

# SHIRE OF NGAANYATJARRAKU

## BUDGET

FOR THE YEAR ENDED 30 JUNE 2019

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**SHIRE OF NGAANYATJARRAKU**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	NOTE	2018/19 Budget \$	2017/18 Actual \$	2017/18 Budget \$
<b>Revenue</b>				
Rates	8	255,759	239,238	246,670
Operating grants, subsidies and contributions		3,185,891	8,898,802	4,450,771
Fees and charges	14	316,840	395,264	359,590
Interest earnings	2(a)	6,497	16,927	19,690
Other revenue	2(a)	31,085	69,158	42,880
		<u>3,796,072</u>	<u>9,619,389</u>	<u>5,119,601</u>
<b>Expenses</b>				
Employee costs		(2,709,286)	(2,120,452)	(2,269,552)
Materials and contracts		(2,405,705)	(2,471,078)	(3,237,928)
Utility charges		(95,000)	(102,313)	(58,500)
Depreciation on non-current assets	2(a)	(1,366,389)	(1,373,457)	(2,522,000)
Insurance expenses		(123,000)	(116,046)	(163,300)
Other expenditure		(117,140)	(125,119)	(120,200)
		<u>(6,816,520)</u>	<u>(6,308,465)</u>	<u>(8,371,480)</u>
		(3,020,448)	3,310,924	(3,251,879)
Non-operating grants, subsidies and contributions		8,687,675	287,316	6,712,409
Profit on asset disposals	6	0	22,727	0
<b>NET RESULT</b>		<u><b>5,667,227</b></u>	<u><b>3,620,967</b></u>	<u><b>3,460,530</b></u>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	0	0
<b>Total other comprehensive income</b>		<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u><b>5,667,227</b></u>	<u><b>3,620,967</b></u>	<u><b>3,460,530</b></u>

**Notes:**

All fair value adjustments relating to remeasurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets are impacted upon by external forces and not able to be reliably estimated at the time of budget adoption.

Fair value adjustments relating to the re-measurement of financial assets at fair value through profit or loss will be assessed at the time they occur with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes upon revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

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

**SHIRE OF NGAANYATJARRAKU**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	NOTE	2018/19 Budget	2017/18 Actual	2017/18 Budget
		\$	\$	\$
<b>Revenue (Refer Notes 1,2,8,10 to 14)</b>				
Governance		3,000	4,680	8,000
General purpose funding		1,759,096	5,063,259	3,420,294
Law, order, public safety		420	3,536	80
Health		105,200	107,217	104,752
Education and welfare		318,000	505,357	440,000
Housing		20,000	11,086	45,000
Community amenities		87,000	96,409	137,500
Recreation and culture		222,307	306,262	238,640
Transport		1,274,049	3,474,107	691,985
Economic services		7,000	8,532	11,200
Other property and services		0	38,944	22,150
		<u>3,796,072</u>	<u>9,619,389</u>	<u>5,119,601</u>
<b>Expenses Excluding Finance Costs Refer Notes 1, 2 &amp; 15)</b>				
Governance		(139,103)	(143,121)	(121,900)
General purpose funding		(24,825)	(25,168)	(28,213)
Law, order, public safety		(91,031)	(85,273)	(94,945)
Health		(488,745)	(389,798)	(445,269)
Education and welfare		(1,093,417)	(997,912)	(1,138,677)
Housing		(336,166)	(322,876)	(615,122)
Community amenities		(610,465)	(452,148)	(627,270)
Recreation and culture		(872,682)	(851,423)	(1,302,469)
Transport		(2,983,962)	(2,750,111)	(3,838,115)
Economic services		(163,128)	(124,868)	(127,131)
Other property and services		(12,996)	(165,767)	(32,369)
		<u>(6,816,520)</u>	<u>(6,308,465)</u>	<u>(8,371,480)</u>
<b>Non-operating Grants, Subsidies and Contributions</b>				
Transport		8,687,675	287,316	6,712,409
		<u>8,687,675</u>	<u>287,316</u>	<u>6,712,409</u>
<b>Profit/(Loss) On Disposal Of Assets (Refer Note 6)</b>				
Governance		0	22,727	0
		<u>0</u>	<u>22,727</u>	<u>0</u>
<b>NET RESULT</b>				
		<u>5,667,227</u>	<u>3,620,967</u>	<u>3,460,530</u>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
<b>Total other comprehensive income</b>		<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>5,667,227</u>	<u>3,620,967</u>	<u>3,460,530</u>

**Notes:**

All fair value adjustments relating to remeasurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets are impacted upon by external forces and not able to be reliably estimated at the time of budget adoption.

