

# PRESIDENT'S MESSAGE

## 2020/21 Budget Highlights

I am pleased to present the 2020/21 Budget for the Shire of Dowerin which was adopted by Council at its July 2020 meeting.

COVID-19 has had a significant impact across the globe and while we can be thankful that Dowerin has fared relatively well in comparison to many places, we are certainly not immune. There will be a financial impact to the Shire both this year and into the future as a result of the pandemic.



In acknowledgement of the hardships some may be facing as a result of the pandemic, Council adopted the COVID19 - Financial Hardship Policy at its April 2020 meeting (CMRef 0174). The policy demonstrates our commitment to support the community to meet the challenges arising from the pandemic. The Policy is intended to ensure that we offer consistent and dignified support to ratepayers suffering genuine hardship, while treating all members of the community in a fair and equitable manner.

Along with many local governments around the State, the Shire of Dowerin has resolved not to increase the rate in the dollar for the 2020/21 financial year. However, it is disappointing that the revaluations conducted by the Valuer Generals Office will still apply this year. This will place pressure on Council, both in terms of budgeting processes and as a dilution of the impact of a perceived 0% rates increase for some ratepayers, as some rates assessments may still increase depending on the value placed on the property. It is acknowledged this may cause confusion for some property owners and it is unfortunate that the matter is outside of Council's control.

With the reduction in available revenue, the 2020/21 Budget is one of consolidation and rationalisation with limited spending in capital and community projects from Council's own resources. Despite this, some highlights include:

Regional Roads Group works	\$572,650
Roads to Recovery works	\$1,007,858
Flood Damage works*	\$1,783,999

*\*Flood damage works are subject to confirmation of funding approval.*

The Shire was fortunate to receive an allocation of \$383,746 through the Federal Government's COVID-19 stimulus Local Roads and Community Infrastructure Program. In line with the funding requirements, the funds will be allocated towards the following projects:

### Project 1 - Streetscaping/Tourism (\$254,000)

- Dowerin Short Stay Caravan Bay Extensions
- Footpath renewal and streetscaping to Jackson Street
- Improvements to the Dowerin Community Club & Dowerin Short Stay entrances
- Stewart Street improvements including renewing rubbish bins, repairing footpaths, garden revitalisation, signage, painting & installation of a new seating area
- Street light LED upgrade to Stewart Street (10 lights in stage 1)
- Pioneer Pathway Project
- Bird Hide & Tin Dog Walk refurbishment

# PRESIDENT'S MESSAGE

Project 2 - Facility Improvements (\$129,500)

- Oval perimeter fence renewal
- Landfill site perimeter fence (northern boundary)
- Archive Room refurbishment
- Re-roof Shire Administration Office
- Installation of air-conditioning to the Lesser Hall

A grant application will be made to the Community Sport Recreation Facilities Fund of \$290,000 to improve the irrigation network at the recreation ground. These grants are normally highly competitive and the project is subject to 1/3 funding through the program. We hope to be successful in securing the necessary funds which will enable the project to proceed.

A total of \$421,642 is expected to be transferred to Reserves.

Lastly, I would like to thank Councillors and staff for their efforts during these challenging and unprecedented times. Some tough decisions have had to be made but we have done so by working harmoniously together with the same goal in mind. I would also encourage the community to continue to support local wherever possible as we all benefit as a result.

Cr Darrel Hudson  
SHIRE PRESIDENT

10.5 Adoption of 2020/21 Budget

## Corporate & Community Services



Date:	14 July 2020
Location:	Not Applicable
Responsible Officer:	Cherie Delmage, Manager Corporate & Community Services
Author:	As above
Legislation:	<i>Local Government Act 1995; Local Government (Financial Management) Regulations 1996; Local Government (Administration) Regulations 1996; Waste Avoidance and Resources Recovery Act 2001; Local Government (COVID-19 Response) Ministerial Order 2020</i>
Sharepoint Reference:	Organisation/Financial Management/Budgeting/2020-2021 Budget
Disclosure of Interest:	Nil
Attachments:	Attachment 10.5A - Draft 2020/21 Budget

### Purpose of Report

Executive Decision



Legislative Requirement

### Summary

This Item presents the draft 2020/21 Budget to Council for consideration and, if satisfactory, adoption.

### Background

The draft 2020/21 Budget has been compiled based on the principles contained in the Strategic Community Plan, with consideration for the *Local Government (COVID-19 Response) Ministerial Order 2020* as gazetted on 8 May 2020, and in accordance with presentations made to Council at budget workshops held in June and July 2020.

Further information provided to Council and considered at the budget workshops included proposed Programs for Plant Replacement, Capital Expenditure, Road Program, Building Maintenance and Asset Acquisitions.

### Comment

The main features of the draft 2020/21 Budget include:

1. A breakdown of rate charges;
2. Schedule of Fees and Charges;
3. Refuse collection charges; and
4. Sewerage rates and charges.

Council has allowed for \$710,000 towards its Road Maintenance Program which allows for \$100,000 for roadside tree pruning and \$80,000 towards road edging.

Proposed capital expenditure of \$5,003,185 includes the following:

1. A Capital Roads Program totalling \$3,445,857 the cost of which is partially offset by Federal and State road funding. The net impact of these works on Council funds is \$392,659. Of this Program, \$1,783,958 relates to storm damage that occurred in February 2020;
2. A total of \$591,000 on other infrastructure including the town oval reticulation upgrade (subject to grant funding), improvements to the main street at a value of \$60,000 and a \$50,000 extension to the oval perimeter fence; and
3. The purchase of the following plant is offset by loans as noted in the second table below:

Smooth Drum Roller	\$150,000
Multi Tyre Roller	\$170,000
Low Loader	\$85,000
Side Tipper	\$103,000
TOTAL	\$508,000

Loan 103: Multi Tyre Roller	\$170,000
Loan 104: Smooth Drum Roller	\$150,000
Loan 105: Low Loader	\$85,000
Loan 106: Side Tipper	\$103,000
TOTAL	\$508,000

All purchases of plant and the uptake of loans will be made throughout the year as part of Council considerations.

The 2020/21 Budget will include a transfer from the Recreation Reserve of \$193,333 towards the Town Oval Reticulation Project (\$290,000) which is dependent on receiving grant funding from the Community Sport and Recreation Facilities Fund. Transfers into Reserves of \$417,642 (plus approximate interest of \$20,000) also forms part of the budget.

The estimated brought forward balance is \$941,147 however, it must be noted that this figure is unaudited and may change once the annual accounts are finalised. The major influence on the brought forward figure is a payment of \$806,061 made in June 2020 of Federal Financial Assistance Grants, an allowance for outstanding creditors relating to 2019/20 and a carried forward amount from an uncompleted Regional Road Grant project.

In accordance with Clause 7 of the Ministerial Order, the following considerations apply to the preparation of the 2020/21 Budget as a result of the consequences of the COVID-19 pandemic:

1. Nil increase in the rate in the dollar for all property types based on GRV valuations;
2. Nil increase in the minimum rate;
3. Nil increase in sewerage rate in the dollar and minimums;
4. Nil increase in waste collection charges; and
5. Reduced interest rate from 11% to 8% being charged on penalty interest on outstanding amounts for those identified under Policy 4.16 - COVID-19 Financial Hardship Policy.

The effect on the Community Strategic Plan has been minimal and effects to the Corporate Business Plan relate mostly to the deferment of Key Actions. These will be carried forward to the 2020/21 financial year.

