

SHIRE OF DUNDAS

ANNUAL REPORT
2020/21

Shire of **Dundas**

Norseman Woodlands to Eucla Coast

TABLE OF CONTENTS



Acknowledgment of Country

Shire President's Report

Elected Members

CEO Report

Organisation Structure

The Shire of Dundas

Our Community

General Information Report

Governance

Governance & Compliance

Financial Report

Address:

88-92 Prinsep Street Norseman
WA 6443

Postal Address:

PO Box 163 Norseman WA 6443

Shire Office:

Phone: 9039 1205

Fax: 9039 1359

Email: shire@dundas.wa.gov.au

Web: www.dundas.wa.gov.au

Works Depot:

Mildura Street Norseman WA 6443

Phone: 9039 1278



ACKNOWLEDGEMENT OF COUNTRY

The Shire of Dundas sits across Ngadju and Mirning Country. We respectfully acknowledge both Ngadju and Mirning as traditional custodians, and pay respect to their Elders past, present and emerging.

PRESIDENT'S REPORT



I am pleased to present, on behalf of the Shire of Dundas Councillors, the 2020 – 21 Annual Report.

In this reporting period, we have continued to be challenged by the SARS Cov-2 pandemic, which has continued to make its' presence felt throughout the world and in the Shire of Dundas. This affected our Eyre Highway businesses, and those in town, with ongoing issues of staff shortages, availability of produce and products primarily due to the ongoing border restrictions. Drought has continued to be a problem for our Pastoralists. During the year, I have focussed on advocacy for our Shire, and helped raise awareness to State Government Ministers about the realities of being a border Shire. This included concerns residents have regarding travellers and self-isolating.

We again had two motions accepted for the WALGA AGM which, were the only two motions on the agenda. This year we tackled the issue of State-owned land (blocks), which, under current legislation, is exempt from paying rates. This can have a very deleterious effect on Shire revenue if the numbers are high, which they are for our Shire. We also raised the issue of the lack of support for drought-affected communities. Once again, both motions were well-supported.

We have faced difficulty in trying to obtain industrial land in order to attract some diverse businesses. Unfortunately, we are, as yet, unsuccessful in these efforts. We will continue in our efforts as industrial land and the promotion of enterprises diverse from mining, will encourage the long-term sustainability of our community.



PRESIDENT'S REPORT CONT.

In September, Council approved the appointment of an artist to produce another mural for our Woodlands Community, Cultural and Visitor Centre. Our chosen mural artist was local, Ngadju man, Kyle Wicker, who produced a stunning artwork depicting local Ngadju culture and wildlife. Works progressed well with the Woodlands Centre and we also appointed Kulbardi Hill Consulting to assist with the interpretation strategy. The works culminated with an Official opening ceremony on the 26th March 2021. James Schultz performed for us a Welcome to Country and Smoking ceremony and the Ngadju Dancers also performed for us. I was assisted in my opening duties by our Federal Member for O'Connor, Rick Wilson and State MLA for Kalgoorlie, Ali Kent.

Our dinosaurs continued to provide a presence at various Shire events and are becoming regulars for attending to civic duties! They also continued to provide 'en pointe' messaging for various public service announcements.

Council again, undertook the annual performance review of our CEO. This was his second year in the position and once again, Council was unanimous in our satisfaction with his performance. With one year to go on his initial contract and under legislation, being bound to consider the renewal of the contract, 6 - 12 months prior to contract end, Council made the decision to terminate the current contract early and to offer a new, five-year contract. We were very pleased that Mr Fitchat (Peter) chose to accept the new contract which extends his tenure to 2025.





Our Staff have continued to perform well in often trying circumstances and as such we can present another reduction in our deficit and find ourselves in a positive financial position. One positive to come out of the pandemic was the Federal Government's injection of untied funding for community infrastructure projects. This saw us able to undertake some minor projects such as an upgrade to pedestrian/disabled access in Roberts St, the dog park, sound-proof fence at Welcome Park and showers at the Sports Complex. At this stage, it looks likely we have at least one other injection of funding from this source.

I would like to thank our committed Staff who did an outstanding job of keeping us safe and we extend heartfelt thanks for the significant efforts they put in on our behalf during the year. There was considerable effort in dealing with unending queries about road closures, how and where people could isolate, the latest health messages and restrictions.

We continue to focus on providing the best services and community infrastructure we can. We continue to advocate for a better deal for our Shire, and we continue to deal with whatever life seems determined to throw in our path.

LAURENE BONZA
President

ELECTED MEMBERS



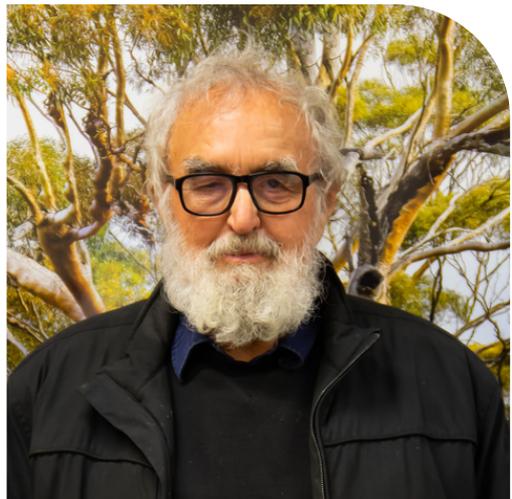
President - Laurene Bonza



Deputy President - Rasa Patupis



Councillor - Sharon Warner



Councillor - Pat Hogan



Councillor - Valma Shultz



Councillor - Veronica Wyatt

CEO REPORT

My third year at the Shire comes with another opportunity to summarise the period from July 2020 to June 2021, which has had the continuation of Covid-19 impacts associated with a pandemic, border closures, availability of products and produce and the effect of the lack of travelling tourist did to all our businesses in the Shire of Dundas. Since the increased mining activity in our Community, the impact on Planning has placed enormous pressure behind the scenes on staff and resources to deal with the increased planning requests and change of ownership through sales within Norseman township primarily.

In June 2020, I presented to Council for approval two submissions into the WALGA Annual Conference Agenda State-Owned House blocks and the Drought concerns for the GVROC area. These items were presented to the Executive Committee at the WALGA AGM by our President, Laurene Bonza, with massive support from across all shires in Western Australia.

We attempted to get some industrial land within the two communities in Norseman and Eucla. Still, we were not successful in our attempts as the Department of Mines objected, and we could only get a 21-year lease on the land. The approved budget by our Elected members for the 2020/21 Financial Year was \$6,181,045.00.

With my performance appraisal in September 2020, the Councillors decided to terminate my contract and issue me a new five-year contract to take my time here to September 2025.



CEO REPORT CONT.

We, in November 2020, asked Council to break with the tradition of having a full-time Manager of Finance to change and engage Moore-Australia as our Accountants. Council approved of this decision, and the cost was significantly less and brought peace of mind that we have an external eye on our financials.

The ongoing construction of our Woodlands Project is progressing regardless of the impacts Covid-19 brought to the projects, and we are tracking well, with the appointment of Kulbardi Hill Consulting group for the Woodlands interpretation part of the project, which was completed with great success and has had many great reviews since the completion.

We were fortunate with the Federal Government announcement of the Local Roads and Community Infrastructure Program, and Council approved the following projects for funding, Dog Park and RV Dump Point, Upgrade to Sports Complex Emergency evacuation and access, secure Pool fencing, footpath improvement and pram ramps in Roberts street, Welcome Park sound proof fencing and Marks Park fencing totalling \$210,687.00.

The block of land was sold in a Closed Public Auction that closed on 14th September 2020 and was included in the Development that was considered in a special meeting in January 2021 Council approved a significant development within the Norseman Town Boundary for a Proposed Mine Workers Accommodation and an Associated Wastewater Treatment Plant; this Development increased our annual rate revenue as these blocks were Council owned and were costing money on maintenance annually.

Our staff endeavoured to continue with our Market Days 15th August 2020 was the first one for this financial year. We are fortunate to have active community groups like our Garden Show Committee that host the Norseman Flower Show every year. On 18-19th September 2020, they did it again, and a fantastic turnout of people displayed their garden pots and plants and crafts to beautify the town.

Our Community Development Team under Pania Turner conducted a perception survey to assist a Community Wellbeing Plan, and we also participated in a National Disability Strategy.



Our Dinosaurs help lift community spirits at every opportunity and even assist with explaining the Covid-19 rules to every delight.

We tried four times to engage a Bushfire Risk Planning Coordinator, with eventual success in the appointment of Daryl Glover for the Shire of Dundas as the host Shire and Shire of Coolgardie and City of Kalgoorlie Boulder.

Our CRC continued with business, arts and crafts, and ICT workshops, which along with providing education and learning, also allowed for people to stay connected during the pandemic.