Fair value adjustments relating to the remeasurement of financial assets at fair value through profit or loss will be assessed at the time they occur with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes upon revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

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

**SHIRE OF NGAANYATJARRAKU  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2019**

	NOTE	2018/19 Budget \$	2017/18 Actual \$	2017/18 Budget \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		255,759	436,433	246,670
Operating grants, subsidies and contributions		4,799,177	8,009,354	4,450,771
Fees and charges		316,840	396,555	359,590
Interest earnings		6,497	16,927	19,690
Goods and services tax		0	18,347	0
Other revenue		31,085	68,392	42,880
		<u>5,409,358</u>	<u>8,946,008</u>	<u>5,119,601</u>
<b>Payments</b>				
Employee costs		(2,709,286)	(1,828,487)	(2,269,551)
Materials and contracts		(2,405,705)	(4,980,711)	(3,237,929)
Utility charges		(95,000)	(102,313)	(58,500)
Insurance expenses		(123,000)	(116,046)	(163,300)
Goods and services tax		0	0	0
Other expenditure		(117,140)	(125,119)	(120,200)
		<u>(5,450,131)</u>	<u>(7,152,676)</u>	<u>(5,849,480)</u>
<b>Net cash provided by (used in) operating activities</b>	3(b)	<u>(40,773)</u>	<u>1,793,332</u>	<u>(729,879)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	5	(328,000)	(330,906)	(602,212)
Payments for construction of infrastructure	5	(9,084,775)	(3,565,681)	(5,306,478)
Non-operating grants, subsidies and contributions used for the development of assets		8,687,675	287,316	6,712,409
Proceeds from sale of plant & equipment		0	22,727	0
<b>Net cash provided by (used in) investing activities</b>		<u>(725,100)</u>	<u>(3,586,544)</u>	<u>803,719</u>
<b>Net increase (decrease) in cash held</b>		(765,873)	(1,793,212)	73,840
Cash at beginning of year		<u>3,270,636</u>	<u>5,063,848</u>	<u>5,003,690</u>
<b>Cash and cash equivalents at the end of the year</b>	3(a)	<u><u>2,504,763</u></u>	<u><u>3,270,636</u></u>	<u><u>5,077,530</u></u>