Consultation

Council Budget Workshop 16 June 2020

Council Budget Workshop 30 June 2020

Council Budget Workshop 13 July 2020

Rebecca McCall, Chief Executive Officer

Cherie Delmage, Manager Corporate & Community Services

Doug Davey, Acting Manager Works & Assets

Les Vidovich, Manager of Works & Assets

#### Policy Implications

If this Item is adopted as presented, it will result in the creation of two new Reserve accounts namely Depot and Waste which will result in a review of Policy 4.1 – Financial Reserves Policy.

#### Strategic Implications

##### Strategic Community Plan

Community Priority: Our Leaders

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

Outcome: 2

Reference: L3

Community Priority: Our Infrastructure

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

Outcome: 1

Reference: I2

##### Asset Management Plan

The AMP will be reviewed to capture the 2020/21 Budget allocations.

##### Long Term Financial Plan

The LTFP will be reviewed to capture the 2020/21 Budget allocations.

#### Statutory Implications

Section 6.2 of the *Local Government Act 1995* requires that not later than 31 August in each financial year, the local government is to prepare and adopt a budget for its municipal fund for the financial year ending on the following 30 June.

Division 5 and 6 of Part 6 of the *Local Government Act 1995* refers to the setting of budgets and raising of rates and charges. The *Local Government (Financial Management) Regulations 1996* details the form and content of the budget. The draft 2020/21 Budget as presented is considered to meet the statutory requirements.

#### Risk Implications

Risk Profiling Theme	Failure to fulfil statutory regulations or compliance requirements
Risk Category	Compliance
Risk Description	No noticeable regulatory or statutory impact
Consequence Rating	Insignificant (1)
Likelihood Rating	Rare (1)

Risk Matrix Rating	Low (1)
Key Controls (in place)	Governance Calendar, Financial Management Framework & Legislation
Action (Treatment)	Nil
Risk Rating (after treatment)	Adequate

#### Financial Implications

Specific financial implications are as noted within this report with full details itemised in the attached draft 2020/21 Budget presented for adoption.

#### Voting Requirements

Simple Majority

Absolute Majority

#### Officer's Recommendation

That, in accordance with Section 6.2 of the *Local Government Act 1995* and Part 3 of the *Local Government (Financial Management) Regulations 1996*, Council adopts the Shire of Dowerin 2020/21 Budget, as presented in Attachment 10.5A, for the 2020/21 financial year which includes the following:

1. Statement of Comprehensive Income by nature and type on Page 2 showing a net result for the 2020/21 financial year of \$2,323,501;
2. Statement of Comprehensive Income by Program on Page 4 showing a net result for the 2020/21 financial year of \$2,323,501;
3. Statement of Cash Flows on Page 6 showing a net result for the 2020/21 financial year of \$2,095,789;
4. Rate Setting Statement on Pages 7 and 8 showing the required amount of \$1,355,150 to be raised from rates for the 2020/21 financial year;
5. Notes to and forming part of the Annual Budget on Pages 10 to 29; and
6. Transfers to/from Reserve Accounts as detailed in Page 25.

#### Resolution

Moved: Cr Hagboom

Seconded: Cr Trepp

**0234** That, in accordance with Section 6.2 of the *Local Government Act 1995* and Part 3 of the *Local Government (Financial Management) Regulations 1996*, Council adopts the Shire of Dowerin 2020/21 Budget, as presented in Attachment 10.5A, for the 2020/21 financial year which includes the following:

1. Statement of Comprehensive Income by nature and type on Page 2 showing a net result for the 2020/21 financial year of \$2,323,501;
2. Statement of Comprehensive Income by Program on Page 4 showing a net result for the 2020/21 financial year of \$2,323,501;
3. Statement of Cash Flows on Page 6 showing a net result for the 2020/21 financial year of \$2,095,789;
4. Rate Setting Statement on Pages 7 and 8 showing the required amount of \$1,363,298 to be raised from rates for the 2020/21 financial year;
5. Notes to and forming part of the Annual Budget on Pages 10 to 29; and
6. Transfers to/from Reserve Accounts as detailed in Page 25.

CARRIED BY ABSOLUTE MAJORITY 5/0

Reason

The incorrect numbers had been transposed in point 4 above.

Voting Requirements

Simple Majority  Absolute Majority

Officer's Recommendation/Resolution

Moved: Cr Metcalf Seconded: Cr Hagboom

0235 That, in accordance with Sections 6.32, 6.33, 6.34 and 6.35 of the *Local Government Act 1995*, Council for the purpose of yielding the deficiency disclosed by the 2020/21 Budget adopted at Part 1 above, imposes the following general rates and minimum payments on Gross Rental and Unimproved Values (as shown at Note 1 on Page 10 of the 2020/21 Budget). It should be noted that in line with State Government recommendations, the Shire of Dowerin has opted not to increase in the rate in the dollar nor increase the minimum rate. Some rates may be affected due to Unimproved Valuations received from Landgate effective 1 July 2020:

Unimproved Value	Cents in \$	Minimum Rate
Residential (GRV)	0.10079	\$770
Commercial/Industrial GRV	0.10079	\$770
Town Rural (GRV)	0.10079	\$770
Other Towns (GRV)	0.10079	\$225
Rural Farmland (UV)	0.00840	\$770
Commercial/Industrial (UV)	0.00840	\$770
Town Rural (UV)	0.00840	\$770
Mining (UV)	0.00840	\$225

CARRIED BY ABSOLUTE MAJORITY 5/0

Voting Requirements

Simple Majority  Absolute Majority

Officer's Recommendation/Resolution

Moved: Cr Trepp Seconded: Cr Hagboom

0236 That, in accordance with Section 41 of the *Health Act 1911*, Council imposes the following sewerage rates and minimum payments on Gross Rental Values (as shown at Note 1e on Page 12 of the 2020/21 Budget):

Gross Rental Value	Cents in \$	Minimum Rate/Charge
Sewerage Rates:		
Residential	0.075841	\$372
Commercial	0.075841	\$765

Vacant	0.075841	\$372
Government	N/A	\$765
Sewerage Fixtures:		
First Fixture	N/A	\$250
Additional Fixtures	N/A	\$114

CARRIED BY ABSOLUTE MAJORITY 5/0

Voting Requirements

Simple Majority

Absolute Majority

Officer's Recommendation/Resolution

Moved: Cr Holberton

Seconded: Cr Hagboom

0237 That, in accordance with Section 6.45 of the *Local Government Act 1995* and Regulation 64(2) of the *Local Government (Financial Management) Regulations 1996*, Council nominates the following due dates for the payment in full by instalments:

One Installment Option:

Full payment	4 September 2020
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Two Installment Option:

1 <sup>st</sup> Instalment due date	4 September 2020
2 <sup>nd</sup> Instalment due date	5 January 2021

Four Installment Option:

1 <sup>st</sup> Instalment due date	4 September 2020
2 <sup>nd</sup> Instalment due date	4 November 2020
3 <sup>rd</sup> Instalment due date	5 January 2021
4 <sup>th</sup> Instalment due date	5 March 2021

CARRIED BY ABSOLUTE MAJORITY 5/0

Voting Requirements

Simple Majority

Absolute Majority

Officer's Recommendation/Resolution

Moved: Cr Metcalf

Seconded: Cr Holberton

0238 That, in accordance with Section 6.45 of the *Local Government Act 1995* and Regulation 67 of the *Local Government (Financial Management) Regulations 1996*, Council adopts an instalment administration charge where the owner has elected to pay rates (and service charges) through an instalment option of \$5 for each instalment after the initial instalment is paid.

