



**Shire of Dundas
Annual Report
2019-2020**

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*The Shire of Dundas recognises the
Ngadju and Mirning People as traditional custodians, and
acknowledges their Elders past, present and emerging.*

We suffered significant natural and cultural damage as a result of the fires and lost over 500,000ha of our precious woodlands. Businesses were impacted by the fires through lack of traffic.

The boots on the ground did an outstanding job of keeping us safe, and we extend our heartfelt thanks for the significant efforts.



PRESIDENT'S REPORT

On behalf of the Councillors of the Shire of Dundas, I present the 2019-20 Annual Report.

I think I can be confident in saying that at the beginning of this reporting period, July 2019, no one could have foreseen the events occurring by the time we got to June 2020, (the end of the reporting period). I have mentioned in previous reports that the Shire has faced some challenging times however, none compare with the events of late 2019 and the beginning of 2020. In spite of the external factors impacting on our Shire, it was business as usual and the Financial and Auditor's reports reflect the continued efforts of our staff.

In fact, in the face of enormous challenges, and still dealing with unfavourable legislation (in part, in the form of the financial ratios we must work within), the dedication and consistency applied by our CEO and our Shire staff has seen us reduce our deficit by the amount of \$1.4 million and put a surplus of \$123,000 back into our general revenue over the reporting period. This is a very significant achievement and we both congratulate and offer our gratitude to the staff for their work and commitment.

At the end of August, Council undertook the annual appraisal of the CEO, Peter Fitchat's, performance (as per legislative requirements). At the conclusion of his first year of service for our Shire, he attained an overall rating of 'highly satisfactory' and we thank him for his efforts and enthusiasm for our community.

Council had two motions accepted for the WALGA AGM 2019. The first echoed the call of the Australian Local Government Association (ALGA) in lobbying for an increase in the Financial Assistance Grants (Commonwealth funded), to Local Government to raise it back to 1% of the total Commonwealth tax revenue from its' current level of just 0.55%. The second motion called for support to lobby for the introduction of legislation, based on that enacted in Queensland, whereby mining companies are compelled to work with Local Govts to ensure community benefit and long- lasting community infrastructure from the mining activities conducted within the LG area. Both motions were well supported and easily carried. We continue to lobby on both fronts.

Following our trip to Perth for the WALGA AGM, we headed in the opposite direction, to Eucla where we held the official opening of the new, Eucla Community Hall. We also held our annual, Eucla, ordinary meeting of Council. There was a great turnout for the opening of the Hall, which is set to be a valuable community asset well into the future. Our annual meeting, was, as always, well supported by our Eucla residents.

In September, the Cabinet of the Parliament of Western Australia held a 'Community Cabinet meeting' in Kalgoorlie which myself and the CEO were invited to attend. Following that meeting, we (very quickly), headed back to Norseman to host a visit by the Premier, Mark McGowan and the Hon. Stephen Dawson, MLC, Minister for Environment; Disability Services; Electoral Affairs. Both the Premier and Minister Dawson spent time with our Ngadju Rangers, some of our Seniors and held discussions with Ngadju Elder, Les Schultz and myself. We also had a brief tour of the town and checked the progress of the ever-evolving Woodland Centre.

Another important event to occur in 2019 was the conduct of Local Government elections. Three Councillors were 'retiring' at the end of their terms and we had to replace Cr Barry Bayley who had resigned earlier in 2019 due to relocation out of our Shire. We thank Cr Bayley for his contribution to our community and his efforts on Council. The results of the election saw our three 'retiring' Councillors, myself, Cr Rasa Patupis and Cr Veronica Wyatt, returned to Council and we welcomed, as a new Councillor, Valma Schultz. I was both pleased and honoured to not only be returned to Council but, to also have the support of my fellow Councillors to return me to the position of President. As an aside to the general conduct of the election, it has been discovered that we, in the Shire of Dundas, hold a unique position in Local Govt across the whole country, in the number of female Councillors who make up our Council. The average female make-up of Councils runs at approx. 34%. The Council of the Shire of Dundas is currently made up of 87% female members. We were subsequently the subject of story run by the ABC both on their internet news service and on TV.

Another exciting moment on TV came about at the end of November when Shaun Micallef travelled to Norseman with his film crew to shoot part of an episode of an upcoming series he was making about Australia's relationship with alcohol. This was off the back of one of his researchers finding some information on the internet about our Liquor Agreement. The series was titled, 'On the Sauce'. We

featured in the third episode. If you haven't seen it, I would encourage you to take the opportunity to find it online and have a look. It was a great and really positive story for Norseman.

Just prior to Christmas 2019, our world was suddenly impacted by a series of fires, all started by lightning strikes. The number of fires continued to grow until we had nine (9) active at once throughout the Shire. As the number of fires increased, so the number of roads open for travel decreased, until we had all four access roads to town closed to all traffic. The impact of the fires was not noticed amongst the disaster taking place in the Eastern States until the Eyre Hwy was closed for a period of 12 days. Whilst we were not impacted by any means to the degree of those in the East, (in relation to built infrastructure), we suffered significant natural and cultural damage as a result of the fires and lost over 500,000ha of our precious woodlands. Businesses were also impacted by the fires in the lack of through traffic. The fires also took a significant toll on our Shire staff as well as the many, many volunteers who found themselves away from their families over Christmas and New Year. The 'boots on the ground' did an outstanding job of keeping us safe and we extend heartfelt thanks for the significant efforts they put in on our behalf. There was also considerable effort from our staff in dealing with unending queries about road closures, people being 'stranded' in town and the requirement to assist families stranded in other parts of the country without accommodation or the means to pay for the unexpected requirement. Several Community briefing sessions were held which alleviated the anxiety to a degree but, it was certainly a stressful time for many of our community as well as travellers and emergency services personnel.

Having weathered the 'firestorm', it seemed we barely had time to catch our collective breath, before news of a very infectious, potentially deadly, disease had begun circulating around the world. As a result, life as we had previously known it took a very different turn. COVID-19, as it became known, caused immediate effect to the way we lived our lives and again our Shire staff were well and truly in the front line, fielding queries, increasing our cleaning regime on the streets and having to close many of our services. In the midst of it all, their imagination and ingenuity still managed to shine through in the adaptation of our little weed sprayer units to become disinfectant sprayers and the very well-received video production on social distancing, featuring our increasingly well-known dinosaurs. That



little video was presented at a WALGA Communication webinar at which two city Councils also presented their communication strategies. Whilst our city counterparts had access to media/community engagement departments to get their messages across, many people attending the webinar put in requests for a copy of our video and there was certainly a 'lot of love in the room' for the Shire of Dundas! The course of the disease continues to evolve and we continue to do our best to deal with it.

Throughout the year we were also actively engaged in meetings to find a way forward to deal with the issue of large feral herbivores (mainly camels). The number of these animals creating havoc on Pastoral water infrastructure and generally causing unwanted competition for domestic animals, particularly in light of the drought conditions currently being experienced in a large part of our State, is a mind-boggling figure. Useful dialogue has resulted in several options being put forward and will be further explored.

Council has also been advocating and lobbying for drought assistance, particularly for our Pastoral leaseholders. Myself and the CEO attended a meeting in Kalgoorlie in November, at which the Federal Minister, David Littleproud, spoke at some length to both Local Govts and Pastoralists. We came away from this meeting with renewed hope that assistance would be forthcoming. As at the end of this reporting period, we continue to advocate for the assistance as promised and are still engaging with the State Govt from where no real and timely assistance has been forthcoming as yet.

