



# Annual Report

2018/2019

# Shire of Dowerin

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SHIRE OF  
**DOWERIN**  
TIN DOG TERRITORY



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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

*In another year of rebuilding for the Shire of Dowerin, Council is committed to progressing initiatives for the betterment of our community.*

### DOWERIN-KALANNIE ROAD

Council recognises that roads are a major asset of the Shire and is endeavouring to manage the roads while dealing with increasing heavy vehicle movements.

A case in point is the Dowerin-Kalannie Road which had an excess of truck movements originating from the Cadoux CBH bin after the 2018/19 harvest. Major damage occurred and repair costs are estimated at \$570,000 or 40% of all rates levied by the Shire. Such costs to the Shire are unsustainable so Council has and will continue to make representations to the Minister for Transport and to Main Roads WA to address ways in managing traffic movements and to receive additional funding.

### CBH DEVELOPMENT

In January a development application was submitted on behalf of CBH to construct additional grain receival facilities at its Dowerin West grain receival site.

The proposed development comprised the construction of 3 open bulkheads, a hopper pit, ground conveyor and drainage works as well as internal road network works. While the development is important for the region in enabling additional grain to be stored on site, concerns around the asset management implications of the increased traffic movements of heavy vehicles remain.

It is hoped that with cooperative negotiations a workable solution can be found to ensure the needs of growers, transporters and the community are achieved.

### DISPOSAL OF LAND

Council resolved to dispose of some of its property portfolio by public tender throughout the year, with the successful sale of properties on Cottrell, Maisey and Stacey Streets.

Council will continue to dispose of some of its older assets as opportunities arise. Funds

received from the sales will be transferred to the Housing Reserve and help improve our other housing.

### POLICY REVIEW

Council reviewed a number of policies during the financial year to streamline processes and align with current legislative and operational requirements. Work in this area is expected to be ongoing.

Council has also entered into MOU's with local sporting clubs, so there can be a greater understanding between the Shire and the sporting bodies on their obligations to each other.

### THANK YOU & ACKNOWLEDGMENTS

As President of Council I take this opportunity to thank my Deputy President, Cr Adam Metcalf, and my fellow Councillors for their support and dedication. Council meetings have been very productive and collaborative throughout the year.

This year has seen a number of changes in staff and I welcome all the new employees to Dowerin.

Our CEO, Rebecca McCall, has been with us for a year now. Rebecca and her team have extensive local government experience, bringing new ideas and efficiencies to the Shire. We are very much improved in our governance and compliance with the Local Government Act 1995.

Thank you to Glen Brigg and the works crew, who have continued to maintain the sporting fields and parks and gardens to a high standard this year.

Council has a long term plan to upgrade its plant and equipment to enable increased efficiencies in road repairs and construction. This should be evident in the future.

Thank you to all staff for their hard work and presentation of our Shire.



## CEO'S MESSAGE

*This past year has been one of hard work and improvement for the Shire of Dowerin, and we can be proud of our achievements.*

### ORGANISATIONAL RESTRUCTURE

2018/19 saw a number of staff changes which created both interruptions and opportunities for the organisation.

Following a comprehensive review of the organisation's workforce structure, which commenced in November 2018, Council adopted the revised structure at its March 2019 meeting.

The restructure enables the organisation to build on its capacity and capability with a workable solution ensuring the organisation can meet its operational, legislative, regulatory and strategic requirements, in addition to delivering services to the community.

While it is acknowledged that work on improving practices and controls will be ongoing, it is pleasing to note that a strong team has been established to deliver these improvements.

### ASSET MANAGEMENT IMPROVEMENTS

A number of capital works projects were undertaken during 2018/19, including:

- Stage 1 of the renewal of the Dowerin Memorial Pool;
- construction of a new GROH house; and
- installation of solar panels to the Shire Administration Office.

In addition to these major projects, a comprehensive road program was undertaken with works on Dowerin-Kalannie Road and Dowerin-Koorda Road, as well as WANDRRA flood damage repairs on Avery Road, Bruce Road, MacPherson Road and McKay Road.

These asset management improvements are designed to increase Dowerin's ability to attract visitors and new residents to town and enhance the amenity of our existing facilities. This extends their operational life and decreases ongoing operational costs, which benefits our existing residents.

### GOVERNANCE AND COMPLIANCE

Legislative and regulatory requirements continue to be a major focus of day-to-day operations and this is expected to increase.

A number of legislative amendments are being introduced as a result of the Local Government Act Review process, and a considerable amount of staff time will need to be allocated to ensuring the organisation is able to implement and comply with these new requirements.

The amendments are designed to increase the accountability and transparency of the local government sector, as well as creating efficiencies for local governments to better deliver for the community.

### CLOSING ACKNOWLEDGMENTS

The past year has seen employees of the Shire work hard to improve governance procedures and the way in which the services we provide are delivered. Staff are to be congratulated on their efforts.

I would also like to acknowledge the support of Council and we will continue to work cohesively towards achieving best practice in alignment with legislative requirements and the community's vision.

I look forward to ensuring it all comes together.



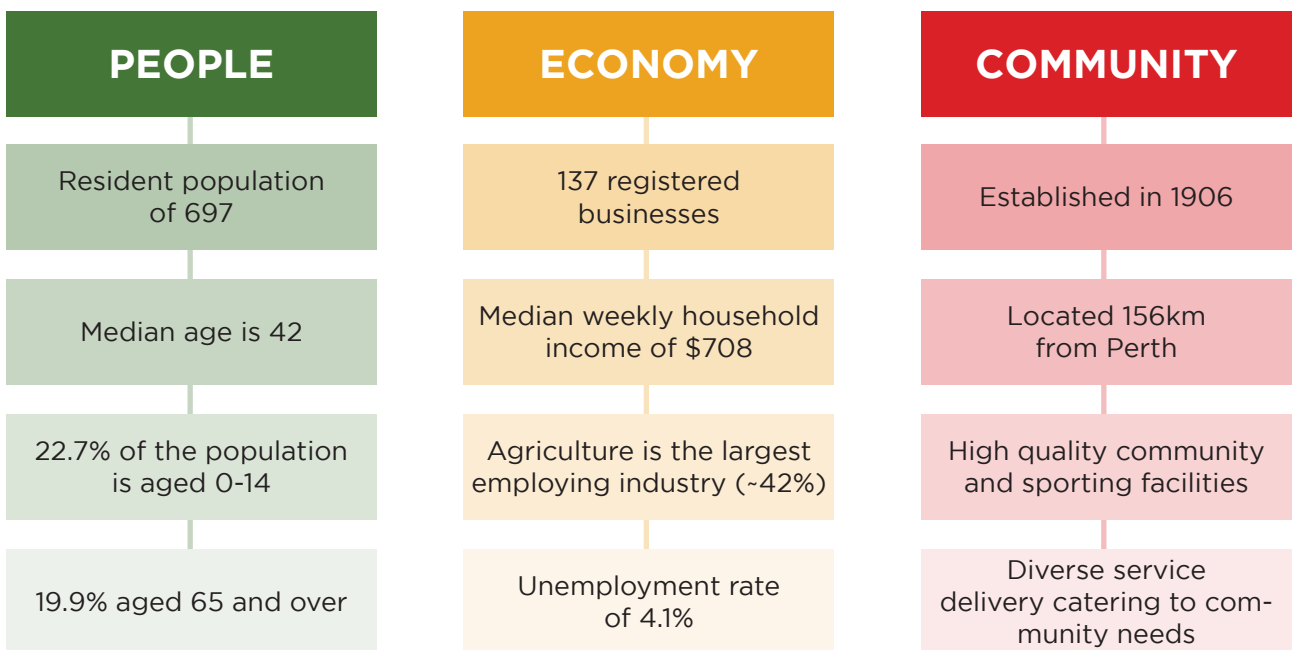
## ABOUT DOWERIN

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 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.

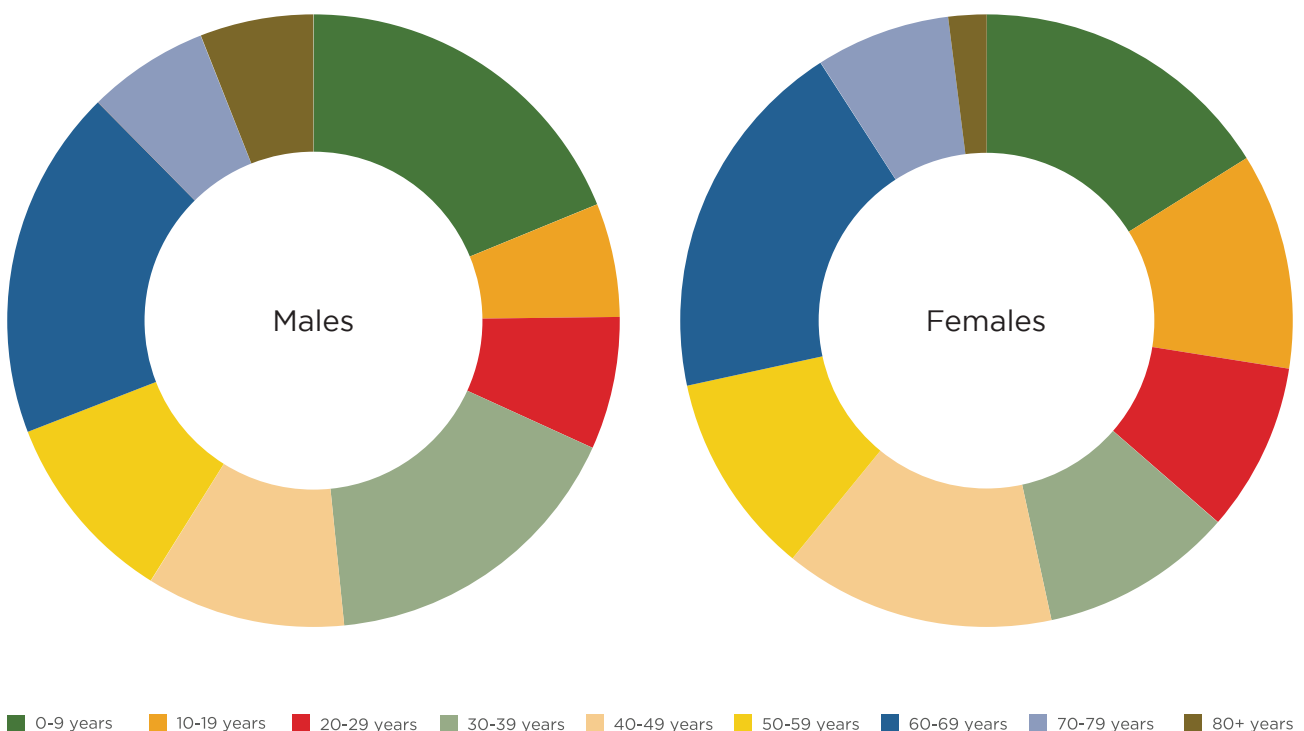
The district of Dowerin comprises of the town of Dowerin and a number of smaller localities covering a combined area of 1,867sq km. The district consists mostly of agricultural land used primarily for the production of sheep and grain. Other predominant industries in the region include cattle production, 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 2019



**Cr Julie Chatfield**  
**COUNCILLOR**  
Term ends 2019



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



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



**Cr Rob Trepp**  
**COUNCILLOR**  
Term ends 2019



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



**Cr Brenton Walsh**  
**COUNCILLOR**  
Term ends 2019



Cr Lindsay Hagboom absent from photograph

## COUNCILLOR ATTENDANCE

| ATTENDANCE AT<br>ORDINARY MEETINGS OF COUNCIL 2018/19 |     |     |     |     |     |     |     |     |     |     |     |     |
|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Councillor  | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN |
| Cr DP Hudson  | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   |
| Cr AJ Metcalf   | ✓   | ✓   | ✓   | ✓   | X   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   |
| Cr JC Chatfield                                       | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | X   | ✓   |
| Cr LG Hagboom   | ✓   | X   | ✓   | ✓   | X   | ✓   | ✓   | ✓   | X   | ✓   | ✓   | ✓   |
| Cr LH Holberton                                       | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | X   | ✓   | ✓   | ✓   |
| Cr RI Trepp   | ✓   | ✓   | X   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   |
| Cr BN Walsh   | ✓   | ✓   | X   | ✓   | ✓   | X   | ✓   | ✓   | X   | ✓   | ✓   | ✓   |
| Cr BA Ward  | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | X   | ✓   | ✓   | ✓   | ✓   |

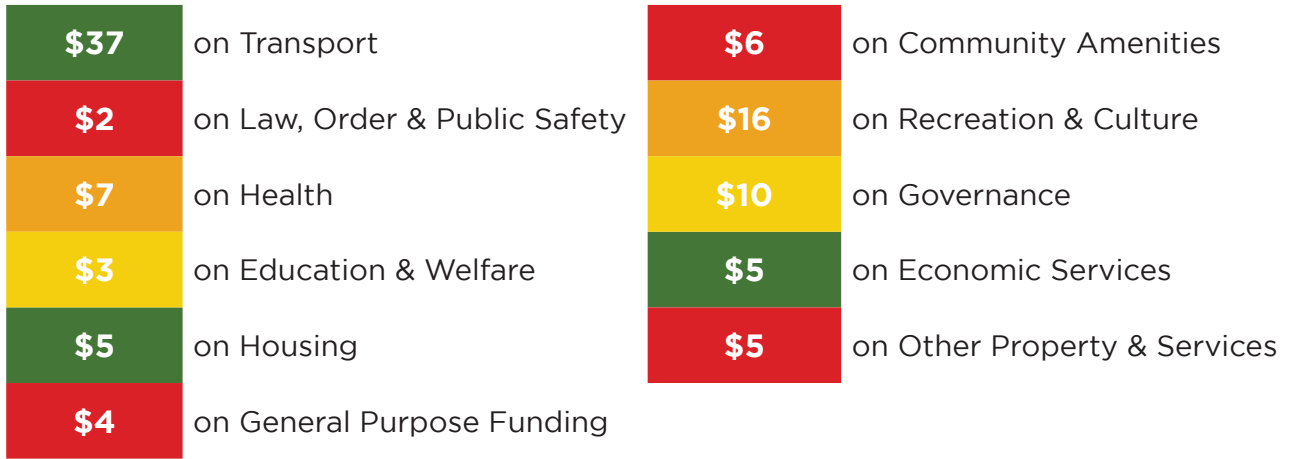




# YEAR IN REVIEW

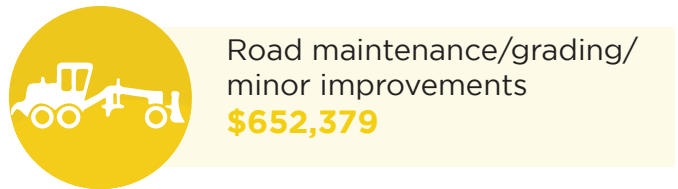
## Corporate Services

In 2018/19, for every \$100 the Shire of Dowerin spent:



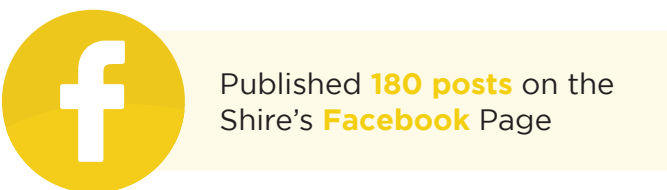
## Works & Services

During 2018/19 the Shire:



## Media & Communication Services

During 2018/19 the Shire:



## Development Services

During 2018/19 the Shire:



Issued **4 Building Approvals**



Completed **1 Subdivision/ Amalgamation**



Completed **2 Local Planning Scheme Amendments**



Reached Registration of **178 Dogs**



Issued **3 Planning Approvals**



Reached Registration of **42 Cats**

## Community Services

During 2018/19 the Shire:



