



# Annual Report

## 2019/2020





## Shire of Dowerin

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# Vision Statement

Dowerin will be a thriving and growing rural community which offers lifestyle choice for all generations, is progressive in environmental management and is a preferred location for business development.







## OUR VISION, VALUES AND MISSION

Identified during the public engagement process for the development of the Strategic Community Plan, the Dowerin community adopted the following as its Vision Statement:

Dowerin will be a thriving and growing rural community which offers lifestyle choice for all generations, is progressive in environmental management and is a preferred location for business development.

In delivering this Vision for the community the Shire of Dowerin recognises the following Community Values:



### **Communication**

Regular communication ensures the whole community is informed and aware



### **Progress**

Driving change through innovative and strong leadership



### **Community Spirit and Participation**

Inclusive, caring and involved community



### **Transparency**

Open, honest and accountable





## SHIRE'S PRIORITIES

1

A thriving and progressive rural community enabled by innovation in leadership, a focus on continuous improvement and adaptability to evolving community needs.

2

A safe, friendly and engaged community with diverse education and employment opportunities, high quality facilities, and services that meet the needs of all generations.

3

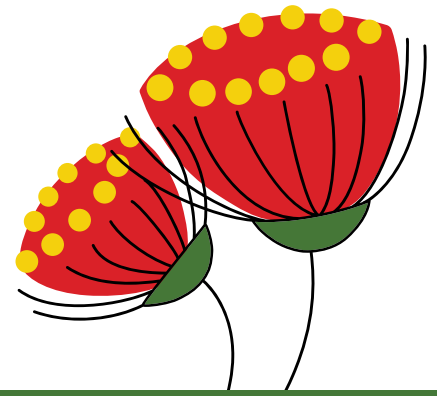
Dowerin's unique natural environment is conserved and enhanced through sustainable practices and responsible environmental management.

4

Our infrastructure will drive economic and population growth, be a key enabler of the digital economy and support reliable, efficient service delivery.

5

A strong and growing local economy supported by new industry development aligned to identified economic opportunity.



## PRESIDENT'S MESSAGE

This year has presented us all with unprecedented challenges, but despite this, the Shire and our community have worked together well.

### 2019 LOCAL GOVERNMENT ELECTIONS

October 2019 saw the local government elections conducted across the state. Dowerin had four positions vacant and at the close of nominations, four nominations had been received.

Consequently Councillors Chatfield, Metcalf and Trepp were re-elected unopposed, with Jason Sewell being newly elected. In choosing not to re-nominate for Council, I would like to thank Brenton Walsh for his time and commitment to Council during his term and welcome Councillor Sewell as part of the team.

Additionally, I am proud to have been nominated and elected unopposed to the position of President and congratulate Councillor Metcalf as also being elected unopposed as Deputy President.

### COVID-19 PANDEMIC

I could not complete this report without mentioning the worldwide pandemic which has had an extraordinary effect on so many of us. The restrictions introduced by our Federal and State Governments

changed the way in which we lived our lives and made us focus on what is really important to us as individuals and communities.

I am pleased to say that through it all Dowerin has fared relatively well, certainly in comparison to other areas. While food supply shortages were a concern, the response of the COVID-19 Working Group ensured those most vulnerable within our community were quickly identified and had access to the necessary support and assistance they required.

The cancellation of the 2020 Dowerin Field Days was a major decision taken early on as the pandemic effects and restrictions hit home. While the loss of the event will have significant impacts to our community, particularly our local groups and clubs who benefit greatly from the fundraising activities the Field Days bring, Dowerin Events Management are to be commended for taking such decisive action to ensure the safety of our community and the event participants. We look forward to the Field Days returning in the future, even bigger and better than before.



## REVIEW OF REPRESENTATION

At its May 2020 meeting Council resolved to conduct a review of its representation (CMRef 0198) with a Discussion Paper released for public comment.

The Discussion Paper is designed to assist the community in considering options and ideas as well as clarifying factors that will form part of the review.

The purpose of the review is to assess whether eight councillors and a no wards structure is still an appropriate situation for the Shire.

The outcome of the review is expected to be determined by Council early in the new financial year. Should any changes be proposed, it is anticipated they would be in effect for the Ordinary Local Government Elections being held in October 2021.

## NEWROC MEMBERSHIP

Also at its May 2020 meeting Council resolved to become a member of the North Eastern Wheatbelt Regional Organisation of Councils (NEWROC), whilst exiting its membership from the Avon Regional Organisation of Councils (CMRef 0205).

Council believes there are natural synergies between the NEWROC Member Councils and the Shire of Dowerin in terms of similar sized communities and challenges, which

presents more opportunity for regional collaboration. In addition, the NEWROC Strategic Plan identifies focus areas which align with a number of objectives outlined in Dowerin's Strategic Community Plan.

NEWROC membership provides an exciting opportunity for Dowerin to be a part of a proactive group of councils and we look forward to working with the NEWROC Members to achieve some great benefits for our communities and the region.

## THANK YOU & ACKNOWLEDGEMENTS

As President of Council I take this opportunity to thank my fellow Councillors for their support and dedication to Council and our community. Some important decisions have been made over the last twelve months and it is pleasing to see a clear way forward.

In addition, this year has again seen a number of changes in staff and I would like to welcome all the new employees to Dowerin.

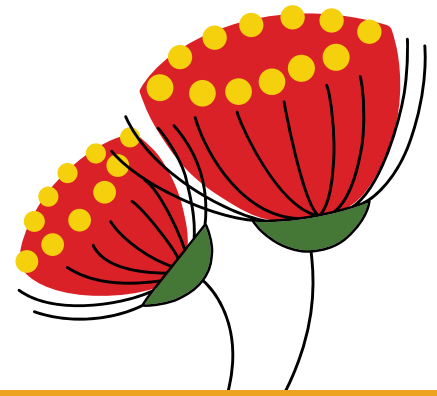
Finally, I am proud of the way in which we have all worked cohesively together through these difficult times to hold Dowerin in good stead for the future.

**Cr Darrel Hudson**  
Shire President

*Darren Simmons (CEO NEWROC, CEO Shire of Koorda), Cr Jannah Stratford (Chair NEWROC, President Shire of Koorda), Cr Darrel Hudson (President Shire of Dowerin) and Rebecca McCall (CEO Shire of Dowerin)*







## CEO'S MESSAGE

Despite the COVID-19 pandemic, the Shire has achieved some solid results in what has been a difficult and challenging year.

### FLOOD DAMAGE

The storm event in February 2020 saw extensive damage caused to the Shire's road and infrastructure assets across the district. Subsequently a claim has been submitted to the Disaster Recovery Funding Arrangements Western Australia (DRFAWA). Immediately following the event, the initial priority was to make roads safe, open and trafficable.

Council conducted a tender process to appoint a project manager to oversee the works, with the contract being awarded to GHD Pty Ltd at Council's June 2020 meeting (CMRef 0221).

The announcement of what DRFAWA funding has been approved is expected late 2020 with works to commence in early 2021 for completion.

### DISPOSAL OF PROPERTY

Council sold two further properties from its portfolio during the financial year, being 16 Anderson Street and 18 Anderson Street, Dowerin.

The sales achieved a good price and a pleasing result both for Council and our two young, local purchasers.

### COMMUNITY ENGAGEMENT

2019/20 saw the introduction of the Council Connect and CEO Connect newsletters which are published regularly in the Dowerin Despatch.

The newsletters are designed to notify the community of Council-related past and future activities around the Shire, with updates on key events and projects. It is hoped the newsletters enhance engagement with the community and provide an opportunity for the community to be better informed.

### GOVERNANCE AND COMPLIANCE

Staff conducted a thorough and extensive review of the Delegations Register which was adopted by Council at its May 2020 meeting (CMRef 0194).

The application of delegated authority is intended to improve the efficiency, effectiveness and timeliness of decision-making and is consistent with the Shire's Strategic Community Plan and commitment to a strong customer service focus.





## **COVID-19 IMPLICATIONS**

The Shire activated its Business Continuity Plan on Friday 20 March 2020 as a result of the COVID-19 pandemic. The Dowerin COVID-19 Working Group, made up of representatives from the Shire, WA Police, Community Resource Centre and Dowerin District High School, was established shortly thereafter and met weekly throughout the critical period to identify the vulnerable within the community and to address any immediate local needs. While the need has lessened, the Group still meets regularly as it provides a good opportunity for interagency engagement and consultation.

During the initial stages of the pandemic, the release of information and regulations from both Federal and State Governments resulted in staff spending the majority of their time focusing solely on the Shire's response to the pandemic, with daily and weekly briefings with Ministers and Departmental staff.

The Ministerial Order gazetted on 8 May 2020 resulted in many local governments around the state, including Dowerin, resolving a 0% increase in the rate in the dollar and placed a limit on the amount of interest able to be charged on overdue rates and instalment charges.

## **CLOSING ACKNOWLEDGEMENTS**

In this challenging and demanding year Dowerin has not been immune, however with dedicated and conscientious staff the organisation has managed to continue critical operations and I thank all staff for their efforts.

Council too have played a critical role in supporting its community and we can be grateful for such a cohesive team.

**Rebecca McCall**  
Chief Executive Officer



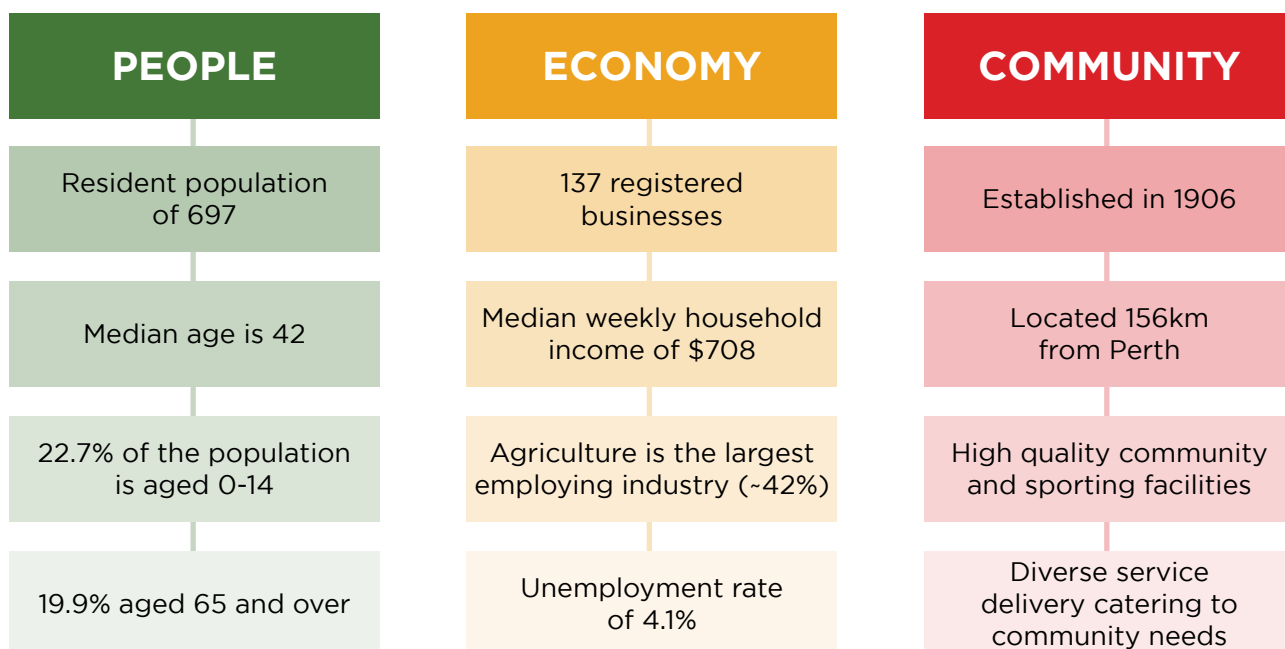
## ABOUT DOWERIN

Green in winter, golden in summer, Dowerin is a small Wheatbelt community boasting a vast array of high quality community services and facilities for a town its size. The annual GWN Machinery Field Days has cemented Dowerin on the map, attracting over 20,000 people to the town to enjoy one of the largest Machinery Field Days in the Southern Hemisphere over 2 days every August.

Dowerin caters for the needs of its varying demographics with a range of activities, facilities and services. For our seniors this includes Commonwealth Home Support Programme (CHSP), and a range of independent living units. For families and children, Dowerin is home to Lil' Tigers Early Learning Centre which has proven

to be a vital service to families and local businesses, as well as the highly successful District High School. With the inclusion of the 24/7 gym, Memorial Swimming Pool and Dowerin Community Club, these combine to ensure that Dowerin is a family friendly place to live and work.

The district of Dowerin comprises of the town of Dowerin and a number of smaller localities covering a combined area of 1,867sq km. The district consists mostly of agricultural land used primarily for the production of sheep and grain. Other predominant industries in the region include cattle production, engineering, agricultural machinery & goods supply, heavy transport, CBH, retail, accounting and farm advisory services.

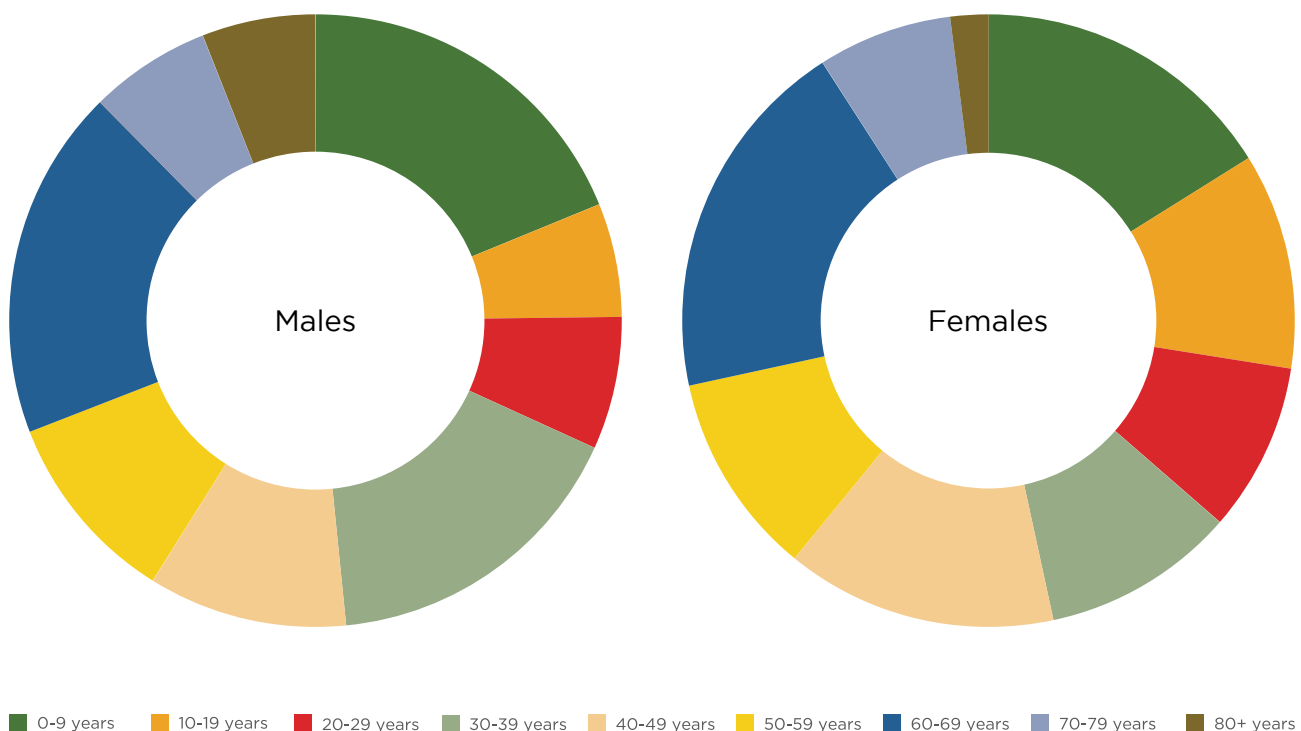






## Demographics

A significant proportion of the population of Dowerin is aged 0-14 years (158 persons). On the opposite end of the spectrum, Dowerin also has a significant portion of people aged 60 to 74 (152 persons). Young people are underrepresented in Dowerin with just 23 people aged 15-19 and 35 people aged 20-24.