Traditional Custodians Ngadju celebrated an area of land being incorporated into an Indigenous Protection Area within our Shire and the wider region. Congratulations to all Ngadju on the Ngadju Indigenous Protection Area, the launch was held overlooking Lake Cowan the beautiful day recognised the hard work, effort and passion of many to make this happen.

The drought was still ongoing, with the ABC story highlighting the issue in Surviving the Nullarbor – adapt or crumble under the worst drought with no genuine assistance from State or Federal Government.

The drying beds at the Landfill were taking shape as construction started around October 2020 and was completed in November 2020.

CEO REPORT CONT.

Shire President Laurene Bonza remained a strong voice for the Shire of Dundas residents highlighting the impacts of Covid-19 and calling on state government departments tasked with managing the pandemic to address the needs of small communities.

The Shire continued to promote local business opportunity and development, hosting the Norseman Local Business Breakfast in November 2020, where master community builder Peter Kenyon presented the importance of first impressions of community infrastructure, and community atmosphere.

The Australia Day citizenship awards acknowledged our Community achievers, with dedicated volunteer Merynda Fraser a recipient. The popular Norseman Flower and Garden Show took out the community event award for its continued growth and engagement of all the community.

I want to thank our Community, Elected Members and Shire staff for their support during another problematic financial year regarding external impacts; we have achieved our goals, and on 26th March 2021, we opened our Woodlands Centre with President Laurene Bonza, Federal Member Rick Wilson and Ali Kent State Representative for Kalgoorlie. James Shultz led the Ngadju Dancers in the Welcome to Country and opening ceremony.



Our Annual meeting in the Eucla Community Hall was held on 17th April 2021 and with the Community in attendance, highlighting their concerns through the Pandemic and local issues.

This led to the budget discussion for 2021/21 financial and the year-end closing in July 2021.

A handwritten signature in black ink, appearing to read 'Peter Fitchat', written over a white background.

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%



Local Road Network 2000km

Main Roads WA: Eyre Highway

Coolgardie-Esperance Highway

Public Transport: TransWA Bus Services



Electors 345

Elected Members 6



Shire Provided Facilities

Airstrips Norseman & Eucla

Community Resource Centre

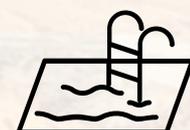
Gym & Swimming pool

Library

Town & Community Halls

Town Oval, Parks & Campgrounds

Visitor Centre



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



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.

COMMUNITY GOALS

Healthy

A Community with adequate health services accessible to all residents.

Physically Active & Socially Connected

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

Engaged

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





COMMUNITY GOALS

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

The Shire of Dundas continues to work on its sustainability concerns and improve its capability to comply with new and existing legislation and requirements from all government departments and agency sectors. This imposed Legislative compliance places a high cost on our operational side of running the Shire, and with 50% of our house blocks not having to pay rates, this means there is no direct revenue raised, and the State Government does not contribute to our sustainability ratios our asset renewal requirement or staff retention costs.

During the year, the Shire reviewed its existing policies and procedures. It introduced new policies and procedures and reviewed current policies to ensure transparency and compliance sits behind the development of the policies and procedures concerning the Shire's Strategic and Operational Governance format.

Professional development of staff and Councillors continues to be an essential investment that is budgeted for annually, and staff training is ongoing. This is a continuous requirement, with training expenses totalling \$41,440. Councillors attended training and development workshops during the year to help them better understand their strategic role and improve their governance in servicing the community they represent.

The Corporate Business Plan, Long Term Financial Plan, Workforce Plan and Asset Management Plan are all earmarked for future renewal and will be forming part of the CEO KPIs into the future. The Strategic Community Plan is committed to being renewed in the 2021/22 Financial year. These plans are of paramount importance for the Shire to plan sustainably for the future and equip the organisation to respond to short, medium and long-term Community requirements and form part of our compliance calendar; budgets and Covid-19 staff resourcing are all factors contributing to the delays to get these addressed on time.

GENERAL REPORT CONT.

The Shire continues to invest in record-keeping procedures to ensure compliance and accountability; 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, with staff retention one of the major concerns, especially in critical positions, procurement is another area that needs ongoing improvement. It is also linked directly to staff retention.

Further, the review has proposed improvements that the Shire is currently adopting to promote transparency and compliance in our Compliance Audit and will flow through the CEO to the Operational staff; major contributing factors are staff and associated costs to meet compliance requirements.



GOVERNANCE

LAW, ORDER & PUBLIC SAFETY

BUSHFIRE

Council is tasked with extensive bushfire responsibilities across the entire Shire through the State Arrangements for bushfire. These responsibilities are managed through our Chief Bushfire Control Officer. The community supports Council, as Fire Control Officers and through the pastoral volunteers of the Dundas Pastoral Bushfire Brigade and the Ngadju Rangers of the Dundas Rural Bushfire Brigade. Training for the brigades is managed through the Department of Fire and Emergency Services (DFES).

Bushfires continue to be a constant occurrence and challenge for the Shire of Dundas. In 2020/21, eight bushfires occurred in the Shire, mostly caused by lightning. These fires built on the catastrophic fires of 19/20 in impacting on the special values so the woodlands, disrupting transport and essential supply and threatening people's wellbeing, livelihoods, and the nations critical infrastructure.

This year Council was successful in gaining a \$300 000 Bushfire Risk Management Planning grant, in association with our neighbours the Shire of Coolgardie and the City of Kalgoorlie Boulder, from the Hon Minister Fran Logan. This project looks to improve the disaster resilience of our communities, economy, environment, and the infrastructure of the southern Goldfields Shires by developing Bushfire Risk Management Plans in association with community members, business, landowners, managers and occupiers.





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.

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.

We were successful with a \$300,000.00 funding application from Hon Minister Fran Logan for a Bush Fire Risk Strategy for City Kalgoorlie Boulder, Shire of Coolgardie and the Shire of Dundas as the host Shire. Daryl Gover was appointed and started in July 2021.



LOCAL COMMUNITY MANAGEMENT

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.

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 to provide Animal Control (operational costs) was \$51,106.80 for 20/21.

COVID-19

The Shire of Dundas responded to the ongoing challenges the community faced in relation to the COVID-19 pandemic. Shire Officers and Council worked together to ensure communication to the residents was timely and accurate, managing the risks relating to the best of its ability with limited resources.

Good hygiene practices were promoted throughout the region, as well as official Medical Advice and information on COVID-19 being distributed via social media and the website. Shire staff worked with various State Government Departments to keep the community informed, and Royal flying Doctor's Service administered Pfizer COVID-19 vaccines to the residents of Eucla in its first remote vaccination operation.

At the time, Executive Director Frank Quinlan said the operation was part of new arrangements with the Commonwealth and provided a template for the way a successful vaccine rollout can occur throughout remote Australian communities.



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.

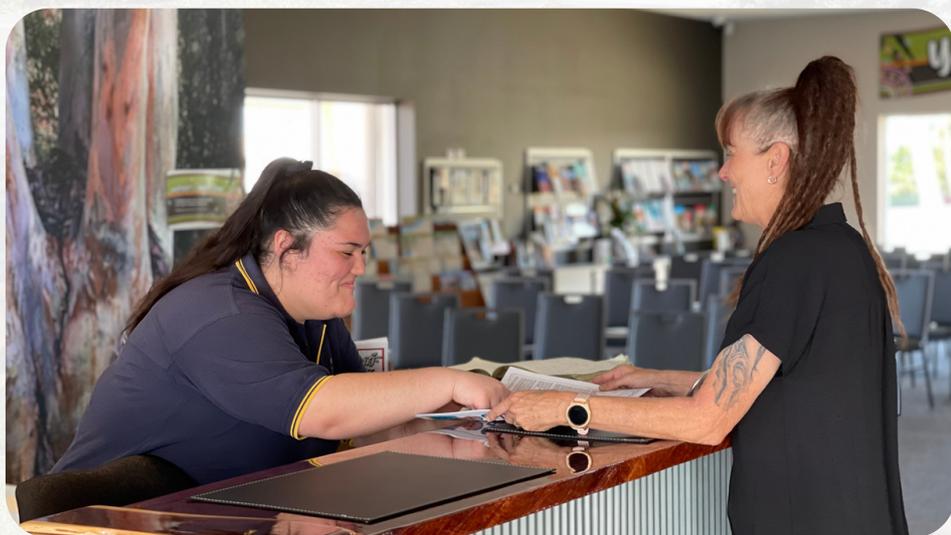
Eucla and Eyre Highway residents and travellers along the national highway are supported through the Silver Chain remote nursing station located in the small community of Eucla. Staffed by a registered nurse the clinic provides general health assessments, chronic disease management, treatment for illness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



GOVERNANCE CONT.

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. Recently, heritage and site surveys were undertaken to progress the expansion of the Norseman Cemetery in preparation future needs.



GOVERNANCE CONT.