Received **1,114 Visitors** to the Short Stay



Reached **83 Gym Memberships**



Delivered **282 Meals on Wheels**



Submitted **7 Grant Applications**



Organised and held **9 Community Events**



Delivered **3 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<br>✓ | Ongoing<br>∞ | In Progress<br>▶ | Not Commenced<br>X | Scheduled<br>■ | On Hold<br> |
|----------------|--------------|------------------|--------------------|----------------|-------------|
|----------------|--------------|------------------|--------------------|----------------|-------------|

|  |  |  |  |  |   |
|--|--|--|--|--|---|
| <b>Outcome 1</b><br><b>More people particularly young people and families, live and stay in Dowerin.</b>   |  |  |  |  |   |
| <b>Strategy C1</b><br>Actively promote Dowerin as a vibrant, family friendly community with quality and diverse amenities and services.                          |  |  |  |  |   |
| <b>Corporate Business Plan Key Actions</b>   |  |  |  |  |   |
| <b>C1.1</b> Continue to support the Dowerin Home Care Service  |  |  |  |  | ∞ |
| <b>C1.2</b> Develop and implement an annual Community Development Plan   |  |  |  |  | ✓ |
| <b>C1.3</b> Develop and implement a Dowerin Marketing Plan   |  |  |  |  | X |
| <b>Outcome 2</b><br><b>Sustainable management through greater collaboration and innovative governance models.</b>  |  |  |  |  |   |
| <b>Strategy C2</b><br>Establish a 'volunteer register' which documents volunteering capacity and provides a measurable value to volunteering in Dowerin.         |  |  |  |  |   |
| <b>Corporate Business Plan Key Actions</b>   |  |  |  |  |   |
| <b>C2.1</b> Continue to maintain the Dowerin Home Care Volunteer Register  |  |  |  |  | ∞ |
| <b>C2.2</b> Develop and maintain a community volunteer register  |  |  |  |  | X |
| <b>Strategy C3</b><br>Investigate best practice in shared governance arrangements for volunteer groups to support a more sustainable volunteer base.             |  |  |  |  |   |
| <b>Corporate Business Plan Key Actions</b>   |  |  |  |  |   |
| <b>C3.1</b> Facilitate best-practice governance training for community groups  |  |  |  |  | ▶ |
| <b>Comment</b><br>Council is contributing towards the cost of a consultant to work with the Dowerin Community Club Committee to develop policies and procedures. |  |  |  |  |   |
| <b>Outcome 3</b><br><b>A friendly and welcoming community that all residents and visitors participate and have pride in.</b>                                     |  |  |  |  |   |
| <b>Strategy C4</b><br>Targeted engagement of all sectors of the community, recognising cultural diversity.   |  |  |  |  |   |
| <b>Corporate Business Plan Key Actions</b>   |  |  |  |  |   |
| <b>C4.1</b> Develop, implement and monitor a Communications and Engagement Framework.  |  |  |  |  | X |

|   |   |
|---|---|
| <b>Strategy C5</b>  |   |
| Provide an annual program of events that incorporates activities and opportunities.   |   |
| <b>Corporate Business Plan Key Actions</b>  |   |
| <b>C5.1</b> Develop and implement an annual Community Development Plan  | ▶ |
| <b>Comment</b>  |   |
| Community events included the Christmas Festival, Australia Day, ANZAC Day, Clean Up Australia Day, Triathlon and Pre-Seeding Bring the Rain.   |   |
| Outcome 4<br>Better access to quality and diverse education and training opportunities.   |   |
| <b>Strategy C6</b>  |   |
| Continued support and advocacy for the educational institutions in Dowerin and in partnership with the Dowerin Senior High School identify and integrate senior high school options.  |   |
| <b>Corporate Business Plan Key Actions</b>  |   |
| <b>C6.1</b> Continued provision of HR and payroll support for Lil' Tigers Early Years Centre  | ∞ |
| <b>C6.2</b> Continued provision of a facility to support Lil' Tigers Early Years Centre   | ∞ |
| <b>C6.3</b> Support agencies and community groups to implement youth initiatives  | ∞ |
| <b>C6.4</b> Support agencies, businesses and community organisations to advocate for increased educational services.  | X |
| <b>Comment</b>  |   |
| Council continues to support Lil' Tigers Early Years; The hire cost of community facilities for the Dowerin District High School is waived.   |   |
| <b>Strategy C7</b>  |   |
| 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. |   |
| <b>Corporate Business Plan Key Actions</b>  |   |
| <b>C7.1</b> Investigate opportunities and partnerships to develop a community traineeship program   | X |
| Outcome 5<br>Services provision meets the varying needs of different sectors of the Dowerin community.  |   |
| <b>Strategy C8</b>  |   |
| Create an 'Aged Friendly Community Plan' identifying infrastructure and service delivery requirements and continue to support the Dowerin Home Care service as a priority.  |   |
| <b>Corporate Business Plan Key Actions</b>  |   |
| <b>C8.1</b> Develop and implement an 'Age Friendly Community Plan'  | X |
| <b>C8.2</b> Continue to support the Dowerin Home Care Service   | ∞ |
| <b>Strategy C9</b>  |   |
| Support the Dowerin District High School Youth Leadership Group to provide youth led and informed social and development opportunities and experiences for young people.  |   |
| <b>Corporate Business Plan Key Actions</b>  |   |
| <b>C9.1</b> Develop and implement a Strategic Youth Plan  | X |



## OUR INFRASTRUCTURE

|   |   |
|---|---|
| <b>Outcome 1</b><br>Infrastructure is fit for purpose, responsibly managed and maintained.  |   |
| <b>Strategy I1</b><br>Empty spaces/places reviewed to determine and promote opportunities for the re-use and revitalisation of unused community assets.   |   |
| <b>Corporate Business Plan Key Actions</b>  |   |
| I1.1 Facility and Spaces audit and review completed   | X |
| I1.2 Develop a Facility and Spaces Plan and implement identified strategies   | X |
| I1.3 Develop and implement a Streetscaping Plan   | ∞ |
| <b>Comment</b><br>Community consultation to finalise the streetscaping plan will commence in 2020.  |   |
| <b>Strategy I2</b><br>Develop a comprehensive asset management plan that priorities assets and details a replacement and management schedule, that aligns to community needs.                               |   |
| <b>Corporate Business Plan Key Actions</b>  |   |
| 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><br>The refurbishment of the Dowerin Memorial Swimming Pool, Stage 1 was completed.   |   |
| <b>Outcome 2</b><br>Housing meets existing community need and facilitates in-migration of families and workers.   |   |
| <b>Strategy I3</b><br>Undertake a housing needs analysis to identify specific housing requirements and opportunities to address gaps in the market.   |   |
| <b>Corporate Business Plan Key Actions</b>  |   |
| I3.1 Complete a Housing Needs Analysis  | ■ |
| <b>Strategy I4</b><br>Investigate and implement appropriate housing investment models for Dowerin.  |   |
| <b>Corporate Business Plan Key Actions</b>  |   |
| I4.1 Implement the Avon Well Aged Housing Project   |   |
| <b>Comment</b><br>A new residence was built to accommodate GROH employees; Due to financial limitations and the current demand for independent living units, the Avon Well Aged Housing project is on hold. |   |

## OUR ECONOMY

|  |   |
|--|---|
| <p><b>Outcome 1</b><br/>Available, well-marketed and appropriately provisioned commercial and industrial land entices new business establishment.</p>  |   |
| <p><b>Strategy E1</b><br/>Develop a Sub-Regional Industrial Land Prospectus to attract new business.</p>   |   |
| <p><b>Corporate Business Plan Key Actions</b></p>  |   |
| <b>E1.1</b> Develop a business and industry investment prospectus  | ■ |
| <b>E1.2</b> Develop and implement a Dowerin Marketing Plan   | X |
| <b>E1.3</b> Develop and implement a Streetscaping Plan   | ∞ |
| <p><b>Outcome 2</b><br/>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.</p>   |   |
| <p><b>Strategy E2</b><br/>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.</p>   |   |
| <p><b>Corporate Business Plan Key Actions</b></p>  |   |
| <b>E2.1</b> Undertake a tourism audit to include attractions, services and signage   | ▶ |
| <b>E2.2</b> Prepare and implement a Strategic Tourism Plan   | ■ |
| <p><b>Strategy E3</b><br/>Continued involvement in regional tourism marketing campaigns and targeted marketing of the Dowerin Short Stay Accommodation precinct.</p>   |   |
| <p><b>Corporate Business Plan Key Actions</b></p>  |   |
| <b>E3.1</b> Continue to be an active member of Pioneers Pathway and Wheatbelt Way and support the development of the products  | ∞ |
| <b>E3.2</b> Review the Dowerin Short Stay Accommodation management model and implement identified initiatives and opportunities  | X |
| <b>E3.3</b> Develop and implement a Dowerin Short Stay Accommodation Marketing Plan  | ▶ |
| <b>E3.4</b> Develop imagery inventory to enable marketing content  | ▶ |
| <p><b>Comment</b><br/>Regional marketing of Pioneers' Pathway and Wheatbelt Way continues; Marketing of the Short Stay Accommodation is ongoing.</p>   |   |
| <p><b>Strategy E4</b><br/>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.</p>   |   |
| <p><b>Corporate Business Plan Key Actions</b></p>  |   |
| <b>E4.1</b> Establish a Wheatbelt Rail Heritage working group and support identified initiatives to promote the precinct   | ▶ |
| <b>E4.2</b> Facilitate the transfer of ownership of the locomotives and rolling stock  | ▶ |
| <b>E4.3</b> Facilitate the transfer of management of the Wheatbelt Rail Heritage Museum to an appropriate entity   | X |
| <p><b>Comment</b><br/>Pioneers Pathway are continuing to develop its product 'stories of the pioneers' to be initiated in 2020 if external funding is secured; The ownership of the locomotives and rolling stock will be transferred to the Australian Railway Historical Society (WA) in the new financial year.</p> |   |



|   |   |
|---|---|
| <b>Outcome 3</b><br>New industry and strengthened existing industry support economic growth and local employment generation.  |   |
| <b>Strategy E5</b><br>Complete a local economic development and incentivisation plan that focuses on business development and identifies industry opportunities and actions to capitalise on prospects. |   |
| <b>Corporate Business Plan Key Actions</b>  |   |
| <b>E5.1</b> Develop and implement a Strategic Economic Plan   | ■ |
| <b>Strategy E6</b><br>Local businesses are supported to thrive through continued membership and promotion of the Wheatbelt Business Network; and development of a local business development strategy.  |   |
| <b>Corporate Business Plan Key Actions</b>  |   |
| <b>E6.1</b> Facilitate the re-activation of the Dowerin Business Association  | ▶ |
| <b>E6.2</b> Advocate the increased local participation of the Wheatbelt Business Network  | X |
| <b>E6.3</b> Facilitate the development of business development strategies and support local businesses with the implementation of identified initiatives.   | ■ |
| <b>Comment</b><br>The Shire of Dowerin is assisting the Dowerin Business Association through the provision of administrative support.   |   |

## OUR NATURAL ENVIRONMENT

|  |   |
|--|---|
| <b>Outcome 1</b><br>Increased community education and awareness supports the preservation of Dowerin's natural environment.  |   |
| <b>Strategy N1</b><br>Work with environmental advocacy groups to deliver targeted education programs that support existing sustainability initiatives and encourages community ownership of recycling program.                                     |   |
| <b>Corporate Business Plan Key Actions</b>   |   |
| <b>N1.1</b> Facilitate and support the transfer of recycling program management to a community group   | ▶ |
| <b>N1.2</b> Support the rollout of the Container Deposited Scheme  | ▶ |
| <b>N1.3</b> Support recycling awareness campaigns  | X |
| <b>Strategy N2</b><br>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. |   |
| <b>Corporate Business Plan Key Actions</b>   |   |
| <b>N2.1</b> Explore opportunities to reinstate an NRM Officer in collaboration with neighbouring Shires.   | X |
| <b>N2.2</b> Investigate opportunities to formalise an agreement with Wheatbelt Natural Resource Management to advocate for a greater resource allocation for the Shire of Dowerin.   | X |

|  |   |
|--|---|
| <b>Outcome 2</b><br>Sustainable practices are researched and entrenched in areas such as waste management, water management and renewable energy production.   |   |
| <b>Strategy N3</b><br>Large scale renewable energy production investigated for development potential in collaboration with neighbouring Shires.  |   |
| <b>Corporate Business Plan Key Actions</b>   |   |
| <b>N3.1</b> Investigate opportunities for renewable energy development.  | X |
| <b>Strategy N4</b><br>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.     |   |
| <b>Corporate Business Plan Key Actions</b>   |   |
| <b>N4.1</b> Develop and implement a Strategic Waste Management Plan  | ■ |
| <b>Strategy N5</b><br>Integrate water management planning with land use planning focusing on; improved water harvesting, storage and use; water quality and salinity management.   |   |
| <b>Corporate Business Plan Key Actions</b>   |   |
| <b>N5.1</b> Develop and implement a Water Management Plan  | ■ |
| <b>Outcome 3</b><br>Sustainable infrastructure design and maintenance minimises environmental impact.  |   |
| <b>Strategy N6</b><br>Sustainable maintenance of parks, ovals, public spaces and infrastructure through planning for water harvesting, storage and use of renewable energy installation to reduce electricity consumption. |   |
| <b>Corporate Business Plan Key Actions</b>   |   |
| <b>N6.1</b> Identify and action water use reduction, recovery and re-use initiatives   | ▶ |
| <b>N6.2</b> Identify opportunities to initiate renewable energy installations  | ∞ |
| <b>Comment</b><br>Solar panels were installed to the Shire Administration Office.  |   |
| <b>Strategy N7</b><br>Information packs and referrals to relevant associations for new infrastructure development include specifications for responsibly sourced and energy efficient materials and design features.       |   |
| <b>Corporate Business Plan Key Actions</b>   |   |
| <b>N7.1</b> Provide appropriate environment friendly products and design information on the Shire of Dowerin's website.  | X |

## OUR LEADERS

|  |   |
|--|---|
| <p><b>Outcome 1</b><br/>A community that is engaged and involved because of collaborative decision making and transparent communication.</p>   |   |
| <p><b>Strategy L1</b><br/>Specific volunteer groups and individuals are targeted for involvement in community projects that align to their areas of interest and expertise.</p>          |   |
| <p><b>Corporate Business Plan Key Actions</b></p>  |   |
| <p><b>L1.1</b> Continue to facilitate and support identified project committees and working groups focusing on community priorities</p>  | ∞ |
| <p><b>Strategy L2</b><br/>Communication between the Shire and community is multi-faceted and included electronic and print media as well as in-person engagement.</p>                    |   |
| <p><b>Corporate Business Plan Key Actions</b></p>  |   |
| <p><b>L2.1</b> Develop, implement and monitor a Communication and Engagement Framework</p>   | X |
| <p><b>Outcome 2</b><br/>Through effective planning, service delivery meets community needs and assets are managed to optimise life cycle costs.</p>                                      |   |
| <p><b>Strategy L3</b><br/>Develop an asset management plan and long-term financial plan consistent with identified community priorities for asset renewal and service delivery.</p>      |   |
| <p><b>Corporate Business Plan Key Actions</b></p>  |   |
| <p><b>L3.1</b> Conduct a comprehensive service delivery review</p>   | ▶ |
| <p><b>L3.2</b> Develop a suite of service delivery plans and strategies</p>  | X |
| <p><b>L3.3</b> Integrate service delivery strategies into the asset management plan and long-term financial plan</p>   | X |
| <p><b>L3.4</b> Conduct a facility audit and develop a master plan for future facility usage</p>  | X |
| <p><b>Comment</b><br/>Review of service delivery and facility audits will continue into the 2019/20 financial year.</p>  |   |
| <p><b>Strategy L4</b><br/>Efficient and proactive service provision and planning that adapts to meet changing community needs as identified through regular community health checks.</p> |   |
| <p><b>Corporate Business Plan Key Actions</b></p>  |   |
| <p><b>L4.1</b> Monitor and review IPR Suite of Plans</p>   | X |
| <p><b>L4.2</b> Conduct biennial Community Satisfaction Surveys</p>   | ■ |
| <p><b>Comment</b><br/>Quarterly reviews of the IPR Suite of Plans will commence in 2019/20; The Community Satisfaction Survey is scheduled for 2020.</p>                                 |   |



|   |   |
|---|---|
| <b>Outcome 3</b>  |   |
| Commitment to continuous improvement in service delivery and good governance practices ensures the Shire is adaptive to evolving community needs.   |   |
| <b>Strategy L5</b>  |   |
| Continual review and revision of Council policy, procedures and governance frameworks to ensure responsible, efficient and effective service delivery.  |   |
| <b>Corporate Business Plan Key Actions</b>  |   |
| <b>L5.1</b> Ensure policies, procedures and practices are effective, transparent and aligned with corporate functions and service delivery  | ∞ |
| <b>L5.2</b> Monitor and review the Shire of Dowerin's Risk Management Framework and Profiling Tool  | ∞ |
| <b>L5.3</b> Continue to provide prudent financial controls and compliance systems   | ∞ |
| <b>Comments</b>   |   |
| Policies and procedures implemented; Compliance requirements met.   |   |
| <b>Strategy L6</b>  |   |
| Integrated planning evolves and adapts to meet the changing context for Dowerin.  |   |
| <b>Corporate Business Plan Key Actions</b>  |   |
| <b>L6.1</b> Review IPR Framework  | ■ |
| <b>L6.2</b> Monitor and review IPR Suite of Plans   | ▶ |
| <b>Comments</b>   |   |
| Council adopted the reviewed Corporate Business Plan 2018-2022  |   |
| <b>Strategy L7</b>  |   |
| 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. |   |
| <b>Corporate Business Plan Key Actions</b>  |   |
| <b>L7.1</b> Continue to progress regional collaboration by participating in Avon Regional Organisation of Councils strategies and similar regional partnerships.  | ∞ |
| <b>L7.2</b> Work collaboratively with relevant State agencies to plan future service and infrastructure needs.  | ∞ |
| <b>Comments</b>   |   |
| Advocacy undertaken when required.  |   |

## 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, and address the seven outcome areas within the plan

The seven (7) outcomes identified in the AIP are;

**Outcome 1:** People with a disability have the same opportunities as other people to access the services of, and any events organised by, the Shire of Dowerin.

