



Annual Report 2016/17

SHIRE OF

DUNDAS



Cover Image: Julie
Goldsworthy Birds in Flight
Eucla Jetty, Shire of Dundas
Images 2017.

Artwork: James Schultz Snr,
Tribes

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SHIRE OF

DUNDAS

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 Community we work collectively within an ethical framework to enhance our Community and its social fabric by way of consultation, lobbying and promotion.”

Artwork by Barry Smith
Photography by Lynn Webb



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 2016/2017 Annual Report.

Shire staff levels have remained constant this year under the leadership of CEO Doug Stead. With the continued improvement in Community Development initiatives and Financial Management under our DCEO Gihan Kohobange, including sound Audit Reports and commencing review of Shire's policies, administration aspects of the Shire have performed at a high level.

During the year

- DFES has taken several steps to enhance the town's emergency response system, by firstly closing our SES (State Emergency Services) unit and secondly training the VFES crew based in Norseman, to deal with road crash emergencies ably supported by mining companies Westgold at Higginsville, to the north and IGO, Nova, at Fraser Range to the East.
- The new Doctor's house on Ramsay Street was completed at a cost of \$796,191. The Shire considered that to retain and attract quality medical services to Norseman, the doctor needed to be supplied with an attractive residential dwelling.
- Phoenix Park had a substantial upgrade including new walkways, improved lighting, landscaping and CCTV. This was achieved by funding support from Lottery west.
- New border signs on our southern, northern and eastern boundaries of the Shire were installed, advising that the Shire is the Heart of the Great Western Woodlands, including *welcome* in Ngadju language welcome. These signs have become a wonderful introduction to our Shire especially with the recognition of our Ngadju Culture.
- The Shire commenced the project of the upgrade to the Norseman airstrip with the assistance of Federal and State funding of \$3.4 million. Phase 1 of the construction stage has now been completed amidst many challenges, in relation to suitably sized rock and the additional cost in relation to royalty payments. At the commencement of Phase 2, the Shire has envisaged a potential funding gap; however with various options being evaluated the project is expected to be completed in the first half of 2018.

"The Shire updated its Corporate Business, Long Term Financial, Workforce and Asset Management Plans in line with the Strategic Community Plan after a successful community consultation. These plans are of paramount importance for the Shire to plan sustainably for the future and to be able to respond to short, medium and long term Community requirements."

- Eucla Airstrip – the Shire has initiated discussions with regard to a feasibility study for upgrading. Eucla being at the eastern end of the Shire requires a serviceable, all weather strip due to the significant amount of road traffic across the Nullarbor. The upgrade of this airstrip will be a priority for the Shire to ensure that funding is sourced to be able to commence the upgrade during 2018/19.
- With the business case submitted for our new Woodlands Cultural and Visitors Centre on Prinsep Street, we received welcome news, in December 2016, that the Shire had been awarded the anticipated \$1.6 million funding from Royalties for Regions. However with the change in Government in March 2017 this was put on hold until the new State budget would be announced in the next financial year. Shire staff and Councillors are hopeful that the funding will eventuate.
- With one Councillor resigning during the year it was necessary to apply for a stay on an Extraordinary Election, due to the upcoming LG Elections in October 2017. With 3 councillors retiring in October, it became necessary to commence discussion and preparation for the upcoming Council Elections with four positions being vacant.

It has certainly been a most rewarding pleasure to work with Shire Staff and Councillors. Although this year has certainly had its challenges, working as a team, we have moved forward achieving proactive outcomes. In recognition of all that has been achieved, I thank you all for your dedication and passion and look forward to a very productive 2017/18 year with anticipation of finalising some of our long term goals.

Cr Jacquie Best

Shire President

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

RESIGNED: MAY 2017



CR RASA PATUPIS

EUCLA

WA 6443

PH: (08) 9039 3425

RETIRING: 2019



CR LAURENE BONZA

7 CRABBE STREET

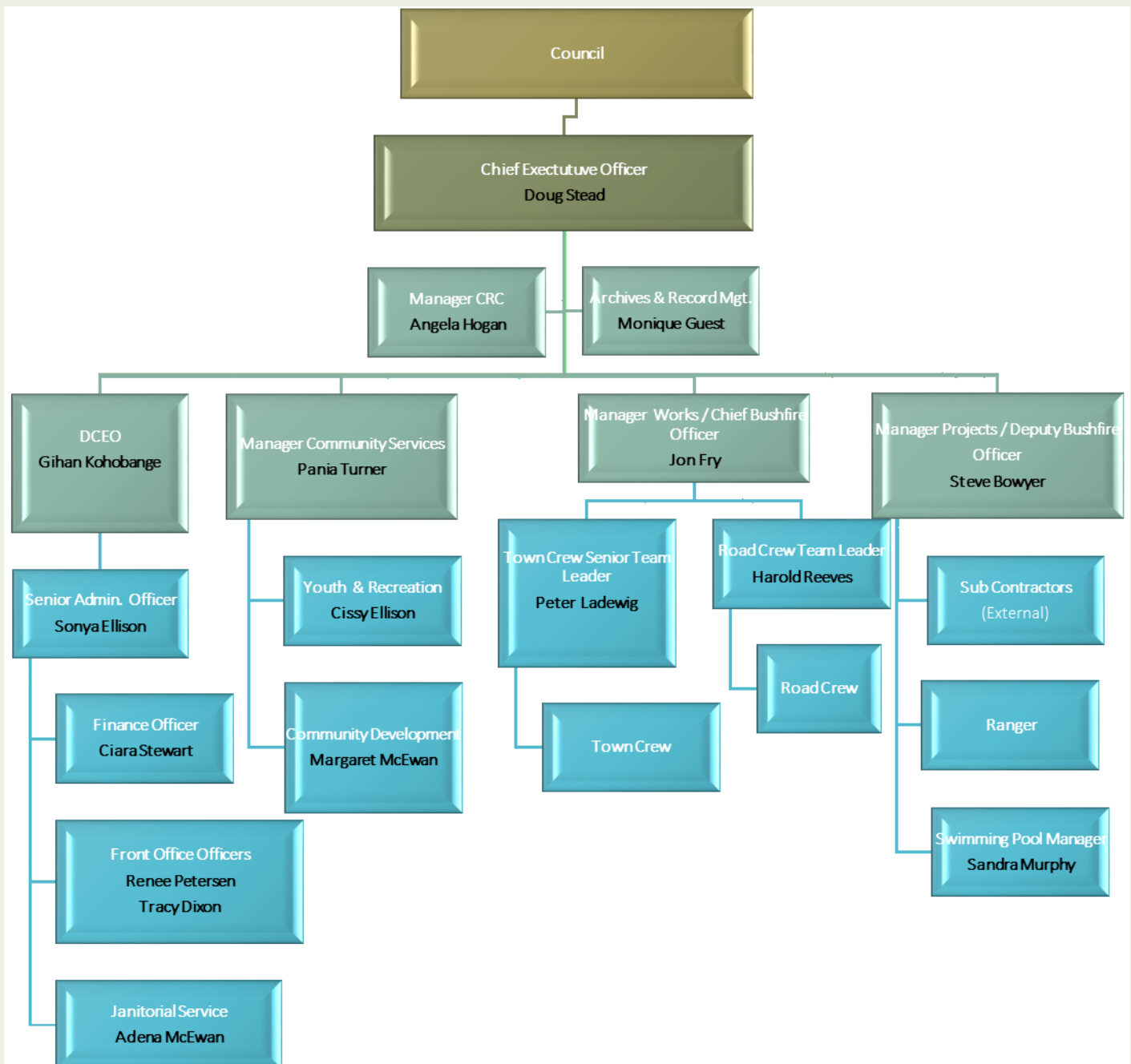
NORSEMAN, WA 6443

PH: (08) 9039 1117

RETIRING: 2019



Organisational Structure





CEO Report

Doug Stead

It is with pleasure that I report on the 2016/2017 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 once again been of a very high standard and in accordance with the variety of legislative requirements.

The year proved to be one that presented management with a variety of very different challenges which shire staff addressed with great professionalism.

We salute our fire fighters who gave up three weeks in December, including Christmas day, to fight ongoing fires in Caiguna and Cocklebiddy for two weeks, followed by a third week at Telegraph Road.

Our gratitude and admiration go to these volunteers for their magnificent efforts.

Two major projects commenced during the year, the long awaited upgrade of the Norseman Airstrip commenced with an expenditure during the year of \$1,070,000. Allowing for flexibility we expect to see the completion of this project in the first half of 2018.

Another long awaited project was the new house for our town (and region) doctor. The house was handed over after a brief ceremony where our Shire president, Cr Jacquie Best and Dr Graham Rowlands cut a ceremonial bandage. Dr Rowlands stated in a short speech that the construction of a new modern house demonstrated the Shire's commitment to resourcing good medical practitioners to the region.

Phoenix Park received an upgrade of \$82,000 which included disability access. The museum complex acquired new toilet facilities at an investment of \$63,000.

During the year, the community of Eucla had the misfortune of having to watch their Community Centre burn to the ground. However, a new purpose built centre is being planned for 2017/2018 year.

"Much time was spent during the year in getting to know what our community saw as their vision for the future of our town. Several meetings, surveys and discussions both formal and informal were held, which were then translated into our Community Vision covering the next 10 years. Ultimately, this vision was translated into the Shire's Budget."



Efforts to attract tourists to our region continue and again the shire has supported tourism by grants of \$60,000 to the local Visitors Centre as well as securing space in the Goldfields Tourism productions.

Shire management continues to watch our finances closely as the funding from State and Federal Governments is reduced. Our rate base continues to be eroded by the reduction in property values in our region. These valuations are conducted by the Valuer General and are key to our rate income. Shire management took a very conservative view on unpaid rates at the year end and saw fit to increase our provision for doubtful debts to a level of some \$370,000. This level is of concern, however every effort is being made to recoup these outstanding funds.

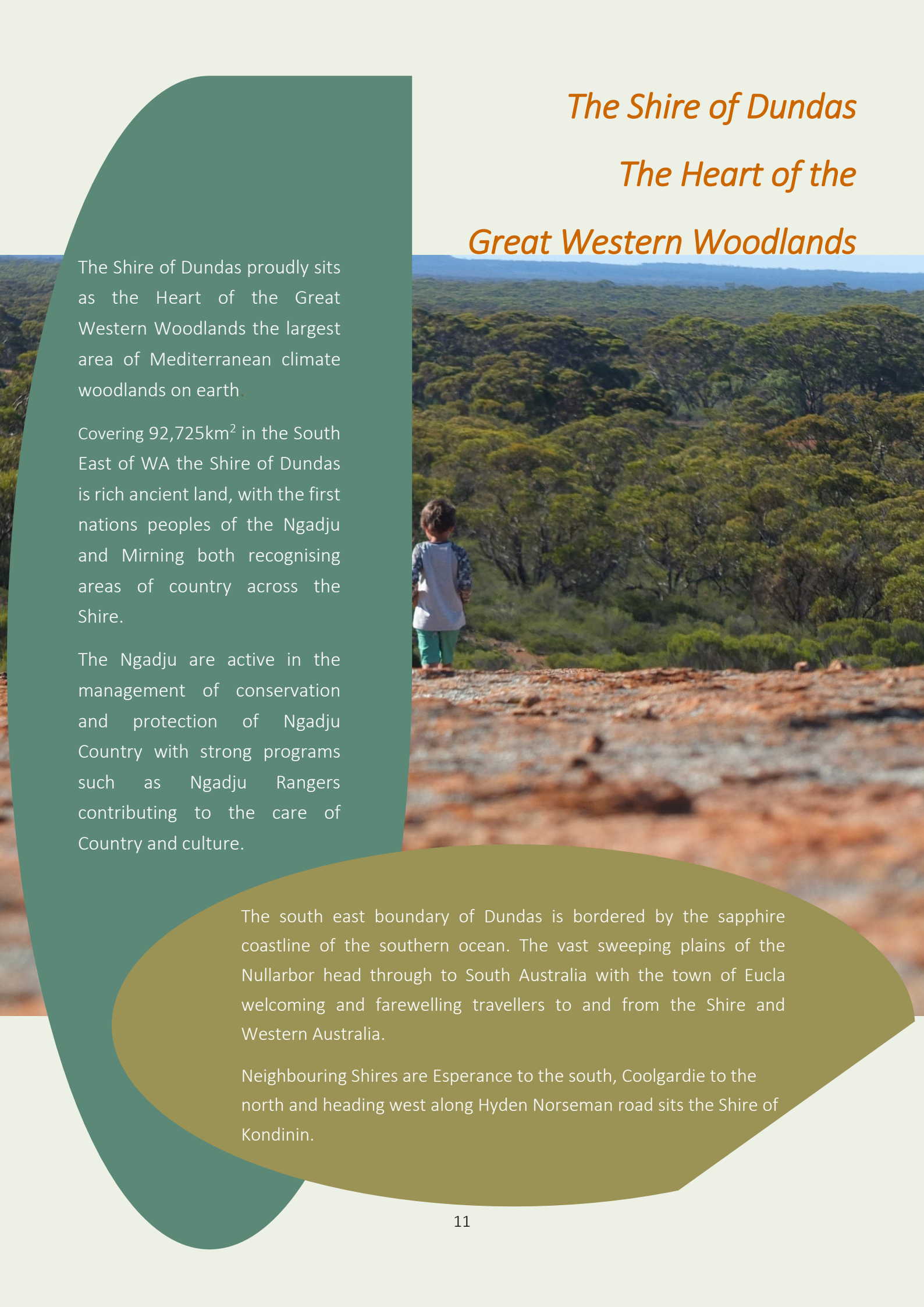
The Shire acknowledges the capital grant incomes received from Lottery West (Fire Control Units, Museum and Phoenix Park upgrades), Roads to Recovery and the Regional Roads Group (for keeping our town and country roads safe), federal funding from the Department of Infrastructure and Regional Development (part funding for the upgrade of the Norseman Airstrip project), and the State Department of Regional Development (Norseman Airstrip project) which enabled the maintenance of existing, and the creation of new infrastructure assets.

