



**ANNUAL STATUTORY BUDGET
FOR THE YEAR ENDED 30 JUNE 2020**

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

	NOTE	2019/20 Budget \$	2018/19 Actual \$	2018/19 Budget \$
Revenue				
Rates	8	2,413,875	2,322,837	2,293,326
Operating grants, subsidies and contributions		1,004,307	1,930,558	908,331
Fees and charges	14	274,784	300,978	257,635
Service charges	11	0	0	0
Interest earnings	2(a)	157,000	282,891	158,000
Other revenue	2(a)	122,210	164,249	152,000
		<u>3,972,176</u>	<u>5,001,513</u>	<u>3,769,292</u>
Expenses				
Employee costs		(2,068,555)	(2,011,314)	(1,939,342)
Materials and contracts		(1,295,545)	(840,902)	(1,269,432)
Utility charges		(230,917)	(210,860)	(223,284)
Depreciation on non-current assets	2(a)	(2,842,535)	(2,818,144)	(2,384,778)
Interest expenses	2(a)	(10,179)	(11,433)	(11,433)
Insurance expenses		(155,725)	(146,582)	(161,839)
Other expenditure		(360,207)	(150,031)	(276,610)
		<u>(6,963,663)</u>	<u>(6,189,266)</u>	<u>(6,266,718)</u>
		(2,991,487)	(1,187,753)	(2,497,426)
Non-operating grants, subsidies and contributions		2,303,109	775,162	4,943,776
Profit on asset disposals	6	35,341	6,882	0
Loss on asset disposals	6	(2,543)	(5,970)	0
Loss on revaluation of non current assets		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
NET RESULT		(655,580)	(411,679)	2,446,350
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u>(655,580)</u>	<u>(411,679)</u>	<u>2,446,350</u>

Notes:

All fair value adjustments relating to remeasurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets are impacted upon by external forces and not able to be reliably estimated at the time of budget adoption.

Fair value adjustments relating to the re-measurement of financial assets at fair value through profit or loss will be assessed at the time they occur with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes upon revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

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

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

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
		\$	\$	\$
Revenue (Refer Notes 1,2,8,10 to 14)				
Governance		16,000	60,492	21,000
General purpose funding		3,134,874	3,714,544	3,000,739
Law, order, public safety		23,050	181,138	15,800
Education and welfare		80,000	83,480	90,000
Housing		22,600	21,391	26,600
Community amenities		187,960	205,501	171,935
Recreation and culture		31,092	16,041	9,500
Transport		297,349	523,145	221,219
Economic services		145,000	150,308	178,500
Other property and services		30,000	41,344	30,000
		<u>3,972,175</u>	<u>5,001,512</u>	<u>3,769,293</u>
Expenses Excluding Finance Costs Refer Notes 1, 2 & 15)				
Governance		(709,840)	(607,232)	(655,115)
General purpose funding		(437,897)	(308,505)	(419,861)
Law, order, public safety		(163,658)	(264,374)	(128,141)
Health		(223,000)	(148,352)	(175,815)
Education and welfare		(247,564)	(166,151)	(260,297)
Housing		(111,118)	(84,160)	(110,664)
Community amenities		(613,721)	(541,440)	(567,113)
Recreation and culture		(1,483,170)	(1,221,196)	(1,279,144)
Transport		(2,222,075)	(2,205,885)	(2,045,293)
Economic services		(425,440)	(339,028)	(417,491)
Other property and services		(316,000)	(291,509)	(196,351)
		<u>(6,953,483)</u>	<u>(6,177,832)</u>	<u>(6,255,285)</u>
Finance Costs (Refer Notes 2 & 9)				
Health		(10,179)	(11,433)	(11,433)
		<u>(10,179)</u>	<u>(11,433)</u>	<u>(11,433)</u>
Non-operating Grants, Subsidies and Contributions				
Recreation and culture		0	190,000	190,000
Transport		1,081,995	527,058	3,474,558
Economic services		1,221,114	58,104	1,279,218
		<u>2,303,109</u>	<u>775,162</u>	<u>4,943,776</u>

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

	NOTE	2019/20 Budget \$	2018/19 Actual \$	2018/19 Budget \$
Profit/(Loss) On				
Disposal Of Assets (Refer Note 6)				
Transport		21,631	6,882	(1)
		<u>35,341</u>	<u>6,882</u>	<u>(1)</u>
Loss on				
Revaluation Of Non Current Assets				
Transport		0	0	0
		<u>(2,543)</u>	<u>(5,970)</u>	<u>0</u>
NET RESULT		(655,580)	(411,679)	2,446,350
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
Total other comprehensive income		0	0	0
TOTAL COMPREHENSIVE INCOME		<u>(655,580)</u>	<u>(411,679)</u>	<u>2,446,350</u>

Notes:

All fair value adjustments relating to remeasurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets are impacted upon by external forces and not able to be reliably estimated at the time of budget adoption.

