

ANNUAL REPORT
2020 | 2021



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ACKNOWLEDGEMENT OF COUNTRY



The City of Bunbury acknowledges the traditional owners of the land, the Wardandi Noongar people, and pays respect to Elders past, present and emerging.



WELCOME TO BUNBURY



Bunbury is an accessible, diverse and vibrant city, where all people are valued equally. Located about 180km south of Perth, the City of Bunbury is one of the fastest growing regional cities in Australia and widely recognised as the second capital city of Western Australia.

Bunbury's population is estimated at 32,000 (2019 ABS statistics), although the Bunbury Geographe region, which includes the City of Bunbury and surrounding shires of Harvey, Dardanup and Capel, has a collective population of about 92,000 residents.

The South West region, to which Bunbury acts as a hub, has a total population of 180,000. Bunbury is a beautiful place to live, work and visit and has something for everyone.

The quality of life is one of its biggest attractions offering residents a variety of facilities, schools, shops, pubs and beaches all within easy reach.

It has everything a family needs including public and private schools, tertiary education, and a range of health services. Not to mention an extensive and diverse events calendar.

The City of Bunbury will continue to grow, develop and improve thanks to these qualities and the massive potential for investment and growth in our region.

VISION



Bunbury :
welcoming
and full of
opportunities

VALUES



#WeAreCoB

We Are Community

We are one team
We keep each other safe
We display empathy and respect
We have fun and celebrate our successes
We work together to achieve great outcomes

We Are Open

We are open to opportunities
We actively listen and think things through
We are inclusive and treat everyone equally
We are honest and open in our communications
We are open to feedback to improve our performance

We Are Brave

We lead the change, we own it
We trust and empower each other
We have the difficult conversations early
We hold ourselves to the highest standard
We have the courage to improve and simplify

MAYOR'S MESSAGE



On behalf of the City of Bunbury elected Council it is my pleasure to present the 2020/21 Annual Report. I acknowledge that Bunbury (Goomburrup) is primarily located on Wardandi Noongar Boodja and I pay my respects to Elders past present and emerging.

During this period, the City Council continued to provide for future growth of Bunbury and ensure assets are well maintained while having the financial discipline on borrowings and expenditure at levels we believe are affordable to our community.

Capital projects including construction of the Youth Precinct and Hay Park North pavilion begun during this period and are continuing into 2021/22. The next phase of widening Ocean Drive to improve road user and pedestrian safety was completed to the usual high standard, and various other road works, pedestrian networks and storm water management upgrades were also completed.

The State Government continued its quality work on the transforming Bunbury waterfront project, with completion of the Jetty Road upgrades and construction of well-equipped new marine facilities for the enjoyment of our boating and general community. The State and Federal governments continued to provide funding support to the City through provision of grants to assist the City to meet its regional responsibilities.

The City Council continued to provide financial relief to our business community still responding to the challenges that COVID lockdowns and impacts on supply chains caused during this period.

I acknowledge the outstanding efforts of every City of Bunbury employee and the Executive Leadership team who take great pride in their contributions to improving our great City.

I commend the 2020/21 annual report to our community and other stakeholders.



Gary Brennan, Mayor

ELECTED MEMBERS



MAYOR
Gary Brennan
Term expires 16 October 2021



Deputy Mayor
Jaysen Miguel
Term expires 16 October 2021



Councillor
Tresslyn Smith
Term expires 16 October 2021



Councillor
Todd Brown
Term expires 16 October 2021



Councillor
Michelle Steck
Term expires 16 October 2021



Councillor
James Hayward
Retired 1 April 2021



Councillor
Karen Steele
Term expires 16 October 2021



Councillor
Betty McCleary
Term expires 21 October 2023



Councillor
Karen Turner
Term expires 21 October 2023



Councillor
Kris Plumb
Term expires 21 October 2023



Councillor
Cheryl Kozisek
Term expires 21 October 2023



Councillor
Amanda Yip
Term expires 21 October 2023



Councillor
Wendy Giles
Term expires 23 October 2023



COUNCIL



The Council of the City of Bunbury is made up of 13 elected representatives, comprising 12 Councillors plus a popularly elected Mayor. The Deputy Mayor is elected by the Council following each ordinary Local Government election.

Councillors are elected for a four-year term, with half of their terms expiring every two years. Local Government elections are currently held on the third Saturday in October every two years; the next ordinary election being 16 October 2021.

Council meetings are held on Tuesday evenings on a three-weekly meeting cycle, with strategic and agenda briefings taking place on the alternate Tuesdays.

Councillor Remuneration

In accordance with the Local Government Act 1995 Mayor Gary Brennan received a Mayoral allowance of \$64,000, Mayoral sitting fee of \$30,000 and a communications and IT allowance of \$3,500. Each of the Councillors received a Councillor sitting fee of \$28,000 and a communications and IT allowance of \$3,500, with Deputy Mayor Jaysen Miguel receiving an additional \$16,000 Deputy Mayoral allowance.

Councillor Meeting Attendance

The number of Council and Committee meetings held during the year ended 30 June 2021 and the numbers of those meetings attended by each Elected Member is as follows:

| | Ordinary Council Meeting | Special Council Meeting | Audit Committee | Policy Committee | Heritage Committee | Youth Advisory Council | Bunbury Events Advisory Committee | Disability Access and Inclusion Committee | International Relations Committee | CEO Performance Review Committee |
|----------------------------|--------------------------|-------------------------|-----------------|------------------|--------------------|------------------------|-----------------------------------|---|-----------------------------------|----------------------------------|
| Mayor Gary Brennan | 19/20 | 1/1 | 3/3 | 4/4 | - | - | - | - | - | 4/4 |
| Deputy Mayor Jaysen Miguel | 19/20 | 1/1 | 3/3 | - | - | - | - | - | - | - |
| Cr Kris Plumb | 16/20 | 1/1 | - | - | - | 1/3 | - | - | - | 4/4 |
| Cr Tresslyn Smith | 20/20 | 1/1 | - | 3/4 | 4/4 | - | - | - | 2/3 | - |
| Cr James Hayward | 15/15* | 1/1 | - | 2/2 | - | - | - | - | - | 4/4 |
| Cr Todd Brown | 17/20 | 1/1 | - | - | 3/4 | - | - | - | 2/3 | - |
| Cr Betty McCleary | 20/20 | 1/1 | - | - | 1/1 (proxy) | - | - | - | - | 4/4 |
| Cr Karen Turner | 20/20 | 1/1 | - | - | - | 3/3 | - | 4/4 | - | - |
| Cr Wendy Giles | 19/20 | 1/1 | - | - | - | - | - | - | - | 4/4 |
| Cr Cheryl Kozisek | 19/20 | 1/1 | 3/3 | 4/4 | - | - | 5/5 | - | - | - |
| Cr Michelle Steck | 15/20 | 0/1 | 1/3 | 3/4 | - | - | 1/1 (proxy) | 4/4 | - | - |
| Cr Karen Steele | 17/20 | 1/1 | - | - | - | - | 4/5 | - | - | - |
| Cr Amanda Yip | 19/20 | 1/1 | - | 1/1 | - | - | 4/5 | - | - | - |

*Note Cr James Hayward retired on 1 April 2021.

CEO'S MESSAGE

I am pleased to provide my report for the 2020/21 year as Chief Executive Officer. This report will recap the achievements of the City of Bunbury and cover the key issues we have faced over the past 12 months.

The 2020-21 year focused on maintaining the level of services that the community continues to expect whilst providing improvements to make Bunbury a great City to live and do business. This included infrastructure improvements in Halifax, promotion and marketing to attract visitors to Bunbury, and continuing to provide relief and recovery support from the impact of COVID-19.

I wish to congratulate everyone on their efforts during the COVID-19 pandemic and continuing to embrace changes that have occurred, noting there have been significant impacts felt by many individuals, community and sporting groups and businesses. Whilst fortunate to have not had the same impacts that other states have experienced, I wish to recognise the resilience and adaptability within the Bunbury community.

The 2020/21 financial year budget continued to provide for the growth and improvement of our City, ensuring the continuation of major civil works including the Youth Precinct, construction of the new sports pavilion at Hay Park replacing very aged changerooms, the landscaping treatments of the City's entrances along Forrest and Bussell highways and undertaking studies on the feasibility of an ocean pool at Wyalup-Rocky Point.

I would like to take this opportunity to thank all City staff for their continued support and contributions to delivering services, projects and programs for our community right across the City. I'm very privileged as CEO to be part of an organisation that was able to adapt our business model, change the way in which we looked at our everyday practices and that saw areas of improvement which we have now embraced as "the new normal". The Leadership group deserve my special appreciation as they continue to work through many different strategic and operational issues the City faces daily.

Some of the significant advancements for the City over the past 12 months include:

- Youth Precinct earthworks commenced.
- Sykes foreshore completed.
- Undertook the tree planting program, which saw more than 452 trees planted.
- Ocean Drive Widening (Stage 2) – Stage 3 planned in 2021/22.
- The final link on road cycle lanes on Estuary Drive completed, while improving drainage and access to local businesses.
- 5.68 km (5685 m) of footpaths and

3.88 km (3883 m) of cycleways completed on roads within the City of Bunbury.

- Continued providing free graffiti removal kits for impacted properties.
- Continued waste education resulting in more than 60% of waste diverted from landfill, introduction of the Container Deposit Scheme and household drop-off points.

It was an extremely proud moment when the City was announced as a joint winner in the 2021 Waste Initiative of the Year for our Public FOGO Bins Program. In addition, City of Bunbury was also declared a joint winner in the 2020 Australian Sustainable Communities - Community Health, Wellbeing and Interest, while our Waste Education Team were finalists for 2020 Infinity Awards: WA Regional Waste Award. Congratulations to all staff involved in these fantastic achievements!

The City continues to work very closely with our Bunbury Geographe partners including the shires of Harvey, Dardanup, Collie, Donnybrook, Boyup-Brook and Capel, as well as other local governments in the South West. We have continued to actively engage with key stakeholders and continue to engage regularly with the Bunbury Geographe Chamber of Commerce and Industry, the South West Development Commission, Regional Development Australia South West, Southern Ports, local, state and federal parliamentarians and the governments of the day to advance opportunities for Bunbury and the region.

Whilst our primary focus is delivering quality services to our community, our attention is also turning towards attracting and securing additional business and industry investment in Bunbury, as jobs are paramount to our growth and success. Bunbury has a great City Centre, excellent infrastructure, a fantastic lifestyle and so many other positive attributes. It is incumbent upon us to use these to our advantage to continue to grow our great City into the future.

The year ahead affords us another opportunity to deliver on our committed projects, further engage with our community and to embrace technology, the culture of creativity and the spirit of community. Together with the City staff and key stakeholders, I look forward to working with the Council and the community to ensure that Bunbury grows brighter.



Mal Osborne



CORPORATE STRUCTURE



Mal Osborne
CHIEF EXECUTIVE OFFICER
Office of the Chief Executive
Public Relations



Dave Chandler
DIRECTOR
Strategy and Organisational Performance
Governance
Audit and Risk
Corporate Planning and Reporting
Elected Member Support
Finance
Corporate Information
Customer Support
Information and Technology
People and Safety



Gavin Harris
DIRECTOR
Infrastructure
City Facilities
Engineering and Civil Operations
Landscape and Open Space
Asset Management
Waste Services
Works Administration



Gary Barbour
DIRECTOR
Sustainable Communities
Community Law, Safety and Emergency Management
Development Assessment and Building Certification
Environmental Health
Sustainability, Planning and Urban Design
Economic Development and Lands
Arts and Culture
Sport and Recreation
Library Services and Community Development
International Relations



THEME 1



OUR
COMMUNITY
AND CULTURE

GOAL:

A safe, healthy and cohesive community, with a rich cultural life, and supportive social environment.

OUR OBJECTIVES:

- 1.1 A community where people are safe and feel safe
- 1.2 An active community, able to access a wide range of sporting, recreation and leisure options
- 1.3 A welcoming community, where diverse cultures are valued, and residents have a sense of belonging
- 1.4 Arts, culture, heritage and events that enrich our understanding and enjoyment of life, celebrate our identity and bring the community together
- 1.5 Establish Bunbury as the most accessible regional city in Australia
- 1.6 A community that provides for the particular needs of the young and the old



Bunbury the brighter choice

In 2020/21 the Bunbury Brighter campaign was launched to the community. This promotional campaign was about instilling pride in the community through the use of local ambassadors sharing their stories as to why Bunbury was the ideal place to work, live or invest.

The campaign was delivered through social media using video content, blogs, images and paid posts. A Bunbury Brighter digital landing page was also created to house all of the content as well as promote local events.

The City of Bunbury Instagram was rebranded to Bunbury Brighter and #BunburyBrighter was also created to spread awareness.

The ambassadors were chosen after a series of workshops and also through word-of-mouth recommendations.

The City worked closely with Marketforce – a Perth marketing agency – to produce and deliver the campaign.

Local content creators Bianca Turri Photography and Lomax Media were also part of this project.

Community connections

In 2020/21 the Community Partnerships and Events team were involved in a range of initiatives to help connect, support and celebrate the Bunbury community.

In spite of the COVID-19 restrictions and limitations, the team delivered a number of events targeted at creating connection at both a whole of community level, but also taking into account the needs of young people, seniors and families. With the COVID-19 restrictions in place, the team was still able to deliver events that attracted more than 28,000 people over the year.

The City also attracted the 2021 Surf Life Saving WA Country Championships and the 2021 Little Athletics Country and State Championships which delivered a combined \$3,439,711 economic impact to the City.

Two examples of the events which were restructured to respond to COVID-19 and still deliver community connections include Grandfamilies Day and Summer Scenes.

Grandfamilies Day held at the Bunbury Wildlife Park with an estimated 2000 to 3000 attendees. The event provided a much-needed opportunity for children, parents, grandparents to connect and spend time together. The day included a range of free activities and rides outside the Wildlife Park, and subsidised entry into the Wildlife Park. Once inside the park, 30 local community organisations and service providers attended as stallholders providing a range of interactive activities and providing valuable information and resources.

The City's Australia Day event experienced significant challenges in its previous format which resulted in a large-scale redesign which finally emerged as an Australian film and food truck festival. Major changes were required for this event due to feedback and advice from the WA Department of Health in regards and advice from the WA Department of Health in regards to the expected crowd size if the fireworks display was to go ahead. To help control crowds, the restructured format included two movie screening areas showcasing classic Australian films, a range of games and activities, live music performances and a range of food truck options. The event attracted about 10,000 people.

The City also supported a range of community-led events and initiatives through the Grant Program which saw a combined total of more than \$380,000 distributed to support a range of programs, events and activities. The major events supported included the Bunbury Fringe Festival and the Bunbury Eisteddfod.

The City also supported a new CBD Summer Event being the Downtown Music Festival which saw activation brought to public spaces in the Bunbury CBD. Although COVID-19 affected the number of major events scheduled to be held in Bunbury, the City was able to continue to facilitate external events with a much smaller and local focus. This resulted in the City providing 143 event permits, which is about a 50% decrease compared to previous years.



Going above and beyond inclusion

In 2020/21 the City implemented various initiatives and facility upgrades which went above and beyond to improve accessibility and inclusion.

The Co-Design Access Panel (CoDAP) was a driving force behind many improvements and was consulted on nine projects over the year. The expertise of people with lived experience of disability being involved in the design of City projects has resulted in some significant outcomes for the community, such as an accessible Bunbury Youth Precinct.

CoDAP involvement in the design of the precinct resulted in enhanced accessibility to all precinct features including pathway design (gradients, surface materials and path widths), accessible water fountains and barbecues, Universal Access Toilets and the accessible design of the services building. The skate park and bowl design ensures there are transition points and access to each zone for wheelchair sports.

CoDAP was involved in other key projects and outcomes including the completion of accessibility upgrades to the Bunbury Regional Art Gallery, Hay Park Pavilion upgrade, Bunbury Brighter campaign, playground upgrades, Bunbury Health and Wellbeing Plan (Public Health Plan) and consultation by external agencies on the Transforming Bunbury's Waterfront Stage 2 project, Maidens Reserve playground and the Mangrove Cove project.

Some other key successes that were delivered under the City's Disability Access and Inclusion plan that went above and beyond include the following:

- Partnering on the Bunbury Inclusive Football Carnival with Football Federation South West, WA Paralympic Football Program, Inclusion Solutions and Manchester United Foundation,
- Providing inclusive City-delivered events by consulting with people with disability to ensure the events were physically accessible and promoted social inclusion, including providing chill out zones.
- Subtitles used across the Bunbury Brighter promotional campaign.
- Inclusion training via Induction training and SBS Inclusion Training supports improved understanding and awareness of staff when providing a service to people with disability.
- Memorandum of Understanding (MOU) with a local disability employment service provider to fill traineeship opportunities and develop a recruitment campaign to staff the City's Container Deposit Scheme (CDS).
- Presentations were delivered to candidates in the Work Ready Program (including long term unemployed people and people with disability).
- People and Safety staff completed Workability Connect training.
- BRAG provided a work experience program which included two students with a disability. Placements were tailored to students' passions and strengths in the creative industries and supervised by the BRAG Education Officer. Career pathways and opportunities were identified during the placement, and students presented their research and learning outcomes to BRAG staff.

Interpretation signage – Bunbury Timber Jetty

This project forms a component of the interpretation of the former Bunbury Timber Jetty that was demolished in 2013.

After extensive consultation with members of the Bunbury Timber Jetty Environment and Conservation Society, six signs have been designed to tell the stories of how the jetty transformed Bunbury into a major port and connected Bunbury and Western Australia to the world.

It also shares the significance to: the Wardandi people for many generations; the people that worked on the jetty (the lumpers); the rare 1911 Arrol Crane; popular social and recreational uses and the dedicated efforts of the community in trying to save the jetty.

The interpretation signage, along with the uplighting and implementation of the landscape masterplan will activate the precinct and create a focal point at the end of Jetty Road.

This will enable the community to appreciate the role of the timber jetty to Bunbury, WA and the world.

Museum events herald highest visitor count

The Bunbury Museum and Heritage Centre hosted a rich program of community events throughout April 2021, including a night of Irish poetry and song celebrating author Peter Murphy's new historical fiction novel, and a lecture from researcher Jeff Peirce launching a new online repository of local convict histories.

Our events linked the Museum with large-scale events including the Australian Heritage Festival and the South West Heritage Conference, and City-run programs including School Holidays in the City and Grand-families Day.

Each event provided a new opportunity to introduce our facility to wider audiences, from children to seniors, bringing together a community of people interested in the stories of Bunbury from the past to the present.

As a result, April 2021 became the month with the museum's highest number of visitors since the Bunbury Museum and Heritage Centre first opened in November 2016.

Eight, The Shift – an exploration of death and grieving

The exhibition Eight, The Shift by South West artist Christopher Young was held at Bunbury Regional Art Gallery from 21 November 2020 to 21 February 2021.

This exhibition was an exploration on the notion of death and grieving. Using photography, film, and recordings of personal stories and memorabilia, the artist captured the experiences, environments and institutions that people encounter during such times.

A public program was designed specifically for the community to encourage conversations about death and dying. The Death Café was such an initiative where people from the community were encouraged to participate in sharing their own stories about their experiences with death and bereavement.

This project was held with the assistance and in consultation with the Compassionate Community, an organisation that plays a key role in public health approaches to palliative care and end of life care.

A second workshop Big Sticks, Little Sticks, provided the opportunity for health professionals, disability service staff and art therapists to explore with the artists Christopher Young, Helens Seiver and psychologist Julieanne Hilbers, how art can be a powerful tool and support in dealing with matters of life and death. The group created a collaborative coffin-like sculpture using sticks, glue and string, which was later exhibited at BRAG.

Painting acquisition kickstarts migrant display

In late 2020 the Bunbury Museum and Heritage Centre became the recipients of a beautiful painting by international artist Mark Sofilas depicting his grandfather, Emmanuel Sofilas.

Emmanuel was a local Greek fisherman widely known in Bunbury as 'the human fish' for his diving abilities. The Museum arranged a morning tea celebration to mark this generous donation by Tom Dillon, with many members of the Sofilas family and the community in attendance.

To accompany the painting's display, another of Emmanuel's grandchildren, Annette Engerud, wrote some text with more information on her grandfather's fascinating life.

This painting now marks the start of the museum's new modern migration display celebrating the cultural diversity of migrants who have come to call Bunbury home over the years.

Noongar Art Exchange a first for the City

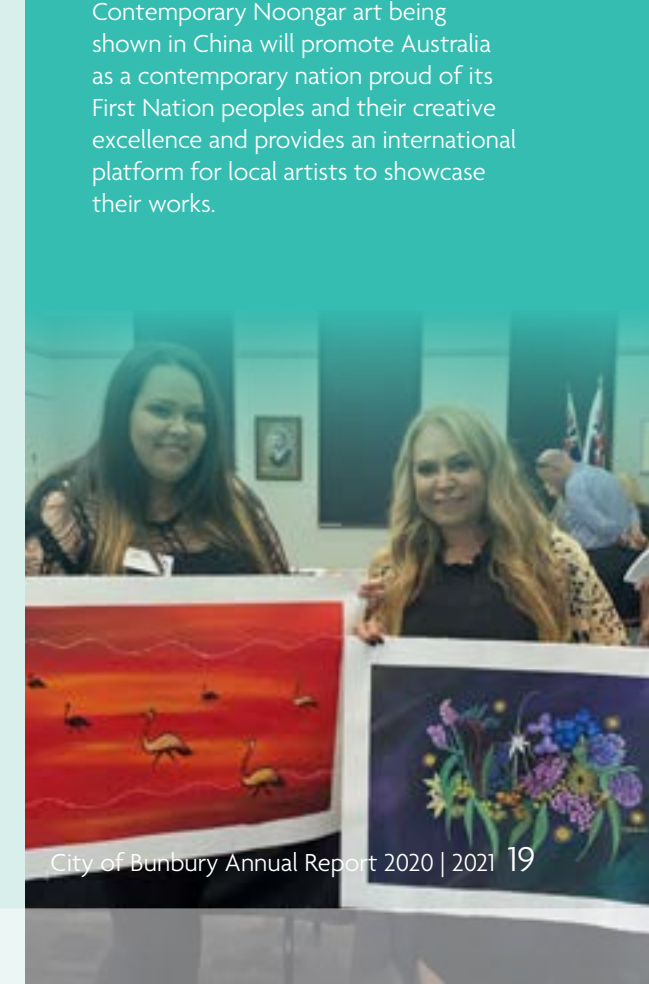
The City of Bunbury and its Friendship City of Jiaxing, China, celebrated culture in an exchange of art that saw 20 Modern Folk paintings from the City of Xiuzhou presented to the City.

These paintings were sold to various organisations and members of the public to help fund the Noongar Art Exhibition. Twenty stunning artworks by Wardandi Noongar artists were commissioned and exhibited throughout the South West.

The artworks featured a combination of traditional and contemporary styles, continuing the tradition of visual storytelling and a connection to land and culture.

The artworks will be sent to Xiuzhou to be exhibited and allows both countries to gain an insight into the artistic practice of both regions and a better understanding of each other.

Contemporary Noongar art being shown in China will promote Australia as a contemporary nation proud of its First Nation peoples and their creative excellence and provides an international platform for local artists to showcase their works.



HE|SHE|THEY Bunbury Biennale returns

The Bunbury Biennale 2021 is one of two major recurring events at Bunbury Regional Art Gallery. It is an exhibition presenting the latest trends in contemporary West Australian art, drawing large crowds from around the State.

For the first time in the history of the Biennale, a theme had been introduced to allow for a more cohesive and inclusive exhibition. The theme He|She|They explored notions of inclusion and diversity, celebrating the heterogeneity of gender within Western Australian culture and community. Artists from diverse gender backgrounds were invited to participate including from the LGBTQIA+ community.

The event was heavily promoted through advertising in arts and queer magazines, as well as through banners and radio interviews. Consultations with the LGBTQIA+ community were held to create a safe and inclusive environment.

The exhibition therefore attracted a much broader audience of visitors that otherwise would not have visited the art gallery. An extensive public program provided a large diverse ways to engage the audience. Weekly curatorial talks provided insight to the theme and interpretations of the artworks.

Workshops given by LGBTQIA+ artists, allowed members of the public from all backgrounds to come and learn about art and gender issues in a safe and supported environment.

A free Queer Story telling session was held at the City of Bunbury Library with the aim to provide children with an opportunity to get an insight and engage with the Queer community through story telling.

Family Fun Day draws a crowd

The City of Bunbury Libraries, held its first Family Fun Day in the park in January 2021. This was a free event run by library staff taking it back to basics to bring the community together for what had been a tough year for most.

This event saw the community to come together for a fun-filled day of outdoor games, activities and competitions, there was something for everyone including sack races, bingo, Nerf target ranges, monster bubbles, tug-of-war, giant Jenga, plus a chill out zone with large chalkboards for drawing fun and a flower pot station to decorate and grow your own pot plant.