We are equally indebted to the Department of Transport, Department of Communities Child Protection and Family Support, Department of Fire and Emergency Services and Department of Local Government Sport and Cultural Industries for various operating grants that help keep our level of service to our community at a high level.

Doug Stead

Chief Executive Officer





The Shire of Dundas

The Heart of the Great Western Woodlands

The Shire of Dundas proudly sits as the Heart of the Great Western Woodlands the largest area of Mediterranean climate woodlands on earth.

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 and culture.

The south east boundary of Dundas is bordered by the sapphire coastline of the southern ocean. The vast sweeping plains of the Nullarbor head through to South Australia with the town of Eucla welcoming and farewelling travellers to and from the Shire and Western Australia.

Neighbouring Shires are Esperance to the south, Coolgardie to the north and heading west along Hyden Norseman road sits the Shire of Kondinin.



Looking after our rich diverse environment by developing collaborative management opportunities with the Ngadju Conservation's Ngadju Ranger Program has opened the door of prospects. On Country and community projects such as weed control at various sites, educational excursions with school students at McDermid Rock, flora and fauna observation, community education and regular features in the local paper are just some of the community investment rangers are involved in. The continual focus on sharing culture through a range of conservation initiatives builds positive community partnerships and understandings.

Norseman District High School is the public school facility in the Shire offering places from Kindergarten to Year 12. The school is

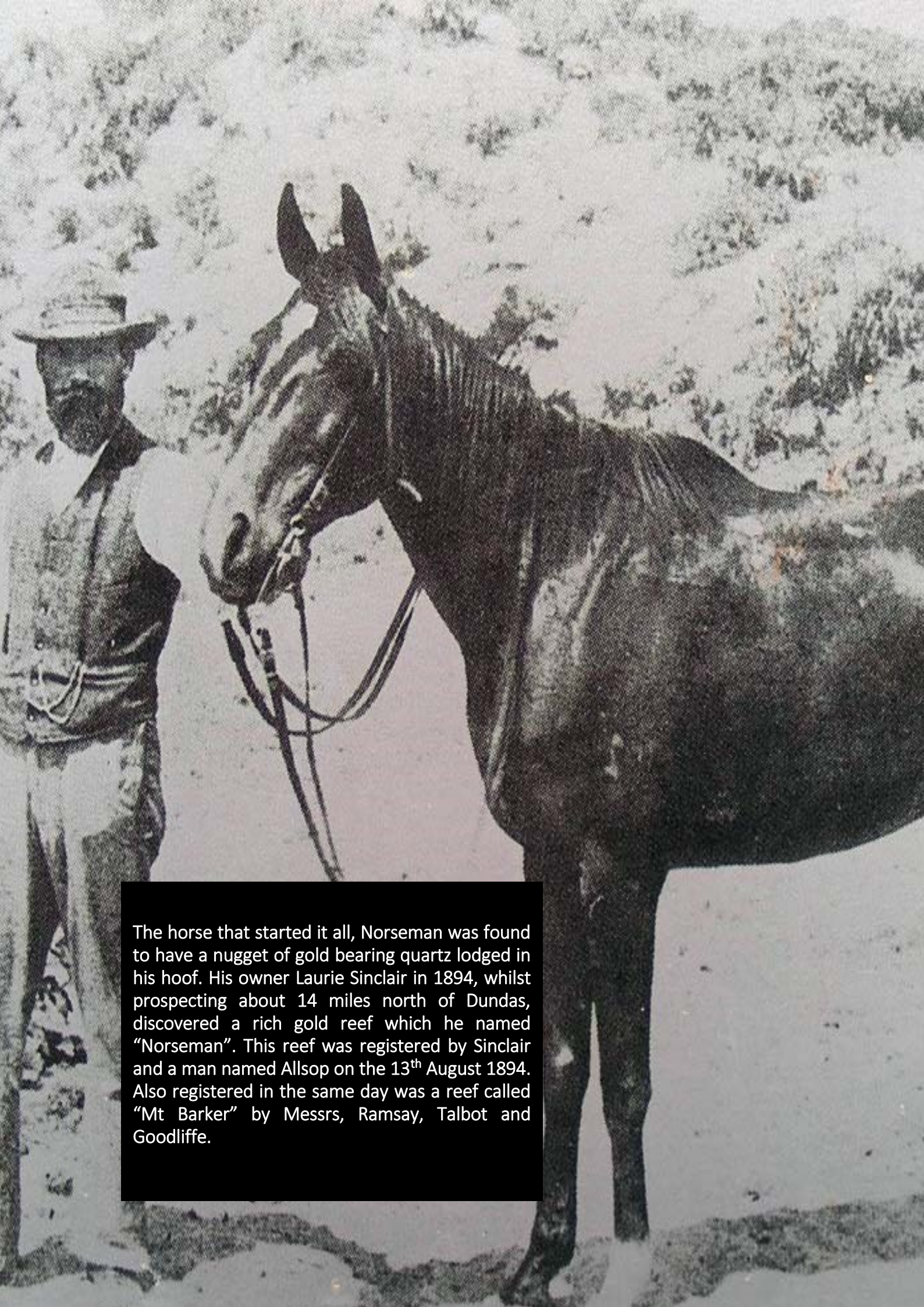
actively involved in the community caring for the environment, participating in and hosting community events. The Shire seeks every chance to support good educational opportunities for young people living in the Shire and enjoys a positive and strong relationship with the school. Children who live in the more remote areas of the Shire receive their education through Kalgoorlie School of the Air. Some local families choose boarding away from home for their children to address wider curricular and extracurricular activities.

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 enjoying weekly craft days, Stay on Your Feet, weekly morning teas, and a variety of Shire supported activities and outings.



Top Image: Ngadju Rangers, 2017 image courtesy of Gondwana Link

Bottom Image: Bernie and Flora Australia Day 2017



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.

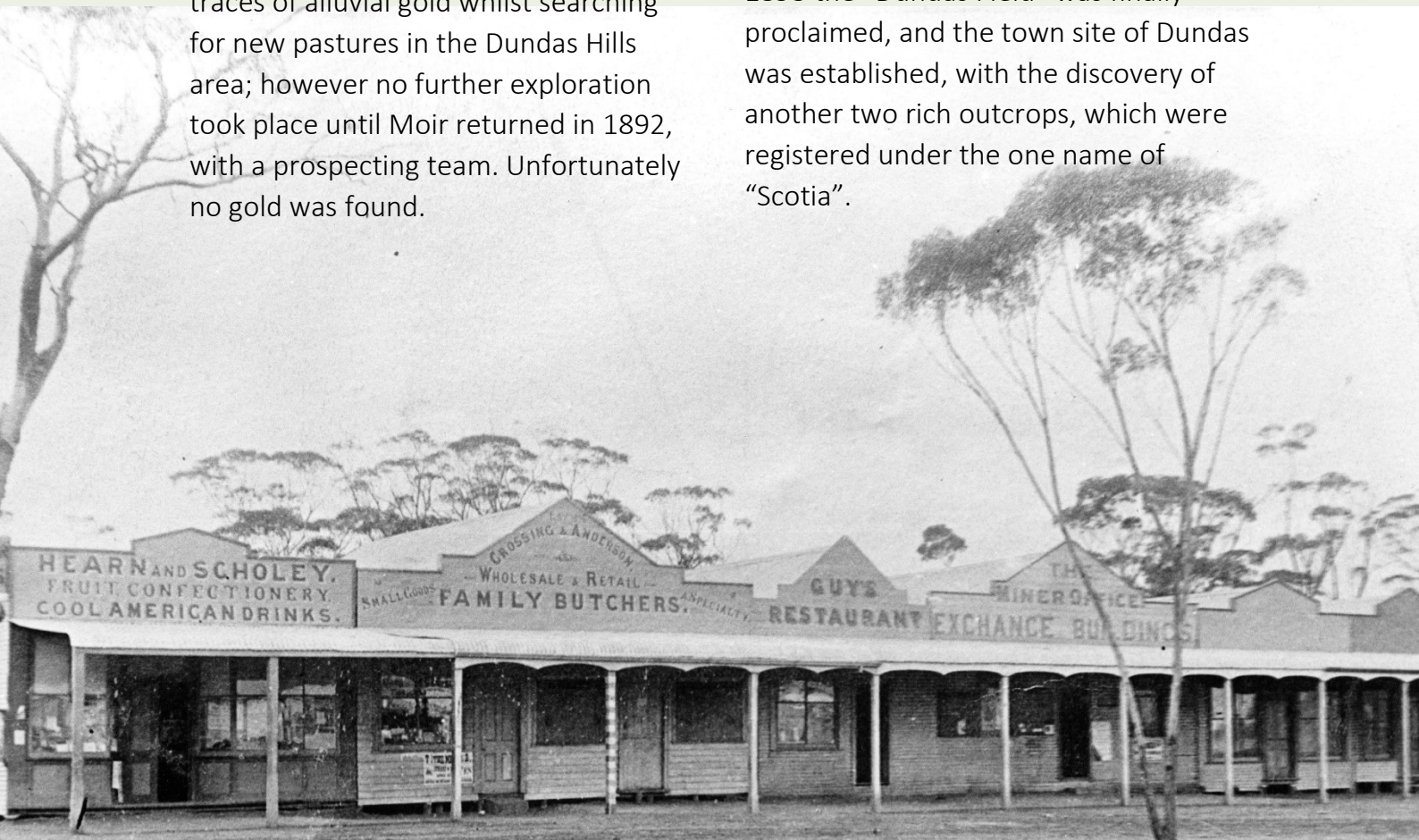
Between 1876 and 1878 the construction of the Overland Telegraph Line (coastal), from Albany to Adelaide took place, and after its completion the Southern Area was linked with the rest of Australia.

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".



Governance

General Report

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

During the year an agreed-upon procedure audit was conducted by the Butler and Settineri (Audit) Pty Ltd about the robustness of policies and procedures in place in relation to the Shire's procurement practices.

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 \$21,233. The majority of training provided requires travel to larger regional centres and often Perth.

The Shire updated its Strategic Community Plan after a successful community consultation. The Corporate Business Plan, Long Term Financial Plan, Workforce Plan and Asset Management Plan were all updated in line with the Strategic Community Plan. These plans are of paramount important for the Shire to plan sustainably for the future and to equip the organisation to respond to short, medium and long term Community requirements.

The Shire continue to invest on record keeping procedures to ensure compliance and accountability. From this two administration staff members have taken on the dedicated role of upgrading our records management procedures.

Law, Order and Public Safety

Bushfires

During the year six bushfire incidents were reported within the Shire of Dundas. The Shire staff, volunteers and the Department of Fire and Emergency Services worked in collaboration to avoid any impact to human lives, properties and animals.

The Shire had built 8 slip on and 2 trailer fire units for fire suppression on the Eyre Highway with funding support from Lotterywest. These units have been strategically placed along the highway under the care of station owners/managers.

The Shire continues to hold Local Emergency Management Committee meetings working towards building strong partnerships and effective use of local and regional resources for emergency events.

