

SHIRE OF DUNDAS
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

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The Shire of Dundas conducts the operations of a local government with the following community vision:

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

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

**SHIRE OF DUNDAS
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

*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 2022 is based on proper accounts and records to present fairly the financial position of the Shire of Dundas at 30 June 2022 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 14th day of December 2022



Chief Executive Officer

Peter Fitchat

Name of Chief Executive Officer



SHIRE OF DUNDAS
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
Revenue				
Rates	22(a),2(a)	2,853,087	2,763,621	2,443,580
Operating grants, subsidies and contributions	2(a)	2,103,028	1,930,262	1,957,180
Fees and charges	21(c),2(a)	709,718	508,860	539,618
Interest earnings	2(a)	56,497	99,785	138,485
Other revenue	2(a)	223,440	2,137	164,001
		5,945,770	5,304,665	5,242,864
Expenses				
Employee costs		(2,370,730)	(2,603,443)	(2,082,628)
Materials and contracts		(1,104,395)	(1,529,184)	(1,063,173)
Utility charges		(426,590)	(304,507)	(310,143)
Depreciation	8(a)	(3,115,269)	(3,070,738)	(2,931,390)
Finance costs	2(b)	(7,897)	(7,566)	(8,890)
Insurance		(202,828)	(230,062)	(156,366)
Other expenditure	2(b)	(163,532)	(460,372)	(458,446)
		(7,391,241)	(8,205,872)	(7,011,036)
		(1,445,471)	(2,901,207)	(1,768,172)
Non-operating grants, subsidies and contributions	2(a)	819,790	1,492,484	1,151,368
Profit on asset disposals	8(d)	12,053	28,280	0
Loss on asset disposals	8(d)	(21,668)	(29,350)	(63,864)
		810,175	1,491,414	1,087,504
Net result for the period	21(b)	(635,296)	(1,409,793)	(680,668)
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	1,792,109	0	0
Total other comprehensive income for the period	13	1,792,109	0	0
Total comprehensive income for the period		1,156,813	(1,409,793)	(680,668)

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



SHIRE OF DUNDAS
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	NOTE	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	3	2,430,053	3,775,531
Trade and other receivables	5	265,796	226,780
Other financial assets	4(a)	6,313,174	4,595,060
TOTAL CURRENT ASSETS		9,009,023	8,597,371
NON-CURRENT ASSETS			
Trade and other receivables	5	60,584	60,584
Property, plant and equipment	6	16,782,837	14,751,399
Infrastructure	7	50,365,993	51,167,684
TOTAL NON-CURRENT ASSETS		67,209,414	65,979,667
TOTAL ASSETS		76,218,437	74,577,038
CURRENT LIABILITIES			
Trade and other payables	9	1,020,961	851,580
Other liabilities	10	574,305	214,709
Borrowings	11	51,211	49,851
Employee related provisions	12	267,174	275,348
TOTAL CURRENT LIABILITIES		1,913,651	1,391,488
NON-CURRENT LIABILITIES			
Borrowings	11	190,825	241,705
Employee related provisions	12	62,910	49,607
TOTAL NON-CURRENT LIABILITIES		253,735	291,312
TOTAL LIABILITIES		2,167,386	1,682,800
NET ASSETS		74,051,051	72,894,238
EQUITY			
Retained surplus		31,179,589	30,722,642
Reserve accounts	25	5,125,479	6,201,147
Revaluation surplus	13	37,745,983	35,970,449
TOTAL EQUITY		74,051,051	72,894,238

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



SHIRE OF DUNDAS
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2020		33,086,984	4,517,473	35,970,449	73,574,906
Comprehensive income for the period					
Net result for the period		(680,668)	0	0	(680,668)
Total comprehensive income for the period		(680,668)	0	0	(680,668)
Transfers from reserves	25	75,000	(75,000)	0	0
Transfers to reserves	25	(1,758,674)	1,758,674	0	0
Balance as at 30 June 2021		30,722,642	6,201,147	35,970,449	72,894,238
Comprehensive income for the period					
Net result for the period		(635,296)	0	0	(635,296)
Transfer on disposal of property, plant and equipment to retained earnings	13	16,575	0	(16,575)	0
Other comprehensive income for the period		0	0	1,792,109	1,792,109
Total comprehensive income for the period		(618,721)	0	1,775,534	1,156,813
Transfers from reserves	25	1,088,234	(1,088,234)	0	0
Transfers to reserves	25	(12,566)	12,566	0	0
Balance as at 30 June 2022		31,179,589	5,125,479	37,745,983	74,051,051

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

SHIRE OF DUNDAS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		2,807,311	2,763,621	2,580,215
Operating grants, subsidies and contributions		2,595,962	1,633,871	2,170,612
Fees and charges		753,291	508,860	539,618
Interest received		56,497	99,785	138,485
Goods and services tax received		94,226	152,918	120,000
Other revenue		223,440	2,137	164,001
		6,530,727	5,161,192	5,712,931
Payments				
Employee costs		(2,400,902)	(2,603,443)	(2,082,964)
Materials and contracts		(613,121)	(1,529,184)	(775,491)
Utility charges		(426,590)	(304,507)	(310,143)
Finance costs		(7,897)	(7,566)	(8,890)
Insurance paid		(202,828)	(230,062)	(156,366)
Goods and services tax paid		(400,299)	(152,918)	(272,755)
Other expenditure		(157,675)	(460,372)	(458,446)
		(4,209,312)	(5,288,052)	(4,065,055)
Net cash provided by (used in) operating activities	14(b)	2,321,415	(126,860)	1,647,876
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	6(a)	(1,210,728)	(1,530,831)	(767,356)
Payments for construction of infrastructure	7(a)	(1,531,569)	(2,326,316)	(1,209,310)
Non-operating grants, subsidies and contributions		663,263	1,492,484	1,347,895
Payments for financial assets at amortised cost		(1,718,114)	0	(3,750,299)
Proceeds from sale of property, plant & equipment	8(d)	179,775	211,000	86,294
Net cash provided by (used in) investing activities		(3,617,373)	(2,153,663)	(4,292,776)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	24(a)	(49,520)	(49,851)	(48,527)
Net cash provided by (used In) financing activities		(49,520)	(49,851)	(48,527)
Net increase (decrease) in cash held		(1,345,478)	(2,330,374)	(2,693,427)
Cash at beginning of year		3,775,531	8,314,076	6,468,958
Cash and cash equivalents at the end of the year	14(a)	2,430,053	5,983,702	3,775,531