## YOUR COUNCIL



**Cr Darrel Hudson**  
**SHIRE PRESIDENT**  
Term ends 2021



**Cr Adam Metcalf**  
**DEPUTY PRESIDENT**  
Term ends 2023



**Cr Julie Chatfield**  
**COUNCILLOR**  
Term ends 2023



**Cr Lindsay Hagboom**  
**COUNCILLOR**  
Term ends 2021



**Cr Len Holberton**  
**COUNCILLOR**  
Term ends 2021



**Cr Rob Trepp**  
**COUNCILLOR**  
Term ends 2023



**Cr Bev Ward**  
**COUNCILLOR**  
Term ends 2021



**Cr Jason Sewell**  
**COUNCILLOR**  
Term ends 2023



## COUNCILLOR TRAINING & CONTINUED PROFESSIONAL DEVELOPMENT

In accordance with Section 5.127 of the *Local Government Act 1995*, local governments are to report on the training undertaken by Councillors during the financial year. In addition to being provided on the Shire's website ([Via This Link](#)) the information is to be included in the Annual Report for that financial year.

Council Member Essentials	Cr Hudson	Cr Metcalf	Cr Chatfield	Cr Hagboom
<b>Elected to Council:</b>	<b>2017</b>	<b>2019</b>	<b>2019</b>	<b>2017</b>
<b>Cost:</b>	<b>Online Subscription \$4,000 per annum for unlimited users</b>			
Understanding Local Government Provider: WALGA via e-learning	✓	✓		N/A
Serving on Council Provider: WALGA via e-learning	N/A			N/A
Meeting Procedures Provider: WALGA via e-learning	N/A			N/A
Conflicts of Interest Provider: WALGA via e-learning	N/A			N/A
Understanding Financial Reports & Budgets Provider: WALGA via e-learning	N/A			N/A

Council Member Essentials	Cr Holberton	Cr Sewell	Cr Trepp	Cr Ward
<b>Elected to Council:</b>	<b>2017</b>	<b>2019</b>	<b>2019</b>	<b>2017</b>
<b>Cost:</b>	<b>Online Subscription \$4,000 per annum for unlimited users</b>			
Understanding Local Government Provider: WALGA via e-learning	✓	✓	✓	✓
Serving on Council Provider: WALGA via e-learning	N/A			N/A
Meeting Procedures Provider: WALGA via e-learning	N/A	✓		N/A
Conflicts of Interest Provider: WALGA via e-learning	N/A			N/A
Understanding Financial Reports & Budgets Provider: WALGA via e-learning	N/A			N/A

In accordance with Section 5.126(1) of the *Local Government Act 1995* and Regulation 10 of the *Local Government (Administration) Regulations 1996*, newly elected or re-elected Councillors must complete the above five courses within twelve months of their election. Councillors who have completed any of the above courses within the period of five years ending immediately before the day on which they were elected/re-elected are exempt from the training course and need only to complete the online assessment.

Other professional development undertaken by Councillors during the 2019/20 financial year is detailed below:

Other Professional Development	Cr Hudson	Cr Metcalf	Cr Chatfield	Cr Hagboom	Cr Holberton	Cr Sewell	Cr Trepp	Cr Ward
WALGA Annual Conference Cost: \$1475 each When: August 2019	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A
Councillor Induction (in-house)	N/A	N/A	N/A	N/A	N/A	✓	N/A	N/A

## ATTENDANCE AT COUNCIL MEETINGS

ATTENDANCE AT ORDINARY MEETINGS OF COUNCIL 2019/20												
COUNCILLOR	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Cr DP Hudson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cr AJ Metcalf	✓	✓	✓	✓	LoA	✓	✓	✓	✓	A	✓	✓
Cr JC Chatfield	LoA	✓	✓	✓	✓	✓	✓	✓	✓	✓	LoA	LoA
Cr LG Hagboom	✓	✓	A	✓	A	✓	✓	A	✓	✓	✓	✓
Cr LH Holberton	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cr JC Sewell	N/A	N/A	N/A	N/A	✓	A	✓	✓	✓	✓	✓	✓
Cr RI Trepp	✓	✓	✓	✓	A	LoA	✓	✓	✓	✓	A	✓
Cr BN Walsh	A	A	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cr BA Ward	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

### Legend:

A – Apology submitted

N/A – Not applicable, not a Councillor at that time or not a Committee Member

LoA – Leave of Absence granted by Council



## ATTENDANCE AT COMMITTEE MEETINGS

Councillor	Audit & Risk		Finance (disbanded Oct 2019)		Local Emergency Management		Australia Day Honours		Bush Fire Bridgades	
	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended
Cr DP Hudson	3	3	4	4	4	3	N/A	N/A	N/A	N/A
Cr AJ Metcalf	3	1	N/A	N/A	N/A	N/A	N/A	N/A	1	1
Cr JC Chatfield	N/A	N/A	N/A	N/A	N/A	N/A	1	1	N/A	N/A
Cr LG Hagboom	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1
Cr LH Holberton	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cr JC Sewell	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cr RI Trepp	3	1	4	4	N/A	N/A	N/A	N/A	N/A	N/A
Cr BN Walsh	N/A	N/A	4	1	N/A	N/A	N/A	N/A	N/A	N/A
Cr BA Ward	3	3	N/A	N/A	N/A	N/A	1	1	N/A	N/A

### Legend:

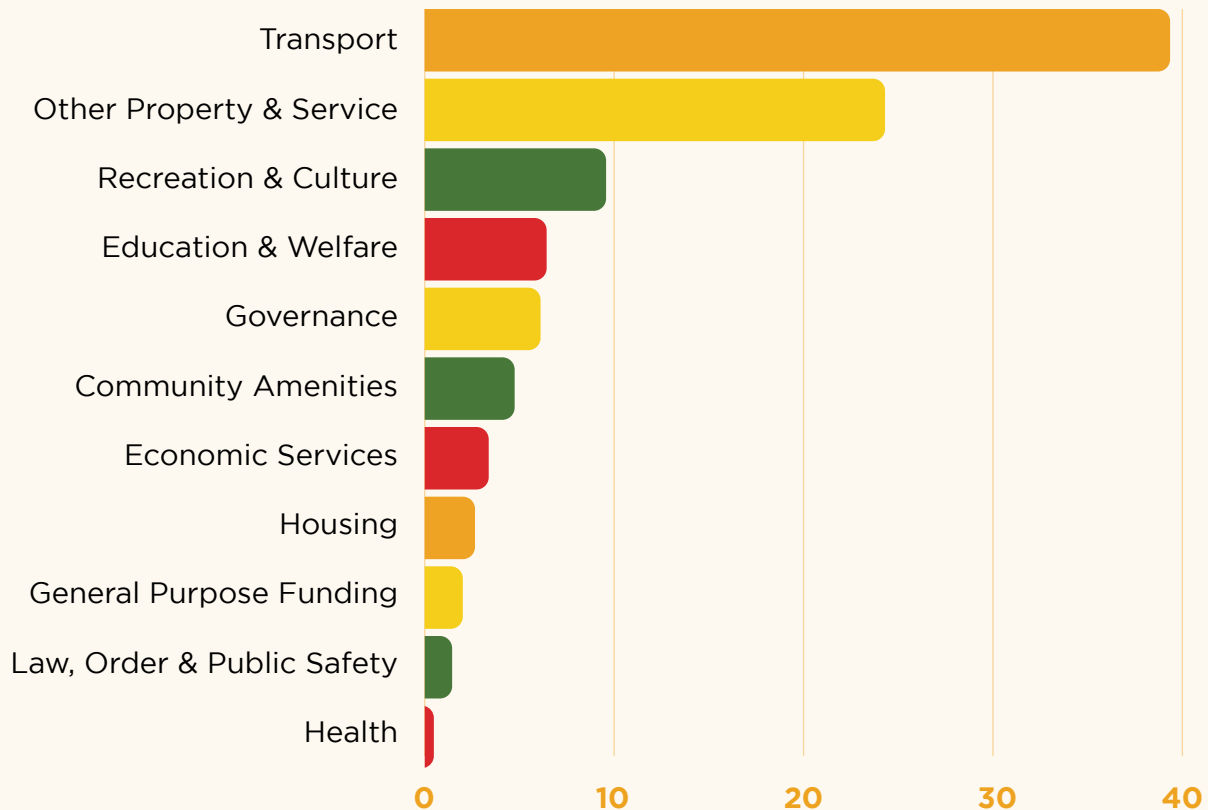
N/A – Not applicable, not a Councillor at that time or not a Committee Member



## YEAR IN REVIEW

### Corporate Services

In 2019/20, for every \$100 the Shire of Dowerin spent:



### Works & Services

During 2019/20 the Shire:



Replaced from the Plant Replacement Program  
**\$462,542**



Road maintenance/grading/minor improvements  
**\$790,454**



Completed **273m** footpath repairs/replacement  
**\$69,658**



Completed **7.69km** reseal of roads



Maintenance Buildings & Infrastructure  
**\$246,348**



Maintenance/minor improvements to Parks & Gardens  
**\$143,039**



## Development Services

During 2019/20 the Shire:



Issued **4 Building Approvals**



Completed **1 Subdivisions/ Amalgamations**



Completed **1 Demolition Permit**



Reached Registration of **179 Dogs**



Issued **4 Planning Approvals**



Reached Registration of **71 Cats**

## Media & Communication Services

During 2019/20 the Shire:



Published **343 posts** on the Shire's **Facebook** Page



Publication of **16 Council Connect / CEO Connect** Newsletter in the Despatch

## Community Services

During 2019/20 the Shire:



Received **1,626 Visitors** to the Short Stay



Reached **86 Gym Memberships**



Delivered **321 Meals on Wheels**



Submitted **6 Grant Applications**



Organised and held **9 Community Events**



Delivered **20 Home Care Packages**





# INTEGRATED PLANNING & REPORTING

## Strategic Community Plan

The Shire of Dowerin's Strategic Community Plan 2018-2028 is the overarching document developed to represent the aspirations and goals of the Dowerin community.

The themes and objectives identified underpin the strategies and outcomes that Council will be measured against to ensure the wishes of the community come to fruition.

### Our Lifestyle

**Objective:** A safe, friendly and engaged community with diverse education and employment opportunities and services that meet the needs of all generations.

### Our Infrastructure

**Objective:** Our Infrastructure will drive economic and population growth, be a key enabler to the digital economy and support reliable, efficient service delivery.

### Our Economy

**Objective:** A strong and growing local economy supported by new industry development aligned to identified economic opportunity.

### Our Natural Environment

**Objective:** Dowerin's unique natural environment is conserved and enhanced through sustainable practices and responsible environmental management.

### Our Leaders

**Objective:** A thriving and progressive rural community enabled by innovation in leadership, a focus on continuous improvement and adaptability to involving community need.

Strategies are outlined in the Strategic Community Plan 2018-2028. Actions to achieve the outlined Strategies are identified within the Corporate Business Plan 2018-2022. These Plans are living documents reviewed every 2 years.

The following table reports on the key directions of the Strategic Community Plan 2018-2028.

## Our Lifestyle

Completed ✓	Ongoing ∞	In Progress ▶	Not Commenced X	Scheduled ■	On Hold 	To be completed ●
----------------	--------------	------------------	--------------------	----------------	-------------	----------------------

<b>Theme</b>	Our Lifestyle
<b>Objective</b>	A safe, friendly and engaged community with diverse education and employment opportunities and services that meet the needs of all generations.

Outcome 1 More people, particularly young people and families, live and stay in Dowerin						
No	Strategy	Priority		Our Role		
C1	Actively promote Dowerin as a vibrant, family friendly community with quality and diverse amenities and services	1		Facilitate		
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020	
C1.1	Continue to support the Dowerin Home Care Service	∞	∞	∞		
C1.2	Develop and implement an annual Community Development Plan	▶	▶	▶		
C1.3	Develop and implement a Dowerin Marketing Plan	▶	▶	▶	●	
<b>Comment:</b> Development of a Dowerin Marketing Plan deferred due to COVID-19.						

Outcome 2 Sustainable management through greater collaboration and innovative governance models					
No	Strategy	Priority		Our Role	
C2	Establish a ‘volunteer register’ which documents volunteering capacity and provides a measurable value to volunteering in Dowerin	2		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
C2.1	Continue to maintain the Dowerin Home Care Volunteer Register	∞	∞	∞	
C2.2	Develop and maintain a community volunteer register	▶	▶	▶	
<b>Comment:</b> Volunteer register requires reviewing to integrate the Dowerin Home Care Volunteer Register.					



No	Strategy	Priority		Our Role	
C3	Investigate best practice in shared governance arrangements for volunteer groups to support a more sustainable volunteer base	2		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
C3.1	Facilitate best-practice governance training for community groups	▶	▶	∞	
<b>Comment:</b> Shire of Dowerin has provided financial support to Dowerin Community Club Incorporated to engage a consultant to assist with its governance framework.					

<b>Outcome 3</b> <b>A friendly and welcoming community that all residents and visitors participate and have pride in</b>					
No	Strategy	Priority		Our Role	
C4	Targeted engagement of all sectors of the community, recognising cultural diversity	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
C4.1	Develop, implement and monitor a Communication and Engagement Framework	×	×	×	●
<b>Comment:</b> The Communication and Engagement Framework will be finalised by August 2020.					

No	Strategy	Priority		Our Role	
C5	Provide an annual program of events that incorporates activities and opportunities	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
C5.1	Develop and implement an annual Community Development Plan	▶	▶	▶	
<b>Comment:</b> Implementation of the 2019/20 Community Development Plan is in progress.					

<b>Outcome 4</b> <b>Better access to quality and diverse education and training opportunities</b>					
No	Strategy	Priority		Our Role	
C6	Continued support of the educational institutions in Dowerin and, in partnership with the Dowerin Senior High School, identify and integrate senior high school options.	1		Advocate	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
C6.1	Continued provision of HR and payroll support for Lil' Tigers Early Years Centre	∞	∞	∞	
C6.2	Continued provision of a facility to support Lil' Tigers Early Years Centre	∞	∞	∞	
C6.3	Support agencies and community groups to implement youth initiatives	∞	∞		
C6.4	Support agencies, businesses and community organisations to advocate for increased educational services	■	■	■	
<b>Comment:</b> Youth Publication Project postponed due to COVID-19; C6.4 scheduled for 2020/21.					

No	Strategy	Priority		Our Role	
C7	Collaborate with the Community Resource Centre to deliver training and development opportunities aligned to community needs and advocate for local businesses to support apprenticeships and further educational opportunities	1 & 2		Partner	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
C7.1	Investigate opportunities and partnership to develop a community traineeship program	×	∞	∞	●
<b>Comment:</b> Discussions with Directions regarding trainee programs are progressing.					

<b>Outcome 5</b> <b>Services provision meets the varying needs of different sectors of the Dowerin community</b>					
No	Strategy	Priority		Our Role	
C8	Create an 'Aged Friendly Community Plan' identifying infrastructure and service delivery requirements and continue to support the Dowerin Home Care service as a priority	4		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
C8.1	Develop and implement an 'Aged Friendly Community Plan'	■	■	■	
C8.2	Continue to support the Dowerin Home Care Service	∞	∞	∞	
<b>Comment:</b> Development and implementation of the Aged Friendly Community Plan is scheduled for 2020/21.					

No	Strategy	Priority		Our Role	
C9	Support the Dowerin District High School Youth Leadership Group to provide youth led and informed social and development opportunities and experiences for young people	1 & 5		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
C9.1	Develop and implement a Strategic Youth Plan	×	×	×	●
<b>Comment:</b> Youth engagement timetable deferred due to COVID-19, now scheduled for June 2020; identified outcomes will be included in the Strategic Youth Plan.					



