

SHIRE OF DUNDAS
BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

LOCAL GOVERNMENT ACT 1995

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SHIRE'S 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.

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

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
Revenue				
Rates	1(a)	2,645,220	2,537,808	2,413,876
Operating grants, subsidies and contributions	9(a)	1,909,277	1,754,661	1,004,307
Fees and charges	8	344,268	399,956	274,784
Interest earnings	11(a)	134,100	125,257	157,000
Other revenue	11(b)	258,390	147,684	122,210
		5,291,255	4,965,366	3,972,177
Expenses				
Employee costs		(2,371,877)	(2,059,314)	(2,068,555)
Materials and contracts		(1,236,573)	(602,667)	(1,295,545)
Utility charges		(296,078)	(301,404)	(230,917)
Depreciation on non-current assets	5	(2,661,549)	(2,763,788)	(2,842,535)
Interest expenses	11(d)	(8,890)	(10,179)	(10,179)
Insurance expenses		(185,243)	(159,602)	(155,725)
Other expenditure		(407,050)	(106,585)	(360,206)
		(7,167,260)	(6,003,539)	(6,963,662)
Subtotal				
		(1,876,005)	(1,038,173)	(2,991,485)
Non-operating grants, subsidies and contributions	9(b)	1,193,157	2,907,537	2,303,107
Profit on asset disposals	4(b)	0	0	35,341
Loss on asset disposals	4(b)	(72,607)	(22,619)	(2,543)
		1,120,550	2,884,918	2,335,905
Net result				
		(755,455)	1,846,745	(655,580)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income				
		(755,455)	1,846,745	(655,580)

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

SHIRE OF DUNDAS

FOR THE YEAR ENDED 30 JUNE 2021

BASIS OF PREPARATION

The budget has 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 (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this budget. This is not in accordance with the requirements of AASB 1051 *Land Under Roads* paragraph 15 and AASB 116 *Property, Plant and Equipment* paragraph 7.

Accounting policies which have been adopted in the preparation of this budget have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the budget 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 of Dundas 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 14 to the budget.

2019/20 ACTUAL BALANCES

Balances shown in this budget as 2019/20 Actual are estimates as forecast at the time of budget preparation and are subject to final adjustments.

CHANGE IN ACCOUNTING POLICIES

On the 1 July 2020 the following new accounting policies are to be adopted and may impact the preparation of the budget:

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

AASB 1059 is not expected to impact the annual budget. Specific impacts of AASB 2018-7 have not been identified.

KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specified area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts and concessions offered. Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

SERVICE CHARGES

Service charges imposed under Division 6 of Part 6 of the *Local Government Act 1995*. Regulation 54 of the *Local Government (Financial Management) Regulations 1996* identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services.

Excludes rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

PROFIT ON ASSET DISPOSAL

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

REVENUES (CONTINUED)

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

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. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

INTEREST EARNINGS

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

OTHER REVENUE / INCOME

Other revenue, which can not be classified under the above headings, includes dividends, discounts, and rebates. Reimbursements and recoveries should be separated by note to ensure the correct calculation of ratios.

EXPENSES

EMPLOYEE COSTS

All costs associated with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences safety expenses, medical examinations, fringe benefit tax, etc.

MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

INSURANCE

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets includes loss on disposal of long term investments.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

INTEREST EXPENSES

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

OTHER EXPENDITURE

Statutory fees, taxes, provision for bad debts, member's fees or State taxes. Donations and subsidies made to community groups.

SHIRE OF DUNDAS
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
Revenue	1,8,9(a),11(a),11(b)	\$	\$	\$
Governance		23,000	63,306	16,000
General purpose funding		3,862,039	3,707,041	3,134,876
Law, order, public safety		182,800	134,961	23,050
Health		5,500	5,484	4,250
Education and welfare		82,935	81,636	80,000
Housing		22,600	22,713	22,600
Community amenities		187,960	202,134	187,960
Recreation and culture		51,092	18,219	31,092
Transport		523,329	483,119	297,349
Economic services		270,000	178,654	145,000
Other property and services		80,000	68,101	30,000
		5,291,255	4,965,368	3,972,177
Expenses excluding finance costs	4(a),5,11(c),(e),(f),(g)			
Governance		(703,435)	(620,739)	(709,840)
General purpose funding		(466,581)	(225,504)	(437,897)
Law, order, public safety		(292,271)	(139,947)	(163,658)
Health		(229,330)	(204,966)	(223,000)
Education and welfare		(244,236)	(163,230)	(247,564)
Housing		(111,236)	(80,750)	(111,118)
Community amenities		(598,072)	(528,623)	(613,721)
Recreation and culture		(1,483,529)	(1,261,030)	(1,483,170)
Transport		(2,237,203)	(2,175,261)	(2,222,075)
Economic services		(586,477)	(423,746)	(425,440)
Other property and services		(206,000)	(169,566)	(316,000)
		(7,158,370)	(5,993,362)	(6,953,483)
Finance costs	,6(a),11(d)			
Health		(8,890)	(10,179)	(10,179)
		(8,890)	(10,179)	(10,179)
Subtotal		(1,876,005)	(1,038,173)	(2,991,485)
Non-operating grants, subsidies and contributions	9(b)	1,193,157	2,907,537	2,303,107
Profit on disposal of assets	4(b)	0	0	35,341
(Loss) on disposal of assets	4(b)	(72,607)	(22,619)	(2,543)
		1,120,550	2,884,918	2,335,905
Net result		(755,455)	1,846,745	(655,580)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		(755,455)	1,846,745	(655,580)

