

SHIRE OF

**DUNDAS**

## **Ordinary Council Meeting**

**15<sup>th</sup> October 2019**



**Papers Relating**

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## 10.1.1

Development Application-75 Roberts Street

# APPENDIX II - FORM OF APPLICATION FOR PLANNING CONSENT

TOWN PLANNING AND DEVELOPMENT ACT 1928 (AS AMENDED)

SHIRE OF DUNDAS

## FORM OF APPLICATION FOR PLANNING CONSENT

1. Surname of Applicant BRADY  
 Given names JOHN DOUGLAS  
 Address 75 ROBERTS STR
2. Surname of Landowner (if different from above).....  
 Given names.....  
 Address.....
3. Submitted by JOHN BRADY
4. Address for correspondence 75 ROBERTS STR  
NORSEMAN WA 6443
5. Locality of Development DUNDAS SHIRE
6. Title Details of Land.....
7. Name of road serving Property ROBERTS STREET
8. State Type of Development CONSTRUCTION OF GREENHOUSE / SHADEHOUSE  
ERECTOR OF DOMESTIC SHELTAR  
 Nature and size of all Buildings proposed.....

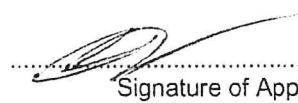
Materials to be used on external surfaces of Buildings ON GREENHOUSE TRANSLUCENT WHITE PLASTIC AND SHADE CLOTH  
COLOURBOND ON SIDES OF DOMESTIC SHELTER WITH WHITE RIBBON CARTRIDGE ON ROOF

General treatment of open portions of the site.....

Details of car parking and landscaping proposals N/A

Approximate cost of Proposed Development \$ 7000  
 Estimated time for construction 90 DAYS

  
 Signature of Owner

  
 Signature of Applicant or Agent

(Both signatures are required if applicant is not the owner).

8/10/2019  
 Date

.....  
 Date



**NOTE:**

This form should be completed and forwarded to the Dundas Shire Council together with two copies of detailed plans showing complete details of the development including a site plan showing the relationship of the land to the area generally. In areas where close development exists, or is in the course of construction, plans shall show the siting of buildings and uses on lots immediately adjoining the subject land.

All applications shall be accompanied by:

- (a) a location plan showing the land the subject of the application and its relationship to surrounding lots and streets; and in the case of an application for the erection of new buildings:
- (b) a site plan or plans showing:
  - (i) the position, type and use of all existing buildings and improvements on the land indicating those to be removed as part of the proposal;
  - (ii) the position, type and use of any new buildings and improvements proposed on the land;
  - (iii) the position of any trees on the site showing those to be removed and those to be retained;
  - (iv) areas to be landscaped, surfaced for parking or developed for any other purpose within the site;
  - (v) contours and any earthworks to be undertaken as a part of the development;  
*NO EARTHWORKS REQUIRED*
  - (vi) the location and description of any existing buildings;
  - (vii) location of water tanks and their capacity;
  - (viii) location of effluent disposal system;or in the case of an application for a change in the use of land and/or buildings;
- (c) a site plan and, where applicable, floor plan(s) of the existing building(s) indicating the uses to be made of the land and the respective building(s) or portions of the building(s).

385000 m

385000 m

Blue Cadastral Boundary

75 Roberts Street

3.75m Setback

12m by 6m Dome Shelter

3m Setback

1.8m Colourbond Fence

House

Shadehouse 17m by 8m

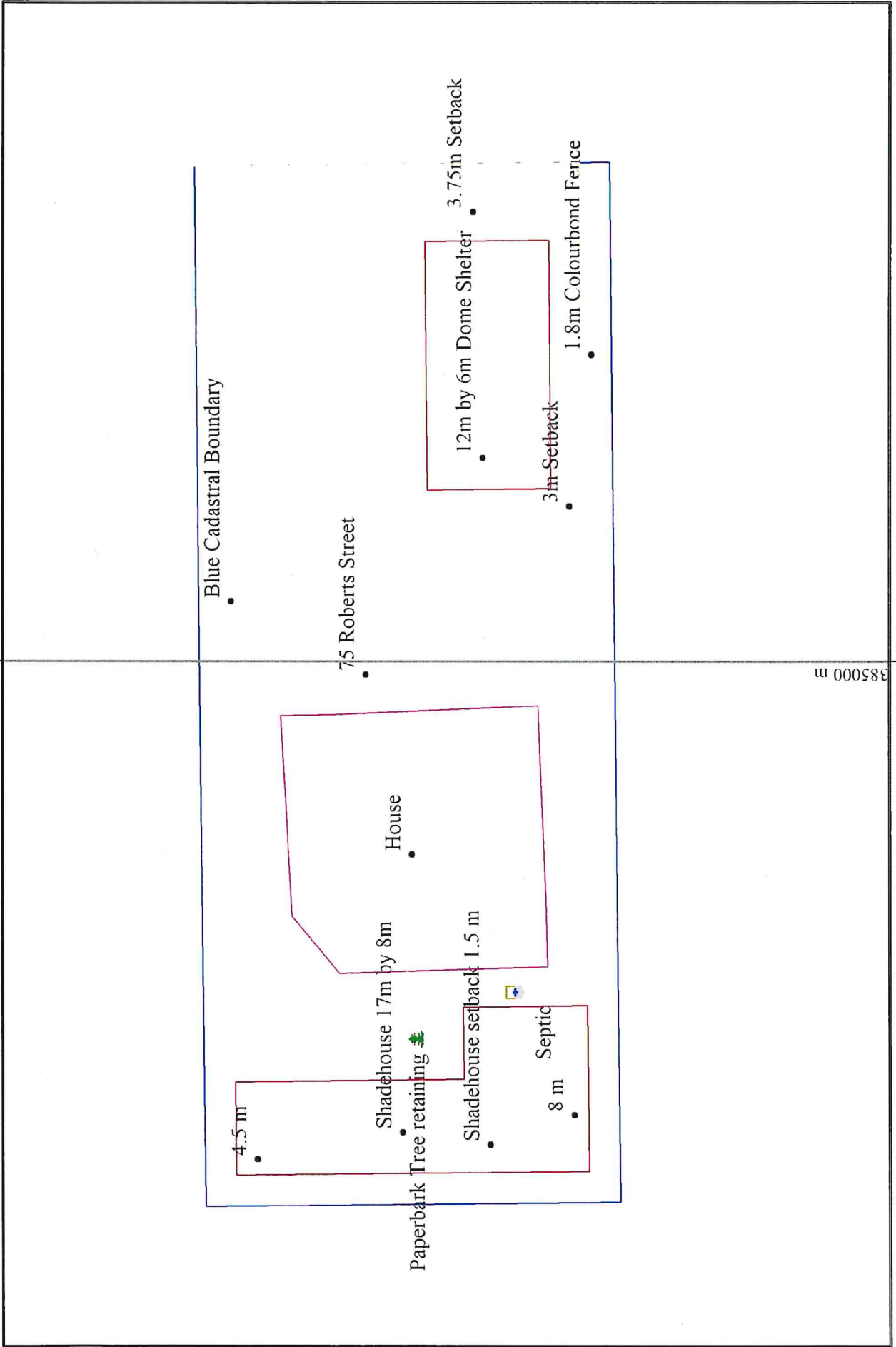
Paperbark Tree retaining

Shadehouse setback 1.5 m

Septic

8 m

4.5 m









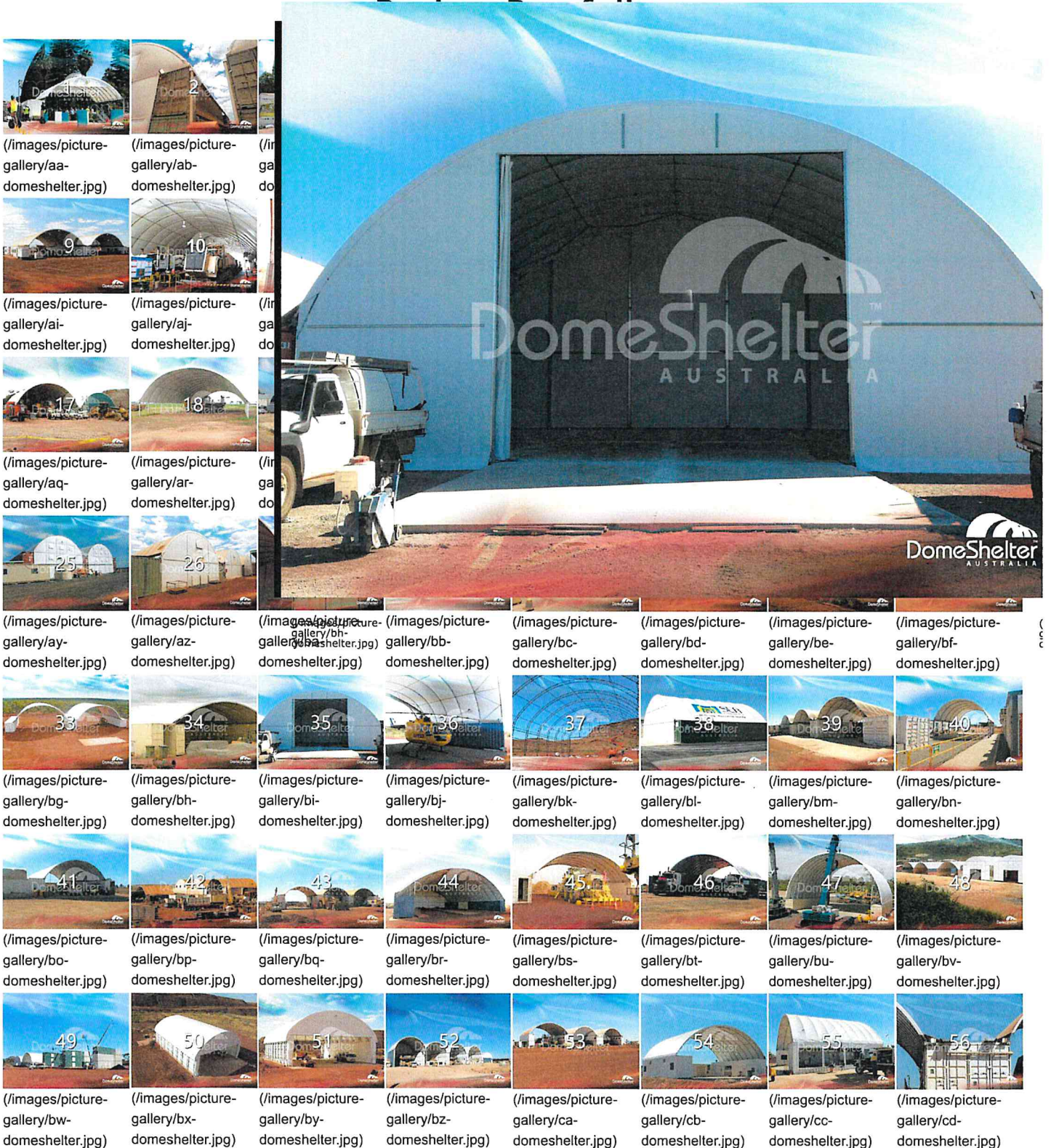
FREECALL

**1-800-653-351 (tel:1800653351)**

OR

**+61 8 9690 1100 (tel:+61896901100)**

Navigate





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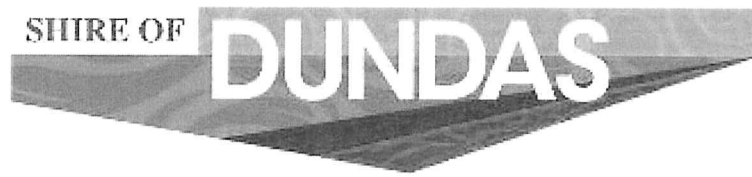
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10.4.4