CARRIED BY ABSOLUTE MAJORITY 5/0



Voting Requirements

Simple Majority  Absolute Majority

Officer's Recommendation/Resolution

Moved: Cr Hagboom Seconded: Cr Metcalf

0239 That, in accordance with Section 6.45 of the *Local Government Act 1995* and Regulation 68 of the *Local Government (Financial Management) Regulations 1996*, Council adopts an interest rate of 5.5% where the owner has elected to pay rates and service charges through an instalment option.

CARRIED BY ABSOLUTE MAJORITY 5/0

Voting Requirements

Simple Majority  Absolute Majority

Officer's Recommendation/Resolution

Moved: Cr Trepp Seconded: Cr Metcalf

0240 That, in accordance with Section 6.45 of the *Local Government Act 1995* and Regulation 70 of the *Local Government (Financial Management) Regulations 1996*, Council adopts an interest rate of 8% for rates (and service charges) and costs of proceedings to recover such charges that remain unpaid after becoming due and payable.

CARRIED BY ABSOLUTE MAJORITY 5/0

Voting Requirements

Simple Majority  Absolute Majority

Officer's Recommendation/Resolution

Moved: Cr Holberton Seconded: Cr Metcalf

0241 That, in accordance with Section 67 of the *Waste Avoidance and Resources Recovery Act 2007*, Council adopts the following charges for the removal and deposit of domestic and commercial waste:

Residential Premises (Including Recycling)	
a. 240ltr Waste Bin Weekly Collection; and	\$344
b. 240ltr Recycle Bin Fortnightly Collection	\$344
Additional Refuse Service	
a. 240ltr Waste Bin Weekly Collection	\$172
Minnivale Residential Collection (excluding Recycling)	\$172

CARRIED 5/0







# SHIRE OF DOWERIN

## FOR THE YEAR ENDED 30 JUNE 2021

### BASIS OF PREPARATION

The budget has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations. The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this budget. This is not in accordance with the requirements of AASB 1051 *Land Under Roads* paragraph 15 and AASB 116 *Property, Plant and Equipment* paragraph 7.

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

### THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 14 to the budget.

### 2019/20 ACTUAL BALANCES

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

### CHANGE IN ACCOUNTING POLICIES

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

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

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

### KEY TERMS AND DEFINITIONS - NATURE OR TYPE

#### REVENUES

##### RATES

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

##### SERVICE CHARGES

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

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

##### PROFIT ON ASSET DISPOSAL

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

### REVENUES (CONTINUED)

#### OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

#### NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

#### FEES AND CHARGES

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

#### INTEREST EARNINGS

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

#### OTHER REVENUE / INCOME

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

### EXPENSES

#### EMPLOYEE COSTS

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

#### MATERIALS AND CONTRACTS

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

#### UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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

#### INSURANCE

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

#### LOSS ON ASSET DISPOSAL

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

#### DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

#### INTEREST EXPENSES

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

#### OTHER EXPENDITURE

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

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

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
<b>Revenue</b>	1,8,9(a),10(a),10(b)	\$	\$	\$
Governance		500	323	0
General purpose funding		2,201,760	2,987,875	2,242,460
Law, order, public safety		36,000	65,808	61,922
Health		2,600	0	2,600
Education and welfare		463,365	550,413	466,192
Housing		146,500	136,805	145,812
Community amenities		275,100	272,230	265,400
Recreation and culture		58,400	82,549	77,450
Transport		157,272	147,526	149,800
Economic services		131,405	152,562	76,905
Other property and services		66,200	154,559	46,000
		3,539,102	4,550,650	3,534,541
<b>Expenses excluding finance costs</b>	4(a),5,10(c),(e),(f)			
Governance		(432,792)	(570,719)	(642,064)
General purpose funding		(196,631)	(146,542)	(172,297)
Law, order, public safety		(141,949)	(184,569)	(126,220)
Health		(55,047)	(41,462)	(54,836)
Education and welfare		(502,343)	(499,106)	(489,908)
Housing		(217,824)	(165,426)	(57,721)
Community amenities		(427,885)	(367,426)	(402,540)
Recreation and culture		(912,820)	(1,012,825)	(962,857)
Transport		(1,726,844)	(1,816,998)	(1,341,321)
Economic services		(449,951)	(391,748)	(374,241)
Other property and services		(17,292)	(106,164)	(7,633)
		(5,081,378)	(5,302,985)	(4,631,638)
<b>Finance costs</b>	6(a),10(d)			
General purpose funding		0	0	(5,000)
Housing		(9,375)	(9,735)	(9,734)
Recreation and culture		(8,533)	(11,759)	(14,113)
Economic services		(21,122)	(22,309)	(22,315)
Other property and services		0	0	0
		(41,760)	(43,803)	(51,162)
<b>Subtotal</b>		(1,584,036)	(796,138)	(1,148,259)
Non-operating grants, subsidies and contributions	9(b)	3,820,864	1,104,342	1,301,106
Profit on disposal of assets	4(b)	92,467	5,786	80,050
(Loss) on disposal of assets	4(b)	(5,794)	(11,517)	(9,000)
		3,907,537	1,098,611	1,372,156
<b>Net result</b>		<b>2,323,501</b>	<b>302,473</b>	<b>223,897</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	0	0
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>2,323,501</b>	<b>302,473</b>	<b>223,897</b>

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

**SHIRE OF DOWERIN**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS**

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

**OBJECTIVE**

**ACTIVITIES**

**GOVERNANCE**

Operational costs associated with Elected Members and the governance and compliance of Council's operations.

**GENERAL PURPOSE FUNDING**

Rates including income and expenses relating to the imposition of rates. General purpose government grants and interest earnings.

**LAW, ORDER, PUBLIC SAFETY**

Supervision and enactment of various local laws, fire prevention, animal control and community crime prevention.

**HEALTH**

Environmental health services including food quality, pest control, inspection of food premises.

**EDUCATION AND WELFARE**

Care for the aged, community nursing including Commonwealth Home Support Program (CHSP) and meals on wheels services. Operational costs associated with the local Child Care Centre.

**HOUSING**

Maintenance of staff and other rental housing including Community Housing Project units operated by joint venture with the Department of Housing.

**COMMUNITY AMENITIES**

Rubbish collection & recycling services, operation of disposal sites, administration and operation of the Dowerin townsite sewerage scheme, administration of the town planning scheme, operation of Dowerin and Minnivale public cemeteries, maintenance of public toilets, Dowerin community bus.

**RECREATION AND CULTURE**

Maintenance of various halls and sporting pavilions, parks and gardens, sports playing surface areas and reserves (including football oval, hockey oval, tennis courts, bowling greens and golf course). Contribution to the operation of the public library.

**TRANSPORT**

Construction and maintenance of streets, roads, footpaths, drainage, signs. Maintenance of street trees. Lighting of streets. Maintenance of works depot. Purchase of road plant. Aerodrome operations.

**ECONOMIC SERVICES**

Regulation of tourism, area promotion, building control, saleyards, noxious weeds and vermin control. Assistance with operations of the annual Dowerin Field Days. Maintenance costs associated with the Community Resource Centre.

**OTHER PROPERTY AND SERVICES**

Private works. Plant repairs and operations. Engineering and administration overheads. Materials and stores.