**Outcome 2:** People with a disability have the same opportunities as other people to access to buildings and facilities of the Shire of Dowerin.

**Outcome 3:** People with a disability receive the information from the Shire of Dowerin authority in a format that will enable them to access the information as readily as other people are able to access it.

**Outcome 4:** People with a disability receive the same level and quality of service from the staff of the Shire of Dowerin.

**Outcome 5:** People with a disability have the same opportunities as other people to make complaints to the Shire of Dowerin.

**Outcome 6:** People with a disability have the same opportunities as other people to participate in any public consultation by the Shire of Dowerin.

**Outcome 7:** People with a disability have the same opportunities as other people to obtain and maintain employment with a public authority.

Whilst it is a statutory requirement for the Shire to maintain and implement an AIP,

it is acknowledged that direct community benefits also result from the Shire's commitment to access and inclusion.

### 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.

#### Recordkeeping Plan

The Shire completed a Recordkeeping Plan (RKP2008069) Review Report on 27 March 2014, which was presented to the State Records Office of WA on 1 August 2014. The State Records Office of WA approved the continuation of the Plan in line with the report.

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 and implementation of other priorities, 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 will be 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.

This report has been published in accordance with the requirements of the State Records Act 2000.

## 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 2018/19.

## 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 2018/19.

The Shire of Dowerin's Information Statement, adopted at Council's October 2018 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.

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 | 1                   |
| \$110,000 to \$119,999 | 1                   |
| \$120,000 to \$129,999 | 1                   |
| \$130,000 to \$139,999 | 0                   |
| \$140,000 to \$149,999 | 1                   |
| \$150,000 to \$159,999 | 0                   |
| \$160,000 to \$169,999 | 0                   |
| \$170,000 to \$179,999 | 0                   |
| \$180,000 plus         | 0                   |







## COMMUNITY SERVICES

### Support for Community Events and Organisations

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

| RECIPIENT                                    | AMOUNT   |
|--|----------|
| Wheatbelt AgCare                             | \$500    |
| Dowerin Field Days                           | \$69,388 |
| Dowerin Companion Club - Bus Hire            | \$700    |
| Dowerin District High School - Book Award    | \$100    |
| Dowerin District High School - Facility Hire | \$5,500  |
| Infant Aquatics                              | \$1,000  |

### Grants and Funding

The Shire was successful in obtaining a range of grant funds over 2018/19 including:

| FUNDING BODY                                 | PROJECT  | AMOUNT    |
|--|--|-----------|
| COTA - WA Seniors Week Community Grants      | Contribution towards Whale Watching event for Seniors Week | \$1,300   |
| Department of Transport                      | Bike Week; Contribution towards the Triathlon              | \$600     |
| Dowerin Events Management                    | Contribution towards Christmas Festival entertainment      | \$1,500   |
| Federal Assistance Grants                    | Commonwealth general funding allocation and roads funding  | \$903,485 |
| Department of Local Government & Communities | Youth Development Scholarship Programs                     | \$20,000  |



## 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.

These events include:

- Tree Day
- Stargazing at Minnivale
- 50th Pool Celebration
- Christmas Festival
- Australia Day
- Triathlon
- ANZAC Day
- Pre-Seeding Event - Bring the Rain
- Clean Up Day



## 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
- Wheatbelt Way Trail

Dowerin Workcamp Projects

- 4 O'Loghlen Street Residence; paving
- Centenary Park; renewal of seating



## WORKS & ASSETS

### Road Construction & Maintenance

| OWN RESOURCES (O/R)  |                  |
|--|------------------|
| Rural Road Maintenance   |                  |
| Grading, road stabilisation, vegetation clearance, pothole repairs, road sign replacement, culverts              | \$652,379        |
| Town Road Maintenance  |                  |
| Streetscaping, parks and gardens, vegetation clearance, pothole repairs, road sign replacement, kerb replacement | \$141,790        |
| <b>Total Cost - O/R</b>  | <b>\$794,169</b> |

| REGIONAL ROAD GROUP (RRG) |                  |
|---------------------------|------------------|
| Construction/Maintenance  |                  |
| Dowerin-Kalannie Road     | Reconstruct      |
| Dowerin-Meckering Road    | Reconstruct      |
| <b>Total Cost - RRG</b>   | <b>\$786,507</b> |

| ROADS TO RECOVERY (R2R)  |                  |
|--------------------------|------------------|
| Construction/Maintenance |                  |
| Cunderdin-Minnivale Road | Reconstruct      |
| Dowerin-Koorda Road      | Reseal           |
| Old Koorda Road          | Gravel sheeting  |
| Dowerin-Meckering Road   | Reconstruction   |
| <b>Total Cost - R2R</b>  | <b>\$570,900</b> |

| WA NATURAL DISASTER RELIEF & RECOVERY ARRANGEMENTS (WANDRRA) |                  |
|--|------------------|
| Construction/Maintenance                                     |                  |
| Avery Road   | Flood damage     |
| Bruce Road   | Flood damage     |
| MacPherson Road  | Flood damage     |
| McKay Road   | Flood damage     |
| <b>Total Cost - WANDRRA</b>                                  | <b>\$786,507</b> |

| ROAD CONSTRUCTION & MAINTENANCE GRANT FUNDING |                    |
|---|--------------------|
| Main Roads WA Direct                          | \$123,506          |
| RRG   | \$422,831          |
| R2R   | \$293,979          |
| WANDRRA                                       | \$515,124          |
| <b>Total Income - Grants</b>                  | <b>\$1,355,440</b> |

## Assets, Plant & Equipment

| PROJECTS (O/R)                         |                  |
|--|------------------|
| Administration Office Solar System     | \$15,644         |
| Dowerin Memorial Swimming Pool Stage 1 | \$219,705        |
| 4 O'Loughlen Street Refurbishment      | \$74,587         |
| <b>Total Cost - Projects</b>           | <b>\$309,936</b> |

| PLANT (O/R)               |                  |
|---------------------------|------------------|
| Finishing Mower           | \$38,500         |
| Skid Steer                | \$166,500        |
| Grader 12M                | \$367,000        |
| <b>Total Cost - Plant</b> | <b>\$572,000</b> |

| LIGHT VEHICLES (O/R)               |                  |
|------------------------------------|------------------|
| Ford Ranger Single Cab Ute         | \$36,132         |
| Ford Ranger Single Cab Ute         | \$36,132         |
| Ford Ranger Single Cab Ute         | \$32,116         |
| Ford Ranger Single Cab Ute         | \$29,143         |
| Ford Everest                       | \$50,932         |
| Ford Everest                       | \$50,378         |
| Ford Ranger Ute 4X4                | \$35,978         |
| <b>Total Cost - Light Vehicles</b> | <b>\$270,811</b> |

# COMMONWEALTH HOME SUPPORT PROGRAMME

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.

DHC provides services to assist eligible residents to remain living in their own homes for as long as safely possible. Many elderly residents in today's society may have limited contact with people outside their home. DHC provides the support and social interaction needed for their wellbeing. The aim of the program is to help older people live as independently as possible – with a focus on working with you, rather than doing for you. It is about building on your strengths and abilities to help you remain living independently and safely at home.

Services include:

- Transport to appointments and activities
- Domestic help (e.g. house cleaning, washing clothes)
- Personal care (e.g. help with showering or dressing)
- Home maintenance (e.g. changing light bulbs, gardening)
- Home modifications (e.g. getting a grab rail installed)
- Aids and equipment (e.g. bath seat, raised toilet seat, mobility aids)
- Meals, food preparation, nutrition advice, cooking skills
- Nursing (e.g. managing medication)
- Allied health (e.g. podiatry, physiotherapy, occupational therapy)
- Social support (e.g. accompanied activities, group excursions)
- Respite (care for you while your carer takes a break).

It has been a busy year introducing new Programs, taking on new consumers and the need for staff to undertake training to meet the challenges.

Gentle Gym has been well received with a full team prepared for the Annual Aged

Care Games held in Northam. Once again, DHC returned proudly home with the Perpetual Trophy.

## Consumer & Funding Information

Consumer clients did reduce for a short period of time but are now on the increase with an equal number of referrals for CHSP and Home Care Packages (HCP).

The year finished with nine HCPs at various levels, three WA Home & Community Care (WAHACC) consumers (under 65 years transitioning to NDIS) and thirty CHSP consumers.

It is likely that WAHACC funding will not be available after 30 June 2020.

Some consumers are from surrounding towns due to a lack of HCPs or home care not being available.

## DHC Support Group

The support group was reformed this year and the members are Julie Chatfield (Chair), Noela Newman, Anne Robson, Elaine Podmore, Rebecca McCall, Cherie Delmage, Carol Braddon and Lisa Begley.

A meeting was held in November to discuss the Christmas Party and the intent is to commence regular meetings, with the first to occur in March 2020.







# Financial Reports

2018/2019

**SHIRE OF DOWERIN**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2019**

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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

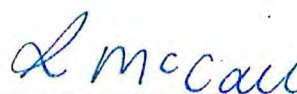
**SHIRE OF DOWERIN  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

*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 2019 is based on proper accounts and records to present fairly the financial position of the Shire of Dowerin at 30 June 2019 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 Nineteenth day of December 2019



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Ms Rebecca McCall  
Chief Executive Officer



SHIRE OF DOWERIN  
STATEMENT OF COMPREHENSIVE INCOME  
BY NATURE OR TYPE  
FOR THE YEAR ENDED 30TH JUNE 2019

|   | NOTE  | 2019<br>Actual     | 2019<br>Budget     | 2018<br>Actual<br>(Restated) |
|---|-------|--------------------|--------------------|------------------------------|
|   |       | \$                 | \$                 | \$                           |
| <b>Revenue</b>  |       |                    |                    |                              |
| Rates   | 21(a) | 1,328,309          | 1,336,057          | 1,250,387                    |
| Operating grants, subsidies and contributions                             | 2(a)  | 2,342,886          | 1,535,380          | 1,989,394                    |
| Fees and charges  | 2(a)  | 474,214            | 470,855            | 400,588                      |
| Service charges   | 21(c) | 160,648            | 160,100            | 155,716                      |
| Interest earnings   | 2(a)  | 81,505             | 63,111             | 82,686                       |
| Other revenue   | 2(a)  | 240,134            | 192,550            | 186,949                      |
|   |       | <u>4,627,696</u>   | <u>3,758,053</u>   | <u>4,065,720</u>             |
| <b>Expenses</b>   |       |                    |                    |                              |
| Employee costs  |       | (1,836,650)        | (1,712,602)        | (1,677,591)                  |
| Materials and contracts   |       | (1,914,469)        | (1,661,763)        | (1,242,215)                  |
| Utility charges   |       | (161,697)          | (193,792)          | (183,335)                    |
| Depreciation on non-current assets  | 10(b) | (1,325,718)        | (1,331,346)        | (1,290,556)                  |
| Interest expenses   | 2(b)  | (42,054)           | (44,684)           | (39,026)                     |
| Insurance expenses  |       | (152,557)          | (159,868)          | (141,841)                    |
| Other expenditure   |       | (95,754)           | (99,622)           | (98,939)                     |
|   |       | <u>(5,528,899)</u> | <u>(5,203,677)</u> | <u>(4,673,503)</u>           |
|   |       | <u>(901,203)</u>   | <u>(1,445,624)</u> | <u>(607,783)</u>             |
| Non-operating grants, subsidies and contributions                         | 2(a)  | 716,810            | 717,862            | 2,280,009                    |
| Profit on asset disposals   | 10(a) | 54,997             | 21,276             | 3,643                        |
| (Loss) on asset disposals   | 10(a) | (63,318)           | (66,903)           | (1,180,969)                  |
|   |       | <u>708,489</u>     | <u>672,235</u>     | <u>1,102,683</u>             |
| <b>Net result for the period</b>  |       | <b>(192,714)</b>   | <b>(773,389)</b>   | <b>494,900</b>               |
| <b>Other comprehensive income</b>   |       |                    |                    |                              |
| <i>Items that will not be reclassified subsequently to profit or loss</i> |       |                    |                    |                              |
| Changes in asset revaluation surplus                                      | 11    | 105,092            | -                  | 2,823,251                    |
| <b>Total other comprehensive income for the period</b>                    |       | <b>105,092</b>     | <b>-</b>           | <b>2,823,251</b>             |
| <b>Total comprehensive income for the period</b>                          |       | <b>(87,622)</b>    | <b>(773,389)</b>   | <b>3,318,151</b>             |

For restatement of prior year's amount, please refer to Note 27.

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 30TH JUNE 2019

|   | NOTE  | 2019<br>Actual     | 2019<br>Budget     | 2018<br>Actual<br>(Restated) |
|---|-------|--------------------|--------------------|------------------------------|
|   |       | \$                 | \$                 | \$                           |
| <b>Revenue</b>  |       |                    |                    |                              |
|   | 2(a)  |                    |                    |                              |
| Governance  |       | 27,446             | 5,730              | 18,956                       |
| General purpose funding   |       | 2,901,909          | 2,068,319          | 2,739,187                    |
| Law, order, public safety   |       | 23,872             | 14,234             | 17,059                       |
| Health  |       | 248,080            | 237,241            | 288,408                      |
| Education and welfare   |       | 106,702            | 135,160            | 117,934                      |
| Housing   |       | 146,374            | 181,870            | 150,603                      |
| Community amenities   |       | 263,819            | 262,387            | 259,768                      |
| Recreation and culture  |       | 45,202             | 48,421             | 44,851                       |
| Transport   |       | 657,183            | 654,294            | 303,037                      |
| Economic services   |       | 143,681            | 137,652            | 116,163                      |
| Other property and services   |       | 63,428             | 12,745             | 9,754                        |
|   |       | <u>4,627,696</u>   | <u>3,758,053</u>   | <u>4,065,720</u>             |
| <b>Expenses</b>   |       |                    |                    |                              |
|   | 2(b)  |                    |                    |                              |
| Governance  |       | (537,782)          | (503,348)          | (511,340)                    |
| General purpose funding   |       | (217,693)          | (146,063)          | (155,647)                    |
| Law, order, public safety   |       | (125,025)          | (54,449)           | (110,972)                    |
| Health  |       | (397,555)          | (334,824)          | (335,893)                    |
| Education and welfare   |       | (124,640)          | (174,454)          | (153,660)                    |
| Housing   |       | (266,044)          | (233,614)          | (242,678)                    |
| Community amenities   |       | (328,417)          | (302,336)          | (283,476)                    |
| Recreation and culture  |       | (899,414)          | (816,313)          | (804,648)                    |
| Transport   |       | (2,039,102)        | (2,257,582)        | (1,584,586)                  |
| Economic services   |       | (270,376)          | (323,265)          | (378,489)                    |
| Other property and services   |       | (280,797)          | (12,745)           | (73,088)                     |
|   |       | <u>(5,486,845)</u> | <u>(5,158,993)</u> | <u>(4,634,477)</u>           |
| <b>Finance Costs</b>  |       |                    |                    |                              |
|   | 2(b)  |                    |                    |                              |
| Housing   |       | (7,413)            | (4,998)            | -                            |
| Recreation and culture  |       | (10,906)           | (15,619)           | (13,597)                     |
| Economic services   |       | (23,735)           | (24,067)           | (25,429)                     |
|   |       | <u>(42,054)</u>    | <u>(44,684)</u>    | <u>(39,026)</u>              |
|   |       | <u>(901,203)</u>   | <u>(1,445,624)</u> | <u>(607,783)</u>             |
| Non-operating grants, subsidies & contributions                           | 2(a)  | 716,810            | 717,862            | 2,280,009                    |
| Profit on disposal of assets  | 10(a) | 54,997             | 21,276             | 3,643                        |
| (Loss) on disposal of assets  | 10(a) | (63,318)           | (66,903)           | (1,180,969)                  |
|   |       | <u>708,489</u>     | <u>672,235</u>     | <u>1,102,683</u>             |
| <b>Net result for the period</b>  |       | <b>(192,714)</b>   | <b>(773,389)</b>   | <b>494,900</b>               |
| <b>Other comprehensive income</b>   |       |                    |                    |                              |
| <i>Items that will not be reclassified subsequently to profit or loss</i> |       |                    |                    |                              |
| Changes in asset revaluation surplus                                      | 11    | 105,092            | -                  | 2,823,251                    |
| <b>Total other comprehensive income for the period</b>                    |       | <b>105,092</b>     | <b>-</b>           | <b>2,823,251</b>             |
| <b>Total comprehensive income for the period</b>                          |       | <b>(87,622)</b>    | <b>(773,389)</b>   | <b>3,318,151</b>             |

For restatement of prior year's amount, please refer to Note 27.