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

**SHIRE OF NGAANYATJARRAKU  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2019**

	NOTE	2018/19 Budget \$	2017/18 Actual \$	2017/18 Budget \$
<b>Net current assets at start of financial year - surplus/(deficit)</b>	4	3,373,238	2,292,064	2,960,406
<b>Revenue from operating activities (excluding rates and non-operating grants, subsidies and contributions)</b>	1,2			
Governance		3,000	27,407	8,000
General purpose funding		1,503,337	4,824,021	3,173,624
Law, order, public safety		420	3,536	80
Health		105,200	107,217	104,752
Education and welfare		318,000	505,357	440,000
Housing		20,000	11,086	45,000
Community amenities		87,000	96,409	137,500
Recreation and culture		222,307	306,262	238,640
Transport		1,274,049	3,474,107	691,985
Economic services		7,000	8,532	11,200
Other property and services		0	38,944	22,150
		<u>3,540,313</u>	<u>9,402,878</u>	<u>4,872,931</u>
<b>Expenditure from operating activities</b>	1,2			
Governance		(139,103)	(143,121)	(121,900)
General purpose funding		(24,825)	(25,168)	(28,213)
Law, order, public safety		(91,031)	(85,273)	(94,945)
Health		(488,745)	(389,798)	(445,269)
Education and welfare		(1,093,417)	(997,912)	(1,138,677)
Housing		(336,166)	(322,876)	(615,122)
Community amenities		(610,465)	(452,148)	(627,270)
Recreation and culture		(872,682)	(851,423)	(1,302,469)
Transport		(2,983,962)	(2,750,111)	(3,838,115)
Economic services		(163,128)	(124,868)	(127,131)
Other property and services		(12,996)	(165,767)	(32,369)
		<u>(6,816,520)</u>	<u>(6,308,465)</u>	<u>(8,371,480)</u>
<b>Operating activities excluded from budget</b>				
(Profit)/Loss on asset disposals		0	(22,727)	0
Depreciation on assets	2(a)	1,366,389	1,373,457	2,522,000
<b>Amount attributable to operating activities</b>		<u>1,463,420</u>	<u>6,737,207</u>	<u>1,983,857</u>
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		8,687,675	287,316	6,712,409
Purchase property, plant and equipment	5	(328,000)	(330,906)	(602,212)
Purchase and construction of infrastructure	5	(9,084,775)	(3,565,681)	(5,306,478)
Proceeds from disposal of assets		0	22,727	0
<b>Amount attributable to investing activities</b>		<u>(725,100)</u>	<u>(3,586,544)</u>	<u>803,719</u>
<b>FINANCING ACTIVITIES</b>				
Transfers to cash backed reserves (restricted assets)	9	(1,619,332)	(16,663)	(19,240)
Transfers from cash backed reserves (restricted assets)	9	625,253	0	157,212
<b>Amount attributable to financing activities</b>		<u>(994,079)</u>	<u>(16,663)</u>	<u>137,972</u>
<b>Budgeted deficiency before general rates</b>		<u>(255,759)</u>	<u>3,134,000</u>	<u>2,925,548</u>
<b>Estimated amount to be raised from general rates</b>	8	255,759	239,238	246,670
<b>Net current assets at end of financial year - surplus/(deficit)</b>	4	<u>(0)</u>	<u>3,373,238</u>	<u>3,172,218</u>

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(a) 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 controls resources to carry on its functions have been included in the financial statements forming part of this budget.

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 16 to this budget document.

**(b) 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.

**(c) Rounding Off Figures**

All figures shown in this budget, other than a rate in the dollar, are rounded to the nearest dollar.

**(d) Rates, Grants, Donations and Other Contributions**

Rates, grants, donations and other contributions are recognised as revenues when the Shire 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.

**(e) 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.

**(f) Superannuation**

The Shire contributes to a number of superannuation funds on behalf of employees.

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) 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 4 - Net Current Assets.

**(h) 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.

**(i) 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.

***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.

**SHIRE OF NGAANYATJARRAKU**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(j) Fixed Assets**

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

***Initial Recognition and Measurement between Mandatory Revaluation Dates***

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation of the next anniversary date in accordance with the mandatory measurement framework detailed above.

***Revaluation***

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

***Land Under Roads***

In Western Australia, all land under roads is Crown land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Shire



**SHIRE OF NGAANYATJARRAKU**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(j) Fixed Assets (Continued)**

**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.

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

Buildings	2%	50 years
Furniture and Equipment	25%	4 years
Plant and Equipment	17.50%	15 years
Infrastructure formation	0%	not depreciated
Infrastructure pavement	4.32%	23 years
Infrastructure seal	4.30%	23 years
Infrastructure kerb	4.94%	20 years
Infrastructure drainage	3.16%	32 years
Infrastructure recreation	2%	50 years

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.

**(k) Fair Value of Assets and Liabilities**

When performing a revaluation, the Shire uses a mix of both independent and management valuations using the following as a guide:

Fair Value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

**SHIRE OF NGAANYATJARRAKU**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(k) Fair Value of Assets and Liabilities (Continued)**

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset (i.e. the market with the greatest volume and level of activity for the asset or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

***Fair Value Hierarchy***

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

**Level 1**

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2**

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

***Valuation techniques***

The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

**Market approach**

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

**SHIRE OF NGAANYATJARRAKU**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(k) Fair Value of Assets and Liabilities (Continued)**

**Income approach**

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

**Cost approach**

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability and considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The mandatory measurement framework imposed by the *Local Government (Financial Management) Regulations* requires, as a minimum, all assets to be revalued at least every 3 years. Relevant disclosures, in accordance with the requirements of Australian Accounting Standards have been made in the budget as necessary.