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

SHIRE OF DUNDAS
FOR THE YEAR ENDED 30 JUNE 2021

KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

In order to discharge its responsibilities to the community, Council 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.

OBJECTIVE

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 the council for the provision of governance of the Shire.

GENERAL PURPOSE FUNDING

To collect revenue to allow for the provision of services.

Rates, general purpose funding and interest revenue.

LAW, ORDER, PUBLIC SAFETY

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

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

HEALTH

To provide an operational framework for environmental and community health.

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

EDUCATION AND WELFARE

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

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

HOUSING

To provide and maintain elderly resident housing.

Provision and maintenance of elderly residents housing.

COMMUNITY AMENITIES

To provide services required by the community.

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains,

RECREATION AND CULTURE

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

Maintenance of public halls, civic centre, aquatic centre, recreation centres and various sporting facilities. Provision and maintenance of

TRANSPORT

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

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

ECONOMIC SERVICES

To help promote the shire and its economic wellbeing.

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

OTHER PROPERTY AND SERVICES

To monitor and control council's overheads operating accounts.

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

SHIRE OF DUNDAS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		2,645,220	2,854,401	2,813,875
Operating grants, subsidies and contributions		1,909,277	726,760	1,004,307
Fees and charges		344,268	399,956	274,784
Interest earnings		134,100	125,257	157,000
Other revenue		258,390	147,684	122,210
		5,291,255	4,254,058	4,372,176
Payments				
Employee costs		(2,371,877)	(2,018,045)	(2,068,555)
Materials and contracts		(1,406,494)	(545,211)	(1,295,545)
Utility charges		(296,078)	(301,404)	(230,917)
Interest expenses		(8,890)	(10,179)	(10,179)
Insurance expenses		(185,243)	(159,602)	(155,725)
Other expenditure		(407,050)	(106,585)	(360,207)
		(4,675,632)	(3,141,026)	(4,121,128)
Net cash provided by (used in) operating activities	3	615,623	1,113,032	251,048
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of investment property	4(a)	(45,000)	0	0
Payments for purchase of property, plant & equipment	4(a)	(1,374,003)	(2,289,887)	(2,834,118)
Payments for construction of infrastructure	4(a)	(1,189,333)	(1,523,521)	(1,690,837)
Non-operating grants, subsidies and contributions		1,193,157	2,907,537	2,303,107
Proceeds from sale of plant and equipment	4(b)	123,000	129,065	145,000
Net cash provided by (used in) investing activities		(1,292,179)	(776,806)	(2,076,848)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	0	(47,238)	(47,238)
Net cash provided by (used in) financing activities		0	(47,238)	(47,238)
Net increase (decrease) in cash held		(676,556)	288,988	(1,873,038)
Cash at beginning of year		7,300,802	7,011,812	6,999,752
Cash and cash equivalents at the end of the year	3	6,624,246	7,300,800	5,126,714