Officers Reports



REPORT TO COUNCIL  
Ordinary Council Meeting 15<sup>th</sup> October 2019

AREA: Works and Services

OFFICER: Joe Hodges

PERIOD OF REPORTING: September – October 2019

Hyden Norseman Rd

- Works continue the Hyden-Norseman Road just off the bitumen section. Cartage of gravel from pit 7 is now complete.
- Material that is contaminated with rock and vegetation is being screened this week to allow material to be placed on the road. Works have progressed approximately 9.0 km west of the end of the bitumen.
- Commenced the purchase of Electronic road information signs for road closures.
- Damage to the intersection of the Hyden-Norseman Road and the intersection of the Coolgardie/Esperance Hwy. Repairs being arranged once approval to work at the location from Main Roads WA is granted.
- Letter of approval from NNTC for access to land along the Hyden-Norseman road has been received, application can now be submitted to DLPH for approval to access and then to submit clearing application to DWER for the 9 new gravel pits to commence.

Town & Gardening Crews

- Town crew has been restricted to one employee as the other is operating the grader as a relief operator. However, as this report is discussed the staff member on leave will have returned.
- Town crew staff will then be 2 employees.
- Town Gardeners are slowly progressing with their works, currently weed spraying and extensive weed removal.
- Items of small plant require repair, (Blower & hedge Trimmer) advised almost beyond use by date. Progressing with the implementation of Battery-operated small equipment. Eliminated all fuel requirements and contamination plus reliability.

Occupational Safety And Health

- Safety meeting 24/09/2019 was held and staff were instructed to start completing daily vehicle prestarts as plant defects are not being reported and staff are just putting up with issues.
- All staff were instructed that any defect is to be reported immediately or taken out of service if not safe.
- Issues all small trailers had damaged jockey wheels that require replacement, new jockey wheel purchased and replaced.



## Ranger Services

RV Parking for the month of September:

- 362 Vehicles counted in the evenings
- 366 Vehicles counted in the mornings
- 7 Vehicles asked to move with no notices having to be issued.

These RV numbers are up to over double for the previous month of August

## Plant Maintenance

- Damaged Nissan Navara driven by MWS repairs completed and collected, vehicle like new, very high quality of work by Sheldon Panel & Paint. Progression towards the replacement of all light vehicles and the loader will now be progresses.
- Both Fuso tipping truck have had their services completed, one 250,000 km the other 260,000 km.
- P300 small mower was damaged mowing verges again, an audit of all town verges will be conducted to ascertain the cause of damage.
- Tyre for loader punctured at landfill, however had to be disposed of and another tyre utilised.
- Cat 910 k loader has had its rear diff removed by Westrac and repaired in Kalgoorlie, Issue had been ongoing for approximately 10 months but not officially reported. Warranty ran out Feb 2019. Machine now repaired and operating as normal.

## General

Investigating future use of various locations around Norseman Townsite.

- Tennis courts condition and viability of repairs or modify sections to a fit for purpose activity.
- RV park investigate possibilities for upgrade of services.
- Welcome Parks the facilities remaining once the Visitors Centre moves to the Woodlands Centre.
- BBQ being repaired with new timber base that will display the craftsmanship of the men from the Norseman's Men's shed so to be a focal/discussion point at public functions.



**REPORT TO COUNCIL**  
**Ordinary Council Meeting 15<sup>th</sup> October 2019**

**AREA: Community Development**

**OFFICER: Pania Turner**

**PERIOD OF REPORTING: September-October 2019**

Community Event Reminder	Council Meetings Reminder
<p><b>Light the Night Walk</b>            Where: Marks Park            When: Saturday 12<sup>th</sup> October            Time: 5pm-7pm            Event Host: Norseman CRC            Who: Local Community and Visitors to Area</p> <p><b>Meet the Candidates Morning Tea</b>            Where: Norseman Historical Society            When: Tuesday 15<sup>th</sup> October            Time: 12:30-1:30pm            Event Host: Shire of Dundas            Who: Nominees, Council &amp; Community Members            Refreshments: Light Luncheon</p> <p><b>Local Government Elections</b>            Where: Shire of Dundas Administration Office &amp; Eucla Community Hall            When: Saturday 19<sup>th</sup> October            Time: 8am-6pm            Event Host: Shire of Dundas            Who: Residents and Ratepayers on the Electoral for the Shire of Dundas.</p> <p><b>Remembrance Day Service</b>            Where: Shire of Dundas Office            When: Monday 11<sup>th</sup> November            Time: 10:35-11:35            Event Host: Shire of Dundas            Who: Local Community, Visitors, Norseman DHS and Council            Refreshments: Morning Tea Served after the service</p> <p><b>Norseman Town Christmas Fayre &amp; Carols in the Park</b>            Where: Marks Park            When: Saturday 14<sup>th</sup> December            Time: 3:00- 7pm            Event Host: Shire of Dundas            Who: All Community            Refreshments: Free Community BBQ</p>	<p><b>Shire of Dundas Ordinary Meeting of Council</b>            Where: Council Chambers            When: Tuesday 15<sup>th</sup> October            Time: 6pm            Event Host: Shire of Dundas            Who: Council &amp; Community Members</p> <p><b>Shire of Dundas LEMC</b>            Where: Emergency Services Co-Location Building, Norseman            When: Wednesday 23<sup>rd</sup> October            Time: 6pm            Event Host: Shire of Dundas            Who: LEMC</p> <p><b>Shire of Dundas Roadwise Committee Meeting</b>            Where: Council Chambers            When: Wednesday 23<sup>rd</sup> October            Time: 12:15            Event Host: Shire of Dundas            Who: Roadwise Committee Members</p> <p><b>Councillors Workshop</b>            Where: Community Room            When: Tuesday, 5<sup>th</sup> November            Time: 4:30pm            Who: Councillors, Senior Staff            Light Refreshments</p> <p><b>Shire of Dundas Ordinary Meeting of Council</b>            Where: Council Chambers            When: Tuesday 19<sup>th</sup> November            Time: 6pm            Event Host: Shire of Dundas            Who: Council &amp; Community Members</p>

## Woodlands Centre Update

### Construction Report

#### Interior Works:

- All internal walls have gone up, which really helps define the areas and gives pay to the ample amount or space the building provides. I conducted a suite walk through with the CRC Manager who was very pleased with the amount of space and the functionality of the layout.
- Cabinetry and shelving has been measured up and starting to be installed.
- Painters are due in mid to late October.
- Council will recall that storage solutions were being addressed and I am pleased to say that there will be adequate storage for all the services and operational requirements.
- The telecommunications application is still with Telstra processing, however comms layout has be fitted out to accommodate both copper and fibre requirements. We have also gone for quite a high level of comms to ensure the Centre has the capacity to meet future requirements.

#### External Works

- The framing for the entry has been completed as well as the universal access ramp to the neighbouring building to ensure that universal access requirements are met.
- Screening options for the utility areas are still under review to ensure a visually pleasing aspect whilst meeting budget requirements.
- Upgrade of Dodd House electricals has occurred. The lighting points that will support the up lights for the Norfolk Pine are in place. With the upgraded electricals Officers will investigate the installation of event lighting options such as laser lights for Christmas.

#### Meeting with Water Corporation

I met with Water Corp's Goldfields and Agricultural Region Customer & Stakeholder Manager, Tony Snelling regarding Water Corporation's interest in supporting display/s for the *story of water in the Woodlands* at the new Centre. This is an exciting opportunity for the Shire and officers will be working with Water Corp's marketing team to develop a brief and storyline.



#### Norseman Arts People's Choice Award

Congratulations to Tinye' Petersen who has one the People's Choice Award, with two of her entries coming a tie for the popular vote.

#### Norseman Interagency Meetings

Centrecare recently held a Norseman Interagency meeting, in Norseman. Held in Past years the meeting was an opportunity for the different community services to come together to discuss common community needs developing. A variety of stakeholders from Shire youth and community services, Ngadju, health, education, justice and department of communities previously attended the meetings unfortunately the attendance for the recent attempt to restart the quarterly meetings was low.

With a good communication strategy in places, key objectives and evidences action I believe the meetings can once again become an important resource for resident living in the Shire of Dundas. Officers will be working with the Centre team investigate the appetite for the meetings to restart.

Once elections are completed, and the meetings re-established it may be a meeting a Councillor representative may wish to attend.

### Community Swimming Grants Program

Swimming Australia (SA) has received funding under the *Move It AUS - Participation Grants Program* an Australian Government initiative to assist communities to become more active, specifically targeting people living with disability and people from culturally diverse backgrounds.

The Community Swimming Grants Program provides support to help providers of swimming and aquatics activities get Australians moving and to support the aspiration to make Australia the world's most active and healthy nation. The objectives of the Program are:

- getting inactive people swimming in their local community;
- building awareness and understanding of the importance of physical activity across all stages of life;
- improving the system of sport and physical activity by targeting populations at risk of inactivity, across all life stages, specifically people with disability and people from culturally and linguistically diverse communities; and
- delivering ongoing impact through the development of sector capability

Funding that can be applied for is between \$5000-\$10,000. Shire officers are investigating suitable projects that will meet the funding criteria.

### Shire of Dundas LEMC

The upcoming Local Emergency Management Committee meeting will have on it's agenda the

- Letters Calling for Support for Emergency response along the Eyre Highway
- Planning for a Norseman Airstrip Emergency Scenario

Once the Draft Minutes from the Eucla Meeting have been approved adopted they will be circulated to Council and placed on the website.

### Market Creations

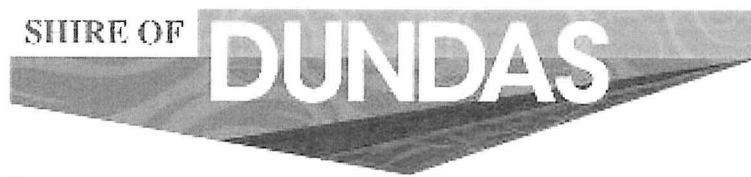
I am hoping to have for Council by the time of the meeting a preview of the new design website. A link will be emailed to Councillors for your review and comment. Thank you to the Manager of Finance & Administration who has assisted with the different information required for the payment gateways.

