



SHIRE OF DUMBLYUNG



ANNUAL REPORT

FOR THE YEAR ENDING 30 JUNE 2020



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Electronic copies of documents are available for download from the
Shire of Dumbleyung website www.dumbleyung.wa.gov.au

Alternative formats are also available on request.

SHIRE INFORMATION

Authority and Legislation

The Dumbleyung Shire Council is a Local Government operating under the provisions of the *Local Government Act 1995* (as amended). The Minister and the Department of Local Government oversee the operation of all Local Government Councils in Western Australia.

Dumbleyung Shire Location

The town of Dumbleyung is located 267km south east of Perth. The Shire of Dumbleyung covers an area of 2,553 square kilometres and includes two town sites, Dumbleyung and Kukerin.

Shire Office and Chambers	Cnr Harvey & Dawson Streets, Dumbleyung
Postal Address	PO Box 99, Dumbleyung, WA, 6350
Telephone	(08) 9863 4012
Facsimile	(08) 9863 4146
E-mail	ceo@dumbleyung.wa.gov.au
Website	www.dumbleyung.wa.gov.au
Office Hours	8.30am to 4.30pm Monday – Friday

History of the Shire

The Dumbleyung Road Board operated between 1909 –1960.

In 1961, the current Dumbleyung Shire Council came into existence. In 2003, Council had its Ward and Elected Member structure reviewed and altered. The Shire of Dumbleyung now has four Wards (North, South, Dumbleyung and Kukerin) and nine councillors.



The Shire of Dumbleyung's population recorded during the 2016 Census was 671. This represents an increase of 66 (10%) since 2011.

Localities within our Shire are Bullock Hills, Datatine, Dongolocking, Dumbleyung, Merilup, Moulyinning, Nairibin, Nippering, North Kukerin, North Moulyinning, South Kukerin and Tarin Rock.

Population and Employees

The population of the Shire of Dumbleyung as at the last census was 671, with 450 electors.

There are currently 28 people who work for the Shire; made up of both full-time and part-time employees.

SHIRE PRESIDENT'S REPORT



Thank you to Jacki Ball, our outgoing President for her willingness to take on the position for 2 years. With Jacki stepping down at the October 2019 election, I accepted the role and commenced the challenging and rewarding learning curve.

To say 2019-2020 has been a turbulent year would not be an understatement. The Shire was declared water deficient for the first time, there were staff changes, COVID-19 appeared on our radar which meant that events such as the Taste of Dumbleyung were cancelled, and the Shire suffered the tragic loss of a valued member of community and staff.

In times of adversity however, positivity can shine. COVID-19 proved that we are a resilient Shire. Our community adapted and embraced the necessary changes. A caring group was formed during the pandemic to help those who could not leave their houses, assisting them with shopping and other tasks. Shire adapted to new technologies, such as the ability to run meetings virtually, which meant that Special Meetings of Council were more time and cost efficient. The Dumbleyung Shire was successfully granted two rounds of government funding which will enable close to \$1million of projects to go ahead for our Shire, including: installation of the Kukerin stock dam evaporation cover, Stubbs Park changerooms upgrade, and solar power panel installation on Shire buildings to name a few.

Other significant 2019-2020 achievements include: James Lee was the incredibly successful McIntyre Award recipient, the fabulous historical display opened in the refurbished railway station, the pool is now heated with solar installed, a highly successful Kukerin Creek Bed was run, there was increased caravan and visitor traffic in our region, and the Aboriginal flag now flies proudly in our main street.

The long-awaited Bain Estate Memorial has come a step closer to construction. The aim is to have it finished during the next financial year. Thank you to the Townscape Committee for their efforts to bring this to fruition. The Bain Estate continues to provide financial support to community groups in our Shire – a wonderful legacy that we will always be grateful for.

Robert and Daphne McIntyre have continued to generously donate to the youth of our community through the McIntyre Award. Their daughter, Anne Verheggen, was included this year as a selection panel advisor and is a very welcome addition to the panel.

Finally, I thank the Councillors for their support and robust debate. We have a diverse team which I believe is essential for good governance. Thank you to the Shire staff for their efforts and assistance to Council and the community over this challenging 12 months.

The Shire of Dumbleyung offers much to experience and appreciate - so get out there, participate and enjoy!

Julie Ramm
Shire President

CHIEF EXECUTIVE OFFICER REPORT



I commenced the role of Chief Executive Officer on 16 September 2019 following acting stints by Allen Cooper and Paul Sheedy. I would like to thank them for the professional way that they managed the Shire between Chief Executive Officers.

The Shire's Administration focus in the 2019/20 financial year continued to be prudent financial management of the Shire's limited resources and to ensure that it is meeting all its statutory obligations whilst still providing continuing services to the community. I am pleased to report that overall the Audit Report indicated the Shire is in a sound financial position.

The Treasury short term overdraft to assist in meeting the cost of road works repairs resulting from the 2017 floods (approximately \$6.3 million) finally ceased at the end of the 2019/20 financial year. Unfortunately, due to the lengthy delays in the WANDRRA claims being approved and paid by Main Roads WA, the Shire has incurred approximately \$27,000 in lending costs. There are still outstanding claims to be paid by Main Roads WA.

The Shire sold two houses to staff members during the financial year with the proceeds being placed in the Building Reserve which could be used for replacement housing in the future. The Record Keeping Plan and Recreation Plan were updated and adopted during the year.

Unfortunately, the Shire was required to hold two Extraordinary Elections (January 2020 and March 2020), one for a vacancy not filled at the Ordinary Election in October 2019 and one following the resignation of a Councillor in November 2019. These circumstances resulted in a decision to commence a review of the Wards and Elected Member Representation.

The Officer of the Auditor General (OAG) commenced responsibility for the auditing process for the Shire commencing this financial year. This service has been contracted to the Shire's existing Auditor for this financial year but with a changed focus. The impact of COVID 19 affected us all, from restricted travel to changed work practices. The Shire weathered this well including the myriad of legislative changes that were introduced.

As part of the State Government's ongoing review of the *Local Government Act 1995*, many amendments were introduced. This has resulted in a lot more Shire documents being available to the community on the Shire website and will see further changes to gift declarations, recruitment of the CEO, Codes of Conduct, reporting of elected member training, etc.

In closing, I extend my thanks and appreciation to the Shire staff for their ongoing professionalism, commitment and efforts in meeting the ongoing needs of the community, and I thank the Councillors for giving up their valuable time to set the strategic direction for the community. I also must commend the volunteers that selflessly provide their time for the benefit of the community, be they Emergency Services personnel or any of the other worthy community groups.

Peter Crispin
Chief Executive Officer

MANAGER OF WORKS AND SERVICES REPORT



With the resignation of Calvin Shotter, the incumbent Manager of Works and Services in August 2020, this report has been prepared by David Gyford as the new Manager of Works and Services.

During the 2019/20 financial year, the Shire replaced a mower, loader, two Isuzu six-wheel trucks and two light vehicles.

The outside works crew's main town projects included the sealing and resealing of streets, and the renewal of footpaths in Kukerin and Dumbleyung.

During the 2019/20 fiscal year the following totals were spent in comparison to 2018/19:

	2019/20	2018/19
Road Construction	\$1,402,648	\$1,377,004
Road Maintenance, including footpaths and town beautification	\$761,835 (\$283,030 of this being WANDRRA)	\$3,186,574 (\$2,523,668 of this being WANDRRA)
Public Open Space Maintenance, including ovals	\$138,854	\$212,569
Plant Operation Costs	\$406,546	\$381,511
Overheads	\$701,908	\$626,259

The following grant money was received in the 2019/20 financial year for road construction again in comparison to 2018/19:

	2019/20	2018/19
Regional Road Group	\$342,740	\$353,249
Direct Road Grants	\$149,102	\$133,434
Roads to Recovery	\$391,805	\$0

The Shire's Works Department completed the following projects:

- Clean up and reconstruction of the Kukerin and Tarin Rock Dams
- Reseal works on 129 Gate Road, Adams Road, Kulin-Dumbleyung Road and Dumbleyung Streets.
- Cement stabilising works on Kukerin South Road, Dumbleyung-Nyabing Road and Mt Pleasant Road.
- Sealing works on Adams Road and Bairstow Street.
- Gravel road works on Sandplain Road, Wishbone Road, Carwardine Road, Merilup Road, Tarin Rock South Road, Fairclough Road, Datatine North Road and Hills Road.

The Shire's workforce continues its mission to provide safe roads, a safe community and a safe workplace. We will continue with our efforts to ensure that we meet our commitment, I would like to thank the Council and all Staff for their continued support.

David Gyford
Manager of Works and Services

ELECTED MEMBERS AND EXECUTIVE STAFF

The Shire of Dumbleyung consists of nine (9) Elected Members and three (3) Executive Staff. The Council members elect the Shire President and Deputy Shire President every two years.

The Shire of Dumbleyung Elected Members at the 30 June 2020 are –

Cr Julie Ramm – Shire President – South Ward

Elected to Office in 2015 – Expiry of Term October 2023

- Finance & Audit Committee
- CEO Review & Recruitment Committee
- Works & Engineering Committee
- Fence Road Drain Committee (Proxy)
- Local Emergency Management Committee
- Dumbleyung Hospital Watch Committee
- Bushfire Advisory Committee
- Central Country Zone WALGA Representative
- 4WDL Representative
- Robert & Daphne McIntyre Award Selection Panel

Cr Jacki Ball – Deputy President – North Ward

Elected to Office in 2005 – Expiry of Term October 2021

- CEO Review & Recruitment Committee
- Dumbleyung Townscape Tourist & Tidy Towns Committee
- Local Emergency Management Committee (Proxy)
- Dumbleyung Hospital Watch Committee
- Historical Committee
- Development Assessment Panel (Proxy)
- Robert & Daphne McIntyre Award Selection Panel (Proxy)

Cr Grant Lukins – South Ward

Elected to Office in 2013 – Expiry of Term October 2021

- Finance & Audit Committee
- CEO Review & Recruitment Committee
- Works & Engineering Committee
- Kukerin Townscape, Tourist & Tidy Towns Committee (Proxy)
- Fence Road Drain Committee
- Regional Road Group Sub-Group Representative
- Nenke Park Board Representative
- Central Country Zone WALGA Representative (Proxy)
- Dumbleyung Landcare Zone Representative

Cr Kevin Powell – North Ward

Elected to Office in 2019 – Expiry of Term October 2023

- Finance & Audit Committee
- Works & Engineering Committee
- Dumbleyung Landcare Zone Representative (Proxy)

Cr Bevan Doney – North Ward

Elected to Office in 2017 – Expiry of Term October 2021

- Finance & Audit Committee
- CEO Review & Recruitment Committee
- Regional Road Group Sub-Group Representative
- Development Assessment Panel
- Robert & Daphne McIntyre Award Selection Panel (Proxy)

Cr Catherine Watkins – Kukerin Ward

Elected to Office in 2013 – Expiry of Term October 2023

- Works & Engineering Committee (Proxy)
- Kukerin Townscape Tourist & Tidy Towns Committee
- Nenke Park Board Representative (Proxy)
- Central Country Zone WALGA Representative (Proxy)
- Development Assessment Panel (Proxy)

Cr Marilyn Hasleby – Dumbleyung Ward

Elected to Office in 2015 – Expiry of Term October 2021

- CEO Review & Recruitment Committee
- Works & Engineering Committee
- Dumbleyung Townscape, Tourist & Tidy Towns Committee
- Central Country Zone WALGA Representative
- Development Assessment Panel
- Robert & Daphne McIntyre Award Selection Panel

Cr Amy Knight – Dumbleyung Ward

Elected to Office in 2017 – Expiry of Term October 2023

- Finance & Audit Committee
- CEO Review & Recruitment Committee
- Dumbleyung Townscape, Tourist & Tidy Towns Committee
- Stubbs Park Board Representative

Cr Vanessa Anderson – Dumbleyung Ward

Elected to Office in 2020 – Expiry of Term October 2023

- Dumbleyung Townscape, Tourist & Tidy Towns Committee (Proxy)
- Historical Committee (Proxy)
- Stubbs Park Board Representative (Proxy)

Elections are held biannually in October and are subject to electoral procedures as governed by the *Local Government Act 1995*. Voting at Council elections is not compulsory, however participation by residents in elections is vital to the effectiveness of Local Government. Residents not included in the State Electoral Roll should contact the Western Australian Electoral Commission.

