

2012-2013



# Shire of Dundas

## Annual Report 2012-2013

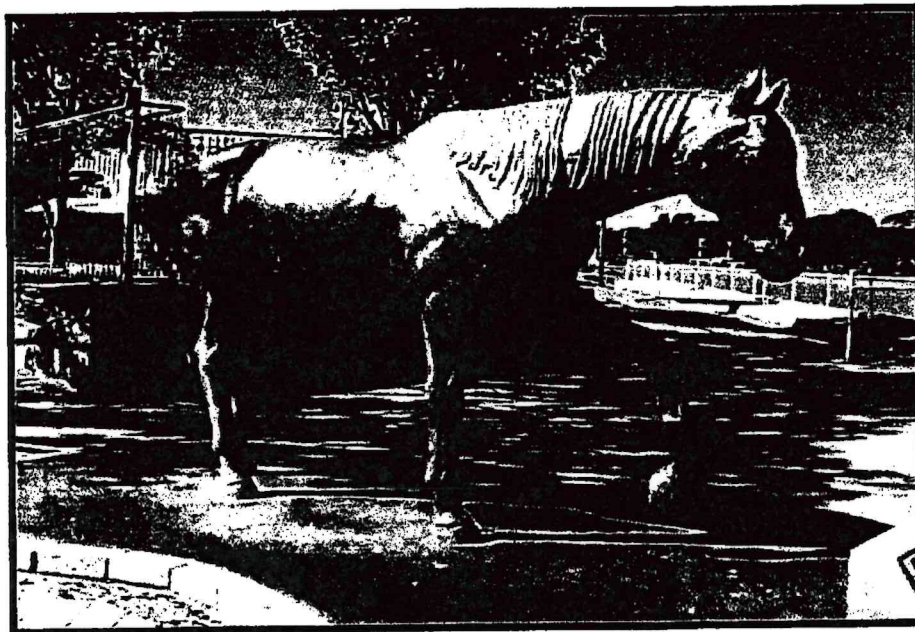


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2012-2013

**Report by the Shire President**

It is with pleasure that I present the 2012/2013 Annual Report, on behalf of the Council to the electors of the Shire of Dundas.

The Shire continues with activities occurring from Eucla in the east to our western boundary along the Hyden Road. The distance and large area of the Shire continues to challenge the available resources to achieve the required results over the past year.

Following on from the adoption of the Strategic Community Plan, the Shire has developed and adopted the Corporate Business Plan which shows how we will achieve the objectives that the Community has identified. The Communities expectations of where the Shire should be in the next ten years drives how the Shire will proceed with projects and service delivery. To support the Corporate Business Plan, the Shire has adopted an Asset Management Plan to understand the extent of our assets and what funding is required to maintain them to the level that will provide the service delivery expectations of the Community. The Shire has also developed a Workforce Plan to set out the workforce requirements to meet our goals. During the following years, Shire staff will continue to refine our integrated planning framework to ensure that the Communities expectations are met within the resources available.

The Shire has continued to be involved with the Goldfields Voluntary Regional Organisation of Councils and as the group continues to work together, more opportunities for regional cooperation and service delivery are being developed. During the year the GVROC purchased a regional archive facility in Kalgoorlie. These type of regional projects only enhance our region and provides greater opportunity to work together for the benefit of our region.

The Shire staff have continued to work on a number of significant projects. During the year under review the most significant projects were the feasibility study for the Norseman Gateway Visitor Centre, a significant number of footpath upgrades around the town and the upgrade to the Norseman School of Mines Historical Museum which was partially funded by LotteryWest. The Country Local Government Fund has enabled the Shire to upgrade a number of other Shire buildings.

The Shire has received a number of grants throughout the year which enables the Shire to undertake projects within the Shire. This funding includes, but is not limited to, Country Local Government Fund (CLGF), Regional and Local Government Infrastructure Program (RLCIP), Blackspot Funding, Roads to Recovery (R2R), Regional Road Group (RRG) and LotteryWest.

Without these grants The Shire would not be able to undertake some of these large scale projects.

The staff at the Shire of Dundas continue to work efficiently and professionally and this is reflected through excellent audit reports. The staff need to be congratulated for their high standard of work and I would like to acknowledge the effort and excellent results from our entire team which is comprised of our staff and Councillors.

I would also like to take this opportunity to thank fellow Councillors for their continued dedication and commitment to their duties on the Council. This includes attending public functions, giving up their personal time to attend training and meetings. I look forward to another productive year of improved infrastructure and service delivery

**Cr Jacquie Best**  
**Shire President**

2012-2013

**Councillors****PRESIDENT****Cr J (Jacqui) Best**

60 Angove Street  
NORSEMAN WA 6443  
Phone: (08) 9039 0395  
Fax: (08) 9039 0201

**Retiring (2013)****DEPUTY PRESIDENT****Cr ST (Simone) Conklin**

219 Stewart Cres  
EUCLA WA 6443  
Phone: (08) 9039 3303  
Fax: (08) 9039 3303

**Retiring (2015)****Cr YH (Bonnie)  
Vicensonl**

20 Fuller Street  
NORSEMAN WA 6443  
Phone: (08) 9039 1649  
Fax: (08) 9039 1649

**Retiring (2015)****Cr JEP (Pat) Hogan**

29-31 Mildura Street  
NORSEMAN WA 6443  
Phone: (08) 9039 1117  
Fax: (08) 9039 1398

**Retiring (2013)****Cr K (Kiri) Campbell**

71 Prinsep St  
NORSEMAN WA 6443  
Phone: (08) 9039 1039  
Fax:

**Retiring (2013)****Cr CR (Chris) South**

Southern Hills Station  
Via NORSEMAN WA  
6443  
Phone: (08) 9039 3448  
Fax:

**Retiring (2015)**

Year in brackets denotes expiry of Councillors elected term



**Report by the Chief Executive Officer**

It is with pleasure that I report on the outcomes of the 2012/13 financial year to the Council and the residents of the Shire of Dundas.

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

The Shire bade farewell to the Deputy CEO Mia Dohnt and welcomed David Taylor to the position. David brings to the Shire a high level of accounting expertise and youthful enthusiasm. All staff have continued to work at a high level for the Shire and this is reflected in the improvements to the Shire and Community infrastructure.