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

NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Rates	1,400,150	1,384,951	1,352,400
Operating grants, subsidies and contributions	1,430,232	2,123,568	1,213,682
Fees and charges	442,150	418,520	489,662
Service charges	166,000	168,495	156,000
Interest earnings	37,205	48,860	84,205
Goods and services tax	500,000	278,227	-
Other revenue	213,365	353,994	238,592
	4,189,102	4,776,615	3,534,541
<b>Payments</b>			
Employee costs	(1,829,973)	(1,991,321)	(1,825,508)
Materials and contracts	(1,514,958)	(1,653,847)	(1,223,490)
Utility charges	(158,230)	(193,165)	(140,700)
Interest expenses	(41,760)	(43,803)	(51,162)
Insurance expenses	(113,750)	(118,022)	(91,375)
Goods and services tax	(500,000)	(321,083)	-
Other expenditure	(131,017)	(124,046)	(78,770)
	(4,289,688)	(4,445,287)	(3,411,005)
<b>Net cash provided by (used in) operating activities</b>	3	(100,586)	331,328
			123,536
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for purchase of property, plant & equipment	4(a)	(964,328)	(509,597)
Payments for construction of infrastructure	4(a)	(4,038,859)	(1,295,111)
Non-operating grants, subsidies and contributions		3,820,864	1,104,342
Proceeds from sale of plant and equipment	4(b)	382,000	99,223
		(800,323)	(601,143)
<b>Net cash provided by (used in) investing activities</b>		(800,323)	(766,374)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings	6(a)	(174,553)	(142,042)
Payments for financial assets at amortised cost - term deposits		-	12,567
Proceeds from new borrowings	6(b)	508,000	50,000
		333,447	(79,475)
<b>Net cash provided by (used in) financing activities</b>		333,447	(40,978)
<b>Net increase (decrease) in cash held</b>		(567,462)	(349,290)
Cash at beginning of year		2,752,008	3,101,298
<b>Cash and cash equivalents at the end of the year</b>	3	2,184,546	2,752,008
			2,405,611

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



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

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>		941,147	587,683	716,124
<b>Revenue from operating activities (excluding rates)</b>		941,147	587,683	716,124
Governance		500	323	-
General purpose funding		838,462	1,631,705	890,060
Law, order, public safety		36,000	65,808	61,922
Health		2,600	-	2,600
Education and welfare		463,365	550,413	466,192
Housing		231,547	136,805	178,812
Community amenities		275,100	272,230	265,400
Recreation and culture		58,400	82,549	80,450
Transport		157,272	153,312	160,350
Economic services		131,405	152,562	76,905
Other property and services		73,620	154,559	79,500
		2,268,271	3,200,266	2,262,191
<b>Expenditure from operating activities</b>		(432,792)	(570,719)	(642,064)
Governance		(432,792)	(570,719)	(642,064)
General purpose funding		(196,631)	(146,542)	(177,297)
Law, order, public safety		(141,949)	(184,569)	(126,220)
Health		(55,047)	(41,462)	(54,836)
Education and welfare		(502,343)	(499,106)	(489,908)
Housing		(227,199)	(175,161)	(75,455)
Community amenities		(427,885)	(367,426)	(402,540)
Recreation and culture		(921,353)	(1,024,584)	(977,970)
Transport		(1,735,368)	(1,818,241)	(1,341,321)
Economic services		(471,073)	(414,057)	(396,556)
Other property and services		(17,292)	(116,438)	(7,633)
		(5,128,932)	(5,358,305)	(4,691,800)
Non-cash amounts excluded from operating activities	2 (a)(i)	1,267,398	1,440,160	1,200,745
<b>Amount attributable to operating activities</b>		(652,116)	(130,196)	(512,740)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	9(b)	3,820,864	1,104,342	1,301,106
Purchase property, plant and equipment	4(a)	(964,328)	(509,597)	(908,000)
Purchase and construction of infrastructure	4(a)	(4,038,856)	(1,295,111)	(1,735,480)
Proceeds from disposal of assets	4(b)	382,000	99,223	576,000
Proceeds from self supporting loans	6(a)	-	12,567	12,567
<b>Amount attributable to investing activities</b>		(800,320)	(588,576)	(753,807)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(174,553)	(142,042)	(141,045)
Proceeds from new borrowings	6(b)	508,000	50,000	87,500
Transfers to cash backed reserves (restricted assets)	7(a)	(437,642)	(720,362)	(327,900)
Transfers from cash backed reserves (restricted assets)	7(a)	193,333	1,116,153	281,716
<b>Amount attributable to financing activities</b>		89,138	303,749	(99,729)
<b>Budgeted deficiency before general rates</b>		(1,363,298)	(415,023)	(1,366,276)
<b>Estimated amount to be raised from general rates</b>	1(a)	1,363,298	1,356,170	1,352,400
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2 (a)(iii)	-	<b>941,147</b>	<b>(13,876)</b>

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

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

NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
<b>OPERATING ACTIVITIES</b>			
<b>Net current assets at start of financial year - surplus/(deficit)</b>	941,147	587,683	716,124
	941,147	587,683	716,124
<b>Revenue from operating activities (excluding general rates)</b>			
Other rates	1(c) 36,852	46,601	-
Operating grants, subsidies and contributions	9(a) 1,280,232	2,158,010	1,280,432
Fees and charges	8 442,150	418,520	389,412
Service charges	1(d) 166,000	168,495	156,000
Interest earnings	10(a) 37,205	48,860	84,205
Other revenue	10(b) 213,365	353,994	272,092
Profit on asset disposals	4(b) 92,467	5,786	80,050
	2,268,271	3,200,266	2,262,191
<b>Expenditure from operating activities</b>			
Employee costs	(1,829,973)	(1,946,065)	(1,825,508)
Materials and contracts	(1,514,958)	(1,488,090)	(1,219,490)
Utility charges	(158,230)	(193,165)	(140,700)
Depreciation on non-current assets	5 (1,333,450)	(1,433,597)	(1,271,795)
Interest expenses	10(d) (41,760)	(43,803)	(51,162)
Insurance expenses	(113,750)	(118,022)	(91,375)
Other expenditure	(131,017)	(124,046)	(82,770)
Loss on asset disposals	4(b) (5,794)	(11,517)	(9,000)
	(5,128,932)	(5,358,305)	(4,691,800)
<b>Operating activities excluded from budgeted deficiency</b>			
Non-cash amounts excluded from operating activities	2 (a)(i) 1,267,398	1,440,160	1,200,745
<b>Amount attributable to operating activities</b>	(652,116)	(130,196)	(512,740)
<b>INVESTING ACTIVITIES</b>			
Non-operating grants, subsidies and contributions	9(b) 3,820,864	1,104,342	1,301,106
Purchase property, plant and equipment	4(a) (964,328)	(509,597)	(908,000)
Purchase and construction of infrastructure	4(a) (4,038,856)	(1,295,111)	(1,735,480)
Proceeds from disposal of assets	4(b) 382,000	99,223	576,000
<b>Amount attributable to investing activities</b>	(800,320)	(601,143)	(766,374)
<b>FINANCING ACTIVITIES</b>			
Repayment of borrowings	6(a) (174,553)	(142,042)	(141,045)
Proceeds from new borrowings	6(b) 508,000	50,000	87,500
Proceeds from self supporting loans	6(a) -	12,567	12,567
Transfers to cash backed reserves (restricted assets)	7(a) (437,642)	(720,362)	(327,900)
Transfers from cash backed reserves (restricted assets)	7(a) 193,333	1,116,153	281,716
<b>Amount attributable to financing activities</b>	89,138	316,316	(87,162)
<b>Budgeted deficiency before general rates</b>	(1,363,298)	(415,023)	(1,366,276)
<b>Estimated amount to be raised from general rates</b>	1(a) 1,363,298	1,356,170	1,352,400
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2 (a)(iii) -	941,147	(13,876)

