

ANNUAL REPORT

2019 | 2020



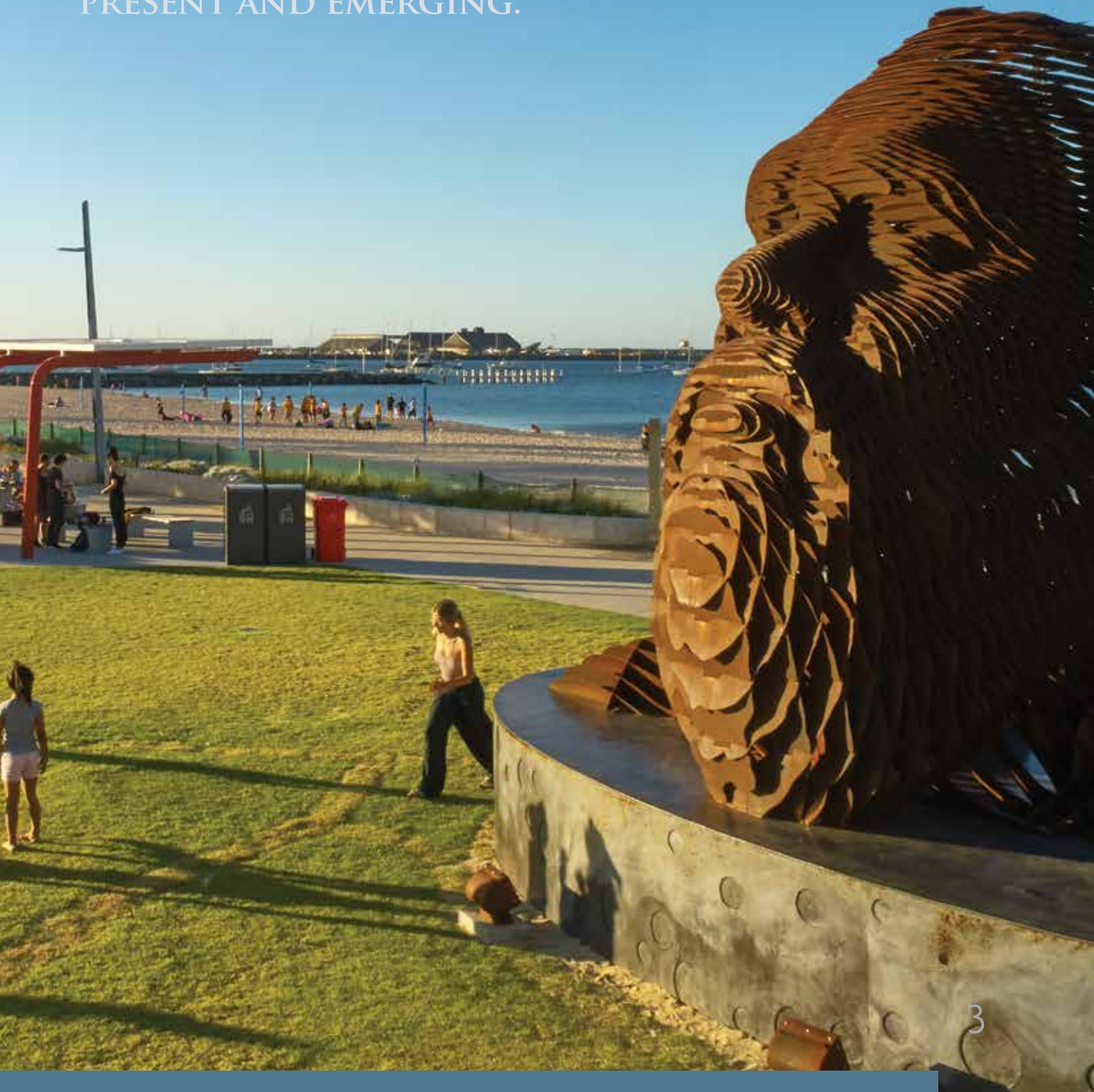
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ACKNOWLEDGEMENT OF COUNTRY

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 Geopraphe 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.

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**

Bunbury: welcoming and full of opportunities

VISION

MAYOR'S MESSAGE

It is my pleasure on behalf of the City of Bunbury Elected Council to present the 2019/20 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.

I use this introduction to highlight some major achievements the City team has made during this period and to discuss some of the challenges and how they were met, in particular the period late February to June 2020.

The report details the major capital works undertaken during the year and discusses the essential long-term planning involving our community through active engagement enabling the City Council and Executive to deliver projects into the future. Examples of this are the Sport and Recreation Master Plan and the dialogue with our youth leaders and the broader community to plan the greatly anticipated Youth Precinct to be constructed over the next 12 months or so.

I acknowledge the financial discipline of current and previous elected Councillors and Executive to ensure adequate reserve funds were available to undertake expensive plant purchases without the need to borrow. That discipline also enabled the City to borrow less than originally anticipated to complete the long overdue upgrade to the Stirling Street Arts Centre.

I also acknowledge the significant support by the State Government and Federal Government through provision of grants to assist the City to meet its regional responsibilities. The State Government in particular has been a major contributor to our infrastructure including Hay Park sport and recreation facilities and the ongoing Transforming Bunbury's Waterfront project which has enjoyed the strong support of past and current State Governments.

The period late February to June 2020 was unprecedented as the City responded to the essential protocols of the State and Federal governments in closing down all of our operational areas apart from those areas where social restrictions were enacted due to COVID-19. The City Council team rapidly acknowledged the financial hardships that were imposed on our business community and made a number of concessional decisions to reduce the financial hardships business would be facing in a lock-down environment.

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 2019/20 annual report to our community and other stakeholders.



Gary Brennan
Mayor of Bunbury



COUNCIL

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

Term expires 16 October 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 21 October 2023



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 fortnightly meeting cycle, with agenda briefings taking place on the alternate Tuesday. As a result of the COVID-19 pandemic, three meetings were held electronically during 2019/20, utilising the emergency provisions of the *Local Government Act 1995*.

Council Elections

The City of Bunbury Council election was held on 19 October 2019, where 16 candidates vied for six Councillor vacancies. The election attracted 6,456 voters (28.55% of electors), with

Councillors McCleary, Giles, Plumb, Turner, Kozisek, and Yip elected for four-year terms until 21 October 2023.

Councillor Remuneration

In accordance with the Local Government Act 1995 Mayor Gary Brennan received a Mayoral allowance of \$61,000, 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 \$25,000 and a communications and IT allowance of \$3,500, with Deputy Mayor Jaysen Miguel receiving an additional \$15,250 Deputy Mayoral allowance.

Councillor Meeting Attendance

The number of Council and Committee meetings held during the year ended 30 June 2020 and the numbers of those meetings attended by each Elected Member is as follows:

	Ordinary 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 Panel
Mayor Gary Brennan	23/24	3/3	3/5						2/2
Dep. Mayor Jaysen Miguel	23/24	3/3	2/2						
Cr Kris Plumb	15/16				2/3				2/2
Cr Tresslyn Smith	23/24		3/3	4/4				1/1	
Cr James Hayward	21/24		5/5						1/2
Cr Todd Brown	21/24		1/2	2/3	1/1			0/1	
Cr Betty McCleary	24/24								2/2
Cr Karen Turner	16/16				3/3		1/1		
Cr Wendy Giles	15/16								0/2
Cr Cheryl Kozisek	16/16	2/2	3/3			1/1			
Cr Michelle Steck	19/24	1/3	1/3				1/2		
Cr Karen Steele	21/24					1/1	1/1		
Cr Amanda Yip	15/16					1/1			

OPERATIONAL STRUCTURE

I am pleased to provide my report for the 2019/2020 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.

We went into the first six months of the financial year with a number of organisational structure and reporting line changes. We said goodbye to some valuable staff members and we also welcomed new staff to the City. I would especially like to thank Stephanie Addison-Brown for her service to the City in the role of Director Corporate and Community Services. Stephanie resigned to take on an exciting opportunity at the Shire of Augusta-Margaret River as CEO. We then welcomed a new member to the City Executive Team, being Dr David Chandler who was appointed as Director, Strategy and Organisational Performance.

Local government elections took place in October with the six vacancies available contested by 16 candidates. The City welcomed five new Councillors with Amanda Yip,

Karen Turner, Betty McCleary (re-elected), Wendy Giles, Kris Plumb and Cheryl Kozisek being elected as Councillors for four-year terms finishing in 2023.

The City farewelled outgoing Councillors Brendan Kelly, Murray Cook, Monique Warnock and Sam Morris and on behalf of the City staff, I wish to take this opportunity to thank each of them for their contributions as Bunbury City Councillors.

I would also like to take this opportunity to thank all City staff for their continued support and their contributions to delivering services, projects and programs for our community right across the City. The Executive Team and the management group deserve my special appreciation as they continue to work through the myriad of strategic and operational issues the City faces on a daily basis.

Significant advancements for the City over the past 12 months have included:

- The City began its journey on its inaugural Reconciliation Action Plan (RAP) led by the Community Partnerships Team. Endorsed by Reconciliation Australia in May 2019, and including the shires of Harvey, Capel and Dardanup, it is the only collaborative RAP in WA.
- The completion of the Stirling Street Arts Centre redevelopment.
- Undertook the tree planting program, which saw in excess of 1000 trees planted.
- Endorsement of the City's Economic Development Action Plan.
- Installation of the new digital entry statement on Forrest Highway to encourage visitation to Bunbury.
- Completion of the Bunbury Wildlife Park animal care facility.
- CBD Action Plan projects initiated including the installation of free Wi-Fi points in the CBD and giant pot plant installations and decorative lighting.





- Street lighting upgrades including new LED units on Prinsep and Victoria streets, and Wellington and Victoria streets.
- Upgrades to Estuary and Koombana drives' cycleways and completion of the South Western Highway shared path.
- Ocean Drive widening (Stage 2) – Stage 3 planned in 2020/21.
- Completion of the Bussell Highway and Brittain Road roundabout.
- Between 40-50,000 people attended the Australia Day 2020 Skyfest event.
- Completion of the Queens Gardens playground.
- Completion of the Bunbury Port accessible fishing platform.
- Between 15-20,000 people gathered to watch the Christmas in the City concert and street parade.
- Completed Sykes Foreshore Playground and landscaping.
- Continued providing free graffiti removal kits for impacted properties.
- Continued waste education resulting in more than 60% of waste diverted from landfill, introduction of household drop-off points.
- Working with WAPOL to conduct a series of community safety pop-up stalls around the City providing the community with a range of information including home, vehicle, personal, cyber safety and alcohol and other drugs support.
- The Youth Advisory Council, along with community support from the Bunbury Needs A New Skate Park group, came together to bring the idea of a Youth Precinct to reality. The project attracted an amazing amount of community support and was endorsed by Council in March 2019.
- Three Habitat Bunbury environmental education grants were provided to local schools including Child Side, Cooina Primary and College Row schools, totalling \$16,400.

It was an extremely proud moment when Bunbury was announced the State winner of the Keep Australia Beautiful 2019 Tidy Towns Sustainable Communities Award. In addition, the City received the Institute of Public Works Engineering Australia (IPWEA) WA 2020 Excellence in Water Project Award for Brockman Park as well as taking out the IPWEA WA 2020 Excellence in Asset Management Award for the City's Infrastructure Asset Management Plans. Congratulations to all staff involved in these fantastic achievements. Our staff also participated in the Blood Challenge where 72 donations of blood and plasma were made by City staff and elected members, saving 216 lives. The City of Bunbury won the 2019 award for the most donations from a local government in WA.

Bunbury continues to put its hand up to be considered for pilot projects and to support community projects. This saw the City, together with local businesses and members of the community, investing in the Airwave artificial reef trial installation, the inception of the Bunbury Geographe Motor Museum in the old Souths Building, the awesome pole-vaulting event in Victoria Street and the Bunbury-Geographe Gift.

Where do I start with what has happened more recently in the past six months? I don't think anyone could have predicted what would unfold due to COVID-19 at the start of this year and the changes that have occurred, and the significant impacts being felt by many individuals, community and sporting groups and businesses.

City staff went above and beyond and embraced (what felt like daily) changes that we as an organisation were required to quickly adapt to. 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 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.

The City has been actively engaging with our businesses within the region to assist with what is a very difficult economic period as a result of the pandemic. While fortunate to have not had the same impacts that other states have, I wish to recognise the resilience and adaptability within the Bunbury community that embraced new models of management during the restriction periods.

COVID-19 fundamentally reshaped us, disrupting everything from service delivery, access to our facilities, and altering community expectations. While some changes may prove to be unique to the COVID-19 experience, many changes made are likely to stay in place permanently. On a positive note, the experience of the pandemic brought about some fantastic initiatives and increased community spirit resulting in new collaborations and streamlined service delivery. The care and compassion displayed across our City was amazing.

While 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 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
Chief Executive Officer

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

Disability, Access and Inclusion Plan

In line with the City's Disability, Access and Inclusion Plan the City completed the following new activities during 2019/20:

- **DAIP Outcome 1:** People with disability have the same opportunities as other people to access the services of, and any events organised by, a public authority.
 - City-led and external events utilised the City's new mobile matting which improved accessibility for these events. College Row School students utilise the Bunbury Library for Storytime and Rhymetime.
 - Partnered with iSports WA to deliver International Day of People with Disability event and launch iSports' newly refurbished grounds.
 - At the City of Bunbury's Christmas in the City event, a Sensory Release Zone was included. The Sensory Zone was located in a quieter area of the event zone featuring chairs, bean bags, earmuffs to drown out any loud noises, cuddly toys and fiddle toys for anyone needing extra comfort.
- **DAIP Outcome 2:** People with disability have the same opportunities as other people to access the buildings and other facilities of a public authority.
 - Upgrades to the Bunbury Regional Art Gallery (BRAG) entry ramp and entry doors commenced including



replacement to the internal entry floor covering making it wheelchair accessible and compliant with the City's above and beyond Institute of Access Training Australia standards.

- Continued to collaborate with the City's Co-Design Access Panel on projects.
- Increased signage in CBD for toilets, amenities and other important information that featured visual images and icons.
- **DAIP Outcome 3:** People with disability receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it.
 - Increased font size and changed the colour for easier readability for City Focus.
 - Every Request for Quote and Tender document references the DAIP and provides a link to the document on the City of Bunbury website. Respondents are required to acknowledge the DAIP and that any design or impact work shall be carried out in accordance with the DAIP at the time they submit their proposal.
 - Social media campaigns targeted towards vulnerable groups, including people with a disability, were delivered between April and June to assist in response and recovery to COVID-19. A COVID-19 information portal was created on the City's website.
- **DAIP Outcome 4:** People with disability receive the same level and quality of service from the staff of a public authority as other people receive from the staff of that public authority.
 - Customer Support introduced the use of the larger screened ALBERT Cordless EFTPOS machines due to having bigger print for customers that may have sight issues or problems with their fingers.
 - In the administration building, staff now predominantly use the lower front counter to make it accessible for all customers to process payments. Chairs were also removed from the Building and Planning desk in the front foyer to allow easy access for those using a mobility device.



- **DAIP Outcome 6:** People with disability have the same opportunities as other people to participate in any public consultation by a public authority.
 - In the planning and community engagement phase of Bunbury's Youth Precinct project, there was a strong focus on ensuring engagement was inclusive and accessible. Various engagement tools were utilised to maximise the opportunity to participate in a medium that was suitable to the community members' needs. The CoDAP was recognised as one of the key stakeholders and was engaged across all levels to co-design the space in its entirety (prior to a concept design being developed), provide information and advice in regards to the accessible elements of the space and provide feedback on the concept design once completed. CoDAP will continue to co-design this space as we move to a detailed design phase.
- **DAIP Outcome 7:** People with disability have the same opportunities as other people to obtain and maintain employment with a public authority.
 - Two candidates with a disability employed in our 2020 Traineeship Program.
 - Maintained and strengthened relationship with our local Disability Employment Service (DES) provider, including direct appointment for temporary roles based on referrals from our DES.
 - Delivered presentations to candidates in the Work Ready Program (including long-term unemployed and people with disability).

Age-Friendly Forum

In August 2019, the City facilitated the inaugural Age-Friendly forum. The forum was held in line with the City's Age-Friendly Strategy for the purpose of re-engaging seniors and focused on four key areas:

- Creating a central hub of information on services and programs for seniors;
- Supporting and engaging with older residents by providing opportunities to celebrate Seniors Week and seeking input into activities best suited to deliver for this event;
- Investigating the establishment of an Age-Friendly Advisory Group; and
- Investigating networking and collaboration opportunities with local health support services who provide programs to support active ageing.

Co-Design Access Panel

The City's Co-Design Access Panel (CoDAP), which was developed as one of the key recommendations from the MARCIA research project continues to contribute to key projects across the City. Projects that the CoDAP has contributed to this year include the Accessible Fishing Platform, Bunbury Youth Precinct concept and detailed design, Mangrove Cove lookout tower and surrounds, Bunbury Regional Art Gallery accessible upgrades (entry and ablutions) and the Queens Gardens and Sykes Foreshore playgrounds, toilets and pathways.

The CoDAP is made up of people with a lived experience of disability, disability industry professionals as well as building, design and planning industry experts. The role of the CoDAP is to assist in the design of significant City infrastructure and open space projects from an experiential perspective. This is to ensure City projects are not just achieving compliance to minimum standards but are meeting community needs and expectations, and that end users are engaged throughout the project design process.

In addition to the CoDAP, the City has developed a set of building and design standards that exceed the minimum requirements of the Building Code of Australian Standards. The standards have been developed using the

then Institute of Access Training Australia's (now Access Institute) access audit checklists. These standards are now the new set of guidelines for the design of all future City projects. The standards will be regularly reviewed and amended as necessary by the CoDAP.

Cultural Heritage

The City of Bunbury is one of the key custodians of heritage and is responsible for identifying and protecting heritage places. The Department's Strategic Planning and Urban Design team continued to contribute directly toward objective 1.4 in the delivery of key heritage services and projects throughout the financial year, including:

- ongoing maintenance of the Local Heritage Survey and place records in accordance with legislative requirements
- coordination of the Heritage Advisory Service
- supporting the City of Bunbury's internal Development Coordination Unit in providing heritage advice
- providing heritage conservation advice and guidance to the public and cross-directorate
- facilitation of and executive support to the Heritage Advisory Committee (HAC) on a bi-monthly basis
- assistance in interpretation and implementation of conservation management plans for City-owned assets

- preparation and adoption of conservation management plans or reviews for the following City-owned assets:
 - Convent of Mercy Group (Bunbury Regional Art Gallery)
 - Bunbury Railway Station (Bunbury Visitor Centre)
 - Teede House (Senior Citizens Hall)
 - Picton Agricultural Hall
 - Bunbury Boys School (Bunbury Museum Heritage Centre)
 - King Cottage
- liaising with State agencies and community organisations to achieve desirable heritage outcomes



Bunbury Heritage Forum August 2019

The theme was Bunbury Port and the program included presentations and panel discussions on:

- the Bunbury Timber Jetty Story – beginning to end
- the Bunbury Port – its role in South West commerce and industry
- a tale of two jetties – Bunbury and Busselton

Schedule of Works at St Mark's Church and Cemetery

The City of Bunbury provided a Schedule of Works Guideline for St Mark's church to the Parish of Carey Park. The schedule provides guidance to parishioners and descendants that are dedicated in preserving the cemetery that contains the graves of many of the area's pioneer settlers.



City of Bunbury Heritage Awards 2020

Every two years, the awards aim to raise awareness of the importance of the City's unique heritage and to acknowledge and encourage excellence in the conservation of heritage places and sites. The Bunbury community was invited to nominate a recent initiative, project or individual that champions the City's heritage. The award recipients were:

Award 1 – Excellence in Heritage Building Design and/or Conservation Work

Community Organisation Category - Winner

- Anglican Diocese, Parish of Bunbury and Parish of Carey Park

Private Category - Winner

- Bewsher Family and Bevan Dix

City of Bunbury Award 2 - Outstanding Heritage Promotion

Winner

- Joseph Caruso (Tarry Property Investments Pty Ltd)

Merit Awards

- Megan Lawless (Memories of Bunbury)
- Norm Flynn (Bunbury Musical Comedy Group)



Jetty Road Heritage Concept Plan (Arrol Crane and Bunbury Timber Jetty Interpretation)

The importance of the former jetty and the iconic Arrol Crane that remains on the groyne at Jetty Road are key features of the Bunbury Timber Jetty Heritage Masterplan.

City officers, liaising with the Department of Transport, Department of Planning Lands and Heritage and key community stakeholders such as the Bunbury Timber Jetty Preservation Society have prepared a heritage concept plan which will be used to secure funds to deliver an authentic interpretation to the Bunbury community.

Sport and Recreation

The City of Bunbury Sport and Recreation Strategy 2019-2029 was adopted by Council in December 2019. The strategy was developed over 18 months and incorporated in depth reviews of existing facilities, industry trends and details consultation with stakeholders, user groups and the wider community to inform how the City delivers sport and recreation for the next 10 years as a minimum.

2019/20 saw detailed design plans finalised for the Hay Park North Multi Sports Pavilion (a State Government election commitment of \$1.25M) with the pavilion providing Bunbury City Bulls Rugby Union Club, Bunbury



and Districts Junior Cricket Association, South West Junior Football League and Bunbury Ultimate Frisbee Club with a facility that meets its needs and requirements and provides them the ability to grow their club membership numbers in future years.

This financial year saw the South West Sports Centre record 2,512 active members with the total income from membership sales being \$1,031,165, which is a great achievement given the COVID-19 pandemic caused the South West Sports Centre to close for three months and all membership fees being put on hold.

In September 2019, the Perth Wildcats played game two of their pre-season against the Adelaide 36ers at the South West Sports Centre. Tickets for the pre-season fixture were co-ordinated and managed by the City of Bunbury with all tickets being sold out within five days (920 tickets sold).

The Perth Glory women's team played one of their regular season fixtures against Western Sydney Wanderers in February 2020 at the Hay Park South Multi Sports Pavilion. There was nearly 1,000 tickets sold for the match, which was the second time Perth Glory women have played in Bunbury following on from their last visit in 2018.

