



SHIRE OF DUMBLYUNG



ANNUAL REPORT

FOR THE YEAR ENDING 30 JUNE 2021



ABOUT THE SHIRE OF DUMBLEYUNG	5
AUTHORITY AND LEGISLATION.....	5
DUMBLEYUNG SHIRE LOCATION.....	5
HISTORY OF THE SHIRE.....	6
POPULATION AND EMPLOYEES.....	6
TOURIST ATTRACTIONS.....	6
SIGNIFICANT LOCAL EVENTS.....	6
MESSAGE FROM THE SHIRE PRESIDENT	7
MESSAGE FROM THE CHIEF EXECUTIVE OFFICER.....	8
MESSAGE FROM THE MANAGER OF WORKS & SERVICES.....	9
ELECTED MEMBERS AND EXECUTIVE STAFF.....	10
STATUTORY REPORTS.....	13
1. NATIONAL COMPETITION POLICY (NCP).....	13
2. INFORMATION STATEMENT	13
3. FREEDOM OF INFORMATION	14
4. PLAN FOR THE FUTURE	15
5. STATE RECORDS ACT 2000.....	21
6. PUBLIC INTEREST DISCLOSURES	22
7. LEGISLATIVE REVIEW.....	22
8. DISABILITY ACCESS AND INCLUSION PLAN	23
9. EMPLOYEES REMUNERATION	28
10. RENUMERATION PROVIDED TO THE CEO	28
11. ELECTED MEMBER DEMOGRAPHICS	28
12. COMPLAINTS OF MINOR BREACHES	30
13. ATTENDANCE AT COUNCIL AND COMMITTEE MEETINGS.....	30
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021.....	30
INDEPENDENT AUDITOR’S REPORT	86

Acknowledgement of Noongar People

The Shire of Dumbleyung acknowledges the Noongar people as traditional custodians of this land and their continuing connection to land and community. We pay our respect to them, to their culture and to their Elders past and present.

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.



Bluebird Replica on Absolon Street

ABOUT THE SHIRE OF DUMBLEYUNG

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.

Dumbleyung is very accessible through its high standard of transport infrastructure including rail, sealed highway access and an airstrip.

Shire Office and Chambers
Postal Address
Telephone
Facsimile
E-mail
Website
Office Hours

Cnr Harvey & Dawson Streets, Dumbleyung
PO Box 99, Dumbleyung, WA, 6350
(08) 9863 4012
(08) 9863 4146
ceo@dumbleyung.wa.gov.au
www.dumbleyung.wa.gov.au
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. As at 30 June 2020, the Shire of Dumbleyung had four Wards (North, South, Dumbleyung and Kukerin) and nine councillors. In October of 2021 the Shire of Dumbleyung introduced a no-ward system and reduced the number of Councillors from nine to seven.

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

Dumbleyung's name is of Noongar origin, coming from "Dambeling" which possibly means "large lake or inland sea" (although another source suggests it came from "dumbing", a game played with bent stick and a hard piece of fruit).

Population and Employees

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

There are currently 24 people who work for the Shire; made up of both full-time and part-time employees.



Tourist Attractions

Dumbleyung Lake, Bluebird Interpretive Centre, Bluebird Replica, Donald Campbell Sculpture, Wuddi Aboriginal Cultural Centre & Tours, Cambinata Yabbies, Bee Tour, Dumbleyung Community Garden, Dumbleyung Historical Walk, Emu Essence, Kukerin Bouncing Pillow, Pussy Cat Hill, Station Building Historical Display, Wildflowers and much more.

Significant Local Events

Kukerin Creekbed & Burnout Competition, Taste of Dumbleyung, Annual Australia Day Event, Dumbleyung Community Christmas Tree, Kukerin Christmas Street Party, Dongolocking Christmas Tree and much more.

MESSAGE FROM THE SHIRE PRESIDENT



Last year I reported that 2019/20 had been a very challenging 12 month period for the Shire of Dumbleyung; unfortunately 2020/21 has been no less turbulent. Our major challenge has been a significant lack of leadership within all three key senior positions within the Shire organisational structure. For extended periods, we have been without a permanent Chief Executive Officer, Manager of Finance and Manager of Works. This has resulted in a significant investment of Shire President time being devoted to support business continuity. My sincere thanks go to all Shire administration and works staff for their patience and unwavering commitment to this Shire during this very unsettling period.

It was pleasing to see the significant investment in infrastructure investment continue during the year, mainly supported by Federal Government funding through Drought Communities Program (\$500k) and Local Roads and Community Infrastructure Program (\$428k). Further details on the various community projects being delivered can be found in the Chief Executive Officer Report. We have also been advised that a third round of Local Roads and Community Infrastructure funding has been confirmed with the Shire of Dumbleyung being allocated \$853k for selected projects for delivery by 30th June 2023.

The Shire hosted a vitally important Water Security Community Forum on 25th February for the purpose of considering and discussing options to alleviate current shortages. The strong response to the workshop through a significant community presence indicated the importance of water security to our Shire. A number of key recommendations came out of this forum, mainly targeting State Government assistance towards extensions of the Harris River Dam, sharing of water from higher rainfall areas, development of water programs to assist famers become self-sufficient and extension of State and Federal Government funding support.

On the topic of water security, the Shire of Dumbleyung is continuing its efforts to invest in expanding water catchment and storage capacity through various projects including installation of a standpipe at Kukerin Stock Dam, planned refurbishment of the Horse Paddock Dam (as a new Dumbleyung townsite water supply), cleaning of Kukerin Main Oval Dam and upgrades to Dumbleyung Town Dams (via potential partnership with DWER, pending funding confirmation). It was also intended that the Shire invest in a dam cover for Kukerin Stock Dam, but at 30th June this project had not yet commenced. The State Government had also committed and completed a full clean out and refurbishment of Duggan Dam.

The important focus on water security comes at a time when our farmers are experiencing excellent seasonal rainfall. This season has the promise to be one of the best on record. We are hoping for a good finish, that yields are strong and prices remain high!

Despite the challenges encountered over the last two years, I have had unwavering support of Council. I would like to thank all Councillors for their time, effort and commitment during this difficult period. Next year is already looking positive with the recent appointment of a new CEO and imminent commencement of Director of Corporate Services. The appointment of a Director of Infrastructure is also expected to occur during 2021/22.

Julie Ramm
Shire President

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



I commenced the role of Chief Executive Officer for the Shire of Dumbleyung on 28th June 2021 following an approximate 6 month acting stint by Mr Graham Foster who replaced Mr Peter Crispin as the then substantive CEO for the Shire. This report has been prepared given my limited knowledge of the various activities that took place during the 2020/21 financial year.

The Shire organisational structure and strategic focus was significantly disrupted during the year due to permanent staffing tenure gaps in all three key senior officer positions; Chief Executive Officer, Manager of Works & Manager of Finance. Despite this lack of organisational leadership, both the administration and works teams undertook their tasks in a dedicated, diligent and professional manner; they continued to deliver and get the job done.

The Shire of Dumbleyung completed a formal review of the current Ward electoral system and will move to a whole of Shire electorate for the forthcoming October 2021 Local Government elections. The number of Councillors representing the Dumbleyung Shire Council will also reduce from the current 9 to 7 elected members.

A number of key granted funded projects were commenced during the year, including:-

Drought Communities Program (\$500k)

- Stubbs Park Grandstand Changeroom Upgrade
- Duggan Dam Standpipe
- Dumbleyung Hall Upgrades (Airconditioning & Solar Panels)
- Reefinate Kukerin Community Cropping Paddock

Local Roads & Community Infrastructure Program (\$428k)

- Absolon Street Shop Upgrades
- FSG Digital Farm Program (Enterprise Grade Wireless Broadband)
- Dumbleyung & Kukerin Town Hall Upgrades (Acoustic Panels & Air Conditioning)
- Dumbleyung CRC Building Improvements
- Nenke Park Solar Power
- Community Buildings Solar Projects

Moving forward, my initial focus will be on building a strong united team with Council and staff, including the filling of remaining key senior officer positions. I also intend as a priority to meet all of the small businesses operating in the Shire. The purpose of these meetings is to strengthen the relationship between the local small business sector and the Shire and to gain important insights on key common issues and opportunities to support the retention and growth of this vitally important economic sector. These engagement efforts will also form part of and inform a new Shire of Dumbleyung Strategic Community Plan for potential adoption by Council during the 2021/22 financial year.

My thanks goes to Councillors, staff and the broader Dumbleyung community for their support and efforts during the year. Although 2020/21 has had its difficulties, the year ahead holds significant promise, particularly as the Shire secures and consolidates its team and finalises its new strategic direction.

Gavin Treasure
Chief Executive Officer

MESSAGE FROM THE MANAGER OF WORKS & SERVICES



The Works and Services Department in 2020/21 saw many changes with the resignation of the Manager, David Gyford, and John 'JB' Bairstow as the long serving Leading Hand. Anthony 'Bill' Pearce stepped into the role of Leading Hand and has been performing this role to a very high standard. The Shire found securing a new Manager of Works & Services problematic given the marketplace and so engaged a consultant to assist during this time until a Manager could be secured. A Manager has now been secured, Darryn Watkins, who will commence work with the Shire in 2021/22.

During the 2020/21 financial year, the Shire sold a grader outright and traded in one light vehicle for a new one.