At the end of this tumultuous period, I would like to take the opportunity to extend my thanks to my fellow Councillors and especially to our Shire staff for the significant efforts they have put in over this time. Council is still focused on providing the best services and community infrastructure we can and continue to advocate for a better deal for our Shire and deal with whatever life seems determined to throw in our path.

ELECTED MEMBERS

**President
Laurene Bonza**

Norseman WA

Retiring: 2022



**Deputy
President
Rasa Patupis**

Eucla WA

Retiring: 2022



**Councillor
Patrick Hogan**

Norseman WA

Retiring: 2021



**Councillor
Valma Schultz**

Norseman WA

Retiring: 2021



**Councillor
Sharon Warner**

Norseman WA

Retiring: 2022



**Councillor
Veronica
Wyatt**

Norseman WA

Retiring: 2021



CHIEF EXECUTIVE OFFICER'S REPORT



The effort from our staff, with the support of our elected members and our Community, assisted the Shire to meet all the challenges 2019-20 has thrown at us, all I can say is thanks everyone for a great effort.

The period to summarise from July 2019 to June 2020 has certainly challenged our community and our resilience. The number of unforeseen events has tested us and has placed strains on community, Elected Members and Staff. However, the effort has brought out our ability to adapt and change direction and deal with the financial implications in a manner that I am certainly proud of. Our Staff took up the challenges of adding to their daily tasks, supporting DFES, community consultations, giving up their leave and significant numbers of after-hours work completed professionally, with Elected Members supporting our efforts. This was probably the best I have seen during my time in Local Government.

Then along came COVID-19 and it was almost like the current drought and then the bush fires provided us with a bit of training to deal with this as well as still managing our daily tasks and reports. The Shire has faced some challenging times however, none compare with the events of late 2019 and the beginning of 2020. Despite the external factors impacting on our Shire, it was business as usual and the Financial and Auditor's reports reflect the continued efforts of our Staff and the significant improvements that have been made.

Following from the previous year's success achieved in managing our finances, we have been progressing our efforts to streamline our accounting system and looking at ways to make us more sustainable. This effort to get us on the right track financially has paid off over the last two years making us one of the few shires in Western Australia to give all our staff a 2.2% increase across the board, with Council approving this recommendation in light of the great effort all our staff have put in, helping with COVID-19 and the related management issues it brought along. This effort has seen us with a deficit reduced by \$1.4 million and a surplus of \$123,000 back into our general revenue.

August was set aside for elected members to go through my performance management (as per legislative requirements). It was agreed by elected members to remove my old contract and give me a new 5-year contract.

Leading up to the Annual WALGA AGM in 2019, we workshopped two items in preparation, with both items included in the AGM 2019. One of our items reflected that of the Australian Local Government Association (ALGA) which was lobbying for an increase in the Financial Assistance Grants (Commonwealth funded), to Local Government to raise it back to 1% of the total Commonwealth tax revenue from its' current level of just 0.55%.

We also included an agenda item looking for support to have similar legislation to that of the Queensland State Government to assist small resource communities to benefit from mining in their region through direct support by means of a Strong and Sustainable Resource Communities Act 2017 (legislation.qld.gov.au). Both items were accepted by the Executive committee of WALGA and supported by a majority of local governments at the AGM.

We had a visit from Premier Mark McGowan and Environment Minister, Stephen Dawson, who toured our community facilities and had discussions with our President Laurene Bonza, Councillors, Ngadju Elder, Les Schultz, senior staff and other community members.

Our new Town Hall in Eucla was completed and opened to coincide with our annual Eucla Ordinary Meeting of Council. We also took the opportunity to conduct a works inspection of reconstructed roads, the airstrip and landfill areas.

We had our two-yearly local government election in 2019 with three Councillors retiring and to replace Cr Barry Bayley who had resigned earlier in 2019 due to moving out of the Shire. The election saw the return of the three retiring Councillors, (Laurene Bonza, Rasa Patupis and Veronica Wyatt) and Laurene Bonza was reappointed as President. We also welcomed new Councillor, Valma Schultz to our Council. This leaves us with only one male Councillor, being long-serving Councillor Pat Hogan and makes us an anomaly in the make-up of WA Local Government councils.

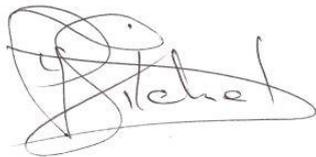
A December 2019 storm brought along severe thunder and lightning and in our current drought conditions these lightning strikes caused havoc and started several fires. We ended up with 9 active fire fronts and over 300 volunteers coming into our community. The total cost to DFES in fighting these fires exceeded \$5,000,000. Whilst we were not impacted by any means to the degree of those in the East, (in relation to loss of life and destruction of built infrastructure), we suffered significant natural and cultural damage in our woodlands with fauna and flora and cultural sites, (with many old-growth and "Water Trees"), destroyed. Some of these things will never recover and some may take hundreds of years to recover.

The fires impacted our operational side with Council staff due to go on Christmas leave being reassigned to assist our community and stranded travellers. They managed everything from assisting with accommodation and related queries and organising community meetings to keep our community and travellers informed with updates on the situation. There was a massive effort to manage this, and I want to thank everyone involved and especially our Elected Members who allowed us to get on with managing the situation. There was an awesome effort from our Manager Community Development and Manger of Works and Services whose efforts went way beyond what was expected.

By March we were aware of a looming pandemic caused by COVID-19. This changed how we normally operate as staff and as a community. We had to adapt very quickly to deal with the new requirements and it was very important to retain some humour amid all the new requirements the pandemic brought to our Shire. Our dinosaurs and our amazing staff helped with that, putting smiles on dials while dealing with the serious matter.

The new Council Meeting requirements and changes in the legislation then saw meetings being held via video-link. Again, managing those changes placed an enormous amount of pressure on our resources and staff.

Lobbying for drought assistance, not just for our Shire but, for our whole region has been ongoing with the President attending a meeting in Kalgoorlie in November with the Federal Minister, David Littleproud. It has been extremely disappointing that assistance has, so far, not been forthcoming. The effort from our Staff, with the support of our Elected Members and our Community has assisted the Shire to meet all challenges that 2019-20 has thrown at us. All I can say is, thanks everyone for a great effort.



Peter Fitchat
CEO - Shire of Dundas

ORGANISATION STRUCTURE

CHIEF EXECUTIVE OFFICER



MANAGER ADMINISTRATION & FINANCE

Senior Administration Officer
Records Officer
Payroll Officer
Reception Officer

MANAGER WORKS & SERVICES

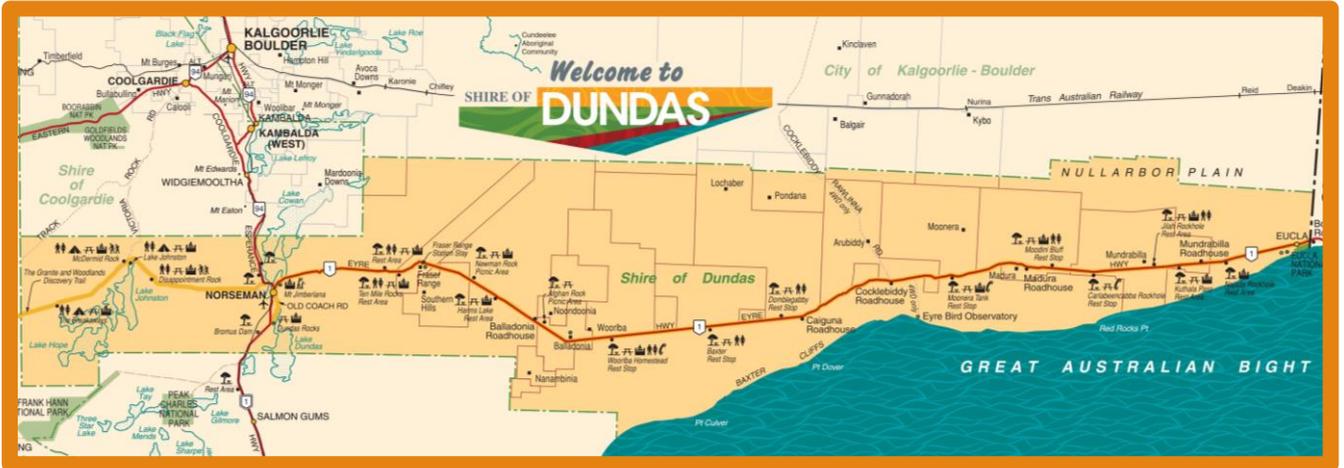
Projects Officer
Rangers
Pool Manager
Works, Town & Garden Crew
Road Crew