The City of Bunbury Sport and Recreation Department administered another successful KidSport program with 343 City of Bunbury children receiving funding to go towards sporting club/organisations registrations. In total more than \$50,000 of funding was provided to City of Bunbury children to participate in sport. There were 327 children who received KidSport funding who had previously not received any funding before. Since the City of Bunbury first administered the KidSport program, there has been a total of \$542,563 of funding provided to City of Bunbury children to participate in sporting activities.

City of Bunbury Public Libraries

The 2019/20 year saw the Bunbury Public and Withers Community libraries continue to deliver a number of programs. Staff continued to support local community groups by providing them space to connect each week, this includes Bunbury Knit and Crochet Group, Laughter Yoga, Tai Chi, South Side Quills and Inklings writers groups to name a few.

With the COVID-19 pandemic, library staff looked at a new way they could deliver their services to the community while the buildings were closed. Customers were able to



continue their reading journey with a click and collect service being offered, extended return periods and numbers of loans being increased. Storytime was delivered via Facebook, with staff filming and starring every Friday plus an interdepartmental Storytime to showcase other teams within the City. School holiday programs took on a different look being held online including author/illustration workshops with Gabrielle Evans and HM Waugh holding a STEAM workshop. Our first online live streamed author talk for adults was held by Natasha Lester.

A new collection has been created for children who are reluctant readers and those who may have dyslexia. The collection is called Super Readable, with all books in this collection printed on cream coloured paper in Dyslexie typeface. The Super Readable collection builds from very simple story lines to more difficult story lines with the more difficult stories being suitable for older children and young adults.

Bunbury Museum and Heritage Centre

This year the Bunbury Museum and Heritage Centre took members of the community down memory lane to 1979, celebrating the 40th Anniversary of Bunbury being declared a City on the 8th of October 2019. This exhibition included a lounge room with furniture from 1979, the Mayor's Office, a jukebox, Guppy Park Penny Arcade Machines and the original Forrest Drive-In sign. The classroom in the Museum was turned into a cinema using the Mayfair Drive-In projector and chairs, with footage of interviews with notable people from Bunbury being shown.

A number of other events, programs and other exhibitions were held at the Museum. School holiday programs and workshops held in the weekends have proved extremely popular with children and adults with all workshops being fully booked. More than 650 people had attended the Sunday workshops prior to COVID-19.

During the pandemic Museum staff took to Facebook to share engaging images and stories from the Local Studies collection. One post in particular on Marjorie Ridley during this time garnered much attention with over 108 comments, shared 494 times with 507 reactions.



Bunbury Wildlife Park

The Bunbury Wildlife Park had several successes in 2019/20, with the biggest being the construction of the new Animal Care Facility. The facility houses a quarantine area, food preparation kitchen, accessible toilets, staff room facility for volunteers and isolation rooms for animals. The old animal care facility has now been transformed into a well organised tool shed.

Late June and early July saw the upgrade of the Park's pathways. There is now interconnectable internal pathways throughout, linking all our enclosures. Along with the pathways the internal fencing was upgraded to provide further security for the animals.

The Park has maintained its accreditation and membership with Zoo Aquarium Association (ZAA) which aided in successfully receiving a \$30,000 grant from Austrade. This grant has assisted during the COVID-19 pandemic in animal care and maintenance, utility costs and enclosure maintenance. ZAA is the peak professional body representing zoos, aquariums, sanctuaries and wildlife parks across Australasia.

The park is currently rated number three in the Top Things to Do in Bunbury on Trip Advisor and has 5519 Facebook followers and 1506 Instagram followers.

The Senior Wildlife Park Keeper has trained 25 volunteers who have assisted the keepers in a variety of food preparation tasks, enclosure maintenance and enclosure cleaning. We look forward to welcoming back our work experience students and volunteers in the 2020/2021 year.

Bunbury Regional Art Gallery

In spite of being shut down by the global COVID-19 pandemic, 2019/20 was a year in which the gallery flourished. The year began with the very successful Ovals for Dreams show celebrating art and all games played on ovals as an essential part of regional culture. This was a collaboration with the Mossenson Gallery of Perth.

The 2019 Mental Health Week Exhibition at BRAG was a huge success, with BRAG joining forces with the Blue Project, ALCOA, and the Mental Health Week 2019 Consortium to pull off an incredible show, that celebrates art as a tool to create positive mental health experiences. The opening saw a spectacular show of projected blue trees lighting up BRAG to enhance the core Blue Tree Project message, that it's okay, not to be okay.

Floor talks increased by 35 this year due to the weekly artist talk program starting in August 2019. These talks featured emerging and established artists discussing ideas and practice and continued in an online format during COVID-19. In addition weekly collection talks were produced with the City of Bunbury Art Collection Curator and the community was kept up-to-date with weekly Noongar Arts Program updates. These online initiatives were a part of a successful recovery journey to connecting to our community and providing motivation and support while being at home.

Rizzy was the winner of the City of Bunbury prize SWTArt2020 in February 2020 with her delicate sugar sculpture. It barely survived the exhibition but she was a deserving prize winner. Opening night on Valentine's Day celebrated the 33rd birthday of the gallery and was attended by more than 700 people.

PUBLIC PROGRAMS	2018/19 (full year)	2019/20 (9 months)	Increase
Floor Talks	8	43	437.50%
Paid Participants	62	84	35.48%
Workshops	12	16	33.33%
Noongar Arts	26	63	142.31%
Exhibitions	44	48	9.09%
ATTENDANCE	2018/19 (full year)	2019/20 (9 months)	Increase
At Events	2468	3876	57.05%
In the Gallery	23829	27446	15.18%
SALES	2018/19 (full year)	2019/20 (9 months)	Increase
Exhibition & Consignment	\$54,296	\$77,546	42.82%



Youth Precinct

Bunbury's Youth Precinct continued to make significant progress with the concept design being endorsed by Council and a commitment of funds for the project in its entirety being made to bring the site to fruition. The Youth Advisory Committee (YAC) was appointed as the leading stakeholder group and the City continued to work with other primary stakeholder groups including the Co-Design Access Panel and Bunbury Needs a New Skate Park community group. The ensuing year will see the finalisation of the detailed design.

Unleashed

The Unleashed school holiday program, a program that aims to build the capacity of young people residing in Bunbury by providing them with opportunities to improve their skills, develop confidence and contribute to their community, continued to be offered in 2019/20. The program establishes strong foundations and connections between participants, local organisations, businesses, facilitators and City of Bunbury departments and programs.

Youth Advisory Council (YAC)

The City of Bunbury recognises the significant contribution young people make to our community and has harnessed this through its Youth Advisory Council (YAC). YAC is an official Committee of Council whose purpose is to represent all young people in their community and provide guidance to the Bunbury City Council on youth issues and interests. Formal meetings occur fortnightly with YAC making recommendations and presenting reports to Bunbury City Council on key youth issues and initiatives. This formalisation of the YAC promotes better two-way engagement and improves understanding of the role of young people on Bunbury City Council which enables YAC to influence key decisions. YAC is open to young people aged 12 to 25 years.

There are currently 14 YAC members who carry out a two-year term aligning with Council elections. The YAC are empowered to make decisions in collaboration with all members. A three-month rotation for Youth Mayor has been implemented in a bid to give more YAC members the opportunity to experience being Youth Mayor and not be restricted to such a significant commitment. It also encourages YAC members to share the responsibility and creates better sustainability for the YAC.

Activities undertaken this year include:

- Youth Leadership and professional development.
- Lead stakeholder group in the engagement, design and development of Bunbury's new Youth Precinct.
- Promotional campaigns for relevant youth activities, events and projects and to encourage positive mental health and social connection during COVID-19 restrictions and lock downs.
- Participation in Youth Week WA online social media campaigns, webinars and activity.

Christmas in the City

Christmas in the City is the City of Bunbury's annual event to celebrate the start of the festive season. Each year sees the event grow and attract more visitors to the CBD from the City and surrounding shires, with about 15,000 attending on 8 December 2019. Spectators saw more than 40 local groups and clubs participating in the RAC Street Parade, The Apprentice and Traineeship Company Carols Concert at the Graham Bricknell Music Shell. 76% of those surveyed stated they were either "satisfied" or "highly satisfied" with the overall event, and that 89% of those surveyed had previously attended which suggests that this is an event that the community loves returning to each year. As in previous years, battery-operated candles were sold for a gold coin donation, with all \$1,066.90 of funds raised donated to SAFE Bunbury.

Sky Fest Australia Day Celebrations

The City of Bunbury SkyFest Australia Day Celebration continues to be popular each year, with more people choosing to attend this event every year, including about 40,000 to 45,000 in 2020. New attractions included a large inflatable maze and a dodgeball arena, with sideshow alley and the fireworks display being highlights of the event. This event was well received by attendees, as 96% of those surveyed stated a satisfaction level of either "satisfied" or "highly satisfied" of the overall event. With more than half (62%) of surveyed attendees stating they drove to Bunbury specifically to attend SkyFest (when not residing in the City).

Grant Funding Program

The City of Bunbury provides funding for a range of programs, events and activities each year to enhance the community and economy. The Grant Program aims to be thorough yet transparent and enable a range of quality and diverse events to take place.

A total of \$450,550 was available to distribute in the current year, made up from the following categories:

1. Seed	\$60,000
2. CBD Summer Events	\$15,000
3. Events	\$253,750
4. Community	\$101,500
5. Arts	\$20,300

Sports Marketing Australia

The City was successful in hosting the following events sourced through the City's event broker, Sports Marketing Australia.

Events Description	Economic Impact
2019 Perth Wildcats V's Adelaide 36ers Pre-Season Match	\$224,316
2020 Open Water Swim Series State Championship	\$71,424
2019 Westcycle State Road and Individual Time Trial Championships	\$49,941
Perth Glory W-League	\$58,311
2020 BMX WA State Super Series, Country Round	\$1,022,164
Total economic impact to Bunbury	\$1,426,156

Reconciliation

Following endorsement of the Bunbury Geographe collaborative (City of Bunbury; Shires of Capel, Dardanup and Harvey) Reconciliation Action Plan (RAP) by Reconciliation Australia the City has continued to drive the delivery of the RAP. In 2019/20 the Community Partnerships Senior Officer was invited to present on the collaborative RAP at the WALGA state conference and to speak to the process of the RAP development and implementation within the South West as part of a video series developed by WALGA for Reconciliation week in May 2020.

The RAP Reflect is the first of four stages of RAPs, with the next three stages being: Innovate, Stretch and Elevate. Reflect RAP's are delivered within a 12 to 18-month timeframe and the reporting process back to Reconciliation Australia for the Bunbury Geographe RAP Reflect is underway. The City and collaborative Shires are set to begin planning the next stage of RAP, Innovate, in late 2020.

Committing to continuing with the development and implementation of Reconciliation Action Plans is a continued commitment to; further developing relationships with Aboriginal and Torres Strait Islander stakeholders; a collaborative vision for reconciliation and supporting the National Reconciliation movement; and to improving awareness and understanding of First Nations history, culture and story.

Community Safety and Crime Prevention

A strong emphasis on stakeholder engagement and partnership development has been the focus of Community Safety and Crime prevention this year. This has been demonstrated largely in relation to homelessness. The City has played a large part in coordinating a collaborative approach that supports agencies and service providers to work together to address housing and homelessness. During the height of COVID-19 restrictions that included regional border closures, the City actively advocated for a higher level, holistic approach to Housing and Homelessness and lobbied for Regional focus and support.

The 2018-2020 Alcohol, Other Drug and Suicide Prevention Plan came to an end with a range of advocacy projects completed, including a successful collaboration with Edith Cowan University (ECU) advertising Mental Health Commission campaigns such as Alcohol, Think Again, the MEDIX campaign around GTM and Drug Aware displaying posters on bus stops. The 2020-2022 Alcohol, Other Drug and Suicide Prevention Plan has begun, and staff have been working with key stakeholders in the field to identify the top issues in this space.

In conjunction with WA Police (WAPOL) officers, a series of Community Safety pop-up stalls around the City were held to provide the community with a range of information, including, home, vehicle, personal, cyber safety and alcohol and other drugs support. After reviewing the location of several sets of bike racks and re-locating them in more suitable areas, a Safer Bikes Bunbury campaign was launched with WAPOL educating young people about locking up their bikes.



THEME 2

OUR ECONOMY

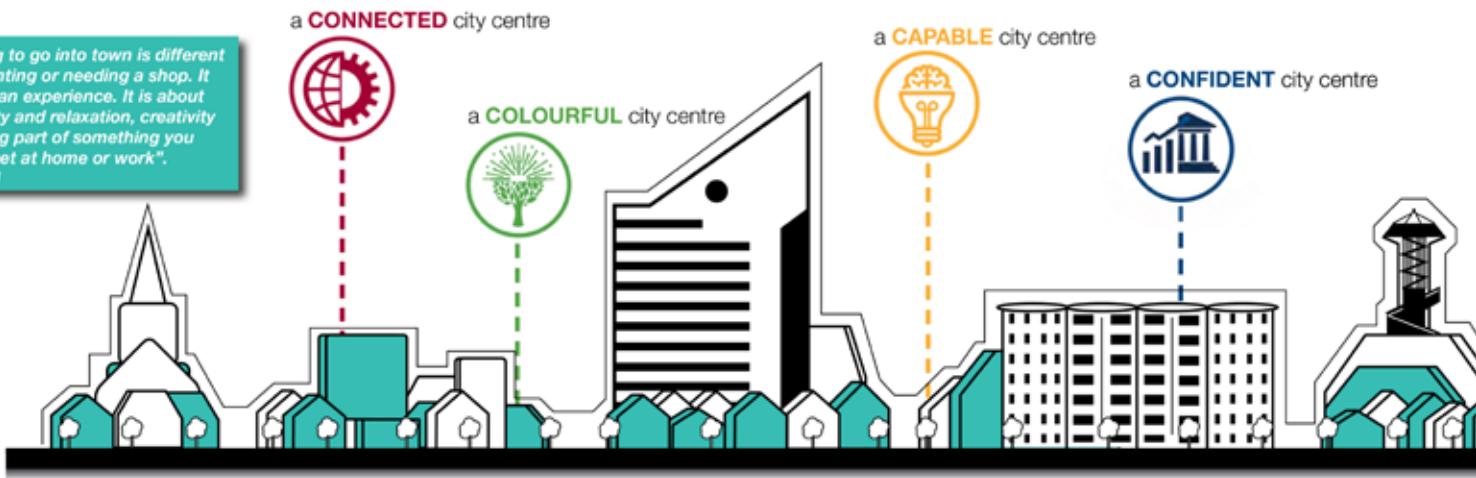
Goal:

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

"Wanting to go into town is different from wanting or needing a shop. It is about an experience. It is about sociability and relaxation, creativity and being part of something you cannot get at home or work".
Jan Gehl



City Centre Revitalisation

Following on from the ideas collated and captured within the Bunbury City Centre Outcomes Report in 2019, the Bunbury City Centre Action Plan 2020 was prepared to guide future public works investment to leverage the development of Bunbury’s city centre. Consultation on the plan included a street meet with the local business community in December 2019.

The initial stage of implementation of the Action Plan focuses on the delivery of the following capital projects during 2020/21:

- Lighting-up Bunbury project
- Greening Bunbury Project
- Traffic modelling and detailed road design – Blair Street corridor

Other non-capital works initiatives continue to be rolled out through the implementation of the Action Plan.

State and Regional Planning

The year also saw the Strategic Planning and Urban Design team provide contributions on behalf of the City to initiatives and plans happening at the State and regional level. These included:

- representation on working groups associated with the formulation of the Bunbury Geographe sub-regional strategy
- representation on working groups associated with the State’s roll-out of its Action Plan for Planning Reform

- submissions on the following draft Planning Position Statements and Guidelines:
 - Design WA Stage 2 - Precinct Design Guidelines
 - Residential Aged Care
 - Special Entertainment Precincts
- representation on working groups associated with the preparation of the Glen Iris Moorlands District Structure Plan
- efforts to establish a regional Design Review Panel in the South West.

International Relations

• South West Festival of Japan, Supported by Bunbury Sister Cities (September 2019)

The 2019 South West Festival of Japan invited the community to celebrate all things Japan. Festival goers enjoyed the unique format of a walking festival that began at the Bunbury Regional Art Gallery and took attendees on a journey through the Bunbury CBD. With activities such as arts, crafts, workshops, music, pop culture, food and more, the festival attracted more than 2,000 visitors.

• Tokyo Talent Tour (September 2019)

Another successful Tokyo Talent Tour was delivered by the International Engagement team, which saw year six and seven students from across the region experience the arts and culture of Japan. The students were also treated to the unique opportunity of a homestay with a Japanese family so they could experience the everyday lifestyle of the Japanese people.

- **Delegation Setagaya Citizens Choir (November 2019)**

In November 2019, the Setagaya Citizens Chorus and the Setagaya Philharmonic brought a delegation of more than 60 Setagaya residents to Bunbury to perform with local groups Bunbury Bel Canto Singers and Philharmonic South West. The groups visited the Bunbury region including a visit to a local primary school. The visit culminated with a four-way joint performance at Bunbury Regional Entertainment Centre.

- **International Students welcome (March 2020)**

In March 2020, Bunbury Sister and Friendship Cities hosted its first ever International student event. This event was well attended by Bunbury-based students studying with Edith Cowan University, Kingston International College and South Regional TAFE.

Economic Development

- **Finalisation of the Economic Development Action Plan (November 2019)**

In November 2019, the Economic Development Action Plan was formally noted by Council.

The Economic Development Action Plan was developed to focus the City's attention over the next three years with activities that capitalise on competitive advantages as a City and sets out a proactive framework in which to work. The plan outlines six focus areas with their own objectives and key actions to guide the City's economic development and growth: Investment Attraction, Business Support, Transport and Logistics, Tourism, Innovation and Education and International Engagement.

- **Business Street Meets/Business with the City events (December 2019, March 2020)**

The Economic Development team held a series of gatherings between City staff and our business community over the past financial year. These evenings focussed on relationship building and provided local businesses the opportunity to meet with staff from the City and create valuable connections with their fellow business peers. These events also assisted with promoting Bunbury as a welcoming and prosperous place to do business, helped build relationships between business operators and City

staff and gave attendees the opportunity to ask questions and provide feedback on the City's processes.

- **Smart Communities Innovation Forum (November 2019)**

The City, in partnership with the Bunbury Geographe Economic Alliance, hosted its first ever Smart Communities Innovation Forum in November 2019. The forum focussed on positioning Bunbury as a hub for innovation and provided attendees the opportunity to learn more about the innovation space and understand the support and funding opportunities available to businesses.

- **Appointment of Marketing Agent, Lot 330 Ocean Drive (September 2019)**

In September 2019, the City appointed MMJ Real Estate to market and sell Lot 330 Ocean Drive. This property is one of the City's prime-land holdings with a City Centre zoning that provides many development opportunities. Following extensive marketing and expressions of interest campaigns, the City currently has received three expressions of interest over the site with the hopes a contract for the sale and development of the site will be entered into in the next financial year.

- **Business Support grants COVID-19 (June 2020)**

In response to the COVID-19 situation, the City's Economic Recovery Sub-Committee identified the need to implement a grant to assist small businesses during this time. The small business grants were initially set up with \$75,000 to provide businesses with the capability 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 City of Bunbury to ensure the funds stayed local while the businesses used the opportunity to network and support each other.

- **COVID-19 Business Support Workshops (June 2020 – ongoing)**

The Economic Development team successfully delivered a number of free business workshops for Grants and Subsidies in response to COVID-19.

The series will continue into the new financial year and will focus on capacity building within businesses, including operating in a digital economy, marketing and business model adaptation.

The workshops have proven invaluable to the Bunbury business community, with new connections formed and networking opportunities explored throughout the workshops.

• **Overnight Rest Areas trial (November 2018 – ongoing)**

It has been 20 months since the start of the two-year trial of Bunbury’s overnight rest areas. Staff continue to receive positive feedback about the trial. In response to community feedback, a new location along Ocean Drive, adjacent to the basketball courts, has been introduced for the remainder of the trial, which replaces Ocean Drive at Scott Street and Maiden’s Reserve overnight rest areas.

2018 November – 31 October 2019 Statistics:

Spent in Bunbury	\$254,198.57
Cost to City	\$32,678.84
Return on investment	\$7.77 per \$1 spent by City
Total number of permits	823
Total number of visitors	1,649

• **Airwave project (February 2019 - ongoing)**

The City and founder of the world’s first artificial inflatable surf reef, Troy Bottegai, have been working together to install the world’s first artificial inflatable surf reef at Bunbury’s Back Beach. The City recognised the benefits of supporting an innovative and ambitious plan for a world first trial to be conducted here in Bunbury by providing sponsorship funds of \$75,000 ex GST, which has contributed towards the marketing and promotion of the Airwave and Bunbury.

As part of this project, the City and Troy worked together to have a live webcam installed at the Bunbury Surf Life Saving Club. This webcam was installed in November 2019 and streams live globally 24 hours a day and provides weather and surf conditions.

Installation of the artificial inflatable surf reef began in November 2019. During the installation the prototype was damaged.

• **Disposal of Lot 1881 Koombana Drive, Lease of lots 752 and Portion 3002 Lyons Cove (July 2019)**

Following an international marketing campaign to sell Lot 1881 Koombana Drive for development, an open expression of interest process and a closed tender, the City entered into negotiations with Discovery Holiday Parks. Negotiations initially began with the sale of Lot 1881 Koombana Drive, however, discussion soon saw both parties recognising the potential in a whole precinct development. After extensive negotiations between the City and Discovery Holiday Parks were finalised in the previous financial year, the contracts were signed in July 2019. The end result: the City sells Lot 1881 Koombana Drive for \$1.8M with Discovery Holiday Parks developing this parcel of land into an extension of their existing tourist accommodation village, the existing park lease being renewed for a further 50 years, a 50-year lease being entered into between the City and Discovery Holiday Parks for a portion of Sykes foreshore and a splash park and recreation area being jointly built for and used by the community.





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.