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

**SHIRE OF DUNDAS
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
NET CURRENT ASSETS - At start of financial year - surplus/(deficit)	23(b)	1,329,935	2,149,439	2,674,550
OPERATING ACTIVITIES				
Revenue from operating activities (excluding general rate)				
Operating grants, subsidies and contributions		2,103,028	1,930,262	1,957,180
Fees and charges		709,718	508,860	539,618
Interest earnings		56,497	99,785	138,485
Other revenue		223,440	2,137	164,001
Profit on asset disposals	8(d)	12,053	28,280	0
		3,104,736	2,569,324	2,799,284
Expenditure from operating activities				
Employee costs		(2,370,730)	(2,603,443)	(2,082,628)
Materials and contracts		(1,104,395)	(1,529,184)	(1,063,173)
Utility charges		(426,590)	(304,507)	(310,143)
Depreciation		(3,115,269)	(3,070,738)	(2,931,390)
Finance costs		(7,897)	(7,566)	(8,890)
Insurance		(202,828)	(230,062)	(156,366)
Other expenditure		(163,532)	(460,372)	(458,446)
Loss on asset disposals	8(d)	(21,668)	(29,350)	(63,864)
		(7,412,909)	(8,235,222)	(7,074,900)
Non-cash amounts excluded from operating activities	23(a)	3,130,013	3,071,808	2,958,626
Amount attributable to operating activities		(1,178,160)	(2,594,090)	(1,316,990)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		819,790	1,492,484	1,151,368
Proceeds from disposal of assets	8(d)	179,775	211,000	86,294
Purchase of property, plant and equipment	6(a)	(1,210,728)	(1,530,831)	(767,356)
Purchase and construction of infrastructure	7(a)	(1,531,569)	(2,326,316)	(1,209,310)
Amount attributable to investing activities		(1,742,732)	(2,153,663)	(739,004)
FINANCING ACTIVITIES				
Repayment of borrowings	24(a)	(49,520)	(49,851)	(48,527)
Transfers to reserves (restricted assets)	25	(12,566)	(387,570)	(1,758,674)
Transfers from reserves (restricted assets)	25	1,088,234	272,114	75,000
Amount attributable to financing activities		1,026,148	(165,307)	(1,732,201)
Surplus/(deficit) before imposition of general rates		(564,809)	(2,763,621)	(1,113,645)
Total amount raised from general rates	22(a)	2,853,087	2,763,621	2,443,580
Surplus/(deficit) after imposition of general rates	23(b)	2,288,278	0	1,329,935

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

SHIRE OF DUNDAS
FOR THE YEAR ENDED 30 JUNE 2022
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SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

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 financial 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.

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.

Judgements and estimates

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

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

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, and infrastructure.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Operating grants, subsidies and contributions with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - waste management site entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges -licences, registrations, approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Fees and charges -property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	On entry or at conclusion of hire
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works
Other revenue -commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	When assets are controlled
Other revenue - reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	When claim is agreed

Consideration from contracts with customers is included in the transaction price.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

2. REVENUE AND EXPENSES (Continued)

Revenue Recognition

Revenue recognised during the year under each basis of recognition by nature or types of goods or services is provided in the table below:

For the year ended 30 June 2022

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	2,853,087	0	2,853,087
Operating grants, subsidies and contributions	270,019	0	0	1,833,009	2,103,028
Fees and charges	330,311	0	44,347	335,060	709,718
Interest earnings	0	0	40,146	16,351	56,497
Other revenue	207,628	0	0	15,812	223,440
Non-operating grants, subsidies and contributions	176,349	643,441	0	0	819,790
Total	984,307	643,441	2,937,580	2,200,232	6,765,560

For the year ended 30 June 2021

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	2,443,580	0	2,443,580
Operating grants, subsidies and contributions	171,795	0	1,600	1,783,785	1,957,180
Fees and charges	199,579	0	10,032	330,007	539,618
Interest earnings	0	0	40,930	97,555	138,485
Other revenue	139,801	0	0	24,200	164,001
Non-operating grants, subsidies and contributions	341,370	809,998	0	0	1,151,368
Total	852,545	809,998	2,496,142	2,235,547	6,394,232

Note	2022 Actual	2022 Budget	2021 Actual
Interest earnings			
Interest on reserve funds	12,567	57,065	77,587
Rates instalment and penalty interest (refer Note 22(c))	40,146	25,420	40,930
Other interest earnings	3,784	17,300	19,968
	56,497	99,785	138,485
(b) Expenses			
Auditors remuneration			
- Audit of the Annual Financial Report	29,000	25,000	22,800
- Other services	1,600	0	0
	30,600	25,000	22,800
Finance costs			
Borrowings	24(a) 7,897	7,566	8,890
	7,897	7,566	8,890
Other expenditure			
Impairment losses on rates receivables	37,716	150,000	347,409
Impairment losses on receivables from contracts with customers	5,857	0	0
Sundry expenses	119,959	310,372	111,037
	163,532	460,372	458,446

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

3. CASH AND CASH EQUIVALENTS

Cash at bank and on hand
 Term deposits
Total cash and cash equivalents

Held as
 - Unrestricted cash and cash equivalents
 - Restricted cash and cash equivalents

Note	2022	2021
	\$	\$
	2,430,053	1,265,311
	0	2,510,220
14(a)	2,430,053	3,775,531
	1,910,664	1,941,315
14(a)	519,389	1,834,216
	2,430,053	3,775,531

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 that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

Details of restrictions on financial assets can be found at Note 14.

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Other financial assets at amortised cost

Term deposits

Held as

- Unrestricted other financial assets at amortised cost
 - Restricted other financial assets at amortised cost

	2022	2021
	\$	\$
	6,313,174	4,595,060
	6,313,174	4,595,060
	6,313,174	4,595,060
	6,313,174	4,595,060
	1,707,084	0
14(a)	4,606,090	4,595,060
	6,313,174	4,595,060

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

The Shire classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 20 (i)) due to the observable market rates.

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

Financial assets at fair value through profit and loss

The Shire classifies the following financial assets at fair value through profit and loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has not elected to recognise fair value gains and losses through other comprehensive income.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 18.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

5. TRADE AND OTHER RECEIVABLES

Current

	Note	2022 \$	2021 \$
Rates receivable		781,329	726,271
Trade and other receivables		204,665	187,333
GST receivable		10,199	0
Allowance for credit losses of trade and other receivables	18(b)	(5,857)	0
Allowance for credit losses of rates receivables	18(b)	(724,540)	(686,824)
		265,796	226,780
Non-current			
Pensioner's rates and ESL deferred		60,584	60,584
		60,584	60,584

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 grants, contributions, reimbursements, and goods sold and services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

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 18.