Council Meetings are generally held on the third Thursday of each month except in January where no meeting is held. All Ordinary Council Meetings commence at 3.30pm and minutes of meetings are available at the Shire Administration Office, Dumbleyung and Kukerin libraries, or by visiting our website www.dumbleyung.wa.gov.au

Executive Staff

Mr Peter Crispin	Chief Executive Officer
Mr David Gyford	Manager of Works & Services
Mrs Diana Marsh	Manager of Finance



Cr Jackie Ball – Deputy Shire President and Cr Julie Ramm – Shire President

STATUTORY REPORTS

1. NATIONAL COMPETITION POLICY (NCP)

Annual Reporting Requirements

Local Governments are required to report their progress in implementing National Competition Policy in their Annual Report. There are a number of specific requirements placed on local government in the areas of competitive neutrality, legislation review and structural reform.

Clause 7 of the NCP applies the competition principles to Local Government in each state as well as the Trade Practices Act now being applicable to Local Government.

The principle of competitive neutrality is that government businesses should not enjoy a competitive advantage or disadvantage, simply as a result of their public sector ownership. Competitive neutrality should apply to all significant business activities which generate a user-pays income of over \$200,000 per annum unless it can be shown it is in the public interest. A public benefit test is used to determine if competitive neutrality is in the public interest. This involves assessing the benefits of implementing competitive neutrality against the costs. If the benefit exceeds the costs, competitive neutrality should be implemented.

The impact of Clause 7 on the operations of the Shire of Dumbleyung are minimal and little action has been required to comply with the competitive neutrality requirements. This is because of the limited number and size of Council operated business type enterprises.

In accordance with Council's responsibilities under the Clause 7 statement relating to competitive neutrality, the Shire of Dumbleyung has reviewed its activities in line with advice from the Local Government Department Circular No. 806 and has found none of its activities have been found to fit the 'Significant Business Activity' category for competitive neutrality requirements.

Necessary policies have been developed and adopted by Council to regulate and control matters where a consistent approach is considered necessary and desirable.

2. INFORMATION STATEMENT

The public can attend the office of the Shire of Dumbleyung during office hours and in accordance with section 5.94 of the *Local Government Act 1995* can inspect free of charge certain information in relation to the operation of the Shire which is not otherwise excluded by virtue of section 5.95 of the said Act. Nothing in the Act affects the operation of the *Freedom of Information Act 1995*.

Council Documents

Documents available for inspection:

- Council Agendas and Minutes
- Annual Budgets and Budget Reviews
- Policy Manual
- Annual Financial Statements

- Strategic Community Plan
- Corporate Business Plan
- Local Laws
- Delegations Register
- Town Planning Scheme
- Rates Assessment Book
- Electoral Roll
- Strategic Plan
- Customer Service Charter
- Sewerage Asset Management Plan
- Code of Conduct – Members & Staff
- Freedom of Information Statement

In addition to the above documents, Council provides information through the following outlets as a service to the public:

- Community Telephone and Information Directory
- Bushfire Information Booklet
- Councils Website and Tourism Website
- The Lake Express (Council Newsletter)
- Social Media
- Quack Chat Newsletter

3. FREEDOM OF INFORMATION

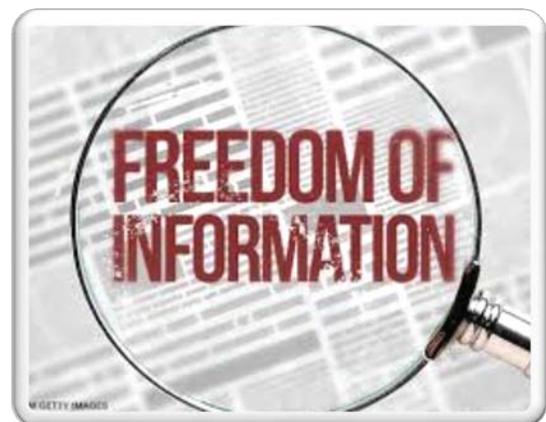
In complying with the *Freedom of Information Act 1992*, the Shire of Dumbleyung is required to prepare and publish an Information Statement. The Shire of Dumbleyung's Information Statement is reviewed annually and is available for download from the Shire of Dumbleyung website.

A printed copy can be viewed in hard copy at the Shire Administration Office. The Information Statement contains information on the type of documents available to the public and how to access those documents. During the 2019/20 year, Council received no requests for information under the Freedom of Information Act.

The Shire of Dumbleyung welcomes any enquires for any information held by Council.

If information cannot be accessed by less formal means, a freedom of information request can be made to:

The Freedom of Information Officer
 Shire of Dumbleyung
 PO Box 99
 DUMBLEYUNG WA 6350



4. PLAN FOR THE FUTURE

Background

Section 5.56 of the *Local Government Act 1995* now provides that a Local Government is to prepare a Plan for the Future for the next two or more financial years.

Section 5.53 of the Act provides that a Council shall include an assessment of the Local Government in relation to each major initiative included in its Annual Report and that particulars of the major initiatives planned for the next financial year be also included.

A full review of the Strategic Community Plan was conducted in 2017/2018 with the review of the Strategic Community Plan adopted by Council at the April 2018 Ordinary Meeting of Council. The modifications made to the Strategic Community Plan were:

- Remove the improvement of waste sites as an objective as this has been completed.
- Change the objective of increasing the Level of Aged Care Services to Maintaining the Level of Aged Care Services following the successful Well Aged Unit Construction Program.
- The creation of New Businesses and Improved Communications was added to the objective of A Strong and Improving Economy.

An entirely new Corporate Business Plan was developed in 2018/2019 and the Corporate Business Plan being was presented to Council at the August 2018 Ordinary Meeting. The new plan adopted a 'Multi-Year Budget' style and was combined with the Long Term Financial Plan. This was a move away from the previous 'Wish List' style of Corporate Business Plan.

In line with the consultation in emphasis, the wording of Council's own Mission as wells as its Vision for the Future has been reviewed.

The Community Vision is:

"A vibrant shire which is sustainable, which has a high local Community of Interest, & which supports the pursuit of quality lifestyles of the people of the area"

Council's Mission Statement is:

"To preserve, promote & enhance the quality of life of the people of the Shire of Dumbleyung by providing quality Local Government Services through Good Governance, Responsible Leadership, Efficient & Effective Operations, regular & receptive Community Consultations, proficient Financial Management, high Accountability, & the pursuit of growth & economic opportunities for the people of the Shire"

Community Aspirations

1.

MAINTENANCE OF SHIRE SERVICES

- Roads
- Sport and Recreation
- Sewerage
- Waste Management
- Community Development
- Parks, Gardens and Townscape

2.

A STRONG AND IMPROVING ECONOMY

- Water Security
- Tourism Development
- Land Assembly: Land, Power, Water, Sewerage
 - New Businesses
- Improved Communications

3.

MAINTENANCE OF STATE GOVERNMENT AND OTHER EXTERNAL SERVICES

- Health
- Education
- Emergency Services, Police, Ambulance, Fire and Rescue

4.

MAINTAIN LEVEL OF AGED CARE SERVICES AND FACILITIES

- Aged Friendly Towns
- HACC

Key Objectives

1. Maintenance of Shire Services

Key Objectives

- To continue to provide a level of service to the community of the priority services for the community.

Issues and/or Targets	Strategies
1.1 Roads	Increased level of road verge maintenance throughout the shire.
1.2 Community Facilities	Transition to community facilities that meet the needs of a changing community.
1.3 Community Development	Encourage a strong community contribution and volunteer ethic in an attempt to maintain and increase numbers.
1.4 Parks and Ovals	Continued support of the Sport and Recreation Plan.
1.5 Excellence in Communications	Pursue high level of communication to inform residents and other interested persons.



2. A Strong and Improving Economy

Key Objectives

- To ensure the provision of key infrastructure to allow the development of new business within the shire.
- To promote tourism as a way to create business opportunities and diversify the local economy.
- To develop a level of water security in order to minimise impacts from a changing climate.

Issues and/or Targets	Strategies
2.1 Infrastructure - Sewerage	Delivery of a sewerage scheme in Kukerin
2.2 Industrial Land	Facilitate the development of more industrial land to ensure it is available for new businesses.
2.3 Economic Diversification	Support possible areas of economic diversification.
2.4 Telecommunications	Pursue actions to improve telecommunications.
2.5 Salinity Rectification and Improvement	Promote the rectification of salinity problems as well as try to prevent new problems arising.
2.6 Water Security	Take proactive steps towards water security.



4. Maintain Level of Aged Care Services and Facilities

Key Objectives

- To ensure that the needs of an ageing population are being met.
- Allow persons to remain in Dumbleyung throughout their lifetime.

Issues and/or Targets	Strategies
4.1 Provision of Additional Accommodation	Promote land and appropriate housing locally.
4.2 Aged Services	Support the provision of services of aged care for the aged within the shire.



Performance Management

The following strategic measures or key performance indicators will be monitored and reported annually, to track the Shire's progress in achieving the outcomes identified in the Strategic Community Plan

Maintenance Of Shire Services	Key Performance Indicators
To continue to provide a level of service to the community of the priority services for the community.	Performance feedback as per the bi-annual community satisfaction survey.
A Strong And Improving Economy	Key Performance Indicators
<p>To ensure the provision of key infrastructure to allow the development of new business within the shire.</p> <p>To promote tourism as a way to create business opportunities and diversify the local economy.</p> <p>To develop a level of water security in order to minimise impacts from a changing climate.</p>	<p>Development of fully serviced industrial land within the shire.</p> <p>Increase in the number of tourism initiatives.</p>
Maintain Current Level of External Services	Key Performance Indicators
To ensure that health, education, police and emergency services are maintained within the shire.	No decrease in the number of external services.
Increased Level of Aged Care Services And Facilities	Key Performance Indicators
Allow persons to remain in Dumbleyung throughout their lifetime.	Percent of residents aged above 65 moving away from the shire.

5. RECORD KEEPING PLAN

The State Records Act 2000 requires that the Shire maintains and disposes of all records in the prescribed manner. The State Records Act 2000 also requires all local authorities to produce a Record Keeping Plan to be endorsed by the State Records Commission. A revised Record Keeping Plan was submitted to the State Records Commission for approval in 2018. The plan was approved by the State Records Commission on 9 August 2019 and approved by Council in September 2019.

Rationale

An organisation and its employees must comply with the organisation's Record Keeping Plan. Organisations should develop and implement strategies for ensuring that each employee is aware of the compliance responsibilities.

Principle 6

Compliance with the State Records Commission Standard 2 requires that government organisations ensure their employees comply with the Record Keeping Plan and include within its Annual Report a section that addresses points 1-4 of the Principle.

Minimum Compliance Requirements:

1. Evaluation of recordkeeping systems
 - Describe any evaluation of the organisation's recordkeeping systems (including the Recordkeeping Plan) that has taken place, or is planned for future reporting period. Recordkeeping systems must be evaluated not less than every five (5) years.

The Shire of Dumbleyung's Record Keeping Plan commenced review in March 2018 and the revised Record Keeping Plan was submitted to the State Records Commission for approval. The plan was approved by the State Records Commission on 9 August 2019 and approved by Council in September 2019.