### Council Elections

With Local Government Elections looming, I would like to say thank you to all out going Councillors for the time and dedication you have put into your role as an elected member of the Shire Dundas.

Recognising that a Councillor is a volunteer who willingly takes on a great responsibility to represent the community and to set an example of good governance I have appreciated the opportunity to work with each one of you as a collective and individually.

For those who do not return to the role I wish you all the best in your future endeavours and say thank you for your services, and for those who do return I look forward to working with you again.



## 10.4.6

Change in Accounting Policy – Trust Funds

# Accounting for work bonds, building bonds and hire bonds

Western Australia local government position paper 1

1 July 2019



Office of the Auditor General  
Serving the Public Interest

The purpose of this OAG position paper is to inform local government entities that moneys held as bonds, such as work bonds, building bonds and hire bonds should not, for accounting purposes, be regarded as Trust Fund moneys in terms of the *Local Government Act 1995 (Act)*. Consequently, these moneys should be held in the Municipal Fund, recognised on the statement of financial position in the annual financial report and interest, if any, earned on those moneys would therefore not need to be paid to the person entitled to the moneys in accordance with section 6.9(3)(a) of the Act.

## Summary of the issue

Since assuming responsibility for the annual financial audits of local government entities in accordance with the Local Government Amendment (Auditing) Act 2017, we have noted significant variation in the accounting treatment for bond moneys. These include:

- Some entities hold bond moneys in the Municipal Fund and therefore retain any interest income on those moneys.
- A small number of entities hold bond moneys in the Trust Fund and, in accordance with section 6.9(3)(a) of the Act, repay interest together with the principal amount to the developer/hirer.
- Some entities hold bond moneys in the Trust Fund but retain any interest earnings as revenue of the entity.
- Some entities hold bond moneys in the Trust Fund, and in a non-interest bearing account.

Section 6.9(1) of the Act states:

A local government is to hold in the trust fund all money or the value of assets —

- (a) that are required by this Act or any other written law to be credited to that fund; and
- (b) held by the local government in trust.

Section 6.9(3)(a) states:

Where money or other property is held in the trust fund, the local government is to —

- (a) in the case of money, pay it to the person entitled to it together with, if the money has been invested, any interest earned from that investment.

## OAG position

We have obtained independent legal advice that, unless agreements between developers/hirers and the entity require bond moneys to be held in the Trust Fund, they should not be held in the Trust Fund.

There are no provisions in the Act or any other written law that specify that work bonds, building bonds and hire bonds are to be credited to, or held in, the Trust Fund, and these moneys are not held in trust. Consequently, section 6.9 of the Act is not applicable to these funds, and they should be held in the Municipal Fund.

We recommend however that separate accounting records should be maintained for these moneys, as one of the control measures to ensure they are used for the correct purpose.

As section 6.9(3)(a) of the Act is only applicable to moneys held in the Trust Fund, any interest earned while the moneys are in the Municipal Fund, can be retained by the entity.



However, if entities have in the past held bond moneys (or any other moneys) in the Trust Fund, section 6.9(3)(a) of the Act applies. Therefore, if an entity has held moneys in the Trust Fund, invested it and not paid interest to the person entitled to it, the entity should assess:

1. whether it can practically identify past interest earned on the moneys, and who is owed that interest
2. whether it can practically pay those persons entitled to the interest, as required by section 6.9(3)(a) of the Act.

## **Cash in Lieu of Public Open Space**

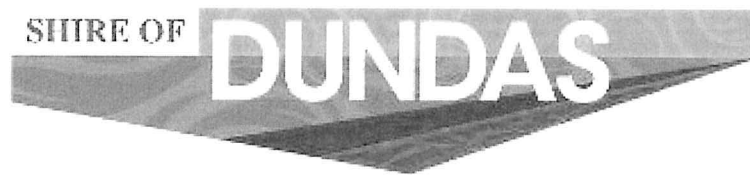
By contrast to bonds, we have noted for example that section 154 of the *Planning and Development Act 2005* requires Cash in Lieu of Public Open Space to be held in the Trust Fund. Consequently, section 6.9 of the Act is applicable to any such moneys held by a local government. As a result, any interest earned on those moneys should be paid to the person entitled to it, in accordance with section 6.9(3)(a) of the Act.

## **Recognition in the annual financial report**

Because moneys held as bonds, such as work bonds, building bonds and hire bonds should be held in the Municipal Fund, they should be recognised as an asset (Cash and Cash Equivalents) in the Statement of Financial Position, with a corresponding liability to recognise that the moneys are owed to developers/hirers.

Interest earned on the work bonds, building bonds and hire bonds while the moneys are in the Municipal Fund, should be recognised as revenue in the Statement of Comprehensive Income.





## 10.4.7

### Acceptance of Audit Report and Annual Financial Report 2018/19



## INDEPENDENT AUDITOR'S REPORT

To the Councillors of the Shire of Dundas

Report on the Audit of the Financial Report

### **Opinion**

I have audited the annual financial report of the Shire of Dundas which comprises the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In my opinion the annual financial report of the Shire of Dundas:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2019 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

### **Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Emphasis of Matter – Basis of Accounting**

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Shire's financial reporting responsibilities under the Act. Regulation 16 of the Local Government (Financial Management) Regulations 1996 (Regulations), does not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. My opinion is not modified in respect of this matter.

### **Responsibilities of the Chief Executive Officer and Council for the Financial Report**

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State government has made decisions affecting the continued existence of the Shire.

The Council is responsible for overseeing the Shire's financial reporting process.

### **Auditor's Responsibility for the Audit of the Financial Report**

The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Shire's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the CEO.
- Conclude on the appropriateness of the CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Shire's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report, as we cannot predict future events or conditions that may have an impact.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Council and the CEO regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) In my opinion, the following material matter indicates significant adverse trend in the financial position of the Shire:
  - a. The Shire's Operating Surplus Ratio has been below the Department of Local Government, Sport and Cultural Industries standard for the past two years. The financial ratios are reported in Note 32 of the financial report.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the asset consumption ratio and the asset renewal funding ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

**Other Matter**

The financial report of the Shire for the year ended 30 June 2018 was audited by another auditor who expressed an unmodified opinion on that financial report. The financial ratios for 2017 and 2018 in Note 32 of the audited financial report were included in the supplementary information and/or audited financial report for those years.

**Matters Relating to the Electronic Publication of the Audited Financial Report**

This auditor's report relates to the annual financial report of the Shire of Dundas for the year ended 30 June 2019 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

PATRICK ARULSINGHAM  
ACTING ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT  
FOR WESTERN AUSTRALIA  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
October 2019

**SHIRE OF DUNDAS**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

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**COMMUNITY VISION**

"We envision sustainability. We strive to be financially, socially and environmentally sustainable".

Principal place of business:  
Shire of Dundas  
88-92 Prinsep Street  
Norseman WA 6443

**SHIRE OF DUNDAS  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

*Local Government Act 1995  
Local Government (Financial Management) Regulations 1996*

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Shire of Dundas for the financial year ended 30 June 2019 is based on proper accounts and records to present fairly the financial position of the Shire of Dundas at 30 June 2019 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the [REDACTED] day of [REDACTED] 2019

\_\_\_\_\_  
Chief Executive Officer

[REDACTED]  
\_\_\_\_\_  
Name of Chief Executive Officer

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

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>Revenue</b>				
Rates	22(a)	2,322,838	2,293,326	2,071,460
Operating grants, subsidies and contributions	2(a)	1,933,795	908,331	1,812,545
Fees and charges	2(a)	293,938	257,635	279,641
Interest earnings	2(a)	282,893	158,000	228,476
Other revenue	2(a)	164,249	152,000	161,366
		<u>4,997,713</u>	<u>3,769,292</u>	<u>4,553,488</u>
<b>Expenses</b>				
Employee costs		(2,019,345)	(1,939,342)	(1,878,026)
Materials and contracts		(939,283)	(1,269,432)	(908,143)
Utility charges		(210,860)	(223,284)	(217,855)
Depreciation on non-current assets	8(b)	(2,818,144)	(2,384,778)	(2,338,578)
Interest expenses	2(b)	(11,433)	(11,433)	(12,654)
Insurance expenses		(146,582)	(161,839)	(148,505)
Other expenditure		(150,031)	(276,610)	(180,167)
		<u>(6,295,678)</u>	<u>(6,266,718)</u>	<u>(5,683,928)</u>
		<u>(1,297,965)</u>	<u>(2,497,426)</u>	<u>(1,130,440)</u>
Non-operating grants, subsidies and contributions	2(a)	775,162	4,943,776	2,947,419
Profit on asset disposals	8(a)	6,882	0	25,762
(Loss) on asset disposals	8(a)	(28,824)	0	(347)
		<u>753,220</u>	<u>4,943,776</u>	<u>2,972,834</u>
<b>Net result for the period</b>		<b>(544,745)</b>	<b>2,446,350</b>	<b>1,842,394</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	9	348,601	0	(13,988,910)
<b>Total other comprehensive income for the period</b>		<b>348,601</b>	<b>0</b>	<b>(13,988,910)</b>
<b>Total comprehensive income for the period</b>		<b>(196,144)</b>	<b>2,446,350</b>	<b>(12,146,516)</b>

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

SHIRE OF DUNDAS  
STATEMENT OF COMPREHENSIVE INCOME  
BY PROGRAM  
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
Revenue	2(a)			
Governance		60,492	21,000	64,088
General purpose funding		3,714,549	3,000,738	3,390,814
Law, order, public safety		181,138	15,800	109,044
Health		4,128	4,000	3,765
Education and welfare		83,480	90,000	82,160
Housing		21,390	26,600	18,603
Community amenities		205,501	171,935	173,890
Recreation and culture		16,041	9,500	42,409
Transport		523,145	221,219	428,576
Economic services		143,268	178,500	178,259
Other property and services		44,581	30,000	61,880
		<u>4,997,713</u>	<u>3,769,292</u>	<u>4,553,488</u>
Expenses	2(b)			
Governance		(594,154)	(655,115)	(624,078)
General purpose funding		(315,870)	(419,861)	(315,506)
Law, order, public safety		(265,295)	(128,141)	(234,351)
Health		(150,233)	(175,815)	(164,693)
Education and welfare		(167,232)	(260,297)	(218,659)
Housing		(84,300)	(110,664)	(86,296)
Community amenities		(543,361)	(567,113)	(486,005)
Recreation and culture		(1,237,949)	(1,279,144)	(1,178,447)
Transport		(2,269,742)	(2,045,293)	(1,822,656)
Economic services		(341,070)	(417,491)	(374,052)
Other property and services		(315,039)	(196,351)	(166,531)
		<u>(6,284,245)</u>	<u>(6,255,285)</u>	<u>(5,671,274)</u>
Finance Costs	2(b)			
Health		(11,433)	(11,433)	(12,654)
		<u>(11,433)</u>	<u>(11,433)</u>	<u>(12,654)</u>
		<u>(1,297,965)</u>	<u>(2,497,426)</u>	<u>(1,130,440)</u>
Non-operating grants, subsidies and contributions	2(a)	775,162	4,943,776	2,947,419
Profit on disposal of assets	8(a)	6,882	0	25,762
(Loss) on disposal of assets	8(a)	(28,824)	0	(347)
		<u>753,220</u>	<u>4,943,776</u>	<u>2,972,834</u>
Net result for the period		<u>(544,745)</u>	<u>2,446,350</u>	<u>1,842,394</u>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	9	348,601	0	(13,988,910)
<b>Total other comprehensive income for the period</b>		<u>348,601</u>	<u>0</u>	<u>(13,988,910)</u>
<b>Total comprehensive income for the period</b>		<u>(196,144)</u>	<u>2,446,350</u>	<u>(12,146,516)</u>