With the closure of Norseman's State Emergency Service (SES) unit, DFES has taken several steps to enhance the town's emergency response system. The VFES crew based at Norseman has been trained to deal with road crash rescues. Agreements with mining companies WestGold at Higginsville to the north and Independence Group on the Fraser Ranges to the east have been reached to have their emergency response crew's assistance in road crashes and other emergencies.

Ngadju Conservation Ranger program has also been active in training their rangers in fire management and have in recent years offered volunteer support and assistance.



Big Trucks Little People

The Shire in partnership with MLG, Westgold, Norseman District High School, Norseman Police and WALGA RoadWise ran the Big Trucks Little People Norseman Road Safety Activity.

Held on Prinsep Street in front of the Community Health and Norseman Playgroup complex the activity was well attended with approximately 80 students benefitting from the day.

Class groups arrived throughout the day engaging in information sessions with Westgold with the MLG Oz truck drivers going through the different features of the triple-combination MLG truck and the aspects of driving such a large vehicle. Senior Constable Rob Duffey then spoke with students about what it means to be safe on the roads, especially when considering large trucks. He also spoke about road safety being everyone's responsibility, drivers and pedestrians, young and old.

To further support the activity and to ensure that road safety is a continual conversation in classrooms the Shire purchased (sponsored by the WALGA Road Safety Grant) a SDERA Smarts Steps Kit: *A Road Safety Education Kit for Schools and Community Agencies* containing a number of resources suitable for Kindergarten (and Playgroup) to Year Six; and the Challenges and Choices Bundle Road Pack which is a road safety resource for high school. Each student also received a road safety gift bag.



Image:
Norseman
District High
School
Students, Shire
of Dundas
Staff, MLG Oz
and Westgold
at the Road
safety
initiative.

Animal Control

With additional part-time ranger in the team, the Shire was able increase the street presence and provides quick response to call outs both in the township of Norseman and along the Eyre and Esperance 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 Shire became a member of the RSPCA with membership offering community engagement sessions for residents on responsible pet ownership. The total cost of providing an animal control service for the shire of Dundas for 2016-2017 is \$49,998.

Street Signs and Pedestrian Safety

During the year, the Shire surveyed the community as part of the review of the Disability Access and Inclusion Plan. The accessibility of the Shire's services were examined with footpaths identified as needing improvement. The Shire has invested \$48,378 during the year to improve street signs within the town site. These investments enhance the pedestrian safety and ensure ease of visitor navigation. Footpath and pedestrian bridges/walkways upgrades are allocated in the annual budget.

Image: Pauline and Doll, walking the beat is a familiar sight in Norseman. Photographer: Lynn Webb



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 service 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. With the loss of the full time Community Health Nurse and Aboriginal Health Worker the Norseman community is now serviced by visiting Community Health nurses from Esperance. Visits are on an at needs basis and operate from the Community Health Building and the local school.

Council continues to request of WA Health Department that both positions are filled as a matter of priority.

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 the Shire constructed a residential dwelling for the doctor at a cost of \$796,191.

The new Doctor's residence also has on site a self-contained flat to house visiting specialists, medical practicum students and locums.

Community Amenities

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. During the year a survey was carried out to explore the possibilities of expanding the cemetery.





Housing

Aged Care

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.

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. Photographer 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 and sponsorship.

During the 2016-2017 the Shire and Norseman District High School have strengthened their community partnership working together on a variety of initiatives:

- ANZAC 2017
- Big Trucks Little People Roads Road Safety Awareness Campaign
- Blessing of the Roads-Town Centre Safety Signs
- ANZAC Day Dawn Service and Diggers Breakfast
- NAIDOC Day
- Breakfast Club
- Athletics and Swim Carnivals
- Bus Transportation
- School Grounds maintenance support
- School Ball
- Remembrance Day
- Ngadju Welcome Garden
- Dundas Images Photographic Competition
- National Schools Tree Day
- Biggest Morning Tea
- Disability Access & Inclusion Plan Consultation
- Jungkajungka Woodlands Festival
- Aqua Fun Day
- Country Week
- Back to Norseman Week
- Athletics Carnival
- School Incursions

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

Youth Services are an integral part of the Community Development Team. Partially supported through a funding agreement with the Department of Child Protection and Family Services the Youth Officer submits quarterly reports to the Department outlining engagement 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. Traditionally catering for the ages 12 through to 18 Council recognised a gap in activities provided for children 5-11 and have adjusted the program to address this age group also.

The past year has seen community partnerships being strengthened:

Norseman Community Resource Centre

Norseman District High School

Kambalda Sea Eagles Swim Club

Seasonal Sports Organisations

Visiting Services



Recreation and Culture

Public Halls

Council provides two main public halls in Norseman. These halls are the 'Norseman Town Hall' and 'Dodd House'.

The Town Hall and Dodd House have seen a variety of activities over the past year such as the Annual School Ball, Stay on Your Feet weekly classes, Dance Class, hair dressing services, community gatherings, Norseman Pensioners

Mornings, community Art Classes, Youth Programs, Seniors Christmas Dinner, community consultation and the hire of the venues for private functions.

The loss of the Eucla Community Hall from fire in the early part of 2017 has created a significant gap in the facilities for residents living in the town of Eucla and along the Eyre highway. A new 'Community Hall' will be constructed in Eucla to replace the building destroyed by the fire. The Eucla community offered input into the new design highlighting the need for functional indoor and outdoor spaces.

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. A variety of groups use the pool including Senior Ladies Exercise Group, Norseman chapter of the Kambalda Sea Eagles, Norseman District High School and the Kalgoorlie Triathlon Club who run an annual event for local and regional athletes.

Community Spaces

Community require identified places of gathering.

Accessible and inclusive spaces where people come together in times of celebration and in times of need.

These coming together moments connect us to each other, strengthen our bonds and build resilience across our community.

Library

Currently situated in the Shire Administration building the Norseman Library is a well-used community amenity with members enjoying a range of services and resources. The Library offers a choice of fiction and nonfiction, large print and audio books. With no video store in the town the DVD section of the Library is quite popular as is the children's corner.

The Better Beginnings Storytime program also runs out of the Library being established in early 2017. The program offers families of young children a weekly hour of stories, sing-a-longs, craft and morning tea.

Better Beginnings- Story Time



Image: 2017
Dundas Images
Photographic
Exhibition

Artwork: Malcom
Dam Orielle
Evens- Wicker

Arts in the Community

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.

2017 saw the Norseman Arts: Inspire Share Exhibit festival change dates to support the Norseman Gold Fever Festival with the hope to encourage maximum community participation in the festival event.

Becoming very popular with the community is the Dundas Images Photographic competition. The free community arts event received over 150 image submissions with a strong showing in the youth category. The exhibition is displayed throughout the month of September and receives very positive feedback from visitors and locals.

The increased desire for people to connect through creative experiences has highlighted the need for a dedicated community arts space. The new Woodlands Cultural, Community and Visitors Centre looks to providing such as space which will be well utilised by the community in the form of workshops, cultural sharing, student engagement and youth activities, artists in residence and local exhibition space.



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. In 2016/17 a suite of upgrades for Phoenix Park including new concrete walkways, improved lighting, CCTV installation and landscaping carried out with funding support from Lotterywest.

Norseman Community Resource Centre

The Norseman Community Resource Centre (CRC) is a valuable and active resource in the community traditionally funded by Royalties for Regions. The centre provides a range of services such as photocopying, printing, computers, and secretarial services as well as being an agent for Medicare, Westnet, Centrelink and the Australian Tax Office.



Norseman CRC annual Biggest Morning Tea event

With the change of state government there has been some questions around the viability of Community Resource Centres. Supported through Royalties for Regions, 2016-2017 saw a significant drop in funding for CRCs across the state. The Norseman CRC has been active in promoting its value.

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, Food Sense Workshops, senior's computer courses, children's activities and community arts performances.

Transport

Norseman & Eucla All-Weather Airstrips

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 and Eucla airstrips in their current state were 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.

As stated in the President's and CEO's reports federal and state grants of \$3.4 million in funding has been allocated towards the upgrade Norseman airstrip. Despite challenges with suitable sized rock and additional costs in relation to royalty payments Phase 1 of the construction stage has now been completed. The Shire has identified a potential funding gap in Phase 2 of the construction stage, however officers are actively investigating various options to address the shortfall. The project is expected to be completed by the first half of 2018.

During the year, the Shire initiated discussions with regard to a feasibility study of upgrading Eucla airstrip. This project is due to commence in 2018 /19 subject to availability of funds.



Roads and Footpaths

The Shire's major road project was the continuous improvement and upgrading of the Hyden – Norseman Road with expenditure of \$659,355 which included funds from Financial Assistance Grant, Blackspot Funding and Regional Road Group allocations. Roads to Recovery funding enabled various streets in Norseman and Eucla to be resealed at a cost of \$249,035.

Street Lights

The Shire spent \$42,080 in 2016/17 to provide street lighting. The cost of providing street lighting has reduced compared to the previous year due to energy efficient lighting installed across the streets of Norseman.

Economic Services

Tourism Creating Visitor Experience

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. Council will continue to monitor the benefits and costs to the community of this service.

Popular with travellers is the free 24hour stopping area for self-contained vehicles.

Woodlands Cultural, Community & Visitor Centre

2017 saw the final round of funding commitments to the new Woodlands Cultural, Community and Visitor Centre (Woodlands Centre) confirmed. With just under \$2.5 million dedicated funds to the project broken down as State Government funding through the GEDC \$1.6 million, Federal Government through the Building Better Regions Fund \$450,000 and Lotterywest \$430,000 Council appointed local architects Cartmen Designs for full concept designs.

The Woodlands Centre will sit as an important element of the Shire of Dundas economic and social development plans aiming to be a celebration of cultural, mining and environmental heritage. Unlike many other interpretive centres which have traditionally been about tourist attraction, the Woodlands Centre welcomes both community and visitors to engage with the information and knowledge contained within its walls and then further invites people to explore the rich local experiences outside its walls.

Located as part of the Central Precinct one of the deliverables of the Woodlands Centre is to draw more custom into the Norseman Town Centre. The aim of identifying a Central Precinct is to allow the Shire to focus the first round of enhancements and new developments within this zone, to build a density of experience, and to prevent possible attractions becoming somewhat stranded or lost out in fringe areas where visitors may have to drive or take an unwanted longer walk to view them. Doing so also signals to the local business community that Council considers it vital that the Town Centre be a vibrant and welcoming community and business hub.

Building Control

Building control services are provided by a contracted service provider. There were a limited number of building applications during the reporting period.



Governance & Compliance

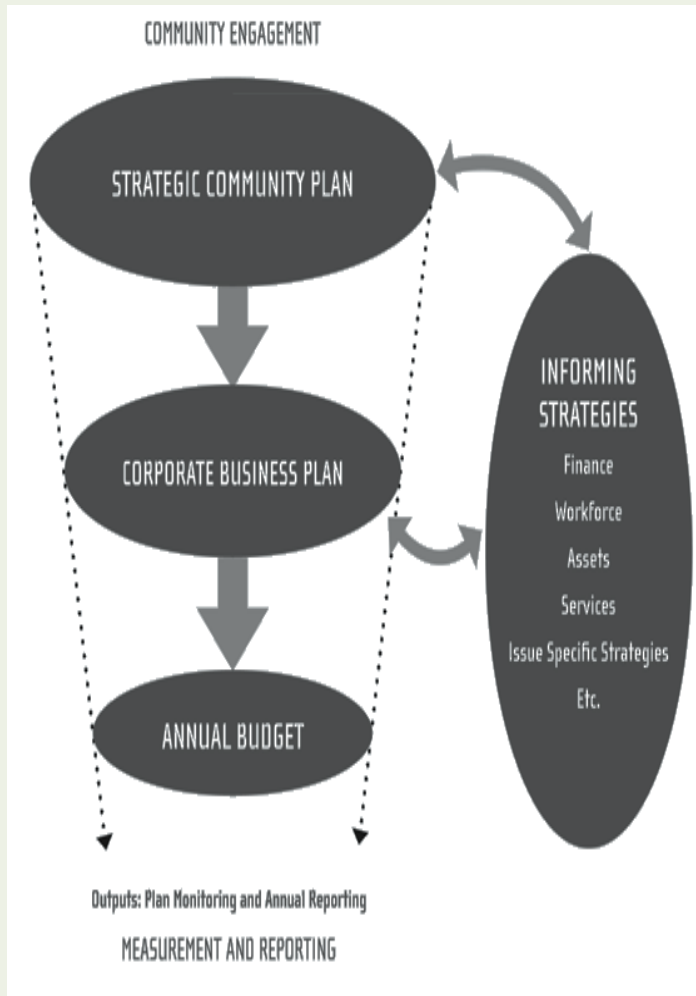
the Future

Integrated Planning

In 2017,

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

All these plans have been updated 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.

