefits specific properties.	The service charge commenced in 2011-12 at a charge of \$333.33 per property and is imposed on rateable properties located between Peake Street and 30 metres south of Bottrill Street. The charge is to be imposed for 10 years. Where a property is strata titled the service charge is to be apportioned based on percentage of floor space.

### (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
Commercial property rates	Differential rate	50.0%		\$ 2,134	\$ 0	\$ 0	Augusta Golf Club	Not for profit organisation with limited resources
Residential property rates	Minimum payme	100.0%		2,670	2,604	2,604	2 lots are the location of satellite facilities	Provide TV broadcasting services for the community
				4,804	2,604	2,604		

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

## 2 (a). NET CURRENT ASSETS

Note	2019/20	2019/20	2018/19	2018/19
	Budget 30 June 2020	Budget 01 July 2019	Estimated Actual 30 June 2019	Budget 30 June 2019
	\$	\$	\$	\$
<b>Composition of estimated net current assets</b>				
<b>Current assets</b>				
Cash - unrestricted	3	1,896,407	4,404,781	1,705,777
Cash - restricted reserves	3	17,437,851	26,519,301	22,073,993
Cash - restricted unspent borrowings	6 (b)	0	272,069	
Receivables		1,674,837	2,174,837	1,578,042
Inventories		187,280	187,280	146,349
		21,196,375	33,558,268	25,504,161
<b>Less: current liabilities</b>				
Trade and other payables		(2,649,104)	(2,474,104)	(3,464,726)
Long term borrowings		(924,550)	(924,550)	(853,729)
Provisions		(2,102,926)	(1,952,926)	(1,835,714)
		(5,676,580)	(5,351,580)	(6,154,169)
<b>Net current assets</b>		15,519,795	28,206,688	19,349,992

## 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	2019/20	2018/19	2018/19
	Budget 30 June 2020	Budget 01 July 2019	Estimated Actual 30 June 2019	Budget 30 June 2019
	\$	\$	\$	\$
<b>(i) Current assets and liabilities excluded from budgeted deficiency</b>				
<b>Net current assets</b>	2	15,519,795	28,206,688	19,349,992
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement.				
<b>Adjustments to net current assets</b>				
Less: Unspent borrowings	6(c)	(272,069)	0	
Less: Cash - restricted reserves	3	(17,437,851)	(26,519,301)	(22,073,993)
Less: Current assets not expected to be received at end of year				
- current portion of self supporting & interest free loans receivable			0	(11,317)
- Land held for resale		(133,637)	(133,637)	
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		924,550	924,550	853,729
- Employee benefit provisions backed by a Reserve		420,838	413,052	
- Leave component not required to be funded		978,374	695,814	
<b>Adjusted net current assets - surplus/(deficit)</b>		0	3,587,166	0
<b>(ii) Operating activities excluded from budgeted deficiency</b>				
The following non-cash revenue or expenditure has been excluded from operating activities within the Rate Setting Statement.				
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals	4(b)	(12,373)	(76,174)	(2,000)
Add: Loss on disposal of assets	4(b)	34,913	47,282	149,042
Add: Depreciation on assets	5	9,361,200	9,379,885	9,146,640
<b>Non cash amounts excluded from operating activities</b>		9,383,740	9,350,993	9,293,682

**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 Augusta Margaret River 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 Augusta Margaret River contributes to a number of superannuation funds on behalf of employees.