Classification and subsequent measurement

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the Shire 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 value is considered immaterial.

**SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

6. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

Note	Land \$	Buildings - non- specialised \$	Buildings - specialised \$	Total land and buildings \$	Furniture and equipment \$	Plant and equipment \$	Buildings, plant and equipment GVROC \$	Total property, plant and equipment \$
Balance at 1 July 2020	503,000	1,221,838	10,926,005	12,650,843	53,422	2,072,288	67,600	14,844,153
Additions	0	10,763	677,170	687,933	0	79,423	0	767,356
Disposals	(87,000)	0	(45,236)	(132,236)	0	(17,922)	0	(150,158)
Depreciation	0	(59,571)	(413,561)	(473,132)	(10,978)	(221,617)	(4,225)	(709,952)
Balance at 30 June 2021	416,000	1,173,030	11,144,378	12,733,408	42,444	1,912,172	63,375	14,751,399
Comprises:								
Gross balance amount at 30 June 2021	416,000	1,408,792	12,694,554	14,519,346	64,400	2,304,471	84,500	16,972,717
Accumulated depreciation at 30 June 2021	0	(235,762)	(1,550,176)	(1,785,938)	(21,956)	(392,299)	(21,125)	(2,221,318)
Balance at 30 June 2021	416,000	1,173,030	11,144,378	12,733,408	42,444	1,912,172	63,375	14,751,399
Additions	0	28,680	469,871	498,551	0	712,177	0	1,210,728
Disposals	0	0	0	0	0	(130,240)	(59,150)	(189,390)
Revaluation increments / (decrements) transferred to revaluation surplus	(22,900)	110,862	1,704,147	1,792,109	0	0	0	1,792,109
Depreciation	0	(59,572)	(411,869)	(471,441)	(10,278)	(284,408)	(4,225)	(770,352)
Transfers	0	0	(30,627)	(30,627)	18,970	0	0	(11,657)
Balance at 30 June 2022	393,100	1,253,000	12,875,900	14,522,000	51,136	2,209,701	0	16,782,837
Comprises:								
Gross balance amount at 30 June 2022	393,100	1,253,000	12,875,900	14,522,000	83,370	2,862,648	0	17,468,018
Accumulated depreciation at 30 June 2022	0	0	0	0	(32,234)	(652,947)	0	(685,181)
Balance at 30 June 2022	393,100	1,253,000	12,875,900	14,522,000	51,136	2,209,701	0	16,782,837

**SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	Level 2	Market approach - sales comparison	Independent valuation	June 2022	Market value of similar properties
Buildings - non-specialised	Level 2	Market approach - sales comparison	Independent valuation	June 2022	Market value of similar properties
Buildings - specialised	Level 3	Cost approach - replacement cost	Independent valuation	June 2022	Gross replacement cost, estimated economic working life, estimated remaining life years
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.					
(ii) Cost					
Furniture and equipment					
		N/A	At cost	N/A	N/A
Plant and equipment					
		N/A	At cost	N/A	N/A

**SHIRE OF DUNDAS
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FOR THE YEAR ENDED 30 JUNE 2022**

7. INFRASTRUCTURE

(a) Movements in Balances

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

Note	Infrastructure - roads \$	Infrastructure - footpaths \$	Infrastructure - drainage \$	Infrastructure - parks and ovals \$	Infrastructure - airports \$	Infrastructure - other \$	Total Infrastructure \$
	40,663,254	1,872,172	780,178	1,035,656	4,458,767	3,369,785	52,179,812
Additions	929,908	176,675	0	0	0	102,727	1,209,310
Depreciation	(1,584,778)	(47,197)	(19,010)	(104,940)	(242,217)	(223,296)	(2,221,438)
Balance at 30 June 2021	40,008,384	2,001,650	761,168	930,716	4,216,550	3,249,216	51,167,684
Comprises:							
Gross balance at 30 June 2021	44,364,630	2,143,242	811,616	1,245,535	4,943,200	3,913,286	57,421,509
Accumulated depreciation at 30 June 2021	(4,356,246)	(141,592)	(50,448)	(314,819)	(726,650)	(664,070)	(6,253,825)
Balance at 30 June 2021	40,008,384	2,001,650	761,168	930,716	4,216,550	3,249,216	51,167,684
Additions	1,160,335	130,754	0	4,650	11,693	224,137	1,531,569
Depreciation	(1,704,508)	(51,438)	(19,011)	(102,134)	(242,217)	(225,609)	(2,344,917)
Transfers	0	0	0	139,881	0	(128,224)	11,657
Balance at 30 June 2022	39,464,211	2,080,966	742,157	973,113	3,986,026	3,119,520	50,365,993
Comprises:							
Gross balance at 30 June 2022	45,524,965	2,273,996	811,616	1,390,066	4,954,893	4,009,199	58,964,735
Accumulated depreciation at 30 June 2022	(6,060,754)	(193,030)	(69,459)	(416,953)	(968,867)	(889,679)	(8,598,742)
Balance at 30 June 2022	39,464,211	2,080,966	742,157	973,113	3,986,026	3,119,520	50,365,993

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

7. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value	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	June 2018	Standard replacement cost, total useful lives, residual value, remaining useful lives, expected condition and actual condition
	Infrastructure - footpaths	Level 3	Depreciated replacement cost	Independent valuation	June 2018	Standard replacement cost, total useful lives, residual value, remaining useful lives, expected condition and actual condition
	Infrastructure - drainage	Level 3	Depreciated replacement cost	Independent valuation	June 2018	Gross current replacement cost, estimated economic working life, estimated remaining life years, residual value
	Infrastructure - parks and ovals	Level 3	Depreciated replacement cost	Independent valuation	June 2018	Gross current replacement cost, estimated economic working life, estimated remaining life years, residual value
	Infrastructure - airports	Level 3	Depreciated replacement cost	Independent valuation	June 2018	Gross current replacement cost, estimated economic working life, estimated remaining life years, residual value
	Infrastructure - other	Level 3	Depreciated replacement cost	Independent valuation	June 2018	Gross current replacement cost, estimated economic working life, estimated remaining life years, residual value