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

SHIRE OF DUNDAS  
STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2019

	NOTE	2019 \$	2018 Actual \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	7,011,812	7,659,412
Trade receivables	5	567,262	617,812
<b>TOTAL CURRENT ASSETS</b>		<b>7,579,074</b>	<b>8,277,224</b>
<b>NON-CURRENT ASSETS</b>			
Trade receivables	5	47,861	47,861
Property, plant and equipment	6	13,426,888	12,641,445
Infrastructure	7	52,741,493	53,258,963
<b>TOTAL NON-CURRENT ASSETS</b>		<b>66,216,242</b>	<b>65,948,269</b>
<b>TOTAL ASSETS</b>		<b>73,795,316</b>	<b>74,225,493</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	515,370	653,855
Borrowings	11	47,238	45,983
Employee related provisions	12	298,865	365,782
<b>TOTAL CURRENT LIABILITIES</b>		<b>861,473</b>	<b>1,065,620</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	11	340,083	387,321
Employee related provisions	12	36,201	18,849
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>376,284</b>	<b>406,170</b>
<b>TOTAL LIABILITIES</b>		<b>1,237,757</b>	<b>1,471,790</b>
<b>NET ASSETS</b>		<b>72,557,559</b>	<b>72,753,703</b>
<b>EQUITY</b>			
Retained surplus		31,262,392	31,068,376
Reserves - cash backed	4	5,289,718	6,028,479
Revaluation surplus	9	36,005,449	35,656,848
<b>TOTAL EQUITY</b>		<b>72,557,559</b>	<b>72,753,703</b>

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



SHIRE OF DUNDAS  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	RETAINED SURPLUS	RESERVES CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2017		<b>28,970,866</b>	<b>6,283,595</b>	<b>49,645,758</b>	<b>84,900,219</b>
Comprehensive income					
Net result for the period		1,842,394	0	0	1,842,394
Other comprehensive income	9	0	0	(13,988,910)	(13,988,910)
Total comprehensive income		1,842,394	0	(13,988,910)	(12,146,516)
Transfers from/(to) reserves		255,116	(255,116)	0	0
Balance as at 30 June 2018		<b>31,068,376</b>	<b>6,028,479</b>	<b>35,656,848</b>	<b>72,753,703</b>
Comprehensive income					
Net result for the period		(544,745)	0	0	(544,745)
Other comprehensive income	9	0	0	348,601	348,601
Total comprehensive income		(544,745)	0	348,601	(196,144)
Transfers from/(to) reserves		738,761	(738,761)	0	0
Balance as at 30 June 2019		<b>31,262,392</b>	<b>5,289,718</b>	<b>36,005,449</b>	<b>72,557,559</b>

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

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

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts				
Rates		2,217,167	2,393,326	2,054,218
Operating grants, subsidies and contributions		2,095,562	1,007,997	1,761,612
Fees and charges		313,151	257,635	293,203
Interest received		282,893	158,000	228,477
Goods and services tax received		359,938	1,613	475,754
Other revenue		180,674	152,000	177,500
		<u>5,449,385</u>	<u>3,970,571</u>	<u>4,990,764</u>
Payments				
Employee costs		(2,046,520)	(1,939,342)	(1,896,854)
Materials and contracts		(1,211,928)	(1,646,508)	(734,053)
Utility charges		(226,576)	(223,284)	(239,642)
Interest expenses		(11,433)	(11,433)	(12,654)
Insurance paid		(161,240)	(161,839)	(163,356)
Goods and services tax paid		(90,059)	0	(254,337)
Other expenditure		(165,034)	(276,610)	(198,180)
		<u>(3,912,790)</u>	<u>(4,259,016)</u>	<u>(3,499,076)</u>
<b>Net cash provided by (used in) operating activities</b>	13	<u>1,536,595</u>	<u>(288,445)</u>	<u>1,491,688</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment				
		(1,410,101)	(3,398,860)	(464,170)
Payments for construction of infrastructure		(1,570,769)	(4,280,071)	(4,097,582)
Non-operating grants, subsidies and contributions		822,175	4,943,776	3,156,281
Proceeds from sale of property, plant & equipment		20,483	0	42,995
<b>Net cash provided by (used in) investment activities</b>		<u>(2,138,213)</u>	<u>(2,735,155)</u>	<u>(1,362,477)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings		(45,982)	(45,983)	(44,763)
<b>Net cash provided by (used in) financing activities</b>		<u>(45,982)</u>	<u>(45,983)</u>	<u>(44,763)</u>
Net increase (decrease) in cash held		(647,600)	(3,069,583)	84,449
Cash at beginning of year		7,659,412	7,659,413	7,574,963
Cash and cash equivalents at the end of the year	13	<u><u>7,011,812</u></u>	<u><u>4,589,830</u></u>	<u><u>7,659,412</u></u>

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

SHIRE OF DUNDAS  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual	2019 Budget	2018 Actual
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
Net current assets at start of financial year - surplus/(deficit)	23 (b)	1,229,108	1,241,788	1,094,665
		<u>1,229,108</u>	<u>1,241,788</u>	<u>1,094,665</u>
Revenue from operating activities (excluding rates)				
Governance		60,492	21,000	64,088
General purpose funding		1,409,961	707,412	1,320,273
Law, order, public safety		181,138	15,800	109,044
Health		4,128	4,000	3,765
Education and welfare		83,480	90,000	82,160
Housing		21,390	26,600	18,603
Community amenities		205,501	171,935	173,890
Recreation and culture		16,041	9,500	42,409
Transport		530,027	221,219	454,338
Economic services		143,268	178,500	178,259
Other property and services		44,581	30,000	61,880
		<u>2,700,007</u>	<u>1,475,966</u>	<u>2,508,709</u>
Expenditure from operating activities				
Governance		(622,980)	(655,115)	(624,078)
General purpose funding		(315,870)	(419,861)	(315,506)
Law, order, public safety		(265,295)	(128,141)	(234,351)
Health		(161,666)	(187,248)	(177,347)
Education and welfare		(167,232)	(260,297)	(218,659)
Housing		(84,300)	(110,664)	(86,296)
Community amenities		(543,361)	(567,113)	(486,005)
Recreation and culture		(1,237,949)	(1,279,144)	(1,178,447)
Transport		(2,269,742)	(2,045,293)	(1,823,003)
Economic services		(341,070)	(417,491)	(374,052)
Other property and services		(315,037)	(196,351)	(166,531)
		<u>(6,324,502)</u>	<u>(6,266,718)</u>	<u>(5,684,275)</u>
Non-cash amounts excluded from operating activities	23(a)	2,857,438	2,384,778	2,272,682
<b>Amount attributable to operating activities</b>		<u>462,051</u>	<u>(1,164,186)</u>	<u>191,781</u>
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		775,162	4,943,776	2,947,419
Proceeds from disposal of assets	8(a)	18,621	0	39,086
Purchase of property, plant and equipment	6(a)	(1,340,230)	(3,398,860)	(421,973)
Purchase and construction of infrastructure	7(a)	(1,437,849)	(4,280,071)	(3,808,099)
<b>Amount attributable to investing activities</b>		<u>(1,984,296)</u>	<u>(2,735,155)</u>	<u>(1,243,568)</u>
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	11(b)	(45,982)	(45,983)	(44,763)
Transfers to reserves (restricted assets)	4	(207,892)	(90,000)	(1,345,937)
Transfers from reserves (restricted assets)	4	946,653	1,742,000	1,601,053
<b>Amount attributable to financing activities</b>		<u>692,779</u>	<u>1,606,017</u>	<u>210,353</u>
<b>Surplus/(deficit) before imposition of general rates</b>		<u>(829,466)</u>	<u>(2,293,324)</u>	<u>(841,433)</u>
<b>Total amount raised from general rates</b>	22	<u>2,304,588</u>	<u>2,293,326</u>	<u>2,070,541</u>
<b>Surplus/(deficit) after imposition of general rates</b>	23(b)	<u><b>1,475,121</b></u>	<u><b>2</b></u>	<u><b>1,229,108</b></u>

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

## 1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this financial report. This is not in accordance with the requirements of *AASB 1051 Land Under Roads paragraph 15* and *AASB 116 Property, Plant and Equipment paragraph 7*.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

### CRITICAL ACCOUNTING ESTIMATES

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect 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.

### 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 financial report.

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 25 to these financial statements.

SHIRE OF DUNDAS  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30TH JUNE 2019

2. REVENUE AND EXPENSES

(a) Revenue

Grant Revenue

Grants, subsidies and contributions are included as both operating and non-operating revenues in the Statement of Comprehensive Income:

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Operating grants, subsidies and contributions			
Governance	24	0	15,362
General purpose funding	1,099,988	544,412	1,086,553
Law, order, public safety	177,103	13,500	105,715
Education and welfare	83,480	90,000	82,160
Community amenities	4,213	5,200	4,495
Recreation and culture	5,055	2,500	36,088
Transport	519,103	221,219	428,576
Economic services	1,455	1,500	1,455
Other property and services	43,374	30,000	52,140
	<u>1,933,795</u>	<u>908,331</u>	<u>1,812,545</u>
Non-operating grants, subsidies and contributions			
Recreation and culture	190,000	190,000	98,000
Transport	527,058	3,474,558	1,649,419
Economic services	58,104	1,279,218	1,200,000
	<u>775,162</u>	<u>4,943,776</u>	<u>2,947,419</u>
Total grants, subsidies and contributions	<u>2,708,957</u>	<u>5,852,107</u>	<u>4,759,964</u>

**SIGNIFICANT ACCOUNTING POLICIES**

Grants, donations and other contributions

Grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over

Grants, donations and other contributions (Continued)

a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 21.

That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

SHIRE OF DUNDAS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2019 Actual \$	2019 Budget \$	2018 Actual \$
Other revenue			
Reimbursements and recoveries	164,249	152,000	161,366
	<u>164,249</u>	<u>152,000</u>	<u>161,366</u>
Fees and Charges			
Governance	12,933	10,000	13,781
General purpose funding	8,830	5,000	4,323
Law, order, public safety	4,034	2,300	3,329
Health	4,128	4,000	3,765
Housing	21,391	26,600	18,603
Community amenities	201,288	166,735	169,395
Recreation and culture	10,986	7,000	6,320
Transport	951	0	0
Economic services	28,189	36,000	50,385
Other property and services	1,207	0	9,739
	<u>293,938</u>	<u>257,635</u>	<u>279,641</u>

There were no changes during the year to the amount of the fees or charges detailed in the original budget.