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 2020/21 fiscal year the following totals were spent in comparison to 2019/20:

	2020/21	2019/20
Road Construction	\$1,133,576	\$1,402,648
Road Maintenance, including footpaths and town beautification	\$1,032,262 (\$271,110 of this being WANDRRA/DRFAWA)	\$761,835 (\$283,030 of this being WANDRRA/DRFAWA)
Public Open Space Maintenance, including ovals ²	\$235,324	\$138,854
Plant Operation Costs	\$348,514	\$406,546
Overheads ¹	\$681,792	\$701,908

¹Includes all operation and maintenance costs for buildings in reserves, POS, shire buildings and housing.

²Includes all sports courts, parks, gardens, ovals, reserves, and playgrounds.

The following grant money was received in the 2020/21 financial year for road construction again in comparison to 2019/20:

	2020/21	2019/20
Regional Road Group	\$310,830	\$342,740
Direct Road Grants	\$151,225	\$149,102
Roads to Recovery	\$391,805	\$391,805

The Shire's Works Department completed the following projects:

- New seal works on Adams Road (intersection works)
- Reseal works on Scaddan Street (Kukerin) and 129 Gate Road
- Cement stabilising works on Kukerin South Road, Dumbleyung-Nyabing Road and Mt Pleasant Road

- Gravel road works on Petersen Road, Carwardine Road, Fairclough Road, 129 Gate Road, Mt Pleasant Road, Tarin Rock South Road, Powells Road and Hills Road
- Seal widening works on Tarin Rock 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.

Allister Butcher
Rural Infrastructure Services



ELECTED MEMBERS AND EXECUTIVE STAFF

As at 30 June 2021, the Shire of Dumbleyung had four Wards (North, South, Dumbleyung and Kukerin) and nine councillors. In October of 2021 the Shire of Dumbleyung introduced a no-ward system and reduced the number of Councillors from nine to seven.

The Shire of Dumbleyung currently consists of seven (7) Elected Members and three (3) Executive Staff. The Council members elect the Shire President and Deputy Shire President every two years. The Elected Members details below reflects service from 1 July 2020 to 30 June 2021 –

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
- Stubbs Park Development 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
- Stubbs Park Development Advisory Committee (Proxy)
- 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 Development Advisory 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

Current Executive Staff

Mr Gavin Treasure	Chief Executive Officer
Mr Darryn Watkins	Director of Infrastructure
Miss Danika Allday	Director of Corporate Services



CURRENT ELECTED MEMBERS & EXECUTIVE STAFF

BACK (L TO R) – Cr Grant Lukins, Cr Marilyn Hasleby, Cr Bevan Doney, Cr Catherine Watkins, Cr Kevin Powell
FRONT (L TO R) – Mr Darryn Watkins – Director of Infrastructure, Miss Danika Allday – Director of Corporate Services, Cr Julie Ramm – Shire President, Cr Amy Knight – Deputy President, Mr Gavin Treasure – Chief Executive Officer

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
- 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

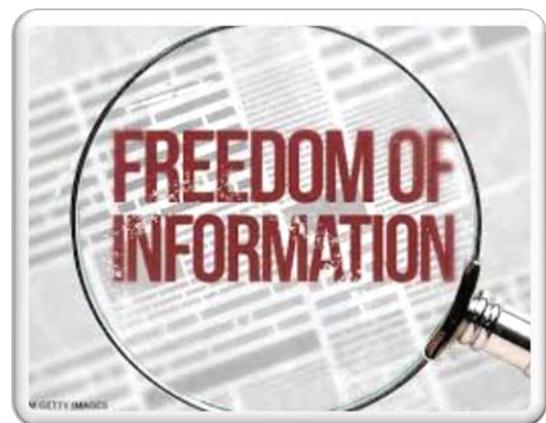
In complying with the *Freedom of Information Act 1992*, the Shire of Dumbleyung is required to prepare and publish an Information Statement. The Shire of Dumbleyung's Information Statement is reviewed annually and is available for download from the Shire of Dumbleyung website.

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 2020/21 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.

The Strategic Community Plan and Corporate Business Plan are currently under a full review.

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

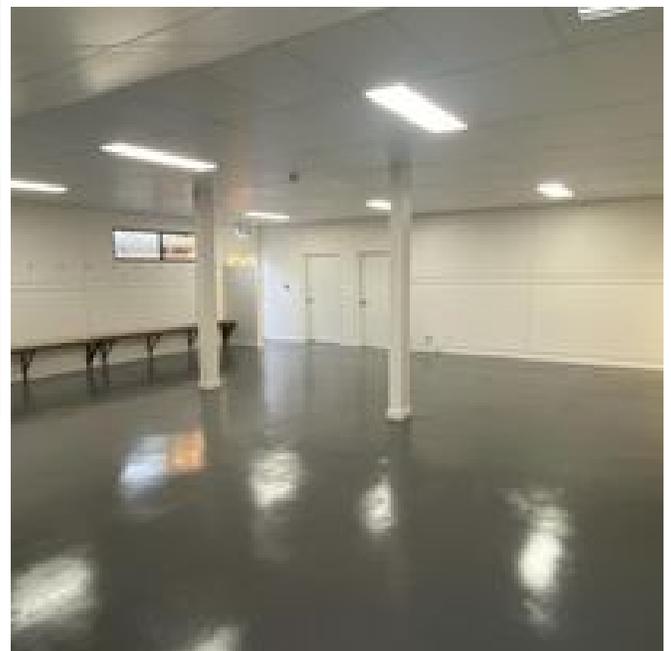
Key Objectives

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.

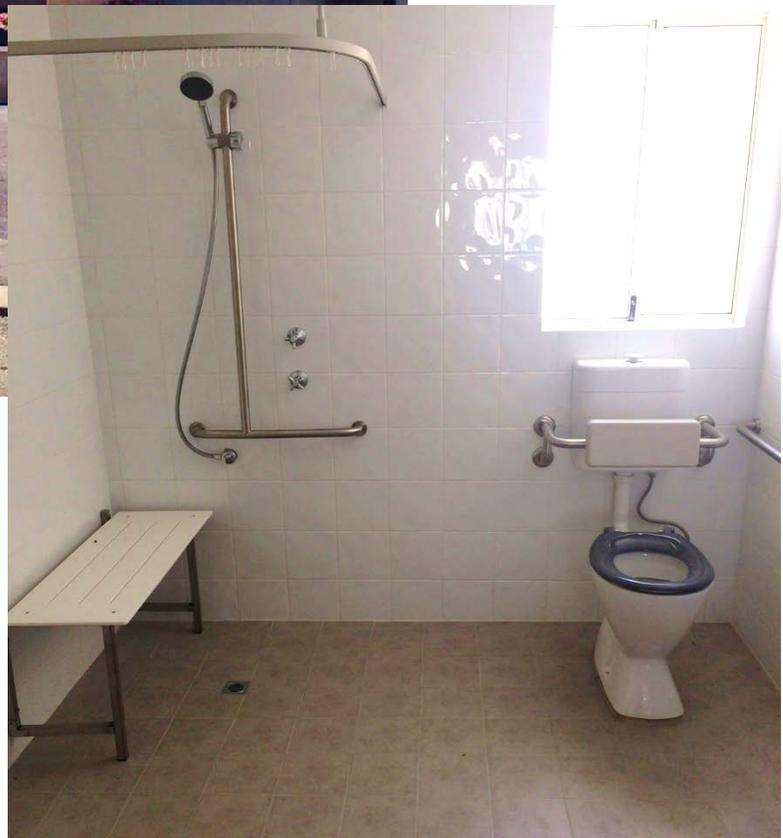


4. Maintain Level of Aged Care Services and Facilities

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. STATE RECORDS ACT 2000

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. The Shire is reviewing its record keeping methods on a continual basis.

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 and further training was undertaken in-house by all staff in 2021. A new Admin/Records Officer will be employed and appropriately trained.



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 2020/21 or any existing Local Laws reviewed. A full review of all Local Laws will be conducted in 2021/2022.

For a list of all Local Laws please refer to the Shire of Dumbleyung website or 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, Council minutes and electoral material 	<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

Set out below, in bands of \$10,000, is the number of employees of the Shire entitled to an annual salary of \$130,000 or more (regulation 19B(2)(a) & (b) Local Government (Administration Regulations 1996).

SALARY RANGE	2019/20	2020/21
\$130,000 - \$140,000	0	0
\$140,000 - \$150,000	1	1
\$150,000 - \$160,000	0	0
\$160,000 - \$170,000	0	0
\$170,000 - \$180,000	0	0
\$180,000 - \$190,000	0	0
\$190,000 - \$200,000	0	0
\$200,000 - \$210,000	0	0

10. REMUNERATION PROVIDED TO THE CEO

The total remuneration package to the CEO during 2020/21 is detailed below (regulation 19B(2)(e) Local Government (Administration) Regulations 1996) is \$177,125.

11. ELECTED MEMBER DEMOGRAPHICS

Elected Member demographics of the Councillors elected in 2019 is detailed below (regulation 19B(2)(h) Local Government (Administration Regulations 1996).

Gender	3 Males 6 Females
Linguistic Background	9 English
Country of Birth	1 England 8 Australia
Aboriginal or Torres Strait Islander	Nil
Ages	
between 18 years and 24 years; and	0
between 25 years and 34 years; and	1
between 35 years and 44 years; and	0
between 45 years and 54 years; and	4
between 55 years and 64 years; and	3
over the age of 65 years.	1

12. 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 2020/21 there were no reportable complaints.

