



SHIRE OF WANDERING

BUDGET

FOR THE YEAR ENDED 30 JUNE 2019

TABLE OF CONTENTS

Statement of Comprehensive Income by Nature or Type	2
Basis of Preparation	3
Statement of Comprehensive Income by Program	4
Statement of Cash Flows	6
Rate Setting Statement by Program	7
Rates and Service Charges	8
Net Current Assets	13
Reconciliation of Cash	15
Fixed Assets	16
Asset Depreciation	18
Borrowings	19
Cash Backed Reserves	21
Fees and Charges	22
Grant Revenue	22
Other Information	23
Major Land Transactions	24
Trust	25
Significant Accounting Policies - Other	26
Supplementary Information - Capital Expenditure	27

SHIRE'S VISION

A healthy, harmonious and progressive community where all people are willing to contribute and enjoy opportunities to be successful.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2019

BY NATURE OR TYPE

	NOTE	2018/19 Budget	2017/18 Actual	2017/18 Budget
		\$	\$	\$
Revenue				
Rates	1	1,036,125	941,846	936,766
Operating grants, subsidies and contributions	9	464,770	866,472	2,030,919
Fees and charges	8	679,605	703,639	633,381
Service charges		0	0	0
Interest earnings	10 (a)	9,300	12,613	12,594
Other revenue	10 (b)	37,000	74,669	40,500
		2,226,800	2,599,239	3,654,160
Expenses				
Employee costs		(776,064)	(1,023,714)	(1,333,295)
Materials and contracts		(1,268,733)	(1,808,508)	(2,054,508)
Utility charges		(44,900)	(45,976)	(45,902)
Depreciation on non-current assets	5	(672,000)	(670,112)	(707,691)
Interest expenses	10 (d)	(10,291)	(13,466)	(9,721)
Insurance expenses		(87,474)	(102,190)	(112,155)
Other expenditure		(20,725)	(4,908)	(14,025)
		(2,880,187)	(3,668,874)	(4,277,297)
		(653,387)	(1,069,635)	(623,137)
Non-operating grants, subsidies and contributions	9	2,042,172	578,895	498,820
Profit on asset disposals	4 (b)	0	0	0
Loss on asset disposals	4 (b)	(74,172)	0	0
Loss on revaluation of non current assets		0	0	0
Reversal of prior year loss on revaluation of assets		0	0	0
Fair value adjustments to financial assets at fair value through profit or loss		0	0	0
Net result		1,314,613	(490,740)	(124,317)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		1,314,613	(490,740)	(124,317)

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

FOR THE YEAR ENDED 30TH JUNE 2019

BASIS OF PREPARATION

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations. Material accounting policies which have been adopted in the preparation of this budget are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the budget has also 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 Wandering 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 Trust Funds.

2017/18 ACTUAL BALANCES

Balances shown in this budget as 2017/18 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES

RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specific area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts offered. Exclude administration fees, interest on instalments, interest on arrears and service charges.

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. Exclude 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.

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.

REVENUES (CONTINUED)

FEES AND CHARGES

Revenues (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, rebates etc.

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 2019

BY PROGRAM

	NOTE	2018/19 Budget	2017/18 Actual	2017/18 Budget
Revenue	1, 8, 9, 10(a),(b)	\$	\$	\$
Governance		0	0	0
General purpose funding		1,315,209	1,467,689	1,429,024
Law, order, public safety		29,723	49,061	37,520
Health		3,600	5,031	1,000
Education and welfare		0	0	0
Housing		31,200	40,036	40,300
Community amenities		43,900	49,587	41,150
Recreation and culture		1,150	678	1,500
Transport		32,443	149,819	1,377,430
Economic services		738,426	795,984	695,786
Other property and services		31,149	41,354	30,450
		<u>2,226,800</u>	<u>2,599,239</u>	<u>3,654,160</u>
Expenses excluding finance costs	5,10(c),(e),(f)			
Governance		(180,138)	(173,238)	(184,857)
General purpose funding		(98,762)	(92,255)	(85,262)
Law, order, public safety		(136,766)	(146,463)	(141,232)
Health		(33,671)	(34,089)	(30,642)
Education and welfare		(1,749)	(1,598)	(3,770)
Housing		(38,921)	(23,216)	(57,661)
Community amenities		(212,128)	(190,789)	(208,582)
Recreation and culture		(200,475)	(171,577)	(194,333)
Transport		(957,155)	(2,048,467)	(2,474,499)
Economic services		(895,717)	(892,956)	(802,656)
Other property and services		(114,414)	119,240	(85,282)
		<u>(2,869,896)</u>	<u>(3,655,408)</u>	<u>(4,268,776)</u>
Finance costs	6, 10(d)			
Governance		0	0	0
General purpose funding		(6,119)	(5,473)	0
Housing		(4,172)	(7,993)	(8,521)
Other property and services		0	0	0
		<u>(10,291)</u>	<u>(13,466)</u>	<u>(8,521)</u>
		<u>(653,387)</u>	<u>(1,069,635)</u>	<u>(623,137)</u>
Non-operating grants, subsidies and contributions	9.	2,042,172	578,895	498,820
Profit on disposal of assets	4.(b)	0	0	0
(Loss) on disposal of assets	4.(b)	(74,172)	0	0
Loss on revaluation of non current assets		0	0	0
Reversal of prior year loss on revaluation of assets		0	0	0
Fair value adjustments to financial assets at fair value through profit or loss		0	0	0
Net result		<u>1,314,613</u>	<u>(490,740)</u>	<u>(124,317)</u>
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		<u>0</u>	<u>0</u>	<u>0</u>
Total comprehensive income		<u>1,314,613</u>	<u>(490,740)</u>	<u>(124,317)</u>