Interest earnings			
Reserve accounts interest	207,891	90,000	145,937
Rates instalment and penalty interest (refer Note 22(e))	73,432	64,000	78,574
Other interest earnings	1,570	4,000	3,965
	<u>282,893</u>	<u>158,000</u>	<u>228,476</u>

(b) Expenses	2019 Actual \$	2019 Budget \$	2018 Actual \$
Auditors remuneration			
- Audit of the Annual Financial Report	21,200	30,000	21,200
- Other services	7,403	0	0
	<u>28,603</u>	<u>30,000</u>	<u>21,200</u>
Interest expenses (finance costs)			
Borrowings (refer Note 11(b))	11,433	11,433	12,654
	<u>11,433</u>	<u>11,433</u>	<u>12,654</u>
Rental charges			
- Operating leases	25,747	30,000	28,238
	<u>25,747</u>	<u>30,000</u>	<u>28,238</u>

### 3. CASH AND CASH EQUIVALENTS

	NOTE	2019	2018
		\$	\$
Cash at bank and on hand		1,722,094	973,054
Term deposits		5,289,718	6,686,358
		<u>7,011,812</u>	<u>7,659,412</u>
<b>Comprises:</b>			
- Unrestricted cash and cash equivalents		1,704,555	1,630,933
- Restricted cash and cash equivalents		5,307,257	6,028,479
		<u>7,011,812</u>	<u>7,659,412</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
<b>Reserve accounts</b>			
Reserves cash backed - Leave Reserve	4	367,893	354,693
Reserves cash backed - Plant reserve	4	804,577	775,710
Reserves cash backed - Aerodrome reserve	4	147,541	142,247
Reserves cash backed - IT reserve	4	96,825	93,351
Reserves cash backed - Transport reserve	4	1,808,477	1,743,591
Reserves cash backed - Land development reserve	4	1,217,866	1,718,721
		<u>4,443,179</u>	<u>4,828,313</u>
<b>Other restricted cash and cash equivalents</b>			
Unspent grants/contributions	21	846,539	1,200,166
Builders Registration	25	2,633	0
Demolition Deposits	25	0	0
Excess (Overpaid) Rates	25	1,889	0
Gym Key Deposits	25	3,250	0
Tennis Key Deposit	25	300	0
Building Construction Industry Training Fund (BCITF)	25	3,845	0
Library	25	0	0
Community Garden	25	2,539	0
Ngadju Womens Caring Programme	25	957	0
Licensing (Transport)	25	1,817	0
Bank Interest	25	309	0
<b>Total restricted cash and cash equivalents</b>		<u>5,307,257</u>	<u>6,028,479</u>

#### SIGNIFICANT ACCOUNTING POLICIES

##### Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less and which are subject to an insignificant risk

##### Cash and cash equivalents (Continued)

of changes in value. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

SHIRE OF DUNDAS  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30TH JUNE 2019

4. RESERVES - CASH BACKED

	2019		2019		2019		2019		2019		2018		2018	
	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Actual	Actual	Actual	Actual	Actual	Actual
	Opening	Transfer	Transfer	Closing	Opening	Transfer	Transfer	Closing	Opening	Transfer	Transfer	Opening	Transfer	Closing
	Balance	to	(from)	Balance	Balance	to	(from)	Balance	Balance	to	(from)	Balance	to	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Reserves cash backed - Leave Reserve	354,693	13,200		367,893	354,693	5,295		359,988	346,656	8,037	0	346,656	8,037	354,693
(b) Reserves cash backed - Plant reserve	775,710	28,867		804,577	775,710	11,581		787,291	758,133	17,577	0	758,133	17,577	775,710
(c) Reserves cash backed - Aerodrome reserve	142,247	5,294		147,541	142,247	2,124		144,371	139,024	3,223	0	139,024	3,223	142,247
(d) Reserves cash backed - IT reserve	93,351	3,474		96,825	93,351	1,394		94,744	91,236	2,115	0	91,236	2,115	93,351
(e) Reserves cash backed - Unspent grant reserve	1,200,166	40,937	(394,564)	846,539	1,200,166	17,917	(1,200,000)	18,084	1,568,297	1,232,922	(1,601,053)	1,200,166	1,232,922	1,200,166
(f) Reserves cash backed - Transport reserve	1,743,591	64,886		1,808,477	1,743,590	26,030		1,769,621	1,704,083	39,508	0	1,704,083	39,508	1,743,591
(g) Reserves cash backed - Land development reserve	1,718,721	51,234	(552,089)	1,217,866	1,718,721	25,659	(542,000)	1,202,380	1,676,166	42,555	0	1,676,166	42,555	1,718,721
	6,028,479	207,892	(946,653)	5,289,718	6,028,478	90,000	(1,742,000)	4,376,478	6,283,595	1,345,937	(1,601,053)	6,283,595	1,345,937	6,028,479

All of the reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 3 to this financial report.

In accordance with Council resolutions in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Reserves cash backed - Leave Reserve	Not planned	- to be used to fund annual and long service leave requirements.
(b) Reserves cash backed - Plant reserve	Not planned	- to be used for the purchase of major plant.
(c) Reserves cash backed - Aerodrome reserve	Not planned	- to be used for the maintenance of the airstrip at Norseman.
(d) Reserves cash backed - IT reserve	Not planned	- to be used to purchase and replace computer equipment.
(e) Reserves cash backed - Unspent grant reserve	30 June 2020	- to be used for completion of projects.
(f) Reserves cash backed - Transport reserve	Not planned	- to be used for the construction, maintenance and resale of the Shire's transport network.
(g) Reserves cash backed - Land development reserve	Not planned	- to be used for the building, construction and maintenance of the Shire's land and buildings.



## 5. TRADE RECEIVABLES

### Current

Rates receivable	943,103
Sundry receivables	23,733
GST receivable	0
Allowance for impairment of receivables (See below)	(399,574)

### Non-current

Pensioner's rates and ESL deferred	47,861
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### Allowance for impairment of receivables - workings

Opening Balance	(398,000)
Additional Provision	(1,574)
Amount used	0
Closing Balance	(399,574)

	2019	2018
	\$	\$
Rates receivable	943,103	837,432
Sundry receivables	23,733	174,666
GST receivable	0	3,714
Allowance for impairment of receivables (See below)	(399,574)	(398,000)
	<u>567,262</u>	<u>617,812</u>
Pensioner's rates and ESL deferred	47,861	47,861
	<u>47,861</u>	<u>47,861</u>
Allowance for impairment of receivables - workings		
Opening Balance	(398,000)	(372,656)
Additional Provision	(1,574)	(25,344)
Amount used	0	0
Closing Balance	<u>(399,574)</u>	<u>(398,000)</u>

## SIGNIFICANT ACCOUNTING POLICIES

### 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.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

### Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 24.

### Impairment of trade receivables

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment.

From 2018/19 onwards, expected credit losses expense is recognised as the movement in the allowance for impairment of receivables. The allowance for impairment of receivables is measured at the lifetime expected credit losses at each reporting date. The Shire has established a provision matrix that is based on its historical credit loss experience adjusted for forward looking factors specific to the debtors and the expected credit loss.

### Classification and subsequent measurement

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.

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

6. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

Movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land - vested in and under the control of Council	Total land specialised	Buildings - non- specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment Level 2	Plant and equipment Level 3	Property, Plant and equipment - GYROC Joint Arrangement*	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	512,000	547,000	1,335,000	8,845,780	10,180,780	10,727,780	152,401	0	2,125,152	80,275	13,085,607
Additions	0	0	63,029	122,299	185,328	185,328	3,620	0	233,026	0	421,973
(Disposals)	0	0	0	0	0	0	0	0	(13,671)	0	(13,671)
Depreciation (expense)	0	0	(57,049)	(374,997)	(432,046)	(432,046)	(44,716)	0	(371,478)	(4,225)	(852,465)
Carrying amount at 30 June 2018	512,000	547,000	1,340,979	8,593,082	9,934,061	10,481,061	111,305	0	1,973,029	76,050	12,641,445
Comprises:											
Gross carrying amount at 30 June 2018	512,000	547,000	1,398,029	8,968,079	10,366,108	10,913,108	195,667	0	2,689,320	84,500	13,882,595
Accumulated depreciation at 30 June 2018	0	0	(57,049)	(374,997)	(432,046)	(432,046)	(84,362)	0	(716,292)	(8,450)	(1,241,150)
Carrying amount at 30 June 2018	512,000	547,000	1,340,980	8,593,082	9,934,062	10,481,062	111,305	0	1,973,028	76,050	12,641,445
Additions	0	0	0	1,321,865	1,321,865	1,321,865	18,365	0	0	0	1,340,230
(Disposals)	(9,000)	(9,000)	0	0	(9,000)	(9,000)	0	0	(8,708)	0	(17,708)
(Write off of assets under \$ 5k threshold)	0	0	0	0	0	0	(9,870)	0	(12,984)	0	(22,854)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	0	0	(10,685)	0	359,286	0	348,601
Depreciation (expense)	0	0	(59,571)	(374,793)	(434,364)	(434,364)	(44,715)	0	(379,522)	(4,225)	(862,826)
Re-classified based on valuation method at 30.06.2019											
Carrying amount at 30 June 2019	503,000	538,000	1,281,409	9,540,154	10,821,563	11,359,563	64,400	970,500	960,600	71,825	13,426,888
Comprises:											
Gross carrying amount at 30 June 2019	503,000	538,000	1,398,029	10,289,944	11,687,973	12,225,973	64,400	970,500	960,600	84,500	14,305,973
Accumulated depreciation at 30 June 2019	0	0	(116,620)	(749,790)	(866,410)	(866,410)	0	0	0	(12,675)	(879,085)
Carrying amount at 30 June 2019	503,000	538,000	1,281,409	9,540,154	10,821,563	11,359,563	64,400	970,500	960,600	71,825	13,426,888

GYROC = Goldfields Voluntary Regional Organisation of Councils

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings					
Land - freehold land	Level 2	Market approach - Sales comparison	Independent valuation	30 June 2017	Market value of similar properties
Land - vested in and under the control of Council	Level 3	Market approach - Replacement cost	Independent valuation	30 June 2017	Market approach taking in to account public sector restrictions
Buildings - non-specialised	Level 2	Market approach - Sales comparison	Independent valuation	30 June 2017	Market value of similar properties
Buildings - specialised	Level 3	Cost approach - Replacement cost	Independent valuation	30 June 2017	Gross replacement cost (GRC), estimated economic working life (EEWL), estimated remaining life years (ERLY),
Furniture and equipment	Level 3	Cost approach - Replacement cost	Independent valuation	30 June 2019	Gross replacement cost, estimated economic working life, estimated remaining life years
Plant and equipment	Level 2	Sales Comparison Approach	Independent valuation	30 June 2019	Market value of similar assets.
Plant and equipment	Level 3	Cost approach - Replacement cost	Management valuation	30 June 2019	Gross replacement cost, estimated economic working life, estimated remaining life years

Plant & Equipment - There were transfers between level 2 and 3 during the current and previous years as detailed in note 6(a).