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

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

NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
OPERATING ACTIVITIES			
Net current assets at start of financial year - surplus/(deficit)	2,175,246	1,475,121	1,516,495
	2,175,246	1,475,121	1,516,495
Revenue from operating activities (excluding rates)			
Governance	23,000	63,306	29,710
General purpose funding	1,216,819	1,169,233	721,000
Law, order, public safety	182,800	134,961	23,050
Health	5,500	5,484	4,250
Education and welfare	82,935	81,636	80,000
Housing	22,600	22,713	22,600
Community amenities	187,960	202,134	187,960
Recreation and culture	51,092	18,219	31,092
Transport	523,329	483,119	318,980
Economic services	270,000	178,654	145,000
Other property and services	80,000	68,101	30,000
	2,646,035	2,427,560	1,593,642
Expenditure from operating activities			
Governance	(709,505)	(625,325)	(709,840)
General purpose funding	(466,581)	(225,504)	(437,897)
Law, order, public safety	(292,271)	(139,947)	(163,658)
Health	(238,220)	(222,153)	(235,722)
Education and welfare	(244,236)	(163,230)	(247,564)
Housing	(111,236)	(80,750)	(111,118)
Community amenities	(598,072)	(528,623)	(613,721)
Recreation and culture	(1,483,529)	(1,261,030)	(1,483,170)
Transport	(2,266,740)	(2,186,286)	(2,222,075)
Economic services	(586,477)	(423,746)	(425,440)
Other property and services	(243,000)	(169,566)	(316,000)
	(7,239,867)	(6,026,160)	(6,966,205)
Non-cash amounts excluded from operating activities	2,734,156	2,659,254	2,809,737
Amount attributable to operating activities	315,570	535,775	(1,046,331)
INVESTING ACTIVITIES			
Non-operating grants, subsidies and contributions	9(b) 1,193,157	2,060,998	2,303,107
Purchase investment property	4(a) (45,000)	0	0
Purchase property, plant and equipment	4(a) (1,374,003)	(2,289,887)	(2,834,118)
Purchase and construction of infrastructure	4(a) (1,189,333)	(1,523,521)	(1,690,837)
Proceeds from disposal of assets	4(b) 123,000	129,065	145,000
Amount attributable to investing activities	(1,292,179)	(1,623,345)	(2,076,848)
FINANCING ACTIVITIES			
Repayment of borrowings	6(a) 0	(47,238)	(47,238)
Transfers to cash backed reserves (restricted assets)	7(a) (1,610,000)	(74,293)	(90,000)
Transfers from cash backed reserves (restricted assets)	7(a) 75,000	846,539	846,539
Amount attributable to financing activities	(1,535,000)	725,008	709,301
Budgeted deficiency before general rates	(2,511,609)	(362,562)	(2,413,878)
Estimated amount to be raised from general rates	1 2,645,220	2,537,808	2,413,875
Net current assets at end of financial year - surplus/(deficit)	2 (a)(iii) 133,611	2,175,246	(3)

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

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

1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2020/21 Budgeted rate revenue	2020/21 Budgeted interim rates	2020/21 Budgeted back rates	2020/21 Budgeted total revenue	2019/20 Actual total revenue	2019/20 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
Differential general rate or general rate									
Gross rental valuations									
GRV	0.15704	534	4,340,902	681,687			681,687	682,326	680,478
GRV - Mining Leases	0.21500	3	1,058,000	227,470			227,470	227,470	227,470
Unimproved valuations									
UV - Pastoral	0.08320	15	747,436	62,187			62,187	59,036	59,036
UV - Mining Leases	0.15716	362	9,827,920	1,544,546			1,544,546	1,453,176	1,329,966
Non-Rateable		1,862	368,465	0			0	(146)	
Sub-Totals		2,776	16,342,723	2,515,890	0	0	2,515,890	2,421,862	2,296,950
Minimum									
Minimum payment									
	\$								
Gross rental valuations									
GRV	360	154	51,790	55,440			55,440	54,720	54,720
GRV - Mining Leases	360	0		0			0		
Unimproved valuations									
UV - Pastoral	360	27	28,745	9,720			9,720	9,720	9,720
UV - Mining Leases	360	187	242,461	67,320			67,320	51,506	52,485
Sub-Totals		368	322,996	132,480	0	0	132,480	115,946	116,925
		3,144	16,665,719	2,648,370	0	0	2,648,370	2,537,808	2,413,875
Discounts (Refer note 1(h))							(3,150)	0	0
Total amount raised from general rates							2,645,220	2,537,808	2,413,875

All land (other than 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 for the 2020/21 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 local government services/facilities.

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

1. RATES AND SERVICE CHARGES (CONTINUED)

(b) Interest Charges and Instalments - Rates and Service Charges

The following instalment options are available to ratepayers for the payment of rates and service charges.

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
First Instalment	16/09/2020	10	5.5%	8.0%
Option two				
First Instalment	16/09/2020	10	5.5%	8.0%
Second Instalment	30/10/2020	10	5.5%	8.0%
Option three				
First Instalment	16/09/2020	10	5.5%	8.0%
Second Instalment	30/11/2020	10	5.5%	8.0%
Third Instalment	12/02/2021	10	5.5%	8.0%
Fourth Instalment	25/05/2021	10	5.5%	8.0%

	2020/21 Budget revenue	2019/20 Actual revenue	2019/20 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	8,000	4,470	4,000
Instalment plan interest earned	8,100	4,794	4,000
Unpaid rates and service charge interest earned	21,000	30,743	61,000
	37,100	40,007	69,000

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

1. RATES AND SERVICE CHARGES (CONTINUED)

(c) Objectives and Reasons for Differential Rating

To provide equity in the rating of properties across the Shire the following rate categories have been determined for the implementation of differential rating.

Differential general rate

Description	Characteristics	Objects	Reasons
GRV - Townsites, Roadhouses & Service Stations	This rating category applies to properties located within and very close proximity to the townsite boundaries of the Shire of Dundas and the roadhouses and service stations located within the Shire. This category is considered by the Council to be the base rate by which all other GRV rated properties are assessed	This rate reflects the cost of providing health and building inspection services, emergency services and other amenities for those properties.	The cost of servicing the communities within the boundaries of the Shire should be borne by all residents and property owners.
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.	The proposed rate is comparatively low compared to the mining UV rates due to the following: <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.
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	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. 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.

