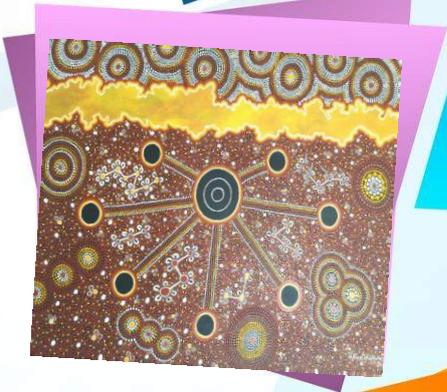


SHIRE OF **DUNDAS**

Annual Report

2015-2016





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Phone: 9039 1278



Image: Eucla Jetty, Cissy Ellison
People's Choice Award Dundas
Images photographic competition
August, 2016.



We **value** our **lifestyle.**

The bush, the peace, our health, our safety and
where we live.

We **expect** **quality services.**

Improved streetscapes, good footpaths, quality health
services, housing and strong educational facilities.

We **envision** **sustainability.**

We strive to be financially, socially and
environmentally sustainable.

Our **mission** is: “That as a Community
we work collectively within an ethical framework
to enhance our Community and its social fabric by
way of consultation, lobbying and promotion.”

President's Report



On behalf of the Councillors to the electors of the Shire of Dundas, it is with great pleasure that I present the 2015/2016 Annual Report.

There have been several staff changes within our Shire Executive this year, with our CEO Richard Brooks resigning after a very successful seven year term. Richard was replaced by Doug Stead who was our incumbent DCEO and who now heads a very proactive and vibrant team. A new position was also created to develop more Community Service within the Shire with the appointment of a Community Development Officer, Pania Turner. This position has been hugely successful with many varied and interesting projects developed.

“Situated in the Heart of the Great Western Woodlands, the Council recognised that we could no longer rely on Mining as a mainstay to our economy and needed to focus on Tourism within our Natural and Cultural Heritage as well as developing our business potential.”

We therefore engaged Kulbardi Hill Consulting to develop site plans for the ‘untapped and underdeveloped visitor assets’ of the Shire. This also included recognising that the current Visitor centre building was inadequate. Council agreed to the acquisition of a new building situated on Prinsep Street with the vision that it would be developed into a facility that promotes our new vision for the Shire. Funding will need to be actively sought if we are to achieve our plans. Thus the Strategic Community Development Plan and Corporate Business Plan continue to guide the Council in these endeavours

Within this framework and with the assistance of Federal and State we were able to achieve funding for our much needed Airport upgrade to an all-weather strip. This project will be ongoing within the next financial year due to the enormity of the project and will certainly be well received by the RFDS, our Medical, other business and Mining Services and potential for new Tourism.



With the sudden closure of the ANZ Bank and disruption to our Post Office, Shire Staff were put under pressure to ensure that these services continued for our Community. Fortunately this was achieved. All Staff should be congratulated on their high standard of work during the year, their professionalism and efficiency, especially in achieving our excellent Audit Reports.

It has been a most rewarding pleasure to work with Shire Staff and Councillors during this year, which has certainly had many highs and excellent recognition of achievement and I thank you all for your dedication and passion. I look forward to a very productive and interesting next financial year.

Image: Raewyn Bond receives Award of Excellence at the Dundas Images photographic competition August 2016.

Elected Members

PRESIDENT

CR JACQUIE BEST

60 ANGOVE STREET

NORSEMAN, WA 6443

PH: (08) 9039 0201

RETIRING: 2017



DEPUTY PRESIDENT

CR LYNN WEBB

78 GOODLIFFE STREET

NORSEMAN, WA 6443

PH: (08) 9039 0380

RETIRING: 2017



CR PATRICK HOGAN

29-31 MILDURA
STREET

NORSEMAN, WA 6443

PH: (08) 9039 1117

RETIRING: 2017



CR BONNIE VICENSONI

20 FULLER STREET

NORSEMAN, WA 6443

PH: (08) 9039 1052

RETIRING: 2019



CR RASA PATUPIS

EUCLA

WA 6443

PH: (08) 9039 3425

RETIRING: 2019



CR LAURENE BONZA

7 CRABBE STREET

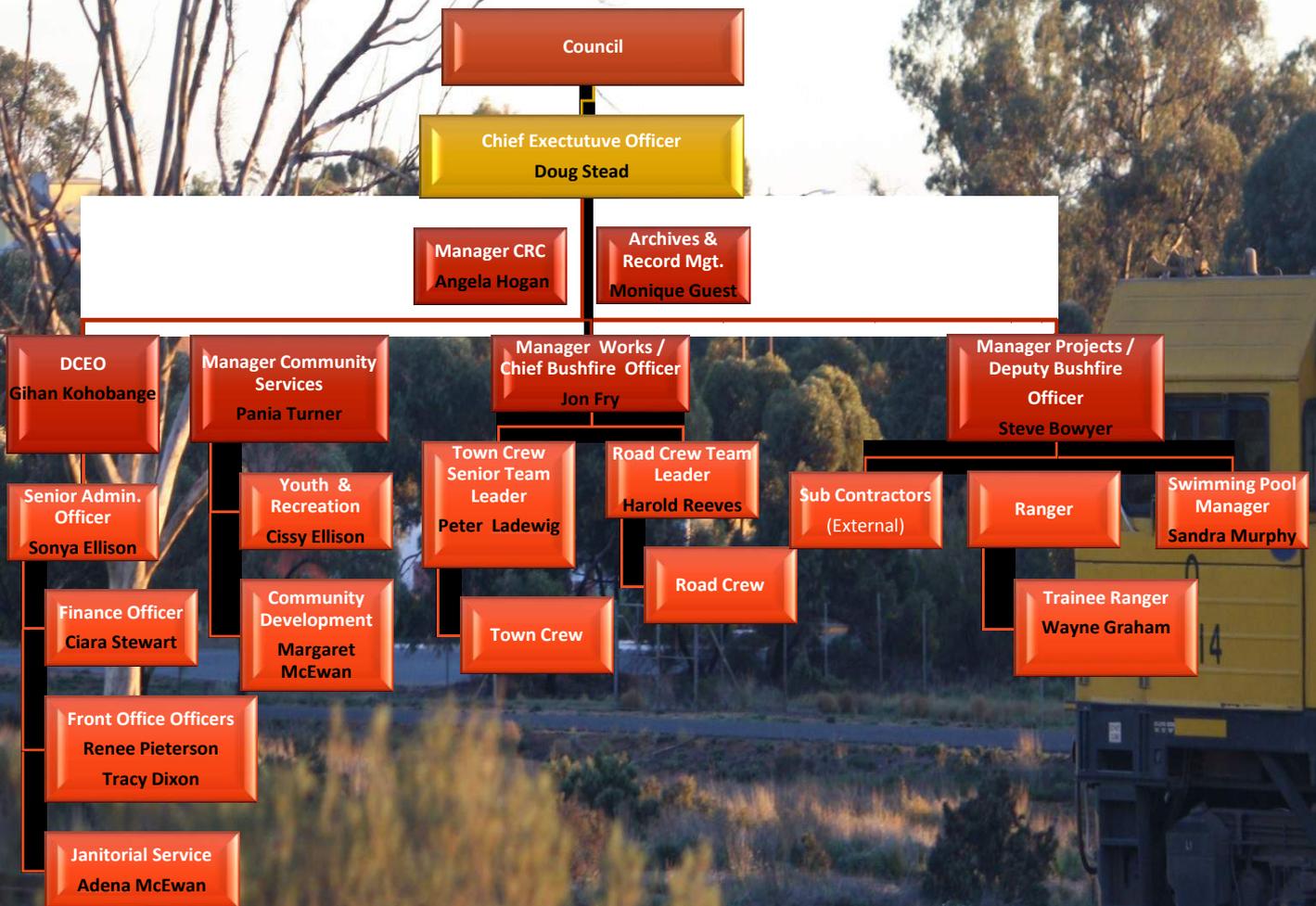
NORSEMAN, WA 6443

PH: (08) 9039 1117

RETIRING: 2019



Organisational Structure



CEO Report

Doug Stead

The 2015 /16 financial year has been a very productive year, with much planning and development. The Shire is well positioned to cope with the challenges of 2016 / 17 and the future beyond.

It is with pleasure that I report on the 2015/2016 financial year to the Council and the residents of the Shire of Dundas.

The Financial Report and the supporting Auditors Report included in this Annual report highlights that the management of the Shire's administration and finances has again been of a very high standard and in accordance with the variety of legislative requirements.

This year we farewelled Richard Brookes who has retired to Queensland. Gihan Kohobange has joined us as Deputy CEO and has settled down very quickly into this role, looking after our finances and administration. In order to improve our efficiency in financial and compliance reporting it has been necessary to appoint a dedicated financial officer and Ciara Stewart has taken over this role.

Renee Peterson has joined our staff as the front counter staff member and is well known to the community through her time at the Post Office in Norseman.

Shire management has continued to seek out value added services to the community and during 2015/16 introduced a Community Development unit comprising of Pania Turner as Manager of Community Services and Margaret McEwan as Community Development Officer. This department has added a new and fresh approach to extra mural activity in Norseman.



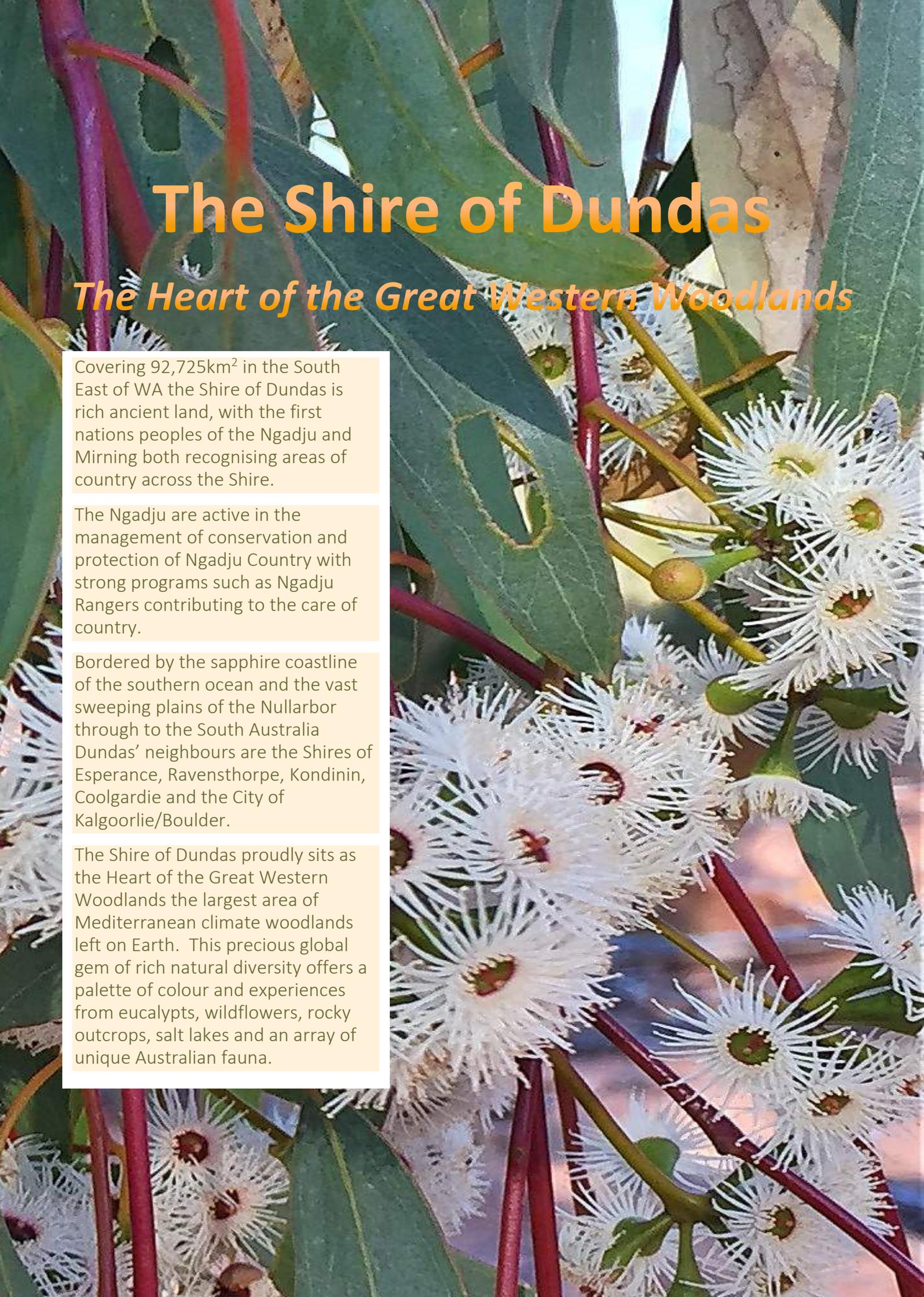
Early in 2016 Norseman found itself without banking services as the local bank, in keeping with the trend set by the “big 4” banks decided to withdraw from small country towns. The Shire is pleased to advise that Goldfields Money Ltd will be opening an office in Norseman providing the Shire and community with banking facilities operating from the Shire premises. In order to make this a smooth transition the shire is providing a staff member to be suitably trained to assist community members with banking requirements. Tracey Dixon has joined the Shire team to enable the shire to provide these services to the community.

With the additional staff members and the increased services being provided to the community, it was necessary to make certain alterations to the layout of the existing shire offices. The departure of the town bank provided an opportunity to relocate the Norseman Community Resource Centre away from the shire offices to the commercial main street thereby being accessible to the local community and visitors to the town.

Thank you to our Councillors for their insight and guidance, thank you to all of our staff who have at all times acted in a very professional manner which has contributed to our success.

Mural at the Norseman Pensioner's Op Shop: Irene Osbourne November 2015.



A close-up photograph of a plant with vibrant green leaves and numerous small, white, star-shaped flowers. The leaves have several distinct holes, suggesting they have been eaten by insects. The flowers have a central brownish-green core and radiating white petals. The background is softly blurred, showing more of the plant and a hint of a blue sky.

The Shire of Dundas

The Heart of the Great Western Woodlands

Covering 92,725km² in the South East of WA the Shire of Dundas is rich ancient land, with the first nations peoples of the Ngadju and Mirning both recognising areas of country across the Shire.

The Ngadju are active in the management of conservation and protection of Ngadju Country with strong programs such as Ngadju Rangers contributing to the care of country.

Bordered by the sapphire coastline of the southern ocean and the vast sweeping plains of the Nullarbor through to the South Australia Dundas' neighbours are the Shires of Esperance, Ravensthorpe, Kondinin, Coolgardie and the City of Kalgoorlie/Boulder.

The Shire of Dundas proudly sits as the Heart of the Great Western Woodlands the largest area of Mediterranean climate woodlands left on Earth. This precious global gem of rich natural diversity offers a palette of colour and experiences from eucalypts, wildflowers, rocky outcrops, salt lakes and an array of unique Australian fauna.