13. ATTENDANCE AT COUNCIL AND COMMITTEE MEETINGS

On the third Thursday of every month (excluding January), Council convenes an Ordinary Council Meeting, where decisions are made on all report items in the best interest of the community (Regulation 19B(2)(f) Local Government (Administration) Regulations 1996.

Below is a table outlining individual Elected Members' attendance, for the 2020/21 financial year on various Council Committees as a member in their capacity as an Elected Member as well as attendance at Council Meetings.

COUNCILLOR	ORDINARY COUNCIL MEETINGS	SPECIAL COUNCIL MEETINGS	ANNUAL ELECTORS MEETINGS	COMMITTEE MEETINGS	TOTAL
Cr Julie Ramm	11/11	4/4	1/1	9/10	25/26
Cr Jacki Ball	9/11	4/4	0/1	2/4	15/20
Cr Grant Lukins	10/11	3/4	1/1	5/7	18/23
Cr Kevin Powell	11/11	2/4	1/1	3/3	17/19
Cr Bevan Doney	9/11	4/4	1/1	3/5	17/21
Cr Catherine Watkins	11/11	4/4	1/1	0/0	16/16
Cr Amy Knight	11/11	4/4	1/1	7/7	23/23
Cr Marilyn Hasleby	11/11	4/4	1/1	4/5	20/21
Cr Vanessa Anderson	11/11	4/4	1/1	1/1	17/17

Gavin Treasure
CHIEF EXECUTIVE OFFICER

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

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

TABLE OF CONTENTS

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Index of Notes to the Financial Report	9
Independent Auditor's Report	55

COMMUNITY VISION

A vibrant shire which is sustainable, which has a high local Community of Interest, and 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 2021**

*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 2021 is based on proper accounts and records to present fairly the financial position of the Shire of Dumbleyung at 30 June 2021 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the

16th day of

March 2022

Chief Executive Officer
Gavin Treasure



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	28(a)	1,749,397	1,750,544	1,704,066
Operating grants, subsidies and contributions	2(a)	2,044,849	1,204,478	2,023,550
Fees and charges	2(a)	521,078	507,697	500,846
Service charges	28(c)	22,816	18,745	24,591
Interest earnings	2(a)	68,325	82,502	131,889
Other revenue	2(a)	58,313	86,689	90,648
		4,464,778	3,650,655	4,475,590
Expenses				
Employee costs		(1,485,079)	(1,444,571)	(1,256,383)
Materials and contracts		(1,124,476)	(1,621,422)	(738,713)
Utility charges		(163,720)	(217,630)	(163,230)
Depreciation on non-current assets	11(b)	(2,432,390)	(3,228,767)	(2,397,470)
Interest expenses	2(b)	(12,938)	(12,097)	(18,033)
Insurance expenses		(173,232)	(171,893)	(183,320)
Other expenditure		(66,162)	(284,569)	(292,135)
		(5,457,997)	(6,980,949)	(5,049,284)
		(993,219)	(3,330,294)	(573,694)
Non-operating grants, subsidies and contributions	2(a)	1,709,506	2,124,528	1,033,738
Profit on asset disposals	11(a)	562	35,000	78,594
(Loss) on asset disposals	11(a)	(26,169)	(29,000)	(204,477)
Fair value adjustments to financial assets at fair value through profit or loss		1,939	0	865
		1,685,838	2,130,528	908,720
Net result for the period		692,619	(1,199,766)	335,026
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		692,619	(1,199,766)	335,026

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 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Governance		0	0	6,513
General purpose funding		3,571,332	2,653,770	3,531,328
Law, order, public safety		51,334	59,691	61,765
Health		0	3,300	2,677
Education and welfare		3,000	3,000	0
Housing		119,912	122,920	126,024
Community amenities		259,038	249,555	239,001
Recreation and culture		21,059	23,772	23,710
Transport		165,366	163,725	159,959
Economic services		196,496	249,288	176,855
Other property and services		77,241	121,634	147,758
		4,464,778	3,650,655	4,475,590
Expenses				
Governance		(572,603)	(936,421)	(753,539)
General purpose funding		(103,297)	(98,108)	(94,580)
Law, order, public safety		(166,361)	(177,970)	(169,745)
Health		(45,484)	(80,364)	(41,451)
Education and welfare		(23,967)	(19,702)	(16,053)
Housing		(171,276)	(244,277)	14,727
Community amenities		(512,608)	(555,161)	(417,157)
Recreation and culture		(773,164)	(883,371)	(703,294)
Transport		(2,399,486)	(3,257,071)	(2,211,215)
Economic services		(637,430)	(605,010)	(443,028)
Other property and services		(39,383)	(111,397)	(195,916)
		(5,445,059)	(6,968,852)	(5,031,251)
Finance Costs				
Housing		(3,285)	(2,999)	(3,728)
Community amenities		(86)	(89)	(291)
Recreation and culture		(340)	(310)	(567)
Transport		(913)	(831)	(3,502)
Economic services		(8,057)	(7,611)	(9,471)
Other property and services		(257)	(257)	(474)
	2(b)	(12,938)	(12,097)	(18,033)
		(993,219)	(3,330,294)	(573,694)
Non-operating grants, subsidies and contributions	2(a)	1,709,506	2,124,528	1,033,738
Profit on disposal of assets	11(a)	562	35,000	78,594
(Loss) on disposal of assets	11(a)	(26,169)	(29,000)	(204,477)
Fair value adjustments to financial assets at fair value through profit or loss		1,939	0	865
		1,685,838	2,130,528	908,720
Net result for the period		692,619	(1,199,766)	335,026
Total comprehensive income for the period		692,619	(1,199,766)	335,026

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

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

	NOTE	2021	2020
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	3,071,277	8,329,962
Trade and other receivables	6	295,126	162,760
Other financial assets	5(a)	6,569,416	0
Inventories	7	13,746	7,658
Other assets	8	20,997	41,273
TOTAL CURRENT ASSETS		9,970,562	8,541,653
NON-CURRENT ASSETS			
Trade and other receivables	6	29,667	32,496
Other financial assets	5(b)	55,355	53,416
Property, plant and equipment	9	16,392,477	16,403,119
Infrastructure	10	81,094,497	81,673,534
Right-of-use assets	12(a)	8,283	22,245
TOTAL NON-CURRENT ASSETS		97,580,279	98,184,810
TOTAL ASSETS		107,550,841	106,726,463
CURRENT LIABILITIES			
Trade and other payables	14	502,150	235,673
Other liabilities	15	31,561	36,914
Lease liabilities	16(a)	8,679	13,760
Borrowings	17(a)	53,011	53,070
Employee related provisions	18	215,058	276,751
TOTAL CURRENT LIABILITIES		810,459	616,168
NON-CURRENT LIABILITIES			
Lease liabilities	16(a)	0	8,679
Borrowings	17(a)	203,666	256,677
Employee related provisions	18	27,727	28,567
TOTAL NON-CURRENT LIABILITIES		231,393	293,923
TOTAL LIABILITIES		1,041,852	910,091
NET ASSETS		106,508,991	105,816,372
EQUITY			
Retained surplus		29,292,153	28,643,916
Reserves - cash/financial asset backed	4	6,769,417	6,725,035
Revaluation surplus	13	70,447,421	70,447,421
TOTAL EQUITY		106,508,991	105,816,372

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 2021

		RESERVES CASH/FINANCIAL		
	NOTE	RETAINED SURPLUS	ASSET BACKED	REVALUATION SURPLUS
		\$	\$	\$
		\$	\$	\$
Balance as at 1 July 2019		28,735,133	6,298,792	70,447,421
Comprehensive income				
Net result for the period		335,026	0	0
Total comprehensive income		335,026	0	0
Transfers from reserves	4	436,016	(436,016)	0
Transfers to reserves	4	(862,259)	862,259	0
Balance as at 30 June 2020		28,643,916	6,725,035	70,447,421
Comprehensive income				
Net result for the period		692,619	0	0
Total comprehensive income		692,619	0	0
Transfers to reserves	4	(44,382)	44,382	0
Balance as at 30 June 2021		29,292,153	6,769,417	70,447,421

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 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,750,649	1,745,544	1,718,049
Operating grants, subsidies and contributions		2,055,217	1,132,564	2,050,332
Fees and charges		518,180	507,697	500,846
Service charges		22,816	18,745	24,591
Interest received		68,325	82,502	131,889
Goods and services tax received		0	(2,000)	0
Other revenue		58,313	86,689	90,648
		4,473,500	3,571,741	4,516,355
Payments				
Employee costs		(1,547,612)	(1,419,571)	(1,240,124)
Materials and contracts		(861,177)	(1,668,422)	364,411
Utility charges		(163,720)	(217,630)	(163,230)
Interest expenses		(12,938)	(13,097)	(18,033)
Insurance paid		(173,232)	(171,893)	(183,320)
Goods and services tax paid		(126,246)	0	19,051
Other expenditure		(66,164)	(284,569)	(292,135)
		(2,951,089)	(3,775,182)	(1,513,380)
Net cash provided by (used in) operating activities	19	1,522,411	(203,441)	3,002,975
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	9(a)	(765,944)	(1,728,150)	(1,062,246)
Payments for construction of infrastructure	10(a)	(1,213,402)	(1,913,946)	(2,000,025)
Non-operating grants, subsidies and contributions	2(a)	1,709,506	2,124,528	1,033,738
Proceeds from financial assets at amortised cost - term deposits		(6,569,418)	0	3,867,605
Proceeds from sale of property, plant & equipment	11(a)	124,991	414,000	812,736
Net cash provided by (used in) investment activities		(6,714,267)	(1,103,568)	2,651,808
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	17(b)	(53,070)	(53,069)	(734,759)
Principal elements of lease repayments	16(b)	(13,760)	(13,760)	(13,542)
Proceeds from new borrowings	17(b)	0	0	994
Net cash provided by (used in) financing activities		(66,830)	(66,829)	(747,307)
Net increase (decrease) in cash held		(5,258,685)	(1,373,838)	4,907,476
Cash at beginning of year		8,329,962	8,329,963	3,422,486
Cash and cash equivalents at the end of the year	19	3,071,277	6,956,125	8,329,962