2. Recordkeeping training program
 - Describe the training mechanisms in place within the organisation.

The Shire of Dumbleyung has implemented activities to ensure that all staff are aware of their recordkeeping responsibilities and compliance with the Recordkeeping Plan. New employees have access to the Procedures and Policy Manual which detail all functions conducted by the office, including records management. Two records management staff attended training provided by IRIS Consulting Group in October 2018 covering Archives Management, Records & Document Management, Keyword Classification, Records Disposal and Digitisation Programs. Training for staff is ongoing. A Records Management Officer will be employed in the 2020/21 period and appropriate training given.



3. Evaluation of the recordkeeping training program
 - Describe any evaluation of the recordkeeping training program that has taken place.

The Shire of Dumbleyung's training program was reviewed in March 2019 as part of the review of the revised Recordkeeping Plan and will continue to be reviewed annually. The recordkeeping procedures are also under constant review after new procedures have been implemented.

4. Recordkeeping induction program
 - This statement must confirm whether the induction program addresses employee roles and responsibilities in regard to compliance with the Recordkeeping Plan.

New employees receive a face-to-face induction covering an overview of the Recordkeeping Plan, the Records Procedure Manual and Policies, staff responsibilities, including the capture of emails and procedures for forwarding records for capture within the system.

The Shire has complied with items 1 to 4.

6. PUBLIC INTEREST DISCLOSURES

The *Public Interest Disclosure Act 2003* facilitates the disclosure of public interest information, and provides protection for those making such disclosure and those who are the subject of disclosures. The Act provides a system for the matters disclosed to be investigated and for appropriate action to be taken.

Council has complied with all obligations under the Act including:

- a. Appointing the Chief Executive Officer as the PID Officer for the organisation and publishing an internal procedure relating to the Shire's obligations.
- b. Providing protection from detrimental action or the threat of detrimental action for any employee of the Shire who makes an appropriate disclosure of public interest information.

There were no matters raised or reported during the year under review.

7. LEGISLATIVE REVIEW

The Annual Report is to include a statement of which Local Laws that have been reviewed, the conclusions of those reviews, and a forward strategy for all Local Laws still to be reviewed.

Local governments are required to review local laws to ensure they do not restrict competition unless:

- The benefits of the restriction to the community as a whole outweigh the costs; and

- The objectives of the legislation can only be achieved by restricting competition.

Where necessary Clause 7 legislation review principles will be complied with and the Shire of Dumbleyung remains committed to reviewing its existing local laws, as well as proposed local laws.

No new Local Laws were created in 2019/20 or any existing Local Laws reviewed.

For a list of all Local Laws please refer to the Shire of Dumbleyung website of the Department of Local Government website.

8. DISABILITY ACCESS AND INCLUSION PLAN

The Western Australia *Disability Services Act 1993* (amended 2004) requires all Local Governments to develop and implement a Disability Access and Inclusion Plan (DAIP) to ensure that people with disability have equal access to its facilities and services.

Council adopted the 2019-2024 Disability Access and Inclusion Plan in November 2018 for implementation going forward. Council is required to report on our present activities as they relate to the seven desired DAIP outcomes.

1. People with disability have the same opportunities as other people to access the services of, and any events organised by, the Shire of Dumbleyung.
2. People with disability have the same opportunities as other people to access the buildings and other facilities of the Shire of Dumbleyung.
3. People with disability receive information from the Shire of Dumbleyung in a format that will enable them to access the information, as readily as other people are able to access it.
4. People with disability receive the same level and quality of service from the staff of the Shire of Dumbleyung.
5. People with disability have the same opportunities as other people to make complaints to the Shire of Dumbleyung.
6. People with disability have the same opportunities as other people to participate in any public consultation by the Shire of Dumbleyung.
7. People with disability have the same opportunities as other people to obtain and maintain employment with the Shire of Dumbleyung.

A review was conducted to ascertain the progress on the implementation of the Plan. The DAIP is now a document for ongoing assessment and implementation of the activities that have been listed.

The Disability Access and Inclusion Plan can be accessed on the Shire of Dumbleyung website.

IMPLEMENTATION PLAN

Strategy	Task	Task Timeline	Responsibility
1.3 Ensure all Shire officers, agents and contractors comply with the requirements of the Disability Services Act and relevant Australian Standards	1.3.1 Rubbish Removal - People with mobility problems unable to bring rubbish bins to kerb side, People with disability to be informed that alternative arrangements for removal of rubbish can be made upon request.	Ongoing	Manager of Works and Services
2.1 Become more adaptable in responding to the barriers experienced by people with disability when accessing events or services offered by the Shire.	2.1.1 Ensuring there are activities available at events that are inclusive for people with disability.	Ongoing	Community Development Officer
2.3 Facilitate the improvement of pedestrian footpaths to meet the requirements of people with disability	2.3.1 Dumbleyung Town Centre - Footpaths in town centre uneven in places. No kerb/ramp access from roadway onto footpaths	Ongoing - Footpath upgrading partially completed	Manager of Works and Services
	2.3.2 Kukerin Town Centre - Footpaths in town centre uneven in places. No kerb/ramp access from roadway onto footpaths	Ongoing - Footpath upgrading partially completed	Manager of Works and Services

<p>3.2 Provide information regarding services facilities and customer feedback in appropriate formats.</p>	<p>3.2.1 Applies to all council functions, facilities and services. Information about all council functions, facilities and services is not written in clear and concise language and not available in formats that are accessible for people with disability.</p> <p>This includes information on:</p> <ul style="list-style-type: none"> - Planning - Community, recreational, cultural activities and facilities. - Rubbish removal - Rates notices, annual reports <p>Council minutes and electoral material</p>	<p>Ongoing - Council to develop a policy that all information to be made available to the community to be written in clear and concise language.</p> <p>The following formats to be made available on request: Large print, Audio cassette, CD. Council to advise through the local newspaper that information about council services, functions and facilities is available in alternative formats.</p>	<p>Chief Executive Officer</p>
	<p>3.2.2 Processes of Government - Lack of information about processes of government and how residents can access the decision making process</p>	<p>Ongoing - Council will provide information about planning processes, electoral processes, council meetings and complaint procedures in clear</p>	<p>Chief Executive Officer</p>

		and concise language and will make these available in alternative formats upon request eg Large print Audio cassette Computer disc. A copy of "Accessible Information" DVD is available for staff to ensure they are aware of accessibility guidelines.	
4.3 Ensure all Shire officers, agents and contractors comply with the requirements of the Disability Services Act and relevant Australian Standards	4.3.1 All new and contracting staff will be given a copy of the DAIP.	Ongoing	Executive Services
4.4 Ensure disability awareness training is offered to new staff during staff induction	4.4.1 All new staff will be requested to view the "You can make a difference to customer relations for people with disability" available for Local and State Government DVD.	Ongoing	Executive Staff

5.1 Ensure complaint and feedback procedures are accessible to people with a disability	5.1.1 Creating the Shire of Dumbleyung Communications Plan	January 2019	Chief Executive Officer
6.1 Ensure that information is available in clear and concise language on how residents can participate in public consultations by a public authority.	6.1.1 Implementation of the Shire of Dumbleyung Communications Plan	April 2019	All Staff
6.2 Support people with disability, their families and carers to attend public community consultation processes arranged by the Shire.	6.2.1 Make information readily accessible in alternative formats to people with disability when it comes time to engage them in public consultation.	Ongoing	All Staff
6.3 Increase the involvement of people with disability in the Shire's public consultation	6.3.1 People with disability encouraged to participate in consultation process should it be required with any buildings that procedure requires consultation.	Ongoing	All Staff
7.1 Ensure the Shire's policies, practices and procedures are inclusive.	7.1.1 Consideration when reviews are undertaken of policies, practices and procedures regarding employment to make sure that all are inclusive of people with disability.	Ongoing	All Staff

9. EMPLOYEES REMUNERATION

In accordance with the *Local Government (Administration) Regulations 1996* and as set out below, in bands of \$10,000, is the number of employees of the Shire of Dumbleyung entitled to an annual salary of \$100,000 or more:

Salary Range	2018/19	2019/20
\$100,000 - \$110,000	2	1
\$110,000 - \$120,000	1	1
\$120,000 - \$130,000	0	0
\$130,000 - \$140,000	1	0
\$140,000 - \$150,000	0	1

10. COMPLAINTS OF MINOR BREACHES

The *Local Government Act 1995* requires the complaints officer of the Local Government to maintain a register of complaints which records all complaints that result in an action under the *Local Government Act 1995*.

The register of complaints is to include, for each recorded complaint –

- Name of Council member of person about whom the complaint is made;
- Name of person who makes the complaint;
- A description of the minor breach that the Standards Panel finds has occurred; and
- Details of the action taken under *the Local Government Act 1995*.

During 2019/20 there were no reportable complaints.

Peter Crispin
CHIEF EXECUTIVE OFFICER

SHIRE OF DUMBLEYUNG
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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COMMUNITY VISION

"A vibrant shire which is sustainable, which has a high local Community of Interest, & which supports the pursuit of quality lifestyles of the people of the area."

Principal place of business:
32 Harvey Street
Dumbleyung
WA 6350

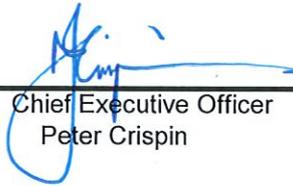
**SHIRE OF DUMBLEYUNG
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Dumbleyung for the financial year ended 30 June 2020 is based on proper accounts and records to present fairly the financial position of the Shire of Dumbleyung at 30 June 2020 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 15th. day of DECEMBER 2020



Chief Executive Officer
Peter Crispin



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

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
Revenue				
Rates	24(a)	1,704,066	1,697,130	1,621,149
Operating grants, subsidies and contributions	2(a)	2,023,550	1,139,614	1,891,150
Fees and charges	2(a)	500,846	487,305	546,440
Service charges	24(b)	24,591	18,745	0
Interest earnings	2(a)	131,889	143,564	186,655
Other revenue	2(a)	90,648	60,032	139,328
		4,475,590	3,546,390	4,384,722
Expenses				
Employee costs		(1,256,383)	(1,465,019)	(1,460,210)
Materials and contracts		(738,713)	(1,492,768)	(865,421)
Utility charges		(163,230)	(171,229)	(166,772)
Depreciation on non-current assets	11(c)	(2,397,470)	(2,399,831)	(2,392,710)
Interest expenses	2(b)	(18,033)	(23,545)	(36,938)
Insurance expenses		(183,320)	(182,833)	(151,296)
Other expenditure	2(b)	(292,135)	(400,226)	(240,183)
		(5,049,284)	(6,135,451)	(5,313,530)
		(573,694)	(2,589,061)	(928,808)
Non-operating grants, subsidies and contributions	2(a)	1,033,738	1,675,106	3,924,873
Profit on asset disposals	11(a)	78,594	8,146	53,070
(Loss) on asset disposals	11(a)	(204,477)	(262,184)	(7,211)
Fair value adjustments to financial assets at fair value through profit or loss	5(b)	865	0	52,551
		908,720	1,421,068	4,023,283
Net result for the period		335,026	(1,167,993)	3,094,475
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	0	0	(58,539)
Total other comprehensive income for the period		0	0	(58,539)
Total comprehensive income for the period		335,026	(1,167,993)	3,035,936