## Our Infrastructure

Completed ✓	Ongoing ∞	In Progress ▶	Not Commenced ✗	Scheduled ■	On Hold 	To be completed ●
----------------	--------------	------------------	--------------------	----------------	-------------	----------------------

<b>Theme</b>	Our Infrastructure
<b>Objective</b>	Our infrastructure will drive economic and population growth, be a key enabler to the digital economy and support reliable, efficient service delivery.

Outcome 1 Infrastructure is fit for purpose, responsibly managed and maintained					
No	Strategy	Priority		Our Role	
I1	Empty spaces/places review to determine and promote opportunities for the re-use and revitalisation of unused community assets	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
I1.1	Facility and Spaces audit and review completed	✗	✗	✗	●
I1.2	Develop a Facility and Spaces Plan and implement identified strategies	✗	✗	✗	
I1.3	Develop and implement a Streetscaping Plan	▶	▶	▶	
<b>Comment:</b> The Facility and Spaces audit and review deferred due to COVID-19, this delay will impact on the completion date of the Facility and Spaces Plan; resource shortages have also hindered the completion of the Streetscaping Plan.					

No	Strategy	Priority		Our Role	
I2	Develop a comprehensive asset management plan that prioritises assets and details a replacement and management schedule, that aligns to community needs	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
I2.1	Prepare a comprehensive Property Portfolio of Council's owned assets that includes 10-year replacement and management schedules	▶	▶	▶	
I2.2	Review the Asset Management Plan	▶	▶	▶	
<b>Comment:</b> It is aimed to complete the review of the Asset Management Plan in December 2020.					

Outcome 2					
Housing meets existing community need and facilities in-migration of families and workers					
No	Strategy	Priority		Our Role	
I3	Undertake a housing needs analysis to identify specific housing requirements and opportunities to address gaps in the market	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
I3.1	Complete a Housing Needs Analysis	■	■	■	
<b>Comment:</b> Housing Needs Analysis scheduled for 2020/21.					

No	Strategy	Priority		Our Role	
I4	Investigate and implement appropriate housing investment models for Dowerin	4		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
I4.1	Implement the Avon Well Housing Project	II	II	II	
I4.2	Identify a sustainable housing model to improve the quality of housing in Dowerin	■	■	■	
<b>Comment:</b> Council made the decision to put the Avon Well Housing Project on hold during the 2019/20 Budget deliberations due to budget restraints and the current lack of demand for independent living units; Key Action I4.2 is scheduled for 2021/22.					

## Our Economy

Completed ✓	Ongoing ∞	In Progress ▶	Not Commenced X	Scheduled ■	On Hold II	To be completed ●
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<b>Theme</b>	Our Economy
<b>Objective</b>	A strong and growing local economy supported by new industry development aligned to identified economic opportunity

<b>Outcome 1</b> <b>Available, well-marketed and appropriately provisioned commercial and industrial land entices new business establishment</b>					
No	Strategy	Priority		Our Role	
E1	Develop a Sub-Regional Industrial Land Prospectus to attract new business	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
E1.1	Develop a business and industry investment prospectus	X	X	X	
E1.2	Develop and implement a Dowerin Marketing Plan	X	▶	▶	
<b>Comment:</b> Industry audit has commenced; Development of a business and industry investment prospectus is scheduled for 2020/21; Development of a Dowerin Marketing Plan deferred due to COVID-19.					

<b>Outcome 2</b> <b>Tourism is a significant contributor to the local economy and is enhanced by investment in tourism initiatives that showcase Dowerin's natural and built attributes</b>					
No	Strategy	Priority		Our Role	
E2	Undertake a tourism asset and opportunity review to clearly identify target markets, tourism trends and opportunities for Dowerin to better promote offerings; encourage and support local businesses to better cater for visitors and tourists	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
E2.1	Undertake a tourism audit to include attractions, services and signage	▶	▶	▶	●
E2.2	Prepare and implement a Strategic Tourism Plan	■	■	■	
<b>Comment:</b> The development of the Strategic Tourism Plan is scheduled for 2020/21.					

No	Strategy	Priority		Our Role	
E3	Continued involvement in regional tourism marketing campaigns and targeted marketing of the Dowerin Short Stay Accommodation precinct	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
E3.1	Continue to be an active member of Pioneers Pathway and Wheatbelt Way and support the development of the products	∞	∞	∞	
E3.2	Review the Dowerin Short Stay Accommodation management model and implement identified initiatives and opportunities	X	▶	▶	●
E3.3	Develop and implement a Dowerin Short Stay Accommodation marketing plan	▶	▶	▶	
E3.4	Develop imagery inventory to enable marketing content	▶	▶	▶	
<b>Comment:</b> Review of the Dowerin Short Stay Accommodation management model is progressing.					

No	Strategy	Priority		Our Role	
E4	Maintain the Wheatbelt Rail Heritage precinct as a static display whilst exploring opportunities for the transfer of ownership to private enterprise or a community group	1		Facilitate	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
E4.1	Establish a Wheatbelt Rail Heritage working group and support identified initiatives to promote the precinct	▶	▶		●
E4.2	Facilitate the transfer of ownership of the locomotives and rolling stock	▶	●		
E4.3	Facilitate the transfer of management of the Wheatbelt Rail Heritage Museum to an appropriate entity	X	▶	▶	
<b>Comment:</b> The Shire of Dowerin supports two annual events held at the Minnivale Wheatbelt Heritage Rail Discovery Centre; Transfer of ownership of the locomotives and rolling stock is finalised.					

Outcome 3 New industry and strengthened existing industry supports economic growth and local employment generation					
No	Strategy	Priority		Our Role	
E5	Complete a local economic development and incentivisation plan that focuses on business development and identifies industry opportunities and actions to capitalise on prospects	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
E5.1	Develop and implement a Strategic Economic Plan	■	■	■	
<b>Comment:</b> Development of the Strategic Economic Plan is scheduled for 2020/21.					



No	Strategy	Priority		Our Role	
E6	Local businesses are supported to thrive through continued membership and promotion of the Wheatbelt Business Network; and development of a local business development strategy	1		Advocacy	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
E6.1	Facilitate the re-activation of the Dowerin Business Association	▶	▶	▶	
E6.2	Advocate for increased local participation of the Wheatbelt Business Network	×	×		
E6.3	Facilitate the development of business development strategies and support local businesses with the implementation of identified initiatives	■	■	▶	
<b>Comment:</b> The Shire of Dowerin has undertaken the secretarial role for the Dowerin Business Association to support the re-activation of the organisation; at present there is not an appetite for the Dowerin business community to engage with the Wheatbelt Business Network; it is envisaged that once the Dowerin Business Association is re-activated, the Shire can work with the members to identify strategies and support the implementation of identified initiatives; Shire supporting local business marketing initiatives.					

## Our Natural Environment

Completed ✓	Ongoing ∞	In Progress ▶	Not Commenced X	Scheduled ■	On Hold 	To be completed ●
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<b>Theme</b>	Our Natural Environment
<b>Objective</b>	Dowerin's unique natural environment is conserved and enhanced through sustainable practices and responsible environmental management

### Outcome 1 Increased community education and awareness supports the preservation of Dowerin's natural environment

No	Strategy	Priority		Our Role	
N1	Work with environmental advocacy groups to deliver targeted education programs that support existing sustainability initiatives and encourages community ownership of recycling program	1		Partner	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
N1.1	Facilitate and support the transfer of recycling program management to a community group	▶	▶	▶	
N1.2	Support the rollout of the Container Deposit Scheme	▶	▶	▶	
N1.3	Support recycling awareness campaigns	X	X	X	

#### Comment:

Container Deposit Scheme commences 1 October 2020; the Dowerin CRC is involved in recycling.

No	Strategy	Priority		Our Role	
N2	Investigate opportunities for local level support from an environmental officer specifically exploring the reinstatement of a dedicated NRM Officer and formalise an arrangement with Wheatbelt Natural Resource Management	3		Partner	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
N2.1	Explore opportunities to reinstate an NRM Officer in collaboration with neighbouring Shires	■	■	■	
N2.2	Investigate opportunities to formalise an agreement with Wheatbelt Natural Resource Management to advocate for a greater resource allocation for the Shire of Dowerin	■	■	■	

#### Comment:

The above Key Actions are scheduled for 2020/21.

**Outcome 2**  
Sustainable practices are researched and entrenched in areas such as waste management, water management and renewable energy production

No	Strategy	Priority		Our Role	
N3	Large scale renewable energy production investigated for development potential in collaboration with neighbouring Shires	1		Advocate	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
N3.1	Investigate opportunities for renewable energy development	X	X	▶	
<b>Comment:</b> Opportunities currently investigated through NEWROC.					

No	Strategy	Priority		Our Role	
N4	Develop a long-term plan for waste management that considers infrastructure, site management and resourcing requirements to include the investigation of local processing of recycled materials	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
N4.1	Develop and implement a Strategic Waste Management Plan	■	■	■	
<b>Comment:</b> Development of the Strategic Waste Management Plan is scheduled for 2020/21.					

No	Strategy	Priority		Our Role	
N5	Integrate water management planning with land use planning focusing on; improved water harvesting, storage and use; water quality and salinity management	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
N5.1	Develop and implement a Water Management Plan	■	■	■	
<b>Comment:</b> Development of the Water Management Plan is scheduled for 2020/21.					

**Outcome 3**  
Sustainable infrastructure design and maintenance minimises environmental impact

No	Strategy	Priority		Our Role	
N6	Sustainable maintenance of parks, ovals, public spaces and infrastructure through planning for water harvesting, storage and use and renewable energy installations to reduce electricity consumption	1 & 2		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
N6.1	Identify and action water use reduction, recovery and re-use initiatives	▶	▶	▶	
N6.2	Identify opportunities to initiate renewable energy installations	∞	∞	∞	
<b>Comment:</b> Oval Irrigation Project deferred, funding submission not successful, currently preparing an application through CSRFF; renewable energy opportunities are available, however require investment from Council; costings of options will be presented to Council during the 2020/21 Budget deliberations.					



No	Strategy	Priority		Our Role	
N7	Information packs and referrals to relevant associations for new infrastructure development include specifications for responsibly sourced and energy efficient materials and design features	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
N7.1	Provide appropriate environment friendly products and design information on the Shire of Dowerin's website	X	X	X	●
<b>Comment:</b> N7.1 not a priority during COVID-19.					

## Our Leaders

Completed ✓	Ongoing ∞	In Progress ▶	Not Commenced X	Scheduled ■	On Hold 	To be completed ●
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<b>Theme</b>	Our Leaders
<b>Objective</b>	A thriving and progressive rural community enabled by innovation in leadership, a focus on continuous improvement and adaptability to involving community needs

### Outcome 1

**A community that is engaged and involved because of collaborative decision making and transparent communication**

No	Strategy	Priority		Our Role	
L1	Specific volunteer groups and individuals are targeted for involvement in community projects that align to their areas of interest and expertise	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
L1.1	Continue to facilitate and support identified project committees and working groups focusing on community priorities	∞	∞	∞	

#### Comment:

In the last quarter the Shire of Dowerin has assisted identified community groups and organisations through COVID-19.

No	Strategy	Priority		Our Role	
L2	Communication between the Shire and community is multi-faceted and includes electronic and print media as well as in-person engagement	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
L2.1	Develop, implement and monitor a Communication and Engagement Framework	X	X	X	●

#### Comment:

Development of the Communication and Engagement Framework deferred due to COVID-19.

### Outcome 2

**Through effective planning, service delivery meets community needs and assets are managed to optimise life cycle costs**

No	Strategy	Priority		Our Role	
L3	Develop an asset management plan and long-term financial plan consistent with identified community priorities for asset renewal and service delivery	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
L3.1	Conduct a comprehensive service delivery review	▶	▶	▶	
L3.2	Develop a suite of service delivery plans and strategies	X	X	X	
L3.3	Integrate service delivery strategies into the asset management plan and long-term financial plan	X	X	X	
L3.4	Conduct a facility audit and develop a master plan for future facility usage	X	X	X	

#### Comment:

COVID-19 and changes within management has deferred the:

1. Advancement of the service delivery reviews;
2. Development of service delivery plans and strategies; and
3. Commencement of the Facility and Spaces audit and review.

No	Strategy	Priority		Our Role	
L4	Efficient and proactive service provision and planning that adapts to meet changing community needs as identified through regular community health checks	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
L4.1	Monitor and review IPR Suite of Plans	▶	▶	▶	
L4.2	Conduct biennial Community Satisfaction Surveys	■	■	■	
<b>Comment:</b> IPR Framework & Plan adopted; planning for the Community Satisfaction Survey deferred due to COVID-19, remain on target for August implementation.					

<b>Outcome 3</b> <b>Commitment to continuous improvement in service delivery and good governance practices ensures the Shire is adaptive to evolving community needs</b>					
No	Strategy	Priority		Our Role	
L5	Continual review and revision of Council policy, procedures and governance frameworks to ensure responsible, efficient and effective service delivery	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
L5.1	Ensure policies, procedures and practice are effective, transparent and aligned with corporate functions and service delivery	∞	∞	∞	
L5.2	Monitor and review the Shire of Dowerin's Risk Management Framework and Profiling Tool	∞	∞	∞	
L5.3	Continue to provide prudent financial controls and compliance systems	∞	∞	∞	
<b>Comment:</b> Quarterly reviews of the Risk Profiling Tool now in place; Council agenda template 'Risk Implications' integrates with Risk Profiling Tool.					

No	Strategy	Priority		Our Role	
L6	Integrated planning evolves and adapts to meet the changing context for Dowerin	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
L6.1	Review IPR Framework	■	×	■	●
L6.2	Monitor and review IPR Suite of Plans	▶	▶		
<b>Comment:</b> IPR Framework mini-review deferred due to COVID-19; quarterly monitoring of the Corporate Business Plan now in place.					



No	Strategy	Priority		Our Role	
L7	Continue to advocate for and create partnerships that will benefit the Dowerin community through ongoing collaboration with neighbouring Shires and active participation in regional, state and national alliances	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
L7.1	Continue to progress regional collaboration by participating in Avon Regional Organisation of Councils strategies and similar regional partnerships	∞	∞	∞	
L7.2	Work collaboratively with relevant State agencies to plan for future service and infrastructure needs	∞	∞	∞	
<b>Comment:</b> AROC Regional Waste Tender evaluation process completed, contract yet to be signed; Dowerin exiting as an AROC Council Member effective 30 June 2020; Dowerin commencing as a Council Member of NEWROC effective 1 July 2020.					

## STATUTORY INFORMATION

### Access & Inclusion Plan

The Shire of Dowerin's Access and Inclusion Plan (AIP) 2018-2023 was formally endorsed by Council in July 2018. The AIP is a key strategic document which outlines the Shire's approach to working towards a more accessible and inclusive community.

The Shire is required by the *Disability Services Act 1993* to:

- Maintain an AIP; and
- Report on its AIP achievements within its Annual Report as well as to the Disability Services Commission.

Activities and actions undertaken during the 2019/20 year include:

- Bollard lighting was installed at the Dowerin Community Club leading from the carpark to main entrance. The lighting will assist with visibility reducing risk of potential injury.
- A footpath was also installed in the carpark enabling people with a disability safer access from the carpark to the main entrance of the Club.
- Additionally, a new pathway along Fraser Street provides connectivity from the main street to the recreation precinct. The pathway includes standard ramps and crossovers to ensure people with a disability can access the pathway.

The Club was identified as a potential site for self-opening doors however due to funding restrictions faced by both the Club and Council, particularly as a result of COVID-19, it is not likely that the project will be progressed unless another alternative source of funding can be identified.

### Record Keeping Statement

The Shire of Dowerin is committed to the reliable and systematic management of its records, in accordance with legislative requirements and best practice standards. This report has been published in accordance with the State Records Act 2000.