The relationship between Councillors and staff continues to be of the highest professional standard, which provides for a very effective and stable working environment. I thank all Councillors and staff for this.

Expectations from Councillors and staff continue to increase in relation to compliance and regulatory processes; therefore training continues to be a high priority. Sufficient funds are included in the budget annually to ensure that the Councillors and staff are carrying out duties and are fully informed when making decisions. The high standard of the audit report and recent projects completed reflects the value of this training.

Following on from the adoption of the Strategic Community Plan, Shire staff have further enhanced the Integrated Planning Framework by developing a Corporate Business Plan, a Workforce Plan, an Asset Management Plan and the Long Term Financial Plan. These plans will guide the development of the Shire for years to come.

State and Federal funding has enabled the Shire to undertake more footpath paving works around the central business area. In addition a number of concrete footpaths projects have been completed to improve pedestrian access around the town. The Shire will continue to undertake improvements to the towns infrastructure to encourage business development and tourism.

By receiving Country Local Government Fund and LotteryWest funding the Shire was able to further upgrade to the School of Mines Museum and undertake painting of several Shire buildings around the town.

The next 12 months provides some challenges with reduced state and federal funding however the Shire will continue to improve infrastructure and service delivery within the confines of our resources.

In summary, the past year has again been a successful one and the future presents further exciting opportunities and projects. Thank you to the Councillors and staff who have collectively contributed to the success that the Shire has enjoyed and I look forward to working with you all into the future.

**Richard J Brookes**  
**Chief Executive Officer**

**Shire of Dundas Staff  
(as at the 30<sup>th</sup> June 2013)**

**Chief Executive Officer**  
*Richard Brookes*

**Deputy Chief Executive Officer**  
*David Taylor*

**Manager Works & Services**  
*Barry Gibbs*

**Project Officer**  
*Steve Bowyer*

**Environmental Health Services**  
*Richard Brookes*

**Town Planning & Building Services**  
*Richard Brookes*

**Road Works Supervisor**  
*Harold Reeves*

**Senior Administration Officer**  
*Sonya Ellison*

**Community Development / Youth Services Coordinator**  
*Cissy Ellison*

**Swimming Pool Manager**  
*Alex Gamble (contract)*

## Profile of the Shire

The Shire of Dundas covers 92,725km<sup>2</sup> in the South East of WA. It borders the Southern Ocean, the Shires of Esperance, Ravensthorpe, Kondinin, Coolgardie, City of Kalgoorlie/Boulder and the WA/SA border. The principal town is Norseman, 723 km from Perth, with Eucla, 12km from the State border, the other town in the Shire and at 717 km from Norseman, is almost as far away as the capital. Two time zones operate, there being a ¾ hour difference by changing the clock at Caiguna, about halfway along the Eyre Highway. The major industries are mining, pastoralism, tourism and fishing. The Shire has a semi-arid climate with annual rainfall of 300 mm. Temperatures range from the low to mid 40°s in summer to -5° in winter. Population is always fluctuating due to employment in the mining industry, but according to 2012 census data is approximately 1052.

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

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

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

In 1894 Laurie Sinclair, 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 13<sup>th</sup> August 1894. Also registered in the same day was a reef called "Mt Barker" by Messrs, Ramsay, Talbot and Goodliffe.

During its first few years Norseman struggled to establish itself due to Dundas being the major township in the area, however due to the Norseman fields being richer than Dundas, it 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.



**Shire Administration Office & Community Centre**

The Office of the Shire of Dundas is situated at:

Street Address  
88-92 Prinsep Street  
NORSEMAN W A 6443

Postal Address  
PO Box 163  
NORSEMAN WA 6443

Telephone Numbers  
(08) 9039 1205  
(08) 9039 1291

Facsimile Number  
(08) 9039 1359

Email Address  
shire@dundas.wa.gov.au

Website Address  
www.dundas.wa.gov.au

*All correspondence to be addressed to:*

The Chief Executive Officer  
PO Box 163  
NORSEMAN WA 6443

**Depot**

The Shire of Dundas Works Depot is situated in Mildura Street

Telephone Number  
(08) 9039 1278

## General Information Report

### Governance

#### General Compliance

With increasing compliance requirements from various government agencies and new legislation, it is essential that Councillors and staff maintain appropriate training to ensure that objectives are met as required. This is a continuous requirement, with a training expenses totalling \$37,753.

Even though some training is provided by government agencies without charge, travel is nearly always required to a larger regional (and sometimes metropolitan) centre.

Executive staff has undertaken a number of information sessions for the legislative changes for the Integrated Strategic Planning framework. Staff have prepared the Corporate Business Plan, Long Term Financial Plan, Workforce Plan and are continuing to work hard to ensure all requirements are met with a specific focus on Asset Management.

During the year administration staff continue to change the Shire's record-keeping system from manual to electronic as well as reviewing old records for disposal and storage. This task and will continue into the 2013-2014 year.

### Law, Order and Public Safety

#### Bushfires

There were several bushfires reported this season with costs totalling \$51,932. The majority of expenses were reimbursed by FESA.

#### Animal Control

The total cost of providing an animal control service for the Shire of Dundas for 2012-13 was \$52,098

The introduction of the Cat Act has necessitated additional expense in meeting legislative requirements

### 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. The CEO performs these inspections whilst travelling to and from Eucla on other business.

#### Medical Centre and Dental Surgery

The Shire continues to maintain the Medical Centre and Dental Surgery building in Prinsep Street.

Whilst the Shire does not have a permanent dentist, residents were fortunate enough to have a visiting dentist from Kalgoorlie-Boulder attend on an irregular basis.

#### Other Health

The Shire of Dundas continues to work on maintaining health services to Norseman by providing assistance to the doctor.

### **Education and Welfare**

#### **Youth**

The youth service is operated under a contract with the Department for Community Development. During the reporting period, the Community Development / Youth Officer has worked hard to bring many projects to Norseman youth including participation in sporting activities such as netball and football in Kambalda and Esperance.

A full time Youth Services/Community Development Officer manages the service from the administration office and the office at the Youth Drop-In Centre in Roberts Street. Included in the services offered is a child care facility. The total program cost amounted to \$161,390.

### **Housing**

#### **Aged**

The Council manages four units for the aged, which were partially occupied during the year. This allowed contractors to undertake some works to bring the buildings up to an acceptable standard with minimal disruption to residents. No other significant projects were undertaken during the year.