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

FOR THE YEAR ENDED 30TH JUNE 2019

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.

PROGRAM NAME	OBJECTIVE	ACTIVITIES
GOVERNANCE	To provide a decision making process for the efficient allocation of scarce resources.	Members expenses and other costs of the Shire that relate to the tasks of assisting Councillors and the public on matters which do not concern specific Council services.
GENERAL PURPOSE FUNDING	To collect revenue to allow for the provision of services.	Collection of Rates revenue, financial assistance grants for general purpose and interest revenue.
LAW, ORDER, PUBLIC SAFETY	To provide services to ensure a safer community.	Community safety initiatives, fire prevention and control and animal control.
HEALTH	To provide services for community and environmental health.	Health inspection and advisory services, analytical services, pest and weed control, and assistance to provide health initiatives.
EDUCATION AND WELFARE	To support services relating to youth, elderly and the disadvantaged.	Support school activities, aged care initiatives and disability inclusion plan.
HOUSING	Provision of shire housing and privately rented accommodation.	Management and maintenance for shire housing privately rented while not required by staff and provision of rental accommodation to the Housing Authority for teachers accommodation.
COMMUNITY AMENITIES	To provide amenities required by the community.	Rubbish collection services and operation of waste transfer station. Maintenance of cemeteries and public conveniences. Administration of town planning activities.
RECREATION AND CULTURE	To establish and maintain infrastructure and resources to meet the recreational and cultural needs of the community.	Maintenance of halls, playgrounds, recreation grounds and reserves. Operation of Library and maintenance of heritage and history inventory.
TRANSPORT	To provide safe and effective transport services to the community.	Construction and maintenance of streets, roads, bridges, signage and footpaths. Cleaning and lighting of town streets. Depot maintenance.
ECONOMIC SERVICES	To help promote Wandering and its economic wellbeing.	Tourism and area promotion including operation of caravan park. Implementation of building control and provision of a fuel facility, postal agency and Community Resource Centre.
OTHER PROPERTY AND SERVICES	To monitor and control operating accounts.	Provisions of private work operations, plant repairs, operation costs and all administration costs.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2019

BY NATURE OR TYPE

NOTE	2018/19 Budget	2017/18 Actual	2017/18 Budget
	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates	1,046,125	947,987	951,766
Operating grants, subsidies and contributions	564,770	795,301	2,080,546
Fees and charges	679,605	703,639	633,381
Service charges	0	0	0
Interest earnings	9,300	12,613	12,594
Goods and services tax	171,677	150,721	(25,000)
Other revenue	37,000	74,669	40,500
	2,508,477	2,684,930	3,693,787
Payments			
Employee costs	(841,840)	(993,742)	(1,323,295)
Materials and contracts	(1,385,146)	(1,481,941)	(2,022,646)
Utility charges	(44,900)	(45,976)	(45,902)
Interest expenses	(10,291)	(10,678)	(9,721)
Insurance expenses	(87,474)	(102,190)	(112,155)
Goods and services tax	(148,000)	(163,466)	0
Other expenditure	(20,725)	(4,908)	(14,025)
	(2,538,376)	(2,802,901)	(3,527,744)
Net cash provided by (used in) operating activities	3.	(29,899)	166,043
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for development of land held for resale	4.(a)	0	0
Payments for purchase of property, plant & equipment	4.(a)	(170,000)	(9,000)
Payments for construction of infrastructure	4.(a)	(1,597,283)	(848,724)
Non-operating grants, subsidies and contributions used for the development of assets	9.	2,042,172	498,820
Proceeds from sale of plant & equipment	4.(b)	30,000	0
Net cash provided by (used in) investing activities		304,889	(358,904)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	6.	(621,710)	(69,957)
Proceeds from new borrowings	6.(b)	0	900,000
Net cash provided by (used in) financing activities		(621,710)	(69,957)
Net increase (decrease) in cash held		(346,720)	(262,818)
Cash at beginning of year		698,571	566,178
Cash and cash equivalents at the end of the year	3.	351,850	303,360