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



SHIRE OF DOWERIN  
STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2019

|  | NOTE  | 2019<br>Actual    | 2018<br>Actual<br>(Restated) |
|--|-------|-------------------|------------------------------|
|  |       | \$                | \$                           |
| <b>CURRENT ASSETS</b>                    |       |                   |                              |
| Cash and cash equivalents                | 3     | 856,021           | 1,916,923                    |
| Trade receivables                        | 5     | 250,740           | 217,722                      |
| Other financial assets                   | 7     | 2,258,221         | 2,042,307                    |
| Inventories                              | 6     | 11,163            | 16,603                       |
| <b>TOTAL CURRENT ASSETS</b>              |       | <b>3,376,145</b>  | <b>4,193,555</b>             |
| <b>NON-CURRENT ASSETS</b>                |       |                   |                              |
| Trade receivables                        | 5     | 34,282            | 31,161                       |
| Other financial assets at amortised cost | 7(b)  | 52,551            | 59,151                       |
| Property, plant and equipment            | 8     | 20,509,649        | 20,108,573                   |
| Infrastructure                           | 9     | 26,220,101        | 25,530,075                   |
| <b>TOTAL NON-CURRENT ASSETS</b>          |       | <b>46,816,583</b> | <b>45,728,960</b>            |
| <b>TOTAL ASSETS</b>                      |       | <b>50,192,728</b> | <b>49,922,515</b>            |
| <b>CURRENT LIABILITIES</b>               |       |                   |                              |
| Trade and other payables                 | 12    | 369,481           | 385,211                      |
| Borrowings                               | 13(a) | 145,042           | 121,879                      |
| Employee related provisions              | 14    | 217,391           | 151,636                      |
| <b>TOTAL CURRENT LIABILITIES</b>         |       | <b>731,914</b>    | <b>658,726</b>               |
| <b>NON-CURRENT LIABILITIES</b>           |       |                   |                              |
| Borrowings                               | 13(a) | 1,273,192         | 943,090                      |
| Employee related provisions              | 14    | 24,110            | 69,565                       |
| <b>TOTAL NON-CURRENT LIABILITIES</b>     |       | <b>1,297,302</b>  | <b>1,012,655</b>             |
| <b>TOTAL LIABILITIES</b>                 |       | <b>2,029,216</b>  | <b>1,671,381</b>             |
| <b>NET ASSETS</b>                        |       | <b>48,163,512</b> | <b>48,251,134</b>            |
| <b>EQUITY</b>                            |       |                   |                              |
| Retained surplus                         |       | 31,284,923        | 31,565,743                   |
| Reserves - cash backed                   | 4     | 2,245,469         | 2,157,363                    |
| Revaluation surplus                      | 11    | 14,633,120        | 14,528,028                   |
| <b>TOTAL EQUITY</b>                      |       | <b>48,163,512</b> | <b>48,251,134</b>            |

For restatement of prior year's amount, please refer to Note 27.

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





SHIRE OF DOWERIN  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2019

|  | NOTE | RETAINED<br>SURPLUS | RESERVES<br>CASH<br>BACKED | REVALUATION<br>SURPLUS | TOTAL<br>EQUITY   |
|--|------|---------------------|----------------------------|------------------------|-------------------|
|  |      | \$                  | \$                         | \$                     | \$                |
| <b>Balance as at 1 July 2017</b>           |      | <b>31,440,810</b>   | <b>1,787,396</b>           | <b>11,704,777</b>      | <b>44,932,983</b> |
| Comprehensive income                       |      |                     |                            |                        |                   |
| Restated net result for the period         | 27   | 494,900             | -                          | -                      | 494,900           |
| Other comprehensive income                 | 11   | -                   | -                          | 2,823,251              | 2,823,251         |
| Total comprehensive income                 |      | 494,900             | -                          | 2,823,251              | 3,318,151         |
| Transfers from/(to) reserves               |      | (369,967)           | 369,967                    | -                      | -                 |
| <b>Restated balance as at 30 June 2018</b> |      | <b>31,565,743</b>   | <b>2,157,363</b>           | <b>14,528,028</b>      | <b>48,251,134</b> |
| Comprehensive income                       |      |                     |                            |                        |                   |
| Net result for the period                  |      | (192,714)           | -                          | -                      | (192,714)         |
| Other comprehensive income                 | 11   | -                   | -                          | 105,092                | 105,092           |
| Total comprehensive income                 |      | (192,714)           | -                          | 105,092                | (87,622)          |
| Transfers from/(to) reserves               |      | (88,106)            | 88,106                     | -                      | -                 |
| <b>Balance as at 30 June 2019</b>          |      | <b>31,284,923</b>   | <b>2,245,469</b>           | <b>14,633,120</b>      | <b>48,163,512</b> |

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

SHIRE OF DOWERIN  
STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDED 30TH JUNE 2019

|   | NOTE | 2019<br>Actual<br>\$ | 2019<br>Budget<br>\$ | 2018<br>Actual<br>\$ |
|---|------|----------------------|----------------------|----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                           |      |                      |                      |                      |
| <b>Receipts</b>   |      |                      |                      |                      |
| Rates   |      | 1,311,637            | 1,386,057            | 1,239,554            |
| Operating grants, subsidies and contributions                         |      | 2,344,801            | 1,601,317            | 1,989,394            |
| Fees and charges  |      | 474,214              | 459,918              | 645,231              |
| Service charges   |      | 160,648              | 160,100              | 155,716              |
| Interest received   |      | 81,505               | 63,111               | 82,685               |
| Goods and services tax received                                       |      | 383,871              | 200,000              | 373,527              |
| Other revenue   |      | 240,135              | 192,550              | 186,977              |
|   |      | <u>4,996,811</u>     | <u>4,063,053</u>     | <u>4,673,084</u>     |
| <b>Payments</b>   |      |                      |                      |                      |
| Employee costs  |      | (1,806,984)          | (1,762,602)          | (1,668,567)          |
| Materials and contracts   |      | (1,954,306)          | (1,812,132)          | (1,572,351)          |
| Utility charges   |      | (161,697)            | (193,792)            | (183,335)            |
| Interest expenses   |      | (40,084)             | (123,938)            | (39,455)             |
| Insurance paid  |      | (152,557)            | (159,868)            | (141,841)            |
| Goods and services tax paid   |      | (405,254)            | (200,000)            | (295,665)            |
| Other expenditure   |      | (95,754)             | (99,622)             | (98,938)             |
|   |      | <u>(4,616,636)</u>   | <u>(4,351,954)</u>   | <u>(4,000,152)</u>   |
| <b>Net cash provided by (used in)</b><br><b>operating activities</b>  | 15   | <u>380,175</u>       | <u>(288,901)</u>     | <u>672,932</u>       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                           |      |                      |                      |                      |
| Payments for purchase of<br>property, plant & equipment               |      | (1,546,690)          | (1,358,716)          | (1,161,269)          |
| Payments for construction of infrastructure                           |      | (1,360,436)          | (1,380,333)          | (656,451)            |
| Payments for term Deposits  |      | (227,697)            | -                    | (2,017,772)          |
| Non-operating grants,<br>subsidies and contributions                  |      | 716,810              | 717,862              | 1,727,460            |
| Proceeds from self supporting loans                                   |      | 24,534               | 24,534               | 23,754               |
| Proceeds from sale of property, plant & equipment                     |      | 587,077              | 283,000              | 18,727               |
| <b>Net cash provided by (used in)</b><br><b>investment activities</b> |      | <u>(1,806,402)</u>   | <u>(1,713,653)</u>   | <u>(2,065,551)</u>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                           |      |                      |                      |                      |
| Repayment of borrowings   |      | (126,735)            | (126,735)            | (117,508)            |
| Proceeds from new borrowings  |      | 480,000              | 480,000              | -                    |
| <b>Net cash provided by (used in)</b><br><b>financing activities</b>  |      | <u>353,265</u>       | <u>353,265</u>       | <u>(117,508)</u>     |
| <b>Net increase (decrease) in cash held</b>                           |      | <u>(1,072,963)</u>   | <u>(1,649,289)</u>   | <u>(1,510,127)</u>   |
| Cash at beginning of year   |      | 1,916,923            | 3,934,691            | 3,427,050            |
| Reclassification of trust funds to restricted cash                    | 24   | 12,061               | -                    | -                    |
| <b>Cash and cash equivalents</b><br><b>at the end of the year</b>     | 15   | <u>856,021</u>       | <u>2,285,402</u>     | <u>1,916,923</u>     |

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

SHIRE OF DOWERIN  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2019

|   | NOTE   | 2019<br>Actual | 2019<br>Budget | 2018<br>Actual<br>(Restated) |
|---|--------|----------------|----------------|------------------------------|
|   |        | \$             | \$             | \$                           |
| <b>OPERATING ACTIVITIES</b>                                       |        |                |                |                              |
| Net current assets at start of financial year - surplus/(deficit) | 22 (b) | 1,529,026      | 1,492,612      | 1,339,633                    |
|   |        | 1,529,026      | 1,492,612      | 1,339,633                    |
| <b>Revenue from operating activities (excluding rates)</b>        |        |                |                |                              |
| Governance  |        | 31,149         | 5,730          | 18,956                       |
| General purpose funding   |        | 1,606,547      | 758,336        | 1,513,871                    |
| Law, order, public safety   |        | 23,872         | 14,234         | 17,059                       |
| Health  |        | 248,080        | 237,241        | 290,317                      |
| Education and welfare   |        | 106,702        | 135,160        | 117,934                      |
| Housing   |        | 161,005        | 181,870        | 150,603                      |
| Community amenities   |        | 263,819        | 262,387        | 259,768                      |
| Recreation and culture  |        | 45,202         | 48,421         | 44,851                       |
| Transport   |        | 693,846        | 672,953        | 304,771                      |
| Economic services   |        | 143,681        | 137,652        | 116,163                      |
| Other property and services                                       |        | 63,428         | 15,362         | 9,754                        |
|   |        | 3,387,331      | 2,469,346      | 2,844,047                    |
| <b>Expenditure from operating activities</b>                      |        |                |                |                              |
| Governance  |        | (545,285)      | (503,348)      | (511,340)                    |
| General purpose funding   |        | (217,693)      | (146,063)      | (155,647)                    |
| Law, order, public safety   |        | (125,025)      | (54,449)       | (122,335)                    |
| Health  |        | (397,555)      | (334,824)      | (335,893)                    |
| Education and welfare   |        | (124,640)      | (174,454)      | (153,660)                    |
| Housing   |        | (319,876)      | (296,845)      | (242,678)                    |
| Community amenities   |        | (328,417)      | (302,336)      | (283,476)                    |
| Recreation and culture  |        | (910,319)      | (831,932)      | (818,245)                    |
| Transport   |        | (2,048,500)    | (2,263,582)    | (1,585,541)                  |
| Economic services   |        | (294,110)      | (347,332)      | (1,572,569)                  |
| Other property and services                                       |        | (280,796)      | (15,415)       | (73,087)                     |
|   |        | (5,592,216)    | (5,270,580)    | (5,854,471)                  |
| Non-cash amounts excluded from operating activities               | 22(a)  | 1,281,726      | 1,378,082      | 2,509,755                    |
| Amount attributable to operating activities                       |        | 605,867        | 69,460         | 838,964                      |
| <b>INVESTING ACTIVITIES</b>                                       |        |                |                |                              |
| Non-operating grants, subsidies and contributions                 |        | 716,810        | 717,862        | 2,280,009                    |
| Proceeds from disposal of assets                                  | 10(a)  | 587,077        | 283,000        | 18,727                       |
| Proceeds from self supporting loans                               | 13(b)  | 24,534         | 24,534         | 23,754                       |
| Purchase of property, plant and equipment                         | 8(a)   | (1,546,690)    | (1,358,716)    | (1,713,818)                  |
| Purchase and construction of infrastructure                       | 9(a)   | (1,360,436)    | (1,380,333)    | (656,451)                    |
| Amount attributable to investing activities                       |        | (1,578,705)    | (1,713,653)    | (47,779)                     |
| <b>FINANCING ACTIVITIES</b>                                       |        |                |                |                              |
| Repayment of borrowings   | 13(b)  | (126,735)      | (126,735)      | (117,508)                    |
| Proceeds from borrowings  | 13(c)  | 480,000        | 480,000        | -                            |
| Transfers to reserves (restricted assets)                         | 4      | (470,689)      | (314,092)      | (412,438)                    |
| Transfers from reserves (restricted assets)                       | 4      | 382,583        | 299,520        | 42,471                       |
| Amount attributable to financing activities                       |        | 265,159        | 338,693        | (487,475)                    |
| Surplus/(deficit) before imposition of general rates              |        | (707,679)      | (1,305,500)    | 303,710                      |
| Total amount raised from general rates                            | 21     | 1,295,362      | 1,309,983      | 1,225,316                    |
| Surplus/(deficit) after imposition of general rates               | 22(b)  | 587,683        | 4,483          | 1,529,026                    |

For restatement of prior year's amount, please refer to Note 27.

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



**SHIRE OF DOWERIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

**1. BASIS OF PREPARATION**

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

The *Local Government (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 financial report. 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 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.

**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.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 24 to these financial statements.



SHIRE OF DOWERIN  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30TH JUNE 2019

2. REVENUE AND EXPENSES

(a) Revenue

Grant Revenue

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

|  | 2019<br>Actual | 2019<br>Budget | 2018<br>Actual<br>(Restated) |
|--|----------------|----------------|------------------------------|
|  | \$             | \$             | \$                           |
| <b>Operating grants, subsidies and contributions</b>     |                |                |                              |
| General purpose funding                                  | 1,458,660      | 663,898        | 1,399,479                    |
| Law, order, public safety                                | 13,395         | 8,829          | 11,815                       |
| Health   | 232,201        | 220,901        | 277,596                      |
| Recreation and culture                                   | -              | 6,000          | -                            |
| Transport  | 638,630        | 635,112        | 284,435                      |
| Economic services  | -              | 640            | 16,069                       |
|  | 2,342,886      | 1,535,380      | 1,989,394                    |
| <b>Non-operating grants, subsidies and contributions</b> |                |                |                              |
| Law, order, public safety                                | -              | -              | 817,882                      |
| Recreation and culture                                   | -              | -              | 10,727                       |
| Transport  | 716,810        | 717,862        | 851,400                      |
| Economic services  | -              | -              | 600,000                      |
|  | 716,810        | 717,862        | 2,280,009                    |
| <b>Total grants, subsidies and contributions</b>         | 3,059,696      | 2,253,242      | 4,269,403                    |

SIGNIFICANT ACCOUNTING POLICIES

Grants, donations and other contributions

Grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over

Grants, donations and other contributions (Continued)

a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 20. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

SHIRE OF DOWERIN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019

2. REVENUE AND EXPENSES (Continued)

| (a) Revenue (Continued)       | 2019           | 2019           | 2018           |
|-------------------------------|----------------|----------------|----------------|
|                               | Actual         | Budget         | Actual         |
|                               | \$             | \$             | \$             |
| <b>Significant revenue</b>    |                |                |                |
| WANDRAA - Flood Damage        | 515,124        | 562,343        | 212,223        |
| <b>Other revenue</b>          |                |                |                |
| Reimbursements and recoveries | 195,395        | 176,812        | 169,841        |
| Other                         | 44,739         | 15,738         | 17,108         |
|                               | <u>240,134</u> | <u>192,550</u> | <u>186,949</u> |
| <b>Fees and Charges</b>       |                |                |                |
| Governance                    | 66             | 30             | -              |
| General purpose funding       | 6,438          | 2,018          | 2,464          |
| Law, order, public safety     | 6,477          | 5,405          | 5,244          |
| Health                        | 14,826         | 16,230         | 10,744         |
| Education and welfare         | 1,620          | 1,836          | 1,440          |
| Housing                       | 144,054        | 180,830        | 150,415        |
| Community amenities           | 102,208        | 100,974        | 102,764        |
| Recreation and culture        | 28,078         | 28,421         | 30,820         |
| Transport                     | 517            | 632            | 415            |
| Economic services             | 132,111        | 129,838        | 93,869         |
| Other property and services   | 37,819         | 4,641          | 2,413          |
|                               | <u>474,214</u> | <u>470,855</u> | <u>400,588</u> |

There were no changes during the year to the amount of the fees or charges detailed in the original budget.