#### Recordkeeping Plan

The Shire undertook a Recordkeeping Plan Review in early 2019 with the Review Report submitted to the State Records Office on 22 March 2019. The Review Report identified quite substantial changes to the Shire's Recordkeeping Plan. The State Records Office of WA have granted a 2 year timeframe, commencing 1 June 2019, in which to complete the necessary changes to the Recordkeeping Plan and supporting documentation. The submission date for the reviewed Recordkeeping Plan is 1 June 2021.

With the turnover of staff, implementation of other priorities and the impacts of COVID-19, work on implementing the necessary changes to the Recordkeeping Plan and supporting documentation is yet to commence.

#### Information Management Systems

The Shire has implemented Sharepoint Online, along with other Microsoft Office 365 applications to improve business efficiencies. Developing and building the system to ensure it captures the Shire's records appropriately and aligns with business functions and operations is ongoing.

#### Training and Awareness

Recordkeeping inductions are held for all new employees upon commencement. This includes their responsibilities and desktop training using Sharepoint. Information sessions focusing on how to use SharePoint to manage the Shire's information have been held across the organisation.



## Official Conduct – Complaints Register

Section 5.121 of the *Local Government Act 1995* requires a local government to maintain a register of complaints that result in an action under Section 5.110(6) (b) or (c). In accordance with Sections 5.53(2) and 5.121 of the *Local Government Act 1995*, the Annual Report is required to disclose the number of complaints of minor breach received each year.

No complaints were received during 2019/20.

## Freedom of Information Statement

The *Freedom of Information Act 1992* gives the public a right to apply for access to documents held by the Shire of Dowerin. The Shire aims to make information available whenever possible, outside the freedom of information process.

The Shire received no valid freedom of information applications in 2019/20.

The Shire of Dowerin's Information Statement, adopted at Council's November 2019 meeting, is available on its website at [www.dowerin.wa.gov.au](http://www.dowerin.wa.gov.au).

## Public Interest Disclosure

The *Public Interest Disclosure Act 2003* facilitates the disclosure of public interest information, and provides protection for those making such disclosure and those

who are the subject of the disclosures. The Act also provides a system for the matters disclosed to be investigated and for appropriate action to be taken.

At its February 2020 meeting Council reviewed and adopted its Public Interest Disclosure Policy and Public Interest Disclosure Guideline (CM Ref 0140). Both these documents are available on the Shire's website.

No disclosures were made during 2019/19 and the Shire declares that all obligations under the *Public Interest Disclosure Act 2003* have been complied with.

## Employees Remuneration

In accordance with Section 19(b) of the *Local Government (Administration) Regulations 1996*, the number of Shire employees entitled to an annual salary of \$100,000 or more are:

Salary range	Number of employees
\$100,000 to \$109,999	2
\$110,000 to \$119,999	0
\$120,000 to \$129,999	0
\$130,000 to \$139,999	0
\$140,000 to \$149,999	0
\$150,000 to \$159,999	1
\$160,000 to \$169,999	0
\$170,000 to \$179,999	0
\$180,000 plus	0







## COMMUNITY SERVICES & ECONOMIC DEVELOPMENT

### Support for Community Events and Organisations

The Shire provided financial support towards several community events and organisations including:

Community Group	Purpose	Value
Wheatbelt Agcare	Annual contribution	\$500
Dowerin District High School	Line marking & oval preparation for sports carnival	\$795
Mortlock Pony Club	Supply and deliver cracker dust for equestrian jumps	\$166
Dowerin District High School	Supply delivery of white sand (box trailer) for nature play activity	\$200
Dowerin Community Club	Engagement of WBN to facilitate policies and employee contracts - 50% contribution	\$605
Infant Swimming Lessons	To open the pool 1 hour earlier to enable exclusive use for infant swimming lessons as per Council resolution	\$505
Dowerin Companion Club	Waiver of Bus Hire for Senior Activities	\$436
VacSwim	Provision of additional hours for the purpose of swimming lessons provided through VacSwim	\$1,980
Dowerin District High School	Availability of pool outside of prescribed opening hours to accommodate in-term swimming lessons (12 hours)	\$660
Dowerin District High School	Availability of pool outside of prescribed opening hours to accommodate school swimming carnival (3.5 hours)	\$193
<b>TOTAL</b>		<b>\$6,040</b>

### Grants and Funding

The Shire was successful in obtaining a range of grant funds over 2019/20 including:

Funding Body	Project	Amount	Total Project Value
Department of Communities - Youth Engagement Grant	Dowerin Youth Newspaper Project	\$6,814	\$11,754
Department of Communities - Thank a Volunteer Day Celebration Grant	Outdoor Sunset Cinema	\$1,000	\$2,700
Lotterywest - Community Events Part 2	Community Development Events Plan 2019/20	\$11,300	\$27,350
COTA WA - WA Seniors Week 2019	Namaste Wednesday - Gentle Chair Yoga	\$1,000	\$500
Department of Transport - WA Bicycle Network Grants 2019/20	Linked bicycle network from Dowerin Short Stay Accommodation to the recreation grounds town centre	\$35,000	\$70,000

## Community Services

Community Services continues to work with residents, community-based organisations and service providers to co-ordinate several community events and activities that provide social opportunities, the sharing of skills and knowledge, and the opportunity to participate as families in community events

While the COVID-19 pandemic restrictions resulted in a number of events being cancelled or postponed, the following events were held prior to the pandemic:

Event	Date
National Tree Day	27 July 2019
Wheatbelt Heritage Rail Discovery Centre Open Day	29 September 2019
Step to it Dowerin (gym fundraiser)	29 September 2019
Sunset Cinema – Volunteer Event	21 February 2020
Oktoberfest – Cultural Awareness Event (with DCC)	4 October 2019
Youth Art Project (Swimming Pool Mural)	25-26 October 2019
Namaste Wednesday (Senior's Week Event)	13 November 2019
Christmas Festival	13 December 2019
Australia Day & Citizen(s) of the Year	26 January 2020



*Tree planting on National Tree Day*

In addition to the above events, the Shire President conducted two Citizenship Ceremonies throughout the year. The first one took place on National Citizenship day, presented to Trish Allsopp and the second took place at the Australia Day Celebrations, presented to Chrissy Gerrard.



*Chrissy Gerrard (left) and Trish Allsopp (right) with Shire President, Darrel Hudson, showing their Australian Citizenship certificates.*



## Citizen of the Year Award

Julie Bailey was awarded citizen of the year at the annual Australia Day celebrations, for her tireless and selfless contribution towards the Dowerin community.

## Economic Development

The Shire of Dowerin continues to be involved in regional tourism and participates in regional marketing campaigns. Council is an active member of Pioneers' Pathway and Wheatbelt Way. Examples of campaigns include:

- Australia's Golden Outback Holiday Planner
- Caravan & Camping Trade Show
- Eastern Wheatbelt Holiday Planner
- Pioneers' Pathway Trail
- Western Australia Weekend Features
- Wheatbelt Way App & Instagram
- Wheatbelt Way Trail



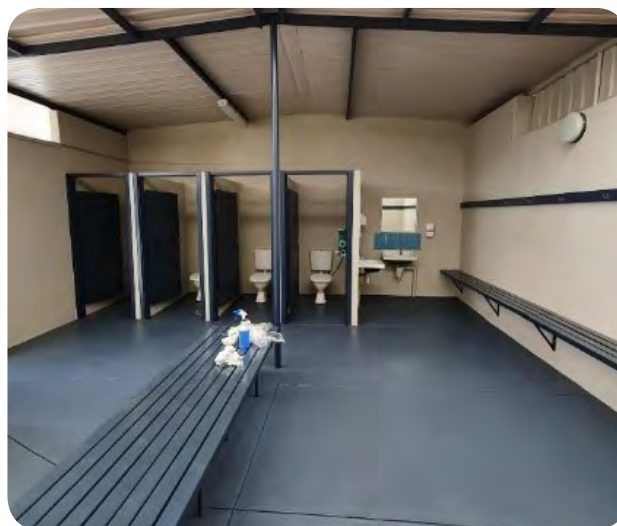
*Julie Bailey, Citizen of the Year*

## Dowerin Memorial Swimming Pool Upgrades – Refurbishment

The changerooms refurbishment was a massive improvement to the aesthetics and will provide pool users with a more appropriate and functional facility. The external and internal walls were fully rendered and painted. All the framework, flooring and seating was painted and new toilet cisterns installed. The male changerooms were fitted with two new cubicles to provide privacy and grouting of the tiles inside the pool was completed. New shower nozzles and tapware were also installed. These works were carried out by Shire staff engaged through the Dowerin Workcamp and the Workcamp Community Projects Team.

A void was detected under the dive bowl. This was also repaired and the majority of the water leaks in the pool shell resolved. The sand filter was fully inspected resulting in the replacement of the steel pipework and filter sand. The new leaf strainer was also fitted.

During the winter months the shade sails over the main pool were severely damaged. Insurance covered a portion of the cost to replace them with heavier duty sails with a higher wind rating.



## EXCITING COMMUNITY ACTIVITIES

### New Gym Equipment Fit Out

A total of 11 volunteers donated their Field Day hours valued at \$1,520 towards the gym. The 'Step it to Dowerin Walk' event held on 30 September 2019 raised \$2,275 attracting 40 walkers and helpers.

At the request of gym members, Council allocated \$12,000 in the 2019/20 Budget for the renewal of the rower and bike, plus the addition of a dual adjustable pulley. The allocation also accommodated the purchase of small items such as grip weight discs, kettle bells and the replacement of exercise mats. It was agreed that gym members would contribute \$2,500 towards the purchasing of equipment.

The gym now has two floor spaces to include the original area and the first squash court. Between the two rooms gym users have space to spread out to workout in comfort. The squash court now contains the battle rope, bosu ball, boxing bag and equipment, fitballs, leg press, rower and skipping ropes. A coat of paint also helps create a refreshing brightness to the main gym.

### Swimming Pool Youth Art Project

The Shire of Dowerin secured \$3,500 of funding through Lotterywest for a Youth Art Project. Artist, Georgina Paterson, was engaged to facilitate the art project to create a mural for the Dowerin Memorial Swimming Pool façade.

Students from Years 5 to 10 were invited to apply for a position to participate in the project. The Dowerin District High School enabled the application process resulting in 12 students nominating. The students worked with Georgina in the Art Room on Friday morning to develop the design concept. In the afternoon the workshop moved on-site to commence transferring the design onto the pool façade. With great anticipation and excitement, the beginnings of the mural took shape.

Day 2 saw the students return to work alongside Georgina to continue painting and paying attention to the finer details of the design. By the end of the day the mural was near completion and everyone went home with a real sense of achievement. Georgina placed the final touches on the art piece on the Sunday.

## COMMUNICATIONS & MEDIA

### Shire of Dowerin Facebook



Page likes have grown from **653 to 730** during FY 19/20



Ave post reach of **299 views** this is up 18.18% from last FY

### Dowerin Short Stay Accommodation



Page likes have grown from **256 to 374** during FY 19/20



Instagram profile has **215 followers**

## WORKS & ASSETS

Road Construction & Maintenance	
Roads Maintenance	\$790,454
Roads to Recovery – Dowerin-Kalannie Road & Dowerin-Meckering Road	\$241,302
Regional Roads Group – Dowerin-Kalannie Road & Dowerin-Meckering Road	\$288,499
Commodity Route – Dowerin-Koorda Road	\$590,631
Flood Damage - Immediate Works	\$363,915
<b>Total Cost – Road Construction &amp; Maintenance</b>	<b>\$2,274,801</b>

Plant Replacement	
Jetpatcher	\$143,302
Stabiliser	\$50,926
Sewer Jetter	\$78,874
Tag Trailer	\$37,300
<b>Total Cost – Plant Replacement</b>	<b>\$310,402</b>

Capital Projects	
Dowerin Memorial Swimming Pool – Refurbishment of Kiosk & Change Rooms	\$87,938
Gymnasium Equipment & Refurbishment	\$11,049
Anderson Street Subdivision	\$12,866
<b>Total Cost – Capital Projects</b>	<b>\$111,853</b>

Other Assets & Infrastructure	
Footpaths	\$69,658
Building Maintenance	\$246,348
Parks & Gardens	\$143,039
<b>Total Cost – Other Infrastructure</b>	<b>\$459,045</b>



## DOWERIN HOME CARE (DHC)

The Commonwealth Home Support Programme (CHSP) services are provided through Dowerin Home Care (DHC), jointly funded by the Australian Government's Department of Health and Shire of Dowerin.

Our Home Care Service provides an invaluable service that assists people to stay in their own homes. Throughout the course of the year, the dedicated staff and volunteers provided transport assistance locally and to the metro area. The services which can be provided, if assessed as required, include:

- personal care;
- domestic assistance;
- garden and home maintenance;
- medication support & administration;
- social support; and
- meal preparation for approximately 40 clients and carers.

COVID-19 had a huge impact on our service delivery from April/May onwards for the CHSP and Western Australia Home and Community Care clients. The majority of these cancelled their in-home assistance but were happy to continue with garden home maintenance. Transport assistance was also limited due to social distancing requirements.

DHC received several client referrals for CHSP services in this period, as these referrals and acceptances took the place of some clients who transitioned from CHSP services to Home Care Packages.

Since becoming an approved provider of Home Care Packages, DHC have gained several clients. Over the 12 months a number of these people were assigned a lower level of care before being assigned their designated level of care. A few of these clients only received services for a short time, prior to either moving away or transitioning into full time care.

Active seniors enjoy the Gentle Gym sessions offered on Mondays and Thursdays and the annual Seniors Games held in Northam. However, this year the Perpetual Trophy was won by another town.

The Christmas Party was again held at the Dowerin Hotel, with a fantastic 3 course meal which was enjoyed by all. A number of clients travelled from Koorda & Wyalkatchem to attend. It was a great afternoon and all went home with a full belly.



# Financial Reports

## 2019/2020

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

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**COMMUNITY VISION**

Dowerin will be a thriving and growing rural community which offers lifestyle choice for all generations, is progressive in environmental management and is a preferred location for business development.