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

**LAND HELD FOR RESALE**

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

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

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



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

### 3. RECONCILIATION OF CASH

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

	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
Cash - unrestricted	1,896,407	4,404,781	1,705,777
Cash - restricted	17,437,851	26,791,370	22,073,993
	19,334,258	31,196,151	23,779,770
The following restrictions have been imposed by regulation or other externally imposed requirements:			
Plant Reserve	793,235	999,481	914,845
Community Grants Reserve	23,445	23,011	28,917
Emergency Services Reserve	159,690	195,995	175,236
Developer Contributions Reserve	1,241,145	1,306,016	982,971
Biodiversity Reserve	169,343	166,355	56,281
Augusta Revitalisation Reserve	0	0	40,000
Affordable Housing Fund Reserve	63,876	62,694	17,441
Community Loan Reserve	163,952	142,988	176,858
Cedarvale Reserve	239,006	234,584	233,636
Parking Reserve	27,363	181,390	157,057
Infrastructure Contributions Reserve	719,735	1,460,952	1,290,562
Gloucester Park Reserve	150,000	150,000	0
Staff Leave Reserve	420,838	413,052	411,382
Public Open Space Reserve	93,186	91,462	91,093
Limesand Pits Reserve	66,142	64,918	64,656
Cemeteries Reserve	11,197	10,990	10,947
Caravan Parks Upgrade Reserve	759,820	1,236,480	693,698
Waste Management Reserve	10,773,208	10,563,368	10,280,371
Self Insurance Reserve	297,089	304,352	272,639
Community Facilities Reserve	273,655	607,526	542,941
Gravel Pits Reserve	495,995	565,304	413,255
Recreation Centres Reserve	22,475	20,292	20,897
Old Settlement Reserve	99,792	65,607	63,925
Margaret River CBD Redevelopment Reserve	349,914	7,643,734	5,132,385
Youth Facilities Reserve	23,750	8,750	2,000
Unspent borrowings	0	272,069	0
	17,437,851	26,791,370	22,073,993
<b>Reconciliation of net cash provided by operating activities to net result</b>			
<b>Net result</b>	1,892,879	5,278,618	4,915,587
Depreciation	9,361,200	9,379,885	9,146,640
(Profit)/loss on sale of asset	22,540	(28,892)	147,042
(Increase)/decrease in receivables	481,723	291,668	700,000
(Increase)/decrease in contract assets	0	0	0
(Increase)/decrease in inventories	0	484,069	0
Increase/(decrease) in payables	175,000	(793,053)	300,000
Increase/(decrease) in contract liabilities	0	0	0
Increase/(decrease) in employee provisions	150,000	148,709	81,000
Change in accounting policies transferred to retained surplus (refer to Note 16)	0	0	0
Grants/contributions for the development of assets	(5,707,255)	(6,354,968)	(7,664,592)
<b>Net cash from operating activities</b>	6,376,087	8,406,036	7,625,677

#### 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.

Asset class	Reporting program							2019/20 Budget total	2018/19 Actual total	2018/19 Budget total
	Governance	Law, order, public safety	Education and welfare	Community amenities	Recreation and culture	Transport	Economic services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<u>Property, Plant and Equipment</u>										
Land - freehold land						158,000		158,000		170,000
Buildings - specialised	77,000	229,000			2,602,862	20,000	525,000	3,453,862	8,870,777	11,139,595
Furniture and equipment	18,000		5,500	56,000	120,600		40,000	240,100	681,626	273,500
Plant and equipment		1,101,000				963,000		2,064,000	2,062,503	2,204,690
	95,000	1,330,000	5,500	56,000	2,723,462	1,141,000	565,000	5,915,962	11,614,906	13,787,785
<u>Infrastructure</u>										
Infrastructure - Roads						13,670,000		13,670,000	3,366,666	6,224,707
Infrastructure - Road Bridges						80,000		80,000	131,144	
Infrastructure - Car Parks						280,000		280,000	198,649	176,660
Infrastructure - Paths						1,126,000		1,126,000	383,346	1,165,000
Infrastructure - Drainage						255,000		255,000	89,765	242,207
Infrastructure - Caravan and Camping							322,000	322,000	309,062	409,490
Infrastructure - Parks and Reserves		30,000			520,000	100,000		650,000	2,439,048	3,099,149
Infrastructure - Boat Ramps and Jetties						230,000		230,000	134,131	460,000
Infrastructure - Waste Management Facilities				810,000				810,000	199,580	1,008,000
Infrastructure - Public Utilities					55,000	80,000		135,000		55,000
	0	30,000	0	810,000	575,000	15,821,000	322,000	17,558,000	7,251,391	12,840,213
<b>Total acquisitions</b>	95,000	1,360,000	5,500	866,000	3,298,462	16,962,000	887,000	23,473,962	18,866,297	26,627,998

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>												
Transport	177,540	155,000	12,373	(34,913)	295,124	324,016	76,174	(47,282)	344,224	197,182	2,000	(149,042)
Other property and services	280,000	280,000	0	0	1,113,182	1,113,182	0	0	1,260,000	1,260,000	0	0
	457,540	435,000	12,373	(34,913)	1,408,306	1,437,198	76,174	(47,282)	1,604,224	1,457,182	2,000	(149,042)
<b>By Class</b>												
<i>Property, Plant and Equipment</i>												
Land - freehold land	280,000	280,000			1,113,182	1,113,182			1,260,000	1,260,000		
Plant and equipment	177,540	155,000	12,373	(34,913)	295,124	324,016	76,174	(47,282)	344,224	197,182	2,000	(149,042)
	457,540	435,000	12,373	(34,913)	1,408,306	1,437,198	76,174	(47,282)	1,604,224	1,457,182	2,000	(149,042)

