

**SHIRE OF DUNDAS**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

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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 30 JUNE 2020**

*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 2020 is based on proper accounts and records to present fairly the financial position of the Shire of Dundas at 30 June 2020 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 \_\_\_\_\_ day of \_\_\_\_\_ 2021

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Chief Executive Officer

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Peter Fitchat  
Name of Chief Executive Officer

**SHIRE OF DUNDAS**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>Revenue</b>				
Rates	21(a)	2,537,808	2,413,876	2,322,838
Operating grants, subsidies and contributions	2(a)	1,754,661	1,004,307	1,933,795
Fees and charges	2(a)	399,956	274,784	293,938
Interest earnings	2(a)	125,258	157,000	282,893
Other revenue	2(a)	147,684	122,210	164,249
		4,965,367	3,972,177	4,997,713
<b>Expenses</b>				
Employee costs		(2,073,772)	(2,068,555)	(2,019,345)
Materials and contracts		(588,209)	(1,295,545)	(939,283)
Utility charges		(302,074)	(230,917)	(210,860)
Depreciation on non-current assets	9(b)	(2,763,788)	(2,842,535)	(2,818,144)
Interest expenses	2(b)	(10,179)	(10,179)	(11,433)
Insurance expenses		(159,602)	(155,725)	(146,582)
Other expenditure		(46,425)	(360,206)	(150,031)
		(5,944,049)	(6,963,662)	(6,295,678)
		(978,682)	(2,991,485)	(1,297,965)
Non-operating grants, subsidies and contributions	2(a)	2,907,537	2,303,107	775,162
Profit on asset disposals	9(a)	0	35,341	6,882
(Loss) on asset disposals	9(a)	(29,970)	(2,543)	(28,824)
		2,877,567	2,335,905	753,220
<b>Net result for the period</b>		<b>1,898,885</b>	<b>(655,580)</b>	<b>(544,745)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	10	0	0	348,601
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>348,601</b>
<b>Total comprehensive income for the period</b>		<b>1,898,885</b>	<b>(655,580)</b>	<b>(196,144)</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 30 JUNE 2020**

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>Revenue</b>				
	2(a)			
Governance		63,306	16,000	60,492
General purpose funding		3,707,040	3,134,876	3,714,549
Law, order, public safety		134,961	23,050	181,138
Health		5,484	4,250	4,128
Education and welfare		81,636	80,000	83,480
Housing		22,713	22,600	21,390
Community amenities		202,134	187,960	205,501
Recreation and culture		18,219	31,092	16,041
Transport		483,119	297,349	523,145
Economic services		178,654	145,000	143,268
Other property and services		68,101	30,000	44,581
		<b>4,965,367</b>	<b>3,972,177</b>	<b>4,997,713</b>
<b>Expenses</b>				
	2(b)			
Governance		(620,739)	(709,840)	(594,154)
General purpose funding		(165,344)	(437,897)	(315,870)
Law, order, public safety		(139,947)	(163,658)	(265,295)
Health		(204,966)	(223,000)	(150,233)
Education and welfare		(163,230)	(247,564)	(167,232)
Housing		(80,750)	(111,118)	(84,300)
Community amenities		(528,623)	(613,721)	(543,361)
Recreation and culture		(1,261,572)	(1,483,170)	(1,237,949)
Transport		(2,175,928)	(2,222,075)	(2,269,742)
Economic services		(423,746)	(425,440)	(341,070)
Other property and services		(169,025)	(316,000)	(315,039)
		<b>(5,933,870)</b>	<b>(6,953,483)</b>	<b>(6,284,245)</b>
<b>Finance Costs</b>				
	2(b)			
Health		(10,179)	(10,179)	(11,433)
		<b>(10,179)</b>	<b>(10,179)</b>	<b>(11,433)</b>
		<b>(978,682)</b>	<b>(2,991,485)</b>	<b>(1,297,965)</b>
Non-operating grants, subsidies and contributions	2(a)	2,907,537	2,303,107	775,162
Profit on disposal of assets	9(a)	0	35,341	6,882
(Loss) on disposal of assets	9(a)	(29,970)	(2,543)	(28,824)
		<b>2,877,567</b>	<b>2,335,905</b>	<b>753,220</b>
<b>Net result for the period</b>		<b>1,898,885</b>	<b>(655,580)</b>	<b>(544,745)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	10	0	0	348,601
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>348,601</b>
<b>Total comprehensive income for the period</b>		<b>1,898,885</b>	<b>(655,580)</b>	<b>(196,144)</b>

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

**SHIRE OF DUNDAS**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2020**

	NOTE	2020	2019
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	6,468,958	7,011,812
Trade and other receivables	6	479,467	567,261
Other financial assets	5(a)	844,761	0
<b>TOTAL CURRENT ASSETS</b>		<b>7,793,186</b>	<b>7,579,073</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	6	60,584	47,861
Property, plant and equipment	7	14,844,153	13,426,887
Infrastructure	8	52,179,812	52,741,495
<b>TOTAL NON-CURRENT ASSETS</b>		<b>67,084,549</b>	<b>66,216,243</b>
<b>TOTAL ASSETS</b>		<b>74,877,735</b>	<b>73,795,316</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	431,243	515,370
Contract liabilities	12	169,921	0
Borrowings	13(a)	48,527	47,238
Employee related provisions	14	323,964	298,865
<b>TOTAL CURRENT LIABILITIES</b>		<b>973,655</b>	<b>861,473</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	13(a)	291,556	340,083
Employee related provisions	14	37,619	36,201
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>329,175</b>	<b>376,284</b>
<b>TOTAL LIABILITIES</b>		<b>1,302,830</b>	<b>1,237,757</b>
<b>NET ASSETS</b>		<b>73,574,905</b>	<b>72,557,559</b>
<b>EQUITY</b>			
Retained surplus		33,086,984	31,262,392
Reserves - cash/financial asset backed	4	4,517,473	5,289,718
Revaluation surplus	10	35,970,449	36,005,449
<b>TOTAL EQUITY</b>		<b>73,574,905</b>	<b>72,557,559</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 30 JUNE 2020**

		RESERVES CASH/FINANCIAL			
	NOTE	RETAINED SURPLUS	ASSET BACKED	REVALUATION SURPLUS	
		\$	\$	\$	
				TOTAL EQUITY	
		\$	\$	\$	
<b>Balance as at 1 July 2018</b>		<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 (restated)		(544,745)	0	0	(544,745)
Other comprehensive income	10	0	0	348,601	348,601
Total comprehensive income		(544,745)	0	348,601	(196,144)
Transfers from reserves	4	946,653	(946,653)	0	0
Transfers to reserves	4	(207,892)	207,892	0	0
<b>Balance as at 30 June 2019</b>		<b>31,262,392</b>	<b>5,289,718</b>	<b>36,005,449</b>	<b>72,557,559</b>
Change in accounting policy	26	(846,538)	0	(35,000)	(881,538)
<b>Restated total equity at 1 July 2019</b>		<b>30,415,854</b>	<b>5,289,718</b>	<b>35,970,449</b>	<b>71,676,021</b>
Comprehensive income					
Net result for the period		1,898,885	0	0	1,898,885
Total comprehensive income		1,898,885	0	0	1,898,885
Transfers from reserves	4	846,539	(846,539)	0	0
Transfers to reserves	4	(74,293)	74,293	0	0
<b>Balance as at 30 June 2020</b>		<b>33,086,984</b>	<b>4,517,473</b>	<b>35,970,449</b>	<b>73,574,906</b>