- Office integration system was implemented in Synergy Central Record System to make the record registering process more user-friendly enhancing effectiveness and efficiency of the overall process.
- 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.
- The Record Management policy was reviewed 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 2016/17 reporting year, two FOI applications were 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.



Image: Lynn Webb, Norseman Men's Shed, 2017

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 Access and Inclusion Plan

The Disability Services Act 1993 requires all local government agencies to develop a Disability Access and Inclusion Plan (DAIP). It is reported that the Shire of Dundas Disability Access and Inclusion Plan 2018-2022 has been reviewed by Council and submitted to the Department.

In the development of the new DAIP community consultation was essential to ensure people living and working in the Shire of Dundas had opportunity to give feedback on the full range of services the Council provides to the community.

The Shire reviews its processes and facilities to improve access for people with disability as part of an ongoing works and community development programme.

Disability access upgrades to Marks Park were completed. Ramp access was also installed at the old Norseman Scout Hall to accommodate the Senior Ladies Craft Group. Larger projects such as the new Woodlands Cultural, Community and Visitor Centre and the new Eucla Community Hall will meet mandated access requirements and enhance the capacity for people with varying ability requirements to utilize the spaces.



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	2016/17	2015/16	2014/15	2013/14	2012/13
\$100,000 to \$110,00	1	1			1
\$110,000 to \$120,00	1	1	1	1	
\$140,000 to \$150,00		1			
\$150,000 to \$160,00					1
\$160,000 to \$170,00	1			1	
\$170,000 to \$180,00			1		

Number of Employees

	2016/17	2015/16	2014/15	2013/14	2012/13
No. of full-time equivalent employees as at end of year	27	27	27	26	27

Financial Review 2016-2017

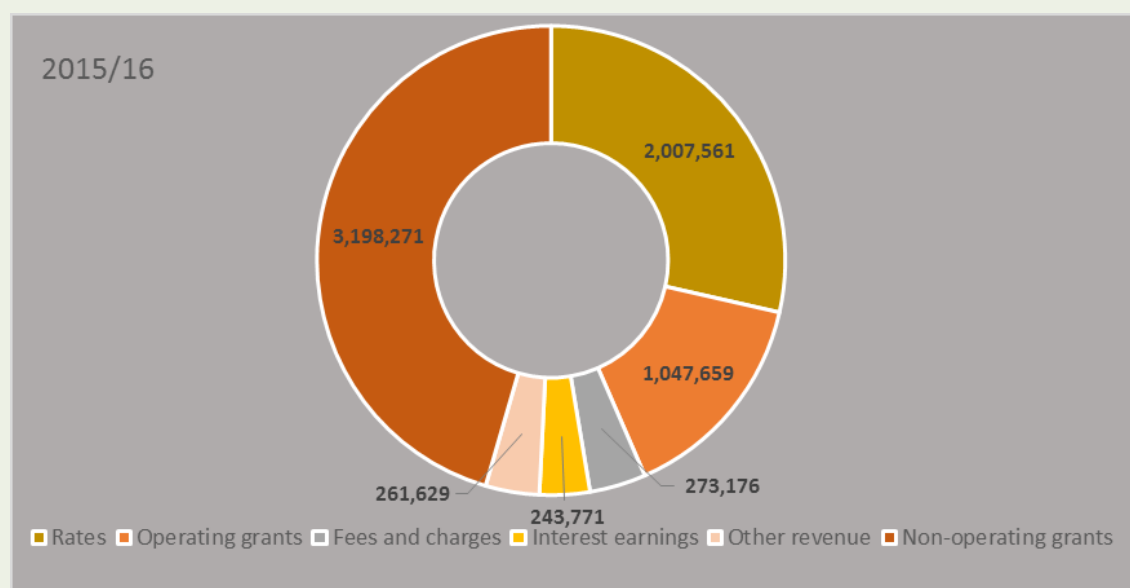
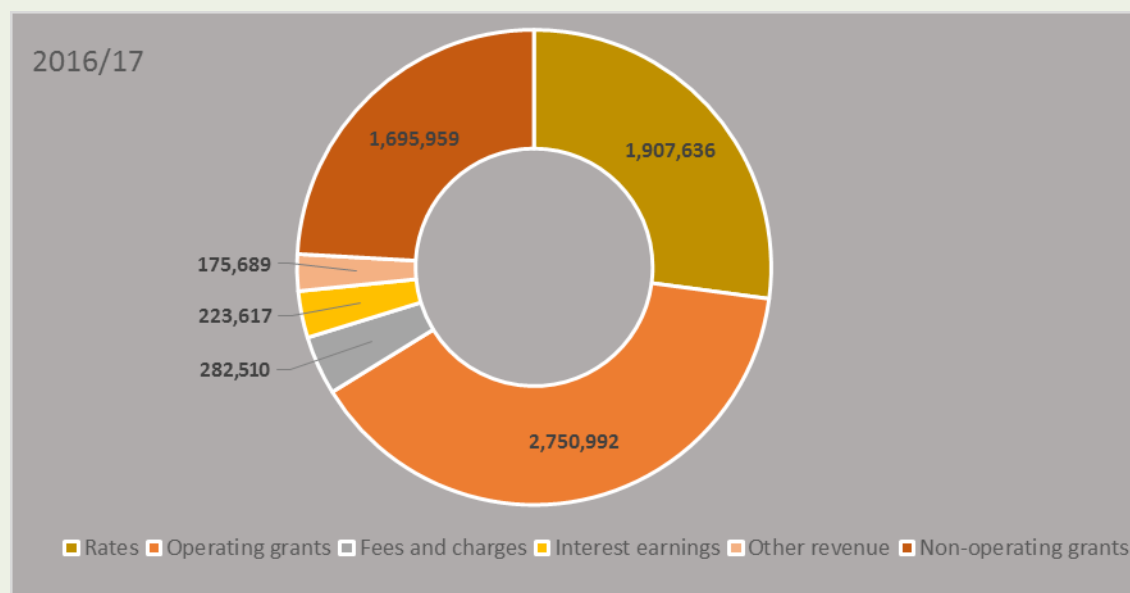
The year ended 30 June 2017 resulted in a surplus of \$1,094,663. This result is represented by net current assets as at 30th June 2017 as reported in the note 2 of the annual financial report. The surplus for the year is overstated by the receipt of half of the allocation of the 2017-18 financial assistance grant amounting to \$778,075 in advance. If recognised in the year to which the allocation related, the surplus for the year would have been \$316,558. Net assets position as at 30th June 2016 was \$227,925.

REVENUE INCLUDING NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

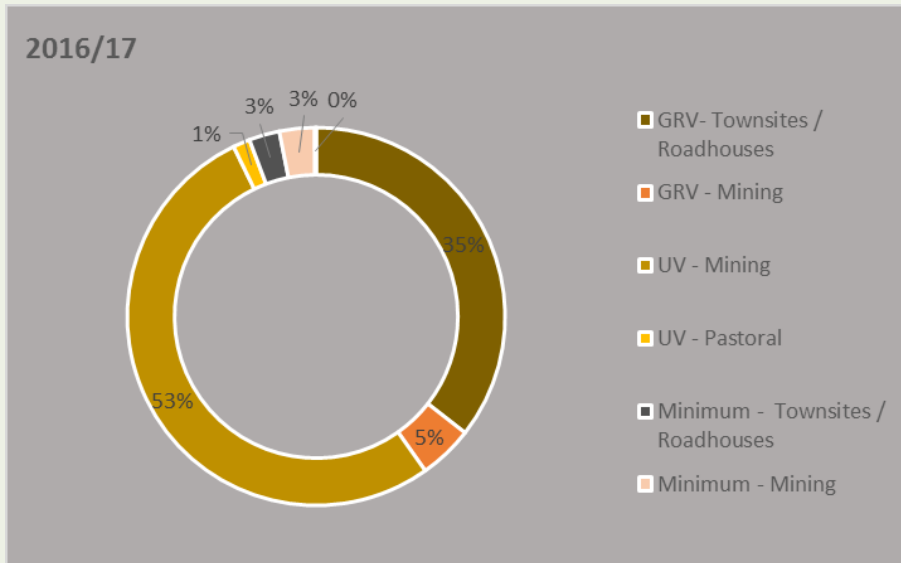
The revenue of the council is derived from rates, fees and charges and grants. Council received operating and capital grants of \$4,446,951 (including half of the allocation of the 2017-18 financial assistance grant amounting to \$778,075 in advance) during the year to support service provisions and various projects. Revenue from the rates for the year was \$1,907,636 which was a 5% decrease over the previous year.

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

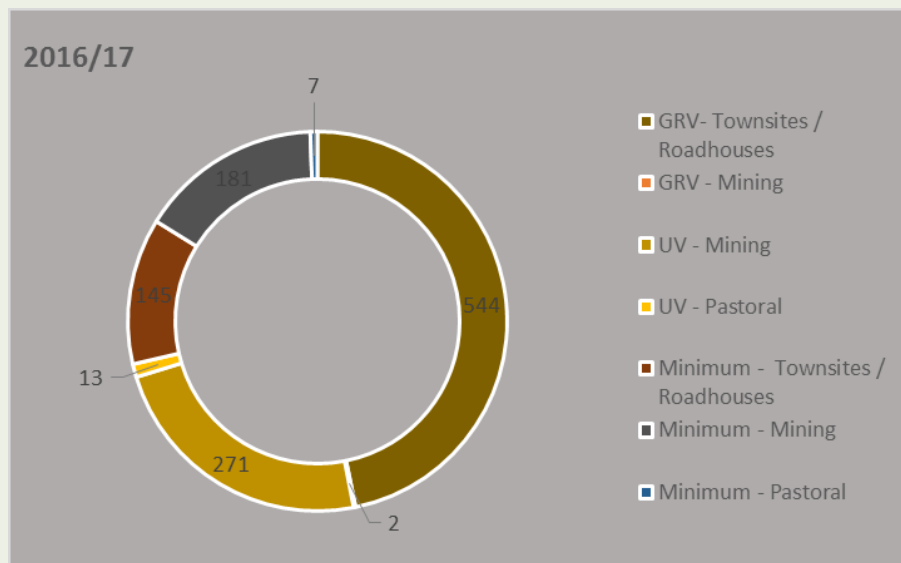
(In \$)



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 company contributes approximately 40% of the total rates revenue of the Shire.

EXPENDITURE

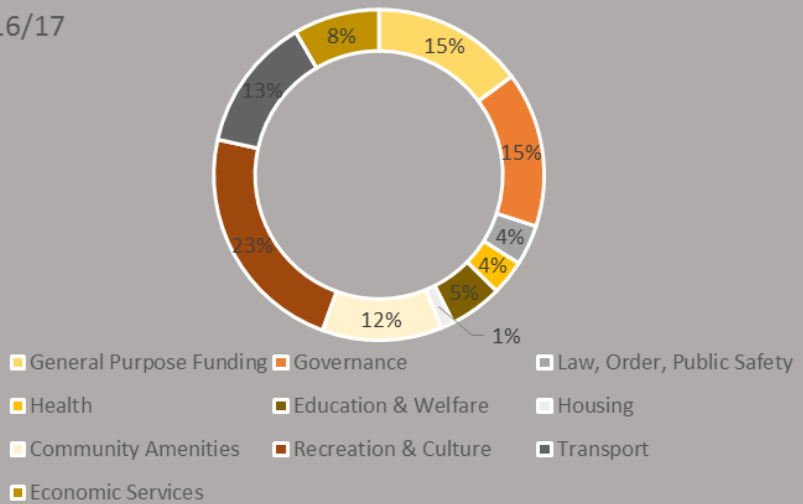
During the year, Shire has incurred operating expenditure of \$3,651,558 excluding depreciation to provide various services to the community. Operating expenditure has reported an increase of 6% compared to the previous year mainly because of the increase in staff related cost.

Depreciation expenses for the year has increased to \$2,059,206 from \$2,008,941 due to additional depreciation on new assets acquired.

In 2016/17, Shire spent \$1,231,469 to acquire and upgrade property, plant and equipment and \$2,197,357 to construct, upgrade and renew infrastructure assets. Total capital expenditure for the year has reported a decrease of 8% compared to the year 2015/16.