A detailed breakdown of plant and equipment disposals 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

## 5. ASSET DEPRECIATION

### By Program

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

### By Class

Buildings - specialised
Furniture and equipment
Plant and equipment
Infrastructure - Roads
Infrastructure - Parks and Reserves
Infrastructure - Waste Management Facilities

2019/20 Budget	2018/19 Actual	2018/19 Budget
\$	\$	\$
27,600	25,091	36,720
481,200	480,263	489,600
3,600	3,986	4,320
3,600	3,319	4,200
74,400	73,859	84,000
2,060,400	2,057,852	2,067,804
5,824,800	5,827,067	5,703,000
98,400	97,997	108,000
787,200	810,451	648,996
9,361,200	9,379,885	9,146,640
1,316,576	1,319,204	1,286,400
110,779	111,001	108,240
1,403,775	1,406,577	1,371,600
5,741,598	5,753,058	5,610,000
125,271	125,521	122,400
663,201	664,524	648,000
9,361,200	9,379,885	9,146,640

## 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	up to 50 years
Buildings - specialised	up to 50 years
Furniture and equipment	up to 10 years
Plant and equipment	up to 20 years
Infrastructure - Roads	up to 50 years
Infrastructure - Road Bridges	up to 50 years
Infrastructure - Car Parks	up to 40 years
Infrastructure - Paths	up to 40 years
Infrastructure - Drainage	up to 80 years
Infrastructure - Caravan and Camping	up to 50 years
Infrastructure - Parks and Reserves	up to 50 years
Infrastructure - Boat Ramps and Jetties	up to 30 years
Infrastructure - Waste Management Facilities	up to 40 years
Infrastructure - Public Utilities	up to 40 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 2019

## 6. INFORMATION ON BORROWINGS

## (a) Borrowing repayments

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

Purpose	Budget	2019/20	2019/20	2019/20	Budget	Actual	2018/19	2018/19	2018/19	Actual	Budget	2018/19	2018/19	2018/19	Budget
	Principal 1 July 2019	Budget New loans	Budget Principal repayments	Budget Interest incl. Govt Fee	Principal outstanding 30 June 2020		Principal 1 July 2018	Actual New loans	Actual Principal repayments	Actual Interest incl. Govt Fee		Principal outstanding 30 June 2019	Principal 1 July 2018	Budget New loans	Budget Principal repayments
		\$	\$	\$	\$			\$	\$	\$		\$	\$	\$	\$
<b>Governance</b>															
191, Civic and Administration	5,542,200		397,828	385,461	5,144,372	5,842,640		300,440	334,233	5,542,200	5,842,640		300,440	330,210	5,542,200
<b>Community amenities</b>															
184, Augusta Town Toilets	0		0		0	11,349		11,349	440	0	11,349		11,349	458	0
186, Margaret River Memorial	0		0		0	23,164		23,164	978	0	23,164		23,164	1,010	0
188, Augusta Water Wheel Tr	8,804		8,804	333	0	19,936		11,132	1,048	8,804	19,936		11,132	1,088	8,804
<b>Recreation and culture</b>															
164, Aquatic Centre	118,864		94,253	6,756	24,611	206,755		87,891	13,541	118,864	206,755		87,891	13,527	118,864
174, Cowaramup Recreation I	180,621		33,662	11,959	146,959	212,224		31,603	14,204	180,621	212,224		31,603	14,027	180,621
185, MR Recreation Centre S	0		0		0	8,827		8,827	342	0	8,827		8,827	356	0
187, MR Recreation Centre S	213,317		37,206	14,823	176,111	248,138		34,821	17,465	213,317	248,138		34,821	17,204	213,317
189, MR Recreation Centre S	58,008		58,008	2,190	0	131,354		73,346	7,436	58,008	131,354		73,346	7,165	58,008
192, Cultural Centre Redevelk	1,043,100		58,906	42,841	984,194	1,100,000		56,900	45,207	1,043,100	1,100,000		56,900	44,143	1,043,100
193, MR Youth Precinct	303,869		31,912	10,799	271,957	334,850		30,981	11,915	303,869	334,850		30,981	11,611	303,869
194, Asbestos Removal/Repl:	913,724		89,071	34,573	824,653	1,000,000		86,276	37,831	913,724	1,000,000		86,276	36,972	913,724
195, Cultural Centre Redevelk	487,049		26,558	19,394	460,491		500,000	12,951	8,858	487,049		500,000	12,720	11,396	487,280
<b>Economic services</b>															
173, Augusta Rural Transacti	276,809		50,148	18,399	226,661	323,884		47,075	21,761	276,809	323,884		47,075	21,479	276,809
179, Gnarabup Café	151,216		26,535	10,094	124,681	176,121		24,905	11,883	151,216	176,121		24,905	11,722	151,216
181, Gnarabup Café	98,963		11,659	6,580	87,304	109,924		10,961	7,358	98,963	109,924		10,961	7,245	98,963
	9,396,544	0	924,550	564,202	8,471,994	9,749,166	500,000	852,622	534,500	9,396,544	9,749,166	500,000	852,391	529,613	9,396,775
<b>Self Supporting Loans</b>															
<b>Recreation and culture</b>															
183, Augusta Bowling Club	0	0	0	0	0	1,338	0	1,338	28	0	1,338	0	1,338	29	0
	0	0	0	0	0	1,338	0	1,338	28	0	1,338	0	1,338	29	0
	9,396,544	0	924,550	564,202	8,471,994	9,750,504	500,000	853,960	534,528	9,396,544	9,750,504	500,000	853,729	529,642	9,396,775