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, occupied at various stages 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 \$28,351 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 & 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. 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 continued to impact education throughout the school year, with access to school sites restricted, increased cleaning regimes, and for some students, a move to learning from home. The Council congratulates staff, students, and families on the way they supported each other to ensure learning continued in a safe and supportive environment.

GOVERNANCE CONT.

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. Slowly, events will once again become physical gatherings as we start to put the pandemic restrictions behind us.

2020/2021 COMMUNITY EVENT HIGHLIGHTS INCLUDED

- A range of special events for the over 60's
- Citizenship Awards
- Norseman Community Markets - Third Saturday of every month
- National Sorry Day BBQ
- Australia's Biggest Morning Tea for the Cancer Council
- Walking Group
- Kidz Club
- Norseman Today Community Group
- Norseman Christmas Fayre
- Norseman Races
- Dino Dash
- Woodlands Centre Grand Opening - 26 March 2021
- Christmas in the Park



SENIORS

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.

ECONOMIC SERVICES

ECONOMIC DEVELOPMENT WORKING GROUP

The Economic Development Working Group (EDWG) was created was 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:

- Goldfields-Esperance Development Commission* Chair
- Shire of Dundas
- Regional Development Australia Goldfields
- Esperance
- Ngadju Traditional Owners
- 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.

GOVERNANCE CONT.

RECREATION & CULTURE

HALLS, PARKS & OVALS

The Shire of Dundas offers a range of recreation facilities including the Norseman Town and Eucla Community Halls, the Norseman Sports Complex and Dodd House, whilst 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 continue to be 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 requests include 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.

FOOTPATHS

The Shire identified additional footpaths within the Norseman townsite that required improvement. The footpath upgrade program continues, and the footpath upgrade work completed during the year included an asphalt footpath along Roberts Street for a total of 740 meters on the right-hand side heading north towards the BP Service station and met the community request for paths on both sides of the road. With the construction of the Woodlands Centre, the walkway that enclosed the open drain was constructed to improve the access requirements for disabled visitors and the general parking area to the Woodlands Centre Main Entrance from Ramsay Street.

The Shire's ongoing investment in footpaths and footbridges within our built areas is to enhance pedestrian safety and ensure ease of visitor navigation. Footpath and pedestrian bridges/walkways upgrades are allocated in the annual budget.

Expenditure during 202/21 included:

Capital works - \$176,676 expended (\$117,877 of this was funded by LRCI Phase 1 for 760 meters of asphalt footpath along Roberts Street). Budget allocation for this project was \$177,000. General repairs were \$7,128.19 expended against a \$10,000 budget.

ROADS

Roads to Recovery funding went to the continuation of the upgrade of the Eucla Reid Road, improved drainage and preparation to seal the road to the Old Telegraph Station and to the Eucla Airstrip, it is a 3 year project with limited funding and a staged approach.

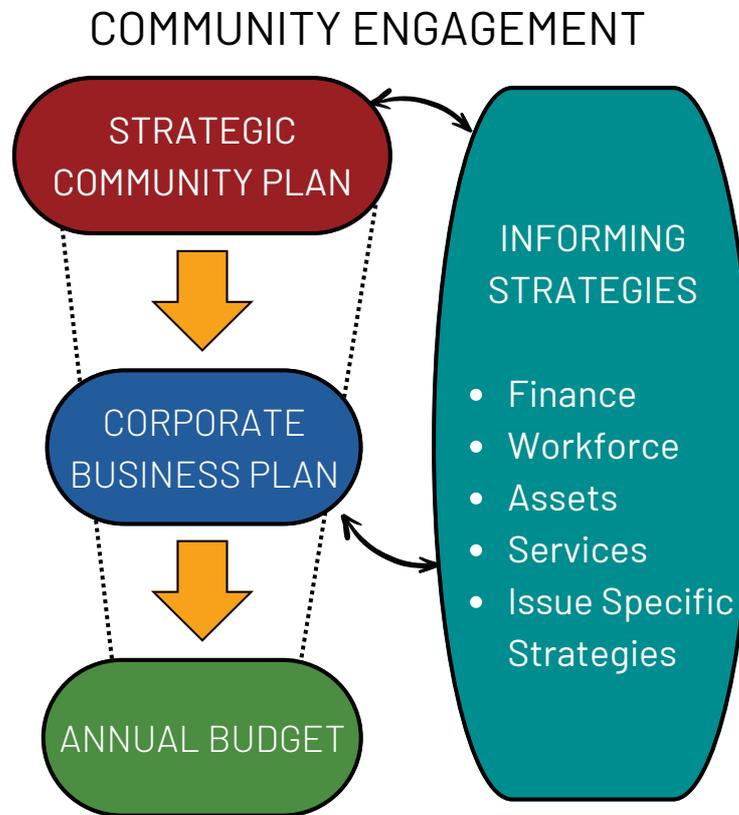
Hyden Road is our major and longest tourist drive, connecting Norseman to Hyden, and has significant tourist interest during winter for wildflowers are spectacular and connect us with 16 destinations along this drive; the funding is spent on preserving this road to ensure a safe drive and Mining is contributing to this experience by spending over a \$1.5million a year with the RRG contribution going to the preservation of the road.

Hyden Rd Regional Roads Group – completed 30/06/21 – Budget of \$542,674

Eucla Reid Road- Eucla – Road R2R – Budget of \$212,510 (carried over \$76,781 – which was completed in September 2021)



GOVERNANCE & COMPLIANCE



PLAN FOR THE FUTURE

Plans currently under review include the Corporate Business Plan, Long Term Financial Plan, Workforce Plan and Asset Management Plan. In addition, the Community Strategic Plan will be updated in 2021/22 Financial year.

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 & HEALTHY SOCIALLY

CONNECTED COMMUNITY

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

A THRIVING LOCAL ECONOMY & 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 & 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 & 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
4. reviewed or alternatively how this is planned to be done; and
5. Assurance that the organisations induction program addresses employee roles and
6. 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 complaint 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

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	2020/21	2019/20	2018/19	2017/18	2016/17
\$100,000 to \$110,000	1		2	1	1
\$110,000 to \$120,000	1	3	2	1	1
\$120,000 to \$130,000	2				
\$130,000 to \$140,000			1		
\$140,000 to \$150,000			1		
\$150,000 to \$160,000					
\$160,000 to \$170,000	1	1	1	1	1
\$170,000 to \$180,000					



FINANCIAL REPORTS



SHIRE OF DUNDAS
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

TABLE OF CONTENTS

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Index of Notes to the Financial Report	9
Independent Auditor's Report	52

COMMUNITY VISION

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

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

**SHIRE OF DUNDAS
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

*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 2021 is based on proper accounts and records to present fairly the financial position of the Shire of Dundas at 30 June 2021 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 5 day of April 2022



Chief Executive Officer

Peter Fitchat

Name of Chief Executive Officer



BUTLER SETTINERI (AUDIT) PTY LTD

SHIRE OF DUNDAS
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	21(a)	2,443,580	2,645,220	2,537,808
Operating grants, subsidies and contributions	2(a)	1,957,180	1,909,277	1,754,661
Fees and charges	2(a)	539,618	344,268	399,956
Interest earnings	2(a)	138,485	134,100	125,258
Other revenue	2(a)	164,001	258,390	147,684
		5,242,864	5,291,255	4,965,367
Expenses				
Employee costs		(2,082,628)	(2,371,877)	(2,073,772)
Materials and contracts		(1,063,173)	(1,236,573)	(588,209)
Utility charges		(310,143)	(296,078)	(302,074)
Depreciation on non-current assets	9(b)	(2,931,390)	(2,661,549)	(2,763,789)
Interest expenses	2(b)	(8,890)	(8,890)	(10,179)
Insurance expenses		(156,366)	(185,243)	(159,602)
Other expenditure		(458,446)	(407,050)	(46,424)
		(7,011,036)	(7,167,260)	(5,944,049)
		(1,768,172)	(1,876,005)	(978,682)
Non-operating grants, subsidies and contributions	2(a)	1,151,368	1,193,157	2,907,537
(Loss) on asset disposals	9(a)	(63,864)	(72,607)	(29,970)
		1,087,504	1,120,550	2,877,567
Net result for the period		(680,668)	(755,455)	1,898,885
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		(680,668)	(755,455)	1,898,885