Principal place of business:  
13 Cottrell Street  
DOWERIN WA 6461

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

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

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

Signed on the

16

day of

December

2020

\_\_\_\_\_  
Chief Executive Officer

*R McCall*

\_\_\_\_\_  
Ms Rebecca McCall





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

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>Revenue</b>				
Rates	24(a)	1,402,771	1,352,400	1,328,309
Sewerage Rates and Charges	24(c)	168,495	166,500	160,648
Operating grants, subsidies and contributions	2(a)	2,031,369	1,213,682	2,342,886
Fees and charges	2(a)	418,193	489,662	474,214
Interest earnings	2(a)	48,819	84,205	81,505
Other revenue	2(a)	358,866	228,092	240,134
		4,428,513	3,534,541	4,627,696
<b>Expenses</b>				
Employee costs		(1,991,182)	(1,825,508)	(1,836,650)
Materials and contracts		(1,460,564)	(1,219,490)	(1,914,469)
Utility charges		(189,395)	(140,700)	(161,697)
Depreciation on non-current assets	10(b)	(1,599,951)	(1,271,795)	(1,325,718)
Interest expenses	2(b)	(43,242)	(51,162)	(42,054)
Insurance expenses		(118,022)	(91,375)	(152,557)
Other expenditure		(188,469)	(82,770)	(95,754)
		(5,590,825)	(4,682,800)	(5,528,899)
		(1,162,312)	(1,148,259)	(901,203)
Non-operating grants, subsidies and contributions	2(a)	1,104,342	1,301,106	716,810
Profit on asset disposals	10(c)	5,786	80,050	54,997
(Loss) on asset disposals	10(c)	(11,517)	(9,000)	(63,318)
		1,098,611	1,372,156	708,489
<b>Net result for the period</b>		<b>(63,701)</b>	<b>223,897</b>	<b>(192,714)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	32,004,728	-	105,092
<b>Total other comprehensive income for the period</b>		<b>32,004,728</b>	<b>-</b>	<b>105,092</b>
<b>Total comprehensive income for the period</b>		<b>31,941,027</b>	<b>223,897</b>	<b>(87,622)</b>

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



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

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>Revenue</b>				
Governance	2(a)	323	-	27,446
General purpose funding		2,987,834	2,242,460	2,901,909
Law, order, public safety		65,808	61,922	23,872
Health		(622)	2,600	248,080
Education and welfare		423,444	466,192	106,702
Housing		136,805	145,812	146,374
Community amenities		272,230	265,400	263,819
Recreation and culture		82,549	77,450	45,202
Transport		147,526	149,800	657,183
Economic services		152,562	76,905	143,681
Other property and services		160,054	46,000	63,428
		<u>4,428,513</u>	<u>3,534,541</u>	<u>4,627,696</u>
<b>Expenses</b>				
Governance	2(b)	(570,655)	(642,064)	(537,782)
General purpose funding		(211,142)	(172,297)	(217,693)
Law, order, public safety		(184,432)	(126,220)	(125,025)
Health		(39,877)	(54,836)	(397,555)
Education and welfare		(511,318)	(489,908)	(124,640)
Housing		(163,852)	(57,721)	(266,044)
Community amenities		(367,240)	(402,540)	(328,417)
Recreation and culture		(1,012,120)	(962,857)	(899,414)
Transport		(1,974,112)	(1,341,321)	(2,039,102)
Economic services		(391,748)	(374,241)	(270,376)
Other property and services		(121,087)	(7,633)	(280,797)
		<u>(5,547,583)</u>	<u>(4,631,638)</u>	<u>(5,486,845)</u>
<b>Finance Costs</b>				
General purpose funding	2(b)	-	(5,000)	-
Housing		(9,646)	(9,734)	(7,413)
Recreation and culture		(11,574)	(14,113)	(10,906)
Economic services		(22,022)	(22,315)	(23,735)
		<u>(43,242)</u>	<u>(51,162)</u>	<u>(42,054)</u>
		<u>(1,162,312)</u>	<u>(1,148,259)</u>	<u>(901,203)</u>
Non-operating grants, subsidies and contributions	2(a)	1,104,342	1,301,106	716,810
Profit on disposal of assets	10(c)	5,786	80,050	54,997
(Loss) on disposal of assets	10(c)	(11,517)	(9,000)	(63,318)
		<u>1,098,611</u>	<u>1,372,156</u>	<u>708,489</u>
<b>Net result for the period</b>		<b>(63,701)</b>	<b>223,897</b>	<b>(192,714)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	32,004,728	-	105,092
<b>Total other comprehensive income for the period</b>		<b>32,004,728</b>	<b>-</b>	<b>105,092</b>
<b>Total comprehensive income for the period</b>		<b>31,941,027</b>	<b>223,897</b>	<b>(87,622)</b>

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



**SHIRE OF DOWERIN**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2020**

	NOTE	2020 \$	2019 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	1,212,407	856,021
Trade and other receivables	6	268,604	250,740
Other financial assets	5(a)	1,851,073	2,258,221
Inventories	7	3,051	11,163
<b>TOTAL CURRENT ASSETS</b>		<b>3,335,135</b>	<b>3,376,145</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	6	34,282	34,282
Other financial assets	5(b)	52,551	52,551
Property, plant and equipment	8	19,880,681	20,509,649
Infrastructure	9	58,602,967	26,220,101
<b>TOTAL NON-CURRENT ASSETS</b>		<b>78,570,481</b>	<b>46,816,583</b>
<b>TOTAL ASSETS</b>		<b>81,905,616</b>	<b>50,192,728</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	421,179	369,481
Contract liabilities	14	126,641	-
Borrowings	15(a)	144,043	145,042
Employee related provisions	16	192,102	217,391
<b>TOTAL CURRENT LIABILITIES</b>		<b>883,965</b>	<b>731,914</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	15(a)	1,182,149	1,273,192
Employee related provisions	16	34,963	24,110
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,217,112</b>	<b>1,297,302</b>
<b>TOTAL LIABILITIES</b>		<b>2,101,077</b>	<b>2,029,216</b>
<b>NET ASSETS</b>		<b>79,804,539</b>	<b>48,163,512</b>
<b>EQUITY</b>			
Retained surplus		31,615,618	31,284,923
Reserves - cash/financial asset backed	4	1,851,073	2,245,469
Revaluation surplus	12	46,337,848	14,633,120
<b>TOTAL EQUITY</b>		<b>79,804,539</b>	<b>48,163,512</b>

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



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

			RESERVES CASH/FINANCIAL		
	NOTE	RETAINED SURPLUS	ASSET BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2018		31,565,743	2,157,363	14,528,028	48,251,134
Comprehensive income					
Net result for the period		(192,714)	-	-	(192,714)
Other comprehensive income	12	-	-	105,092	105,092
Total comprehensive income		(192,714)	-	105,092	(87,622)
Transfers from reserves	4	382,583	(382,583)	-	-
Transfers to reserves	4	(470,689)	470,689	-	-
Balance as at 30 June 2019		31,284,923	2,245,469	14,633,120	48,163,512
Change in accounting policy	29(b)	-	-	(300,000)	(300,000)
Restated total equity at 1 July 2019		31,284,923	2,245,469	14,333,120	47,863,512
Comprehensive income					
Net result for the period		(63,701)	-	-	(63,701)
Other comprehensive income	12	-	-	32,004,728	32,004,728
Total comprehensive income		(63,701)	-	32,004,728	31,941,027
Transfers from reserves	4	1,116,153	(1,116,153)	-	-
Transfers to reserves	4	(721,757)	721,757	-	-
Balance as at 30 June 2020		31,615,618	1,851,073	46,337,848	79,804,539

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



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

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		1,399,380	1,352,400	1,311,637
Sewerage Rates and Charges		168,495	166,500	160,648
Operating grants, subsidies and contributions		2,184,878	1,213,682	2,344,801
Fees and charges		418,193	489,662	474,214
Interest received		48,819	84,205	81,505
Goods and services tax received		294,266	-	383,871
Other revenue		358,866	228,092	240,135
		4,872,897	3,534,541	4,996,811
<b>Payments</b>				
Employee costs		(2,013,814)	(1,825,508)	(1,806,984)
Materials and contracts		(1,406,426)	(1,223,490)	(1,954,306)
Utility charges		(189,395)	(140,700)	(161,697)
Interest expenses		(43,803)	(51,162)	(40,084)
Insurance paid		(118,022)	(91,375)	(152,557)
Goods and services tax paid		(321,178)	-	(405,254)
Other expenditure		(188,469)	(78,770)	(95,754)
		(4,281,107)	(3,411,005)	(4,616,636)
<b>Net cash provided by (used in) operating activities</b>	17	591,790	123,536	380,175
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	8(a)	(509,597)	(908,000)	(1,546,690)
Payments for construction of infrastructure	9(a)	(1,244,478)	(1,735,480)	(1,360,437)
Non-operating grants, subsidies and contributions	2(a)	1,104,342	1,301,106	716,810
Proceeds from financial assets at amortised cost - term deposits		394,396	-	(227,697)
Proceeds from sale of property, plant & equipment	10(c)	99,223	576,000	587,077
<b>Net cash provided by (used in) investment activities</b>		(156,114)	(766,374)	(1,830,937)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	15(b)	(142,042)	(141,045)	(126,735)
Proceeds from financial assets at amortised cost - self supporting loans		12,752	12,567	24,534
Proceeds from new borrowings	15(b)	50,000	87,500	480,000
<b>Net cash provided by (used in) financing activities</b>		(79,290)	(40,978)	377,799
<b>Net increase (decrease) in cash held</b>		356,386	(683,816)	(1,072,963)
Cash at beginning of year		856,021	3,089,427	1,916,923
Reclassification of trust funds to restricted cash		-	-	12,061
<b>Cash and cash equivalents at the end of the year</b>	17	1,212,407	2,405,611	856,021

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

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

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>OPERATING ACTIVITIES</b>				
Net current assets at start of financial year - surplus/(deficit)	25 (b)	587,683	716,124	1,529,026
		587,683	716,124	1,529,026
<b>Revenue from operating activities (excluding rates)</b>				
Governance		323	-	31,149
General purpose funding		1,631,664	890,060	1,606,547
Law, order, public safety		65,808	61,922	23,872
Health		(622)	2,600	248,080
Education and welfare		423,444	466,192	106,702
Housing		136,805	178,812	161,005
Community amenities		272,230	265,400	263,819
Recreation and culture		82,549	80,450	45,202
Transport		153,312	160,350	693,846
Economic services		152,562	76,905	143,681
Other property and services		160,054	79,500	63,428
		3,078,129	2,262,191	3,387,331
<b>Expenditure from operating activities</b>				
Governance		(570,655)	(642,064)	(545,285)
General purpose funding		(211,142)	(177,297)	(217,693)
Law, order, public safety		(184,432)	(126,220)	(125,025)
Health		(39,877)	(54,836)	(397,555)
Education and welfare		(511,318)	(489,908)	(124,640)
Housing		(173,498)	(75,455)	(319,875)
Community amenities		(367,240)	(402,540)	(328,417)
Recreation and culture		(1,023,694)	(977,970)	(910,319)
Transport		(1,975,355)	(1,341,321)	(2,048,500)
Economic services		(413,770)	(396,556)	(294,111)
Other property and services		(131,361)	(7,633)	(280,796)
		(5,602,342)	(4,691,800)	(5,592,216)
Non-cash amounts excluded from operating activities	25(a)	1,617,412	1,200,745	1,281,726
<b>Amount attributable to operating activities</b>		(319,118)	(512,740)	605,867
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	2(a)	1,104,342	1,301,106	716,810
Proceeds from disposal of assets	10(c)	99,223	576,000	587,077
Proceeds from financial assets at amortised cost - self supporting loans		12,752	12,567	24,534
Purchase of property, plant and equipment	8(a)	(509,597)	(908,000)	(1,546,690)
Purchase and construction of infrastructure	9(a)	(1,244,478)	(1,735,480)	(1,360,436)
<b>Amount attributable to investing activities</b>		(537,758)	(753,807)	(1,578,705)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	15(b)	(142,042)	(141,045)	(126,735)
Proceeds from borrowings	15(c)	50,000	87,500	480,000
Transfers to reserves (restricted assets)	4	(721,757)	(327,900)	(470,689)
Transfers from reserves (restricted assets)	4	1,116,153	281,716	382,583
<b>Amount attributable to financing activities</b>		302,354	(99,729)	265,159
<b>Surplus/(deficit) before imposition of general rates</b>		(554,522)	(1,366,276)	(707,679)
<b>Total amount raised from general rates</b>	24(a)	1,356,170	1,352,400	1,295,362
<b>Surplus/(deficit) after imposition of general rates</b>	25(b)	<b>801,648</b>	<b>(13,876)</b>	<b>587,683</b>

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

**SHIRE OF DOWERIN**  
**INDEX OF NOTES TO THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

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## **1. BASIS OF PREPARATION**

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

### **AMENDMENTS TO LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**

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

From 1 July 2019, the Shire has applied AASB 16 Leases which requires leases to be included by lessees in the statement of financial position. Also, the Local Government (Financial Management) Regulations 1996 have been amended to specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position) rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

The Shire has accounted for the removal of the vested land values associated with vested land previously recognised by removing the land value and associated revaluation reserve as at 1 July 2019. The comparative year amounts have been retained as AASB 16 does not require comparatives to be restated in the year of transition.

Therefore the departure from AASB 1051 and AASB 16 in respect of the comparatives for the year ended 30 June 2019 remains.

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

### **NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS**

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

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

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

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

### **CRITICAL ACCOUNTING ESTIMATES**

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

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

### **THE LOCAL GOVERNMENT REPORTING ENTITY**

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

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



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

**2. REVENUE AND EXPENSES**

**REVENUE RECOGNITION POLICY**

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	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
Sewerage Rates & Charges	Charge for Town Sewerage 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
Operating Grants with commitments	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
Operating 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
Non- Operating Grants	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
Fees & Charges	Sale of general goods & services	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
Other Revenue	Reimbursements, Donations, Insurance claims and Other revenue	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled

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

**2. REVENUE AND EXPENSES**

**(a) Grant revenue**

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

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
<b>Operating grants, subsidies and contributions</b>			
General purpose funding	1,528,148	760,860	1,458,660
Law, order, public safety	55,537	51,422	13,395
Health	-	-	232,201
Education and welfare	291,449	244,800	-
Recreation and culture	24,210	24,600	-
Transport	132,025	132,000	638,630
	2,031,369	1,213,682	2,342,886
<b>Non-operating grants, subsidies and contributions</b>			
Recreation and culture	-	2,500	-
Transport	1,104,342	1,261,106	716,810
Economic services	-	37,500	-
	1,104,342	1,301,106	716,810
<b>Total grants, subsidies and contributions</b>	3,135,711	2,514,788	3,059,696
<b>Fees and charges</b>			
Governance	-	-	66
General purpose funding	1,803	6,000	6,438
Law, order, public safety	6,271	6,500	6,477
Health	-	1,600	14,826
Education and welfare	14,933	92,750	1,620
Housing	134,984	145,812	144,054
Community amenities	104,009	95,400	102,208
Recreation and culture	21,459	25,400	28,078
Transport	-	-	517
Economic services	136,015	110,200	132,111
Other property and services	(1,281)	6,000	37,819
	418,193	489,662	474,214

**SIGNIFICANT ACCOUNTING POLICIES**

**Grants, subsidies and contributions**

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

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

**Fees and Charges**

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

**SHIRE OF DOWERIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**2. REVENUE AND EXPENSES (Continued)**

(a) Revenue (Continued)	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>Contracts with customers and contracts transfers for recognisable non-financial assets</b>			
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature or types of goods or services:			
Operating grants, subsidies and contributions	341,986	339,972	760,720
Fees and charges	311,306	283,212	346,864
Non-operating grants, subsidies and contributions	1,104,342	1,301,106	716,810
	1,757,634	1,924,290	1,824,394
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:			
Other revenue from contracts with customers recognised during the year	653,292	623,184	1,107,584
Other revenue from performance obligations satisfied during the year	1,104,342	1,301,106	716,810
	1,757,634	1,924,290	1,824,394
Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:			
Trade and other receivables from contracts with customers	145,443	-	73,088
Contract liabilities from contracts with customers	(126,641)	-	-

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

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

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

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

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

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

**2. REVENUE AND EXPENSES (Continued)**

**(a) Revenue (Continued)**

**Revenue from statutory requirements**

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

	2020 Actual \$	2020 Budget \$	2019 Actual \$
General rates	1,356,170	1,352,400	1,295,362
Sewerage Rates and Charges	168,495	166,500	160,648
	1,524,665	1,518,900	1,456,010
<b>Other revenue</b>			
Reimbursements & Recoveries	188,835	238,592	195,395
Other Revenue	170,032	-	44,739
	358,866	238,592	240,134
<b>Interest earnings</b>			
Financial assets at amortised cost - self supporting loans	204	205	1,008
Interest on reserve funds	34,377	60,000	51,184
Rates instalment and penalty interest (refer Note 24(e))	13,201	10,000	15,634
Other interest earnings	1,037	14,000	13,679
	48,819	84,205	81,505

**SIGNIFICANT ACCOUNTING POLICIES**

**Interest earnings**

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

**Interest earnings (continued)**

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

**(b) Expenses**

**Auditors remuneration**

- Audit of the Annual Financial Report

**Interest expenses (finance costs)**

Borrowings

Other

**Other expenditure**

Sundry expenses

Note	2020 Actual \$	2020 Budget \$	2019 Actual \$
	28,480	32,000	27,000
	28,480	32,000	27,000
15(b)	43,242	46,162	42,054
	-	5,000	-
	43,242	51,162	42,054
	188,469	82,770	95,754



**SHIRE OF DOWERIN**  
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**3. CASH AND CASH EQUIVALENTS**

	NOTE	2020 \$	2019 \$
Cash and cash equivalents		1,212,407	856,021
Term deposits classified as Financial assets at amortised cost	5(a)	1,851,073	2,245,469
<b>Total</b>		<b>3,063,480</b>	<b>3,101,490</b>