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

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

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

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

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

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

**(c) Unspent borrowings**

Loan Details	Purpose of the loan	Year loan taken	Amount b/fwd.	Amount used 2019/20 Budget	Amount as at 30th June 2020
Loan 194	Asbestos removal & reinstatement	2017-18	\$ 548,755	\$ 548,755	\$ 272,069
			548,755	548,755	272,069

**(d) Credit Facilities**

	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
<b>Undrawn borrowing facilities credit standby arrangements</b>			
Bank overdraft limit	0	0	0
Bank overdraft at balance date	0	0	0
Credit card limit	40,000	40,000	40,000
Credit card balance at balance date	0	(3,765)	0
<b>Total amount of credit unused</b>	<b>40,000</b>	<b>36,235</b>	<b>40,000</b>
<b>Loan facilities</b>			
Loan facilities in use at balance date	8,471,994	9,396,544	9,396,775

**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 Reserve	999,481	18,754	(225,000)	793,235	1,225,169	224,312	(450,000)	999,481	1,225,169	219,676	(530,000)	914,845
Community Grants Reserve	23,011	434	0	23,445	22,555	456	0	23,011	22,555	6,362	0	28,917
Emergency Services Reserve	195,995	3,695	(40,000)	159,690	192,150	3,845	0	195,995	192,150	3,086	(20,000)	175,236
Developer Contributions Reserve	1,306,016	228,654	(293,525)	1,241,145	1,175,089	474,034	(343,107)	1,306,016	1,195,380	219,198	(431,607)	982,971
Biodiversity Reserve	166,355	2,988	0	169,343	55,391	110,964	0	166,355	55,391	890	0	56,281
Augusta Revitalisation Reserve	0	280,000	(280,000)	0	0	0	0	0	0	320,000	(280,000)	40,000
Affordable Housing Fund Reserve	62,694	1,182	0	63,876	61,454	1,240	0	62,694	61,454	987	(45,000)	17,441
Community Loan Reserve	142,988	20,964	0	163,952	162,924	20,064	(40,000)	142,988	162,924	13,934	0	176,858
Cedarvale Reserve	234,584	4,422	0	239,006	229,943	4,641	0	234,584	229,943	3,693	0	233,636
Parking Reserve	181,390	2,973	(157,000)	27,363	154,575	26,815	0	181,390	154,575	2,482	0	157,057
Infrastructure Contributions Reserve	1,460,952	26,783	(768,000)	719,735	1,548,690	79,262	(167,000)	1,460,952	1,548,690	24,872	(283,000)	1,290,562
Gloucester Park Reserve	150,000	0	0	150,000	0	150,000	0	150,000	0	0	0	0
Staff Leave Reserve	413,052	7,786	0	420,838	404,880	8,172	0	413,052	404,880	6,502	0	411,382
Public Open Space Reserve	91,462	1,724	0	93,186	89,653	1,809	0	91,462	89,653	1,440	0	91,093
Limesand Pits Reserve	64,918	1,224	0	66,142	63,634	1,284	0	64,918	63,634	1,022	0	64,656
Cemeteries Reserve	10,990	207	0	11,197	10,774	216	0	10,990	10,774	173	0	10,947
Caravan Parks Upgrade Reserve	1,236,480	23,340	(500,000)	759,820	1,123,150	222,820	(109,490)	1,236,480	1,123,150	218,038	(647,490)	693,698
Waste Management Reserve	10,563,368	209,840	0	10,773,208	9,281,316	1,652,052	(370,000)	10,563,368	9,281,316	999,055	0	10,280,371
Self Insurance Reserve	304,352	5,737	(13,000)	297,089	298,330	6,022	0	304,352	268,330	4,309	0	272,639
Community Facilities Reserve	607,526	4,129	(338,000)	273,655	4,622,681	104,845	(4,120,000)	607,526	4,876,702	74,239	(4,408,000)	542,941
Gravel Pits Reserve	565,304	10,691	(80,000)	495,995	455,934	109,370	0	565,304	455,933	7,322	(50,000)	413,255
Recreation Centres Reserve	20,292	2,183	0	22,475	18,106	2,186	0	20,292	18,106	2,791	0	20,897