Fair value adjustments relating to the remeasurement of financial assets at fair value through profit or loss will be assessed at the time they occur with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes upon revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

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

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

	NOTE	2019/20 Budget \$	2018/19 Actual \$	2018/19 Budget \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		2,813,875	2,218,740	2,393,326
Operating grants, subsidies and contributions		1,004,307	2,080,931	1,007,997
Fees and charges		274,784	300,978	257,635
Service charges		0	0	0
Interest earnings		157,000	282,891	158,000
Goods and services tax		0	0	1,613
Other revenue		122,210	164,249	152,000
		<u>4,372,177</u>	<u>5,047,790</u>	<u>3,970,571</u>
Payments				
Employee costs		(2,068,555)	(2,046,897)	(1,939,342)
Materials and contracts		(1,295,545)	(1,045,406)	(1,646,508)
Utility charges		(230,917)	(210,860)	(223,284)
Interest expenses		(10,179)	(8,556)	(11,433)
Insurance expenses		(155,725)	(146,582)	(161,839)
Goods and services tax		0	0	0
Other expenditure		(360,207)	(150,031)	(276,610)
		<u>(4,121,127)</u>	<u>(3,608,331)</u>	<u>(4,259,016)</u>
Net cash provided by (used in) operating activities	3(b)	<u>251,050</u>	<u>1,439,459</u>	<u>(288,445)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for development of land held for resale	5	0	0	0
Payments for purchase of property, plant & equipment	5	(2,834,118)	(1,352,506)	(3,398,860)
Payments for construction of infrastructure	5	(1,690,837)	(1,494,414)	(4,280,071)
Non-operating grants, subsidies and contributions used for the development of assets		2,303,107	775,162	4,943,774
Proceeds from sale of plant & equipment	6	145,000	18,621	0
Net cash provided by (used in) investing activities		<u>(2,076,848)</u>	<u>(2,053,136)</u>	<u>(2,735,157)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures	7	(47,238)	(45,983)	(45,983)
Advances to community groups		0		0
Proceeds from self supporting loans		0	0	0
Proceeds from new debentures	7	0	0	0
Net cash provided by (used in) financing activities		<u>(47,238)</u>	<u>(45,983)</u>	<u>(45,983)</u>
Net increase (decrease) in cash held		(1,873,035)	(659,660)	(3,069,585)
Cash at beginning of year		6,999,752	7,659,412	7,659,413
Cash and cash equivalents at the end of the year	3(a)	<u>5,126,717</u>	<u>6,999,752</u>	<u>4,589,828</u>