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 2020**

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		2,854,401	2,813,875	2,217,167
Operating grants, subsidies and contributions		860,197	1,004,307	2,095,562
Fees and charges		408,181	274,784	313,151
Interest received		125,258	157,000	282,893
Goods and services tax received		89,046	0	359,938
Other revenue		162,452	122,210	180,674
		4,499,536	4,372,176	5,449,385
<b>Payments</b>				
Employee costs		(2,020,249)	(2,068,555)	(2,046,520)
Materials and contracts		(759,002)	(1,295,545)	(1,211,928)
Utility charges		(315,500)	(230,917)	(226,576)
Interest expenses		(10,179)	(10,179)	(11,433)
Insurance paid		(175,562)	(155,725)	(161,240)
Goods and services tax paid		(46,670)	0	(90,059)
Other expenditure		(46,425)	(360,207)	(165,034)
		(3,373,587)	(4,121,128)	(3,912,790)
<b>Net cash provided by (used in) operating activities</b>	15	1,125,949	251,048	1,536,595
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment		(2,289,887)	(2,834,118)	(1,410,101)
Payments for construction of infrastructure		(1,523,521)	(1,690,837)	(1,570,769)
Non-operating grants, subsidies and contributions		2,907,537	2,303,107	822,175
Payments for financial assets at amortised cost - term deposits		(844,761)	0	0
Proceeds from sale of property, plant & equipment		129,066	145,000	20,483
<b>Net cash provided by (used in) investment activities</b>		(1,621,566)	(2,076,848)	(2,138,212)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	13(b)	(47,238)	(47,238)	(45,983)
<b>Net cash provided by (used in) financing activities</b>		(47,238)	(47,238)	(45,983)
<b>Net increase (decrease) in cash held</b>		(542,855)	(1,873,038)	(647,600)
Cash at beginning of year		7,011,812	6,999,752	7,659,412
<b>Cash and cash equivalents at the end of the year</b>	15	6,468,958	5,126,714	7,011,812

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

**SHIRE OF DUNDAS  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	22 (b)	924,874	1,516,495	1,229,108
		924,874	1,516,495	1,229,108
<b>Revenue from operating activities (excluding rates)</b>				
Governance		63,306	29,710	60,492
General purpose funding		1,169,235	721,000	1,409,961
Law, order, public safety		134,961	23,050	181,138
Health		5,484	4,250	4,128
Education and welfare		81,636	80,000	83,480
Housing		22,713	22,600	21,390
Community amenities		202,134	187,960	205,501
Recreation and culture		18,219	31,092	16,041
Transport		483,116	318,980	530,027
Economic services		178,654	145,000	143,268
Other property and services		68,101	30,000	44,581
		2,427,559	1,593,642	2,700,007
<b>Expenditure from operating activities</b>				
Governance		(625,325)	(709,840)	(622,978)
General purpose funding		(165,344)	(437,897)	(315,870)
Law, order, public safety		(139,947)	(163,658)	(265,295)
Health		(222,153)	(235,722)	(161,666)
Education and welfare		(163,230)	(247,564)	(167,232)
Housing		(80,750)	(111,118)	(84,300)
Community amenities		(535,974)	(613,721)	(543,361)
Recreation and culture		(1,261,572)	(1,483,170)	(1,237,949)
Transport		(2,186,953)	(2,222,075)	(2,269,742)
Economic services		(423,746)	(425,440)	(341,070)
Other property and services		(169,025)	(316,000)	(315,039)
		(5,974,019)	(6,966,205)	(6,324,502)
Non-cash amounts excluded from operating activities	22(a)	2,810,124	2,809,737	2,857,438
<b>Amount attributable to operating activities</b>		188,538	(1,046,331)	462,051
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	2(a)	2,907,537	2,303,107	775,162
Proceeds from disposal of assets	9(a)	129,066	145,000	18,620
Purchase of property, plant and equipment	7(a)	(2,289,887)	(2,834,118)	(1,340,230)
Purchase and construction of infrastructure	8(b)	(1,523,521)	(1,690,837)	(1,437,849)
<b>Amount attributable to investing activities</b>		(776,805)	(2,076,848)	(1,984,297)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	13(b)	(47,238)	(47,238)	(45,983)
Transfers to reserves (restricted assets)	4	(74,293)	(90,000)	(207,892)
Transfers from reserves (restricted assets)	4	846,539	846,538	946,653
<b>Amount attributable to financing activities</b>		725,008	709,300	692,778
<b>Surplus/(deficit) before imposition of general rates</b>		136,741	(2,413,876)	(829,468)
<b>Total amount raised from general rates</b>	21(a)	2,537,808	2,413,876	2,304,588
<b>Surplus/(deficit) after imposition of general rates</b>	22(b)	<b>2,674,549</b>	<b>0</b>	<b>1,475,120</b>

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



**SHIRE OF DUNDAS**  
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**FOR THE YEAR ENDED 30 JUNE 2020**

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## **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.

### **AMENDMENTS TO LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**

The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Prior to 1 July 2019, *Financial Management Regulation 16* arbitrarily prohibited a local government from recognising as assets Crown land that is a public thoroughfare, i.e. 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 pertaining to vested land, including land under roads acquired on or after 1 July 2008, were not recognised in previous financial reports of the Shire. This was not in accordance with the requirements of AASB 1051 *Land Under Roads* paragraph 15 and AASB 116 *Property, Plant and Equipment* paragraph 7.

From 1 July 2019, the Shire has applied AASB 16 *Leases* which requires leases to be included by lessees in the statement of financial position. Also, the *Local Government (Financial Management) Regulations 1996* have been amended to specify that vested land is a right of use asset to be measured at cost. All right of use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position) rather than at fair value. The exception is 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.

The Shire has accounted for the removal of the vested land values associated with vested land previously recognised by removing the land value and associated revaluation reserve as at 1 July 2019. The comparative year amounts have been retained as AASB 16 does not require comparatives to be restated in the year of transition.

Therefore the departure from AASB 1051 and AASB 16 in respect of the comparatives for the year ended 30 June 2019 remains.

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.

### **NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS**

On 1 July 2020 the following new accounting standards are to be adopted:

- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 2018-7 *Amendments to Australian Accounting Standards - Materiality*

AASB 1059 *Service Concession Arrangements: Grantors* is not expected to impact the financial report.

Specific impacts of AASB 2018-7 *Amendments to Australian Accounting Standards - Materiality*, have not been identified.

### **CRITICAL ACCOUNTING 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 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.