#### **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.

### **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. The Shire purchased a new Volvo refuse truck and compactor to replace the 10 year 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

#### **Cemetery**

Maintenance of the Norseman Cemetery was at a cost of \$6,662. The Norseman Cemetery is located at the end on Denison Drive.

### **Recreation and Culture**

#### **Public Halls**

Council provides two main public halls in Norseman. These halls are the 'Norseman Town Hall and 'Dodd House'. A community hall located at Eucla is also maintained by the Shire. These buildings were maintained at a cost of \$29,886.



The Norseman Pensioners League is a regular user of Dodd House.

#### Swimming Pool

The Norseman Swimming Pool is operated in the summer months by a qualified Swimming Pool Manager. The swimming pool operating cost was \$163,640 that is offset by a \$3,000 Swimming Pool Grant from the State Government. The swimming pool admission charges amounted to \$6,948, which is relatively insignificant to the overall cost.

Although a substantial cost to ratepayers the swimming pool is popular with residents and visitors in the summer months.

#### Other Recreation and Sport

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. A large emphasis by Shire staff is placed on presenting and maintaining these facilities and amenities in good condition.

#### Library

The Library enjoys high user numbers for a small town, with 488 members and borrowing 3,000 items during the year compared to 2062 in the last reporting period. The service cost was \$28,514 to operate and is considered to be an essential amenity for the Community.

During the year the Shire purchased some additional children's furniture to be located in the kids' corner. It has been well received and children from the community are utilising the furniture to sit and read or colour.

#### Other Culture

During the year various services were provided to the community being Art Acquisition/Exhibition, Springtime Cabaret, and the Community Calendar. These projects were undertaken at a total cost of \$12,985.

The Springtime Cabaret was a Halloween theme this year and was well attended by the Community.

### Transport

#### Roads and Footpaths

The Shires major road project was the continuous improvement and upgrading of the Hyden – Norseman Road with expenditure of \$1,087,627 which included funds from Financial Assistance Grant, Blackspot Funding and Regional Road Group allocations. Roads to Recovery funding enabled various streets in Norseman to be resealed at a cost of \$224,429.

Rural roads and properties located along the Eyre Highway and Eucla received \$143,423 of maintenance grading and other works. Norseman streets received regular maintenance, equating to \$118,309

The Shire carried out a large footpath replacement program with a total cost of \$290,742 Funding was received from Country Local Government Fund to assist with the cost of the program.

Street Lighting for the year cost \$48,956. In an effort to reduce this expenditure, the Shire has made application for funding to install low operating cost LED lighting

#### Aerodrome

Regular maintenance on the aerodrome was undertaken with expenditure of \$12,043. Council will continue to lobby for an all-weather air strip at Norseman.

### Economic Services

#### Tourism

Council maintains a high focus in the support and promotion of tourism in the Shire spending \$127,063 this year. Included in the above amount was a subsidy of \$55,000 provided to the Norseman Visitor Centre to assist with operational costs of the visitor information centre and tourism promotion.

The Norseman Visitor Centre is a very active office held in high esteem by the tourism industry in the Goldfields Region of WA.

The Shire also undertook to prepare a feasibility study to construct a new visitor centre in Norseman. The study was completed by Marktrade and the Shire will continue to pursue funding opportunities for the new building.

#### Building Control

Building control services were provided by the Chief Executive Officer. There were a limited number of building applications during the reporting period.

### Other Property & Services

There was no significant expenditure in this area.

### General Reporting Information

#### Payment to Employees

In accordance with Local Government (Administration) Regulation 1996 19B it is advised that:

- there is one employee with a salary in the range of \$100,000 to \$110,000.
- there is one employee with a salary in the range of \$150,000 to \$159,999.

### Overview of the Plan for the Future

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

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

#### ***(1) A vibrant, active and healthy socially connected Community***



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

**(2) 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.

**(3) Natural and built environment**

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

Planning for the future will continue and all of the Shires plans will be reviewed and modified on a regular basis to ensure their relevance to meet the changing needs of the Community into the future

### **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.

The number of activities to which competitive neutrality has been applied in the reporting period is nil.

The number of activities to which competitive neutrality principle have been considered but not applied in the reporting period is nil.

Under the implementation timetable required by the National Competition Policy Statement, the Shire of Dundas was not required to undertake a cost benefit analysis to determine which significant business activities would be subject to competitive neutrality principles.

During the reporting period the Shire of Dundas did not become aware of any allegations of non-compliance with the competitive neutrality principles made by a private entity against the Shire.

### **Legislation Review**

Due to the small size of this Shire in financial, population and staff terms, not a great deal of time, expertise or funding can be made available to undertake a complete review in a short period. Notwithstanding the above, the Shire has adopted a new Health Local Law in September 2012 and a draft Activities on Thoroughfares and Public Places and Trading Local Law was prepared for advertising.

An ongoing systematic review is continuing as time and staff availability permits and specific items requiring attention are dealt with as required.



### Equal Opportunity

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

### Disability Service Plan

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

Progress has been made with several aspects of the Plan as follows:

- Access to the Shire Administration Centre and Library and the Norseman Community Resource Centre has been improved;
- A ramp has been installed at the entry to the Post Office;
- Disabled parking bays at various locations in town have been reviewed and improved; and
- Some footbridges in town have been repaired for easier access.

### Record Keeping Plan

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

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

The following comments are made in relation to the above.

- Our record keeping systems are under constant review to ensure their effectiveness with the most recent review seeing the Shires record management system become electronic and integrated with the financial accounting software.
- All staff have been advised of the need for a competent record keeping system.
- On going training will be provided to appropriate staff who manage the records keeping system.
- Our induction program does address the roles and responsibilities of staff in relation to the record keeping plan.
- The Shire has employed a person to undertake a review of archived information, storage and disposal.

### Official Conduct – Complaints Register

Pursuant to S.5.121 of the Local Government Act 1995, a complaints register has been maintained. As at the 30<sup>th</sup> June 2013, no complaints were recorded, therefore no action was required to deal with complaints.

**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 Attorney General approved (in accordance with section 96(1)), the following method of publication –

- Agencies shall have the discretion of publishing their Information Statement either as a stand-alone document or incorporated in its Annual Report.
- Where an Information Statement is produced as a stand-alone document, reference to its existence and details of how it can be inspected or purchased should also be contained in the agency's Annual Report.