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

RATES SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2019

BY REPORTING PROGRAM

	NOTE	2018/19 Budget	2017/18 Actual	2017/18 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	2.	210,107	346,590	346,590
		210,107	346,590	346,590
Revenue from operating activities (excluding rates)				
Governance		0	0	0
General purpose funding		282,045	528,535	494,950
Law, order, public safety		29,723	49,061	37,520
Health		3,600	5,031	1,000
Education and welfare		0	0	0
Housing		31,200	40,036	40,300
Community amenities		43,900	49,587	41,150
Recreation and culture		1,150	678	1,500
Transport		32,443	149,819	1,377,430
Economic services		738,426	795,984	695,786
Other property and services		31,149	41,354	30,450
		1,193,636	1,660,085	2,720,086
Expenditure from operating activities				
Governance		(180,138)	(173,238)	(184,857)
General purpose funding		(104,881)	(97,728)	(85,262)
Law, order, public safety		(136,766)	(146,463)	(141,232)
Health		(33,671)	(34,089)	(30,642)
Education and welfare		(1,749)	(1,598)	(3,770)
Housing		(43,093)	(31,209)	(66,182)
Community amenities		(212,128)	(190,789)	(208,582)
Recreation and culture		(200,475)	(171,577)	(194,333)
Transport		(1,031,327)	(2,048,467)	(2,474,499)
Economic services		(895,717)	(892,956)	(802,656)
Other property and services		(114,414)	119,240	(85,282)
		(2,954,359)	(3,668,874)	(4,277,297)
Operating activities excluded from budget				
(Profit) on asset disposals	4.(b)	0	0	0
Loss on disposal of assets	4.(b)	74,172	0	0
Loss on revaluation of non current assets		0	0	0
Reversal of prior year loss on revaluation of assets		0	0	0
Depreciation on assets	5.	672,000	670,112	707,691
Movement in Leave Reserve - Cashbacked		384	137	
Movement in employee benefit provisions (non-current)		0	13,544	0
Amount attributable to operating activities		(804,059)	(978,406)	(502,930)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	9.	2,042,172	578,895	498,820
Purchase land held for resale	4.(a)	0	0	0
Purchase property, plant and equipment	4.(a)	(170,000)	(15,906)	(9,000)
Purchase and construction of infrastructure	4.(a)	(1,597,283)	(792,668)	(848,724)
Proceeds from disposal of assets	4.(a)	30,000	0	0
Amount attributable to investing activities		304,889	(229,679)	(358,904)
FINANCING ACTIVITIES				
Repayment of borrowings	6.(a)	(621,710)	(419,957)	(69,957)
Proceeds from new borrowings	6.(b)	0	900,000	0
Transfers to cash backed reserves (restricted assets)	7.(a)	(42,283)	(1,005)	(2,283)
Transfers from cash backed reserves (restricted assets)	7.(a)	130,000	0	0
Amount attributable to financing activities		(533,993)	479,038	(72,240)
Budgeted deficiency before general rates		(1,033,164)	(729,047)	(934,074)
Estimated amount to be raised from general rates	1.	1,033,164	939,154	934,074
Net current assets at end of financial year - surplus/(deficit)	2.	0	210,107	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 2019

1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2018/19 Budgeted rate revenue	2018/19 Budgeted interim rates	2018/19 Budgeted back rates	2018/19 Budgeted total revenue	2017/18 Actual Revenue
	\$		\$	\$	\$	\$	\$	\$
Differential general rate or general rate								
GRV Residential	0.101330	42	481,104	48,750	0	0	48,750	43,018
GRV Special Use	0.120010	3	157,820	18,940	0	0	18,940	17,376
UV Rural Residential	0.013530	56	5,430,500	73,475	0	0	73,475	66,574
UV Rural	0.006850	128	107,655,000	737,437	0	0	737,437	666,951
UV Mining	0.006850	0	0	0	0	0	0	0
Sub-Totals		229	113,724,424	878,602	0	0	878,602	793,919
Minimum								
Minimum payment								
	\$							
GRV Residential	1,000	37	141,952	37,000	0	0	37,000	34,276
GRV Special Use	1,200	2	6,705	2,400	0	0	2,400	2,202
UV Rural Residential	1,188	47	3,681,500	55,836	0	0	55,836	51,230
UV Rural	1,177	82	9,889,900	96,514	0	0	96,514	89,640
UV Mining	1,177	5	149,071	5,885	0	0	5,885	5,400
Sub-Totals		173	13,869,128	197,635	0	0	197,635	182,748
		402	127,593,552	1,076,237	0	0	1,076,237	976,667
1. (h)							(43,073)	(37,513)
Total amount raised from general rates							1,033,164	939,154
ExGratia Rates							2,961	2,692
Total rates							1,036,125	941,846