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**2. REVENUE AND EXPENSES**

**REVENUE RECOGNITION POLICY**

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	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts 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	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
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	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal services	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right
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	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**2. REVENUE AND EXPENSES**

**(a) Grant revenue**

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

	<b>2020 Actual</b>	<b>2020 Budget</b>	<b>2019 Actual</b>
	\$	\$	\$
<b>Operating grants, subsidies and contributions</b>			
Governance	104	1,000	24
General purpose funding	1,032,377	544,000	1,099,988
Law, order, public safety	128,015	20,000	177,103
Education and welfare	81,636	80,000	83,480
Community amenities	5,618	2,700	4,213
Recreation and culture	10,483	15,000	5,055
Transport	469,508	311,607	519,103
Economic services	1,600	0	1,455
Other property and services	25,320	30,000	43,374
	<b>1,754,661</b>	<b>1,004,307</b>	<b>1,933,795</b>
<b>Non-operating grants, subsidies and contributions</b>			
Recreation and culture	0	0	190,000
Transport	1,009,805	1,081,995	527,058
Economic services	1,897,732	1,221,112	58,104
	<b>2,907,537</b>	<b>2,303,107</b>	<b>775,162</b>
<b>Total grants, subsidies and contributions</b>	<b>4,662,198</b>	<b>3,307,414</b>	<b>2,708,957</b>
<b>Fees and charges</b>			
Governance	13,069	10,000	12,933
General purpose funding	6,200	9,000	8,830
Law, order, public safety	6,945	3,050	4,034
Health	5,484	4,250	4,128
Housing	22,169	20,600	21,391
Community amenities	196,517	185,260	201,288
Recreation and culture	7,735	16,092	10,986
Transport	13,288	532	951
Economic services	85,768	26,000	28,189
Other property and services	42,781	0	1,208
	<b>399,956</b>	<b>274,784</b>	<b>293,938</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Grants, subsidies and contributions**

Operating grants, subsidies and contributions are grants, subsidies or contributions that are not non-operating in nature.

Non-operating grants, subsidies and contributions are amounts received for the acquisition or construction of recognisable non-financial assets to be controlled by the local government.

**Fees and Charges**

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

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

**(a) Revenue (Continued)**

**Contracts with customers and transfers for recognisable non-financial assets**

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature or types of goods or services:

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Operating grants, subsidies and contributions	1,754,661	1,004,307	1,933,795
Fees and charges	399,956	274,784	293,937
Other revenue	147,684	122,210	164,249
Non-operating grants, subsidies and contributions	2,907,537	2,303,107	775,162
	5,209,838	3,704,408	3,167,143

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:

Contracts from transfers to enable the acquisition or construction of recognisable non-financial assets at the start of the period	846,538	0	0
Contracts from transfers to enable the acquisition or construction of recognisable non-financial assets during the year	2,060,998	2,303,107	775,162
Other revenue from contracts with customers recognised during the year	547,640	396,994	458,186
Other revenue from performance obligations satisfied during the year	1,754,662	1,004,307	1,933,795
	5,209,838	3,704,408	3,167,143

Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:

Trade and other receivables from contracts with customers	205,095	0	23,732
Contract liabilities from contracts with customers	(169,921)	0	0

Impairment of assets associated with contracts with customers are detailed at note 2 (b) under 'Other expenditure'.

Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met.

Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less.

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

Performance obligations in relation to contract liabilities from transfers for recognisable non financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset. All associated performance obligations are expected to be met over the next 12 months.

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

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

**(a) Revenue (Continued)**

**Revenue from statutory requirements**

Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:

**General rates**

**Other revenue**

**Reimbursements and recoveries**

**Interest earnings**

**Interest on reserve funds**

**Rates instalment and penalty interest (refer Note 21(b))**

**Other interest earnings**

	2020 Actual \$	2020 Budget \$	2019 Actual \$
General rates	2,537,808	2,413,876	2,304,588
	<u>2,537,808</u>	<u>2,413,876</u>	<u>2,304,588</u>
Reimbursements and recoveries	147,684	122,210	164,249
	<u>147,684</u>	<u>122,210</u>	<u>164,249</u>
Interest on reserve funds	74,293	90,000	207,891
Rates instalment and penalty interest (refer Note 21(b))	35,537	65,000	73,432
Other interest earnings	15,428	2,000	1,570
	<u>125,258</u>	<u>157,000</u>	<u>282,893</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Interest earnings**

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset 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).

**Interest earnings (continued)**

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

**(b) Expenses**

**Auditors remuneration**

- Audit of the Annual Financial Report
- Other services

**Interest expenses (finance costs)**

**Borrowings**

**Other expenditure**

- Impairment loss on trade and other receivables
- Sundry expenses

Note	2020 Actual \$	2020 Budget \$	2019 Actual \$
	22,000	46,540	21,200
	2,400	0	7,403
	<u>24,400</u>	<u>46,540</u>	<u>28,603</u>
13(b)	10,179	10,179	11,433
	<u>10,179</u>	<u>10,179</u>	<u>11,433</u>
	(60,159)	0	1,574
	106,584	360,206	148,457
	<u>46,425</u>	<u>360,206</u>	<u>150,031</u>

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**3. CASH AND CASH EQUIVALENTS**

NOTE	2020	2019
	\$	\$
Cash at bank and on hand	2,796,246	1,722,094
Term deposits	3,672,712	5,289,718
<b>Total cash and cash equivalents</b>	<b>6,468,958</b>	<b>7,011,812</b>

**Restrictions**

The following classes of 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	3,855,550	5,307,257
- Financial assets at amortised cost	844,761	0
	<b>4,700,311</b>	<b>5,307,257</b>

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

Bonds and deposits held		12,917	17,539
Reserves - cash/financial asset backed	4	4,517,473	5,289,718
Contract liabilities from contracts with customers	12	169,921	0
<b>Total restricted assets</b>		<b>4,700,311</b>	<b>5,307,257</b>

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

**Restricted assets**

Restricted asset balances are not available for general use by the local government due to externally imposed restrictions. Externally imposed 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.

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**4. RESERVES - CASH/FINANCIAL ASSET BACKED**

	2020 Actual Opening Balance (30th June)	Change in Accounting Policy	2020 Actual Opening Balance (July 1st)	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance	2020 Budget Opening Balance	2020 Budget Transfer to	2020 Budget Transfer (from)	2020 Budget Closing Balance	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	2019 Actual Closing Balance
	\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Reserves cash backed - Leave Reserve	367,893	0	367,893	6,086	0	373,979	367,893	7,452	0	375,345	354,693	13,200	0	367,893
(b) Reserves cash backed - Plant Reserve	804,577	0	804,577	13,309	0	817,886	804,577	16,297	0	820,874	775,710	28,867	0	804,577
(c) Reserves cash backed - Aerodrome Reserve	147,541	0	147,541	2,441	0	149,982	147,541	2,989	0	150,530	142,247	5,294	0	147,541
(d) Reserves cash backed - IT Reserve	96,825	0	96,825	1,602	0	98,427	96,825	1,961	0	98,786	93,351	3,474	0	96,825
(e) Reserves cash backed - Unspent Grant Reserve	846,539	0	846,539	0	(846,539)	0	846,539	0	(846,539)	0	1,200,166	40,937	(394,564)	846,539
(f) Reserves cash backed - Transport Reserve	1,808,477	0	1,808,477	29,916	0	1,838,394	1,808,477	36,632	0	1,845,109	1,743,591	64,886	0	1,808,477
(g) Reserves cash backed - Lands Development Reserve	1,217,866	0	1,217,866	20,939	0	1,238,805	1,217,867	24,669	0	1,242,536	1,718,721	51,234	(552,089)	1,217,866
	5,289,718	0	5,289,718	74,293	(846,539)	4,517,473	5,289,719	90,000	(846,539)	4,533,180	6,028,479	207,892	(946,653)	5,289,718

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	Purpose of the reserve
(a) Reserves cash backed - Leave Reserve	To be used to fund annual, sick and long service leave requirements and payments to staff.
(b) Reserves cash backed - Plant Reserve	To be used for the purchase of major plant.
(c) Reserves cash backed - Aerodrome Reserve	To be used for the construction and/or maintenance of the airstrip at Norseman and Eucla.
(d) Reserves cash backed - IT Reserve	To be used to fund the replacement of IT Equipment
(e) Reserves cash backed - Unspent Grant Reserve	To be used to restrict unspent grants and contributions at the end of the financial year.
(f) Reserves cash backed - Transport Reserve	To be used for the construction, maintenance and resealing of the Shire's transport network
(g) Reserves cash backed - Lands Development Reserve	To be used for building construction and maintenance of Shire infrastructure.