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

## 7. INFRASTRUCTURE

### (a) Movements in Carrying Amounts

Movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year.

	Infrastructure - Roads	Infrastructure - footpaths	Infrastructure - drainage	Infrastructure - parks and ovals	Infrastructure - airport	Infrastructure - other	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	58,039,319	2,096,427	1,559,558	1,006,386	1,406,188	818,008	64,925,886
Additions	329,682	98,072	0	119,716	3,161,122	99,507	3,808,099
Revaluation increments / (decrements) transferred to revaluation surplus	(16,647,523)	(140,604)	(668,061)	197,432	433,819	2,836,027	(13,988,910)
Depreciation (expense)	(963,197)	(87,328)	(236,796)	(78,000)	(57,930)	(62,862)	(1,486,113)
Carrying amount at 30 June 2018	40,758,280	1,966,567	654,701	1,245,535	4,943,200	3,690,680	53,258,963
Comprises:							
Gross carrying amount at 30 June 2018	40,758,280	1,966,567	654,701	1,245,535	4,943,200	3,690,680	53,258,963
Carrying amount at 30 June 2018	40,758,280	1,966,567	654,701	1,245,535	4,943,200	3,690,680	53,258,963
Additions	1,321,480					116,369	1,437,849
Depreciation (expense)	(1,327,376)	(47,198)	(16,110)	(104,940)	(242,218)	(217,478)	(1,955,319)
Carrying amount at 30 June 2019	40,752,384	1,919,369	638,591	1,140,595	4,701,026	3,589,571	52,741,493
Comprises:							
Gross carrying amount at 30 June 2019	42,079,760	1,966,567	654,701	1,245,535	4,943,200	3,807,049	54,696,812
Accumulated depreciation at 30 June 2019	(1,327,376)	(47,198)	(16,110)	(104,940)	(242,217)	(217,478)	(1,955,319)
Carrying amount at 30 June 2019	40,752,384	1,919,369	638,591	1,140,595	4,700,983	3,589,571	52,741,493

7. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	Level 3	Depreciated replacement cost	Independent Valuation	30 June 2018	Standard replacement cost (SRC), total useful lives (TUL), residual value (RV), remaining useful lives (RUL), expected condition and Actual condition
Infrastructure - footpaths	Level 3	Depreciated replacement cost	Independent Valuation	30 June 2018	Standard replacement cost (SRC), total useful lives (TUL), residual value (RV), remaining useful lives (RUL), expected condition and Actual condition
Infrastructure - drainage	Level 3	Depreciated replacement cost	Independent Valuation	30 June 2018	Gross current replacement cost (GCRC), estimated economic working life (EEWL), estimated remaining life years (ERLY), residual value (RV)
Infrastructure - parks and ovals	Level 3	Depreciated replacement cost	Independent Valuation	30 June 2018	Gross current replacement cost (GCRC), estimated economic working life (EEWL), estimated remaining life years (ERLY), residual value (RV)
Infrastructure - airport	Level 3	Depreciated replacement cost	Independent Valuation	30 June 2018	Gross current replacement cost (GCRC), estimated economic working life (EEWL), estimated remaining life years (ERLY), residual value (RV)
Infrastructure - other	Level 3	Depreciated replacement cost	Independent Valuation	30 June 2018	Gross current replacement cost (GCRC), estimated economic working life (EEWL), estimated remaining life years (ERLY), residual value (RV)

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

## 7. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

Each class of fixed assets within either 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 where the fair value of the asset at date of acquisition is equal to or above \$5,000. All assets are subsequently revalued in accordance with the mandatory measurement framework.

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, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

#### Revaluation

The fair value of fixed assets is determined at least every three years and no more than five years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires property, plant and equipment to be shown at fair value.

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 class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

### AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

#### Land under control

In accordance with *Local Government (Financial Management) Regulation 16(a)(ii)*, the Shire was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or Regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note.

#### 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.

8. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

(a) Disposals of Assets

	2019			2019			2018			2018		
	Actual Net Book Value	Actual Sale Proceeds	2019 Actual Profit	Actual Sale Proceeds	Budget Sale Proceeds	2019 Budget Profit	Actual Net Book Value	Actual Sale Proceeds	2018 Actual Net Book Value	Actual Sale Proceeds	2018 Actual Profit	2018 Actual Loss
(i) Write off of assets under \$ 5k threshold												
Furniture & Equipment	9,870	-	-	-	-	(9,870)						
Plant & Equipment	12,984	-	-	(12,984)								
Land - freehold land	9,000	3,030		(5,970)								
Plant and equipment	8,708	15,590	6,882	-	0	0	13,671	39,086	25,415	25,415	0	0
	40,562	18,621	6,882	(28,824)	0	0	13,671	39,086	25,415	25,415	0	0

The following assets were disposed of during the year.

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
Plant and Equipment				
<b>Governance</b>				
128 Prinsep Street - Vacant Land	9,000	3,030	-	(5,970)
Write off of assets under \$5k threshold	22,854	-	-	(22,854)
<b>Transport</b>				
Kubota Excavator	8,708	15,590	6,882	-
	40,562	18,621	6,882	(28,824)
	40,562	18,621	6,882	(28,824)



8. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

(b) Depreciation	2019	2019	2018
	Actual	Budget	Actual
	\$	\$	\$
Buildings - non-specialised	59,571	56,500	57,049
Buildings - specialised	374,793	388,390	374,997
Furniture and equipment	44,715	45,599	44,716
Plant and equipment	379,522	374,717	371,478
Property, plant and equipment - GVROC * joint Arrangement	4,225	4,100	4,225
Infrastructure - Roads	1,327,376	982,226	963,197
Infrastructure - footpaths	47,198	89,052	87,328
Infrastructure - drainage	16,110	241,474	236,796
Infrastructure - parks and ovals	104,940	79,541	78,000
Infrastructure - airport	242,218	59,074	57,930
Infrastructure - other	217,478	64,104	62,862
	<u>2,818,145</u>	<u>2,384,778</u>	<u>2,338,578</u>

GVROC = Goldfields Voluntary Regional Organisation of Councils

Note: As at 30th June 2019, there are neither fully depreciated assets in use nor temporarily idle assets held by the Entity.

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life
Buildings	30 to 50 years
Furniture and equipment	5 to 25 years
Plant and equipment	5 to 20 years
Sealed roads and streets	
formation	not depreciated
pavement	60 to 80 years
seal	
- bituminous seals	15 to 20 years
- asphalt surfaces	20 years
Gravel roads	
formation	not depreciated
pavement	60 to 80 years
Footpaths - slab	80 years
Sewerage piping	12 to 15 years
Water supply piping and drainage sys	60 to 80 years
Airport infrastructure	10 to 80 years
Other infrastructure	10 - 50 years

Depreciation (Continued)

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

(a) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or

(b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.



SHIRE OF DUNDAS  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30TH JUNE 2019

9. REVALUATION SURPLUS

	2019 Opening Balance	2019 Revaluation Increment	2019 Revaluation (Decrement)	Total Revaluation Movement on	2019 Closing Balance	2018 Opening Balance	2018 Revaluation Increment	2018 Revaluation (Decrement)	Total Revaluation Movement on	2018 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	4,343,767	0	0	0	4,343,767	4,343,767	0	0	0	4,343,767
Revaluation surplus - Furniture and equipment	41,774	0	(10,685)	(10,685)	31,089	41,774	0	0	0	41,774
Revaluation surplus - Plant and equipment	81,645	359,286	0	359,286	440,931	81,645	0	0	0	81,645
Revaluation surplus - Property, plant and equipment - GVROC joint arrangement	16,575	0	0	0	16,575	16,575	0	0	0	16,575
Revaluation surplus - Infrastructure - Roads	24,504,232	0	0	0	24,504,232	41,151,755	0	(16,647,523)	(16,647,523)	24,504,232
Revaluation surplus - Infrastructure - footpaths	1,983,039	0	0	0	1,983,039	2,123,643	0	(140,604)	(140,604)	1,983,039
Revaluation surplus - Infrastructure - drainage	712,329	0	0	0	712,329	1,380,390	0	(668,061)	(668,061)	712,329
Revaluation surplus - Infrastructure - parks and ovals	301,115	0	0	0	301,115	103,683	197,432	0	197,432	301,115
Revaluation surplus - Infrastructure - airport	575,552	0	0	0	575,552	141,733	433,819	0	433,819	575,552
Revaluation surplus - Infrastructure - other	3,096,820	0	0	0	3,096,820	260,793	2,836,027	0	2,836,027	3,096,820
	35,656,848	359,286	(10,685)	348,601	36,005,449	49,645,758	3,467,278	(17,456,188)	(13,988,910)	35,656,848

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

10. TRADE AND OTHER PAYABLES

	2019	2018
	\$	\$
Current	459,850	642,141
Sundry creditors	17,539	0
Bond & Deposits held (refer to note 25)	20,569	10,290
Accrued salaries and wages	12,111	0
ATO liabilities	5,301	1,424
Other payables	515,370	653,855

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 becomes obliged to make future payments in respect

Trade and other payables (Continued)  
 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.

SHIRE OF DUNDAS  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30TH JUNE 2019

11. BORROWINGS

(a) Borrowings	2019	2018
	\$	\$
Current	47,238	45,983
Non-current	340,083	387,321
	<u>387,321</u>	<u>433,304</u>

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	30 June 2019			30 June 2019			30 June 2019			30 June 2019			30 June 2018			30 June 2018		
				Actual Principal	Actual Interest	Actual repayments	Budget Principal	Budget Interest	Budget repayments	Actual Principal	Actual Interest	Actual repayments	Budget Principal	Budget Interest	Budget repayments	Actual Principal	Actual Interest	Actual repayments	Budget Principal	Budget Interest	Budget repayments
Health	28037	WA Treasury Corporation	2.71%	433,304	0	45,982	433,305	0	45,983	478,067	0	44,763	478,067	0	44,763	433,304	0	45,983	433,304	0	44,763
				433,304	0	45,982	433,305	0	45,983	478,067	0	44,763	478,067	0	44,763	433,304	0	45,983	433,304	0	44,763
Total				433,304	0	45,982	433,305	0	45,983	478,067	0	44,763	478,067	0	44,763	433,304	0	45,983	433,304	0	44,763

Loan repayments were financed by general purpose revenue.

11. BORROWINGS (Continued)

(c) New Borrowings - 2018/19

The Shire has not obtained new borrowings during 2018/19 financial year.

(d) Unspent Borrowings

The Shire did not have any unspent debentures as at 30 June 2019.

(e) Undrawn Borrowing Facilities / Credit Standby Arrangements

The Shire does not have an overdraft facility in place.