The FOI Information Statement is available at the Shire Office located at 88-92 Prinsep Street Norseman WA 6443

**Audit Report**

The Report of the Independent Auditors forms part of the Financial Report which follows. The Auditors Report may be viewed on pages 55 and 56 of the Financial Report.



**Financial Report**

**SHIRE OF DUNDAS**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

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**SHIRE OF DUNDAS**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Shire of Dundas being the annual financial report and other information for the financial year ended 30th June 2013 are in my opinion properly drawn up to present fairly the financial position of the Shire of Dundas at 30th June 2013 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 4<sup>th</sup> day of March, 2014



Richard Brookes  
Chief Executive Officer



**SHIRE OF DUNDAS**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	2013 \$	2013 Budget \$	2012 \$
<b>Revenue</b>				
Rates	22	1,910,581	1,877,396	1,830,289
Operating Grants, Subsidies and Contributions	28	2,044,717	1,004,227	2,270,399
Fees and Charges	27	348,974	333,844	254,791
Interest Earnings	2(a)	218,687	169,571	280,065
		<u>4,520,959</u>	<u>3,385,038</u>	<u>4,635,544</u>
<b>Expenses</b>				
Employee Costs		(1,449,315)	(1,389,011)	(1,295,398)
Materials and Contracts		(1,065,479)	(1,367,967)	(684,754)
Utility Charges		(171,483)	(143,010)	(140,339)
Depreciation on Non-Current Assets	2(a)	(1,012,062)	(1,087,409)	(956,635)
Interest Expenses	2(a)	(2,766)	(3,213)	(4,970)
Insurance Expenses		(155,982)	(170,719)	(150,371)
Other Expenditure		(84,929)	(92,892)	(71,674)
		<u>(3,942,016)</u>	<u>(4,254,221)</u>	<u>(3,304,141)</u>
		578,943	(869,183)	1,331,403
<b>Non-Operating Grants, Subsidies and Contributions</b>				
	28	1,003,244	1,098,839	1,222,338
Profit on Asset Disposals	20	67,862	8,786	32,977
Loss on Asset Disposals	20	(127,918)	(13,489)	(8,541)
<b>Net Result</b>		<b>1,522,133</b>	<b>222,955</b>	<b>2,580,177</b>
<b>Other Comprehensive Income</b>				
Changes on Revaluation of Non-Current Assets	12	154,557	0	0
<b>Total Other Comprehensive Income</b>		<u>154,557</u>	<u>0</u>	<u>0</u>
<b>Total Comprehensive Income</b>		<u><u>1,676,690</u></u>	<u><u>222,955</u></u>	<u><u>2,580,177</u></u>

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

**SHIRE OF DUNDAS**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	2013 \$	2013 Budget \$	2012 \$
<b>Revenue</b>				
Governance		82,120	31,300	70,530
General Purpose Funding		3,299,117	2,678,050	3,391,208
Law, Order, Public Safety		70,154	30,780	79,313
Health		4,101	4,000	3,916
Education and Welfare		97,968	70,572	83,883
Housing		14,159	16,240	29,379
Community Amenities		138,942	121,800	124,898
Recreation and Culture		45,206	16,000	22,656
Transport		525,736	218,754	675,854
Economic Services		98,309	57,508	85,796
Other Property and Services		145,147	140,034	68,111
	2(a)	<u>4,520,959</u>	<u>3,385,038</u>	<u>4,635,544</u>
<b>Expenses</b>				
Governance		(587,726)	(659,386)	(498,074)
General Purpose Funding		(204,264)	(282,802)	(172,636)
Law, Order, Public Safety		(118,872)	(122,983)	(158,417)
Health		(74,664)	(124,460)	(81,619)
Education and Welfare		(151,477)	(200,358)	(139,449)
Housing		(78,342)	(71,980)	(62,004)
Community Amenities		(476,515)	(505,972)	(374,800)
Recreation and Culture		(733,994)	(735,418)	(581,580)
Transport		(994,392)	(1,156,374)	(924,451)
Economic Services		(260,305)	(256,263)	(209,693)
Other Property and Services		(258,699)	(135,012)	(96,448)
	2(a)	<u>(3,939,250)</u>	<u>(4,251,008)</u>	<u>(3,299,171)</u>
<b>Finance Costs</b>				
Governance	2(a)	<u>(2,766)</u>	<u>(3,213)</u>	<u>(4,970)</u>
		(2,766)	(3,213)	(4,970)
<b>Non-Operating Grants, Subsidies and Contributions</b>				
Governance		0	0	68,000
Law, Order, Public Safety		48,096	0	0
Recreation and Culture		40,590	40,000	36,580
Transport		914,558	1,056,839	1,109,758
Other Property and Services		0	0	8,000
		<u>1,003,244</u>	<u>1,096,839</u>	<u>1,222,338</u>
<b>Profit/(Loss) on Disposal of Assets</b>				
Governance		(46,959)	(1,838)	7,731
Health		(9,482)	(9,528)	150
Education and Welfare		(6,625)	0	0
Housing		(8,335)	0	0
Community Amenities		8,507	2,275	0
Recreation and Culture		(20,978)	0	(5,541)
Transport		23,828	4,390	24,136
Other Property and Services		0	0	960
		<u>(60,054)</u>	<u>(4,701)</u>	<u>26,436</u>
<b>Net Result</b>		<u>1,522,133</u>	<u>222,955</u>	<u>2,580,177</u>
<b>Other Comprehensive Income</b>				
Changes on Revaluation of Non-Current Assets	12	154,557	0	0
<b>Total Other Comprehensive Income</b>		<u>154,557</u>	<u>0</u>	<u>0</u>
<b>Total Comprehensive Income</b>		<u>1,676,690</u>	<u>222,955</u>	<u>2,580,177</u>