**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**5. OTHER FINANCIAL ASSETS**

**(a) Current assets**

Financial assets at amortised cost  
 Term deposits

	2020	2019
	\$	\$
	844,761	0
	844,761	0

**SIGNIFICANT ACCOUNTING POLICIES**

**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.

**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 23.

## 6. TRADE AND OTHER RECEIVABLES

### Current

Rates receivable	
Trade and other receivables	
Allowance for impairment of receivables	

### Non-current

Pensioner's rates and ESL deferred	
------------------------------------	--

	2020	2019
	\$	\$
	613,787	943,103
	205,095	23,732
	(339,415)	(399,574)
	<u>479,467</u>	<u>567,261</u>
	60,584	47,861
	<u>60,584</u>	<u>47,861</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 23.

### SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 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.

### Movement of allowance for impairment of receivables

Opening balance	
Additions	
Write off	
Reversal	
Closing balance	

	2020	2019
	\$	\$
	(399,574)	(398,000)
	0	(1,574)
	0	0
	60,159	0
	<u>(339,415)</u>	<u>(399,574)</u>

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**7. 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 - freehold land	Land - vested in and under the control of Council	Total land	Buildings - non-specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Buildings, plant and equipment GVROC	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>	512,000	35,000	547,000	1,340,980	8,593,081	9,934,061	10,481,061	111,305	1,973,028	76,050	12,641,444
Additions	0	0	0	0	1,321,865	1,321,865	1,321,865	18,365	0	0	1,340,230
(Disposals)	(9,000)	0	(9,000)	0	0	0	(9,000)	(9,870)	(21,692)	0	(40,562)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	0	0	0	(10,685)	359,286	0	348,601
Depreciation (expense)	0	0	0	(59,571)	(374,793)	(434,364)	(434,364)	(44,715)	(379,522)	(4,225)	(862,826)
<b>Carrying amount at 30 June 2019</b>	503,000	35,000	538,000	1,281,409	9,540,153	10,821,562	11,359,562	64,400	1,931,100	71,825	13,426,887
<b>Comprises:</b>											
Gross carrying amount at 30 June 2019	503,000	35,000	538,000	1,398,029	10,289,944	11,687,973	12,225,973	64,400	1,931,100	84,500	14,305,973
Accumulated depreciation at 30 June 2019	0	0	0	(116,620)	(749,791)	(866,411)	(866,411)	0	0	(12,675)	(879,086)
Carrying amount at 30 June 2019	503,000	35,000	538,000	1,281,409	9,540,153	10,821,562	11,359,562	64,400	1,931,100	71,825	13,426,887
Change in Accounting Policy - Note 25	0	(35,000)	(35,000)	0	0	0	(35,000)	0	0	0	(35,000)
<b>Restated amount at 1 July 2019</b>	503,000	0	503,000	1,281,409	9,540,153	10,821,562	11,324,562	64,400	1,931,100	71,825	13,391,887
Additions	0	0	0	0	1,806,440	1,806,440	1,806,440	0	483,447	0	2,289,887
(Disposals)	0	0	0	0	0	0	0	0	(151,685)	0	(151,685)
Depreciation (expense)	0	0	0	(59,571)	(420,588)	(480,159)	(480,159)	(10,978)	(190,574)	(4,225)	(685,936)
<b>Carrying amount at 30 June 2020</b>	503,000	0	503,000	1,221,838	10,926,005	12,147,843	12,650,843	53,422	2,072,288	67,600	14,844,153
<b>Comprises:</b>											
Gross carrying amount at 30 June 2020	503,000	0	503,000	1,398,029	12,096,384	13,494,413	13,997,413	64,400	2,249,547	84,500	16,395,860
Accumulated depreciation at 30 June 2020	0	0	0	(176,191)	(1,170,379)	(1,346,570)	(1,346,570)	(10,978)	(177,259)	(16,900)	(1,551,707)
<b>Carrying amount at 30 June 2020</b>	503,000	0	503,000	1,221,838	10,926,005	12,147,843	12,650,843	53,422	2,072,288	67,600	14,844,153

## 7. PROPERTY, PLANT AND EQUIPMENT (Continued)

### (a) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>Land and buildings</b>					
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),
<b>Furniture and equipment</b>	Level 3	Cost approach - Replacement cost	Independent valuation	30 June 2019	Gross replacement cost ,estimated economic working life , estimated remaining life years
<b>Plant and equipment</b>					
- At cost	Level 3	Cost approach - Replacement cost	Management valuation	30 June 2019	Gross replacement cost ,estimated economic working life , estimated remaining life years
- Independent valuation 2018	Level 2	Sales Comparison Approach	Independent valuation	30 June 2019	Market value of similar assets.

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.

Following a change to *Local Government (Financial Management) Regulation 17A* , plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change is effective from 1 July 2019 and represents a change in accounting policy.

Revaluations carried out previously were not reversed as it was deemed fair value approximates cost at the date of change.

**SHIRE OF DUNDAS**  
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**FOR THE YEAR ENDED 30 JUNE 2020**

**8. INFRASTRUCTURE**

**(b) 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 & Ovals	Infrastructure - Airports	Infrastructure - Other	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>	40,758,280	1,966,567	654,701	1,245,536	4,943,201	3,690,680	53,258,965
Additions	1,321,480	0	0	0	0	116,369	1,437,849
Depreciation (expense)	(1,327,376)	(47,198)	(16,110)	(104,940)	(242,217)	(217,478)	(1,955,319)
<b>Carrying amount at 30 June 2019</b>	40,752,384	1,919,369	638,591	1,140,596	4,700,984	3,589,571	52,741,495
<b>Comprises:</b>							
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)	(104,939)	(242,216)	(217,478)	(1,955,317)
<b>Carrying amount at 30 June 2019</b>	40,752,384	1,919,369	638,591	1,140,596	4,700,984	3,589,571	52,741,495
Additions	1,354,962	0	165,049	0	0	3,510	1,523,521
(Disposals)	0	0	(7,351)	0	0	0	(7,351)
Depreciation (expense)	(1,444,092)	(47,197)	(16,111)	(104,940)	(242,217)	(223,296)	(2,077,853)
<b>Carrying amount at 30 June 2020</b>	40,663,254	1,872,172	780,178	1,035,656	4,458,767	3,369,785	52,179,812
<b>Comprises:</b>							
Gross carrying amount at 30 June 2020	43,434,722	1,966,567	811,616	1,245,535	4,943,200	3,810,559	56,212,199
Accumulated depreciation at 30 June 2020	(2,771,468)	(94,395)	(31,438)	(209,879)	(484,433)	(440,774)	(4,032,387)
<b>Carrying amount at 30 June 2020</b>	40,663,254	1,872,172	780,178	1,035,656	4,458,767	3,369,785	52,179,812

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

(c) 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 & 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 - Airports	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.