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

The general rates detailed for the 2018/19 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 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 rate(s) has 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 2019

1. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	07-September-2018	0	0.00%	11.00%
Option two				
1st Instalment	07-September-2018	0	5.50%	11.00%
2nd Instalment	09-November-2018	10	5.50%	11.00%
3rd Instalment	11-January-2019	10	5.50%	11.00%
4th Instalment	15-March-2019	10	5.50%	11.00%

	2018/19 Budget revenue	2017/18 Actual
	\$	\$
Instalment plan admin charge revenue	3,000	3,768
Instalment plan interest earned	1,500	1,625
Unpaid rates and service charge interest earned	5,000	6,667
	9,500	12,060

(c) Objectives and Reasons for 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

Description	Characteristics	Objects	Reasons
GRV - Residential	Properties within the town-site boundaries with a predominant residential use.	This is considered by Council to be the base rate by which all other GRV land is assessed.	The rate for this category is to reflect the level of rating required to raise the necessary revenue to operate efficiently and provide the diverse rang of services and programs and associated infrastructure/facilities required for developed residential areas. These programs include, but not limited to, road maintenance, development of footpath network, and building maintenance.
GRV - Special Use	Non-residential land that is zoned for commercial and industrial activities.	The objective is to raise additional revenue to contribute toward higher costs associated with commercial/industrial activity.	The rate reflects the additional costs associated with increased maintenance and renewal of assets and infrastructure required to service these properties. The higher rate also reflects the additional cost of environmental health, building and planning services.
UV - Rural	Consists of properties with a predominant rural land use.	Is the lowest of the Shire's UV differentials which serves as a benchmark differential rate by which all other UV rated properties are assessed.	The rate for this category reflects the level of rating required to raise the necessary revenue to operate efficiently and provide the diverse range of services and programs and associated infrastructure/facilities required for rural areas. These programs include, but not limited to, road maintenance, drainage networks, road safety, tree pruning and replacement of road plant.
UV - Rural Residential	Consists of properties outside the town-site which has a minimal rural activity taking place and is predominately residential.	This differential rate is to raise additional revenue to fund cost impacts to the Shire from this type of development.	This category is rated higher to reflect the higher infrastructure/facilities maintenance required for rural residential areas. These programs include, but not limited to, road maintenance, drainage networks, road safety, ranger services, bushfire control and waste transfer services.
UV - Mining	Covers all mining leases, exploration/prospecting licenses and all licenses as defined under the Mining Act 1978.	This rate is to raise revenue to fund cost impact to the Shire for mining activities.	This is rated differently to reflect the nature of the current leases. The Shire acknowledge that these leases are not , for the most part, income producing and the level of impact is minimal to the Shire. Although exploration, prospecting and operations have different levels of impact on the road infrastructure, there remains the need to fund the maintenance and renewal of this vial community while recognising the Shires goal to encourage mining in the district.

(d) Differential Minimum Payment

The Shire imposes a minimum rate specific to each rating category, ensuring all properties contribute an equitable rate amount to non- exclusive services. The minimum rate recognises that all ratepayers have an equal opportunity to enjoy the facilities and services provided by Council, regardless of the value of their property.

(e) Variation in Adopted Differential Rates to Local Public Notice

The following rates and minimum payments were previously set out in the local public notice giving notice of the intention to charge differential rates.

Differential general rate or general rate	Proposed Rate in \$	Adopted Rate in \$	
GRV - Residential	0.101330	0.101330	The advertised rates in the dollar remains the same as the adopted rate in the dollar on all rating categories.
GRV - Special Use	0.120010	0.120010	
UV - Rural Residential	0.013530	0.013530	
UV - Rural	0.006850	0.006850	
UV - Mining	0.006850	0.006850	
Minimum payment	Proposed Minimum	Adopted Minimum \$	
GRV - Residential	1,000	1,000	The advertised rates minimum payment remains the same as the adopted rates minimum payment on all rating categories.
GRV - Special Use	1,200	1,200	
UV - Rural Residential	1,188	1,188	
UV - Rural	1,177	1,177	
UV - Mining	1,177	1,177	

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2019**

1. RATES AND SERVICE CHARGES (CONTINUED)

(f) Specified Area Rate

The Shire did not raise specified area rates for the year ended 30th June 2019.