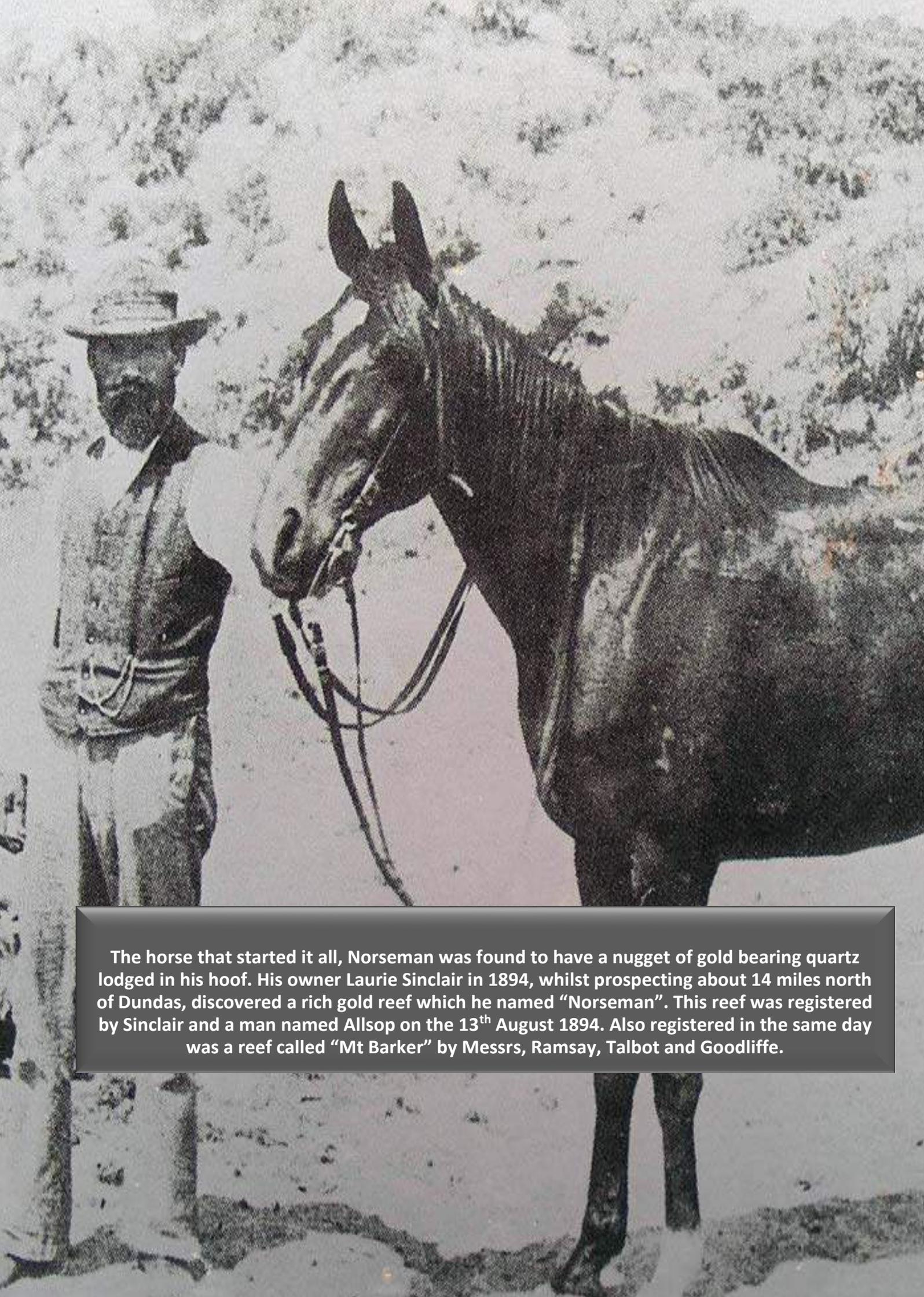
Looking after our rich diverse environment by developing collaborative management opportunities with the Ngadju through the Ngadju Ranger's program has opened the door of opportunity. Council has moved forward with its first initial steps to see Ngadjumaya (Ngadju language) on country putting up bilingual Welcome Signage on the Shire boundaries. This move is a first step in seeing Ngadjumaya prominent in the Shire public spaces. Norseman District High School also runs Ngadjumaya classes for the local children.



Norseman District High School is the public school facility in the Shire offering places from Kindergarten to Year 12. The school is actively involved in the community caring for the environment, participating in and hosting community events. Children who live in the more remote areas of the Shire receive their education through Kalgoorlie School of the Air.



Seniors are an integral part of the community providing a large base of the volunteering public giving of their time and talents to the Norseman Historical Museum, the Norseman Visitor Centre, Norseman Opportunity Shops, Men's Shed, the local school and HACCS (Home and Community Care). Norseman seniors are active they enjoy weekly craft days, Stay on Your Feet, weekly morning teas, and a variety of Shire supported activities and outings.



The horse that started it all, Norseman was found to have a nugget of gold bearing quartz lodged in his hoof. His owner Laurie Sinclair in 1894, whilst prospecting about 14 miles north of Dundas, discovered a rich gold reef which he named "Norseman". This reef was registered by Sinclair and a man named Allsop on the 13th August 1894. Also registered in the same day was a reef called "Mt Barker" by Messrs, Ramsay, Talbot and Goodliffe.

Dundas and Norseman have an adventurous exploration and mining heritage beginning in the 1840's with the exploration of the South Coast by Edward John Eyre, the naming of the Dundas Hills in 1848 by JS Roe, and the crossing in 1871 of John Forrest from Western Australia into South Australia, which between 1871 and 1880, produced the establishment of sheep stations at Mundrabilla, Fraser Range and Balladonia.

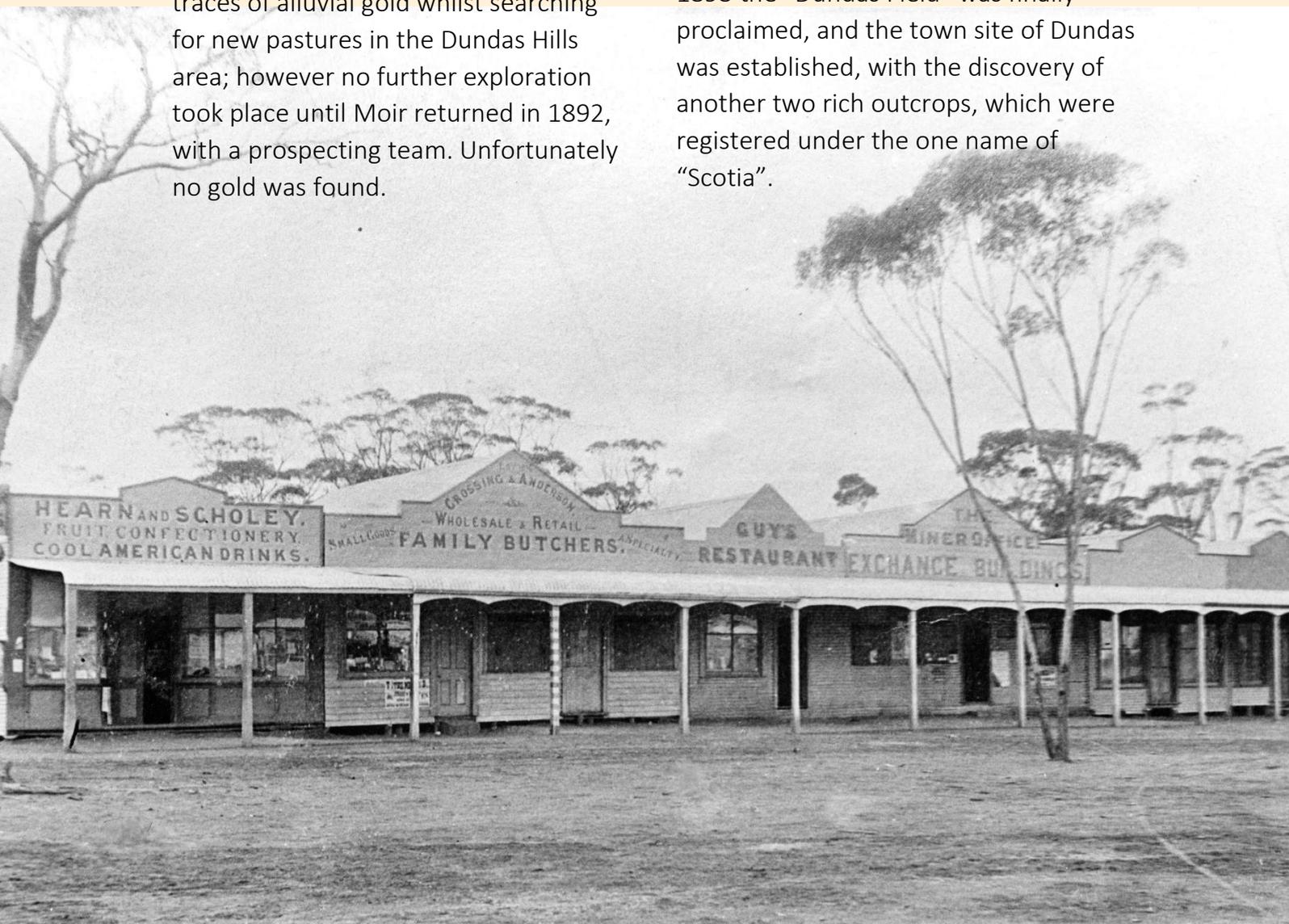
Between 1876 and 1878 the construction of the Overland Telegraph (coastal), from Albany to Adelaide took place, and after its completion the Southern Area was linked with the rest of Australia.

In 1890 Mr Moir of Fanny's Creek found traces of alluvial gold whilst searching for new pastures in the Dundas Hills area; however no further exploration took place until Moir returned in 1892, with a prospecting team. Unfortunately no gold was found.

During its first few years Norseman struggled to establish itself due to Dundas being the major township in the area, however the richer fields of Norseman gradually outgrew the latter, and in 1895 was declared a town and in 1896 a Municipality.

The Municipality became the Norseman Roads Board in 1918, the Dundas Road Board in 1929 and the Shire of Dundas in 1961.

During this time, other prospectors had begun to explore the area and in 1892 Messrs Mawson and Kirkpatrick discovered gold in the southern end of the Field and named it the "May Bell". Following this Messrs, Bromley, Mawson and Desjarlis, found a rich outcrop of ore, and named it "Great Dundas". In August 1893 the "Dundas Field" was finally proclaimed, and the town site of Dundas was established, with the discovery of another two rich outcrops, which were registered under the one name of "Scotia".



General Report

Governance

The Shire of Dundas continues to develop its ability to comply with new legislation and requirements from all sectors of government departments and agencies.

2015 and 2016 saw the Shire invest in its organisational structure creating new management positions, a Community Development team and the employment of extra administration staff to further increase our capacity to address all compliance requirements.

Professional development of staff and Councillors continues to be an important investment which is budgeted for annually. This is a continuous requirement with training expenses totalling \$27,929. The majority of training provided requires travel to larger regional centres and often Perth.

Executive staff continue to update the integrated planning framework and continually review the Corporate Business Plan, Long Term Financial Plan, Workforce Plan and Asset Management Plan.

The Shire employed a consultant to conduct an internal audit of our record keeping procedures to ensure compliance and accountability. From this an administration staff member has taken on the dedicated role of upgrading our records management procedures.

Law, Order and Public Safety

Bushfires

Mid November of 2015 the Shires of Dundas and Esperance were impacted by devastating bushfires resulting in the loss of human lives, properties and animal life.

During the evening of 17th November Norseman became an evacuation point for families fleeing a potential fire threat to the community of Salmon Gums. The Norseman Town Hall and the Norseman Sports Oval and Complex were set up to cater for families and their animals.

The two evacuation points were managed by the Shire of Dundas with an outpouring of community volunteer support through, donations of food, bedding, time, clothing and whatever assistance was needed.

DFES managed the emergency response from the Emergency Response Building co-ordinating services and response units as required.

The Shire was successful with a funding application to Lotterywest to build 8 slip on and 2 trailer fire units for fire suppression on the Eyre Highway, these will be strategically placed along the highway under the care of Station Owners/Managers.



Images from top to bottom: Fire update at Norseman Town Hall. Youth Services Officer Cissy Ellison stacking donated food at evacuation centre. Norseman DHS students Miranda Kaye and Mistee Luck preparing morning tea for fire fighters. November 2015

Animal Control

The Shire has welcomed a new Ranger to the team. This on the street presence provides quick response to call outs both in the township of Norseman and along the Eyre and Norseman Coolgardie Highways. Rangers deal with a variety of animal control issues ranging from lost pets, stray animals, dog attacks and wildlife that has been injured on the roads.

The total cost of providing an animal control service for the shire of Dundas for 2015-2016 is \$46,331.

Street Signs and Pedestrian Safety

Community feedback raised concerns about the number of scooters, skateboards and pushbikes on the main business street of town. New signage was erected and an awareness campaign with the youth of Norseman is in development to provide education on the dangers of falls for the elderly.

Blessing of the Roads

Community Development in collaboration with Norseman District High School handed over to the senior students the running of the 2016 Blessing of the Roads campaign. This Road Safety initiative was embraced by emergency response services in supporting the students in their efforts to raise awareness of the impact of road trauma on communities. Aimed at their peers, the new and future drivers on our roads, the students delivered a strong

Image: Ngadju Elder James Schultz conducting Welcome to Country at Blessing of the Roads, March 2016





Image: Norseman Hospital, Col Connolly Dundas Images Photographic Competition, August 2016.

Health

Health Inspection and Administration

Regular health inspections are undertaken in Norseman and along the Eyre Highway to Eucla ensuring the health standards are maintained in all relevant food preparation premises. A contracted provider performs these inspections.

Community Health Centre and Dental Surgery

The Shire continues to maintain the Community Health Centre and Dental Surgery building in Prinsep Street. The Norseman community is serviced by a full time resident Community Health Nurse, early in 2016 her assisting Aboriginal Health Worker relocated to another position however this important community position will remain open and Council hopes that it will be filled as soon as possible.

Whilst the Shire does not have a permanent dentist, residents were fortunate enough to have a visiting dentist from Kalgoorlie-Boulder. Children enrolled in school are also serviced through the Dental Health Services Schools Dental Service via a mobile clinic that visits the local school once or twice a year.

Resident Doctor

The Shire of Dundas continues to work on maintaining health services to Norseman by providing assistance to the doctor. To retain and attract quality medical providers Council approved the building of a new doctor's residence this year. It is pleasing to see that building works will commence early in the new 2016-2017 financial year.

Community Amenties



Household Refuse-Litter

Council carries out the rubbish removal service with its own day-labour workforce operating a single operator side-loading compaction unit.

Rubbish tip maintenance and litter control are also undertaken by Council employees. Shire staff at the refuse site continues to bale cardboard for recycling however the costs are significant compared to the value of the recycled product. The Shire Works Department continues to investigate solutions for managing recyclable waste.