**Interest earnings**

|  |               |               |               |
|--|---------------|---------------|---------------|
| Loans receivable - clubs/institutions                    | 1,008         | 1,008         | 1,478         |
| Reserve accounts interest                                | 51,184        | 43,151        | 24,540        |
| Rates instalment and penalty interest (refer Note 21(d)) | 10,796        | 12,626        | 13,084        |
| Other interest earnings                                  | 18,517        | 6,326         | 43,584        |
|  | <u>81,505</u> | <u>63,111</u> | <u>82,686</u> |

| (b) Expenses  | 2019           | 2019           | 2018             |
|---|----------------|----------------|------------------|
|   | Actual         | Budget         | Actual           |
|   | \$             | \$             | \$               |
| <b>Significant expense</b>  |                |                |                  |
| Loss on asset disposals - Infrastructure relating to the historical railway written off during the year end 30 June 2018. | -              | -              | 1,168,651        |
| WANDRAA - Flood Damage  | 515,124        | 562,343        | 212,223          |
|   | <u>515,124</u> | <u>562,343</u> | <u>1,380,874</u> |
| <b>Auditors remuneration</b>  |                |                |                  |
| - Audit of the Annual Financial Report  | 27,000         | 25,500         | 19,913           |
|   | <u>27,000</u>  | <u>25,500</u>  | <u>19,913</u>    |
| <b>Interest expenses (finance costs)</b>  |                |                |                  |
| Borrowings (refer Note 13(b))   | 42,054         | 44,684         | 39,026           |
|   | <u>42,054</u>  | <u>44,684</u>  | <u>39,026</u>    |

SHIRE OF DOWERIN  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30TH JUNE 2019

3. CASH AND CASH EQUIVALENTS

|   | NOTE  | 2019             | 2018             |
|---|-------|------------------|------------------|
|   |       | \$               | \$               |
| Cash and cash equivalents   |       | 856,021          | 1,916,923        |
| Term Deposits classified as Financial assets at amortised cost  | 7     | 2,245,469        | 2,017,772        |
|   |       | <u>3,101,490</u> | <u>3,934,695</u> |
| <b>Comprises:</b>   |       |                  |                  |
| - Unrestricted cash and cash equivalents  |       | 833,960          | 1,186,006        |
| - Restricted cash and cash equivalents  |       | 2,267,530        | 2,748,689        |
|   |       | <u>3,101,490</u> | <u>3,934,695</u> |
| The following restrictions have been imposed by regulations or other externally imposed requirements: |       |                  |                  |
| <b>Reserve accounts</b>   |       |                  |                  |
| Reserves - Sewerage   | 4     | 1,256,174        | 1,161,589        |
| Reserves - Plant Replacement  | 4     | 59,958           | 369,807          |
| Reserves - Long Service Leave   | 4     | 56,632           | 54,217           |
| Reserves - Land & Building  | 4     | 449,364          | 148,579          |
| Reserves - Swimming Pool  | 4     | 186              | 32,895           |
| Reserves - Recreation   | 4     | 193,926          | 185,023          |
| Reserves - CHP Units  | 4     | 48,934           | 46,847           |
| Reserves - Economic   | 4     | 55,752           | 54,183           |
| Reserves - Bowling Green  | 4     | 85,312           | 72,293           |
| Reserves - Tennis Court   | 4     | 39,231           | 31,930           |
|   |       | <u>2,245,469</u> | <u>2,157,363</u> |
| <b>Other restricted cash and cash equivalents</b>   |       |                  |                  |
| Bonds and deposits held   | 24    | 12,061           | -                |
| Unspent grants/contributions  | 20    | 10,000           | 311,326          |
| Unspent loans   | 13(d) | -                | 280,000          |
| <b>Total restricted cash and cash equivalents</b>   |       | <u>2,267,530</u> | <u>2,748,689</u> |

**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

**Cash and cash equivalents (Continued)**

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.



SHIRE OF DOWERIN  
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4. RESERVES - CASH BACKED

|                                   | 2019      |          | 2019      |           | 2019      |          | 2019      |           | 2019      |          | 2018     |          | 2018      |         |
|-----------------------------------|-----------|----------|-----------|-----------|-----------|----------|-----------|-----------|-----------|----------|----------|----------|-----------|---------|
|                                   | Actual    | Actual   | Actual    | Actual    | Budget    | Budget   | Budget    | Budget    | Actual    | Actual   | Actual   | Actual   | Actual    | Actual  |
|                                   | Opening   | Transfer | Actual    | Actual    | Opening   | Transfer | Actual    | Actual    | Opening   | Transfer | Actual   | Actual   | Actual    | Actual  |
|                                   | Balance   | to       | to        | to        | Balance   | to       | Balance   | Balance   | Balance   | to       | Balance  | Balance  | Balance   | Balance |
|                                   | \$        | \$       | \$        | \$        | \$        | \$       | \$        | \$        | \$        | \$       | \$       | \$       | \$        | \$      |
| (a) Reserves - Sewerage           | 1,161,589 | 94,585   | -         | 1,256,174 | 1,161,589 | 130,779  | -         | 1,292,368 | 1,043,357 | 118,232  | -        | -        | 1,161,589 | -       |
| (b) Reserves - Plant Replacement  | 369,807   | 39,839   | (349,688) | 59,958    | 369,807   | 1,874    | (266,625) | 105,056   | 142,872   | 226,935  | -        | -        | 369,807   | -       |
| (c) Reserves - Long Service Leave | 54,217    | 2,415    | -         | 56,632    | 54,217    | 1,109    | -         | 55,326    | 53,493    | 724      | -        | -        | 54,217    | -       |
| (d) Reserves - Land & Building    | 148,579   | 300,785  | -         | 449,364   | 148,579   | 156,032  | -         | 304,611   | 146,594   | 1,985    | -        | -        | 148,579   | -       |
| (e) Reserves - Swimming Pool      | 32,895    | 186      | (32,895)  | 186       | 32,895    | -        | (32,895)  | -         | 32,456    | 439      | -        | -        | 32,895    | -       |
| (f) Reserves - Recreation         | 185,023   | 8,903    | -         | 193,926   | 185,023   | 3,782    | -         | 188,805   | 180,866   | 4,157    | -        | -        | 185,023   | -       |
| (g) Reserves - CHP Units          | 46,847    | 2,087    | -         | 48,934    | 46,847    | 958      | -         | 47,805    | 46,221    | 626      | -        | -        | 46,847    | -       |
| (h) Reserves - Economic           | 54,183    | 1,569    | -         | 55,752    | 54,183    | 1,108    | -         | 55,291    | 12,021    | 42,162   | -        | -        | 54,183    | -       |
| (i) Reserves - Bowling Green      | 72,293    | 13,019   | -         | 85,312    | 72,293    | 11,678   | -         | 83,971    | 61,461    | 10,832   | -        | -        | 72,293    | -       |
| (j) Reserves - Tennis Court       | 31,930    | 7,301    | -         | 39,231    | 31,930    | 6,772    | -         | 38,702    | 25,584    | 6,346    | -        | -        | 31,930    | -       |
| (k) Reserves - Bus                | -         | -        | -         | -         | -         | -        | -         | -         | 40,787    | -        | (40,787) | -        | -         | -       |
| (l) Reserves - All Hours Gym      | 2,157,363 | 470,689  | (382,583) | 2,245,469 | 2,157,363 | 314,092  | (299,520) | 2,171,935 | 1,787,396 | 412,438  | (1,684)  | (42,471) | 2,157,363 | -       |

All of the reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 3 to this financial report.

In accordance with Council resolutions 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) Reserves - Sewerage           | Ongoing                 | To provide for the replacement and development of sewerage and stormwater infrastructure throughout the Shire.              |
| (b) Reserves - Plant Replacement  | Ongoing                 | To ensure the cost of additional new plant and refurbishment or replacement can be met as per the Plant Replacement Program |
| (c) Reserves - Long Service Leave | Ongoing                 | To cash back the cost of Long Service, Annual and Sick Leave where the leave cannot be absorbed within the annual budget.   |
| (d) Reserves - Land & Building    | Ongoing                 | Council will maintain a reserve to assist with funding the development and purchase of land and building assets.            |
| (e) Reserves - Swimming Pool      | Ongoing                 | The Swimming Pool reserve is to be transferred to the Recreation Facilities Reserve   |
| (f) Reserves - Recreation         | Ongoing                 | To fund future maintenance, upgrades and developments of recreation facilities, including the swimming pool.                |
| (g) Reserves - CHP Units          | Ongoing                 | To enable participation in community housing projects such as independent living units for seniors                          |
| (h) Reserves - Economic           | Ongoing                 | To maintain a reserve to fund economic development initiatives  |
| (i) Reserves - Bowling Green      | Ongoing                 | For replacement of the Bowling Green.   |
| (j) Reserves - Tennis Court       | Ongoing                 | For the replacement of the Tennis Courts  |

SHIRE OF DOWERIN  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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5. TRADE RECEIVABLES

**Current**

|   |  |
|---|--|
| Rates receivable                        |  |
| Sundry receivables                      |  |
| GST receivable                          |  |
| Sewerage Rates Outstanding              |  |
| Allowance for impairment of receivables |  |
| Rubbish Rates Outstanding               |  |
| Emergency Services Levy                 |  |
| Other current receivables               |  |

**Non-current**

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

|  | 2019    | 2018    |
|--|---------|---------|
|  | \$      | \$      |
|  | 75,356  | 58,684  |
|  | 115,839 | 66,384  |
|  | 30,243  | 8,860   |
|  | 11,173  | 24,793  |
|  | (2,915) | -       |
|  | 7,076   | 11,986  |
|  | 11,914  | 9,841   |
|  | 2,054   | 37,174  |
|  | 250,740 | 217,722 |
|  | 34,282  | 31,161  |
|  | 34,282  | 31,161  |

**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 23.

**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 30TH JUNE 2019

6. INVENTORIES

|                | 2019          | 2018          |
|----------------|---------------|---------------|
|                | \$            | \$            |
| <b>Current</b> |               |               |
| Stock on hand  | 11,163        | 16,603        |
|                | <u>11,163</u> | <u>16,603</u> |

The following movements in inventories occurred during the year:

|                                      |               |               |
|--------------------------------------|---------------|---------------|
| <b>Carrying amount at 1 July</b>     | 16,603        | 6,635         |
| Inventories expensed during the year | (122,145)     | (105,506)     |
| Additions to inventory               | 116,705       | 115,474       |
| <b>Carrying amount at 30 June</b>    | <u>11,163</u> | <u>16,603</u> |

**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 30TH JUNE 2019

7. OTHER FINANCIAL ASSETS

(a) Current assets

|  | 2019      | 2018      |
|--|-----------|-----------|
|  | \$        | \$        |
| Other financial assets at amortised cost | 2,258,221 | 2,017,772 |
| Other loans and receivables              | -         | 24,535    |
|  | 2,258,221 | 2,042,307 |

Other financial assets at amortised cost

|  |           |           |
|--|-----------|-----------|
| - Financial assets at amortised cost - term deposits         | 2,245,469 | 2,017,772 |
| - Financial assets at amortised cost - self supporting loans | 12,752    | -         |
|  | 2,258,221 | 2,017,772 |

Financial assets previously classified as loans and receivables

|   |   |        |
|---|---|--------|
| - Loans receivable - clubs/institutions | - | 24,535 |
|   | - | 24,535 |

(b) Non-current assets

|   |        |        |
|---|--------|--------|
| Financial asset at fair value through profit and loss | 52,551 | 46,400 |
| Other loans and receivables                           | -      | 12,751 |
|   | 52,551 | 59,151 |

|  |        |        |
|--|--------|--------|
| Financial asset at fair value through profit and loss - investment in Local Government House | 52,551 | 46,400 |
|  | 52,551 | 46,400 |

Financial assets previously classified as loans and receivables

|   |   |        |
|---|---|--------|
| - Loans receivable - clubs/institutions | - | 12,751 |
|   | - | 12,751 |

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 13(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 23.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Previous accounting policy: available for sale financial assets

Available-for-sale financial assets were non-derivative financial assets that were either not suitable to be classified as other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Previous accounting policy: Loans and receivables

Non-derivative financial assets with fixed or determinable payments that were not quoted in an active market and are solely payments of principal and interest were classified as loans and receivables and are subsequently measured at amortised cost, using the effective interest rate method.

SHIRE OF DOWERIN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019

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 - vested<br>Land - freehold land<br>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 |
|--|--|------------|-----------------------------|-----------------|--------------------------|-------------------------|---------------------|---------------------|-------------------------------------|
|  | \$   | \$         | \$                          | \$              | \$                       | \$                      | \$                  | \$                  | \$                                  |
| Balance at 1 July 2017   | 963,000  | 963,000    | 15,088,058                  | 15,088,058      | 16,051,058               | 109,258                 | 1,207,887           | 19,593              | 17,387,796                          |
| Additions  | 11,049   | 11,049     | 1,035,291                   | 1,035,291       | 1,046,340                | 31,400                  | 620,408             | -                   | 1,698,148                           |
| (Disposals)  | -  | -          | (1,168,651)                 | (1,168,651)     | (1,168,651)              | -                       | (27,405)            | -                   | (1,196,056)                         |
| Revaluation increments / (decrements) transferred to revaluation surplus | 320,951  | 300,000    | 2,202,300                   | 2,202,300       | 2,823,251                | -                       | -                   | -                   | 2,823,251                           |
| Works in Progress  | -  | -          | 15,670                      | 15,670          | 15,670                   | -                       | -                   | -                   | 15,670                              |
| Depreciation (expense)   | -  | -          | (435,899)                   | (435,899)       | (435,899)                | (14,154)                | (168,697)           | (1,486)             | (620,236)                           |
| Carrying amount at 30 June 2018  | 1,295,000  | 300,000    | 16,736,769                  | 16,736,769      | 18,331,769               | 126,504                 | 1,632,193           | 18,107              | 20,108,573                          |
| Comprises:   |  |            |                             |                 |                          |                         |                     |                     |                                     |
| Gross carrying amount at 30 June 2018                                    | 1,295,000  | 300,000    | 16,744,687                  | 16,744,687      | 18,339,687               | 148,119                 | 1,998,635           | 36,841              | 20,523,282                          |
| Accumulated depreciation at 30 June 2018                                 | -  | -          | (7,918)                     | (7,918)         | (7,918)                  | (21,615)                | (366,442)           | (18,734)            | (414,709)                           |
| Carrying amount at 30 June 2018  | 1,295,000  | 300,000    | 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)  | -          | (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)                           |
| Carrying amount at 30 June 2019  | 1,125,000  | 300,000    | 16,712,325                  | 16,712,325      | 18,137,325               | 102,669                 | 2,253,034           | 16,621              | 20,509,649                          |
| Comprises:   |  |            |                             |                 |                          |                         |                     |                     |                                     |
| Gross carrying amount at 30 June 2019                                    | 1,125,000  | 300,000    | 17,184,894                  | 17,184,894      | 18,609,894               | 140,082                 | 2,729,127           | 36,841              | 21,515,944                          |
| Accumulated depreciation at 30 June 2019                                 | -  | -          | (472,569)                   | (472,569)       | (472,569)                | (37,413)                | (476,093)           | (20,220)            | (1,006,295)                         |
| Carrying amount at 30 June 2019  | 1,125,000  | 300,000    | 16,712,325                  | 16,712,325      | 18,137,325               | 102,669                 | 2,253,034           | 16,621              | 20,509,649                          |



SHIRE OF DOWERIN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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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   |
| Land - vested in and under the control of Council | 3                    | Market approach using recent observable market data for similar items (Net revaluation method)  | 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 &amp; 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.

There were no transfers between level 2 and 3 during the current and previous period.



SHIRE OF DOWERIN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019

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 -<br>Roads | Infrastructure -<br>Footpaths | Infrastructure -<br>& Ovals | Infrastructure -<br>Parks | Infrastructure -<br>Drainage | Infrastructure -<br>Sewerage | Other<br>Infrastructure | Total Infrastructure |
|--|---------------------------|-------------------------------|-----------------------------|---------------------------|------------------------------|------------------------------|-------------------------|----------------------|
| Balance at 1 July 2017                   | \$ 20,692,217             | \$ 524,099                    | \$ 1,351,642                | \$ 1,105,786              | \$ 1,113,375                 | \$ 756,826                   | \$ 25,543,945           |                      |
| Additions                                | 651,175                   | -                             | -                           | -                         | -                            | 5,275                        | 656,450                 |                      |
| Depreciation (expense)                   | (426,860)                 | (20,964)                      | (78,395)                    | (22,116)                  | (55,669)                     | (66,316)                     | (670,320)               |                      |
| Carrying amount at 30 June 2018          | 20,916,532                | 503,135                       | 1,273,247                   | 1,083,670                 | 1,057,706                    | 695,785                      | 25,530,075              |                      |
| Comprises:                               |                           |                               |                             |                           |                              |                              |                         |                      |
| Gross carrying amount at 30 June 2018    | 21,343,392                | 524,099                       | 1,351,642                   | 1,105,786                 | 1,113,375                    | 762,101                      | 26,200,395              |                      |
| Accumulated depreciation at 30 June 2018 | (426,860)                 | (20,964)                      | (78,395)                    | (22,116)                  | (55,669)                     | (66,316)                     | (670,320)               |                      |
| Carrying amount at 30 June 2018          | 20,916,532                | 503,135                       | 1,273,247                   | 1,083,670                 | 1,057,706                    | 695,785                      | 25,530,075              |                      |
| Additions                                | 1,357,408                 | 3,028                         | -                           | -                         | -                            | -                            | 1,360,436               |                      |
| Depreciation (expense)                   | (426,950)                 | (20,964)                      | (78,395)                    | (22,116)                  | (55,669)                     | (66,316)                     | (670,410)               |                      |
| Carrying amount at 30 June 2019          | 21,846,990                | 485,199                       | 1,194,852                   | 1,061,554                 | 1,002,037                    | 629,469                      | 26,220,101              |                      |
| Comprises:                               |                           |                               |                             |                           |                              |                              |                         |                      |
| Gross carrying amount at 30 June 2019    | 22,700,800                | 527,127                       | 1,351,642                   | 1,105,786                 | 1,113,375                    | 762,101                      | 27,560,831              |                      |
| Accumulated depreciation at 30 June 2019 | (853,810)                 | (41,928)                      | (156,790)                   | (44,232)                  | (111,338)                    | (132,632)                    | (1,340,730)             |                      |
| Carrying amount at 30 June 2019          | 21,846,990                | 485,199                       | 1,194,852                   | 1,061,554                 | 1,002,037                    | 629,469                      | 26,220,101              |                      |

SHIRE OF DOWERIN  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30TH JUNE 2019  
 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 | 2017                   | 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 | 2017                   | 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 - Drainage      | 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. |
| Other Infrastructure           | 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.