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

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

	NOTE	2019/20 Budget \$	2018/19 Actual \$	2018/19 Budget \$
Net current assets at start of financial year - surplus/(deficit)	4	1,516,495	1,229,109	1,241,788
Revenue from operating activities (excluding rates and non-operating grants, subsidies and contributions)	1,2			
Governance		29,710	60,492	21,000
General purpose funding		721,001	1,391,710	707,412
Law, order, public safety		23,050	181,138	15,800
Health		4,250	4,128	4,000
Education and welfare		80,000	83,480	90,000
Housing		22,600	21,391	26,600
Community amenities		187,960	205,501	171,935
Recreation and culture		31,092	16,041	9,500
Transport		318,980	530,027	221,219
Economic services		145,000	150,308	178,500
Other property and services		30,000	41,344	30,000
		<u>1,593,643</u>	<u>2,685,560</u>	<u>1,475,966</u>
Expenditure from operating activities	1,2			
Governance		(709,840)	(613,202)	(655,115)
General purpose funding		(437,897)	(308,505)	(419,861)
Law, order, public safety		(163,658)	(264,374)	(128,141)
Health		(235,722)	(159,785)	(187,248)
Education and welfare		(247,564)	(166,151)	(260,297)
Housing		(111,118)	(84,160)	(110,664)
Community amenities		(613,721)	(541,440)	(567,113)
Recreation and culture		(1,483,170)	(1,221,196)	(1,279,144)
Transport		(2,222,075)	(2,205,885)	(2,045,293)
Economic services		(425,440)	(339,028)	(417,491)
Other property and services		(316,000)	(291,509)	(196,351)
		<u>(6,966,205)</u>	<u>(6,195,235)</u>	<u>(6,266,718)</u>
Operating activities excluded from budget				
(Profit)/Loss on asset disposals	6	(32,798)	(912)	0
Movement in Deferred Pensioner Rates/ESL		0	0	0
Movement in Employee Benefit Provisions (Non-Current)		0	17,352	0
Adjustments for Fixed Assets		0	0	0
Loss on revaluation of non current assets		0	0	0
Depreciation on assets	2(a)	<u>2,842,535</u>	<u>2,818,144</u>	<u>2,384,776</u>
Amount attributable to operating activities		<u>(1,046,330)</u>	<u>554,018</u>	<u>(1,164,188)</u>
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		2,303,109	775,162	4,943,776
Purchase land held for resale	5	0	0	0
Purchase property, plant and equipment	5	(2,834,118)	(1,352,506)	(3,398,860)
Purchase and construction of infrastructure	5	(1,690,838)	(1,494,414)	(4,280,071)
Proceeds from disposal of assets	6	145,000	18,621	0
Amount attributable to investing activities		<u>(2,076,846)</u>	<u>(2,053,137)</u>	<u>(2,735,155)</u>
FINANCING ACTIVITIES				
Repayment of debentures	7	(47,238)	(45,983)	(45,983)
Proceeds from new debentures	7	0	0	0
Proceeds from self supporting loans		0	0	0
Transfers to cash backed reserves (restricted assets)	9	(90,000)	(207,892)	(90,000)
Transfers from cash backed reserves (restricted assets)	9	846,539	946,652	1,742,000
Amount attributable to financing activities		<u>709,301</u>	<u>692,777</u>	<u>1,606,017</u>
Budgeted deficiency before general rates		<u>(2,413,876)</u>	<u>(806,342)</u>	<u>(2,293,326)</u>
Estimated amount to be raised from general rates	8	<u>2,413,875</u>	<u>2,322,837</u>	<u>2,293,326</u>
Net current assets at end of financial year - surplus/(deficit)	4	<u>(0)</u>	<u>1,516,495</u>	<u>(0)</u>

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

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

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this budget are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the budget has also 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 budget.

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 16 to this budget document.

(b) 2018/19 Actual Balances

Balances shown in this budget as 2018/19 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

(c) Rounding Off Figures

All figures shown in this budget, other than a rate in the dollar, are rounded to the nearest dollar.

(d) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the Shire obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

(e) 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 net basis.

(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.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

(h) 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.

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.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

(i) Inventories

General

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Initial Recognition and Measurement between Mandatory Revaluation Dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

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 no cost or for nominal consideration, 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 detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation of the next anniversary date in accordance with the mandatory measurement framework detailed above.

Revaluation

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 asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Land Under Roads

In Western Australia, all 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) prohibits local governments from recognising such land as an asset.

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets (Continued)

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold 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.

Major depreciation periods used for each class of depreciable asset are:

Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	4 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	60 to 80 years
seal	
- bituminous seals	15 to 20 years
- asphalt surfaces	20 years
Gravel roads	
formation	not depreciated
pavement	60 to 80 years
gravel sheet	5 - 15 years
Formed roads	
formation	not depreciated
pavement	60 to 80 years
Footpaths - slab	80 years
Sewerage piping	12 to 15 years
Airport infrastructure	10 to 80 years
Water supply piping & drainage systems	60 to 80 years
Other infrastructure	10 - 50 years

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 profit or loss in the period which they arise.

Capitalisation Threshold

Expenditure on items of equipment under \$5,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

(k) Fair Value of Assets and Liabilities

When performing a revaluation, the Shire uses a mix of both independent and management valuations using the following as a guide:

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.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Fair Value of Assets and Liabilities (Continued)

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. 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 (i.e. the market with the greatest volume and level of activity for the asset or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie 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.

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.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Fair Value of Assets and Liabilities (Continued)

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 an asset at its current service capacity.

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 and 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.

The mandatory measurement framework imposed by the *Local Government (Financial Management) Regulations* requires, as a minimum, all assets to be revalued at least every 3 years. Relevant disclosures, in accordance with the requirements of Australian Accounting Standards have been made in the budget as necessary.

(l) Impairment of Assets

In accordance with Australian Accounting Standards the Shire 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 revaluation decrease in accordance with that other standard.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE BUDGET
#REF!

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Impairment of Assets (Continued)

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

At the time of adopting this budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2019.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on this budget document.

(n) 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.

(o) Employee Benefits

Short-Term Employee Benefits

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

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

Other Long-Term Employee Benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other 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 or service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. 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.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE BUDGET
#REF!

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) 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.

(q) Provisions

Provisions are recognised when the Shire has a 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.

(r) 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 amounts equal to 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.