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



SHIRE OF DUMBLEYUNG
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
Revenue				
	2(a)			
Governance		6,513	0	20,121
General purpose funding		3,531,328	2,651,101	3,520,638
Law, order, public safety		61,765	58,585	49,204
Health		2,677	250	1,876
Education and welfare		0	0	82,711
Housing		126,024	151,679	80,076
Community amenities		239,001	226,111	240,875
Recreation and culture		23,710	26,059	23,356
Transport		159,959	162,351	145,309
Economic services		176,855	153,109	69,695
Other property and services		147,758	117,145	150,861
		4,475,590	3,546,390	4,384,722
Expenses				
	2(b)			
Governance		(753,539)	(845,789)	(547,007)
General purpose funding		(94,580)	(86,237)	(73,505)
Law, order, public safety		(169,745)	(234,702)	(198,931)
Health		(41,451)	(81,487)	(38,255)
Education and welfare		(16,053)	(17,822)	(117,157)
Housing		14,727	(310,789)	(132,802)
Community amenities		(417,157)	(585,921)	(568,052)
Recreation and culture		(703,294)	(814,463)	(699,299)
Transport		(2,211,215)	(2,509,676)	(2,318,321)
Economic services		(443,028)	(422,636)	(246,114)
Other property and services		(195,916)	(202,384)	(337,149)
		(5,031,251)	(6,111,906)	(5,276,592)
Finance Costs				
	2(b)			
Housing		(3,728)	(3,127)	(4,199)
Community amenities		(291)	(319)	(3,255)
Recreation and culture		(567)	(478)	(824)
Transport		(3,502)	(11,291)	(20,000)
Economic services		(9,471)	(8,330)	(8,660)
Other property and services		(474)	0	0
		(18,033)	(23,545)	(36,938)
		(573,694)	(2,589,061)	(928,808)
Non-operating grants, subsidies and contributions	2(a)	1,033,738	1,675,106	3,924,873
Profit on disposal of assets	11(a)	78,594	8,146	53,069
(Loss) on disposal of assets	11(a)	(204,477)	(262,184)	(7,210)
Fair value adjustments to financial assets at fair value through profit or loss	5(b)	865	0	52,551
		908,720	1,421,068	4,023,283
Net result for the period		335,026	(1,167,993)	3,094,475
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	0	0	(58,539)
Total other comprehensive income for the period		0	0	(58,539)
Total comprehensive income for the period		335,026	(1,167,993)	3,035,936

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

SHIRE OF DUMBLEYUNG
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	NOTE	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	3	8,329,962	3,422,486
Trade and other receivables	6	162,760	173,529
Other financial assets	5(a)	0	3,867,605
Inventories	7	7,658	20,258
Other assets	8	41,273	1,156,056
TOTAL CURRENT ASSETS		8,541,653	8,639,934
NON-CURRENT ASSETS			
Trade and other receivables	6	32,496	28,497
Other financial assets	5(b)	53,416	52,551
Property, plant and equipment	9	16,403,119	17,263,810
Infrastructure	10	81,673,534	81,072,925
Right of use assets	12(a)	22,245	0
TOTAL NON-CURRENT ASSETS		98,184,810	98,417,783
TOTAL ASSETS		106,726,463	107,057,717
CURRENT LIABILITIES			
Trade and other payables	14	235,673	227,909
Contract liabilities	15	36,914	0
Lease liabilities	16(a)	13,760	0
Borrowings	17(a)	53,070	733,765
Employee related provisions	18	276,751	259,135
TOTAL CURRENT LIABILITIES		616,168	1,220,809
NON-CURRENT LIABILITIES			
Lease liabilities	16(a)	8,679	0
Borrowings	17(a)	256,677	309,747
Employee related provisions	18	28,567	45,815
TOTAL NON-CURRENT LIABILITIES		293,923	355,562
TOTAL LIABILITIES		910,091	1,576,371
NET ASSETS		105,816,372	105,481,346
EQUITY			
Retained surplus		28,643,916	28,735,133
Reserves - cash/financial asset backed	4	6,725,035	6,298,792
Revaluation surplus	13	70,447,421	70,447,421
TOTAL EQUITY		105,816,372	105,481,346

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



SHIRE OF DUMBLEYUNG
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/FINANCIAL ASSET BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2018		25,732,418	6,207,032	70,505,960	102,445,410
Comprehensive income					
Net result for the period		3,094,475	0	0	3,094,475
Other comprehensive income	13	0	0	(58,539)	(58,539)
Total comprehensive income		3,094,475	0	(58,539)	3,035,936
Transfers from reserves	4	527,113	(527,113)	0	0
Transfers to reserves	4	(618,873)	618,873	0	0
Balance as at 30 June 2019		28,735,133	6,298,792	70,447,421	105,481,346
Comprehensive income					
Net result for the period		335,026	0	0	335,026
Total comprehensive income		335,026	0	0	335,026
Transfers from reserves	4	436,016	(436,016)	0	0
Transfers to reserves	4	(862,259)	862,259	0	0
Balance as at 30 June 2020		28,643,916	6,725,035	70,447,421	105,816,372

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

SHIRE OF DUMBLEYUNG
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,718,049	1,712,130	1,606,218
Operating grants, subsidies and contributions		2,050,332	2,491,380	1,276,673
Fees and charges		500,846	495,844	546,440
Service charges		24,591	18,745	0
Interest received		131,889	143,565	186,655
Goods and services tax received		0	576,343	0
Other revenue		90,648	116,481	139,328
		4,516,355	5,554,488	3,755,314
Payments				
Employee costs		(1,240,124)	(1,485,899)	(1,463,789)
Materials and contracts		364,411	(1,554,757)	(842,684)
Utility charges		(163,230)	(171,229)	(166,772)
Interest expenses		(18,033)	(22,545)	(36,938)
Insurance paid		(183,320)	(182,833)	(151,296)
Goods and services tax paid		19,051	(558,343)	128,713
Other expenditure		(292,135)	(280,158)	(240,183)
		(1,513,380)	(4,255,764)	(2,772,949)
Net cash provided by (used in) operating activities	19	3,002,975	1,298,724	982,365
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	9(a)	(1,062,246)	(1,139,934)	(709,136)
Payments for construction of infrastructure	10(a)	(2,000,025)	(2,173,808)	(3,900,672)
Non-operating grants, subsidies and contributions	2(a)	1,033,738	1,675,106	3,924,873
Proceeds from financial assets at amortised cost - term deposits		3,867,605	0	(3,867,605)
Proceeds from sale of property, plant & equipment	11(a)	812,736	734,275	389,727
Net cash provided by (used in) investment activities		2,651,808	(904,361)	(4,162,813)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	17(b)	(734,759)	(2,233,765)	(1,457,729)
Payments for principal portion of lease liabilities	16(b)	(13,542)	0	0
Proceeds from new borrowings	17(b)	994	1,500,000	1,638,177
Net cash provided by (used in) financing activities		(747,307)	(733,765)	180,448
Net increase (decrease) in cash held		4,907,476	(339,402)	(3,000,000)
Cash at beginning of year		3,422,486	7,290,091	6,422,486
Cash and cash equivalents at the end of the year	19	8,329,962	6,950,689	3,422,486

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

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

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	25 (b)	1,854,096	1,842,762	618,456
		1,854,096	1,842,762	618,456
Revenue from operating activities (excluding rates)				
Governance		6,513	0	20,121
General purpose funding		1,841,103	966,947	1,966,360
Law, order, public safety		61,765	58,585	49,204
Health		2,677	250	1,876
Education and welfare		0	0	82,711
Housing		126,024	151,679	80,076
Community amenities		239,001	226,111	240,875
Recreation and culture		23,710	26,059	23,356
Transport		230,385	169,331	193,359
Economic services		176,855	153,109	69,695
Other property and services		155,926	118,311	155,880
		2,863,959	1,870,382	2,883,513
Expenditure from operating activities				
Governance		(753,539)	(845,789)	(547,007)
General purpose funding		(94,580)	(86,237)	(73,505)
Law, order, public safety		(169,745)	(234,702)	(198,931)
Health		(41,451)	(81,487)	(38,255)
Education and welfare		(16,053)	(17,822)	(117,157)
Housing		(171,033)	(495,948)	(137,001)
Community amenities		(417,448)	(586,240)	(571,307)
Recreation and culture		(703,861)	(814,941)	(700,123)
Transport		(2,235,950)	(2,601,119)	(2,342,929)
Economic services		(452,499)	(430,966)	(254,774)
Other property and services		(197,602)	(202,384)	(339,751)
		(5,253,761)	(6,397,635)	(5,320,740)
Non-cash amounts excluded from operating activities	25(a)	2,501,241	2,653,869	2,272,558
Amount attributable to operating activities		1,965,535	(30,622)	453,787
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	1,033,738	1,675,106	3,924,873
Proceeds from disposal of assets	11(a)	812,736	734,275	389,727
Purchase of property, plant and equipment	9(a)	(1,062,246)	(1,139,934)	(709,136)
Purchase and construction of infrastructure	10(a)	(2,000,025)	(2,173,808)	(3,900,672)
Amount attributable to investing activities		(1,215,797)	(904,361)	(295,208)
FINANCING ACTIVITIES				
Repayment of borrowings	17(b)	(734,759)	(2,233,765)	(1,457,729)
Proceeds from borrowings	17(c)	994	1,500,000	1,638,177
Payments for principal portion of lease liabilities	16(b)	(13,542)	0	0
Transfers to reserves (restricted assets)	4	(862,259)	(537,409)	(618,873)
Transfers from reserves (restricted assets)	4	436,016	522,003	527,113
Amount attributable to financing activities		(1,173,550)	(749,171)	88,688
Surplus/(deficit) before imposition of general rates		(423,812)	(1,684,154)	247,267
Total amount raised from general rates	24(a)	1,691,090	1,684,154	1,606,829
Surplus/(deficit) after imposition of general rates	25(b)	1,267,278	0	1,854,096

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

SHIRE OF DUMBLEYUNG
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FOR THE YEAR ENDED 30 JUNE 2020

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1. BASIS OF PREPARATION

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

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

From 1 July 2019, the Shire has applied AASB 16 *Leases* which requires leases to be included by lessees in the statement of financial position. Also, the *Local Government (Financial Management) Regulations 1996* have been amended to specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

The vested land has been measured at zero cost, and the Shire does not have any vested improvements.

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

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in Trust Fund are excluded from the financial statements. The Shire does not have any monies held in Trust during the financial year.

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

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates - general rates	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
Service Charges	Charges 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 invoice 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	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 of 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	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
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 the 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	Full payment prior to inspection	None	Set by State legislation	Applied fully on timing of inspection	No refunds	Revenue recognised after inspection event occurs
Fees and charges - other inspections	Regulatory food, health and safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Fees and charges - 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
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal site	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of the entry to facility	Not applicable	On entry to facility
Fees and charges - sewerage management collections	Sewerage rates and pedestals	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
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 72 hours	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction	On entry or at conclusion of hire
Fees and charges - memberships	Pool membership	Over time	Payment in full in advance	None	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction	Output method over 5-6 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	Sale of history books	Single point in time	Payment in full on sale	Refund for faulty goods	Adopted by council annually	Applied fully based on timing of provision	Returns limited to repayment of transaction	Output method based on provision of service or completion of works
Fees and charges - fines	Fines issued for breaches of local laws	Single point in time	Payment in full with 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

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

2. REVENUE AND EXPENSES

(a) Grant revenue

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

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Operating grants, subsidies and contributions			
Governance	6,513	0	0
General purpose funding	1,703,045	806,224	1,696,997
Law, order, public safety	51,354	51,354	45,202
Housing	308	1,524	0
Community amenities	0	0	10,517
Recreation and culture	5,974	5,572	5,000
Transport	149,102	149,102	133,434
Economic services	70,575	98,842	0
Other property and services	36,679	26,996	0
	2,023,550	1,139,614	1,891,150
Non-operating grants, subsidies and contributions			
Recreation and culture	0	0	60,000
Transport	891,178	1,542,073	3,864,873
Economic services	142,560	133,033	0
	1,033,738	1,675,106	3,924,873
Total grants, subsidies and contributions	3,057,288	2,814,720	5,816,023
Fees and charges			
General purpose funding	4,525	4,183	4,580
Law, order, public safety	6,162	3,231	2,002
Health	950	250	1,875
Education and welfare	0	0	82,684
Housing	125,716	150,155	79,977
Community amenities	239,001	226,111	227,246
Recreation and culture	16,491	19,971	18,078
Transport	182	0	91
Economic services	79,689	33,985	69,695
Other property and services	28,130	49,419	60,212
	500,846	487,305	546,440