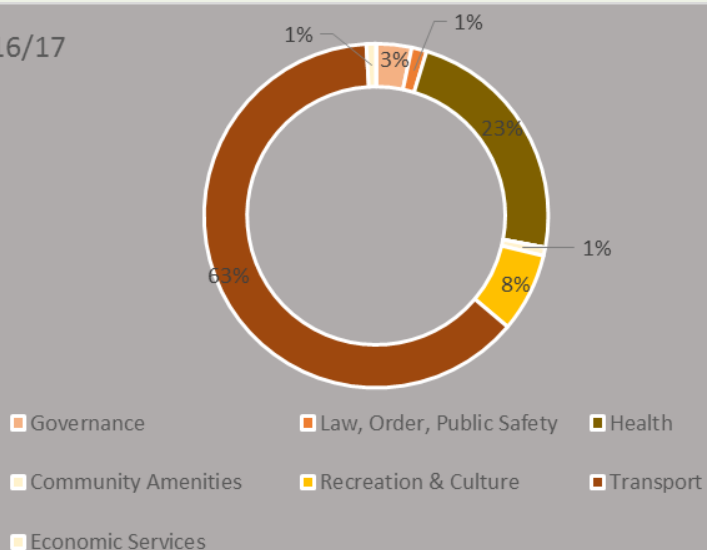
OPERATING EXPENDITURE BY PROGRAMME (EXCLUDING DEPRECIATION)

2016/17



CAPITAL EXPENDITURE BY PROGRAMME

2016/17



OUTSTANDING RATES AND CHARGES

Outstanding rates as at 30th June 2017 is \$833,924 which is a 67% increase from the outstanding rates balance as at end of the previous financial year.

A provision for doubtful debt of \$372,656 has been allowed. This provision was \$96,209 as at the end of the last financial year. This provision is 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's financial performance. 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	2016/17	2015/16	2014/15
Current Ratio	≥ 1.00	4.15	2.41	13.34
Asset Consumption Ratio	≥ 0.50	0.80	0.81	0.82
Own Source Revenue Coverage Ratio	≥ 0.40	0.52	0.51	0.58
Operating Surplus Ratio	≥ 0.01	0.01	-0.60	0.49
Debt Service Cover Ratio	≥ 2.00	72.96	N/A	N/A
Asset Sustainability Ratio	≥ 0.90	0.65	1.72	2.93
Asset Renewal Ratio	≥ 0.75	0.78	0.96	Not calculated

Ratios disclosed above have been distorted by the early receipt of Financial Assistance Grant. If recognised in the year to which the allocation related, the ratios would have been as follows.

Ratio	Standard	2016/17	2015/16	2014/15
Current ratio	≥ 1.00	2.39	4.60	9.12
Operating surplus ratio	≥ 0.01	-0.25	-0.32	0.19
Debt service cover ratio	≥ 2.00	45.85	N/A	N/A

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').

As stated above, 2016/17 current ratio is distorted by the early receipt of half of the allocation of the 2017-18 financial assistance grant. Even, excluding the impact of this one-off transaction, the Shire has reported a healthy current ratio.

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.

Excluding the impact of early the receipt of the Financial Assistant Grant, the Shire has reported negative operating surplus ratios for last two financial years mainly due to the impact of increase in depreciation expenses resulting from 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.

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.

As evidenced by an asset renewal ratio of 78%, the Shire has an effective asset renewal plan in place. However, increased depreciation expenses resulting from the revaluation of infrastructure assets has distorted the asset sustainability ratios of the Shire.

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 2017

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Principal place of business:
88-92 PRINSEP STREET
NORSEMAN WA 6443

**SHIRE OF DUNDAS
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

**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 supporting notes and other information for the financial year ended 30 June 2017 are in my opinion properly drawn up to present fairly the financial position of the Shire at 30th June 2017 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 13th day of September 2017



DOUG STEAD
Chief Executive Officer

SHIRE OF DUNDAS
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2017

	NOTE	2017 \$	2017 Budget \$	2016 \$
Revenue				
Rates	23	1,907,636	1,988,447	2,007,561
Operating grants, subsidies and contributions	30	2,750,992	1,820,931	1,047,659
Fees and charges	29	282,510	254,550	273,176
Interest earnings	2(a)	223,617	162,500	243,771
Other revenue	2(a)	175,689	177,144	261,629
		<u>5,340,444</u>	<u>4,403,572</u>	<u>3,833,796</u>
Expenses				
Employee costs		(1,926,985)	(2,100,933)	(1,736,705)
Materials and contracts		(975,349)	(810,782)	(1,205,334)
Utility charges		(186,161)	(193,743)	(185,854)
Depreciation on non-current assets	2(a)	(2,059,206)	(2,083,913)	(2,008,941)
Interest expenses	2(a)	(6,775)	(15,750)	0
Insurance expenses		(158,897)	(110,820)	(102,697)
Other expenditure		(397,391)	(153,130)	(198,325)
		<u>(5,710,764)</u>	<u>(5,469,071)</u>	<u>(5,437,856)</u>
		<u>(370,320)</u>	<u>(1,065,499)</u>	<u>(1,604,060)</u>
Non-operating grants, subsidies and contributions	30	1,695,959	3,115,607	3,198,271
Profit on asset disposals	21	398,756	25,183	32,242
(Loss) on asset disposals	21	0	(1,161)	(109,019)
Net result		<u>1,724,395</u>	<u>2,074,130</u>	<u>1,517,434</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	(741,603)	0	(14,563)
Total other comprehensive income		<u>(741,603)</u>	<u>0</u>	<u>(14,563)</u>
Total comprehensive income		<u>982,791</u>	<u>2,074,130</u>	<u>1,502,870</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 2017

	NOTE	2017 \$	2017 Budget \$	2016 \$
Revenue	2(a)			
Governance		57,101	44,658	53,175
General purpose funding		3,853,440	3,318,933	2,814,244
Law, order, public safety		96,727	31,750	40,958
Health		4,709	4,500	23,769
Education and welfare		86,212	97,000	88,029
Housing		19,983	18,300	19,669
Community amenities		193,494	144,700	154,390
Recreation and culture		116,448	66,300	71,652
Transport		667,468	454,431	256,337
Economic services		157,408	167,000	126,496
Other property and services		87,454	56,000	185,077
		<u>5,340,444</u>	<u>4,403,572</u>	<u>3,833,796</u>
Expenses	2(a)			
Governance		(679,806)	(657,368)	(727,590)
General purpose funding		(554,771)	(306,859)	(395,700)
Law, order, public safety		(180,734)	(116,748)	(130,682)
Health		(137,237)	(153,224)	(133,872)
Education and welfare		(207,141)	(229,511)	(172,105)
Housing		(75,846)	(76,603)	(82,380)
Community amenities		(495,916)	(510,008)	(490,861)
Recreation and culture		(1,039,841)	(1,122,217)	(924,045)
Transport		(1,831,650)	(1,884,440)	(1,761,665)
Economic services		(336,786)	(381,436)	(322,030)
Other property and services		(164,262)	(14,908)	(296,927)
		<u>(5,703,990)</u>	<u>(5,453,322)</u>	<u>(5,437,857)</u>
Finance costs	2(a)			
Health		(6,775)	(11,250)	0
Economic services		0	(4,500)	0
		<u>(6,775)</u>	<u>(15,750)</u>	<u>0</u>
		<u>(370,321)</u>	<u>(1,065,500)</u>	<u>(1,604,061)</u>
Non-operating grants, subsidies and contributions	30	1,695,959	3,115,607	3,198,271
Profit on disposal of assets	21	398,756	25,183	32,242
(Loss) on disposal of assets	21	0	(1,161)	(109,019)
Net result		<u>1,724,394</u>	<u>2,074,130</u>	<u>1,517,433</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	(741,603)	0	(14,563)
Total other comprehensive income		<u>(741,603)</u>	<u>0</u>	<u>(14,563)</u>
Total comprehensive income		<u><u>982,791</u></u>	<u><u>2,074,130</u></u>	<u><u>1,502,870</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 2017

	NOTE	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	3	7,574,962	6,519,179
Trade and other receivables	4	548,828	437,816
TOTAL CURRENT ASSETS		8,123,790	6,956,995
NON-CURRENT ASSETS			
Other receivables	4	34,127	34,127
Property, plant and equipment	5	13,085,608	13,426,669
Infrastructure	6	64,925,886	64,159,764
TOTAL NON-CURRENT ASSETS		78,045,621	77,620,560
TOTAL ASSETS		86,169,411	84,577,555
CURRENT LIABILITIES			
Trade and other payables	7	377,378	354,098
Current portion of long term borrowings	8	44,762	0
Provisions	9	368,152	269,702
TOTAL CURRENT LIABILITIES		790,292	623,800
NON-CURRENT LIABILITIES			
Long term borrowings	8	433,305	0
Provisions	9	45,596	36,328
TOTAL NON-CURRENT LIABILITIES		478,901	36,328
TOTAL LIABILITIES		1,269,193	660,128
NET ASSETS		84,900,218	83,917,427
EQUITY			
Retained surplus		28,970,867	27,424,795
Reserves - cash backed	12	6,283,595	6,105,272
Revaluation surplus	13	49,645,757	50,387,360
TOTAL EQUITY		84,900,218	83,917,427

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 2017

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2015		27,691,762	4,320,872	50,401,923	82,414,557
Comprehensive income					
Net result		1,517,433	0	0	1,517,433
Changes on revaluation of assets	13	0	0	(14,563)	(14,563)
Total comprehensive income		1,517,433	0	(14,563)	1,502,870
Transfers from/(to) reserves		(1,784,400)	1,784,400	0	0
Balance as at 30 June 2016		27,424,795	6,105,272	50,387,360	83,917,427
Comprehensive income					
Net result		1,724,394	0	0	1,724,394
Changes on revaluation of assets	13	0	0	(741,603)	(741,603)
Total comprehensive income		1,724,394	0	(741,603)	982,791
Transfers from/(to) reserves		(178,323)	178,323	0	0
Balance as at 30 June 2017		28,970,867	6,283,595	49,645,757	84,900,218

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 2017

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,571,649	1,988,447	1,853,174
Operating grants, subsidies and contributions		3,016,975	1,820,931	1,747,913
Fees and charges		310,760	254,550	273,176
Interest earnings		223,617	162,500	243,771
Goods and services tax		154,738	0	250,857
Other revenue		193,258	177,144	261,629
		<u>5,470,997</u>	<u>4,403,572</u>	<u>4,630,520</u>
Payments				
Employee costs		(1,956,008)	(2,100,933)	(1,711,687)
Materials and contracts		(896,861)	(810,783)	(1,154,255)
Utility charges		(204,777)	(193,743)	(185,854)
Interest expenses		(6,775)	(15,750)	
Insurance expenses		(174,787)	(110,820)	(102,697)
Goods and services tax		(85,789)	0	(144,914)
Other expenditure		(437,130)	(153,130)	(198,325)
		<u>(3,762,126)</u>	<u>(3,385,159)</u>	<u>(3,497,732)</u>
Net cash provided by (used in) operating activities	14(b)	<u>1,708,870</u>	<u>1,018,413</u>	<u>1,132,788</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(1,231,469)	(2,020,300)	(1,725,038)
Payments for construction of infrastructure		(2,197,353)	(5,076,376)	(2,003,516)
Non-operating grants, subsidies and contributions		1,695,959	3,115,607	3,198,271
Proceeds from sale of fixed assets		601,709	74,500	128,956
Net cash provided by (used in) investment activities		<u>(1,131,154)</u>	<u>(3,906,569)</u>	<u>(401,327)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures		(21,933)	(52,500)	0
Proceeds from new debentures		500,000	650,000	0
Net cash provided by (used in) financing activities		<u>478,067</u>	<u>597,500</u>	<u>0</u>
Net increase (decrease) in cash held		1,055,783	(2,290,656)	731,461
Cash at beginning of year		6,519,179	6,519,179	5,787,718
Cash and cash equivalents at the end of the year	14(a)	<u><u>7,574,962</u></u>	<u><u>4,228,523</u></u>	<u><u>6,519,179</u></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 2017**