MANAGER COMMUNITY DEVELOPMENT

Youth & Events Officer
Manager CRC
Visitor Services Officer
Tourism Customer Service Staff



THE SHIRE OF DUNDAS



Located in the South East of WA the Shire of Dundas has a rich and diverse of environment. Covering 92,725km² of diverse landscapes including the remote and rugged coastline of the Southern Ocean; world famous Nullarbor plains, massive granite outcrops and long stretches of dry salt lakes, as well as the

ecologically significant Great Western Woodlands.

The Ngadju, and Mirning people both recognising areas of Country across the Shire, and beyond the Shire's boundaries.

The Shire of Dundas Council continues to maintain strong working relationships with our neighbouring Shires of Esperance to the south, Coolgardie to the north and heading west along Hyden Norseman road sits the Shire of Kondinin.

Population 719
Median age 47 years
Indigenous Population: 5.33%



Electors 345
Elected Members 6



Home Ownership Rate 64.2%
Median House Price \$45,000
Total Households: 499



Health Services
Norseman Hospital
Doctors Surgery
Silver Chain Nursing Station, Eucla
St John Ambulance Norseman and Eucla



Local Road Network 2000km
Main Roads WA: Eyre Highway
Coolgardie-Esperance Highway
Public Transport: TransWA Bus Services



Shire Provided Facilities
Airstrips Norseman & Eucla
Community Resource Centre
Gym & Swimming pool
Library
Town & Community Halls
Town Oval, Parks & Campgrounds



OUR COMMUNITY

The Dundas Community is as diverse as the place in which we live. Families, singles, seniors, workers, business owners, pastoralists, industry, short term and long-term visitors to the Shire, the list is extensive.

The priorities of Strategic Community Plan continue to guide the work of the Shire of Dundas.

OUR COMMUNITY GOALS

A Healthy Community

A Community with adequate health services accessible to all residents.

A Physically Active and Socially Connected Community

A socially connected Community participating in a range of activities that will enhance the social fabric within the Shire of Dundas.

Community Engagement

A Community where everyone from the youth to the aged are engaged in constructive activities that encourage social and Community development.

Economic Development

A Shire continually involved with the development and maintenance of working relationships with mining companies (industry), local business ventures, retail, and tourism to develop business opportunities within the Shire.

Population and Future Growth

Encourage people to stay in the Shire and build a stable population with the possibility of future growth to maintain a viable functioning Community.

Educational opportunities

A Shire with access to highly developed educational courses, facilities, and career selection for future candidates; and

Infrastructure improvement

A Shire with a high level of Community infrastructure with improvements to aged accommodation, footpaths, street lighting, streetscape, and the airport.

GENERAL REPORT

Although the global pandemic of COVID 19 presented staffing, and business delivery challenges for small local governments, the Shire of Dundas worked to meet the requirements of the different government legislations.

Policies and procedures continued to be reviewed, to ensure best practice in service delivery while offering transparency and accountability to the Community.

Professional development of staff and Councillors is an important investment to ensure the quality-of-service delivery. Training costs for the whole organisation amounted to \$37135.

The Corporate Business Plan, Long Term Financial Plan, Workforce Plan and Asset Management Plan were all updated in line with the Strategic Community Plan. These plans are of paramount importance for the Shire to plan sustainably for the future and to equip the organisation to respond to short, medium and long-term Community requirements.

During 2019-2020 no new local laws were introduced, and no local laws were repealed, or amendments made.

The Shire of Dundas audit processes sit under the Office of the Auditor General (OAG) conducted by Butner Setineri on behalf of the OAG no adverse trends or any major concerns regarding the Shires Financial Management were raised.

The compliance audit review conducted by Moore Stephens, during the year, has identified that the Shire has appropriate systems, controls, and procedures in place to discharge its corporate governance responsibilities in financial management, risk management, internal control and legislative compliance. Where the review has proposed improvements, the Shire is following the recommendations to promote transparency and compliance.

GOVERNANCE

Law, Order and Public Safety

Bushfire

Bushfire continues to be a significant consideration for the Shire of Dundas, and the whole Shire was significantly impacted by bushfires during the December 2019 and January 2020.

The Dundas Rural bushfire brigade was manned by the Ngadju Rangers during the bushfire season with training for the brigade managed through the Department of Fire and Emergency Services (DFES).

7 incidents were reported within Shire boundaries, challenging availability of human and financial resources of the Shire well beyond its limits. Of most significance was the Norseman West Complex Bushfires which saw Shire staff, volunteers and the Department of Fire and Emergency Services worked around the clock for many weeks, to prevent catastrophic impact on human lives, properties, and animals.



Bushfire continued

Recognising the need to further build the capacity of the Shire's ability to respond to bushfire, the Dundas Rural Bushfire saw a concentrated effort on building capacity. Working to train members in essential skills to respond to bushfire safely, training has been performed through the Department of Fire and Emergency Services (DFES). Sitting under the direction of the Chief Fire Control Officer this volunteer brigade is largely formed from members of the Ngadju Rangers.

During February 2019, the Chief Executive Office was informed by the Department of Fire and Emergency Services (DFES) that the Department's interpretation of the Act had changed. The change occurred without consultation or input from the Shire. Firefighting conducted by the Shire of Dundas on Unallocated Crown Land (UCL) comes at the request of DFES.

The Shire has been advocating on behalf of its community regarding the legislative change in response to emergency.

Local Emergency Management Committee

The Shire continues to hold Local Emergency Management Committee meetings, working towards building strong partnerships and effective use of local and regional resources for emergency events. During COVID-19 the LEMC reduced to a core group consisting of the Shire of Dundas, Norseman Police, Norseman Hospital, Norseman Community Health and St John Ambulance.

Shire senior officers participated in the Operational Area Support Group via Teams meetings to address pandemic impact and response.

CCTV

The Shire invested in portable CCTV cameras as a more flexible option to address hot spots of crime and anti-social behaviour.

Animal Control

Rangers deal with a variety of animal control issues ranging from lost pets, stray animals, dog attacks, animal welfare, and wildlife that has been injured on the roads. The Shire is a member of the RSPCA with membership offering community engagement sessions for residents on responsible pet ownership. Saving Animals from Euthanasia (SAFE) continues to support Shire of Dundas rangers in the rehoming of pets where required.

The total cost of providing an animal control service for the Shire of Dundas for 2019-2020 is \$55181.

COVID-19 Pandemic

The Shire of Dundas responded to the COVID-19 pandemic quickly to ensure the Community were safe and prepared. Faced with the additional challenge of having the WA/SA State border on its boundary, and the surprise announcement from the Western Australian Police Commissioner that Norseman would become a place for travelers to quarantine, upon entering WA from the SA border, Shire Officers and Council worked together to ensure communication to the residents was timely and accurate. Insert info graphics with short statement.