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

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	29 (b)	1,267,280	1,228,317	1,854,096
		1,267,280	1,228,317	1,854,096
Revenue from operating activities (excluding rates)				
Governance		0	0	6,513
General purpose funding		1,823,874	903,226	1,828,127
Law, order, public safety		51,334	59,691	61,765
Health		0	3,300	2,677
Education and welfare		3,000	3,000	0
Housing		119,912	122,920	126,024
Community amenities		259,038	249,555	239,001
Recreation and culture		21,059	23,772	23,710
Transport		165,928	198,725	230,385
Economic services		196,496	249,288	176,855
Other property and services		77,241	121,634	155,926
		2,717,882	1,935,111	2,850,983
Expenditure from operating activities				
Governance		(572,603)	(936,421)	(753,539)
General purpose funding		(103,297)	(98,108)	(94,580)
Law, order, public safety		(166,361)	(177,970)	(169,745)
Health		(45,484)	(80,364)	(41,451)
Education and welfare		(23,967)	(19,702)	(16,053)
Housing		(174,561)	(247,276)	(171,033)
Community amenities		(512,694)	(555,250)	(417,448)
Recreation and culture		(773,504)	(883,681)	(703,861)
Transport		(2,426,217)	(3,280,902)	(2,235,950)
Economic services		(645,487)	(612,621)	(452,499)
Other property and services		(39,991)	(117,654)	(197,602)
		(5,484,166)	(7,009,949)	(5,253,761)
Non-cash amounts excluded from operating activities	29(a)	2,458,047	3,222,767	2,501,241
Amount attributable to operating activities		959,043	(623,754)	1,952,559
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	1,709,506	2,124,528	1,033,738
Proceeds from disposal of assets	11(a)	124,991	414,000	812,736
Purchase of property, plant and equipment	9(a)	(765,944)	(1,728,150)	(1,062,246)
Purchase and construction of infrastructure	10(a)	(1,213,402)	(1,913,946)	(2,000,025)
		(144,849)	(1,103,568)	(1,215,797)
Amount attributable to investing activities		(144,849)	(1,103,568)	(1,215,797)
FINANCING ACTIVITIES				
Repayment of borrowings	17(b)	(53,070)	(53,069)	(734,759)
Proceeds from borrowings	17(b)	0	0	994
Payments for principal portion of lease liabilities	16(b)	(13,760)	(13,760)	(13,542)
Transfers to reserves (restricted assets)	4	(44,382)	(301,741)	(862,259)
Transfers from reserves (restricted assets)	4	0	345,348	436,016
Amount attributable to financing activities		(111,213)	(23,222)	(1,173,550)
Surplus/(deficit) before imposition of general rates		702,981	(1,750,544)	(436,788)
Total amount raised from general rates	28(a)	1,749,397	1,750,544	1,704,066
Surplus/(deficit) after imposition of general rates	29(b)	2,452,376	0	1,267,278

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

SHIRE OF DUMBLEYUNG
INDEX OF NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

Note 1	Basis of Preparation	10
Note 2	Revenue and Expenses	11
Note 3	Cash and Cash Equivalents	15
Note 4	Reserves - Cash backed	16
Note 5	Other Financial Assets	17
Note 6	Trade and Other Receivables	18
Note 7	Inventories	19
Note 8	Other Assets	20
Note 9	Property, Plant and Equipment	21
Note 10	Infrastructure	23
Note 11	Fixed Assets	25
Note 12	Leases	28
Note 13	Revaluation Surplus	29
Note 14	Trade and Other Payables	30
Note 15	Other Liabilities	31
Note 16	Lease Liabilities	32
Note 17	Information on Borrowings	33
Note 18	Employee Provisions	35
Note 19	Notes to the Statement of Cash Flows	36
Note 20	Total Assets Classified by Function and Activity	37
Note 21	Contingent Liabilities	38
Note 22	Commitments	39
Note 23	Elected Members Remuneration	40
Note 24	Related Party Transactions	41
Note 25	Investment in Associate and Joint Arrangements	42
Note 26	Major Land Transactions	43
Note 27	Trading Undertakings and Major Trading Undertakings	43
Note 28	Rating Information	44
Note 29	Rate Setting Statement Information	47
Note 30	Financial Risk Management	48
Note 31	Initial Application of Australian Accounting Standards	51
Note 32	Other Significant Accounting Policies	52
Note 33	Activities/Programs	53
Note 34	Financial Ratios	54

1. BASIS OF PREPARATION

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

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

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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.

INITIAL APPLICATION OF ACCOUNTING STANDARDS

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

These were:

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

The impact of adoption of these standards is described at Note 31.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

- *AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- *AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- *AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*

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

CRITICAL ACCOUNTING ESTIMATES

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect 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.

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

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates - general rates	General rates	Over time	Payment dates adopted by council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
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 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 2021

2. REVENUE AND EXPENSES

(a) Grant revenue

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

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Operating grants, subsidies and contributions			
Governance	0	0	6,513
General purpose funding	1,751,604	816,224	1,703,045
Law, order, public safety	40,381	48,091	51,354
Education and welfare	0	3,000	0
Housing	0	0	308
Recreation and culture	0	2,000	5,974
Transport	151,225	151,225	149,102
Economic services	74,013	156,393	70,575
Other property and services	27,626	27,545	36,679
	2,044,849	1,204,478	2,023,550
Non-operating grants, subsidies and contributions			
General purpose funding	735,760	1,028,622	0
Transport	973,746	1,095,906	891,178
Economic services	0	0	142,560
	1,709,506	2,124,528	1,033,738
Total grants, subsidies and contributions	3,754,355	3,329,006	3,057,288
Fees and charges			
General purpose funding	3,945	4,500	4,525
Law, order, public safety	6,504	7,600	6,162
Health	0	1,500	950
Housing	119,589	121,920	125,716
Community amenities	252,936	242,555	239,001
Recreation and culture	20,731	21,772	16,491
Transport	0	500	182
Economic services	99,381	74,100	79,689
Other property and services	17,992	33,250	28,130
	521,078	507,697	500,846

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

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

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

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

Fees and Charges

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

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Contracts with customers and transfers for recognisable non-financial assets

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions	963,660	1,204,478	2,023,550
Fees and charges	521,078	507,697	500,846
Other revenue	24,031	12,600	90,648
Non-operating grants, subsidies and contributions	1,709,506	2,124,528	1,033,738
	<u>3,218,275</u>	<u>3,849,303</u>	<u>3,648,782</u>

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

Revenue from contracts with customers included as a contract liability at the start of the period	36,914	48,587	0
Revenue from contracts with customers recognised during the year	1,471,855	1,676,188	2,615,044
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	1,709,506	2,124,528	1,033,738
	<u>3,218,275</u>	<u>3,849,303</u>	<u>3,648,782</u>

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

Trade and other receivables from contracts with customers	18,326	35,823	34,047
Contract liabilities from contracts with customers	(31,561)	0	(36,914)

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

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

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

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

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

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Revenue from statutory requirements			
Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:			
General rates	1,749,397	1,750,544	1,704,066
Service charges	22,816	18,745	24,591
	1,772,213	1,769,289	1,728,657
Other revenue			
Reimbursements and recoveries	34,282	74,089	77,568
Other	24,031	12,600	13,080
	58,313	86,689	90,648
Interest earnings			
Interest on reserve funds	43,939	60,526	115,016
Rates instalment and penalty interest (refer Note 28(e))	12,970	12,976	14,476
Other interest earnings	11,416	9,000	2,397
	68,325	82,502	131,889

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (continued)

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

(b) Expenses	Note	2021 Actual	2021 Budget	2020 Actual
		\$	\$	\$
Auditors remuneration				
- Audit of the Annual Financial Report		19,930	27,000	14,576
		19,930	27,000	14,576
Interest expenses (finance costs)				
Borrowings	17(b)	12,681	11,840	17,559
Lease liabilities	16(b)	257	257	474
		12,938	12,097	18,033
Other expenditure				
Impairment loss on trade and other receivables from contracts with customers		1,634	0	4,532
Sundry expenses		64,528	284,569	287,603
		66,162	284,569	292,135

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

3. CASH AND CASH EQUIVALENTS

NOTE	2021	2020
	\$	\$
Cash at bank and on hand	2,871,277	1,604,925
Term deposits	200,000	6,725,037
Total cash and cash equivalents	3,071,277	8,329,962
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	256,483	6,786,709
- Financial assets at amortised cost	6,569,416	0
	6,825,899	6,786,709