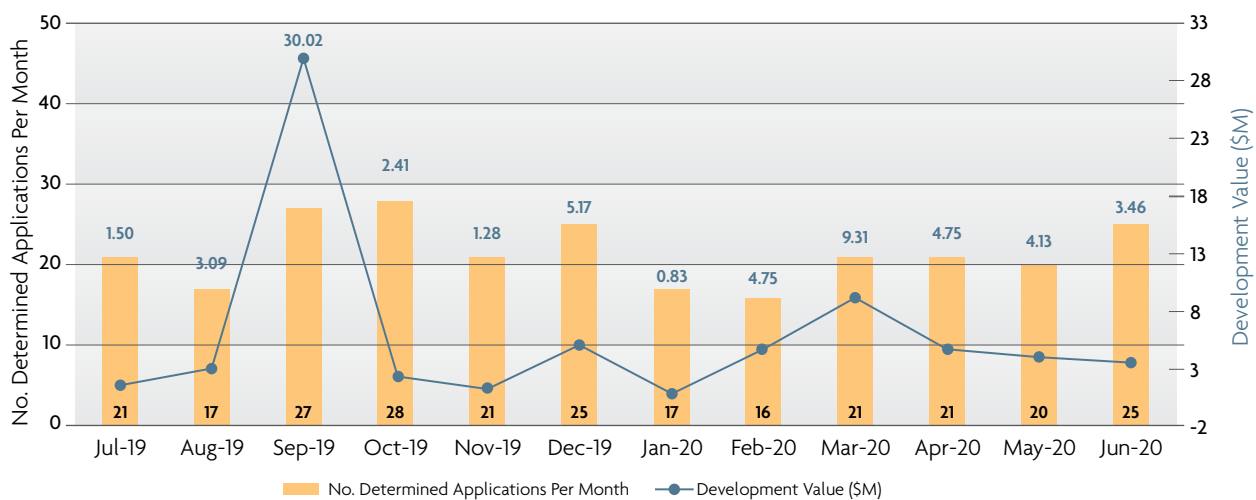
Development Approvals

The Development Assessment and Compliance Team assessed 259 applications for development approval during the 2019-2020 financial year, including two signage applications on public land during the same reporting period. This is a decrease on the 291 development approvals determined in the previous financial year. The total value of works determined for the 2019-2020 period was however substantially higher \$70,699,876 (see graph below) compared to \$36,944,258 for 2018-2019 period.

The following table is a summary of development approvals for major development projects that were approved by the Regional Joint Development Assessment Panel (RJDAAP):

Development Approvals determined by Regional Joint Development Assessment Panel (JDAP)	
Development	Cost of Works
New Roadhouse & Signage on Forrest Highway	\$3,300,000.00
Aged Care Facility on Holywell Street	\$11,600,000
Amendment Bunbury Forum Shopping Centre	\$74,800,000

Number and value of development approvals determined by the City of Bunbury during 2019-2020 financial year (does not include Development Assessment Panel).



THEME 3 : OUR PLACES AND SPACES

Development Application Type	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Development Approvals Determined By City of Bunbury					
Single Houses	43	46	71	61	63
Grouped Dwellings	73	66	64	38	33
Multiple Dwellings	2	6	4	5	4
Ancillary Dwellings	8	4	2	3	0
Home Occupation / Home Business	23	21	19	18	12
Commercial / Industrial	177	123	121	147	130
Signage	29	31	25	9	2
Compliance	12	13	12	10	15
Sub-total of development value (Note: development applications determined by the City/Council)	\$93,388,150	\$55,013,228	\$63,195,270	\$36,944,258	\$70,699,876
Development Approvals Determined By Southern Joint Development Assessment Panel (SJDAP)*					
Number	2	0	1	2	3
Development Value (Note: development applications processed by the City, but determined by SJDAP)	\$78,000,000	-	\$11,000,000	\$78,980,000	\$89,700,000
Development Approvals Determined By Western Australian Planning Commission (WAPC)*					
Number	3	3	2	0	1
Development Value (Note: development applications processed by the City, but determined by WAPC)	\$1,430,000	\$100,000	\$143,000	-	\$2,545,454

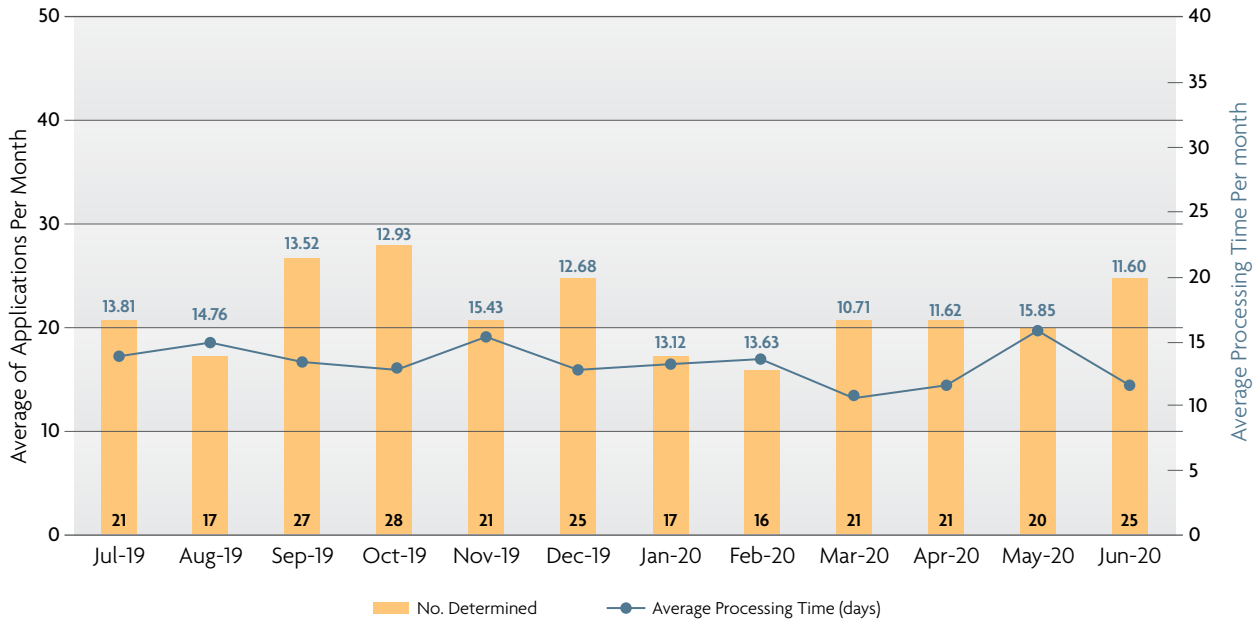
Summary breakdown of development approval types and value (does not include Development Assessment Panel)



There was minimal increase in the number of single houses and a moderate decrease in the number of all other types of development during the same reporting period. Although lower application quantities were captured during the financial reporting period of 2019-2020, the cost of works was significantly higher compared to previous financial years, refer to Table above.

Processing times of development applications have varied between 10 to 16 business days, as shown in the graphs below, with the financial year's average being around about 13 working days. This is a decrease on the previous financial years processing timeframe averaging of about 15 business days.

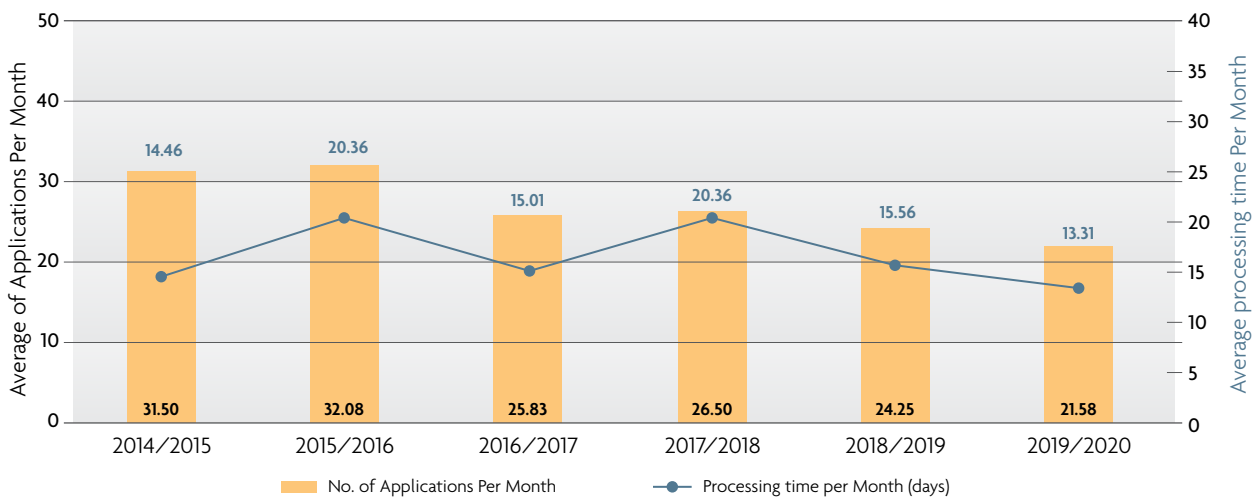
Average processing time of development approvals determined during 2019-2020 financial year.



Typically, over half of all application types could not be immediately processed due to missing information, plan revisions and external referrals to agencies for advice and comment. This is similar to previous financial years, some of which is unavoidable due to the requirement for public advertising of many applications seeking variations and the need for Council to determine such applications in instances where there were objections made to the proposal.

Process improvements have continued to be a focus for the City in the 2019-2020 financial year, strengthening the focus on electronic communication methods with applicants to provide feedback and receive further information faster. The City is also focusing on upgrading its application management systems in a drive to become online and paperless, with the dividend of electronic methods having greater accuracy of assessment while reducing the turnaround on receiving required referral information faster.

Planning assessment workload and processing times across financial years.



THEME 3 : OUR PLACES AND SPACES

Summary breakdown of subdivision approval and clearance timeframes.

Note: the term subdivision 'clearance' refers to the process of certifying compliance with local government conditions on subdivision approvals, which is required to occur prior to the depositing of plans and the creation of new land titles.

Subdivision Applications	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Number	87	71	58	52	44
Processing Time	24.21 days (average processing time)	16.63 days (average processing time)	22.83 days (average processing time)	25.90 (average processing time)	24.45 (average processing time)

State Administrative Tribunal Appeals

The City had one application (Quarry and City of Bunbury) which was dismissed due to want of prosecution.

The City attended one application determined by the Joint Development Assessment Panel as a relevant stakeholder (Saraceni and Southern Joint Development Assessment Panel).

Development Compliance

The City has been engaged in a number of matters dealing with non-compliance with local laws and planning legislation governing unlawful development, non-compliance with conditions of development, and

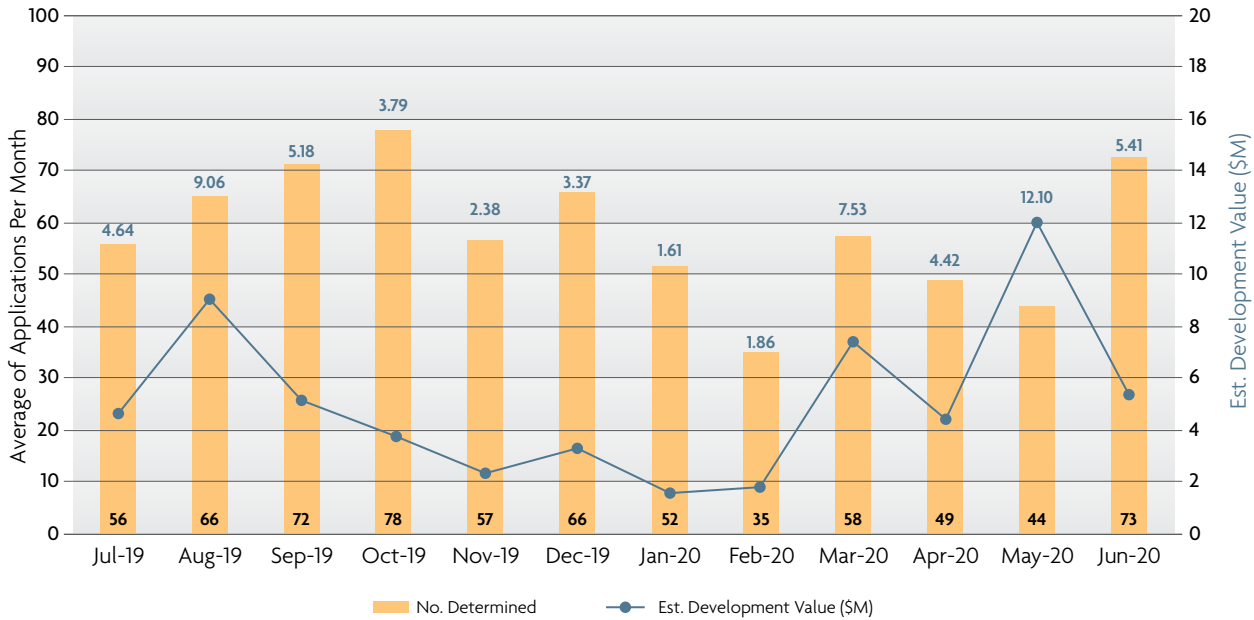
the storage of inappropriate materials. As of 30 June 2020, there were 139 cases active on the City's compliance register being dealt with, a number of which have since been resolved through negotiation. This is a significant increase compared to the previous financial year's figures of only 74 cases.

Subdivision Approvals

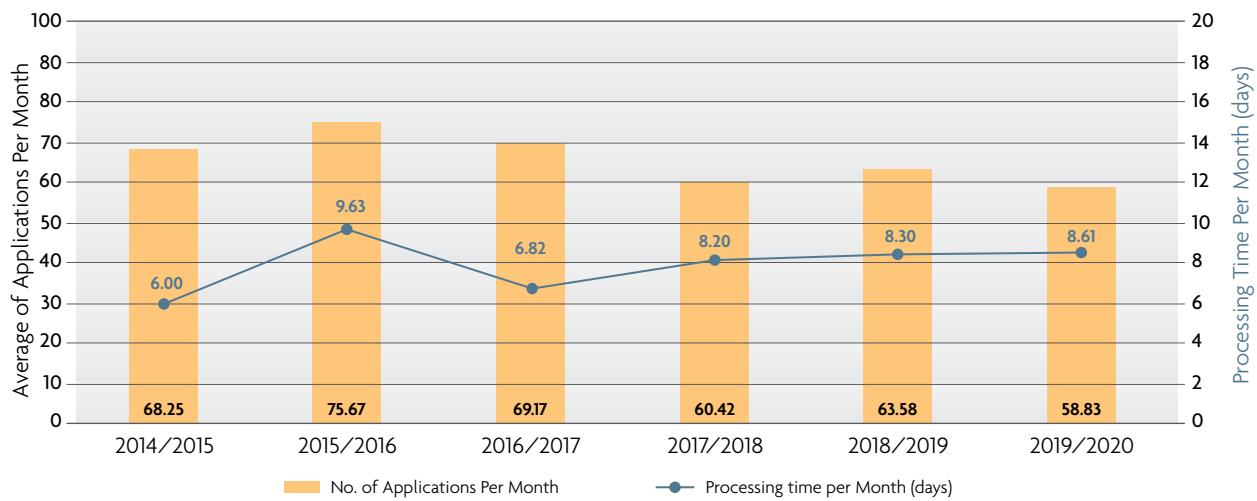
Land subdivision activity decreased during the 2019-2020 financial year. The average processing timeframe for applications has slightly decreased compared to the previous financial year. The processing days remained well within the statutory timeframe of 42 days as demonstrated in the summary table above.



Number and value of building approvals issued during 2019-2020 financial year



Building assessment workload and processing times across financial years



Structure Planning

During the 2019/2020 financial year, two structure plans were determined by the City with a combined estimated lot yield of 150 residential lots.

- Lot 70 Winthrop Avenue, College Grove to create 30 residential lots; and
- Lot(s) 14, 28 and 29 Jeffrey Road, Glen Iris to create 120 residential lots.

Building Approvals

In the 2019-2020 financial year reporting period, 706 building permits with a value of \$61,352,132 were approved representing a \$7,645,039 decrease on 2018-2019 figures of \$68,997,171 with 760 approvals. Building permit applications were processed in an average of about 8-9 days, far less than the statutory timeframe for approval of 25 days.



Local Area Planning

In partnership with DevelopmentWA and in association with the South West Development Commission (SWDC) the City has continued with the preparation of a local area plan for the Racecourses Local Area Plan, which comprises the Bunbury Turf Club, Bunbury Trotting Club, 'stables' residential area and the old Council depot site on Nuytsia Avenue.

Over the course of the year the following draft documents were subject to public advertising and further consideration by the project's technical working group and project reference group:

- Racecourses Local Area Plan
- Local Planning Strategy Amendment No. 2
- Racecourses local structure plan.

The draft documents were expected to be reported to Council in mid-2020 and then submitted, with Council's recommendation, to the Western Australia Planning Commission for determination.

Local Planning Strategy and Scheme

The City has been engaged in a process of ongoing monitoring and review since the endorsement of the City of Bunbury Local Planning Strategy and the gazettal of the Local Planning Scheme No. 8 in March 2018. During the year the following amendments were progressed:

- Draft Omnibus Amendment No.2 (standard amendment) was publicly advertised and subsequently returned to Council with proposed modifications prepared in response to submissions that were received. Following further consideration by Council the proposals will be submitted to the West Australian Planning Commission for their review and determination.
- Draft Local Planning Strategy Amendment No.1 and draft Local Planning Scheme Amendment No. 3 (complex amendment) following a request that seeks to establish a new local centre within the curtilage of the Homemaker Centre. The proposals were publicly advertised during 2019 and returned to Council in June 2020 whereupon Council resolved to recommend to the WAPC that the proposals be supported.
- Draft Local Planning Strategy Amendment No.2 (associated with the Racecourses local area planning)

Review and monitoring also extended to commencing / scoping investigations with a view to future revision of the Strategy and Scheme. These include:

- Housing Strategy
- Heritage Strategy



Natural Area Planning

This year, the City has continued to provide support towards the establishment of the proposed Kalgulup Regional Park (previously the Preston River to Ocean and Leschenault Regional Parks) via the following activities:

- provision of general advice and support to the Department of Biodiversity, Conservation and Attractions (DBCA)
- participation in DBCA's community and technical working groups in supporting the preparation of a management plan for the park
- preparation of a memorandum of understanding with DBCA in order to enable the department to commence some management activities on City lands in the interim period preceding the formalisation of the park
- provision of the proposed land transfers to DBCA to Council for consideration.



Additionally, the Sustainability and Environmental Planning team provided support to the Department of Planning, Lands and Heritage in preparing the Bunbury Geographe Subregion Strategy through participation in environmental working group.

Natural Area Management

The Sustainability and Environmental Planning team continued to lead the City's natural area management activities in 2019/20 via the coordination of works in priority conservation areas, provision of support to local community environmental groups, management of the City's statutory offset management sites and management of pest fauna species. Each of these tasks is described further below:

Works in Priority Conservation Areas

This year, the team supported the management of City bushland reserves through its primary strategies of weed control to support natural regeneration and access regulation to prevent the spread of weeds and diseases. Specific outcomes in this regard include:

- the control of priority weed species across 14 reserves with a combined treatment area of about 151 hectares. Priority weeds controlled include introduced grasses, Oxalis, Fumaria, Brazilian Pepper, Pampas Grass, Watsonia, Cottonbush, Bridal Creeper, One-leaf Cape Tulip, Black Flag, Blackberry Nightshade, Victorian Tea Tree, introduced wattles, Arum Lily, Castor Oil Plant, Wavy Gladioli, Geraldton Carnation Weed and Pretty Betsy
- the installation of bollards and gates at Catalpa Park, Turkey Point and Irwin Street Reserve
- the provision of materials and support to a group of TAFE students in undertaking the installation of fencing around revegetation sites at Hartley-Anderson Reserve
- the installation of logs and rocks at Turkey Point to reduce illegal 4WD access and damage to the dunes
- installation of about 3,500 native seedlings and tree guards to improve the condition of degraded areas at Big Swamp, Birch Street, Bennett Way, Hartley Anderson and Lincoln Grove reserves
- watering of seedlings installed in previous years to assist with their survival over the drier months.



Provision of Support to Community Environmental Groups

The team continued to provide equipment, supplies and general advice to a range of local community environmental groups in 2019/20 including four friends groups. Due to COVID-19, many of the groups planned activities days didn't proceed; however, the friends groups continued to provide valuable feedback on the health of local reserves during the period including weed infestations, locations of damage and rubbish dumping. Additionally, the following activities were successfully completed during the period:

- Friends of Manea Park undertook stem injection of phosphite to bolster native plant immunity to Phytophthora Dieback at Manea Park via the direct injection of 251 trees. The group removed weeds and collected rubbish by hand on a weekly basis. The group, in partnership with the City and DBCA, planted 174 native seedlings in Manea Park
- the Friends of Hartley-Anderson, in partnership with the City, planted 400 native seedlings
- the Stewards of Katherine-Chauhan reserve removed debris from the walk trail, hand removed weeds and rubbish from the reserve
- the Friends of Big Swamp, in partnership with the City, planted 370 native seedlings, undertook macro-invertebrate sampling, hand removed weeds and rubbish.

Management of Environmental Offset Sites

This year, the Sustainability and Environmental Planning team completed the seventh year of statutory management works at the Somerville Drive Extension Project environmental offset site. Key tasks undertaken include annual revegetation monitoring and reporting, which resulted in the successful close-out of all statutory conditions associated with the project. Management of the reserve will now proceed in line with that undertaken for the City's other conservation reserves.

The team also implemented the fifth year of statutory management works at the Bunbury Airport Expansion Project Environmental Offset Site. Key activities undertaken include:

- fortnightly site visits to inspect fence, sign and gate condition
- two rounds of pest animal monitoring
- two rounds of fox control utilising soft jaw traps and 1080 baits
- completion of a Phytophthora Dieback survey
- control of priority weeds onsite including Pampass Grass and Arum Lily
- rubbish removal
- compliance reporting to the State and Commonwealth governments.