Guests included the Volunteer Bush Fire Brigade, Bunbury Army Cadets and Carey Park Scouts. The Lions Club held a sausage sizzle with Bunbury Geographe Seniors and Community Café providing hot chips, sandwiches, tea and coffee. More than 450 attendees attended the inaugural event which will be held again in January 2022.



Success with STEAM at Bunbury Public Libraries

Every Thursday afternoon during school term STEAM discoverers runs from 3.30pm at the Bunbury Public Library with hands-on experiments and activities.

What is STEAM discoverers? An afterschool program run for children aged 8 to 15 years old, it incorporates a mixture of Science, Technology, Engineering, Art and Math related activities.

This year we have made a few changes to the way the program is run with every week being different.

Week one - STEAM, Week Two - Lego Club, Week Three -Code Club and Week Four is Art Club all run by library staff.

This year attending children and their families are all super excited to be part of the first ever annual STEAM exhibition which will see both recognition of their work over the year as well as their work being on display for the public to view over the Christmas school holidays. This program has become so popular that we are now having to take bookings to ensure no one misses out.

Little Explorers run on a Monday morning at 10.30am for children aged 18 months to four years. In these sessions we have been using sensory play and STEAM activities that stimulate a young child's senses of touch, smell, taste, sight, hearing and anything that engages movement and balance.

South West Sport Centre back on track

The start of 2020/2021 saw the Sport and Recreation team reopen the South West Sports Centre post COVID shutdown.

After opening to quite significant restrictions the facility was back to full operating capacity with memberships growing by the end of the year past pre-covid numbers by 6% with a total of 2669 active members on 30 June. A huge credit to the team for their dedication to not just ensuring the City's largest facility could reopen but also encouraging the members to return after the hiatus.

The City continued to deliver Club Development Workshops thanks to the Every Club Program funding through the Department of Local Government Sport Culture and Industries.

A total of 10 workshops were delivered to sporting clubs not just from the City of Bunbury attending but from the wider South West region.

Topics included Board Governance, Club Resilience and Repair and Working with Children's Checks. The City continues to work with surrounding Shires to co-share and deliver workshops for the sporting clubs of the region.

THEME 2



OUR ECONOMY

GOAL:

A thriving and dynamic economy, that plays to its strengths, and confidently presents to the world.

OUR OBJECTIVES:

- 2.1 Bunbury builds on its competitive advantages, supports innovation and celebrates business success
- 2.2 Bunbury is known far and wide for its strengths as a place to live, visit and do business



Visitors welcomed with free overnight rest areas

After a two-year trial and overwhelming support from the community, the City of Bunbury received Council endorsement to make the free 48-hour rest areas for self-contained recreational vehicles a permanent accommodation offering.

Despite being closed for several months due to COVID-19, various travel restrictions from some of our biggest market segments and regional lockdowns, the staff at the Bunbury Visitor Centre issued 427 permits, injecting an estimated \$138,328 of spend into the Bunbury community from those utilising the rest areas.

COVID-19 business support grants

As part of the City of Bunbury's broader Relief and Recovery Plan, the City provided \$140,000 in economic grants to support local small business and industry organisations to help with business continuity beyond COVID-19.

Businesses were able to apply for funding in one of four categories. The funding categories included business model adaptation, online and e-commerce, training and professional development and capital works.

The applicants were required to utilise the services of businesses within the Bunbury local government area to ensure the funds stayed in the Bunbury community and the businesses used the opportunity to network and support each other.

Business with the City networking events

The City of Bunbury resumed its Business with the City networking events in March 2021, a year on from the COVID-19 disruption. Business with the City is an informal event where members of our business community can come and meet staff from various departments at the City of Bunbury.

These events encourage businesses to make genuine connections with staff at the City, build strong relationships, share ideas or concerns and focus on providing local businesses the opportunity to create meaningful contacts with their fellow business peers.

The events continue quarterly, hosted at different venues around Bunbury, with up to 100 people in attendance at each event.

Making it easier to do business in the City of Bunbury

Process improvements continued to be a focus for the City of Bunbury planners in the 2020-2021 financial year. From internal and external communications to internal operational processes, improvements have been made in all areas to streamline the statutory planning processes.

The Local Planning Policy Review process begun this year with the aim of simplifying the local planning framework.

This resulted in the six local planning policies being revoked, and the review of one local planning policy. The Local Planning Policy Review will continue to be a major focus for the 2021-2022 financial year.

Bunbury Wildlife Park continues to flourish

Despite the ongoing impact of COVID-19, the Bunbury Wildlife Park (BWP) continued to thrive in 2020/21, with a focus on local and intra-state visitors. The introduction of a regular Animal Encounters program and Nature Learning Booklet has resulted in greater visitor engagement.

Due to accreditation with the Zoo Aquarium Association, the park successfully obtained \$70,000 in grant funds this financial year from Austrade. These funds were used to purchase animal feed, medical supplies, cover veterinary costs, and subsidise our utilities costs.

New acquisitions at the park created excitement amongst visitors and BWP staff alike.

This year the park welcomed a female Quokka, two Western Brush Wallabies, a Southern Heath Monitor Lizard and a variety of bird species to the BWP family.

BWP continues to campaign for volunteers to assist keepers with their day-to-day operational tasks. The park continues to utilise the assistance from the Department of Justice by supporting grounds person-related tasks.

Smart parking for the community

During the 2020/21 financial year, the City of Bunbury begun a tender process to deliver a smart parking solution for the community.

The solution is to provide a smarter and easier way for people to both park and find parking in the CBD while also improving efficiencies for the City in monitoring and managing the CBD parking areas. The new smart parking solution is to be delivered in the 2021/22 financial year.

THEME 3



OUR PLACES AND SPACES

THEME 3 – OUR PLACES AND SPACES

GOAL:

A natural and built environment that reflects Bunbury's core values.

OUR OBJECTIVES:

- 3.1 A city that is easy to get around with attractive streetscapes and pathways.
- 3.2 An irresistible city centre, with thriving businesses and a vibrant inner-city residential community.
- 3.3 High-quality urban design, well-planned neighbourhoods with housing choice, and appropriate provision for diverse land uses to meet the community's needs.
- 3.4 Minimised risk of flooding through effective management that has regard to the impacts of climate change.
- 3.5 Efficient use of resources, particularly water and energy, with minimum waste and efficient disposal.
- 3.6 The public health and amenity of the community is protected.
- 3.7 Management of significant natural areas which provides for human enjoyment while protecting habitat and environmental values for generations to come.

Bunbury Youth Precinct begins to take shape

The design of the Bunbury Youth Precinct was completed in 2020/21 and early works began on site in April 2021. This saw the area being fenced off and the site beginning to take shape.

It was exciting to see the skate bowls being formed with the precinct expected to be ready for the public in April 2022. The project has been made possible thanks to a \$2.5 million grant from major supporter Lotterywest and further support for the project was provided through a grant from the Department of Infrastructure, Transport, Regional Development and Communications - Local Roads and Community Infrastructure Program and the Department of Local Government, Sport and Cultural Industries.

Lotterywest A/CEO Jeremy Hubble said the Bunbury Youth Precinct promises to be a vibrant and inclusive space within the heart of Bunbury. "Lotterywest is proud to support the City in the development of this vibrant hub, set to connect and engage young people in the area," Mr Hubble said.

Bunbury Ocean Pool study

A fatal flaw study of the Bunbury Ocean Pool was undertaken this year. The study found that there is no fatal flaw in the concept design and has recommended further studies and refinement of the concept design. The City will undertake the further studies in 2021/2022.

The scope was funded by the WA Government as part of the election commitment grant program and a contribution from the City of Bunbury.

Upgrade Harris Road Stage 1 - cycle lanes and drainage

Harris Road is a Local Distributor road providing access to industrial businesses in Picton.

The 80km/h road is heavily used by trucks and is also a popular route for cyclists. To improve safety of the road for all users the City has widened Harris Road to include two 1.8m cycle lanes and a wider shoulder.

The first 200m section of works which begins at the Boyanup Picton intersection has been successfully completed enabling vehicles to safely pass cyclists.

A second stage of works will be completed in the 2021/22 financial year and will continue to the Dardanup boundary.

Marlston Waterfront seawall stabilisation works

The popular Marlston waterfront jetty was damaged by two storm events in 2018 and 2019. Emergency works were undertaken in 2019 however the jetty was not able to be reopened as the City found that the adjoining seawall had also been damaged and required structural strengthening.

To repair the seawall the City used an innovative new injection technology that involves injecting an expanding structural resin into voids within the seawalls. By using this non-invasive construction methodology the impact on the surrounding businesses was minimised allowing them to continue operation during the works.

With the successful completion of these work the City is able to start the replacement of the Marlston Jetty in the 2021/22 financial year which will improve access for boat users.



Bushfire mitigation to conserve

Bushfire mitigation was a focus for the City of Bunbury with a more community and conservation focus applied. City of Bunbury secured funding from DFES to strategically implement mitigation treatments that will greatly minimise the risk of fire within our community and also preserve our beautiful parks and reserves and the many priority flora and fauna species that dwell within them.

Changing the urban framework with ongoing investment in the City

There was a significant increase in development and subdivision activity during the 2020/21 financial year compared to the previous year. The number of development assessments increased by 39% from 259 to 360 applications with the number of dwelling approvals almost doubling compared to the previous year. The average processing timeframes decreased from 16.5 business days to 13 days. The total value of works determined for the 2020/21 period was \$128,453,492.

Subdivision activity increased 77% as a likely result of the building incentives provided as part of the State and Federal economic stimulus packages in response to COVID-19. The number of subdivision applications approved increased from 44 to 78 applications. Processing timeframes decreased slightly with an average processing time of 22 days, well under the 42-day statutory timeframe.

There were several major developments approved over the last financial year with a development value over \$1,000,000. The top four major developments are summarised below.

| Development 2020-2021 | Cost of Works |
|--|---------------|
| SWAMS Health Hub & Cultural Park on Forrest Ave (July) | \$28,600,000 |
| Racetrack Redevelopment on Bussell Highway (August) | \$15,400,000 |
| Four Storey Office Development on Stephen Street | \$15,022,044 |
| Mixed Use Development in Holman Street | \$9,000,000 |

South West Joint Design Review Panel

Aligned with the City's Local Housing Strategy and Action Plan that was adopted by Council earlier this year significant progress has been made towards establishing a South West Joint Design Review Panel. Design Review Panels (DRPs) are groups of independent experts who advise on the design quality of projects or proposals that are referred to them, including for example major development applications.

Through collaboration with other local authorities in the South West and with the Office for the Government Architect a draft Memorandum of Understanding (MOU) and a draft Terms of Reference (TOR) have been prepared that support this initiative.

Modifications to the local planning framework are also well advanced which includes an amendment to the local planning scheme text and the development of a dedicated local planning policy that will guide the DRP referral process.

While several steps are yet to be undertaken including appointment of panel members, it is anticipated that the services of the South West DRP will be available (or close to available) by the end of 2021.

State Administrative Tribunal appeals

There were nil SAT cases for 2020-2021.

Structure planning

During the 2020-2021 financial year, one structure plan was recommended for approval by the City and approved by the Western Australian Planning Commission.

- Central Withers Structure Plan
The proposed draft structure plan submitted by the Department of Communities (DoC) for Central Withers, being the area bounded by Westwood Street, Minnip Road, Hudson Road and Parade Road, proposes several measures to assist in the regeneration of the area, including the rezoning of vacant land, improved connectivity through the provision of additional road connections and upcoding of large under-developed sites to incentivise future redevelopment.

Scheme amendment

During the 2020-2021 financial year, one scheme amendment was supported by the City and endorsed by the Western Australia Planning Commission (WAPC).

- Rezoning from R20/40 to R20/60 and changes to the additional use table.
Lot 47 & Lot 48 (#2), Lot 46 (#6), Lot 45 (#8) & Lot 44 (#10) Castle Street South Bunbury.

Meat processing on the rise

The City's meat inspection service has had another exceptionally busy 12-month period, processing approximately 270,000 animals at the DBC abattoir.

This service includes both ante-mortem and post-mortem inspections and forms a vital step in the food safety chain, ensuring consumers can be confident in the safety of locally sourced meat.

Development approvals

The department's Development Assessment and Compliance Team assessed 360 applications for development approval during the 2020-2021 financial year, including one signage application on public land during the same reporting period.

This is a significant increase on the 259 development approvals determined in the previous financial year. The total value of works determined for the 2020-2021 period was however lower \$69,431,448 compared to \$70,699,876 for 2019-2020 period.

This excludes applications determined by the Development Assessment Panel.

The Regional Joint Development Assessment Panel (RJDA) determined and approved three major development projects at a total value of \$59,022,044. The total cost of these works is lower this year compared to last financial year's figure of \$89,700,00.

There was significant increase in the number of single houses, grouped dwellings and commercial industry types. Ancillary dwellings were up by 2 compared to nil last financial year. All other types had a minimal decrease reported.

Although higher application quantities were captured during the financial reporting period of 2020-2021, the cost of works was lower compared to previous financial years.

Processing times of development applications have varied between 9.40 to 18.70 business days with the financial year's average being around approximately 13 working days (adjusted). Previous financial years processing timeframe averaged approximately 16.5 business days (adjusted).

Process improvements continue to be a focus for the City in the 2020-2021 financial year. From internal and external communications to internal operational processes, improvements have been made in all areas to streamline statutory planning processes.

The Local Planning Policy review commenced this year resulting in six local planning policies being revoked, and one policy reviewed. The City is also focusing on upgrading its digital platform in line with community expectations, and to achieve overall operational efficiencies.



Containers for Change launches in Bunbury

The City of Bunbury Container Deposit Scheme (CDS) was launched to the community on 1 October 2020 as part of the State-wide Containers for Change program.

The City has been contracted by the West Australian State Government for five years as a refund point for eligible containers. Most aluminium, glass, plastic, steel and liquid paperboard drink containers between 150ml and 3L can be brought into the CDS for a 10c per container refund.

The CDS has collected more than 4.3 million containers during its first year ensuring that these containers do not go to landfill.

The City has signed up more than 50 Bunbury organisations to its CDS Partnership program. CDS partners are given a Containers for Change bin to collect containers making it easier for refunds. Partners include schools, community groups and charitable organisations.

The CDS has also created new employment opportunities such as recruitment of people living with disability joining forces with Forrest Personnel.

Donations to local charitable organisations to a total of \$1000 have also been made by the City through the CDS.



Fight the Bite campaign educates local community

The City's Environmental Health Services (EHS), in partnership with the Shires of Harvey, Dardanup and Capel and City of Busselton, delivered the Fight the Bite digital media campaign to the South West region.

The campaign aimed to raise awareness of mosquito-borne diseases such as Ross River virus and Barmah Forest virus and encourage people to take action to protect themselves from mosquito bites.

The City of Bunbury worked closely with local company, Rethink Marketing, to develop and deliver the campaign which consisted of television advertising, social media posts and advertising across Facebook and Instagram.

An evaluation of the campaign confirmed that it was successful in reaching a large proportion of the South West population (over 76%) and creating behaviour change in the community to protect themselves against being bitten by mosquitoes.

THEME 4



OUR CITY

THEME 4 – OUR CITY

GOAL:

Civic leadership, partnerships and sound governance in delivering with and for the community.

OUR OBJECTIVES:

- 4.1 A passionate advocate for the community, with strong partnerships to amplify the outcomes that can be achieved
- 4.2 A highly-engaged and involved community, working together on strategy development and implementation
- 4.3 Trusted leadership and robust decision-making
- 4.4 A skilled organisation, which exercises responsible asset stewardship, sound financial management, and exemplary customer service



Strategic focus becomes a reality

In late 2020 a Strategy Team was established to assist the City of Bunbury in achieving its vision of being 'a welcoming city full of opportunities'.

To enhance community impact this dedicated team collaborates with City staff to ensure decisions are well-informed and purposeful by providing clarity on strategic priorities.

Services provided will improve community engagement and partnerships, increase efficiency and strengthen funding applications for high-level projects.

This centralised team works together with stakeholders and staff to produce comprehensive business cases and project proposals and also provides staff support and advice in developing and implementing strategies. This will ensure everyone is working together towards common goals so that our purpose to 'Build a Better Bunbury' is achieved and sustained in the long-term.

This newly developed team focuses on the desired future state of the community and helps determine what actions need to take place for these aspirations to be realised.

Some new services developed and projects completed across 2020/2021 include the establishment of the Business Architecture service and the development of a strategic map and framework to guide decision making across the CoB. Workshops occurred across CoB teams to contribute towards the development and delivery of strategic and operational planning, a Service Catalogue was created in collaboration with BroadReach and a Business Case Model and process was developed after the team worked closely with stakeholders to produce a business case for submission in Round 5 of the Building Better Region Fund.

Project Management Office focuses on improvements

In 2020/21 the Projects team was assembled to establish a Project Management Office (PMO). The purpose of the PMO is to improve the impact the City's investment in projects, initiatives and change activities has on the organisation and community.

The PMO will introduce standard practices for portfolio and project management across the organisation and provide support to the City's project officers in their delivery of projects for the community.

The work of the PMO will allow the City of Bunbury's Leadership Team, Council and Community to have greater insight into the ideas being explored and projects being delivered by the City at any given time.

PERforM Program – (Participative Ergonomics for Manual Tasks) overview

In 2020, the City reviewed its workers compensation and injury management statistical data for the previous 2020 to 2016 financial years. The review identified musculoskeletal injuries as the highest injury type.

Considering the statistical data, a review of current programs available to workplaces specialising in effective musculoskeletal management was undertaken.

The LGIS PERforM Program (Participative Ergonomics for Manual Tasks Program), was identified as the preferred option.

The following departments participated in PERforM Program:

- Waste
- Parks and Reserves
- Container Deposit Scheme
- Civil

Over a six-month period, three workshops were held to discuss impacted manual tasks, associated risk factors and proposed control measures to improve current practices.

Positive feedback was received from participants and as a result the City is committed to implementing the PERforM Program early 2022.

Mental health and wellness in the workplace a priority

The City has implemented some specific initiatives to raise awareness and promote positive mental health, wellbeing, and work-life balance in the workplace.

Some of our key achievements include:

- Becoming a GOLD Mental Health First Aid Skilled Workplace on 26 March 2021 and the first Local Government in WA to do this
- Offering staff Mental Health First Aid training twice a year
- Working from home arrangements being implemented and an online training roll out
- The roll-out of the AltiusLife Wellbeing Program (People Sense).
- Rolling out of Workplace Happiness program through LG Professionals WA membership
- Staff Wellness Festival 21 and 22 September 2020. Organised by Work on Wellness Committee to help raise the spirits of staff once all had returned to normal workplace



Financial planning

The City's capital and operating works program as outlined in the 2020/21 Budget was implemented during the year.

The Corporate Business Plan for the four years 2021/22 to 2024/25 and Long Term Financial Plan 2021/22 to 2032/33 for the next 12 years was also adopted in 2020/21.

This provides a plan to deliver the vision, goals, and objectives of the Strategic Community Plan. It also demonstrates Council's commitment to deliver services, provide facilities and manage assets that will sustain the Bunbury community into the future.

Debt management

The City places a strong emphasis on maintaining the debt service cover ratio within an acceptable target range. A debt service cover ratio of 5.0 or greater represents a low risk, and a ratio of 2.0 or lower represents a high risk.

The City's debt service cover ratio was 3.1 at 30 June 2021 which is within Council's acceptable target range. Outstanding debt was \$11 million at 30 June 2021 compared to \$13.1 million at the end of 2020.

During 2020/21 the City required no new loan borrowings to fund its capital works program. \$533,334 was paid in interest on outstanding debt in 2020/21 compared to \$618,872 in 2019/20.

Rating

Raising rates is a primary source of revenue for the City to meet its budgetary requirements.

The rate levy is based on the individual Gross Rental Valuations (GRV) supplied by Landgate Valuation Services for each property and is deemed to be an independent valuation and fair for all ratepayers in Bunbury.

For 2020/21 the rate-in-the-dollar was 9.631 cents in the dollar of GRV and the minimum rate was \$1,199, same as last year.

There was no increase in the rate-in-the-dollar or minimum rate in accordance with the City's response to COVID-19.

Rate exempt properties

The Local Government Act 1995 allows properties owned by charitable or not-for-profit organisations to be exempt from paying rates.

In the 2020/21 financial year, 394 properties in the City received rates exempt status. Rates foregone on all charitable properties in the City under the provisions of section 6.26(2) of the Act are about \$1.0 million.

| Rates and charges levied | |
|----------------------------|--------------|
| General Rate | \$36,535,156 |
| Minimum Rate | \$3,308,041 |
| Interim Rate | \$3,719 |
| Specific area rates: | |
| Pelican Point Grand Canals | \$50,036 |
| Other fees and charges: | |
| Rate instalment plan | \$320,302 |
| Late rate payment penalty | \$176,352 |

Planning for the future

Council did not consider or make any changes to its Strategic Community Plan (SCP) during the 2020/21 financial year. A comprehensive review of the SCP is planned for 2021/22.

Council adopted a revised Corporate Business Plan (CBP) on 29 June 2021. Major projects set to either begin or continue in 2021/22 include:

- Construction of Youth Precinct (\$7.2M)
- Construction of the Hay Park North Pavilion (\$2.7M)
- Replace athletics track surface (\$1.0M)
- Improve parks, gardens and entry statements (\$928K)
- Realign and widen Ocean Drive (\$750K)
- Upgrade Waste Recycle Centre and Container Deposit Scheme (\$714K)
- Plan and design the renewal of Hands Oval infrastructure (\$650K)
- Replace playground equipment (\$600K)
- Blair Street drainage upgrade (\$571K)
- Replacement of the Forrest Park Pavilion design (\$500K)
- Expand path and cycleway networks (\$500K)

Freedom of Information

The City of Bunbury will if possible, provide access to documents held by the City outside the Freedom of Information Act 1992 process, however if we are unable to supply this information by less formal means, a Freedom of Information request can be made.

In accordance with the Freedom of Information Act 1992 the City publishes a Freedom of Information Statement on the City's website. The statement outlines the City's functions, the kind of documents held by the City, how those documents can be accessed and details the process of applying for information under the Freedom of Information Act 1992.

A total of seven Freedom of Information applications were received in the 2020-2021 financial year and were processed at an average of 16 days per application.

Complaint handling

There were no entries made under section 5.121 of the Local Government Act 1995 during the 2020/21 financial year in the City's register of complaints.

Records management

The Corporate Information team manage the City's records in accordance with the Record Keeping Plan 2018 – 2023 and State Records Act 2000.

2020/21 saw a 22% increase in records registered in the City's electronic document and records management system (EDRMS); a trend that has been increasing now for the third successive year. A total of 215,079 records were registered during the period.

The City has a dedicated Corporate Information team to ensure that its records are accurate and aligned with the relevant legislation and the City's Record Keeping Plan 2018 – 2023. Improvements to the City's records management during the period include:

- continuing quality assurance of all documents registered and titled in the EDRMS;
- supporting operational business areas through providing advice and support in registering new and archiving historical documents within the EDRMS;
- improving the skillset and knowledge of information management officers;
- continuing the declining trend in hardcopy documents with a corresponding increase in electronic documents;
- continuing integration of the EDRMS and corporate business systems;
- maintaining the employee helpdesk service for recordkeeping, system questions and archiving; and
- increasing awareness on the use of the EDRMS through additional training and development for staff.

Employee remuneration

In accordance with the provisions of regulation 19B of the Local Government (Administration) Regulations 1996, set out below in bands of \$10,000 are the number of employees who were entitled to an annual salary package of \$130,000 or more in 2020/21.

| | 2020/21 Salary package |
|-----------------------|---------------------------|
| \$130,000 - \$139,999 | 1 |
| \$140,000 - \$149,999 | 4 |
| \$150,000 - \$159,999 | 2 |
| \$160,000 - \$169,999 | 1 |
| \$210,000 - \$219,999 | 1 |
| \$220,000 - \$229,999 | 1 |
| \$240,000 - \$249,999 | 1 |
| \$300,000 - \$309,999 | 1 |

In accordance with regulation 19B(2)(e), the total remuneration paid to the CEO in 2020/21 was \$306,296.