Old Settlement Reserve	65,607	34,185	0	99,792	30,436	35,171	0	65,607	30,436	33,489	0	63,925
Margaret River CBD Redevelopment	7,643,734	206,180	(7,500,000)	349,914	6,803,128	840,606	0	7,643,734	6,803,128	879,257	(2,550,000)	5,132,385
Youth Facilities Reserve	8,750	15,000	0	23,750	0	8,750	0	8,750	0	2,000	0	2,000
Roads Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Emergency Disaster Relief Reserve	0	0	0	0	0	0	0	0	0	0	0	0
	26,519,301	1,113,075	(10,194,525)	17,437,851	28,029,962	4,088,936	(5,599,597)	26,519,301	28,274,273	3,044,817	(9,245,097)	22,073,993

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

**7. 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:

<b>Reserve name</b>	<b>Anticipated date of use</b>	<b>Purpose of the reserve</b>
Plant Reserve		To be used for the purchase of plant, vehicles and equipment
Community Grants Reserve		Funds from the sale of special series number plates and other initiatives may be provided as community grants
Emergency Services Reserve		To be used for the provision of emergency services in the Shire
Developer Contributions Reserve		Funds received and used in accordance with the Developer Contributions Plan
Biodiversity Reserve		To be used for the funding of biodiversity initiatives
Augusta Revitalisation Reserve		To be used for funding capital projects in Augusta
Affordable Housing Fund Reserve		Infrastructure and capital improvements within the area covered by the West Cowaramup townsite strategy
Community Loan Reserve		Interest free funding for eligible groups associated with sporting and cultural activities
Cedarvale Reserve		To meet obligations in respect of the Cedarvale agreement for Gnarabup and future foreshore rehabilitation at Gnarabup & Prevelly
Parking Reserve	2019-20	To be used to fund future car parking requirements
Infrastructure Contributions Reserve		To be used to fund future road and drainage construction and maintenance requirements
Gloucester Park Reserve		
Staff Leave Reserve		To be used to fund annual and long service leave requirements
Public Open Space Reserve		To be used to fund future public open space requirements
Limesand Pits Reserve		Rehabilitation and development of the Boranup, Redgate and other Shire limesand pits
Cemeteries Reserve		To be used for the upgrade of cemeteries
Caravan Parks Upgrade Reserve		To be used for the upgrading of Caravan Parks and Camping Grounds
Waste Management Reserve		To fund future waste facility and plant requirements
Self Insurance Reserve		Self insurance, workers compensation performance risk, risk management & other related employee and organisational activities
Community Facilities Reserve		To be used for the construction and renewal of community buildings and facilities
Gravel Pits Reserve		Rehabilitation, development and use of gravel and other related resources
Recreation Centres Reserve		Income from advertising signs is reserved for future improvements to recreation facilities
Old Settlement Reserve		Income from the lease of the Old Settlement site is reserved for future improvements and renewal of these facilities
Margaret River CBD Redevelopment	2019-20	To be used for funding capital projects in the Margaret River townsite
Youth Facilities Reserve		To be used to renew and develop youth facilities in the Shire
Roads Reserve		To be used to renew and upgrade roads in the Shire
Emergency Disaster Relief Reserve		To provide funds for the Shire and community to respond to emergency events