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

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

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

(s) Interests in Joint Arrangements

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

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(o) for a description of the equity method of accounting.

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

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE BUDGET
#REF!

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. 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 even if not expected to be realised in the next 12 months except for land held for sale where it is held as non-current based on the Shire's intentions to release for sale.

(u) Comparative Figures

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

(v) Budget Comparative Figures

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

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

2. REVENUES AND EXPENSES	2019/20 Budget \$	2018/19 Actual \$	2018/19 Budget \$
(a) Net Result			
The net result includes:			
(i) Charging as an expense:			
Auditors remuneration			
Audit services	46,540	28,603	30,000
Other services	0	0	0
Depreciation By Program			
Governance	135,500	133,545	135,500
General purpose funding	0		0
Law, order, public safety	17,000	15,539	17,000
Health	38,000	37,632	38,000
Education and welfare	16,658	13,947	16,658
Housing	60,000	56,634	55,000
Community amenities	68,377	78,916	68,377
Recreation and culture	489,000	473,882	338,500
Transport	1,690,000	1,674,174	1,387,743
Economic services	43,000	33,771	43,000
Other property and services	285,000	300,105	285,000
	<u>2,842,535</u>	<u>2,818,144</u>	<u>2,384,778</u>
Depreciation By Asset Class			
Land and buildings	442,385	438,589	444,890
Furniture and equipment	45,103	44,716	45,599
Plant and equipment	382,806	379,522	378,817
Roads	1,338,865	1,327,376	982,226
Footpaths	47,606	47,198	89,052
Drainage	16,250	16,110	241,474
Airport	244,313	242,217	59,074
Parks and Ovals	105,848	104,940	79,541
Other Infrastructure	219,360	217,478	64,104
	<u>2,842,535</u>	<u>2,818,144</u>	<u>2,384,778</u>
Interest Expenses (Finance Costs)			
- Debentures (<i>refer note 7(a)</i>)	10,179	11,433	11,433
Other	0	0	0
	<u>10,179</u>	<u>11,433</u>	<u>11,433</u>
(ii) Crediting as revenues:			
Interest Earnings			
Investments			
- Reserve funds	90,000	207,891	90,000
- Other funds	2,000	1,568	4,000
Other interest revenue (<i>refer note 12</i>)	65,000	73,432	64,000
	<u>157,000</u>	<u>282,891</u>	<u>158,000</u>
(iii) Other Revenue			
Reimbursements and recoveries	122,210	164,249	152,000
Other	0	0	0
	<u>122,210</u>	<u>164,249</u>	<u>152,000</u>

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

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

In order to discharge its responsibilities to the community, the Shire of Dundas has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the Shire's Community Vision, and for each of its broad activities/programs.

COMMUNITY VISION

The Shire will endeavour to provide the community services and facilities to meet the needs of the members of the community and enable them to enjoy a pleasant and healthy way of life.

Council operations as disclosed in this budget encompass the following service orientated activities/programs:

GOVERNANCE

Objective:

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

Activities:

Includes the activities of members of Council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

GENERAL PURPOSE FUNDING

Objectives:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose funding and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objectives:

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

Activities:

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

HEALTH

Objectives:

To provide an operational framework for environmental and community health.

Activities:

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

EDUCATION AND WELFARE

Objectives:

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

Activities:

Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.

HOUSING

Objectives:

To provide and maintain elderly resident housing.

Activities:

Provision and maintenance of elderly residents housing.

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

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

COMMUNITY AMENITIES

Objectives:

To provide services required by the community.

Activities:

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

RECREATION AND CULTURE

Objectives:

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

Activities:

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

TRANSPORT

Objectives:

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

Activities:

Construction and maintenance of roads, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

ECONOMIC SERVICES

Objectives:

To help promote the shire and its economic wellbeing.

Activities:

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

OTHER PROPERTY & SERVICES

Objectives:

To monitor and control council's overheads operating accounts.

Activities:

Private work private works operation, plant repairs and operation costs and engineering operating costs.