**Comprises**

The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Unrestricted Cash and cash equivalents and other financial assets at amortised cost	1,085,766	856,021
- Restricted cash and cash equivalents and other financial assets at amortised cost	1,977,714	2,245,469
	<b>3,063,480</b>	<b>3,101,490</b>

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

Reserves - cash/financial asset backed	4	1,851,073	2,245,469
Contract liabilities from contracts with customers	14	126,641	-
<b>Total restricted assets</b>		<b>1,977,714</b>	<b>2,245,469</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

**Restricted assets**

Restricted asset balances are not available for general use by the local government due to externally imposed restrictions. Externally imposed restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

**SHIRE OF DOWERIN**  
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**4. RESERVES - CASH/FINANCIAL ASSET**

	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance	2020 Budget Opening Balance	2020 Budget Transfer to	2020 Budget Transfer (from)	2020 Budget Closing Balance	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	2019 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave Reserve	56,632	875	-	57,507	56,632	1,513	-	58,145	54,217	2,415	-	56,632
(b) Plant Reserve	59,958	81,214	-	141,172	59,959	85,602	-	145,561	369,807	39,839	(349,688)	59,958
(c) Bowling Green	85,312	13,327	-	98,639	85,312	12,280	-	97,592	72,293	13,019	-	85,312
(d) CHP Units	48,934	757	-	49,691	48,933	1,308	-	50,241	46,847	2,087	-	48,934
(e) Economic Reserve	55,752	862	-	56,614	55,752	1,490	-	57,242	54,183	1,569	-	55,752
(f) Emergency Reserve	-	500,000	(500,000)	-	-	-	-	-	-	-	-	-
(g) Information Technology	-	64,175	(35,000)	29,175	-	-	-	-	-	-	-	-
(h) Land & Buildings	449,364	6,711	(310,000)	146,075	449,363	152,007	(124,716)	476,654	148,579	300,785	-	449,364
(i) Recreation Facilities	193,926	7,994	(7,000)	194,920	193,926	5,182	(7,000)	192,108	185,023	8,903	-	193,926
(j) Sewerage	1,256,174	19,214	(264,153)	1,011,235	1,256,174	61,466	(150,000)	1,167,640	1,161,589	94,585	-	1,256,174
(k) Swimming Pool	186	20,017	-	20,203	185	5	-	190	32,895	186	(32,895)	186
(l) Tennis Courts	39,231	6,612	-	45,843	39,231	7,048	-	46,279	31,930	7,301	-	39,231
	2,245,469	721,757	(1,116,153)	1,851,073	2,245,467	327,900	(281,716)	2,291,652	2,157,363	470,689	(382,583)	2,245,469

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave Reserve	Ongoing	-To cash back the cost of Long Service, Annual and Sick Leave where the leave cannot be absorbed within the annual budget.
(b) Plant Reserve	Ongoing	-To ensure the cost of additional new plant and refurbishment or replacement can be met as per the Plant Replacement Program
(c) Bowling Green	Ongoing	-To be used for the replacement of the bowling greens.
(d) CHP Units	Ongoing	-To enable participation in community housing projects such as independent living units for seniors
(e) Economic Reserve	Ongoing	-To maintain a reserve to fund economic development initiatives
(f) Emergency Reserve	Ongoing	-To be used to reduce immediate cash flow pressure during a declared emergency
(g) Information Technology	Ongoing	-To be used for the renewal & upgrade of Shire of Dowerin Information Technology
(h) Land & Buildings	Ongoing	-To assist with funding the development and purchase of land and building assets.
(i) Recreation Facilities	Ongoing	-To fund future maintenance, upgrades and developments of recreation facilities, including the swimming pool.
(j) Sewerage	Ongoing	-To provide for the replacement and development of sewerage and stormwater infrastructure throughout the Shire.
(k) Swimming Pool	Ongoing	-To be used for the renewal and/or upgrade and development of the swimming pool.
(l) Tennis Courts	Ongoing	-To be used for the replacement of the Tennis Courts

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

**5. OTHER FINANCIAL ASSETS**

**(a) Current assets**

Financial assets at amortised cost

2020	2019
\$	\$
1,851,073	2,258,221
1,851,073	2,258,221

**Other financial assets at amortised cost**

Financial assets at amortised cost - term deposits

Financial assets at amortised cost - self-supporting loans

1,851,073	2,245,469
-	12,752
1,851,073	2,258,221

**(b) Non-current assets**

Financial assets at fair value through profit and loss

52,551	52,551
52,551	52,551

**Financial assets at fair value through profit and loss**

Units in Local Government House Trust

52,551	52,551
52,551	52,551

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 15(b) as self supporting loans.

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

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

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

**Financial assets at fair value through profit and loss**

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

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

**Impairment and risk**

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

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

## 6. TRADE AND OTHER RECEIVABLES

### Current

Rates receivable	
Trade and other receivables	
GST receivable	
Allowance for impairment of receivables	
Rubbish Charges receivable	
Emergency Services Levy	
Other Current receivables	
Sewerage Rates Outstanding	

### Non-current

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

2020	2019
\$	\$
93,176	75,356
154,066	115,839
57,155	30,243
(66,996)	(2,915)
8,422	7,076
5,454	11,914
5,166	2,054
12,161	11,173
268,604	250,740
34,282	34,282
34,282	34,282

### Allowance for impairment of receivables Carrying amount at beginning of period

Additions	
Write off	

### Carrying amount at end of period

2,915	-
64,422	2,915
(341)	-
66,996	2,915

## SIGNIFICANT ACCOUNTING POLICIES

### Trade and other receivables

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

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

### Impairment and risk exposure

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

## SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Classification and subsequent measurement

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.



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

## 7. INVENTORIES

### Current

Stock on hand

	2020	2019
	\$	\$
	3,051	11,163
	3,051	11,163
	11,163	16,603
	(105,870)	(122,145)
	97,758	116,705
	3,051	11,163

The following movements in inventories occurred during the year:

### Carrying amount at beginning of period

Inventories expensed during the year

Additions to inventory

### Carrying amount at end of period

## SIGNIFICANT ACCOUNTING POLICIES

### General

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

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

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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

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

	Land - freehold land \$	Land - vested in and under the control of Council \$	Total land \$	Buildings - non- specialised \$	Total buildings \$	Total land and buildings \$	Furniture and equipment \$	Plant and equipment \$	Tools and equipment \$	Total property, plant and equipment \$
<b>Balance at 1 July 2018</b>	1,295,000	300,000	1,595,000	16,736,769	16,736,769	18,331,769	126,504	1,632,193	18,107	20,108,573
Additions			-	654,866	654,866	654,866	-	891,824	-	1,546,690
(Disposals)	(170,000)	-	(170,000)	(210,988)	(210,988)	(380,988)	(7,502)	(206,908)	-	(595,398)
Revaluation increments / (decrements) transferred to revaluation surplus	-	-	-	-	-	-	-	105,092	-	105,092
Depreciation (expense)	-	-	-	(468,322)	(468,322)	(468,322)	(16,333)	(169,167)	(1,486)	(655,308)
<b>Carrying amount at 30 June 2019</b>	1,125,000	300,000	1,425,000	16,712,325	16,712,325	18,137,325	102,669	2,253,034	16,621	20,509,649
<b>Comprises:</b>										
Gross carrying amount at 30 June 2019	1,125,000	300,000	1,425,000	17,184,893	17,184,893	18,609,893	140,082	2,729,127	28,292	21,507,394
Accumulated depreciation at 30 June 2019	-	-	-	(472,568)	(472,568)	(472,568)	(37,413)	(476,093)	(11,671)	(997,745)
<b>Carrying amount at 30 June 2019</b>	1,125,000	300,000	1,425,000	16,712,325	16,712,325	18,137,325	102,669	2,253,034	16,621	20,509,649
Change in Accounting Policy (Note 29)	-	(300,000)	(300,000)	-	-	(300,000)	-	-	-	(300,000)
<b>Adjusted carrying amount as at 1 July 2019</b>	1,125,000	-	1,125,000	16,712,325	16,712,325	17,837,325	102,669	2,253,034	16,621	20,209,649
Additions	-	-	-	36,009	36,009	36,009	11,049	462,539	-	509,597
(Disposals)	-	-	-	-	-	-	-	(104,954)	-	(104,954)
Depreciation (expense)	-	-	-	(495,366)	(495,366)	(495,366)	(16,816)	(219,849)	(1,580)	(733,612)
<b>Carrying amount at 30 June 2020</b>	1,125,000	-	1,125,000	16,252,968	16,252,968	17,377,968	96,902	2,390,770	15,041	19,880,680
<b>Comprises:</b>										
Gross carrying amount at 30 June 2020	1,125,000	-	1,125,000	17,220,902	17,220,902	18,345,902	151,132	2,627,590	28,292	21,152,916
Accumulated depreciation at 30 June 2020	-	-	-	(967,934)	(967,934)	(967,934)	(54,230)	(236,820)	(13,251)	(1,272,235)
<b>Carrying amount at 30 June 2020</b>	1,125,000	-	1,125,000	16,252,968	16,252,968	17,377,968	96,902	2,390,770	15,041	19,880,681

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

**8. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(b) Fair Value Measurements**

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>Land and buildings</b>					
Land - freehold land	2	Market approach using recent observable market data for similar items (Net revaluation method)	Independent Valuation	2018	Price per hectare/market borrowing rate
	3	Market approach using recent observable market data for similar properties with adjustments to reflect the existing use or zoning of the land	Independent Valuation	2018	Price per hectare/market borrowing rate
Buildings - non-specialised	2	Market approach using recent observable market data for similar items (Net revaluation method)	Independent Valuation	2018	Improvements to buildings using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
	3	Improvements to land valued using cost approach using depreciated replacement cost (Gross Valuation Method)	Independent Valuation	2018	Improvements to buildings using construction costs and current condition, residual values and remaining useful life assessments inputs.
<b>Furniture and equipment</b>	3	Cost approach using depreciated replacement cost (Net revaluation method)	Management Valuation	2016	Construction/Purchase costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs.
<b>Plant and equipment</b>	2	Market approach using recent observable market data for similar items	Independent Valuation	2019	Fair Values that are based on inputs other than quoted prices included within Level 1 that are directly or indirectly observable for the asset.
	3	Cost approach using depreciated replacement cost (Net revaluation method)	Independent Valuation	2019	Fair Values that are derived from data unobservable in the market
<b>Tools and equipment</b>	3	Cost approach using depreciated replacement cost (Net revaluation method)	Independent and Management Valuation	2016	Construction/Purchase costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs.

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

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

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

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

**9. INFRASTRUCTURE**

**(a) Movements in Carrying Amounts**

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

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Parks & Ovals	Infrastructure - Other	Infrastructure - Sewerage	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>	20,916,532	502,955	1,083,670	1,273,247	695,785	1,057,706	25,529,895
Additions	1,357,408	3,208	-	-	-	-	1,360,616
Depreciation (expense)	(426,950)	(20,964)	(22,116)	(78,395)	(66,316)	(55,669)	(670,410)
<b>Carrying amount at 30 June 2019</b>	21,846,990	485,199	1,061,554	1,194,852	629,469	1,002,037	26,220,101
<b>Comprises:</b>							
Gross carrying amount at 30 June 2019	22,700,799	527,127	1,105,786	1,351,642	762,101	1,113,375	27,560,830
Accumulated depreciation at 30 June 2019	(853,809)	(41,928)	(44,232)	(156,790)	(132,632)	(111,338)	(1,340,729)
<b>Carrying amount at 30 June 2019</b>	21,846,990	485,199	1,061,554	1,194,852	629,469	1,002,037	26,220,101
Additions	1,120,432	69,658	-	-	54,387	-	1,244,478
Revaluation increments / (decrements) transferred to revaluation surplus	28,785,192	194,698	3,024,838	-	-	-	32,004,728
Depreciation (expense)	(595,570)	(23,143)	(41,547)	(78,396)	(72,015)	(55,668)	(866,339)
<b>Carrying amount at 30 June 2020</b>	51,157,044	726,412	4,044,845	1,116,456	611,841	946,369	58,602,967
<b>Comprises:</b>							
Gross carrying amount at 30 June 2020	77,151,208	1,373,891	7,933,610	1,351,642	816,488	1,113,375	89,740,214
Accumulated depreciation at 30 June 2020	(25,994,164)	(647,479)	(3,888,765)	(235,186)	(204,647)	(167,006)	(31,137,247)
<b>Carrying amount at 30 June 2020</b>	51,157,044	726,412	4,044,845	1,116,456	611,841	946,369	58,602,967



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

9. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	3	Cost approach using depreciated replacement cost (Gross revaluation method)	Independent Valuation	2020	Construction costs and current condition, residual values and remaining useful life assessments inputs.
Infrastructure - Footpaths	3	Cost approach using depreciated replacement cost (Gross revaluation method)	Independent Valuation	2020	Construction costs and current condition, residual values and remaining useful life assessments inputs.
Infrastructure - Drainage	3	Cost approach using depreciated replacement cost (Gross revaluation method)	Independent Valuation	2020	Construction costs and current condition, residual values and remaining useful life assessments inputs.
Infrastructure - Parks & Ovals	3	Cost approach using depreciated replacement cost (Gross revaluation method)	Independent Valuation	2017	Construction costs and current condition, residual values and remaining useful life assessments inputs.
Infrastructure - Other	3	Cost approach using depreciated replacement cost (Gross revaluation method)	Independent Valuation	2017	Construction costs and current condition, residual values and remaining useful life assessments inputs.
Infrastructure - Sewerage	3	Cost approach using depreciated replacement cost (Gross revaluation method)	Independent Valuation	2017	Construction costs and current condition, residual values and remaining useful life assessments inputs.

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

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

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

**10. FIXED ASSETS**

**(a) SIGNIFICANT ACCOUNTING POLICIES**

**Fixed assets**

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

**Initial recognition and measurement between mandatory revaluation dates**

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are land, buildings, infrastructure and investment properties acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

**Revaluation**

The fair value of land, buildings, infrastructure and investment properties is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Shire.

At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

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

**AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY**

**Land under control prior to 1 July 2019**

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

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

**Land under roads prior to 1 July 2019**

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

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008.

This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the then Local Government (Financial Management) Regulation 16(a)(i) which arbitrarily *prohibited local governments from recognising such land as an asset*. This regulation has now been deleted.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, the then Local Government (Financial Management) Regulation 16(a)(i) prohibited 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 was not included as an asset of the Shire.

**Land under roads from 1 July 2019**

As a result of amendments to the Local Government (Financial Management) Regulations 1996, effective from 1 July 2019, vested land, including land under roads, are treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position.

The Shire has accounted for the removal of the vested land values associated with vested land previously recognised by removing the land value and associated revaluation reserve as at 1 July 2019. The comparatives have not been restated.

**Vested improvements from 1 July 2019**

The measurement of vested improvements at fair value in accordance with Local Government (Financial Management) Regulation 17A(2)(iv) is a departure from AASB 16 which would have required the Shire to measure the vested improvements as part of the related right-of-use assets at zero cost.

Refer to Note 11 that details the significant accounting policies applying to leases (including right of use assets).