AUDITORS REPORT & FINANCIAL STATEMENTS



FOR THE YEAR
ENDING 30 JUNE 2021

ANNUAL BUDGET 2021-2022



Annual Budget 2020-21

Capital Projects and Project Expenditure Details 2020-21

Thursday, 23 July 2020

| Forecast 2019-20 | Draft Budget 2020-21 |
|-------------------|----------------------|
| 325,488 | (97,040) |
| (851,536) | (388,567) |
| (3,491,271) | (837,566) |
| (379,800) | (349,393) |
| (247,632) | (271,737) |
| (111,803) | 283,848 |
| 179,269 | 2,775,937 |
| 896,578 | 2,018,937 |
| 2,190,701 | (2,146,277) |
| 11,848,591 | (832,384) |
| (83,345) | 39,739,333 |
| 40,905,733 | (1,335,000) |
| 1829,441 | (261,576) |
| 1775,493 | (311,379) |
| (107,103) | 37,364,105 |
| 78,137,088 | |

BUS SHEET 1025

Capital New (Expansion)

PR-4026 Equipment of bus stop, bus shelter and signage

Total Expenditure - Capital New (Expansion) 177962

Capital Renewal

PR-1132 Renewal of bus stop, bus shelter and signage

PR-3223 Renewal of bus stop, bus shelter and signage

Total Expenditure - Capital Renewal

TOTAL EXPENDITURE - BUS SHEET 1025

EQUIPMENT

Capital New (Expansion)

PR-4236 Invert outdoor digital systems of equipment

PR-4237 Purchase Total Station Surveying Instrument

PR-4238 Purchase mobile phone speed dialer

PR-4239 Purchase mobile phone speed dialer

Total Expenditure - Capital New (Expansion)

Capital Renewal

PR-8303 Survey Boundary Regional Environmental Centre

PR-4021 Review South West Survey Centre (SWS) Survey

PR-4131 Survey Boundary Regional Environmental Centre

PR-4226 Review South West Survey Centre (SWS) Survey

PR-4203 Reorder sports equipment 2020

PR-4130 Reorder sports equipment 2020

Total Expenditure - Capital Renewal

Capital Upgrade

PR-4279 Upgrade CCTV and security at bus stop

PR-4282 Upgrade security at bus stop

PR-4284 Upgrade security at bus stop

Total Expenditure - Capital Upgrade

TOTAL EXPENDITURE - EQUIPMENT

CITY OF BUNBURY
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021
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CITY OF BUNBURY
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

MEMBERS AND EXECUTIVES

MAYOR

Gary Brennan

COUNCILLORS

Cr Jaysen De San Miguel (Deputy Mayor)
Cr Todd Brown
Cr Wendy Giles
Cr James Hayward (Resigned 1st April 2021)
Cr Cheryl Kozisek
Cr Betty McCleary
Cr Kris Plumb
Cr Tresslyn Smith
Cr Michelle Steck
Cr Karen Steele
Cr Karen Turner
Cr Amanda Yip

CHIEF EXECUTIVE OFFICER

Malcolm Osborne

DIRECTOR STRATEGY AND ORGANISATIONAL PERFORMANCE

Dr Dave Chandler

DIRECTOR SUSTAINABLE COMMUNITIES

Gary Barbour

DIRECTOR INFRASTRUCTURE

Gavin Harris

Administration Offices
4 Stephen Street, Bunbury WA 6230
Telephone (08) 9792 7000, Facsimile (08) 9792 7184, TTY 133 677
www.bunbury.wa.gov.au

CITY OF BUNBURY
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the City of Bunbury for the financial year ended 30 June 2021 is based on proper accounts and records to present fairly the financial position of the City of Bunbury at 30 June 2021 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 6 day of December 2021



MJ (Mal) Osborne
Chief Executive Officer



CITY OF BUNBURY
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE AND TYPE
FOR THE YEAR ENDED 30 JUNE 2021

| | NOTE | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|---|--------|----------------------------|---------------------------|-------------------------|
| Revenue | | | | |
| Rates | 29(a) | 39,776,267 | 39,777,548 | 39,729,386 |
| Operating Grants and Subsidies | 2(a,b) | 5,031,737 | 2,838,487 | 2,888,241 |
| Contributions, Reimbursements and Donations | 2(a) | 1,354,946 | 1,199,652 | 1,427,755 |
| Fees and Charges | 2(a) | 13,004,944 | 11,445,521 | 12,003,763 |
| Interest Earnings | 2(a) | 637,875 | 607,660 | 1,141,178 |
| Other Revenue | | 558,990 | 320,238 | 309,402 |
| | | <u>60,364,759</u> | <u>56,189,106</u> | <u>57,499,726</u> |
| Expenses | | | | |
| Employee Costs | | (26,644,714) | (27,041,876) | (26,685,943) |
| Consultants | | (1,611,022) | (2,363,229) | (1,163,714) |
| Materials and Contracts | | (15,864,884) | (15,884,818) | (13,605,228) |
| Utility Charges | | (2,498,745) | (2,555,208) | (2,601,613) |
| Depreciation on Non-Current Assets | 12(b) | (14,499,537) | (15,105,584) | (14,402,851) |
| Insurance Expenses | | (652,171) | (660,182) | (628,419) |
| Interest Expenses | 2(c) | (546,682) | (554,442) | (639,568) |
| Other Expenditure | | (2,325,858) | (2,511,603) | (3,046,835) |
| | | <u>(64,643,613)</u> | <u>(66,676,942)</u> | <u>(62,774,172)</u> |
| | | (4,278,854) | (10,487,836) | (5,274,446) |
| Non-Operating Grants, Subsidies and Contributions | 2(a,b) | 5,702,290 | 8,544,110 | 5,755,372 |
| Interest on Capital Grants | 2(a) | 9,872 | 15,165 | 46,928 |
| Fair Value Adjustment to Financial Assets at | | | | |
| Fair Value through Profit or Loss | 9(b) | - | - | 2,305 |
| Profit on Asset Disposals | 12(a) | 106,602 | - | 327,898 |
| Loss on Asset Disposals | 12(a) | (2,339,710) | (72,030) | (2,896,216) |
| | | <u>(799,800)</u> | <u>(2,000,591)</u> | <u>(2,038,160)</u> |
| Net Result for the Period | | | | |
| Other Comprehensive Income | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | |
| Changes in Asset Revaluation Surplus | 14 | (46,179,210) | - | 4,670,870 |
| | | <u>(46,179,210)</u> | <u>-</u> | <u>4,670,870</u> |
| Total Other Comprehensive Income for the Period | | | | |
| | | <u>(46,179,210)</u> | <u>-</u> | <u>4,670,870</u> |
| Total Comprehensive Income for the Period | | | | |
| | | <u>(46,979,010)</u> | <u>(2,000,591)</u> | <u>2,632,710</u> |

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



CITY OF BUNBURY
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2021

| | NOTE | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|--|------|----------------------|----------------------|----------------------|
| Revenue | | | | |
| General Purpose Funding | | 42,454,512 | 41,475,491 | 42,928,767 |
| Governance | | 122,795 | 434,610 | 22,363 |
| Law, Order and Public Safety | | 577,265 | 625,648 | 607,310 |
| Health | | 475,129 | 386,761 | 636,390 |
| Education and Welfare | | 4,290 | 8,300 | 27,674 |
| Community Amenities | | 6,940,373 | 6,723,263 | 6,387,006 |
| Recreation and Culture | | 5,125,011 | 4,035,981 | 3,940,420 |
| Transport | | 2,984,685 | 1,064,130 | 762,039 |
| Economic Services | | 368,053 | 323,997 | 271,732 |
| Other Property and Services | | 1,312,645 | 1,110,925 | 1,916,025 |
| | | <u>60,364,759</u> | <u>56,189,106</u> | <u>57,499,726</u> |
| Expenses | | | | |
| General Purpose Funding | | (830,483) | (831,547) | (548,275) |
| Governance | | (4,455,251) | (4,729,460) | (3,870,001) |
| Law, Order and Public Safety | | (1,826,961) | (2,005,363) | (1,730,903) |
| Health | | (1,044,921) | (1,141,306) | (1,053,670) |
| Education and Welfare | | (418,757) | (641,672) | (1,278,346) |
| Community Amenities | | (9,344,635) | (10,077,671) | (7,562,072) |
| Recreation and Culture | | (20,829,967) | (22,171,113) | (23,019,678) |
| Transport | | (16,443,810) | (14,085,813) | (8,032,477) |
| Economic Services | | (2,055,497) | (2,298,036) | (2,427,908) |
| Other Property and Services | | (6,846,649) | (8,140,519) | (12,611,273) |
| | | <u>(64,096,931)</u> | <u>(66,122,500)</u> | <u>(62,134,603)</u> |
| Finance Costs | | | | |
| | 2(c) | | | |
| Community Amenities | | (40,118) | (39,339) | (46,305) |
| Recreation and Culture | | (196,485) | (180,680) | (246,390) |
| Transport | | (99,544) | (108,601) | (110,382) |
| Other Property and Services | | (210,535) | (225,822) | (236,491) |
| | | <u>(546,682)</u> | <u>(554,442)</u> | <u>(639,568)</u> |
| Non-Operating Grants, Subsidies, Contributions and Interest | | | | |
| Law, Order and Public Safety | | - | - | 135,632 |
| Community Amenities | | 382,432 | 432,244 | 669,408 |
| Recreation and Culture | | 3,307,588 | 3,717,140 | 1,965,386 |
| Transport | | 1,930,107 | 4,285,046 | 2,420,364 |
| Economic Services | | 92,035 | 92,035 | 611,509 |
| Other Property and Services | | - | 32,810 | - |
| | | <u>5,712,163</u> | <u>8,559,275</u> | <u>5,802,299</u> |

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



CITY OF BUNBURY
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2021

| | NOTE | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|---|-------|----------------------------|---------------------------|-------------------------|
| Profit on asset disposals | 12(a) | | | |
| Governance | | 2,827 | - | - |
| Community Amenities | | 1,500 | - | - |
| Recreation and Culture | | 50,232 | - | - |
| Transport | | 46,033 | - | - |
| Other Property and Services | | 6,009 | - | 327,898 |
| | | <u>106,602</u> | <u>-</u> | <u>327,898</u> |
| Loss on asset disposals | 12(a) | | | |
| Governance | | (2,136) | - | - |
| Law, Order and Public Safety | | (47,345) | - | - |
| Community Amenities | | (322,605) | - | (411,960) |
| Recreation and Culture | | (402,597) | - | (467,380) |
| Transport | | (1,555,086) | - | (1,119,352) |
| Other Property and Services | | (9,941) | (72,030) | (897,525) |
| | | <u>(2,339,710)</u> | <u>(72,030)</u> | <u>(2,896,216)</u> |
| Fair Value Adjustment to Financial Assets at Fair Value through Profit or Loss | 9(b) | - | - | 2,305 |
| | | <u>-</u> | <u>-</u> | <u>2,305</u> |
| Net Result for the Period | | (799,800) | (2,000,591) | (2,038,160) |
| Other Comprehensive Income | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | |
| Changes in Asset Revaluation Surplus | 14 | (46,179,210) | - | 4,670,870 |
| Total Other Comprehensive Income for the Period | | <u>(46,179,210)</u> | <u>-</u> | <u>4,670,870</u> |
| Total Comprehensive Income for the Period | | <u>(46,979,010)</u> | <u>(2,000,591)</u> | <u>2,632,710</u> |



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

CITY OF BUNBURY
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2021

| | NOTE | 2021 \$ | 2020 \$ |
|--|-------|--------------------|--------------------|
| CURRENT ASSETS | | | |
| Cash and Cash Equivalents - Unrestricted | 3 | 11,910,419 | 15,649,982 |
| Cash and Cash Equivalents - Restricted | 3 | 28,618,527 | 22,644,750 |
| Trade and Other Receivables | 5 | 2,920,038 | 2,992,676 |
| Inventories | 6 | 109,389 | 112,232 |
| Other Current Assets | 7 | 618,841 | 536,744 |
| Other Financial Assets | 9(a) | 46,402 | 45,362 |
| TOTAL CURRENT ASSETS | | 44,223,616 | 41,981,745 |
| NON-CURRENT ASSETS | | | |
| Trade and Other Receivables | 5 | 621,376 | 612,211 |
| Other Financial Assets | 9(b) | 304,312 | 350,715 |
| Property, Plant and Equipment | 10(a) | 243,740,352 | 245,845,621 |
| Infrastructure | 11(a) | 245,281,238 | 294,000,613 |
| Right of Use Assets | 13 | 177,689 | 239,953 |
| TOTAL NON-CURRENT ASSETS | | 490,124,967 | 541,049,113 |
| TOTAL ASSETS | 22 | 534,348,582 | 583,030,857 |
| CURRENT LIABILITIES | | | |
| Trade and Other Payables | 16 | 6,462,527 | 4,720,447 |
| Other Liabilities | 17 | 2,881,528 | 5,001,685 |
| Lease Liabilities | 18 | 122,614 | 120,210 |
| Borrowings | 19 | 2,141,210 | 2,063,416 |
| Employee Related Provisions | 20 | 4,676,542 | 4,235,674 |
| TOTAL CURRENT LIABILITIES | | 16,284,421 | 16,141,433 |
| NON-CURRENT LIABILITIES | | | |
| Other Payables | 16 | 5,568 | 12,204 |
| Lease Liabilities | 18 | 55,269 | 113,339 |
| Borrowings | 19 | 8,879,091 | 11,020,300 |
| Employee Related Provisions | 20 | 629,331 | 654,187 |
| TOTAL NON-CURRENT LIABILITIES | | 9,569,259 | 11,800,031 |
| TOTAL LIABILITIES | | 25,853,680 | 27,941,463 |
| NET ASSETS | | 508,494,903 | 555,089,394 |
| EQUITY | | | |
| Retained Surplus | | 193,434,209 | 197,364,154 |
| Reserves - Cash Backed | 4 | 25,737,000 | 22,222,336 |
| Revaluation Surplus | 14 | 289,323,694 | 335,502,904 |
| TOTAL EQUITY | | 508,494,903 | 555,089,394 |



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

CITY OF BUNBURY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

| | NOTE | RETAINED SURPLUS \$ | RESERVES CASH BACKED \$ | REVALUATION SURPLUS \$ | TOTAL EQUITY \$ |
|--|------|---------------------------|-------------------------------|------------------------------|-----------------------|
| Balance as at 1 July 2019 | | 200,308,456 | 21,316,193 | 330,832,034 | 552,456,684 |
| Comprehensive Income | | | | | |
| Net Result for the Period | | (2,038,160) | - | - | (2,038,160) |
| Other Comprehensive Income | 14 | - | - | 4,670,870 | 4,670,870 |
| Total Comprehensive Income | | (2,038,160) | - | 4,670,870 | 2,632,710 |
| Transfers from/(to) Reserves | 4 | (906,143) | 906,143 | - | - |
| Balance as at 30 June 2020 | | 197,364,154 | 22,222,336 | 335,502,904 | 555,089,394 |
| Comprehensive Income | | | | | |
| Net Result for the Period | | (799,800) | - | - | (799,800) |
| Other Comprehensive Income | 14 | - | - | (46,179,210) | (46,179,210) |
| Total Comprehensive Income | | (799,800) | - | (46,179,210) | (46,979,010) |
| Transfers from/(to) Reserves | 4 | (3,130,145) | 3,130,145 | - | - |
| Reclassification of Planning & Development Act s154 funds from Trust | | - | 384,519 | - | 384,519 |
| Balance as at 30 June 2021 | | 193,434,209 | 25,737,000 | 289,323,694 | 508,494,903 |

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

CITY OF BUNBURY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

| | NOTE | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|---|-------|---------------------------------|---------------------------------|---------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts | | | | |
| Rates | | 39,987,825 | 39,777,548 | 39,215,926 |
| Operating Grants and Subsidies | | 2,962,011 | 2,037,169 | 3,379,156 |
| Contributions, Reimbursements and Donations | | 1,354,946 | 1,199,652 | 1,427,755 |
| Fees and Charges | | 13,185,667 | 11,445,521 | 12,319,568 |
| Interest Earnings | | 637,875 | 607,660 | 1,141,178 |
| Other Revenue | | 558,990 | 320,238 | 309,402 |
| | | <u>58,687,315</u> | <u>55,387,788</u> | <u>57,792,985</u> |
| Payments | | | | |
| Employee Costs | | (26,225,242) | (26,465,486) | (26,244,460) |
| Consultants | | (1,611,022) | (2,363,229) | (1,163,714) |
| Materials and Contracts | | (14,375,889) | (15,884,818) | (13,551,907) |
| Utility Charges | | (2,498,745) | (2,555,208) | (2,601,613) |
| Interest Expenses | | (554,654) | (660,182) | (649,126) |
| Insurance Expenses | | (652,171) | (554,442) | (628,419) |
| Goods and Services Tax (GST) | | (214,679) | - | (54,134) |
| Other Expenditure | | (2,332,494) | (2,511,603) | (3,047,089) |
| | | <u>(48,464,894)</u> | <u>(50,994,968)</u> | <u>(47,940,462)</u> |
| Net Cash Provided By (Used In) Operating Activities | 21(b) | <u>10,222,420</u> | <u>4,392,820</u> | <u>9,852,523</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Payments for the Purchase of Property, Plant and Equipment | | (4,221,012) | (6,158,288) | (7,378,161) |
| Payment for Construction of Infrastructure | | (8,102,343) | (14,730,080) | (8,366,477) |
| Non-Operating Grants, Subsidies and Contributions | | 5,702,290 | 4,487,463 | 5,755,372 |
| Interest Earnings on Capital Grants | | 9,872 | 15,165 | 46,928 |
| Proceeds from Self-Supporting Loans | | 45,362 | 45,362 | 44,345 |
| Proceeds from Sale of Fixed Assets | | 416,909 | 592,246 | 2,145,465 |
| Net Cash Provided By (Used In) Investing Activities | | <u>(6,148,922)</u> | <u>(15,748,132)</u> | <u>(7,752,528)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Repayment of Borrowings | | (2,063,416) | (2,063,416) | (2,196,043) |
| Payments for principal portion of lease liabilities | | (174,167) | (120,210) | (132,856) |
| Proceeds from New Borrowings | | - | 450,000 | 750,000 |
| Reclassification of Planning & Development Act S.154 funds from Reserve to Trust | | 384,519 | - | - |
| Repayments - Deferred Debtors | | 13,780 | - | 13,341 |
| Net Cash Provided By (Used In) Financing Activities | | <u>(1,839,285)</u> | <u>(1,733,626)</u> | <u>(1,565,558)</u> |
| Net Increase (Decrease) In Cash Held | | 2,234,214 | (13,088,938) | 534,438 |
| Cash at Beginning of Year | | 38,294,732 | 38,294,732 | 37,760,294 |
| Cash and Cash Equivalents at the End of the Year | 21(a) | <u><u>40,528,946</u></u> | <u><u>25,205,794</u></u> | <u><u>38,294,732</u></u> |

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

CITY OF BUNBURY
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

| | NOTE | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|--|-------|----------------------|----------------------|----------------------|
| OPERATING ACTIVITIES | | | | |
| Net Current Assets at Start of Financial Year | | | | |
| - Surplus/(Deficit) | 30(b) | 5,333,826 | 5,333,827 | 1,755,838 |
| | | 5,333,826 | 5,333,827 | 1,755,838 |
| Revenue from Operating Activities (Excluding Rates) | | | | |
| Specified Area Rates | 29(b) | 50,036 | 50,036 | 48,963 |
| Operating Grants and Subsidies | 2(a) | 5,031,737 | 2,838,487 | 2,888,241 |
| Contributions, Reimbursements and Donations | 2(a) | 1,354,946 | 1,199,652 | 1,427,755 |
| Fees and Charges | 2(a) | 13,004,944 | 11,445,521 | 12,003,763 |
| Interest Earnings | 2(a) | 637,875 | 607,660 | 1,141,178 |
| Other Revenue | | 558,990 | 320,238 | 309,402 |
| Profit on Disposal of Assets | 12(a) | 106,602 | - | 327,898 |
| | | 20,745,130 | 16,461,594 | 18,147,201 |
| Expenses from Operating Activities | | | | |
| Employee Costs | | (26,644,714) | (27,041,876) | (26,685,943) |
| Consultants | | (1,611,022) | (2,363,229) | (1,163,714) |
| Materials and Contracts | | (15,864,884) | (15,884,818) | (13,605,228) |
| Utility Charges | | (2,498,745) | (2,555,208) | (2,601,613) |
| Depreciation on Non-Current Assets | 12(b) | (14,499,537) | (15,105,584) | (14,402,851) |
| Insurance Expenses | | (652,171) | (660,182) | (628,419) |
| Interest Expenses | 2(c) | (546,682) | (554,442) | (639,568) |
| Other Expenses | | (2,325,858) | (2,511,603) | (3,046,835) |
| Loss on Disposal of Assets | 12(a) | (2,339,710) | (72,030) | (2,896,216) |
| | | (66,983,323) | (66,748,972) | (65,670,388) |
| Non-Cash Amounts Excluded from Operating Activities | 30(a) | 16,691,989 | 15,239,714 | 16,988,828 |
| Amount Attributable to Operating Activities | | (29,546,204) | (35,047,664) | (30,534,358) |
| INVESTING ACTIVITIES | | | | |
| Non-Operating Grants, Subsidies and Contributions | 2(a) | 5,702,290 | 8,544,110 | 5,755,372 |
| Interest on Capital Grants | 2(a) | 9,872 | 15,165 | 46,928 |
| Fair Value Adjustment to Financial Assets at Fair Value through Profit or Loss | 9(b) | - | - | 2,305 |
| Proceeds from Disposal of Assets | 12(a) | 416,909 | 592,246 | 2,145,465 |
| Proceeds from Self-Supporting Loans | 19(b) | 45,362 | 45,362 | 44,345 |
| Purchase Land | 10(a) | (3,819) | (199,726) | (510,332) |
| Purchase Buildings | 10(a) | (2,805,820) | (3,119,429) | (2,629,010) |
| Purchase Plant and Vehicles | 10(a) | (1,281,026) | (2,123,079) | (3,040,579) |
| Purchase Equipment | 10(a) | (92,145) | (696,054) | (1,151,753) |
| Purchase Furniture and Fittings | 10(a) | (7,099) | - | (31,521) |
| Purchase Arts and Culture Assets | 10(a) | (31,103) | (20,000) | (14,965) |
| Purchase Infrastructure Assets | 11(a) | (8,102,343) | (14,730,080) | (8,366,477) |
| Amount Attributable to Investing Activities | | (6,148,922) | (11,691,485) | (7,750,222) |

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

CITY OF BUNBURY
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

| | NOTE | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|---|-------|-------------------------|----------------------|-------------------------|
| FINANCING ACTIVITIES | | | | |
| Repayment of Borrowings | 19(b) | (2,063,416) | (2,063,416) | (2,196,043) |
| Proceeds from Borrowings | 19(c) | - | 450,000 | 750,000 |
| Payments for principal portion of lease liabilities | | (174,167) | (120,210) | (132,856) |
| Movement in Unspent Loans | 19(d) | 422,414 | 422,414 | 345,301 |
| Movement in Unspent Grants | 3 | - | - | 4,321,888 |
| Reallocation of Planning and Development Act S.154 funds from Trust to Reserve | | 384,519 | - | - |
| Transfers to Reserves (Restricted Assets) | 4 | (13,831,325) | (11,092,082) | (10,745,664) |
| Transfers from Reserves (Restricted Assets) | 4 | 10,316,662 | 14,165,301 | 9,839,521 |
| Amount Attributable to Financing Activities | | (4,945,314) | 1,762,007 | 2,182,147 |
| Surplus/(Deficit) Before Imposition of General Rates | | <u>(35,306,614)</u> | <u>(39,643,315)</u> | <u>(34,346,596)</u> |
| Total Amount Raised from General Rates | 29(a) | <u>39,726,231</u> | <u>39,727,512</u> | <u>39,680,422</u> |
| Surplus/(Deficit) After Imposition of General Rates | 30(b) | <u>4,419,617</u> | <u>84,197</u> | <u>5,333,826</u> |

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

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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 Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the City to measure any vested improvements at zero cost.

Accounting policies which has 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.

THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the City 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 32 to these financial statements.

INITIAL APPLICATION OF ACCOUNTING STANDARDS

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

These were:

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

The impact of adoption of these standards is described at Note 34.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

The following new accounting standards will have application to local government in future years:

- AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- AASB 2020-3 *Amendments to Australian Accounting Standards - Annual improvements 2018-2020 and Other Amendments*
- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*

It is not expected these standards will have an impact on the financial report.