Cemetery

The Norseman Cemetery is located at the end on Denison Drive in a peaceful bush setting. This year saw a concentrated effort of maintenance and upgrade with the assistance of the Government Employment and Training Scheme. The building of toilets at the cemetery offering increased public comfort when attending the services or the graves of loved ones and the identification and marking of old grave sites allows visitors to easily navigate the area.



Housing

Aged

The Shire manages four self-contained units for the aged, which were fully occupied during the year. A low rental cost is paid by the tenants however the rents charged do not reflect the true cost of providing the accommodation units. 2015-2016 saw minor projects such as internal privacy fences and general maintenance carried out.

Staff/Other

Renewal and maintenance programs continue to be carried out on an annual basis, as per strategies with the Strategic Community Plan and Corporate Business Plan. These programs ensure that housing is well maintained and of a good standard. Shire housing provides benefits in attracting senior staff to the Shire as well as costs benefits when using contractors for extended projects.



Image: Mates, Jonah Turner Dundas Images Photographic Competition, August 2016.

Education and

Welfare

Council recognises the importance of quality well-resourced public education in remote communities and looks for opportunity to support our schools with collaborative projects.

During the 2015-2016 year the Shire and Norseman District High School have worked together on the following:

- Remembrance Day 2015
- Blessing of the Roads Road Safety Awareness Campaign
- ANZAC Day Dawn Service and Diggers Breakfast
- NAIDOC Day
- Breakfast Club
- Athletics and Swim Carnivals
- Bus Transportation
- School Grounds maintenance support

Norseman District High School

The Shire of Dundas is serviced by one mainstream public school, Norseman District High School and School of the Air for primary school students living in the more remote areas of the Shire in particular families along the Eyre Highway.

Norseman District High School caters for students from Kindergarten through to Year 12, with senior students accessing some of their curriculum studies through Schools of Isolated and Distance Education whilst at school.

Youth

Fulltime Youth Services are an integral part of the Community Development Team. Operating under a contract with the Department for Community Development the Youth Officer submits quarterly reports to the Department outlining usage numbers and activities.

Youth Services play a significant role in the ability for the youth of Norseman to participate in seasonal sports, supporting community sporting events and proving a safe “drop in” space for the young people of Norseman. Catering for the ages 12 through to 18 the football and netball seasons are a busy time for Youth Services with a weekly bus taking players to Kambalda and Kalgoorlie for games and training. The Youth Officer also runs school holiday programs and is working toward building a diverse range of activities both in Norseman and out of town.



Public Halls

Council recognises the importance of investing in community space. Places of gathering and of coming together in times of celebration and in times of need connect us to each other. Council provides two main public halls in Norseman and one in Eucla. These halls are the 'Norseman Town Hall and 'Dodd House' and Eucla Community Centre.

Recreation and Culture



The Town Hall, Dodd House and Eucla Community Centre have seen a variety of activities over the past year such as the Annual School Ball, Evacuation Centre, Gold Fever Dinner, Stay on Your Feet weekly classes, Dance Class, Hair Dressing Services, community gatherings, Eucla Council Meeting, Election polling booths, Norseman Pensioners Mornings, Community Art Classes, Youth Programs, Seniors Christmas Dinner, Business Events and the hire of the venues for private functions.

Norseman Swimming Pool

The Norseman Swimming Pool is popular with residents and visitors in the summer months. Operated by a qualified Swimming Pool Manager the pool provides a sanctuary from the summer heat.

Although a substantial cost to ratepayers, Council recognises the valued community resource the pool is. The Norseman chapter of the Kambalda Sea Eagles operates each season seeing the progress of swimming skills in the youth. Norseman District High School holds its annual aquatic carnival during term one of the school year.

The Kalgoorlie Triathlon Club also holds an annual event for the local and regional athletes. The pool will continue to be operated into the future, with Community Development investigating further community activities to be held at the pool such as senior's water aerobics, fun days, swimming lessons and more.

The pool is nearing the end of its useful life and the Council will need to plan for a facility that meets the needs of the community and is able to be managed in the budget.

Library

The Library is a growing community amenity with members enjoying a range of services and resources. The library is currently situated in the Shire Administration buildings however with the move of Community Development into the previous location of the Community Resource Centre the Library can now extend its services. The new Community Development Officer will be building the Better Beginnings program on site and in the community, we will also start Toddler Time mornings, Junior and Senior Book Clubs and Writers Club utilising the Community Development space.

Amanda Maloney enjoying a story or two with her children at the Library.





Community Arts

The importance of arts and culture as part of peoples lived experience is evident in communities that thrive. Council recognises the cultural and community health benefits of public and community creative expression and supports the development of the arts.

Held in the first two weeks of November, Norseman Arts is a community arts festival that includes free art workshops, art demonstrations, creative school based activities, the annual art competition, visiting creative talent and public art placements. Enjoying strong community engagement the event is supported through grant applications and the local community groups.

The increased need for people to connect through creative experiences has highlighted the need for a dedicated community arts space. This community space needs to cater for community workshops, student engagement and youth activities, artists in residence and local exhibition space.

A diverse range of creative talent from international Aboriginal and photographic artists to the grassroots amateur craft groups reside within Shire of Dundas community.

Parks, Ovals and Community Sporting Facilities

Council maintains a combination of facilities including parks and gardens, a grassed oval, community sports centre, tennis and basketball courts, squash courts and a number of small parks. Shire staff work hard on presenting and maintaining these facilities and amenities in a good condition.

Both Phoenix and Marks Park are popular stopping points for visitors travelling through the area. Marks Park is well shaded and offers a variety of play equipment suitable for all ages. Proudly standing at the corner entry of the park is a statue of Norseman the miner's horse whose encounter with a nugget of gold bearing quartz started the mining boom in Norseman.

Phoenix Park is also a shady retreat from the heat of the day with a mining heritage theme. A meandering brook runs through the park adding to the pleasant atmosphere that invites people to stop and enjoy for a while.

Commencing in this financial year is a suite of upgrades for the park including new concrete walkways, improved lighting, CCTV installation and continued garden and landscaping maintenance.

Norseman Community Resource Centre

The Norseman Community Resource Centre is a valuable and active resource in the community funded by the Providing a range of services such as Government Booth, photocopying, printing, computers, and secretarial services as well as being an agent for Medicare, Westnet, Centrelink and the Australian Tax Office.

During 2016 the CRC relocated to the main business street of town where it continues to grow the services it provides. Popular is the Saturday morning KIDZ KLUB program which offers a variety of activities for children aged 6-12 years. The CRC works closely with the Shire and other services to provide a variety of community events including Business seminars, health campaigns, Trash Test Dummies, Food Sense Workshops, children's activities and community arts performances.

Transport

Roads and Footpaths

The Shires major road project was the continuous improvement and upgrading of the Hyden – Norseman Road with expenditure of \$1,156,075 which included funds from Financial Assistance Grant, Blackspot Funding and Regional Road Group allocations. Roads to Recovery funding enabled various streets in Norseman to be resealed at a cost of \$47,801.

The Shire carried out a footpath replacement program with a total cost of \$143,840.

Image: Lynn Webb 2015



Street Lights

266 street lights were retrofitted with new LED lighting. The project funded by the Department of Industry and Science and Royalties for Regions. Installed by Horizon Power the new lights offer a significant increase in energy efficiency and a reduction in the costs of street light maintenance.

Norseman All Weather Airstrip

Norseman sits at the western end of the Eyre Highway, a significant National highway which by having the Nullarbor, one of Australia's iconic road trips as part of the journey, sees a significant amount of tourist traffic and truck haulage along its route. The very thing that makes the Nullarbor **that** road trip everyone must do its remoteness, the long stretches of road into the horizon, wildlife of camels,

kangaroos and wedge-tail eagles also raises the level of emergency response and medical evacuation that is required.

Council recognised the need to service not only its community, but also the ever increasing visitor traffic coming across the Nullarbor. It was decided that the Norseman airstrip in its current state was not capable of handling emergency assistance on a 24/7 basis and therefore an upgrade to the facility was essential if that objective was to be achieved.

The Shire campaigned strongly to secure funding for the \$3,250,000 upgrade project. Support from the Federal Member for O'Connor Rick Wilson saw social media actions, on the ground petitions and the voice of Dundas taken to Canberra. In December 2015 Warren Truss the then Federal Minister for Infrastructure and Regional Development announced Dundas successful bid for \$1,500,000. Additional funding came from State sources, \$300,000 from the Department of Transport (RADS) and \$1,450,000 from the Department of Regional Development (GEDC).

The project is due to commence in October 2016 and be completed in April 2017.

Economic Services

Tourism Creating Visitor Experience

Within the Shire of Dundas sits a diverse and rich range of natural, heritage and cultural assets. The increasing number of tourists, especially the self-drive tourist, passing through the Shire and given the gateway locality of Dundas, Council understands the need to further develop and grow the suite of visitor experience offered. Council contracted Kulbardi Hill Consulting to investigate the current tourism assets within the Shire providing Council with a Visitor Site Development Plan to guide their decisions on economic potential of investing in and protecting these assets. A comprehensive report was delivered in 2016 giving Council the ability to prioritise key projects. The scale of the projects requires funding partnerships and considered timelines for their implementation.

The Norseman Visitor Centre is situated on Robert Street sitting alongside the swimming pool and Welcome Park. It is staffed by a paid manager and volunteers, the manager's in-depth knowledge of local and regional history are an asset to the promotion of historical mining attractions.

The Shire continues to maintain tourist trails and camping spots. Trialled this year was Norseman becoming an RV Friendly Town allowing fully self-contained RV vehicles free 24hour stopover at the local town oval. Council will continue to monitor the benefits and costs to the community of this service.

Building Control

Building control services were provided by Richard Brookes. There were a limited number of building applications during the reporting period.



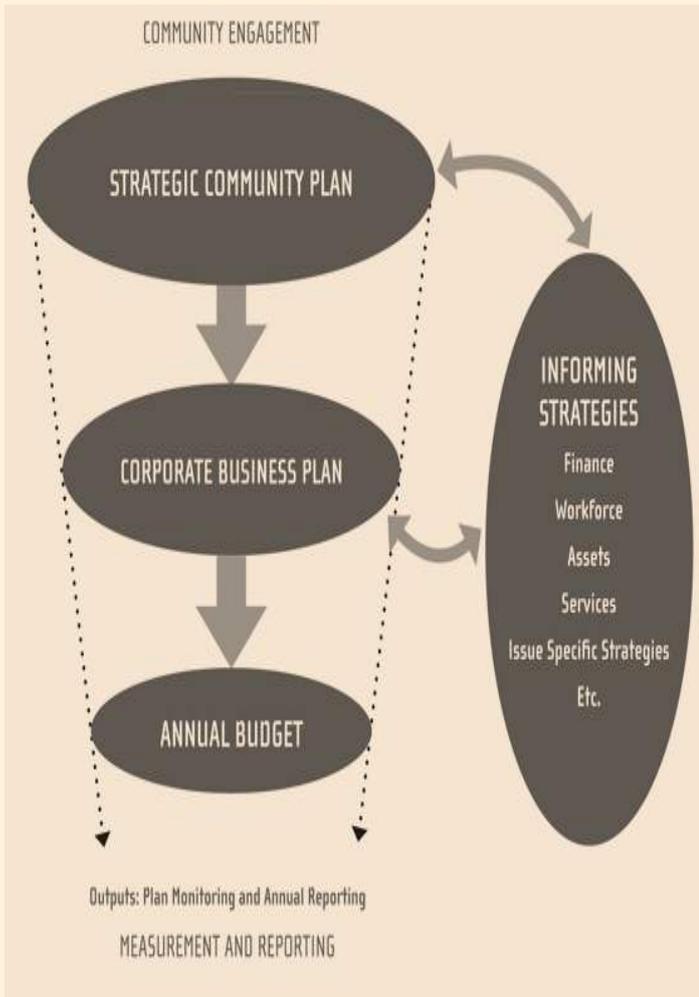
Governance & Compliance

Plan for the Future

Intergrated Planning

In 2013, the Shire developed the Community Strategic Plan in line with the Integrated Strategic Planning Framework with significant Community input. Following on from the Strategic Community Plan a Corporate Business Plan has been prepared as well as a Workforce Plan, Long Term Financial Plan and Asset Management Plan.

All these plans have been developed as part of the integrated planning framework to meet the aspirations and needs identified by the Community. These aspirations have been grouped into three key themes, each with supporting goals and measures of success. The three themes are:



A vibrant, active and healthy socially connected Community

A strong, healthy, educated and well-connected Community that is actively engaged and involved.



A thriving local economy and economic base.

A strong and diversified economy with a number of commercial businesses and industries providing new and varied employment opportunities for all age groups.



Natural and built environment.

A protected and enhanced environment that is aesthetically pleasing and benefits to the Community for generations to come.

Code of Conduct

Councillors, Committee and Working Group Members and Employees

Councillors, Committee and Working Group Members and Employees Section 5.103 of the Local Government Act 1995 requires every Local Government to prepare and adopt a Code of Conduct (the Code) to be observed by all Council members, committee members and employees.

The Code provides Council Members, Committee and Working Group Members and Employees with consistent guidelines for an acceptable standard of professional conduct. The Code addresses in a concise manner the broader issue of ethical responsibility and encourages greater transparency and accountability.

Record Keeping Plan

The State Records Act requires that a government organisation include in its annual report comment on the following:

1. Whether the efficiency and effectiveness of the organisations record keeping systems has been evaluated or alternatively when such an evaluation is proposed;
2. The nature and extent of record keeping training program conducted;
3. Whether the efficiency and effectiveness of the record keeping training program has been reviewed or alternatively how this is planned to be done; and
4. Assurance that the organisations induction program addresses employee roles and responsibilities in regard to their compliance with the organisations record keeping plan.

The following comments are made in relation to the above.

- Our record keeping systems are under constant review to ensure their effectiveness. The most recent review saw the Shires record management system become electronic and integrated with the financial accounting software.
- All staff have been advised of the need for a competent record keeping system.
- Ongoing training will be provided to appropriate staff who manage the records keeping system.
- A policy was developed during the year to ensure effectiveness of the record management system.

FOI – Information Statement

Part 5 of the *Freedom of Information Act 1992* requires each agency to prepare and publish an information statement within 12 months after the commencement of the Act, and to update the statement at intervals of not more than 12 months (ss.96 and 97 of the FOI Act).

The FOI Information Statement is available at the Shire Office located at 88-92 Prinsep Street Norseman WA 6443 and on the Shire's official website.

For 2015/16 reporting year, no FOI applications received by the Shire.

National Competition Policy

In relation to the Clause 7 statement in the application of the above to Local Government, all governments have been divided into Category 1 or Category 2 Councils.

The Shire of Dundas is Category 2 and thus is not required to report in detail on competitive neutrality or structural reform of public monopolies (principles CN10 and SR4 in Clause 7). However a report is required for legislation review under the principle LR8.