Management of Feral Rabbits

This year, the City appointed the Leschenault Biosecurity Group to undertake feral rabbit control works at a number of reserves in Bunbury. The control works involved the release of K5 calicivirus and were deemed successful with considerable bait uptake.

Contaminated Site Investigations and Management

The Sustainability and Environmental Planning Team coordinates the investigation and management of contaminated sites on behalf of the organisation. Related activities undertaken this financial year include:

- review and update of the City's Asbestos Management Plan for contaminated sites
- site walkovers to record and remove asbestos containing

materials (cement sheet fragments) at Big Swamp, Mangles St Reserve and Jaycee Park

- installation of clean fill at the Big Swamp contaminated site in order to minimise exposure risk
- review and update of the Big Swamp Environmental Management Plan
- appointment of a consultant to undertake an assessment of Big Swamp contaminated site and propose suitable locations for groundwater monitoring wells
- installation of additional barriers and signage at Turkey Point to stop illegal 4WD access at the historical flyash disposal area
- review and update of the Queen's Garden and Stirling Street Arts Centre Environmental Management Plan
- appointment of a consultant to prepare a sampling plan for upcoming detailed soil and groundwater sampling at the ex-depot on Nuytsia Avenue in order to delineate the type and extent of contamination onsite.

The team also continued to undertake a range of ongoing administrative duties to minimise contaminated site risk during the period, including:

- ongoing coordination of the City's contaminated site program including prioritisation of sites and liaison with the Department of Water and Environmental Regulation (DWER)
- maintenance of the City's Contaminated Site Database, IntraMap GIS system and Dial Before You Dig layer with

the latest available contaminated site information from the State Government

- maintenance of the City's contaminated site asbestos register
- provision of contractor inductions for sites with environmental management plans/asbestos management plans
- provision of advice on contaminated site issues to internal and external stakeholders
- managing the City's internal permit system for proposed excavation works at contaminated sites.

Climate Change Adaptation

The City continued to participate in the Peron Naturaliste Partnership (PNP) this year as part of its climate change adaptation program. Key tasks included attendance at quarterly working group and board meetings and participation in a regional coastal monitoring program in order to obtain a better understanding of local coastal processes. Additionally, the City signed the PNP memorandum of understanding to remain part of the partnership for a further two years.

The City also participated in discussions with PNP, the surrounding shires, Southern Ports Authority, DBCA and DWER regarding the development of a joint coastal hazard plan. This plan will be prepared in 2020/21 and will investigate coastal values, sea level rise-driven erosion and inundation risk and potential mitigation strategies.



Climate Change Mitigation

During 2019/20, the team continued to participate in the Climate Council of Australia's Cities Power Partnership Program, which seeks to support local governments in reducing their corporate carbon emissions.

Urban Pest Management

The City's introduced corella management program continued this year in response to the ongoing nuisance caused by the pest. Key achievements this year include:

- ongoing implementation of the City's Introduced Corella Management Strategy
- investigations into the development of additional trapping sites
- the City's contractor was successful in culling 152 introduced corellas this financial year.

Mosquito Management

The City's Environmental Health Services (EHS) department implements a comprehensive mosquito management program incorporating the following activities:

- monitoring of larval mosquito populations
- adult mosquito trapping and identification
- monitoring tidal movements and rainfall events
- aerial and ground larvicidal treatments of mosquito-breeding sites
- investigation of mosquito-borne diseases such as Ross River Virus and Barmah Forest Virus
- investigation of complaints
- provision of data to the Department of Health
- public education communications strategy.



EHS works closely with neighbouring local governments to provide the mosquito management program for the Leschenault region. City of Bunbury and the shires of Harvey and Dardanup collectively form the Leschenault Contiguous Local Authority Group (CLAG). The CLAG is eligible for funding from Department of Health to assist in undertaking mosquito management and communications activities. In 2019-2020, the CLAG was successful in being allocated over \$20,000 worth of funding towards the cost of mosquito control chemicals, equipment and public education programs.

EHS has worked in partnership with the Port of Bunbury since 2013 to undertake mosquito management on Port-owned land on a cost-recovery basis. This partnership has been successful in providing an effective mosquito-management program in areas that were previously not being controlled, benefitting the City as a whole.

EHS coordinated the implementation of a jointly funded mosquito awareness communications strategy throughout the region for the Leschenault and Geopraphe (City of Busselton and Shire of Capel) CLAGs. DoH contributed 50% of the overall funding for this program. The two CLAGs have been at the forefront of the development and implementation of successful public education communication strategies in Western Australia in relation to mosquito-borne disease for a number of years. DoH has recognised this work through its going support and funding of the program. Communications activities in 2019-2020 included television advertising, an expanded social media campaign via Facebook, update and enhancement of the Fight the Bite South West website, and event displays and merchandise distribution to deliver key messages to target groups across the South West.

The Leschenault region experienced a well below average season in 2019-2020 which was reflected in the low adult mosquito numbers and number of cases of mosquito-borne disease (refer Figures below). A total of 89 ground treatments and two aerial treatments were conducted and there were four cases of Ross River Virus and zero cases of Barmah Forest Virus notified in Bunbury over this period. The quiet season was principally due to the favourable environmental conditions experienced together with the effective implementation of the mosquito management program.

Meat Inspection

The City provides a meat inspection service to a local abattoir. There was a significant increase in work output of the meat inspection team during 2019-2020 due to the operational requirements of the facility. Ante-mortem and post-mortem inspections were conducted on the following numbers of animals during 2019-2020:

Beef	20,455
Lambs	91,666
Sheep	72,092
Pigs	90,130
Goats	975
Deer	329

This reflects an increase in the total number of animals processed by 33% from 2018-2019 to 2019-2020 and a corresponding increase in meat inspection income by 42%.

New Emergency Animal Disease Management protocols and training for the meat inspection service were implemented with an emphasis on early detection and response. This is a national program developed in recognition of the risk of animal diseases considered to be of national significance due to the impacts they may have on animal health, human health, the environment and the economy. The prevalence of African Swine Fever in countries close to Australia is currently a focus of the program.

Public Health Compliance

Environmental Health Services (EHS) administers a wide range of public health related legislation to ensure suitable public safety and environmental health standards are maintained. EHS staff conduct inspections of various types of buildings and businesses, assess applications for compliance, carry out environmental monitoring and sampling, and investigate complaints.

On behalf of AQWEST, 551 water samples were taken throughout the Bunbury area in 2019-2020 to ensure the drinking water supply complies with microbiological requirements. As part of the DoH bacterial monitoring program, 151 water samples were taken from popular recreational/swimming beaches. 251 water samples were collected from public swimming pools and spas to ensure compliance with the Health (Aquatic Facilities)

Regulations 2007. Other inspections undertaken included 63 inspections of tattooists, beauty salons and hairdressing establishments, 11 inspections of accommodation facilities and 81 inspections of public buildings.

Numerous complaint investigations were undertaken by Environmental Health staff including 65 noise complaints, 21 asbestos complaints and 30 pollution complaints as well as a number of complaints regarding issues such as the keeping of animals, rodents, dwellings and health premises such as caravan parks and beauty therapists. In some circumstances, investigations required staff to undertake sampling, collect evidence, monitor noise levels or issue infringement notices.

EHS assesses event applications for compliance with public health requirements and conducts on site monitoring. During 2019-2020, 67 events were assessed, and six onsite event inspections completed.

Bushfire Risk Management

During the 2019/20 bushfire season, City of Bunbury Fire Control Officers attended every property abutting a reserve where the bushfire risk was assessed as either high, very high or extreme. Property owners were contacted if required and provided a bushfire risk assessment, contemporary literature and general commentary around the condition of the home and surrounds. This assessment program coupled with the ongoing response to unsightly property complaints throughout the year ultimately reduces their bushfire risk.

The City has hosted a Bushfire Risk Planning Coordinator for the majority of the year which enabled the drafting and endorsement by Office of Bushfire Risk Management for a comprehensive City of Bunbury Bushfire Risk Management Plan.

The endorsement of this plan enabled the City to participate in round one of the Mitigation Activity Grant Funding, resulting in the City receiving \$302 000 of grant funds to be used in the reduction of the threat of bushfire posed by lands owned by the State of Western Australia but managed by the City of Bunbury. Forty-two areas requiring various treatments were identified during the application process and a coordinated period of activity will be undertaken over the next twelve months to treat the identified risks.

COVID 19 Response

At the outset of the worldwide pandemic known as COVID 19, the City of Bunbury provided a coordinated response to the physical, financial and operational challenges posed by the spread of the virus within the community. The pandemic affected all functions of local government and the services that could be provided during a declared emergency situation. The City's Emergency Coordination Team members worked tirelessly to inform community and ensure essential services provided by the City remained functional during a period of uncertainty.

The overall response and emergency planning, preparation and ultimate recovery from the emergency are to be examined in a forthcoming workshop to ensure response practices are effective and efficient should the City face another potential emergency situation in the future.

Irrigation System Audits

Irrigation efficiency audits were undertaken at seven key sites including; Hay Park Soccer, Hay Park Hockey, Hay Park Athletics, Hay Park Junior Football, Hay Park Tee-ball, Hands Oval and Forrest Park. The audits were completed by a certified Irrigation Consultant and form part of the City's compliance obligations in relation to managing its ground water licences. While the audits didn't identify any significant water savings, the audits did provide staff with detailed data on the performance of each irrigation system, which will assist in setting more accurate water budgets for the 2020/21 watering season, ensuring we manage our water allocation in a sustainable manner.



Path and Cycle Infrastructure

A further 1,470m of footpath and 3,260m of on-road and off-road cycle path was added to the City's network in the following areas:

- *Expansion* Kinkella Drive Path, from Underwood Street to Existing Path, 33m.
- *Expansion* Washington Avenue Path, from Parade Road to Northwood Gardens, 140m.
- *Expansion* Brockman Park Path, from Skewes to Brockman Park, 307m.
- *Expansion* Eedle Street Path, from Nuytsia Avenue to Woodrow Street, 350m.
- *Expansion* Burt Street Path, from Forrest Street to White Street, 400m.
- *Expansion* Lyons Cove Path, from Koombana Drive to Sykes Foreshore, 120m.
- *Expansion* Ocean Drive Path, Behind new Car Park Areas, 120m.
- *Expansion* South Western Highway Shared Path, from Robertson Drive to Dodson Road, 1,100m.
- *Expansion* Stage 2 of the Washington Avenue road widening works to facilitate the construction of on-road cycle lanes, 400m.
- *Expansion* Stage 4 of the Ocean Drive road widening works to facilitate the construction of on-road cycle lanes, 700m.
- *Expansion* Stage 2 of the Koombana Drive road widening works to facilitate the construction of on-road cycle lanes, 710m.
- *Expansion* Stage 2 of the Estuary Drive road widening works to facilitate the construction of separated bidirectional cycle lane, 350m.
- *Renewal* Sandridge Road path, from Hennessy Road to Blair Street, 178m
- *Renewal* Tuart Street path, from Stockley Road to Cross Street, 250m
- *Renewal* Banksia Street path, from Beach Road to Stockley Road, 200m
- *Renewal* Big Swamp shared path, half-way around Big Swamp, 1,265m.
- *Renewal* Discovery Parks Shared Path, from Mangroves to Sykes Foreshore, 285m.
- *Renewal* Ocean Drive path from Hastie Street to Mangle Street, 580m.



Marine upgrades

Works were completed in the following assets:

- Sykes Floating Jetty repairs.
- Rowing Club Gabion Walls and reinstatement of beach front west of the rowing club.
- Sykes Foreshore asbestos wall removal and rock groyne installation.
- Renew Leschenault Inlet marine walls.
- Emergency works to the Marlston waterfront seawall and jetty.

Facility upgrades

The following new buildings and facilities were upgraded:

- **Stirling Street Art Centre redevelopment** - The new building incorporates two art studios, administration and meeting rooms, kitchen, public toilets, including an internal and external UAT with ambulant cubicles, storage, reception/retail areas and new car parking.
- **South West Sports Centre ablutions refurbishment** - These works are currently underway and include two new Universal Access Toilets, refurbished and modern changerooms, toilets, showers and improved entry points.
- **Hastie /Ocean Drive public toilets** - A new toilet block has replaced the original building, the layout includes 1 Universal Access Toilet and ambulant cubical, outdoor shower, shaded seating, ACROD parking. The facility is now connected to mains sewer.

- **Des Ugle Park Ablutions** – The facilities have a similar floor plan and design to the Hastie Street ablutions. The project was fully funded by the South West Development Commission.
- **Animal Care Facility** - The new building was purpose designed to help improve the welfare of park animals. The building includes staff and public toilets, staff lunchroom, storage, climate controlled veterinarian offices and workspaces, animal food preparation area and a garage to house various park vehicles and equipment.

Entry Statement/Digital Signage

To provide a welcoming entry statement and promote visiting the City of Bunbury, a new digital billboard was installed on Forrest Highway. The entry statement was jointly funded by the City and the Department of Primary Industries and Regional Development.

The digital nature of the entry statement will allow the City to program a number of messages to encourage traffic to the South West to visit Bunbury. The billboard will also be used to promote upcoming events and community facilities. Landscaping around the sign will be completed in 2020/21.

Sykes Foreshore

The City recently completed a major upgrade to the Sykes Foreshore playground to create an exciting new play space that caters to a range of ages and abilities. In response to themes identified in the community consultation the design of the playground was based on a nautical theme. The design features a large ship and whale tail and has proved to be a big hit with both local and visiting families.

The City also improved the infrastructure surrounding the playground, with the construction of a new ablutions building, additional car parking, upgraded lighting, signage and hard and soft landscaping. The new ablutions will also cater for the planned splash park, which will be constructed by Discovery Parks in 2021. The City has also refurbished the memorial monument for Private Arnold Richard Sykes for whom the foreshore is named. The project was jointly funded by the City and Lotterywest, with Lotterywest contributing \$250,000 towards the new playground equipment.



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

Planning for the Future

As a result of timing, the Council did not consider or make any changes to its Strategic Community Plan (SCP) or Corporate Business Plan (CBP) in the 2019/20 financial year, with a revised CBP adopted in July 2020.

Major projects set to either begin or continue in 2020/21 include:

- Construction of the Hay Park North Pavilion
- Replacement of the Forrest Park Pavilion
- Renewing the Marlston seawalls
- Replacing the athletics track surface
- Upgrading Halifax Business Park infrastructure
- Design and construction of the Youth Precinct
- Upgrading the Maidens Reserve
- Plan and design of the Hands Oval redevelopment
- Renewing the SWSC aquatic changeroom amenities

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 17 Freedom of Information applications were received in the 2019-2020 financial year and were processed at an average of 26 days per application.



Complaint Handling

On 13 February 2018 a complaint was lodged concerning an alleged breach of the *Local Government (Rules of Conduct) Regulations 2007* by Councillor Steck. By Order published 21 October 2018, the Local Government Standards Panel made a finding that Councillor Steck committed a breach of regulation 7 (1) (b) of the Local Government Rules of Conduct Regulations 2007 by criticising a Council decision in a letter to the editor of the South Western Times local newspaper published 1 February 2018. The council decision was to appoint a representative to the Bunbury Geographer Chamber of Commerce and Industry and to the Council's Policy Review and Development Committee.

The Standards Panel made orders that Councillor Steck publicly apologise to Mayor Gary Brennan and her fellow Councillors at the City's first Ordinary Council Meeting Cr Steck attended after the expiration of 28 days from the date of service of the Order or if unable to do so, publish within the first 10 pages of the South Western Times Newspaper a public apology in accordance with the details as specified in the Panels 'Sanction Decision and Reasons for Decision' documentation.

Councillor Steck failed to adhere to the Standards Panel's orders. As required under the *Local Government Act 1995*, the Chief Executive Officer reported the failure to adhere to the Standards Panel's orders on 14 February 2019.

On 30 August 2019, the State Administrative Tribunal (SAT) advised their decision was reserved. On 16 September 2019 the SAT found that Cr Steck has not complied with the Panel's orders in that she has not provided any apology.

On 16 September 2019, SAT advised that it orders as follows:

1. The applicant's name is amended to Malcolm Osborne (as CEO of the City of Bunbury).
2. Subject to order 3, pursuant to s 5.117(1)(a)(iv) of the Local Government Act 1995 (WA) (LG Act), the respondent is suspended for two months from her office of councillor on the Council of the City of Bunbury.
3. Pursuant to s 5.117(2) of the LG Act, the suspension referred to in order 2 above is suspended for a period of 12 months from the date of this order on condition that the

respondent does not commit any further breaches of the LG Act within the 12 month suspended period.

4. Within 14 days of the date of this order, pursuant to s 87 of the State Administrative Tribunal Act 2004 (WA), the respondent is to pay to the City of Bunbury the amount of \$500; paid to the City on 27 November 2019.

Financial Planning

The City's capital and operating works program as outlined in the 2019/20 Budget was implemented during the year. The Corporate Business Plan for the four years 2020/21 to 2023/24 was also adopted in 2019/20. This provides a plan to deliver the vision, goal 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 2.6 at 30 June 2020 which is within Council's acceptable target range. Outstanding debt was \$13.1 million at 30 June 2020 compared to \$14.5 million at the end of 2019.

During 2019/20 the City borrowed \$750,000 to part fund the renew and upgrade of foreshore marine walls. \$618,872 was paid in interest on outstanding debt in 2019/20 compared to \$683,177 in 2018/19.





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 Valuation (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 2019/20 the rate in the dollar was 9.631 cents in the dollar of GRV and the minimum rate was \$1,199.

Rates and charges levied	
General Rate	\$36,159,563
Minimum Rate	\$3,305,643
Interim Rate	\$215,217
Specific area rates:	
Pelican Point Grand Canals	\$48,963
Other fees and charges:	
Rate instalment plan	\$353,494
Late rate payment penalty	\$190,906

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 2019/20 financial year, 346 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 \$1.23 million.

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 received an annual salary package of \$100,000 or more in 2019/20.

	2019/20 Salary Package	2018/19 Salary Package
\$100,000 - \$109,999	14	12
\$110,000 - \$119,999	2	3
\$120,000 - \$129,999	6	5
\$130,000 - \$139,999	6	3
\$140,000 - \$149,999	1	4
\$150,000 - \$159,999	2	1
\$160,000 - \$169,999	1	1
\$170,000 - \$179,999		
\$180,000 - \$189,999		1
\$210,000 - \$219,999		1
\$220,000 - \$229,999	2	1
\$240,000 - \$249,999		
\$250,000 - \$259,999		
\$290,000 - \$299,999	1	1



AUDITORS REPORT & FINANCIAL STATEMENTS

For the year ending 30 June 2020



CITY OF BUNBURY
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020
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CITY OF BUNBURY
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

MEMBERS AND EXECUTIVES

MAYOR

Gary Brennan

COUNCILLORS

Cr Jaysen De San Miguel (Deputy Mayor)

Cr Todd Brown

Cr Wendy Giles

Cr James Hayward

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 2020

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

Signed on the 2 day of December 2020



MJ (Mal) Osborne
Chief Executive Officer

CITY OF BUNBURY
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE AND TYPE
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Restated* \$
Revenue				
Rates	29(a)	39,729,386	39,735,724	38,349,549
Operating Grants and Subsidies	2(a,b)	2,888,241	2,702,405	2,656,227
Contributions, Reimbursements and Donations	2(a)	1,427,755	1,353,235	1,099,513
Fees and Charges	2(a)	12,003,763	11,657,009	12,835,486
Interest Earnings	2(a)	1,141,178	1,132,829	1,566,296
Other Revenue		309,402	273,345	377,423
		<u>57,499,726</u>	<u>56,854,547</u>	<u>56,884,493</u>
Expenses				
Employee Costs		(26,685,943)	(26,594,223)	(25,892,558)
Consultants		(1,163,714)	(2,200,571)	(1,090,719)
Materials and Contracts		(13,605,228)	(16,430,159)	(14,253,914)
Utility Charges		(2,601,613)	(2,794,171)	(2,630,749)
Depreciation on Non-Current Assets	12(b)	(14,402,851)	(14,571,079)	(13,644,771)
Insurance Expenses		(628,419)	(628,706)	(589,906)
Interest Expenses	2(c)	(639,568)	(633,656)	(683,177)
Other Expenditure		(3,046,835)	(3,001,506)	(2,385,069)
		<u>(62,774,172)</u>	<u>(66,854,071)</u>	<u>(61,170,863)</u>
		(5,274,446)	(9,999,524)	(4,286,370)
Non-Operating Grants, Subsidies and Contributions	2(a,b)	5,755,372	11,026,783	7,039,334
Interest on Capital Grants	2(a)	46,928	32,816	8,323
Fair Value Adjustment to Financial Assets at				
Fair Value through Profit or Loss	9(b)	2,305	-	140,137
Impairment Loss on Plant and Vehicles	10(a)	-	-	(99,924)
Profit on Asset Disposals	12(a)	327,898	330,000	813,923
Loss on Asset Disposals	12(a)	(2,896,216)	(391,536)	(4,889,288)
		<u>(2,038,160)</u>	<u>998,539</u>	<u>(1,273,865)</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	4,670,870	-	(6,356,719)
		<u>4,670,870</u>	<u>-</u>	<u>(6,356,719)</u>
Total Other Comprehensive Income for the Period				
		<u>4,670,870</u>	<u>-</u>	<u>(6,356,719)</u>
Total Comprehensive Income for the Period				
		<u>2,632,710</u>	<u>998,539</u>	<u>(7,630,584)</u>