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

3. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Estimated cash at the end of the reporting period is as follows:

	2019/20 Budget \$	2018/19 Actual \$	2018/19 Budget \$
Cash - unrestricted	593,537	1,710,033	213,349
Cash - restricted	<u>4,533,180</u>	<u>5,289,719</u>	<u>4,376,479</u>
	<u><u>5,126,717</u></u>	<u><u>6,999,752</u></u>	<u><u>4,589,828</u></u>

The following restrictions have been imposed by regulation or other externally imposed requirements:

Leave Reserve	375,345	367,893	359,988
Plant Reserve	820,874	804,577	787,291
Aerodrome Reserve	150,530	147,541	144,371
Unspent Grant Reserve	(0)	846,539	18,084
IT Reserve	98,786	96,825	94,744
Transport Reserve	1,845,109	1,808,477	1,769,621
Land Development Reserve	<u>1,242,536</u>	<u>1,217,867</u>	<u>1,202,380</u>
	<u><u>4,533,180</u></u>	<u><u>5,289,719</u></u>	<u><u>4,376,478</u></u>

(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result

Net result	(655,580)	(411,679)	2,446,350
Depreciation	2,842,535	2,818,144	2,384,778
(Profit)/loss on sale of asset	(32,798)	(912)	0
Loss on revaluation of non current assets	0	0	0
(Increase)/decrease in receivables	400,000	46,276	201,279
(Increase)/decrease in inventories	0	0	0
Increase/(decrease) in payables	0	(187,645)	(377,076)
Increase/(decrease) in employee provisions	0	(49,565)	0
Grants/contributions for the development of assets	<u>(2,303,109)</u>	<u>(775,162)</u>	<u>(4,943,776)</u>
Net Cash from Operating Activities	<u><u>251,048</u></u>	<u><u>1,439,457</u></u>	<u><u>(288,445)</u></u>

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

3. NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

	2019/20 Budget \$	2018/19 Actual \$	2018/19 Budget \$
(c) Undrawn Borrowing Facilities			
Credit Standby Arrangements			
Bank overdraft limit			
Bank overdraft at balance date			
Credit card limit	10,000	1,809	10,000
Credit card balance at balance date			
Total Amount of Credit Unused	<u>10,000</u>	<u>1,809</u>	<u>10,000</u>
Loan Facilities			
Loan facilities in use at balance date	<u>340,083</u>	<u>387,321</u>	<u>387,321</u>
Unused loan facilities at balance date	<u>0</u>	<u>0</u>	<u>0</u>

	Note	2019/20 Budget \$	2018/19 Actual \$
4. NET CURRENT ASSETS			

Composition of estimated net current assets

CURRENT ASSETS

Cash - unrestricted	3(a)	593,537	1,710,033
Cash - restricted reserves	3(a)	4,533,180	5,289,719
Receivables		167,822	567,822
Inventories		0	0
		<u>5,294,539</u>	<u>7,567,574</u>

LESS: CURRENT LIABILITIES

Trade and other payables		(462,495)	(462,495)
Short term borrowings		0	0
Long term borrowings		(48,527)	(47,238)
Provisions		<u>(298,865)</u>	<u>(298,865)</u>
		<u>(809,887)</u>	<u>(808,598)</u>

Unadjusted net current assets

4,484,653 **6,758,976**

Differences between the net current assets at the end of each financial year in the rate setting statement and net current assets detailed above arise from amounts which have been excluded when calculating the budget deficiency in accordance with FM Reg 32 as movements for these items have been funded within the budget estimates.

These differences are disclosed as adjustments below.

Adjustments

Less: Cash - restricted reserves	3(a)	(4,533,180)	(5,289,719)
Less: Land held for resale		0	0
Less: Current loans - clubs / institutions		0	0
Add: Current portion of debentures		48,527	47,238
Add: Current liabilities not expected to be cleared at end of year		0	0

Adjusted net current assets - surplus/(deficit)		<u><u>(0)</u></u>	<u><u>1,516,495</u></u>
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SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2020

5. ACQUISITION OF ASSETS

The following assets are budgeted to be acquired during the year.

Asset Class	Reporting Program											2019/20 Budget Total \$	2018/19 Actual Total \$
	Governance \$	General Purpose Funding \$	Law, Order, Public Safety \$	Health \$	Education and Welfare \$	Housing \$	Community Amenities \$	Recreation and Culture \$	Transport \$	Economic Services \$	Other Property and Services \$		
<i>Property, Plant and Equipment</i>													
Land and buildings										2,392,118		2,392,118	1,334,141
Furniture and equipment												0	18,365
Plant and equipment	50,000			35,000					357,000			442,000	0
Building - GVROC												0	0
	50,000	0	0	35,000	0	0	0	0	357,000	2,392,118	0	2,834,118	1,352,506
<i>Infrastructure</i>													
Roads									1,567,984			1,567,984	1,317,510
Footpaths									25,000			25,000	0
Drainage							15,000					15,000	0
Parks and ovals												0	0
Other							82,854					82,854	116,369
Airport												0	60,534
	0	0	0	0	0	0	97,854	0	1,592,984	0	0	1,690,838	1,494,414
<i>Land Held for Resale</i>													
Land Held for Resale													
Total Acquisitions	50,000	0	0	35,000	0	0	97,854	0	1,949,984	2,392,118	0	4,524,955	2,846,920

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

6. DISPOSALS OF ASSETS

No assets are budgeted to be disposed of during the year.