(g) Service Charges

The Shire did not raise service charges for the year ended 30th June 2019.

(h) Rates discounts

Rate or fee to which discount is granted	Disc % or Amount (\$)	2018/19 Budget	2017/18 Actual	Circumstances in which discount is granted
Rates	5%	\$ 43,073	\$ 37,513	Payment of full rates amount owing including arrears, received on or before 7th September 2018 or 35 days after the date of service on the rate notice whichever is later.
		43,073	37,513	

(i) Waivers or concessions

The Shire does not anticipate any waivers or concessions for the year ended 30th June 2019.

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2019

2. NET CURRENT ASSETS

	Note	2018/19 Budget	2017/18 Actual
		\$	\$
Composition of estimated net current assets			
Current assets			
Cash - unrestricted	3.	154,860	413,864
Cash - restricted reserves	3.	196,990	284,707
Receivables		69,774	203,451
Inventories		53,485	73,685
		475,109	975,707
Less: current liabilities			
Trade and other payables		(237,942)	(410,331)
Long term borrowings		0	(621,710)
Provisions		(79,563)	(109,563)
		(317,505)	(1,141,604)
		157,604	(165,897)
Unadjusted net current assets			
Adjustments			
Less: Cash - restricted reserves	3.	(196,990)	(284,707)
Less: Land held for resale		0	0
Less: Current loans - clubs / institutions		0	0
Add: Current portion of borrowings		0	621,710
Add: Cash back leave reserve		39,386	39,001
		0	210,107
Adjusted net current assets - surplus/(deficit)			

Reason for Adjustments

The differences between the net current assets at the end of each financial year in the rate setting statement and net current assets detailed above arise from amounts which have been excluded when calculating the budget deficiency in accordance with *Local Government (Financial Management) Regulation 32* as movements for these items have been funded within the budget estimates. These differences are disclosed as adjustments above.

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 of Wandering's operational cycle. In the case of liabilities where the Shire of Wandering 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 of Wandering's intentions to release for sale.

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.

2. NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

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 Wandering 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.

PROVISIONS

Provisions are recognised when the Shire of Wandering 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 Wandering contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Wandering contributes are defined contribution plans.

EMPLOYEE BENEFITS

Short-term employee benefits

Provision is made for the Shire of Wandering'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 Wandering'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 Wandering'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 2019**

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:

	2018/19 Budget	2017/18 Actual	2017/18 Budget
	\$	\$	\$
Cash - unrestricted	154,860	413,864	17,375
Cash - restricted	196,990	284,707	285,985
	351,850	698,571	303,360
The following restrictions have been imposed by regulation or other externally imposed requirements:			
Leave Reserve	39,386	39,001	39,249
Plant Replacement Reserve	111,982	205,482	206,257
Land & Building Reserve	20,513	5,459	5,494
Office Equipment Reserve	25,109	34,765	34,986
Reserves cash backed - User defined 5	0	0	0
Reserves cash backed - User defined 6	0	0	0
	196,990	284,707	285,985
Reconciliation of net cash provided by operating activities to net result			
Net result	1,314,613	(490,740)	(124,317)
Depreciation	672,000	670,112	707,691
(Profit)/loss on sale of asset	74,172	0	0
Loss on revaluation of non current assets	0	0	0
(Increase)/decrease in receivables	133,677	(64,309)	39,627
(Increase)/decrease in inventories	20,200	(30,710)	(500)
Increase/(decrease) in payables	(172,389)	358,579	42,362
Increase/(decrease) in employee provisions	(30,000)	17,992	0
Grants/contributions for the development of assets	(2,042,172)	(578,895)	(498,820)
Net cash from operating activities	(29,899)	(117,971)	166,043