*2019 Actual has been restated for prior period corrections - Note 38

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 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Restated* \$
Revenue				
	2(a)			
General Purpose Funding		42,928,767	42,039,854	40,815,787
Governance		22,363	107,960	1,199,729
Law, Order and Public Safety		607,310	570,262	592,503
Health		636,390	509,985	505,897
Education and Welfare		27,674	56,057	17,662
Community Amenities		6,387,006	6,386,620	6,010,423
Recreation and Culture		3,940,420	3,666,965	4,915,398
Transport		762,039	1,338,306	889,407
Economic Services		271,732	283,496	283,474
Other Property and Services		1,916,025	1,895,042	1,654,212
		<u>57,499,726</u>	<u>56,854,547</u>	<u>56,884,492</u>
Expenses				
	2(c)			
General Purpose Funding		(548,275)	(616,151)	(684,867)
Governance		(3,870,001)	(4,323,741)	(4,576,073)
Law, Order and Public Safety		(1,730,903)	(1,818,208)	(1,755,746)
Health		(1,053,670)	(1,121,381)	(1,426,079)
Education and Welfare		(1,278,346)	(1,481,745)	(532,535)
Community Amenities		(7,562,072)	(8,476,799)	(9,954,328)
Recreation and Culture		(23,019,678)	(23,589,371)	(19,724,301)
Transport		(8,032,477)	(9,037,361)	(7,460,843)
Economic Services		(2,427,908)	(3,677,950)	(1,057,160)
Other Property and Services		(12,611,273)	(12,077,708)	(13,315,754)
		<u>(62,134,603)</u>	<u>(66,220,415)</u>	<u>(60,487,686)</u>
Finance Costs				
	2(c)			
Community Amenities		(46,305)	(46,329)	(53,483)
Recreation and Culture		(246,390)	(245,593)	(237,725)
Transport		(110,382)	(109,597)	(128,051)
Other Property and Services		(236,491)	(232,137)	(263,918)
		<u>(639,568)</u>	<u>(633,656)</u>	<u>(683,177)</u>
Non-Operating Grants, Subsidies, Contributions and Interest				
	2(a,b)			
Law, Order and Public Safety		135,632	146,761	597,000
Education and Welfare		-	-	3,000
Community Amenities		669,408	3,436,282	417,501
Recreation and Culture		1,965,386	4,561,958	3,054,128
Transport		2,420,364	2,678,838	2,976,028
Economic Services		611,509	202,950	-
Other Property and Services		-	32,810	-
		<u>5,802,299</u>	<u>11,059,599</u>	<u>7,047,657</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 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Restated* \$
Profit on asset disposals				
	12(a)			
Recreation and Culture		-	-	46
Other Property and Services		327,898	330,000	813,877
		<u>327,898</u>	<u>330,000</u>	<u>813,923</u>
Loss on asset disposals				
	12(a)			
Community Amenities		(411,960)	-	(816,226)
Recreation and Culture		(467,380)	-	-
Transport		(1,119,352)	-	(3,683,983)
Other Property and Services		(897,525)	(391,536)	(389,079)
		<u>(2,896,216)</u>	<u>(391,536)</u>	<u>(4,889,288)</u>
Fair Value Adjustment to Financial Assets at				
Fair Value through Profit or Loss	9(b)	2,305	-	140,137
Impairment loss on Plant and Equipment	10(a)	-	-	(99,924)
		<u>2,305</u>	<u>-</u>	<u>40,213</u>
Net Result for the Period		(2,038,160)	998,539	(1,273,865)
Other Comprehensive Income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in Asset Revaluation Surplus	14	4,670,870	-	(6,356,719)
Total Other Comprehensive Income for the Period		<u>4,670,870</u>	<u>-</u>	<u>(6,356,719)</u>
Total Comprehensive Income for the Period		<u><u>2,632,710</u></u>	<u><u>998,539</u></u>	<u><u>(7,630,584)</u></u>

*2019 Actual has been restated for prior period corrections - Note 38

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

CITY OF BUNBURY
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 \$	2019 Restated* \$	1 July 2018 Restated* \$
CURRENT ASSETS				
Cash and Cash Equivalents - Unrestricted	3	15,649,982	11,354,498	9,237,142
Cash and Cash Equivalents - Restricted	3	22,644,750	26,405,796	27,077,985
Trade and Other Receivables	5	2,992,676	2,326,199	2,255,097
Inventories	6	112,232	95,804	61,991
Other Current Assets	7	536,744	746,755	594,524
Other Financial Assets	9(a)	45,362	44,345	17,532
TOTAL CURRENT ASSETS		41,981,745	40,973,397	39,244,271
NON-CURRENT ASSETS				
Trade and Other Receivables	5	612,211	583,611	521,452
Non-Current Assets Held for Sale	7	-	1,500,000	-
Other Financial Assets	9(b)	350,715	393,771	61,858
Property, Plant and Equipment	10(a)	245,845,621	244,274,419	246,735,666
Infrastructure	11(a)	294,000,613	292,646,492	302,326,892
Right-of-Use Assets	13(a)	239,953	-	-
TOTAL NON-CURRENT ASSETS		541,049,113	539,398,292	549,645,868
TOTAL ASSETS	22	583,030,857	580,371,689	588,890,139
CURRENT LIABILITIES				
Trade and Other Payables	16	4,720,447	4,338,411	4,316,837
Contract Liabilities	17	5,001,685	-	-
Lease Liabilities	18	120,210	-	-
Borrowings	19	2,063,416	2,196,043	2,210,963
Provisions	20	4,235,674	4,107,119	3,843,409
TOTAL CURRENT LIABILITIES		16,141,433	10,641,573	10,371,209
NON-CURRENT LIABILITIES				
Other Payables	16	12,204	12,458	12,893
Lease Liabilities	18	113,339	-	-
Borrowings	19	11,020,300	12,333,717	12,893,639
Provisions	20	654,187	605,370	524,917
TOTAL NON-CURRENT LIABILITIES		11,800,031	12,951,544	13,431,449
TOTAL LIABILITIES		27,941,463	23,593,118	23,802,658
NET ASSETS		555,089,394	556,778,571	565,087,481
EQUITY				
Retained Surplus		197,364,153	204,630,344	202,211,682
Reserves - Cash Backed	4	22,222,336	21,316,193	25,687,046
Revaluation Surplus	14	335,502,904	330,832,034	337,188,753
TOTAL EQUITY		555,089,394	556,778,571	565,087,481

*2019 Actual has been restated for prior period correction - Note 38

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 2020

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2018		215,117,608	25,687,046	337,188,753	577,993,407
Correction of Error	38	(12,905,926)	-	-	(12,905,926)
Restated total equity at the beginning of the financial year		202,211,682	25,687,046	337,188,753	565,087,481
Comprehensive Income					
Net Result for the Period		(1,273,865)	-	-	(1,273,865)
Other Comprehensive Income	14	-	-	(6,356,719)	(6,356,719)
Total Comprehensive Income		(1,273,865)	-	(6,356,719)	(7,630,584)
Transfers from/(to) Reserves	4	3,692,528	(3,692,528)	-	-
Reclassification of Planning & Development Act S.152 funds to Trust	4	-	(678,325)	-	(678,325)
Balance as at 30 June 2019		204,630,344	21,316,193	330,832,034	556,778,571
Change in accounting policy	34(a)	(4,321,888)	-	-	(4,321,888)
Restated total equity at 1 July 2019		200,308,456	21,316,193	330,832,034	552,456,683
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		197,364,153	22,222,336	335,502,904	555,089,394

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 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		39,215,926	38,349,163	37,919,172
Operating Grants and Subsidies		3,379,156	1,874,116	2,624,535
Contributions, Reimbursements and Donations		1,427,755	977,448	1,099,513
Fees and Charges		12,319,568	12,729,570	13,284,123
Interest Earnings		1,141,178	1,371,431	1,566,296
Goods and Services Tax (GST)		-	-	219,449
Other Revenue		309,402	339,756	377,423
		<u>57,792,986</u>	<u>55,641,484</u>	<u>57,090,511</u>
Payments				
Employee Costs		(26,244,460)	(26,379,067)	(25,511,885)
Consultants		(1,163,714)	(2,184,634)	(1,090,719)
Materials and Contracts		(13,551,907)	(16,285,983)	(14,801,950)
Utility Charges		(2,601,613)	(2,816,090)	(2,630,749)
Interest Expenses		(649,126)	(629,128)	(688,317)
Insurance Expenses		(628,419)	(597,572)	(589,906)
Goods and Services Tax (GST)		(54,134)	-	-
Other Expenditure		(3,047,089)	(3,058,807)	(2,385,505)
		<u>(47,940,462)</u>	<u>(51,951,281)</u>	<u>(47,699,031)</u>
Net Cash Provided By (Used In) Operating Activities	21(b)	<u>9,852,524</u>	<u>3,690,203</u>	<u>9,391,480</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for the Purchase of Property, Plant and Equipment		(7,378,161)	(12,602,637)	(6,155,604)
Payment for Construction of Infrastructure		(8,366,477)	(15,116,313)	(9,051,638)
Non-Operating Grants, Subsidies and Contributions		5,755,372	11,026,783	7,039,334
Interest Earnings on Capital Grants		46,928	32,816	8,323
Proceeds from Self-Supporting Loans		44,345	1,265,743	(218,589)
Proceeds from Sale of Fixed Assets		2,145,465	2,405,430	1,672,111
Net Cash Provided By (Used In) Investing Activities		<u>(7,752,528)</u>	<u>(12,988,178)</u>	<u>(6,706,062)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of Borrowings		(2,196,043)	(2,196,044)	(2,214,842)
Payments for principal portion of lease liabilities		(132,856)		
Proceeds from New Borrowings		750,000	1,000,000	1,640,000
Reclassification of Planning & Development Act S.152 funds from Reserve to Trust		-	-	(678,325)
Repayments - Deferred Debtors		13,341	-	12,917
Net Cash Provided By (Used In) Financing Activities		<u>(1,565,558)</u>	<u>(1,196,044)</u>	<u>(1,240,250)</u>
Net Increase (Decrease) In Cash Held		534,438	(10,494,019)	1,445,167
Cash at Beginning of Year		37,760,294	37,760,294	36,315,127
Cash and Cash Equivalents at the End of the Year	21(a)	<u>38,294,732</u>	<u>27,266,275</u>	<u>37,760,294</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 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
OPERATING ACTIVITIES				
Net Current Assets at Start of Financial Year				
- Surplus/(Deficit)	30(b)	1,755,838	1,755,837	3,988,508
		1,755,838	1,755,837	3,988,508
Revenue from Operating Activities (Excluding Rates)				
Specified Area Rates		48,963	48,917	46,445
Operating Grants and Subsidies	2(a)	2,888,241	2,702,405	2,656,227
Contributions, Reimbursements and Donations	2(a)	1,427,755	1,353,235	1,099,513
Fees and Charges	2(a)	12,003,763	11,657,009	12,835,486
Interest Earnings	2(a)	1,141,178	1,132,829	1,566,296
Other Revenue		309,402	273,345	377,423
Profit on Disposal of Assets	12(a)	327,898	330,000	813,923
		18,147,201	17,497,740	19,395,312
Expenses from Operating Activities				
Employee Costs		(26,685,943)	(26,594,223)	(25,892,558)
Consultants		(1,163,714)	(2,200,571)	(1,090,719)
Materials and Contracts		(13,605,228)	(16,430,159)	(14,253,914)
Utility Charges		(2,601,613)	(2,794,171)	(2,630,749)
Depreciation on Non-Current Assets	12(b)	(14,402,851)	(14,571,079)	(13,644,771)
Insurance Expenses		(628,419)	(628,706)	(589,906)
Interest Expenses	2(c)	(639,568)	(633,656)	(683,177)
Other Expenses		(3,046,835)	(3,001,506)	(2,385,069)
Loss on Disposal of Assets	12(a)	(2,896,216)	(391,536)	(4,889,288)
		(65,670,388)	(67,245,607)	(66,060,151)
Non-Cash Amounts Excluded from Operating Activities	30(a)	16,988,828	14,684,915	17,497,994
Amount Attributable to Operating Activities		(30,534,359)	(35,062,952)	(29,166,845)
INVESTING ACTIVITIES				
Non-Operating Grants, Subsidies and Contributions	2(a,b)	5,755,372	11,026,783	7,039,334
Interest on Capital Grants	2(a)	46,928	32,816	8,323
Fair Value Adjustment to Financial Assets at Fair Value through Profit or Loss	9	2,305	-	-
Proceeds from Disposal of Assets	12(a)	2,145,465	2,405,430	1,672,111
Proceeds from Self-Supporting Loans	19(b)	44,345	44,345	21,411
Purchase Land	10(a)	(510,332)	(225,558)	(1,612,033)
Purchase Buildings	10(a)	(2,629,010)	(7,732,364)	(1,722,025)
Purchase Plant and Vehicles	10(a)	(3,040,579)	(4,309,615)	(1,693,544)
Purchase Equipment	10(a)	(1,151,753)	(315,100)	(1,086,675)
Purchase Furniture and Fittings	10(a)	(31,521)	-	(25,759)
Purchase Arts and Culture Assets	10(a)	(14,965)	(20,000)	(15,567)
Purchase Infrastructure Assets	11(a)	(8,366,477)	(15,116,313)	(9,051,638)
Amount Attributable to Investing Activities		(7,750,222)	(14,209,576)	(6,466,062)

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

**CITY OF BUNBURY
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
FINANCING ACTIVITIES				
Repayment of Borrowings	19(b)	(2,196,043)	(2,196,044)	(2,214,842)
Proceeds from Borrowings	19(c)	750,000	1,000,000	1,640,000
Payments for principal portion of lease liabilities		(132,856)	(135,960)	-
Movement in Unspent Loans	19(d)	345,301	767,715	(767,715)
Movement in Unspent Grants	3	4,321,888	4,321,888	(2,930,949)
Reallocation of Planning and Development Act S.152 funds from Reserve to Trust	4	-	-	(678,325)
Transfers to Reserves (Restricted Assets)	4	(10,745,664)	(11,280,554)	(4,380,800)
Transfers from Reserves (Restricted Assets)	4	9,839,521	15,583,752	8,751,652
Amount Attributable to Financing Activities		2,182,147	8,060,797	(580,978)
Surplus/(Deficit) Before Imposition of General Rates		<u>(34,346,596)</u>	<u>(39,455,894)</u>	<u>(32,225,378)</u>
Total Amount Raised from General Rates	29(a)	<u>39,680,423</u>	<u>39,686,807</u>	<u>38,303,103</u>
Surplus/(Deficit) After Imposition of General Rates	30(b)	<u>5,333,826</u>	<u>230,914</u>	<u>6,077,725</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 2020

1. BASIS OF PREPARATION

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

AMENDMENTS TO LOCAL GOVERNMENT (FINANCIAL

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

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

The City has not needed to account for the removal of the vested land values associated with vested land previously recognised as these have been recorded at zero cost.

Therefore the departure from AASB1051 and AASB 16 in respect of the comparatives for the year ended 30 June 2019 remains.

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.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

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

AASB 1059 Service Concession Arrangements: Grantors is

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

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the 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.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES

Revenue Recognition Policy

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating 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 2020

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:

	2020	2019
	\$	\$
<i>By Nature or Type:</i>		
Operating Grants, Subsidies and Contributions	2,888,241	2,656,227
Non-Operating Grants, Subsidies, Contributions	5,755,372	7,039,334
Non-Operating Grants - Capital Interest	46,928	8,323
	8,690,541	9,703,884

By Program:

General Purpose Funding	1,815,583	640,342
Governance	1,650	-
Law, Order and Public Safety	249,241	712,527
Education and Welfare	21,716	12,000
Community Amenities	752,603	461,494
Recreation and Culture	2,423,615	2,537,196
Transport	2,797,904	2,914,650
Economic Services	618,728	68,700
Other Property and Services	9,501	2,356,975
	8,690,541	9,703,884

Fees and Charges

General Purpose	144,053	149,626
Governance	-	93,730
Law, Order, Public Safety	393,827	405,789
Health	633,356	495,824
Education and Welfare	5,958	3,537
Community Amenities	6,149,040	5,796,707
Recreation and Culture	3,195,816	4,270,395
Transport	355,392	512,677
Economic Services	237,664	246,792
Other Property and Services	888,657	860,409
	12,003,763	12,835,486

Significant Revenue

Operating Grant Income	858,637	809,671
Non-Operating Grant Income	500,000	-
	1,358,637	809,671

Operating Grant Income

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.

This significant revenue in 2018/19 relates to the Federal Assistance Grant Scheme payments received in advance for the 2019/20 Financial Year of \$809,671.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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.

	2020 Actual \$	2020 Budget \$	2019 Actual \$
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:			
Operating grants and subsidies	949,049	1,655,355	797,878
Contributions	106,481	77,430	204,299
Fees and Charges	11,271,837	10,950,666	12,077,198
Other Revenue	309,403	273,345	377,423
Non-operating grants, subsidies and contributions	5,755,372	11,026,783	7,039,334
	18,392,142	23,983,579	20,496,132

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:

Contracts with customers included as a contract liability at the start of the period	485,823	1,076,499	-
Performance obligations satisfied in the previous year	-	-	-
Other revenue from contracts with customers recognised during the year	12,150,947	11,880,297	-
Transfers intended for acquiring or constructing recognisable non-financial assets included as a contract liability at the start of the period	1,052,009	3,022,437	-
Other revenue from performance obligations satisfied during the year	4,703,363	8,004,346	-
	18,392,142	23,983,579	-

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES (continued)

(a) Revenue (continued)

	2020 Actual \$	2020 Budget \$	2019 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	722,205	-	-
Contract assets	-	-	-
Contract liabilities from contracts with customers	(945,039)	-	-
Financial assets held from transfers for recognisable financial assets	4,056,647	-	-
Contract liabilities from transfers for recognisable non financial assets	(4,056,647)	-	-

Contract assets primarily relate to the City's right to consideration for work completed but not billed at 30 June 2020.

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	39,680,423	39,686,807	38,303,103
Specified area rates	48,963	48,917	46,445
Statutory permits and licences	504,685	497,348	528,029
Fines	227,242	208,995	230,259
	40,461,313	40,442,067	39,107,837

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

(a) Revenue (continued)	2020	2020	2019
	Actual	Budget	Actual
	\$	\$	\$
Contributions, reimbursements and donations			
Reimbursements and Recoveries	1,084,718	1,008,462	717,710
Contributions and Donations	343,037	344,773	381,803
	<u>1,427,755</u>	<u>1,353,235</u>	<u>1,099,513</u>
Interest Earnings			
Interest on reserve funds	11,849	850	12,125
Rates instalment and penalty interest (refer Note 29(e))	444,480	444,568	470,980
Other interest earnings	684,850	687,411	1,083,190
	<u>1,141,178</u>	<u>1,132,829</u>	<u>1,566,296</u>
<i>Interest Earnings - Non-Operating</i>			
- Investments - Capital Grants	46,928	32,816	8,323
	<u>46,928</u>	<u>32,816</u>	<u>8,323</u>
Other Revenue			
Commissions	131,282	133,597	120,666
Other Revenue	178,121	139,748	256,757
	<u>309,403</u>	<u>273,345</u>	<u>377,423</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 2020

2. REVENUES AND EXPENSES (continued)

(b) Grant Revenue

<i>Grants and Contributions for the Development of Assets received:</i>		2020	2019
		\$	\$
Lotterywest	Stirling Street Arts Centre redevelopment	1,349,421	-
Dept. Primary Industries & Regional Development	Upgrade Halifax Park Infrastructure	631,555	1,500,000
Dept. Infrastructure, Transport, Cities & Regional Development	Roads to Recovery reseal program	602,228	407,296
Main Roads	Realign and widen Ocean Drive	576,293	321,104
Main Roads	Realign and Widen Koombana Drive	515,003	45,968
State Government of WA	Jaycee Park land transfer (State gifted asset)	500,000	-
Main Roads	Reconstruct, widen and improve drainage on Estuary Dve	340,000	-
Main Roads	Reseal Sandridge Road	197,307	-
Dept. Local Government, Sports & Cultural Industries	Construct Hay Park Central Pavilion	140,660	951,240
Main Roads	Expand cycleways	129,047	119,835
Dept. Industry, Innovation & Science	Implement CBD CCTV Network	121,675	130,500
Dept. Transport	South Western Highway shared path	120,495	-
South West Development Commission	Provide a new UAT toilet facility at Des Ugle Park	117,302	-
Dept. Primary Industries & Regional Development	Installation of digital billboard	107,965	200,000
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	-
South West Development Commission	Construct SPA Fishing Jetty	29,828	-
Main Roads	Replace kerb and asphalt overlay, Ocean Drive	25,340	-
Dept. Infrastructure, Transport, Cities & Regional Development	Install hotspot street lighting	20,000	18,088
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, Cities & Regional Development	Purchase mobile traffic speed display signs	7,500	-

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUES AND EXPENSES (continued)

(b) Grant Revenue (continued)

Grants and Contributions for the Development of Assets received (continued):		2020	2019
		\$	\$
Keep Australia Beautiful WA	Installation of Jetty Seabins	5,000	-
Dept. Local Government, Sports & Cultural Industries	Install Hay Park South Precinct lighting	-	1,264,912
Dept. Fire & Emergency Services	Bunbury Bushfire Brigade - Isuzu Fire Vehicle (gifted asset)	-	597,000
Dept. Industry, Innovation & Science	Establish Withers Fibre Link	-	466,342
Dept. Local Government, Sports & Cultural Industries	Install Box Culverts to pipe 5 Mile Brook	-	283,848
Main Roads	Reseal Picton Road	-	185,713
Main Roads	Renew Parade Road	-	124,176
Dept. of Water & Environmental Regulation	Renew and improve drainage (Brockman Park)	-	120,000
Dept. Transport	Renew cycle path Estuary Drive	-	83,238
Main Roads	Upgrade Ecclestone Street footpaths	-	75,144
Main Roads	Extend left hand turning pocket	-	49,280
Dept. Primary Industries & Regional Development	Connecting Bunbury Geographe - Connect Dig	-	32,810
Main Roads	Improvement of Albert Road & Blair Street	-	32,454
Civil Infrastructure contributions	Construct heritage community fishing & crabbing platform	-	13,653
Public Transport Authority	Expand path network	-	8,400
Main Roads	Upgrade street lighting on Sandridge Road	-	5,333
Bella Burgemeister	Install community lockers	-	3,000
		<u>5,755,372</u>	<u>7,039,334</u>

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUES AND EXPENSES (continued)

(b) Grant Revenue (continued)