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
Net current assets at start of financial year - surplus/(deficit)		<u>227,925</u> 227,925	<u>240,655</u> 240,655	<u>2,019,808</u> 2,019,808
Revenue from operating activities (excluding rates)				
Governance		445,371	65,659	53,175
General purpose funding		1,957,343	1,330,485	833,406
Law, order, public safety		96,727	31,750	40,958
Health		4,709	4,500	23,769
Education and welfare		86,212	97,000	88,029
Housing		19,983	18,300	36,577
Community amenities		193,494	144,700	154,390
Recreation and culture		116,448	66,300	71,652
Transport		677,954	458,613	271,672
Economic services		157,408	167,000	126,496
Other property and services		87,454	56,000	185,077
		<u>3,843,103</u>	<u>2,440,307</u>	<u>1,885,201</u>
Expenditure from operating activities				
Governance		(679,806)	(658,529)	(727,590)
General purpose funding		(554,770)	(306,857)	(395,699)
Law, order, public safety		(180,734)	(116,748)	(130,682)
Health		(144,012)	(164,474)	(133,872)
Education and welfare		(207,141)	(229,511)	(172,327)
Housing		(75,846)	(76,603)	(82,380)
Community amenities		(495,916)	(510,008)	(490,861)
Recreation and culture		(1,039,841)	(1,122,217)	(924,045)
Transport		(1,831,650)	(1,884,440)	(1,870,461)
Economic services		(336,786)	(385,936)	(322,030)
Other property and services		(164,262)	(14,908)	(296,927)
		<u>(5,710,764)</u>	<u>(5,470,231)</u>	<u>(5,546,874)</u>
Operating activities excluded from budget				
(Profit) on disposal of assets	21	(398,756)	(25,183)	(32,242)
Loss on disposal of assets	21	0	1,161	109,019
Movement in deferred pensioner rates (non-current)		0	0	652
Movement in employee benefit provisions (non-current)		9,268	0	(11,692)
Depreciation and amortisation on assets	2(a)	2,059,206	2,083,913	2,008,941
Amount attributable to operating activities		<u>29,982</u>	<u>(729,378)</u>	<u>432,813</u>
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		1,695,959	3,115,607	3,198,271
Proceeds from disposal of assets	21	601,709	74,500	128,956
Purchase of property, plant and equipment	5(b)	(1,231,469)	(2,020,300)	(1,725,038)
Purchase and construction of infrastructure	6(b)	(2,197,357)	(5,076,377)	(2,003,516)
Amount attributable to investing activities		<u>(1,131,158)</u>	<u>(3,906,570)</u>	<u>(401,327)</u>
FINANCING ACTIVITIES				
Repayment of debentures	22(a)	(21,933)	(52,500)	0
Proceeds from new debentures	22(a)	500,000	650,000	0
Transfers to reserves (restricted assets)	12	(691,308)	(100,000)	(1,977,218)
Transfers from reserves (restricted assets)	12	512,983	2,150,000	192,818
Amount attributable to financing activities		<u>299,742</u>	<u>2,647,500</u>	<u>(1,784,400)</u>
Surplus(deficiency) before general rates		<u>(801,434)</u>	<u>(1,988,447)</u>	<u>(1,752,914)</u>
Total amount raised from general rates	23	<u>1,896,097</u>	<u>1,988,447</u>	<u>1,980,839</u>
Net current assets at June 30 c/fwd - surplus/(deficit)	24	<u><u>1,094,663</u></u>	<u><u>(0)</u></u>	<u><u>227,925</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 2017

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 20 to these financial statements.

All figures in this report are presented in Australian Dollars.

(a) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of GST receivable or payable.

The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

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

(b) 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 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) 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.

(d) 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.

(e) 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 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Fixed Assets (Continued)

Land under control

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

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

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 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) 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.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) 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 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) 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 in accordance with the regulatory framework.

(g) 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 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) 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 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) 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.

(h) 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.

(i) 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 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) 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.

(k) 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.

(l) 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.

(m) 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 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) 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.

(o) Interests in Joint Arrangements

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

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

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire'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 17.

(p) 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.

(q) 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 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) 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.

(s) Rounding Off Figures

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

(t) 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.

(u) 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 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) 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 2019	<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>

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 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(iv) AASB 1058 Income of Not-for-Profit Entities (incorporating AASB 2016-7 and AASB 2016-8)	December 2016	1 January 2019	<p>These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are:</p> <ul style="list-style-type: none"> - Assets received below fair value; - Transfers received to acquire or construct non-financial assets; - Grants received; - Prepaid rates; - Leases entered into at below market rates; and - Volunteer services. <p>Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the Shire's operations.</p>

Notes:

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

(w) 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.

Whilst many reflected consequential changes associate with the amendment of existing standards, the only new standard with material application is as follows:

<p>(i) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities</p> <p>[AASB 10, 124 & 1049]</p>	<p>The objective of this Standard was to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities.</p> <p>The Standard has had a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management are deemed to be Key Management Personnel and resultant disclosures in accordance to AASB 124 have been necessary.</p>
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SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES	2017	2016
	\$	\$
(a) Net Result		
The Net result includes:		
(i) Charging as an expense:		
Auditors remuneration		
- Audit of the Annual Financial Report	16,768	17,535
- Other Services	10,774	5,800
Depreciation		
Buildings - non-specialised	26,520	24,537
Buildings - specialised	208,065	197,050
Furniture and equipment	39,646	33,302
Plant and equipment	349,550	410,035
Property, plant and equipment - GVROC joint venture	4,225	
Infrastructure - Roads	916,855	844,095
Infrastructure - footpaths	87,326	83,731
Infrastructure - drainage	236,796	236,796
Infrastructure - parks and ovals	73,031	73,031
Infrastructure - other	60,949	53,349
Infrastructure - airport	56,244	53,016
	<u>2,059,206</u>	<u>2,008,941</u>
Interest expenses (finance costs)		
Debentures (refer Note 22 (a))	6,775	
	<u>6,775</u>	<u>0</u>
Rental charges		
- Operating leases	22,294	19,995
	<u>22,294</u>	<u>19,995</u>
(ii) Crediting as revenue:		
Other revenue		
Reimbursements and recoveries	175,689	261,629
Other	(0)	0
	<u>175,689</u>	<u>261,629</u>
	2017	2017
	Actual	Budget
	\$	\$
Interest earnings		
- Reserve funds	162,782	100,000
- Other funds	3,521	15,000
Other interest revenue (refer note 28)	57,314	47,500
	<u>223,617</u>	<u>162,500</u>
	2016	
	Actual	
	\$	

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

In order to discharge its responsibilities to the community, the Shire of Dundas 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.

Council operations as disclosed in this budget 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

Objectives:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose funding and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objectives:

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

Objectives:

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.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

EDUCATION AND WELFARE

Objectives:

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

Objectives:

To provide and maintain elderly resident housing.

Activities:

Provision and maintenance of elderly residents housing.

COMMUNITY AMENITIES

Objectives:

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

Objectives:

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

Activities:

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

TRANSPORT

Objectives:

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

Activities:

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

ECONOMIC SERVICES

Objectives:

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 & SERVICES

Objectives:

To monitor and control council's overheads operating accounts.

Activities:

Private work private works operation, plant repairs and operation costs and engineering operating costs.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Opening Balance ⁽¹⁾ 1/07/15 \$	Received ⁽²⁾ 2015/16 \$	Expended ⁽³⁾ 2015/16 \$	Closing Balance ⁽¹⁾ 30/06/16 \$	Received ⁽²⁾ 2016/17 \$	Expended ⁽³⁾ 2016/17 \$	Closing Balance 30/06/17 \$
General purpose funding							
CLGF (12/13) - Various	26,514			26,514			26,514
Transport							
Gold Fields Revitalisation Fund - Upgrade Norseman Airstrip		450,000	(100,000)	350,000	0	0	350,000
Regional Aviation Access Programme - Upgrade Norseman Airstrip		1,450,000	0	1,450,000	0	(307,633)	1,142,367
Total	26,514	1,900,000	(100,000)	1,826,514	0	(307,633)	1,518,881

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 2017

	Note	2017	2016
		\$	\$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		1,291,367	413,909
Restricted		6,283,595	6,105,270
		<u>7,574,962</u>	<u>6,519,179</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Leave reserve	12	346,656	337,524
Plant reserve	12	758,133	738,162
Aerodrome reserve	12	139,024	135,362
IT reserve	12	91,236	88,833
Unspent grant reserve	12	49,416	0
Transport reserve	12	1,704,083	1,659,193
Land development reserve	12	1,676,166	1,319,682
Unspent grants	2(c)	1,518,881	1,826,514
		<u>6,283,595</u>	<u>6,105,270</u>
		2017	2016
		\$	\$

4. TRADE AND OTHER RECEIVABLES

Current

Rates outstanding	833,924	497,937
Sundry debtors	86,521	36,088
GST receivable	1,039	0
Provision for doubtful debt	(372,656)	(96,209)
	<u>548,828</u>	<u>437,816</u>

Non-current

Rates outstanding - pensioners	34,127	34,127
	<u>34,127</u>	<u>34,127</u>

Information with respect the impairment or otherwise of the totals of rates outstanding and sundry debtors is as follows:

Rates outstanding	<u>833,924</u>	<u>497,937</u>
Includes:		
Past due and not impaired	461,268	401,728
Impaired	<u>372,656</u>	<u>96,209</u>
Sundry debtors	<u>86,521</u>	<u>36,088</u>
Includes:		
Past due and not impaired	1,050	0
Impaired	<u>0</u>	<u>0</u>

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017	2016
	\$	\$
5 (a). PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
- Independent valuation 2017 - level 2	512,000	453,000
	<u>512,000</u>	<u>453,000</u>
Land - vested in and under the control of Council at:		
- Independent valuation 2017 - level 3	35,000	450,000
	<u>35,000</u>	<u>450,000</u>
	<u>547,000</u>	<u>903,000</u>
Buildings - non-specialised at:		
- Independent valuation 2017 - level 2	1,335,000	1,190,000
- Additions after valuation - cost	0	171,210
Less: accumulated depreciation	<u>0</u>	<u>(46,208)</u>
	1,335,000	1,315,002
Buildings - specialised at:		
- Independent valuation 2017 - level 3	8,845,780	7,903,900
- Additions after valuation - cost	0	1,087,700
Less: accumulated depreciation	<u>0</u>	<u>(383,586)</u>
	8,845,780	8,608,014
	<u>10,180,780</u>	<u>9,923,016</u>
Total land and buildings	<u>10,727,780</u>	<u>10,826,016</u>
Furniture and equipment at:		
- Management valuation 2016 - level 3	170,089	170,089
- Additions after valuation - cost	21,958	0
Less: accumulated depreciation	<u>(39,646)</u>	<u>0</u>
	152,401	170,089
Plant and equipment at:		
- Management valuation 2016 - level 2	2,346,064	2,346,064
- Additions after valuation - cost	180,614	0
- Disposal after valuation	(51,977)	0
Less: accumulated depreciation	<u>(349,550)</u>	<u>0</u>
	2,125,152	2,346,064
Property, plant and equipment - GVROC joint venture at:		
- Management valuation 2016 - level 3	84,500	84,500
Less: accumulated depreciation	<u>(4,225)</u>	<u>0</u>
	80,275	84,500
	<u>13,085,608</u>	<u>13,426,669</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 2017

5. 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 land	453,000	0	0	59,000	0	0	0	0	512,000
Land - vested in and under the control of Council	450,000	0	0	(415,000)	0	0	0	0	35,000
Total land	903,000	0	0	(356,000)	0	0	0	0	547,000
Buildings - non-specialised	1,315,002	796,191	0	(749,670)	0	0	(26,520)	0	1,335,000
Buildings - specialised	8,608,014	232,707	(150,976)	364,067	0	0	(208,065)	0	8,845,780
Total buildings	9,923,016	1,028,897	(150,976)	(385,603)	0	0	(234,585)	0	10,180,780
Total land and buildings	10,826,016	1,028,897	(150,976)	(741,603)	0	0	(234,585)	0	10,727,780
Furniture and equipment	170,089	21,958	0	0	0	0	(39,646)	0	152,401
Plant and equipment	2,346,064	180,614	(51,977)	0	0	0	(349,550)	0	2,125,152
Property, plant and equipment - GVROC joint venture	84,500	0	0	0	0	0	(4,225)	0	80,275
Total property, plant and equipment	13,426,669	1,231,469	(202,952)	(741,603)	0	0	(628,006)	0	13,085,608

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

5. 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 land	Level 2	Market approach - Independent valuation	Sales comparison	June 2017	Market value of similar properties
Land - vested in and under the control of Council	Level 3	Cost approach - Independent valuation	Replacement cost	June 2017	Income Capitalisation Approach
Buildings - non-specialised	Level 2	Market approach - Independent valuation	Sales comparison	June 2017	Market value of similar properties
Buildings - specialised	Level 3	Cost approach - Independent valuation	Replacement cost	June 2017	Gross current replacement cost (GCRC), estimated economic working life (EEWL), estimated remaining life years (ERLY),
Furniture and equipment	Level 3	Cost approach - Management valuation	Replacement cost	July 2016	Current replacement cost ,estimated economic working life , estimated remaining life years
Plant and equipment	Level 3	Cost approach - Management valuation	Replacement cost	July 2016	Current replacement cost ,estimated economic working life , estimated remaining life years
Property, plant and equipment - GVROC joint venture	Level 3	Cost approach - Management valuation	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 2017