- **Communication**

Meet the Dundas Dinosaurs! A fun way to education residents about hygiene and social distancing.

- Shire President Updates

- **Deep Cleans**

Shire staff increased cleaning at all Shire facilities, and in the Norseman Town Centre.

- **No Rate Rise**

Council passed the resolution that there would be no rate rise in the 2020-2021 budget.

- **Continuation of Services**

Council Services delivered from the Administration Office to allow customers to conduct all their business from one location.

- **Financial Hardship**

Council adopted a Financial Hardship Policy.

- **Care Calls**

Shire staff conducted calls, and welfare checks on vulnerable people.

- **Keeping our People Safe**

Shire management implemented flexible working arrangements to accommodate vulnerable staff members.

- **Regional Collaboration**

The CEO and Manager for Community Development participated in the Operational Area Support Group meetings to address pandemic impact and response.



Health

Health Inspection and Administration

Regular health inspections are undertaken in Norseman and along the Eyre Highway to Eucla ensuring the health standards are maintained in all relevant food preparation premises.

Community Health Centre

The Shire continues to maintain the Community Health Centre.

The Community Health Nurse and Aboriginal Health Worker continue to service the Norseman community. This important Community Health resource is vital when considering the health care needs of Norseman.

Eucla and Eyre Highway residents and travellers along the national highway are supported through the Silver Chain remote nursing station located in the small community of Eucla. Staffed by a registered nurse the clinic provides general health assessments, chronic disease management, treatment for illness and injury and emergency response in life threatening situations.

Resident Doctor

Council recognises the value and importance of a Doctor in Residence in Norseman; and continues to work on maintaining health services to the community by providing doctor services in partnership with the Western Australia Community Health Services.

To retain and attract quality medical providers the Shire constructed a new residential dwelling to house a local general practitioner (a Doctor's residence). The Doctor's residence also has on site a self-contained flat to house visiting specialists, medical practicum students and locums. The Shire provides a fully maintained vehicle and residence maintenance services.

The Shire spends approximately \$130,000 each year to provide a resident doctor in Norseman and the associated costs for this service.

Community Amenities

Household Refuse-Litter

A residential and commercial rubbish removal service is provided in Norseman operated by a Shire workforce operating a single operator side-loading compaction unit.

Council operates two waste facility sites one in Norseman and the other in Eucla. These facilities are open seven days a week throughout the year. Rate payers receive two *tip* passes distributed with the annual rate notices. The Shire also offers an annual kerbside pickup in both Norseman a Eucla.

Containers for Change

The Shire Works and Services Department continued to investigate solutions for managing recyclable waste with State projects such as the Container Deposit Scheme of interest.

Heritage and site surveys were undertaken to expand the rubbish tip, along with rehabilitation and fencing works. External works to improve security around the landfill.

The new construction 32x32m concrete evaporation completed in November of 2020.

Cemetery

The Norseman Cemetery is located at the end of Denison Drive in a peaceful bush setting. During the year heritage and site surveys were undertaken to progress the expansion of the Norseman Cemetery in preparation future needs. The Shire also completed sealing works on the cemetery carpark.

The current Cemetery policy was reviewed.

Housing

Aged Care

Housing remains a significant issue for senior residents. Although not a responsibility of local government Council recognises the increasing need for suitable accommodation.

The Shire manages four self-contained units for the aged, three of them were occupied during the year. A low rental cost is paid by the tenants however, the rents charged do not reflect the true cost of providing the accommodation units.

During the year, the Shire spent \$20971 to maintain 4 townsite senior's units including utilities, repairs and maintenance, building depreciation, gardening and property insurance.

Rental Housing Shortage

Rental strain evidenced across Western Australia is also having an impact in the accessibility of suitable rental accommodation within the Shire of Dundas. Low stock of well-maintained properties is becoming a more significant issue and is being reported across local community networks including the Interagency Meetings. People most impacted are Aboriginal families, seniors, single parent families and the unemployed.



Education and Welfare

Supporting the School Community

The Shire of Dundas is serviced by one mainstream public school, Norseman District High School and School of the Air for primary school students living in the more remote areas such as families along the Eyre Highway. Norseman District High School caters for students from Kindergarten through to Year 12, with senior students accessing some of their curriculum studies through Schools of Isolated and Distance Education (SIDE) whilst at school.

Council recognises the importance of quality well-resourced public education in remote communities and looks for opportunities to support the school community with projects and partnerships. Recognising that the State Government has responsibility to provide a public education system that ensures students attending schools in rural and remote communities, such as Norseman and students living in remote areas like the Eyre Highway, have access to the same opportunities as their metropolitan based peers.

COVID-19 impacted the way education was delivered during the Term 2 of 2020, with access to school sites restricted, increased cleaning regimes, and for some students a move to learning from home. Council congratulates staff, students, and families on the way they supported each other to ensure learning continued during the pandemic.



Norseman DHS Breakfast Club

Norseman Community Resource Centre & Community Workshops

The Shire run Norseman Community Resource Centre sits under the Community Development Department and offers residents and visitors to the Shire access to Medicare, Westnet, Centrelink and the Australian Tax Office, and as such, is an essential local based community service provider. Additional services such as photocopying, printing, curriculum vitae creation, access to business hot desk, State and regional services information, computer hub and secretarial services.

Community and business workshops are an important service offered by the Norseman CRC, and to ensure continuity of services through COVID-19 many of the workshops moved to an online platform.

Community Workshops & Events	Children Workshops	Business Workshops
<ul style="list-style-type: none"> • Elder abuse • Beconnected • Using smart Tv's • Powertex • Splastest Dummies • Smart Homes • What's the Cloud? • Connecting to others • Norseman Christmas Fayre • Easter Egg Hunt • Biggest morning tea 2019 community event • Ngala family workshops webinars Virtual reality • 2019 walking group • 2019 gym group • Online banking course • Smartphone online course • Explore virtual reality underwater • Mosaic workshop • Bath bomb workshop <p>Online courses</p> <p>WiFi, online hobbies, Games Centre, Getting to Know Your Device, Windows, Apps, and Getting Started</p>	<ul style="list-style-type: none"> • Kidz Klub fortnightly • Code Club • Coder Dojo • Christmas movie night • Halloween party and movie night • Virtual code club • Games night-virtual reality • Halloween movie night • Light the night at home virtual 	<ul style="list-style-type: none"> • QR Codes • Buying and Selling online • Social media strategies • Understanding Data • Zoom • Mailchimp • Excel intermediate • Word intermediate • Social media platforms • Marketing products/services • Planning for success • Powerpoint basics

Norseman Community Resource Centre staff also played a role in community welfare checks during COVID-19.

The Norseman CRC moved to the Woodlands Cultural Community and Visitor Centre in January 2020. The purpose-built centre providing a state of the art facility in which the CRC, Visitor Centre and Community Arts are co-located.