Competition Neutrality

The objective of competitive neutrality is the elimination of resource allocation distortions arising out of Local Government ownership of significant business activities. The Shire of Dundas has assessed its operations and considers that it does not have a business activity that would be classed as significant under the current guidelines. Also the Shire of Dundas does not operate a business enterprise that has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or Public Financial Enterprise.



Christmas cheer, Norseman Volunteer Fire Service on the Christmas run, 2015

Equal Opportunity

The Shire of Dundas is an equal employment opportunity employer and enjoys a good working relationship with all staff and employees. The Shire has adopted an Equal Employment Opportunity policy to ensure that it meets the legislative requirements.

Disability Service Plan



Pursuant to S.29 (2) of the Disability Services Act 1993 it is reported that the Disability Service Plan for the Shire of Dundas has prepared a Disability Service Plan. The Plan has been reviewed and submitted to the Department and reported upon.

Council continues to upgrade facilities to improve access for people with disability as part of an ongoing programme.



Employees

Payment to Employees

In accordance with Local Government (Administration) Regulation 1996 19B, set out in bands of \$10,000 is the number of employees of the Shire entitled to an annual salary of \$ 100,000 or more.

Salary Band	2015/16	2014/15	2013/14	2012/13	2011/12
\$100,000 to \$110,00	1			1	
\$110,000 to \$120,00	1	1	1		
\$140,000 to \$150,00	1				1
\$150,000 to \$160,00				1	
\$160,000 to \$170,00			1		
\$170,000 to \$180,00		1			

Number of Employees

	2015/16	2014/15	2013/14	2012/13	2011/12
No. of full-time equivalent employees as at end of year	27	27	26	27	23



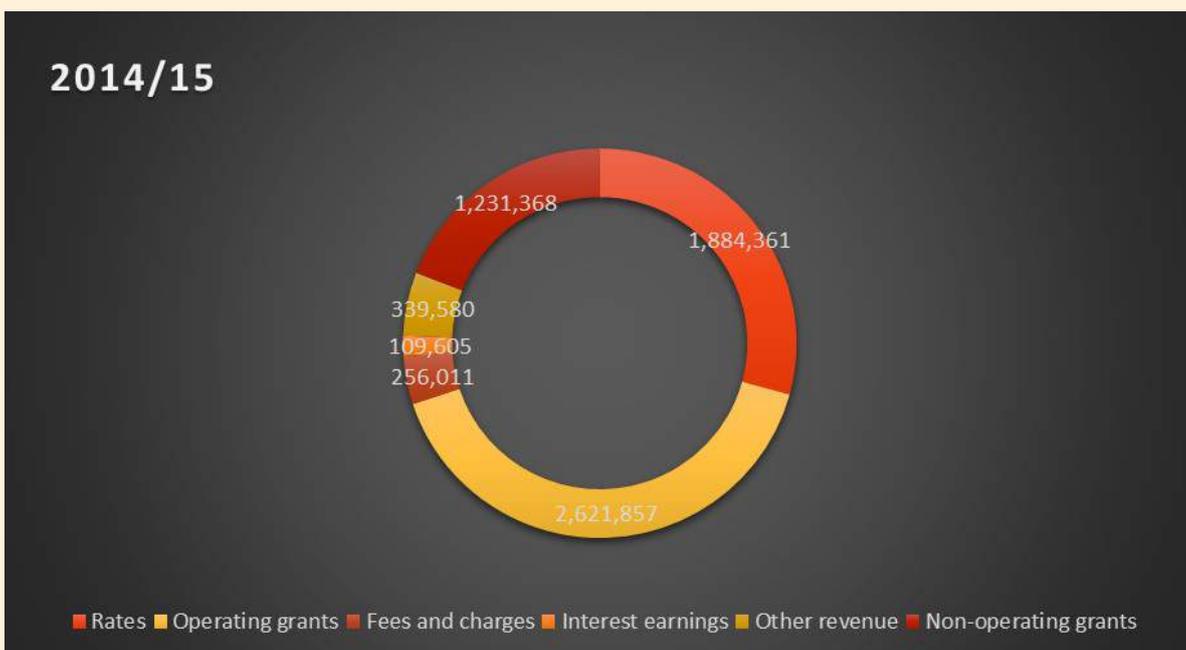
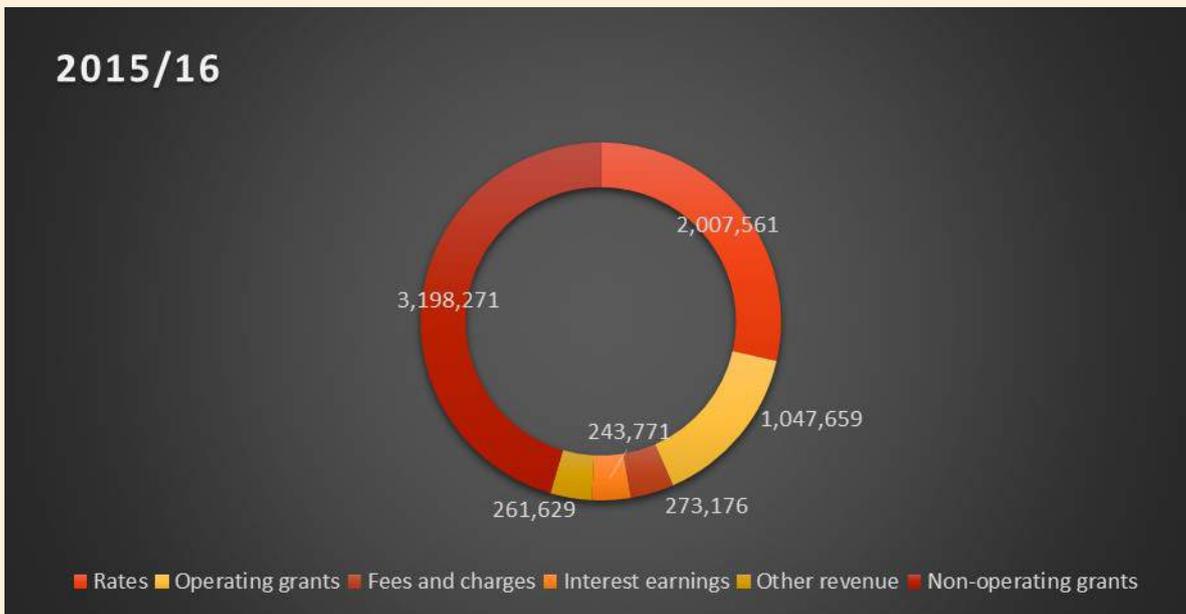
Financial Review 2015-2016

The year ended 30 June 2016 resulted in a surplus of \$227,925. This result is represented by the net current assets as at 30th June 2016, reported note 2 of the financial report. Net assets position as at 30th June 2015 has been distorted by the receipt of half of the allocation of the 2015-16 financial assistance grant amounting to \$778,392 in advance. This makes comparison of net current assets between two balance sheet dates impossible.

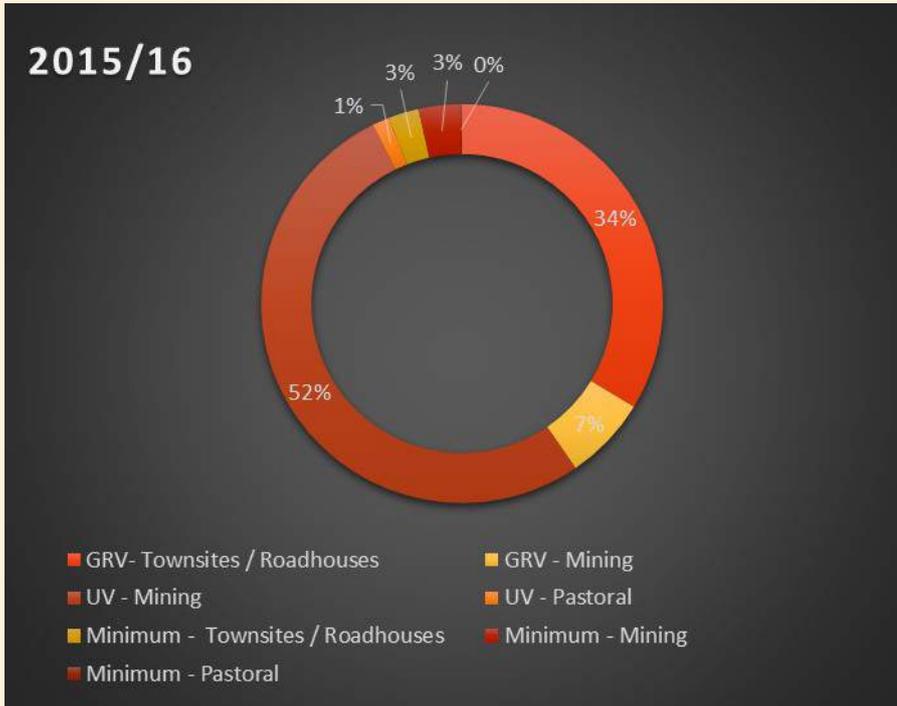
REVENUE INCLUDING NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

The revenue of the council is derived from rates, fees and charges and grants. Council received grants of \$4,245,930 during the year to support service provision and various projects. Revenue from the rates for the year is \$2,007,561 which is a 7% growth over the previous year.

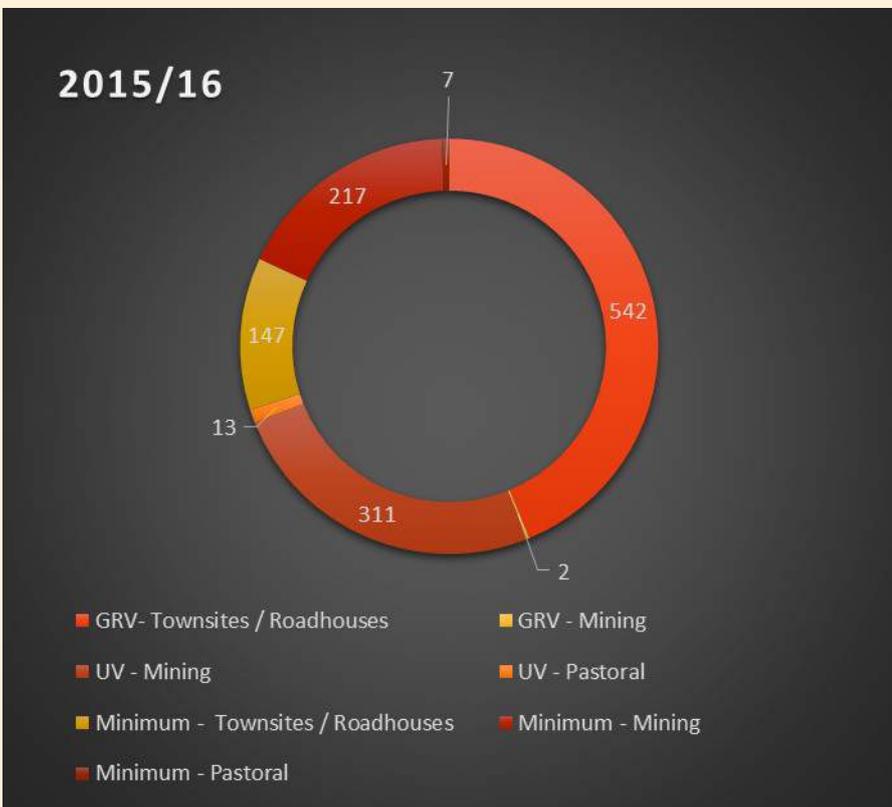
SOURCES OF THE REVENUE INCLUDING NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS;



RATES REVENUE BY TYPE



NUMBER OF PROPERTIES BY TYPE



RATES REVENUE

The purpose of the levying of rates is to meet Shires budget requirements in each financial year in order to deliver services and community infrastructure. Property valuations provided by the Valuer General are used as the basis for the calculation of rates each year. Section 6.33 of the Local Government Act 1995 provides the ability to differentially rate properties based on zoning and/or land use as determined by the Shire of Dundas.

The application of differential rating maintains the status quo in terms of equity in the rating of properties across the Shire, enabling the Council to provide facilities, infrastructure and services to the entire community and visitors.

One mining tenement contributes for approximately 40% of the total rates revenue of the Shire.

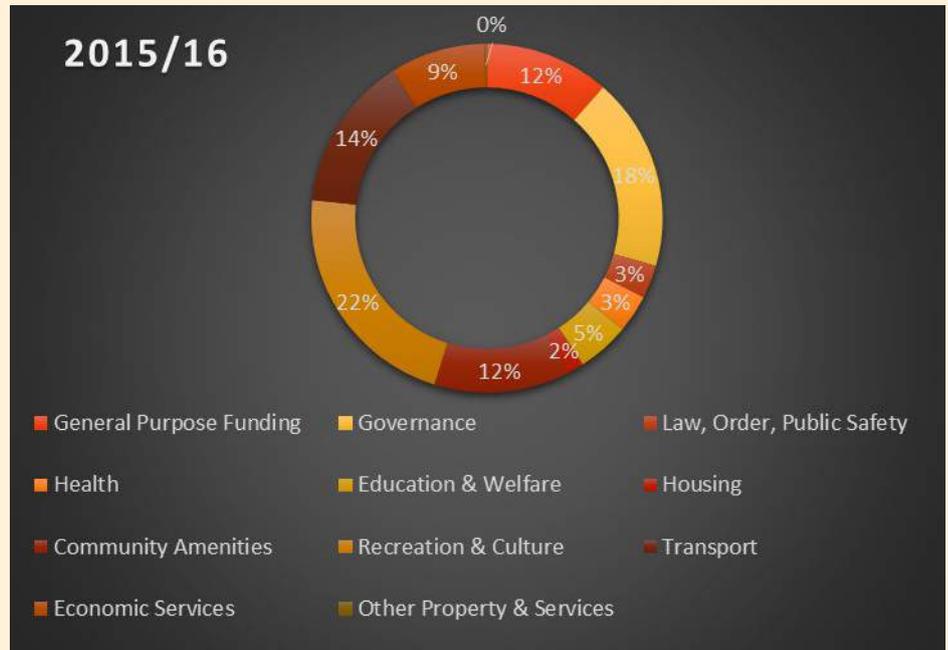
EXPENDITURE

During the year, Shire has incurred operating expenditure of \$3,428,915 excluding depreciation to provide various services to the community. Operating expenditure has reported an increase of 22% compared to the previous year mainly because of the increase in supply of materials and contracted services.