## 9. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

### 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

All assets are initially recognised at cost where the fair value of the asset at date of acquisition is equal to or above \$5,000. All assets are subsequently revalued in accordance with the mandatory measurement framework.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, 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 fixed assets is determined at least every three years and no more than five years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires property, plant and equipment to be shown at fair value.

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

### AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

#### Land under control

In accordance with *Local Government (Financial Management) Regulation 16(a)(ii)*, the Shire was required to include as an asset (by 30 June 2013), 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 in accordance with the other policies detailed in this Note.

#### Land under roads

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

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in *Australian Accounting Standard AASB 1051 Land Under Roads* and the fact *Local Government (Financial Management) Regulation 16(a)(i)* prohibits local governments from recognising such land as an asset.

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

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

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Shire.



**SHIRE OF DOWERIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**10. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)**

(a) Disposals of Assets

|                             | 2019           |               | 2019   |          | 2019           |               | 2019   |          | 2019           |               | 2018   |             | 2018           |               |
|-----------------------------|----------------|---------------|--------|----------|----------------|---------------|--------|----------|----------------|---------------|--------|-------------|----------------|---------------|
|                             | Actual         | Actual        | Actual | Actual   | Budget         | Budget        | Budget | Budget   | Actual         | Actual        | Actual | Actual      | Actual         | Actual        |
|                             | Net Book Value | Sale Proceeds | Profit | Loss     | Net Book Value | Sale Proceeds | Profit | Loss     | Net Book Value | Sale Proceeds | Profit | Loss        | Net Book Value | Sale Proceeds |
| Land - freehold land        | \$ 170,000     | \$ 170,000    | -      | -        | -              | -             | -      | -        | -              | -             | -      | -           | -              | -             |
| Buildings - non-specialised | 210,988        | 179,200       | 14,631 | (46,419) | 208,233        | 150,000       | -      | (58,233) | 1,168,651      | -             | -      | -           | 1,168,651      | -             |
| Furniture and equipment     | 7,502          | -             | -      | (7,502)  | -              | -             | -      | -        | -              | -             | -      | -           | -              | -             |
| Plant and equipment         | 206,908        | 237,877       | 40,366 | (9,398)  | 120,394        | 133,000       | 21,276 | (8,670)  | 27,402         | 18,727        | 3,643  | (12,318)    | 1,196,053      | 18,727        |
|                             | 595,398        | 587,077       | 54,997 | (63,318) | 328,627        | 283,000       | 21,276 | (66,903) | 1,196,053      | 18,727        | 3,643  | (1,180,969) | 1,196,053      | 18,727        |

The detail of the following assets were disposed of during the year.

|  | 2019           |                | 2019          |                 | 2019           |               | 2019     |          |
|--|----------------|----------------|---------------|-----------------|----------------|---------------|----------|----------|
|  | Actual         | Actual         | Actual        | Actual          | Budget         | Budget        | Budget   | Budget   |
|  | Net Book Value | Sale Proceeds  | Profit        | Loss            | Net Book Value | Sale Proceeds | Profit   | Loss     |
| <b>Land</b>                            |                |                |               |                 |                |               |          |          |
| <b>Housing</b>                         |                |                |               |                 |                |               |          |          |
| 13 Maisey Street, Dowerin              | \$ 35,000      | \$ 35,000      | -             | -               | -              | -             | -        | -        |
| 12 Cottrell Street, Dowerin            | 30,000         | 30,000         | -             | -               | -              | -             | -        | -        |
| 36 Stacy Street, Dowerin               | 30,000         | 30,000         | -             | -               | -              | -             | -        | -        |
| 42 Stacy Street, Dowerin               | 75,000         | 75,000         | -             | -               | -              | -             | -        | -        |
| <b>Land - Total</b>                    | <b>170,000</b> | <b>170,000</b> | <b>-</b>      | <b>-</b>        | <b>-</b>       | <b>-</b>      | <b>-</b> | <b>-</b> |
| <b>Buildings</b>                       |                |                |               |                 |                |               |          |          |
| <b>Housing</b>                         |                |                |               |                 |                |               |          |          |
| 13 Maisey Street, Dowerin              | 68,673         | 25,000         | -             | (43,673)        | -              | -             | -        | -        |
| 12 Cottrell Street, Dowerin            | 52,365         | 55,000         | 2,635         | -               | -              | -             | -        | -        |
| 36 Stacy Street, Dowerin               | 62,204         | 74,200         | 11,996        | -               | -              | -             | -        | -        |
| 42 Stacy Street, Dowerin               | 27,746         | 25,000         | -             | (2,746)         | -              | -             | -        | -        |
| <b>Buildings - Total</b>               | <b>210,988</b> | <b>179,200</b> | <b>14,631</b> | <b>(46,419)</b> | <b>-</b>       | <b>-</b>      | <b>-</b> | <b>-</b> |
| <b>Plant and Equipment</b>             |                |                |               |                 |                |               |          |          |
| <b>Governance</b>                      |                |                |               |                 |                |               |          |          |
| Ford Everest DO                        | 44,483         | 48,187         | 3,703         | -               | -              | -             | -        | -        |
| <b>Transport</b>                       |                |                |               |                 |                |               |          |          |
| Ford Territory OD                      | 12,164         | 5,105          | -             | (7,059)         | -              | -             | -        | -        |
| Grader D007                            | 101,341        | 137,000        | 35,659        | -               | -              | -             | -        | -        |
| Ford Courier D07                       | 1,105          | 1,200          | 95            | -               | -              | -             | -        | -        |
| Ford Ranger D02                        | 12,000         | 12,909         | 909           | -               | -              | -             | -        | -        |
| Ford Ranger D02                        | 34,387         | 33,476         | -             | (911)           | -              | -             | -        | -        |
| Trailer 6x4                            | 782            | -              | -             | (782)           | -              | -             | -        | -        |
| Trailer Mower                          | 646            | -              | -             | (646)           | -              | -             | -        | -        |
| <b>Plant and Equipment - Total</b>     | <b>206,908</b> | <b>237,877</b> | <b>40,366</b> | <b>(9,398)</b>  | <b>-</b>       | <b>-</b>      | <b>-</b> | <b>-</b> |
| <b>Furniture and Equipment</b>         |                |                |               |                 |                |               |          |          |
| <b>Governance</b>                      |                |                |               |                 |                |               |          |          |
| NRMO Furniture                         | 2,550          | -              | -             | (2,550)         | -              | -             | -        | -        |
| Storeroom Shelving                     | 1,907          | -              | -             | (1,907)         | -              | -             | -        | -        |
| Fire VHF radio                         | 3,045          | -              | -             | (3,045)         | -              | -             | -        | -        |
|  | 7,502          | -              | -             | (7,502)         | -              | -             | -        | -        |
| <b>Furniture and Equipment - Total</b> | <b>595,398</b> | <b>587,077</b> | <b>54,997</b> | <b>(63,318)</b> | <b>-</b>       | <b>-</b>      | <b>-</b> | <b>-</b> |

SHIRE OF DOWERIN  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30TH JUNE 2019

10. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

| (b) Depreciation               | 2019      | 2019      | 2018                 |
|--------------------------------|-----------|-----------|----------------------|
|                                | Actual    | Budget    | Actual<br>(Restated) |
|                                | \$        | \$        | \$                   |
| Buildings - non-specialised    | 468,322   | 433,044   | 435,899              |
| Furniture and equipment        | 16,333    | 10,815    | 14,154               |
| Plant and equipment            | 169,167   | 225,561   | 168,697              |
| Tools and equipment            | 1,486     | 1,542     | 1,486                |
| Infrastructure - Roads         | 426,950   | 414,990   | 426,860              |
| Infrastructure - Footpaths     | 20,964    | 20,940    | 20,964               |
| Infrastructure - Parks & Ovals | 78,395    | 78,290    | 78,395               |
| Infrastructure - Drainage      | 22,116    | 22,090    | 22,116               |
| Infrastructure - Sewerage      | 55,669    | 57,824    | 55,669               |
| Other Infrastructure           | 66,316    | 66,250    | 66,316               |
|                                | 1,325,718 | 1,331,346 | 1,290,556            |

**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 40 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 (Continued)**

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.

SHIRE OF DOWERIN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019

11. REVALUATION SURPLUS

|   | 2019            |                       | 2019                  |                       | 2019            |                       | 2018                  |                       | 2018            |                 |
|---|-----------------|-----------------------|-----------------------|-----------------------|-----------------|-----------------------|-----------------------|-----------------------|-----------------|-----------------|
|   | Opening Balance | Revaluation Increment | Revaluation Increment | Revaluation Increment | Opening Balance | Revaluation Increment | Revaluation Increment | Revaluation Increment | Opening Balance | Closing Balance |
|   | \$              | \$                    | \$                    | \$                    | \$              | \$                    | \$                    | \$                    | \$              | \$              |
| Revaluation surplus - Land - freehold land                                      | 871,768         | -                     | -                     | -                     | 550,817         | 320,951               | 320,951               | 320,951               | 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       | -                     | -                     | -                     | 6,859,074       | 2,202,300             | 2,202,300             | 2,202,300             | 9,061,374       | 9,061,374       |
| Revaluation surplus - Plant and equipment                                       | 76,610          | 105,092               | 105,092               | 105,092               | 76,610          | -                     | -                     | -                     | 76,610          | 76,610          |
| Revaluation surplus - Other property, plant and equipment [Tools and Equipment] | 16,271          | -                     | -                     | -                     | 16,271          | -                     | -                     | -                     | 16,271          | 16,271          |
| Revaluation surplus - Infrastructure - Roads                                    | 1,394,293       | -                     | -                     | -                     | 1,394,293       | -                     | -                     | -                     | 1,394,293       | 1,394,293       |
| Revaluation surplus - Other infrastructure [Footpaths]                          | 302,397         | -                     | -                     | -                     | 302,397         | -                     | -                     | -                     | 302,397         | 302,397         |
| Revaluation surplus - Other infrastructure [Parks & Ovals]                      | 33,549          | -                     | -                     | -                     | 33,549          | -                     | -                     | -                     | 33,549          | 33,549          |
| Revaluation surplus - Other infrastructure [Drainage]                           | 1,078,803       | -                     | -                     | -                     | 1,078,803       | -                     | -                     | -                     | 1,078,803       | 1,078,803       |
| Revaluation surplus - Other infrastructure [Sewerage]                           | 853,801         | -                     | -                     | -                     | 853,801         | -                     | -                     | -                     | 853,801         | 853,801         |
| Revaluation surplus - Other infrastructure [Infrastructure Other]               | 539,162         | -                     | -                     | -                     | 539,162         | -                     | -                     | -                     | 539,162         | 539,162         |
|   | 14,528,028      | 105,092               | 105,092               | 105,092               | 11,704,777      | 2,823,251             | 2,823,251             | 2,823,251             | 14,528,028      | 14,528,028      |

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  
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12. TRADE AND OTHER PAYABLES

Current

|                            | 2019    | 2018    |
|----------------------------|---------|---------|
|                            | \$      | \$      |
| Sundry creditors           | 182,965 | 62,085  |
| Rates paid in advance      | 71,664  | 79,254  |
| Accrued salaries and wages | 13,993  | 4,629   |
| Other payables             | 14,619  | 192,890 |
| Creditors Licensing        | 1,602   | 1,342   |
| Creditors Payroll          | 40,939  | 38,518  |
| Grants paid in Advance     | 23,175  | -       |
| Accrued Loan Interest      | 8,463   | 6,493   |
| Bonds & Deposits Held      | 12,061  | -       |
|                            | 369,481 | 385,211 |

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

Trade and other payables (Continued)

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.



SHIRE OF DOWERIN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019

13. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2018/19

| Particulars/Purpose         | Institution | Loan Type | Term Years | Interest Rate % | Amount Borrowed |             | Amount (Used) |             | Total Interest & Charges | Actual Balance Unspent |
|-----------------------------|-------------|-----------|------------|-----------------|-----------------|-------------|---------------|-------------|--------------------------|------------------------|
|                             |             |           |            |                 | 2019 Actual     | 2019 Budget | 2019 Actual   | 2019 Budget |                          |                        |
| Swimming Pool Refurbishment | WATC        | Debenture | 10         | 1.80%           | \$ 200,000      | \$ 200,000  | \$ 200,000    | \$ 200,000  | \$ 59                    | \$ 59                  |
|                             |             |           |            |                 | 200,000         | 200,000     | 200,000       | 200,000     |                          |                        |

(d) Unspent Borrowings

| Particulars                               | Borrowed During Year | Unspent Balance 1 July 2018 | Expended During Year | Unspent Balance 30 June 2019 |
|---|----------------------|-----------------------------|----------------------|------------------------------|
|   |                      |                             |                      |                              |
| Government Regional Office Housing (GROH) | -                    | 280,000                     | (280,000)            | -                            |
|   | -                    | 280,000                     | (280,000)            | -                            |

(e) Undrawn Borrowing Facilities

| Credit Standby Arrangements         | 2019      | 2018      |
|-------------------------------------|-----------|-----------|
| Bank overdraft limit                | \$ 60,000 | \$ 60,000 |
| Bank overdraft at balance date      | -         | -         |
| Credit card limit                   | 16,000    | 6,000     |
| Credit card balance at balance date | (6,191)   | (336)     |
| Total amount of credit unused       | 69,809    | 65,664    |

Loan facilities

|   |           |           |
|---|-----------|-----------|
| Loan facilities - current               | 145,042   | 121,879   |
| Loan facilities - non-current           | 1,273,192 | 943,090   |
| Total facilities in use at balance date | 1,418,234 | 1,064,969 |

Unused loan facilities at balance date

- 280,000

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 23.



SHIRE OF DOWERIN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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14. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

|                                | Provision for<br>Annual<br>Leave | Provision for<br>Long Service<br>Leave | Total    |
|--------------------------------|----------------------------------|--|----------|
|                                | \$                               | \$                                     | \$       |
| Opening balance at 1 July 2018 |                                  |  |          |
| Current provisions             | 103,266                          | 48,370                                 | 151,636  |
| Non-current provisions         | -                                | 69,565                                 | 69,565   |
|                                | 103,266                          | 117,935                                | 221,201  |
| Additional provision           | 127,548                          | (7,744)                                | 119,804  |
| Amounts used                   | (96,227)                         | (3,277)                                | (99,504) |
| Balance at 30 June 2019        | 134,587                          | 106,914                                | 241,501  |
| <b>Comprises</b>               |                                  |  |          |
| Current                        | 134,587                          | 82,804                                 | 217,391  |
| Non-current                    | -                                | 24,110                                 | 24,110   |
|                                | 134,587                          | 106,914                                | 241,501  |

Amounts are expected to be settled on the following basis:

|   | 2019    | 2018    |
|---|---------|---------|
|   | \$      | \$      |
| Less than 12 months after the reporting date            | 217,391 | 151,636 |
| More than 12 months from reporting date                 | 13,787  | 67,835  |
| Expected reimbursements from other WA local governments | 10,323  | 1,730   |
|   | 241,501 | 221,201 |

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.