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

Reserves - cash/financial asset backed	4	6,769,417	6,725,035
Contract liabilities from contracts with customers	15	31,561	36,914
Bonds and deposits held		24,921	24,760
Total restricted assets		6,825,899	6,786,709

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 2021

4. RESERVES - CASH/FINANCIAL ASSET BACKED

	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance	2021 Budget Opening Balance	2021 Budget Transfer to	2021 Budget Transfer (from)	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Employee Entitlement Reserve	127,748	844	0	128,592	127,748	101,150	0	228,898	45,430	82,318	0	127,748
(b) Emergency Response Reserve	157,358	1,039	0	158,397	158,383	1,416	0	159,799	156,492	866	0	157,358
(c) IT & Office Equipment Reserve	29,817	197	0	30,014	29,817	41,268	0	71,085	0	54,373	(24,556)	29,817
(d) Plant, Vehicle and Equipment Reserve	389,070	2,569	0	391,639	389,071	53,502	(84,000)	358,573	402,667	63,380	(76,977)	389,070
(e) Buildings Reserve	680,252	4,490	0	684,742	679,229	26,122	0	705,351	275,550	404,702	0	680,252
(f) Dam Clearing Reserve	37,562	250	0	37,812	37,564	338	0	37,902	17,146	20,416	0	37,562
(g) Dumbleyung Sewerage Works Reserve	449,740	2,968	0	452,708	449,740	32,620	0	482,360	349,278	100,462	0	449,740
(h) Landcare Development Reserve	88,315	582	0	88,897	88,315	795	(37,663)	51,447	97,559	10,268	(19,512)	88,315
(i) Fence Road Drain Maintenance Reserve	6,186	41	0	6,227	6,186	1,699	0	7,885	924	5,262	0	6,186
(j) Bain Estate Reserve	4,758,987	31,403	0	4,790,390	4,758,985	42,831	(223,685)	4,578,131	4,910,415	119,177	(270,605)	4,758,987
(k) Gravel Pit Rehabilitation Reserve	0	0	0	0	0	0	0	0	26,619	636	(27,255)	0
(l) Drainage Maintenance Reserve	0	0	0	0	0	0	0	0	16,712	399	(17,111)	0
	6,725,035	44,382	0	6,769,417	6,725,038	301,741	(345,348)	6,681,431	6,298,792	862,259	(436,016)	6,725,035

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

5. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

	2021	2020
	\$	\$
Financial assets at amortised cost	6,569,416	0
	<u>6,569,416</u>	<u>0</u>

Other financial assets at amortised cost

Term deposits

Term deposits	6,569,416	0
	<u>6,569,416</u>	<u>0</u>

(b) Non-current assets

Financial assets at amortised cost - Local Government House Trust

Financial assets at amortised cost - Local Government House Trust	55,355	53,416
---	--------	--------

Financial assets at amortised cost

Units in Local Government House Trust

Units in Local Government House Trust	55,355	53,416
	<u>55,355</u>	<u>53,416</u>

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

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 30.

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable	
Trade and other receivables	
GST receivable	
Allowance for impairment of receivables	

Non-current

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

2021	2020
\$	\$
121,372	102,429
18,326	34,047
157,062	30,816
(1,634)	(4,532)
295,126	162,760
29,667	32,496
29,667	32,496

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 30.

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.

7. INVENTORIES

Current

Fuel and materials

The following movements in inventories occurred during the year:

Balance at beginning of year

Inventories expensed during the year

Additions to inventory

Balance at end of year

	2021	2020
	\$	\$
	13,746	7,658
	13,746	7,658
	7,658	20,258
	(109,681)	(171,359)
	115,769	158,759
	13,746	7,658

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.

8. OTHER ASSETS

Other assets - current

Accrued income

	2021	2020
	\$	\$
	20,997	41,273
	20,997	41,273

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 2021

9. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land - Freehold Land	Land - vested in and under the control of the 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 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
Balance 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 balance 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)
Balance 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
Additions	0	0	0	0	649,446	649,446	649,446	116,498	0	765,944
(Disposals)	0	0	0	0	0	0	0	(150,598)	0	(150,598)
Depreciation (expense)	0	0	0	(54,615)	(248,893)	(303,508)	(303,508)	(322,480)	0	(625,988)
Transfers	0	0	0	82,075	(82,075)	0	0	0	0	0
Balance at 30 June 2021	501,500	0	501,500	3,076,840	10,525,498	13,602,338	14,103,838	2,288,639	0	16,392,477
Comprises:										
Gross balance amount at 30 June 2021	501,500	0	501,500	3,287,281	11,477,115	14,764,396	15,265,896	3,636,646	0	18,902,542
Accumulated depreciation at 30 June 2021	0	0	0	(210,441)	(951,617)	(1,162,058)	(1,162,058)	(1,348,007)	0	(2,510,065)
Balance at 30 June 2021	501,500	0	501,500	3,076,840	10,525,498	13,602,338	14,103,838	2,288,639	0	16,392,477

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land - freehold land	2	Market approach using recent observable market data for similar properties.	Independent Valuers	June 2017	Price per hectare
Land - freehold land	3	Improvements to land valued using cost approach using depreciated replacement cost.	Independent Valuers	June 2017	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	June 2017	Price per square metre.
Buildings - non-specialised	3	Improvements to land valued using cost approach using depreciated replacement cost.	Management valuation	June 2017	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	June 2017	Price per square metre.
Buildings - specialised	3	Improvements to land valued using cost approach using depreciated replacement cost.	Independent Valuers	June 2017	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.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

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

10. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Infrastructure - sewerage	Infrastructure Other	Total Infrastructure
	\$	\$	\$	\$
Balance at 1 July 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)
Balance at 30 June 2020	75,463,999	1,305,181	4,904,354	81,673,534
Comprises:				
Gross balance 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)
Balance at 30 June 2020	75,463,999	1,305,181	4,904,354	81,673,534
Additions	1,113,126	38,216	62,060	1,213,402
Depreciation (expense)	(1,536,710)	(44,000)	(211,729)	(1,792,439)
Balance at 30 June 2021	75,040,415	1,299,397	4,754,685	81,094,497
Comprises:				
Gross balance at 30 June 2021	79,567,073	1,431,218	5,362,209	86,360,500
Accumulated depreciation at 30 June 2021	(4,526,658)	(131,821)	(607,524)	(5,266,003)
Balance at 30 June 2021	75,040,415	1,299,397	4,754,685	81,094,497

10. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	Cost approach using current replacement cost	Independent Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - sewerage	3	Cost approach using current replacement cost	Independent Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure Other	3	Cost approach using current replacement cost	Independent Valuation	June 2018	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 regard to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

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

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

11. FIXED ASSETS

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land	0	0	0	0	0	0	0	0	9,000	9,000	0	0
Buildings - non-specialised	0	0	0	0	0	0	0	0	366,353	184,321	0	(182,032)
Plant and equipment	150,598	124,991	562	(26,169)	408,000	414,000	35,000	(29,000)	563,266	619,415	78,594	(22,445)
	150,598	124,991	562	(26,169)	408,000	414,000	35,000	(29,000)	938,619	812,736	78,594	(204,477)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Plant and Equipment				
Transport				
Volvo Grader	74,000	48,182	0	(25,818)
Other property and services				
Isuzu MU-X Wagon	39,082	38,731	0	(351)
Isuzu MU-X Wagon	37,516	38,078	562	0
	150,598	124,991	562	(26,169)

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.

Individual assets 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.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY Revaluation

The fair value of fixed assets is determined at least once every three to five years in accordance with the regulatory framework, or when Council is of the opinion that the fair value of an asset is materially different from its carrying amount. 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 property, plant and equipment 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.

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 fact Local Government (Financial Management) Regulation 16(a)(i) which arbitrarily prohibited local governments from recognising such land as an asset. This regulation has now been deleted.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

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

Consequently, any land under roads acquired on or after 1 July 2008 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 assets, including land under roads, are treated as ROU assets measured 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 balance sheet.

Vested improvements from 1 July 2019

The measurement of vested improvements at fair value in accordance with Local Government (Financial Management) Regulation 17A(2)(iv) is a departure from AASB 16 which would have required the Shire to measure the vested improvements as part of the related ROU assets at zero cost. Refer to Note 11 that details the significant accounting policies applying to leases (including ROU assets).

11. FIXED ASSETS

(b) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - non-specialised	54,615	63,001	55,345
Buildings - specialised	248,893	269,737	235,649
Plant and equipment	322,480	236,040	327,500
Infrastructure - roads	1,536,710	2,468,380	1,523,077
Infrastructure Other	211,729	133,910	198,163
Infrastructure - sewerage	44,001	44,000	44,000
Right-of-use assets - Furniture and equipment	13,962	13,699	13,736
	2,432,390	3,228,767	2,397,470

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	50 years
Seal - bituminous	20 years
Seal- asphalt	25 years
Gravel roads	
Formation	Not depreciated
Pavement	50 - 75 years
Gravel sheet	25 years
Footpaths - slab	20 years
Sewerage piping	50 years
Water supply piping and drainage systems	75 years
Parks and other improvements	10 to 20 years

Depreciation on revaluation

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

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

12. LEASES

(a) Right-of-Use Assets

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

Balance at 1 July 2019

Recognised on initial application of AASB 16

Depreciation (expense)

Balance at 30 June 2020

Depreciation (expense)

Balance at 30 June 2021

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:

Depreciation expense on lease liabilities

Interest expense on lease liabilities

Low-value asset lease payments recognised as expense

Total amount recognised in the statement of comprehensive income

Total cash outflow from leases

Right-of-use assets - Furniture and equipment	Right-of-use assets Total
\$	
35,981	35,981
(13,736)	(13,736)
22,245	22,245

(13,962)	(13,962)
8,283	8,283

2021 Actual	2020 Actual
\$	\$
(13,962)	(13,736)
(257)	(474)
(7,053)	(8,312)
(21,272)	(22,522)
(14,017)	(14,016)

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.