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 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
	2(a)			
Governance		51,473	23,000	63,306
General purpose funding		3,705,249	3,862,039	3,707,040
Law, order, public safety		40,706	182,800	134,961
Health		5,264	5,500	5,484
Education and welfare		84,320	82,935	81,636
Housing		24,700	22,600	22,713
Community amenities		246,770	187,960	202,134
Recreation and culture		89,557	51,092	18,219
Transport		585,848	523,329	483,119
Economic services		299,969	270,000	178,654
Other property and services		109,008	80,000	68,101
		<u>5,242,864</u>	<u>5,291,255</u>	<u>4,965,367</u>
Expenses				
	2(b)			
Governance		(758,937)	(703,435)	(625,325)
General purpose funding		(608,239)	(466,581)	(165,344)
Law, order, public safety		(99,617)	(292,271)	(139,947)
Health		(180,020)	(229,330)	(211,974)
Education and welfare		(169,549)	(244,236)	(163,230)
Housing		(85,230)	(111,236)	(80,750)
Community amenities		(605,703)	(598,072)	(535,974)
Recreation and culture		(1,228,558)	(1,483,529)	(1,261,572)
Transport		(2,375,917)	(2,237,203)	(2,186,953)
Economic services		(570,265)	(586,477)	(423,746)
Other property and services		(320,111)	(206,000)	(139,055)
		<u>(7,002,146)</u>	<u>(7,158,370)</u>	<u>(5,933,870)</u>
Finance Costs				
	2(b)			
Health		(8,890)	(8,890)	(10,179)
		<u>(8,890)</u>	<u>(8,890)</u>	<u>(10,179)</u>
		<u>(1,768,172)</u>	<u>(1,876,005)</u>	<u>(978,682)</u>
Non-operating grants, subsidies and contributions	2(a)	1,151,368	1,193,157	2,907,537
(Loss) on disposal of assets	9(a)	(63,864)	(72,607)	(29,970)
		<u>1,087,504</u>	<u>1,120,550</u>	<u>2,877,567</u>
Net result for the period		(680,668)	(755,455)	1,898,885
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		(680,668)	(755,455)	1,898,885

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



SHIRE OF DUNDAS
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	NOTE	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	3	3,775,531	6,468,958
Trade and other receivables	6	226,780	479,467
Other financial assets	5(a)	4,595,060	844,761
TOTAL CURRENT ASSETS		8,597,371	7,793,186
NON-CURRENT ASSETS			
Trade and other receivables	6	60,584	60,584
Property, plant and equipment	7	14,751,399	14,844,153
Infrastructure	8	51,167,684	52,179,812
TOTAL NON-CURRENT ASSETS		65,979,667	67,084,549
TOTAL ASSETS		74,577,038	74,877,735
CURRENT LIABILITIES			
Trade and other payables	11	851,580	431,242
Other liabilities	12	214,709	169,921
Borrowings	13(a)	49,851	48,527
Employee related provisions	14	275,348	323,964
TOTAL CURRENT LIABILITIES		1,391,488	973,654
NON-CURRENT LIABILITIES			
Borrowings	13(a)	241,705	291,556
Employee related provisions	14	49,607	37,619
TOTAL NON-CURRENT LIABILITIES		291,312	329,175
TOTAL LIABILITIES		1,682,800	1,302,829
NET ASSETS		72,894,238	73,574,906
EQUITY			
Retained surplus		30,722,642	33,086,984
Reserves - cash/financial asset backed	4	6,201,147	4,517,473
Revaluation surplus	10	35,970,449	35,970,449
TOTAL EQUITY		72,894,238	73,574,906

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 2021

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/FINANCIAL ASSET BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2019		30,415,853	5,289,719	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
Comprehensive income					
Net result for the period		(680,668)	0	0	(680,668)
Total comprehensive income		(680,668)	0	0	(680,668)
Transfers from reserves	4	75,000	(75,000)	0	0
Transfers to reserves	4	(1,758,674)	1,758,674	0	0
Balance as at 30 June 2021		30,722,642	6,201,147	35,970,449	72,894,238

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 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		2,580,215	2,645,220	2,854,401
Operating grants, subsidies and contributions		2,170,612	1,909,277	860,197
Fees and charges		539,618	344,268	408,181
Interest received		138,485	134,100	125,258
Goods and services tax received		120,000	0	89,046
Other revenue		164,001	258,390	162,453
		5,712,931	5,291,255	4,499,536
Payments				
Employee costs		(2,082,964)	(2,371,877)	(2,020,249)
Materials and contracts		(775,491)	(1,406,494)	(759,002)
Utility charges		(310,143)	(296,078)	(315,500)
Interest expenses		(8,890)	(8,890)	(10,179)
Insurance paid		(156,366)	(185,243)	(175,562)
Goods and services tax paid		(272,755)	0	(46,670)
Other expenditure		(458,446)	(407,050)	(46,424)
		(4,065,055)	(4,675,632)	(3,373,586)
Net cash provided by (used in) operating activities	15	1,647,876	615,623	1,125,950
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for financial assets at amortised cost		(3,750,299)	0	(844,761)
Payments for purchase of property, plant & equipment	7(a)	(767,356)	(1,374,003)	(2,289,887)
Payments for construction of infrastructure	8(a)	(1,209,310)	(1,189,333)	(1,523,521)
Payments for intangible assets	9(a)	0	(45,000)	0
Non-operating grants, subsidies and contributions	2(a)	1,347,895	1,193,157	2,907,537
Proceeds from sale of property, plant & equipment	9(a)	86,294	123,000	129,066
Net cash provided by (used in) investment activities		(4,292,776)	(1,292,179)	(1,621,566)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	13(b)	(48,527)	0	(47,238)
Net cash provided by (used in) financing activities		(48,527)	0	(47,238)
Net increase (decrease) in cash held		(2,693,427)	(676,556)	(542,854)
Cash at beginning of year		6,468,958	7,300,802	7,011,812
Cash and cash equivalents at the end of the year	15	3,775,531	6,624,246	6,468,958

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

**SHIRE OF DUNDAS
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	22 (b)	2,674,550	2,175,246	924,874
		2,674,550	2,175,246	924,874
Revenue from operating activities (excluding rates)				
Governance		51,473	23,000	63,306
General purpose funding		1,025,677	1,216,819	1,169,232
Law, order, public safety		40,706	182,800	134,961
Health		5,264	5,500	5,484
Education and welfare		84,320	82,935	81,636
Housing		24,700	22,600	22,713
Community amenities		246,770	187,960	202,134
Recreation and culture		89,557	51,092	18,219
Transport		585,848	523,329	483,119
Economic services		299,969	270,000	178,654
Other property and services		109,008	80,000	68,101
		2,563,292	2,646,035	2,427,559
Expenditure from operating activities				
Governance		(760,565)	(709,505)	(625,325)
General purpose funding		(608,239)	(466,581)	(165,344)
Law, order, public safety		(99,617)	(292,271)	(139,947)
Health		(188,910)	(238,220)	(222,153)
Education and welfare		(169,549)	(244,236)	(163,230)
Housing		(85,230)	(111,236)	(80,750)
Community amenities		(605,703)	(598,072)	(535,974)
Recreation and culture		(1,228,558)	(1,483,529)	(1,261,572)
Transport		(2,375,917)	(2,266,740)	(2,186,953)
Economic services		(570,265)	(586,477)	(423,746)
Other property and services		(382,347)	(243,000)	(169,025)
		(7,074,900)	(7,239,867)	(5,974,019)
Non-cash amounts excluded from operating activities	22(a)	2,958,626	2,734,156	2,810,125
Amount attributable to operating activities		1,121,568	315,570	188,539
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	1,151,368	1,193,157	2,907,537
Proceeds from disposal of assets	9(a)	86,294	123,000	129,066
Purchase of property, plant and equipment	7(a)	(767,356)	(1,374,003)	(2,289,887)
Purchase and construction of infrastructure	8(a)	(1,209,310)	(1,189,333)	(1,523,521)
Payments for intangible assets		0	(45,000)	0
Amount attributable to investing activities		(739,004)	(1,292,179)	(776,805)
FINANCING ACTIVITIES				
Repayment of borrowings	13(b)	(48,527)	0	(47,238)
Transfers to reserves (restricted assets)	4	(1,758,674)	(1,610,000)	(74,293)
Transfers from reserves (restricted assets)	4	75,000	75,000	846,539
Amount attributable to financing activities		(1,732,201)	(1,535,000)	725,008
Surplus/(deficit) before imposition of general rates		(1,349,637)	(2,511,609)	136,742
Total amount raised from general rates	21(a)	2,679,572	2,645,220	2,537,808
Surplus/(deficit) after imposition of general rates	22(b)	1,329,935	133,611	2,674,550

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 2021

Note 1	Basis of Preparation	10
Note 2	Revenue and Expenses	11
Note 3	Cash and Cash Equivalents	16
Note 4	Reserves/Financial Asset - Cash backed	17
Note 5	Other Financial Assets	18
Note 6	Trade and Other Receivables	19
Note 7	Property, Plant and Equipment	20
Note 8	Infrastructure	22
Note 9	Fixed Assets	24
Note 10	Revaluation Surplus	27
Note 11	Trade and Other Payables	28
Note 12	Other Liabilities	29
Note 13	Information on Borrowings	30
Note 14	Employee Provisions	32
Note 15	Notes to the Statement of Cash Flows	33
Note 16	Total Assets Classified by Function and Activity	34
Note 17	Contingent Liabilities	35
Note 18	Elected Members Remuneration	36
Note 19	Related Party Transactions	37
Note 20	Joint Arrangements	39
Note 21	Rating Information	40
Note 22	Rate Setting Statement Information	43
Note 23	Financial Risk Management	44
Note 24	Events occurring after the end of the Reporting Period	47
Note 25	Trust Funds	48
Note 26	Other Significant Accounting Policies	49
Note 27	Activities/Programs	50
Note 28	Financial Ratios	51

1. BASIS OF PREPARATION

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

The Local Government Act 1995 and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The Local Government (Financial Management) Regulations 1996 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 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.