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Contracts with customers and transfers for recognisable non-financial assets

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

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Operating grants, subsidies and contributions	2,023,550	1,139,614	1,891,150
Fees and charges	500,846	487,305	546,440
Other revenue	90,648	60,032	139,328
Non-operating grants, subsidies and contributions	1,033,738	1,675,106	3,924,873
	3,648,782	3,362,057	6,501,791

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	34,047	0	0
Contract liabilities from contracts with customers	(36,914)	0	0

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

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

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

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

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

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	24(a) 1,691,090	1,684,154	1,606,829
Service charges	24(b) 24,591	18,745	0
	1,715,681	1,702,899	1,606,829

Other revenue

Reimbursements and recoveries	77,568	50,206	65,811
Other	13,080	9,826	73,517
	90,648	60,032	139,328

Interest earnings

Interest on reserve funds	104,908	157,471	166,609
Rates instalment and penalty interest (refer Note 24(d))	14,476	10,547	11,796
Other interest earnings	12,505	(24,454)	8,250
	131,889	143,564	186,655

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

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report
- Other services

Interest expenses (finance costs)

- Borrowings
- Lease liabilities

Other expenditure

- Impairment loss on trade and other receivables
- Sundry expenses

Note	2020 Actual \$	2020 Budget \$	2019 Actual \$
	14,576	15,000	13,731
	0	8,500	0
	14,576	23,500	13,731
17(b)	17,559	23,545	36,938
16(b)	474		0
	18,033	23,545	36,938
	4,532	0	24,461
	287,603	400,226	215,722
	292,135	400,226	240,183

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

3. CASH AND CASH EQUIVALENTS

NOTE	2020	2019
	\$	\$
Cash at bank and on hand	1,604,925	970,483
Term deposits	6,725,037	2,452,003
Total cash and cash equivalents	8,329,962	3,422,486
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	6,786,709	2,460,706
- Financial assets at amortised cost	0	3,867,605
	6,786,709	6,328,311

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

Reserves - cash/financial asset backed	4	6,725,035	6,298,792
Contract liabilities - unspent grants, subsidies and contributions	15	36,914	0
Bonds and deposits held	14	24,760	29,519
Total restricted assets		6,786,709	6,328,311

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

4. RESERVES - CASH/FINANCIAL ASSET BACKED

	2020		2020		2020		2020		2020		2019		2019	
	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Actual	Actual	Actual	Actual	Actual	Actual
	Opening	Transfer	Transfer	Closing	Opening	Transfer	Transfer	Closing	Opening	Transfer	Transfer	Opening	Transfer	Closing
	Balance	to	(from)	Balance	Balance	to	(from)	Balance	Balance	to	(from)	Balance	to	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Reserves cash backed - Employee Entitlement Reserve	45,430	82,318	0	127,748	45,430	82,065	0	127,495	118,181	2,186	(74,937)	45,430		
(b) Reserves cash backed - Emergency Response Reserve	156,492	866	0	157,358	156,491	3,043	0	159,534	55,466	101,027	0	156,492		
(c) Reserves cash backed - IT & Office Equipment Reserve	0	54,373	(24,556)	29,817	0	59,174	(32,949)	26,225	0	0	0	0		
(d) Reserves cash backed - Plant, Vehicle & Equipment Reserve	402,667	63,380	(76,977)	389,070	402,667	61,437	(105,547)	358,557	387,347	57,165	(41,845)	402,667		
(e) Reserves cash backed - Buildings Reserve	275,550	404,702	0	680,252	275,552	198,679	(25,000)	449,231	55,811	276,524	(56,785)	275,550		
(f) Reserves cash backed - Dam Cleaning Reserve	17,146	20,416	0	37,562	17,148	333	0	17,481	16,835	311	0	17,146		
(g) Reserves cash backed - Dumbleyung Sewerage Works Reserve	349,278	100,462	0	449,740	349,278	28,752	0	378,030	269,750	79,528	0	349,278		
(h) Reserves cash backed - Landcare Development Reserve	97,559	10,268	(19,512)	88,315	97,559	5,947	(39,512)	63,994	115,391	5,246	(23,078)	97,559		
(i) Reserves cash backed - Fence Road Drain Maintenance Reserve	924	5,262	0	6,186	924	1,661	0	2,585	0	924	0	924		
(j) Reserves cash backed - Bain Estate Reserve	4,910,415	119,177	(270,605)	4,758,987	4,910,413	95,475	(274,821)	4,731,067	5,029,711	93,030	(212,326)	4,910,415		
(k) Reserves cash backed - Gravel Pit Rehabilitation Reserve	26,619	636	(27,255)	0	26,619	518	(27,137)	0	26,136	483	0	26,619		
(l) Reserves cash backed - Drainage Maintenance Reserve	16,712	399	(17,111)	0	16,712	325	(17,037)	0	16,408	304	0	16,712		
(m) Reserves cash backed - Staff Housing Reserve	0	0	0	0	0	0	0	0	60,995	1,128	(62,123)	0		
(n) Reserves cash backed - Aged Care Facility Reserve	0	0	0	0	0	0	0	0	55,002	1,017	(56,019)	0		
	6,298,792	862,259	(436,016)	6,725,035	6,298,793	537,409	(522,003)	6,314,199	6,207,033	618,873	(527,113)	6,298,792		

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 - Employee Entitlement Reserve	Ongoing	To fund current and past employee leave entitlements.
(b) Reserves cash backed - Emergency Response Reserve	Not known	To fund expenses arising for unforeseen circumstances, or other urgent expenditure.
(c) Reserves cash backed - IT & Office Equipment Reserve	Ongoing	To fund the purchase and upgrade of computer equipment, software and office equipment.
(d) Reserves cash backed - Plant, Vehicle & Equipment Reserve	Ongoing	To support the purchase/replacement of motor vehicles and heavy plant and equipment.
(e) Reserves cash backed - Buildings Reserve	Not known	To support the maintenance, acquisition, upgrade, enhancement or future renewal of buildings within the district.
(f) Reserves cash backed - Dam Cleaning Reserve	Not known	To fund the cleaning of the Kukerin Dam.
(g) Reserves cash backed - Dumbleyung Sewerage Works Reserve	Not known	To fund maintenance, upgrades and future renewal of the Dumbleyung Sewerage Scheme.
(h) Reserves cash backed - Landcare Development Reserve	Ongoing	To contribute to Landcare development.
(i) Reserves cash backed - Fence Road Drain Maintenance Reserve	Not known	To fund maintenance on the Fence Road Drainage Scheme.
(j) Reserves cash backed - Bain Estate Reserve	Ongoing	To hold funds from the Bain Estate prior to distribution to the community thr No longer in use.
(k) Reserves cash backed - Gravel Pit Rehabilitation Reserve	n/a	Not in use
(l) Reserves cash backed - Drainage Maintenance Reserve	n/a	Not in use
(m) Reserves cash backed - Staff Housing Reserve	n/a	Not in use
(n) Reserves cash backed - Aged Care Facility Reserve	n/a	Not in use

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

5. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Other financial assets at amortised cost

Term deposits

(b) Non-current assets

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss

Units in Local Government House Trust

	2020	2019
	\$	\$
	0	3,867,605
	0	3,867,605
	0	3,867,605
	0	3,867,605
	53,416	52,551
	53,416	52,551
	53,416	52,551
	53,416	52,551

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 17(b) as self supporting loans.

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.

Financial assets at fair value through profit and loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 26.

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

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable	
Sundry receivables	
GST receivable	
Allowance for impairment of receivables	

Non-current

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

	2020	2019
	\$	\$
	102,429	104,964
	34,047	43,159
	30,816	49,867
	(4,532)	(24,461)
	<u>162,760</u>	<u>173,529</u>
	32,496	28,497
	<u>32,496</u>	<u>28,497</u>

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 26.

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.

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

7. INVENTORIES

Current

Fuel and materials

	2020	2019
	\$	\$
	7,658	20,258
	<u>7,658</u>	<u>20,258</u>
	20,258	16,627
Inventories expensed during the year	(171,359)	(188,431)
Additions to inventory	158,759	192,062
	<u>7,658</u>	<u>20,258</u>

The following movements in inventories occurred during the year:

Carrying amount at beginning of period

Inventories expensed during the year

Additions to inventory

Carrying amount at end of period

SIGNIFICANT ACCOUNTING POLICIES

General

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

8. OTHER ASSETS

Other assets - current

Accrued income

	2020	2019
	\$	\$
	41,273	1,156,056
	41,273	1,156,056

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

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

9. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

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

	Land - freehold land	Land - and under the control of Council	Total land	Buildings - non-specialised	Buildings - specialised	Total buildings	Total land and buildings	Plant and equipment	Works in progress - at cost	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	556,500	365,824	922,324	3,489,870	10,639,619	14,129,489	15,051,813	2,589,656	0	17,641,469
Additions	0	0	0	0	26,249	26,249	26,249	643,679	39,208	709,136
(Disposals)	0	0	0	0	0	0	0	(343,868)	0	(343,868)
Revaluation increments / (decrements) transferred to revaluation surplus	(46,000)	0	(46,000)	0	(4,142)	(4,142)	(50,142)	(8,397)	0	(58,539)
Depreciation (expense)	0	0	0	(27,238)	(266,764)	(294,002)	(294,002)	(390,386)	0	(684,388)
Carrying amount at 30 June 2019	510,500	365,824	876,324	3,462,632	10,394,962	13,857,594	14,733,918	2,490,684	39,208	17,263,810
Comprises:										
Gross carrying amount at 30 June 2019	510,500	365,824	876,324	3,517,108	10,926,689	14,443,797	15,320,121	3,500,478	39,208	18,859,807
Accumulated depreciation at 30 June 2019	0	0	0	(54,476)	(531,727)	(586,203)	(586,203)	(1,009,794)	0	(1,595,997)
Carrying amount at 30 June 2019	510,500	365,824	876,324	3,462,632	10,394,962	13,857,594	14,733,918	2,490,684	39,208	17,263,810
Additions	0	0	0	0	56,153	56,153	56,153	1,006,093	0	1,062,246
(Disposals)	(9,000)	0	(9,000)	(366,353)	0	(366,353)	(375,353)	(563,266)	0	(938,619)
Reclassification of asset	0	(365,824)	(365,824)	8,446	(8,446)	0	(365,824)	0	0	(365,824)
Depreciation (expense)	0	0	0	(55,345)	(235,649)	(290,994)	(290,994)	(327,500)	0	(618,494)
Transfers	0	0	0	0	0	0	0	39,208	(39,208)	0
Carrying amount at 30 June 2020	501,500	0	501,500	3,049,380	10,207,020	13,256,400	13,757,900	2,645,219	0	16,403,119
Comprises:										
Gross carrying amount at 30 June 2020	501,500	0	501,500	3,205,206	10,909,744	14,114,950	14,616,450	3,706,337	0	18,322,787
Accumulated depreciation at 30 June 2020	0	0	0	(155,826)	(702,724)	(858,550)	(858,550)	(1,061,118)	0	(1,919,668)
Carrying amount at 30 June 2020	501,500	0	501,500	3,049,380	10,207,020	13,256,400	13,757,900	2,645,219	0	16,403,119

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

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings					
Land - freehold land	2	Market approach using recent observable market data for similar properties.	Independent Valuers	Jun-17	Price per hectare
Land - freehold land	3	Improvements to land valued using cost approach using depreciated replacement cost.	Independent Valuers	Jun-17	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties.	Independent Valuers	Jun-17	Price per square metre.
Buildings - non-specialised	3	Improvements to land valued using cost approach using depreciated replacement cost.	Management valuation	Jun-17	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Buildings - specialised	2	Market approach using recent observable market data for similar properties.	Independent Valuers	Jun-17	Price per square metre.
Buildings - specialised	3	Improvements to land valued using cost approach using depreciated replacement cost.	Independent Valuers	Jun-17	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.