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.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES

Revenue Recognition Policy

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

| Revenue Category | Nature of goods and services | When obligations typically satisfied | Payment terms | Returns/Refunds/Warranties | Determination of transaction price | Allocating Transactional price | Measuring obligations for returns | Timing of revenue recognition |
|--------------------------------|--|---|--|---|--|--|---|---|
| Rates | General and specified | Over time | Payment dates adopted by council during the year | None | Adopted by council annually | When taxable event occurs | Not applicable | When rates notice is issued |
| Operating Grants and subsidies | Grant contracts with customers - with and without agreements and subsidies | Over time or no obligations. Dependant upon arrangement | Fixed term transfer for funds based on agreed milestones and reporting or not applicable. Dependant upon arrangement | Contract obligation if project not complete or not applicable. Dependant upon arrangement | Set by mutual agreement with customer or when cash is received. Dependant upon arrangement | Based on the progress of works to match performance obligations or on receipt of funds. Dependant upon arrangement | Returns limited to repayment of transactional price or not applicable. Dependant upon arrangement | Output method based on project milestone and/or completion date matched to performance obligations, or when asset is controlled. Dependant upon arrangement |
| Non-operating Grants | Construction or acquisition of recognisable non-financial assets | Over time | Fixed term transfer for funds based on agreed milestones and reporting | Contract obligation if project not complete | Set by mutual agreement with customer | Based on the progress of works to match performance obligations | Returns limited to repayment of transactional price | Output method based on project milestone and/or completion date matched to performance obligations |
| Fees and Charges | Charges made for council provided services, facility hire, fines, sale of good and licences. | Single point in time and over time. Dependant upon fee. | In full in advance or on normal credit trading terms. Dependant upon fee. | Dependant upon good or service provided | Adopted by council annually, set by state legislation, or limited by legislation to the cost of provision, or set by mutual agreement with customers. Dependant upon fee | Based on timing of provision of associated goods or service | Returns limited to repayment of transactional price for non provision of service or faulty goods in accordance with Council policy or State Legislation | Output method based on provision of service or completion of works |
| Other Revenue | Other revenue that cannot be classified into the above categories | Single point in time and over time. Dependant upon fee | In full in advance or on normal credit trading terms. Dependant upon fee. | Dependant upon good or service provided | Adopted by council annually, set by state legislation, or limited by legislation to the cost of provision, or set by mutual agreement with customers. Dependant upon fee | Based on timing of provision of associated goods or service | Returns limited to repayment of transactional price for non provision of service or faulty goods in accordance with Council policy or State Legislation | Output method based on provision of service or completion of works |

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue

Grant Revenue

Grants, subsidies, contributions and capital interest are included as operating revenues in the Statement of Comprehensive Income:

| | 2021 | 2020 |
|--|-------------------|-------------------|
| | \$ | \$ |
| <i><u>By Nature or Type:</u></i> | | |
| Operating Grants, Subsidies and Contributions | 5,031,737 | 2,888,241 |
| Non-Operating Grants, Subsidies, Contributions | 5,702,290 | 5,755,372 |
| Non-Operating Grants - Capital Interest | 9,872 | 46,928 |
| | 10,743,899 | 8,690,541 |
| <i><u>By Program:</u></i> | | |
| General Purpose Funding | 1,756,391 | 1,815,583 |
| Governance | - | 1,650 |
| Law, Order and Public Safety | 112,163 | 249,241 |
| Education and Welfare | - | 21,716 |
| Community Amenities | 514,827 | 752,603 |
| Recreation and Culture | 3,768,906 | 2,423,615 |
| Transport | 4,359,751 | 2,797,904 |
| Economic Services | 210,698 | 618,728 |
| Other Property and Services | 21,163 | 9,501 |
| | 10,743,899 | 8,690,541 |
| Fees and Charges | | |
| General Purpose | 132,510 | 144,053 |
| Law, Order, Public Safety | 390,823 | 393,827 |
| Health | 471,976 | 633,356 |
| Education and Welfare | 4,290 | 5,958 |
| Community Amenities | 6,230,735 | 6,149,040 |
| Recreation and Culture | 4,207,957 | 3,195,816 |
| Transport | 455,120 | 355,392 |
| Economic Services | 267,299 | 237,664 |
| Other Property and Services | 844,234 | 888,657 |
| | 13,004,944 | 12,003,763 |
| Significant Revenue | | |
| Operating Grant Income | 833,398 | 858,637 |
| Non-Operating Grant Income | - | 500,000 |
| | 833,398 | 1,358,637 |

Operating Grant Income

This significant revenue in 2020/21 relates to the Federal Assistance Grant Scheme payments received in advance for the 2021/22 Financial Year of \$833,398.

This significant revenue in 2019/20 relates to the Federal Assistance Grant Scheme payments received in advance for the 2020/21 Financial Year of \$858,637.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (continued)

(a) Revenue (continued)

Non-Operating Grant Income

This significant revenue in 2019/20 relates to the transfer of Lot 4669 Forrest Ave (known as Jaycee Park) to the City from the Department of Primary Industries and Regional Development. This property has been transferred to the City to then transfer to the South West Aboriginal Medical Services for the construction of a purpose built health campus.

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

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

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

Fees and Charges

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

Contracts with customers and transfers for recognisable non-financial assets

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the City was recognised during the year for the following nature or types of goods and services:

| | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|---|----------------------|----------------------|----------------------|
| Operating grants and subsidies | 3,142,021 | 1,834,112 | 949,049 |
| Contributions | 213,100 | 195,908 | 106,481 |
| Fees and Charges | 12,137,284 | 10,839,081 | 11,271,837 |
| Other Revenue | 558,990 | 320,238 | 309,403 |
| Non-operating grants, subsidies and contributions | 5,702,290 | 8,544,110 | 5,755,372 |
| | 21,753,685 | 21,733,449 | 18,392,142 |

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the City is comprised of:

| | | | |
|---|------------|------------|------------|
| Revenue from contracts with customers included as a contract liability at the start of the period | 1,845,106 | 919,810 | 485,823 |
| Revenue from contracts with customers recognised during the year | 14,206,289 | 12,269,529 | 12,150,947 |
| Revenue from transfers intended for acquiring or constructing recognisable non-financial assets included as a contract liability at the start of the period | 1,659,552 | 3,906,671 | 1,052,009 |
| Revenue from transfers intended for acquiring or constructing recognisable non-financial assets during the year | 4,042,738 | 4,637,439 | 4,703,363 |
| | 21,753,685 | 21,733,449 | 18,392,142 |

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (continued)

(a) Revenue (continued)

| | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|--|----------------------|----------------------|----------------------|
| Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is: | | | |
| Trade and other receivables from contracts with customers | 657,992 | | 722,205 |
| Contract assets | - | | - |
| Contract liabilities from contracts with customers | (1,459,842) | | (945,039) |
| Financial assets held from transfers for recognisable financial assets | 1,421,685 | | 4,056,647 |
| Contract liabilities from transfers for recognisable non financial assets | (1,421,685) | | (4,056,647) |

Contract assets primarily relate to the City's right to consideration for work completed but not billed at 30 June 2021.

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

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

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

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

Revenue from statutory requirements

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

| | | | |
|---------------------------------|------------|------------|------------|
| General Rates | 39,726,232 | 39,727,512 | 39,680,422 |
| Specified area rates | 50,036 | 50,036 | 48,963 |
| Statutory permits and licences | 641,591 | 462,886 | 504,685 |
| Fines | 226,069 | 143,554 | 227,242 |
| Public open space contributions | 84,500 | - | - |
| | 40,728,429 | 40,383,988 | 40,461,313 |

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

| (a) Revenue (continued) | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|--|-------------------------------|-------------------------------|-------------------------------|
| Contributions, reimbursements and donations | | | |
| Reimbursements and Recoveries | 894,021 | 693,200 | 1,084,718 |
| Contributions and Donations | 460,925 | 506,452 | 343,037 |
| | <u>1,354,946</u> | <u>1,199,652</u> | <u>1,427,755</u> |
| Interest Earnings | | | |
| Interest on reserve funds | 41,732 | 500 | 11,849 |
| Rates instalment and penalty interest (refer Note 29(e)) | 400,886 | 375,039 | 444,480 |
| Other interest earnings | 195,257 | 232,121 | 684,850 |
| | <u>637,875</u> | <u>607,660</u> | <u>1,141,178</u> |
| <i>Interest Earnings - Non-Operating</i> | | | |
| - Investments - Capital Grants | 9,872 | 15,165 | 46,928 |
| | <u>9,872</u> | <u>15,165</u> | <u>46,928</u> |
| Other Revenue | | | |
| Commissions | 367,273 | 188,500 | 131,282 |
| Other Revenue | 191,718 | 131,738 | 178,121 |
| | <u>558,990</u> | <u>320,238</u> | <u>309,403</u> |

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired.

For credit impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Interest earnings (continued)

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

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUES AND EXPENSES (continued)

(b) Grant Revenue

| <i>Grants and Contributions for the Development of Assets received:</i> | | 2021 | 2020 |
|---|--|-------------|-------------|
| | | \$ | \$ |
| Dept. Local Government, Sports & Cultural Industries | Construct Hay Park Central Pavilion | 1,648,823 | 140,660 |
| Dept. Infrastructure, Transport, and Regional Development | Roads to Recovery reseal program | 620,307 | 602,228 |
| Dept. Infrastructure, Transport, and Regional Development | Construct Youth Precinct | 531,958 | - |
| Main Roads | Realign and widen Ocean Drive | 519,461 | 576,293 |
| Public Open Space Developer Contributions | Construct Youth Precinct | 494,784 | - |
| Main Roads | Reconstruct, widen and improve drainage on Estuary Dve | 367,970 | 340,000 |
| Dept. Infrastructure, Transport, and Regional Development | Upgrade Maiden's Reserve | 357,051 | - |
| Main Roads | Washington Avenue cycle lanes - stage 3 | 253,333 | - |
| Lotterywest | Infrastructure development at Lyons Cove | 250,000 | - |
| Main Roads | Reseal Sandridge Road | 192,360 | 197,307 |
| Main Roads | Reseal and upgrade Harris Road and drainage | 186,777 | - |
| Main Roads | Expand cycleways | 95,838 | 129,047 |
| Dept. Primary Industries & Regional Development | Installation of digital billboard | 92,035 | 107,965 |
| Main Roads | Reconstruct and widen Vittoria Road | 62,031 | - |
| South West Development Commission | Construct SPA Fishing Jetty | 15,100 | 29,828 |
| South West Development Commission | Provide a new UAT toilet facility at Des Ugle Park | 14,462 | 117,302 |
| Lotterywest | Stirling Street Arts Centre redevelopment | - | 1,349,421 |
| Dept. Primary Industries & Regional Development | Upgrade Halifax Park Infrastructure | - | 631,555 |
| Main Roads | Realign and Widen Koombana Drive | - | 515,003 |
| State Government of WA | Jaycee Park land transfer (State gifted asset) | - | 500,000 |
| Dept. Industry, Innovation & Science | Implement CBD CCTV Network | - | 121,675 |
| Dept. Transport | South Western Highway shared path | - | 120,495 |
| Main Roads | Upgrade Brittain Rd / Bussell Hwy / Parade Rd roundabout | - | 95,000 |
| Main Roads | Upgrade Blair and Rose Sts intersection | - | 41,693 |
| Stirling Street Arts Centre | Stirling Street Arts Centre redevelopment | - | 36,364 |

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUES AND EXPENSES (continued)

(b) Grant Revenue (continued)

| Grants and Contributions for the Development of Assets received (continued): | | 2021 | 2020 |
|---|---|------------------|------------------|
| | | \$ | \$ |
| Main Roads | Replace kerb and asphalt overlay, Ocean Drive | - | 25,340 |
| Dept. Infrastructure, Transport, and Regional Development | Install hotspot street lighting | - | 20,000 |
| Public Transport Authority | Expansion of bus stops and bus shelters | - | 15,086 |
| Dept. Fire and Emergency Services | Bunbury SES building works | - | 13,957 |
| Southern Port Authority | Construct SPA Fishing Jetty | - | 9,091 |
| Civil Infrastructure contributions | Construct SPA Fishing Jetty | - | 7,562 |
| Dept. Infrastructure, Transport, and Regional Development | Purchase mobile traffic speed display signs | - | 7,500 |
| Keep Australia Beautiful WA | Installation of Jetty Seabins | - | 5,000 |
| | | 5,702,290 | 5,755,372 |
| | | | |
| Operating Grants received: | | | |
| Dept. Primary Industries & Regional Development | Upgrade Halifax Park Infrastructure | 2,181,906 | - |
| Local Government Grants Commission | Receive general purpose grants - roads | 895,671 | 905,889 |
| Local Government Grants Commission | Receive general purpose grants - general | 645,920 | 697,988 |
| Main Roads | Receive general purpose grants - roads | 214,800 | 211,707 |
| Dept. Local Government, Sports & Cultural Industries | Operate Bunbury Regional Art Gallery | 170,000 | 170,000 |
| Main Roads | Blair Street Lighting | 150,000 | - |
| Dept. Communication & the Arts | Indigenous Arts Program | 130,854 | 80,717 |
| South West Development Commission | Bunbury Marine Facilities Studies | 112,413 | 79,854 |
| Australian Trade & Investment Commission | Supporting Australia's Zoos | 72,348 | 22,283 |
| Dept. Water and Environmental Regulation | Better Bins - Go FOGO Campaign | 62,944 | - |
| Dept. Fire & Emergency Services | Administer Bushfire Brigade payments | 57,928 | 57,288 |
| Dept. Fire & Emergency Services | Administer State Emergency Service payments | 54,235 | 56,321 |
| Dept. Transport | Safe Active Streets program | 50,000 | - |

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUES AND EXPENSES (continued)

(b) Grant Revenue (continued)

| Operating Grants received (continued): | | 2021 | 2020 |
|---|---|-------------|-------------|
| | | \$ | \$ |
| Dept. Jobs, Tourism, Science & Innovation | "Waste Sorted" E-Waste program | 34,353 | - |
| Lotterywest | Conduct Australia Day event | 30,000 | 30,000 |
| Dept. Transport | Regional Airports Development Scheme - Airport Plan | 29,875 | - |
| Dept. Communication & the Arts | Relief and Recovery Arts Funding | 24,069 | - |
| Public Transport Authority | Maintain bus shelters | 18,599 | 18,673 |
| Main Roads | Upgrade Harris Road | 15,994 | - |
| Dept. Primary Industries & Regional Development | Feasibility Study - Bunbury Electric Transit System | 15,000 | - |
| The Good Things Foundation | Deliver Be Connected Capacity Building | 13,456 | 21,216 |
| Dept. Education | Provide traineeships and cadetships | 12,000 | 8,000 |
| Dept. Primary Industries & Regional Development | Hands Oval Redevelopment Design Plan | 10,000 | - |
| South West Development Commission | Regional Tourism Strategy Implementation | 6,250 | 5,720 |
| Dept. Training and Workforce Development | Provide traineeships and cadetships | 6,163 | - |
| Dept. Infrastructure, Transport, and Regional Development | Upgrade Maiden's Reserve | 4,700 | - |
| Forrest Personnel | Provide traineeships and cadetships | 3,000 | 1,500 |
| Children's Book Council of Australia | Children's Book Week | 3,000 | - |
| Road Safety Commission | Roadwise "Don't Trust Your Tired Self" Campaign | 1,870 | 18,109 |
| Dept. Local Government, Sports & Cultural Industries | Volunteer Appreciation Award | 1,500 | - |
| Keep Australia Beautiful | No Butts Campaign | 1,500 | - |
| Dept. Local Government, Sports & Cultural Industries | Deliver every day club funding project | 1,389 | 11,246 |
| Dept. Local Government, Sports & Cultural Industries | Detailed design for Hay Park Sports Pavilion | - | 120,379 |
| Dept. of Water & Environmental Regulation | Renew and improve drainage (Brockman Park) | - | 120,000 |
| Main Roads | Upgrade street lighting on Sandridge Road | - | 119,576 |
| Dept. of Water & Environmental Regulation | Better Bins Kerbside Collection Complement | - | 58,197 |

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUES AND EXPENSES (continued)

(b) Grant Revenue (continued)

| <i>Operating Grants received (continued):</i> | | 2021 | 2020 |
|--|--|-------------------------|-------------------------|
| | | \$ | \$ |
| Water Corporation | Renew and improve drainage (Brockman Park) | - | 40,000 |
| Dept. Transport | Design shared path, Dodson Road | - | 16,887 |
| Western Australia Police Force | Implement Wipe Out Graffiti Program | - | 6,325 |
| Tourism Western Australia | Produce Regional Mountain Bike Maps | - | 5,000 |
| Dept. Jobs, Tourism, Science & Innovation | Deliver "The Makerspace" digital and tech | - | 1,716 |
| Dept. Primary Industries & Regional Development | Connect with Asia | - | 1,650 |
| Bunbury Geographe Economic Alliance | Deliver Innovation Forum | - | 750 |
| Edith Cowan University | Deliver Innovation Forum | - | 750 |
| Keep Australia Beautiful | Support Youth Advisory Committee | - | 500 |
| | | <u>5,031,737</u> | <u>2,888,241</u> |

NOTE

General Purpose Grants - Roads and General

In 2020/21 the City received a general purpose grant advance payment for the 2021/22 financial year of \$833,398.

In 2019/20 the City received a general purpose grant advance payment for the 2020/21 financial year of \$858,637.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUES AND EXPENSES (continued)

| (c) Expenses | | 2021 | 2020 |
|--|-------|-----------------------|-----------------------|
| | | \$ | \$ |
| Auditors Remuneration | | | |
| - Audit of the Annual Financial Report | | 40,200 | 40,182 |
| - Other Services | | 7,410 | 5,900 |
| | | <u>47,610</u> | <u>46,082</u> |
| Interest Expenses (Finance Costs) | | | |
| Borrowings | 19(b) | 526,265 | 610,258 |
| Borrowings - self-supporting | 19(b) | 7,069 | 8,614 |
| Lease Liabilities | 18 | 13,348 | 20,696 |
| | | <u>546,682</u> | <u>639,568</u> |

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

3. CASH AND CASH EQUIVALENTS

| | NOTE | 2021 \$ | 2020 \$ |
|--|------|-------------------|-------------------|
| Cash at bank and on hand | | 7,740,411 | 6,223,444 |
| Term deposits | 8 | 32,788,534 | 32,071,288 |
| Total cash and cash equivalents | | 40,528,946 | 38,294,732 |
| Comprises | | | |
| Unrestricted cash and cash equivalents | | 11,910,419 | 15,649,982 |
| Restricted cash and cash equivalents | | 28,618,527 | 22,644,750 |
| | | 40,528,946 | 38,294,732 |

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

| | | | |
|---|-------|-------------------|-------------------|
| Unspent loans | 19(d) | - | 422,414 |
| Contract liabilities from contracts with customers | 17 | 1,459,842 | 945,039 |
| Contract liabilities from transfers for recognisable non financial assets | 17 | 1,421,685 | 4,056,647 |
| Cash Backed Reserves | 4 | | |
| ACDI Equipment Replacement Program | | - | 734,693 |
| Airport | | 307,433 | 245,979 |
| Asset Management and Renewal | | 5,027,101 | 3,114,988 |
| Building Restoration and Maintenance | | - | 1,239,293 |
| Bunbury Museum and Heritage Centre | | 11,007 | 11,007 |
| Canal Management | | 592,220 | 577,017 |
| City Arts Collection | | 35,836 | 35,836 |
| City Growth and Major Development | | 3,793,368 | 493,632 |
| City of Bunbury General Parking | | 8,791,345 | 8,440,076 |
| College Grove Subdivision Amended Joint Venture | | 17,120 | 27,074 |
| Disaster Relief Fund - (City of Bunbury) | | 100,000 | 100,000 |
| Dual Use Path Upgrade Contributions | | - | 59,746 |
| Employee Entitlements and Insurance | | 1,151,701 | 1,067,150 |
| Environmental | | 36,109 | 109,949 |
| Hay Park Regional Athletics Track | | 705,474 | 610,665 |
| Heritage Building Maintenance | | 27,500 | 27,500 |
| Infrastructure Development | | 1,940,375 | 1,817,939 |
| Land Subdivision and Development | | 327,130 | 330,949 |
| Local Planning Policy Framework | | 167,874 | 148,255 |
| Meat Inspection | | 430,601 | 420,386 |
| Planning and Development Act Developer Contributions | | 84,500 | - |
| Plant and Equipment | | - | 357,356 |
| Public Art | | 137,433 | 98,536 |
| Refuse Collection and Waste Minimisation | | 1,346,022 | 1,447,461 |
| Road Upgrade Contributions | | 171,704 | 171,704 |
| Town Planning Scheme Land Acquisition and Compensation | | 132,505 | 132,505 |
| Withers | | 402,641 | 402,641 |
| | | 25,737,000 | 22,222,336 |
| Total Restrictd Assets | | 28,618,527 | 27,646,435 |

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 six months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

Restricted assets

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

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

4. RESERVES - CASH BACKED

| | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|--|-------------------------------|-------------------------------|-------------------------------|
| ACDI Equipment Replacement Program | | | |
| <i>Purpose: For the Purchase and upgrade of equipment used by Australian Centre for Digital Innovation</i> | | | |
| Opening Balance | 734,693 | 734,693 | 734,693 |
| Amount Set Aside / Transfer to Reserve | - | - | - |
| Amount Used / Transfer from Reserve | (734,693) | (734,693) | - |
| | <u>-</u> | <u>-</u> | <u>734,693</u> |

Airport

Purpose: To receipt funds from airport leases for the future provision of asset management and expansion projects at the airport

| | | | |
|--|-----------------------|-----------------------|-----------------------|
| Opening Balance | 245,979 | 245,979 | 195,567 |
| Amount Set Aside / Transfer to Reserve | 128,878 | 125,470 | 127,396 |
| Amount Used / Transfer from Reserve | (67,424) | (87,457) | (76,984) |
| | <u>307,433</u> | <u>283,992</u> | <u>245,979</u> |

Asset Management and Renewal

Purpose: To provide funding for future asset management and renewal programs and projects

| | | | |
|--|-------------------------|-------------------------|-------------------------|
| Opening Balance | 3,114,988 | 3,114,987 | 2,091,373 |
| Amount Set Aside / Transfer to Reserve | 3,457,687 | 825,201 | 2,375,000 |
| Amount Used / Transfer from Reserve | (1,545,573) | (2,185,236) | (1,351,385) |
| | <u>5,027,101</u> | <u>1,754,952</u> | <u>3,114,988</u> |

Building Restoration and Maintenance

Purpose: For the purchase and upgrade of Council buildings

| | | | |
|--|-------------|-----------------------|-------------------------|
| Opening Balance | 1,239,293 | 1,239,293 | 1,405,914 |
| Amount Set Aside / Transfer to Reserve | (1,033,388) | - | - |
| Amount Used / Transfer from Reserve | (205,905) | (489,293) | (166,621) |
| | <u>-</u> | <u>750,000</u> | <u>1,239,293</u> |

Bunbury Museum and Heritage Centre

Purpose: To provide funding for the Museum

| | | | |
|--|----------------------|----------------------|----------------------|
| Opening Balance | 11,007 | 11,007 | 5,474 |
| Amount Set Aside / Transfer to Reserve | - | - | 5,533 |
| Amount Used / Transfer from Reserve | - | - | - |
| | <u>11,007</u> | <u>11,007</u> | <u>11,007</u> |

Canal Management

Purpose: To receipt specific area rating from the Pelican Point Canal Development to provide for the ongoing management and maintenance of the canal residential and commercial area

| | | | |
|--|-----------------------|-----------------------|-----------------------|
| Opening Balance | 577,017 | 577,017 | 598,158 |
| Amount Set Aside / Transfer to Reserve | 52,311 | 50,036 | 60,292 |
| Amount Used / Transfer from Reserve | (37,107) | (43,705) | (81,434) |
| | <u>592,220</u> | <u>583,348</u> | <u>577,017</u> |

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

4. RESERVES - CASH BACKED (continued)

| | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|---|----------------------|----------------------|----------------------|
| City Arts Collection | | | |
| <i>Purpose: For the purchase and upgrade of Council Art Collections</i> | | | |
| Opening Balance | 35,836 | 35,836 | 50,801 |
| Amount Set Aside / Transfer to Reserve | - | - | - |
| Amount Used / Transfer from Reserve | - | - | (14,965) |
| | <u>35,836</u> | <u>35,836</u> | <u>35,836</u> |

City Growth and Major Development

| | | | |
|---|------------------|------------------|----------------|
| <i>Purpose: To provide funds for the development and implementation of strategic projects</i> | | | |
| Opening Balance | 493,632 | 493,632 | - |
| Amount Set Aside / Transfer to Reserve | 3,299,736 | 2,194,324 | 500,000 |
| Amount Used / Transfer from Reserve | - | - | (6,368) |
| | <u>3,793,368</u> | <u>2,687,956</u> | <u>493,632</u> |

City of Bunbury General Parking

| | | | |
|--|------------------|------------------|------------------|
| <i>Purpose: To fund motor vehicle parking requirements within the City of Bunbury and promotion of the CBD</i> | | | |
| Opening Balance | 8,440,076 | 8,440,076 | 8,365,026 |
| Amount Set Aside / Transfer to Reserve | 406,494 | 233,286 | 313,629 |
| Amount Used / Transfer from Reserve | (55,225) | (68,314) | (238,579) |
| | <u>8,791,345</u> | <u>8,605,048</u> | <u>8,440,076</u> |