	2017 \$	2016 \$
6 (a). INFRASTRUCTURE		
Infrastructure - Roads		
- Independent valuation 2015 - level 3	68,343,261	68,343,260
- Additions after valuation - cost	2,532,695	1,547,224
Less: accumulated depreciation	<u>(12,836,637)</u>	<u>(11,919,782)</u>
	58,039,319	57,970,702
Infrastructure - footpaths		
- Independent valuation 2015 - level 3	3,349,225	3,349,224
- Additions after valuation - cost	143,840	143,840
Less: accumulated depreciation	<u>(1,396,638)</u>	<u>(1,309,312)</u>
	2,096,427	2,183,752
Infrastructure - drainage		
- Independent valuation 2015 - level 3	3,158,544	3,158,544
Less: accumulated depreciation	<u>(1,598,986)</u>	<u>(1,362,191)</u>
	1,559,558	1,796,353
Infrastructure - parks and ovals		
- Independent valuation 2015 - level 3	2,021,000	2,021,000
- Additions after valuation - cost	82,548	0
Less: accumulated depreciation	<u>(1,097,162)</u>	<u>(1,024,131)</u>
	1,006,386	996,869
Infrastructure - other		
- Independent valuation 2015 - level 3	1,433,000	1,433,000
- Additions after valuation - cost	288,306	230,317
Less: accumulated depreciation	<u>(903,298)</u>	<u>(842,348)</u>
	818,008	820,969
Infrastructure - airport		
- Independent valuation 2015 - level 3	1,349,000	1,349,000
- Additions after valuation - cost	1,153,447	82,134
Less: accumulated depreciation	<u>(1,096,259)</u>	<u>(1,040,015)</u>
	1,406,188	391,119
	<u>64,925,886</u>	<u>64,159,764</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 2017

6. 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	57,970,702	985,471	0	0	0	0	(916,855)	0	58,039,319
Infrastructure - footpaths	2,183,752	0	0	0	0	0	(87,326)	0	2,096,427
Infrastructure - drainage	1,796,353	0	0	0	0	0	(236,796)	0	1,559,558
Infrastructure - parks and ovals	996,869	82,548	0	0	0	0	(73,031)	0	1,006,386
Infrastructure - other	820,969	57,988	0	0	0	0	(60,949)	0	818,008
Infrastructure - airport	391,119	1,071,348	0	0	0	0	(56,244)	0	1,406,188
Total infrastructure	64,159,764	2,197,355	0	0	0	0	(1,431,200)	0	64,925,886

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

6. 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 2017

	2017 \$	2016 \$
7. TRADE AND OTHER PAYABLES		
Current		
Sundry creditors	237,552	217,357
ATO liabilities	0	136,741
Accrued expenses	139,826	0
	<u>377,378</u>	<u>354,098</u>

8. LONG-TERM BORROWINGS

Current		
Secured by floating charge		
Debentures	44,762	0
	<u>44,762</u>	<u>0</u>
Non-current		
Secured by floating charge		
Debentures	433,305	0
	<u>433,305</u>	<u>0</u>

Additional detail on borrowings is provided in Note 22.

9. PROVISIONS

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2016			
Current provisions	171,378	98,324	269,702
Non-current provisions	0	36,328	36,328
	<u>171,378</u>	<u>134,652</u>	<u>306,030</u>
Additional provision	55,446	51,004	106,450
Amounts used	0	1,268	1,268
Balance at 30 June 2017	<u>226,824</u>	<u>186,924</u>	<u>413,748</u>
Comprises			
Current	226,824	141,328	368,152
Non-current	0	45,596	45,596
	<u>226,824</u>	<u>186,924</u>	<u>413,748</u>

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

12. RESERVES - CASH BACKED

	Actual 2017 Opening Balance \$	Actual 2017 Transfer to \$	Actual 2017 Transfer (from) \$	Actual 2017 Closing Balance \$	Budget 2017 Opening Balance \$	Budget 2017 Transfer to \$	Budget 2017 Transfer (from) \$	Budget 2017 Closing Balance \$	Actual 2016 Opening Balance \$	Actual 2016 Transfer to \$	Actual 2016 Transfer (from) \$	Actual 2016 Closing Balance \$
Leave reserve	337,524	9,132		346,656	337,524	8,534		346,058	323,614	13,910		337,524
Plant reserve	738,162	19,971		758,133	738,162	18,663		756,825	707,741	30,421		738,162
Aerodrome reserve	135,362	3,662		139,024	135,362	3,422		138,784	129,784	5,578		135,362
IT reserve	88,833	2,403		91,236	88,833	2,246		91,079	85,172	3,661		88,833
Unspent grant reserve	1,826,514	49,416	(307,633)	1,568,297	1,826,514	670	(1,800,000)	27,184	26,514	1,800,000		1,826,514
Transport reserve	1,659,194	44,889		1,704,083	1,659,195	39,421	(100,000)	1,598,616	1,594,347	64,847		1,659,194
Land development reserve	1,319,681	561,835	(205,350)	1,676,166	1,319,682	27,044	(250,000)	1,096,726	1,453,698	58,801	(192,818)	1,319,681
	<u>6,105,270</u>	<u>691,308</u>	<u>(512,983)</u>	<u>6,283,595</u>	<u>6,105,272</u>	<u>100,000</u>	<u>(2,150,000)</u>	<u>4,055,272</u>	<u>4,320,870</u>	<u>1,977,218</u>	<u>(192,818)</u>	<u>6,105,270</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.
Transport reserve	Not planned	- to be used for the construction, maintenance and reseal of the Shire's transport network.
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 2017

13. REVALUATION SURPLUS

	2017	2017	2017	2017	2017	2016	2016	2016	2016	2016
	Opening	Revaluation	Revaluation	Total	Closing	Opening	Revaluation	Revaluation	Total	Closing
	Balance	Increment	(Decrement)	Movement on	Balance	Balance	Increment	(Decrement)	Movement on	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land and buildings	5,085,370	0	(741,603)	(741,603)	4,343,767	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	81,645	0	0	0	81,645	112,784	0	(31,138)	(31,138)	81,645
Property, plant and equipment - GVROC joint venture	16,575	0	0	0	16,575	0	16,575	0	16,575	16,575
Infrastructure - Roads	41,151,755	0	0	0	41,151,755	41,151,755			0	41,151,755
Infrastructure - footpaths	2,123,643	0	0	0	2,123,643	2,123,643			0	2,123,643
Infrastructure - drainage	1,380,390	0	0	0	1,380,390	1,380,390			0	1,380,390
Infrastructure - parks and ovals	103,683	0	0	0	103,683	103,683			0	103,683
Infrastructure - other	260,793	0	0	0	260,793	260,793			0	260,793
Infrastructure - airport	141,733	0	0	0	141,733	141,733			0	141,733
	50,387,360	0	(741,603)	(741,603)	49,645,757	50,401,923	16,575	(31,138)	(14,563)	50,387,360

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 2017

14. 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:

	2017	2017	2016
	\$	Budget	\$
	\$	\$	\$
Cash and cash equivalents	<u>7,574,962</u>	<u>4,228,523</u>	<u>6,519,179</u>

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

Net result	1,724,395	2,074,130	1,517,434
Non-cash flows in Net result:			
Depreciation	2,059,206	2,083,913	2,008,941
(Profit)/Loss on sale of asset	(398,756)	(24,022)	76,776
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	(111,013)		545,864
(Increase)/Decrease in inventories	0		10,875
Increase/(Decrease) in payables	23,280		169,560
Increase/(Decrease) in provisions	107,718		1,609
Grants contributions for the development of assets	<u>(1,695,959)</u>	<u>(3,115,607)</u>	<u>(3,198,271)</u>
Net cash from operating activities	<u>1,708,870</u>	<u>1,018,413</u>	<u>1,132,788</u>

	2017	2016
	\$	\$
(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	<u>(476)</u>	<u>(8,572)</u>
Total amount of credit unused	<u>11,524</u>	<u>3,428</u>
Loan facilities		
Loan facilities - current	44,762	0
Loan facilities - non-current	<u>433,305</u>	<u>0</u>
Total facilities in use at balance date	<u>478,067</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 2017

15. CONTINGENT LIABILITIES

There were no contingent liabilities against the Shire as at 30th June 2017.

16. CAPITAL AND LEASING COMMITMENTS	2017	2016
	\$	\$
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	34,200	52,800
- later than one year but not later than five years	89,650	146,600
- later than five years	<u>0</u>	<u>0</u>
	<u>123,850</u>	<u>199,400</u>

(b) Capital Expenditure Commitments

Contracted for:		
- capital expenditure projects	2,300,000	3,167,866
- plant & equipment purchases	0	65,000
Payable:		
- not later than one year	2,300,000	1,648,933

The capital expenditure project outstanding at the end of the current reporting period represents the construction of the new Norseman airport.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

17. JOINT VENTURE ARRANGEMENTS

The Shire together with the Shire's of Esperance, Coolgardie, Laverton, Leonora, Menzies, Ngaanyatjaraku, Ravensthorpe, Wiluna and the City of Kalgoorlie have a joint venture arrangement with regard to the provision of a regional record service. The assets included in the joint venture recorded at councils one-tenth share are as follows .

	2017	2016
	\$	\$
Non-current assets		
Land and buildings	69,416	69,416
Less: accumulated depreciation	<u>(2,305)</u>	<u>0</u>
	<u><u>67,111</u></u>	<u><u>69,416</u></u>
 Plant and machinery	 7,940	 7,940
Less: accumulated depreciation	<u>(924)</u>	<u>0</u>
	<u><u>7,016</u></u>	<u><u>7,940</u></u>
 Plant and equipment	 4,047	 4,047
Less: accumulated depreciation	<u>(513)</u>	<u>0</u>
	<u><u>3,534</u></u>	<u><u>4,047</u></u>
 Light vehicles	 3,097	 3,097
Less: accumulated depreciation	<u>(483)</u>	<u>0</u>
	<u><u>2,614</u></u>	<u><u>3,097</u></u>

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2017	2016
	\$	\$
Unallocated	86,169,409	84,577,557
	<u><u>86,169,409</u></u>	<u><u>84,577,557</u></u>

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017	2016	2015
19. FINANCIAL RATIOS			
Current ratio	4.15	2.41	13.33
Asset sustainability ratio	0.65	1.72	2.93
Debt service cover ratio	72.96	N/A	N/A
Operating surplus ratio	0.01	(0.60)	0.49
Own source revenue coverage ratio	0.52	0.51	0.67

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 55 of this document.

Three of the 2017 ratios disclosed above were distorted by the early receipt of half of the allocation of the 2017-18 Financial Assistance Grant in June 2017.

The early payment of the grant increased operating revenue in 2017 by \$778,075.

Three of the 2016 and 2015 ratios disclosed above were 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.

If recognised in the year to which the allocation related, the calculations in the 2017, 2016 and 2015 columns above would be as follows:

	2017	2016	2015
Current ratio	2.39	4.60	9.12
Operating surplus ratio	-0.25	-0.32	0.19
Debt service cover ratio	45.85	N/A	N/A

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

20. 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 2016	Amounts Received	Amounts Paid	30 June 2017
	\$	\$	(\$)	\$
Community Resource Centre	134,524	186,762	(199,623)	121,663
Builders Registration	669	2,038	(2,769)	(62)
Chamber Of Commerce	2,650	0	0	2,650
Demolition Deposits	500	1,000	(500)	1,000
Excess (Overpaid) Rates	3,344	520	(971)	2,893
Gym Key Deposits	3,820	3,200	(3,420)	3,600
Hall Deposits	1,200	1,020	(2,220)	0
Tennis Key Deposit	160	600	(160)	600
BCITF (Building Con. Indu. Trai. Fund)	904	3,010	(904)	3,010
Library (Toy)	483	0	0	483
Community Garden	-	2,539	0	2,539
Licensing (Transport)	1,228	38,809	0	40,037
Raffle Tickets	1,061	0	(1,061)	0
Bank Interest	261	22	0	283
	<u>150,804</u>			<u>178,696</u>

21. DISPOSALS OF ASSETS - 2016/17 FINANCIAL YEAR

The following assets were disposed of during the year.