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

THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Shire controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

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

All monies held in the Trust Fund are excluded from the financial statements. No monies held in Trust Fund during 2020-21 financial year.

INITIAL APPLICATION OF 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.

These were:

- *AASB1059 Service Concession Arrangements: Grantors*
- *AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Materiality*

The adoption of these standards had no material impact on the financial report.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

- *ASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- *AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- *AASB2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*

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

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

- Employee expenses
- Other financial assets
- Property, Plant and Equipment
- Infrastructure
- Borrowing liabilities
- Provisions

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates - general rates	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
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the funding body	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
Grants, subsidies or contributions with no contractual 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
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	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 of the licence, registration or approval
Fees and charges - 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
Fees and charges - other inspections	Regulatory food, health	Single point	Full payment prior to	None	Set by State	Applied fully on	Not applicable	Revenue recognised after inspection event occurs
Fees and charges - waste management collections	Kiosk							Output method based on regular weekly and fortnightly period as proportionate to collection service
Fees and charges - waste management entry fees	Vehicle		provided					On entry to facility
Fees and charges - airstrip 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
Fees and charges - property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Fees and charges - memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Fees and charges - sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Fees and charges - fines	Fines issued for breaches of local laws	Single point in time	Payment in full within defined time	None	Adopted by council through local law	When taxable event occurs	Not applicable	When fine notice is issued
Other revenue - 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
Other revenue - 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

I have replaced this page with the next two pages from the previous report....

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 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 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 2021

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:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions			
Governance	28,958	0	104
General purpose funding	1,118,153	1,066,219	1,032,377
Law, order, public safety	37,459	177,000	128,015
Education and welfare	84,320	82,935	81,636
Community amenities	13,437	2,700	5,618
Recreation and culture	75,689	42,092	10,483
Transport	565,521	506,831	469,508
Economic services	9,440	11,500	1,600
Other property and services	24,203	20,000	25,320
	1,957,180	1,909,277	1,754,661
Non-operating grants, subsidies and contributions			
Law, order, public safety	27,273	30,000	0
Recreation and culture	20,031	30,000	0
Transport	934,143	963,236	1,009,805
Economic services	169,921	169,921	1,897,732
	1,151,368	1,193,157	2,907,537
	3,108,548	3,102,434	4,662,198
Total grants, subsidies and contributions			
Fees and charges			
Governance	12,677	12,000	13,069
General purpose funding	5,030	11,000	6,200
Law, order, public safety	3,248	5,800	6,945
Health	5,264	5,500	5,484
Housing	22,398	18,600	22,169
Community amenities	222,864	180,260	196,517
Recreation and culture	13,868	9,000	7,735
Transport	16,434	16,108	13,288
Economic services	153,030	86,000	85,768
Other property and services	84,805	0	42,781
	539,618	344,268	399,956

There were no changes to the amounts of fees or charges detailed in the original budget.

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 2021

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:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions	1,957,180	1,909,277	1,754,661
Fees and charges	530,586	333,468	389,012
Other revenue	58,590	258,390	10,184
Non-operating grants, subsidies and contributions	1,151,368	1,193,157	2,907,537
	<u>3,697,724</u>	<u>3,694,292</u>	<u>5,061,394</u>

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:

Revenue from contracts with customers included as a contract liability at the start of the period	169,921	169,921	0
Revenue from contracts with customers recognised during the year	2,376,435	2,331,214	2,153,857
Revenue from transfers intended for acquiring or constructing recognisable non financial assets held as a liability at the start of the period	0	0	846,538
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	1,151,368	1,193,157	2,060,999
	<u>3,697,724</u>	<u>3,694,292</u>	<u>5,061,394</u>

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	187,334	0	205,095
Contract liabilities from contracts with customers	(18,182)	0	(169,921)
Grant liabilities from transfers for recognisable non financial assets	(196,527)	0	0

No impairment of assets associated with contracts with customers were identified.

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 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

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

General rates
 Statutory permits and licences

Other revenue

Reimbursements and recoveries
 Other

Interest earnings

Interest on reserve funds
 Rates instalment and penalty interest (refer Note 21(b))
 Other interest earnings

	2021 Actual \$	2021 Budget \$	2020 Actual \$
General rates	2,443,580	2,645,220	2,537,808
Statutory permits and licences	9,032	10,800	10,944
	<u>2,452,612</u>	<u>2,656,020</u>	<u>2,548,752</u>
Other revenue			
Reimbursements and recoveries	105,411	0	137,500
Other	58,590	258,390	10,184
	<u>164,001</u>	<u>258,390</u>	<u>147,684</u>
Interest earnings			
Interest on reserve funds	77,587	90,000	74,293
Rates instalment and penalty interest (refer Note 21(b))	40,930	29,100	35,537
Other interest earnings	19,968	15,000	15,428
	<u>138,485</u>	<u>134,100</u>	<u>125,258</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.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

Audit Services

Other Services

Interest expenses (finance costs)

Borrowings

Other expenditure

Impairment loss on trade and other receivables

Sundry expenses

Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
	22,800	35,000	22,000
	0	0	2,400
	22,800	35,000	24,400
13(b)	8,890	8,890	10,179
	8,890	8,890	10,179
	347,409	100,000	(60,159)
	111,037	307,050	106,583
	458,446	407,050	46,424

SHIRE OF DUNDAS
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021

3. CASH AND CASH EQUIVALENTS

NOTE	2021	2020
	\$	\$
Cash at bank and on hand	1,265,311	2,796,246
Term deposits	2,510,220	3,672,712
Total cash and cash equivalents	3,775,531	6,468,958

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	1,834,216	3,855,550
- Financial assets at amortised cost	4,595,060	844,761
	6,429,276	4,700,311

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

Reserves - cash/financial asset backed	4	6,201,147	4,517,473
Contract liabilities from contracts with customers	12	18,182	169,921
Grants for transfers for recognisable non financial assets	12	196,527	0
Bonds and deposits held	11	13,420	12,917
Total restricted assets		6,429,276	4,700,311

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 2021

4. RESERVES - CASH/FINANCIAL ASSET BACKED

	2021 Actual		2021 Actual		2021 Budget		2021 Budget		2020 Actual		2020 Actual	
	Opening Balance	Transfer to	Actual	Transfer (from)	Opening Balance	Transfer (from)	Actual	Transfer to	Opening Balance	Transfer to	Actual	Closing Balance
(a) Reserves cash backed - Leave Reserve	373,979	6,423	0	0	373,979	7,452	0	0	367,893	6,086	0	373,979
(b) Reserves cash backed - Plant Reserve	817,886	34,047	(75,000)	0	817,886	36,297	(75,000)	0	804,577	13,309	0	817,886
(c) Reserves cash backed - Aerodrome reserve	149,982	2,576	0	0	149,983	2,989	0	0	147,541	2,441	0	149,982
(d) Reserves cash backed - IT Reserve	98,427	1,691	0	0	98,427	1,991	0	0	96,825	1,602	0	98,427
(e) Reserves cash backed - Unspent Grant Revenue	0	0	0	0	0	1,500,000	0	0	846,539	0	(846,539)	0
(f) Reserves cash backed - Transport Reserve	1,838,394	31,574	0	0	1,838,393	36,632	0	0	1,808,478	29,916	0	1,838,394
(g) Reserves cash backed - Lands Development Reserve	1,238,805	21,276	0	0	1,238,805	24,669	0	0	1,217,866	20,939	0	1,238,805
(h) Reserves cash backed - Asset Replacement/Renewal reserve	4,517,473	1,758,674	(75,000)	0	4,517,473	1,610,000	(75,000)	0	5,289,719	74,293	(846,539)	4,517,473

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Reserves cash backed - Leave Reserve	Ongoing	To be used to fund annual, sick and long service leave requirements and payments to staff.
(b) Reserves cash backed - Plant Reserve	Ongoing	To be used for the purchase of major plant.
(c) Reserves cash backed - Aerodrome reserve	Ongoing	To be used for the construction and/or maintenance of the airstrip at Norseman and Eucla.
(d) Reserves cash backed - IT Reserve	Ongoing	To be used to fund the replacement of IT equipment.
(e) Reserves cash backed - Unspent Grant Revenue	Jun-2020	To be used to restrict unspent grants and contributions at the end of the financial year.
(f) Reserves cash backed - Transport Reserve	Ongoing	To be used for the construction, maintenance and resealing of the Shire's transport network.
(g) Reserves cash backed - Lands Development Reserve	Ongoing	To be used for building construction and maintenance of Shire infrastructure.
(h) Reserves cash backed - Asset Replacement/Renewal reserve	Ongoing	To be used for the replacement and or renewal of the Shire assets.