College Grove Subdivision Amended Joint Venture

| | | | |
|--|---------------|--------------|---------------|
| <i>Purpose: To provide funding for the development of land relating to the amended College Grove joint venture</i> | | | |
| Opening Balance | 27,074 | 27,074 | 27,454 |
| Amount Set Aside / Transfer to Reserve | (843) | 500 | 520 |
| Amount Used / Transfer from Reserve | (9,111) | (20,000) | (900) |
| | <u>17,120</u> | <u>7,574</u> | <u>27,074</u> |

Disaster Relief Fund - (City of Bunbury)

| | | | |
|--|----------------|----------------|----------------|
| <i>Purpose: To provide relief of personal hardship and distress arising from natural disasters</i> | | | |
| Opening Balance | 100,000 | 100,000 | 100,000 |
| Amount Set Aside / Transfer to Reserve | 20,000 | 20,000 | 20,000 |
| Amount Used / Transfer from Reserve | (20,000) | (20,000) | (20,000) |
| | <u>100,000</u> | <u>100,000</u> | <u>100,000</u> |

Dual Use Path Upgrade Contributions

| | | | |
|---|----------|----------|---------------|
| <i>Purpose: To receipt funds received from Council's subdivision conditions for the future provision of dual use paths improvements and path management measures to benefit path infrastructure</i> | | | |
| Opening Balance | 59,746 | 59,746 | 59,746 |
| Amount Set Aside / Transfer to Reserve | - | - | - |
| Amount Used / Transfer from Reserve | (59,746) | (59,746) | - |
| | <u>-</u> | <u>-</u> | <u>59,746</u> |

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

4. RESERVES - CASH BACKED (continued)

| | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|---|----------------------|----------------------|----------------------|
| Employee Entitlements and Insurance | | | |
| <i>Purpose: To provide future funds for employee related entitlements and insurance liabilities</i> | | | |
| Opening Balance | 1,067,150 | 1,067,150 | 1,099,805 |
| Amount Set Aside / Transfer to Reserve | 84,551 | - | 114,763 |
| Amount Used / Transfer from Reserve | - | (460,584) | (147,418) |
| | 1,151,701 | 606,566 | 1,067,150 |

Environmental

| | | | |
|--|---------------|-----------|----------------|
| <i>Purpose: For the future provision of environmental management and associated projects</i> | | | |
| Opening Balance | 109,949 | 109,949 | 196,710 |
| Amount Set Aside / Transfer to Reserve | - | - | 17,000 |
| Amount Used / Transfer from Reserve | (73,840) | (109,949) | (103,761) |
| | 36,109 | - | 109,949 |

Hay Park Regional Athletics Track

| | | | |
|--|----------------|----------------|----------------|
| <i>Purpose: To retain funds for the future replacement of the regional athletics track</i> | | | |
| Opening Balance | 610,665 | 610,665 | 510,665 |
| Amount Set Aside / Transfer to Reserve | 100,000 | 100,000 | 100,000 |
| Amount Used / Transfer from Reserve | (5,191) | (5,280) | - |
| | 705,474 | 705,385 | 610,665 |

Heritage Building Maintenance

| | | | |
|--|---------------|---------------|---------------|
| <i>Purpose: To provide funding for the maintenance of heritage buildings</i> | | | |
| Opening Balance | 27,500 | 27,500 | 27,500 |
| Amount Set Aside / Transfer to Reserve | - | - | - |
| Amount Used / Transfer from Reserve | - | - | - |
| | 27,500 | 27,500 | 27,500 |

Infrastructure Development

| | | | |
|---|------------------|----------------|------------------|
| <i>Purpose: To receipt funds specifically raised from the annual rates levied for the renewal and upgrade of existing infrastructure assets</i> | | | |
| Opening Balance | 1,817,939 | 1,817,939 | 757,867 |
| Amount Set Aside / Transfer to Reserve | 1,502,355 | 1,502,355 | 1,502,314 |
| Amount Used / Transfer from Reserve | (1,379,919) | (2,887,259) | (442,242) |
| | 1,940,375 | 433,035 | 1,817,939 |

Land Subdivision and Development

| | | | |
|---|----------------|----------------|----------------|
| <i>Purpose: To provide funding for land subdivision development</i> | | | |
| Opening Balance | 330,949 | 330,949 | 340,723 |
| Amount Set Aside / Transfer to Reserve | - | - | - |
| Amount Used / Transfer from Reserve | (3,819) | (195,226) | (9,774) |
| | 327,130 | 135,723 | 330,949 |

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

4. RESERVES - CASH BACKED (continued)

| | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|--|----------------------|----------------------|----------------------|
| Local Planning Policy Framework | | | |
| <i>Purpose: To provide funding for Local Planning Policy Framework</i> | | | |
| Opening Balance | 148,255 | 148,255 | 138,255 |
| Amount Set Aside / Transfer to Reserve | 50,000 | 50,000 | 50,000 |
| Amount Used / Transfer from Reserve | (30,381) | (55,381) | (40,000) |
| | 167,874 | 142,874 | 148,255 |

Meat Inspection

Purpose: To make funds available to enable the monitoring of annual meat inspection income and expenditure to ensure as far as possible the service is carried out on a self balancing basis

| | | | |
|--|----------------|----------------|----------------|
| Opening Balance | 420,386 | 420,386 | 236,036 |
| Amount Set Aside / Transfer to Reserve | 351,003 | 276,470 | 502,094 |
| Amount Used / Transfer from Reserve | (340,788) | (354,450) | (317,744) |
| | 430,601 | 342,406 | 420,386 |

Planning and Development Act Developer Contributions

Purpose: To hold cash in lieu of open space contributions from property developers, to be used in accordance with Section 154(2) of the Planning and Development Act 2005

| | | | |
|--|---------------|---|---|
| Opening Balance | - | - | - |
| Amount Set Aside / Transfer to Reserve | 84,500 | - | - |
| Amount Used / Transfer from Reserve | - | - | - |
| | 84,500 | - | - |

Plant and Equipment

Purpose: To provide for the purchase of plant and equipment, including office furniture, office equipment, computer hardware and software

| | | | |
|--|-----------|----------------|----------------|
| Opening Balance | 357,356 | 357,356 | 343,357 |
| Amount Set Aside / Transfer to Reserve | (124,672) | 180,415 | 43,186 |
| Amount Used / Transfer from Reserve | (232,684) | (316,225) | (29,187) |
| | - | 221,546 | 357,356 |

Public Art

Purpose: To provide funding for the installation of artworks in public spaces

| | | | |
|--|----------------|----------------|---------------|
| Opening Balance | 98,536 | 98,536 | 73,536 |
| Amount Set Aside / Transfer to Reserve | 25,000 | 25,000 | 25,000 |
| Amount Used / Transfer from Reserve | 13,897 | - | - |
| | 137,433 | 123,536 | 98,536 |

Refuse Collection and Waste Minimisation

Purpose: To receipt any annual surplus from Council's waste collection/minimisation program to provide funding for Council's sanitation program

| | | | |
|--|------------------|----------------|------------------|
| Opening Balance | 1,447,461 | 1,447,461 | 3,250,684 |
| Amount Set Aside / Transfer to Reserve | 5,427,714 | 5,509,025 | 4,988,936 |
| Amount Used / Transfer from Reserve | (5,529,153) | (6,072,503) | (6,792,159) |
| | 1,346,022 | 883,983 | 1,447,461 |

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

4. RESERVES - CASH BACKED (continued)

| | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|--|--------------------------|--------------------------|--------------------------|
| Road Upgrade Contributions | | | |
| <i>Purpose: To receipt funds received from Council's subdivision conditions for the future provision of road improvements and traffic management measures to benefit road infrastructure</i> | | | |
| Opening Balance | 171,704 | 171,704 | 171,704 |
| Amount Set Aside / Transfer to Reserve | - | - | - |
| Amount Used / Transfer from Reserve | - | - | - |
| | <u>171,704</u> | <u>171,704</u> | <u>171,704</u> |
| Town Planning Scheme Land Acquisition and Compensation | | | |
| <i>Purpose: For land acquisitions and compensation payable in respect to the implementation of Council's Town Planning Schemes</i> | | | |
| Opening Balance | 132,505 | 132,505 | 132,505 |
| Amount Set Aside / Transfer to Reserve | - | - | - |
| Amount Used / Transfer from Reserve | - | - | - |
| | <u>132,505</u> | <u>132,505</u> | <u>132,505</u> |
| Withers | | | |
| <i>Purpose: To provide funding for the implementation of the Withers Action Plan</i> | | | |
| Opening Balance | 402,641 | 402,641 | 402,641 |
| Amount Set Aside / Transfer to Reserve | - | - | - |
| Amount Used / Transfer from Reserve | - | - | - |
| | <u>402,641</u> | <u>402,641</u> | <u>402,641</u> |
| TOTAL RESERVES | <u><u>25,737,000</u></u> | <u><u>19,149,117</u></u> | <u><u>22,222,336</u></u> |
| Reserves Summary | | | |
| Total Opening Balance | <u>22,222,336</u> | <u>22,222,336</u> | <u>21,316,193</u> |
| Total Amount Set Aside / Transfer to Reserve | 13,831,325 | 11,092,082 | 10,745,664 |
| Total Amount Used / Transfer from Reserve | (10,316,662) | (14,165,301) | (9,839,521) |
| Net Transfers to / (from) Reserves | <u>3,514,664</u> | <u>(3,073,219)</u> | <u>906,143</u> |
| Reclassification of Planning & Development Act funds | (384,519) | - | - |
| Adjusted Net Transfers to / (from) Reserves | <u>3,130,145</u> | <u>(3,073,219)</u> | <u>906,143</u> |
| TOTAL RESERVES | <u><u>25,737,000</u></u> | <u><u>19,149,117</u></u> | <u><u>22,222,336</u></u> |

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.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

5. TRADE AND OTHER RECEIVABLES

| | 2021 | 2020 |
|----------------------------------|-------------------------|-------------------------|
| | \$ | \$ |
| Current | | |
| Rates Receivables | 1,658,156 | 1,878,879 |
| Sundry Debtors | 657,992 | 722,205 |
| GST Receivable | 452,736 | 238,057 |
| Infringements | 151,153 | 153,535 |
| | <u>2,920,038</u> | <u>2,992,676</u> |
| Non-Current | | |
| Pensioner Rates and ESL Deferred | <u>621,376</u> | <u>612,211</u> |
| | <u>621,376</u> | <u>612,211</u> |

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 31(b).

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.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

6. INVENTORIES

| | 2021 | 2020 |
|--|----------------|----------------|
| | \$ | \$ |
| Current | | |
| Construction Materials | 74,266 | 74,401 |
| Bunbury Visitor Information Centre Stock Held for Sale | 5,725 | 6,368 |
| Bunbury Wildlife Park Stock Held for Sale | 9,906 | 16,374 |
| South West Sports Centre Stock Held for Sale | 19,492 | 15,089 |
| | 109,389 | 112,232 |
| | 109,389 | 112,232 |

The following movements in inventories occurred during the year:

| | | |
|--|----------------|----------------|
| Carrying Amount at 1 July 2020 | 112,232 | 95,804 |
| Inventories expensed during the year | (478,202) | (298,066) |
| Additions to inventory | 475,361 | 314,493 |
| Carrying Amount at 30 June 2021 | 109,389 | 112,232 |
| | 109,389 | 112,232 |

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.

Land held for resale

Land held for development and resale is valued at the lower cost of net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Land held for resale (continued)

Borrowing costs and holding charges incurred after development is completed are expensed.

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

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

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

7. OTHER ASSETS AND ASSETS CLASSIFIED AS HELD FOR SALE

| | 2021 | 2020 |
|-----------------------------|----------------|----------------|
| | \$ | \$ |
| Other Current Assets | | |
| Prepayments | 584,838 | 523,027 |
| Accrued income | 34,003 | 13,717 |
| | 618,841 | 536,744 |

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

8. INVESTMENTS

Funds surplus to the City's daily operating requirements and restricted funds are invested with approved financial institutions. To manage cashflow requirements and maximise return, funds are invested in:

Term deposits with the following financial institutions:-

- ANZ Bank
- Bankwest
- Bendigo Bank
- Commonwealth Bank of Australia
- National Australia Bank
- Westpac Banking Corporation

Invested Funds

| | | 2021 | 2020 |
|---|-------------|-------------------|-------------------|
| Investment Type | TERM | \$ | \$ |
| Commonwealth Bank of Australia Term Deposit | Short Term | 20,788,534 | 1,768,495 |
| National Australia Bank Term Deposit | Short Term | 12,000,000 | 23,586,021 |
| Westpac Banking Corporation Term Deposit | Short Term | - | 6,716,772 |
| | | 32,788,534 | 32,071,288 |

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

9. OTHER FINANCIAL ASSETS

| | NOTE | 2021 \$ | 2020 \$ |
|---|------|----------------|----------------|
| (a) Current Assets | | | |
| Other financial assets at amortised cost | | 46,402 | 45,362 |
| | | 46,402 | 45,362 |
| Other Financial Assets at Amortised Cost | | | |
| Financial assets at amortised cost - term deposits | | - | - |
| Financial assets at amortised cost - self-supporting loans | | 46,402 | 45,362 |
| | | 46,402 | 45,362 |
| (b) Non-current assets | | | |
| Other financial assets at amortised cost | | 161,870 | 208,272 |
| Financial assets at fair value through profit and loss | | 142,442 | 142,442 |
| | | 304,312 | 350,715 |
| Financial assets at amortised cost - self-supporting loans | | 161,870 | 208,272 |
| | | 161,870 | 208,272 |
| Financial Assets at Fair Value through Profit and Loss | | | |
| Unlisted equity investments | | - | - |
| Units in Local Government House Trust | | 142,442 | 142,442 |
| | | 142,442 | 142,442 |

Changes in the fair value of Units in Local Government House recognised as non-current financial assets at fair value through profit and loss have not been recognised nor considered as they are unlikely to be material at the time of preparation of these Statements.

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 19.

SIGNIFICANT ACCOUNTING POLICIES

- 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 City 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.

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 31.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

10. 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 | Buildings | Plant and Vehicles | Equipment | Furniture and Fittings | Arts and Culture | Capital WIP Movement | TOTAL |
|---|--------------------|--------------------|-----------------------|------------------|---------------------------|---------------------|-------------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2019 | 113,984,174 | 119,153,568 | 4,863,626 | 3,445,259 | 60,450 | 2,138,019 | 629,323 | 244,274,419 |
| Additions | 500,558 | 2,823,783 | 3,040,579 | 1,105,252 | 31,521 | 14,965 | (138,498) | 7,378,160 |
| (Disposals) | (2,102) | (1,061,798) | (359,838) | (155,237) | - | - | - | (1,578,975) |
| Revaluation increment/(decrement) | - | - | - | - | - | 137,752 | - | 137,752 |
| Depreciation (expense) | - | (2,673,096) | (700,188) | (978,451) | (10,208) | (3,791) | - | (4,365,734) |
| Carrying Amount at 30 June 2020 | 114,482,630 | 118,242,457 | 6,844,180 | 3,416,823 | 81,763 | 2,286,945 | 490,825 | 245,845,622 |
| Comprises, as at 30 June 2020 | | | | | | | | |
| Gross carrying amount | 114,482,630 | 125,914,373 | 7,532,151 | 5,819,743 | 99,766 | 2,286,945 | 490,825 | 256,626,432 |
| Accumulated depreciation | - | (7,671,916) | (687,972) | (2,402,920) | (18,002) | - | - | (10,780,811) |
| Carrying Amount at 30 June 2020 | 114,482,630 | 118,242,456 | 6,844,179 | 3,416,823 | 81,764 | 2,286,945 | 490,825 | 245,845,621 |
| Adjusted Carrying Amount at 30 June 2020 | 114,482,630 | 118,242,456 | 6,844,179 | 3,416,823 | 81,764 | 2,286,945 | 490,825 | 245,845,621 |
| Balance at 1 July 2020 | 114,482,630 | 118,242,456 | 6,844,179 | 3,416,823 | 81,764 | 2,286,945 | 490,825 | 245,845,621 |
| Additions | 3,819 | 1,408,928 | 1,281,026 | 87,728 | 15,912 | 31,103 | 1,393,397 | 4,221,912 |
| Works in Progress Movement | 9,774 | 501,667 | 42,741 | 44,595 | - | - | (598,776) | - |
| Internal Re-classifications | - | - | - | - | - | - | 310,720 | 310,720 |
| (Disposals) | (260,000) | (336,924) | (325,281) | - | - | - | - | (922,205) |
| Revaluation increment/(decrement) | (395,922) | (618,948) | - | - | - | - | - | (1,014,870) |
| Impairment (Loss) / Reversal transferred to profit or loss | - | - | - | - | - | - | (900) | (900) |
| Depreciation (expense) | - | (2,693,579) | (1,013,356) | (969,616) | (19,585) | (3,791) | - | (4,699,926) |
| Carrying Amount at 30 June 2021 | 113,840,300 | 116,503,600 | 6,829,309 | 2,579,529 | 78,091 | 2,314,257 | 1,595,266 | 243,740,352 |
| Comprises, as at 30 June 2021 | | | | | | | | |
| Gross carrying amount | 113,840,300 | 189,069,000 | 8,498,170 | 5,952,066 | 115,677 | 2,318,048 | 1,595,266 | 321,388,526 |
| Accumulated depreciation | - | (72,565,400) | (1,668,860) | (3,372,536) | (37,587) | (3,791) | - | (77,648,174) |
| Carrying Amount at 30 June 2021 | 113,840,300 | 116,503,600 | 6,829,309 | 2,579,529 | 78,091 | 2,314,257 | 1,595,266 | 243,740,352 |

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

10. 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 |
|---|-----------------------------|---|-------------------------------|-------------------------------|---|
| Land | 2 | Sales comparison (market) approach using recent observable market data for similar properties | Independent registered valuer | June 2021 | Price per hectare |
| Buildings | 3 | Improvements to land valued using cost approach using depreciated replacement cost and Market approach using recent observable market data for similar properties | Independent registered valuer | June 2021 | Improvements to land using construction costs (level 2) and current condition (Level 3), residual values and remaining useful life assessments (Level 3) inputs |
| Plant and Vehicles - Independent valuation 2019 | 2 | Sales comparison (market) approach using recent observable market data for similar assets | Independent registered valuer | June 2019 | Market price per item Purchase costs (Level 2) and current condition (Level 3), residual values and remaining useful life assessments (Level 3) inputs |
| - Management valuation 2019 | 3 | Market approach and Cost approach using depreciated replacement cost | Management valuation | June 2019 | |
| Equipment | 3 | Cost approach using depreciated replacement cost | Management valuation | June 2017 | Residual values and remaining useful life assessments (Level 3) inputs. |
| Furniture and Fittings | 3 | Cost approach using depreciated replacement cost | Management valuation | June 2018 | Residual values and remaining useful life assessments (Level 3) inputs. |
| Arts and Culture - Independent valuation 2020 | 2 | Market approach using recent observable market data for similar artwork | Independent registered valuer | June 2020 | Price per item Purchase costs (Level 2) and current condition (Level 3), residual values and remaining useful life assessments (Level 3) inputs |
| - Management valuation 2020 | 3 | Cost approach using depreciated replacement cost for art and culture asset, excluding art collections and public art | Management valuation | June 2020 | |

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

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

Following a change to Local Government (Financial Management) Regulation 17A, plant and equipment type assets (being plant and vehicles, equipment, furniture and fittings and Arts and Culture) are to be measured under the cost model, rather than at fair value. This change is effective from 1 July 2020 and represents a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximate costs at the date of change.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

11. 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.

| | Roads | Paths | Stormwater | Open Space | Marine | Structures | Bridges | Other Infrastructure | Capital WIP Movement | TOTAL |
|--|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|-------------------------|-------------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2019 | 128,275,859 | 40,207,553 | 64,765,178 | 13,157,062 | 14,144,069 | 17,586,363 | 5,856,493 | 7,791,367 | 862,545 | 292,646,489 |
| Additions | 2,882,235 | 1,914,782 | 499,245 | 658,644 | 877,387 | 402,003 | - | 880,188 | 251,992 | 8,366,476 |
| Disposals | (451,262) | (181,167) | (364,041) | (47,110) | (466,667) | (85,806) | (2,919) | (35,836) | - | (1,634,808) |
| Reclassifications | - | - | - | - | - | - | - | - | - | - |
| Revaluation increments / (decrements) transferred to revaluation surplus | 427,091 | 1,550,877 | 2,283,231 | (63,044) | 1,038,868 | (602,875) | - | (101,029) | - | 4,533,119 |
| Impairment (loss)/reversals transferred to profit or loss | - | - | - | - | - | - | - | - | - | - |
| Depreciation (expense) | (4,132,337) | (1,420,919) | (1,318,550) | (770,284) | (757,588) | (372,151) | (162,255) | (976,582) | - | (9,910,665) |
| Carrying Amount at 30 June 2020 | 127,001,586 | 42,071,126 | 65,865,063 | 12,935,268 | 14,836,069 | 16,927,534 | 5,691,319 | 7,558,108 | 1,114,540 | 294,000,613 |
| Comprises, as at 30 June 2020 | | | | | | | | | | |
| Gross carrying amount | 258,223,844 | 68,213,464 | 106,032,649 | 22,636,005 | 30,688,213 | 21,520,660 | 8,950,619 | 12,352,454 | 1,114,540 | 529,732,448 |
| Accumulated depreciation | (131,222,257) | (26,142,339) | (40,167,585) | (9,700,737) | (15,852,143) | (4,593,127) | (3,259,300) | (4,794,347) | - | (235,731,835) |
| Carrying Amount at 30 June 2020 | 127,001,587 | 42,071,125 | 65,865,064 | 12,935,268 | 14,836,070 | 16,927,533 | 5,691,319 | 7,558,107 | 1,114,540 | 294,000,613 |
| Balance at 1 July 2020 | 127,001,587 | 42,071,125 | 65,865,064 | 12,935,268 | 14,836,070 | 16,927,533 | 5,691,319 | 7,558,107 | 1,114,540 | 294,000,613 |
| Additions | 2,476,087 | 1,834,575 | 596,499 | 774,434 | 478,073 | 313,770 | - | 386,818 | 1,944,516 | 8,804,772 |
| Works in Progress Movement | 26,156 | - | 25,966 | - | - | - | - | - | (52,122) | - |
| Disposals | (510,451) | (746,390) | (174,887) | (135,414) | - | (124,671) | - | (35,999) | - | (1,727,812) |
| Reclassifications | - | - | - | - | - | - | - | - | (310,720) | (310,720) |
| Reval increments / (decrements) transferred to reval surplus | (49,042,868) | 204,552 | 191,795 | 2,835,029 | 932,308 | 32,282 | - | (317,437) | - | (45,164,340) |
| Revaluation (loss)/reversals transferred to profit or loss | - | - | - | - | - | - | - | - | (702,429) | (702,429) |
| Depreciation (expense) | (4,052,321) | (1,414,477) | (1,220,384) | (950,648) | (693,672) | (428,012) | (161,382) | (697,950) | - | (9,618,846) |
| Carrying Amount at 30 June 2021 | 75,898,190 | 41,949,386 | 65,284,053 | 15,458,669 | 15,552,778 | 16,720,902 | 5,529,937 | 6,893,539 | 1,993,784 | 245,281,238 |
| Comprises, as at 30 June 2021 | | | | | | | | | | |
| Gross carrying amount | 222,414,499 | 66,707,227 | 107,025,181 | 28,987,525 | 30,748,073 | 21,647,349 | 8,950,619 | 12,151,868 | 1,993,784 | 500,626,124 |
| Accumulated depreciation | (146,516,308) | (24,757,842) | (41,741,128) | (13,528,857) | (15,195,295) | (4,926,447) | (3,420,682) | (5,258,328) | - | (255,344,886) |
| Carrying Amount at 30 June 2021 | 75,898,190 | 41,949,386 | 65,284,053 | 15,458,669 | 15,552,778 | 16,720,902 | 5,529,937 | 6,893,539 | 1,993,784 | 245,281,238 |

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

11. INFRASTRUCTURE (continued)

(b) Fair Value Measurements

| Asset Class | Fair Value Hierarchy | Valuation Technique | Basis of valuation | Date of last Valuation | Inputs Used |
|-----------------------------|-----------------------------|--|---|-------------------------------|--|
| Roads | 3 | Cost approach using depreciated replacement cost | Independent registered valuer and Management valuation | June 2021 | Construction costs and current condition, residual values and remaining useful life assessments inputs |
| Paths | 3 | Cost approach using depreciated replacement cost | Management valuation | June 2021 | Construction costs and current condition, residual values and remaining useful life assessments inputs |
| Stormwater | 3 | Cost approach using depreciated replacement cost | Management valuation | June 2021 | Construction costs and current condition, residual values and remaining useful life assessments inputs |
| Open Space | 3 | Cost approach using depreciated replacement cost | Management valuation | June 2021 | Construction costs and current condition, residual values and remaining useful life assessments inputs |
| Marine | 3 | Cost approach using depreciated replacement cost | Independent registered valuer | June 2021 | Construction costs and current condition, residual values and remaining useful life assessments inputs |
| Structures | 3 | Cost approach using depreciated replacement cost | Independent registered valuer (Public Art) and Management valuation | June 2021 | Construction costs and current condition, residual values and remaining useful life assessments inputs |
| Bridges | 3 | Cost approach using depreciated replacement cost | Independent registered valuer and Management valuation | June 2020 | Construction costs and current condition, residual values and remaining useful life assessments inputs |
| Other Infrastructure | 3 | Cost approach using depreciated replacement cost | Management valuation | June 2021 | 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.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

12. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

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

Revaluation

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Revaluation (Continued)

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

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

Land under roads from 1 July 2019

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

Vested improvements from 1 July 2019

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

Refer to Note 13 that details the significant accounting policies applying to leases (including right-of-use assets).