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.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

8. FIXED ASSETS

(a) Depreciation

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings - non-specialised	6(a)	59,572	31,051	59,571
Buildings - specialised	6(a)	411,869	498,492	413,561
Furniture and equipment	6(a)	10,278	7,705	10,978
Plant and equipment	6(a)	284,408	255,961	221,617
Buildings, plant and equipment GVROC	6(a)	4,225	4,200	4,225
Infrastructure - roads	7(a)	1,704,508	1,649,560	1,584,778
Infrastructure - footpaths	7(a)	51,438	47,200	47,197
Infrastructure - drainage	7(a)	19,011	9,684	19,010
Infrastructure - parks and ovals	7(a)	102,134	104,940	104,940
Infrastructure - airports	7(a)	242,217	242,217	242,217
Infrastructure - other	7(a)	225,609	219,728	223,296
		3,115,269	3,070,738	2,931,390

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
Land	Not depreciated
Buildings	30 to 50 years
Furniture and equipment	5 to 10 years
Plant and equipment	5 to 20 years
Infrastructure - roads sealed	15 to 80 years
- clearing and earthworks	Not depreciated
- construction	60 to 80 years
- bituminous seals	15 to 20 years
- asphalt surfaces	20 years
Infrastructure - roads unsealed (gravel)	5 to 80 years
- clearing and earthworks	Not depreciated
- construction	60 to 80 years
- gravel sheet	5 to 15 years
Infrastructure - roads unsealed (formed)	5 to 80 years
- clearing and earthworks	Not depreciated
- construction	60 to 80 years
Infrastructure - footpaths	80 years
Infrastructure - drainage	60 to 80 years
Infrastructure - parks and ovals	10 to 50 years
Infrastructure - airports	10 to 80 years
Infrastructure - other	10 to 50 years

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

8. FIXED ASSETS (Continued)

(b) Temporarily Idle or retired from use assets

The carrying value of assets held by the Shire which are temporarily idle or retired from active use and not classified as held for sale are shown in the table below.

	<u>2022</u>	<u>2021</u>
	\$	\$
Land - freehold land	0	0
Buildings - non-specialised	0	0
Buildings - specialised	0	0
Furniture and equipment	0	0
Plant and equipment	0	0
Buildings, plant and equipment GVROC	0	0
Infrastructure - roads	0	0
Infrastructure - footpaths	0	0
Infrastructure - drainage	0	0
Infrastructure - parks and ovals	0	0
Infrastructure - airports	0	0
Infrastructure - other	0	0
	<u>0</u>	<u>0</u>

(c) Fully Depreciated Assets in Use

The gross carrying value of assets held by the Shire which are currently in use yet fully depreciated are shown in the table below.

	<u>2022</u>	<u>2021</u>
	\$	\$
Land - freehold land	0	0
Buildings - non-specialised	0	0
Buildings - specialised	0	0
Furniture and equipment	0	0
Plant and equipment	0	0
Buildings, plant and equipment GVROC	0	0
Infrastructure - roads	0	0
Infrastructure - footpaths	0	0
Infrastructure - drainage	0	0
Infrastructure - parks and ovals	0	0
Infrastructure - airports	0	0
Infrastructure - other	0	0
	<u>0</u>	<u>0</u>

SHIRE OF DUNDAS
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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8. FIXED ASSETS (Continued)

(d) Disposals of assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Land - freehold land	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 87,000	\$ 70,000	\$ 0	\$ (17,000)
Buildings - specialised	0	0	0	0	0	0	0	0	45,236	0	0	(45,236)
Plant and equipment	130,240	126,893	12,053	(15,400)	148,706	171,000	28,280	(5,986)	17,922	16,294	0	(1,628)
Buildings, plant and equipment GVROC	59,150	52,882	0	(6,268)	63,364	40,000	0	(23,364)	0	0	0	0
	189,390	179,775	12,053	(21,668)	212,070	211,000	28,280	(29,350)	150,158	86,294	0	(63,864)

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
Plant and Equipment				
Governance				
Records Management Facility	\$ 59,150	\$ 52,882	\$ 0	\$ (6,268)
Transport				
965 Toyota Hilux	15,840	27,893	12,053	0
973 Caterpillar Loader 910K	114,400	99,000	0	(15,400)
	189,390	179,775	12,053	(21,668)

8. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost the asset is initially recognised at fair value. Assets held at cost are depreciated and assessed for indicators of impairment annually.

Initial recognition and measurement between mandatory revaluation dates for assets held at fair value

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

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 zero cost or otherwise significantly less than fair value, 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 that are land, buildings, infrastructure and investment properties acquired between scheduled revaluation dates 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 revaluation date in accordance with the mandatory measurement framework.

Revaluation

The fair value of land, buildings, infrastructure and investment properties is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Shire.

At the end of each period the carrying amount for each asset class 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 land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

Revaluation (continued)

For property, plant and equipment and infrastructure, 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. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, 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 on revaluation

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

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

SHIRE OF DUNDAS
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9. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Prepaid rates
 Accrued payroll liabilities
 ATO liabilities
 Bonds and deposits held

	2022	2021
	\$	\$
	679,946	493,063
	258,401	249,119
	60,677	43,121
	0	52,857
	21,937	13,420
	1,020,961	851,580

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

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.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services.

The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Prepaid rates

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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10. OTHER LIABILITIES

Current

Contract liabilities
 Capital grant/contributions liabilities

Reconciliation of changes in contract liabilities

Opening balance
 Additions
 Revenue from contracts with customers included as a contract liability at the start of the period

The Shire expects to satisfy the performance obligations from contracts with customers unsatisfied at the end of the reporting period to be satisfied within the next 12 months.

Reconciliation of changes in capital grant/contribution liabilities

Opening balance
 Additions
 Revenue from capital grant/contributions held as a liability at the start of the period

	2022	2021
	\$	\$
Contract liabilities	534,305	18,182
Capital grant/contributions liabilities	40,000	196,527
	<u>574,305</u>	<u>214,709</u>
Opening balance	18,182	169,921
Additions	534,305	18,182
Revenue from contracts with customers included as a contract liability at the start of the period	(18,182)	(169,921)
	<u>534,305</u>	<u>18,182</u>
Opening balance	196,527	0
Additions	40,000	196,527
Revenue from capital grant/contributions held as a liability at the start of the period	(196,527)	0
	<u>40,000</u>	<u>196,527</u>

Performance obligations in relation to capital grant/contribution liabilities are satisfied as project milestones are met or completion of construction or acquisition of the asset.