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 2019

4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program											2018/19 Budget total	2017/18 Actual total
	Governance	General purpose funding	Law, order, public safety	Health	Education and welfare	Housing	Community amenities	Recreation and culture	Transport	Economic services	Other property and services		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>													
Land - freehold land	0	0	0	0	0	0	0	0	0	0	0	0	0
Land - vested in and under the control of Council	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings - non-specialised	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings	0	0	0	0	0	0	0	0	0	0	0	0	0
Furniture and equipment	0	0	0	0	0	0	0	0	0	0	20,000	20,000	8,116
Plant and equipment	0	0	0	0	0	0	0	0	150,000	0	0	150,000	7,790
	0	0	0	0	0	0	0	0	150,000	0	20,000	170,000	15,906
<i>Infrastructure</i>													
Infrastructure - Roads & Bridges	0	0	0	0	0	0	0	0	1,497,283	0	0	1,497,283	792,668
Infrastructure - Footpaths	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Drainage	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Parks and ovals	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Other	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Bridges	0	0	0	0	0	0	0	0	100,000	0	0	100,000	0
	0	0	0	0	0	0	0	0	1,597,283	0	0	1,597,283	792,668
<i>Land Held for Resale</i>													
Land held for resale	0	0	0	0	0	0	0	0	0	0	0	0	0
Total acquisitions	0	0	0	0	0	0	0	0	1,747,283	0	20,000	1,767,283	808,574

A detailed breakdown of acquisitions on an individual asset basis can be found in the supplementary information attached to this budget document at Page 27 Detailed Capital Expenditure.

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2019

4. FIXED ASSETS (CONTINUED)

(b) Disposals of Assets

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

	Net book value	Sale proceeds	2018/19 Budget		2017/18 Actual		2017/18 Budget	
	\$	\$	Profit	Loss	Profit	Loss	Profit	Loss
	\$	\$	\$	\$	\$	\$	\$	\$
By Program								
Transport	104,172	30,000	0	(74,172)	0	0	0	0
	104,172	30,000	0	(74,172)	0	0	0	0
By Class								
<i>Property, Plant and Equipment</i>								
Caterpillar Roller	49,500	20,000	0	(29,500)	0	0	0	0
Volvo Roller	54,672	10,000	0	(44,672)	0	0	0	0
	104,172	30,000	0	(74,172)	0	0	0	0

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2019

5. ASSET DEPRECIATION

By Program

Governance
General purpose funding
Law, Order & Public Safety
Health
Education & welfare
Housing
Community amenities
Recreation & culture
Transport
Economic services
Other property & services

2018/19 Budget	2017/18 Actual	2017/18 Budget
\$	\$	\$
0	0	0
0	0	0
52,349	51,123	52,352
0	0	0
0	0	0
33,654	33,653	44,682
11,943	11,943	12,768
53,426	53,426	56,478
419,260	418,600	430,000
21,969	21,969	25,326
79,399	79,398	86,085
672,000	670,112	707,691
0	0	
71,000	71,491	101,685
13,000	13,161	17,401
113,000	113,725	113,618
404,000	399,601	409,481
3,000	3,646	3,225
4,000	4,041	0
40,000	40,185	41,292
24,000	24,262	20,989
672,000	670,112	707,691

By Class

Buildings - non-specialised
Buildings
Furniture and equipment
Plant and equipment
Infrastructure - Roads & Bridges
Infrastructure - Footpaths
Infrastructure - Drainage
Infrastructure - Parks and ovals
Infrastructure - Other

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 of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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.

DEPRECIATION (CONTINUED)

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

Buildings - non-specialised	40 - 50 years
Buildings	40 - 50 years
Furniture and equipment	3 - 10 years
Plant and equipment	3 - 10 years
Sealed roads and streets	0 Years
- subgrade	not depreciated
- pavement/road base	30 years
- original surfacing and major re-surfacing	
- bituminous seals	20 years
- asphalt seals	25 years
Gravel roads	0 Years
- subgrade	not depreciated
- pavement/road base	30 years
'- gravel sheet	5 - 7 years
Footpaths	0 Years
Storm water & drainage system	20 years
Water supply piping	40 years
	25 years

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	Principal 30-Jun-18	New loans	Principal repayments		Principal outstanding		Interest repayments	
			2018/19 Budget	2017/18 Actual	2018/19 Budget	2017/18 Actual	2018/19 Budget	2017/18 Actual
			\$	\$	\$	\$	\$	\$
Housing								
5 Dunmall Drive - House	145,217	0	71,710	69,957	73,507	145,217	4,172	7,993
	145,217	0	71,710	69,957	73,507	145,217	4,172	7,993
General purpose funding								
Short Term Lending Facility	550,000	0	550,000	350,000	0	550,000	6,119	5,473
	550,000	0	550,000	350,000	0	550,000	6,119	5,473
	695,217	0	621,710	419,957	73,507	695,217	10,291	13,466

All borrowing repayments will be financed by general purpose revenue.

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2019**

6. INFORMATION ON BORROWINGS (CONTINUED)

The Shire does not intend to undertake any new borrowings for the year ended 30th June 2019

(c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30th June 2018 nor is it expected to have unspent borrowing funds as at 30th June 2019.