5. OTHER FINANCIAL ASSETS

(a) Current assets

Other Financial assets at amortised cost

Other Financial assets at amortised cost

Term deposits

	2021	2020
	\$	\$
	4,595,060	844,761
	<u>4,595,060</u>	<u>844,761</u>
	4,595,060	844,761
	<u>4,595,060</u>	<u>844,761</u>

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 23.

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable	
Trade and other receivables	
Allowance for impairment of receivables	

Non-current

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

	2021	2020
	\$	\$
	726,271	613,787
	187,333	205,095
	(686,824)	(339,415)
	226,780	479,467
	60,584	60,584
	60,584	60,584

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for 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	

	2021	2020
	\$	\$
	(339,415)	(399,574)
	(347,409)	0
	0	0
	0	60,159
	(686,824)	(339,415)

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

7. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land	Buildings - non- specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Buildings, plant and equipment (Note 20)	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	503,000	1,281,409	9,540,153	11,324,562	64,400	1,931,100	71,825	13,391,887
Additions	0	0	1,806,440	1,806,440	0	483,447	0	2,289,887
(Disposals)	0	0	0	0	0	(151,685)	0	(151,685)
Depreciation (expense)	0	(59,571)	(420,588)	(480,159)	(10,978)	(190,574)	(4,225)	(685,936)
Balance at 30 June 2020	503,000	1,221,838	10,926,005	12,650,843	53,422	2,072,288	67,600	14,844,153
Comprises:								
Gross balance amount at 30 June 2020	503,000	1,398,029	12,096,384	13,997,413	64,400	2,249,547	84,500	16,395,860
Accumulated depreciation at 30 June 2020	0	(176,191)	(1,170,379)	(1,346,570)	(10,978)	(177,259)	(16,900)	(1,551,707)
Balance at 30 June 2020	503,000	1,221,838	10,926,005	12,650,843	53,422	2,072,288	67,600	14,844,153
Additions	0	10,763	677,170	687,933	0	79,423	0	767,356
(Disposals)	(87,000)	0	(45,236)	(132,236)	0	(17,922)	0	(150,158)
Depreciation (expense)	0	(59,571)	(413,561)	(473,132)	(10,978)	(221,617)	(4,225)	(709,952)
Balance at 30 June 2021	416,000	1,173,030	11,144,378	12,733,408	42,444	1,912,172	63,375	14,751,399
Comprises:								
Gross balance amount at 30 June 2021	416,000	1,408,792	12,694,554	14,519,346	64,400	2,304,471	84,500	16,972,717
Accumulated depreciation at 30 June 2021	0	(235,762)	(1,550,176)	(1,785,938)	(21,956)	(392,299)	(21,125)	(2,221,318)
Balance at 30 June 2021	416,000	1,173,030	11,144,378	12,733,408	42,444	1,912,172	63,375	14,751,399

SHIRE OF DUNDAS
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	Level 2	Market approach - Sales comparison	Independent valuation	June 2017	Market value of similar properties
Buildings - non-specialised	Level 2	Market approach - Sales comparison	Independent valuation	June 2017	Market value of similar properties
Buildings - specialised	Level 3	Cost approach - Replacement cost	Independent valuation	June 2017	Gross replacement cost, estimated economic working life, estimated remaining life years
(ii) Cost					
Furniture and equipment					
		N/A	At cost	June 2019	N/A
Plant and equipment					
		N/A	At cost	June 2019	N/A

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 was effective from 1 July 2019 and represented a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximated cost at the date of change.

**SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

8. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Parks & Ovals	Infrastructure - Airports	Infrastructure - Other	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	40,752,384	1,919,369	638,591	1,140,596	4,700,984	3,589,571	52,741,495
Additions	1,354,962	0	165,049	0	0	3,510	1,523,521
(Disposals)	0	0	(7,351)	0	0	0	(7,351)
Depreciation (expense)	(1,444,092)	(47,197)	(16,111)	(104,940)	(242,217)	(223,296)	(2,077,853)
Balance 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 balance at 30 June 2020	43,434,722	1,966,567	811,616	1,245,535	4,943,200	3,810,559	56,212,199
Accumulated depreciation at 30 June 2020	(2,771,468)	(94,395)	(31,438)	(209,879)	(484,433)	(440,774)	(4,032,387)
Balance at 30 June 2020	40,663,254	1,872,172	780,178	1,035,656	4,458,767	3,369,785	52,179,812
Additions	929,908	176,675	0	0	0	102,727	1,209,310
Depreciation (expense)	(1,584,778)	(47,197)	(19,010)	(104,940)	(242,217)	(223,296)	(2,221,438)
Balance at 30 June 2021	40,008,384	2,001,650	761,168	930,716	4,216,550	3,249,216	51,167,684
Comprises:							
Gross balance at 30 June 2021	44,364,630	2,143,242	811,616	1,245,535	4,943,200	3,913,286	57,421,509
Accumulated depreciation at 30 June 2021	(4,356,246)	(141,592)	(50,448)	(314,819)	(726,650)	(664,070)	(6,253,825)
Balance at 30 June 2021	40,008,384	2,001,650	761,168	930,716	4,216,550	3,249,216	51,167,684

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

8. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - Roads	Level 3	Depreciated replacement cost	Independent valuation	June 2018	Standard replacement cost, total useful lives, residual value, remaining useful lives, expected condition and actual condition
Infrastructure - Footpaths	Level 3	Depreciated replacement cost	Independent valuation	June 2018	Standard replacement cost, total useful lives, residual value, remaining useful lives, expected condition and actual condition
Infrastructure - Drainage	Level 3	Depreciated replacement cost	Independent valuation	June 2018	Gross current replacement cost, estimated economic working life, estimated remaining life years, residual value
Infrastructure - Parks & Ovals	Level 3	Depreciated replacement cost	Independent valuation	June 2018	Gross current replacement cost, estimated economic working life, estimated remaining life years, residual value
Infrastructure - Airports	Level 3	Depreciated replacement cost	Independent valuation	June 2018	Gross current replacement cost, estimated economic working life, estimated remaining life years, residual value
Infrastructure - Other	Level 3	Depreciated replacement cost	Independent valuation	June 2018	Gross current replacement cost, estimated economic working life, estimated remaining life years, residual value

Level 3 inputs are based on assumptions with regards to future values and patterns of consumptions utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement. During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

9. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

Each class of fixed assets within either 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.

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 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, is 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.

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 2021

9. FIXED ASSETS

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	87,000	70,000	0	(17,000)	77,000	40,000	0	(37,000)	0	0	0	0
Buildings - specialised	45,236	0	0	(45,236)	0	0	0	0	0	0	0	0
Plant and equipment	17,922	16,294	0	(1,628)	118,607	83,000	0	(35,607)	151,685	129,066	0	(22,619)
Infrastructure - Drainage	0	0	0	0	0	0	0	0	7,351	0	0	(7,351)
	150,158	86,294	0	(63,864)	195,607	123,000	0	(72,607)	159,036	129,066	0	(29,970)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$
Plant and Equipment				
Governance				
2016 Subaru Forrester P295	17,922	16,294	0	(1,628)
	17,922	16,294	0	(1,628)
Land				
Other Property and Services				
110 Angove Street	10,000	7,500	0	(2,500)
107 Prinsep Street	9,000	7,500	0	(1,500)
105 Prinsep Street	10,000	10,000	0	0
109 Prinsep Street	9,000	7,500	0	(1,500)
111 Prinsep Street	9,000	7,500	0	(1,500)
106 Angove Street	10,000	7,500	0	(2,500)
108 Angove Street	10,000	7,500	0	(2,500)
112 Angove Street	10,000	7,500	0	(2,500)
114 Angove Street	10,000	7,500	0	(2,500)
	87,000	70,000	0	(17,000)
Buildings - specialised				
Other property and services				
105 Prinsep Street	45,236	0	0	(45,236)
	45,236	0	0	(45,236)
	150,158	86,294	0	(63,864)

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

9. FIXED ASSETS

(b) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - non-specialised	59,571	57,110	59,571
Buildings - specialised	413,561	432,520	420,588
Furniture and equipment	10,978	26,858	10,978
Plant and equipment	221,617	215,280	190,574
Buildings, plant and equipment GVROC	4,225	0	4,225
Infrastructure - Roads	1,584,778	1,273,014	1,444,092
Infrastructure - Footpaths	47,197	45,000	47,197
Infrastructure - Drainage	19,010	15,000	16,111
Infrastructure - Parks & Ovals	104,940	108,000	104,940
Infrastructure - Airports	242,217	240,000	242,217
Infrastructure - Other	223,296	248,767	223,296
	2,931,390	2,661,549	2,763,789