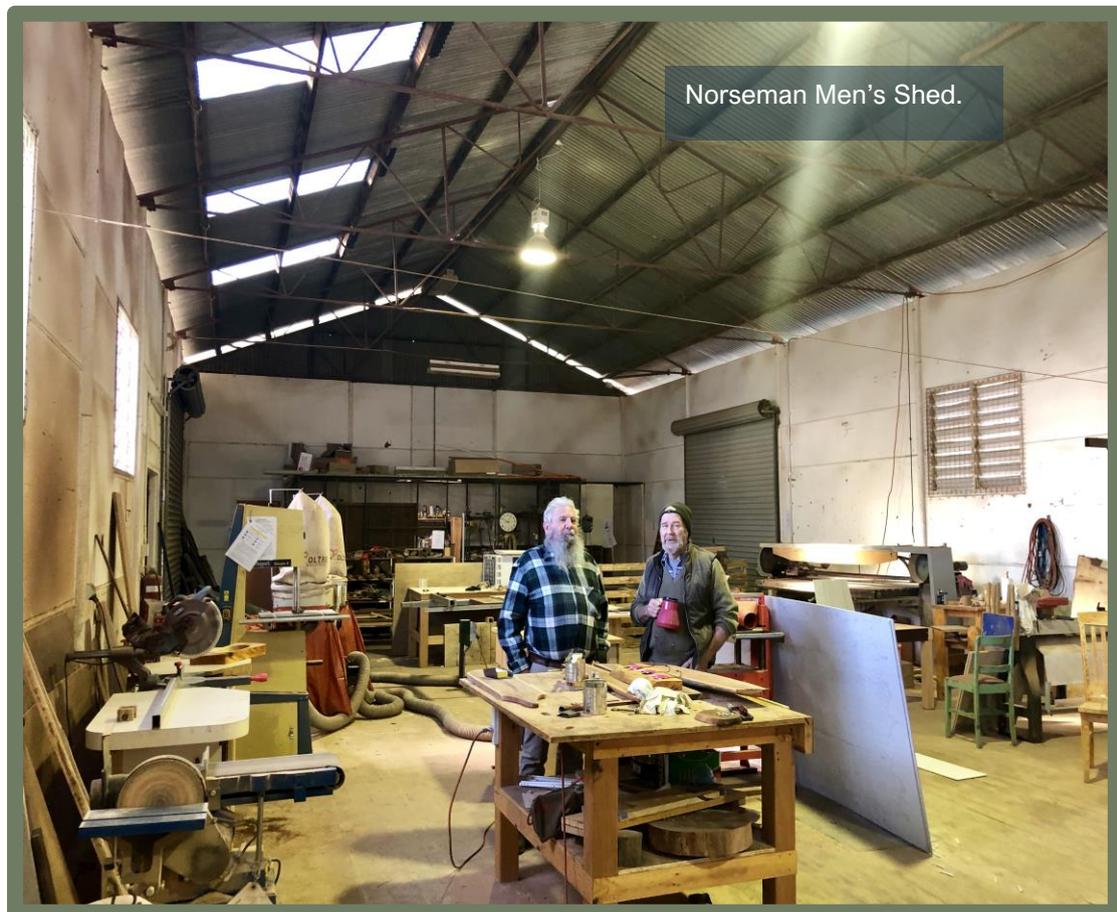
Seniors, a Vital Community Resource

The Shire of Dundas recognises the wealth of knowledge and lived experience Seniors bring to a Community. The 2016 census placed 199 people over 60 living in the Shire, 25% of the population.

The Shire supports a range of activities including Norseman Craft Ladies, Stay on Your Feet, Ladies Swim Club, Men's Shed, regional excursions, Coolgardie Christmas Luncheon and the Shire of Dundas Seniors Christmas Dinner.

Travelling over sixties in the form of *grey nomads* are also found across the Shire, and as such require suitable facilities and services to support this important economic contributor.

Covid-19 again saw a significant impact to our Seniors, considered as some of the most vulnerable people in the Community should they be exposed to the virus. A notable reduction in social activities was implemented due to Government ordered restrictions. Whilst there was a local community support network of check in phone calls to ensure people were coping, the impact of isolation on many seniors was real.



Norseman Men's Shed.

Economic Services

The Woodlands Cultural, Community and Visitor Centre

Installation of the first wanyar (water tree) at the Woodlands Centre.



The Norseman Visitor Centre services transitioned from a community association run center to a Council run Centre in February 2020. These services moved to the purpose-built Woodlands Cultural Community and Visitor Centre located on Prinsep Street. The purpose-built centre providing a state-of-the-art facility showcasing the Shire of Dundas, with a focus on the Great Western Woodlands.

Building a major infrastructure project during emergencies such as bushfire and pandemic presented significant challenges to project timeframes. Devlyn Construction worked with project managers GFG Consulting and Shire Senior Officers to bring the build to formal completion in December 2019, the targeted build date. Senior Officers then worked with Kulbardi Hill Consulting to develop the interpretation elements, which once installed would make the Centre a unique, must see centre for people travelling to the Great Wester Woodlands.

The Woodlands Centre construction was funded through Commonwealth Government Building Better Regions Program, WA Government's Royalties for Regions, Lottery West, and the Shires own funding.



Economic Development Working Group

The Economic Development Working Group (EDWG) was created and officially formed in April 2020. The EDWG has been established to support the Shire of Dundas to develop and diversify its economy and generate broader benefits for the regional community. The membership consists of:

- | | |
|---|--|
| <ul style="list-style-type: none"> • Goldfields-Esperance Development Commission* Chair • Shire of Dundas • Regional Development Australia Goldfields Esperance • Ngadju Traditional Owners | <ul style="list-style-type: none"> • Southern Ports Authority • Independence Group • Pantoro Mining • Barra Resources • Tulla Resources • Western Areas • Pioneer Resources |
|---|--|

Other representation from stakeholder groups and agencies will be invited where it will facilitate the progression of an opportunity through the Economic Development Working Group.

One of the first projects of the EDWG was to commence the development of the Shire of Dundas Prospectus, to be ready for use in early 2021.

Recreation and Culture

Halls, Parks and Ovals

The Shire of Dundas offers a range of recreation facilities including the Norseman Town and Eucla Community Halls, the Norseman Sports Complex, Dodd House and in 2020 moved to secure a central office space suitable for the use of Community organisations such as the Ladies Craft Group

The Norseman Swimming Pool is popular with residents and visitors in the summer months. Operated by a qualified Swimming Pool Manager the pool provides a sanctuary from the summer heat.

The Norseman Library is a popular community facility, which was evidenced when the service returned to normal after COVID-19 restrictions.

The Norseman Town Oval, basketball courts and tennis courts are popular recreation areas with residents and tourists.

The Shire has started the process of reviewing the current recreation present in Norseman to assess whether it meets the full expectations of the Community. Previous consultation has requested a dedicated dog park, exercise equipment and improved community sporting facilities.

The Shire's Works Department manages a number parks and playgrounds within the Shire, ensuring that the facilities offer a pleasant and welcoming area for people to enjoy.

*5 Year Anniversary of the Ngadju Native Title Determination.
Elders Bonnie Smith and Sonny Graham cutting the celebration cake.*



Footpaths

The Shire has identified footpaths within the Norseman town site needing improvement. The footpath upgrade program continues to be progressed. The footpath upgrade work completed during the year included footbridges on Prinsep and Mildura Streets were removed to anticipation of new box culvert. A review of all footbridges identified the to replace the existing infrastructure box culvert design these works will be carried on into 2021. New box culvert walkway to improve accessibility and parking to the Woodlands Centre were installed.

The Shire has invested on footpaths and footbridges within the townsite. These investments enhance the pedestrian safety and ensure ease of visitor navigation. Footpath and pedestrian bridges/walkways upgrades are allocated in the annual budget. For 2019/20 Budget allocation for footpaths construction amount to \$52,500.

Roads

The Shire's major road projects are funded from Financial Assistance Grant, Roads to Recovery Grant, Blackspot Funding and Regional Road Group (RRG) allocations. During the year, the Shire conducted the upgrade of the old Eyre Highway- Eucla Reid road, this work addressed the public access across private property when gaining the access to the Eucla coastline and Eucla airstrip.

Re-sheeting of the Hyden -Norseman road with RRG funding.

Mort Harslett Drive works included new drainage and gravel sheeting.