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

**SHIRE OF DUNDAS**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH JUNE 2013**

	NOTE	2013 \$	2012 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	3	4,939,023	5,955,079
Trade and Other Receivables	4	943,456	449,113
Inventories	5	10,875	10,875
<b>TOTAL CURRENT ASSETS</b>		<u>5,893,354</u>	<u>6,415,067</u>
<b>NON-CURRENT ASSETS</b>			
Other Receivables	4	24,456	17,117
Property, Plant and Equipment	6	7,075,213	6,618,654
Infrastructure	7	15,454,234	13,966,010
<b>TOTAL NON-CURRENT ASSETS</b>		<u>22,553,903</u>	<u>20,601,781</u>
<b>TOTAL ASSETS</b>		<u>28,447,257</u>	<u>27,016,848</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	8	206,529	461,304
Current Portion of Long Term Borrowings	9	29,323	37,083
Provisions	10	286,116	236,093
<b>TOTAL CURRENT LIABILITIES</b>		<u>521,968</u>	<u>734,480</u>
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	9	0	29,323
Provisions	10	24,183	28,629
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>24,183</u>	<u>57,952</u>
<b>TOTAL LIABILITIES</b>		<u>546,151</u>	<u>792,432</u>
<b>NET ASSETS</b>		<u>27,901,106</u>	<u>26,224,416</u>
<b>EQUITY</b>			
Retained Surplus		23,100,628	21,525,480
Reserves - Cash Backed	11	4,645,921	4,698,936
Revaluation Surplus	12	154,557	0
<b>TOTAL EQUITY</b>		<u>27,901,106</u>	<u>26,224,416</u>

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



**SHIRE OF DUNDAS**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2011		20,082,038	3,562,201	0	23,644,239
Comprehensive Income					
Net Result		2,580,177	0	0	2,580,177
Changes on Revaluation of Non-Current Assets	12	0	0	0	0
Total Other Comprehensive Income		<u>2,580,177</u>	<u>0</u>	<u>0</u>	<u>2,580,177</u>
Reserve Transfers		(1,136,735)	1,136,735	0	0
<b>Balance as at 30 June 2012</b>		<b>21,525,480</b>	<b>4,698,936</b>	<b>0</b>	<b>26,224,416</b>
Comprehensive Income					
Net Result		1,522,133	0	0	1,522,133
Changes on Revaluation of Non-Current Assets	12	0	0	154,557	154,557
Total Other Comprehensive Income		<u>1,522,133</u>	<u>0</u>	<u>154,557</u>	<u>1,676,690</u>
Reserve Transfers		53,015	(53,015)	0	0
<b>Balance as at 30 June 2013</b>		<b>23,100,628</b>	<b>4,645,921</b>	<b>154,557</b>	<b>27,901,106</b>

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 2013**

	NOTE	2013 \$	2013 Budget \$	2012 \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		1,616,460	1,877,396	1,747,100
Operating Grants, Subsidies and Contributions		1,874,826	995,227	2,945,428
Fees and Charges		307,792	323,528	276,927
Interest Earnings		216,687	169,571	282,030
Goods and Services Tax		<u>242,881</u>	<u>0</u>	<u>240,912</u>
		4,258,646	3,365,722	5,492,397
<b>Payments</b>				
Employee Costs		(1,389,011)	(1,441,925)	(1,273,370)
Materials and Contracts		(1,347,556)	(1,465,824)	(561,091)
Utility Charges		(158,461)	(143,010)	(140,339)
Insurance Expenses		(155,982)	(170,719)	(150,371)
Interest expenses		(3,213)	(3,338)	(5,391)
Goods and Services Tax		(239,369)	0	(259,022)
Other Expenditure		<u>(84,929)</u>	<u>(92,892)</u>	<u>(71,674)</u>
		<u>(3,378,521)</u>	<u>(3,317,708)</u>	<u>(2,461,258)</u>
<b>Net Cash Provided By (Used In) Operating Activities</b>	13(b)	<u>880,125</u>	<u>48,014</u>	<u>3,031,139</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Purchase of Property, Plant & Equipment		(1,090,035)	(1,600,934)	(920,178)
Payments for Construction of Infrastructure		(1,952,125)	(1,860,614)	(1,532,493)
Non-Operating Grants, Subsidies and Contributions		1,003,244	1,096,839	1,222,338
Proceeds from Sale of Plant & Equipment		<u>179,818</u>	<u>137,182</u>	<u>118,418</u>
<b>Net Cash Provided By (Used In) Investing Activities</b>		<u>(1,859,098)</u>	<u>(2,227,527)</u>	<u>(1,111,915)</u>
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures		<u>(37,083)</u>	<u>(37,083)</u>	<u>(34,904)</u>
<b>Net Cash Provided By (Used In) Financing Activities</b>		<u>(37,083)</u>	<u>(37,083)</u>	<u>(34,904)</u>
<b>Net Increase (Decrease) in Cash Held</b>		<u>(1,016,056)</u>	<u>(2,216,596)</u>	<u>1,884,320</u>
<b>Cash at Beginning of Year</b>		5,955,079	5,955,082	4,070,759
<b>Cash and Cash Equivalents at the End of the Year</b>	13(a)	<u><u>4,939,023</u></u>	<u><u>3,738,487</u></u>	<u><u>5,955,079</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 2013**