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

Contract liabilities represent the Shire's obligation to transfer goods or services to a customer for which the Shire has received consideration from the customer.

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

Capital grant/contribution liabilities

Capital grant/contribution liabilities represent the Shire's obligations to construct recognisable non-financial assets to identified specifications to be controlled the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as revenue when the obligations in the contract are satisfied.

Non-current capital grant/contribution liabilities fair values are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 20(i)) due to the unobservable inputs, including own credit risk.

SHIRE OF DUNDAS
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FOR THE YEAR ENDED 30 JUNE 2022

11. BORROWINGS

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		51,211	190,825	242,036	49,851	241,705	291,556
Total secured borrowings	24(a)	51,211	190,825	242,036	49,851	241,705	291,556

Secured liabilities and assets pledged as security

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the Shire of Dundas.

The Shire of Dundas has complied with the financial covenants of its borrowing facilities during the 2022 and 2021 years.

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 20(i)) due to the unobservable inputs, including own credit risk.

Risk

Information regarding exposure to risk can be found at Note 18.

Details of individual borrowings required by regulations are provided at Note 24(a).

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

12. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Employee benefit provisions

Annual Leave

Long Service Leave

Non-current provisions

Long Service Leave

	2022	2021
	\$	\$
	170,348	192,948
	96,826	82,400
	267,174	275,348
	62,910	49,607
	62,910	49,607
	330,084	324,955

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date

More than 12 months from reporting date

Note	2022	2021
	\$	\$
	247,339	85,032
	82,745	239,923
	330,084	324,955

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The Shire's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

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

Long-term employee benefits provisions 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 rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

13. REVALUATION SURPLUS

	2022 Opening Balance	2022 Transfer to Retained Earnings	2022 Revaluation Increment	2022 Revaluation (Decrement)	Total Movement on Revaluation	2022 Closing Balance	2021 Opening Balance	2021 Revaluation Increment	2021 Closing Balance
Revaluation surplus - Land - freehold land	\$ 428,377	\$ 0	\$ 0	\$ (22,900)	\$ (22,900)	\$ 405,477	\$ 428,377	\$ 0	\$ 428,377
Revaluation surplus - Buildings - non-specialised	0	0	110,862	0	110,862	110,862	0	0	0
Revaluation surplus - Buildings - specialised	3,880,390	0	1,704,147	0	1,704,147	5,584,537	3,880,390	0	3,880,390
Revaluation surplus - Furniture and equipment	31,089	0	0	0	0	31,089	31,089	0	31,089
Revaluation surplus - Plant and equipment	440,931	0	0	0	0	440,931	440,931	0	440,931
Revaluation surplus - Buildings, plant and equipment GVROC	16,575	(16,575)	0	0	0	0	16,575	0	16,575
Revaluation surplus - Infrastructure - roads	24,504,232	0	0	0	0	24,504,232	24,504,232	0	24,504,232
Revaluation surplus - Infrastructure - footpaths	1,983,039	0	0	0	0	1,983,039	1,983,039	0	1,983,039
Revaluation surplus - Infrastructure - drainage	712,329	0	0	0	0	712,329	712,329	0	712,329
Revaluation surplus - Infrastructure - parks and ovals	301,115	0	0	0	0	301,115	301,115	0	301,115
Revaluation surplus - Infrastructure - airports	575,552	0	0	0	0	575,552	575,552	0	575,552
Revaluation surplus - Infrastructure - other	3,096,820	0	0	0	0	3,096,820	3,096,820	0	3,096,820
	35,970,449	(16,575)	1,815,009	(22,900)	1,792,109	37,745,983	35,970,449	0	35,970,449

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

14. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	2,430,053	5,983,702	3,775,531

Restrictions

The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents	3	519,389	1,678,751	1,834,216
- Financial assets at amortised cost	4	4,606,090	4,595,060	4,595,060
		<u>5,125,479</u>	<u>6,273,811</u>	<u>6,429,276</u>

The restricted financial assets are a result of the following specific purposes to which the assets may be used:

Restricted reserve accounts	25	5,125,479	6,273,811	6,201,147
Bonds and deposits held	9	0	0	13,420
Contract liabilities	10	0	0	18,182
Capital grant/contributions liabilities	10	0	0	196,527
Total restricted financial assets		<u>5,125,479</u>	<u>6,273,811</u>	<u>6,429,276</u>

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

Net result		(635,296)	(1,409,793)	(680,668)
Non-cash items:				
Depreciation/amortisation		3,115,269	3,070,738	2,931,390
(Profit)/loss on sale of asset		9,615	1,070	63,864
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		(39,016)	0	252,687
Increase/(decrease) in trade and other payables		169,381	0	420,338
Increase/(decrease) in employee related provisions		5,129	0	(36,628)
Increase/(decrease) in other liabilities		359,596	(296,391)	44,788
Non-operating grants, subsidies and contributions		(663,263)	(1,492,484)	(1,347,895)
Net cash provided by/(used in) operating activities		<u>2,321,415</u>	<u>(126,860)</u>	<u>1,647,876</u>

**(c) Undrawn Borrowing Facilities
Credit Standby Arrangements**

Bank overdraft limit		0		0
Bank overdraft at balance date		0		0
Credit card limit		10,000		10,000
Credit card balance at balance date		(4,607)		(1,574)
Total amount of credit unused		<u>5,393</u>		<u>8,426</u>

Loan facilities

Loan facilities - current		51,211		49,851
Loan facilities - non-current		190,825		241,705
Total facilities in use at balance date		<u>242,036</u>		<u>291,556</u>

Unused loan facilities at balance date

		0		0
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SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

15. CONTINGENT LIABILITIES

In compliance with the *Contaminated Sites Act 2003 Section 11*, the Shire has listed sites to be possible sources of contamination. Details of those sites are:

- Lot 214 on Plan 183131, Norseman WA 6443

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk and agree with the Department of Water and Environmental Regulation on the need and criteria for remediation of a risk based approach, the Shire is unable to estimate the potential costs associated with remediation of these sites. This approach is consistent with the Department of Water and Environmental Regulation guidelines.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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16. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
President - L Bonza			
President's annual allowance	15,912	15,912	15,600
Meeting attendance fees	6,343	18,750	7,432
Travel and accommodation expenses	3,640	2,700	2,584
	25,895	37,362	25,616
Deputy President - R Patupis			
Deputy President's annual allowance	3,978	3,978	1,950
Meeting attendance fees	2,096	5,509	4,238
Travel and accommodation expenses	0	1,857	1,555
	6,074	11,344	7,743
Councillor 3 - P Hogan			
Meeting attendance fees	4,876	5,509	4,576
Travel and accommodation expenses	0	200	0
	4,876	5,709	4,576
Councillor 4 - S Warner			
Meeting attendance fees	5,830	5,509	5,408
Travel and accommodation expenses	2,199	550	698
	8,029	6,059	6,106
Councillor 5 - V Wyatt			
Meeting attendance fees	2,744	5,509	4,784
Travel and accommodation expenses	0	1,500	145
	2,744	7,009	4,929
Councillor 6 - V Schultz			
Meeting attendance fees	742	5,509	3,848
Travel and accommodation expenses	1,404	1,150	1,276
	2,146	6,659	5,124
Councillor 7 - J Maloney			
Meeting attendance fees	3,392	0	0
	3,392	0	0
	53,156	74,142	54,094
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
	2022 Actual \$	2022 Budget \$	2021 Actual \$
President's annual allowance	15,912	15,912	15,600
Deputy President's annual allowance	3,978	3,978	1,950
Meeting attendance fees	26,023	46,295	30,286
Travel and accommodation expenses	7,243	7,957	6,258
16(b)	53,156	74,142	54,094

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

16. RELATED PARTY TRANSACTIONS (Continued)

(b) Key Management Personnel (KMP) Compensation

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

	2022 Actual	2021 Actual
	\$	\$
Short-term employee benefits	417,015	521,068
Post-employment benefits	58,760	61,400
Employee - other long-term benefits	9,011	10,093
Employee - termination benefits	41,686	14,446
Council member costs	53,156	54,094
16(a)	579,628	661,101

Short-term employee benefits

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

Post-employment benefits

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

Other long-term benefits

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

Termination benefits

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

Council member costs

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

(c) 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 guarantees exist in relation to related parties at year end.

In addition to KMP compensation above the following transactions occurred with related parties:

	2022 Actual	2021 Actual
	\$	\$
Purchase of goods and services	245,653	82,490
Amounts payable to related parties:		
Trade and other payables	27,193	57,059

(d) 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 council member, are considered key management personnel.

ii. Other Related Parties

An associate person of KMP was employed by the Shire under normal employment terms and conditions.

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 activity 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.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

17. JOINT ARRANGEMENTS

Share of joint operations

The Shire together with the Shire's of Esperance, Coolgardie, Laverton, Leonora, Menzies, Ngaanyatjarraku, Ravensthorpe, Wiluna and the City of Kalgoorlie-Boulder (collectively called "Goldfields Voluntary Regional Organisation of Councils" - GVROC) have a joint arrangement with regard to the provision of a regional record service. During the year the Shire of Dundas disposed of its interest in the joint arrangement.

	2022 Actual	2021 Actual
	\$	\$
Land and buildings	69,416	69,416
Less: accumulated depreciation	(69,416)	(14,440)
	0	54,976
Plant and equipment	7,940	7,940
Less: accumulated depreciation	(7,940)	(3,302)
	0	4,638
Furniture and equipment	4,047	4,047
Less: accumulated depreciation	(4,047)	(1,788)
	0	2,259
Light vehicles	3,097	3,097
Less: accumulated depreciation	(3,097)	(1,595)
	0	1,502

SIGNIFICANT ACCOUNTING POLICIES

Joint operations

A joint operation is a joint arrangement where the Shire has joint control with another party to the joint arrangement. All parties to joint arrangements have rights to the assets, and obligations for the liabilities relating to the arrangement.

Assets, liabilities, revenues and expenses relating to the Shire's interest in the joint operation are accounted for in accordance with the relevant Australian Accounting Standard.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

18. 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 rates	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, term deposits, and Treasury bonds 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
	%	\$	\$	\$	\$
2022					
Cash and cash equivalents	0.02%	2,430,053	519,389	1,859,724	50,940
Financial assets at amortised cost - term deposits	0.18%	6,313,174	6,313,174	0	0
2021					
Cash and cash equivalents	0.14%	3,775,531	2,510,220	1,263,811	1,500
Financial assets at amortised cost - term deposits	0.03%	4,595,060	4,595,060	0	0

Sensitivity

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

	2022	2021
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	18,597	12,638

* 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 24(a).

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

18. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other 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. The Shire is 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 2021 or 1 July 2022 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 level of mining and exploration activity linked to proce of minerals.

The loss allowance as at 30 June 2022 and 30 June 2021 for rates receivable was determined as follows:

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
30 June 2022						
Rates receivable						
Expected credit loss	0.00%	73.00%	88.00%	92.19%		
Gross carrying amount	8,495	203,700	111,988	517,730	841,913	
Loss allowance	0	148,701	98,550	477,289	724,540	5
30 June 2021						
Rates receivable						
Expected credit loss	0.00%	86.00%	86.00%	90.00%		
Gross carrying amount	6,787	215,650	112,163	452,256	786,856	
Loss allowance	0	185,443	96,155	405,226	686,824	5

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

18. FINANCIAL RISK MANAGEMENT (Continued)

The loss allowance as at 30 June 2022 and 30 June 2021 was determined as follows for trade receivables.

	Less than 30 days past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	
30 June 2022						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	20.00%	90.00%		
Gross carrying amount	174,238	9,202	18,923	2,302	204,665	
Loss allowance	0	0	3,785	2,072	5,857	5
30 June 2021						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	166,422	5,895	1,205	13,812	187,334	
Loss allowance	0	0	0	0	0	5

(c) Credit risk

The loss allowances for trade receivables and contract assets as at 30 June reconcile to the opening loss allowances as follows:

	Rates receivable		Trade and other receivables		Contract Assets	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual
Opening loss allowance as at 1 July	\$ 686,824	\$ 339,415	\$ 0	\$ 0	\$ 0	\$ 0
Increase in loss allowance recognised in profit or loss during the year	37,716	347,409	5,857	0	0	0
Closing loss allowance at 30 June	724,540	686,824	5,857	0	0	0

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Shire, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

18. FINANCIAL RISK MANAGEMENT (Continued)

(d) 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 14(c).