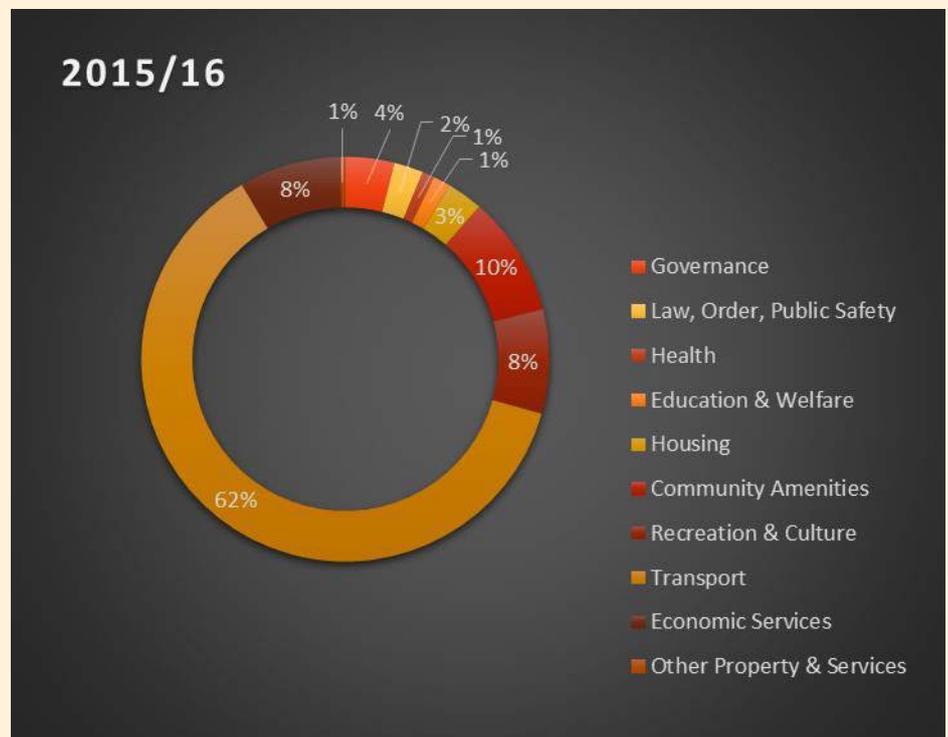
Depreciation expenses for the year has increased to \$2,008,941 from \$1,151,863 due to revaluation of infrastructure assets. This increase has impacted on the assets sustainability ratio and operating surplus ratio.

In 2015/16, Shire spent \$1,725,035 to acquire and upgrade property, plant and equipment and \$2,003,515 to construct, upgrade and renewal infrastructure assets. Total capital expenditure for the year has reported a marginal increase of 2.5% compared to the year 2014/15.

OPERATING EXPENDITURE BY PROGRAMME (EXCLUDING DEPRECIATION)



CAPITAL EXPENDITURE BY PROGRAMME



OUTSTANDING RATES AND CHARGES

Outstanding rates as at 30th June 2016 is \$ 497,937 which is a 45% increase from the outstanding rates balance as at end of the previous financial year.

A provision for doubtful debt of \$96,209 has been allowed. This provision was \$45,000 as at the end of the last financial year. This provision to be carried to provide for the possible future write-off of rates outstanding where property owners cannot be traced.

FINANCIAL RATIOS

Financial ratios play an important part in providing a snapshot view of the Shire. However, it should be noted that the ratios are calculated as at the last day of the financial year and may not reflect the situation that prevailed throughout the financial year. Some of the ratios may have also been distorted due to one-off / specific transactions which took place during that financial year.

RATIO	STANDARD	2015/16	2014/15	2013/12
Current Ratio	≥ 1.00	2.4	13.3	6.5
Asset Consumption Ratio	≥ 0.50	0.8	0.8	0.7
Own Source Revenue Coverage Ratio	≥ 0.40	0.5	0.6	0.6
Operating Surplus Ratio	≥ 0.01	-0.6	0.5	0.1
Debt Service Cover Ratio	≥ 2.00	N/A	N/A	40.4
Asset Sustainability Ratio	≥ 0.90	1.7	2.9	1.3
Asset Renewal Ratio	≥ 0.75	0.96	Not Calculated	Not Calculated

Achieved



Not Achieved



Current Ratio

A measure of the ability of a local government to meet its short-term financial obligations with funds it can access quickly (also known as 'liquidity').

2014/15 ratio disclosed above is distorted by the early receipt of half of the allocation of the 2015-16 financial assistance grant on 30 June 2015. Excluding the impact of this one-off transaction, the ratio would have been 9.1.

Asset Consumption Ratio

A measure of the condition of a local government's physical assets, by comparing their age with their replacement cost. The ratio highlights the aged condition of a local government's stock of physical assets.

This ratio is moderately distorted as a result of increase in depreciation expenses due to revaluation of infrastructure assets.

Own Source Revenue Coverage Ratio

A measure of a local government's ability to cover its operating costs through revenue it generates itself.

Operating Surplus Ratio

A measure of a local government's ability to cover its operational costs and have money left for capital projects and other purposes.

2015/16 and 2014/15 ratios disclosed above are distorted by the early receipt of half of the allocation of the 2015-16 financial assistance grant on 30 June 2015. Excluding the impact of this one-off transaction, the ratios would have been -0.32 and 0.19 respectively for 2015/16 and 2014/15.

Ratio for 2015/16 is further impacted by the increase in depreciation expenses due to revaluation of infrastructure assets.

Debt Service Cover Ratio

A measure of a local government's ability to repay its debt based on how much cash it can access compared to the total of its debt obligations.

Shire does not have any borrowings outstanding as at 30th June 2016.

Asset Sustainability Ratio

A measure of the extent to which assets managed by a local government are being replaced as they reach the end of their useful lives.

Asset Renewal Ratio

A measure of a local government's ability to fund asset renewal and replacements in the future.

SHIRE OF DUNDAS
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

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Principal place of business:
88 - 92 Princep Street
Norseman
WA 6443

**SHIRE OF DUNDAS
FINANCIAL REPORT
STATEMENT BY CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED 30TH JUNE 2016**

**LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire being the annual financial report and other information for the financial year ended 30 June 2016 are in my opinion properly drawn up to present fairly the financial position of the Shire at 30th June 2016 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the 14th day of October 2016.



Doug Stead
Chief Executive Officer

SHIRE OF DUNDAS
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2016

	NOTE	2016 \$	2016 Budget \$	2015 \$
Revenue				
Rates	21	2,007,561	2,016,790	1,884,361
Operating grants, subsidies and contributions	28	1,047,659	1,192,208	2,621,857
Fees and charges	27	273,176	295,550	256,010
Interest earnings	2(a)	243,771	120,500	109,605
Other revenue	2(a)	261,629	65,500	339,580
		<u>3,833,796</u>	<u>3,690,548</u>	<u>5,211,413</u>
Expenses				
Employee costs		(1,736,705)	(2,215,906)	(1,815,921)
Materials and contracts		(1,205,334)	(1,926,403)	(588,415)
Utility charges		(185,854)	(88,500)	(179,739)
Depreciation on non-current assets	2(a)	(2,008,941)	(1,113,780)	(1,151,863)
Interest expenses	2(a)	0	(106,000)	0
Insurance expenses		(102,697)	(156,110)	(148,844)
Other expenditure		(198,325)	(1,600)	(75,899)
		<u>(5,437,856)</u>	<u>(5,608,299)</u>	<u>(3,960,681)</u>
		(1,604,060)	(1,917,751)	1,250,732
Non-operating grants, subsidies and contributions	28	3,198,271	2,915,079	1,231,368
Profit on asset disposals	19	32,242	22,936	62,345
(Loss) on asset disposals	19	(109,019)	(72,646)	(24,396)
Fair value adjustments to financial assets at				
Net result		<u>1,517,434</u>	<u>947,618</u>	<u>2,520,049</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	11	(14,563)	0	45,161,995
Total other comprehensive income		<u>(14,563)</u>	<u>0</u>	<u>45,161,995</u>
Total comprehensive income		<u><u>1,502,870</u></u>	<u><u>947,618</u></u>	<u><u>47,682,044</u></u>

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

SHIRE OF DUNDAS
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2016

	NOTE	2016 \$	2016 Budget \$	2015 \$
Revenue	2(a)			
Governance		53,175	47,000	95,868
General purpose funding		2,814,243	2,743,630	3,741,678
Law, order, public safety		40,958	21,700	99,724
Health		23,769	4,500	4,704
Education and welfare		88,029	76,500	87,970
Housing		19,669	18,500	19,265
Community amenities		154,390	201,600	136,843
Recreation and culture		71,652	50,950	23,330
Transport		256,337	253,768	703,917
Economic services		126,496	83,000	89,964
Other property and services		185,077	189,400	208,150
		<u>3,833,795</u>	<u>3,690,548</u>	<u>5,211,413</u>
Expenses	2(a)			
Governance		(727,590)	(582,357)	(550,954)
General purpose funding		(395,699)	(669,007)	(207,737)
Law, order, public safety		(130,682)	(111,490)	(176,923)
Health		(133,872)	(87,700)	(100,760)
Education and welfare		(172,105)	(142,165)	(142,679)
Housing		(82,380)	(144,250)	(73,115)
Community amenities		(490,861)	(486,810)	(569,287)
Recreation and culture		(924,045)	(679,320)	(744,387)
Transport		(1,761,665)	(883,600)	(967,550)
Economic services		(322,030)	(207,000)	(255,538)
Other property and services		(296,927)	(1,508,600)	(171,751)
		<u>(5,437,856)</u>	<u>(5,502,299)</u>	<u>(3,960,681)</u>
Finance costs	2(a)			
Governance		0	(106,000)	0
		<u>0</u>	<u>(106,000)</u>	<u>0</u>
		(1,604,061)	(1,917,751)	1,250,732
Non-operating grants, subsidies and contributions	28	3,198,271	2,915,079	1,231,368
Profit on disposal of assets	19	32,242	22,936	62,345
(Loss) on disposal of assets	19	(109,019)	(72,646)	(24,396)
Fair value adjustments to financial assets at				
Net result		<u>1,517,434</u>	<u>947,618</u>	<u>2,520,049</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	11	(14,563)	0	45,161,995
Total other comprehensive income		<u>(14,563)</u>	<u>0</u>	<u>45,161,995</u>
Total comprehensive income		<u><u>1,502,870</u></u>	<u><u>947,618</u></u>	<u><u>47,682,044</u></u>

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

**SHIRE OF DUNDAS
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2016**

	NOTE	2016 \$	2015 \$
Current Assets			
Cash and cash equivalents	3	6,519,179	5,787,718
Trade and other receivables	4	437,816	983,026
Inventories	5	0	10,875
Total Current Assets		<u>6,956,995</u>	<u>6,781,619</u>
Non-Current Assets			
Other receivables	4	34,127	34,779
Property, plant and equipment	6	13,426,669	12,586,852
Infrastructure	7	64,159,764	63,500,265
Total Non-Current Assets		<u>77,620,560</u>	<u>76,121,896</u>
Total Assets		<u>84,577,555</u>	<u>82,903,515</u>
Current Liabilities			
Trade and other payables	8	354,098	184,538
Provisions	9	269,702	256,401
Total Current Liabilities		<u>623,800</u>	<u>440,939</u>
Non-Current Liabilities			
Provisions	9	36,328	48,020
Total Non-Current Liabilities		<u>36,328</u>	<u>48,020</u>
Total Liabilities		<u>660,128</u>	<u>488,959</u>
Net Assets		<u>83,917,427</u>	<u>82,414,556</u>
Equity			
Retained surplus		27,424,795	27,691,761
Reserves - cash backed	10	6,105,272	4,320,872
Revaluation surplus	11	50,387,360	50,401,923
Total Equity		<u>83,917,427</u>	<u>82,414,556</u>

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

**SHIRE OF DUNDAS
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2014		25,644,750	3,847,834	5,239,928	34,732,513
Comprehensive income					
Net result		2,520,049	0	0	2,520,049
Changes on revaluation of assets	11	0	0	45,161,995	45,161,995
Total comprehensive income		<u>2,520,049</u>	<u>0</u>	<u>45,161,995</u>	<u>47,682,044</u>
Transfers from/(to) reserves		(473,038)	473,038	0	0
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance as at 30 June 2015		27,691,761	4,320,872	50,401,923	82,414,556
Comprehensive income					
Net result		1,517,434	0	0	1,517,434
Changes on revaluation of assets	11	0	0	(14,563)	(14,563)
Total comprehensive income		<u>1,517,434</u>	<u>0</u>	<u>(14,563)</u>	<u>1,502,870</u>
Transfers from/(to) reserves		(1,784,400)	1,784,400	0	0
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance as at 30 June 2016		<u>27,424,795</u>	<u>6,105,272</u>	<u>50,387,360</u>	<u>83,917,427</u>

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

**SHIRE OF DUNDAS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2016 Actual \$	2016 Budget \$	2015 Actual \$
Cash Flows From Operating Activities				
Receipts				
Rates		1,853,174	2,359,682	1,909,001
Operating grants, subsidies and contributions		1,747,913	1,742,080	2,721,712
Fees and charges		273,176	385,761	256,010
Interest earnings		243,771	120,500	109,605
Goods and services tax		250,857	150,000	384,129
Other revenue		261,629	65,500	0
		<u>4,630,520</u>	<u>4,823,523</u>	<u>5,380,457</u>
Payments				
Employee costs		(1,711,687)	(1,965,242)	(1,710,250)
Materials and contracts		(1,154,255)	(2,003,073)	(891,689)
Utility charges		(185,854)	(88,500)	(179,739)
Interest expenses		0	(106,000)	
Insurance expenses		(102,697)	(156,110)	(148,844)
Goods and services tax		(144,914)	(150,000)	(165,940)
Other expenditure		(198,325)	(1,600)	0
		<u>(3,497,732)</u>	<u>(4,470,525)</u>	<u>(3,096,462)</u>
Net cash provided by (used in) operating activities	12(b)	<u>1,132,788</u>	<u>352,998</u>	<u>2,283,995</u>
Cash Flows From Investing Activities				
Payments for purchase of property, plant & equipment		(1,725,038)	(2,854,494)	(1,244,795)
Payments for construction of infrastructure		(2,003,516)	(5,457,667)	(2,392,714)
Non-operating grants, subsidies and contributions		3,198,271	2,915,079	1,231,368
Proceeds from sale of fixed assets		128,956	196,000	267,636
Net cash provided by (used in) investment activities		<u>(401,327)</u>	<u>(5,201,082)</u>	<u>(2,138,505)</u>
Cash Flows From Financing Activities				
Repayment of debentures		0	(266,800)	0
Proceeds from new debentures		0	2,850,000	0
Net cash provided by (used in) financing activities		<u>0</u>	<u>2,583,200</u>	<u>0</u>
Net increase (decrease) in cash held		731,461	(2,264,884)	145,490
Cash at beginning of year		5,787,718	5,787,718	5,642,228
Cash and cash equivalents at the end of the year	12(a)	<u>6,519,179</u>	<u>3,522,834</u>	<u>5,787,718</u>