## 9. FIXED ASSETS

### 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 between mandatory revaluation dates

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.

Items of plant and equipment are subsequently measured using cost model and individual assets that are land, buildings, infrastructure and investment properties 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 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 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 land, buildings, infrastructure, investment properties and vested improvements 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 prior to 1 July 2019

In accordance with the then *Local Government (Financial Management) Regulation 16(a)(ii)*, the Shire was previously required to include as an asset (by 30 June 2013), vested 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.

#### Land under roads prior to 1 July 2019

In Western Australia, most 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 then *Local Government (Financial Management) Regulation 16(a)(i)* which arbitrarily prohibited local governments from recognising such land as an asset. This regulation has now been deleted.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, the then *Local Government (Financial Management)*

*Regulation 16(a)(i)* prohibited 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 was not included as an asset of the Shire.

#### Land under roads from 1 July 2019

As a result of amendments to the *Local Government (Financial Management) Regulations 1996*, effective from 1 July 2019, vested land, including land under roads, are treated as right of use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position.

The Shire has accounted for the removal of the vested land values associated with vested land previously recognised by removing the land value and associated revaluation reserve as at 1 July 2019. The comparatives have not been restated.

#### Vested improvements from 1 July 2019

The measurement of vested improvements at fair value in accordance with *Local Government (Financial Management) Regulation 17A(2)(iv)* is a departure from AASB 16 which would have required the Shire to measure the vested improvements as part of the related right of use assets at zero cost.

## 9. FIXED ASSETS

### (a) Disposals of Assets

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss	2020 Budget Net Book Value	2020 Budget Sale Proceeds	2020 Budget Profit	2020 Budget Loss	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	0	0	0	0	0	0	0	0	9,000	3,030	0	(5,970)
Furniture and equipment	0	0	0	0	0	0	0	0	9,870	0	0	(9,870)
Plant and equipment	151,685	129,066	0	(22,619)	112,202	145,000	35,341	(2,543)	21,692	15,590	6,882	(12,984)
Infrastructure - Drainage	7,351	0	0	(7,351)	0	0	0	0	0	0	0	0
	159,036	129,066	0	(29,970)	112,202	145,000	35,341	(2,543)	40,562	18,620	6,882	(28,824)



**SHIRE OF DUNDAS**  
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**9. FIXED ASSETS**

**(b) Depreciation**

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Buildings - non-specialised	59,571	57,510	59,571
Buildings - specialised	420,588	384,875	374,793
Furniture and equipment	10,978	45,103	44,715
Plant and equipment	190,574	382,806	379,522
Buildings, plant and equipment GVROC	4,225	0	4,225
Infrastructure - roads	1,444,092	1,338,865	1,327,376
Infrastructure - Footpaths	47,197	47,606	47,198
Infrastructure - Drainage	16,111	16,250	16,110
Infrastructure - Parks & Ovals	104,940	105,848	104,940
Infrastructure - Airports	242,217	244,312	242,217
Infrastructure - Other	223,296	219,360	217,478
	<b>2,763,788</b>	<b>2,842,535</b>	<b>2,818,144</b>

**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 - non specialised	30 to 50 years
Buildings - specialised	50 to 80 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Infrastructure - roads	20 years
Infrastructure - footpaths	20 years
Infrastructure - drainage	80 years
Infrastructure - parks and ovals	30 to 75 years
Infrastructure - airport	10 to 60 years
Infrastructure - other	20 years

**Depreciation on revaluation**

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:

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

**Amortisation**

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income and in the note above.

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**10. REVALUATION SURPLUS**

	2020 Opening Balance \$	2020 Change In Accounting Policy	Restated Opening Balance	2020 Revaluation Increment \$	2020 Revaluation (Decrement) \$	Total Movement on Revaluation \$	2020 Closing Balance \$	2019 Opening Balance \$	2019 Revaluation Increment \$	2019 Revaluation (Decrement) \$	Total Movement on Revaluation \$	2019 Closing Balance \$
Revaluation surplus - Land - freehold land	4,343,767	(35,000)	4,308,767	0	0	0	4,308,767	4,343,767	0	0	0	4,343,767
Revaluation surplus - Furniture and equipment	31,089	0	31,089	0	0	0	31,089	41,774	0	(10,685)	(10,685)	31,089
Revaluation surplus - Plant and equipment	440,931	0	440,931	0	0	0	440,931	81,645	359,286	0	359,286	440,931
Revaluation surplus - Buildings, plant and equipment GVI	16,575	0	16,575	0	0	0	16,575	16,575	0	0	0	16,575
Revaluation surplus - Infrastructure - roads	24,504,232	0	24,504,232	0	0	0	24,504,232	24,504,232	0	0	0	24,504,232
Revaluation surplus - Infrastructure - Footpaths	1,983,039	0	1,983,039	0	0	0	1,983,039	1,983,039	0	0	0	1,983,039
Revaluation surplus - Infrastructure - Drainage	712,329	0	712,329	0	0	0	712,329	712,329	0	0	0	712,329
Revaluation surplus - Infrastructure - Parks & Ovals	301,115	0	301,115	0	0	0	301,115	301,115	0	0	0	301,115
Revaluation surplus - Infrastructure - Airports	575,552	0	575,552	0	0	0	575,552	575,552	0	0	0	575,552
Revaluation surplus - Infrastructure - Other	3,096,820	0	3,096,820	0	0	0	3,096,820	3,096,820	0	0	0	3,096,820
	36,005,449	(35,000)	35,970,449	0	0	0	35,970,449	35,656,848	359,286	(10,685)	348,601	36,005,449

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.  
 No Revaluation were undertaken for 2019/20.

## 11. TRADE AND OTHER PAYABLES

### Current

Sundry creditors	
Accrued salaries and wages	
ATO liabilities	
Bonds and deposits held	
Other payables	

2020	2019
\$	\$
358,640	459,850
32,822	20,569
26,864	12,111
12,917	17,539
0	5,301
431,243	515,370

### 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 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

#### 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.

## 12. CONTRACT LIABILITIES

	2020	2019
	\$	\$
	169,921	0
	<u>169,921</u>	<u>0</u>

### Current

Contract liabilities from transfer for recognisable non-financial assets

### SIGNIFICANT ACCOUNTING POLICIES

#### Contract Liabilities

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

With respect to transfers for recognisable non-financial assets, contract liabilities represent performance obligations which are not yet satisfied.

Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

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**13. INFORMATION ON BORROWINGS**

	2020	2019
(a) Borrowings	\$	\$
Current	48,527	47,238
Non-current	291,556	340,083
	<u>340,083</u>	<u>387,321</u>

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual	30 June 2020	30 June 2020	30 June 2020	Budget	30 June 2020	30 June 2020	30 June 2020	Actual	30 June 2019	30 June 2019	30 June 2019
				Principal	Actual	Actual	Actual	Principal	Budget	Budget	Budget	Principal	Actual	Actual	Actual
				1 July 2019	Principal	Interest	Principal	1 July 2019	Principal	Interest	Principal	1 July 2018	Principal	Interest	Principal
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Health</b>															
Doctor's House Loan	28037	*WATC	2.71%	387,321	47,238	10,179	340,083	387,321	47,238	10,179	340,083	433,304	45,983	11,433	387,321
				<u>387,321</u>	<u>47,238</u>	<u>10,179</u>	<u>340,083</u>	<u>387,321</u>	<u>47,238</u>	<u>10,179</u>	<u>340,083</u>	<u>433,304</u>	<u>45,983</u>	<u>11,433</u>	<u>387,321</u>

\* WA Treasury Corporation

## 14. EMPLOYEE RELATED PROVISIONS

### (a) Employee Related Provisions

#### Opening balance at 1 July 2019

Current provisions  
 Non-current provisions

Additional provision

#### Balance at 30 June 2020

#### Comprises

Current  
 Non-current

#### 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  
 Expected reimbursements from other WA local governments

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2019			
Current provisions	181,985	116,880	298,865
Non-current provisions	0	36,201	36,201
	181,985	153,081	335,066
Additional provision	8,953	17,564	26,517
Balance at 30 June 2020	190,938	170,645	361,583
Comprises			
Current	190,938	133,026	323,964
Non-current	0	37,619	37,619
	190,938	170,645	361,583
	2020	2019	
	\$	\$	
Less than 12 months after the reporting date	323,964	296,233	
More than 12 months from reporting date	37,619	36,201	
Expected reimbursements from other WA local governments	0	2,632	
	361,583	335,066	

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 assumes no 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.

## 15. 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:

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Cash and cash equivalents	6,468,958	5,126,714	7,011,812
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	1,898,885	(655,580)	(544,745)
Non-cash flows in Net result:			
Depreciation on non-current assets	2,763,788	2,842,535	2,818,144
(Profit)/loss on sale of asset	29,970	(32,798)	21,942
Changes in assets and liabilities:			
(Increase)/decrease in receivables	75,071	399,998	253,341
Increase/(decrease) in payables	(84,127)	0	(187,360)
Increase/(decrease) in provisions	26,517	0	(49,565)
Increase/(decrease) in contract liabilities	(676,618)	0	0
Non-operating grants, subsidies and contributions	(2,907,537)	(2,303,107)	(775,162)
Net cash from operating activities	1,125,949	251,048	1,536,595

## 16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2020	2019
	\$	\$
Governance	11,901,079	11,267,471
General purpose funding	3,352,284	3,661,002
Law, order, public safety	58,306	56,940
Health	82,631	45,983
Community amenities	25,978	73,288
Recreation and culture	1,907,972	2,019,958
Transport	53,377,112	53,442,365
Economic services	1,800,645	492,630
Other property and services	2,371,728	2,735,677
	74,877,735	73,795,316



## 17. CONTINGENT LIABILITIES

The Shire has no contingent liabilities as at 30th June 2020.

## 18. CAPITAL AND LEASING COMMITMENTS

### (a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects

2020	2019
\$	\$
0	1,725,356
0	1,725,356
0	1,725,356

Payable:

- not later than one year

### (b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts (short term and low value leases).

Payable:

- not later than one year

- later than one year but not later than five years

2020	2019
\$	\$
0	32,555
0	60,132
0	92,687

## SIGNIFICANT ACCOUNTING POLICIES

### Leases Right-of-use assets - valuation

#### Leases

At inception of a contract, the Shire assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the shire uses its incremental borrowing rate.

All contracts that are classified as short-term leases (i.e. a lease with a remaining term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Leases for right-of-use assets are secured over the asset being leased.

All contracts that are classified as short-term leases (i.e. a lease with a remaining term of 12 months or less) and leases of low value assets are recognised

as an operating expense on a straight-line basis over the term of the lease.

Leases for right-of-use assets are secured over the asset being leased.

### Right-of-use assets - valuation

Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost (i.e. not included in the statement of financial position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer Note 9 for details on the significant account policies applying to vested improvements.

### Right-of-use assets - depreciation

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Shire anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset."

## 19. RELATED PARTY TRANSACTIONS

### Elected Members Remuneration

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

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Meeting fees	27,005	38,000	27,951
President's allowance	15,600	15,600	12,000
Deputy President's allowance	3,900	3,900	3,000
Travelling expenses	2,997	5,000	3,056
	<u>49,502</u>	<u>62,500</u>	<u>46,007</u>

### Key Management Personnel (KMP) Compensation Disclosure

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

	2020 Actual	2019 Actual
	\$	\$
Short-term employee benefits	539,570	259,354
Post-employment benefits	62,969	33,403
Other long-term benefits	40,195	15,285
	<u>642,734</u>	<u>308,042</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.

### 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.

	2020 Actual	2019 Actual
	\$	\$
The following transactions occurred with related parties:		
Purchase of goods and services	61,711	44,251
<b>Amounts payable to related parties:</b>		
Trade and other payables	1,910	370

### 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).

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

## 19. RELATED PARTY TRANSACTIONS

The Shire's main related parties are as follows (continued):

*ii. 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.

*iii. 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.

## 20. JOINT ARRANGEMENTS

### (a) Share of Joint Arrangements

#### Non-current assets

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:

	2020 \$	2019 \$
Land and buildings	69,416	69,416
Less: accumulated depreciation	(11,552)	(8,664)
	57,864	60,752
Plant and equipment	7,940	7,940
Less: accumulated depreciation	(2,641)	(1,981)
	5,299	5,958
Furniture and equipment	4,047	4,047
Less: accumulated depreciation	(1,431)	(1,073)
	2,616	2,974
Light vehicles	3,097	3,097
Less: accumulated depreciation	(1,276)	(957)
	1,821	2,140

#### 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.

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**21. RATING INFORMATION**

(a) Rates

<b>RATE TYPE</b>	<b>Rate in \$</b>	<b>Number of Properties</b>	<b>2019/20 Actual Rateable Value \$</b>	<b>2019/20 Actual Rate Revenue \$</b>	<b>2019/20 Actual Interim Rates \$</b>	<b>2019/20 Actual Back Rates \$</b>	<b>2019/20 Actual Total Revenue \$</b>	<b>2019/20 Budget Rate Revenue \$</b>	<b>2019/20 Budget Interim Rate \$</b>	<b>2019/20 Budget Back Rate \$</b>	<b>2019/20 Budget Total Revenue \$</b>	<b>2018/19 Actual Total Revenue \$</b>
<b>Differential general rate / general rate</b>												
<b>Gross rental valuations</b>												
GRV - Townsite / Roadhouses / Mining	0.157038	536	4,354,006	683,745	(1,247)	(319)	682,179	680,478	0	0	680,478	892,564
GRV - Mining Leases	0.215	3	1,058,000	227,470	0	0	227,470	227,470	0	0	227,470	
<b>Unimproved valuations</b>												
UV - Pastoral	0.037821	15	709,573	59,036	0	0	59,036	59,036	0	0	59,036	56,699
UV - Mining	0.157159	446	8,216,173	1,327,592	125,592	(8)	1,453,176	1,329,966	0	0	1,329,966	1,245,293
<b>Sub-Total</b>		1,000	14,337,752	2,297,843	124,345	(327)	2,421,861	2,296,950	0	0	2,296,950	2,194,556
<b>Minimum payment</b>												
<b>Gross rental valuations</b>												
GRV - Townsite / Roadhouses / Mining	360	152	38,686	54,720	0	0	54,720	54,721	0	0	54,721	52,350
<b>Unimproved valuations</b>												
UV - Pastoral	360	116	989,174	41,760	0	0	41,760	42,120	0	0	42,120	41,182
UV - Mining	309	63	132,845	19,467	0	0	19,467	20,085	0	0	20,085	16,500
<b>Sub-Total</b>		331	1,160,705	115,947	0	0	115,947	116,926	0	0	116,926	110,032
<b>Total amount raised from general rate</b>		1,331	15,498,457	2,413,790	124,345	(327)	2,537,808	2,413,876	0	0	2,413,876	2,304,588
Prepaid rates							2,537,808				2,413,876	2,304,588
<b>Totals</b>							2,537,808				2,413,876	2,322,838