	Actual Net Book Value	Actual Sale / Insurance Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale / Insurance Proceeds	Budget Profit	Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$
Plant and Equipment								
Governance								
CEO vehicle (A888)	34,929	41,364	6,435	0	26,498	47,500	21,002	0
DCEO vehicle (A953)	14,806	19,091	4,285	0	13,161	12,000	0	(1,161)
Eucla community hall - Fire damage (A728)	150,976	528,527	377,551	0				
Transport								
Team Leader UTE (A837)	2,241	12,727	10,486	0	10,819	15,000	4,181	0
	<u>202,952</u>	<u>601,709</u>	<u>398,756</u>	<u>0</u>	<u>50,477</u>	<u>74,500</u>	<u>25,183</u>	<u>(1,161)</u>

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

22. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1 July 2016	New Loans	Principal Repayments		Principal 30 June 2017		Interest Repayments	
	\$	\$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Health								
Construction of a new residential dwellir	0	500,000	21,933	37,500	478,067	462,500	6,775	11,250
Economic services								
Old Post office - Acquisition				15,000	0	135,000		4,500
	0	500,000	21,933	52,500	478,067	597,500	6,775	15,750

(b) New Debentures - 2016/17

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate	Amount Used		Balance Unspent
	Actual \$	Budget \$				\$	%	Actual \$	Budget \$	\$
Construction of a new residential dwellir	500,000	500,000	Western Australian Treasury Corporation	Fixed Term	10	74,166	2.73%	500,000	500,000	0
	500,000	500,000				74,166		500,000	500,000	0

(c) Unspent Debentures

The Shire did not have any unspent debentures as at 30 June 2017.

(d) Overdraft

The Shire does not have an overdraft facility in place.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

23. RATING INFORMATION - 2016/17 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											
GRV - Townsites	0.1555	535	3,263,935	507,643	(6,079)	185	501,749	508,700	0	0	508,700
GRV - Roadhouses	0.1838	9	937,860	172,397	0	0	172,397	172,397	0	0	172,397
GRV - Mining	0.2304	2	383,000	88,228	0	0	88,228	137,151	0	0	137,151
Unimproved value valuations											
UV - Pastoral	0.0397	13	679,628	27,005	536	0	27,541	27,005	0	0	27,005
UV - Mining Leases	0.1360	132	5,909,991	803,711	20,047	0	823,758	803,751	0	0	803,751
UV - Exploration Leases	0.1360	98	1,606,402	218,457	(53,074)	39	165,422	216,092	0	0	216,092
UV - Prospecting Leases	0.1360	41	92,848	12,627	(4,635)	0	7,992	12,627	0	0	12,627
Sub-Total		830	12,873,664	1,830,068	(43,205)	224	1,787,087	1,877,723	0	0	1,877,723
Minimum payment	Minimum \$										
Gross rental value valuations											
GRV Townsites	342	145	74,869	49,590	0	0	49,590	49,590	0	0	49,590
Unimproved value valuations											
UV - Pastoral	342	7	91,408	2,394	0	0	2,394	2,394	0	0	2,394
UV - Mining Leases	342	51	45,544	17,442	0	0	17,442	17,442	0	0	17,442
UV - Exploration Leases	342	48	22,979	16,417	0	(49)	16,368	17,442	0	0	17,442
UV - Prospecting Leases	284	82	93,303	23,288	0	(72)	23,216	23,856	0	0	23,856
Sub-Total		333	328,103	109,131	0	(121)	109,010	110,724	0	0	110,724
Total amount raised from general rate		1,163	13,201,767	1,939,199	(43,205)	103	1,896,097	1,988,447	0	0	1,988,447
Movement in Excess Rates							11,539				0
Totals							1,907,636				1,988,447

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

24. NET CURRENT ASSETS

Composition of net current assets

	2017	2017	2016
	(30 June 2017	(1 July 2016	(30 June 2016
	Carried	Brought	Carried
	Forward)	Forward)	Forward)
	\$	\$	\$
Surplus/(Deficit) 1 July 16 brought forward	1,094,663	227,925	227,925
CURRENT ASSETS			
Cash and cash equivalents			
Unrestricted	1,291,367	413,909	413,909
Restricted	6,283,595	6,105,270	6,105,270
Receivables			
Rates outstanding	833,924	497,937	497,937
Sundry debtors	86,521	36,088	36,088
GST receivable	1,039	0	0
Provision for doubtful debt	(372,656)	(96,209)	(96,209)
LESS: CURRENT LIABILITIES			
Trade and other payables			
Sundry creditors	(237,552)	(217,357)	(217,357)
ATO liabilities	0	(136,741)	(136,741)
Accrued expenses	(139,826)	0	0
Current portion of long term borrowings			
Secured by floating charge	(44,762)	0	0
Provisions			
Provision for annual leave	(226,824)	(171,378)	(171,378)
Provision for long service leave	(141,328)	(98,324)	(98,324)
Unadjusted net current assets	7,333,496	6,333,195	6,333,195
Adjustments			
Less: Reserves - restricted cash	(6,283,595)	(6,105,270)	(6,105,270)
Add: Secured by floating charge	44,762	0	0
Adjusted net current assets - surplus/(deficit)	1,094,663	227,925	227,925

Difference

There was no difference between the surplus/(deficit) 1 July 2016 brought forward position used in the 2017 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2016 audited financial report.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

25. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR

No specified area rates were imposed by the Shire during the year ended 2017.

26. SERVICE CHARGES - 2016/17 FINANCIAL YEAR

No service charges were imposed by the Shire during the year ended 2017.

**27. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2016/17 FINANCIAL YEAR**

The Shire has not granted any discount, incentive or concession on rates during the 2016/17 financial year.

28. INTEREST CHARGES AND INSTALMENTS - 2016/17 FINANCIAL YEAR

	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Instalment Options				
Option One				
Single full payment	23 August 16	0.00	0.00%	7.50%
Option Two				
First Instalment	23 August 16	0.00	0.00%	7.50%
Second Instalment	25 October 16	7.00	5.50%	7.50%
Option Three				
First Instalment	23 August 16	0.00	0.00%	7.50%
Second Instalment	25 October 16	7.00	5.50%	7.50%
Third Instalment	16 January 17	7.00	5.50%	7.50%
Fourth Instalment	20 March 17	7.00	5.50%	7.50%
				Budgeted Revenue
				\$
Interest on unpaid rates				54,124
Interest on instalment plan				3,190
Charges on instalment plan				1,883
				Revenue
				\$
				59,197
				52,500

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	2017	2016
	\$	\$
29. FEES & CHARGES		
Governance	16,041	16,053
General purpose funding	4,018	4,265
Law, order, public safety	3,887	4,470
Health	4,709	23,769
Housing	19,983	19,669
Community amenities	191,215	148,494
Recreation and culture	10,408	13,966
Transport	237	0
Economic services	24,418	27,061
Other property and services	7,594	15,428
	<u>282,510</u>	<u>273,176</u>

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

30. GRANT REVENUE

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

	2017	2016
	\$	\$
By Nature or Type:		
Operating grants, subsidies and contributions		
Governance	330	0
General purpose funding	1,715,473	548,344
Law, order, public safety	92,440	36,488
Education and welfare	86,212	87,946
Community amenities	2,280	5,896
Recreation and culture	106,040	57,704
Transport	666,903	256,337
Economic services	1,455	1,455
Other property and services	79,860	53,489
	<u>2,750,992</u>	<u>1,047,659</u>
Non-operating grants, subsidies and contributions		
Law, order, public safety	92,000	0
Community amenities	0	84,137
Recreation and culture	130,000	0
Transport	1,473,959	2,970,801
Economic services	0	143,333
	<u>1,695,959</u>	<u>3,198,271</u>
	<u>4,446,951</u>	<u>4,245,930</u>

31. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

<u>27</u>	<u>27</u>
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32. ELECTED MEMBERS REMUNERATION

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

	2017	2017	2016
	\$	Budget	\$
Meeting Fees	13,150	15,000	14,196
President's allowance	12,000	12,000	12,000
Deputy President's allowance	3,000	3,000	3,000
Travelling expenses	4,170	10,000	8,009
	<u>32,320</u>	<u>40,000</u>	<u>37,205</u>

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

33. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

2017
\$

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

Short-term employee benefits	288,641
Post-employment benefits	45,824
Other long-term benefits	8,419
	<u>342,884</u>

Short-term employee benefits

These amounts include all salary, paid leave, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found at Note 32.

Post-employment benefits

These amounts are the current-year's estimated cost of providing for the Shire's superannuation contributions made during the year.

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel.

ii. Entities subject to significant influence by the Shire

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

iii. Joint venture entities accounted for under the equity method

The Shire together with the Shire's of Esperance, Coolgardie, Laverton, Leonora, Menzies, Ngaanyatjaraku, 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.

For details of interests held in joint venture entities refer to Note 17.

Transactions with related parties

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

The following transactions occurred with related parties:

2017
\$

Associated companies/individuals:

Sale of goods and services	6,545
Purchase of goods and services	41,884

Amounts payable to related parties:

Trade and other payables	1,540
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Note: Transitional provisions contained within AASB 2015-6 do not require comparative related party disclosures to be presented in the period of initial application. As a consequence, only disclosures in relation to the current year have been presented.

34. MAJOR LAND TRANSACTIONS

The Shire did not participate in any major land transactions during the 2016/2017 financial year.

35. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire did not participate in any trading undertakings or major trading undertakings during the 2016/2017 financial year.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

36. 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	
	2017	2016	2017	2016
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	7,574,962	6,519,179	7,574,962	6,519,179
Receivables	582,955	471,943	582,955	471,943
	<u>8,157,917</u>	<u>6,991,122</u>	<u>8,157,917</u>	<u>6,991,122</u>
Financial liabilities				
Payables	377,378	354,098	377,378	354,098
Borrowings	478,067	0	473,707	0
	<u>855,445</u>	<u>354,098</u>	<u>851,085</u>	<u>354,098</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
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

36. 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. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

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.

	2017	2016
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	75,750	65,192
- Statement of Comprehensive Income	75,750	65,192

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 2017

36. 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:

	2017	2016
Percentage of rates and annual charges		
- Current	0%	42%
- Overdue	100%	58%
Percentage of other receivables		
- Current	99%	55%
- Overdue	1%	45%

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

36. 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>2017</u>					
Payables	377,378	0	0	377,378	377,378
Borrowings	44,762	191,599	241,706	478,067	478,067
	<u>422,140</u>	<u>191,599</u>	<u>241,706</u>	<u>855,445</u>	<u>855,445</u>
<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>

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

36. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

Borrowings (continued)

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.

The following tables set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
Year ended 30 June 2017								
Borrowings								
Fixed rate								
Debentures	0	0	0	0	0	478,067	478,067	2.73%
Weighted average Effective interest rate	N/A	N/A	N/A	N/A	N/A	2.71%		
Year ended 30 June 2016								
Borrowings								
Fixed rate								
Debentures	0	0	0	0	0	0	0	N/A
Weighted average Effective interest rate	N/A	N/A	N/A	N/A	N/A	N/A		

**SHIRE OF DUNDAS
INDEPENDENT AUDIT REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

INDEPENDENT AUDIT REPORT



BUTLER SETTINERI

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE SHIRE OF DUNDAS**

Report on the Financial Report

Opinion

We have audited the financial report of the Shire of Dundas, which comprises the statement of financial position as at 30 June 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the Chief Executive Officer.

In our opinion, the financial report of the 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 2017 and of its performance for the year ended on that date; and
- 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).

Basis for Opinion

We have conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We are independent of the Shire in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical requirements in accordance with the Code.

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

Other Information

The directors are responsible for the other information. The other information comprises the information in the Shire's annual report for the year ended 30 June 2017 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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**SHIRE OF DUNDAS
INDEPENDENT AUDIT REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

INDEPENDENT AUDIT REPORT (Continued)

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australia Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

**SHIRE OF DUNDAS
INDEPENDENT AUDIT REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

INDEPENDENT AUDIT REPORT (Continued)

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide Council with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Emphasis of Matter

Without modifying our opinion, we draw attention to page 55 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 these are based on verifiable information and appear reasonable.

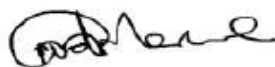
Reporting on Other Legal and Regulatory Requirements

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 asset sustainability ratio 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
Director

Perth
Date: 13 September 2017

**SHIRE OF DUNDAS
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2017**

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.

	2017	2016	2015
Asset consumption ratio	0.80	0.81	0.82
Asset renewal funding ratio	0.78	0.96	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	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$