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

**SHIRE OF DUNDAS
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2016**

NOTE	2016 Actual \$	2016 Budget \$	2015 Actual \$
Net current assets at start of financial year - surplus/(deficit)	<u>2,019,808</u> 2,019,808	<u>2,019,807</u> 2,019,807	<u>2,229,160</u> 2,229,160
Revenue from operating activities (excluding rates)			
Governance	53,175	47,000	103,487
General purpose funding	833,404	726,840	1,857,317
Law, order, public safety	40,958	21,700	99,724
Health	23,769	4,500	4,704
Education and welfare	88,029	76,500	87,970
Housing	36,577	18,500	19,265
Community amenities	154,390	201,600	136,843
Recreation and culture	71,652	50,950	23,330
Transport	271,672	276,704	758,643
Economic services	126,496	83,000	89,964
Other property and services	<u>185,077</u>	<u>189,400</u>	<u>208,150</u>
	1,885,201	1,696,694	3,389,398
Expenditure from operating activities			
Governance	(727,590)	(688,357)	(563,967)
General purpose funding	(395,699)	(669,007)	(207,737)
Law, order, public safety	(130,682)	(111,490)	(176,923)
Health	(133,872)	(87,700)	(106,818)
Education and welfare	(172,327)	(144,665)	(142,679)
Housing	(82,380)	(144,250)	(73,115)
Community amenities	(490,861)	(492,937)	(569,287)
Recreation and culture	(924,045)	(679,320)	(744,387)
Transport	(1,870,461)	(947,619)	(972,875)
Economic services	(322,030)	(207,000)	(255,538)
Other property and services	<u>(296,927)</u>	<u>(1,508,600)</u>	<u>(171,751)</u>
	(5,546,874)	(5,680,945)	(3,985,077)
Operating activities excluded from budget			
(Profit) on disposal of assets	19 (32,242)	(22,936)	(62,345)
Loss on disposal of assets	19 109,019	72,646	24,396
Movement in deferred pensioner rates (non-current)	652	0	(406)
Movement in employee benefit provisions (non-current)	(11,692)	0	0
Depreciation and amortisation on assets	2(a) <u>2,008,941</u>	<u>1,113,780</u>	<u>1,151,863</u>
Amount attributable to operating activities	432,812	(800,954)	2,746,989
Investing Activities			
Non-operating grants, subsidies and contributions	3,198,271	2,915,079	1,231,368
Proceeds from disposal of assets	19 128,956	196,000	267,636
Purchase of property, plant and equipment	6(b) (1,725,038)	(2,854,493)	(1,244,794)
Purchase and construction of infrastructure	7(b) <u>(2,003,516)</u>	<u>(3,980,622)</u>	<u>(2,392,714)</u>
Amount attributable to investing activities	(401,327)	(3,724,036)	(2,138,504)
Financing Activities			
Repayment of debentures	0	(266,800)	0
Proceeds from new debentures	0	2,450,000	0
Transfers to reserves (restricted assets)	10 (1,977,218)	(75,000)	(473,038)
Transfers from reserves (restricted assets)	10 <u>192,818</u>	<u>400,000</u>	<u>0</u>
Amount attributable to financing activities	(1,784,400)	2,508,200	(473,038)
Surplus(deficiency) before general rates	<u>(1,752,914)</u>	<u>(2,016,790)</u>	<u>135,447</u>
Total amount raised from general rates	21 <u>1,980,839</u>	<u>2,016,790</u>	<u>1,884,361</u>
Net current assets at June 30 c/fwd - surplus/(deficit)	22 <u><u>227,925</u></u>	<u><u>0</u></u>	<u><u>2,019,808</u></u>

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

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) 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), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

Critical accounting estimates

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

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

The local government reporting entity

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 18 to these financial statements.

(b) 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.

(c) 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 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.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Trade and Other Receivables

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

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

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

(e) Inventories

General

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

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

Land held for sale

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

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

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

(f) Fixed Assets

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

Mandatory requirement to revalue non-current assets

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

During the year ended 30 June 2013, the Shire commenced the process of adopting Fair Value in accordance with the Regulations.

Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2015 all non-current assets were carried at Fair Value in accordance with the requirements.

Thereafter, each asset class must be revalued in accordance with the regulatory framework established and the Shire revalues its asset classes in accordance with this mandatory timetable.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Land under control

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

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

Initial recognition and measurement between mandatory revaluation dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

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

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

Revaluation

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 asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Land under roads

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

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

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

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

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

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Depreciation

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

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

- a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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

Buildings	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	4 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
gravel sheet	5 to 10 years
Formed roads (unsealed)	
formation	not depreciated
pavement	50 years
Footpaths - slab	40 years
Sewerage piping	50 years
Airport infrastructure	40 years
Water supply piping and drainage systems	80 years
Other infrastructure	20 to 50 years

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.

Capitalisation threshold

Expenditure on items of equipment under \$5,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities

When performing a revaluation, the Shire uses a mix of both independent and management valuations using the following as a guide:

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

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

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

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

Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities (Continued)

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 an asset at its current service capacity.

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

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

(h) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Shire becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Shire commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or at cost.

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and subsequent measurement (continued)

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

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Shire has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in current assets, where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

(iv) Available-for-sale financial assets

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

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as non-current.

(v) Financial liabilities

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

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Impairment

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which will have an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Shire no longer has any significant continual involvement in the risks and benefits associated with the asset.

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

(i) Impairment of Assets

In accordance with Australian Accounting Standards the Shire's 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 assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

(j) Trade and Other Payables

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

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Employee Benefits

Short-term employee benefits

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

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

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

(l) Borrowing Costs

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

(m) Provisions

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

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

(n) Leases

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

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

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

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

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

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Investment in Associates

An associate is an entity over which the Shire has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Shire's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Shire and the associate are eliminated to the extent of the Shire's interest in the associate.

When the Shire's share of losses in an associate equals or exceeds its interest in the associate, the Shire discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Shire will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

(p) Interests in Joint Arrangements

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

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(o) for a description of the equity method of accounting.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 15.

(q) Rates, Grants, Donations and Other Contributions

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

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

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 2(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

(r) Superannuation

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

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Current and Non-Current Classification

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

(t) Rounding Off Figures

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

(u) Comparative Figures

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

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, 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.

(v) Budget Comparative Figures

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

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) New Accounting Standards and Interpretations for Application in Future Periods

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

Management's assessment of the new and amended pronouncements that are relevant to the Shire, applicable to future reporting periods and which have not yet been adopted are set out as follows:

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect.
(ii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2018	<p>This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.</p> <p>The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.</p>
(iii) AASB 16 Leases	February 2016	1 January 2018	<p>Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted.</p> <p>Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Shire, the impact is not expected to be significant.</p>

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(iv) AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	August 2014	1 January 2016	<p>This Standard amends AASB 11: <i>Joint Arrangements</i> to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: <i>Business Combinations</i>, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.</p> <p>Since adoption of this Standard would impact only acquisitions of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the Shire's financial statements.</p>
(v) AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]	August 2014	1 January 2016	<p>This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.</p> <p>Given the Shire currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.</p>
(vi) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	December 2014	1 January 2017	<p>Consequential changes to various Standards arising from the issuance of AASB 15.</p> <p>It will require changes to reflect the impact of AASB 15.</p>

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(vii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]	January 2015	1 January 2016	<p>This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements.</p> <p>This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column.</p> <p>It is not anticipated it will have any significant impact on disclosures as they currently exist and any changes will relate to presentation.</p>
(viii) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]	March 2015	1 July 2016	<p>The objective of this Standard is to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities.</p> <p>The Standard is expected to have a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.</p>

Notes:

⁽¹⁾ Applicable to reporting periods commencing on or after the given date.

**SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Adoption of New and Revised Accounting Standards

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

These new and revised standards were as follows:

- (i) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality
- (ii) AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

2. REVENUE AND EXPENSES	2016	2015
	\$	\$
(a) Net Result		
The Net result includes:		
(i) Charging as an expense:		
Auditors remuneration		
- Audit of the Annual Financial Report	17,535	19,984
- Other Services	5,800	600
Depreciation		
Buildings - non-specialised	24,537	21,672
Buildings - specialised	197,050	168,108
Furniture and equipment	33,302	25,682
Plant and equipment	410,035	388,535
Infrastructure - roads	844,095	491,298
Infrastructure - footpaths	83,731	
Infrastructure - drainage	236,796	8,189
Infrastructure - parks and ovals	73,031	25,758
Infrastructure - other	53,349	13,942
Infrastructure - airport	53,016	8,678
	<u>2,008,941</u>	<u>1,151,863</u>
Rental charges		
- Operating leases	19,995	17,410
	<u>19,995</u>	<u>17,410</u>
(ii) Crediting as revenue:		
Other revenue		
Reimbursements and recoveries	261,629	339,580
	<u>261,629</u>	<u>339,580</u>

	2016	2016	2015
	Actual	Budget	Actual
	\$	\$	\$
Interest earnings			
- Reserve funds	177,218	75,000	45,034
- Other funds	13,519	10,500	27,952
Other interest revenue (refer note 26)	53,034	35,000	36,619
	<u>243,771</u>	<u>120,500</u>	<u>109,605</u>

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

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

COMMUNITY VISION

The Shire will endeavour to provide the community services and facilities to meet the needs of the members of the community and enable them to enjoy a pleasant and healthy way of life.

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

GOVERNANCE

Objective:

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

Activities:

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.

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objective:

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

Activities:

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

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

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

EDUCATION AND WELFARE

Objective:

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

Activities:

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

HOUSING

Objective:

To provide and maintain elderly residents housing.

Activities:

Provision and maintenance of elderly residents housing.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

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

RECREATION AND CULTURE

Objective:

To establish and effectively manage infrastructure and resource which will help the social well being of the community.

Activities:

Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

TRANSPORT

Objective:

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

Activities:

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

ECONOMIC SERVICES

Objective:

To help promote the shire and its economic wellbeing.

Activities:

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

OTHER PROPERTY AND SERVICES

Objective:

To monitor and control Shire's overheads operating accounts.

Activities:

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

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening Balance ⁽¹⁾ 1/07/14 \$	Received ⁽²⁾ 2014/15 \$	Expended ⁽³⁾ 2014/15 \$	Closing Balance ⁽¹⁾ 30/06/15 \$	Received ⁽²⁾ 2015/16 \$	Expended ⁽³⁾ 2015/16 \$	Closing Balance 30/06/16 \$
CLGF (12/13)	Various	26,514	0	0	26,514	0	0	26,514
Regional Aviation Access Programme	Upgrade Norseman Airstrip	0	0	0	0	450,000	(100,000)	350,000
Gold Fields Revitalisation Fund	Upgrade Norseman Airstrip	0	0	0	0	1,450,000	0	1,450,000
Total		<u>26,514</u>	<u>0</u>	<u>0</u>	<u>26,514</u>	<u>1,900,000</u>	<u>(100,000)</u>	<u>1,826,514</u>

Notes:

- (1)** - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.
- (2)** - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.
- (3)** - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

	Note	2016 \$	2015 \$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		413,909	1,466,849
Restricted		<u>6,105,270</u>	<u>4,320,869</u>
		<u><u>6,519,179</u></u>	<u><u>5,787,718</u></u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Leave reserve	10	337,524	323,614
Plant reserve	10	738,162	707,741
Aerodrome reserve	10	135,362	129,784
IT reserve	10	88,833	85,172
Transport reserve	10	1,659,193	1,594,347
Land development reserve	10	1,319,681	1,453,698
Unspent grant reserve	2(c)	<u>1,826,514</u>	<u>26,514</u>
		<u><u>6,105,269</u></u>	<u><u>4,320,870</u></u>
4. TRADE AND OTHER RECEIVABLES			
Current			
Rates outstanding		497,937	342,892
Sundry debtors		36,088	685,133
Provision for doubtful debt		<u>(96,209)</u>	<u>(45,000)</u>
		<u><u>437,816</u></u>	<u><u>983,025</u></u>
Non-current			
Rates outstanding - pensioners		<u>34,127</u>	<u>34,779</u>
		<u><u>34,127</u></u>	<u><u>34,779</u></u>
5. INVENTORIES			
Current			
Fuel and materials		<u>0</u>	<u>10,875</u>
		<u><u>0</u></u>	<u><u>10,875</u></u>
Non-current			
Land held for resale - cost			
Cost of acquisition		0	0
Development costs		<u>0</u>	<u>0</u>
		<u><u>0</u></u>	<u><u>0</u></u>

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

	2016 \$	2015 \$
6 (a). PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
Land - freehold at:		
- Independent valuation 2014 - level 2	<u>453,000</u>	<u>453,000</u>
	453,000	453,000
Land - vested in and under the control of Council at:		
- Independent valuation 2014 - level 2	<u>450,000</u>	<u>450,000</u>
	450,000	450,000
	<u>903,000</u>	<u>903,000</u>
Buildings - non-specialised at:		
- Independent valuation 2014 - level 3	1,190,000	1,190,000
- Additions after valuation - cost	171,212	27,826
Less: accumulated depreciation	<u>(46,210)</u>	<u>(21,672)</u>
	1,315,002	1,196,154
Buildings - specialised at:		
- Independent valuation 2014 - level 3	7,903,900	7,903,900
- Additions after valuation - cost	1,087,702	300,302
Less: accumulated depreciation	<u>(383,588)</u>	<u>(168,108)</u>
	8,608,014	8,036,094
	<u>9,923,016</u>	<u>9,232,248</u>
Total land and buildings	<u>10,826,016</u>	<u>10,135,248</u>
Furniture and equipment at:		
- Management valuation 2016 - level 3	170,089	158,389
- Additions after valuation - cost	0	14,402
Less accumulated depreciation	<u>0</u>	<u>(42,986)</u>
	170,089	129,805
Plant and equipment at:		
- Management valuation 2016 - level 3	2,346,064	2,074,948
- Additions after valuation - cost	0	672,166
Less accumulated depreciation	<u>0</u>	<u>(493,240)</u>
	2,346,064	2,253,874
Buildings - GVROC joint venture at:		
- Management valuation 2016 - level 3	84,500	68,000
Less accumulated amortisation	<u>0</u>	<u>(75)</u>
	84,500	67,925
	<u>13,426,669</u>	<u>12,586,852</u>

The fair value of property, plant and equipment is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires property, plant and equipment to be shown at fair value.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) 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.