	NOTE	2013 Actual \$	2013 Budget \$	2012 Actual \$
<b>Revenue</b>				
Governance		82,120	31,300	146,261
General Purpose Funding		1,388,536	800,654	1,560,919
Law, Order, Public Safety		118,250	30,780	79,313
Health		4,101	4,000	4,066
Education and Welfare		97,968	70,572	83,883
Housing		14,159	16,240	29,379
Community Amenities		147,449	124,075	124,899
Recreation and Culture		85,796	56,000	59,236
Transport		1,499,649	1,282,106	1,809,748
Economic Services		98,309	57,508	85,796
Other Property and Services		145,147	140,034	77,070
		<u>3,681,484</u>	<u>2,613,269</u>	<u>4,060,570</u>
<b>Expenses</b>				
Governance		(637,451)	(664,437)	(503,044)
General Purpose Funding		(204,264)	(282,802)	(172,636)
Law, Order, Public Safety		(118,872)	(122,983)	(158,417)
Health		(84,156)	(133,988)	(81,619)
Education and Welfare		(158,102)	(200,358)	(139,449)
Housing		(86,677)	(71,980)	(62,004)
Community Amenities		(476,515)	(505,972)	(374,800)
Recreation and Culture		(754,972)	(735,418)	(588,121)
Transport		(1,029,919)	(1,158,497)	(924,451)
Economic Services		(260,305)	(256,263)	(209,693)
Other Property and Services		(258,699)	(135,012)	(96,448)
		<u>(4,069,932)</u>	<u>(4,267,710)</u>	<u>(3,310,682)</u>
<b>Net Result Excluding Rates</b>		<u>(388,448)</u>	<u>(1,654,441)</u>	<u>749,888</u>
<b>Adjustments for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure and Revenue</b>				
(Profit)/Loss on Asset Disposals	20	60,054	4,701	(26,436)
Movement in Deferred Pensioner Rates (Non-Current)		(7,339)	0	(5,497)
Movement in Employee Benefit Provisions (Non-Current)		(4,446)	0	(11,958)
Depreciation and Amortisation on Assets	2(a)	1,012,062	1,087,409	956,635
<b>Capital Expenditure and Revenue</b>				
Purchase Land and Buildings		(215,403)	(532,682)	(396,402)
Purchase Furniture and Equipment		(33,669)	(59,124)	(82,388)
Purchase Plant and Equipment		(840,963)	(1,009,128)	(441,388)
Purchase Infrastructure Assets - Roads		(1,692,225)	(1,444,739)	(1,353,199)
Purchase Infrastructure Assets - Drainage		0	(35,915)	(38,130)
Purchase Infrastructure Assets - Parks & Ovals		(76,295)	(178,755)	(34,978)
Purchase Infrastructure Assets - Aerodrome		(82,640)	(113,684)	0
Purchase Infrastructure Assets - Other		(100,965)	(87,521)	(106,186)
Proceeds from Disposal of Assets	20	179,818	137,182	118,418
Repayment of Debentures	21	(37,083)	(37,083)	(34,904)
Transfers to Reserves (Restricted Assets)	11	(1,695,698)	(890,271)	(2,133,715)
Transfers from Reserves (Restricted Assets)	11	1,748,713	1,855,720	996,980
<b>ADD</b> Surplus/(Deficit) July 1 B/Fwd	22(b)	1,018,734	1,069,211	1,031,705
<b>LESS</b> Surplus/(Deficit) June 30 C/Fwd	22(b)	754,788	(11,724)	1,018,734
<b>Total Amount Raised from General Rate</b>	22(a)	<u>(1,910,581)</u>	<u>(1,877,396)</u>	<u>(1,830,289)</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 2013**

**1. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

**(a) Basis of Preparation**

The financial report is a general purpose financial statement which has 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.

Except for cash flow and rate setting information, the report has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of the 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.

**(b) The Local Government Reporting Entity**

All Funds through which the Council 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, but a separate statement of those monies appears at Note 19 to these financial statements.

**(c) 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.

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(d) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Bank overdrafts are shown as short term borrowings in current liabilities in the statement of financial position.

**(e) 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.

Collectibility 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.

**(f) 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 Resale**

Land purchased for development and/or resale 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 the statement of comprehensive income 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 resale is classified as current except where it is held as non-current based on Council's intention to release for sale.

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Fixed Assets**

Each class of fixed assets is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation or 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.

The amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

(a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and

(b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -

(i) that are plant and equipment; and

(ii) that are -

(I) land and buildings; or

(II) infrastructure;

and

(c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, in accordance with the regulations, each asset class must be revalued at least every 3 years.

Council has commenced the process of adopting Fair Value in accordance with the Regulations.

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

***Land Under Control***

In accordance with local Government (Financial Management) Regulation 16 (a), the Council is 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 other policies detailed in this Note.

Whilst they were initially recorded at cost, fair value at the date of acquisition was deemed cost as per AASB 116.



**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Fixed Assets (Continued)**

***Initial Recognition***

All assets are initially recognised at cost. 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 Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of comprehensive income in the period in which they are incurred.

***Revaluation***

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

Revalued assets are carried at the fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date (Level 1 inputs in the fair value hierarchy).

For land and buildings, fair value will be determined based on the nature of the asset class. For land and non-specialised buildings, fair value is determined on the basis of observable open market values of similar assets, adjusted for conditions and comparability at their highest and best use (Level 2 inputs in the fair value hierarchy).

With regards to specialised buildings, fair value is determined having regard for current replacement cost and both observable and unobservable costs. These include construction costs based on recent contract prices, current condition (observable Level 2 inputs in the fair value hierarchy), residual values and remaining useful life assessments (unobservable Level 3 inputs in the fair value hierarchy).

For infrastructure and other asset classes, fair value is determined to be the current replacement cost of an asset (Level 2 inputs in the fair value hierarchy) less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset (Level 3 inputs in the fair value hierarchy).

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

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

In addition, the amendments to the Financial Management Regulations mandating the use of Fair Value, imposes a further minimum of 3 years revaluation requirement. As a minimum, all assets carried at a revalued amount, will be revalued at least every 3 years.

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Fixed Assets (Continued)**

***Transitional Arrangement***

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes.

Those assets carried at cost will be carried in accordance with the policy detailed in the *Initial Recognition* section as detailed above.

Those assets carried at fair value will be carried in accordance with the *Revaluation* methodology section as detailed above.

***Early Adoption of AASB 13 - Fair Value Measurement***

Whilst the new accounting standard in relation to fair value, AASB 13 - Fair Value Measurement does not become applicable until the end of the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology for this reporting period, the Council chose to early adopt AASB 13 (as allowed for in the standard).

As a consequence, the principles embodied in AASB 13 - Fair Value Measurement have been applied to this reporting period (year ended 30 June 2013).

Due to the nature and timing of the adoption (driven by legislation), the adoption of this standard has had no effect on previous reporting periods.

***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 AASB1051 - 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 Council.

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Fixed Assets (Continued)**

***Depreciation of Non-Current Assets***

All non-current assets having a limited useful life (excluding freehold land) are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Buildings	30 to 50 years
Furniture and Equipment	3 to 10 years
Plant and Equipment	3 to 10 years
Sealed roads and streets	20 to 50 years
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	5-10 years
Formed roads	
formation	not depreciated
pavement	50 years
Footpaths - slab	40 years
Airport Infrastructure	40 years
Parks and Ovals Infrastructure	20 years
Sewerage piping	80 years
Water supply piping and drainage systems	50 years
Other Infrastructure	10-50 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. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

***Capitalisation Threshold***

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

**(h) Intangible Assets**

***Easements***

Due to legislative changes, Easements are required to be recognised as assets.