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

Following a change to Local Government (Financial Management) Regulation 17A, Plant and Equipment class of assets are to be measured under the cost model rather than at fair value. This change is effective from 1 July 2019 and represents a change in accounting policy. Revaluations carried out previously were not removed as it was deemed that fair value approximates cost at the date of change.

10. INFRASTRUCTURE

(a) Movements in Carrying Amounts

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

	Infrastructure - roads \$	Infrastructure - sewerage \$	Infrastructure - other \$	Total Infrastructure \$
Balance at 1 July 2018	72,789,636	1,393,000	4,697,939	78,880,575
Additions	3,900,672	0	0	3,900,672
Depreciation (expense)	(1,466,871)	(43,819)	(197,632)	(1,708,322)
Carrying amount at 30 June 2019	75,223,437	1,349,181	4,500,307	81,072,925
Comprises:				
Gross carrying amount at 30 June 2019	76,690,308	1,393,000	4,697,939	82,781,247
Accumulated depreciation at 30 June 2019	(1,466,871)	(43,819)	(197,632)	(1,708,322)
Carrying amount at 30 June 2019	75,223,437	1,349,181	4,500,307	81,072,925
Additions	1,763,639	0	236,386	2,000,025
Reclassification of asset	0	0	365,824	365,824
Depreciation (expense)	(1,523,077)	(44,000)	(198,163)	(1,765,240)
Carrying amount at 30 June 2020	75,463,999	1,305,181	4,904,354	81,673,534
Comprises:				
Gross carrying amount at 30 June 2020	78,453,947	1,393,000	5,300,149	85,147,096
Accumulated depreciation at 30 June 2020	(2,989,948)	(87,819)	(395,795)	(3,473,562)
Carrying amount at 30 June 2020	75,463,999	1,305,181	4,904,354	81,673,534

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

10. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - roads	3	Cost approach using depreciated replacement cost	Management valuation	Jun-18	Construction costs and current condition (Level 2), and remaining useful life assessments (Level 3) inputs.
Infrastructure - sewerage	3	Cost approach using depreciated replacement cost	Management valuation	Jun-18	Construction costs and current condition (Level 2), and remaining useful life assessments (Level 3) inputs.
Infrastructure - other	3	Cost approach using depreciated replacement cost	Management valuation	Jun-18	Construction costs and current condition (Level 2), and remaining useful life assessments (Level 3) inputs.

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

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

11. 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.

Items of plant and equipment are subsequently measured using the cost model

Individual assets that are land, buildings and infrastructure 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 and infrastructure 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 and vested improvements to be shown at fair value.

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under control prior to 1 July 2019

Prior to 1 July 2019, in accordance with the then *Local Government (Financial Management) Regulation 16(a)(ii)*, the Shire was previously required to include as an asset (by 30 June 2013), vested Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or Regional significance.

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

Land under roads prior to 1 July 2019

In Western Australia, most land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in *Australian Accounting Standard AASB 1051 Land Under Roads* and the then *Local Government (Financial Management) Regulation 16(a)(i)* which arbitrarily prohibited local governments from recognising such land as an asset. This regulation has now been deleted.

Whilst such treatment is inconsistent with the requirements of *AASB 1051, Local Government (Financial Management) Regulation 4(2)* provides, in the event of such an inconsistency, the *Local Government (Financial Management) Regulations* prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Shire.

Land under roads from 1 July 2019

As a result of amendments to the *Local Government (Financial Management) Regulations 1996*, effective from 1 July 2019, vested land, including land under roads, are treated as right of use (ROU) 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 vested land has been measured at zero cost, and the Shire does not have any vested improvements. Refer to Note 12 that details the significant accounting policies applying to leases (including ROU assets).

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

11. FIXED ASSETS

(a) Disposals of Assets

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss	2020 Budget Net Book Value	2020 Budget Sale Proceeds	2020 Budget Profit	2020 Budget Loss	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
Land - freehold land	9,000	9,000	0	0	0	0	0	0	0	0	0	0
Buildings - non-specialised	366,353	184,321	0	(182,032)	0	0	0	0	0	0	0	0
Plant and equipment	563,266	619,415	78,594	(22,445)	988,313	734,275	8,146	(262,184)	343,868	389,727	53,070	(7,211)
	938,619	812,736	78,594	(204,477)	988,313	734,275	8,146	(262,184)	343,868	389,727	53,070	(7,211)

The following assets were disposed of during the year.

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
Plant and Equipment				
Transport				
Holden Colorado Utility	15,348	21,433	6,085	0
Holden Colorado Utility	30,000	27,979	0	(2,021)
Volvo Loader	107,212	88,000	0	(19,212)
Isuzu 12T Truck	60,477	109,467	48,990	0
Isuzu 12T Truck	98,663	114,013	15,350	0
Other property and services				
Holden Acadia - CEO	33,084	32,557	0	(527)
Holden Colorado Trailblazer - MOWS	37,634	36,950	0	(685)
Holden Colorado Trailblazer - MOWS	37,554	37,698	144	0
Holden Acadia - CEO	32,559	36,617	4,058	0
Holden Colorado Trailblazer - MOWS	37,554	37,789	235	0
Isuzu MU-X - MOWS	36,770	37,273	503	0
Isuzu MU-X - CEO Vehicle	36,412	39,639	3,229	0
	563,267	619,415	78,594	(22,445)
Land				
Housing				
Lot 264 (32) McIntyre Street, Dumbleyung	4,000	4,000	0	0
Lot 4 (40) Tunney Street, Dumbleyung	5,000	5,000	0	0
	9,000	9,000	0	0
Buildings				
Housing				
Lot 264 (32) McIntyre Street, Dumbleyung	169,114	85,166	0	(83,947)
Lot 4 (40) Tunney Street, Dumbleyung	197,239	99,155	0	(98,085)
	366,353	184,321	0	(182,032)
	938,620	812,736	78,594	(204,477)

(b) Fully Depreciated Assets in Use

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

	2020	2019
	\$	\$
Plant and equipment	418,250	433,500
	418,250	433,500

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

11. FIXED ASSETS

(c) Depreciation

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Buildings - non-specialised	55,345	27,238	27,238
Buildings - specialised	235,649	266,988	266,764
Plant and equipment	327,500	390,185	390,386
Infrastructure - roads	1,523,077	1,536,035	1,466,871
Infrastructure - sewerage	44,000	44,000	43,819
Infrastructure - other	198,163	135,385	197,632
Right of use assets - plant and equipment	13,736	0	0
	2,397,470	2,399,831	2,392,710

Revision of useful lives of plant and equipment

The remaining useful lives of plant and equipment is reviewed by management in the development of the annual budget each year.

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation rates

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

Asset Class	Useful life
Buildings	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets formation	not depreciated
pavement seal	50 years
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads formation	not depreciated
pavement	50 years
Formed roads (unsealed) formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years
Parks and other improvements	10 to 20 years

Depreciation on revaluation

When an item of land, buildings, infrastructure and vested improvements is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

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

12. LEASES

(a) Right of Use Assets

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

	Right of use assets - plant and equipment	Right of use assets Total
	\$	
Carrying amount at 30 June 2019	0	0
Recognised on initial application of AASB 16	35,981	35,981
Depreciation (expense)	(13,736)	(13,736)
Carrying amount at 30 June 2020	22,245	22,245
(b) Cash outflow from leases		
Interest expense on lease liabilities	16(b) 474	474
Lease principal expense	16(b) 13,542	13,542
Total cash outflow from leases	14,016	14,016
(c) Other expenses and income relating to leases		
Low-value asset lease payments recognised as expense	8,312	8,312
	8,312	8,312

The Shire has two leases relating to plant and equipment. The lease term for both leases is 60 months.

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

Leases (continued)

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

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

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

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

13. REVALUATION SURPLUS

	2020		2020		2020		2020		2020		2020		2019		2019		2019		2019	
	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Movement on Reclassification	Movement on Revaluation	Total Movement on Revaluation	Closing Balance	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Revaluation Movement on Revaluation	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Revaluation Movement on Revaluation	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Revaluation Movement on Revaluation	Closing Balance
Revaluation surplus - Land & Buildings	9,140,478	0	0	0	(9,294)	0	9,131,184	9,190,620	0	0	(50,142)	9,140,478	0	0	(50,142)	9,140,478	0	0	(50,142)	9,140,478
Revaluation surplus - Plant and equipment	798,793	0	0	0	0	0	798,793	807,190	0	0	(8,397)	798,793	0	0	(8,397)	798,793	0	0	(8,397)	798,793
Revaluation surplus - Infrastructure - roads	52,290,986	0	0	0	0	0	52,290,986	52,290,986	0	0	0	52,290,986	0	0	0	52,290,986	0	0	0	52,290,986
Revaluation surplus - Infrastructure - sewerage	1,365,941	0	0	0	0	0	1,365,941	1,365,941	0	0	0	1,365,941	0	0	0	1,365,941	0	0	0	1,365,941
Revaluation surplus - Infrastructure - other	6,851,223	0	0	0	9,294	0	6,860,517	6,851,223	0	0	0	6,851,223	0	0	0	6,851,223	0	0	0	6,851,223
	70,447,421	0	0	0	0	0	70,447,421	70,505,960	0	0	(58,539)	70,447,421	0	0	(58,539)	70,447,421	0	0	(58,539)	70,447,421

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

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

14. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued salaries and wages
ATO liabilities
Bonds and deposits held
Accrued expenses
Accrued interest on borrowings
Payroll creditors

2020	2019
\$	\$
67,415	1,166
16,132	0
32,555	13,894
32,835	35,605
24,760	29,519
56,247	140,816
3,707	6,909
2,022	0
235,673	227,909

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

Prepaid rates

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

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

15. CONTRACT LIABILITIES

Current

Contract liabilities from contracts with customers - unspent grants, subsidies and contributions

2020	2019
\$	\$
36,914	0
36,914	0

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.