<u>By Program</u>	2019/20 Budget			
	Net Book Value \$	Sale Proceeds \$	Profit \$	Loss \$
Governance				
P307 AWD station wagon large (CEO's) - 2016	11,290	25,000	13,710	0
Transport				
P239 Mitsubishi Triton 4x2 Cab (Ranger's ute) - 2007	3,436	5,000	1,564	0
P294 Dual Cab 4x4 (Works) - 2015	11,851	15,000	3,149	0
P254 721E Case Front End Loader (DS16) - 2010	67,883	80,000	12,117	0
P268 Kubota Tractor Diesel with Canopy - 2012	3,199	8,000	4,801	0
Health				
P288 Holden Commodore Silver Sedan (Doctor) - 2014	14,543	12,000	0	(2,543)
	112,202	145,000	35,341	(2,543)

<u>By Class</u>	2019/20 Budget			
	Net Book Value \$	Sale Proceeds \$	Profit \$	Loss \$
Plant and Equipment				
P288 Holden Commodore Silver Sedan (Doctor) - 2014	14,543	12,000	0	(2,543)
P239 Mitsubishi Triton 4x2 Cab (Ranger's ute) - 2007	3,436	5,000	1,564	0
P307 AWD station wagon large (CEO's) - 2016	11,290	25,000	13,710	0
P294 Dual Cab 4x4 (Works) - 2015	11,851	15,000	3,149	0
P254 721E Case Front End Loader (DS16) - 2010	67,883	80,000	12,117	0
P268 Kubota Tractor Diesel with Canopy - 2012	3,199	8,000	4,801	0
	112,202	145,000	35,341	(2,543)

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

7. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Movement in debentures and interest between the beginning and the end of the current financial year.

Particulars	Principal 1-Jul-19	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			2019/20 Budget \$	2018/19 Actual \$	2019/20 Budget \$	2018/19 Actual \$	2019/20 Budget \$	2018/19 Actual \$
Health								
Doctor's House Loan	387,321	0	47,238	45,983	340,083	387,321	10,179	11,433
	387,321	0	47,238	45,983	340,083	387,321	10,179	11,433

All debenture repayments will be financed by general purpose revenue.

(b) New Debentures

Not budgeted for any new debenture.

(c) Unspent Debentures

Not available.

(d) Overdraft

Not available.

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

8. RATING INFORMATION - 2019/20 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	2019/20 Budgeted Rate Revenue \$	2019/20 Budgeted Interim Rates \$	2019/20 Budgeted Back Rates \$	2019/20 Budgeted Total Revenue \$	2018/19 Actual \$
Differential general rate or general rate								
GRV	0.157038	536	4,333,206	680,478	0	0	680,478	662,876
GRV - Mining Leases	0.215000	3	1,058,000	227,470	0	0	227,470	229,688
UV - Pastoral	0.083200	15	709,573	59,036	0	0	59,036	56,671
UV - Mining Leases	0.157159	335	8,462,550	1,329,966	0	0	1,329,966	1,252,324
Sub-Totals		889	14,563,329	2,296,950	0	0	2,296,950	2,201,558
	Minimum \$							
Minimum payment								
GRV	360	152	51,499	54,720	0	0	54,720	52,350
UV	360	117	132,946	42,120	0	0	42,120	41,210
UV - Prospecting Leases	309	65	80,603	20,085	0	0	20,085	9,469
					0	0		
					0	0		
Sub-Totals		334	265,048	116,925	0	0	116,925	103,029
Discounts (Note 13)							0	0
Total amount raised from general rates							2,413,875	2,304,587
Specified area rates (Note 10)							0	0
Movement In Excess Rates							0	18,250
Total Rates							2,413,875	2,322,837

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

8(a). RATING INFORMATION - 2019/20 FINANCIAL YEAR (CONTINUED)

All land except exempt land in the Shire of Dundas is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the Shire of Dundas.

The general rates detailed above for the 2019/20 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of the Local Government services/facilities.

OBJECTIVES AND REASONS FOR DIFFERENTIAL RATING

To provide equity in the rating of properties across the Shire the Council has adopted differential rates in its Gross Rental Valuation and Unimproved Valuation areas for improved and vacant mining leases, exploration, prospecting and pastoral leases and improved and vacant UV land.

The application of differential rating maintains the status quo in terms of equity in the rating of properties across the Shire, enabling the Council to provide facilities, infrastructure and services to the entire community and visitors.