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

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

Right-of-use assets - valuation

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

Refer to Note 11 for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

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

13. REVALUATION SURPLUS

	2021 Opening Balance	2021 Closing Balance	2020 Opening Balance	2020 Revaluation (Decrement)	2020 Closing Balance
	\$	\$	\$	\$	\$
Revaluation surplus - Buildings - non-specialised	9,131,185	9,131,185	9,140,478	(9,293)	9,131,185
Revaluation surplus - Plant and equipment	798,793	798,793	798,793	0	798,793
Revaluation surplus - Infrastructure - roads	52,290,986	52,290,986	52,290,986	0	52,290,986
Revaluation surplus - Infrastructure - sewerage	1,365,941	1,365,941	1,365,941	0	1,365,941
Revaluation surplus - Infrastructure Other	6,860,516	6,860,516	6,851,223	9,293	6,860,516
	70,447,421	70,447,421	70,447,421	0	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

Vested land is no longer required to be recognised at fair value. Land under golf courses, showgrounds, racecourses or any other sporting or recreational facility of State or regional significance are recognised at zero cost.

14. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued salaries and wages
ATO liabilities
Bonds and deposits held
Payroll Creditors
Accrued Expenses
Other Payables
Accrued Interest on Loans

2021	2020
\$	\$
261,155	67,415
33,498	16,132
24,555	32,555
141,634	32,835
24,921	24,760
14	2,022
10,879	56,247
3,134	0
2,360	3,707
502,150	235,673

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.

15. OTHER LIABILITIES

Current

Contract liabilities

2021	2020
\$	\$
31,561	36,914
31,561	36,914

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

Less than 1 year

Contract liabilities	Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
\$	\$
31,561	31,561

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

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

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

Grant liabilities represent the the Shire's performance obligations to construct recognisable non-financial assets to identified specifications which are yet to be satisfied.

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

Service concession liabilities

Service concession liabilities relate to the grant of right to an operator in respect of an asset controlled by the Shire. They represent the unearned revenue related to the grant of right, and is recognised as revenue according to the economic substance of the service concession arrangement.

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

16. LEASE LIABILITIES

(a) Lease Liabilities

	2021	2020
	\$	\$
Current	8,679	13,760
Non-current	0	8,679
	<u>8,679</u>	<u>22,439</u>

(b) Movements in Carrying Amounts

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	30 June 2021				30 June 2021				30 June 2020									
					Actual Lease Principal	Actual Lease Principal Repayments	Actual Lease Principal Outstanding	Actual Lease Interest Repayments	Budget Lease Principal	Budget Lease Principal Repayments	Budget Lease Principal Outstanding	Budget Lease Interest Repayments	Actual Lease Principal	Actual Lease Principal Repayments	Actual Lease Principal Outstanding	Actual Lease Interest Repayments						
					1 July 2020				1 July 2020				1 July 2020				1 July 2019					
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Other property and services																						
Phone System		Telstra			12,529	(6,789)	5,740	(150)	25,891	(6,788)	19,103	(150)	19,210	(6,681)	12,529	(257)						
Computer System		Wallis Computing Solutions			9,910	(6,971)	2,939	(107)	23,632	(6,971)	16,661	(107)	16,771	(6,861)	9,910	(217)						
					<u>22,439</u>	<u>(13,760)</u>	<u>8,679</u>	<u>(257)</u>	<u>49,523</u>	<u>(13,759)</u>	<u>35,764</u>	<u>(257)</u>	<u>35,981</u>	<u>(13,542)</u>	<u>22,439</u>	<u>(474)</u>						

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

17. INFORMATION ON BORROWINGS

(a) Borrowings

	2021	2020
	\$	\$
Current	53,011	53,070
Non-current	203,666	256,677
	<u>256,677</u>	<u>309,747</u>

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual	30 June 2021	30 June 2021	30 June 2021	Budget	30 June 2021	30 June 2021	30 June 2021	Actual	30 June 2020	30 June 2020	30 June 2020	30 June 2020
				Principal	Actual	Actual	Actual	Principal	Budget	Budget	Budget	Principal	Actual	Actual	Actual	Actual
				1 July 2020	Principal repayments	Interest repayments	Principal outstanding	1 July 2020	Principal repayments	Interest repayments	Principal outstanding	1 July 2019	New Loans	Principal repayments	Interest repayments	Principal outstanding
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Education and welfare																
Aged Care Housing	93	WATC	3.58%	84,673	(3,694)	(3,285)	80,979	84,673	(3,694)	(2,999)	80,979	88,238	0	(3,565)	(3,728)	84,673
Community amenities																
Sewerage	38	WATC	6.40%	0	0	0	0				0	3,690	0	(3,690)	(110)	0
Sewerage	40	WATC	7.40%	1,583	(1,583)	(86)	0	1,583	(1,583)	(89)	0	3,056	0	(1,473)	(181)	1,583
Recreation and culture																
Mens Shed Contribution	89	WATC	3.81%	9,252	(4,539)	(340)	4,713	9,251	(4,538)	(310)	4,713	13,622	0	(4,370)	(567)	9,252
Transport																
WANDRRA Contribution	94	WATC	2.29%	41,370	(20,450)	(913)	20,920	41,370	(20,450)	(831)	20,920	61,360	0	(19,990)	(1,639)	41,370
WANDRRA Short Term Lending Facility		WATC	Various %	0	0	0	0	0	0	0	0	678,592	994	(679,586)	(1,863)	0
Economic services																
28 Absolon Street	92	WATC	5.15%	122,140	(16,187)	(886)	105,953	131,646	(16,187)	(915)	115,459	137,936	0	(15,796)	(1,642)	122,140
Fence Rd Drainage Repairs	95	WATC	2.50%	50,729	(6,617)	(7,171)	44,112	41,222	(6,617)	(6,696)	34,605	57,018	0	(6,289)	(7,829)	50,729
				<u>309,747</u>	<u>(53,070)</u>	<u>(12,681)</u>	<u>256,677</u>	<u>309,745</u>	<u>(53,069)</u>	<u>(11,840)</u>	<u>256,676</u>	<u>1,043,512</u>	<u>994</u>	<u>(734,759)</u>	<u>(17,559)</u>	<u>309,747</u>

* WA Treasury Corporation

All loan repayments were financed by general purpose revenue.

17. INFORMATION ON BORROWINGS (Continued)

	2021	2020
	\$	\$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Credit card limit	13,500	13,500
Credit card balance at balance date	(4,689)	(3,067)
Total amount of credit unused	8,811	10,433
Loan facilities		
Loan facilities - current	53,011	53,070
Loan facilities - non-current	203,666	256,677
Lease liabilities - current	8,679	13,760
Lease liabilities - non-current	0	8,679
Total facilities in use at balance date	265,356	332,186
Unused loan facilities at balance date	0	0

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 30.

18. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

Opening balance at 1 July 2020

Current
Non-current

Additional provision
Amounts used

Balance at 30 June 2021

Comprises

Current
Non-current

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date
More than 12 months from reporting date
Expected reimbursements from other WA local governments

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2020			
Current	120,112	156,639	276,751
Non-current	0	28,567	28,567
	120,112	185,206	305,318
Additional provision	123,067	35,537	158,604
Amounts used	(163,102)	(58,035)	(221,137)
Balance at 30 June 2021	80,077	162,708	242,785
Comprises			
Current	80,077	134,981	215,058
Non-current	0	27,727	27,727
	80,077	162,708	242,785

	2021	2020
	\$	\$
Less than 12 months after the reporting date	215,058	203,926
More than 12 months from reporting date	27,084	37,975
Expected reimbursements from other WA local governments	643	63,417
	242,785	305,318

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees.

Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wage and salaries. 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 and salaries are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

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

Other long-term employee benefits (Continued)

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

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

Provisions

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

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

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:

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Cash and cash equivalents	3,071,277	6,956,126	8,329,962
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	692,619	(1,199,766)	335,026
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(1,939)	0	(865)
Depreciation on non-current assets	2,432,390	3,228,767	2,397,470
(Profit)/loss on sale of asset	25,607	(6,000)	125,883
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(129,537)	(52,000)	6,770
(Increase)/decrease in other assets	20,276	0	1,114,783
(Increase)/decrease in inventories	(6,088)	(10,000)	12,600
Increase/(decrease) in payables	266,477	(3,000)	7,764
Increase/(decrease) in employee provisions	(62,533)	0	0
Increase/(decrease) in other provisions	0	0	368
Increase/(decrease) in contract liabilities	0	(36,914)	36,914
Increase/(decrease) in other liabilities	(5,353)	0	0
Non-operating grants, subsidies and contributions	(1,709,506)	(2,124,528)	(1,033,738)
Net cash from operating activities	1,522,411	(203,441)	3,002,975

20. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	847,957	155,412
General purpose funding	3,491,879	6,625,694
Law, order, public safety	719,360	768,596
Health	678,927	17,944
Education and welfare	0	(70)
Housing	5,752,770	5,171,687
Community amenities	3,722,676	3,881,419
Recreation and culture	6,945,368	6,614,133
Transport	80,501,242	78,057,673
Economic services	608,019	712,647
Other property and services	2,153,644	2,440,999
Unallocated	2,128,998	2,280,329
	<u>107,550,841</u>	<u>106,726,463</u>

21. CONTINGENT LIABILITIES

The Shire is currently under investigation by the Department of Water and Environmental Regulation (DWER) for alleged clearing of native vegetation on Hills Road. The clearing of native vegetation is legislated by the Environmental Protection Act 1986 which prescribes that it is an offence to clear native vegetation unless it is done under a clearing permit or the clearing is for an exempt purpose. Exempt purposes are limited to either a requirement of written law or authorised under certain statutory processes which are listed in schedule 6 of the Act, or exempt due to being a low impact day-to-day activity as listed in the Environmental Protection (Clearing of Native Vegetation) Regulations 2004. Further correspondence from DWER is required to understand the full extent of the allegation and potential prosecution. As at the end of the reporting period it is not possible to make a reasonable estimate of the financial impact that may arise from possible prosecution.

22. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

	2021	2020
	\$	\$
Contracted for:		
- capital expenditure projects	141,938	54,194
Payable:		
- not later than one year	141,938	54,194

The capital expenditure projects outstanding at the end of 2021 relate to the Community Resources Centre upgrade and works on another Council house.

The capital expenditure projects outstanding at the end of 2020 relate to the Dumbleyung Sewerage Plant upgrades and replacement of shire administration front counter.

(b) Operating Lease Commitments

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

	2021	2020
	\$	\$
Payable:		
- not later than one year	2,789	6,868
- later than one year but not later than five years	0	2,789
- later than five years	0	0
	2,789	9,657

SIGNIFICANT ACCOUNTING POLICIES

Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Shire, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower of the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leases (Continued)

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

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

23. ELECTED MEMBERS REMUNERATION

	2021 Actual	2020 Actual	
	\$	\$	
Councillor Julie Ramm, President			
President's annual allowance	7,000	7,000	
Meeting attendance fees	4,525	4,480	
ICT expenses	271	232	
Travel and accommodation expenses	1,355	1,882	
	<u>13,151</u>	<u>13,594</u>	
Councillor Jacki Ball, Deputy President			
Deputy President's annual allowance	1,750	1,750	
Meeting attendance fees	1,580	1,480	
ICT expenses	271	232	
Travel and accommodation expenses	426	439	
	<u>4,027</u>	<u>3,901</u>	
Councillor Grant Lukins			
Meeting attendance fees	1,770	1,270	
ICT expenses	271	232	
Travel and accommodation expenses	726	435	
	<u>2,767</u>	<u>1,937</u>	
Councillor Catherine Watkins			
Meeting attendance fees	1,680	1,320	
ICT expenses	271	232	
Travel and accommodation expenses	636	975	
	<u>2,587</u>	<u>2,528</u>	
Councillor Kevin Powell			
Meeting attendance fees	1,650	790	
ICT expenses	271	232	
Travel and accommodation expenses	211	70	
	<u>2,132</u>	<u>1,092</u>	
Councillor Bevan Doney			
Meeting attendance fees	1,840	1,670	
ICT expenses	271	232	
Travel and accommodation expenses	879	1,217	
	<u>2,990</u>	<u>3,120</u>	
Councillor Marilyn Hasleby			
Meeting attendance fees	2,310	1,270	
ICT expenses	271	232	
Travel and accommodation expenses	344	167	
	<u>2,925</u>	<u>1,669</u>	
Councillor Amy Knight			
Meeting attendance fees	2,510	2,155	
ICT expenses	271	232	
	<u>2,781</u>	<u>2,387</u>	
Councillor Vanessa Anderson			
Meeting attendance fees	1,680	600	
ICT expenses	271	232	
Travel and accommodation expenses	76	0	
	<u>2,027</u>	<u>832</u>	
Councillor Nick Green			
Meeting attendance fees		240	
	0	<u>240</u>	
Councillor Patrick O'Neill			
Meeting attendance fees		240	
Travel and accommodation expenses		162	
	0	<u>402</u>	
	<u>35,387</u>	<u>31,702</u>	
		2021 Budget	2020 Actual
Fees, expenses and allowances to be paid or reimbursed to elected council members.		\$	\$
President's allowance	7,000	7,000	7,000
Deputy President's allowance	1,750	1,750	1,750
Meeting attendance fees	19,545	20,000	15,515
ICT expenses	2,439	5,000	2,090
Travel and accommodation expenses	4,653	6,000	5,347
	<u>35,387</u>	<u>39,750</u>	<u>31,702</u>

24. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

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

	2021 Actual \$	2020 Actual \$
Short-term employee benefits	387,569	358,408
Post-employment benefits	100,249	45,349
Other long-term benefits	(108,323)	10,681
	379,495	414,438

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.

24. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

The following transactions occurred with related parties:

	2021 Actual \$	2020 Actual \$
Sale of goods and services	8,200	0
Purchase of goods and services	57,725	10,639
Short term employee benefits -other related parties	0	57,691
Amounts outstanding from related parties:		
Trade and other receivables	56	0
Amounts payable to related parties:		
Trade and other payables	721	0

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

An 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.

25. INVESTMENT IN ASSOCIATE AND JOINT ARRANGEMENTS

The Shire shares ownership of property 27 Manser Street, Kukerin. 13% is owned by the Shire and 87% is owned by the Department of Housing.

The Shire was not a party to any other joint arrangements during the financial year ended 30 June 2021.

26. MAJOR LAND TRANSACTIONS

The Shire was not party to any major trading undertakings during the current financial year ended 30 June 2021.

27. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire was not participate in any major trading undertakings during the current financial year ended 30 June 2021.

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

28. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2020/21 Actual Rateable Value \$	2020/21 Actual Rate Revenue \$	2020/21 Actual Interim Rates \$	2020/21 Actual Back Rates \$	2020/21 Actual Total Revenue \$	2020/21 Budget Rate Revenue \$	2020/21 Budget Interim Rate \$	2020/21 Budget Back Rate \$	2020/21 Budget Total Revenue \$	2019/20 Actual Total Revenue \$
Differential general rate / general rate												
Gross rental valuations												
GRV	0.111109	166	1,214,224	135,590	(1,931)	0	133,659	134,911	0	0	134,911	129,771
Unimproved valuations												
UV	0.010144	285	159,771,625	1,620,723	0	0	1,620,723	1,620,723	0	0	1,620,723	1,572,197
Sub-Total		451	160,985,849	1,756,313	(1,931)	0	1,754,382	1,755,634	0	0	1,755,634	1,701,968
Minimum payment												
Gross rental valuations												
GRV	435	73	86,462	31,755	302	0	32,057	31,755	0	0	31,755	32,190
Unimproved valuations												
UV	435	34	487,597	14,790	0	0	14,790	14,790	0	0	14,790	14,355
Sub-Total		107	574,059	46,545	302	0	46,847	46,545	0	0	46,545	46,545
		558	161,559,908	1,802,858	(1,629)	0	1,801,229	1,802,179	0	0	1,802,179	1,748,513
Discounts/concessions (Note 28(d))							(65,197)				(65,000)	(57,423)
Total amount raised from general rate							1,736,032				1,737,179	1,691,090
Ex-gratia rates							13,365				13,365	12,976
Totals							1,749,397				1,750,544	1,704,066

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

28. RATING INFORMATION (Continued)

(b) Specified Area Rate

The Shire did not raise specified area rates for the year ended 30 June 2021.

(c) Service Charges

Service Charges	Amount of Charge	2020/21 Actual Revenue Raised	2020/21 Actual Charges Applied to Costs	2020/21 Actual Charges Set Aside to Reserve	2020/21 Actual Reserve Applied to Costs	2020/21 Budget Revenue	2020/21 Budget Charges Applied to Costs	2020/21 Budget Charges Set Aside to Reserve	2020/21 Budget Reserve Applied to Costs	2019/20 Total Actual Revenue
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fence Road Drainage Scheme		22,816	22,816	0	0	18,745	17,102	1,643	0	24,591
		22,816	22,816	0	0	18,745	17,102	1,643	0	24,591

Nature of the Service Charge

Fence Road Drainage Scheme

Objects of the Charge

To enable Council to continue providing this service in 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 oart of the Shire of Dumbleyung Local Government Area, south of Boundary Road and north from the Dumbleyung Lake Grace Road.

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

Rates Discounts

Rate or Fee	Discount	Discount	2021 Actual	2021 Budget	2020 Actual	Circumstances in which Discount is Granted
Discount Granted	%	\$	\$	\$	\$	
Rates	5.00%		65,197	65,000	57,424	When payment of the full amount owing, including arrears and charges, is received in full on or before 4:30 on the discout due date.
General rates written off			242	500	396	
			65,439	65,500	57,820	

Waivers or Concessions

Rate or Fee and Charge to which Concession is Granted

Rate or Fee and Charge to which Concession is Granted	Type	Discount %	Circumstances in which discount is granted
Pool entry	Waiver	100.00%	Infants under one year old and school teachers accompanying students during school events and swimming lessons.