(d) Differential Minimum Payment

Description	Characteristics	Objects	Reasons
GRV and UV Catego	A minimum rate of \$360 has been set for all GRV and 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 GRV/UV minimums are applied to ensure that the rate burden is distributed equitably between all property owners.

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

1. RATES AND SERVICE CHARGES (CONTINUED)

(e) Variation in Adopted Differential Rates to Local Public Notice

The following rates and minimum payments were previously set out in the local public notice giving notice of the intention to charge differential rates.

Differential general rate or general rate	Proposed Rate in \$	Adopted Rate in \$	Reasons for the difference
GRV - Townsites, Roadhouses & Service St:	15.70380	15.70380	N/A
GRV - Mining	21.50000	21.50000	N/A
UV Pastoral	8.32000	8.32000	N/A
UV Mining	15.71590	15.71590	N/A

Minimum payment	Proposed Minimum \$	Adopted Minimum \$	Reasons for the difference
GRV - Townsites, Roadhouses & Service St:	360	360	N/A
GRV - Mining	360	360	N/A
UV Pastoral	360	360	N/A
UV Mining	360	360	N/A

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

1. RATES AND SERVICE CHARGES (CONTINUED)

(f) Specified Area Rate

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

(g) Service Charges

The Shire did not raise service charges for the year ended 30 June 2021.

1. RATES AND SERVICE CHARGES (CONTINUED)

(h) Rates discounts

Rate or fee to which discount is granted	Discount %	Discount (\$)	2020/21 Budget	2019/20 Actual	2019/20 Budget	Circumstances in which discount is granted
UV Pastoral		3,150	\$ 3,150	\$	\$	To avoid increase in rates due to upward revaluations.
			3,150	0	0	

(i) Waivers or concessions

The Shire does not anticipate any waivers or concessions for the year ended 30 June 2021.

2 (a). NET CURRENT ASSETS

Items excluded from calculation of budgeted deficiency

When calculating the budget deficiency for the purpose of Section 6.2 (2)(c) of the *Local Government Act 1995* the following amounts have been excluded as provided by *Local Government (Financial Management) Regulation 32* which will not fund the budgeted expenditure.

Note	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
	\$	\$	\$
(i) Operating activities excluded from budgeted deficiency			
The following non-cash revenue or expenditure has been excluded from operating activities within the Rate Setting Statement.			
Adjustments to operating activities			
Less: Profit on asset disposals	4(b) 0	0	(35,341)
Less: Movement in employee liabilities associated with restricted cash	0	25,098	
Add: Loss on disposal of assets	4(b) 72,607	22,619	2,543
Add: Change in accounting policies	0	(152,251)	
Add: Depreciation on assets	5 2,661,549	2,763,788	2,842,535
Non cash amounts excluded from operating activities	2,734,156	2,659,254	2,809,737
(ii) Current assets and liabilities excluded from budgeted deficiency			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement.			
Adjustments to net current assets			
Less: Unspent borrowings	6(c)	(846,539)	
Less: Cash - restricted reserves	3 (6,052,473)	(4,517,473)	(4,533,180)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	0	0	48,527
- Employee benefit provisions	323,963	323,963	
Add: Movement in provisions between current and non-current provisions	(452,535)	394,004	
Total adjustments to net current assets	(6,181,045)	(4,646,045)	(4,484,653)

2 (a). NET CURRENT ASSETS (CONTINUED)

EXPLANATION OF DIFFERENCE IN NET CURRENT ASSETS AND SURPLUS/(DEFICIT)

	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
Note	\$	\$	\$
(iii) Composition of estimated net current assets			
Current assets			
Cash and cash equivalents- unrestricted	1,604,316	3,849,625	593,537
Cash and cash equivalents - restricted			
Cash backed reserves	6,052,473	4,517,473	4,533,180
Unspent grants, subsidies and contributions	(1,032,543)	(1,066,296)	0
Receivables	432,031	432,031	167,822
	7,056,277	7,732,833	5,294,539
Less: current liabilities			
Trade and other payables	(417,658)	(587,579)	(462,495)
Long term borrowings	0	0	(48,527)
Provisions	(323,963)	(323,963)	(298,865)
	(741,621)	(911,542)	(809,887)
Net current assets	6,314,656	6,821,291	4,484,652
Less: Total adjustments to net current assets	(6,181,045)	(4,646,045)	(4,484,653)
Closing funding surplus / (deficit)	133,611	2,175,246	(1)

2 (b). NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

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.

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 of Dundas 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.

CONTRACT ASSETS

A contract asset is the right to consideration in exchange for goods or services the entity has transferred to a customer when that right is conditioned on something other than the passage of time.