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation rates

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

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

Depreciation on revaluation

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

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

Amortisation

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

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

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

SHIRE OF DUNDAS
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021

10. REVALUATION SURPLUS

	2021		2021		2021		2020		2020		2020	
	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Revaluation Movement on	Closing Balance	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Revaluation Movement on	Closing Balance		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	4,308,767	0	0	0	4,308,767	4,308,767	0	0	0	4,308,767	0	0
Revaluation surplus - Furniture and equipment	31,089	0	0	0	31,089	31,089	0	0	0	31,089	0	0
Revaluation surplus - Plant and equipment	440,931	0	0	0	440,931	440,931	0	0	0	440,931	0	0
Revaluation surplus - Buildings, plant and equipment GVROC	16,575	0	0	0	16,575	16,575	0	0	0	16,575	0	0
Revaluation surplus - Infrastructure - Roads	24,504,232	0	0	0	24,504,232	24,504,232	0	0	0	24,504,232	0	0
Revaluation surplus - Infrastructure - Footpaths	1,983,039	0	0	0	1,983,039	1,983,039	0	0	0	1,983,039	0	0
Revaluation surplus - Infrastructure - Drainage	712,329	0	0	0	712,329	712,329	0	0	0	712,329	0	0
Revaluation surplus - Infrastructure - Parks & Ovals	301,115	0	0	0	301,115	301,115	0	0	0	301,115	0	0
Revaluation surplus - Infrastructure - Airports	575,552	0	0	0	575,552	575,552	0	0	0	575,552	0	0
Revaluation surplus - Infrastructure - Other	3,096,820	0	0	0	3,096,820	3,096,820	0	0	0	3,096,820	0	0
	35,970,449	0	0	0	35,970,449	35,970,449	0	0	0	35,970,449	0	0

11. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued salaries and wages
ATO liabilities
Bonds and deposits held

	2021	2020
	\$	\$
	493,063	358,639
	249,119	0
	43,121	32,822
	52,857	26,864
	13,420	12,917
	<u>851,580</u>	<u>431,242</u>

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition

Prepaid rates

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

12. OTHER LIABILITIES

Current

Contract liabilities

Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity

2021	2020
\$	\$
18,182	169,921
196,527	0
214,709	169,921

Performance obligations for each type of liability are expected to be recognised as revenue in accordance with the following time bands:

- Less than 1 year
- 1 to 2 years
- 2 to 3 years
- 3 to 4 years
- 4 to 5 years
- > 5 years

Contract liabilities	Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
\$	\$
18,182	196,527
0	0
0	0
0	0
0	0
0	0
18,182	196,527

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.

Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
 Grant liabilities represent the the Shire's performance obligations to construct recognisable non-financial assets to identified specifications which are yet to be satisfied.

Grant 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 2021

13. INFORMATION ON BORROWINGS

	2021	2020
(a) Borrowings	\$	\$
Current	49,851	48,527
Non-current	241,705	291,556
	291,556	340,083

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	30 June 2021		30 June 2020		30 June 2020		30 June 2021							
				Actual Principal	Actual Interest	Actual Principal	Actual Interest	Budget Principal	Budget Interest	Actual Principal	Actual Interest	Budget Principal	Budget Interest	Actual Principal	Actual Interest	Budget Principal	Budget Interest
Health	28,037	*WATC	2.71%	340,083	(48,527)	(8,890)	291,556	340,083	(48,527)	(8,890)	291,556	340,083	(47,238)	(10,179)	340,083	(8,890)	340,083
Doctor's House Loan				340,083	(48,527)	(8,890)	291,556	340,083	(48,527)	(8,890)	291,556	340,083	(47,238)	(10,179)	340,083	(8,890)	340,083
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
				1 July 2020	30 June 2021	30 June 2021	30 June 2021	1 July 2020	30 June 2021	30 June 2021	30 June 2021	1 July 2020	30 June 2020	30 June 2020	30 June 2021	30 June 2021	30 June 2021
				repayments	repayments	repayments	repayments	Principal	Interest	repayments	Interest	Principal	Interest	repayments	Interest	repayments	Interest
				outstanding	outstanding												

* WA Treasury Corporation

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

13. INFORMATION ON BORROWINGS (Continued)

	2021	2020
	\$	\$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	10,000	10,000
Credit card balance at balance date	(1,574)	0
Total amount of credit unused	8,426	10,000
Loan facilities		
Loan facilities - current	49,851	48,527
Loan facilities - non-current	241,705	291,556
Total facilities in use at balance date	291,556	340,083
Unused loan facilities at balance date	NIL	NIL

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

Risk

Information regarding exposure to risk can be found at Note 23.

14. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

Opening balance at 1 July 2020

Current provisions

Non-current provisions

Additional provision

Amounts used

Balance at 30 June 2021

Comprises

Current

Non-current

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date

More than 12 months from reporting date

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2020			
Current provisions	190,938	133,026	323,964
Non-current provisions	0	37,619	37,619
	190,938	170,645	361,583
Additional provision	104,034	24,344	128,378
Amounts used	(102,024)	(62,982)	(165,006)
Balance at 30 June 2021	192,948	132,007	324,955
Comprises			
Current	192,948	82,400	275,348
Non-current	0	49,607	49,607
	192,948	132,007	324,955
	2021	2020	
	\$	\$	
Less than 12 months after the reporting date	85,032	323,964	
More than 12 months from reporting date	239,923	37,619	
	324,955	361,583	

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

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

Short-term employee benefits

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at

Other long-term employee benefits (Continued)

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

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

Provisions

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

15. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Cash and cash equivalents	3,775,531	6,624,246	6,468,958
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	(680,668)	(755,455)	1,898,885
Non-cash flows in Net result:			
Depreciation on non-current assets	2,931,390	2,661,549	2,763,789
(Profit)/loss on sale of asset	63,864	72,607	29,970
Changes in assets and liabilities:			
(Increase)/decrease in receivables	252,687	0	75,071
Increase/(decrease) in payables	420,338	(169,921)	(84,127)
Increase/(decrease) in employee provisions	(36,628)	0	26,517
Increase/(decrease) in other liabilities	44,788	0	(676,618)
Non-operating grants, subsidies and contributions	(1,347,895)	(1,193,157)	(2,907,537)
Net cash from operating activities	1,647,876	615,623	1,125,950

16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	6,253,243	11,901,079
General purpose funding	2,269,884	3,352,284
Law, order, public safety	137,820	58,306
Health	746,342	82,631
Education and welfare	25,364	0
Housing	932,267	0
Community amenities	872,465	25,978
Recreation and culture	7,094,163	1,907,972
Transport	50,592,873	53,377,112
Economic services	470,862	1,800,645
Other property and services	5,181,755	2,371,728
	<u>74,577,038</u>	<u>74,877,735</u>

17. CONTINGENT LIABILITIES

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

- Lot 214 on Plan 183131, Norseman WA 6443

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

18. ELECTED MEMBERS REMUNERATION

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Elected member - President (L Bonza)			
President's annual allowance	15,600	15,600	15,600
Meeting attendance fees	7,432	12,000	6,829
Travel and accommodation expenses	2,584	2,500	647
	<u>25,616</u>	<u>30,100</u>	<u>23,076</u>
Elected member - Deputy President (R Patupis)			
Deputy President's annual allowance	1,950	3,900	3,900
Meeting attendance fees	4,238	6,000	2,704
Travel and accommodation expenses	1,555	1,000	1,246
	<u>7,743</u>	<u>10,900</u>	<u>7,850</u>
Elected member (P Hogan)			
Meeting attendance fees	4,576	5,000	4,160
	<u>4,576</u>	<u>5,000</u>	<u>4,160</u>
Elected member (S Warner)			
Meeting attendance fees	5,408	5,000	5,408
Travel and accommodation expenses	698	500	1,104
	<u>6,106</u>	<u>5,500</u>	<u>6,512</u>
Elected member (V Wyatt)			
Meeting attendance fees	4,784	5,000	4,680
Travel and accommodation expenses	145	500	0
	<u>4,929</u>	<u>5,500</u>	<u>4,680</u>
Elected member (V Schultz)			
Meeting attendance fees	3,848	5,000	3,224
Travel and accommodation expenses	1,276	500	0
	<u>5,124</u>	<u>5,500</u>	<u>3,224</u>
	<u>54,094</u>	<u>62,500</u>	<u>49,502</u>
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	15,600	15,600	15,600
Deputy President's allowance	1,950	3,900	3,900
Meeting attendance fees	30,286	38,000	27,005
Travel and accommodation expenses	6,258	5,000	2,997
	<u>54,094</u>	<u>62,500</u>	<u>49,502</u>

19. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

	2021 Actual	2020 Actual
	\$	\$
The total of remuneration paid/payable to KMP of the Shire during the year are as follows:		
Short-term employee benefits	521,068	539,570
Post-employment benefits	61,400	62,969
Other long-term benefits	10,093	40,195
Termination benefits	14,446	0
	<u>607,007</u>	<u>642,734</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 benefits accruing during the year.