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

12. FIXED ASSETS

(a) Disposals of Assets

The following assets were disposed of during the year:

| Asset by Class | Net Book Value | | Sale Price | | Profit (Loss) | |
|--------------------------------------|------------------|----------------|----------------|----------------|--------------------|-----------------|
| | Actual \$ | Budget \$ | Actual \$ | Budget \$ | Actual \$ | Budget \$ |
| Land | 260,000 | - | - | - | (260,000) | - |
| Buildings | 336,924 | - | - | - | (336,924) | - |
| Plant and Vehicles (<i>Loss</i>) | 92,701 | 664,276 | 74,091 | 592,246 | (18,610) | (72,030) |
| Plant and Vehicles (<i>Profit</i>) | 232,580 | - | 339,182 | - | 106,602 | - |
| Roads | 510,451 | - | - | - | (510,451) | - |
| Paths | 746,390 | - | - | - | (746,390) | - |
| Stormwater | 174,887 | - | - | - | (174,887) | - |
| Open Space | 135,414 | - | - | - | (135,414) | - |
| Structures | 124,671 | - | 3,636 | - | (121,035) | - |
| Other Infrastructure | 35,999 | - | - | - | (35,999) | - |
| | 2,650,017 | 664,276 | 416,909 | 592,246 | (2,233,108) | (72,030) |

| | | |
|--------|--------------------|-----------------|
| Profit | 106,602 | - |
| Loss | (2,339,710) | (72,030) |
| | (2,233,108) | (72,030) |

(b) Depreciation

| | 2021 \$ | 2020 \$ |
|---|-------------------|-------------------|
| Buildings | 2,693,579 | 2,673,096 |
| Plant and Vehicles | 1,013,356 | 700,188 |
| Equipment | 969,616 | 978,451 |
| Furniture and Fittings | 19,585 | 10,208 |
| Arts and Culture | 3,791 | 3,791 |
| Infrastructure | | |
| Roads | 4,052,321 | 4,132,337 |
| Paths | 1,414,477 | 1,420,919 |
| Stormwater | 1,220,384 | 1,318,550 |
| Open Space | 950,648 | 770,284 |
| Marine | 693,672 | 757,588 |
| Bridges | 161,382 | 162,255 |
| Structures | 428,012 | 372,151 |
| Other Infrastructure | 697,950 | 976,582 |
| Right of Use Assets - Plant and Equipment | 180,765 | 126,452 |
| | 14,499,537 | 14,402,851 |

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

12. FIXED ASSETS

(b) Depreciation (continued)

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:

| <u>Asset Class</u> | <u>Useful Life</u> |
|---------------------------|---------------------------|
| Buildings | 10 to 80 years |
| Furniture and Fittings | 7 to 13 years |
| Equipment | 4 to 60 years |
| Plant and Vehicles | 4 to 30 years |
| Arts and Culture | 4 to 100 years |
| Roads | 20 to 75 years |
| Road Formation | Not Depreciated |
| Stormwater | 10 to 100 years |
| Open Space | 10 to 100 years |
| Pathways | 10 to 50 years |
| Bridges | 20 to 75 years |
| Marine | 8 to 80 years |
| Structures | 10 to 100 years |
| Other Infrastructure | 5 to 100 years |
| Right of Use | 1 to 6 years |

Depreciation (continued)

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of 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.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

13. LEASES

Right of Use Assets

Movement in the carrying amounts of each class of right of use asset between the beginning and the end of the current financial year:

| | Right of use assets - plant and equipment | Right of use assets - land and buildings | Right of use assets Total |
|--|---|--|------------------------------|
| | \$ | \$ | \$ |
| Balance at 1 July 2019 | 366,405 | - | 366,405 |
| Additions | - | - | - |
| Depreciation (Expense) | (126,452) | - | (126,452) |
| Balance at 30 June 2020 | 239,953 | - | 239,953 |
| Additions | - | 118,501 | 118,501 |
| Depreciation (Expense) | (126,452) | (54,313) | (180,765) |
| Carrying amount at 30 June 2021 | 113,501 | 64,188 | 177,689 |

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is a lessee:

| | 2021 Actual \$ | 2020 Actual \$ |
|---|----------------------|----------------------|
| Depreciation expense on lease liabilities | (180,765) | (126,452) |
| Interest expense on lease liabilities | (13,348) | (20,696) |
| Short-term lease payments recognised as expense | (21,037) | - |
| Low-value asset lease payment recognised as expense | - | - |
| Expenses for variable lease payment not recognised as a liability | - | - |
| Total amount recognised in the statement of comprehensive income | (215,149) | (147,148) |
| Total cash outflow from leases | (187,515) | (153,552) |

The City has two leases relating to plant and equipment and one to land and buildings. The lease term for these leases are between 2 - 6 years. The plant and equipment leases have fixed lease payments, however the land and buildings lease will be reviewed after 1 year. The measurement of lease liabilities does not include any future cash outflows associated with leases not yet commenced to which the City is committed.

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

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

Right-of-use assets - valuation

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

Refer Note 12 for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

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

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

14. REVALUATION SURPLUS

Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:

| | 2021 | 2020 |
|------------------------------------|--------------------|--------------------|
| | \$ | \$ |
| (i) Land | | |
| Opening Balance | 104,050,153 | 104,050,153 |
| Revaluation Increment | - | - |
| Revaluation Decrement | (395,922) | - |
| | 103,654,230 | 104,050,153 |
| (ii) Buildings | | |
| Opening Balance | 79,212,247 | 79,212,247 |
| Revaluation Increment | - | - |
| Revaluation Decrement | (618,948) | - |
| | 78,593,299 | 79,212,247 |
| (iii) Equipment | | |
| Opening Balance | 378,880 | 378,880 |
| Revaluation Increment | - | - |
| Revaluation Decrement | - | - |
| | 378,880 | 378,880 |
| (iv) Furniture and Fittings | | |
| Opening Balance | 144,435 | 144,435 |
| Revaluation Increment | - | - |
| Revaluation Decrement | - | - |
| | 144,435 | 144,435 |
| (v) Arts and Culture | | |
| Opening Balance | 754,849 | 617,097 |
| Revaluation Increment | - | 137,752 |
| Revaluation Decrement | - | - |
| | 754,849 | 754,849 |
| (vi) Roads | | |
| Opening Balance | 57,516,704 | 57,089,612 |
| Revaluation Increment | - | 427,091 |
| Revaluation Decrement | (49,042,868) | - |
| | 8,473,836 | 57,516,704 |
| (vii) Paths | | |
| Opening Balance | 26,771,953 | 25,221,076 |
| Revaluation Increment | 204,552 | 1,550,877 |
| Revaluation Decrement | - | - |
| | 26,976,505 | 26,771,953 |

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

14. REVALUATION SURPLUS (continued)

| | 2021 \$ | 2020 \$ |
|--|--------------------|--------------------|
| (viii) Stormwater | | |
| Opening Balance | 37,069,546 | 34,786,314 |
| Revaluation Increment | 191,795 | 2,283,231 |
| Revaluation Decrement | - | - |
| | 37,261,340 | 37,069,546 |
| (ix) Open Space | | |
| Opening Balance | 1,718,178 | 1,781,222 |
| Revaluation Increment | 2,835,029 | - |
| Revaluation Decrement | - | (63,044) |
| | 4,553,206 | 1,718,178 |
| (x) Marine | | |
| Opening Balance | 11,780,311 | 10,741,443 |
| Revaluation Increment | 932,308 | 1,038,868 |
| Revaluation Decrement | - | - |
| | 12,712,618 | 11,780,311 |
| (xi) Bridges | | |
| Opening Balance | 1,968,114 | 1,968,114 |
| Revaluation Increment | - | - |
| Revaluation Decrement | - | - |
| | 1,968,114 | 1,968,114 |
| (xii) Structures | | |
| Opening Balance | 13,253,250 | 13,856,125 |
| Revaluation Increment | 32,282 | - |
| Revaluation Decrement | - | (602,875) |
| | 13,285,532 | 13,253,250 |
| (xiii) Other Infrastructure | | |
| Opening Balance | 884,286 | 985,316 |
| Revaluation Increment | - | - |
| Revaluation Decrement | (317,437) | (101,029) |
| | 566,850 | 884,286 |
| TOTAL ASSET REVALUATION SURPLUS | 289,323,694 | 335,502,904 |
| Revaluation Surplus Summary | | |
| Total Opening Balance | 335,502,904 | 330,832,034 |
| Revaluation Increment | 4,195,965 | 5,437,819 |
| Revaluation Decrement | (50,375,175) | (766,949) |
| TOTAL ASSET REVALUATION SURPLUS | 289,323,694 | 335,502,904 |

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.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

15. INVESTMENT PROPERTIES

The City holds no investment property at 30 June 2021.

16. TRADE AND OTHER PAYABLES

| | NOTE | 2021 \$ | 2020 \$ |
|--|-------|-------------------------|-------------------------|
| Current | | | |
| Sundry Creditors | | 3,421,632 | 2,164,607 |
| Accrued Interest on Loans | | 39,119 | 47,090 |
| Accrued Salaries and Wages | | 568,114 | 564,655 |
| Deposits and Prepayments | | 597,025 | 285,799 |
| Income Received in Advance | | 190,546 | 228,976 |
| Prepaid Rates | | 1,646,091 | 1,429,320 |
| | | <u>6,462,527</u> | <u>4,720,447</u> |
| Non-Current | | | |
| College Grove Subdivision Profit Share | 25(a) | 5,568 | 12,204 |
| | | <u>5,568</u> | <u>12,204</u> |

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

Prepaid Rates

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

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

17. OTHER LIABILITIES

| | 2021 | 2020 |
|---|------------------|------------------|
| | \$ | \$ |
| Current | | |
| Contract liabilities from contracts with customers | 1,459,842 | 945,039 |
| Contract liabilities from transfers for recognisable non-financial assets | 1,421,685 | 4,056,647 |
| | 2,881,528 | 5,001,685 |

| | Opening | | Expended | Closing |
|--|-----------|----------|-------------|------------|
| Function/Activity | Balance | Received | 2020/21 | Balance |
| Grant/Contribution | 1/07/2020 | 2020/21 | 2020/21 | 30/06/2021 |
| | \$ | \$ | \$ | \$ |
| Governance | | | | |
| Management of funds for Bunbury Marine project | 345,444 | 280 | (112,693) | 233,031 |
| Law, Order and Public Safety | | | | |
| Undertake DFES Mitigation activities | - | 151,432 | - | 151,432 |
| State Graffiti Hotspot Fund - Glen Iris Skate Park | - | 50,000 | - | 50,000 |
| DFES ESL Grant Funds - SES and Bunbury Bushfire | - | 29,952 | - | 29,952 |
| Upgrade Bunbury Regional Art Gallery CCTV | - | 25,700 | - | 25,700 |
| Design and construct Bunbury SES headquarters | 11,129 | - | - | 11,129 |
| Develop Safer Communities | 4,101 | - | - | 4,101 |
| Education and Welfare | | | | |
| Deliver "Be Connected Capacity Building" program | 3,784 | 25,000 | (13,456) | 15,328 |
| Deliver "The Makerspace" digital and technology skills | 8,284 | - | (8,284) | - |
| Community Amenities | | | | |
| Better Bins Plus: Go FOGO Grant | - | 169,544 | (62,944) | 106,600 |
| Glen Iris District Structure Plan | - | 33,000 | (8,250) | 24,750 |
| Campus Precinct Study | 5,715 | - | - | 5,715 |
| Increase E-Waste collections | - | 35,000 | (34,353) | 647 |
| CLAG - MCAA 2021 Conference | - | 318 | - | 318 |
| UAT Facility at Des Ugle | 7,698 | - | (7,698) | - |
| Recreation and Culture | | | | |
| Construct Hay Park Central Pavilion | 2,060,580 | - | (1,648,823) | 411,757 |
| Upgrade of Maidens Reserve | - | 533,817 | (361,751) | 172,066 |
| Construct Youth Precinct | - | 695,479 | (531,958) | 163,521 |
| Conduct Indigenous Art Program at BRAG | 148,901 | 170,000 | (154,923) | 163,978 |
| Construct heritage fishing and crabbing platform | 64,263 | - | (28,263) | 36,000 |
| Construct heritage interpretation, Koombana Bay | 58,519 | - | - | 58,519 |
| Connect with Asia | 42,050 | - | - | 42,050 |
| Refurbish Hay Park Grounds | 23,993 | - | - | 23,993 |
| Art on the Move | - | 18,824 | - | 18,824 |
| Construct heritage interpretation, Koombana Bay | 12,548 | - | - | 12,548 |
| Shorelines Cultural Program | 4,200 | - | - | 4,200 |
| Shift Festival | 3,182 | - | - | 3,182 |

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

17. CONTRACT LIABILITIES (continued)

| Function/Activity Grant/Contribution | Opening Balance 1/07/2020 \$ | Received 2020/21 \$ | Expended 2020/21 \$ | Closing Balance 30/06/2021 \$ |
|--|---------------------------------------|---------------------------|---------------------------|--|
| Gordon Darling Foundation (BRAG) | - | 3,000 | - | 3,000 |
| Deliver "Every Club" (Dept Sport & Rec) program | 2,286 | - | (1,389) | 897 |
| Participate in Xiuzhou (Jiaxing) Reciprocal Art Exchange | 3,748 | - | (3,748) | - |
| Preliminary design and concept for Hands Oval | 10,000 | - | (10,000) | - |
| ZAA Zoo grant | 8,323 | - | (8,323) | - |
| Transport | | | | |
| Koombana Bridge general maintenance | 314,157 | 200,000 | - | 514,157 |
| Withers Connector Road Grant | - | 270,000 | - | 270,000 |
| Upgrade Halifax Business Park Infrastructure | 1,685,285 | 16,840 | (1,498,746) | 203,378 |
| Renew Reading Street Path | - | 40,500 | - | 40,500 |
| Reseal and upgrade Harris Road | - | 233,333 | (202,771) | 30,562 |
| Dodson Road Shared Path | - | 20,000 | - | 20,000 |
| Expand cycleways | - | 100,000 | (95,838) | 4,162 |
| Review LSP for Integrated Transport | 15,000 | - | (15,000) | - |
| RoadWise | 1,870 | - | (1,870) | - |
| Economic Services | | | | |
| Regional Tourism Strategy - Infrastructure | 31,780 | - | (6,250) | 25,530 |
| Installation of digital billboard, Forrest Highway | 92,035 | - | (92,035) | - |
| Connecting Bunbury Geographe | 32,810 | - | (32,810) | - |
| | 5,001,685 | 2,822,019 | (4,942,175) | 2,881,528 |

SIGNIFICANT ACCOUNTING POLICIES

Contract Liabilities

Contract Liabilities represent the City's obligations to transfer goods or services to a customer for which the City has received consideration from the customer.

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

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

Grant Liabilities

Grant liabilities represent the City's performance obligations to construct recognition non-financial assets to identified specifications which are yet to be satisfied.

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

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

18. LEASE LIABILITIES

| | | |
|------------------------------|----------------|----------------|
| (a) Lease Liabilities | 2021 | 2020 |
| | \$ | \$ |
| Current | 122,614 | 120,210 |
| Non-current | 55,269 | 113,339 |
| | 177,883 | 233,549 |

(b) Movements in Carrying amounts

| Purpose | Lease Number | Institution | Lease Interest Rate | Lease Term | Actual Lease Principal 1 July 2020 \$ | New Leases \$ | Principal Repayments | | Principal 30-Jun-21 | | Interest Repayments | |
|-------------------------------|--------------|----------------------------|---------------------|--------------|---|------------------|----------------------|----------------|---------------------|----------------|---------------------|----------------|
| | | | | | | | Actual \$ | Budgeted \$ | Actual \$ | Budgeted \$ | Actual \$ | Budgeted \$ |
| Community Amenities | | | | | | | | | | | | |
| Property - CDS | | Fortitude Holdings Pty Ltd | 1.21% | 24 months | - | 118,501 | 53,957 | - | 64,544 | - | 1,043 | - |
| | | | | | - | 118,501 | 53,957 | - | 64,544 | - | 1,043 | - |
| Recreation and Culture | | | | | | | | | | | | |
| Gym Equipment | E6N0159898 | Maia Financial | 5.56% | 48 months | 61,396 | - | 61,396 | 61,396 | - | - | 1,714 | 1,713 |
| Gym Equipment | E6N0159899 | Maia Financial | 7.06% | 72 months | 145,871 | - | 49,828 | 49,828 | 96,043 | 96,043 | 8,995 | 8,995 |
| Gym Equipment | E6N0159949 | Maia Financial | 6.95% | 72 months | 26,282 | - | 8,986 | 8,986 | 17,296 | 17,296 | 1,597 | 1,597 |
| | | | | | 233,549 | - | 120,210 | 120,210 | 113,339 | 113,339 | 12,305 | 12,305 |
| | | | | TOTAL | 233,549 | 118,501 | 174,167 | 120,210 | 177,883 | 113,339 | 13,348 | 12,305 |

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

19. INFORMATION ON BORROWINGS

| | 2021 | 2020 |
|-----------------------|-------------------|-------------------|
| | \$ | \$ |
| (a) Borrowings | | |
| Current | 2,141,210 | 2,063,416 |
| Non-current | 8,879,091 | 11,020,300 |
| | 11,020,301 | 13,083,717 |

(b) Loan Principal and Interest Repayments

| Particulars | Institution | Interest Rate % | Principal 01-Jul-20 \$ | New Loans \$ | Principal Repayments | | Principal 30-Jun-21 | | Interest Repayments | |
|--|---------------------|-----------------------|------------------------------|--------------------|----------------------|----------------|---------------------|------------------|---------------------|----------------|
| | | | | | Actual | Budget | Actual | Budget | Actual | Budget |
| | | | | | \$ | \$ | \$ | \$ | \$ | \$ |
| Community Amenities | | | | | | | | | | |
| 369 Urban Stormwater Drainage | WATC ⁽¹⁾ | 3.46 | 863,013 | - | 160,968 | 160,968 | 702,045 | 702,045 | 34,199 | 34,242 |
| 379 Public Amenities | WATC ⁽¹⁾ | 2.91 | 145,942 | - | 19,086 | 19,086 | 126,856 | 126,856 | 5,097 | 5,097 |
| Sub Total | | | 1,008,955 | - | 180,054 | 180,054 | 828,901 | 828,901 | 39,296 | 39,339 |
| Recreation and Culture | | | | | | | | | | |
| 362 Bunbury Entertainment Centre Expansion | WATC ⁽¹⁾ | 4.36 | 1,956,853 | - | 457,866 | 457,866 | 1,498,987 | 1,498,987 | 90,343 | 92,779 |
| 365 Hay Park South Multi Sports Pavilion | WATC ⁽¹⁾ | 3.46 | 691,496 | - | 128,977 | 128,977 | 562,519 | 562,519 | 27,402 | 27,436 |
| 366 Hands Oval Upgrade | WATC ⁽¹⁾ | 3.96 | 465,304 | - | 149,061 | 149,061 | 316,243 | 316,243 | 20,269 | 20,722 |
| 367 Glen Iris Skate Park | WATC ⁽¹⁾ | 4.36 | 115,298 | - | 26,978 | 26,978 | 88,320 | 88,320 | 5,323 | 5,467 |
| 372 Hay Park Sports Pavilion | WATC ⁽¹⁾ | 2.68 | 205,592 | - | 32,026 | 32,026 | 173,566 | 173,566 | 6,676 | 6,680 |
| 373 Bunbury Museum & Heritage | WATC ⁽¹⁾ | 2.91 | 213,804 | - | 27,961 | 27,961 | 185,843 | 185,843 | 7,467 | 7,468 |
| 380 Bunbury Bowling Club* | WATC ⁽¹⁾ | 2.55 | 54,274 | - | 7,779 | 7,779 | 46,495 | 46,495 | 1,692 | 1,703 |
| 382 Stirling Street Arts Centre | WATC ⁽¹⁾ | 2.43 | 819,463 | - | 82,506 | 82,506 | 736,957 | 736,957 | 24,992 | 24,992 |
| 384 Bunbury Bowling Club* | WATC ⁽¹⁾ | 3.07 | 78,184 | - | 8,183 | 8,183 | 70,002 | 70,001 | 2,847 | 3,052 |
| 385 Bunbury and Districts Hockey Club* | WATC ⁽¹⁾ | 1.99 | 121,176 | - | 29,400 | 29,400 | 91,776 | 91,776 | 3,015 | 3,069 |
| Sub Total | | | 4,721,444 | - | 950,736 | 950,737 | 3,770,708 | 3,770,710 | 190,025 | 193,368 |

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

19. INFORMATION ON BORROWINGS (continued)

(b) Loan Principal and Interest Repayments (continued)

| Particulars | Institution | Interest Rate % | Principal 01-Jul-20 \$ | New Loans \$ | Principal Repayments | | Principal 30-Jun-21 | | Interest Repayments | |
|-------------------------------------|---------------------|-----------------|------------------------|--------------|----------------------|------------------|---------------------|-------------------|---------------------|----------------|
| | | | | | Actual \$ | Budget \$ | Actual \$ | Budget \$ | Actual \$ | Budget \$ |
| Transport | | | | | | | | | | |
| 363 Roadworks and Path Construction | WATC ⁽¹⁾ | 3.96 | 463,251 | - | 148,403 | 148,403 | 314,848 | 314,848 | 20,180 | 20,630 |
| 364 Cobblestone Drive Car Park | WATC ⁽¹⁾ | 3.96 | 102,641 | - | 32,881 | 32,881 | 69,760 | 69,760 | 4,471 | 4,571 |
| 368 Path and Road Construction | WATC ⁽¹⁾ | 3.46 | 542,775 | - | 101,238 | 101,238 | 441,537 | 441,537 | 21,509 | 21,536 |
| 370 Airport Upgrades | WATC ⁽¹⁾ | 3.46 | 132,437 | - | 24,702 | 24,702 | 107,735 | 107,735 | 5,248 | 5,255 |
| 378 Roadworks and Path Construction | WATC ⁽¹⁾ | 2.91 | 569,172 | - | 74,435 | 74,435 | 494,737 | 494,737 | 19,877 | 19,880 |
| 383 Road Construction | WATC ⁽¹⁾ | 2.43 | 455,257 | - | 45,836 | 45,836 | 409,421 | 409,421 | 13,884 | 13,885 |
| 387 Marine Walls | WATC ⁽¹⁾ | 2.03 | 750,000 | - | 70,592 | 70,592 | 679,408 | 679,408 | 14,878 | 11,738 |
| Sub Total | | | 3,015,533 | - | 498,088 | 498,087 | 2,517,445 | 2,517,447 | 100,047 | 97,495 |
| Other Property and Services | | | | | | | | | | |
| 319 Civic Administration Building | CBA ⁽²⁾ | 6.48 | 1,863,887 | - | 158,651 | 158,651 | 1,705,236 | 1,705,236 | 117,951 | 117,951 |
| 381 Depot Construction | WATC ⁽¹⁾ | 3.21 | 2,473,897 | - | 275,887 | 275,887 | 2,198,010 | 2,198,010 | 93,987 | 93,987 |
| Sub Total | | | 4,337,784 | - | 434,538 | 434,538 | 3,903,246 | 3,903,246 | 211,937 | 211,938 |
| TOTAL | | | 13,083,717 | - | 2,063,416 | 2,063,416 | 11,020,301 | 11,020,304 | 541,306 | 542,140 |

⁽¹⁾ WA Treasury Corporation

⁽²⁾ Commonwealth Bank of Australia

* Self supporting loans are financed by payments from third parties. These are shown in Note 9 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

| <u>Total Interest 2020/21</u> | |
|-------------------------------|-----------------------|
| Actual | 541,306 |
| Accrued | (7,972) |
| | <u><u>533,334</u></u> |

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

19. INFORMATION ON BORROWINGS (continued)

(c) New Borrowings - 2020/21

| Particulars / Purpose | Amount Borrowed | | Institution | Loan Type | Term (Years) | Total Interest & Charges | Interest Rate * | Amount Used | | Balance Unspent |
|-----------------------|-----------------|----------------|-------------|-----------|--------------|--------------------------|-----------------|-------------|----------------|-----------------|
| | Actual | Budget | | | | | | Actual | Budget | |
| | \$ | \$ | | | | \$ | % | \$ | \$ | \$ |
| Transport | | | | | | | | | | |
| 388 Path Construction | - | 450,000 | WATC | Debenture | 5 | 98,023 | 2.00 | - | 450,000 | - |
| | - | 450,000 | | | | 98,023 | | - | 450,000 | - |

Loan 388 was not required during the 2020/21 financial year.