<i>Operating Grants received:</i>		2020	2019
		\$	\$
Local Government Grants Commission	Receive general purpose grants - roads	905,889	888,010
Local Government Grants Commission	Receive general purpose grants - general	697,988	640,342
Main Roads	Receive general purpose grants - roads	211,707	198,470
Dept. Local Government, Sports & Cultural Industries	Operate Bunbury Regional Art Gallery	170,000	170,000
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. Communication & the Arts	Indigenous Arts Program	80,717	80,000
South West Development Commission	Bunbury Marine Facilities Studies	79,854	-
Dept. of Water & Environmental Regulation	Better Bins Kerbside Collection Complement	58,197	24,229
Dept. Fire & Emergency Services	Administer Bushfire Brigade payments	57,288	62,801
Dept. Fire & Emergency Services	Administer State Emergency Service payments	56,321	52,726
Water Corporation	Renew and improve drainage (Brockman Park)	40,000	
Lotterywest	Conduct Australia Day event	30,000	30,000
Australian Trade & Investment Commission	Supporting Australia's Zoos	22,283	-
The Good Things Foundation	Deliver Be Connected Capacity Building	21,216	25,000
Public Transport Authority	Maintain bus shelters	18,673	19,165
Road Safety Commission	Roadwise "Don't Trust Your Tired Self" Campaign	18,109	-
Dept. Transport	Design shared path, Dodson Road	16,887	-
Dept. Local Government, Sports & Cultural Industries	Deliver every day club funding project	11,246	8,000
Dept. Education	Provide traineeships and cadetships	8,000	16,000
Western Australia Police Force	Implement Wipe Out Graffiti Program	6,325	19,764
South West Development Commission	Regional Tourism Strategy Implementation	5,720	20,000
Tourism Western Australia	Produce Regional Mountain Bike Maps	5,000	5,000
Dept. Jobs, Tourism, Science & Innovation	Deliver "The Makerspace" digital and tech	1,716	4,397
Dept. Primary Industries & Regional Development	Connect with Asia	1,650	43,700
Forrest Personnel	Provide traineeships and cadetships	1,500	-

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUES AND EXPENSES (continued)

(b) Grant Revenue (continued)

<i>Operating Grants received (continued):</i>		2020	2019
		\$	\$
Bunbury Geographe Economic Alliance	Deliver Innovation Forum	750	-
Edith Cowan University	Deliver Innovation Forum	750	-
Keep Australia Beautiful	Support Youth Advisory Committee	500	-
Federal Assistance Grant	Koombana Bridge	-	314,157
Dept. Primary Industries & Regional Development	Install Beach Emergency Numbers	-	17,819
Healthway	Conduct youth events and initiatives	-	12,000
Dept. Local Government, Sports & Cultural Industries	Coordinate art exhibitions	-	3,647
Western Australia Police Force	Support Bunbury RoadWise Committee	-	1,000
		<u>2,888,241</u>	<u>2,656,227</u>

NOTE

General Purpose Grants - Roads and General

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

In 2018/19 the City received a general purpose grant advance payment for the 2019/20 financial year of \$809,671.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUES AND EXPENSES (continued)

(c) Expenses	2020	2019
	\$	\$
Auditors Remuneration		
- Audit of the Annual Financial Report	40,182	36,000
- Financial Management Review	-	3,500
- Other Services	5,900	5,450
	<u>46,082</u>	<u>44,950</u>
 Interest Expenses (Finance Costs)		
Borrowings	19(b) 610,258	676,531
Borrowings - self-supporting	19(b) 8,614	6,646
Lease Liabilities	18 20,696	-
	<u>639,568</u>	<u>683,177</u>
 Rental Charges		
- Operating Leases	<u>-</u>	<u>153,890</u>

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

3. CASH AND CASH EQUIVALENTS

	NOTE	2020 \$	2019 \$
Cash at bank and on hand		6,223,444	3,471,828
Term deposits	3	32,071,288	34,288,466
		38,294,732	37,760,294
Comprises			
Unrestricted cash and cash equivalents		15,649,982	11,354,498
Restricted cash and cash equivalents		22,644,750	26,405,796
		38,294,732	37,760,294

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

Unspent grants		-	4,321,888
Unspent loans	19(c)	422,414	767,715

Cash Backed Reserves

	4		
ACDI Equipment Replacement Program		734,693	734,693
Airport		245,979	195,567
Asset Management and Renewal		3,114,988	2,091,373
Building Restoration and Maintenance		1,239,293	1,405,914
Bunbury Museum and Heritage Centre		11,007	5,474
Canal Management		577,017	598,158
City Arts Collection		35,836	50,801
City Growth and Major Development		493,632	-
City of Bunbury General Parking		8,440,076	8,365,026
College Grove Subdivision Amended Joint Venture		27,074	27,454
Disaster Relief Fund - (City of Bunbury)		100,000	100,000
Dual Use Path Upgrade Contributions		59,746	59,746
Employee Entitlements and Insurance		1,067,150	1,099,805
Environmental		109,949	196,710
Hay Park Regional Athletics Track		610,665	510,665
Heritage Building Maintenance		27,500	27,500
Infrastructure Development		1,817,939	757,867
Land Subdivision and Development		330,949	340,723
Local Planning Policy Framework		148,255	138,255
Meat Inspection		420,386	236,036
Plant and Equipment		357,356	343,357
Public Art		98,536	73,536
Refuse Collection and Waste Minimisation		1,447,461	3,250,684
Road Upgrade Contributions		171,704	171,704
Town Planning Scheme Land Acquisition and Compensation		132,505	132,505
Withers		402,641	402,641
		22,222,336	21,316,193
		22,644,750	26,405,796

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 2020

4. RESERVES - CASH BACKED

	2020 Actual \$	2020 Budget \$	2019 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	-	-	-
	<u>734,693</u>	<u>734,693</u>	<u>734,693</u>

Airport

<i>Purpose: To receipt funds from airport leases for the future provision of asset management and expansion projects at the airport</i>			
Opening Balance	195,567	195,567	133,278
Amount Set Aside / Transfer to Reserve	127,396	123,786	125,470
Amount Used / Transfer from Reserve	(76,984)	(111,348)	(63,181)
	<u>245,979</u>	<u>208,005</u>	<u>195,567</u>

Asset Management and Renewal

<i>Purpose: To provide funding for future asset management and renewal programs and projects</i>			
Opening Balance	2,091,373	2,091,373	4,687,042
Amount Set Aside / Transfer to Reserve	2,375,000	2,375,000	481,343
Amount Used / Transfer from Reserve	(1,351,385)	(3,216,615)	(3,077,012)
	<u>3,114,988</u>	<u>1,249,758</u>	<u>2,091,373</u>

Building Restoration and Maintenance

<i>Purpose: For the purchase and upgrade of Council buildings</i>			
Opening Balance	1,405,914	1,405,914	2,640,254
Amount Set Aside / Transfer to Reserve	-	-	1,168,733
Amount Used / Transfer from Reserve	(166,621)	(241,927)	(2,403,073)
	<u>1,239,293</u>	<u>1,163,987</u>	<u>1,405,914</u>

Bunbury Museum and Heritage Centre

<i>Purpose: To provide funding for the Museum</i>			
Opening Balance	5,474	5,474	3,850
Amount Set Aside / Transfer to Reserve	5,533	-	1,624
Amount Used / Transfer from Reserve	-	-	-
	<u>11,007</u>	<u>5,474</u>	<u>5,474</u>

Canal Management

<i>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</i>			
Opening Balance	598,158	598,158	537,304
Amount Set Aside / Transfer to Reserve	60,292	48,917	61,480
Amount Used / Transfer from Reserve	(81,434)	(599,374)	(626)
	<u>577,017</u>	<u>47,701</u>	<u>598,158</u>

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

4. RESERVES - CASH BACKED (continued)

	2020 Actual \$	2020 Budget \$	2019 Actual \$
City Arts Collection			
<i>Purpose: For the Purchase and upgrade of Council Art Collections</i>			
Opening Balance	50,801	50,801	46,368
Amount Set Aside / Transfer to Reserve	-	-	4,433
Amount Used / Transfer from Reserve	(14,965)	(20,000)	-
	<u>35,836</u>	<u>30,801</u>	<u>50,801</u>

City Growth and Major Development

Purpose: To provide funds for the development and implementation of strategic projects

Opening Balance	-	-	-
Amount Set Aside / Transfer to Reserve	500,000	500,000	-
Amount Used / Transfer from Reserve	(6,368)	(500,000)	-
	<u>493,632</u>	<u>-</u>	<u>-</u>

City of Bunbury General Parking

Purpose: To fund motor vehicle parking requirements within the City of Bunbury and promotion of the CBD

Opening Balance	8,365,026	8,365,026	8,284,129
Amount Set Aside / Transfer to Reserve	313,629	278,866	443,632
Amount Used / Transfer from Reserve	(238,579)	(558,808)	(362,735)
	<u>8,440,076</u>	<u>8,085,084</u>	<u>8,365,026</u>

College Grove Subdivision Amended Joint Venture

Purpose: To provide funding for the development of land relating to the amended College Grove joint venture

Opening Balance	27,454	27,454	28,107
Amount Set Aside / Transfer to Reserve	520	850	797
Amount Used / Transfer from Reserve	(900)	(20,000)	(1,450)
	<u>27,074</u>	<u>8,304</u>	<u>27,454</u>

Depot Construction

Purpose: To provide funding for the purpose of constructing a new depot

Opening Balance	-	-	709,742
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	(709,742)
	<u>-</u>	<u>-</u>	<u>-</u>

Disaster Relief Fund - (City of Bunbury)

Purpose: To provide relief of personal hardship and distress arising from natural disasters

Opening Balance	100,000	100,000	100,000
Amount Set Aside / Transfer to Reserve	20,000	20,000	-
Amount Used / Transfer from Reserve	(20,000)	(20,000)	-
	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

4. RESERVES - CASH BACKED (continued)

	2020 Actual \$	2020 Budget \$	2019 Actual \$
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	59,746

Employee Entitlements and Insurance

<i>Purpose: To provide future funds for employee related entitlements and insurance liabilities</i>			
Opening Balance	1,099,805	1,099,805	992,196
Amount Set Aside / Transfer to Reserve	114,763	82,410	130,587
Amount Used / Transfer from Reserve	(147,418)	(147,418)	(22,978)
	1,067,150	1,034,797	1,099,805

Environmental

<i>Purpose: For the future provision of environmental management and associated projects</i>			
Opening Balance	196,710	196,710	182,679
Amount Set Aside / Transfer to Reserve	17,000	17,000	28,900
Amount Used / Transfer from Reserve	(103,761)	(205,753)	(14,869)
	109,949	7,957	196,710

Hay Park Regional Athletics Track

<i>Purpose: To retain funds for the future replacement of the regional athletics track</i>			
Opening Balance	510,665	510,665	440,665
Amount Set Aside / Transfer to Reserve	100,000	100,000	70,000
Amount Used / Transfer from Reserve	-	-	-
	610,665	610,665	510,665

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	757,867	757,867	557,739
Amount Set Aside / Transfer to Reserve	1,502,314	1,502,314	1,107,253
Amount Used / Transfer from Reserve	(442,242)	(1,700,687)	(907,125)
	1,817,939	559,494	757,867

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

4. RESERVES - CASH BACKED (continued)

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Land Subdivision and Development			
<i>Purpose: To provide funding for land subdivision development</i>			
Opening Balance	340,723	340,723	340,723
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	(9,774)	(205,000)	-
	<u>330,949</u>	<u>135,723</u>	<u>340,723</u>

Local Planning Policy Framework

Purpose: To provide funding for Local Planning Policy Framework

Opening Balance	138,255	138,255	88,255
Amount Set Aside / Transfer to Reserve	50,000	50,000	50,000
Amount Used / Transfer from Reserve	(40,000)	(90,000)	-
	<u>148,255</u>	<u>98,255</u>	<u>138,255</u>

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	236,036	236,036	163,554
Amount Set Aside / Transfer to Reserve	502,094	413,907	72,482
Amount Used / Transfer from Reserve	(317,744)	(354,450)	-
	<u>420,386</u>	<u>295,493</u>	<u>236,036</u>

Planning and Development Act Section 152

Purpose: To receipt income from the sale of Town Planning Act Section 152 Public Open Space Reserves to fund other public open space developments in accordance with the Town Planning Act

Opening Balance	-	-	678,325
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	(678,325)
	<u>-</u>	<u>-</u>	<u>-</u>

Note: As required under Section 152 of the Planning and Development Act, \$678,325 in 2018/19 has been transferred from the Reserve to Trust (Note 32).

Plant and Equipment

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

Opening Balance	343,357	343,357	417,357
Amount Set Aside / Transfer to Reserve	43,186	-	-
Amount Used / Transfer from Reserve	(29,187)	(165,372)	(74,000)
	<u>357,356</u>	<u>177,985</u>	<u>343,357</u>

Public Art

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

Opening Balance	73,536	73,536	73,536
Amount Set Aside / Transfer to Reserve	25,000	25,000	-
Amount Used / Transfer from Reserve	-	-	-
	<u>98,536</u>	<u>98,536</u>	<u>73,536</u>

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

4. RESERVES - CASH BACKED (continued)

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Refuse Collection and Waste Minimisation			
<i>Purpose: To receipt any annual surplus from Council's waste collection/minimisation program to provide funding for Council's sanitation program</i>			
Opening Balance	3,250,684	3,250,684	2,996,047
Amount Set Aside / Transfer to Reserve	4,988,936	5,742,504	634,066
Amount Used / Transfer from Reserve	(6,792,159)	(7,427,000)	(379,429)
	1,447,461	1,566,188	3,250,684
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	-	-	-
	171,704	171,704	171,704
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	-	-	-
	132,505	132,505	132,505
Withers			
<i>Purpose: To provide funding for the implementation of the Withers Action Plan</i>			
Opening Balance	402,641	402,641	459,748
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	(57,107)
	402,641	402,641	402,641
TOTAL RESERVES	22,222,336	17,012,995	21,316,193
Reserves Summary			
Total Opening Balance	21,316,193	21,316,193	25,687,046
Total Amount Set Aside / Transfer to Reserve	10,745,664	11,280,554	4,380,800
Total Amount Used / Transfer from Reserve	(9,839,521)	(15,583,752)	(8,751,652)
Net Transfers to / (from) Reserves	906,143	(4,303,198)	(4,370,853)
TOTAL RESERVES	22,222,336	17,012,995	21,316,193

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 2020

5. TRADE AND OTHER RECEIVABLES

	2020	2019
	\$	\$
Current		
Rates Outstanding	1,878,879	1,407,799
Sundry Debtors	722,205	532,884
GST Receivable	238,057	183,923
Infringements	153,535	201,592
	<u>2,992,676</u>	<u>2,326,199</u>
Non-Current		
Rates Outstanding - Pensioners	612,211	569,831
Deferred Debtors	-	13,780
	<u>612,211</u>	<u>583,611</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 2020

6. INVENTORIES

	2020	2019
	\$	\$
Current		
Construction Materials and Fuel	74,401	57,366
Bunbury Visitor Information Centre Stock Held for Sale	6,368	6,490
Bunbury Wildlife Park Stock Held for Sale	16,374	14,743
South West Sports Centre Stock Held for Sale	15,089	17,205
	112,232	95,804
	112,232	95,804

The following movements in inventories occurred during the year:

Carrying Amount at 1 July 2019	95,804	61,991
Inventories expensed during the year	(298,066)	(175,312)
Additions to inventory	314,493	209,125
Carrying Amount at 30 June 2020	112,232	95,804
	112,232	95,804

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 2020

7. OTHER ASSETS AND ASSETS CLASSIFIED AS HELD FOR SALE

	2020	2019
	\$	\$
Other Current Assets		
Prepayments	523,027	653,197
Accrued income	13,717	93,559
	536,744	746,755
Non-Current Assets Held for Sale		
Land - Lot 1881 Koombana Drive, Bunbury	-	1,500,000
	-	1,500,000

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.

Non-current assets held for sale

Assets are classified as held for sale where the carrying amount will be recovered through a sale rather than continuing use and the asset is available for immediate sale with a sale being highly probable.

Non-current assets held for sale (continued)

Non-current assets classified as held for sale are valued at the lower of the carrying amount and fair value less costs to sell.

The fair value of land and buildings was determined using the sales comparison approach using comparable properties in the area. This is a level 2 measurement as per the fair value hierarchy set out in Note 35(h).

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		2020	2019
Investment Type	TERM	\$	\$
Bankwest Term Deposit	Short Term	-	10,121,438
Commonwealth Bank of Australia Term Deposit	Short Term	1,768,495	-
National Australia Bank Term Deposit	Short Term	23,586,021	5,000,000
Westpac Banking Corporation Term Deposit	Short Term	6,716,772	19,167,028
		32,071,288	34,288,466

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

9. OTHER FINANCIAL ASSETS

	2020	2019
	\$	\$
(a) Current Assets		
Other financial assets at amortised cost	45,362	44,345
	45,362	44,345
 Other Financial Assets at Amortised Cost		
Financial assets at amortised cost - self-supporting loans	45,362	44,345
	45,362	44,345
 (b) Non-current assets		
Other financial assets at amortised cost	208,272	253,634
Financial assets at fair value through profit and loss	142,442	140,137
	350,715	393,771
 Other Financial Assets at Amortised Cost		
Financial assets at amortised cost - self-supporting loans	208,272	253,634
	208,272	253,634
 Financial Assets at Fair Value through Profit and Loss		
Units in Local Government House Trust	142,442	140,137
	142,442	140,137

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 and unable to be reliably determined 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(b) as self-supporting loans.

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Financial assets at fair value through profit and loss

The 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.

Financial assets at fair value through profit and loss (continued)

- equity investments which the City has not elected to recognise fair value gains and losses through other comprehensive income.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 31.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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 2018	114,327,816	116,910,961	5,022,449	3,314,761	189,682	2,191,666	4,778,332	246,735,667
Additions	1,612,033	5,714,402	1,724,955	1,190,662	46,994	15,567	(4,149,009)	6,155,604
(Disposals)	(455,676)	(805,247)	(444,474)	(167,161)	(150,774)	(40,162)	-	(2,063,494)
Revaluation increment/(decrement)	-	-	(664,515)	-	-	-	-	(664,515)
Depreciation (expense)	-	(2,666,547)	(774,789)	(893,003)	(25,453)	(29,052)	-	(4,388,843)
Carrying Amount at 30 June 2019	115,484,173	119,153,568	4,863,628	3,445,259	60,450	2,138,019	629,323	245,774,419
Comprises, as at 30 June 2019								
Gross carrying amount	115,484,174	124,341,070	4,863,626	4,899,323	68,245	2,145,601	629,323	252,431,360
Accumulated depreciation	-	(5,187,502)	-	(1,454,064)	(7,795)	(7,582)	-	(6,656,942)
Carrying Amount at 30 June 2019	115,484,174	119,153,568	4,863,626	3,445,259	60,450	2,138,019	629,323	245,774,419
Less Land held for re-sale (Note 7)	(1,500,000)							(1,500,000)
Adjusted Carrying Amount at 30 June 2019	113,984,174	119,153,568	4,863,626	3,445,259	60,450	2,138,019	629,323	244,274,419
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	2,253,053	3,026,251	1,079,935	31,521	14,965	471,877	7,378,161
Works in Progress Movement	-	570,730	14,328	25,317	-	-	(610,375)	-
(Disposals)	(2,102)	(1,061,798)	(359,838)	(155,237)	-	-	-	(1,578,976)
Revaluation increment/(decrement)	-	-	-	-	-	137,752	-	137,752
Impairment (Loss) / Reversals	-	-	-	-	-	-	-	-
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	118,242,456	6,844,179	3,416,823	81,764	2,286,945	490,825	245,845,621
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

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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 2017	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 2017	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 2020

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 2018	131,682,841	40,771,768	63,196,079	13,146,303	15,159,506	23,117,529	6,017,623	6,440,464	2,794,779	302,326,892
Additions	5,491,391	909,460	1,454,250	490,465	127,243	725,451	-	1,785,609	(1,932,231)	9,051,638
Disposals	(241,995)	(893,564)	(277,089)	(520,542)	(28,951)	(1,012,131)	-	(709,711)	-	(3,683,983)
Reclassifications	-	-	-	753,525	-	(753,525)	-	-	-	-
Revaluation increments / (decrements) transferred to revaluation surplus	(4,616,408)	776,252	1,581,716	-	(436,572)	(4,084,781)	2,349	985,316	-	(5,792,128)
Impairment (loss)/reversals transferred to profit or loss	-	-	-	-	-	-	-	-	-	-
Depreciation (expense)	(4,039,970)	(1,356,365)	(1,189,778)	(712,690)	(677,157)	(406,180)	(163,478)	(710,310)	-	(9,255,928)
Carrying Amount at 30 June 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	862,548	292,646,492
Comprises, as at 30 June 2019										
Gross carrying amount	260,201,494	65,646,337	103,225,165	22,199,355	27,713,568	22,244,148	8,981,319	11,774,573	862,548	522,848,506
Accumulated depreciation	(131,925,635)	(25,438,784)	(38,459,987)	(9,042,293)	(13,569,499)	(4,657,785)	(3,124,826)	(3,983,206)	-	(230,202,015)
Carrying Amount at 30 June 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	862,548	292,646,492
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	862,548	292,646,492
Additions	2,813,284	1,914,782	375,890	658,644	321,934	385,188	-	878,058	1,018,697	8,366,477
Works in Progress Movement	68,951	-	123,355	-	555,453	16,815	-	2,130	(766,705)	-
Disposals	(451,262)	(181,167)	(364,041)	(47,110)	(466,667)	(85,806)	(2,919)	(35,836)	-	(1,634,808)
Reclassifications	-	-	-	-	-	-	-	-	-	-
Reval increments / (decrements) transferred to reval surplus	427,091	1,550,877	2,283,231	(63,044)	1,038,868	(602,875)	-	(101,029)	-	4,533,118
Revaluation (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	127,001,587	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
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

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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 2020	Construction costs and current condition, residual values and remaining useful life assessments inputs
Paths	3	Cost approach using depreciated replacement cost	Management valuation	June 2020	Construction costs and current condition, residual values and remaining useful life assessments inputs
Stormwater	3	Cost approach using depreciated replacement cost	Management valuation	June 2020	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 2020	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 2020	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 2020	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 2020	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 2020

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.