Description	Characteristics	Objects	Reasons
GRV – Mining	This rating category covers mining leases that have improvements on the land and are located within the Shire boundaries.	The objective of the proposed rate in the dollar is to ensure that the proportion of total rate revenue derived from GRV Mining is consistent with the previous year revenue.	The rate mainly reflects the increased cost associated with providing bushfire emergency services for these mining properties generally located a large distance from the main service centre. Further as a contribution towards the upkeep of general amenities within the Shire from a sector of ratepayers that essentially are transitory.
UV - Pastoral	This rating category applies to all pastoral leases that have been granted under the repealed Land Act 1933.	This rate reflects the cost of providing building inspection services, emergency services and other amenities for those properties. Most of these properties are located a large distance from the main service centre. However, the cost of servicing the communities within the boundaries of the Shire should be borne by all residents and property owners.	<p>The proposed rate is comparatively low compared to the mining UV rates due to the following:</p> <ul style="list-style-type: none"> •The minimal impact on or requirement that the pastoral industry has on or for Shire services and infrastructure. •To encourage a diversification of land use other than mining related activities. •Mining activities have and require a higher level of the Council involvement for licences, clearing permits etc. •Mining removes finite resources from the Shire, which will in turn impact rate revenue in future years. •Mining imposes greater damage to the environment with clearing, drilling and mining activities. <p>The Shire has factored in capacity to pay in determining the rate in the dollar for pastoral leases with a lowest UV rate in the dollar. However, the Shire need to ensure a minimum of 2:1 ratio between the Pastoral UV and the Mining UV to ensure fairness across these categories. The proposed rate will help the Shire to gradually minimise the large disparity between the Pastoral UV and the Mining UV categories.</p>

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

**8(a). RATING INFORMATION - 2019/20 FINANCIAL YEAR (CONTINUED)
OBJECTIVES AND REASONS FOR DIFFERENTIAL RATING (CONTINUED)**

Description	Characteristics	Objects	Reasons
UV - Mining	This rating category cover mining, exploration and prospecting leases located within the Shire of Dundas.	The proposed rate mainly reflects the ongoing cost (increased cost) involved in maintaining the road network that services these land use as the Shire's local authority boundaries extend all the way to the WA/SA state boundary, and the cost associated with bushfire emergency services covering this vast land area. Further as a contribution towards the upkeep of general amenities within the Shire from a sector of ratepayers that essentially are transitory	<p>The mining operations result in the Shire's road network and infrastructure requiring continual ongoing maintenance and renewal work to service these users. The Shire acknowledges the fact that exploration, prospecting and mining have different levels of impact on the Shire's road network. However, there remains the need to fund maintenance and renewal requirements of this vital infrastructure asset for the benefit of all users.</p> <p>In determining the proposed rate in the dollar of these categories, consideration was given to the comparable rate in the dollar of the neighbouring shires (with significant mining focus) which provide similar services for mining activities. Even after this proposed increase in the rate in the dollar, the Shire of Dundas remains as one of the shires with the lowest UV rates for mining leases.</p>

Differential Minimum Payment

Description	Characteristics	Objects	Reasons
UV	A minimum rate of \$360 has been set for all UV rating categories.	The setting of minimum rates within rating categories is an important method of ensuring that all properties contribute an equitable rate amount.	The UV minimums are applied to ensure that the rate burden is distributed equitably between all property owners. Mining, Pastoral and Exploration Leases fall under this category and the majority are held by large mining companies.
UV - Prospecting Leases	The Shire does offer a reduced minimum rate for Prospecting Leases	The setting of minimum rates within rating categories is an important method of ensuring that all properties contribute an equitable rate amount.	The Shire imposes a reduced rate for Prospecting to encourage more prospecting leases.

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

9. CASH BACKED RESERVES

	2019/20 Budget				2018/19 Actual				2018/19 Budget			
	Opening Balance \$	Transfer to \$	Transfer (from) \$	Closing Balance \$	Opening Balance \$	Transfer to \$	Transfer (from) \$	Closing Balance \$	Opening Balance \$	Transfer to \$	Transfer (from) \$	Closing Balance \$
Leave Reserve	367,893	7,452		375,345	354,693	13,200		367,893	354,693	5,295		359,988
Plant Reserve	804,577	16,297		820,874	775,710	28,867		804,577	775,710	11,581		787,291
Aerodrome Reserve	147,541	2,989		150,530	142,247	5,294		147,541	142,247	2,124		144,371
Unspent Grant Reserve	846,539	0	(846,539)	(0)	1,200,166	40,937	(394,564)	846,539	1,200,166	17,917	(1,200,000)	18,084
IT Reserve	96,825	1,961		98,786	93,351	3,474		96,825	93,351	1,394		94,744
Transport Reserve	1,808,477	36,632		1,845,109	1,743,591	64,886		1,808,477	1,743,590	26,030		1,769,621
Land Development Reserve	1,217,867	24,669		1,242,536	1,718,721	51,234	(552,088)	1,217,867	1,718,721	25,659	(542,000)	1,202,380
	5,289,719	90,000	(846,539)	4,533,180	6,028,479	207,892	(946,652)	5,289,719	6,028,478	90,000	(1,742,000)	4,376,478