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

**10. FIXED ASSETS**

**(b) Depreciation**

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Buildings - non-specialised	495,366	468,400	468,322
Furniture and equipment	16,816	16,400	16,333
Plant and equipment	219,849	114,450	169,167
Tools and equipment	1,580	1,500	1,486
Infrastructure - Roads	595,570	428,345	426,950
Infrastructure - Footpaths	23,143	20,100	20,964
Infrastructure - Drainage	41,547	22,150	22,116
Infrastructure - Parks & Ovals	78,396	78,400	78,395
Infrastructure - Other	72,015	66,350	66,316
Infrastructure - Sewerage	55,668	55,700	55,669
	1,599,951	1,271,795	1,325,718

**SIGNIFICANT ACCOUNTING POLICIES**

**Depreciation**

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

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

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

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

**Depreciation rates**

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

Asset Class	Useful life
Buildings	15 to 61 years
Furniture and equipment	4 to 10 years
Tools	10 to 20 years
Plant and equipment	10 to 27 years
Roads and streets	
- Formation	not depreciated
- Pavement	17 years
- Bridges	50 years
- Kerbing	25 years
Footpaths	25 years
Other Infrastructure	8 - 40 years
Parks & Ovals Infrastructure	17 years
Drainage Infrastructure	50 years
Wastewater infrastructure	20 years

**Depreciation on revaluation**

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

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

**Amortisation**

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

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

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

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

**10. FIXED ASSETS**

**(c) Disposals of Assets**

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss	2020 Budget Net Book Value	2020 Budget Sale Proceeds	2020 Budget Profit	2020 Budget Loss	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	-	-	-	-	115,000	140,000	33,000	(8,000)	170,000	170,000	-	-
Buildings - non-specialised	-	-	-	-	-	-	-	-	210,988	179,200	14,631	(46,419)
Furniture and equipment	-	-	-	-	-	-	-	-	7,502	-	-	(7,502)
Plant and equipment	104,954	99,223	5,786	(11,517)	389,950	436,000	47,050	(1,000)	206,908	237,877	40,366	(9,398)
	104,954	99,223	5,786	(11,517)	504,950	576,000	80,050	(9,000)	595,398	587,077	54,997	(63,319)

The following assets were disposed of during the year.

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
<b>Plant and Equipment</b>				
<b>Recreation and culture</b>				
#2010-001 Ford Ranger	3,970	2,727	-	(1,243)
<b>Transport</b>				
#426 Low Loader	4,894	9,091	4,197	-
#Dolly	684	2,273	1,589	-
<b>Other property and services</b>				
Ford Everest CEO	49,099	42,727	-	(6,372)
Ford Everest MCCA	46,307	42,405	-	(3,902)
	104,954	99,223	5,786	(11,517)
	104,954	99,223	5,786	(11,517)



## 11. LEASES AND RIGHT OF USE ASSETS

### (a) Leases and Right of Use Assets

The Shire has no reportable leases or right of use assets.

#### SIGNIFICANT ACCOUNTING POLICIES

##### Leases

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

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

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

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

##### Right-of-use assets - valuation

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

Refer to Note 10 for details on the significant accounting policies applying to vested improvements.

##### Right-of-use assets - depreciation

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

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

**12. REVALUATION SURPLUS**

	2020	2020	2020	2020	Total	2020	2019	2019	Total	2019
	Opening	Change in	Restated	Revaluation	Movement on	Closing	Opening	Revaluation	Movement on	Closing
	Balance	Accounting	Opening	Increment	Revaluation	Balance	Balance	Increment	Revaluation	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	871,768	-	871,768	-	-	871,768	871,768	-	-	871,768
Revaluation surplus - Land - vested in and under the control of Council	300,000	(300,000)	-	-	-	-	300,000	-	-	300,000
Revaluation surplus - Buildings - non-specialised	9,061,374	-	9,061,374	-	-	9,061,374	9,061,374	-	-	9,061,374
Revaluation surplus - Plant and equipment	181,702	-	181,702	-	-	181,702	76,610	105,092	105,092	181,702
Revaluation surplus - Tools and equipment	16,271	-	16,271	-	-	16,271	16,271	-	-	16,271
Revaluation surplus - Infrastructure - Roads	1,394,293	-	1,394,293	28,785,192	28,785,192	30,179,485	1,394,293	-	-	1,394,293
Revaluation surplus - Infrastructure - Footpaths	302,397	-	302,397	194,698	194,698	497,095	302,397	-	-	302,397
Revaluation surplus - Infrastructure - Drainage	1,078,803	-	1,078,803	3,024,838	3,024,838	4,103,641	1,078,803	-	-	1,078,803
Revaluation surplus - Infrastructure - Parks & Ovals	539,161	-	539,161	-	-	539,161	539,162	-	-	539,162
Revaluation surplus - Infrastructure - Other	33,549	-	33,549	-	-	33,549	33,549	-	-	33,549
Revaluation surplus - Infrastructure - Sewerage	853,802	-	853,802	-	-	853,802	853,801	-	-	853,801
	14,633,120	(300,000)	14,333,120	32,004,728	32,004,728	46,337,848	14,528,028	105,092	105,092	14,633,120

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

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

**13. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors  
 Prepaid rates  
 Accrued salaries and wages  
 Other Creditors  
 Bonds and deposits held  
 Creditors Licensing  
 Payroll Creditors  
 Accrued Loan Interest  
 Grants paid in advance

2020	2019
\$	\$
250,099	182,965
86,093	71,664
13,551	13,993
6,865	14,619
11,661	12,061
8,765	1,602
36,243	40,939
7,902	8,463
-	23,175
421,179	369,481

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other payables**

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

**Prepaid rates**

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

## 14. CONTRACT LIABILITIES

### Current

Contract liabilities from contracts with customers

2020	2019
\$	\$
126,641	-
126,641	-

### SIGNIFICANT ACCOUNTING POLICIES

#### Contract Liabilities

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

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

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



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

**15. INFORMATION ON BORROWINGS**

**(a) Borrowings**

	2020	2019
	\$	\$
Current	144,043	145,042
Non-current	1,182,149	1,273,192
	1,326,192	1,418,234

**(b) Repayments - Borrowings**

Particulars	Loan Number	Institution	Interest Rate	Actual Principal 1 July 2019	30 June 2020 Actual New Loans	30 June 2020 Actual Principal repayments	30 June 2020 Actual Interest repayments	30 June 2020 Actual Principal outstanding	Budget Principal 1 July 2019	30 June 2020 Budget New Loans	30 June 2020 Budget Principal repayments	30 June 2020 Budget Interest repayments	30 June 2020 Budget Principal outstanding	Actual Principal 1 July 2018	30 June 2019 Actual New Loans	30 June 2019 Actual Principal repayments	30 June 2019 Actual Interest repayments	30 June 2019 Actual Principal outstanding
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Housing</b>																		
Loan 100 - GROH	100	WATC*	3.57%	275,144	-	9,973	9,647	265,171	275,144	-	9,973	9,734	265,171	-	280,000	4,856	7,413	275,144
<b>Recreation and culture</b>																		
Loan 97 - Community Club	97	WATC*	4.09%	218,830	-	70,011	8,062	148,819	218,830	-	70,011	8,243	148,819	286,063	-	67,233	10,847	218,830
Loan 101 - Swimming Pool	101	WATC*	1.80%	200,000	-	18,426	3,512	181,574	200,000	-	17,428	5,870	182,572	-	200,000	-	59	200,000
DEM Loan - Swimming Pool		DEM**	0.00%	-	50,000	-	-	50,000	-	50,000	-	-	50,000	-	-	-	-	-
<b>Economic services</b>																		
DEM Loan - Tourism Entry Statements		DEM**	0.00%	-	-	-	-	-	-	37,500	-	-	37,500	-	-	-	-	-
Loan 99 - Accommodation	99	WATC*	3.14%	711,692	-	31,064	21,870	680,628	711,693	-	31,066	22,110	680,627	741,804	-	30,112	22,831	711,692
				1,405,666	50,000	129,474	43,091	1,326,192	1,405,667	87,500	128,478	45,957	1,364,689	1,027,867	480,000	102,201	41,150	1,405,666
<b>Self Supporting Loans</b>																		
<b>Economic services</b>																		
Loan 98 - Dowerin Events	98	WATC*	3.25%	12,568	-	12,568	151	-	12,567	-	12,567	205	-	37,102	-	24,534	904	12,568
				12,568	-	12,568	151	-	12,567	-	12,567	205	-	37,102	-	24,534	904	12,568
				1,418,234	50,000	142,042	43,242	1,326,192	1,418,234	87,500	141,045	46,162	1,364,689	1,064,969	480,000	126,735	42,054	1,418,234

\* WA Treasury Corporation

\*\*Dowerin Events Management

Self supporting loans are financed by payments from third parties. These are shown in Note 5 as other financial assets at amortised cost.

All other loan repayments were financed by general purpose revenue.

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

**15. INFORMATION ON BORROWINGS (Continued)**

**(c) New Borrowings - 2019/20**

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2020 Actual	2020 Budget	2020 Actual	2020 Budget		
				%	\$	\$	\$	\$	\$	\$
Swimming Pool	*DEM	Interest Free	5	0.00%	50,000	50,000	50,000	50,000	-	-
Tourism Entry Statements	*DEM	Interest Free	5	0.00%	-	37,500	-	37,500	-	-
* Dowerin Events Management					50,000	87,500	50,000	87,500	-	-

**(d) Undrawn Borrowing Facilities**

	2020 \$	2019 \$
<b>Credit Standby Arrangements</b>		
Bank overdraft limit	60,000	60,000
Bank overdraft at balance date	-	-
Credit card limit	18,000	16,000
Credit card balance at balance date	(1,910)	(6,191)
<b>Total amount of credit unused</b>	<b>76,090</b>	<b>69,809</b>

**Loan facilities**

Loan facilities - current	144,043	145,042
Loan facilities - non-current	1,182,149	1,273,192
<b>Total facilities in use at balance date</b>	<b>1,326,192</b>	<b>1,418,234</b>

**Unused loan facilities at balance date**

	-	-
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**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Borrowing costs**

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

**Risk**

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

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

## 16. EMPLOYEE RELATED PROVISIONS

### (a) Employee Related Provisions

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
<b>Opening balance at 1 July 2019</b>			
Current provisions	134,587	82,804	217,391
Non-current provisions	-	24,110	24,110
	134,587	106,914	241,501
 Additional provision	109,002	35,820	144,822
Amounts used	(125,668)	(33,590)	(159,258)
<b>Balance at 30 June 2020</b>	117,921	109,144	227,065
 <b>Comprises</b>			
Current	117,921	74,181	192,102
Non-current	-	34,963	34,963
	117,921	109,144	227,065
 <b>Amounts are expected to be settled on the following basis:</b>	<b>2020</b>	<b>2019</b>	
	\$	\$	
Less than 12 months after the reporting date	117,921	217,391	
More than 12 months from reporting date	92,750	13,787	
Expected reimbursements from other WA local governments	16,394	10,323	
	227,065	241,501	

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

### SIGNIFICANT ACCOUNTING POLICIES

#### Employee benefits

##### Short-term employee benefits

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

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

##### Other long-term employee benefits

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

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

##### Other long-term employee benefits (Continued)

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

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

##### Provisions

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

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

## 17. NOTES TO THE STATEMENT OF CASH FLOWS

### Reconciliation of Cash

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

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Cash and cash equivalents	1,212,407	2,405,611	856,021
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	(63,701)	223,897	(192,714)
Non-cash flows in Net result:			
Depreciation on non-current assets	1,599,951	1,271,795	1,325,718
(Profit)/loss on sale of asset	5,731	(71,050)	8,321
Movement in Equity in Local Government House	-	-	(6,151)
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(17,864)	-	(36,139)
(Increase)/decrease in inventories	8,112	-	5,440
Increase/(decrease) in payables	51,698	-	(27,792)
Increase/(decrease) in provisions	(14,436)	-	20,302
Non-operating grants, subsidies and contributions	(1,104,342)	(1,301,106)	(716,810)
Net cash from operating activities	591,790	123,536	380,175

## 18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2020	2019
	\$	\$
General purpose funding	1,423,619	285,022
Law, order, public safety	693,182	744,191
Education and welfare	177,823	153,059
Housing	3,933,932	4,333,406
Community amenities	1,384,048	2,663,285
Recreation and culture	10,916,836	12,078,925
Transport	56,535,528	25,436,974
Economic services	2,701,076	2,721,951
Other property and services	3,582,295	863,255
Unallocated	557,277	912,660
	81,905,616	50,192,728



## 19. CONTINGENT LIABILITIES

The Shire of Dowerin has identified the following sites, in relation to land owned, vested or leased that is known to be, or suspected of being contaminated. As at the date of this report the value and timing of remediation has not been ascertained.

Lot 98 Cottrell Street, Dowerin - Shire Depot - hydrocarbon.

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**20. CAPITAL COMMITMENTS**

**(a) Capital Expenditure Commitments**

Contracted for:

- plant & equipment repairs

55,000 -

55,000 -

Payable:

- not later than one year

55,000 -

The amount of capital commitments at 30 June 2020 relates to repairs to the Shire's loader.

## 21. RELATED PARTY TRANSACTIONS

### Elected Members Remuneration

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

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Meeting fees	20,035	25,000	22,265
President's allowance	3,200	3,200	3,180
Deputy President's allowance	800	800	800
Members Communications	-	1,000	900
	24,035	30,000	27,145

### Key Management Personnel (KMP) Compensation Disclosure

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

	2020 Actual	2019 Actual
	\$	\$
Short-term employee benefits	384,458	442,703
Post-employment benefits	35,279	43,546
Other long-term benefits	43,560	5,939
Termination benefits	17,709	22,902
	481,006	515,090

#### *Short-term employee benefits*

These amounts include all salary, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found above.

#### *Post-employment benefits*

These amounts are the current-year's estimated cost of providing for the Shire's superannuation contributions made during the year.

#### *Other long-term benefits*

These amounts represent annual leave and long service benefits accruing during the year.

#### *Termination benefits*

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

## 21. RELATED PARTY TRANSACTIONS (Continued)

### Transactions with related parties

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

The following transactions occurred with related parties:	2020 Actual \$	2019 Actual \$
Sale of goods and services	-	(85,000)
Purchase of goods and services	402,423	249,478
Short term employee benefits -other related parties	51,505	40,666
Post employment benefits - other related parties	4,799	3,462
<b>Amounts outstanding from related parties:</b>		
Trade and other receivables	-	24,684

### Related Parties

#### The Shire's main related parties are as follows:

##### i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel.

##### ii. Other Related Parties

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

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

##### iii. Entities subject to significant influence by the Shire

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

## 22. JOINT ARRANGEMENTS

### Share of Joint operation

The Shire of Dowerin entered into joint arrangements with the State Housing Commission - Homeswest for construction of:  
4 x 2 Bedroom Units for small families (Memorial Street Units) in 1996

4 x Independent Living Units for Seniors (Lot 27 Goldfields Road - Hilda Street Units) in 2006

The Shire has 19% interest in the joint arrangement.

Assets associated with the joint venture agreements are included in Council's Property, Plant & Equipment Register.

	2020	2019
	\$	\$
<b>Non current assets</b>		
Land and Buildings	1,115,947	1,115,947
Less: accumulated depreciation	(55,797)	(27,899)
Total assets	1,060,150	1,088,048
 Statement of Comprehensive income		
Other revenue	6,281	27,418
Other expenditure	(3,611)	(39,753)
Net result for the period	2,670	(12,335)
 <b>Other comprehensive income</b>		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Changes in asset revaluation surplus	-	-
<b>Total other comprehensive income for the period</b>	-	-
 <b>Total comprehensive income for the period</b>	2,670	(12,335)

### 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 arrangements providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method. The equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

#### Interests in joint arrangements (Continued)

Joint 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.



## 23. MAJOR LAND TRANSACTIONS

The Shire had no major land transactions during the financial year 2019/2020.