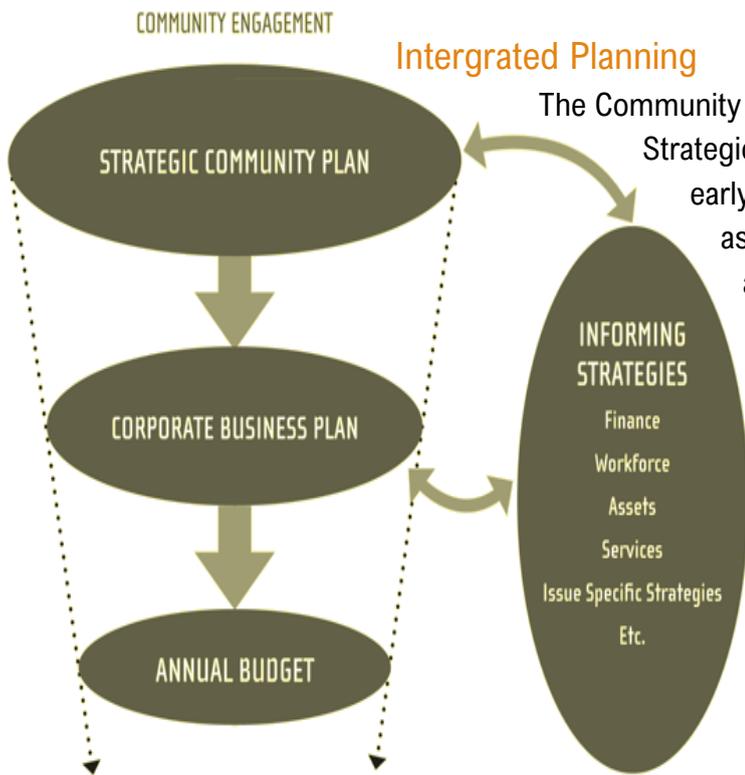
Asphalting along Ramsay street including the Roberts and Ramsay Street roundabout. Ass well as the intersection of Hyden Norseman and Coolgardie Esperance dure to road failure.

Repairs to the Madura Pass lookout included the gravel sheeting.

Purchase of the new loader.



GOVERNANCE & COMPLIANCE



The Community Strategic Plan in line with the Integrated Strategic Planning Framework will be reviewed in early 2020. The Corporate Business Plan as well as a Workforce Plan, Long Term Financial Plan and Asset Management Plan

Plans are updated as part of the integrated planning framework to meet the aspirations and needs identified by the Community. These aspirations have been grouped into three key themes, each with supporting goals and measures of success.

The three themes are:



A vibrant, active and healthy socially connected Community

A strong, healthy, educated and well-connected Community that is actively engaged and involved.



A thriving local economy and economic base.

A strong and diversified economy with a number of commercial businesses and industries providing new and varied employment opportunities for all age groups.



Natural and built environment.

A protected and enhanced environment that is aesthetically pleasing and benefits to the Community for generations to come.

CODE OF CONDUCT. Councillors, Committee and Working Group Members

Section 5.103 of the Local Government Act 1995 requires every local government to prepare and adopt a code of conduct (the code) to be observed by all council members, committee members and employees. The Code provides council members, committee and working group members and employees with consistent guidelines for an acceptable standard of professional conduct. The code addresses in a concise manner the broader issue of ethical responsibility and encourages greater transparency and accountability.

RECORD KEEPING PLAN

The State Records Act requires that a government organisation include in its annual report comment on the following:

1. Whether the efficiency and effectiveness of the organisations record keeping systems has been evaluated or alternatively when such an evaluation is proposed;
2. The nature and extent of record keeping training programs conducted;
3. Whether the efficiency and effectiveness of the record keeping training program has been reviewed or alternatively how this is planned to be done; and
4. Assurance that the organisations induction program addresses employee roles and responsibilities in regard to their compliance with the organisations record keeping plan.

The Shire of Dundas uses Synergy Central Records system to ensure that the handling of records including registration, access, and storage meet with the required standards. Staff training is a continual process at the required level of access and use. Senior Officers are charged with reviewing the processes in place to ensure the policies, systems and processes relating to records management are compliant and being adhered to.

FREEDOM OF INFORMATION STATEMENT

Part 5 of the Freedom of Information Act 1992 requires each agency to prepare and publish an information statement within 12 months after the commencement of the Act, and to update the statement at intervals of not more than 12 months (ss.96 and 97 of the FOI Act).

The FOI Information Statement is available at the Shire Office located at 88-92 Prinsep Street Norseman WA 6443 and on the Shire's official website. For 2017/18 reporting year, zero FOI applications were received by the Shire.

NATIONAL COMPETITION POLICY

In relation to the Clause 7 statement in the application of the above to Local Government, all governments have been divided into Category 1 or Category 2 Councils.

The Shire of Dundas is Category 2 and thus is not required to report in detail on competitive neutrality or structural reform of public monopolies (principles CN10 and SR4 in Clause 7). However, a report is required for legislation review under the principle LR8.

COMPETITION NEUTRALITY

The objective of competitive neutrality is the elimination of resource allocation distortions arising out of Local Government ownership of significant business activities. The Shire of Dundas has assessed its operations and considers that it does not have a business activity that would be classed as significant under the current guidelines. The Shire of Dundas does not operate a business enterprise that has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or Public Financial Enterprise.

EQUAL OPPORTUNITY

The Shire of Dundas is an Equal Employment Opportunity employer who strives to create an inclusive and positive workplace environment. The Shire has adopted an Equal Employment Opportunity policy to ensure that it meets the legislative requirements reviewing its targets and activities annually.

DISABILITY INCLUSION PLAN

Disability Services Act 1993 requires all local government agencies to develop a Disability Access and Inclusion Plan (DAIP). It is reported that the Shire of Dundas Disability Access and Inclusion Plan 2018-2022 has been reviewed by Council and submitted to the Department.

The DAIP guides Shire activities and programs to ensure people living and working in the Shire of Dundas are given the opportunity to feedback on the full range of services the Council provides to the community.

The Shire reviews its processes and facilities to improve access for people with living with disability. The footbridge replacement plan continues, as well as address footpath ramps to improve accessibility for people using wheelchairs and mobility scooters.

The new Woodlands Cultural, Community and Visitor Centre and the new Eucla Community Hall meet mandated access requirements and enhance the capacity for people with varying ability requirements to utilise these areas. An improved accessibility ramp was also installed at the Community Ladies Craft Centre (previously the old CRC building).

Payments to Employees

In accordance with Local Government (Administration) Regulation 1996 19B, set out in bands of \$10,000, is the number of employees of the Shire entitled to an annual salary of \$ 100,000 or more.