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

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under control prior to 1 July 2019

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

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

Land under roads prior to 1 July 2019

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

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

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

Whilst such treatment is inconsistent with the requirements of AASB 1051, *Local Government (Financial Management) Regulation 4(2)* provides, in the event of such an inconsistency, the *Local Government (Financial Management) Regulations* prevail. Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the City.

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 2020

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	2,102	-	30,000	30,000	27,898	30,000
Buildings	1,061,798	-	-	-	(1,061,798)	-
Plant and Vehicles	359,838	966,966	315,465	575,430	(44,372)	(391,536)
Equipment	155,237	-	-	-	(155,237)	-
Roads	451,262	-	-	-	(451,262)	-
Paths	181,167	-	-	-	(181,167)	-
Stormwater	364,041	-	-	-	(364,041)	-
Open Space	47,110	-	-	-	(47,110)	-
Marine	466,667	-	-	-	(466,667)	-
Structures	85,806	-	-	-	(85,806)	-
Bridges	2,919	-	-	-	(2,919)	-
Other Infrastructure	35,836	-	-	-	(35,836)	-
Land held for resale	1,500,000	1,500,000	1,800,000	1,800,000	300,000	300,000
	4,713,784	2,466,966	2,145,465	2,405,430	(2,568,319)	(61,536)

Profit	327,898	330,000
Loss	(2,896,216)	(391,536)
	(2,568,319)	(61,536)

(b) Depreciation

	2020	2019
	\$	\$
Buildings	2,673,096	2,666,547
Plant and Vehicles	700,188	774,789
Equipment	978,451	893,003
Furniture and Fittings	10,208	25,453
Arts and Culture	3,791	29,052
Infrastructure		
Roads	4,132,337	4,039,970
Paths	1,420,919	1,356,365
Stormwater	1,318,550	1,189,778
Open Space	770,284	712,690
Marine	757,588	677,157
Bridges	162,255	163,478
Structures	372,151	406,180
Other Infrastructure	976,582	710,310
Right-of-Use Assets - Plant and Equipment	126,452	-
	14,402,851	13,644,771

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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 (plant and equipment)	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 2020

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 Total
	\$	\$
Carrying amount at 30 June 2019	-	-
Recognised on initial application of AASB 16	366,405	366,405
Restated total equity at the beginning of the financial year	366,405	366,405
Additions	-	-
Depreciation (Expense)	(126,452)	(126,452)
Carrying amount at 30 June 2020	239,953	239,953
Cash outflow from leases		
Interest expense on lease liabilities	20,696	20,696
Lease principal expense	132,856	132,856
Total cash outflow from leases	153,552	153,552
Other expense and income relating to leases		
Short-term lease payments recognised as expense	-	-
Low-value asset lease payment recognised as expense	-	-
Expenses for variable lease payment not recognised as a liability	-	-

The City has three leases relating to plant and equipment. The lease term for these leases range between 4 - 6 years. All the leases have fixed lease payments. 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 2020

14. REVALUATION SURPLUS

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

	2020	2019
	\$	\$
(i) Land		
Opening Balance	104,050,153	104,050,153
Revaluation Increment	-	-
Revaluation Decrement	-	-
	104,050,153	104,050,153
(ii) Buildings		
Opening Balance	79,212,247	79,212,247
Revaluation Increment	-	-
Revaluation Decrement	-	-
	79,212,247	79,212,247
(iii) Plant and Vehicles		
Opening Balance	-	564,591
Revaluation Increment	-	-
Revaluation Decrement	-	(564,591)
	-	-
(iv) Equipment		
Opening Balance	378,880	378,880
Revaluation Increment	-	-
Revaluation Decrement	-	-
	378,880	378,880
(v) Furniture and Fittings		
Opening Balance	144,435	144,435
Revaluation Increment	-	-
Revaluation Decrement	-	-
	144,435	144,435
(vi) Arts and Culture		
Opening Balance	617,097	617,097
Revaluation Increment	137,752	-
Revaluation Decrement	-	-
	754,849	617,097
(vii) Roads		
Opening Balance	57,089,612	61,706,020
Revaluation Increment	427,091	-
Revaluation Decrement	-	(4,616,408)
	57,516,704	57,089,612
(viii) Paths		
Opening Balance	25,221,076	24,444,824
Revaluation Increment	1,550,877	776,252
Revaluation Decrement	-	-
	26,771,953	25,221,076

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

14. REVALUATION SURPLUS (continued)

	2020 \$	2019 \$
(ix) Stormwater		
Opening Balance	34,786,314	33,204,598
Revaluation Increment	2,283,231	1,581,716
Revaluation Decrement	-	-
	37,069,546	34,786,314
(x) Open Space		
Opening Balance	1,781,222	1,781,222
Revaluation Increment	-	-
Revaluation Decrement	(63,044)	-
	1,718,178	1,781,222
(xi) Marine		
Opening Balance	10,741,443	11,178,015
Revaluation Increment	1,038,868	-
Revaluation Decrement	-	(436,572)
	11,780,311	10,741,443
(xii) Bridges		
Opening Balance	1,968,114	1,965,765
Revaluation Increment	-	2,349
Revaluation Decrement	-	-
	1,968,114	1,968,114
(xiii) Structures		
Opening Balance	13,856,125	17,940,906
Revaluation Increment	-	-
Revaluation Decrement	(602,875)	(4,084,781)
	13,253,250	13,856,125
(xiv) Other Infrastructure		
Opening Balance	985,316	-
Revaluation Increment	-	985,316
Revaluation Decrement	(101,029)	-
	884,286	985,316
TOTAL ASSET REVALUATION SURPLUS	335,502,904	330,832,034
Revaluation Surplus Summary		
Total Opening Balance	330,832,034	337,188,753
Revaluation Increment	5,437,819	3,345,633
Revaluation Decrement	(766,949)	(9,702,352)
TOTAL ASSET REVALUATION SURPLUS	335,502,904	330,832,034

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 2020

15. INVESTMENT PROPERTIES

The City holds no investment property at 30 June 2020.

16. TRADE AND OTHER PAYABLES

	NOTE	2020 \$	2019 \$
Current			
Sundry Creditors		2,164,607	2,329,450
Accrued Interest on Loans		47,090	56,649
Accrued Salaries and Wages		564,655	300,544
Deposits and Prepayments		285,799	261,219
Income Received in Advance		228,976	195,322
Prepaid Rates		1,429,320	1,195,227
		<u>4,720,447</u>	<u>4,338,411</u>
Non-Current			
College Grove Subdivision Profit Share	25(a)	12,204	12,458
		<u>12,204</u>	<u>12,458</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 2020

17. CONTRACT LIABILITIES

	2020	2019
	\$	\$
Current		
Contract liabilities from contracts with customers	945,039	-
Contract liabilities from transfers for recognisable non-financial assets	4,056,647	-
	5,001,685	-

	Adjusted*			Closing
Function/Activity	Balance	Received	Expended	Balance
Grant/Contribution	1/07/2019	2019/20	2019/20	30/06/2020
	\$	\$	\$	\$
Governance				
Management of funds for Bunbury Marine project	425,298	1,710	(81,564)	345,444
Law, Order and Public Safety				
Implement CCTV CBD Network Stage 5	107,478	-	(107,478)	-
Design and construct Bunbury SES headquarters	25,086	-	(13,957)	11,129
Develop Safer Communities	4,101	-	-	4,101
Education and Welfare				
Deliver "Be Connected Capacity Building" program	25,000	-	(21,216)	3,784
Deliver "The Makerspace" digital and technology skill	4,397	5,603	(1,716)	8,284
Community Amenities				
Renew and improve drainage (Brockman Park)	120,000	-	(120,000)	-
Campus Precinct Study	5,715	-	-	5,715
UAT Facility at Des Ugle	-	125,000	(117,302)	7,698
Recreation and Culture				
Construct Hay Park Central Pavilion	959,563	1,267,293	(166,277)	2,060,580
Detailed design plans for Hay Park Precinct	120,379	-	(120,379)	-
Conduct Indigenous Art Program at BRAG	109,618	120,000	(80,717)	148,901
Construct heritage fishing and crabbing platform	110,744	-	(46,481)	64,263
Construct heritage interpretation, Koombana Bay	58,519	-	-	58,519
Connect with Asia	43,700	-	(1,650)	42,050
Deliver outcomes of Greener City Strategy	40,000	-	(40,000)	-
Refurbish Hay Park Grounds	34,233	-	(10,240)	23,993
Construct heritage interpretation, Koombana Bay	12,548	-	-	12,548
Deliver "Every Club" (Dept Sport & Rec) program	5,532	-	(3,246)	2,286
Shorelines Cultural Program	4,200	-	-	4,200
Participate in Xiuzhou (Jiaxing) Reciprocal Art Exchange	2,072	1,676	-	3,748
Preliminary design and concept for Hands Oval	-	10,000	-	10,000
ZAA Zoo grant	-	30,606	(22,283)	8,323
Shift Festival	-	3,182	-	3,182

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

17. CONTRACT LIABILITIES (continued)

Function/Activity Grant/Contribution	Adjusted* Balance 1/07/2019 \$	Received 2019/20 \$	Expended 2019/20 \$	Closing Balance 30/06/2020 \$
Transport				
Upgrade Halifax Business Park Infrastructure	1,500,000	834,606	(649,322)	1,685,285
Koombana Bridge general maintenance	314,157	-	-	314,157
Implement Wipe-out Graffiti program	6,325	-	(6,325)	-
Upgrade street lighting on Sandridge Road East	3,913	-	(3,913)	-
Review LSP for Integrated Transport	-	15,000	-	15,000
RoadWise	-	1,870	-	1,870
Economic Services				
Installation of digital billboard, Forrest Highway	200,000	3,544	(111,509)	92,035
Regional Tourism Strategy - Infrastructure	37,500	-	(5,720)	31,780
Connecting Bunbury Geographe	32,810	-	-	32,810
Produce Regional Mountain Bike maps	9,000	-	(9,000)	-
	4,321,888	2,420,091	(1,740,294)	5,001,685

* Adjusted as per AASB 15 Revenue from contracts with customers. Unspent grants held at 30/06/2019 have been reclassified as at 1 July 2019 - refer Note 34(a).

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.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

18. LEASE LIABILITIES

(a) Lease Liabilities	2020	2019
	\$	\$
Current	120,210	-
Non-current	113,339	-
	233,549	-

(b) Movements in Carrying amounts

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Actual Lease Principal 1 July 2019 \$	New Leases \$	Principal Repayments		Principal 30-Jun-20		Interest Repayments	
							Actual \$	Budgeted \$	Actual \$	Budgeted \$	Actual \$	Budgeted \$
Recreation and Culture												
Gym Equipment	E6N0159898	Maia Financial	5.56%	48 months	139,404	-	78,007	80,098	61,396	59,306	6,139	3,498
Gym Equipment	E6N0159899	Maia Financial	7.06%	72 months	192,333	-	46,461	47,461	145,871	144,872	12,361	12,526
Gym Equipment	E6N0159949	Maia Financial	6.95%	72 months	34,669	-	8,387	8,401	26,282	26,268	2,196	1,568
TOTAL					366,405	-	132,856	135,960	233,549	230,445	20,696	17,592

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

19. INFORMATION ON BORROWINGS

	2020	2019
	\$	\$
(a) Borrowings		
Current	2,063,416	2,196,043
Non-current	11,020,300	12,333,717
	13,083,717	14,529,760

(b) Loan Principal and Interest Repayments

Particulars	Institution	Interest Rate %	Principal 01-Jul-19 \$	New Loans \$	Principal Repayments		Principal 30-Jun-20		Interest Repayments	
					Actual	Budget	Actual	Budget	Actual	Budget
					\$	\$	\$	\$	\$	\$
Community Amenities										
369 Urban Stormwater Drainage	WATC ⁽¹⁾	3.46	1,018,553	-	155,540	155,540	863,013	863,013	40,745	40,745
379 Public Amenities	WATC ⁽¹⁾	2.91	164,484	-	18,543	18,543	145,942	145,941	5,773	5,773
Sub Total			1,183,037	-	174,083	174,083	1,008,954	1,008,954	46,518	46,518
Recreation and Culture										
362 Bunbury Entertainment Centre Expansion	WATC ⁽¹⁾	4.36	2,395,289	-	438,436	438,436	1,956,853	1,956,853	112,512	112,512
365 Hay Park South Multi Sports Pavilion	WATC ⁽¹⁾	3.46	816,123	-	124,628	124,628	691,496	691,495	32,647	32,647
366 Hands Oval Upgrade	WATC ⁽¹⁾	3.96	608,633	-	143,329	143,329	465,304	465,304	26,877	26,877
367 Glen Iris Skate Park	WATC ⁽¹⁾	4.36	141,131	-	25,833	25,833	115,298	115,298	6,629	6,629
372 Hay Park Sports Pavilion	WATC ⁽¹⁾	2.68	236,776	-	31,185	31,185	205,592	205,591	7,741	7,741
373 Bunbury Museum & Heritage	WATC ⁽¹⁾	2.91	240,969	-	27,165	27,165	213,804	213,804	8,458	8,458
380 Bunbury Bowling Club*	WATC ⁽¹⁾	2.55	61,858	-	7,585	7,585	54,274	54,273	1,941	1,941
382 Stirling Street Arts Centre	WATC ⁽¹⁾	2.43	900,000	-	80,537	80,537	819,463	819,463	27,545	27,546
384 Bunbury Bowling Club*	WATC ⁽¹⁾	3.07	86,121	-	7,937	7,937	78,184	78,184	3,151	3,151
385 Bunbury and Districts Hockey Club*	WATC ⁽¹⁾	1.99	150,000	-	28,824	28,824	121,176	121,176	3,797	3,797
Sub Total			5,636,901	-	915,456	915,459	4,721,445	4,721,445	231,298	231,299

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

19. INFORMATION ON BORROWINGS (continued)

(b) Loan Principal and Interest Repayments (continued)

Particulars	Institution	Interest Rate %	Principal 01-Jul-19 \$	New Loans \$	Principal Repayments		Principal 30-Jun-20		Interest Repayments	
					Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Transport										
350 Kerbside Parking Meters	WATC ⁽¹⁾	6.00	147,908	-	147,908	147,908	-	-	7,991	7,991
363 Roadworks and Path Construction	WATC ⁽¹⁾	3.96	605,947	-	142,696	142,696	463,251	463,251	26,758	26,758
364 Cobblestone Drive Car Park	WATC ⁽¹⁾	3.96	134,257	-	31,617	31,617	102,641	102,640	5,929	5,929
368 Path and Road Construction	WATC ⁽¹⁾	3.46	640,599	-	97,824	97,824	542,775	542,775	25,626	25,626
370 Airport Upgrades	WATC ⁽¹⁾	3.46	156,306	-	23,869	23,869	132,437	132,437	6,253	6,253
378 Roadworks and Path Construction	WATC ⁽¹⁾	2.91	641,488	-	72,316	72,316	569,172	569,172	22,515	22,515
383 Road Construction	WATC ⁽¹⁾	2.43	500,000	-	44,743	44,743	455,257	455,257	15,303	15,303
387 Marine Walls	WATC ⁽¹⁾	2.03	-	750,000	-	-	750,000	750,000	216	-
Sub Total			2,826,505	750,000	560,972	560,973	3,015,534	3,015,534	110,590	110,375
Other Property and Services										
319 Civic Administration Building	CBA ⁽²⁾	6.48	2,011,747	-	147,860	147,860	1,863,887	1,863,887	128,742	128,241
329 Civic Administration Building	WATC ⁽¹⁾	5.82	130,433	-	130,433	130,433	-	-	6,711	6,709
381 Depot Construction	WATC ⁽¹⁾	3.21	2,741,137	-	267,239	267,239	2,473,897	2,473,898	104,572	104,571
Sub Total			4,883,317	-	545,533	545,532	4,337,784	4,337,784	240,024	239,521
TOTAL			14,529,760	750,000	2,196,043	2,196,047	13,083,717	13,083,717	628,430	627,713

⁽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 2019/20</u>	
Actual	628,430
Accrued	(9,558)
	<u><u>618,872</u></u>

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

19. INFORMATION ON BORROWINGS (continued)

(c) New Borrowings - 2019/20

Particulars / Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate * %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
Recreation and Culture										
386 Stirling Street Arts Centre	-	250,000	WATC	Debenture	10	-		-	250,000	-
Transport										
387 Marine Walls	750,000	750,000	WATC	Debenture	10	53,636	2.03	327,586	750,000	422,414
388 Path Construction	-	750,000	WATC	Debenture	10	-		-	750,000	-
	750,000	1,750,000				53,636		327,586	1,750,000	422,414

Loans 386 and 388 were not required during the 2019/20 financial year.

* Inclusive of Government Guarantee Fee - currently 0.70% pa

(d) Unspent Borrowings

Particulars	Balance 1-Jul-19 \$	Borrowed During Year \$	Expended During Year \$	Balance 30-Jun-20 \$
382 Stirling Street Arts Centre	767,715	-	767,715	-
387 Marine Walls	-	750,000	327,586	422,414
	767,715	750,000	1,095,301	422,414

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

19. INFORMATION ON BORROWINGS (continued)

(e) Overdraft

Council does not have an overdraft facility at balance date.

(f) Undrawn Borrowing Facilities	2020	2019
Credit Standby Arrangements	\$	\$
Credit card Limit	100,000	100,000
Credit card balance at balance date	(6,188)	(1,327)
Total Amount of Credit Unused	93,812	98,673
Loan Facilities		
Loan facilities - current	2,063,416	2,196,043
Loan facilities - non-current	11,020,300	12,333,717
Lease liabilities - current	120,210	-
Lease liabilities - non-current	113,339	-
Total Facilities in Use at Balance Date	13,317,266	14,529,760

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 2020:	Nil
Financial Institution:	Commonwealth Bank of Australia
Purpose:	Operating Overdraft account
Council Resolution:	2 July 2013 (Resolution 184/13)
Loan Guarantee Provided to:	Community Home Care Inc.
Amount:	\$550,000
Amount Used as at 30 June 2020:	Nil - Finalised during the financial year
Financial Institution:	Bendigo and Adelaide Bank
Purpose:	Construction of new premises for Community Home Care

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 2020

20. EMPLOYEE RELATED PROVISIONS

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Provision for Other Leave \$	TOTAL \$
Opening Balance at 1 July 2019				
Current provisions	1,930,712	2,081,068	95,339	4,107,119
Non-current provisions		605,370		605,370
	1,930,712	2,686,438	95,339	4,712,489
Additional provision	1,915,483	665,825	206,322	2,787,631
Amounts used	(1,973,284)	(433,295)	(173,146)	(2,579,725)
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	4,654	(35,189)	-	(30,535)
Balance at 30 June 2020	1,877,566	2,883,779	128,516	4,889,861
Comprises				
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

	2020	2019
	\$	\$

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date	2,557,676	2,589,429
More than 12 months from the reporting date	2,220,833	1,990,132
Expected reimbursements from other WA local governments	111,352	132,928
	4,889,861	4,712,489

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 2020

20. EMPLOYEE RELATED PROVISIONS (continued)

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

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

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

Other long term employee benefits (continued)

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. 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 2020

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:

	2020 \$	2019 \$
Cash and Cash Equivalents	<u>38,294,732</u>	<u>37,760,294</u>

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

Net Result	(2,038,160)	(1,273,865)
Non-cash flows in Net Result:		
Depreciation	14,402,851	13,644,771
(Profit)/Loss on Sale of Asset	2,568,319	4,075,365
Loss on Revaluation of Fixed Assets	-	99,924
Changes in assets and liabilities:		
(Increase)/Decrease in Receivables	(498,407)	(298,409)
(Increase)/Decrease in Inventories	(16,428)	(33,813)
Increase/(Decrease) in Payables	381,783	21,138
Increase/(Decrease) in Employee Provisions	177,372	344,163
Increase/(Decrease) in contract liabilities	679,797	-
Grants, Contributions for the Development of Assets	(5,802,299)	(7,047,657)
Recognition of Investment in LG House	(2,305)	(140,137)
Net Cash from Operating Activities	<u>9,852,524</u>	<u>9,391,480</u>

22. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2020 \$	2019 \$
General Purpose Funding	2,491,090	1,885,257
Governance	12,189,403	12,329,007
Law, Order and Public Safety	6,283,877	6,807,709
Health	2,931,303	2,771,338
Education and Welfare	3,833,973	3,960,617
Community Amenities	74,275,347	74,855,387
Recreation and Culture	208,416,504	218,017,429
Transport	217,072,184	219,608,146
Economic Services	13,628,254	13,878,498
Other Property and Services	23,255,381	23,292,127
Unallocated	18,653,543	15,402,115
	<u>583,030,857</u>	<u>592,807,629</u>

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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
* Lot 70 Winthrop Ave	* Lot 9000 Bussell Hwy	* Robertson Dve
* Mangles St	* Queens Gardens	* Clay Target Club
* Stanley Rd	* Stirling Street Arts Centre	* Austral Bricks Landfill
* Big Swamp POS	* Marlston Hill	* Bunbury Cemetery
* Koombana Dve	* Bunbury Airport	* Pioneer Park Cemetery
* Molloy St	* Bunbury Hospital	* Hay Park
* Turkey Point	* Rawling Rd	

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 2020

24. CAPITAL COMMITMENTS

The City of Bunbury has the following capital expenditure commitments contracted for as at 30 June 2020 which have not been recognised as a liability in the Statement of Financial Position:

	2020	2019
	\$	\$
Contracted for:		
Replace corporate heavy plant	501,683	659,140
Renew SWSC aquatic changeroom amenities	435,235	-
Infrastructure development works at Lot 3002 Lyons Cove	349,282	21,352
Replace SWSC fire system	317,586	-
Replace playground equipment	199,991	-
Upgrade Halifax Business Park Infrastructure	164,991	-
Redevelop Stirling Street Arts Centre	120,551	2,089,491
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	-
Improve City's Landscaping, Parks, Gardens and Entry Statements	39,728	-
Construct new UAT Public Facility at Des Ugle Park	22,232	-
Replace waste vehicles and plant	-	2,173,905
Renew foreshore marine walls - Leschenault Inlet	-	211,680
Renew and improve drainage (Brockman Park)	-	111,611
Implement CCTV CBD Network Stage 5	-	107,795
Renew Bunbury Wildlife Park buildings	-	93,965
Cultural Precinct	-	35,409
Install outdoor digital screens at Bunbury Regional Art Gallery	-	25,468
Refurbish City Facilities changerooms and public conveniences	-	20,061
Upgrade South West Sports Centre leisure facility software	-	19,130
	<u>2,593,455</u>	<u>5,569,008</u>
Payable:		
- not later than one year	2,593,455	5,569,008
- 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 2020

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 2019/20.