**(l) Financial Instruments**

**Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the Shire becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Shire commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

**Classification and Subsequent Measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method.

**SHIRE OF NGAANYATJARRAKU**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(I) Financial Instruments (Continued)**

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

*(i) Financial assets at fair value through profit and loss*

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short term profit taking. Assets in this category are classified as current assets. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

*(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

*(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Shire management has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

*(iv) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available for sale financial assets are classified as non-current.

*(v) Financial liabilities*

Non-derivative financial liabilities (excl. financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in the profit or loss.

**SHIRE OF NGAANYATJARRAKU**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(l) Financial Instruments (Continued)**

***Impairment***

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

***Derecognition***

Financial assets are derecognised where the contractual rights for receipt of cash flows expire or the asset is transferred to another party, whereby the Shire no longer has any significant continual involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**(m) Impairment of Assets**

In accordance with Australian Accounting Standards the Shire assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. AASB 116) whereby any impairment loss of a revaluation decrease in accordance with that other standard.

**SHIRE OF NGAANYATJARRAKU**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(m) Impairment of Assets (Continued)**

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

At the time of adopting this budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2017.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on this budget document.

**(n) 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 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.

**(o) Employee Benefits**

**Short-Term Employee Benefits**

Provision is made for the Shire'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'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's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

**Other Long-Term Employee Benefits**

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations or service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

**SHIRE OF NGAANYATJARRAKU**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(p) 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.

**(q) 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.

**(r) 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, 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.

**(s) 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. Refer to note 1(o) for a description of the equity method of accounting.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 19.

**SHIRE OF NGAANYATJARRAKU**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(t) 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.

**(u) Comparative Figures**

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

**(v) Budget Comparative Figures**

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



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

	2018/19 Budget \$	2017/18 Actual \$	2017/18 Budget \$
<b>2. REVENUES AND EXPENSES</b>			
(a) <b>Net Result</b>			
The net result includes:			
(i) Charging as an expense:			
<b>Auditors remuneration</b>			
Audit services	55,000	46,267	90,000
Other services	0	0	0
<b>Depreciation By Program</b>			
Governance	21,000	24,666	32,000
Law, order, public safety	2,500	2,568	4,000
Health	23,500	23,476	30,000
Education and welfare	37,000	36,628	118,000
Housing	92,735	93,051	403,000
Community amenities	60,000	60,970	95,000
Recreation and culture	55,179	53,857	297,000
Transport	1,065,975	1,069,685	1,535,000
Economic services	8,500	8,556	8,000
	<u>1,366,389</u>	<u>1,373,457</u>	<u>2,522,000</u>
<b>Depreciation By Asset Class</b>			
Land and buildings	157,235	136,533	755,000
Furniture and equipment	6,000	8,184	33,000
Plant and equipment	160,980	188,678	234,000
Roads and footpaths	1,042,174	1,040,062	1,500,000
	<u>1,366,389</u>	<u>1,373,457</u>	<u>2,522,000</u>
(ii) Crediting as revenues:			
<b>Interest Earnings</b>			
Investments			
- Reserve funds	6,047	16,663	19,240
- Other funds	450	264	450
	<u>6,497</u>	<u>16,927</u>	<u>19,690</u>
(iii) <b>Other Revenue</b>			
Reimbursements and recoveries	0	0	0
Other	31,085	69,158	42,880
	<u>31,085</u>	<u>69,158</u>	<u>42,880</u>

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

**2. REVENUES AND EXPENSES (Continued)**

**(b) Statement of Objective**

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.

**COMMUNITY VISION**

The Shire of Ngaanyatjarraku is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

**GOVERNANCE**

**Objective:**

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

**Activities:**

Includes 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**

**Objective:**

To collect revenue to allow for the provision of services.

**Activities:**

Rates, general purpose government grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

**Objective:**

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

**Activities:**

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

**HEALTH**

**Objective:**

To provide an operational framework for environmental and community health.

**Activities:**

Inspection of food outlets and their control, provision of meat inspection services, noise control and a waste pick-up service.