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
	\$	\$	\$	\$	\$
<u>2022</u>					
Trade and other payables	1,020,961	0	0	1,020,961	1,020,961
Borrowings	57,417	200,958	0	258,375	242,036
	<u>1,078,378</u>	<u>200,958</u>	<u>0</u>	<u>1,279,336</u>	<u>1,262,997</u>
<u>2021</u>					
Trade and other payables	798,723	0	0	798,723	798,723
Borrowings	49,851	241,705	0	291,556	291,556
	<u>848,574</u>	<u>241,705</u>	<u>0</u>	<u>1,090,279</u>	<u>1,090,279</u>

**SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

19. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There were no events occurring after the end of the reporting period.

20. 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) Interest earnings

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

i) 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.

j) 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.

k) Initial application of accounting standards

During the current year, no new or revised Australian Accounting Standards and Interpretations were compiled, became mandatory and were applicable to its operations.

New accounting standards for application in future years

The following new accounting standards will have application to local government in future years:

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-7 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

It is not expected these standards will have an impact on the financial report.

21. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

Shire operations as disclosed in this financial report encompass the following service orientated functions and activities.

Objective	Description
Governance 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.
General purpose funding To collect revenue to allow for the provision of services.	Rates, general purpose funding and interest revenue.
Law, order, public safety To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
Health To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.
Education and welfare 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.
Housing To provide and maintain elderly resident housing.	Provision and maintenance of elderly residents housing.
Community amenities 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.
Recreation and culture 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.
Transport 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.
Economic services 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, vermin control and standpipes. Building Control.
Other property and services To monitor and control council's overheads operating accounts.	Private work private works operation, plant repairs and operation costs and engineering operating costs.

SHIRE OF DUNDAS
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21. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Income excluding grants, subsidies and contributions			
Governance	28,892	24,170	22,515
General purpose funding	2,914,832	2,873,426	2,587,096
Law, order, public safety	5,171	7,800	3,247
Health	4,400	5,410	5,264
Housing	20,877	23,000	24,700
Community amenities	274,416	224,150	233,333
Recreation and culture	24,434	32,000	13,868
Transport	31,766	71,980	20,327
Economic services	409,041	19,547	290,529
Other property and services	140,966	121,200	84,805
	3,854,795	3,402,683	3,285,684
Grants, subsidies and contributions			
Governance	984	0	28,958
General purpose funding	1,211,185	1,058,219	1,118,153
Law, order, public safety	175,512	172,242	64,732
Education and welfare	85,416	84,320	84,320
Community amenities	10,381	95,958	13,437
Recreation and culture	112,567	94,091	95,720
Transport	1,311,168	1,862,825	1,499,664
Economic services	0	39,091	179,361
Other property and services	15,605	16,000	24,203
	2,922,818	3,422,746	3,108,548
Total Income	6,777,613	6,825,429	6,394,232
Expenses			
Governance	(864,798)	(973,064)	(760,565)
General purpose funding	(353,396)	(536,875)	(608,239)
Law, order, public safety	(332,158)	(482,162)	(99,617)
Health	(180,113)	(258,051)	(188,910)
Education and welfare	(152,050)	(198,886)	(169,549)
Housing	(97,714)	0	(85,230)
Community amenities	(681,970)	(672,376)	(605,703)
Recreation and culture	(1,361,272)	(1,525,698)	(1,228,558)
Transport	(2,608,169)	(2,516,693)	(2,375,917)
Economic services	(650,329)	(689,406)	(570,265)
Other property and services	(130,940)	(382,011)	(382,347)
Total expenses	(7,412,909)	(8,235,222)	(7,074,900)
Net result for the period	(635,296)	(1,409,793)	(680,668)

SHIRE OF DUNDAS
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21. FUNCTION AND ACTIVITY (Continued)

	2022	2022	2021
	Actual	Budget	Actual
(c) Fees and Charges	\$	\$	\$
Governance	13,215	12,950	12,677
General purpose funding	5,248	10,020	5,030
Law, order, public safety	5,171	7,800	3,248
Health	4,400	5,410	5,264
Housing	19,020	23,000	22,398
Community amenities	274,416	213,950	222,864
Recreation and culture	24,297	32,000	13,868
Transport	19,713	39,700	16,434
Economic services	228,466	104,030	153,030
Other property and services	115,772	60,000	84,805
	709,718	508,860	539,618
(d) Total Assets	\$	\$	
Governance	3,744,856	6,253,243	
General purpose funding	3,690,021	2,269,884	
Law, order, public safety	135,150	137,820	
Health	905,185	746,342	
Education and welfare	19,746	25,364	
Housing	1,053,000	932,267	
Community amenities	2,396,035	872,465	
Recreation and culture	8,174,451	7,094,163	
Transport	48,686,107	50,592,873	
Economic services	2,870,578	470,862	
Other property and services	4,543,308	5,181,755	
	76,218,437	74,577,038	

SHIRE OF DUNDAS
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22. RATING INFORMATION

(a) General Rates

RATE TYPE Rate Description	Basis of valuation	Rate in \$	Number of Properties	2021/22		2021/22		2021/22		2021/22		2021/22		2020/21	
				Actual Rateable Value *	Actual Rate Revenue	Actual Interim Rates	Actual Back Rates	Actual Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Back Rate	Budget Total Revenue	Actual Total Revenue		
Townsite/Roadhouse	Gross rental valuation	0.16018	533	4,386,126	702,565	9,423	(7,167)	704,821		0	0	0	702,565	696,981	
Mining	Gross rental valuation	0.21930	3	1,058,000	232,019	0	0	232,019		0	0	0	232,020	227,470	
Pastoral	Unimproved valuation	0.08486	15	747,436	64,599	(2,795)	(2,740)	59,164		0	0	0	63,431	62,187	
Mining	Unimproved valuation	0.16030	391	10,190,273	1,633,522	86,959	5,318	1,725,799		0	0	0	1,633,521	1,563,244	
Sub-Total			942	16,381,835	2,632,805	93,587	(4,589)	2,721,803		0	0	0	2,631,537	2,549,882	
Minimum payment		Minimum													
Townsite/Roadhouse	Gross rental valuation	367	164	53,902	60,221	0	0	60,221		0	0	0	60,221	55,800	
Pastoral	Unimproved valuation	200	27	28,745	4,600	0	0	4,600		0	0	0	5,400	9,720	
Mining	Unimproved valuation	367	181	240,965	66,463	0	0	66,463		0	0	0	66,463	67,320	
Sub-Total			372	323,612	131,284	0	0	131,284		0	0	0	132,084	132,840	
			1,314	16,705,447	2,764,089	93,587	(4,589)	2,853,087		0	0	0	2,763,621	2,682,722	
Discounts on general rates (Refer note 22(b))															
Total amount raised from general rates								2,853,087					2,763,621	(3,150)	
														2,679,572	
* Rateable value is based on the value of properties at the time the rate is raised.															
Prepaid rates															
(b) Total Rates								0					2,763,621	(235,992)	
														2,443,580	

The entire balance of rates revenue has been recognised at a point in time in accordance with AASB 1058 Income for not-for-profit entities.