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

**SHIRE OF DOWERIN**  
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**FOR THE YEAR ENDED 30 JUNE 2021**

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

1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2020/21 Budgeted rate revenue	2020/21 Budgeted interim rates	2020/21 Budgeted back rates	2020/21 Budgeted total revenue	2019/20 Actual total revenue	2019/20 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
<b>Differential general rate or general rate</b>									
<b>Gross rental valuations</b>									
GRV Residential	0.10079	137	1,312,923	132,330	1,500	-	133,830	140,229	136,282
GRV Commercial	0.10079	15	256,474	25,850	-	-	25,850	25,850	25,851
GRV Town Rural	0.10079	12	138,892	13,999	-	-	13,999	13,999	13,999
GRV Other Town	0.10079	8	33,384	3,365	-	-	3,365	3,365	3,365
<b>Unimproved valuations</b>									
UV Rural Farmland	0.00840	222	127,313,000	1,069,429	250	-	1,069,679	1,058,757	1,058,933
<b>Sub-Totals</b>		394	129,054,673	1,244,973	1,750	-	1,246,723	1,242,200	1,238,430
<b>Minimum</b>	\$								
<b>Minimum payment</b>									
<b>Gross rental valuations</b>									
GRV Residential	770	39	230,415	30,030	-	-	30,030	30,030	30,030
GRV Commercial	770	17	65,470	13,090	-	-	13,090	13,860	13,860
GRV Town Rural	770	15	36,975	11,550	-	-	11,550	11,550	11,550
GRV Other Town	225	19	7,809	4,275	-	-	4,275	4,500	4,500
<b>Unimproved valuations</b>									
UV Rural Farmland	770	66	3,468,700	50,820	-	-	50,820	46,970	46,970
UV Commercial	770	4	400	3,080	-	-	3,080	3,080	3,080
UV Town Rural	770	4	89,000	3,080	-	-	3,080	3,080	3,080
UV Mining	225	2	7,029	450	200	-	650	900	900
<b>Sub-Totals</b>		166	3,905,798	116,375	200	-	116,575	113,970	113,970
		560	132,960,471	1,361,348	1,950	-	1,363,298	1,356,170	1,352,400
<b>Total amount raised from general rates</b>							1,363,298	1,356,170	1,352,400
Ex-gratia rates							36,852	46,601	34,200
<b>Total amount raised from other rates</b>							1,400,150	1,402,771	1,386,600

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

The general rates detailed for the 2020/21 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

## 1. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
<b>Option one</b>				
Payment in Full	4/09/2020	0	0.0%	8.0%
<b>Option two</b>				
Instalment 1	4/09/2020	5	5.5%	8.0%
Instalment 2	5/01/2021	5	5.5%	8.0%
<b>Option three</b>				
Instalment 1	4/09/2020	5	5.5%	8.0%
Instalment 2	4/11/2020	5	5.5%	8.0%
Instalment 3	5/01/2021	5	5.5%	8.0%
Instalment 4	5/03/2021	5	5.5%	8.0%

  

	2020/21 Budget revenue	2019/20 Actual revenue	2019/20 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	1,000	1,120	5,000
Instalment plan interest earned	2,000	3,893	1,000
Unpaid rates and service charge interest earned	5,000	9,308	9,000
	8,000	14,321	15,000

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

1. RATES AND SERVICE CHARGES (CONTINUED)

(c) Specified Area Rate

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

(d) Sewerage Charges

	Rate in Dollar	Number of properties	Rateable value	2020/21 Budgeted revenue	Budget Amount to be applied to costs	2019/20 Actual revenue	2019/20 Budget revenue
	\$		\$	\$	\$	\$	\$
<b>Service charge</b>							
<b>General Charge</b>							
Residential	0.07584	170	1,621,814	123,000	123,000	124,585	123,000
Commercial	0.07584	11	239,119	18,135	18,135	18,135	18,135
Vacant Land	0.07584	6	10,918	828	828	828	828
<b>Minimum Charge</b>							
Residential	372	6	4,368	2,232	2,232	2,232	2,232
Commercial	765	11	58,181	8,415	8,415	8,415	8,415
Vacant Land	372	5	1,860	1,860	1,860	1,860	1,860
Government	765	2	-	1,530	1,530	1,530	1,530
<b>Total Charges</b>		<b>211</b>	<b>1,936,259</b>	<b>156,000</b>	<b>156,000</b>	<b>157,585</b>	<b>156,000</b>
<b>Sewerage Fixture</b>							
First fixtures	250	12	-	3,000	3,000	3,910	3,500
Additional fixtures	114	61	-	7,000	7,000	7,000	7,000
<b>Total Fixtures</b>		<b>73</b>	<b>-</b>	<b>10,000</b>	<b>10,000</b>	<b>10,910</b>	<b>10,500</b>
			1,936,259	166,000	166,000	168,495	166,500

(e) Rates discounts

The Shire does not anticipate any discounts on rates for the year ended 30 June 2021.

(f) Waivers or concessions

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

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

2 (a). NET CURRENT ASSETS

**Items excluded from calculation of budgeted deficiency**

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

Note	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
	\$	\$	\$
<b>(i) Operating activities excluded from budgeted deficiency</b>			
The following non-cash revenue or expenditure has been excluded from operating activities within the Rate Setting Statement.			
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals	4(b) (92,467)	(5,786)	(80,050)
Less: Movement in employee liabilities associated with restricted cash	20,621	832	-
Add: Loss on disposal of assets	4(b) 5,794	11,517	9,000
Add: Depreciation on assets	5 1,333,450	1,433,597	1,271,795
<b>Non cash amounts excluded from operating activities</b>	<b>1,267,398</b>	<b>1,440,160</b>	<b>1,200,745</b>
<b>(ii) Current assets and liabilities excluded from budgeted deficiency</b>			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement.			
<b>Adjustments to net current assets</b>			
Less: Cash - restricted reserves	3 (2,093,988)	(1,849,679)	(2,291,652)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	3,000	3,000	144,589
- Employee benefit provisions funded by Reserve	78,085	57,461	
- Employee benefit provisions	-	-	151,636
<b>Total adjustments to net current assets</b>	<b>(2,012,903)</b>	<b>(1,789,218)</b>	<b>(1,995,427)</b>

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

2 (a). NET CURRENT ASSETS (CONTINUED)

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

	Note	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
		\$	\$	\$
<b>(iii) Composition of estimated net current assets</b>				
<b>Current assets</b>				
Cash and cash equivalents- unrestricted	3	90,558	902,329	113,959
Cash and cash equivalents - restricted				
Cash backed reserves	3	2,093,988	1,849,679	2,291,652
Financial assets - unrestricted		185	185	-
Receivables		198,482	348,482	250,745
Inventories		3,049	3,049	11,163
		2,386,262	3,103,724	2,667,519
<b>Less: current liabilities</b>				
Trade and other payables		(198,224)	(198,224)	(389,743)
Long term borrowings		(3,000)	(3,000)	(144,589)
Provisions		(172,135)	(172,135)	(151,636)
		(373,359)	(373,359)	(685,968)
<b>Net current assets</b>		2,012,903	2,730,365	1,981,551
<b>Less: Total adjustments to net current assets</b>	2 (a)(ii)	(2,012,903)	(1,789,218)	(1,995,427)
<b>Closing funding surplus / (deficit)</b>		-	941,147	(13,876)