**SIGNIFICANT ACCOUNTING POLICIES**

**Rates**

Control over assets acquired from rates is obtained at the commencement of the rating period.

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.

## 21. RATING INFORMATION (Continued)

### (b) 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	7/09/2019	0.00	0.00%	0.075%
<b>Option Two</b>				
First instalment	7/09/2019	0.00	0.00%	0.075%
Second instalment	7/11/2019	10.00	0.055%	0.075%
<b>Option Three</b>				
First instalment	7/09/2019	0.00	0.00%	0.075%
Second instalment	7/11/2019	10.00	0.055%	0.075%
Third instalment	16/01/2020	10.00	0.055%	0.075%
Fourth instalment	3/04/2020	10.00	0.055%	0.075%

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Interest on unpaid rates	30,743	61,000	69,763
Interest on instalment plan	4,794	4,000	3,669
Charges on instalment plan	4,470	4,000	3,390
	40,007	69,000	76,822

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**22. RATE SETTING STATEMENT INFORMATION**

	2019/20 (30 June 2020 Carried Forward)	2019/20 Budget (30 June 2020 Carried Forward)	2019/20 (1 July 2019 Brought Forward)	2018/19 (30 June 2019 Carried Forward)
Note	\$	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>				
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> .				
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals	9(a) 0	(35,341)	(6,882)	(6,882)
Add: Movement in liabilities associated with restricted cash	27,671	0		0
Movement in pensioner deferred rates (non-current)	(12,723)	0	0	0
Movement in employee benefit provisions (non-current)	1,418	0	17,352	17,352
Add: Loss on disposal of assets	9(a) 29,970	2,543	28,824	28,824
Add: Depreciation on non-current assets	9(b) 2,763,788	2,842,535	2,818,144	2,818,144
<b>Non cash amounts excluded from operating activities</b>	2,810,124	2,809,737	2,857,438	2,857,438
<b>(b) Surplus/(deficit) after imposition of general rates</b>				
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.				
<b>Adjustments to net current assets</b>				
Less: Reserves - cash/financial asset backed	4 (4,517,473)	(4,533,180)	(5,289,718)	(5,289,718)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	13(a) 48,527	48,527	47,238	47,238
- Employee benefit provisions	323,964	0	296,292	0
<b>Total adjustments to net current assets</b>	(4,144,982)	(4,484,653)	(4,946,188)	(5,242,480)
<b>Net current assets used in the Rate Setting Statement</b>				
Total current assets	7,793,186	5,294,539	7,579,073	7,579,073
Less: Total current liabilities	(973,655)	(809,889)	(1,708,011)	(861,473)
Less: Total adjustments to net current assets	(4,144,982)	(4,484,650)	(4,946,188)	(5,242,480)
<b>Net current assets used in the Rate Setting Statement</b>	2,674,549	0	924,874	1,475,120
<b>(c) Adjustments to current assets and liabilities at 1 July 2019 on application of new accounting standards</b>				
<b>Total current assets at 30 June 2019</b>				
- Contract assets	25(a)			7,579,073
<b>Total current assets at 1 July 2019</b>				0
				7,579,073
<b>Total current liabilities at 30 June 2019</b>				
- Contract liabilities from transfer for recognisable non-financial assets	25(b)			(861,473)
<b>Total current liabilities at 1 July 2019</b>				(846,538)
				(1,708,011)



## 23. 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	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

### (a) Interest rate risk

#### Cash and cash equivalents

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>2020</b>					
Cash and cash equivalents	1.42%	6,468,958	3,672,712	2,794,746	1,500
Financial assets at amortised cost - term deposits	1.40%	844,761	844,761	0	0
<b>2019</b>					
Cash and cash equivalents	2.14%	7,011,812	5,289,718	1,658,515	63,579

#### Sensitivity

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

	2020	2019
Impact of a 1% movement in interest rates on profit and loss and equity*	\$ 27,947	\$ 16,585

\* 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 13(b).

## 23. FINANCIAL RISK MANAGEMENT (Continued)

### (b) Credit risk

#### Trade and Other Receivables

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 2019 or 1 July 2020 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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
<b>30 June 2020</b>					
Rates receivable					
Expected credit loss	10%	58%	68%	83%	
Gross carrying amount	171,111	96,034	69,457	337,768	674,371
Loss allowance	17,111	55,981	47,231	279,093	339,415
<b>30 June 2019</b>					
Rates receivable					
Expected credit loss	10.00%	58.00%	68.00%	83.00%	
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

The loss allowance as at 30 June 2020 and 30 June 2019 was determined as follows for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2020</b>					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0.00%
Gross carrying amount	160,944	1,411	1,170	41,570	205,095
<b>30 June 2019</b>					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0.00%
Gross carrying amount	23,732	0	0	0	23,732

## 23. FINANCIAL RISK MANAGEMENT (Continued)

### (c) Liquidity risk

#### Payables and borrowings

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><u>2020</u></b>					
Payables	404,379	0	0	404,379	404,379
Borrowings	57,416	229,666	114,833	401,915	340,083
	461,795	229,666	114,833	806,294	744,462
<b><u>2019</u></b>					
Payables	503,259	0	0	503,259	503,259
Borrowings	57,416	229,656	143,453	430,525	387,321
	560,675	229,656	143,453	933,784	890,580

## 24. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

Apart from *Local Government (Financial Management) Regulation 16* being deleted and the amendments to *Local Government (Financial Management) Regulation 17A*, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Shire.

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**25. 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.

**(a) AASB 15: Revenue from Contracts with Customers**

The Shire adopted AASB 15 Revenue from Contracts with Customers (issued December 2014) on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the Shire adopted the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. The adoption of AASB 15 does not have a material impact on the financial statements of the Shire.

**(b) AASB 1058: Income For Not-For-Profit Entities**

The Shire adopted AASB 1058 Income for Not-for-Profit Entities (issued December 2016) on 1 July 2019 which will result in changes in accounting policies. In accordance with the transition provisions AASB 1058, the Shire adopted the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods was not restated in accordance with AASB 1058 transition requirements.