28. RATING INFORMATION (Continued)

(e) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option one				
Payment in Full (discount of 5%)	11/09/2020	0	0.0%	8.0%
Option two				
Payment in Full	2/10/2020	0	0.0%	8.0%
Option three				
Installment 1	2/10/2020	15	5.5%	8.0%
Installment 2	2/02/2021	15	5.5%	8.0%
Instalment 1	2/10/2020	15	5.5%	8.0%
Instalment 2	2/12/2020	15	5.5%	8.0%
Instalment 3	2/02/2021	15	5.5%	8.0%
Instalment 4	2/04/2021	15	5.5%	8.0%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Instalment plan admin charge revenue	2,145	3,000	2,835
Instalment plan interest earned	2,697	3,976	3,619
Unpaid rates and service charge interest earned	10,274	9,000	10,857
	15,116	15,976	17,311

29. RATE SETTING STATEMENT INFORMATION

	2020/21 (30 June 2021 Carried Forward)	2020/21 Budget (30 June 2021 Carried Forward)	2019/20 (30 June 2020 Carried Forward)
Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	11(a) (562)	(35,000)	(78,594)
Less: Fair value adjustments to financial assets at fair value through profit and loss	(1,939)	0	(865)
Movement in pensioner deferred rates (non-current)	2,829	0	(3,999)
Movement in employee benefit provisions (non-current)	(840)	0	(17,248)
Add: Loss on disposal of assets	11(a) 26,169	29,000	204,477
Add: Depreciation on non-current assets	11(b) 2,432,390	3,228,767	2,397,470
Non cash amounts excluded from operating activities	2,458,047	3,222,767	2,501,241
(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 (6,769,417)	(6,681,431)	(6,725,035)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	17(a) 53,011	53,011	53,070
- Current portion of lease liabilities	8,679	8,679	13,760
Total adjustments to net current assets	(6,707,727)	(6,619,741)	(6,658,205)
Net current assets used in the Rate Setting Statement			
Total current assets	9,970,562	7,245,794	8,541,653
Less: Total current liabilities	(810,459)	(626,053)	(616,168)
Less: Total adjustments to net current assets	(6,707,727)	(6,619,741)	(6,658,205)
Net current assets used in the Rate Setting Statement	2,452,376	0	1,267,280

30. FINANCIAL RISK MANAGEMENT

This note explains the Shire's exposure to financial risks and how these risks could affect the Shire's future financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk - interest rate	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2021					
Cash and cash equivalents	0.01%	3,071,277	200,000	2,871,277	0.00%
Financial assets at amortised cost - term deposits	0.48%	6,569,416	6,569,416	0	0
2020					
Cash and cash equivalents	0.96%	8,329,962	6,725,037	1,604,925	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.

Impact of a 1% movement in interest rates on profit and loss and equity*

	2021	2020
	\$	\$
	28,713	16,049

* 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).

30. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

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

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2021					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0.00%
Gross carrying amount	923	18,546	32,664	69,240	121,372
Loss allowance	0	0	0	0	0
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
Loss allowance					0

The loss allowance as at 30 June 2021 and 30 June 2020 was determined as follows for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2021					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.3745%	0.0892%
Gross carrying amount	11,744	2,130	90	4,362	18,326
Loss allowance	0	0	0	1,634	1,634
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. 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(c).

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
2021					
Payables	502,150	0	0	502,150	502,150
Borrowings	26,079	25,591	246,840	298,509	256,677
Contract liabilities	31,561	0	0	31,561	31,561
Lease liabilities	8,679	0	0	8,679	8,679
	<u>568,469</u>	<u>25,591</u>	<u>246,840</u>	<u>840,899</u>	<u>799,067</u>
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	0	22,748	22,439
	<u>314,598</u>	<u>140,533</u>	<u>200,121</u>	<u>655,252</u>	<u>567,859</u>

31. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

During the 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 1059 Service Concession Arrangements: Grantors

Service concession assets are those assets where a third party operator constructs assets for the Shire, upgrades existing assets of the Shire or uses existing assets of the Shire to operate and maintain the assets to provide a public service, for a specified period of time. The Shire has considered the requirements of AASB1059 Service Concession Agreements: Grantor and confirms that the Shire has no arrangements that fall within the scope of this standard.

32. 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 end of the reporting period.

33. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES

ACTIVITIES

GOVERNANCE

To provide a decision making process for the efficient allocation of scarce resources.

Includes the activities of members of council and the administrative support available to 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.

GENERAL PURPOSE FUNDING

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

To provide services to help ensure a safer and environmentally conscious community.

Supervision and enforcement of various local laws, laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

HEALTH

To provide an operational framework for environmental and community health.

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

EDUCATION AND WELFARE

To provide services to disadvantaged persons, the elderly, children and youth.

Maintenance of child minding centre and playgroup centre.

HOUSING

To provide and maintain housing for low income earners and elderly residents.

Provision and maintenance housing for low income earners and elderly residents.

COMMUNITY AMENITIES

To provide services required by the community.

Rubbish collection services, operation of rubbish disposal sites, litter control, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

RECREATION AND CULTURE

To establish and effectively manage infrastructure and resource which will help the social well being of the community.

Maintenance of public halls, civic centres, aquatic centres, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library and other cultural facilities.

TRANSPORT

To provide safe, effective and efficient transport services to the community.

Construction and maintenance of roads, streets, footpaths, depots and traffic control. Cleaning of streets and maintenance of street trees.

ECONOMIC SERVICES

To help promote the Shire and its economic wellbeing.

Tourism and area promotion including the maintenance and operation of the caravan parks. Provision of rural services including landcare services, weed control, vermin control and standpipes. Building control.

OTHER PROPERTY AND SERVICES

To monitor and control Council's overheads operating accounts.

Private works operation, administration costs, public works overheads, plant repair and operational costs.

34. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	4.61	3.59	5.26
Asset consumption ratio	0.93	0.95	0.97
Asset renewal funding ratio	0.95	1.01	1.00
Asset sustainability ratio	0.33	0.91	1.71
Debt service cover ratio	17.91	2.28	1.07
Operating surplus ratio	(0.41)	(0.28)	(0.33)
Own source revenue coverage ratio	0.45	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	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

INDEPENDENT AUDITOR'S REPORT



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 Shire of Dumbleyung

To the Councillors of the Shire of Dumbleyung

Report on the audit of the annual financial report

Opinion

I have audited the financial report of the Shire of Dumbleyung (Shire) which comprises:

- the Statement of Financial Position at 30 June 2021, 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
- Notes comprising a summary of significant accounting policies and other explanatory information
- the Statement by the Chief Executive Officer.

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

- is based on proper accounts and records
- fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2021 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 section below. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the 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.

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 financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards. The CEO is also responsible for managing internal control (as required by the CEO) to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the 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

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the 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 financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

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 matter indicates a significant adverse trend 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 Act, the Regulations or applicable financial controls of any other relevant written law were identified during the course of my audit:
 - a) A review of the appropriateness and effectiveness of the Shire's financial management systems and procedures was not completed at least once in every three financial years as required by Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996*. The last review took place for the financial year ended 30 June 2017.
 - b) Credit card transactions were not separately listed in the payments submitted to Council each month as required by Regulation 13(1) of the *Local Government (Financial Management) Regulations 1996*.
 - c) Review of payroll controls noted that there is a lack of segregation of duties as the staff member preparing the payroll and entering new employees into the system is also the first authoriser of payroll payments through the Shire's bank account, increasing the risk of unauthorised or fraudulent transactions.
 - d) Testing of general journals for the year noted they were not consistently reviewed throughout the year and supporting documentation was not always available. If journals are not independently reviewed and approved, there is a risk that erroneous or fraudulent transactions may pass undetected.

- e) Sample testing of payments noted three instances where the creditor batch payment was not signed off to evidence payment approval and one instance where an invoice was not evidenced to indicate goods and services were received. There were a further six instances where purchase orders were dated after the receipt of supplier invoices resulting in non-compliance with the Shire's purchasing policy and increasing the risk of unauthorised purchases.
 - f) Payroll testing identified a lack of documentation to support the payment of some allowances, two instances where long service leave entitlements had not been adjusted to reflect leave taken and no evidence to support independent review of termination payments increasing the risk of fraud and error from occurring and remaining undetected.
 - g) Non-compliance with the Shire's credit card policy where staff allocated a credit card had not signed a credit card holder agreement, independent review of credit card transactions was not always evident with a lack of supporting receipts for some purchases increasing the risk of unauthorised or inappropriate purchases being made.
 - h) The Shire's Fees and Charges Schedule does not stipulate the period term to which charges to the rental of commercial premises apply. This may result in the Shire not consistently applying its fees and charges and result in the Shire not collecting revenue it is entitled to.
- (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 financial report were supported by verifiable information and reasonable assumptions.

Other information

The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial report and my auditor's report. The CEO is responsible for the preparation and the Council for overseeing the other information.

My opinion does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Dumbleyung for the year ended 30 June 2021 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 financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the 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 audited financial report to confirm the information contained in this website version of the financial report.

Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
17 March 2022