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

**2 (b). NET CURRENT ASSETS (CONTINUED)**

**SIGNIFICANT ACCOUNTING POLICIES**

**CURRENT AND NON-CURRENT CLASSIFICATION**

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

**TRADE AND OTHER PAYABLES**

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

**CONTRACT ASSETS**

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

**PROVISIONS**

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

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

**INVENTORIES**

**General**

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

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

**Superannuation**

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

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

**LEASE LIABILITIES**

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

**TRADE AND OTHER RECEIVABLES**

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

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

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

**EMPLOYEE BENEFITS**

**Short-term employee benefits**

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

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

**LAND HELD FOR RESALE**

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

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

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

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

**3. RECONCILIATION OF CASH**

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

Note	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Cash at bank and on hand	2,184,546	2,752,008	2,405,611
	2,184,546	2,752,008	2,405,611
- Unrestricted cash and cash equivalents	90,558	902,329	113,959
- Restricted cash and cash equivalents	2,093,988	1,849,679	2,291,652
	2,184,546	2,752,008	2,405,611
The following restrictions have been imposed by regulation or other externally imposed requirements on cash and cash equivalents:			
Reserves cash backed - Leave reserve	78,085	57,464	58,145
Plant Reserve	195,958	141,066	145,561
Sewerage Reserve	1,074,674	1,010,473	1,167,640
Land & Building Reserve	344,543	145,965	476,654
Swimming Pool Reserve	30,407	20,188	190
Recreation Reserve	13,547	194,774	192,108
Emergency Reserve	10,000	-	-
Chp Units Reserve	60,189	49,652	50,241
Information Technology Reserve	39,468	29,153	-
Economic Reserve	67,183	56,571	57,242
Depot Reserve	10,000	-	-
Waste Reserve	10,000	-	-
Bowling Green Reserve	107,631	98,565	97,592
Tennis Court Reserve	52,303	45,808	46,279
	2,093,988	1,849,679	2,291,652
<b>Reconciliation of net cash provided by operating activities to net result</b>			
<b>Net result</b>	2,323,501	302,473	223,897
Depreciation	5	1,333,450	1,433,597
(Profit)/loss on sale of asset	4(b)	(86,673)	5,731
(Increase)/decrease in receivables		150,000	(95,118)
(Increase)/decrease in inventories		-	8,114
Increase/(decrease) in payables		-	(173,871)
Increase/(decrease) in employee provisions		-	(45,256)
Non-operating grants, subsidies and contributions		(3,820,864)	(1,104,342)
<b>Net cash from operating activities</b>		(100,586)	331,328
			123,536

**SIGNIFICANT ACCOUNTING POLICES**

**CASH AND CASH EQUIVALENTS**

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

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

**FINANCIAL ASSETS AT AMORTISED COST**

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

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

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

#### 4. FIXED ASSETS

##### (a) Acquisition of Assets

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

##### Reporting program

Asset class	Reporting program					2020/21 Budget total	2019/20 Actual total	2019/20 Budget total
	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	
<i>Property, Plant and Equipment</i>								
Buildings	-	24,328	-	50,000	60,000	134,328	36,010	55,000
Furniture & Equipment	-	-	-	-	-	-	11,049	12,000
Vehicles & Plant	-	-	593,000	-	237,000	830,000	462,538	841,000
	-	24,328	593,000	50,000	297,000	964,328	509,597	908,000
<i>Infrastructure</i>								
Infrastructure - Roads	-	-	3,445,857	-	-	3,445,857	1,170,958	1,390,480
Infrastructure - Footpaths	-	-	51,999	-	-	51,999	69,658	70,000
Infrastructure - Other	12,000	340,000	-	169,000	20,000	541,000	54,495	275,000
	12,000	340,000	3,497,856	169,000	20,000	4,038,856	1,295,111	1,735,480
<b>Total acquisitions</b>	<b>12,000</b>	<b>364,328</b>	<b>4,090,856</b>	<b>219,000</b>	<b>317,000</b>	<b>5,003,184</b>	<b>1,804,708</b>	<b>2,643,480</b>

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

#### SIGNIFICANT ACCOUNTING POLICIES

##### RECOGNITION OF ASSETS

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

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

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

**4. FIXED ASSETS**

**(b) Disposals of Assets**

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

	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss	2019/20 Actual Net Book Value	2019/20 Actual Sale Proceeds	2019/20 Actual Profit	2019/20 Actual Loss	2019/20 Budget Net Book Value	2019/20 Budget Sale Proceeds	2019/20 Budget Profit	2019/20 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>By Asset</b>												
16 Anderson Str	55,367	105,000	49,633	-	-	-	-	-	37,000	70,000	33,000	-
18 Anderson Str	56,586	92,000	35,414	-	-	-	-	-	78,000	70,000	-	(8,000)
Roller - Multipac Vp2400 D014	12,588	10,000	-	(2,588)	-	-	-	-	-	-	-	-
Ford Ranger Single Cab Ute D07	25,209	25,000	-	(209)	-	-	-	-	31,000	34,000	3,000	-
Ford Ranger Single Cab Ute D002	20,997	18,000	-	(2,997)	-	-	-	-	28,000	28,000	-	-
Toyota Hilux; MWA	38,925	40,000	1,075	-	-	-	-	-	73,500	82,000	8,500	-
Toyota Prado; CEO	47,518	50,000	2,482	-	49,099	42,727	(6,372)	-	90,000	100,000	10,000	-
Toyota Hilux; MCCS	38,137	42,000	3,863	-	46,307	42,405	(3,902)	-	135,000	150,000	15,000	-
Low Loader	-	-	-	-	4,894	9,091	4,197	-	4,450	10,000	5,550	-
Dolly	-	-	-	-	684	2,273	1,589	-	-	5,000	5,000	-
Ford Ranger 201905	-	-	-	-	-	-	-	-	28,000	27,000	-	(1,000)
Ford Ranger 2010-001	-	-	-	-	3,970	2,727	(1,243)	-	-	-	-	-
	295,327	382,000	92,467	(5,794)	104,954	99,223	5,786	(11,517)	504,950	576,000	80,050	(9,000)
<b>By Program</b>												
Housing	111,953	197,000	85,047	-	-	-	-	-	115,000	140,000	33,000	(8,000)
Recreation and culture	-	-	-	-	3,970	3,970	-	-	87,000	89,000	3,000	(1,000)
Transport	12,588	10,000	-	(2,797)	5,578	10,121	5,786	(1,243)	4,450	15,000	10,550	-
Other property and services	170,786	175,000	7,420	(2,997)	95,406	85,132	-	(10,274)	298,500	332,000	33,500	-
	295,327	382,000	92,467	(5,794)	104,954	99,223	5,786	(11,517)	504,950	576,000	80,050	(9,000)
<b>By Class</b>												
<i>Property, Plant and Equipment</i>												
Buildings	111,953	197,000	85,047	-	-	-	-	-	115,000	140,000	33,000	(8,000)
Vehicles & Plant	183,374	185,000	7,420	(5,794)	104,954	99,223	5,786	(11,517)	389,950	436,000	47,050	(1,000)
	295,327	382,000	92,467	(5,794)	104,954	99,223	5,786	(11,517)	504,950	576,000	80,050	(9,000)