In applying AASB 1058 retrospectively with the cumulative effect of initially applying the Standard on 1 July 2019 changes occurred to the following financial statement line items by application of AASB 1058 as compared to AASB 118: Revenue and AASB 1004: In summary the following adjustments were made to the amounts recognised in the balance sheet at the date of initial application (1 July 2019):

Note	AASB 118 and AASB 1004 carrying amount 30 June 2019 \$	Adjustment \$	AASB 1058 carrying amount 01 July 2019 \$
<b>Contract liabilities - current</b>			
Contract liabilities from transfers for recognisable non-financial assets	2(a) 0	846,538	846,538
Adjustment to retained surplus from adoption of AASB 1058	26(b)	846,538	846,538

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**25. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)**

The table below provides details of the amount by which each financial statement line item is affected in the current reporting period by the application of this Standard as compared to AASB 118 and 1004 and related Interpretations that were in effect before the change.

		2020 \$	Adjustment due to application of AASB 15 and AASB 1058	2020 \$ Compared to AASB 118 and AASB 1004
	Note	As reported under AASB 15 and AASB 1058		
<b>Statement of Comprehensive Income</b>				
<b>Revenue</b>				
Rates	21(a)	2,537,808	0	2,537,808
Operating grants, subsidies and contributions	2(a)	1,754,661	0	1,754,661
Fees and charges	2(a)	399,956	0	399,956
Non-operating grants, subsidies and contributions	2(a)	2,907,537	169,921	3,077,458
Net result		1,898,885	169,921	2,068,806
<b>Statement of Financial Position</b>				
Trade and other payables	11	431,243	0	431,243
Contract liabilities	12	169,921	(169,921)	0
Net assets		73,574,905	169,921	73,744,826
<b>Statement of Changes in Equity</b>				
Net result		1,898,885	169,921	2,068,806
Retained surplus		33,086,984	169,921	33,256,905

Refer to Note 2(a) for new revenue recognition accounting policies as a result of the application of AASB 15 and AASB 1058.

**(c) AASB 16: Leases**

The Shire adopted AASB 16 retrospectively from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions of AASB 16, the Shire has applied this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB16 recognised on 1 July 2019. In applying AASB 16, under the specific transition provisions chosen, the Shire will not restate comparatives for prior reporting periods.

The adoption of AASB16 does not have a material impact on the financial statements of the Shire.

**(d) Impact of New Accounting Standards on Retained Surplus**

The impact on the Shire's retained surplus due to the adoption of AASB 15, AASB 1058 and AASB 16 as at 1 July 2019 was as follows:

	Note	Adjustments	2019 \$
Retained surplus - 30 June 2019			31,262,392
Adjustment to retained surplus from adoption of AASB 15	25(a)	0	0
Adjustment to retained surplus from adoption of AASB 1058	25(b)	(846,538)	(846,538)
Retained surplus - 1 July 2019			30,415,854

## 26. CHANGE IN ACCOUNTING POLICY

### (a) Change in Accounting Policies due to regulation changes:

Effective 6 November 2020, Local Government (Financial Management) Regulation 16 was deleted and Local Government (Financial Management) Regulation 17A was amended with retrospective application. The changes were effective for financial years ending on or after 30 June 2020 so are required to be applied retrospectively with cumulative effect applied initially on 1 July 2019.

In accordance with the changes, the Shire was required to remove the values attributable to certain crown land assets previously required to be recognised, as well as the associated revaluation surplus at 1 July 2019. These assets have been measured as concessionary lease right-of-use asset at zero cost in accordance with AASB16.

In summary the following adjustments were made to the amounts recognised in the statement of financial position at the date of initial application (1 July 2019):

Statement of Financial Position (Extract)	Note	Carrying Amount	Adjustment	Carrying Amount
		30 June 2019		01 July 2019
		\$	\$	\$
Property, plant and equipment	7	13,426,887	(35,000)	13,391,887
Revaluation surplus	10	36,005,449	(35,000)	35,970,449

### (b) Changes in equity due to change in accounting policies:

The impact on the Shire's opening retained surplus due to the adoption of AASB 15 and AASB 1058 as at 1 July 2019 was as follows:

	Note	Adjustments	2019
		\$	\$
Retained surplus - 30 June 2019			31,262,392
Adjustments to retained surplus from adoption of AASB 1058	25(b)	(846,538)	(846,538)
Retained surplus - 1 July 2019			30,415,854

The impact on the Shire's opening revaluation surplus resulting from the *Local Government (Financial Management) Regulation* 16 being deleted and the amendments to the *Local Government (Financial Management) Regulations* 17A as at 1 July 2019 was as follows:

	Note	Adjustments	2019
		\$	\$
Revaluation surplus - 30 June 2019			36,005,449
Adjustments to revaluation surplus from deletion of FM Reg 16	26(a)	(35,000)	
Adjustment to revaluation surplus from deletion of FM Reg 17		0	(35,000)
Revaluation surplus - 1 July 2019			35,970,449

## 27. 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 regulatory to ensure the carrying value does not differ materially from that which would be determined using fair value at the ends of the reporting period.



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**28. ACTIVITIES/PROGRAMS**

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

<b>PROGRAM NAME AND OBJECTIVES</b>	<b>ACTIVITIES</b>
<p><b>GOVERNANCE</b>  <b>GOVERNANCE</b>            To provide a decision making process for the efficient allocation of scarce resources.</p>	<p>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.</p>
<p><b>GENERAL PURPOSE FUNDING</b>            To collect revenue to allow for the provision of services.</p>	<p>Rates, general purpose funding and interest revenue.</p>
<p><b>LAW, ORDER, PUBLIC SAFETY</b>            To provide services to help ensure a safer and environmentally conscious community.</p>	<p>Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.</p>
<p><b>HEALTH</b>            To provide an operational framework for environmental and community health.</p>	<p>Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.</p>
<p><b>EDUCATION AND WELFARE</b>            To provide services to disadvantaged persons, the elderly, children and youth.</p>	<p>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.</p>
<p><b>HOUSING</b>            To provide and maintain elderly resident housing.</p>	<p>Provision and maintenance of elderly residents housing.</p>
<p><b>COMMUNITY AMENITIES</b>            To provide services required by the community.</p>	<p>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.</p>
<p><b>RECREATION AND CULTURE</b>            To establish and effectively manage infrastructure and resource which will help the social well being of the community.</p>	<p>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.</p>
<p><b>TRANSPORT</b>            To provide safe, effective and efficient transport services to the community.</p>	<p>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.</p>
<p><b>ECONOMIC SERVICES</b>            To help promote the shire and its economic wellbeing.</p>	<p>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.</p>
<p><b>OTHER PROPERTY AND SERVICES</b>            To monitor and control council's overheads operating accounts.</p>	<p>Private work private works operation, plant repairs and operation costs and engineering operating costs.</p>

## 29. FINANCIAL RATIOS

	2020 Actual	2019 Actual	2018 Actual
Current ratio	4.76	4.17	3.16
Asset consumption ratio	0.92	0.96	0.73
Asset renewal funding ratio	0.60	0.68	0.64
Asset sustainability ratio	0.68	0.82	0.35
Debt service cover ratio	30.75	26.29	21.70
Operating surplus ratio	(0.31)	(0.43)	(0.40)
Own source revenue coverage ratio	0.54	0.49	0.49

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	$\frac{\text{own source operating revenue}}{\text{operating expense}}$