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.

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.

Superannuation

The Shire of Dundas contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Dundas contributes are defined contribution plans.

LEASE LIABILITIES

The present value of future lease payments not paid at the reporting date discounted using the incremental borrowing rate where the implicit interest rate in the lease is not readily determined.

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.

EMPLOYEE BENEFITS

Short-term employee benefits

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

LAND HELD FOR RESALE

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

Land held for sale is classified as current except where it is held as non-current based on Council's intentions to release for sale.

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

3. 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:

Note	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Cash at bank and on hand	2,106,773	2,783,329	593,537
Term deposits	4,517,473	4,517,473	4,533,180
	6,624,246	7,300,802	5,126,717
- Unrestricted cash and cash equivalents	1,604,316	3,849,625	593,537
- Restricted cash and cash equivalents	5,019,930	3,451,177	4,533,180
	6,624,246	7,300,802	5,126,717
The following restrictions have been imposed by regulation or other externally imposed requirements on cash and cash equivalents:			
Leave reserve	381,431	373,979	375,345
Plant Reserve	779,183	817,886	820,874
Aerodrome Reserve	152,972	149,983	150,530
IT Reserve	100,388	98,427	98,786
Unspent grants reserve	1,500,000	0	0
Transport Reserve	1,875,025	1,838,393	1,845,109
Land Development Reserve	1,263,474	1,238,805	1,242,536
Unspent grants, subsidies and contributions	9 (1,032,543)	(1,066,296)	
	5,019,930	3,451,177	4,533,180
Reconciliation of net cash provided by operating activities to net result			
Net result	(755,455)	1,846,745	(655,578)
Depreciation	5 2,661,549	2,763,788	2,842,535
(Profit)/loss on sale of asset	4(b) 72,607	22,619	(32,798)
(Increase)/decrease in receivables	0	135,231	400,000
Increase/(decrease) in payables	(169,921)	72,209	
Increase/(decrease) in contract liabilities	0	(846,539)	
Increase/(decrease) in employee provisions	0	26,516	
Non-operating grants, subsidies and contributions	(1,193,157)	(2,907,537)	(2,303,107)
Net cash from operating activities	615,623	1,113,032	251,052

SIGNIFICANT ACCOUNTING POLICES

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.

Bank overdrafts are shown as short term borrowings in current liabilities in Note 2 - Net Current Assets.

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.

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

4. FIXED ASSETS

(a) Acquisition of Assets

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

Reporting program

Asset class	Reporting program						2020/21 Budget total	2019/20 Actual total	2019/20 Budget total
	Governance	Law, order, public safety	Education and welfare	Recreation and culture	Transport	Economic services			
	\$	\$	\$	\$	\$	\$	\$	\$	
<u>Property, Plant and Equipment</u>									
Buildings - specialised	35,000	30,000	37,000	95,000		691,003	888,003	1,806,440	2,392,118
Plant and equipment	37,000			22,000	427,000		486,000	483,447	442,000
	72,000	30,000	37,000	117,000	427,000	691,003	1,374,003	2,289,887	2,834,118
<u>Infrastructure</u>									
Infrastructure - roads						835,902	835,902	1,506,810	1,567,984
Infrastructure - footpaths						45,000	45,000		25,000
Infrastructure - Drainage							0	13,201	15,000
Infrastructure - Parks & Ovals					69,000		69,000		
Infrastructure - Airports						150,000	150,000		
Infrastructure - Other				89,431			89,431	3,510	82,853
	0	0	0	89,431	69,000	1,030,902	1,189,333	1,523,521	1,690,837
<u>Intangible Assets</u>									
Share in GVROC Records Mgmt. Fac	45,000						45,000		
	0	0	0	0	0	0	45,000	0	0
Total acquisitions	72,000	30,000	37,000	206,431	496,000	1,721,905	2,608,336	3,813,408	4,524,955

A detailed breakdown of acquisitions on an individual asset basis can be found in the supplementary information attached to this budget document.

SIGNIFICANT ACCOUNTING POLICIES

RECOGNITION OF ASSETS

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.

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

4. FIXED ASSETS

(b) Disposals of Assets

The following assets are budgeted to be disposed of during the year.