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

**SIGNIFICANT ACCOUNTING POLICIES**

**GAINS AND LOSSES ON DISPOSAL**

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

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

**5. ASSET DEPRECIATION**

	<b>2020/21 Budget</b>	<b>2019/20 Actual</b>	<b>2019/20 Budget</b>
	\$	\$	\$
<b>By Program</b>			
Governance	4,000	3,256	9,400
Law, order, public safety	60,700	65,813	36,270
Education and welfare	11,000	11,636	13,000
Housing	120,000	129,555	65,000
Community amenities	74,600	75,310	66,000
Recreation and culture	366,650	399,218	419,545
Transport	479,000	514,272	582,080
Economic services	68,000	71,319	53,500
Other property and services	149,500	163,217	27,000
	<b>1,333,450</b>	<b>1,433,597</b>	<b>1,271,795</b>
<b>By Class</b>			
Buildings	527,500	491,915	430,030
Furniture & Equipment	11,750	16,725	11,915
Vehicles & Plant	199,100	220,772	151,100
Tools & Equipment	1,100	749	270
Infrastructure - Roads	420,000	450,704	428,000
Infrastructure - Footpaths	20,000	21,085	21,000
Infrastructure - Other	72,500	75,203	62,130
Infrastructure - Sewerage	25,000	55,669	58,000
Infrastructure - Parks & Ovals	35,000	78,395	86,850
Infrastructure - Drainage	21,000	22,116	22,500
Infrastructure - Signs	500	264	-
	<b>1,333,450</b>	<b>1,433,597</b>	<b>1,271,795</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**DEPRECIATION**

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

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

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

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

Buildings	15 to 61 years
Furniture & Equipment	4 to 40 years
Vehicles & Plant	10 to 27 years
Tools & Equipment	10 to 20 years
Infrastructure - Roads	17 to 50 years
Infrastructure - Footpaths	25 years
Infrastructure - Other	8 to 40 years
Infrastructure - Parks & Ovals	17 years
Infrastructure - Drainage	50 years

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

**6. INFORMATION ON BORROWINGS**

**(a) Borrowing repayments**

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

Purpose	Loan Number	Institution	Interest Rate	Budget Principal	2020/21 Budget New	2020/21 Budget Principal	Budget Principal outstanding	2020/21 Budget Interest	Actual Principal	2019/20 Actual New	2019/20 Actual Principal	Actual Principal outstanding	2019/20 Actual Interest	Budget Principal	2019/20 Budget New	2019/20 Budget Principal	Budget Principal outstanding	2019/20 Budget Interest
				1 July 2020	Loans	Repayments	30 June 2021	Repayments	1 July 2019	Loans	Repayments	30 June 2020	Repayments	1 July 2019	Loans	Repayments	30 June 2020	Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Housing</b>																		
GROH	100	WATC	3.75%	265,171	-	10,332	254,839	9,375	275,144	-	9,973	265,171	9,734	275,144	-	9,973	265,171	9,734
<b>Recreation and culture</b>																		
Community Club	97	WATC	4.09%	148,819	-	72,904	75,915	5,349	218,830	-	70,011	148,819	8,242	218,830	-	70,011	148,819	8,242
Swimming Pool	101	WATC	1.91%	181,574	-	18,759	162,815	3,184	200,000	-	18,426	181,574	3,517	200,000	-	17,428	182,572	5,871
DEM Loan - Swimming Pool	102	DEM	0.00%	50,000	-	10,000	40,000	-	-	50,000	-	50,000	-	-	50,000	-	50,000	-
<b>Transport</b>																		
Multi Tyre Roller	103	WATC	1.09%	-	170,000	10,197	159,803	926	-	-	-	-	-	-	-	-	-	-
Smooth Drum Tyre Roller	104	WATC	1.09%	-	150,000	9,022	140,978	793	-	-	-	-	-	-	-	-	-	-
Low Loader	105	WATC	1.09%	-	85,000	5,113	79,887	450	-	-	-	-	-	-	-	-	-	-
Side Tipper	106	WATC	1.09%	-	103,000	6,178	96,822	561	-	-	-	-	-	-	-	-	-	-
<b>Economic services</b>																		
Short Term Accommodation	99	WATC	3.14%	680,628	-	32,048	648,580	21,122	711,693	-	31,065	680,628	22,105	711,693	-	31,066	680,627	22,110
				1,326,192	508,000	174,553	1,659,639	41,760	1,405,667	50,000	129,475	1,326,192	43,599	1,405,667	50,000	128,478	1,327,189	45,957
<b>Self Supporting Loans</b>																		
<b>Economic services</b>																		
Dowerin Events	98	WATC	3.25%	-	-	-	-	-	12,567	-	12,567	-	204	12,567	-	12,567	-	205
				-	-	-	-	-	12,567	-	12,567	-	204	12,567	37,500	12,567	37,500	205
				1,326,192	508,000	174,553	1,659,639	41,760	1,418,234	50,000	142,042	1,326,192	43,803	1,418,234	87,500	141,045	1,364,689	46,162

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

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

**6. INFORMATION ON BORROWINGS**

**(b) New borrowings - 2020/21**

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount	Total	Amount	Balance
					borrowed budget	interest & charges	used budget	unspent
					\$	\$	\$	\$
Multi Tyre Roller	WATC	Debenture	8	1.09%	170,000	7,982	170,000	-
Smooth Drum Tyre Roller	WATC	Debenture	8	1.09%	150,000	7,043	150,000	-
Low Loader	WATC	Debenture	8	1.09%	85,000	3,991	85,000	-
Side Tipper	WATC	Debenture	8	1.09%	103,000	5,627	103,000	-
					508,000	24,643	508,000	-

**(c) Unspent borrowings**

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

**(d) Credit Facilities**

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
<b>Undrawn borrowing facilities</b>			
<b>credit standby arrangements</b>			
Bank overdraft limit	60,000	60,000	60,000
Bank overdraft at balance date	-	-	-
Credit card limit	16,000	16,000	16,000
Credit card balance at balance date	(5,000)	(1,910)	-
<b>Total amount of credit unused</b>	71,000	74,090	76,000
<b>Loan facilities</b>			
Loan facilities in use at balance date	1,659,639	1,326,192	1,364,689

Overdraft details	Purpose overdraft was established	Year overdraft established	Amount b/fwd 1 July 2020	2020/21 Budgeted Increase/ (Decrease)	Amount as at 30th June 2021
				\$	\$
NAB	Cash Flow	1980	\$ -	\$ -	\$ -
			-	-	-