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

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

17. INFORMATION ON BORROWINGS

	2020	2019
(a) Borrowings	\$	\$
Current	53,070	733,765
Non-current	256,677	309,747
	309,747	1,043,512

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	30 June 2020			30 June 2020			30 June 2020			30 June 2020			30 June 2019			30 June 2019		
				Actual Principal 1 July 2019	Actual New Loans	Actual repayments	Budget Principal	Budget New Loans	Budget repayments	Actual Principal 1 July 2019	Actual New Loans	Actual repayments	Budget Principal	Budget New Loans	Budget repayments	Actual Principal 1 July 2018	Actual New Loans	Actual repayments	Budget Principal	Budget New Loans	Budget repayments
Education and welfare																					
Aged Care Housing	93	WATC	3.56%	88,238	0	3,565	84,673	0	3,127	88,238	0	3,565	91,679	0	3,441	88,238	0	3,127	84,673	0	3,127
Community amenities																					
Sewerage	38	WATC	6.40%	3,690	0	3,690	0	120	120	0	3,690	0	10,737	0	7,047	3,690	0	120	0	1,583	120
Sewerage	40	WATC	7.40%	3,056	0	1,473	1,583	199	199	0	1,473	0	4,426	0	1,370	3,056	0	199	0	1,583	199
Sewerage	78	WATC	6.32%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recreation and culture																					
Mens Shed Contribution	89	WATC	3.81%	13,621	0	4,370	9,251	478	478	0	4,370	0	17,830	0	4,208	13,621	0	478	9,251	0	478
Transport																					
WANDRRA Contribution	94	WATC	2.29%	61,360	0	19,990	41,370	1,291	1,291	0	19,990	0	80,900	0	19,540	61,360	0	1,291	41,370	0	1,291
WANDRRA Short Term Lending Facility		WATC	various%	678,592	994	679,586	0	1,863	10,000	10,000	2,178,582	0	441,147	1,638,177	1,400,732	678,592	0	1,863	0	0	0
Economic services																					
Fence Rd Drainage Repairs	95	WATC	2.46%	57,018	0	15,796	41,222	1,306	1,306	0	15,796	0	72,493	0	15,415	57,018	0	1,306	41,222	0	1,306
28 Absolon Street	92	WATC	5.15%	137,935	994	6,289	131,646	7,024	7,024	6,289	6,289	143,912	863,064	143,912	5,976	137,935	863,064	7,024	131,646	5,976	8,660
				1,043,512	994	734,759	309,747	17,559	17,559	23,545	2,233,765	1,500,000	863,064	1,638,177	1,457,729	1,043,512	863,064	23,545	309,745	1,457,729	36,938
				1,043,512	994	734,759	309,747	17,559	17,559	23,545	2,233,765	1,500,000	863,064	1,638,177	1,457,729	1,043,512	863,064	23,545	309,745	1,457,729	36,938

* WA Treasury Corporation

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

17. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2019/20

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate %	Amount Borrowed		Amount (Used)		Total Interest & Charges \$	Actual Balance Unspent \$
					2020 Actual \$	2020 Budget \$	2020 Actual \$	2020 Budget \$		
WANDRRA Short Term Lending Facility	WATC*	Liquidity Lending	Periods up to 1 year	various	994	1,500,000	994	1,500,000	1	0
					994	1,500,000	994	1,500,000	1	0

* WA Treasury Corporation

(d) Undrawn Borrowing Facilities

Credit Standby Arrangements

	2020 \$	2019 \$
Bank overdraft limit		
Bank overdraft at balance date		
Credit card limit	13,500	13,500
Credit card balance at balance date	(3,067)	(1,178)
Total amount of credit unused	10,433	12,322

Loan facilities

	2020 \$	2019 \$
Loan facilities - current	53,070	733,765
Loan facilities - non-current	256,677	309,747
Lease liabilities - current	13,760	0
Lease liabilities - non-current	8,679	0
Total facilities in use at balance date	332,186	1,043,512

Unused loan facilities at balance date

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 26.

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

18. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

Opening balance at 1 July 2019

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Current provisions	112,168	146,967	259,135
Non-current provisions	0	45,815	45,815
	112,168	192,782	304,950

Additional provision

	34,492	32,120	66,612
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Amounts used

	(26,548)	(39,696)	(66,244)
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Balance at 30 June 2020

	120,112	185,206	305,318
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Comprises

Current	120,112	156,639	276,751
Non-current	0	28,567	28,567
	120,112	185,206	305,318

Amounts are expected to be settled on the following basis:

	2020	2019
	\$	\$
Less than 12 months after the reporting date	203,926	259,135
More than 12 months from reporting date	37,975	33,067
Expected reimbursements from other WA local governments	63,417	12,748
	305,318	304,950

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

Other long-term employee benefits (Continued)

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.

19. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Cash and cash equivalents	8,329,962	6,950,689	3,422,486
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	335,026	(1,167,993)	3,094,475
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(865)	0	(52,551)
Depreciation on non-current assets	2,397,470	2,399,831	2,392,710
Net loss on sale of asset	125,883	254,038	(45,859)
Changes in assets and liabilities:			
(Increase)/decrease in receivables	6,770	1,122,570	(500,695)
(Increase)/decrease in other assets	1,114,783	0	0
(Increase)/decrease in inventories	12,600	2,200	(3,631)
Increase/(decrease) in payables	7,764	24,668	44,923
Increase/(decrease) in provisions	368	0	(22,134)
Increase/(decrease) in contract liabilities	36,914	11,332	0
Non-operating grants, subsidies and contributions	(1,033,738)	(1,347,922)	(3,924,873)
Net cash from operating activities	3,002,975	1,298,724	982,365

SHIRE OF DUMBLEYUNG
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 FOR THE YEAR ENDED 30 JUNE 2020

20. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2020	2019
	\$	\$
Governance	155,412	6,205,104
General purpose funding	6,625,694	178,891
Law, order, public safety	768,596	817,581
Health	17,944	21,471
Education and welfare	(70)	3,393,502
Housing	5,171,687	1,497,559
Community amenities	3,881,419	4,168,829
Recreation and culture	6,614,133	7,220,497
Transport	78,057,673	79,720,303
Economic services	712,647	584,888
Other property and services	2,440,999	2,228,743
Unallocated	2,280,329	1,020,349
	<u>106,726,463</u>	<u>107,057,717</u>

21. CONTINGENT LIABILITIES

The Shire of Dumbleyung has no contingent liabilities to disclose as at 30 June 2020.

22 CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects

	2020	2019
	\$	\$
	54,194	87,029
	54,194	87,029
	54,194	87,029

Payable:

- not later than one year

The capital expenditure projects outstanding at the end of 2020 reporting period represents the Dumbleyung Sewerage Plant upgrades and replacement of the shire administration building front counter.

The capital expenditure projects outstanding at the end of 2019 reporting period represents the re-roofing of the shire administration building, and the completion of the installation of heating at the swimming pool.

(b) Operating Lease Commitments

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

Payable:

- not later than one year

- later than one year but not later than five years

- later than five years

	2020	2019
	\$	\$
	6,868	20,592
	2,789	28,778
	0	0
	9,657	49,370

On adoption of AASB16, the Shire recognised lease liabilities in relation to leases which had previously been classified as an operating lease under AASB117. However, all contracts that are classified as short-term leases and leases of low value assets are recognised as operating expenses on a straight-line basis over the term of the lease.

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

23. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

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

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Meeting fees	15,515	20,450	15,077
President's allowance	7,000	7,000	7,000
Deputy President's allowance	1,750	1,750	1,750
Travelling expenses	5,347	5,000	3,827
Telecommunications allowance	2,090	9,433	2,659
	<u>31,702</u>	<u>43,633</u>	<u>30,313</u>

Key Management Personnel (KMP) Compensation Disclosure

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

	2020 Actual	2019 Actual
	\$	\$
Short-term employee benefits	358,408	507,986
Post-employment benefits	45,349	48,003
Other long-term benefits	10,681	8,625
	<u>414,438</u>	<u>564,614</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 long service benefits accruing during the year.

Transactions with related parties

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

The following transactions occurred with related parties:

	2020 Actual	2019 Actual
	\$	\$
Purchase of goods and services	10,639	97,581
Short term employee benefits -other related parties	57,691	8,625
Amounts outstanding from related parties:		
Trade and other receivables	0	2,041
Amounts payable to related parties:		
Trade and other payables	0	732

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.

ii. Other Related Parties

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

iii. Entities subject to significant influence by the Shire

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

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

24. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2019/20 Actual Rateable Value		2019/20 Actual Rate Revenue		2019/20 Actual Interim Rates		2019/20 Actual Back Rates		2019/20 Budget Interim Rate		2019/20 Budget Back Rate		2019/20 Budget Total Revenue		2018/19 Actual Total Revenue	
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Differential general rate / general rate																		
Gross rental valuations																		
GRV	0.10822	164	1,197,480	129,590	181	129,590									129,590	129,590	125,175	
Unimproved valuations																		
UV	0.01033	284	152,190,500	1,572,584	(387)	1,572,197									1,572,584	1,572,584	1,502,230	
Sub-Total		448	153,387,980	1,702,174	(206)	1,701,968									1,702,174	1,702,174	1,627,405	
Minimum payment																		
Minimum \$																		
Gross rental valuations																		
GRV	435	74	86,462	32,190		32,190									32,190	32,190	30,295	
Unimproved valuations																		
UV	435	34	515,792	14,790	(435)	14,355									14,790	14,790	11,205	
Sub-Total		108	602,254	46,980	(435)	46,545									46,980	46,980	41,500	
Discounts (Note 24(c))		556	153,990,234	1,749,154	(641)	1,748,513									1,749,154	1,749,154	1,668,905	
Total amount raised from general rate						(57,423)									(65,000)	(62,076)		
Ex-gratia rates						1,691,090									1,684,154	1,606,829		
Prepaid rates						12,976									12,976	12,358		
Totals						1,704,066									1,697,130	1,621,149		

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 DUMBLEYUNG
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 FOR THE YEAR ENDED 30 JUNE 2020

24. RATING INFORMATION (Continued)

(b) Service Charges

Service Charges	Amount of Charge	2019/20 Actual		2019/20 Actual		2019/20 Budget		2019/20 Budget		2018/19 Total Actual Revenue
		Revenue Raised	Charges Applied to Costs	Charges Applied to Reserve	Set Aside to Reserve	Charges Applied to Reserve	Set Aside to Reserve	Charges Applied to Reserve	Costs	
Fence Road Drainage Scheme	\$400 per kilometre plus \$50 per kilometre for additional drainage accessing the scheme for new or existing landholders. There is also a one-off access charge of \$400 for new landholders connecting to the scheme.	\$ 24,591	\$ 19,354	\$ 5,237	\$ 0	\$ 18,745	\$ 17,102	\$ 1,643	\$ 0	\$ 0
		24,591	19,354	5,237	0	18,745	17,102	1,643	0	0

Nature of the Service Charge
 Fence Road Drainage Scheme

Objects of the Charge
 To enable Council to continue providing this service into the future.

Reasons for the Charge
 For the ongoing maintenance, monitoring, inspections and debt obligations relating to the Fence Road Drainage Scheme.

Area/Properties Charge Imposed
 Land access the Fence Road Drainage Scheme, area consisting of the northern part of the Shire of Dumbleyung Local Government Area, south of Boundary Road and north from the Dumbleyung Lake Grace Road.

SHIRE OF DUMBLEYUNG
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24. RATING INFORMATION (Continued)

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

Rates Discounts	Discount %	2020	2020	2019	Circumstances in which Discount is Granted
		Actual \$	Budget \$	Actual \$	
Rate or Fee Discount Granted					
General rates discount	5.00%	57,423	65,000	61,691	When payment of the full amount owing, including arrears and charges, is received in full on or before 4.30pm on the discount due date.
General rates write-off		0	0	385	

24. RATING INFORMATION (Continued)

(d) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Option One				
Single full payment	9/08/2019	0	0.0%	11.0%
Option Two				
First instalment	30/08/2019	0	0.0%	11.0%
Option Three				
First instalment	30/08/2019	15	5.5%	11.0%
Second instalment	30/12/2019	15	5.5%	11.0%
Option Four				
First instalment	30/08/2019	15	5.5%	11.0%
Second instalment	30/10/2019	15	5.5%	11.0%
Third instalment	30/12/2019	15	5.5%	11.0%
Fourth instalment	6/03/2020	15	5.5%	11.0%

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Interest on unpaid rates	10,857	7,910	8,847
Interest on instalment plan	3,619	2,637	2,949
Charges on instalment plan	2,835	3,137	2,700
	17,311	13,684	14,496

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

25. RATE SETTING STATEMENT INFORMATION

	2019/20 (30 June 2020 Carried Forward) \$	2019/20 Budget (30 June 2020 Carried Forward) \$	2019/20 (1 July 2019 Brought Forward) \$	2018/19 (30 June 2019 Carried Forward) \$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	11(a) (78,594)	(8,146)	(53,070)	(53,070)
Less: Fair value adjustments to financial assets at fair value through profit and loss	(865)	0	(52,551)	(52,551)
Movement in pensioner deferred rates (non-current)	(3,999)	0	792	792
Movement in employee benefit provisions (non-current)	(17,248)	0	(22,534)	(22,534)
Add: Loss on disposal of assets	11(a) 204,477	262,184	7,211	7,211
Add: Depreciation on non-current assets	11(c) 2,397,470	2,399,831	2,392,710	2,392,710
Non cash amounts excluded from operating activities	2,501,241	2,653,869	2,272,558	2,272,558
(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 (6,725,035)	(6,298,793)	(6,298,792)	(6,298,792)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	17(a) 53,070	733,765	733,765	733,765
- Current portion of lease liabilities	13,760	0	0	0
Total adjustments to net current assets	(6,658,205)	(5,565,028)	(5,565,029)	(5,565,029)
Net current assets used in the Rate Setting Statement				
Total current assets	8,541,653	6,211,984	8,639,934	8,639,934
Less: Total current liabilities	(616,168)	(646,956)	(1,220,809)	(1,220,809)
Less: Total adjustments to net current assets	(6,658,205)	(5,565,028)	(5,565,029)	(5,565,029)
Net current assets used in the Rate Setting Statement	1,267,280	0	1,854,096	1,854,096
(c) Adjustments to current assets and liabilities at 1 July 2019 on application of new accounting standards				
Total current assets at 30 June 2019				8,639,934
- Contract assets	28(a)			0
Total current assets at 1 July 2019				8,639,934
Total current liabilities at 30 June 2019				(1,220,809)
- Contract liabilities	28(a)			0
Total current liabilities at 1 July 2019				(1,220,809)

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

26. 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.