	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss	2019/20 Actual Net Book Value	2019/20 Actual Sale Proceeds	2019/20 Actual Profit	2019/20 Actual Loss	2019/20 Budget Net Book Value	2019/20 Budget Sale Proceeds	2019/20 Budget Profit	2019/20 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Governance	21,070	15,000	0	(6,070)	36,701	32,115	0	(4,586)	11,290	25,000	13,710	0
Health		0	0	0	14,278	7,270	0	(7,008)	14,543	12,000	0	(2,543)
Transport	97,537	68,000	0	(29,537)	100,705	89,680	0	(11,025)	86,369	108,000	21,631	0
Other property and services	77,000	40,000	0	(37,000)		0	0	0		0	0	0
	195,607	123,000	0	(72,607)	151,684	129,065	0	(22,619)	112,202	145,000	35,341	(2,543)
By Class												
<i>Property, Plant and Equipment</i>												
Land - freehold land	77,000	40,000		(37,000)		0				0		
Plant and equipment	118,607	83,000		(35,607)	151,684	129,065		(22,619)	112,202	145,000	35,341	(2,543)
	195,607	123,000	0	(72,607)	151,684	129,065	0	(22,619)	112,202	145,000	35,341	(2,543)

A detailed breakdown of disposals on an individual asset basis can be found in the supplementary information attached to this budget document

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

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.

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

5. ASSET DEPRECIATION

By Program

Governance
Law, order, public safety
Health
Education and welfare
Housing
Community amenities
Recreation and culture
Transport
Economic services
Other property and services

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
135,500	102,178	135,500	
17,000	9,660	17,000	
38,000	36,531	38,000	
16,658	5,618	16,658	
60,000	54,571	60,000	
72,608	57,378	68,377	
490,411	488,715	489,000	
1,706,908	1,791,799	1,690,000	
89,000	33,771	43,000	
35,464	183,567	285,000	
2,661,549	2,763,788	2,842,535	
57,110	63,795	57,510	
432,520	420,588	384,875	
26,858	10,978	45,103	
215,280	190,575	382,806	
1,273,014	1,444,092	1,338,865	
45,000	47,198	47,606	
15,000	16,110	16,250	
108,000	104,940	105,848	
240,000	242,217	244,312	
248,767	223,295	219,360	
2,661,549	2,763,788	2,842,535	

By Class

Buildings - non-specialised
Buildings - specialised
Furniture and equipment
Plant and equipment
Infrastructure - roads
Infrastructure - footpaths
Infrastructure - Drainage
Infrastructure - Parks & Ovals
Infrastructure - Airports
Infrastructure - Other

SIGNIFICANT ACCOUNTING POLICIES

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.

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.

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

Buildings - non-specialised	30 to 50 years
Buildings - specialised	50 to 80 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Infrastructure - roads	
Infrastructure - footpaths	20 years
Infrastructure - Drainage	80 years
Infrastructure - Parks & Ovals	30 to 75 years
Infrastructure - Airports	10 to 60 Years
Infrastructure - Other	

AMORTISATION

The depreciable amount of all intangible assets with a finite useful life, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

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

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

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

6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	Budget	2020/21	2020/21	Budget	2020/21	Actual	2019/20	2019/20	Actual	2019/20	Budget	2019/20	2019/20	Budget	2019/20
				Principal	Budget	Budget	Principal	Actual		Actual	Principal	Actual	Principal		Budget	Budget	Budget	Principal
				1 July 2020	New Loans	Principal Repayments	outstanding 30 June 2021	Interest Repayments	1 July 2019	New Loans	Principal Repayments	outstanding 30 June 2020	Interest Repayments	1 July 2019	New Loans	Principal Repayments	outstanding 30 June 2020	Interest Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Health																		
Doctor's House		WATC		340,083			340,083	(8,890)	387,321	0	(47,238)	340,083	(10,179)	387,321	0	(47,238)	340,083	(10,179)
				340,083	0	0	340,083	(8,890)	387,321	0	(47,238)	340,083	(10,179)	387,321	0	(47,238)	340,083	(10,179)
				340,083	0	0	340,083	(8,890)	387,321	0	(47,238)	340,083	(10,179)	387,321	0	(47,238)	340,083	(10,179)

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.
 The self supporting loan(s) repayment will be fully reimbursed.

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

6. INFORMATION ON BORROWINGS

(b) New borrowings - 2020/21

The Shire does not intend to undertake any new borrowings for the year ended 30 June 2021

(c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30 June 2020 nor is it expected to have unspent borrowing funds as at 30 June 2021.

(d) Credit Facilities

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Loan facilities			
Loan facilities in use at balance date	340,083	340,083	340,083

SIGNIFICANT ACCOUNTING POLICIES

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.

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

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2020/21 Budget Opening Balance	2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance	2019/20 Actual Opening Balance	2019/20 Actual Transfer to	2019/20 Actual Transfer (from)	2019/20 Actual Closing Balance	2019/20 Budget Opening Balance	2019/20 Budget Transfer to	2019/20 Budget Transfer (from)	2019/20 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave reserve	373,979	7,452		381,431	367,893	6,086		373,979	367,893	7,452		375,345
(b) Plant Reserve	817,886	36,297	(75,000)	779,183	804,577	13,309		817,886	804,577	16,297		820,874
(c) Aerodrome Reserve	149,983	2,989		152,972	147,542	2,441		149,983	147,541	2,989		150,530
(d) IT Reserve	98,427	1,961		100,388	96,825	1,602		98,427	96,825	1,961		98,786
(e) Unspent grants reserve	0	1,500,000		1,500,000	846,539		(846,539)	0	846,539	0	(846,539)	0
(f) Transport Reserve	1,838,393	36,632		1,875,025	1,808,477	29,916		1,838,393	1,808,477	36,632		1,845,109
(g) Land Development Reserve	1,238,805	24,669		1,263,474	1,217,866	20,939		1,238,805	1,217,867	24,669		1,242,536
	4,517,473	1,610,000	(75,000)	6,052,473	5,289,719	74,293	(846,539)	4,517,473	5,289,719	90,000	(846,539)	4,533,180