**EDUCATION AND WELFARE**

**Objective:**

To provide services to children and youth.

**Activities:**

Maintenance of playgroup centre (early years learning) and operation of youth services.

**HOUSING**

**Objective:**

To provide and maintain staff housing.

**Activities:**

Provision and maintenance of staff housing.

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

**2. REVENUES AND EXPENSES (Continued)**

**(b) Statement of Objective (Continued)**

**COMMUNITY AMENITIES**

**Objective:**

To provide services required by the community.

**Activities:**

Rubbish collection services, litter control, storm water maintenance and protection of the environment.

**RECREATION AND CULTURE**

**Objective:**

To establish and effectively manage infrastructure and resources which will help the social well-being of the community.

**Activities:**

Maintenance of public halls, civic centres, aquatic centre, recreation centres and various sporting facilities. Provision and maintenance of parks and playgrounds. Operation of other cultural facilities.

**TRANSPORT**

**Objective:**

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

**Activities:**

Construction and maintenance of roads, streets, footpaths, depot and traffic control. Cleaning of streets and maintenance of street trees.

**ECONOMIC SERVICES**

**Objective:**

To help promote the Shire and its economic well-being.

**Activities:**

Tourism and area promotion, provision of rural services including weed and vermin control. Building control.

**OTHER PROPERTY & SERVICES**

**Objective:**

To monitor and control council's overheads operating accounts.

**Activities:**

Private works operation, plant repairs, operation costs and administrative costs.

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

**3. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

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

	<b>2018/19 Budget \$</b>	<b>2017/18 Actual \$</b>	<b>2017/18 Budget \$</b>
Cash - unrestricted	593,851	2,353,803	4,378,831
Cash - restricted	<u>1,910,912</u>	<u>916,833</u>	<u>698,699</u>
	<u><u>2,504,763</u></u>	<u><u>3,270,636</u></u>	<u><u>5,077,530</u></u>

The following restrictions have been imposed by regulation or other externally imposed requirements:

Asset Replacement, Acquisition & Development Reserve	1,840,635	846,603	626,971
Cultural Centre Reserve	<u>70,277</u>	<u>70,230</u>	<u>71,728</u>
	<u><u>1,910,912</u></u>	<u><u>916,833</u></u>	<u><u>698,699</u></u>

**(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result**

Net result	5,667,227	3,620,967	3,460,530
Depreciation	1,366,389	1,373,457	2,522,000
(Profit)/loss on sale of asset	0	(22,727)	0
(Increase)/decrease in receivables	1,613,286	(1,516,664)	0
(Increase)/decrease in inventories	0	(41,862)	0
Increase/(decrease) in payables	0	(1,691,452)	0
Increase/(decrease) in employee provisions	0	358,929	0
Grants/contributions for the development of assets	<u>(8,687,675)</u>	<u>(287,316)</u>	<u>(6,712,409)</u>
<b>Net Cash from Operating Activities</b>	<u><u>(40,773)</u></u>	<u><u>1,793,332</u></u>	<u><u>(729,879)</u></u>

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

**3. NOTES TO THE STATEMENT OF CASH FLOWS (Continued)**

	2018/19 Budget \$	2017/18 Actual \$	2017/18 Budget \$
<b>(c) Undrawn Borrowing Facilities</b>			
<b>Credit Standby Arrangements</b>			
Bank overdraft limit	0	0	0
Bank overdraft at balance date	0	0	0
Credit card limit	8,000	8,000	8,000
Credit card balance at balance date	0	0	0
<b>Total Amount of Credit Unused</b>	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>
<b>Loan Facilities</b>			
Loan facilities in use at balance date	<u>0</u>	<u>0</u>	<u>0</u>
Unused loan facilities at balance date	<u>0</u>	<u>0</u>	<u>0</u>