15. 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:

|                           | 2019<br>Actual | 2019<br>Budget | 2018<br>Actual<br>(Restated) |
|---------------------------|----------------|----------------|------------------------------|
|                           | \$             | \$             | \$                           |
| Cash and cash equivalents | 856,021        | 2,285,402      | 1,916,923                    |

Reconciliation of Net Cash Provided By  
 Operating Activities to Net Result

|   |           |           |             |
|---|-----------|-----------|-------------|
| Net result  | (192,714) | (773,389) | 494,900     |
| Non-cash flows in Net result:                         |           |           |             |
| Depreciation  | 1,325,718 | 1,331,346 | 1,290,556   |
| (Profit)/loss on sale of asset                        | 8,321     | 45,627    | 1,177,326   |
| Movement in Equity in local government house          | (6,151)   | -         | 28          |
| Changes in assets and liabilities:                    |           |           |             |
| (Increase)/decrease in receivables                    | (36,139)  | 104,631   | 311,671     |
| (Increase)/decrease in other assets                   |           | -         | (9,967)     |
| (Increase)/decrease in inventories                    | 5,440     | -         | (322,111)   |
| Increase/(decrease) in payables                       | (27,792)  | (229,254) | 10,538      |
| Increase/(decrease) in provisions                     | 20,302    | (50,000)  | -           |
| Grants contributions for<br>the development of assets | (716,810) | (717,862) | (2,280,009) |
| Net cash from operating activities                    | 380,175   | (288,901) | 672,932     |

16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

|                             | 2019              | 2018<br>(Restated) |
|-----------------------------|-------------------|--------------------|
|                             | \$                | \$                 |
| Governance                  | -                 | 91,053             |
| General purpose funding     | 285,022           | 1,472,175          |
| Law, order, public safety   | 744,191           | 977,240            |
| Health                      | -                 | 37,912             |
| Education and welfare       | 153,059           | 580,238            |
| Housing                     | 4,333,406         | 4,559,475          |
| Community amenities         | 2,663,285         | 2,604,357          |
| Recreation and culture      | 12,078,925        | 11,513,263         |
| Transport                   | 25,436,974        | 23,282,934         |
| Economic services           | 2,721,951         | 2,230,149          |
| Other property and services | 863,255           | 1,726,659          |
| Unallocated                 | 912,660           | 847,060            |
|                             | <u>50,192,728</u> | <u>49,922,515</u>  |



**17. 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

**18. CAPITAL AND LEASING COMMITMENTS**

**(a) Capital Commitments**

|  | 2019 | 2018    |
|--|------|---------|
|  | \$   | \$      |
| Modular WA - residential home construction | -    | 280,000 |
|  | -    | 280,000 |

**(b) Operating Lease Commitments**

The Shire did not have any operating lease commitments at the reporting date.

**SIGNIFICANT ACCOUNTING POLICIES**

**Leases**

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

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

**Leases (Continued)**

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

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the lease term.

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

19. RELATED PARTY TRANSACTIONS

**Elected Members Remuneration**

|  | 2019<br>Actual | 2019<br>Budget | 2018<br>Actual |
|--|----------------|----------------|----------------|
|  | \$             | \$             | \$             |
| The following fees, expenses and allowances were paid to council members and/or the President. |                |                |                |
| Meeting Fees   | 22,265         | 25,000         | 24,905         |
| President's allowance  | 3,180          | 3,180          | 1,560          |
| Deputy President's allowance   | 800            | 800            | 390            |
| Members Communications   | 900            | 2,000          | -              |
|  | 27,145         | 30,980         | 26,855         |

**Key Management Personnel (KMP) Compensation Disclosure**

|  | 2019<br>Actual | 2018<br>Actual |
|--|----------------|----------------|
|  | \$             | \$             |
| The total remuneration of KMP of the Shire for year is as follows: |                |                |
| Short-term employee benefits                                       | 442,703        | 366,111        |
| Post-employment benefits   | 43,546         | 34,635         |
| Other long-term benefits   | 5,939          | 11,675         |
| Termination benefits   | 22,902         | 47,962         |
|  | 515,090        | 460,383        |

*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).



19. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

| The following transactions occurred with related parties: | 2019<br>Actual | 2018<br>Actual |
|---|----------------|----------------|
|   | \$             | \$             |
| Sale of goods and services                                | (85,000)       | -              |
| Purchase of goods and services                            | 249,478        | 152,781        |
| Short term employee benefits -other related parties       | 40,666         | -              |
| Post employment benefits - other related parties          | 3,462          | -              |
| <b>Amounts outstanding from related parties:</b>          |                |                |
| Trade and other receivables                               | 24,684         | -              |

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.

*ii. 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.

SHIRE OF DOWERIN  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30TH JUNE 2019

20. CONDITIONS OVER GRANTS/CONTRIBUTIONS

| Grant/Contribution               | Opening Balance (1) |    | Received (2)     |                    | Expended (3)   |                  | Closing Balance (1) |    | Received (2) |    | Expended (3)       |    | Closing Balance (3) |               |
|----------------------------------|---------------------|----|------------------|--------------------|----------------|------------------|---------------------|----|--------------|----|--------------------|----|---------------------|---------------|
|                                  | 1/07/17             | \$ | 2017/18          | \$                 | 2017/18        | \$               | 30/06/18            | \$ | 2018/19      | \$ | 2018/19            | \$ | 30/06/19            | \$            |
| <b>Governance</b>                |                     |    |                  |                    |                |                  |                     |    |              |    |                    |    |                     |               |
| Museum                           | -                   |    | 10,727           | (10,727)           | -              | -                | -                   | -  | -            | -  | -                  | -  | -                   | -             |
| <b>Law, order, public safety</b> |                     |    |                  |                    |                |                  |                     |    |              |    |                    |    |                     |               |
| DFES Grant - Fesa Bush Fire Shed | -                   |    | 265,333          | (265,333)          | -              | -                | -                   | -  | -            | -  | -                  | -  | -                   | -             |
| <b>Health</b>                    |                     |    |                  |                    |                |                  |                     |    |              |    |                    |    |                     |               |
| Department of Health (HAACC)     | 58,247              |    | 277,596          | (299,617)          | 36,226         | 232,201          | -                   | -  | -            | -  | (268,427)          | -  | -                   | -             |
| <b>Transport</b>                 |                     |    |                  |                    |                |                  |                     |    |              |    |                    |    |                     |               |
| Roads to Recovery                | -                   |    | 505,798          | (230,698)          | 275,100        | 293,979          | -                   | -  | -            | -  | (569,079)          | -  | -                   | -             |
| Wandrra Road/Flood Mitigation    | -                   |    | 212,223          | (212,223)          | -              | 515,124          | -                   | -  | -            | -  | (515,124)          | -  | -                   | -             |
| Regional Road Group              | -                   |    | 345,602          | (345,602)          | -              | 422,831          | -                   | -  | -            | -  | (422,831)          | -  | -                   | -             |
| <b>Economic services</b>         |                     |    |                  |                    |                |                  |                     |    |              |    |                    |    |                     |               |
| Short Term Accommodation         | 200,000             |    | 600,000          | (800,000)          | -              | -                | -                   | -  | -            | -  | -                  | -  | -                   | -             |
| Arts and Culture                 | -                   |    | -                | -                  | -              | 10,000           | -                   | -  | -            | -  | -                  | -  | 10,000              | -             |
| <b>Total</b>                     | <b>258,247</b>      |    | <b>2,217,279</b> | <b>(2,164,200)</b> | <b>311,326</b> | <b>1,474,135</b> | <b>311,326</b>      |    |              |    | <b>(1,775,461)</b> |    |                     | <b>10,000</b> |

Notes:

(1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.

(2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.

(3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

SHIRE OF DOWERIN  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30TH JUNE 2019  
 21. RATING INFORMATION

(a) Rates

| RATE TYPE                                    | Differential general rate / general rate | 2018/19    |                      | 2018/19                |                     | 2018/19              |                   | 2018/19              |                     | 2018/19          |                      | 2017/18              |           |
|--|--|------------|----------------------|------------------------|---------------------|----------------------|-------------------|----------------------|---------------------|------------------|----------------------|----------------------|-----------|
|  |  | Rate in \$ | Number of Properties | Actual Ratesable Value | Actual Rate Revenue | Actual Interim Rates | Actual Back Rates | Actual Total Revenue | Budget Interim Rate | Budget Back Rate | Budget Total Revenue | Actual Total Revenue |           |
| <b>Gross rental valuations</b>               |  |            |                      |                        |                     |                      |                   |                      |                     |                  |                      |                      |           |
| Residential                                  |  | 9.6915     | 134                  | 1,325,547              | 128,465             | 1,212                | -                 | 129,677              | -                   | -                | 128,465              | -                    | 122,153   |
| Commercial/Industrial                        |  | 9.6915     | 15                   | 256,474                | 24,856              | -                    | -                 | 24,856               | -                   | -                | 24,856               | -                    | 23,673    |
| Town Rural                                   |  | 9.6915     | 11                   | 127,602                | 12,367              | -                    | -                 | 12,367               | -                   | -                | 12,367               | -                    | 11,778    |
| <b>Unimproved valuations</b>                 |  |            |                      |                        |                     |                      |                   |                      |                     |                  |                      |                      |           |
| Rural - Farmland                             |  | 0.8306     | 227                  | 122,034,500            | 1,013,619           | (457)                | -                 | 1,013,162            | -                   | -                | 1,015,965            | -                    | 951,632   |
| <b>Sub-Total</b>                             |  |            | 387                  | 123,744,123            | 1,179,307           | 755                  | -                 | 1,180,062            | -                   | -                | 1,181,653            | -                    | 1,109,236 |
| <b>Minimum payment</b>                       |  | \$         |                      |                        |                     |                      |                   |                      |                     |                  |                      |                      |           |
| <b>Gross rental valuations</b>               |  |            |                      |                        |                     |                      |                   |                      |                     |                  |                      |                      |           |
| Residential                                  |  | 741        | 48                   | 260,468                | 35,568              | -                    | -                 | 35,568               | -                   | -                | 35,582               | -                    | 33,888    |
| Commercial/Industrial                        |  | 741        | 18                   | 66,871                 | 13,338              | -                    | -                 | 13,338               | -                   | -                | 13,343               | -                    | 12,708    |
| Town Rural                                   |  | 741        | 16                   | 41,551                 | 11,856              | -                    | -                 | 11,856               | -                   | -                | 11,861               | -                    | 11,296    |
| Other Towns                                  |  | 216        | 19                   | 7,659                  | 4,104               | -                    | -                 | 4,104                | -                   | -                | 4,110                | -                    | 3,914     |
| <b>Unimproved valuations</b>                 |  |            |                      |                        |                     |                      |                   |                      |                     |                  |                      |                      |           |
| Rural - Farmland                             |  | 741        | 65                   | 3,675,800              | 48,165              | -                    | -                 | 48,165               | -                   | -                | 57,596               | -                    | 48,714    |
| Commercial/Industrial                        |  | 741        | 4                    | 400                    | 2,964               | -                    | -                 | 2,964                | -                   | -                | 2,965                | -                    | 2,824     |
| Town Rural                                   |  | 741        | 3                    | 64,000                 | 2,223               | -                    | -                 | 2,223                | -                   | -                | 2,224                | -                    | 2,118     |
| Mining Tenement                              |  | 216        | 3                    | 5,867                  | 648                 | -                    | (3,566)           | (2,918)              | -                   | -                | 649                  | -                    | 618       |
| <b>Sub-Total</b>                             |  |            | 176                  | 4,122,616              | 118,866             | -                    | (3,566)           | 115,300              | -                   | -                | 128,330              | -                    | 116,080   |
| <b>Total amount raised from general rate</b> |  |            | 563                  | 127,866,739            | 1,298,173           | 755                  | (3,566)           | 1,295,362            | -                   | -                | 1,309,983            | -                    | 1,225,316 |
| Ex-gratia rates                              |  |            |                      |                        |                     |                      |                   | 32,947               |                     |                  | 26,074               |                      | 25,071    |
| <b>Totals</b>                                |  |            |                      |                        |                     |                      |                   | 1,328,309            |                     |                  | 1,336,057            |                      | 1,250,387 |

**SIGNIFICANT ACCOUNTING POLICIES**

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



SHIRE OF DOWERIN  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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 21. 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  | 2018/19               |                                 | 2018/19                             |                                 | 2018/19        |                                 | 2018/19                             |                                 | 2018/19 |      | 2017/18 Total Actual Revenue |
|-------------------|-------------------|-----------------------|---------------------------------|-------------------------------------|---------------------------------|----------------|---------------------------------|-------------------------------------|---------------------------------|---------|------|------------------------------|
|                   |                   | Actual Revenue Raised | Actual Charges Applied to Costs | Actual Charges Set Aside to Reserve | Actual Reserve Applied to Costs | Budget Revenue | Budget Charges Applied to Costs | Budget Charges Set Aside to Reserve | Budget Reserve Applied to Costs |         |      |                              |
| Sewerage Rates    | \$ 7,2924         | \$ 150,198            | \$ 144,836                      | \$ 15,812                           | \$ -                            | \$ 149,650     | \$ -                            | \$ -                                | \$ -                            | \$ -    | \$ - | \$ 145,471                   |
| Sewerage Fixtures | \$ 239.7/\$109.14 | \$ 10,450             | \$ -                            | \$ -                                | \$ -                            | \$ 10,450      | \$ -                            | \$ -                                | \$ -                            | \$ -    | \$ - | \$ 10,245                    |
|                   |                   | \$ 160,648            | \$ 144,836                      | \$ 15,812                           | \$ -                            | \$ 160,100     | \$ -                            | \$ -                                | \$ -                            | \$ -    | \$ - | \$ 155,716                   |

| 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 benefit of rate payers | 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.

21. RATING INFORMATION (Continued)

(d) Interest Charges & Instalments

| Instalment Options  | Date Due    | Instalment Plan | Instalment Plan | Unpaid Rates  |
|---------------------|-------------|-----------------|-----------------|---------------|
|                     |             | Admin Charge    | Interest Rate   | Interest Rate |
|                     |             | \$              | %               | %             |
| <b>Option One</b>   |             |                 |                 |               |
| Payment in Full     | 10 Oct 2018 | -               | -               | -             |
| <b>Option Two</b>   |             |                 |                 |               |
| 1st Instalment      | 10 Oct 2018 | 4.00            | 5.50%           | 11.00%        |
| 2nd Instalment      | 11 Feb 2019 | 4.00            | 5.50%           | 11.00%        |
| <b>Option Three</b> |             |                 |                 |               |
| 1st Instalment      | 10 Oct 2018 | 4.00            | 5.50%           | 11.00%        |
| 2nd Instalment      | 10 Dec 2018 | 4.00            | 5.50%           | 11.00%        |
| 3rd Instalment      | 11 Feb 2019 | 4.00            | 5.50%           | 11.00%        |
| 4th instalment      | 11 Apr 2019 | 4.00            | 5.50%           | 11.00%        |

|                            | 2019 Actual   | 2019 Budget   | 2018 Actual   |
|----------------------------|---------------|---------------|---------------|
|                            | \$            | \$            | \$            |
| Interest on unpaid rates   | 10,796        | 11,669        | 13,084        |
| Instalment plan fees       | 4,838         | 957           | -             |
| Charges on instalment plan | -             | -             | 964           |
|                            | <u>15,634</u> | <u>12,626</u> | <u>14,048</u> |

SHIRE OF DOWERIN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019

22. RATE SETTING STATEMENT INFORMATION

| Note   | 2018/19<br>(30 June 2019<br>Carried<br>Forward) | 2018/19<br>Budget<br>(30 June 2019<br>Carried<br>Forward) | 2018/19<br>(1 July 2018<br>Brought<br>Forward)<br>(Restated) |                    |
|--|---|---|--|--------------------|
|  | \$  | \$  | \$   |                    |
| <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(a)   | (54,997)  | (21,276)   | (3,643)            |
| Movement in pensioner deferred rates (non-current)   |   | (3,122)   | -  | (2,893)            |
| Movement in employee benefit provisions (non-current)  |   | (45,455)  | 1,109  | 44,014             |
| Movement in employee leave reserve   |   | 2,415   | -  | 724                |
| Movement in equity in local government house   |   | (6,151)   | -  | 28                 |
| Add: Loss on disposal of assets  | 10(a)   | 63,318  | 66,903   | 1,180,969          |
| Add: Depreciation on assets  | 10(b)   | 1,325,718   | 1,331,346  | 1,290,556          |
| <b>Non cash amounts excluded from operating activities</b>   |   | <b>1,281,726</b>  | <b>1,378,082</b>   | <b>2,509,755</b>   |
| <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 - restricted cash   | 3   | (2,245,469)   | (2,171,935)  | (2,157,363)        |
| Less: - Financial assets at amortised cost - self supporting loans   | 7(a)  | (12,752)  | -  | (24,535)           |
| Less: Liabilities supported by a reserve   |   | 56,631  | 55,326   | 54,216             |
| Add: Borrowings  | 13(a)   | 145,042   | -  | 121,879            |
| <b>Total adjustments to net current assets</b>   |   | <b>(2,056,548)</b>  | <b>(2,116,609)</b>   | <b>(2,005,803)</b> |
| <b>Net current assets used in the Rate Setting Statement</b>   |   |   |  |                    |
| Total current assets   |   | 3,376,145   | 2,417,994  | 4,193,555          |
| Less: Total current liabilities  |   | (731,914)   | (296,902)  | (658,726)          |
| Less: Total adjustments to net current assets  |   | (2,056,548)   | (2,116,609)  | (2,005,803)        |
| <b>Net current assets used in the Rate Setting Statement</b>   |   | <b>587,683</b>  | <b>4,483</b>   | <b>1,529,026</b>   |



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

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

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

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

#### (a) Interest rate risk

##### Cash and cash equivalents

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

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

|  | Weighted Average Interest Rate | Carrying Amounts | Fixed Interest Rate | Variable Interest Rate | Non Interest Bearing |
|--|--------------------------------|------------------|---------------------|------------------------|----------------------|
|  | %                              | \$               | \$                  | \$                     | \$                   |
| <b>2019</b>  |                                |                  |                     |                        |                      |
| Cash and cash equivalents                          | 0.75%                          | 856,021          | -                   | 856,021                | -                    |
| Financial assets at amortised cost - term deposits | 2.09%                          | 2,245,469        | 2,245,469           | -                      | -                    |
| <b>2018</b>  |                                |                  |                     |                        |                      |
| Cash and cash equivalents                          | 0.75%                          | 1,916,923        | -                   | 1,916,923              | -                    |
| Financial assets at amortised cost                 | 2.60%                          | 2,017,772        | 2,017,772           | -                      | -                    |

##### Sensitivity

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

interest rates.

|  | 2019  | 2018   |
|--|-------|--------|
|  | \$    | \$     |
| Impact of a 1% movement in interest rates on profit and loss and equity* | 8,560 | 19,169 |

\* 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 13(b).