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) Transferred to Revaluation \$	Revaluation (Losses)/ Reversals Through to Profit or Loss \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Land - freehold	453,000	0	0	0	0	0	0	0	453,000
Land - vested in and under the control of Council	450,000	0	0	0	0	0	0	0	450,000
Total land	903,000	0	0	0	0	0	0	0	903,000
Buildings - non-specialised	1,196,154	143,385	0	0	0	0	(24,537)	0	1,315,002
Buildings - specialised	8,036,094	676,529	0	0	0	0	(197,050)	92,441	8,608,014
Total buildings	9,232,248	819,914	0	0	0	0	(221,587)	92,441	9,923,016
Total land and buildings	10,135,248	819,914	0	0	0	0	(221,587)	92,441	10,826,016
Furniture and equipment	129,805	73,586	0	0	0	0	(33,302)	0	170,089
Plant and equipment	2,253,874	831,538	(205,733)	(31,138)	0	0	(410,035)	(92,441)	2,346,064
Buildings - GVROC joint venture	67,925	0	0	16,575	0	0	0	0	84,500
Total property, plant and equipment	12,586,852	1,725,038	(205,733)	(14,563)	0	0	(664,924)	0	13,426,669

**SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Land and buildings					
Land - freehold	Level 2	Market approach	Sales comparison	August 2014	Sales of similar properties
Land - vested in and under the control of Council	Level 3	Cost approach	Replacement cost	August 2014	Estimated remaining life years (ERLY)
Buildings - non-specialised	Level 2	Market approach	Sales comparison	August 2014	Sales of similar properties
Buildings - specialised	Level 3	Cost approach	Replacement cost	August 2014	Gross current replacement cost (GCRC), estimated economic working life (EEWL), estimated remaining life years (ERLY),
Furniture and equipment	Level 3	Cost approach	Replacement cost	July 2016	Current replacement cost ,estimated economic working life , estimated remaining life years
Plant and equipment					
- Management valuation 2016	Level 2	Cost approach	Replacement cost	July 2016	Current replacement cost ,estimated economic working life , estimated remaining life years
Buildings - GVROC joint venture	Level 3	Cost approach	Replacement cost	July 2016	Current replacement cost ,estimated economic working life , estimated remaining life years

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.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

	2016	2015
	\$	\$
7 (a). INFRASTRUCTURE		
Infrastructure - roads		
- Independent valuation 2015 - level 3	68,343,260	68,343,260
- Additions after valuation - cost	1,547,224	0
Less accumulated depreciation	<u>(11,919,782)</u>	<u>(11,075,687)</u>
	57,970,702	57,267,573
Infrastructure - footpaths		
- Independent valuation 2015 - level 3	3,349,224	3,349,224
- Additions after valuation - cost	143,840	0
Less accumulated depreciation	<u>(1,309,312)</u>	<u>(1,225,581)</u>
	2,183,752	2,123,643
Infrastructure - drainage		
- Independent valuation 2015 - level 3	3,158,544	3,158,544
Less accumulated depreciation	<u>(1,362,191)</u>	<u>(1,125,395)</u>
	1,796,353	2,033,149
Infrastructure - parks and ovals		
- Independent valuation 2015 - level 3	2,021,000	2,021,000
Less accumulated depreciation	<u>(1,024,131)</u>	<u>(951,100)</u>
	996,869	1,069,900
Infrastructure - other		
- Independent valuation 2015 - level 3	1,433,000	1,433,000
- Additions after valuation - cost	230,318	0
Less accumulated depreciation	<u>(842,349)</u>	<u>(789,000)</u>
	820,969	644,000
Infrastructure - airport		
- Independent valuation 2015 - level 3	1,349,000	1,349,000
- Additions after valuation - cost	82,135	0
Less accumulated depreciation	<u>(1,040,016)</u>	<u>(987,000)</u>
	391,119	362,000
	<u>64,159,764</u>	<u>63,500,265</u>

The fair value of infrastructure is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost. Given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening 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 infrastructure to be shown at fair value.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

7. INFRASTRUCTURE (Continued)

(b) 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.

	Balance as at the Beginning of the Year	Additions	(Disposals)	Revaluation Increments/ (Decrements) Transferred to Revaluation	Revaluation (Loss)/ Reversal Transferred to Profit or Loss	Impairment (Losses)/ Reversals	Depreciation (Expense)	Transfers	Carrying Amount at the End of the Year
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Infrastructure - roads	57,267,573	1,547,224	0	0	0	0	(844,095)	0	57,970,702
Infrastructure - footpaths	2,123,643	143,840	0	0	0	0	(83,731)	0	2,183,752
Infrastructure - drainage	2,033,149	0	0	0	0	0	(236,796)	0	1,796,353
Infrastructure - parks and ovals	1,069,900	0	0	0	0	0	(73,031)	0	996,869
Infrastructure - other	644,000	230,318	0	0	0	0	(53,349)	0	820,969
Infrastructure - airport	362,000	82,134	0	0	0	0	(53,016)	0	391,119
Total infrastructure	<u>63,500,265</u>	<u>2,003,516</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,344,017)</u>	<u>0</u>	<u>64,159,764</u>

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

7. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Infrastructure - roads	Level 3	Cost approach	Depreciated replacement cost	June 2015	Standard replacement cost (SRC), total useful lives (TUL), residual value (RV), remaining useful lives (RUL), expected condition and Actual condition
Infrastructure - footpaths	Level 3	Cost approach	Depreciated replacement cost	June 2015	Standard replacement cost (SRC), total useful lives (TUL), residual value (RV), remaining useful lives (RUL), expected condition and Actual condition
Infrastructure - drainage	Level 3	Cost approach	Depreciated replacement cost	June 2015	Gross current replacement cost (GCRC), estimated economic working life (EEWL), estimated remaining life years (ERLY), residual value (RV)
Infrastructure - parks and ovals	Level 3	Cost approach	Depreciated replacement cost	June 2015	Gross current replacement cost (GCRC), estimated economic working life (EEWL), estimated remaining life years (ERLY), residual value (RV)
Infrastructure - other	Level 3	Cost approach	Depreciated replacement cost	June 2015	Gross current replacement cost (GCRC), estimated economic working life (EEWL), estimated remaining life years (ERLY), residual value (RV)
Infrastructure - airport	Level 3	Cost approach	Depreciated replacement cost	June 2015	Gross current replacement cost (GCRC), estimated economic working life (EEWL), estimated remaining life years (ERLY), residual value (RV)

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

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

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

	2016	2015
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry creditors	217,357	177,153
ATO liabilities	136,741	7,385
	<u>354,098</u>	<u>184,538</u>

9. PROVISIONS

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2015			
Current	152,523	103,878	256,401
Non-current		48,020	48,020
	<u>152,523</u>	<u>151,898</u>	<u>304,421</u>
Additional provision	17,051	85,956	103,007
Amounts used	0	(118,503)	(118,503)
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	1,804	15,301	17,105
Balance at 30 June 2016	<u>171,378</u>	<u>134,652</u>	<u>306,030</u>
Comprises			
Current	171,378	98,324	269,702
Non-current	0	36,328	36,328
	<u>171,378</u>	<u>134,652</u>	<u>306,030</u>

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

10. RESERVES - CASH BACKED

	Actual 2016 Opening Balance \$	Actual 2016 Transfer to \$	Actual 2016 Transfer (from) \$	Actual 2016 Closing Balance \$	Budget 2016 Opening Balance \$	Budget 2016 Transfer to \$	Budget 2016 Transfer (from) \$	Budget 2016 Closing Balance \$	Actual 2015 Opening Balance \$	Actual 2015 Transfer to \$	Actual 2015 Transfer (from) \$	Actual 2015 Closing Balance \$
Leave reserve	323,614	13,910		337,524	323,614	5,617		329,231	323,614	0	0	323,614
Plant reserve	707,741	30,421		738,162	707,741	12,285		720,026	707,741	0	0	707,741
Aerodrome reserve	129,784	5,578		135,362	129,784	2,253		132,037	129,784	0	0	129,784
IT reserve	85,172	3,661		88,833	85,172	1,478		86,650	85,172	0	0	85,172
Unspent grant reserve	26,514	1,800,000		1,826,514	26,514	460		26,974	26,514	0	0	26,514
Transport reserve	1,594,348	64,847		1,659,195	1,594,348	27,674		1,622,022	1,357,829	236,519	0	1,594,348
Land development reserve	1,453,699	58,801	(192,818)	1,319,682	1,453,699	25,233	(400,000)	1,078,932	1,217,180	236,519	0	1,453,699
	<u>4,320,872</u>	<u>1,977,218</u>	<u>(192,818)</u>	<u>6,105,272</u>	<u>4,320,872</u>	<u>75,000</u>	<u>(400,000)</u>	<u>3,995,872</u>	<u>3,847,834</u>	<u>473,038</u>	<u>0</u>	<u>4,320,872</u>

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
Leave reserve	Not planned	- to be used to fund annual and long service leave requirements.
Plant reserve	Not planned	- to be used for the purchase of major plant.
Aerodrome reserve	Not planned	- to be used for the maintenance of the airstrip at Norseman.
IT reserve	Not planned	- to be used to purchase and replace computer equipment.
Unspent grant reserve	End of 2017/18	- to be used for completion of projects. - to be used for the construction, maintenance and reseal of the Shire's transport network.
Transport reserve	Not planned	
Land development reserve	Not planned	- to be used for the building, construction and maintenance of the Shire's land and buildings.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

11. REVALUATION SURPLUS

	2016 Opening Balance \$	2016 Revaluation Increment \$	2016 Revaluation Decrement \$	2016 Total Movement on Revaluation \$	2016 Closing Balance \$	2015 Opening Balance \$	2015 Revaluation Increment \$	2015 Revaluation Decrement \$	2015 Total Movement on Revaluation \$	2015 Closing Balance \$
Land and buildings	5,085,370	0	0	0	5,085,370	5,085,370	0	0	0	5,085,370
Furniture and equipment	41,774	0	0	0	41,774	41,774	0	0	0	41,774
Plant and equipment	112,783	0	(31,138)	(31,138)	81,644	112,783	0	0	0	112,783
Buildings - GVROC joint	0	16,575	0	16,575	16,575	0	0	0	0	0
Infrastructure - roads	41,151,754	0	0	0	41,151,754	0	41,151,754	0	41,151,754	41,151,754
Infrastructure - footpaths	2,123,643	0	0	0	2,123,643	0	2,123,643	0	2,123,643	2,123,643
Infrastructure - drainage	1,380,390	0	0	0	1,380,390	0	1,380,390	0	1,380,390	1,380,390
Infrastructure - parks and ovals	103,683	0	0	0	103,683	0	103,683	0	103,683	103,683
Infrastructure - other	260,793	0	0	0	260,793	0	260,793	0	260,793	260,793
Infrastructure - airport	141,733	0	0	0	141,733	0	141,733	0	141,733	141,733
	<u>50,401,921</u>	<u>16,575</u>	<u>(31,138)</u>	<u>(14,563)</u>	<u>50,387,360</u>	<u>5,239,927</u>	<u>45,161,995</u>	<u>0</u>	<u>45,161,995</u>	<u>50,401,921</u>

Movements on revaluation of fixed assets are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

12. 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:

	2016	2016	2015
	\$	Budget	\$
		\$	
Cash and cash equivalents	<u>6,519,179</u>	<u>3,522,834</u>	<u>5,787,718</u>

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

Net result	1,517,434	947,618	2,520,049
Non-cash flows in Net result:			
Depreciation	2,008,941	1,113,780	1,151,863
(Profit)/Loss on sale of asset	76,776	49,710	(37,949)
Reversal of loss on revaluation of fixed assets	0		
Changes in assets and liabilities:			
Decrease in receivables	545,861		124,496
Decrease in inventories	10,875		
Increase in payables	169,560		(245,170)
Increase in provisions	1,609		2,074
Grants contributions for the development of assets	(3,198,271)	(1,758,110)	(1,231,368)
Net cash from operating activities	<u>1,132,788</u>	<u>352,998</u>	<u>2,283,995</u>

	2016	2015
	\$	\$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	12,000	12,000
Credit card balance at balance date	(8,572)	(4,000)
Total amount of credit unused	<u>3,428</u>	<u>8,000</u>
Loan facilities		
Loan facilities - current	0	0
Loan facilities - non-current	0	0
Total facilities in use at balance date	<u>0</u>	<u>0</u>
Unused loan facilities at balance date	<u>NIL</u>	<u>NIL</u>

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

13. CONTINGENT LIABILITIES

There were no contingent liabilities against the Shire as at 30th June 2016.

14. CAPITAL AND LEASING COMMITMENTS

2016 **2015**
\$ **\$**

(a) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts.

Payable:

- not later than one year	52,800	16,752
- later than one year but not later than five years	146,600	0
- later than five years	0	0
	<u>199,400</u>	<u>16,752</u>

(b) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects	3,167,866	0
- plant & equipment purchases	65,000	0

Payable:

- not later than one year	1,648,933	0
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15. JOINT VENTURE ARRANGEMENTS

The Shire together with the Shire's of Esperance, Coolgardie, Laverton, Leonora, Menzies, Ngaanyatjarraku, Ravensthorp, Wiluna and the City of Kalgoorlie have a joint venture arrangement with regard to the provision of a regional record service. The only asset is a building and Council's one-tenth share is included in Property, Plant and Equipment.

2016 **2015**
\$ **\$**

Non-current assets

Land and buildings	84,500	67,925
Less: accumulated depreciation	0	0
	<u>84,500</u>	<u>67,925</u>

16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

2016 **2015**
\$ **\$**

Governance	2,555,972	2,532,715
General purpose funding	1,390,063	954,958
Law, order, public safety	459,075	813,309
Health	470,284	463,188
Education and welfare	604,593	655,890
Housing	1,604,395	1,532,260
Community amenities	1,724,358	2,616,991
Recreation and culture	5,063,938	5,135,819
Transport	68,530,526	66,234,157
Economic services	1,131,268	1,174,699
Other property and services	1,043,085	789,535
	<u>84,577,557</u>	<u>82,903,521</u>

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

	2016	2015	2014
17. FINANCIAL RATIOS			
Current ratio	2.41	13.33	6.51
Asset sustainability ratio	1.72	2.93	1.25
Debt service cover ratio	N/A	N/A	40.35
Operating surplus ratio	(0.60)	0.49	0.14
Own source revenue coverage ratio	0.51	0.67	0.63

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 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:

Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Supplementary Ratio Information on Page 54 of this document.

Two of the 2016 and 2015 ratios disclosed above are distorted by the early receipt of half of the allocation of the 2015-16 Financial Assistance Grant on 30 June 2015.

The early payment of the grant increased operating revenue in 2015 and decreased operating revenue in 2016 by \$ 778,392.

The early payment was considered to be "one-off" and if recognised in the year to which the allocation related the calculations in the 2016 and 2015 columns above would be as follows:

	2016	2015
Current ratio	2.41	9.12
Operating surplus ratio	(0.32)	0.19

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

18. TRUST FUNDS

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

	1 July 2015 \$	Amounts Received \$	Amounts Paid (\$)	30 June 2016 \$
Bowling Club	1,729	0	(1,729)	0
Builders Registration	427	242	0	669
Electricity Cards	7,024	0	(7,024)	0
Cemetery Memorial Trust	100	0	(100)	0
Chamber Of Commerce	2,650	0	0	2,650
Norseman Swimming Club	566	0	(566)	0
Demolition Deposits	500	0	0	500
Excess (Overpaid) Rates	3,170	540	(366)	3,344
Gym Key Deposits	2,570	3,100	(1,850)	3,820
Hall Deposits	1,200	600	(600)	1,200
Tennis Key Deposit	190	0	(30)	160
BCITF (Building Con. Indu. Trai. Fund)	858	46	0	904
Library (Toy)	483	0	0	483
Licensing (Transport)	(4,626)	5,854	0	1,228
Norseman Medical Clinic	19,561	0	(19,561)	0
Norseman Arts Promotion Society	1,823	0	(1,823)	0
Nomination Deposits	0	560	(560)	0
Norseman Sport & Rec Federation	35,409	0	(35,409)	0
Plan Deposits	120	0	(120)	0
Swimming Pool Deposits	0	100	(100)	0
Raffle Tickets	6,544	0	(5,483)	1,061
Christmas Festival	20	0	(20)	0
Youth Program	1,271	0	(1,271)	0
Bank Interest	185	76	0	261
	<u>81,774</u>			<u>16,280</u>

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

19. DISPOSALS OF ASSETS - 2015/16 FINANCIAL YEAR

The following assets were disposed of during the year.