Salary Band	2019/20	2018/19	2016/17	2016/17	2015/16
\$100,000 to \$110,00		2	1	1	1
\$110,000 to \$120,00	3	2	1	1	1
\$120,000 to \$130,00					
\$130,000 to \$140,00		1			
\$140,000 to \$150,00		1			1
\$150,000 to \$160,00					
\$160,000 to \$ 170,000	1	1	1	1	
\$170,000 to \$ 180,000					1
Number of Employees	2019/20	2018/19	2016/17	2016/17	2015/16
Number of full-time equivalent employees as at the end of the year.	29	29	26	27	27

AUDITED ANNUAL FINANCIAL STATEMENTS 2019-2020

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

23

day of

FEBRUARY

2021



Chief Executive Officer

Peter Fitchat

Name of Chief Executive Officer

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

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
Revenue				
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
		<u>4,965,367</u>	<u>3,972,177</u>	<u>4,997,713</u>
Expenses				
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)
		<u>(5,944,049)</u>	<u>(6,963,662)</u>	<u>(6,295,678)</u>
		<u>(978,682)</u>	<u>(2,991,485)</u>	<u>(1,297,965)</u>
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)
		<u>2,877,567</u>	<u>2,335,905</u>	<u>753,220</u>
Net result for the period		1,898,885	(655,580)	(544,745)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	10	0	0	348,601
Total other comprehensive income for the period		0	0	348,601
Total comprehensive income for the period		1,898,885	(655,580)	(196,144)

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 \$
Revenue				
	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
		<u>4,965,367</u>	<u>3,972,177</u>	<u>4,997,713</u>
Expenses				
	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)
		<u>(5,933,870)</u>	<u>(6,953,483)</u>	<u>(6,284,245)</u>
Finance Costs				
	2(b)			
Health		(10,179)	(10,179)	(11,433)
		<u>(10,179)</u>	<u>(10,179)</u>	<u>(11,433)</u>
		(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 disposal of assets	9(a)	0	35,341	6,882
(Loss) on disposal of assets	9(a)	(29,970)	(2,543)	(28,824)
		<u>2,877,567</u>	<u>2,335,905</u>	<u>753,220</u>
Net result for the period		1,898,885	(655,580)	(544,745)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	10	0	0	348,601
Total other comprehensive income for the period		0	0	348,601
Total comprehensive income for the period		1,898,885	(655,580)	(196,144)

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 \$
CURRENT ASSETS			
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
TOTAL CURRENT ASSETS		7,793,186	7,579,073
NON-CURRENT ASSETS			
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
TOTAL NON-CURRENT ASSETS		67,084,549	66,216,243
TOTAL ASSETS		74,877,735	73,795,316
CURRENT LIABILITIES			
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
TOTAL CURRENT LIABILITIES		973,655	861,473
NON-CURRENT LIABILITIES			
Borrowings	13(a)	291,556	340,083
Employee related provisions	14	37,619	36,201
TOTAL NON-CURRENT LIABILITIES		329,175	376,284
TOTAL LIABILITIES		1,302,830	1,237,757
NET ASSETS		73,574,905	72,557,559
EQUITY			
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
TOTAL EQUITY		73,574,905	72,557,559

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	
		\$	\$	\$	
Balance as at 1 July 2018		31,068,376	6,028,479	35,656,848	72,753,703
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
Balance as at 30 June 2019		31,262,392	5,289,718	36,005,449	72,557,559
Change in accounting policy	26	(846,538)	0	(35,000)	(881,538)
Restated total equity at 1 July 2019		30,415,854	5,289,718	35,970,449	71,676,021
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
Balance as at 30 June 2020		33,086,984	4,517,473	35,970,449	73,574,906

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 \$	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
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	
	<u>4,499,536</u>	<u>4,372,176</u>	<u>5,449,385</u>	
Payments				
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)	
	<u>(3,373,587)</u>	<u>(4,121,128)</u>	<u>(3,912,790)</u>	
Net cash provided by (used in) operating activities	15	<u>1,125,949</u>	<u>251,048</u>	<u>1,536,595</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
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	
Net cash provided by (used in) investment activities		<u>(1,621,566)</u>	<u>(2,076,848)</u>	<u>(2,138,212)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	13(b)	(47,238)	(47,238)	(45,983)
Net cash provided by (used in) financing activities		<u>(47,238)</u>	<u>(47,238)</u>	<u>(45,983)</u>
Net increase (decrease) in cash held		<u>(542,855)</u>	<u>(1,873,038)</u>	<u>(647,600)</u>
Cash at beginning of year		7,011,812	6,999,752	7,659,412
Cash and cash equivalents at the end of the year	15	<u><u>6,468,958</u></u>	<u><u>5,126,714</u></u>	<u><u>7,011,812</u></u>

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

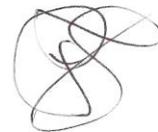
SHIRE OF DUNDAS
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

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

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

**SHIRE OF DUNDAS
INDEX OF NOTES TO THE FINANCIAL REPORT
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.

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

Recognition of revenue is dependent 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
Grants 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 issues 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 issue	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 service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms in 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 advance	Refund if the event is cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of the transaction price	On entry or at the conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full advance	Refund for unused portion of application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of the 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 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 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:

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Operating grants, subsidies and contributions			
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
	1,754,681	1,004,307	1,933,795
Non-operating grants, subsidies and contributions			
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
	2,907,537	2,303,107	775,162
	4,662,198	3,307,414	2,708,957
Fees and charges			
Governance	13,089	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
	399,956	274,784	293,938

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	1,754,861	1,004,307	1,933,795
Fees and charges	399,956	274,784	293,937
Other revenue	147,884	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	1,754,862	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)	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
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	2,537,808	2,413,878	2,304,588
	<u>2,537,808</u>	<u>2,413,878</u>	<u>2,304,588</u>
Other revenue			
Reimbursements and recoveries	147,884	122,210	164,249
	<u>147,884</u>	<u>122,210</u>	<u>164,249</u>
Interest earnings			
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	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Auditors remuneration			
- Audit of the Annual Financial Report	22,000	46,540	21,200
- Other services	2,400	0	7,403
	<u>24,400</u>	<u>46,540</u>	<u>28,603</u>
Interest expenses (finance costs)			
Borrowings	10,179	10,179	11,433
	<u>10,179</u>	<u>10,179</u>	<u>11,433</u>
Other expenditure			
Impairment loss on trade and other receivables	(80,159)	0	1,574
Sundry expenses	108,584	380,208	148,457
	<u>48,425</u>	<u>380,208</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	2,796,248	1,722,094
Term deposits	3,672,712	5,289,718
Total cash and cash equivalents	6,468,958	7,011,812

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
	4,700,311	5,307,257

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
Total restricted assets		4,700,311	5,307,257

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 Eucia.
(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
	\$	\$
	844,781	0
	844,781	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.

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

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
	\$	\$
Rates receivable	613,787	943,103
Trade and other receivables	205,095	23,732
Allowance for impairment of receivables	(339,415)	(399,574)
	479,467	567,261
Pensioner's rates and ESL deferred	60,584	47,861
	60,584	47,861

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
	\$	\$
Opening balance	(399,574)	(398,000)
Additions	0	(1,574)
Write off	0	0
Reversal	60,159	0
Closing balance	(339,415)	(399,574)

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 - 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	512,000	35,000	547,000	1,340,980	8,593,081	9,934,061	10,481,061	111,305	1,973,028	78,050	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)	359,288	0	348,601
Depreciation (expense)	0	0	0	(59,571)	(374,793)	(434,364)	(434,364)	(44,715)	(379,522)	(4,225)	(862,828)
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
Comprises:											
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)
Restated amount at 1 July 2019	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)
Carrying amount at 30 June 2020	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
Comprises:											
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)
Carrying amount at 30 June 2020	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