	Note	2018/19 Budget \$	2017/18 Actual \$
<b>4. NET CURRENT ASSETS</b>			
<b>Composition of estimated net current assets</b>			
<b>CURRENT ASSETS</b>			
Cash - unrestricted	3(a)	593,851	2,353,803
Cash - restricted reserves	3(a)	1,910,912	916,833
Receivables		803,548	2,416,834
Inventories		41,862	41,862
		<u>3,350,173</u>	<u>5,729,332</u>
<b>LESS: CURRENT LIABILITIES</b>			
Trade and other payables		(1,080,332)	(1,080,332)
Provisions		(358,929)	(358,929)
		<u>(1,439,261)</u>	<u>(1,439,261)</u>
<b>Unadjusted net current assets</b>		<b>1,910,912</b>	<b>4,290,071</b>
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 FM Reg 32 as movements for these items have been funded within the budget estimates. These differences are disclosed as adjustments below.			
<b>Adjustments</b>			
Less: Cash - restricted reserves	3(a)	(1,910,912)	(916,833)
<b>Adjusted net current assets - surplus/(deficit)</b>		<u><b>0</b></u>	<u><b>3,373,238</b></u>

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

**5. 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 \$	Health \$	Education and Welfare \$	Housing \$	Recreation and Culture \$	Transport \$		
<i>Property, Plant and Equipment</i>								
Land and buildings	0	0	40,000	25,000	25,000	0	90,000	0
Furniture and equipment	5,000	0	0	0	0	0	5,000	0
Plant and equipment	0	223,000	0	0	0	10,000	233,000	330,906
	<b>5,000</b>	<b>223,000</b>	<b>40,000</b>	<b>25,000</b>	<b>25,000</b>	<b>10,000</b>	<b>328,000</b>	<b>330,906</b>
<i>Infrastructure</i>								
Roads and footpaths	0	0	0	0	0	9,084,775	9,084,775	3,565,681
<b>Total Acquisitions</b>	<b>5,000</b>	<b>223,000</b>	<b>40,000</b>	<b>25,000</b>	<b>25,000</b>	<b>9,094,775</b>	<b>9,412,775</b>	<b>3,896,587</b>

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

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

**6. DISPOSALS OF ASSETS**

No assets are budgeted to be disposed of during the year.

**7. INFORMATION ON BORROWINGS**

(a) Debenture Repayments

No Borrowings currently exist

(b) New Debentures - 2018/19

It is not anticipated any new debentures will be drawn during 2018/19.

(c) Unspent Debentures

Council had no unspent debenture funds as at 30th June 2018 nor is it expected to have unspent debenture funds as at 30th June 2019.

(d) Overdraft

No overdraft facilities currently exist with the Shire's bank.

It is not anticipated that this facility will be required to be utilised during 2018/19.

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

**8. RATING INFORMATION - 2016/17 FINANCIAL YEAR**

<b>RATE TYPE</b>	<b>Rate in \$</b>	<b>Number of Properties</b>	<b>Rateable Value \$</b>	<b>2018/19 Budgeted Rate Revenue \$</b>	<b>2018/19 Budgeted Interim Rates \$</b>	<b>2018/19 Budgeted Back Rates \$</b>	<b>2018/19 Budgeted Total Revenue \$</b>	<b>2017/18 Actual \$</b>
<b>General rate</b>								
UV	0.210000	34	908,940	190,877	0	0	190,877	174,356
<b>Sub-Totals</b>		34	908,940	190,877	0	0	190,877	174,356
<b>Minimum payment</b>	<b>Minimum \$</b>							
UV	245	0	0	0	0	0	0	0
<b>Sub-Totals</b>		0	0	0	0	0	0	0
Discounts (Note 13)							0	0
Exgratia Rates - Ngaanyatjarraku Community							64,882	64,882
<b>Total amount raised from general rates</b>							<b>255,759</b>	<b>239,238</b>



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

**8(a). RATING INFORMATION - 2018/19 FINANCIAL YEAR (CONTINUED)**

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

The general rates detailed above 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 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 the Local Government services/facilities.