	Actual Net Book Value \$	Actual Sale Proceeds \$	Actual Profit \$	Actual Loss \$	Budget Net Book Value \$	Budget Sale Proceeds \$	Budget Profit \$	Budget Loss \$
Plant and Equipment								
Education and welfare								
Hyundai iMax Shuttle	15,677	15,455	0	(222)	17,500	15,000	0	(2,500)
Community amenities								
Mitsubishi Rosa Bus	1,274	18,182	16,908	0	18,127	12,000	0	(6,127)
Transport								
Town Skid Steer	15,343	10,455	0	(4,888)	17,507	9,000	0	(8,507)
Isuzu D-Max SX Space Cab Ute	14,438	20,000	5,562	0	6,079	11,000	4,921	0
Fuso Fighetr Truck	61,370	24,091	0	(37,279)	107,148	76,000	0	(31,148)
Holden Colorado LX Crew Cab	0	9,773	9,773	0	7,985	26,000	18,015	0
Nissan Navara Single Cab	8,451	3,678	0	(4,774)	9,541	9,000	0	(541)
Nissan Navara Single Cab	8,451	6,415	0	(2,036)	9,541	9,000	0	(541)
Project Manager's Ute	0	0			21,776	19,000	0	(2,776)
Town Loader	26,734	10,000	0	(16,734)	30,506	10,000	0	(20,506)
Holland Tractor	42,754	10,909	0	(31,845)	0	0		
Various Equipment	11,240	0	0	(11,240)	0	0		
	<u>205,733</u>	<u>128,956</u>	<u>32,242</u>	<u>(109,019)</u>	<u>245,710</u>	<u>196,000</u>	<u>22,936</u>	<u>(72,646)</u>

20. INFORMATION ON BORROWINGS

Shire does not have any outstanding borrowings as at balance sheet date.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

21. RATING INFORMATION - 2015/16 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential general rate / general rate											
Gross rental value valuations											
Townsites	0.1525	533	3,259,094	496,898	682		497,580	498,242			498,242
Roadhouses	0.1802	9	937,860	169,016	0		169,016	169,016			169,016
Mining	0.2258	2	595,376	134,462	0		134,462	134,462			134,462
Unimproved value valuations											
Pastoral	0.0390	13	675,448	26,313	162		26,475	33,455			33,455
Mining Leases	0.1333	129	5,796,335	772,796	12,443		785,239	760,805			760,805
Exploration Leases	0.1333	109	1,998,134	266,401	(27,024)		239,377	270,925			270,925
Prospecting Leases	0.1333	73	164,856	21,979	(11,418)		10,561	40,381			40,381
Sub-Total		868	13,427,103	1,887,865	(25,155)	0	1,862,710	1,907,286	0	0	1,907,286
Minimum payment	Minimum \$										
Gross rental value valuations											
Townsites	335	147	66,056	49,245			49,245	47,905			47,905
Roadhouses	335	0	0	0			0	0			0
Mining	335	0	0	0			0	0			0
Unimproved value valuations											
Pastoral	335	7	31,408	2,345			2,345	2,010			2,010
Mining Leases	335	51	45,642	17,085			17,085	17,085			17,085
Exploration Leases	335	58	61,989	19,430			19,430	19,430			19,430
Prospecting Leases	278	108	136,074	30,024			30,024	23,074			23,074
Sub-Total		371	341,169	118,129	0	0	118,129	109,504	0	0	109,504
Total amount raised from general rate											
							1,980,839	2,016,790	0	0	2,016,790
Movement in Excess Rates							26,722				0
Total							<u>2,007,561</u>				<u>2,016,790</u>

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

22. NET CURRENT ASSETS

Composition of net current assets

	2016 (30 June 2016 Carried Forward) \$	2016 (1 July 2015 Brought Forward) \$	2015 (30 June 2015 Carried Forward) \$
Surplus/(Deficit) 1 July 15 brought forward	<u>227,925</u>	<u>2,019,808</u>	<u>2,019,808</u>
Current Assets			
Cash and cash equivalents			
Unrestricted	413,909	1,466,849	1,466,849
Restricted	6,105,270	4,320,869	4,320,869
Receivables			
Rates outstanding	497,937	342,892	342,892
Sundry debtors	36,088	685,133	685,133
Provision for doubtful debt	(96,209)	(45,000)	(45,000)
Inventories			
Fuel and materials	0	10,875	10,875
Less: Current Liabilities			
Trade and other payables			
Sundry creditors	(217,357)	(177,153)	(177,153)
ATO liabilities	(136,741)	(7,388)	(7,388)
Provisions			
Provision for annual leave	(171,378)	(152,523)	(152,523)
Provision for long service leave	(98,324)	(103,878)	(103,878)
Unadjusted net current assets	<u>6,333,195</u>	<u>6,340,677</u>	<u>6,340,677</u>
Adjustments			
Less: Reserves - restricted cash	(6,105,270)	(4,320,869)	(4,320,869)
Adjusted net current assets - surplus/(deficit)	<u>227,925</u>	<u>2,019,808</u>	<u>2,019,808</u>

Difference

There was no difference between the surplus/(deficit) 1 July 2015 brought forward position used in the 2016 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2015 audited financial report.

**SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

23. SPECIFIED AREA RATE - 2015/16 FINANCIAL YEAR

The Shire did not impose any specified area rate.

24. SERVICE CHARGES - 2015/16 FINANCIAL YEAR

The Shire did not impose any service charges.

**25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2015/16 FINANCIAL YEAR**

The Shire has not granted any discount, incentive or concession on rates.

26. INTEREST CHARGES AND INSTALMENTS - 2015/16 FINANCIAL YEAR

	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Instalment Options				
Option One				
Single full payment	07-Sep-15	-	0.00%	7.50%
Option Two				
First Instalment	07-Sep-15	-	0.00%	7.50%
Second Instalment	10-Nov-15	7.00	5.50%	7.50%
Option Three				
First Instalment	07-Sep-15	-	0.00%	7.50%
Second Instalment	10-Nov-15	7.00	5.50%	7.50%
Third Instalment	08-Feb-16	7.00	5.50%	7.50%
Fourth Instalment	26-Apr-16	7.00	5.50%	7.50%

	Revenue \$	Budgeted Revenue \$
Interest on unpaid rates	48,574	20,000
Interest on instalment plan	4,460	15,000
Charges on instalment plan	2,765	10,000
	55,799	45,000

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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27. FEES & CHARGES	2016	2015
	\$	\$
Governance	16,053	26,785
General purpose funding	4,265	9,720
Law, order, public safety	4,470	6,064
Health	23,769	4,704
Housing	19,669	19,265
Community amenities	148,494	136,207
Recreation and culture	13,966	15,572
Transport	0	165
Economic services	27,061	35,619
Other property and services	15,428	1,910
	<u>273,176</u>	<u>256,011</u>

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

28. GRANT REVENUE

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

By Nature or Type:	2016	2015
	\$	\$
Operating grants, subsidies and contributions		
Governance	0	3,042
General purpose funding	548,344	1,737,993
Law, order, public safety	36,488	93,661
Education and welfare	87,946	87,970
Community amenities	5,896	636
Recreation and culture	57,704	7,758
Transport	256,337	690,797
Economic services	1,455	0
Other property and services	53,489	0
	<u>1,047,659</u>	<u>2,621,857</u>
Non-operating grants, subsidies and contributions		
Community amenities	84,137	0
Recreation and culture	0	30,000
Transport	2,970,801	929,821
Economic services	143,333	271,547
	<u>3,198,271</u>	<u>1,231,368</u>
	<u>4,245,930</u>	<u>3,853,225</u>

29. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

2016	2015
<u>27</u>	<u>27</u>

30. ELECTED MEMBERS REMUNERATION

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

	2016	2016	2015
	\$	Budget	\$
Meeting Fees	14,196	17,500	15,615
President's allowance	12,000	12,000	3,200
Deputy President's allowance	3,000	3,000	800
Travelling expenses	8,009	20,000	18,380
	<u>37,205</u>	<u>52,500</u>	<u>37,995</u>

**SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

31. MAJOR LAND TRANSACTIONS

Property of Lot 50 (78) Prinsep Street, Norseman

(a) Details

During the year the Shire acquired the property of Lot 50 (78) Prinsep Street, Norseman. This property to be developed as a cultural and heritage centre.

(b) Current year transactions	2016 \$	2016 Budget \$	2015 \$
Capital expenditure			
- Purchase of land	192,817	200,000	0
- Development costs	0	500,000	0
	<u>192,817</u>	<u>700,000</u>	<u>0</u>

The above capital expenditure is included in land held for resale.

(c) Expected Future Cash Flows

	2017 \$	2018 \$	2019 \$	2020 \$	Total \$
Cash outflows					
- Development costs	0	(800,000)	(750,000)	0	(1,550,000)
	<u>0</u>	<u>(800,000)</u>	<u>(750,000)</u>	<u>0</u>	<u>(1,550,000)</u>
Cash inflows					
- Capital grants	0	800,000	750,000	0	1,550,000
	<u>0</u>	<u>800,000</u>	<u>750,000</u>	<u>0</u>	<u>1,550,000</u>
Net cash flows	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

If the Shire did participate in any trading undertakings or major trading undertakings during the 2015/16 financial year.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

33. FINANCIAL RISK MANAGEMENT

The Shire's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The Shire's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Shire.

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

Financial risk management is carried out by the finance area under policies approved by the Council.

The Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2016	2015	2016	2015
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	6,519,179	5,787,718	6,519,179	5,787,718
Receivables	471,943	1,017,805	471,943	1,017,805
	<u>6,991,122</u>	<u>6,805,523</u>	<u>6,991,122</u>	<u>6,805,523</u>
Financial liabilities				
Payables	354,098	184,538	354,098	184,538
Borrowings	0	0	0	0
	<u>354,098</u>	<u>184,538</u>	<u>354,098</u>	<u>184,538</u>

Fair value is determined as follows:

- Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.
- Borrowings, held to maturity investments, estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.
- Financial assets at fair value through profit and loss, available for sale financial assets - based on quoted market prices at the reporting date or independent valuation.

**SHIRE OF DUNDAS
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FOR THE YEAR ENDED 30TH JUNE 2016**

33. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Financial assets at fair value through profit and loss

Available-for-sale financial assets

Held-to-maturity investments

The Shire's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). Council has an investment policy and the policy is subject to review by Council.

The major risk associated with investments is price risk - the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market.

Cash and investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns.

Another risk associated with cash is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to the Shire.

The Shire manages these risks by diversifying its portfolio and only investing in investments authorised by *Local Government (Financial Management) Regulation 19C*. Council also seeks advice from independent advisers (where considered necessary) before placing any cash and investments.

	2016	2015
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	65,192	57,877
- Statement of Comprehensive Income	65,192	57,877

Notes:

⁽¹⁾ Sensitivity percentages based on management's expectation of future possible market movements.

**SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

33. FINANCIAL RISK MANAGEMENT (Continued)
(b) Receivables

The Shire'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 Shire manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

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

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

The Shire makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The profile of the Shire's credit risk at balance date was:

	2016	2015
Percentage of rates and annual charges		
- Current	42%	0%
- Overdue	58%	100%
Percentage of other receivables		
- Current	55%	100%
- Overdue	45%	0%

SHIRE OF DUNDAS
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FOR THE YEAR ENDED 30TH JUNE 2016

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

Borrowings

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

The contractual undiscounted cash flows of the Shire’s Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2016</u>					
Payables	354,098	0	0	354,098	354,098
Borrowings	0	0	0	0	0
	<u>354,098</u>	<u>0</u>	<u>0</u>	<u>354,098</u>	<u>354,098</u>
<u>2015</u>					
Payables	184,538	0	0	184,538	184,541
Borrowings	0	0	0	0	0
	<u>184,538</u>	<u>0</u>	<u>0</u>	<u>184,538</u>	<u>184,541</u>

Borrowings

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

SHIRE OF DUNDAS
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2016

INDEPENDENT AUDIT REPORT



BUTLER SETTINERI

INDEPENDENT AUDITOR'S REPORT TO THE SHIRE OF DUNDAS

Report on the Financial Report

We have audited the accompanying financial report of Shire of Dundas, which comprises the statement of financial position as at 30 June 2016 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by chief executive officer.

Council's Responsibility for the Financial Report

Council is responsible for the preparation of the financial report which gives a true and fair view in accordance with Australian Accounting Standards (including Australia Accounting Interpretations), the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) and for such internal control as the Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Shire's preparation of the financial report which gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Shire's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Auditor's Opinion

In our opinion, the financial report of Shire of Dundas is in accordance with the underlying records of the Council, including:

- a) giving a true and fair view of the Shire's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

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**SHIRE OF DUNDAS
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INDEPENDENT AUDIT REPORT (Continued)

- b) complying with Australian Accounting Standards (including Australia Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

Emphasis of Matter

Without modifying our opinion, we draw attention to page 54 of the financial report "Supplementary Ratio Information", which describes certain ratio information relating to the financial report. Management's calculation of these ratios includes assumptions about future capital expenditure and hence falls outside our audit scope. We do not therefore express an opinion on these ratios.

However, we have reviewed the calculations as presented and in our opinion the asset consumption ratio is based on verifiable information and appears reasonable.

We have not been presented with sufficient verifiable information in relation to the asset renewal funding ratio and as a result, we are unable to assess the reasonableness of this ratio.

Other matters

We did not, during the course of our audit, become aware of any instances where the Shire did not comply with the statutory requirements of the Local Government Act (1995) (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

In accordance with the Local Government (audit) Regulations 1996, we also report that:

- a) Apart from the operating surplus ratio that does not meet the minimum benchmark, there are no material matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) The Shire substantially complied with Part 6 of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).
- c) All information and explanations required were obtained by us.
- d) All audit procedures were satisfactorily completed in conducting our audit.

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE CA
Director
Perth
Date: 14 October 2016

**SHIRE OF DUNDAS
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2016**

RATIO INFORMATION

The following information relates to those ratios which only require attestation they have been checked and are supported by verifiable information. It does not form part of the audited financial report

	2016	2015	2014
Asset consumption ratio	0.81	0.82	0.73
Asset renewal funding ratio	0.96	Not Calculated	Not Calculated

The above ratios are calculated as follows:

Asset consumption ratio	$\frac{\text{depreciated replacement costs of assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$