(b) Cash Backed Reserves - Purposes

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

Reserve name	Purpose of the reserve
(a) Leave reserve	To be used to fund annual, sick and long service leave requirements and payments to staff.
(b) Plant Reserve	To be used for the purchase of major plant.
(c) Aerodrome Reserve	To be used for the construction and/or maintenance of the airstrip at Norseman and Eucla.
(d) IT Reserve	To be used to fund the replacement of IT Equipment
(e) Unspent grants reserve	To be used to restrict unspent grants and contributions at the end of the financial year.
(f) Transport Reserve	To be used for the construction, maintenance and resealing of the Shire's transport network
(g) 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 2021

8. FEES & CHARGES REVENUE

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Governance	12,000	13,069	10,000
General purpose funding	11,000	6,200	9,000
Law, order, public safety	5,800	6,945	3,050
Health	5,500	5,484	4,250
Housing	18,600	22,169	20,600
Community amenities	180,260	196,517	185,260
Recreation and culture	9,000	7,735	16,092
Transport	16,108	13,288	532
Economic services	86,000	85,768	26,000
Other property and services		42,781	
	344,268	399,956	274,784

9. GRANT REVENUE

	Unspent grants, subsidies and contributions liability					Grants, subsidies and contributions revenue		
	Liability 1 July 2020	Increase in Liability	Liability Reduction (As revenue)	Total Liability 30 June 2021	Current Liability 30 June 2021	2020/21 Budget	2019/20 Actual	2019/20 Budget
By Program:	\$	\$	\$	\$	\$	\$	\$	\$
(a) Operating grants, subsidies and contributions								
Governance				0			104	1,000
General purpose funding				0		1,066,219	1,032,377	544,000
Law, order, public safety				0		177,000	128,015	20,000
Education and welfare				0		82,935	81,636	80,000
Community amenities				0		2,700	5,618	2,700
Recreation and culture				0		42,092	10,483	15,000
Transport				0		506,831	469,508	311,607
Economic services				0		11,500	1,600	
Other property and services				0		20,000	25,320	30,000
	0	0	0	0	0	1,909,277	1,754,661	1,004,307
(b) Non-operating grants, subsidies and contributions								
Law, order, public safety				0		30,000	0	0
Recreation and culture				0		30,000	0	0
Transport				0		963,236	1,856,344	1,081,995
Economic services				0		169,921	1,051,193	1,221,114
	0	0	0	0	0	1,193,157	2,907,537	2,303,109
Total	0	0	0	0	0	3,102,434	4,662,198	3,307,416

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

10. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

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	Revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to 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
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

11. OTHER INFORMATION

The net result includes as revenues

(a) Interest earnings

Investments

- Reserve funds

- Other funds

Other interest revenue (refer note 1b)

* The Shire has resolved to charge interest under section 6.13 for the late payment of any amount of money at 5.5%.

(b) Other revenue

Reimbursements and recoveries

The net result includes as expenses

(c) Auditors remuneration

Audit services

(d) Interest expenses (finance costs)

Borrowings (refer Note 6(a))

(e) Elected members remuneration

Meeting fees

Mayor/President's allowance

Deputy Mayor/President's allowance

Travelling expenses

(f) Write offs

General rate

(g) Low Value lease expenses

Office equipment

Gymnasium equipment

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
(a) Interest earnings			
Investments			
- Reserve funds	90,000	74,293	90,000
- Other funds	15,000	15,427	2,000
Other interest revenue (refer note 1b)	29,100	35,537	65,000
	134,100	125,257	157,000
(b) Other revenue			
Reimbursements and recoveries	258,390	147,684	122,210
	258,390	147,684	122,210
(c) Auditors remuneration			
Audit services	35,000	22,000	46,540
	35,000	22,000	46,540
(d) Interest expenses (finance costs)			
Borrowings (refer Note 6(a))	8,890	10,179	10,179
	8,890	10,179	10,179
(e) Elected members remuneration			
Meeting fees	38,000	27,005	38,000
Mayor/President's allowance	15,600	15,600	15,600
Deputy Mayor/President's allowance	3,900	3,900	3,900
Travelling expenses	5,000	2,997	5,000
	62,500	49,502	62,500
(f) Write offs			
General rate	12,500		12,500
	12,500	0	12,500
(g) Low Value lease expenses			
Office equipment	3,576	3,576	3,576
Gymnasium equipment	11,032	11,032	11,032
	14,608	14,608	14,608