The Department of Primary Industries and Regional Development and the City have also entered into a Financial Assistance Agreement for \$2.8M to facilitate the City procuring the construction of the extension of Somerville Drive, College Grove through to an intersection with Robertson Drive, College Grove to be repaid as part of the Amended Joint Venture Agreement from future land sales.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

25. JOINT VENTURE ARRANGEMENTS (continued)

(a) Land Development Agreements (continued)

At 30 June 2020 the undistributed profits of the subdivision, which are held in Amended College Grove Joint Venture Reserve amount to:

	NOTE		2020 \$		2019 \$
Dept of Primary Industries & Regional Development	16	66.67%	12,204 *		12,458 *
City of Bunbury		33.33%	14,870		14,996
	4		27,074		27,454

*Included as a non-creditor - Refer Note 16

The assets and liabilities associated with this joint venture are:

Current Assets					
Investments			27,074		27,454
Total Assets			27,074		27,454
Current Liabilities			-		-
Total Liabilities			-		-

The income and expenses associated with this joint venture are:

Statement of Comprehensive Income

Other Revenue			520		797
Other Expenditure			(900)		(1,450)
Net Result for the Period			(380)		(653)

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			(380)		(653)

(b) Controlled Entity

The City of Bunbury operates the Bunbury Harvey Regional Council in conjunction with the Shire of Harvey. The Regional Council was constituted with the City of Bunbury having 89.6% interest and the Shire of Harvey having 10.4% interest.

Fees and Charges

Waste disposal fees payable by the City to the Bunbury Harvey Regional Council and reimbursements by the Bunbury Harvey Regional Council to the City for accounting and payroll services are included in the financial statements.

Equity in Joint Venture

			2020 \$		2019 \$
City of Bunbury		89.6%	7,544,147		8,185,221
Shire of Harvey		10.4%	875,660		950,070
			8,419,807		9,135,291

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

25. JOINT VENTURE ARRANGEMENTS (continued)

(b) Controlled Entity (continued)

Consolidated financial statements have not been prepared because they do not show a materially different position to that of the City of Bunbury due to the significant site rehabilitation costs expected with the post closure of the tip site. The City's equity in the joint venture is not considered material and therefore does not form part of the financial statements.

The assets and liabilities associated with this controlled entity are:

	2020	2019
	\$	\$
Current Assets	4,234,312	4,363,834
Non-Current Assets	5,034,844	5,188,616
Total Assets	9,269,156	9,552,450
Current Liabilities	825,101	410,505
Non-Current Liabilities	24,248	6,654
Total Liabilities	849,349	417,159
Net Assets	8,419,807	9,135,291

The income and expenses associated with this controlled entity are:

Statement of Comprehensive Income

Revenue	4,526,266	3,865,870
Operating Expenses	(5,241,750)	(4,449,639)
Net Result for the Period	(715,484)	(583,769)

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	(715,484)	(583,769)

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 2020

26. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

The following fees, expenses and allowances were paid to council members and/or the mayor.	2020 Actual \$	2020 Budget \$	2019 Actual \$
Councillors Allowance	292,473	300,000	275,000
Mayoral Allowance	91,000	91,000	91,000
Deputy Mayoral Allowance	14,758	15,250	15,250
Telecommunications Allowance	44,436	45,500	42,000
Travel and Accommodation	1,497	1,333	3,322
	<u>444,163</u>	<u>453,083</u>	<u>426,571</u>

Key Management Personnel (KMP) Compensation Disclosure

The total remuneration paid to KMP of the City during the year are as follows:	2020 \$	2019 \$
Short-term employee benefits	934,876	899,110
Post-employment benefits	84,894	80,805
Other long-term benefits	24,454	20,435
	<u>1,044,224</u>	<u>1,000,350</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).

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.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

26. RELATED PARTY TRANSACTIONS (continued)

Transactions with Related Parties (continued)

The following transactions occurred with related parties:	2020	2019
	\$	\$
Associated Companies / Individuals:		
Sale of goods and services ¹	156,979	1,343,232
Purchase of goods and services ²	(715,875)	(719,786)
Amounts Outstanding from Related Parties:		
Trade and other receivables	10,914	-
Amounts Payable to Related Parties:		
Trade and other payables	(57,716)	(45,464)

Note:

(1) Sale of goods and services

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

2019 - The majority of this is for the sale of Lot 33 Strickland Street Drainage Reserve (\$1.19M), with the balance mainly being for 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 2019/20 financial year.

28. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2019/20 financial year.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

29. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$ (cents)	Number of Properties	2019/20 Actual Rateable Value (\$)	2019/20 Actual Rate Revenue (\$)	2019/20 Actual Interim Rates (\$)	2019/20 Actual Back Rates (\$)	2019/20 Actual Total Revenue (\$)	2019/20 Budget Rate Revenue (\$)	2019/20 Budget Interims (\$)	2019/20 Budget Back Rates (\$)	2019/20 Budget Total Revenue (\$)	2018/19 Actual Total Revenue (\$)
General rate												
Gross rental valuations												
General	9.6310	13,692	376,734,104	36,283,262	206,487	8,730	36,498,478	36,283,261	221,601	-	36,504,862	35,205,891
Sub - Total		13,692	376,734,104	36,283,262	206,487	8,730	36,498,478	36,283,261	221,601	-	36,504,862	35,205,891

	Minimum \$											
Minimum payment	1,199	2,757	27,088,911	3,305,643	-	-	3,305,643	3,305,643	-	-	3,305,643	3,217,296
Sub - Total		2,757	27,088,911	3,305,643	-	-	3,305,643	3,305,643	-	-	3,305,643	3,217,296

							39,804,121				39,810,505	38,423,187
Concessions (refer Note 26(d))							(123,698)				(123,698)	(120,084)
Total amount raised from general rate							39,680,423				39,686,807	38,303,103
Specified Area Rate (Refer Note 26(b))							48,963				48,917	46,446
TOTAL RATES							39,729,387				39,735,724	38,349,549

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

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 2020

29. RATING INFORMATION (continued)

(b) Specified Area Rate

	Rate in \$ (cents)	Basis of Rate	2019/20 Actual Rateable Value (\$)	2019/20 Actual Rate Revenue (\$)	2019/20 Back Rate Revenue (\$)	2019/20 Budget Rate Revenue (\$)	2018/19 Actual Total Revenue (\$)
Pelican Point Grand Canal							
- Rate	1.1860	GRV	4,083,460	48,430	-	48,430	47,222
- Interim Rate				533	487	487	(776)
				48,963	487	48,917	46,446
				48,963	487	48,917	46,446

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 2019/20 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 \$2,000 from the Commonwealth Bank of Australia is offered to encourage the early payment of rates. The following terms and conditions applied to the 2019/20 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 2019/20 rates notice before 4:00pm, 2 September 2019. No responsibility is accepted for late, lost or misdirected payments.
2. There is one (1) prize to be given away being a \$2,000 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 2020

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	7,755	7,755
Rates - Sporting Groups	Concession	47,459	47,459
		123,698	123,698

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 ablutions (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 2019/20 was \$7,755.

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 2019/20 was \$47,459.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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		2,306	3,000
Sundry Debtors	Write-Off		433	4,890
Infringements	Write-Off		87,344	130,000
			90,083	137,890

(e) Interest Charges & Instalments

	Interest Rates %	Admin Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		190,907	190,995
Interest on Instalment Plans	5.50%		240,773	240,773
Interest on Deferred Pensioners			12,800	12,800
			444,480	444,568
Charges on Instalment Plans		21.00	112,721	112,721
Direct Debit Fee		31.50	6,112	5,984
			118,833	118,705
			563,312	563,273

Ratepayers had the option of paying rates in full, or in four equal instalments due on 2 September 2019, 4 November 2019, 6 January 2020 and 6 March 2020, or by direct debit over the rate instalment periods. Administration charges and interest applied to the final three instalments and direct debit options.

As a result of the state of emergency which has arisen due to the COVID-19 pandemic, the City waived penalty interest on rates from 1 March 2020 to 30 June 2020.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

30. RATE SETTING STATEMENT INFORMATION

		2020	2020 Budget	2019	2019
	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)	(327,898)	(330,000)	(813,923)	(813,923)
Less: Fair Value Adjustments to financial assets at fair value through profit and loss	9(b)	(2,305)	-	-	-
Less: Change in Accounting Policy		-	-	-	-
Movement in Deferred Debtors	5	13,780	-	13,341	13,341
Movement in Deferred Pensioner Rates	5	(42,380)	-	(75,500)	(75,500)
Increase in Self Supporting Loans	19(b)	-	-	(240,000)	(240,000)
Movement in Employee Benefit Provisions (Non-Current)	20	48,816	52,300	80,453	80,453
Movement in College Grove Joint Venture	16	(253)	-	(436)	(436)
Add: Loss on Disposal of Assets	12(a)	2,896,216	391,536	4,889,288	4,889,288
Add: Depreciation on Assets	12(b)	14,402,851	14,571,079	13,644,771	13,644,771
Non-Cash Amounts Excluded from Operating Activities		16,988,828	14,684,915	17,497,994	17,497,994
(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	(22,644,750)	(17,012,995)	(26,405,796)	(22,083,908)
Add: Restricted Cash - Unspent Grants				-	(4,321,888)
Less: Financial Assets at Amortised Cost - Self-Supporting Loans	9(a)	(45,362)	(44,346)	(44,345)	(44,345)
Add: Borrowings	19(a)	2,183,627	2,295,053	2,196,043	2,196,043
Total Adjustments to Net Current Assets		(20,506,486)	(14,762,288)	(24,254,099)	(24,254,098)
Net Current Assets Used in the Rate Setting Statement					
Total Current Assets		41,981,745	29,997,342	40,973,397	40,973,397
Less: Total Current Liabilities		(16,141,433)	(15,004,140)	(14,963,461)	(10,641,573)
Less: Total Adjustments to Net Current Assets		(20,506,486)	(14,762,288)	(24,254,099)	(24,254,098)
Net Current Assets Used in the Rate Setting Statement		5,333,826	230,914	1,755,838	6,077,726
(c) Adjustments to current assets and liabilities at 1 July 2019 on application of new accounting standards					
Total current assets as at 30 June 2019					40,973,397
- Contract assets	2				-
Total current assets at 1 July 2019					40,973,397
Total current liabilities as 30 June 2019					(10,641,573)
- Contract liabilities from contracts with customers	17				(1,277,640)
- Contract liabilities from transfers for recognisable non financial assets	17				(3,044,248)
Total current liabilities at 1 July 2019					(14,963,461)

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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 2020

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 \$
2020					
Cash and cash equivalents	0.84%	38,294,732	32,071,288	6,223,444	-
2019					
Cash and cash equivalents	2.16%	37,760,294	34,288,466	3,471,828	-

Sensitivity

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

	2020	2019
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity ⁽¹⁾	382,947	377,603

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.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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 effect of COVID-19 needs to be considered. Financial assistance provided to ratepayers is expected to adversely affect the City's cash flows.

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. Re-negotiation of repayment terms is expected due to the COVID-19 pandemic.

The loss allowance as at 30 June 2020 for rates receivable was determined as follows and takes into account the waiver of penalty interest due to the impact of COVID-19.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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 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	-	-	-	-	-
01 July 2019					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	1,044,914	366,488	210,364	355,864	1,977,631
Loss allowance	-	-	-	-	-
	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 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	-	-	-	-	-
01 July 2019					
Sundry receivables and infringements					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	494,894	12,658	8,798	218,126	734,476
Loss allowance	-	-	-	-	-

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

31. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk - that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The 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 \$
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
2019					
Payables	4,338,411	12,458	-	4,350,868	4,350,868
Borrowings	2,196,043	8,074,448	4,259,269	14,529,760	14,529,760
	6,534,454	8,086,906	4,259,269	18,880,628	18,880,628

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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-19	Amounts Received	Amounts Paid	Balance 30-Jun-20
	\$	\$	\$	\$
Glen Iris Structure Plan	1,532,388	27,160	(5,232)	1,554,317
Donations and Grants	2,473	-	-	2,473
Unclaimed Monies	66,745	532	(5,264)	62,013
Fees Collected	26,126	231,699	(218,465)	39,361
Miscellaneous	6,416	95	-	6,511
Artist Payments	2,937	45,162	(46,229)	1,870
Tuart Brook Local Structure Plan	158,844	2,637	-	161,481
Planning and Development Act s152	774,564	112,111	-	886,675
Mosquito Control (CLAG)	32,545	38,199	(34,697)	36,047
Setagaya Student Payments	38,544	12,502	(51,046)	-
SW Emergency Management	5,540	-	-	5,540
Security Camera Contributions	5,000	-	-	5,000
Brookfield Rail Agreement	41,455	14,277	-	55,731
	2,693,577	484,374	(360,933)	2,817,019

(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 2020 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 2020

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 15: Revenue from Contracts with Customers

The City adopted AASB 15 Revenue from Contracts with Customers (issued December 2014) on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the City adopted the new rules retrospectively with the cumulative affect of initially applying these rules recognised on 1 July 2019. In summary the following adjustments were made to the amounts recognised in the balance sheets at the date of initial application (1 July 2019):

	Note	AASB 118 Carrying amount 30 June 2019 \$	Reclassification \$	AASB 15 Carrying amount 1 July 2019 \$
Contract Assets		-	-	-
Contract Liabilities - Current	17			
Contract liabilities from contracts with customers		-	(1,117,640)	(1,117,640)
Contract liabilities from transfers for recognisable non financial assets		-	(3,204,248)	(3,204,248)
Adjustment to retained surplus from adoption of AASB 15		-	(4,321,888)	(4,321,888)

(b) AASB 1058: Income for Not-for-Profit Entities

The City adopted AASB 1058 Income for Not-for-Profit Entities (issued December 2016) on 1 July 2019 which has resulted in no changes in the accounting policies as the City already recognises prepaid rates as a financial liability.

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

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

Volunteer Services in relation to Fire, SES and Wildlife Park Services were not recognised as the fair value as the services can't be reliably estimated.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

34. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (continued)

(b) AASB 1058: Income for Not-for-Profit Entities (continued)

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

		2020 \$	Adjustment due to the application of AASB 15 and AASB 1058	2020 \$
	Note	As reported under AASB 15 and AASB 1058		Compared to AASB 118 and AASB 1004
Statement of Comprehensive Income				
Revenue				
Operating grants, subsidies and contributions	2(a)	2,888,241	945,039	3,833,280
Fees and charges	2(a)	12,003,763	(59,624)	11,944,139
Non-operating grant, subsidies and contributions	2(a)	5,802,299	4,056,647	9,858,946
Net result		(2,038,160)	4,942,061	2,903,901
Statement of Financial Position				
Contract assets	2(a)	-	-	-
Trade and other payables	16	4,720,447	(59,624)	4,660,823
Contract liabilities	17	5,001,685	5,001,685	-
Net Assets		555,089,394	4,942,061	560,031,455
Statement of Changes in Equity				
Net result		(2,038,160)	4,942,061	2,903,901
Retained surplus		197,364,153	4,942,061	202,306,215

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

(c) AASB 16: Leases

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

On adoption of AASB 16, the City recognised lease liabilities in relation to leases which had previously been classified as an 'operating lease' applying AASB 117 (excluding short term and low value leases). These lease liabilities were measured at the present value of the remaining lease payments, discounted using the implicit interest rate within the lease agreements.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

34. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (continued)

(c) AASB 16: Leases

	Note	2020
		<u>\$</u>
Operating lease commitments at 30 June 2019 applying AAS 117		407,527
Discount using implicit interest rate within lease agreements		<u>(41,122)</u>
Lease liability recognised at 1 July 2019 discounted using the implicit interest rate within lease agreements	18	366,405
Lease liability - current		132,856
Lease liability - non-current		<u>233,549</u>
Right-of-use assets recognised at 1 July 2019		366,405

On adoption of AASB 16, the City recognised right-of-use assets in relation to leases which had previously been classified as an 'operating lease' applying AASB 117. These right-of-use assets are deemed to be equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments.

Property, plant and equipment and lease liabilities increased by \$366,405 on 1 July 2019 resulting in no impact on the retained surplus.

On adoption of AASB 16 Leases (issued February 2016), for leases which had previously been classified as an 'operating lease' when applying AASB 117, the City is not required to make any adjustments on transition for leases for which the underlying asset is of low value. 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).

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

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

(d) Impact of New Accounting Standards on Retained Surplus

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

	Note	Adjustments	2019
			<u>\$</u>
Retained surplus - 30 June 2019			204,630,344
Adjustment to retained surplus from adoption of AASB 15		(4,321,888)	
Adjustment to retained surplus from adoption of AASB 16		-	
Adjustment to retained surplus from adoption of AASB 1058		-	<u>(4,321,888)</u>
Retained surplus - 1 July 2019			200,308,456

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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 2020

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 2020

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 2020

37. FINANCIAL RATIOS

	2020	2019	2019	2018	2018
	Actual	Restated*	Actual	Restated*	Actual
Current ratio	1.283	1.527	1.527	1.297	1.297
Asset consumption ratio	0.555	0.560	0.567	0.595	0.601
Asset renewal funding ratio	0.978	0.956	0.956	0.943	0.943
Asset sustainability ratio	0.688	0.670	0.648	0.738	0.707
Debt service cover ratio	2.550	2.069	2.069	3.577	3.577
Operating surplus ratio	(0.143)	(0.151)	(0.160)	0.0001	(0.010)
Own source revenue coverage ratio	0.837	0.832	0.827	0.957	0.953

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	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

Notes:

* Ratios for prior years have been restated due to correction of prior period error/change in accounting policy - Refer Note 38.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

38. RESTATEMENT OF PRIOR PERIOD COMPARATIVES DUE TO ERROR/CHANGE IN ACCOUNTING POLICY

In accordance with AASB 108, balances relating to the 2019 comparative year have been amended due to the correction of a prior year error. This error has been adjusted and shown below and, in accordance with the requirement of AASB 101.

Buildings owned by third parties on City owned land were incorrectly identified as being part of the City's assets. These included sporting and community club buildings and airport hangers. This was based on previous advice received; but will now only be recognised when the lease expires or when the owner vacates the land. The carrying cost of those assets as at 1 July 2018, totalling \$12,905,926 have been removed and adjusted against the retained surplus as a prior period adjustment.

As a result the Buildings and expenditure balances in the 2019 financial statements were misstated. The following demonstrates all statements and notes affected by the prior year corrections:

	30 June 2019	Increase/ (Decrease)	30 June 2019 (Restated)
	\$	\$	\$
Statement of Financial Position as at 30 June 2019			
Property Plant and equipment	256,710,356	(12,435,938)	244,274,418
Equity - Retained surplus	217,066,282	(12,435,938)	204,630,344
Statement of Changes in Equity for the year ended 30 June 2019			
Net result for the period	(1,743,854)	469,989	(1,273,865)
Retained surplus	217,066,282	(12,435,937)	204,630,345
Statement of Comprehensive Income for the year ended 30 June 2019			
By Nature and Type			
Expenses - depreciation on non-current assets	(14,114,759)	469,989	(13,644,770)
Net Result for the period for the period	(1,743,854)	469,989	(1,273,865)
Total comprehensive income for the period	(8,100,573)	469,989	(7,630,584)
By Program			
Expenses - Other Property and Services adjusted	(13,785,743)	469,989	(13,315,754)
Net Result for the period for the period	(1,743,854)	469,989	(1,273,865)
Total comprehensive income for the period	(8,100,573)	469,989	(7,630,584)
Rate Setting Statement			
Expenses - depreciation	(14,114,759)	469,989	(13,644,770)
Note 10(a) Movements in Carrying Amounts			
Buildings			
Balance at 1 July 2018	129,816,887	(12,905,926)	116,910,961
Depreciation (expense)	(3,136,536)	469,989	(2,666,547)
Accumulated depreciation	(6,245,989)	1,058,487	(5,187,502)
Carrying amount as at 30 June 2019	131,589,506	(12,435,938)	119,153,568
Note 12(b) Depreciation			
Buildings	3,136,536	(469,989)	2,666,547
Note 21 Notes to the Statement of Cashflows			
Net Result	(1,743,854)	469,989	(1,273,865)
Depreciation	(14,114,759)	469,989	(13,644,770)
Note 22 Total Assets Classified by Function and Activity			
Other Property and Services	23,292,127	(12,435,938)	10,856,189
Note 30 Rate Setting Statement Information			
Depreciation of Assets	(14,114,759)	469,989	(13,644,770)

Refer Note 37 for details of ratios affected by the prior year correction.



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Councillors of the City of Bunbury

Report on the Audit of the Financial Report

Opinion

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

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

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

Basis for Opinion

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

Emphasis of Matter – Basis of Accounting

I draw attention to Notes 1 and 12 to the annual financial report, which describes the basis of accounting. The annual financial report has been prepared for the purpose of fulfilling the City's annual financial reporting responsibilities under the Act. In respect of the comparatives for the previous year ended 30 June 2019, Regulation 16 of the Local Government (Financial Management) Regulations 1996 (Regulations), did not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. My opinion is not modified in respect of this matter.

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

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

In preparing the annual financial report, the CEO is responsible for assessing the 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

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

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

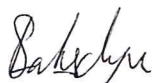
Report on Other Legal and Regulatory Requirements

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

- (i) In my opinion, the following material matters indicate significant adverse trends 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 two 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 annual financial report were supported by verifiable information and reasonable assumptions.

Matters Relating to the Electronic Publication of the Audited Financial Report

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



SANDRA LABUSCHAGNE
DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
12 December 2020



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