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23. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

*Trade 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 2018 or 1 July 2019 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 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for rates receivable and related charges. No expected credit loss was forecast on 1 July 2018 or 30 June 2019 for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed of to recover unpaid rates.

|                                      | Current | 1 to 3 years past due | More than 3 years past due | Total   |
|--------------------------------------|---------|-----------------------|----------------------------|---------|
| <b>30 June 2019</b>                  |         |                       |                            |         |
| Rates receivable and related charges | -       | -                     | -                          | -       |
| Expected credit loss                 | -       | -                     | -                          | -       |
| Gross carrying amount                | 63,093  | 21,294                | 55,414                     | 139,801 |
| Loss allowance                       | -       | -                     | -                          | -       |
| <b>01 July 2018</b>                  |         |                       |                            |         |
| Rates receivable and related charges | -       | -                     | -                          | -       |
| Expected credit loss                 | -       | -                     | -                          | -       |
| Gross carrying amount                | 74,797  | 18,629                | 43,039                     | 136,465 |
| Loss allowance                       | -       | -                     | -                          | -       |

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for sundry receivables.

|                       | Current | More than 30 days past due | More than 60 days past due | More than 90 days past due | Total   |
|-----------------------|---------|----------------------------|----------------------------|----------------------------|---------|
| <b>30 June 2019</b>   |         |                            |                            |                            |         |
| Sundry Receivables    | -       | -                          | -                          | 39.78%                     | 2.52%   |
| Expected credit loss  | -       | -                          | -                          | -                          | -       |
| Gross carrying amount | 85,682  | 22,723                     | 106                        | 7,329                      | 115,839 |
| Loss allowance        | -       | -                          | -                          | 2,915                      | 2,915   |
| <b>01 July 2018</b>   |         |                            |                            |                            |         |
| Sundry Receivables    | -       | -                          | -                          | -                          | -       |
| Expected credit loss  | -       | -                          | -                          | -                          | -       |
| Gross carrying amount | 60,508  | -                          | 268                        | 5,608                      | 66,384  |
| Loss allowance        | -       | -                          | -                          | -                          | -       |

23. 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 13(e).

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<br>within<br>1 year | Due<br>between<br>1 & 5 years | Due<br>after<br>5 years | Total<br>contractual<br>cash flows | Carrying<br>values |
|-------------|-------------------------|-------------------------------|-------------------------|------------------------------------|--------------------|
|             | \$                      | \$                            | \$                      | \$                                 | \$                 |
| <b>2019</b> |                         |                               |                         |                                    |                    |
| Payables    | 369,481                 | -                             | -                       | 369,481                            | 369,481            |
| Borrowings  | 185,967                 | 631,223                       | 965,772                 | 1,782,962                          | 1,418,234          |
|             | 555,448                 | 631,223                       | 965,772                 | 2,152,443                          | 1,787,715          |
| <b>2018</b> |                         |                               |                         |                                    |                    |
| Payables    | 385,211                 | -                             | -                       | 385,211                            | 385,211            |
| Borrowings  | 156,965                 | 460,210                       | 717,801                 | 1,334,976                          | 1,064,969          |
|             | 542,176                 | 460,210                       | 717,801                 | 1,720,187                          | 1,450,180          |



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24. TRUST FUNDS

There are no funds held at the balance date which are required to be held in the trust fund.

In previous years, bonds and deposits were held as trust monies. From this year, all bonds and deposits not required by legislation to be held in trust are included in Restricted cash. Refer to Note 3.

|                         | 1 July 2018   | Amounts<br>Received | Amounts Paid   | Reclassification<br>to Restricted cash<br>30 June 2019 | 30 June 2019 |
|-------------------------|---------------|---------------------|----------------|--|--------------|
|                         | \$            | \$                  | \$             | \$   | \$           |
| Housing Bonds           | 3,306         | 1,112               | (1,160)        | 3,258  | -            |
| Key Deposits            | 610           | -                   | -              | 610  | -            |
| Tidy Towns              | 2,818         | -                   | -              | 2,818  | -            |
| Hacc Vehicle            | 493           | -                   | -              | 493  | -            |
| HACC Fundraising        | 2,510         | -                   | -              | 2,510  | -            |
| Centenary Park          | 1,792         | -                   | -              | 1,792  | -            |
| Nomination Deposits     | 320           | -                   | -              | 320  | -            |
| Yellow Ribon            | 247           | -                   | -              | 247  | -            |
| Interest on Trust Funds | 12            | 1                   | -              | 13   | -            |
|                         | <b>12,108</b> | <b>1,113</b>        | <b>(1,160)</b> | <b>12,061</b>  | <b>-</b>     |

## 25. 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.

Whilst many reflected consequential changes associated with the amendment of existing standards, the only new standard with material application is AASB 9 *Financial Instruments*.

### AASB 9 Financial instruments

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Shire applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the Shire has not restated the comparative information which continues to be reported under AASB 139. Differences arising from adoption have been recognised directly in accumulated surplus/(deficit). There were no material differences as a result of adoption of AASB9.

#### (a) Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the Shire's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Shire's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

**25. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)**

The classification and measurement requirements of AASB 9 did not have a significant impact on the Shire. The following are the changes in the classification of the Shire's financial assets:

- Trade receivables and Loans and advances (i.e. Other debtors) classified as Loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 July 2018.

In summary, upon the adoption of AASB 9, the Shire had the following required (or elected) reclassifications as at 1 July 2018:

| AASB 139 category            | AASB 139 value<br>\$ | AASB 9 category<br>amortised<br>cost<br>\$ | Fair value<br>through<br>OCI<br>\$ | Fair value<br>through<br>P/L<br>\$ |
|------------------------------|----------------------|--|------------------------------------|------------------------------------|
| <b>Loans and receivables</b> |                      |  |                                    |                                    |
| Trade receivables            | 217,722              | 217,722                                    |                                    |                                    |
| Loans and advances           | 37,286               | 37,286                                     |                                    |                                    |
|                              | 255,008              | 255,008                                    | -                                  | -                                  |

**(b) Impairment**

The adoption of AASB 9 has fundamentally changed the Shire's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Shire to recognise an allowance for ECLs for all financial assets not held at fair value through P/L. Upon adoption of AASB 9, there was no material impact on the impairment of the Shire's rates receivable and sundry receivables as at 1 July 2018.



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26. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Shire.

This note explains management's assessment of the new and amended pronouncements that are relevant to the Shire, the impact of the adoption of AASB 15 *Revenue from Contracts with Customers*, AASB 16 *Leases* and AASB 1058 *Income for Not-for-Profit Entities*. These standards are applicable to future reporting periods and have not yet been adopted.

(a) Revenue from Contracts with Customers

The Shire will adopt 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 will adopt the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019.

The Shire is in the process of assessing the impact of the new standard.

(b) 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 AASB 16 recognised on 1 July 2019. In applying the AASB 16 under the specific transition provisions chosen, the Shire will not restate comparatives for prior reporting periods.

The Shire is in the process of assessing the impact of the new standard.

26. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS (Continued)

(c) Income For Not-For-Profit Entities

The Shire will adopt 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 will adopt the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods shall not be restated in accordance with AASB 1058 transition requirements.

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 give rise to a financial liability that is within the scope of AASB 9. On 1 July 2019 the prepaid rates will be 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 occurs the financial liability will be extinguished and the Shire will recognise 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.

The Shire is in the process of assessing the impact of the new standard.

**27. PRIOR YEAR CORRECTIONS**

In accordance with AASB108, balances relating to the 2018 comparative year have been amended due to the correction of a prior year error. This error has been adjusted and shown below and, in accordance with the requirements of AASB101.

During the 2018 financial year the Shire of Dowerin did not record a replacement firetruck provided by the Department of Fire and Emergency Services with a value of \$552,549. The non-cash contribution income arising from the contribution of the asset was also not recognised, in accordance with the Shire's revenue recognition policy. In addition, the disposal of the firetruck replaced was not recorded. The written-down value of this vehicle at the date of being returned to the Department of Fire and Emergency Services was \$11,363.74.

As a result the plant and equipment and revenue balances in the 2018 financial statements were misstated. The following demonstrates all statements and notes affected by the prior year correction:

|  | 30 June 2018 | Increase/<br>(Decrease) | 30 June 2018<br>(Restated) |
|--|--------------|-------------------------|----------------------------|
|  | \$           | \$                      | \$                         |
| <b>Statement of Financial Position as at 30 June 2018</b>                |              |                         |                            |
| Property, plant and equipment  | 19,617,493   | 491,080                 | 20,108,573                 |
| Equity - retained surplus  | 31,074,663   | 491,080                 | 31,565,743                 |
| <b>Statement of Changes in Equity for the year ended 30 June 2018</b>    |              |                         |                            |
| Net result for the period  | 3,817        | 491,083                 | 494,900                    |
| Retained surplus   | 31,074,660   | 491,083                 | 31,565,743                 |
| <b>Statement of Comprehensive Income for the year ended 30 June 2018</b> |              |                         |                            |
| <b>By Nature or Type</b>   |              |                         |                            |
| Expenses - depreciation on non-current assets                            | (1,240,453)  | (50,103)                | (1,290,556)                |
| Non-operating grants, subsidies and contributions                        | 1,727,460    | 552,549                 | 2,280,009                  |
| Loss on asset disposal   | (1,169,606)  | (11,363)                | (1,180,969)                |
| Net result for the period  | 3,817        | 491,083                 | 494,900                    |
| Total comprehensive income for the period                                | 2,827,068    | 491,083                 | 3,318,151                  |
| <b>By program</b>  |              |                         |                            |
| Expenses - law, order, public safety                                     | (60,869)     | (50,103)                | (110,972)                  |
| Non-operating grants, subsidies and contributions                        | 1,727,460    | 552,549                 | 2,280,009                  |
| Loss on asset disposal   | (1,169,606)  | (11,363)                | (1,180,969)                |
| Net result for the period  | 3,817        | 491,083                 | 494,900                    |
| Total comprehensive income for the period                                | 2,827,068    | 491,083                 | 3,318,151                  |



27. PRIOR YEAR CORRECTIONS (Continued)

|   | 30 June 2018 | Increase/<br>(Decrease) | 30 June 2018<br>(Restated) |
|---|--------------|-------------------------|----------------------------|
|   | \$           | \$                      | \$                         |
| <b>Rate Setting Statement</b>                                     |              |                         |                            |
| Expenditure from operating activities - law, order, public safety | (60,869)     | (61,466)                | (122,335)                  |
| Non-operating grants, subsidies and contributions                 | 1,727,460    | 552,549                 | 2,280,009                  |
| Purchase of property, plant and equipment                         | (1,161,269)  | (552,549)               | (1,713,818)                |
| <b>Note 2(a) Revenue</b>  |              |                         |                            |
| <b>Non-operating grants, subsidies and contributions</b>          |              |                         |                            |
| Law, order, public safety   | 265,333      | 552,549                 | 817,882                    |
| <b>Note 8(a) Movements in Carrying Amounts</b>                    |              |                         |                            |
| <b>Plant and equipment</b>  |              |                         |                            |
| Additions   | 67,859       | 552,549                 | 620,408                    |
| Disposals   | (16,039)     | (11,366)                | (27,405)                   |
| Accumulated depreciation  | (118,594)    | (50,103)                | (168,697)                  |
| Carrying amount as at 30 June 2018                                | 1,141,113    | 491,080                 | 1,632,193                  |
| <b>Note 10(a) Disposal of Assets</b>                              |              |                         |                            |
| Actual loss   | (955)        | (11,363)                | (12,318)                   |
| <b>Note 10(b) Depreciation</b>                                    |              |                         |                            |
| Plant and equipment   | 118,594      | 50,103                  | 168,697                    |
| <b>Note 15 Notes to the Statement of Cash Flows</b>               |              |                         |                            |
| Net result  | 3,817        | 491,083                 | 494,900                    |
| Depreciation  | 1,240,453    | 50,103                  | 1,290,556                  |
| (Profit)/loss on sale of asset                                    | 1,165,963    | 11,363                  | 1,177,326                  |
| Grants contributions for the development of assets                | (1,727,460)  | (552,549)               | (2,280,009)                |
| <b>Note 16 Total Assets Classified by Function and Activity</b>   |              |                         |                            |
| Law, order, public safety   | 486,160      | 491,080                 | 977,240                    |
| <b>Note 22 Rate Setting Statement Information</b>                 |              |                         |                            |
| <b>(a) Non-cash amounts excluded from operating activities</b>    |              |                         |                            |
| Loss on disposal of assets  | 1,169,606    | 11,363                  | 1,180,969                  |
| Depreciation on assets  | 1,240,453    | 50,103                  | 1,290,556                  |

Refer to Note 30 for details of ratios affected by the prior year correction.



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28. 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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**29. ACTIVITIES/PROGRAMS**

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

**PROGRAM NAME AND OBJECTIVES**

**ACTIVITIES**

**GOVERNANCE**

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

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

**GENERAL PURPOSE FUNDING**

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

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

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

**HEALTH**

To provide an operational framework for environmental and community health.

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

**EDUCATION AND WELFARE**

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

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

**HOUSING**

To provide housing to staff.

Staff housing, provision of general rental accommodation when buildings not required by staff.

**COMMUNITY AMENITIES**

To provide services required by the community.

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

**RECREATION AND CULTURE**

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.

**TRANSPORT**

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

Construction and maintenance of roads, streets, footpaths, depots, cycleways and parking facilities.

**ECONOMIC SERVICES**

To help promote the Shire and its economic wellbeing.

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

**OTHER PROPERTY AND SERVICES**

To monitor and control Council's overhead operating accounts.

Private works operation, plant repair and operation costs, housing and engineering operation costs.



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30. FINANCIAL RATIOS

|                                   | 2019   | 2018   | 2017   |
|-----------------------------------|--------|--------|--------|
|                                   | Actual | Actual | Actual |
| Current ratio                     | 2.16   | 2.85   | 2.03   |
| Asset consumption ratio           | 0.95   | 0.98   | 0.98   |
| Asset renewal funding ratio       | 1.35   | 0.94   | 0.84   |
| Asset sustainability ratio        | 1.43   | 0.51   | 0.96   |
| Debt service cover ratio          | 2.72   | (2.91) | 14.72  |
| Operating surplus ratio           | (0.40) | (0.87) | 0.43   |
| Own source revenue coverage ratio | 0.41   | 0.35   | 0.56   |

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 | $\frac{\text{own source operating revenue}}{\text{operating expense}}$   |

Restatement of ratios for prior year corrections

The following ratios reported in the 2018 financial statements have been amended for the effect of the prior year correction summarised in Note 27:

|                                   | Previously Reported | Adjustment | 2018 Restated |
|-----------------------------------|---------------------|------------|---------------|
| Current ratio                     | 2.39                | 0.46       | 2.85          |
| Asset consumption ratio           | 0.55                | 0.43       | 0.98          |
| Asset sustainability ratio        | 0.57                | (0.06)     | 0.51          |
| Debt service cover ratio          | (2.84)              | (0.07)     | (2.91)        |
| Operating surplus ratio           | (0.84)              | (0.03)     | (0.87)        |
| Own source revenue coverage ratio | 0.36                | (0.01)     | 0.35          |



# 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 2019, 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, and 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 2019 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 Note 1 to the annual financial report, which describes the basis of accounting. The annual financial report has been prepared for the purpose of fulfilling the Shire's annual financial reporting responsibilities under the Act. Regulation 16 of the Local Government (Financial Management) Regulations 1996, does not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. My opinion is not modified in respect of this matter.

### **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 an 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.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the annual financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Shire's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the CEO.
- Conclude on the appropriateness of the CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Shire's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the annual financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report, as we cannot predict future events or conditions that may have an impact.
- Evaluate the overall presentation, structure and content of the annual financial report, including the disclosures, and whether the annual financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Council and the CEO regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

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

- (i) All required information and explanations were obtained by me.
- (ii) All audit procedures were satisfactorily completed.
- (iii) 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 annual financial report of the Shire for the year ended 30 June 2018 was audited by another auditor who expressed an unmodified opinion on that annual financial report. The financial ratios for 2017 and 2018 in Note 30 of the audited annual financial report were included in the supplementary information and/or audited annual financial report for those years.



**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 2019 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.



DON CUNNINGHAME  
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
19 December 2019