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

**9. CASH BACKED RESERVES**

	2018/19 Budget				2017/18 Actual				2017/18 Budget			
	Opening Balance \$	Transfer to \$	Transfer (from) \$	Closing Balance \$	Opening Balance \$	Transfer to \$	Transfer (from) \$	Closing Balance \$	Opening Balance \$	Transfer to \$	Transfer (from) \$	Closing Balance \$
Asset Replacement, Acquisition & Development Reserve	846,603	1,619,285	(625,253)	1,840,635	830,070	16,533	0	846,603	766,555	17,628	(157,212)	626,971
Cultural Centre Reserve	70,230	47	0	70,277	70,100	130	0	70,230	70,116	1,612	0	71,728
	916,833	1,619,332	(625,253)	1,910,912	900,170	16,663	0	916,833	836,671	19,240	(157,212)	698,699

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

**Purpose of the reserve**

Asset Replacement, Acquisition & Development Reserve

To provide and replace the necessary equipment, furniture, plant, buildings and infrastructure comprising of roads, drains, footpaths and recreational reserves.

Cultural Centre Reserve

To provide for the successful operation of the Cultural Centre as provided for in clause 8.21 of the management deed between the Shire of Ngaanyatjarraku, Warburton Community Incorporated and the Ngaanyatjarraku Council (Aboriginal Corporation), transfers to the reserve representing surplus funds from the day to day operations of the Cultural Centre after deducting costs incurred by the Shire.

It is the Shire's intention to utilise the funds held in the abovementioned reserves for the purpose of not utilising Overdraft facilities from time to time during the financial year. The benefit to the Shire is that it reduces financing costs.

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

**10. SPECIFIED AREA RATE - 2018/19 FINANCIAL YEAR**

It is not the intention of the council to raise a specified area rate during the financial year ended 30 June 2019.

**11. SERVICE CHARGES - 2018/19 FINANCIAL YEAR**

It is not the intention of the council to raise a service charge during the financial year ended 30 June 2019.

**12. INTEREST CHARGES AND INSTALMENTS - RATES AND SERVICE CHARGES - 2018/19 FINANCIAL YEAR**

<b>Instalment Options</b>	<b>Date Due</b>	<b>Instalment Plan Admin Charge \$</b>	<b>Instalment Plan Interest Rate %</b>	<b>Unpaid Rates Interest Rate %</b>
<b>Option 1 (Full Payment)</b>				
	29-Oct-18	0	0.00%	11%
<b>Option 2 (Two Instalments)</b>				
First instalment	29-Oct-18	0	0.00%	11%
Second instalment	04-Mar-19	0	0.00%	11%
<b>Option 3 (Four Instalments)</b>				
First instalment	29-Oct-18	0	0.00%	11%
Second instalment	28-Dec-18	0	0.00%	11%
Third instalment	01-Mar-19	0	0.00%	11%
Fourth instalment	06-May-19	0	0.00%	11%

**13. PAYMENT DISCOUNTS, WAIVERS AND CONCESSIONS  
- 2018/19 FINANCIAL YEAR**

The council does not intend to offer any discounts, incentives, concessions or write offs.

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

<b>14. FEES &amp; CHARGES REVENUE</b>	<b>2018/19 Budget \$</b>	<b>2017/18 Actual \$</b>
Governance	500	55
General purpose funding	1,500	0
Health	200	0
Education and welfare	7,000	9,124
Housing	20,000	11,086
Community amenities	87,000	88,909
Recreation and culture	195,640	278,416
Economic services	5,000	7,674
	<u>316,840</u>	<u>395,264</u>

<b>15. ELECTED MEMBERS REMUNERATION</b>	<b>2018/19 Budget \$</b>	<b>2017/18 Actual \$</b>
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The following fees, expenses and allowances were paid to council members and/or the Mayor/President.

Meeting fees	18,000	8,500
President's allowance	6,000	2,000
Annual Local Government allowance - President	4,000	5,191
Annual Local Government allowance - Deputy President	1,000	0
Travelling expenses	15,000	9,892
	<u>44,000</u>	<u>25,583</u>

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

**16. TRUST FUNDS**

It is not anticipated there will be any funds held by the local government over which it has no control and which will not be included in the financial statements during the year 2018/19.

**17. MAJOR LAND TRANSACTIONS**

It is not anticipated the Shire will participate in any major land transactions during the 2018/19 financial year.

**18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

It is not anticipated the Shire will participate in any trading undertakings or major trading undertakings during the 2018/19 financial year.

**19. INTERESTS IN JOINT ARRANGEMENTS**

It is not anticipated the Shire will participate in any joint arrangements during the 2018/19 financial year.