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2020					
Cash and cash equivalents	0.96%	8,329,962	6,725,037	1,604,925	0
2019					
Cash and cash equivalents	2.27%	3,422,486	0	3,422,486	0
Financial assets at amortised cost	2.50%	3,867,605	3,867,605	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.

	2020	2019
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	16,049	34,225

* 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 17(b).

SHIRE OF DUMBLEYUNG
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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26. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2019 or 1 July 2020 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a re-negotiation of repayment terms.

The loss allowance as at 30 June 2020 and 1 July 2019 was determined as follows for rates receivable. No expected credit loss was forecast on 1 July 2019 or 30 June 2020 for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed of to recover unpaid rates.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2020					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	1,008	56,184	22,668	55,065	134,925
30 June 2019					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	1,109	57,086	22,072	51,789	132,056

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2020					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.93%	
Gross carrying amount	3,019	115	1,101	4,861	9,096
Loss allowance	0	0	0	4,532	4,532
30 June 2019					
Trade and other receivables					
Expected credit loss	0.06%	0.77%	0.13%	0.83%	
Gross carrying amount	12,358	15,487	1,025	14,289	43,159
Loss allowance	721	11,902	129	11,838	24,590

26. 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 17(d).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2020					
Payables	235,673	0	0	235,673	235,673
Borrowings	64,908	131,802	200,121	396,831	309,747
Lease liabilities	14,017	8,731		22,748	22,439
	<u>314,598</u>	<u>140,533</u>	<u>200,121</u>	<u>655,252</u>	<u>567,859</u>
2019					
Payables	227,909	0	0	227,909	227,910
Borrowings	748,129	176,705	220,126	1,144,960	1,043,512
	<u>976,038</u>	<u>176,705</u>	<u>220,126</u>	<u>1,372,869</u>	<u>1,271,422</u>

27. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Shire of Dumbleyung has no events after 30 June 2020, favourable or unfavourable, to disclose.

SHIRE OF DUMBLEYUNG
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28 INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

(a) AASB 15: Revenue from Contracts with Customers and AASB 1058 Income for Not-for-Profit Entities

The Shire adopted AASB 15 Revenue from Contracts with Customers (issued December 2014) on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the Shire adopted the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. The Shire did not have any adjustments at 1 July 2019.

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

In applying AASB 1058 retrospectively with the cumulative effect of initially applying the Standard on 1 July 2019, no adjustments were made on initial application of the Standard.

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

		2020 \$		2020 \$
	Note	As reported under AASB 15 and AASB 1058	Adjustment due to application of AASB 15 and AASB 1058	Compared to AASB 118 and AASB 1004
Statement of Comprehensive Income				
Revenue				
Rates	24(a)	1,704,066	16,132	1,720,198
Operating grants, subsidies and contributions	2(a)	2,023,550	36,914	2,060,464
Fees and charges	2(a)	500,846	0	500,846
Non-operating grants, subsidies and contributions	2(a)	1,033,738	0	1,033,738
Net result		335,026	53,046	388,072
Statement of Financial Position				
Trade and other payables	14	235,673	(16,132)	219,541
Contract liabilities	15	36,914	(36,914)	0
Net assets		105,816,372	53,046	105,869,418
Statement of Changes in Equity				
Net result		335,026	53,046	388,072
Retained surplus		28,643,916	53,046	28,696,962

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

SHIRE OF DUMBLEYUNG
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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(b) AASB 16: Leases

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

On adoption of AASB 16, the Shire recognised lease liabilities in relation to leases which had previously been classified as an 'operating lease' applying AASB 117 (excluding short term and low value leases). These lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 1.60%.

	<u>Note</u>	<u>2020</u>
		\$
Operating lease commitments at 30 June 2019 applying AAS 117		49,370
Discount applied using incremental borrowing rate		<u>(13,389)</u>
Lease liability recognised as 1 July 2019 discounted using the Shire's incremental borrowing rate of 1.60%	16(b)	35,981
Lease liability - current		13,542
Lease liability - non-current		<u>22,439</u>
Right-of-use assets recognised at 1 July 2019		35,981

On adoption of AASB 16, the shire recognised a right -of-use asset in relation to leases which had been previously classified as an 'operating lease' applying AASB 117. This right-of-use asset is deemed to be equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments. Right-of-use assets and lease liabilities increased by \$35,981 on 1 July 2019 resulting in no impact on retained surplus.

On adoption of AASB 16 Leases (issued February 2016), for leases which had previously been classified as an 'operating lease' when applying AASB 117, the Shire is not required to make any adjustments on transition for leases for which the underlying asset is of low value. Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with Financial Management Regulation 17A (5).

In applying AASB 16 for the first time, the Shire will use the following practical expedient permitted by the standard.
 - The exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application.

(c) Impact of New Accounting Standards on Retained Surplus

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

	<u>Note</u>	<u>Adjustments</u>	<u>2019</u>
			\$
Retained surplus - 30 June 2019			28,735,133
Retained surplus - 1 July 2019			28,735,133

SHIRE OF DUMBLEYUNG
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29. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

i) Impairment of assets

In accordance with Australian Accounting Standards the Shire's cash generating non-specialised assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

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

30. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
<p>GOVERNANCE To provide a decision making process for the efficient allocation of scarce resources.</p>	<p>Includes the activities of members of council and the administrative support available to council for the provision of governance of the district. Other costs relate the task of assisting elected members and ratepayers on matters of which do not concern specific council systems and the administration of the Bain Estate Future Fund.</p>
<p>GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services</p>	<p>Rates, general purpose government grants and interest revenue.</p>
<p>LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer and environmentally conscious community.</p>	<p>Supervision and enforcement of various local laws, laws relating to fire prevention, animal control and other aspects of public safety including emergency services.</p>
<p>HEALTH To provide an operational framework for the environment and community health.</p>	<p>Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.</p>
<p>EDUCATION AND WELFARE To provide services to disadvantaged persons, the elderly, children and youth.</p>	<p>Maintenance of child minding centre, playgroup centre.</p>
<p>HOUSING To provide and maintain housing for low income earners and aged residents.</p>	<p>Provision and maintenance of housing for low income earners and elderly residents.</p>
<p>COMMUNITY AMENITIES To provide services required by the community.</p>	<p>Rubbish Collection services, operation of rubbish disposal sites, litter control, protection of the environment and administration of town planning schemes, cemetery and public conveniences.</p>
<p>RECREATION AND CULTURE To establish and effectively manage infrastructure and resources which will help the well-being of the community.</p>	<p>Maintenance of public halls, civic centres, aquatic centre, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library and other cultural facilities.</p>
<p>TRANSPORT To provide safe, effective and efficient transport services to the community.</p>	<p>Construction and maintenance of roads, street, footpaths, depots and traffic control. Cleaning of street and maintenance of street trees.</p>
<p>ECONOMIC SERVICES To help promote the shire and its economic well-being.</p>	<p>Tourism and area promotion including the maintenance and operation of caravan parks. Provision of rural services including Landcare services, weed control, vermin control, and standpipes. Building control.</p>
<p>OTHER PROPERTY AND SERVICES To monitor and control council's overheads operating accounts.</p>	<p>Private works operation, administration costs, public works overheads, plant repair and operation costs.</p>

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

31. FINANCIAL RATIOS

	2020 Actual	2019 Actual	2018 Actual
Current ratio	3.59	5.26	1.28
Asset consumption ratio	0.95	0.97	0.99
Asset renewal funding ratio	1.01	1.00	1.07
Asset sustainability ratio	0.91	1.71	2.85
Debt service cover ratio	2.28	1.07	1.28
Operating surplus ratio	(0.28)	(0.33)	(0.17)
Own source revenue coverage ratio	0.48	0.48	0.48

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



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Councillors of the Shire of Dumbleyung

Report on the Audit of the Financial Report

Opinion

I have audited the annual financial report of the Shire of Dumbleyung which comprises the Statement of Financial Position as at 30 June 2020, and the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, as well as notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

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

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2020 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for Opinion

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

Emphasis of Matter – Basis of Accounting

I draw attention to Note 1 to the annual financial report, which describes the basis of accounting. The annual financial report has been prepared for the purpose of fulfilling the Shire's financial reporting responsibilities under the Act, including the Local Government (Financial Management) Regulations 1996 (Regulations). My opinion is not modified in respect of these matters:

- (i) Regulation 17A requires a local government to measure vested improvements at fair value and the associated vested land at zero cost. This is a departure from AASB 16 *Leases* which would have required the entity to measure the vested improvements also at zero cost.
- (ii) In respect of the comparatives for the previous year ended 30 June 2019, Regulation 16 did not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report.

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Report

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

A further description of my responsibilities for the audit of the annual financial report is located on the Auditing and Assurance Standards Board website at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This includes the identification and assessment of the risk of material misstatement due to fraud arising from management override of controls. This description forms part of my auditor's report.

Report on Other Legal and Regulatory Requirements

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

- (i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the Shire:
 - a. The Operating Surplus Ratio has been below the Department of Local Government, Sport and Cultural Industries' (DLGSCI) standard for the past three years.
- (ii) The following material matters indicating non-compliance with Part 6 of the *Local Government Act 1995*, the Local Government (Financial Management) Regulations 1996 or applicable financial controls of any other written law were identified during the course of my audit:
 - a. We note that the delegation of authority has been approved for officers within the Shire, however payment limits per officer have not been set. These officers have access to the Shire's bank account to be either the first or second authoriser for a payment.
 - b. A review of the appropriateness and effectiveness of the Shire's financial management systems and procedures was not completed by the CEO at least once every three financial years, as required by section 5(2)(c) of the Local Government (Financial Management) Regulations 1996. The last review took place for the financial year ended 30 June 2017.
 - c. During our testing of payments there were instances where there was no evidence of delegated officers examining supporting documentation to invoices received prior to payment.
 - d. Inadequate segregation of duties within the procurement process was identified, where officers that prepare financial information also have access to authorise payments via the bank account.
- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed.
- (v) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

Other Matter

The annual financial reports of the Shire for the years ended 30 June 2018 and 30 June 2019 were audited by another auditor who expressed an unmodified opinion on those annual financial reports. The financial ratios for 2018 and 2019 in Note 31 of the audited annual financial report were included in the supplementary information and/or audited annual financial report for those years.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the annual financial report of the Shire of Dumbleyung for the year ended 30 June 2020 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the annual financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this annual financial report. If users of the annual financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the annual audited financial report to confirm the information contained in this website version of the annual financial report.



ALOHA MORRISSEY
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT
Delegate of the Auditor General for Western Australia
Perth, Western Australia
16 December 2020