If significant, they are initially recognised at cost and have an indefinite useful life.

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(i) Financial Instruments**

***Initial Recognition and Measurement***

Financial assets and financial liabilities are recognised when the Council becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Council commits itself to either the purchase or sale of the asset (ie 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.

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

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;
- (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; and
- (d) less any reduction for impairment.

The effective interest rate 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.

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current. They are subsequently measured at fair value with changes to carrying amount being included in profit or loss.



**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(i) Financial Instruments (Continued)**

***Classification and Subsequent Measurement (Continued)***

***(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 and fixed maturities that the Council's management 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.

They are subsequently measured at fair value with changes in such fair value (ie 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 the 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.

***Impairment***

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired.

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 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 instruments, 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 into profit or loss at this point.

SHIRE OF DUNDAS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial Instruments (Continued)

**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 Council no longer has any significant continued involvement in the risks and benefits associated with the asset.

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

(i) Impairment

In accordance with Australian Accounting Standards the Council'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 (eg AASB 116). 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.

(k) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council 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.

(l) Employee Benefits

Provision is made for the Council's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to the employee wage increases and the probability the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity matching the expected timing of cash flows.

(m) 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.

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(n) Provisions**

Provisions are recognised when:

- a) the Council has a present legal or constructive obligation as a result of past events;
- b) for which it is probable that an outflow of economic benefits will result; and
- c) 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.

**(o) 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 Council, 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.

**(p) Investments in Associates**

Associates are entities in which the Council has significant influence through holding, directly or indirectly, 20% or more of the voting power of the Council. 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 Council's share of net assets of the associate entity. In addition, Council's share of the profit or loss of the associate entity is included in the Council's profit or loss.

The carrying amount of the investment includes goodwill relating to the associate. Any discount on acquisition, whereby the Council'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 Council and the associate are eliminated to the extent of the Council's interest in the associate.

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(q) Joint Venture**

The Council's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the appropriate line items of the financial statement. Information about the joint venture is set out in Note 16.

The Council's interest in joint venture entities are recorded using the equity method of accounting (refer to Note 1(p) for details) in the financial report.

When the Council contributes assets to the joint venture or if the Council purchases assets from the joint venture, only the portion of gain or loss not attributable to the Council's share of the joint venture shall be recognised. The Council recognises the full amount of any loss when the contribution results in a reduction in the net realisable value of current assets or an impairment loss.

**(r) 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 operation for the current reporting period.

**(s) Superannuation**

The Council contributes to a number of superannuation funds on behalf of employees. All funds to which the Council contributes are defined contribution plans.

**(t) 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 Council's operational cycle. In the case of liabilities where the Council 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 resale where it is held as non-current based on Council's intentions to release for sale.

**(u) Rounding Off Figures**

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



**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(v) Comparative Figures**

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

When the Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, a statement of financial position as at the beginning of the earliest period will be disclosed.

**(w) 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 2013**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(x) 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 Council.

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

Title and Topic	Issued	Applicable (*)	Impact
(i) AASB 9 – Financial Instruments AASB 2012 – 6 Amendments to Australian Accounting Standards – Mandatory effective date of AASB 9 and Transition Disclosures	December 2009 September 2012	01 January 2013 Deferred AASB 9 until 1 January 2015	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 Council, it is not anticipated the standard will have any material effect.
(ii) AASB 2009 – 11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	December 2009	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Title and Topic	Issued	Applicable (*)	Impact
(iii) AASB 2010 – 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	December 2010	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(iv) AASB 10 - Consolidated Financial Statements, AASB 11 - Joint Arrangements, AASB 12 - Disclosure of Interests in Other Entities, AASB 127 - Separate Financial Statements, AASB 128 - Investments in Associates and Joint Ventures, AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	August 2011	01 January 2013	Nil – None of these, except for AASB 128, are expected to have significant application to the operations of the Council. With respect to AASB 128, where the Council has an interest in a Joint Venture, the requirements of AASB 128 supercede those of the current Joint Venture Standard AASB 131. The new standard more clearly defines the accounting treatment and disclosure in relation to it. Due to the nature of the Joint Venture, it is not expected to have a significant impact on the Council.

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Title and Topic	Issued	Applicable (*)	Impact
(v) AASB 2011 - 9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	September 2011	01 July 2013	The main change embodied in this standard is the requirement to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently.  It effects presentation only and is not expected to significantly impact the Council.
(vi) AASB 119 - Employee Benefits, AASB 2011 - 10 Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, 8, 101, 124, 134, 1049 & 2012-8 and Interpretation 14]	September 2011	01 January 2013	The changes in relation to defined benefit plans contained in this standard are not expected to significantly impact the Council nor are the changes to AASBs in relation to termination benefits.
(vii) AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities [AASB 7 & 32]	June 2012	01 January 2013	Principally amends AASB 7: Financial Instruments: Disclosures to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.  This Standard is not expected to significantly impact on the Council's financial statements.



**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Title and Topic	Issued	Applicable (*)	Impact
(viii) AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]	June 2013	01 January 2014	This Standard adds application guidance to AASB 132: <i>Financial Instruments: Presentation</i> to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.
(ix) AASB 2012-5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASB 1, 101, 116, 132, 134 and Interpretation 2]	June 2012	01 January 2013	This Standard is not expected to significantly impact on the Council's financial statements.  Outlines changes to the various standards and interpretations as listed. These topics are not currently relevant to Council, nor are they expected to be in the future. As a consequence, this Standard is not expected to significantly impact on the Council's financial statements.
(x) AASB 2012-10: Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments. [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Interpretation 12]	December 2012	01 January 2013	Mainly consequential changes relating to transition guidance. It is not expected to have a significant impact on Council.

(\*) 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 2013**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(y) Adoption of New and Revised Accounting Standards**

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

These new and revised standards were:

AASB 2010 – 8  
AASB 2011 - 3  
AASB 2011 - 13

The standards adopted had a minimal effect on the accounting and reporting practices of the Council as they were either largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.

The Council also chose to early adopt AASB 13 – *Fair Value Measurement* as allowed for in the standard. For further details with respect to this early adoption, refer to Note 1(g).