**SIGNIFICANT ACCOUNTING POLICIES**

**BORROWING COSTS**

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

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

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2020/21 Budget Opening Balance	2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance	2019/20 Actual Opening Balance	2019/20 Actual Transfer to	2019/20 Actual Transfer (from)	2019/20 Actual Closing Balance	2019/20 Budget Opening Balance	2019/20 Budget Transfer to	2019/20 Budget Transfer (from)	2019/20 Budget Closing Balance
(a) Reserves cash backed - Leave reserve	\$ 57,464	\$ 20,621	\$ -	\$ 78,085	\$ 56,632	\$ 832	\$ -	\$ 57,464	\$ 56,632	\$ 1,513	\$ -	\$ 58,145
(b) Plant Reserve	141,066	54,892	-	195,958	59,958	81,108	-	141,066	59,959	85,602	-	145,561
(c) Sewerage Reserve	1,010,473	64,201	-	1,074,674	1,256,174	18,452	(264,153)	1,010,473	1,256,174	61,466	(150,000)	1,167,640
(d) Land & Building Reserve	145,965	198,578	-	344,543	449,364	6,601	(310,000)	145,965	449,363	152,007	(124,716)	476,654
(e) Swimming Pool Reserve	20,188	10,219	-	30,407	186	20,002	-	20,188	185	5	-	190
(f) Recreation Reserve	194,774	12,106	(193,333)	13,547	193,926	7,848	(7,000)	194,774	193,926	5,182	(7,000)	192,108
(g) Emergency Reserve	-	10,000	-	10,000	-	500,000	(500,000)	0	-	-	-	-
(h) Chp Units Reserve	49,652	10,537	-	60,189	48,934	718	-	49,652	48,933	1,308	-	50,241
(i) Information Technology Reserve	29,153	10,315	-	39,468	0	64,153	(35,000)	29,153	-	0	-	-
(j) Economic Reserve	56,571	10,612	-	67,183	55,752	819	-	56,571	55,752	1,490	-	57,242
(k) Depot Reserve	-	10,000	-	10,000	-	-	-	-	-	-	-	-
(l) Waste Reserve	-	10,000	-	10,000	-	-	-	-	-	-	-	-
(m) Bowling Green Reserve	98,565	9,066	-	107,631	85,312	13,253	-	98,565	85,312	12,280	-	97,592
(n) Tennis Court Reserve	45,808	6,495	-	52,303	39,232	6,576	-	45,808	39,231	7,048	-	46,279
	1,849,679	437,642	(193,333)	2,093,988	2,245,470	720,362	(1,116,153)	1,849,679	2,245,467	327,900	(281,716)	2,291,652

7. CASH BACKED RESERVES (CONTINUED)

(b) Cash Backed Reserves - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve
(a) Reserves cash backed - Leave reserve	Ongoing	To be used to fund long service leave requirements.
(b) Plant Reserve	Ongoing	To be used to fund the replacement of plant.
(c) Sewerage Reserve	Ongoing	To be used for the renewal and development of town sewerage infrastructure.
(d) Land & Building Reserve	Ongoing	To be used for the development, purchase and/or renewal of land and building assets.
(e) Swimming Pool Reserve	Ongoing	To be used for the renewal and/or upgrades and development of the swimming pool.
(f) Recreation Reserve	Ongoing	To be used for the renewal and/or upgrades and development of recreation facilities.
(g) Emergency Reserve	Ongoing	To be used to reduce immediate cash flow pressure during a declared emergency
(h) Chp Units Reserve	Ongoing	To be used for Council's contribution to housing projects.
(i) Information Technology Reserve	Ongoing	To be used for the renewal & upgrade of Shire of Dowerin Information Technology
(j) Economic Reserve	Ongoing	To provide Council with seed funding to leverage grant funding and other economic development opportunities and initiatives.
(k) Depot Reserve	Ongoing	To be used for the purpose of construction of a new Shire of Dowerin Works Depot facility
(l) Waste Reserve	Ongoing	To be used for the renewal & development of the Shire of Dowerin Waste Facility
(m) Bowling Green Reserve	Ongoing	To be used for the replacement of Bowling Greens.
(n) Tennis Court Reserve	Ongoing	To be used for the replacement of the Tennis Court playing surface.



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

**8. FEES & CHARGES REVENUE**

	2020/21 Budget	2019/20 Actual	2019/20 Budget
General purpose funding	1,750	1,803	6,000
Law, order, public safety	5,000	6,271	6,500
Health	1,600	-	1,600
Education and welfare	12,500	15,260	26,000
Housing	145,000	134,984	145,812
Community amenities	105,600	104,009	95,400
Recreation and culture	22,500	21,459	25,400
Economic services	113,200	136,015	76,700
Other property and services	35,000	(1,281)	6,000
	442,150	418,520	389,412

**9. GRANT REVENUE**

	Unspent grants, subsidies and contributions liability				Grants, subsidies and contributions revenue			
	Liability 1 July 2020	Increase in Liability	Liability Reduction (As revenue)	Total Liability 30 June 2021	Current Liability 30 June 2021	2020/21 Budget	2019/20 Actual	2019/20 Budget
<b>By Program:</b>	\$	\$	\$	\$	\$	\$	\$	\$
<b>(a) Operating grants, subsidies and contributions</b>								
General purpose funding	-	-	-	-	-	760,860	1,528,148	760,860
Law, order, public safety	-	-	-	-	-	27,000	55,537	51,422
Education and welfare	-	-	-	-	-	343,000	418,090	311,550
Recreation and culture	-	-	-	-	-	9,900	24,210	24,600
Transport	-	-	-	-	-	139,472	132,025	132,000
	-	-	-	-	-	1,280,232	2,158,010	1,280,432
<b>(b) Non-operating grants, subsidies and contributions</b>								
General purpose funding	-	-	-	-	-	383,000	-	-
Recreation and culture	-	-	-	-	-	96,666	-	2,500
Transport	-	-	-	-	-	3,341,198	1,104,342	1,261,106
Economic services	-	-	-	-	-	-	-	37,500
	-	-	-	-	-	3,820,864	1,104,342	1,301,106
<b>Total</b>	-	-	-	-	-	5,101,096	3,262,352	2,581,538

## 10. OTHER INFORMATION

The net result includes as revenues

### (a) Interest earnings

Investments			
- Reserve funds	20,000	32,984	60,000
- Other funds	10,000	2,470	14,000
Loan Interest Reimbursed	205	204	205
Other interest revenue (refer note 1b)	7,000	13,201	10,000
	37,205	48,860	84,205

### (b) Other revenue

Reimbursements and recoveries	213,365	353,994	272,092
	213,365	353,994	272,092

The net result includes as expenses

### (c) Auditors remuneration

Audit services	32,000	28,480	32,000
	32,000	28,480	32,000

### (d) Interest expenses (finance costs)

Borrowings (refer Note 6(a))	41,760	43,803	46,162
Other	-	-	5,000
	41,760	43,803	51,162

### (e) Elected members remuneration

Meeting fees	20,000	20,310	25,000
President's allowance	3,200	3,200	3,200
Deputy President's allowance	800	800	800
Telecommunications allowance	1,000	900	1,000
	25,000	25,210	30,000

### (f) Write offs

General rate	10,000	631	1,000
	10,000	631	1,000

**11. MAJOR LAND TRANSACTIONS**

It is not anticipated the Shire will be party to any major land transactions during FY20/21.

## 12. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated the Shire will be party to any trading undertakings during FY20/21.

### 13. INTERESTS IN JOINT ARRANGEMENTS

The Shire of Dowerin entered into arrangements with the State Housing Commission - Homeswest for:

- 4 x 2-Bedroom Units for Small Families (Memorial Street Units) in 1996; and
- 4 x Independent Living Units for Seniors (Lot 27 Goldfields Road - Hilda Street Units) in 2006.

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

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
<b>Non-current assets</b>			
Land and Buildings	1,155,947	1,155,947	1,155,947
Less: accumulated depreciation	(83,696)	(55,797)	(27,898)
	1,072,251	1,100,150	1,128,049

#### SIGNIFICANT ACCOUNTING POLICIES

##### INTERESTS IN JOINT ARRANGEMENTS

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

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

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

#### 14. SIGNIFICANT ACCOUNTING POLICIES - OTHER INFORMATION

##### GOODS AND SERVICES TAX (GST)

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

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

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

##### CRITICAL ACCOUNTING ESTIMATES

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

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

##### ROUNDING OFF FIGURES

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

##### COMPARATIVE FIGURES

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

##### BUDGET COMPARATIVE FIGURES

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