* Inclusive of Government Guarantee Fee - currently 0.70% pa

(d) Unspent Borrowings

| Particulars | Balance 1-Jul-20 | Borrowed During Year | Expended During Year | Balance 30-Jun-21 |
|------------------|------------------|----------------------|----------------------|-------------------|
| | \$ | \$ | \$ | \$ |
| 387 Marine Walls | 422,414 | - | 422,414 | - |
| | 422,414 | - | 422,414 | - |

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

19. INFORMATION ON BORROWINGS (continued)

(e) Overdraft

Council does not have an overdraft facility at balance date.

| (f) Undrawn Borrowing Facilities | 2021 | 2020 |
|--|-------------------|-------------------|
| Credit Standby Arrangements | \$ | \$ |
| Credit card Limit | 100,000 | 100,000 |
| Credit card balance at balance date | (14,689) | (6,188) |
| Total Amount of Credit Unused | 85,311 | 93,812 |
| | | |
| Loan Facilities | | |
| Loan facilities - current | 2,141,210 | 2,063,416 |
| Loan facilities - non-current | 8,879,091 | 11,020,300 |
| Lease liabilities - current | 122,614 | 120,210 |
| Lease liabilities - non-current | 55,269 | 113,339 |
| Total Facilities in Use at Balance Date | 11,198,183 | 13,317,266 |

| | | |
|--|---|---|
| Unused Loan Facilities in Use at Balance Date | - | - |
|--|---|---|

(g) Loan Guarantees provided by the City of Bunbury

| | |
|---------------------------------|---------------------------------------|
| Council Resolution: | 11 November 1997 (Resolution 18a) |
| Loan Guarantee Provided to: | Bunbury Regional Entertainment Centre |
| Amount: | \$40,000 |
| Amount Used as at 30 June 2021: | Nil |
| Financial Institution: | Commonwealth Bank of Australia |
| Purpose: | Operating Overdraft account |

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are recognised at fair value when the City 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

Financial liabilities (continued)

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 subsequently ready for its intended use or sale.

Risk

Information regarding exposure to risk can be found at Note 31(c).

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

20. EMPLOYEE RELATED PROVISIONS

| | Provision for Annual Leave \$ | Provision for Long Service Leave \$ | Provision for Other Leave \$ | TOTAL \$ |
|---|--|--|---------------------------------------|------------------|
| Opening Balance at 1 July 2020 | | | | |
| Current provisions | 1,877,566 | 2,229,592 | 128,516 | 4,235,674 |
| Non-current provisions | | 654,187 | | 654,187 |
| | 1,877,566 | 2,883,779 | 128,516 | 4,889,861 |
| | | | | |
| Additional provision | 1,947,770 | 513,753 | 185,600 | 2,647,123 |
| Amounts used | (1,836,500) | (354,869) | (136,815) | (2,328,184) |
| Increase in the discounted amount arising because of time and the effect of any change in the discounted rate | (4,366) | 101,440 | - | 97,074 |
| Balance at 30 June 2021 | 1,984,470 | 3,144,103 | 177,301 | 5,305,874 |
| | | | | |
| Comprises | | | | |
| Current provisions | 1,984,470 | 2,514,771 | 177,301 | 4,676,542 |
| Non-current provisions | - | 629,331 | - | 629,331 |
| | 1,984,470 | 3,144,103 | 177,301 | 5,305,874 |

| | 2021 \$ | 2020 \$ |
|---|------------------|------------------|
| Amounts are expected to be settled on the following basis: | | |
| Less than 12 months after the reporting date | 4,122,035 | 2,557,676 |
| More than 12 months from the reporting date | 1,047,967 | 2,220,833 |
| Expected reimbursements from other WA local governments | 135,872 | 111,352 |
| | 5,305,874 | 4,889,861 |

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.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

20. EMPLOYEE RELATED PROVISIONS (continued)

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

Provisions is made for the City'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 City'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

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 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.

Other long term employee benefits (continued)

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 City's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the City 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 City 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.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

21. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

| | 2021 | 2020 |
|---------------------------|-------------------|-------------------|
| | \$ | \$ |
| Cash and Cash Equivalents | 40,528,946 | 38,294,732 |

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

| | | |
|---|-------------------|--------------------|
| Net Result | (799,800) | (2,038,160) |
| Non-cash flows in Net Result: | | |
| Depreciation | 14,499,537 | 14,402,851 |
| (Profit)/Loss on Sale of Asset | 2,233,108 | 2,568,318 |
| Changes in assets and liabilities: | | |
| (Increase)/Decrease in Receivables | (32,404) | (498,407) |
| (Increase)/Decrease in Inventories | 2,842 | (16,428) |
| Increase/(Decrease) in Payables | 1,735,444 | 381,783 |
| Increase/(Decrease) in Employee Provisions | 416,012 | 177,372 |
| Increase/(Decrease) in contract liabilities | (2,120,157) | 679,797 |
| Grants, Contributions for the Development of Assets | (5,712,163) | (5,802,299) |
| Recognition of Investment in LG House | - | (2,305) |
| Net Cash from Operating Activities | 10,222,420 | 9,852,524 |

22. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

| | 2021 | 2020 |
|------------------------------|--------------------|--------------------|
| | \$ | \$ |
| General Purpose Funding | 2,289,970 | 2,491,090 |
| Governance | 12,706,624 | 12,189,403 |
| Law, Order and Public Safety | 6,773,618 | 6,283,877 |
| Health | 3,030,025 | 2,931,303 |
| Education and Welfare | 3,451,828 | 3,833,973 |
| Community Amenities | 73,323,533 | 74,275,347 |
| Recreation and Culture | 209,909,369 | 208,416,504 |
| Transport | 164,162,525 | 217,072,184 |
| Economic Services | 11,998,585 | 13,628,254 |
| Other Property and Services | 22,809,315 | 23,255,381 |
| Unallocated | 23,893,189 | 18,653,543 |
| | 534,348,582 | 583,030,857 |

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

23. CONTINGENT LIABILITIES

(a) Contaminated Sites

In compliance with the *Contaminated Sites Act 2003 Section 11*, the City has listed sites to be possible sources of contamination. Details of those sites are:

| | | |
|-----------------|-------------------------------|---------------------------|
| * Nuytsia Ave | * ECU Land | * Donaldson Park |
| * Jaycee Park | * Jarvis St | * McCombe Rd |
| * Mangles St | * Lot 9000 Bussell Hwy | * Robertson Dve |
| * Stanley Rd | * Queens Gardens | * Clay Target Club |
| * Big Swamp POS | * Stirling Street Arts Centre | * Austral Bricks Landfill |
| * Koombana Dve | * Marlston Hill | * Bunbury Cemetery |
| * Molloy St | * Bunbury Airport | * Pioneer Park Cemetery |
| * Turkey Point | * Bunbury Hospital | * Hay Park |
| * Rawling Rd | * Plaza Street Road Reserve | * Trinity Green |

Until the City conducts an investigation to determine the presence and scope of contamination, assess the risk, and agree with the Department of Water and Environmental Regulation on the need and criteria for remediation of a risk based approach, the City is unable to estimate the potentials costs associated with remediation of these sites. This approach is consistent with the Department of Water and Environmental Regulation Guidelines.

(b) Aluminium Composite Panels

The Department of Mines, Industry Regulation and Safety (DMIRS) have been auditing public sector and local government agencies with buildings vested in their control regarding the risk associated with potentially combustible aluminium composite panels. As part of this investigation, the Department has identified buildings that require remediation to remove the hazard. Work is being undertaken to assess remediation costs, however the cost is not able to be reliably estimated at this point in time.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

24. CAPITAL COMMITMENTS

The City of Bunbury has the following capital expenditure commitments contracted for as at 30 June 2021 which have not been recognised as a liability in the Statement of Financial Position:

| | 2021 | 2020 |
|---|-------------------------|-------------------------|
| | \$ | \$ |
| Contracted for: | | |
| Construct Youth Precinct | 6,596,496 | - |
| Improve City's Landscaping, Parks, Gardens and Entry Statements | 861,676 | 39,728 |
| Replace athletics track | 743,540 | - |
| Replace South West Sports Centre fire system | 317,586 | 317,586 |
| Replace playground equipment | 275,000 | 199,991 |
| Upgrade Maiden's Reserve | 160,212 | - |
| Replace corporate heavy plant | 135,702 | 501,683 |
| Renew pavement and drainage Victoria Street | 64,459 | - |
| Replace pump stations | 49,527 | - |
| Reseal and upgrade Harris Road | 45,814 | - |
| Replace Forrest Park Pavilion | 37,845 | - |
| Upgrade Bunbury Regional Art Gallery CCTV system | 34,904 | - |
| Renew SWSC aquatic changeroom amenities | - | 435,235 |
| Infrastructure development works at Lot 3002 Lyons Cove | - | 349,282 |
| Upgrade Halifax Business Park Infrastructure | - | 164,991 |
| Redevelop Stirling Street Arts Centre | - | 120,551 |
| Renew and upgrade paths | - | 108,687 |
| Refurbish community buildings | - | 100,000 |
| Installation of digital billboard | - | 86,159 |
| Replace automatic reticulation systems | - | 76,212 |
| Redevelopment of Art Gallery foyer | - | 71,118 |
| Construct new UAT Public Facility at Des Ugle Park | - | 22,232 |
| | <u>9,322,761</u> | <u>2,593,455</u> |
| Payable: | | |
| - not later than one year | 9,322,761 | 2,593,455 |
| - later than one year but not later than two years | - | - |

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

25. JOINT VENTURE ARRANGEMENTS

(a) Land Development Agreements

Under the Original Joint Venture Agreement, the City and the Department of Primary Industries and Regional Development entered into a joint venture for the development, subdivision and sale of certain land in College Grove, Bunbury. The Original Joint Venture Agreement operated for approximately ten (10) years with the City having a 36.33% equity and the Department of Primary Industries and Regional Development having a 63.67% equity in the subdivision.

A Second Joint Venture Agreement between Landcorp, the City and the Minister on behalf of the State was subsequently entered into for the development, subdivision and sale of additional land in College Grove, Bunbury. The Second Joint Venture Agreement covered an area of land primarily being the southern portion of the area of land covered by the Original Joint Venture Agreement.

It was intended by the parties that the Original Joint Venture Agreement would be terminated when the Second Joint Venture Agreement was entered into but this did not occur because some land covered by the Original Joint Venture Agreement had not been disposed of by the time the Second Joint Venture Agreement was entered into by the parties.

Due to part of the land comprised in the Second Joint Venture Agreement being ceded as Regional Open Space, as part of the proclamation of the Greater Bunbury Region Scheme and commitments made by the State Government that it would not undertake further development in College Grove, the development potential of the land comprised in the Second Joint Venture Agreement was reduced. The State Government provided in lieu of the reduced area of the College Grove Subdivision, alternate land for development.

In an agreement dated 31 October 2013 the parties agreed to terminate the Second Joint Venture Agreement so as to remove Landcorp from any further involvement, with the intent that the State Government and the City will continue to work together to achieve the remaining outcomes under the Original Joint Venture Agreement and the Second Joint Venture Agreement by entering into a new Amended Joint Venture Agreement. The Amended Joint Venture Agreement also terminates the Original Joint Venture Agreement and compensates the City for its equity in the Second Joint Venture by the transfer of freehold land to the City.

Under the Amended College Grove Joint Venture Agreement the City of Bunbury has a one third (33.33%) equity in the subdivision and the Department of Primary Industries and Regional Development two thirds (66.67%) equity in the subdivision. The City of Bunbury is the appointed manager of the subdivision. The funds originally held in the College Grove Land subdivision Reserve Account represented proceeds from sales to date less development costs and have now been transferred to the Amended College Grove Joint Venture Reserve to provide for the funding of future stages of the subdivision on behalf of the joint venture partners, eliminating the need to utilise borrowed funds.

After development costs and management fees are deducted from surplus income, profit on the subdivision will be distributed to the joint venture partners in proportion to their equities. No dividends were declared during 2020/21.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

25. JOINT VENTURE ARRANGEMENTS (continued)

(a) Land Development Agreements (continued)

At 30 June 2021 the undistributed profits of the subdivision, which are held in Amended College Grove Joint Venture Reserve amount to:

| | NOTE | | 2021 \$ | | 2020 \$ |
|---|------|--------|---------------|--|---------------|
| Dept of Primary Industries & Regional Development | 16 | 66.67% | 5,568 * | | 12,204 * |
| City of Bunbury | | 33.33% | 11,552 | | 14,870 |
| | 4 | | <u>17,120</u> | | <u>27,074</u> |

*Included as a non-creditor - Refer Note 16

The assets and liabilities associated with this joint venture are:

| | | | | |
|--------------------------|--|--|---------------|---------------|
| Current Assets | | | | |
| Investments | | | 17,120 | 27,074 |
| Total Assets | | | <u>17,120</u> | <u>27,074</u> |
| Current Liabilities | | | - | - |
| Total Liabilities | | | <u>-</u> | <u>-</u> |

The income and expenses associated with this joint venture are:

Statement of Comprehensive Income

| | | |
|----------------------------------|----------------|--------------|
| Other Revenue | 107 | 520 |
| Other Expenditure | (10,061) | (900) |
| Net Result for the Period | <u>(9,954)</u> | <u>(380)</u> |

Other Comprehensive Income

Items that will not be reclassified subsequently to profit or loss

| | | |
|--|----------------|--------------|
| Changes in Asset Revaluation Surplus | - | - |
| Total Other Comprehensive Income for the Period | <u>-</u> | <u>-</u> |
| Total Comprehensive Income for the Period | <u>(9,954)</u> | <u>(380)</u> |

(b) Investment in Associate - Bunbury Harvey Regional Council

The City of Bunbury has a share in the Net Assets in the Bunbury Harvey Regional Council (BHRC) as a member council together with the Shire of Harvey. The BHRC provides services in waste management, resource recovery and environmental management and was established in accordance with the Local Government Act 1995.

In accordance with AASB28 the City's investment needs to be accounted for using the equity method. The value of this investment would be based on the City's share of Net Assets as disclosed in the Financial Statements of the BHRC for 2020/21. However, as the amount of the City's share in BHRC is currently being negotiated, it is not practical to include the interest in the BHRC in the City's financial statements for the current financial year. During 2021/22 the City will be seeking clarification of its share in BHRC to be able to include its interest in the BHRC in future financial statements.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

25. JOINT VENTURE ARRANGEMENTS (continued)

(b) Investment in Associate - Bunbury Harvey Regional Council (continued)

The assets and liabilities associated with the Bunbury Harvey Regional Council are:

| | 2021 | 2020 |
|--------------------------|------------------|------------------|
| | \$ | \$ |
| Current Assets | 3,165,234 | 4,234,312 |
| Non-Current Assets | 5,435,596 | 5,034,844 |
| Total Assets | 8,600,830 | 9,269,156 |
| Current Liabilities | 755,702 | 825,101 |
| Non-Current Liabilities | 48,886 | 24,248 |
| Total Liabilities | 804,588 | 849,349 |
| Net Assets | 7,796,242 | 8,419,807 |

The income and expenses associated with this controlled entity are:

Statement of Comprehensive Income

| | | |
|----------------------------------|------------------|------------------|
| Revenue | 5,692,597 | 4,526,266 |
| Operating Expenses | (6,316,163) | (5,241,750) |
| Net Result for the Period | (623,566) | (715,484) |

Other Comprehensive Income

Items that will not be reclassified subsequently to profit or loss

| | | |
|--|----------|----------|
| Changes in Asset Revaluation Surplus | - | - |
| Total Other Comprehensive Income for the Period | - | - |

Total Comprehensive Income for the Period

| | |
|------------------|------------------|
| (623,566) | (715,484) |
|------------------|------------------|

SIGNIFICANT ACCOUNTING POLICIES

Interests in Joint Ventures

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

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

Interests in Joint Ventures (continued)

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

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

26. RELATED PARTY TRANSACTIONS

| Elected Members Remuneration | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|--|-------------------------------|-------------------------------|-------------------------------|
| Mayor Gary Brennan | | | |
| Mayor's annual allowance | 64,000 | 64,000 | 61,000 |
| Meeting attendance fees | 30,000 | 30,000 | 30,000 |
| Annual allowance for ICT expenses | 3,500 | 3,500 | 3,500 |
| Travel and Accommodation expenses | - | 192 | 34 |
| | 97,500 | 97,692 | 94,534 |
| Councillor Jaysen de san Miguel | | | |
| Deputy Mayor's annual allowance | 16,000 | 16,000 | 14,758 |
| Meeting attendance fees | 28,000 | 28,000 | 25,000 |
| Annual allowance for ICT expenses | 3,500 | 3,500 | 3,500 |
| Travel and Accommodation expenses | - | 192 | 34 |
| | 47,500 | 47,692 | 43,292 |
| Councillor Todd Brown | | | |
| Meeting attendance fees | 28,000 | 28,000 | 25,000 |
| Annual allowance for ICT expenses | 3,500 | 3,500 | 3,500 |
| Travel and Accommodation expenses | - | 192 | 372 |
| | 31,500 | 31,692 | 28,872 |
| Councillor Wendy Giles | | | |
| Meeting attendance fees | 28,000 | 28,000 | 17,473 |
| Annual allowance for ICT expenses | 3,500 | 3,500 | 2,436 |
| Travel and Accommodation expenses | - | 192 | 34 |
| | 31,500 | 31,692 | 19,943 |
| Councillor James Hayward | | | |
| Meeting attendance fees | 21,000 | 28,000 | 25,000 |
| Annual allowance for ICT expenses | 2,625 | 3,500 | 3,500 |
| Travel and Accommodation expenses | - | 192 | 34 |
| | 23,625 | 31,692 | 28,534 |
| Councillor Cheryl Kozisek | | | |
| Meeting attendance fees | 28,000 | 28,000 | 17,473 |
| Annual allowance for ICT expenses | 3,500 | 3,500 | 2,436 |
| Travel and Accommodation expenses | - | 192 | 34 |
| | 31,500 | 31,692 | 19,943 |
| Councillor Betty McCleary | | | |
| Meeting attendance fees | 28,000 | 28,000 | 25,000 |
| Annual allowance for ICT expenses | 3,500 | 3,500 | 3,500 |
| Travel and Accommodation expenses | - | 192 | 34 |
| | 31,500 | 31,692 | 28,534 |
| Councillor Kris Plumb | | | |
| Meeting attendance fees | 28,000 | 28,000 | 17,473 |
| Annual allowance for ICT expenses | 3,500 | 3,500 | 2,436 |
| Travel and Accommodation expenses | - | 192 | 34 |
| | 31,500 | 31,692 | 19,943 |

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

26. RELATED PARTY TRANSACTIONS (continued)

Elected Members Remuneration (continued)

| | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|-----------------------------------|----------------------|----------------------|----------------------|
| Councillor Tresslyn Smith | | | |
| Meeting attendance fees | 28,000 | 28,000 | 25,000 |
| Annual allowance for ICT expenses | 3,500 | 3,500 | 3,500 |
| Travel and Accommodation expenses | 118 | 192 | 507 |
| | 31,618 | 31,692 | 29,007 |
| Councillor Michelle Steck | | | |
| Meeting attendance fees | 28,000 | 28,000 | 25,000 |
| Annual allowance for ICT expenses | 3,500 | 3,500 | 3,500 |
| Travel and Accommodation expenses | - | 192 | 34 |
| | 31,500 | 31,692 | 28,534 |
| Councillor Karen Steele | | | |
| Meeting attendance fees | 28,000 | 28,000 | 25,000 |
| Annual allowance for ICT expenses | 3,500 | 3,500 | 3,500 |
| Travel and Accommodation expenses | - | 192 | 34 |
| | 31,500 | 31,692 | 28,534 |
| Councillor Karen Turner | | | |
| Meeting attendance fees | 28,000 | 28,000 | 17,473 |
| Annual allowance for ICT expenses | 3,500 | 3,500 | 2,436 |
| Travel and Accommodation expenses | 484 | 192 | 279 |
| | 31,984 | 31,692 | 20,188 |
| Councillor Amanda Yip | | | |
| Meeting attendance fees | 28,000 | 28,000 | 17,473 |
| Annual allowance for ICT expenses | 3,500 | 3,500 | 2,436 |
| Travel and Accommodation expenses | - | 192 | 34 |
| | 31,500 | 31,692 | 19,943 |
| Councillor Murry Cook | | | |
| Meeting attendance fees | - | - | 7,527 |
| Annual allowance for ICT expenses | - | - | 1,064 |
| Travel and Accommodation expenses | - | - | - |
| | - | - | 8,591 |
| Councillor Brendan Kelly | | | |
| Meeting attendance fees | - | - | 7,527 |
| Annual allowance for ICT expenses | - | - | 1,064 |
| Travel and Accommodation expenses | - | - | - |
| | - | - | 8,591 |
| Councillor Sam Morris | | | |
| Meeting attendance fees | - | - | 7,527 |
| Annual allowance for ICT expenses | - | - | 1,064 |
| Travel and Accommodation expenses | - | - | - |
| | - | - | 8,591 |

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

26. RELATED PARTY TRANSACTIONS (continued)

Elected Members Remuneration (continued)

| | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|-----------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Councillor Monique Warnock | | | |
| Meeting attendance fees | - | - | 7,527 |
| Annual allowance for ICT expenses | - | - | 1,064 |
| Travel and Accommodation expenses | - | - | - |
| | <u>-</u> | <u>-</u> | <u>8,591</u> |
| | <u>484,226</u> | <u>494,000</u> | <u>444,163</u> |

| | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|--|------------------------------------|------------------------------------|------------------------------------|
| Fees, expenses and allowances paid or reimbursed to elected council members. | | | |
| Mayoral Allowance | 94,000 | 94,000 | 91,000 |
| Deputy Mayoral Allowance | 16,000 | 16,000 | 14,758 |
| Councillors Allowance | 329,000 | 336,000 | 292,473 |
| Telecommunications Allowance | 44,625 | 45,500 | 44,436 |
| Travel and Accommodation | 602 | 2,500 | 1,497 |
| | <u>484,226</u> | <u>494,000</u> | <u>444,163</u> |

Key Management Personnel (KMP) Compensation Disclosure

The total remuneration paid to KMP of the City during the year are as follows:

| | 2021 \$ | 2020 \$ |
|------------------------------|-------------------------|-------------------------|
| Short-term employee benefits | 987,951 | 934,876 |
| Post-employment benefits | 90,258 | 84,894 |
| Other long-term benefits | 16,520 | 24,454 |
| | <u>1,094,730</u> | <u>1,044,224</u> |

Short-term employee benefits

These amounts include all salary, fringe benefits, cash bonuses and annual leave accrued 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 City's superannuation contributions made during the year.

Other long-term benefits

These amounts represent 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).

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

26. RELATED PARTY TRANSACTIONS (continued)

Transactions with Related Parties

Transactions between related parties and the City 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: | 2021 | 2020 |
|---|-----------|-----------|
| | \$ | \$ |
| Associated Companies / Individuals: | | |
| Sale of goods and services ¹ | 86,263 | 156,979 |
| Purchase of goods and services ² | (608,011) | (715,875) |
| Amounts Outstanding from Related Parties: | | |
| Trade and other receivables | - | 10,914 |
| Amounts Payable to Related Parties: | | |
| Trade and other payables | 44,186 | (57,716) |

Note:

(1) Sale of goods and services

2021 - This is mainly being for the accounting and payroll services provided to the Bunbury-Harvey Regional Council and a lease on a Blair Street reserve.

2020 - This is mainly being for the accounting and payroll services provided to the Bunbury-Harvey Regional Council.

(2) Purchase of goods and services

This mainly includes normal commercial transactions for the disposal of waste received by the Bunbury-Harvey Regional Council.

The City'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. Entities subject to significant influence by the City

Any 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.

iii. Joint venture entities accounts for under the equity method

The City has two joint venture arrangements, one with Bunbury-Harvey Regional Council (89.60% equity holding) and one with the Department of Primary Industries and Regional Development (36.33% equity holding). For details of interest held in joint venture arrangements, refer Note 25.

27. MAJOR LAND TRANSACTIONS

There were no major land transactions in the 2020/21 financial year.

28. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2020/21 financial year.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

29. RATING INFORMATION

(a) Rates

| RATE TYPE | Rate in \$ (cents) | Number of Properties | 2020/21 Actual Rateable Value (\$) | 2020/21 Actual Rate Revenue (\$) | 2020/21 Actual Interim Rates (\$) | 2020/21 Actual Back Rates (\$) | 2020/21 Actual Total Revenue (\$) | 2020/21 Budget Rate Revenue (\$) | 2020/21 Budget Interims (\$) | 2020/21 Budget Back Rates (\$) | 2020/21 Budget Total Revenue (\$) | 2019/20 Actual Total Revenue (\$) |
|--------------------------------|--------------------|----------------------|------------------------------------|----------------------------------|-----------------------------------|--------------------------------|-----------------------------------|----------------------------------|------------------------------|--------------------------------|-----------------------------------|-----------------------------------|
| General rate | | | | | | | | | | | | |
| Gross rental valuations | | | | | | | | | | | | |
| General | 9.6310 | 13,798 | 379,349,553 | 36,535,155 | 3,523 | 197 | 36,538,875 | 36,535,154 | 5,000 | - | 36,540,154 | 36,498,478 |
| Sub - Total | | 13,798 | 379,349,553 | 36,535,155 | 3,523 | 197 | 36,538,875 | 36,535,154 | 5,000 | - | 36,540,154 | 36,498,478 |

| | Minimum \$ | | | | | | | | | | | |
|------------------------|------------|--------------|-------------------|------------------|----------|----------|------------------|------------------|----------|----------|------------------|------------------|
| Minimum payment | 1,199 | 2,759 | 27,039,536 | 3,308,041 | - | - | 3,308,041 | 3,308,041 | - | - | 3,308,041 | 3,305,643 |
| Sub - Total | | 2,759 | 27,039,536 | 3,308,041 | - | - | 3,308,041 | 3,308,041 | - | - | 3,308,041 | 3,305,643 |

| | | | | | | | | | | | | |
|--|--|--|--|--|--|--|-------------------|--|--|--|-------------------|-------------------|
| | | | | | | | 39,846,916 | | | | 39,848,195 | 39,804,121 |
| Concessions (refer Note 29(d)) | | | | | | | (120,684) | | | | (120,683) | (123,698) |
| Total amount raised from general rate | | | | | | | 39,726,231 | | | | 39,727,512 | 39,680,423 |
| Specified Area Rate (refer Note 29(b)) | | | | | | | 50,036 | | | | 50,036 | 48,963 |
| TOTAL RATES | | | | | | | 39,776,267 | | | | 39,777,548 | 39,729,386 |

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer.

Rates (continued)

Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the City recognises revenue for the prepaid rates that have not been refunded.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

29. RATING INFORMATION (continued)

(b) Specified Area Rate

| | Rate in \$ (cents) | Basis of Rate | 2020/21 Actual Rateable Value (\$) | 2020/21 Actual Rate Revenue (\$) | 2020/21 Back Rate Revenue (\$) | 2020/21 Budget Rate Revenue (\$) | 2019/20 Actual Total Revenue (\$) |
|---------------------------|--------------------------|---------------------|--|--|--------------------------------------|--|---|
| Pelican Point Grand Canal | | | | | | | |
| - Rate | 1.1860 | GRV | 4,168,830 | 49,442 | - | 50,036 | 48,430 |
| - Interim Rate | | | | 594 | - | - | 533 |
| | | | | 50,036 | - | 50,036 | 48,963 |
| | | | | 50,036 | - | 50,036 | 48,963 |

Pelican Point Grand Canal

The rateable properties within the Grand Canals Specified Area Rate will be levied on a specified area rate for the purpose of raising funds to allow for the periodic dredging, clearing and maintenance of the canal waterways. The full amount raised in 2020/21 has been transferred to the Canal Management Reserve.

(c) Service Charges

No service charges were imposed in the reporting period.

(d) Discounts, Incentives, Concessions, & Write Offs

Incentives

An incentive prize of \$1,000 from the Commonwealth Bank of Australia is offered to encourage the early payment of rates. The following terms and conditions applied to the 2020/21 early payment of rates incentive prize:

1. The competition is open to ratepayers of the City of Bunbury who pay the full amount due as listed on their 2020/21 rates notice before 4:00pm, 21 September 2020. No responsibility is accepted for late, lost or misdirected payments.
2. There is one (1) prize to be given away being a \$1,000 cash prize courtesy of the Commonwealth Bank of Australia.
3. Councillors and Employees of the City of Bunbury, properties that receive a rates exemption, and government agencies are not eligible to be included in the prize draw.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

29. RATING INFORMATION (continued)

(d) Discounts, Incentives, Concessions, & Write Offs (continued)

Concessions

| | Type | Total Cost / Value \$ | Budget Cost / Value \$ |
|-------------------------|------------|--------------------------|---------------------------|
| Rates - Storage Units | Concession | 68,484 | 68,484 |
| Rates - TPS Heritage | Concession | 4,741 | 4,741 |
| Rates - Sporting Groups | Concession | 47,459 | 47,458 |
| | | 120,684 | 120,683 |

Storage Units

To recognise the nature, purpose and size of storage units compared to other properties a concession of \$526.80 per strata title storage unit, totalling \$68,484 was granted to strata titled storage units. This concession was applied to 130 storage units.

The Town Planning Scheme No 7 defines "Storage" Unit in the following terms "premises used for the storage of goods, equipment, plant or materials". Further to this definition, the following criteria must be met:

Strata titled:

- Zoned "Industrial" under Town Planning Scheme No 7;
- Have no abluitions (waste water system) connected;
- Maximum area of 75m²

TPS Heritage Rates

The City of Bunbury contains a significant collection of heritage asset having cultural heritage significance. To acknowledge and encourage conservation works of these properties a concession of 30% (up to a maximum of \$1,000) on the general rates payable will be provided to eligible properties for a period of five years where works relating to the conservation of the cultural heritage significance of the property has been undertaken in accordance with the City's Local Planning Policy - Rate Concession for Heritage Places. The total amount of TPS Heritage Rate Concessions in 2020/21 was \$4,741.

Sporting and Community Leases and Licences

The City acknowledges the societal and economic value sporting and community groups provide to the city. Council is committed to supporting sporting and community groups that enter into lease or license arrangements with the City, to ensure they are affordable. To achieve this objective Council resolved to change the methodology for charging property leases and licences to sporting and community groups.

From the 2019/20 financial year any sporting or community groups that have a lease or license arrangement with the City will not be charged a rental fee, and if they are required to pay rates, the City will reduce the amount of rates equal to the minimum rates in lieu of any rental fee.

The City will provide a rate concession being the difference between the Gross Rental Valuation calculated rates for the leased property and the minimum rate imposed by Council each year.

The total amount of Sporting and Community Leases and Licences concessions in 2020/21 was \$47,459.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

29. RATING INFORMATION (continued)

(d) Discounts, Incentives, Concessions, & Write Offs (continued)

Write-Offs

| | Type | Disc % | Total Cost / Value \$ | Budget Cost / Value \$ |
|----------------------|-----------|--------|--------------------------|---------------------------|
| Rates Small Balances | Write-Off | | 2,519 | 3,000 |
| Sundry Debtors | Write-Off | | 15,005 | 14,446 |
| Infringements | Write-Off | | 47,269 | 70,030 |
| | | | 64,793 | 87,476 |

(e) Interest Charges & Instalments

| | Interest Rates % | Admin Charge \$ | Revenue \$ | Budgeted Revenue \$ |
|---------------------------------|---------------------|--------------------|----------------|------------------------|
| Interest on Unpaid Rates | 8.00% | | 176,352 | 149,140 |
| Interest on Instalment Plans | 5.50% | | 218,060 | 219,425 |
| Interest on Deferred Pensioners | | | 6,474 | 6,474 |
| | | | 400,886 | 375,039 |
| Charges on Instalment Plans | | 21.00 | 102,242 | 102,368 |
| Direct Debit Fee | | 31.50 | 2,944 | 2,496 |
| | | | 105,186 | 104,864 |
| | | | 506,072 | 479,903 |

Ratepayers had the option of paying rates in full, or in four equal instalments due on 21 September 2020, 20 November 2020, 20 January 2021 and 22 March 2021, or by direct debit over the rate instalment periods. Administration charges and interest applied to the final three instalments and direct debit options.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

30. RATE SETTING STATEMENT INFORMATION

| | | 2021 | 2021 | 2020 | 2020 |
|--|-------|--|--|---|--|
| | | | Budget | | |
| | NOTE | (30 June 20 Carried Forward) \$ | (30 June 2020 Carried Forward) \$ | (1 July 2019 Brought Forward) \$ | (30 June 2019 Carried Forward) \$ |
| (a) Non-Cash Amounts Excluded from Operating Activities | | | | | |
| 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> . | | | | | |
| Adjustments to Operating Activities | | | | | |
| Less: Profit on Asset Disposals | 12(a) | (106,602) | - | (327,898) | (327,898) |
| Less: Fair Value Adjustments to financial assets at fair value through profit and loss | 9(b) | - | - | (2,305) | (2,305) |
| Movement in Deferred Debtors | 5 | - | - | (42,380) | (42,380) |
| Movement in Deferred Pensioner Rates | 5 | (9,165) | - | 13,780 | 13,780 |
| Movement in Employee Benefit Provisions (Non-Current) | 20 | (24,855) | 62,100 | 48,816 | 48,816 |
| Movement in College Grove Joint Venture | 16 | (6,636) | - | (253) | (253) |
| Add: Loss on Disposal of Assets | 12(a) | 2,339,710 | 72,030 | 2,896,216 | 2,896,216 |
| Add: Depreciation on Assets | 12(b) | 14,499,537 | 15,105,584 | 14,402,851 | 14,402,851 |
| Non-Cash Amounts Excluded from Operating Activities | | 16,691,989 | 15,239,714 | 16,988,828 | 16,988,828 |
| (b) Surplus/(Deficit) After Imposition of General Rates | | | | | |
| 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. | | | | | |
| Less: Reserves - Restricted Cash | 3 | (25,737,000) | (19,149,117) | (22,644,750) | (22,644,750) |
| Less: Financial Assets at Amortised Cost | | | | | |
| - Self-Supporting Loans | 9(a) | (46,403) | (45,362) | (45,362) | (45,362) |
| Add: Current liabilities not expected to be cleared at end of year | | | | | |
| - Current portion of borrowings | 19(a) | 2,141,210 | 2,690,815 | 2,063,416 | 2,063,416 |
| - Current portion lease liabilities | 18 | 122,614 | 120,210 | 120,210 | 120,210 |
| Total Adjustments to Net Current Assets | | (23,519,578) | (16,383,454) | (20,506,486) | (20,506,486) |
| Net Current Assets Used in the Rate Setting Statement | | | | | |
| Total Current Assets | | 44,223,616 | 28,639,670 | 41,981,745 | 41,981,745 |
| Less: Total Current Liabilities | | (16,284,421) | (12,172,019) | (16,141,433) | (16,141,433) |
| Less: Total Adjustments to Net Current Assets | | (23,519,578) | (16,383,454) | (20,506,486) | (20,506,486) |
| Net Current Assets Used in the Rate Setting Statement | | 4,419,617 | 84,197 | 5,333,826 | 5,333,826 |

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

31. FINANCIAL RISK MANAGEMENT

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

| Risk | Exposure arising from | Measurement | Management |
|---------------------------------------|--|------------------------------------|---|
| Market risk - interest rate | 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 investments. | Ageing analysis 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 City 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 City's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the City of 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 minimum.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the City 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 following table.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

31. FINANCIAL RISK MANAGEMENT (continued)

(a) Interest rate risk (continued)

| | Weighted Average Interest Rate % | Carrying Amounts \$ | Fixed Interest Rate \$ | Variable Interest Rate \$ | Non Interest Bearing \$ |
|---------------------------|---|------------------------------------|---------------------------------------|--|--|
| 2021 | | | | | |
| Cash and cash equivalents | 0.29% | 40,528,946 | 32,788,534 | 7,740,411 | - |
| 2020 | | | | | |
| Cash and cash equivalents | 0.84% | 38,294,732 | 32,071,288 | 6,223,444 | - |

Sensitivity

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

| | 2021 \$ | 2020 \$ |
|--|--------------------|--------------------|
| Impact of a 1% movement in interest rates on profit and loss and equity ⁽¹⁾ | 405,289 | 382,947 |

Notes:

⁽¹⁾ Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rate could adversely affect funding costs. The City 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 City 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 19(b).

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

31. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk

Trade Receivables

The City's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk - the risk that the debts may not be repaid. The City 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 City to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. Whilst the City was historically able to charge interest on overdue rates and annual charges at higher than market rates, which further encouraged payment.

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

The City 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 different in payment terms and security for rates receivable.

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2019 or 1 July 2020 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment of rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

The loss allowance as at 30 June 2021 for rates receivable was determined as follows.

CITY OF BUNBURY
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31. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

| | Current | More than 1 year past due | More than 2 years past due | More than 3 years past due | Total |
|-------------------------|----------------|--------------------------------------|---------------------------------------|---------------------------------------|--------------|
| 30 June 2021 | | | | | |
| Rates receivable | | | | | |
| Expected credit loss | 0.00% | 0.00% | 0.00% | 0.00% | |
| Gross carrying amount | 1,105,659 | 444,414 | 283,929 | 445,531 | 2,279,533 |
| Loss allowance | - | - | - | - | - |
| 01 July 2020 | | | | | |
| Rates receivable | | | | | |
| Expected credit loss | 0.00% | 0.00% | 0.00% | 0.00% | |
| Gross carrying amount | 1,384,031 | 429,583 | 221,596 | 455,880 | 2,491,090 |
| Loss allowance | - | - | - | - | - |

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

| | Current | More than 30 days past due | More than 60 days past due | More than 90 days past due | Total |
|---|----------------|---------------------------------------|---------------------------------------|---------------------------------------|--------------|
| 30 June 2021 | | | | | |
| Sundry receivables and infringements | | | | | |
| Expected credit loss | 0.00% | 0.00% | 0.00% | 0.00% | |
| Gross carrying amount | 621,605 | 41,992 | 17,958 | 127,590 | 809,145 |
| Loss allowance | - | - | - | - | - |
| 01 July 2020 | | | | | |
| Sundry receivables and infringements | | | | | |
| Expected credit loss | 0.00% | 0.00% | 0.00% | 0.00% | |
| Gross carrying amount | 608,879 | 4,353 | 25,735 | 236,773 | 875,740 |
| Loss allowance | - | - | - | - | - |

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

31. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit Risk (continued)

The City's contract assets represent work completed, which have not been invoiced at year end. This is due to the City not having met all the performance obligations in the contract which give an unconditional right to receive consideration. The City applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk

(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 City 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 19(e).

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

| | Due within 1 year \$ | Due between 1 & 5 years \$ | Due after 5 years \$ | Total Contractual cash flows \$ | Carrying values \$ |
|----------------------|---|---|---|--|-----------------------------------|
| 2021 | | | | | |
| Payables | 6,462,527 | 5,568 | - | 6,468,095 | 6,468,095 |
| Borrowings | 2,141,210 | 6,514,925 | 2,364,166 | 11,020,301 | 11,020,301 |
| Contract Liabilities | 2,881,528 | - | - | 2,881,528 | 2,881,528 |
| Lease Liabilities | 122,614 | 55,269 | - | 177,883 | 177,883 |
| | 11,607,879 | 6,575,762 | 2,364,166 | 20,547,807 | 20,547,807 |
| 2020 | | | | | |
| Payables | 4,720,447 | 12,204 | - | 4,732,652 | 4,732,652 |
| Borrowings | 2,063,416 | 7,699,110 | 3,321,190 | 13,083,717 | 13,083,717 |
| Contract Liabilities | 5,001,685 | - | - | 5,001,685 | 5,001,685 |
| Lease Liabilities | 120,210 | 113,339 | - | 233,549 | 233,549 |
| | 11,905,759 | 7,824,654 | 3,321,190 | 23,051,603 | 23,051,603 |

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

32. TRUST FUNDS

(a) Cash Funds held in Trust

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

| | Balance 1-Jul-20 | Amounts Received | Amounts Paid | Balance 30-Jun-21 |
|-----------------------------------|-----------------------------|-----------------------------|-------------------------|------------------------------|
| | \$ | \$ | \$ | \$ |
| Glen Iris Structure Plan | 1,554,317 | 42,298 | - | 1,596,614 |
| Donations and Grants | 2,473 | - | - | 2,473 |
| Unclaimed Monies | 62,013 | 1,941 | (1,674) | 62,280 |
| Fees Collected | 39,361 | 246,970 | (247,521) | 38,810 |
| Miscellaneous | 6,511 | 2,943 | (2,643) | 6,811 |
| Artist Payments | 1,870 | 45,923 | (46,262) | 1,531 |
| Tuart Brook Local Structure Plan | 161,481 | 950 | - | 162,431 |
| Planning and Development Act s154 | 886,675 | 4,569 | (879,306) | 11,938 |
| Mosquito Control (CLAG) | 36,047 | - | (2,726) | 33,321 |
| SW Emergency Management | 5,540 | - | - | 5,540 |
| Security Camera Contributions | 5,000 | - | - | 5,000 |
| Brookfield Rail Agreement | 55,731 | 13,963 | - | 69,694 |
| | 2,817,019 | 359,557 | (1,180,131) | 1,996,445 |

(b) Assets held in Trust

The City of Bunbury holds in trust various equipment, furniture and fittings for charitable purposes as listed in the Deed of Declaration of Charitable Trust: Bunbury Regional Art Gallery, dated 15th September 2014.

33. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There were no material events after 30 June 2021 that require inclusion in the notes to the Financial Statements.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

34. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

(a) AASB 1059: Service Concession Arrangements: Grantors

Service concessions assets are those assets where a third-party operator constructs assets for the City, upgrades existing assets of the City or uses existing assets of the City to operate and maintain the assets to provide a public service, for a specified period of time. Where, in these circumstances, the third-party operator provides a public service on behalf of the City and is deemed to manage at least some of the services under its own discretion, the assets are classified as service concession assets. Newly constructed or upgraded assets are measured at current replacement cost in accordance with the cost approach to fair value in AASB 13 Fair Value Measurement . In the case of existing assets, these are reclassified and treated in the same manner with any difference at the date of reclassification between the carrying amount of the assets and their fair value (current replacement cost) being treated as if it is a revaluation of the asset.

Subsequent to initial recognition or reclassification, service concession assets are accounted for by depreciating or amortising in accordance with AASB 116 Property, Plant and Equipment or AASB 138 Intangible Assets . Where appropriate, any impairment is recognised in accordance with AASB 136 Impairment of Assets.

At the end of the term of any service concession arrangement, the City will reclassify the service concession asset based on its nature or function, and account for it in accordance with the accounting standards and policies applicable to the relevant asset classification.

Where the City recognises a service concession asset in relation to a newly constructed or upgraded asset, it also recognises a liability. This liability is initially measured at the same amount as the service concession asset, adjusted by the amount of any other consideration provided by the City to the third-party operator or from the third-party operator to the City.

The City does not recognise a liability in the circumstances where an existing asset of the City is reclassified as a service concession asset except in circumstances where additional consideration is provided by the third-party operator.

Subsequent to initial recognition, the City accounts for the liability as the unearned portion of the revenue arising from the exchange of assets with the third-party operator and reduces the liability according to the economic substance of the service concession arrangement.

The City adopted AASB 1059 Service Concession Arrangements: Grantors (issued December 2014) on 1 July 2020 resulting in changes in accounting policies. In accordance with the transition provisions of AASB 1059, the City adopted the new rules retrospectively by recognising and measuring service concession assets and related liabilities on 1 July 2020. As the City currently does not have any service concession arrangements there are no changes to the statement of financial position at the date of the initial application (1 July 2020).

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

35. 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 City's operational cycle. In the case of liabilities where the City 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 City'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 City 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 current budget estimate for the relevant item of disclosure.

f) Superannuation

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

g) Fair value of assets and liabilities

Fair value is the price that the City 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.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

35. OTHER SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Fair value hierarchy (continued)

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 City 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 City 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 City gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that

h) Fair value hierarchy (continued)

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 City'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.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

36. ACTIVITIES/PROGRAMS

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

| | | |
|--------------------------------------|--|---|
| GENERAL PURPOSE FUNDING | To collect revenue to allow for the provision of services. | Rates, general purpose government grants and interest revenue. |
| GOVERNANCE | To provide a decision making process for the efficient allocation of scarce resources. | Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services. |
| LAW, ORDER, AND 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. | Elderly person's activities and support, community services planning, disabled persons, youth services, aboriginal issues, Meal on Wheels centre, other welfare and voluntary persons. |
| COMMUNITY AMENITIES | To provide services required by the community. | Refuse collection services, including recycling, greenwaste and hardwaste. Administration of the Town Planning Scheme, public amenities and urban stormwater drainage works. Protection of the environment, coastline and waterways. Environmental planning. |
| RECREATION AND CULTURE | To establish and effectively manage infrastructure and resource which will help the social wellbeing of the community. | Maintenance of halls, recreation and cultural facilities, including sportsgrounds, parks, gardens, reserves, playgrounds and foreshore amenities. Maintenance of boat ramps and jetties. Townscape works. Operation of the Libraries, South West Sports Centre, Bunbury Wildlife Park, Bunbury Regional Art Gallery, Bunbury Regional Entertainment Centre, Bunbury Museum and Heritage Centre and other cultural activities. |
| TRANSPORT | To provide safe, effective and efficient transport services to the community. | Construction and maintenance of roads, drainage, footpaths, bridges and traffic signs. Maintenance of pump stations and road verges, strategic planning for transport and traffic flows, street lighting and street cleaning, airport operation; parking control and car park maintenance. |
| ECONOMIC SERVICES | To help promote the City and its economic well-being. | Tourism and area promotion, operation of the Visitor Centre, International relationship expenses, City marketing and economic development, implementation of building control, operation of plant nursery. |
| OTHER PROPERTY AND SERVICES | To monitor and control council's overheads operating accounts. | Private works operation, plant repair, public works overhead, land acquisition (including town planning schemes) and subdivision development and sales. |

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

37. FINANCIAL RATIOS

| | 2021 | 2020 | 2019 |
|-----------------------------------|---------------|---------------|---------------|
| | Actual | Actual | Actual |
| Current ratio | 1.222 | 1.283 | 1.527 |
| Asset consumption ratio | 0.530 | 0.555 | 0.560 |
| Asset renewal funding ratio | 0.944 | 0.978 | 0.956 |
| Asset sustainability ratio | 0.574 | 0.688 | 0.670 |
| Debt service cover ratio | 3.056 | 2.550 | 2.069 |
| Operating surplus ratio | (0.117) | (0.143) | (0.151) |
| Own source revenue coverage ratio | 0.828 | 0.837 | 0.832 |

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 | $\frac{\text{depreciated replacement costs of assets}}{\text{current replacement costs of depreciable assets}}$ |
| Asset renewal funding ratio | $\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$ |
| Asset sustainability ratio | $\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expenses}}$ |
| 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 | $\frac{\text{own source operating revenue}}{\text{operating expenses}}$ |



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 City of Bunbury

To the Councillors of the City of Bunbury

Report on the audit of the annual financial report

Opinion

I have audited the financial report of the City of Bunbury (City) which comprises:

- the Statement of Financial Position at 30 June 2021, 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
- Notes comprising a summary of significant accounting policies and other explanatory information
- the Statement by the Chief Executive Officer.

In my opinion the financial report of the City of Bunbury:

- is based on proper accounts and records
- fairly represents, in all material respects, the results of the operations of the City for the year ended 30 June 2021 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 section below. I am independent of the City in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the 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 – Recording of Joint Venture

I draw attention to Note 25 to the financial statements which states that the City's equity share in the Investment in Associate is still being negotiated and therefore cannot be reliably estimated at this point in time. Consequently, the Investment is not currently reflected in the financial statements. 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 City is responsible for the preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards. The CEO is also responsible for managing internal control (as required by the CEO) to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for assessing the City'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 City.

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

Auditor's responsibility for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the 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 financial report. 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.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

Report on other legal and regulatory requirements

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

- (i) In my opinion, the following material matters indicate a significant adverse trend in the financial position of the City:
 - a) The Asset Sustainability Ratio as reported in Note 37 of the annual financial report is below the Department of Local Government, Sport and Cultural Industries' standard of 0.8 for the last three financial years; and
 - b) The Operating Surplus Ratio as reported in Note 37 of the annual financial report is below the Department of Local Government, Sport and Cultural Industries' standard of zero for the last three financial years.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

Other information

The other information is the information in the entity's report for the year ended 30 June 2021, but not the financial report and my auditor's report. The CEO is responsible for the preparation and the Council for overseeing the other information.

My opinion does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the City of Bunbury for the year ended 30 June 2021 included on the City's website. The City's management is responsible for the integrity of the City's website. This audit does not provide assurance on the integrity of the City's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the 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 financial report to confirm the information contained in this website version of the financial report.



Sandra Labuschagne
Deputy Auditor General
Delegate of the Auditor General for Western Australia
Perth, Western Australia
7 December 2021