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22. RATING INFORMATION (Continued)

(b) Discounts, Incentives, Concessions, & Write-offs

Rates Discounts

Rate or Fee	Type	Discount	Discount	2022	2022	2021	Circumstances in which Discount is Granted
Discount Granted		%	Discount	Actual	Budget	Actual	
UV Pastoral	Rate	0.00%	\$ 0	\$ 0	\$ 0	\$ 3,150	No discount was offered for the year ended 30 June 2022.
Total discounts/concessions (Note 22)				0	0	3,150	

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 FOR THE YEAR ENDED 30 JUNE 2022

22. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	20/09/2021	0	0.00%	7.00%
Option Two				
First instalment	20/09/2021	10	5.50%	7.00%
Second instalment	22/11/2021	10	5.50%	7.00%
Option Three				
First instalment	20/09/2021	10	5.50%	7.00%
Second instalment	22/11/2021	10	5.50%	7.00%
Third instalment	10/02/2022	10	5.50%	7.00%
Fourth instalment	14/04/2022	10	5.50%	7.00%

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Interest on unpaid rates	36,696	21,420	37,136
Interest on instalment plan	3,450	4,000	3,794
Charges on instalment plan	2,720	4,000	2,620
	42,866	29,420	43,550

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23. RATE SETTING STATEMENT INFORMATION

		2021/22 Budget	2020/21
	2021/22 (30 June 2022 Carried Forward)	(30 June 2022 Carried Forward)	(30 June 2021 Carried Forward)
Note	\$	\$	\$
(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 <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
	Less: Profit on asset disposals	8(d) (12,053)	(28,280)
	Less: Movement in liabilities associated with restricted cash	(8,174)	0
	Add: Loss on disposal of assets	8(d) 21,668	29,350
	Add: Depreciation	8(a) 3,115,269	3,070,738
	Non-cash movements in non-current assets and liabilities:		
	Employee benefit provisions	13,303	0
	Non-cash amounts excluded from operating activities	3,130,013	3,071,808
(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 <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
	Less: Reserve accounts	25 (5,125,479)	(6,273,811)
	Add: Current liabilities not expected to be cleared at end of year		
	- Current portion of borrowings	11 51,211	51,211
	- Employee benefit provisions	267,174	323,963
	Total adjustments to net current assets	(4,807,094)	(5,898,637)
Net current assets used in the Rate Setting Statement			
	Total current assets	9,009,023	6,661,014
	Less: Total current liabilities	(1,913,651)	(762,377)
	Less: Total adjustments to net current assets	(4,807,094)	(5,898,637)
	Net current assets used in the Rate Setting Statement	2,288,278	0
			1,329,935

SHIRE OF DUNDAS
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24. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual				Budget						
		Principal		New Loans	Principal	Principal		New Loans	Principal			
		Repayments	During 2020-21			Repayments	During 2021-22					
Doctor's House Loan		\$ 340,083	\$ 0	\$ (48,527)	\$ 291,556	\$ 0	\$ (49,520)	\$ 242,036	\$ 291,556	\$ 0	\$ (49,851)	\$ 241,705
Total Borrowings	11	340,083	0	(48,527)	291,556	0	(49,520)	242,036	291,556	0	(49,851)	241,705

* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

Borrowing Interest Repayments

Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021
Doctor's House Loan		Health		WATC	1.40%	\$ (7,897)	\$ (7,566)	\$ (8,890)
Total Interest Repayments	2(b)					(7,897)	(7,566)	(8,890)

* WA Treasury Corporation

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25. RESERVE ACCOUNTS

	2022 Actual		2022 Actual		2022 Budget		2022 Budget		2021 Actual		2021 Actual	
	Opening Balance	Transfer to	Actual	Transfer (from)	Opening Balance	Transfer to	Actual	Transfer (from)	Opening Balance	Transfer to	Actual	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Leave reserve	380,402	770	381,172	0	376,859	3,000	379,859	0	373,979	6,423	0	380,402
(b) Plant reserve	776,933	1,575	357,388	(421,120)	769,186	6,500	775,686	0	817,886	34,047	(75,000)	776,933
(c) Aerodrome reserve	152,558	309	152,867	0	151,137	1,200	152,337	0	149,982	2,576	0	152,558
(d) IT reserve	100,118	202	100,320	0	99,185	800	99,985	0	98,427	1,691	0	100,118
(e) Transport reserve	1,869,968	3,789	1,503,757	(370,000)	1,852,553	14,565	1,867,118	0	1,838,394	31,574	0	1,869,968
(f) Lands Development reserve	1,260,081	2,555	1,262,636	0	1,248,348	11,000	1,259,348	0	1,238,805	21,276	0	1,260,081
(g) Asset Replacement/Renewal reserve	1,661,087	3,366	1,367,339	(297,114)	1,661,087	350,505	1,739,478	(272,114)	0	1,661,087	(75,000)	1,661,087
	6,201,147	12,566	5,125,479	(1,088,234)	6,158,355	387,570	6,273,811	(272,114)	4,517,473	1,758,674	(75,000)	6,201,147

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserves - cash/financial assets backed.

In accordance with Council resolutions or adopted budget 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) Leave reserve	Ongoing	To be used to fund annual, sick and long service leave requirements and payments to staff.
(b) Plant reserve	Ongoing	To be used for the purchase of major plant.
(c) Aerodrome reserve	Ongoing	To be used for the construction and/or maintenance of the airstrip at Norseman and Eucla.
(d) IT reserve	Ongoing	To be used to fund the replacement of IT equipment.
(e) Transport reserve	Ongoing	To be used for the construction, maintenance and resealing of the Shire's transport network.
(f) Lands Development reserve	Ongoing	To be used for building construction and maintenance of Shire infrastructure.
(g) Asset Replacement/Renewal reserve	Ongoing	To be used for the replacement and or renewal of the Shire assets.