In accordance with council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

Purpose of the reserve

- | | |
|--------------------------|---|
| Leave Reserve | - to be used to fund annual, sick and long service leave requirements and payments to staff. |
| Plant Reserve | - to be used for the purchase of major plant. |
| Aerodrome Reserve | - to be used for the construction and/or maintenance of the airstrip at Norseman and Eucla. |
| Unspent Grant Reserve | - to be used to restrict unspent grants and contributions at the end of the financial year. |
| IT Reserve | - to be used to fund the replacement of IT Equipment |
| Transport Reserve | - to be used for the construction, maintenance and resealing of the Shire's transport network |
| Land Development Reserve | - to be used for building construction and maintenance of Shire infrastructure. |

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

10. SPECIFIED AREA RATE - 2019/20 FINANCIAL YEAR

The Shire does not impose any specified Area Rates.

11. SERVICE CHARGES - 2019/20 FINANCIAL YEAR

The Shire does not impose any Service Charges.

12. INTEREST CHARGES AND INSTALMENTS - RATES AND SERVICE CHARGES - 2019/20 FINANCIAL YEAR

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
1st Instalment	7/09/2019	0.0	0.00%	7.50%
2nd Instalment	7/11/2019	10.0	5.50%	7.50%
3rd Instalment	16/01/2020	10.0	5.50%	7.50%
4th Instalment	3/04/2020	10.0	5.50%	7.50%

	2019/20 Budget \$	2018/19 Actual \$
Instalment Plan Admin Charge Revenue	4,000	3,390
Instalment Plan Interest Earned	4,000	3,669
Unpaid Rates Interest Earned	61,000	69,763
	69,000	76,822

**13. PAYMENT DISCOUNTS, WAIVERS AND CONCESSIONS
- 2019/20 FINANCIAL YEAR**

No discount / concession on rate is offered by the Shire.

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

14. FEES & CHARGES REVENUE	2019/20 Budget \$	2018/19 Actual \$
Governance	10,000	12,933
General purpose funding	9,000	8,830
Law, order, public safety	3,050	4,034
Health	4,250	4,128
Education and welfare		
Housing	20,600	21,391
Community amenities	185,260	201,288
Recreation and culture	16,092	10,986
Transport	532	951
Economic services	26,000	35,230
Other property and services	0	1,207
	<u>274,784</u>	<u>300,978</u>

15. ELECTED MEMBERS REMUNERATION	2019/20 Budget \$	2018/19 Actual \$
The following fees, expenses and allowances were paid to council members and/or the Mayor/President.		
Meeting fees	38,000	27,951
Mayor/President's allowance	15,600	12,000
Deputy Mayor/President's allowance	3,900	3,000
Travelling expenses	5,000	3,056
Telecommunications allowance		
	<u>62,500</u>	<u>46,007</u>

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

16. TRUST FUNDS

Funds held at balance date over which the local government has no control and which are not included in the financial statements are as follows:

Detail	Balance 1-Jul-19 \$	Estimated Amounts Received \$	Estimated Amounts Paid (\$)	Estimated Balance 30-Jun-20 \$
Chamber Of Commerce	2,634			2,634
Demolition Deposits	1,000			1,000
Excess (Overpaid) Rates	1,888			1,888
Gym Key Deposits	3,250			3,250
Hall Deposits				0
Tennis Key Deposit	300			300
BCITF (Buil Con Indu Trai Fun)	3,845			3,845
Library (TOY)				0
Community Garden	2,539			2,539
Ngadju Womens Caring	957			957
Licensing (Transport)	13,122			13,122
Raffle Tickets				0
Bank Interest	308			308
	<u>29,843</u>	<u>0</u>	<u>0</u>	<u>29,843</u>

17. MAJOR LAND TRANSACTIONS

The Shire has not planned to participate in any major land transaction during the year 2019/20.

18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire has not planned to participate in any major trading undertaking during the year 2019/20.

19. INTERESTS IN JOINT ARRANGEMENTS

The Shire has entered in to a joint venture arrangement with other members of the GVROC to manage a record archiving facility.