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

12. MAJOR LAND TRANSACTIONS

(a) Current year transactions	Note	2020/21 Budget	2019/20 Actual	2019/20 Budget			
		\$	\$	\$			
Capital revenue							
8 Land lots		40,000					
Capital expenditure							
8 land lots - carrying value	4(a)	(77,000)					
		(37,000)	0	0			
(b) Expected future cash flows		2020/21	2021/22	2022/23	2023/24	2024/25	Total
		\$	\$	\$	\$	\$	\$
Cash Inflows							
8 Land lots		40,000					40,000
		40,000	0	0	0	0	40,000
Net cash flows		40,000	0	0	0	0	40,000

13. INTERESTS IN JOINT ARRANGEMENTS

The Shire together with the Town of Nowhere and Shire of Anywhere have a joint venture arrangement with regard to the provision of an environmental health and building survey service.

The only assets are a motor vehicle and miscellaneous equipment. The Shire's one-third share of these assets are included in Property, Plant & Equipment is as follows:

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Non-current assets			
Plant and equipment	84,500		84,500
Less: accumulated depreciation	(21,200)		(8,450)
	63,300	0	76,050

SIGNIFICANT ACCOUNTING POLICIES

INTERESTS IN JOINT ARRANGEMENTS

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

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method.

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

14. 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 30 June 2020	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2021
	\$	\$	\$	\$
Builders Registration	61	664	0	725
Demolition Deposits	1,000	1,000	(500)	1,500
Excess/(Overpaid) Rates	1,988	420	(320)	2,088
Gym Key Deposits	4,450	3,200	(2,000)	5,650
Hall Deposits	600	1,500	(1,200)	900
Tennis Key Deposit	320	20		340
Community Garden	2,539			2,539
Ngadju Women's Caring	957	932		1,889
Licensing (Transport)	685	480	(500)	665
Bank Interest	316	20		336
	12,916	8,236	(4,520)	16,632

15. SIGNIFICANT ACCOUNTING POLICIES - OTHER INFORMATION

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.

CRITICAL ACCOUNTING ESTIMATES

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

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

ROUNDING OFF FIGURES

All figures shown in this statement are rounded to the nearest dollar.

COMPARATIVE FIGURES

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

BUDGET COMPARATIVE FIGURES

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

16. CHANGE IN ACCOUNTING POLICIES

AASB 15 – Revenue from Contracts and AASB 1058 – Income for Not-for-Profits:

This standard will have implications for the Shire given multiple contracts being in place.

Grant Agreements: A small part of R2R grants (\$35k) received in 2019-20 may have to be carried forward to 2020/21 year as Unspent grant liability.

Funding on other road contracts (RRG and Black spot) are claimed in instalments upon completion of different stages.

Rates received in advance continued to be recognized as a liability hence no effect on the reporting entity.

Part of the capital grants received for Woodlands Centre Project has to be carried forward in to 2020-21 as this project is to be completed in 2020-21 due to the ongoing Pandemic. The amount would be around \$169k.

The above-noted unspent grants carried forward from 2019/20 form a part of the budgeted revenue for 2020/21.

The Shire will not expect significant effect of other new financial reporting standards on its financial results.

17. BUDGET RATIOS

	2020/21 Budget	2019/20 Actual	2018/19 Actual	2017/18 Actual
Current Ratio	2.7500	3.5300	4.1900	3.1600
Operating Surplus Ratio	(0.4600)	(0.3500)	(0.4300)	(0.4000)
Own Source revenue coverage ratio	0.4800	0.5100	0.4900	0.490
Debt Service Cover Ratio	20.0900	34.1100	26.4100	21.7000
Asset Consumption Ratio	0.9000	0.9200	0.8400	0.7300
Asset Sustainability Ratio	0.9500	1.3800	0.8200	0.3500
Asset Renewal Funding Ratio	0.7000	N/A	0.6800	0.6400

The ratios are calculated as follows:

OPERATIONAL RATIOS

Current Ratio

Current Assets minus Restricted Assets

Current liabilities minus Liabilities associated with Restricted assets

Operating Surplus

Operating revenue minus Operating expenses
Own source operating revenue

Own Source revenue coverage ratio

Own Source Operating Income
Operating Expenses

FINANCING RATIOS

Debt Service Cover Ratio

annual operating surplus before interest and depreciation
Principal and Interest

ASSET RATIOS

Asset Consumption Ratio

Depreciated replacement costs of assets
Current replacement cost of depreciable assets

Asset Sustainability Ratio

Capital expenditure on the replacement of assets (renewals)
Depreciation expenses

Asset Renewal Funding Ratio

NPV of planning capital renewal over 10 years
NPV of required capital expenditure over 10 years