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**24. RATING INFORMATION**

**(a) Rates**

**RATE TYPE**

Differential general rate / general rate

**Gross rental valuations**

Residential	0.10079	136	1,352,119	136,280	3,088	861	140,229	136,282	136,282	129,677
Commercial	0.10079	12	256,474	25,850	-	-	25,850	25,851	25,851	24,856
Town Rural	0.10079	27	138,892	13,999	-	-	13,999	13,999	13,999	12,367
Other Towns	0.10079	8	33,384	3,365	-	-	3,365	3,365	3,365	-

**Unimproved valuations**

Rural Farmland	0.0084	229	126,018,500	1,058,555	519	65	1,059,139	1,058,933	1,058,933	1,013,162
<b>Sub-Total</b>		422	127,799,369	1,238,049	3,607	926	1,242,582	1,238,430	1,238,430	1,180,062

**Minimum payment**

**Gross rental valuations**

Residential	770	39	230,415	30,030	-	-	30,030	30,030	30,030	35,568
Commercial	770	18	70,095	13,860	-	-	13,860	13,860	13,860	13,338
Town Rural	770	15	36,975	11,550	-	-	11,550	11,550	11,550	11,856
Other Towns	225	20	7,974	4,500	-	-	4,500	4,500	4,500	4,104

**Unimproved valuations**

Rural Farmland	770	61	3,345,400	46,970	-	-	46,970	46,970	46,970	48,165
Commercial/Industrial	770	4	400	3,080	-	-	3,080	3,080	3,080	2,964
Town rural	770	4	92,500	3,080	-	-	3,080	3,080	3,080	2,223
Mining	225	4	9,529	900	(382)	-	518	900	900	(2,918)
<b>Sub-Total</b>		165	3,793,288	113,970	(382)	-	113,588	113,970	113,970	115,300

**Total amount raised from general rate**

Ex-gratia rates							1,356,170	1,352,400	1,352,400	1,295,362
<b>Totals</b>							46,601	-	-	32,947
							1,402,771	1,352,400	1,352,400	1,328,309

**SIGNIFICANT ACCOUNTING POLICIES**

**Rates**

Control over assets acquired from rates is obtained at the commencement of the rating period.

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

SHIRE OF DOWERIN  
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24. RATING INFORMATION (Continued)

(b) Specified Area Rate

The Shire did not levy a specified area rate during the current reporting period.

(c) Service Charges

Service Charges	Amount of Charge	2019/20 Actual Revenue Raised	2019/20 Actual Charges Applied to Costs	2019/20 Actual Charges Set Aside to Reserve	2019/20 Actual Reserve Applied to Costs	2019/20 Budget Revenue	2019/20 Budget Charges Applied to Costs	2019/20 Budget Charges Set Aside to Reserve	2019/20 Budget Reserve Applied to Costs	2018/19 Total Actual Revenue
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Sewerage Rates	7.5841	157,585	149,282	19,214	-	156,000	156,000	61,466	(150,000)	150,198
Sewerage Fixtures	250/114	10,910	-	-	-	10,500	10,500	-	-	10,450
		168,495	149,282	19,214	-	166,500	166,500	61,466	(150,000)	160,648

Nature of the Service Charge	Objects of the Charge	Reasons for the Charge	Area/Properties Charge Imposed
Sewerage Rates	To reimburse the running costs of the sewerage scheme	Health and sanitisation service for council for the benefit of rate payers	Properties with access to the Sewerage scheme
Sewerage Fixtures	Installation and maintenance costs	Health and sanitisation service for council for the b	Properties with access to the Sewerage scheme

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

No discounts, incentives, concessions or write-offs were offered by the Shire during the current reporting period.

## 24. RATING INFORMATION (Continued)

### (e) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Option One</b>				
Single full payment	9/09/2019	-	0.00%	11.00%
<b>Option Two</b>				
First instalment	9/09/2019	0.00	5.50%	11.00%
Second instalment	13/01/2020	5.00	5.50%	11.00%
<b>Option Three</b>				
First instalment	9/09/2019	0.00	5.50%	11.00%
Second instalment	11/11/2019	5.00	5.50%	11.00%
Third instalment	13/01/2020	5.00	5.50%	11.00%
Fourth instalment	13/03/2020	5.00	5.50%	11.00%

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Interest on unpaid rates	9,308	9,000	10796
Interest on instalment plan	3,893	1,000	4,838
Charges on instalment plan	1,120	5,000	-
	14,321	15,000	15,634

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**25. RATE SETTING STATEMENT INFORMATION**

		2019/20 Budget	2019/20	2018/19
	(30 June 2020)	(30 June 2020)	(1 July 2019)	(30 June 2019)
Note	Carried Forward)	Carried Forward)	Brought Forward)	Carried Forward
	\$	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals	10(c)	(5,786)	(80,050)	(54,997)
Movement in employee leave reserve		875	2,415	2,415
Movement in Equity in Local Government House		-	(6,151)	(6,151)
Movement in pensioner deferred rates (non-current)		-	(3,122)	(3,122)
Movement in employee benefit provisions (non-current)		10,855	(45,455)	(45,455)
Add: Loss on disposal of assets	10(c)	11,517	9,000	63,318
Add: Depreciation on non-current assets	10(b)	1,599,951	1,271,795	1,325,718
<b>Non cash amounts excluded from operating activities</b>		1,617,412	1,281,726	1,281,726
<b>(b) Surplus/(deficit) after imposition of general rates</b>				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
<b>Adjustments to net current assets</b>				
Less: Reserves - cash/financial asset backed	4	(1,851,072)	(2,291,652)	(2,245,469)
Less: Financial assets at amortised cost - self supporting loans	5(a)	-	(12,752)	(12,752)
Less: Current assets not expected to be received at end of year				
- Liabilities supported by a reserve		57,507	56,631	56,631
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	15(a)	144,043	144,589	145,042
- Employee benefit provisions		-	151,636	-
<b>Total adjustments to net current assets</b>		(1,649,522)	(1,995,426)	(2,056,548)
<b>Net current assets used in the Rate Setting Statement</b>				
Total current assets		3,335,135	2,667,518	3,376,145
Less: Total current liabilities		(883,965)	(685,968)	(731,914)
Less: Total adjustments to net current assets		(1,649,522)	(1,995,426)	(2,056,548)
<b>Net current assets used in the Rate Setting Statement</b>		801,648	(13,876)	587,683
<b>Total current assets at 30 June 2019</b>				3,376,145
<b>Total current assets at 1 July 2019</b>				3,376,145
<b>Total current liabilities at 30 June 2019</b>				(731,914)
<b>Total current liabilities at 1 July 2019</b>				(731,914)



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## 26. FINANCIAL RISK MANAGEMENT

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

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

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

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

### (a) Interest rate risk

#### Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
<b>2020</b>					
Cash and cash equivalents	0.10%	1,212,407	-	1,212,407	-
Financial assets at amortised cost - term deposits	0.90%	1,851,073	1,851,073	-	-
<b>2019</b>					
Cash and cash equivalents	0.75%	856,021	-	856,021	-
Financial assets at amortised cost	2.09%	2,245,469	2,245,469	-	-

#### Sensitivity

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

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

	2020	2019
	\$	\$
	12,124	8,560

\* Holding all other variables constant

#### Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs.

The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 15(b).

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26. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

**Trade and Other Receivables**

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

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

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

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

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

The loss allowance as at 30 June 2020 was determined as follows for rates receivable and related charges.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
<b>30 June 2020</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.89%	
Gross carrying amount	1,199	45,254	34,752	72,290	153,495
Loss allowance	-	-	-	64,422	64,422
<b>30 June 2019</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	970	62,123	21,294	55,414	139,801
Loss allowance	-	-	-	-	-

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2020</b>					
Trade and other receivables					
Expected credit loss	0.02%	0.00%	0.00%	0.00%	
Gross carrying amount	149,153	4,291	262	360	154,066
Loss allowance	2,574	-	-	-	2,574
<b>30 June 2019</b>					
Trade and other receivables					
Expected credit loss	-	-	-	39.78%	2.52%
Gross carrying amount	85,682	22,723	106	7,329	115,839
Loss allowance	-	-	-	2,915	2,915

## 26. FINANCIAL RISK MANAGEMENT (Continued)

### (c) Liquidity risk

#### Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 15(d).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2020</b>					
Payables	421,179	-	-	421,179	421,179
Borrowings	183,073	592,358	870,460	1,645,891	1,326,192
Contract liabilities	126,641	-	-	126,641	126,641
	730,893	592,358	870,460	2,193,711	1,874,012
<b>2019</b>					
Payables	369,481	-	-	369,481	369,481
Borrowings	185,967	631,223	965,772	1,782,961	1,418,234
	555,448	631,223	965,772	2,152,442	1,787,715

## 27. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Shire.

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**28. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS**

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

**(a) AASB 15: Revenue from Contracts with Customers**

The Shire adopted AASB 15 Revenue from Contracts with Customers (issued December 2014) on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the Shire adopted the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. There were no adjustments required.

**(b) AASB 1058: Income For Not-For-Profit Entities**

The Shire adopted AASB 1058 Income for Not-for-Profit Entities (issued December 2016) on 1 July 2019 which will result in changes in accounting policies. In accordance with the transition provisions AASB 1058, the Shire adopted the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods was not restated in accordance with AASB 1058 transition requirements. There were no adjustment required.

In applying AASB 1058 retrospectively with the cumulative effect of initially applying the Standard on 1 July 2019 there were no changes to the financial statement line items by application of AASB 1058 as compared to AASB 118: Revenue and AASB 1004: Contributions before the change.

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Therefore the rates received in advance gave rise to a financial liability that is within the scope of AASB 9. On 1 July 2019 the prepaid rates were recognised as a financial asset and a related amount recognised as a financial liability and no income recognised by the Shire. When the taxable event occurred, the financial liability was extinguished and the Shire recognised income for the prepaid rates that have not been refunded.

Assets that were acquired for consideration, that were significantly less than fair value principally to enable the Shire to further its objectives, may have been measured on initial recognition under other Australian Accounting Standards at a cost that was significantly less than fair value. Such assets are not required to be remeasured at fair value.



**SHIRE OF DOWERIN**  
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**28. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)**

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

		2020 \$		2020 \$
	Note	As reported under AASB 15 and AASB 1058	Adjustment due to application of AASB 15 and AASB 1058	Compared to AASB 118 and AASB 1004
<b>Statement of Comprehensive Income</b>				
<b>Revenue</b>				
Rates	24(a)	1,402,771	0	1,402,771
Operating grants, subsidies and contributions	2(a)	2,031,369	126,641	2,158,010
Fees and charges	2(a)	418,193	0	418,193
Non-operating grants, subsidies and contributions	2(a)	1,104,342	0	1,104,342
Net result		(63,701)	126,641	62,940
<b>Statement of Financial Position</b>				
Trade and other payables	13	421,179	0	421,179
Contract liabilities	14	126,641	(126,641)	0
Net assets		79,804,539	126,641	79,931,180
<b>Statement of Changes in Equity</b>				
Net result		(63,701)	126,641	62,940
Retained surplus		31,615,618	126,641	31,742,259

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

**(c) AASB 16: Leases**

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

The Shire had no reportable leases under this standard.

In applying AASB 16 for the first time, the Shire will use the following practical expedient permitted by the standard.

- The exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application.

**(d) Impact of New Accounting Standards on Retained Surplus**

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

	Note	Adjustments	2019 \$
Retained surplus - 30 June 2019			31,284,923
Adjustment to retained surplus from adoption of AASB 15	28(a)	-	
Adjustment to retained surplus from adoption of AASB 16	28(c)	-	
Adjustment to retained surplus from adoption of AASB 1058	28(b)	-	-
Retained surplus - 1 July 2019			31,284,923

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**29. CHANGE IN ACCOUNTING POLICIES**

**(a) Change in Accounting Policies due to regulation changes**

Effective 6 November 2020, *Local Government (Financial Management) Regulation 16* was deleted and *Local Government (Financial Management) Regulation 17A* was amended with retrospective application. The changes were effective for financial years ending on or after 30 June 2020 so are required to be applied retrospectively with cumulative effect applied initially on 1 July 2019.

In accordance with the changes, the Shire was required to remove the values attributable to certain crown land assets previously required to be recognised, as well as the associated revaluation surplus at 1 July 2019. These assets have been measured as concessionary lease right-of-use assets at zero cost in accordance with AASB 16. For further details relating to these changes, refer to Note 11.

In summary the following adjustments were made to the amounts recognised in the statement of financial position at the date of initial application (1 July 2019):

	Note	Carrying amount 30 June 2019 \$	Adjustment \$	Carrying amount 01 July 2019 \$
Property, plant and equipment	8	20,509,649	(300,000)	20,209,649
Revaluation surplus	12	14,633,120	(300,000)	14,333,120

**(b) Changes in equity due to change in accounting policies**

The impact on the Shire's opening revaluation surplus resulting from *Local Government (Financial Management) Regulation 16* being deleted and the amendments to *Local Government (Financial Management) Regulation 17A* as at 1 July 2019 was as follows:

	Note	Adjustments	2019 \$
Revaluation surplus - 30 June 2019			14,633,120
Adjustment to revaluation surplus from deletion of FM Reg 16	29(a)	(300,000)	
Adjustment to revaluation surplus from deletion of FM Reg 17	29(a)	-	(300,000)
Revaluation surplus - 1 July 2019			14,333,120

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**30. OTHER SIGNIFICANT ACCOUNTING POLICIES**

**a) Goods and services tax (GST)**

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

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

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

**b) Current and non-current classification**

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

**c) Rounding off figures**

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

**d) Comparative figures**

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

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

**e) Budget comparative figures**

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

**f) Superannuation**

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

**g) Fair value of assets and liabilities**

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

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

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

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

**h) Fair value hierarchy**

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

**Valuation techniques**

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

**Market approach**

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

**Income approach**

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

**Cost approach**

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

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

**i) Impairment of assets**

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

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

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

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

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**31. ACTIVITIES/PROGRAMS**

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

<b>PROGRAM NAME AND OBJECTIVES</b>	<b>ACTIVITIES</b>
<b>GOVERNANCE</b> 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 to the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.
<b>GENERAL PURPOSE FUNDING</b> To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
<b>LAW, ORDER, PUBLIC SAFETY</b> To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
<b>HEALTH</b> 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.
<b>EDUCATION AND WELFARE</b> To provide services to disadvantaged persons, the elderly, children and youth.	Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.
<b>HOUSING</b> To provide housing to staff.	Staff housing, provision of general rental accomodation when buildings not required by staff.
<b>COMMUNITY AMENITIES</b> To provide services required by the community.	Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.
<b>RECREATION AND CULTURE</b> To establish and effectively manage infrastructure and resources which help the social well being of the community.	Maintenance of public halls, civic centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.
<b>TRANSPORT</b> To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, streets, footpaths, depots, cycleways and parking facilities.
<b>ECONOMIC SERVICES</b> To help promote the Shire and its economic wellbeing.	Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building control.
<b>OTHER PROPERTY AND SERVICES</b> To monitor and control Council's overhead operating accounts.	Private works operation, plant repair and operation costs, housing and engineering operation costs.

## 32. FINANCIAL RATIOS

	2020 Actual	2019 Actual	2018 Actual
Current ratio	1.94	2.16	2.85
Asset consumption ratio	0.60	0.95	0.98
Asset renewal funding ratio	1.40	1.35	0.94
Asset sustainability ratio	0.83	1.43	0.51
Debt service cover ratio	2.56	2.72	(2.91)
Operating surplus ratio	(0.52)	(0.40)	(0.87)
Own source revenue coverage ratio	0.40	0.41	0.35

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$





## Auditor General

### INDEPENDENT AUDITOR'S REPORT

To the Councillors of the Shire of Dowerin

#### Report on the Audit of the Financial Report

##### **Opinion**

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

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

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

##### **Basis for Opinion**

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

##### **Emphasis of Matter – Basis of Accounting**

I draw attention to Notes 1 and 10 to the annual financial report, which describe the basis of accounting. The annual financial report has been prepared for the purpose of fulfilling the Shire's financial reporting responsibilities under the Act, including the Local Government (Financial Management) Regulations 1996 (Regulations). My opinion is not modified in respect of these matters:

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

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

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

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

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

***Auditor's Responsibility for the Audit of the Financial Report***

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

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

***Report on Other Legal and Regulatory Requirements***

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

- (i) In my opinion, the following material matter indicates significant adverse trend in the financial position of the Shire:
  - a. The Operating Surplus Ratio has been below the Department of Local Government, Sport and Cultural Industries standard for the past three years.  
The financial ratios are reported in Note 32 of the financial report.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

**Other Matter**

The financial ratios for 2018 in Note 32 of the annual financial report were audited by another auditor when performing their audit of the Shire for the year ending 30 June 2018. The auditor expressed an unmodified opinion on the annual financial report for that year.

**Matters Relating to the Electronic Publication of the Audited Financial Report**

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



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ASSISTANT AUDITOR GENERAL  
FINANCIAL AUDIT  
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17 December 2020