**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	202,800	182,258	217,262
General purpose funding	206,850	214,002	216,881
Law, order, public safety	184,814	186,771	196,700
Health	124,460	134,824	123,915
Education and welfare	430,700	450,161	365,300
Community amenities	5,185,376	5,229,819	5,245,400
Recreation and culture	1,021,600	988,070	927,100
Transport	69,400	77,575	105,600
Economic services	2,331,140	2,314,313	2,424,394
	<b>9,757,140</b>	<b>9,777,793</b>	<b>9,822,552</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	44,595	67,952	58,196
General purpose funding	750,860	1,561,532	697,084
Law, order, public safety	537,010	598,639	320,449
Education and welfare	0	95,724	98,000
Community amenities	0	22,347	25,000
Recreation and culture	87,520	66,819	63,200
Transport	20,000	2,500	0
Economic services	0	36,709	0
Other property and services	20,000	42,196	20,000
	<b>1,459,985</b>	<b>2,494,418</b>	<b>1,281,929</b>

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

Law, order, public safety	1,280,000	549,243	818,078
Community amenities	274,000	661,111	200,000
Recreation and culture	1,155,268	3,370,407	4,487,475
Transport	2,997,987	1,774,207	2,159,039
	<b>5,707,255</b>	<b>6,354,968</b>	<b>7,664,592</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**

	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
Investments			
- Reserve funds	500,400	480,450	450,000
- Margaret River Main Street OCDF	60,000	78,560	70,000
- Other funds	200,400	278,606	200,400
Late payment of fees and charges *	2,500	5,829	3,021
Other interest revenue (refer note 1b)	240,000	270,432	220,000
	1,003,300	1,113,877	943,421

\* The Shire has resolved to charge interest under section 6.13 for the late payment of any amount of money at 11%.

**(b) Other revenue**

Reimbursements and recoveries	35,100	99,868	27,700
	35,100	99,868	27,700

**The net result includes as expenses**

**(c) Auditors remuneration**

Audit services	56,000	34,838	40,500
Other services	10,000	4,610	8,000
	66,000	39,448	48,500

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

Borrowings (refer Note 6(a))	564,202	534,528	529,642
Interest expense on lease liabilities			
	564,202	534,528	529,642

**(e) Elected members remuneration**

Meeting fees	136,895	135,539	135,539
Mayor/President's allowance	39,754	39,360	39,360
Deputy Mayor/President's allowance	9,938	9,840	9,840
Travel and other reimbursable expenses	24,200	20,351	24,200
Telecommunications allowance	24,500	24,500	24,500
	235,287	229,590	233,439

**(f) Write offs**

General rate	1,000	2,002	2,000
	1,000	2,002	2,000

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

### 11. MAJOR LAND TRANSACTIONS

It is not anticipated any major land transactions will occur in 2019/20.

### 12. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated any trading undertakings or major trading undertakings will occur in 2019/20.

### 13. INTERESTS IN JOINT ARRANGEMENTS

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

### 14 TRUST FUNDS

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

Detail	Balance 1 July 2019	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2020
	\$	\$	\$	\$
Unclaimed Monies	2,658	200	0	2,858
BCITF Levy	3,719	55,000	(55,000)	3,719
Dept of Transport Licencing	59,164	2,700,000	(2,710,000)	49,164
BRB Levy	11,826	125,000	(126,000)	10,826
Emergency Services Levy	(2,335)	950,000	(950,000)	(2,335)
Community Arts Event	3,308	0	0	3,308
TRANSWA Agency Fees	0	8,000	(8,000)	0
Public Open Space	138,274	0	0	138,274
Bonds - Roadworks	640,182	0	0	640,182
Bonds - Other	50	0	(50)	0
Untied Grants	26,450	0	(26,450)	0
	883,296	3,838,200	(3,875,500)	845,996

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

**15 SIGNIFICANT ACCOUNTING POLICIES - OTHER  
INFORMATION**

**GOODS AND SERVICES TAX (GST)**

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

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

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

**CRITICAL ACCOUNTING ESTIMATES**

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

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

**ROUNDING OFF FIGURES**

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

**COMPARATIVE FIGURES**

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

**BUDGET COMPARATIVE FIGURES**

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

**REVENUE RECOGNITION**

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