	2019	2018
Loan facilities		
Loan facilities - current	47,238	45,983
Loan facilities - non-current	340,083	387,321
<b>Total facilities in use at balance date</b>	<b>387,321</b>	<b>433,304</b>

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are recognised at fair value when the Shire becomes a party to the contractual provisions to the instrument.

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

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.

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.

Risk

Information regarding exposure to risk can be found at Note 24.

## 12. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions	Provision for	Provision for	Total
	Annual Leave	Long Service Leave	
	\$	\$	\$
Opening balance at 1 July 2018			
<b>Current provisions</b>	<b>204,100</b>	<b>161,682</b>	<b>365,782</b>
<b>Non-current provisions</b>	<b>0</b>	<b>18,849</b>	<b>18,849</b>
	<b>204,100</b>	<b>180,531</b>	<b>384,631</b>
<b>Additional provision</b>	<b>(13,256)</b>	<b>4,310</b>	<b>(8,946)</b>
<b>Amounts used</b>	<b>(9,369)</b>	<b>(36,213)</b>	<b>(45,582)</b>
<b>Increase in the discounted amount arising because of time and the effect of any change in the discounted rate</b>	<b>511</b>	<b>4,453</b>	<b>4,963</b>
Balance at 30 June 2019	<b>181,985</b>	<b>153,081</b>	<b>335,066</b>
Comprises			
<b>Current</b>	<b>181,985</b>	<b>116,880</b>	<b>298,865</b>
<b>Non-current</b>		<b>36,201</b>	<b>36,201</b>
	<b>181,985</b>	<b>153,081</b>	<b>335,066</b>

Amounts are expected to be settled on the following basis:	2019	2018
	\$	\$
Less than 12 months after the reporting date	296,233	351,975
More than 12 months from reporting date	36,201	18,849
Expected reimbursements to other WA local governments	2,632	13,807
	<b>335,066</b>	<b>384,631</b>

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assume 44 events will occur to impact on these historical trends.

### SIGNIFICANT ACCOUNTING POLICIES

#### 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.

##### Other long-term employee benefits

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

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 of service and employee departures and are discounted at

##### Other long-term employee benefits (Continued)

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.

##### Provisions

Provisions are recognised when the Shire has a present 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.

### 13. NOTES TO THE STATEMENT OF CASH FLOWS

#### Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Cash and cash equivalents	7,011,812	4,589,830	7,659,412
 Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	(544,745)	2,446,350	1,842,394
Non-cash flows in Net result:			
Depreciation	2,818,145	2,384,778	2,338,578
(Profit)/loss on sale of asset	21,942	0	(25,415)
Changes in assets and liabilities:			
(Increase)/decrease in receivables	253,341	201,279	(82,718)
Increase/(decrease) in payables	(187,360)	(377,076)	395,385
Increase/(decrease) in provisions	(49,565)		(29,117)
Non-operating grants, Subsidies & Contributions for the development of assets	(775,162)	(4,943,776)	(2,947,419)
Net cash from operating activities	<u>1,536,596</u>	<u>(288,445)</u>	<u>1,491,687</u>

### 14. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2019	2018
	\$	\$
Transport	53,442,365	54,075,560
Governance	11,267,471	12,734,215
General Purpose Funding	3,661,002	3,549,137
Other Property	2,735,677	2,431,351
Recreation And Culture	2,019,958	1,282,041
Economic Services	492,630	59,103
Community Amenities	73,288	7,326
Law, Order & Public Safety	56,940	41,998
Health	45,983	44,762
	<u>73,795,316</u>	<u>74,225,493</u>

### 15. CONTINGENT LIABILITIES

The Shire has no contingent liabilities as at 30th June 2019.

## 16. CAPITAL AND LEASING COMMITMENTS

	2019	2018
	\$	\$
<b>(a) Capital Expenditure Commitments</b>		
<b>Contracted for:</b>		
- capital expenditure projects	1,725,356	0
	<u>1,725,356</u>	<u>0</u>
<b>Payable:</b>		
- not later than one year	1,725,356	0

Remaining contract value payable to Delyn Australia Pty Ltd as at 30th June 2019 for the construction works of the Woodlands centre.

### (b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts.

	2019	2018
	\$	\$
<b>Payable:</b>		
- not later than one year	32,555	34,200
- later than one year but not later than five years	60,132	31,450
	<u>92,687</u>	<u>65,650</u>

## 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, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower of 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.

### Leases (Continued)

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 on a straight line basis over the lease term.

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

## 17. RELATED PARTY TRANSACTIONS

### Elected Members Remuneration

The following fees, expenses and allowances were paid to council members and/or the President.

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Meeting Fees	27,951	22,000	21,199
Mayor / President's allowance	12,000	12,000	12,000
Deputy Mayor / President's allowance	3,000	3,000	3,000
Travelling expenses	3,056	10,000	6,610
	<u>46,007</u>	<u>47,000</u>	<u>42,809</u>

### Key Management Personnel (KMP) Compensation Disclosure

The total of remuneration paid to KMP of the Shire during the year are as follows:

	2019 Actual	2018 Actual
	\$	\$
Short-term employee benefits	259,354	311,014
Post-employment benefits	33,403	48,441
Other long-term benefits	15,285	5,911
	<u>308,042</u>	<u>365,365</u>

#### *Short-term employee benefits*

These amounts include all salary, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found above.

#### *Post-employment benefits*

These amounts are the current-year's estimated cost of providing for the Shire's superannuation contributions made during the year.

#### *Other long-term benefits*

These amounts represent annual leave and long service leave benefits accruing during the year.

17. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

Transactions between related parties and the Shire are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

No outstanding balances or provisions for doubtful debts or guaranties exist in relation to related parties at year end.

The following transactions occurred with related parties:	2019	2018
	Actual	Actual
	\$	\$
Sale of goods and services	0	2,727
Purchase of goods and services from entities controlled by Councillors or KMP	44,251	5,481
Amounts payable to related parties:		
Trade and other payables	370	160

Related Parties

The Shire's main related parties are as follows:

*i. Key management personnel*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel (KMP).

KMP are employed by the Shire under normal employment terms and conditions

*ii. Other Related Parties*

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly are considered related parties in relation to the Shire.

*iii. Entities subject to significant influence by the Shire*

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.



## 18. JOINT ARRANGEMENTS

The Shire together with the Shire's of Esperance, Coolgardie, Laverton, Leonora, Menzies, Ngaanyatjaraku, Ravensthorpe, Wiluna and the City of Kalgoorlie (collectively called "Goldfields Voluntary Regional Organisation of Councils" - GVROC) have a joint arrangement with regard to the provision of a regional record service. The assets included in the joint arrangement recorded at councils one-tenth share are as follows .

	2019	2018
	\$	\$
<b>(a) Share of Joint Arrangements</b>		
Non-current assets		
Land and buildings	69,416	69,416
Less: accumulated depreciation	(8,664)	(5,776)
	<u>60,752</u>	<u>63,640</u>
Plant and equipment		
Less: accumulated depreciation	7,940	7,940
	(1,981)	(1,321)
	<u>5,958</u>	<u>6,619</u>
Furniture and equipment		
Less: accumulated depreciation	4,047	4,047
	(1,073)	(715)
	<u>2,974</u>	<u>3,332</u>
Light vehicles		
Less: accumulated depreciation	3,097	3,097
	(957)	(638)
	<u>2,140</u>	<u>2,459</u>

### 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 arrangements providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method. The equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

#### Interests in joint arrangements (Continued)

Joint 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.

19. MAJOR LAND TRANSACTIONS

The Shire did not participate in any major land transactions during the 2018/2019 financial year.

20. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire did not participate in any trading undertakings or major trading undertakings during the 2018/19 financial year.

21. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening	Received	Expended	Closing	Received	Expended	Closing
	Balance (1) 1/07/17	2017/18	2017/18	Balance (1) 30/06/18	2018/19	2018/19	Balance 30/06/19
	\$	\$	\$	\$	\$	\$	\$
<b>Governance</b>							
CLGF (12/13) - Various	26,514	0	(26,348)	166		(166)	0
<b>Transport</b>							
Department of Infrastructure and Regional Development – RAAP	399,416	530,000	(929,416)	0			0
Department of Primary Industries and Regional Development – Royalties for Region	1,142,367	0	(1,142,367)	0			0
Department of Transport – RADS	0	496,512	(496,512)	0			0
<b>Economic services</b>							
Department of Primary Industries and Regional Development – Royalties for Region		1,200,000		1,200,000	40,937	(394,398)	846,539
<b>Total</b>	<b>1,568,297</b>	<b>2,226,512</b>	<b>(2,594,643)</b>	<b>1,200,166</b>	<b>40,937</b>	<b>(394,564)</b>	<b>846,539</b>

Notes:

- (1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.
- (2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.
- (3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

22. RATING INFORMATION

RATE TYPE	Number of Properties	2018/19		2018/19		2018/19		2018/19		2018/19		2017/18	
		Rate in \$	Actual Rateable Value	Actual Rate Revenue	Interim Rates	Actual Back Rates	Actual Total Revenue	Budget Rate Revenue	Budget Total Revenue	Actual Total Revenue			
Differential general rate / general rate			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Gross rental valuations</b>													
GRV - Townsite / Roadhouses / Mining	540	0.158624	5,628,612	892,833	(269)					892,564	892,833	892,833	753,423
<b>Unimproved valuations</b>													
UV - Pastoral	15	0.08	708,393	56,671	0	28				56,699	56,671	56,671	1,146,567
UV - Mining	384	0.152582	8,207,545	1,252,324	(7,140)	109				1,245,293	1,235,437	1,235,437	35,420
<b>Sub-Total</b>	939		44	2,201,828	(7,409)	137				2,194,556	2,184,941	2,184,941	1,935,410
Minimum payment		\$											
<b>Gross rental valuations</b>													
GRV - Townsite / Roadhouses / Mining	150	349	63,240	52,350						52,350	52,350	52,350	51,303
<b>Unimproved valuations</b>													
UV - Mining / Pastoral	118	349	68,294	41,182						41,182	40,135	40,135	68,124
UV - Mining - Prospecting	55	300	87,896	16,500						16,500	15,900	15,900	15,704
<b>Sub-Total</b>	323		219,430	110,032	0	0				110,032	108,385	108,385	135,131
Total amount raised from general rate	1,262		219,474	2,311,860	(7,409)	137				2,304,588	2,293,326	2,293,326	2,070,541
<b>Movement in Excess Rates</b>													
Totals										18,250	2,293,326	2,293,326	919
										2,322,838			2,071,460

SIGNIFICANT ACCOUNTING POLICIES

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

(b) Specified Area Rate  
 No specified area rates were imposed by the Shire during the year 2018/2019.

(c) Service Charges  
 No service charges were imposed by the Shire during the year 2018/2019.

(d) Discounts, Incentives, Concessions, & Write-offs  
 The Shire has not granted any discount, incentive or concession on rates during the year 2018/2019.