(d) Credit Facilities

**Undrawn borrowing facilities
credit standby arrangements**

Bank overdraft limit
Bank overdraft at balance date
Credit card limit
Credit card balance at balance date
Total amount of credit unused

Loan facilities

Loan facilities in use at balance date

	2018/19 Budget	2017/18 Actual	2017/18 Budget
	\$	\$	\$
Bank overdraft limit	200,000	200,000	200,000
Bank overdraft at balance date	0	0	0
Credit card limit	10,000	20,000	20,000
Credit card balance at balance date	0	5,633	0
Total amount of credit unused	210,000	225,633	220,000
Loan facilities			
Loan facilities in use at balance date	73,507	695,217	68,247

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 2019

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2018/19 Budget Opening Balance	2018/19 Budget Transfer to	2018/19 Budget Transfer (from)	2018/19 Budget Closing Balance	2017/18 Actual Opening Balance	2017/18 Actual Transfer to	2017/18 Actual Transfer (from)	2017/18 Actual Closing Balance	2017/18 Budget Opening Balance	2017/18 Budget Transfer to	2017/18 Budget Transfer (from)	2017/18 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Leave Reserve	39,001	385	0	39,386	38,864	138	0	39,001	38,864	385	0	39,249
Plant Replacement Reserve	205,482	26,500	(120,000)	111,982	204,757	725	0	205,482	204,757	1,500	0	206,257
Land & Building Reserve	5,459	15,054	0	20,513	5,440	19	0	5,459	5,440	54	0	5,494
Office Equipment Reserve	34,765	344	(10,000)	25,109	34,642	123	0	34,765	34,642	344	0	34,986
Reserves cash backed - User defined 5	0	0	0	0	0	0	0	0	0	0	0	0
Reserves cash backed - User defined 6	0	0	0	0	0	0	0	0	0	0	0	0
	284,707	42,283	(130,000)	196,990	283,702	1,005	0	284,707	283,702	2,283	0	285,985

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2019

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:

Reserve name	Anticipated date of use	Purpose of the reserve
Leave Reserve	Ongoing	For the payment of long service leave and termination leave.
Plant Replacement Reserve	2018/2019	For the purchase and replacement of plant and vehicles.
Land & Building Reserve	Ongoing	For the purchase of land and building and major repairs/upgrading of existing buildings.
Office Equipment Reserve	Ongoing	For the replacement of office equipment.

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2019

8. FEES & CHARGES REVENUE

	2018/19 Budget	2017/18 Actual
	\$	\$
Governance	0	0
General purpose funding	3,000	1,998
Law, Order & Public Safety	6,720	6,054
Health	3,600	5,031
Education & welfare	0	0
Housing	31,200	40,036
Community amenities	43,900	48,069
Recreation & culture	1,150	678
Transport	2,500	21,617
Economic services	576,385	573,796
Other property & services	11,150	6,362
	679,605	703,639

9. GRANT REVENUE

	2018/19 Budget	2017/18 Actual
	\$	\$
Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:		
By Program:		
Operating grants, subsidies and contributions		
Governance	0	0
General purpose funding	264,784	500,201
Law, Order & Public Safety	23,003	30,618
Health	0	0
Education & welfare	0	0
Housing	0	0
Community amenities	0	0
Recreation & culture	0	0
Transport	29,943	128,201
Economic services	147,041	207,452
Other property & services	0	0
	464,770	866,472
Non-operating grants, subsidies and contributions		
Governance	0	0
General purpose funding	0	19,000
Law, Order & Public Safety	0	0
Health	0	0
Education & welfare	0	0
Housing	0	0
Community amenities	0	0
Recreation & culture	0	0
Transport	2,042,172	559,895
Economic services	0	0
Other property & services	0	0
	2,042,172	578,895

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2019

10. OTHER INFORMATION

	2018/19 Budget	2017/18 Actual	2017/18 Budget
The net result includes as revenues	\$	\$	\$
(a) Interest earnings			
Investments			
- Reserve funds	1,500	1,005	3,500
- Other funds	1,300	3,316	3,910
Other interest revenue (refer note 1b)	6,500	8,292	5,184
	9,300	12,613	12,594
(b) Other revenue			
Reimbursements and recoveries	0	38,447	0
Other	37,000	36,222	40,500
	37,000	74,669	40,500
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	15,000	10,687	13,500
Other services	0	0	2,000
	15,000	10,687	15,500
(d) Interest expenses (finance costs)			
Borrowings (refer note 6(a))	10,291	13,466	8,521
Other	0	0	1,200
	10,291	13,466	9,721
(e) Elected members remuneration			
Meeting fees	500	431	500
President's allowance	4,000	4,000	4,000
	4,500	4,431	4,500
(f) Write offs			
General rate	0	0	0
Fees and charges	0	0	0
	0	0	0
(f) Operating lease expenses			
Office equipment	0	0	0
Plant and equipment	0	0	0
	0	0	0

SIGNIFICANT ACCOUNTING POLICIES

LEASES

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Shire of Wandering are classified as finance leases.