Termination benefits

These amounts represent termination benefits paid to KMP

19. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

The following transactions occurred with related parties:

	2021 Actual	2020 Actual
	\$	\$
Purchase of goods and services	82,490	61,711
Amounts payable to related parties:		
Trade and other payables	57,059	1,910

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).

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

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

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.

20. JOINT ARRANGEMENTS

(a) Share of joint operations

The Shire together with the Shire's of Esperance, Coolgardie, Laverton, Leonora, Menzies, Ngaanyatjarraku, Ravensthorpe, Wiluna and the City of Kalgoorlie (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
 Less:accumulated depreciation

Plant and equipment
 Less:accumulated depreciation

Furniture and equipment
 Less:accumulated depreciation

Light vehicles
 Less:accumulated depreciation

	2021	2020
	\$	\$
	69,416	69,416
	(14,440)	(11,552)
	54,976	57,864
	7,940	7,940
	(3,302)	(2,641)
	4,638	5,299
	4,047	4,047
	(1,788)	(1,431)
	2,259	2,616
	3,097	3,097
	(1,595)	(1,276)
	1,502	1,821

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

21. RATING INFORMATION

(a) Rates

RATE TYPE	Differential general rate / general rate	Rate in \$	Number of Properties	2020/21 Actual		2020/21 Actual		2020/21 Actual		2020/21 Budget		2020/21 Budget		2019/20 Actual	
				Value	Rateable	Revenue	Interim Rates	Actual Rates	Back Rates	Revenue	Interim Rates	Back Rates	Revenue	Total Revenue	Total Revenue
Gross rental valuations															
GRV - Townsite/Roadhouses/Mining		15.7038	533	4,335,286	680,805	16,176	0	696,981	0	681,687	0	681,687	0	682,179	
GRV - Mining Leases		21.5000	3	1,058,000	227,470	0	0	227,470	0	227,470	0	227,470	0	227,470	
Unimproved valuations															
UV - Pastoral		8.3200	15	747,436	62,187	0	0	62,187	0	62,187	0	62,187	0	59,036	
UV - Mining		15.7159	362	9,827,920	1,544,546	18,698	0	1,563,244	0	1,544,546	0	1,544,546	0	1,453,176	
Sub-Total		Minimum \$	913	15,968,642	2,515,008	34,874	0	2,549,882	0	2,515,890	0	2,515,890	0	2,421,861	
Minimum payment															
Gross rental valuations															
GRV - Townsite/Roadhouses/Mining		360	155	51,928	55,800	0	0	55,800	0	55,440	0	55,440	0	54,720	
GRV - Mining Leases		360	0	0	0	0	0	0	0	0	0	0	0	0	
Unimproved valuations															
UV - Pastoral		360	27	28,745	9,720	0	0	9,720	0	9,720	0	9,720	0	41,760	
UV - Mining		360	187	242,461	67,320	0	0	67,320	0	67,320	0	67,320	0	19,467	
Sub-Total			369	323,134	132,840	0	0	132,840	0	132,480	0	132,480	0	115,947	
Discounts/concessions (Note 21(b))			1,282	16,291,776	2,647,848	34,874	0	2,682,722	0	2,648,370	0	2,648,370	0	2,537,808	
Total amount raised from general rate								(3,150)				(3,150)		0	
Prepaid rates								2,679,572				2,645,220		2,537,808	
Totals								(235,992)				2,645,220		2,537,808	

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
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021

21. RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee Discount Granted	Discount	2021	2021	2020	Circumstances in which Discount is Granted
		Actual	Budget	Actual	
UV Pastoral	\$ 3,150	\$ 3,150	\$ 3,150	\$ 0	0 To ensure ratepayers in this category pay the same amount of rates as
Total discounts/concessions (Note 21(a))		3,150	3,150	0	

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	16/09/2020	10	5.5%	8%
Option Two				
First instalment	16/09/2020	10	5.5%	8%
Second instalment	30/10/2020	10		8%
Option Three				
First instalment	16/09/2020	10	5.5%	8%
Second instalment	30/11/2020	10	5.5%	8%
Third instalment	12/02/2021	10	5.5%	8%
Fourth instalment	25/05/2021	10	5.5%	8%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on unpaid rates	37,136	21,000	30,743
Interest on instalment plan	3,794	8,100	4,794
Charges on instalment plan	2,620	8,000	4,470
	43,550	37,100	40,007

22. RATE SETTING STATEMENT INFORMATION

	2020/21 (30 June 2021 Carried Forward)	2020/21 Budget (30 June 2021 Carried Forward)	2019/20 (30 June 2020 Carried Forward)
Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Non-cash grants and contributions for assets	0	0	27,671
Less: Movement in liabilities associated with restricted cash	(48,616)	0	0
Movement in pensioner deferred rates (non-current)	0	0	(12,723)
Movement in employee benefit provisions (non-current)	11,988	0	1,418
Add: Loss on disposal of assets	9(a) 63,864	72,607	29,970
Add: Depreciation on non-current assets	9(b) 2,931,390	2,661,549	2,763,789
Non cash amounts excluded from operating activities	2,958,626	2,734,156	2,810,125
(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 (6,201,147)	(6,052,473)	(4,517,473)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	13(a) 49,851	0	48,527
- Employee benefit provisions	14(a) 275,348	(128,572)	323,964
Total adjustments to net current assets	(5,875,948)	(6,181,045)	(4,144,982)
Net current assets used in the Rate Setting Statement			
Total current assets	8,597,371	7,056,277	7,793,186
Less: Total current liabilities	(1,391,488)	(741,621)	(973,654)
Less: Total adjustments to net current assets	(5,875,948)	(6,181,045)	(4,144,982)
Net current assets used in the Rate Setting Statement	1,329,935	133,611	2,674,550

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2021					
Cash and cash equivalents	0.14%	3,775,531	2,510,220	1,263,811	1,500
Financial assets at amortised cost - term deposits	0.03%	4,595,060	4,595,060	0	0
2020					
Cash and cash equivalents	1.42%	6,468,958	3,672,712	2,794,746	1,500
Financial assets at amortised cost	1.40%	844,761	844,761	0	0

Sensitivity

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

	2021	2020
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	12,638	27,947

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 13(b).

23. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

Credit risk on rates and annual charges is minimised by the ability of the Shire to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. Whilst the Shire was historically able to charge interest on overdue rates and annual charges at higher than market rates, which further encourage payment.

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2020 or 1 July 2021 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the level of mining and exploration activity linked to price of minerals.

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2021					
Rates receivable					
Expected credit loss	0.00%	86.00%	86.00%	90.00%	
Gross carrying amount	6,787	215,650	112,163	452,256	786,856
Loss allowance	0	185,443	96,155	405,226	686,824

30 June 2020

Rates receivable					
Expected credit loss	10.00%	58.00%	68.00%	83.00%	
Gross carrying amount	171,111	96,034	69,457	337,768	674,370
Loss allowance	17,111	55,981	47,231	279,093	399,416

The loss allowance as at 30 June 2021 and 30 June 2020 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 2021					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	166,422	5,895	1,205	13,812	187,334
Loss allowance	0	0	0	0	0

30 June 2020

Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	160,944	1,411	1,170	41,570	205,095
Loss allowance	0	0	0	0	0

23. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 13(c).

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
2021					
Payables	798,723	0	0	798,723	798,723
Borrowings	49,851	241,705	0	291,556	291,556
	848,574	241,705	0	1,090,279	1,090,279
2020					
Payables	404,379	0	0	404,379	404,379
Borrowings	57,416	229,656	143,453	430,525	340,083
	461,795	229,656	143,453	834,904	744,462

24. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

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

25. TRUST FUNDS

From 30 June 2019, all bonds and deposits not required by legislation to be held in trust are included in restricted cash at Note 3 and shown as a current liability at Note 11.

26. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the Shire's intentions to release for sale.

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

The Shire contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

g) Fair value of assets and liabilities

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

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

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

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

26. OTHER SIGNIFICANT ACCOUNTING POLICIES CONT.

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.

27. 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.

28. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	2.41	4.76	4.17
Asset consumption ratio	0.89	0.92	0.96
Asset renewal funding ratio	N/A*	0.60	0.68
Asset sustainability ratio	0.64	0.68	0.82
Debt service cover ratio	19.30	30.75	26.29
Operating surplus ratio	(0.57)	(0.31)	(0.43)
Own source revenue coverage ratio	0.46	0.54	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	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

*Supporting information was not available for this ratio to be calculated.