## 22. RATING INFORMATION (Continued)

### (e) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Option One</b>				
Single full payment	07 Sep 2018	0.00	0.0%	7.5%
<b>Option Two</b>				
First instalment	07 Sep 2018	0.00	0.0%	7.5%
Second instalment	07 Nov 2018	10.00	5.5%	7.5%
<b>Option Three</b>				
First instalment	07 Sep 2018	0.00	0.0%	7.5%
Second instalment	07 Nov 2018	10.00	5.5%	7.5%
Third instalment	16 Jan 2019	10.00	5.5%	7.5%
Fourth instalment	03 Apr 2019	10.00	5.5%	7.5%

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Interest on unpaid rates	69,763	60,000	74,994
Interest on instalment plan	3,669	4,000	3,580
Charges on instalment plan	3,390	4,000	3,090
	<u>76,822</u>	<u>68,000</u>	<u>81,664</u>

## 23. RATE SETTING STATEMENT INFORMATION

Note	2018/19	2018/19	2018/19
	(30 June 2019 Carried Forward)	Budget (30 June 2019 Carried Forward)	(1 July 2018 Brought Forward)
	\$	\$	\$

### (a) Non-cash amounts excluded from operating activities

The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with *Financial Management Regulation 32*.

#### Adjustments to operating activities

Less: Profit on asset disposals	8(a)	(6,882)	0	(25,762)
Movement in pensioner deferred rates (non-current)		0	0	(13,734)
Movement in employee benefit provisions (non-current)		17,352		(26,747)
Add: Loss on disposal of assets	8(a)	28,824	0	347
Add: Depreciation on assets	8(b)	2,818,144	2,384,778	2,338,578
Non cash amounts excluded from operating activities		2,857,438	2,384,778	2,272,682

### (b) Surplus/(deficit) after imposition of general rates

The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

#### Adjustments to net current assets

Less: Reserves - restricted cash	3	(5,289,718)	(4,376,478)	(6,028,479)
Add: Borrowings	11(a)	47,238	47,238	45,983
Total adjustments to net current assets		(5,242,480)	(4,329,240)	(5,982,496)

#### Net current assets used in the Rate Setting Statement

Total current assets		7,579,074	5,004,260	8,277,224
Less: Total current liabilities		(861,473)	(675,020)	(1,065,620)
Less: Total adjustments to net current assets		(5,242,480)	(4,329,240)	(5,982,496)
Net current assets used in the Rate Setting Statement		1,475,121	0	1,229,108

## 24. FINANCIAL RISK MANAGEMENT

This note explains the Shire's exposure to financial risks and how these risks could affect the Shire's future financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk - interest rate	Cash and cash equivalents, and Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Shire does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council. The finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

### (a) Interest rate risk

#### Cash and cash equivalents

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents and term deposits held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
<b>2019</b>					
Cash and cash equivalents	2.14%	7,011,812	5,289,719	1,658,514	63,579
<b>2018</b>					
Cash and cash equivalents	2.27%	7,659,412	6,686,358	846,286	126,768

#### Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	2019	2018
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	16,585	8,463

\* Holding all other variables constant

#### Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 11(b).

24. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

**Trade Receivables**

The Shire's major receivables comprise rates annual charges and user fees and charges. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of the Shire to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. Where the expected proceeds on sale of the land is less than the value of the debt, a loss allowance is provided. The Shire is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

The Shire applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2018 or 1 July 2019 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a re-negotiation of repayment terms.

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for rates receivable.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
<b>30 June 2019</b>					
<b>Rates receivable</b>					
Expected credit loss	10%	58%	68%	83%	
Gross carrying amount	539,702	80,114	72,827	298,321	990,964
Loss allowance	55,099	46,503	49,475	248,497	399,574
<b>01 July 2018</b>					
<b>Rates receivable</b>					
Expected credit loss	11%	75%	77%	92%	
Gross carrying amount	484,427	81,444	72,715	246,707	885,293
Loss allowance	52,662	61,010	56,240	228,088	398,000

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for sundry receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2019</b>					
<b>Sundry Receivables</b>					
Gross carrying amount	23,733	0	0	0	23,733
<b>01 July 2018</b>					
<b>Sundry Receivables</b>					
Gross carrying amount	174,666	0	0	0	174,666

## 24. FINANCIAL RISK MANAGEMENT (Continued)

### (c) Liquidity risk

#### Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 11(e).

The contractual undiscounted cash flows of the Shire's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2019</b>					
Payables	503,259	0	0	503,259	503,259
Borrowings	57,416	229,656	143,453	430,525	387,321
	<u>560,675</u>	<u>229,656</u>	<u>143,453</u>	<u>933,784</u>	<u>890,580</u>
<b>2018</b>					
Payables	653,855	0	0	653,855	653,855
Borrowings	57,416	229,655	200,969	488,040	433,304
	<u>711,271</u>	<u>229,655</u>	<u>200,969</u>	<u>1,141,895</u>	<u>1,087,159</u>



## 25. TRUST FUNDS

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

	1 July 2018	Amounts Received	Amounts Paid	Reclassification to Restricted Cash	30 June 2019
	\$	\$	\$		\$
Builders Registration	(52)	3,955	(1,270)	(2,633)	-
Demolition Deposits	500	0	(500)	0	-
Excess (Overpaid) Rates	1,932	280	(323)	(1,889)	-
Gym Key Deposits	4,200	3,400	(4,350)	(3,250)	-
Tennis Key Deposit	600	0	(300)	(300)	-
Building Construction Industry Training Fund (I	548	1,241	2,056	(3,845)	-
Library	483	0	(483)	0	-
Community Garden	2,539	0	0	(2,539)	-
Ngadju Womens Caring Programme	23,616	60	(22,719)	(957)	-
Licensing (Transport)	51,340	204,583	(254,106)	(1,817)	-
Bank Interest	293	16	0	(309)	-
	<u>85,999</u>	<u>213,535</u>	<u>(281,995)</u>	<u>(17,539)</u>	<u>-</u>

## 26 EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

No adjusting or non-adjusting event has taken place since the balance sheet date to the date of authorisation of financial statements.

## 27. Change in Accounting Policy

On 1 July 2018 Paragraph 17A (5) was inserted into Local Government (Financial Management) Regulations 1996

The regulation stated an asset is to be excluded from the assets of a local government if the fair value of the asset at the date of acquisition by the local government is under \$5 000.

The adoption of the regulation constitutes a change in accounting policy.

Due to the effect on the financial statements not being material, the Shire did not retrospectively apply the changes in accounting policy arising from the new regulations and has not restated comparative figures .

During the year assets with a fair value at the date of acquisition of under \$5,000 and purchased prior to 1 July 2018, amounting to \$22,854, have been excluded from the assets of the Shire and written off in the Statement of Comprehensive Income.

## 28 INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

During the current year, the Shire adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

Whilst many reflected consequential changes associated with the amendment of existing standards, the only new standard with material application is AASB 9 Financial Instruments.

### **AASB 9 Financial instruments**

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Shire applied AASB 9 prospectively, with an initial application date of 1 July 2018.

The adoption of AASB 9 has resulted in changes in accounting policies.

In accordance with AASB 9.7.2.15, the Shire has not restated the comparative information which continues to be reported under AASB 139.

There were no adjustments as a result of adopting AASB 9.

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the Shire's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Shire's business model was made as of the date of initial application, 1 July 2018.

The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact on the Shire.

The following are the changes in the classification of the Shire's financial assets:

- Trade receivables and Loans and advances (i.e. Other debtors) classified as Loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 July 2018.
- The Shire did not designate any financial assets as at fair value through profit and loss.

28. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)

In summary, upon the adoption of AASB 9, the Shire had the following required (elected) re-classifications as at 1 July 2018.

	AASB 139 Value \$	Amortised Cost \$	AASB 9 Category Fair value Through OCI \$	Fair value Through P & L \$
AASB 139 category - Loans & Receivables:				
Trade Receivables	665,673	665,673		

(b) Impairment

The adoption of AASB 9 has fundamentally changed the Shire's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Shire to recognise an allowance for ECLs for all financial assets not held at fair value through P/L. Upon adoption of AASB 9, the Shire did not recognise any additional impairment on the Shire's Trade receivables.

29 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Shire.

This note explains management's assessment of the new and amended pronouncements that are relevant to the Shire, the impact of the adoption of AASB 15 *Revenue from Contracts with Customers*, AASB 16 *Leases* and AASB 1058 *Income for Not-for-Profit Entities*. These standards are applicable to future reporting periods and have not yet been adopted.

The Shire is still assessing the impact of these new accounting standards.

### 30. OTHER SIGNIFICANT ACCOUNTING POLICIES

#### a) 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.

#### b) Current and non-current classification

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 or non-current based on the Shire's intentions to release for sale.

#### c) Rounding off figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

#### d) Comparative figures

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

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

#### e) Budget comparative figures

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

#### 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.

#### g) Fair value of assets and liabilities

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.

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 or liability. 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 or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. 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.

#### h) 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.

##### 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 the service capacity of an asset.

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 are 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.

#### i) Impairment of assets

In accordance with Australian Accounting Standards the Shire's cash generating non-specialised 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 revalued asset is treated as a revaluation decrease in accordance with that other Standard.

For non-cash generating specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regularity to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

31. ACTIVITIES/PROGRAMS

Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
<b>GOVERNANCE</b>	
To provide a decision making process for the efficient allocation of scarce resources.	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.
<b>GENERAL PURPOSE FUNDING</b>	
To collect revenue to allow for the provision of services.	Rates, general purpose funding and interest revenue.
<b>LAW, ORDER, PUBLIC SAFETY</b>	
To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
<b>HEALTH</b>	
To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.
<b>EDUCATION AND WELFARE</b>	
To provide services to disadvantaged persons, the elderly, children and youth.	Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.
<b>HOUSING</b>	
To provide and maintain elderly resident housing.	Provision and maintenance of elderly residents housing.
<b>COMMUNITY AMENITIES</b>	
To provide services required by the community.	Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.
<b>RECREATION AND CULTURE</b>	
To establish and effectively manage infrastructure and resource which will help the social well being of the community.	Maintenance of public halls, civic centre, aquatic centre, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.
<b>TRANSPORT</b>	
To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.
<b>ECONOMIC SERVICES</b>	
To help promote the shire and its economic wellbeing.	Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, venmin control and standpipes. Building Control.
<b>OTHER PROPERTY AND SERVICES</b>	
To monitor and control council's overheads operating accounts.	Private work private works operation, plant repairs and operation costs and engineering operating costs.

### 32. FINANCIAL RATIOS

	2019 Actual	2018 Actual	2017 Actual
Current ratio	4.17	3.16	4.15
Asset consumption ratio	0.96	0.73	0.80
Asset renewal funding ratio	0.68	0.64	0.78
Asset sustainability ratio	0.82	0.35	0.74
Debt service cover ratio	26.29	21.70	72.96
Operating surplus ratio	(0.43)	(0.40)	0.01
Own source revenue coverage ratio	0.49	0.49	0.52

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$