Finance leases are capitalised, recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

11. MAJOR LAND TRANSACTIONS

Dunmall Drive Residential Subdivision

(a) Details

This project commenced in 2001/2002 with the release of seven (7) lots and a further release of twenty two (22) lots in 2007/2008. One (1) lot remains unsold at the completion of the 2017/2018 financial year.

(b) Current year transactions

	2018/19 Budget	2017/18 Actual
	\$	\$
Operating revenue		
- Profit on sale	0	0
Capital revenue		
- Sale proceeds	0	0
Capital expenditure		
- Purchase of land	0	0
- Development costs	0	0
	0	0

(b) Expected future cash flows

	2018/19	2019/20	2020/21	2021/22	2022/23	Total
	\$	\$	\$	\$	\$	\$
Cash outflows						
- Development costs	0	0	0	0	0	0
- Loan repayments	0	0	0	0	0	0
	0	0	0	0	0	0
Cash Inflows						
- Loan proceeds	0	0	0	0	0	0
- Sale proceeds	0	0	0	0	0	0
	0	0	0	0	0	0
Net cash flows	0	0	0	0	0	0

It is not anticipated any land transactions or major land transactions will occur in 2018/19.

12. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated any trading undertakings or major trading undertakings will occur in 2018/19.

13 INTERESTS IN JOINT ARRANGEMENTS

It is not anticipated the Shire will be party to any joint venture arrangements during 2018/19.

SIGNIFICANT ACCOUNTING POLICIES

INTERESTS IN JOINT ARRANGEMENTS

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

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

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

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 30-Jun-18	Estimated amounts received	Estimated amounts paid	Estimated balance 30-Jun-19
	\$	\$	(\$)	\$
Cleaning Bonds	650	500	(850)	300
Cat Trap Bond	300	150	(300)	150
Key Deposit Bond	250	500	(750)	0
Town Planning Bonds	18,000	0	(12,000)	6,000
Fire Brigade Donations	3,340	0	0	3,340
Declared Species Group	5,770	0	(4,770)	1,000
Councillors Nominations	0	160	(160)	0
	28,310	1,310	(18,830)	10,790

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2019**

**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 budget 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

Rates, grants, donations and other contributions are recognised as revenues when the Shire of Wandering obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2018

DETAILED CAPITAL EXPENDITURE	Annual Budget 2018 -2019	Previous Year Comparatives	
		Actual Expenditure 2017 -2018	Annual Budget 2017 - 2018
Land & Buildings	0		
	0	0	0
Plant & Equipment			
Weighing System	0	7,790	7,000
Roller	150,000		
	150,000	7,790	7,000
Furniture & Equipment			
Office IT Server	20,000	8,116	2,000
	20,000	8,116	2,000
Roads			
Regional Road Group Construction			
North Bannister Wandering #2 - Widening/Sealing (SLK 20)	115,942	337,208	322,529
North Bannister Wandering #1 - Widening/Sealing (SLK 7-13)	417,022	278,272	271,202
	532,964	615,480	593,731
Roads to Recovery			
2018/2019 Roads to Recovery Allocation	91,627		
Down St/Dunmall Dr - Reseal	0	29,901	30,000
Townstreet Reseals	0	70,402	53,000
Mulching	0	19,743	20,000
	91,627	120,046	103,000
Storm Damage Reinstatement Works			
Flood Damage AGRN 743 (Claim 1)	437,057	0	0
Flood Damage AGRN 767 (Claim 2)	405,635	0	0
	842,692	0	0
Council Funded - Direct Grant			
Reid Road - Culverts	30,000		
Wandering Pingelly Rd - Tree Pruning	0	35,000	51,993
	30,000	35,000	51,993
Blackspot			
Intersection Wandering/Bannister Rd & Ricks Rd - construct to 7 m wide, 2 coat seal	0	22,142	0
	0	22,142	0
TOTAL ROAD CONSTRUCTION	1,497,283	792,668	748,724
Bridges			
Correring Brook	100,000	0	100,000
	100,000	0	100,000
	1,767,283	808,574	857,724