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

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
Land and buildings					
Land - freehold land	Level 2	Market approach - Sales comparison	Independent valuation	30 June 2017	Market value of similar properties
Land - vested in and under the control of Council	Level 3	Market approach - Replacement cost	Independent valuation	30 June 2017	Market approach taking in to account public sector restrictions
Buildings - non-specialised	Level 2	Market approach - Sales comparison	Independent valuation	30 June 2017	Market value of similar properties
Buildings - specialised	Level 3	Cost approach - Replacement cost	Independent valuation	30 June 2017	Gross replacement cost (GRC), estimated economic working life (EEWL), estimated remaining life years (ERLY),
Furniture and equipment	Level 3	Cost approach - Replacement cost	Independent valuation	30 June 2019	Gross replacement cost ,estimated economic working life , estimated remaining life years
Plant and equipment					
- 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
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	40,758,280	1,988,567	854,701	1,245,536	4,943,201	3,890,680	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)
Carrying amount at 30 June 2019	40,752,384	1,919,369	838,591	1,140,596	4,700,984	3,589,571	52,741,495
Comprises:							
Gross carrying amount at 30 June 2019	42,079,760	1,988,567	854,701	1,245,535	4,943,200	3,807,049	54,896,812
Accumulated depreciation at 30 June 2019	(1,327,376)	(47,198)	(16,110)	(104,939)	(242,216)	(217,478)	(1,955,317)
Carrying amount at 30 June 2019	40,752,384	1,919,369	838,591	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)
Carrying amount at 30 June 2020	40,663,254	1,872,172	780,178	1,035,656	4,458,767	3,369,785	52,179,812
Comprises:							
Gross carrying amount at 30 June 2020	43,434,722	1,988,567	811,816	1,245,535	4,943,200	3,810,559	58,212,199
Accumulated depreciation at 30 June 2020	(2,771,468)	(94,395)	(31,438)	(209,879)	(484,433)	(440,774)	(4,032,387)
Carrying amount at 30 June 2020	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
FOR THE YEAR ENDED 30 JUNE 2020

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.

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

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.

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.

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

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

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
	2,763,788	2,842,535	2,818,144

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 carrying unexpired period of the lease or the estimated useful life of carrying 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
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 amount of the asset. For example, the gross 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 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

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

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

10. REVALUATION SURPLUS

	2020 Opening Balance	2020 Change In Accounting Policy	Revised 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.

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

11. TRADE AND OTHER PAYABLES

Current

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

	2020	2019
	\$	\$
Sundry creditors	358,640	459,850
Accrued salaries and wages	32,822	20,569
ATO liabilities	26,864	12,111
Bonds and deposits held	12,917	17,539
Other payables	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.

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

12. CONTRACT LIABILITIES

Current

Contract liabilities from transfer for recognisable non-financial assets

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

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.

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

13. INFORMATION ON BORROWINGS

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

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	30 June 2020				30 June 2020				30 June 2019			
				Actual Principal 1 July 2018	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding	Budget Principal 1 July 2018	Budget Principal repayments	Budget Interest repayments	Budget Principal outstanding	Actual Principal 1 July 2018	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding
Health 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
				387,321	47,238	10,179	340,083	387,321	47,238	10,179	340,083	433,304	45,983	11,433	387,321

* WA Treasury Corporation

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

14. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

	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
Amounts are expected to be settled on the following basis:	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.

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

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
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
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

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

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
	<u>74,877,735</u>	<u>73,795,316</u>

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

17. CONTINGENT LIABILITIES

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

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

Payable:

- not later than one year

0	1,725,356
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(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
Amounts payable to related parties:		
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.

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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.

(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:

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

SIGNIFICANT ACCOUNTING POLICIES**Interests in joint arrangements**

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

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

Interests in joint arrangements (Continued)

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

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21. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2019/20 Actual Rateable Value \$	2019/20 Actual Rate Revenue \$	2019/20 Actual Interim Rates \$	2019/20 Actual Back Rates \$	2019/20 Actual Total Revenue \$	2019/20 Budget Rate Revenue \$	2019/20 Budget Interim Rate \$	2019/20 Budget Back Rate \$	2019/20 Budget Total Revenue \$	2018/19 Actual Total Revenue \$
Differential general rate / general rate												
Gross rental valuations												
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	
Unimproved valuations												
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
Sub-Total		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
Minimum payment												
Gross rental valuations												
GRV - Townsite / Roadhouses / Mining	360	152	38,686	54,720	0	0	54,720	54,721	0	0	54,721	52,350
Unimproved valuations												
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
Sub-Total		331	1,160,705	115,947	0	0	115,947	116,926	0	0	116,926	110,032
Total amount raised from general rate		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
Totals							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.

SHIRE OF DUNDAS
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21. RATING INFORMATION (Continued)

(b) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	7/09/2019	0.00	0.00%	0.075%
Option Two				
First instalment	7/09/2019	0.00	0.00%	0.075%
Second instalment	7/11/2019	10.00	0.055%	0.075%
Option Three				
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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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22. RATE SETTING STATEMENT INFORMATION

Note	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) \$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	0	(35,341)	(6,882)	(6,882)
Add: Movement in liabilities associated with restricted cash	27,671	0	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	29,970	2,543	28,824	28,824
Add: Depreciation on non-current assets	2,763,788	2,842,535	2,818,144	2,818,144
Non cash amounts excluded from operating activities	2,810,124	2,809,737	2,857,438	2,857,438
(b) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserves - cash/financial asset backed	(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	48,527	48,527	47,238	47,238
- Employee benefit provisions	323,964	0	296,292	0
Total adjustments to net current assets	(4,144,982)	(4,484,653)	(4,946,188)	(5,242,480)
Net current assets used in the Rate Setting Statement				
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)
Net current assets used in the Rate Setting Statement	2,674,549	0	924,874	1,475,120
(c) Adjustments to current assets and liabilities at 1 July 2019 on application of new accounting standards				
Total current assets at 30 June 2019				7,579,073
- Contract assets	25(a)			0
Total current assets at 1 July 2019				7,579,073
Total current liabilities at 30 June 2019				(861,473)
- Contract liabilities from transfer for recognisable non-financial assets	25(b)			(846,538)
Total current liabilities at 1 July 2019				(1,708,011)

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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 \$
2020					
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
2019					
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).

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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
30 June 2020					
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
30 June 2019					
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
30 June 2020					
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
30 June 2019					
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

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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
	\$	\$	\$	\$	\$
2020					
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
2019					
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

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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.

SHIRE OF DUNDAS
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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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	Adjustment	AASB 1058 carrying amount
	30 June 2019		01 July 2019
	\$	\$	\$
Contract liabilities - current			
Contract liabilities from transfers for recognisable non-financial assets	2(a)	0	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 \$
	Note	As reported under AASB 15 and AASB 1058		Compared to AASB 118 and AASB 1004
Statement of Comprehensive Income				
Revenue				
Rates	21(a)	2,537,808	0	2,537,808
Operating grants, subsidies and contributions	2(a)	1,754,881	0	1,754,881
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
Statement of Financial Position				
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
Statement of Changes in Equity				
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 AASB 16 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 AASB 16 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

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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 concessional 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 30 June 2019 \$	Adjustment \$	Carrying Amount 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

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27. OTHER SIGNIFICANT ACCOUNTING POLICIES

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.

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
GOVERNANCE	
GOVERNANCE	
To provide a decision making process for the efficient allocation of scarce resources.	Includes the activities of members of Council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.
GENERAL PURPOSE FUNDING	
To collect revenue to allow for the provision of services.	Rates, general purpose funding and interest revenue.
LAW, ORDER, PUBLIC SAFETY	
To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
HEALTH	
To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.
EDUCATION AND WELFARE	
To provide services to disadvantaged persons, the elderly, children and youth.	Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.
HOUSING	
To provide and maintain elderly resident housing.	Provision and maintenance of elderly residents housing.
COMMUNITY AMENITIES	
To provide services required by the community.	Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.
RECREATION AND CULTURE	
To establish and effectively manage infrastructure and resource which will help the social well being of the community.	Maintenance of public halls, civic centre, aquatic centre, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.
TRANSPORT	
To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.
ECONOMIC SERVICES	
To help promote the shire and its economic wellbeing.	Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.
OTHER PROPERTY AND SERVICES	
	Private work private works operation, plant repairs and operation costs and engineering operating costs.

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