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

<b>2. REVENUE AND EXPENSES</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Net Result</b>		
The Net Result includes:		
(i) Charging as an Expense:		
<b>Auditors Remuneration</b>	<b>19,801</b>	<b>18,175</b>
- Audit of the financial report	5,400	7,445
- Audit of Acquittals	2,100	0
- Assistance with the finalisation of the annual financial report		
<b>Depreciation</b>	<b>119,826</b>	<b>98,050</b>
Buildings	56,775	59,518
Furniture and Equipment	371,560	326,832
Plant and Equipment	425,951	438,777
Roads	22,209	21,508
Parks	8,108	7,612
Drainage	2,707	1,444
Airport	4,926	2,894
Other Infrastructure	<u>1,012,062</u>	<u>956,635</u>
<b>Interest Expenses (Finance Costs)</b>	<b>2,766</b>	<b>4,970</b>
Debentures (refer Note 21(a))		
<b>Rental Charges</b>	<b>11,938</b>	<b>11,938</b>
- Operating Leases		
	<b>2013</b>	<b>2013</b>
	<b>\$</b>	<b>Budget</b>
		<b>\$</b>
<b>Interest Earnings</b>		
Investments	134,569	121,271
- Reserve Funds	10,804	25,000
- Other Funds	71,314	23,300
Other Interest Revenue (refer note 26)	<u>216,687</u>	<u>169,571</u>
		<u>280,065</u>

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**2. REVENUE AND EXPENSES (Continued)**

**(b) Statement of Objective**

The Shire of Dundas is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

**GOVERNANCE**

Administration and operation of facilities and services to members of council. Includes fees, expenses and allowances paid to elected members, election costs, insurance, subscriptions, conference expenses, council chamber expenses, receptions, members' entertainment, printing, telephones, faxes, etc. Also includes the allocation of administration expenses for the Chief Executive Officer and staff in preparation, administration and attendance at meetings and assisting elected members and other committees of Council.

Research, development and preparation of policy documents, development of local laws, strategic planning, plan for the future, annual budgets, annual financial reports, audit fees and the annual report.

**GENERAL PURPOSE FUNDING**

Revenue from the general rate, differential rates, minimum rates, interest and fees on instalment arrangements, interest on arrears, less discounts and/or concessions relating to rates levied under the Local Government Act 1995. Expenses for the administration of rate records, rating valuations, servicing notices, postage, stationery, advertising, doubtful debt expense, debt collection, indirect administration costs etc.

Amounts receivable from the Western Australian Grants Commission and other Government Grant of a general purpose nature and generally referred to as untied grants.

Interest earnings from deposits and investments, including reserve accounts. General overdraft expenses on the Municipal Fund.

**LAW, ORDER, PUBLIC SAFETY**

Administration and operations on fire prevention services, including volunteer fire brigades, outlays on roadside clearing operations and other protective burning.

Administration, enforcement and operations relating to the control of animals and the enforcement of Council's local laws. Includes the costs of impounding, destroying and disposal of stray animals. Revenues include dog registration fees, fines and penalties relating to straying dogs, cats, cattle and other livestock and impounding and destruction fees.

**HEALTH**

Administration, inspection and operations of programs concerned with the general health of the community, includes the provision of medical services such as doctor, nursing services, Royal Flying Doctors Service and regional health scheme. Monitoring and control of health standards within the community.

Administration and operations for programs concerned with the eradication of noxious insects and vermin such as mosquitoes, flies, rodents etc.  
Food quality and pest control, inspection of Eyre Highway premises.

**EDUCATION AND WELFARE**

Support of education facilities and youth programs in the Shire.

**SHIRE OF DUNDAS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013**

**2. REVENUE AND EXPENSES (Continued)**

**(b) Statement of Objective (Continued)**

**HOUSING**

Maintenance of staff housing.

**COMMUNITY AMENITIES**

Rubbish collection services, operation of tip, storm water drainage, administration of the town planning scheme and maintenance of the cemetery.

**RECREATION AND CULTURE**

Maintenance of a halls, various reserves, parks and gardens, swimming pool and operation of the Council library. Includes radio and television rebroadcasting and cultural and heritage programs.

**TRANSPORT**

Construction and maintenance of roads, drainage works, Council depot, footpaths, street lighting, parking facilities and traffic signs. Maintenance of the aerodrome and cleaning of streets.

**ECONOMIC SERVICES**

Assistance for tourism, building control and water standpipe operation.

**OTHER PROPERTY AND SERVICES**

Private works, plant operation, other operational costs and other property maintenance.



**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**2. REVENUE AND EXPENSES (Continued)**

<b>(c) Conditions Over Grants/Contributions</b>		<b>Opening Balance (*) 1-Jul-11</b>	<b>Received (+) 2011/12</b>	<b>Expended (#) 2011/12</b>	<b>Closing Balance (*) 30-Jun-12</b>	<b>Received (+) 2012/13</b>	<b>Expended (#) 2012/13</b>	<b>Closing Balance 30-Jun-13</b>
<b>Grant/Contribution</b>	<b>Function/ Activity</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
HACC Grant	Welfare	6,945	0	0	6,945	0	0	6,945
Roberts St Upgrade - GEDC	Transport	13,000	0	0	13,000	0	0	13,000
CLGF (10/11)	Various	424,733	0	(307,164)	117,569	0	(117,569)	0
CLGF (11/12)	Various	0	373,362	(181,366)	191,996	0	(191,996)	0
Workforce Planning Grant	Governance	0	0	0	0	25,000	0	25,000
Cat Sterilisation Grant	LOP	0	0	0	0	5,000	0	5,000
Community Safety Grant	LOP	0	0	0	0	22,561	0	22,561
<b>Total</b>		<b>444,678</b>	<b>373,362</b>	<b>(488,530)</b>	<b>329,510</b>	<b>52,561</b>	<b>(309,565)</b>	<b>72,506</b>

**Notes:**

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

(+) - 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.

(#) - 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.

All the funds have been included in Unspent Grants/Contribution reserve.

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

	2013 \$	2012 \$
<b>3. CASH AND CASH EQUIVALENTS</b>		
Unrestricted	293,102	1,256,143
Restricted	<u>4,645,921</u>	<u>4,698,936</u>
	<u>4,939,023</u>	<u>5,955,079</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Leave Reserve	312,042	300,720
Plant Reserve	736,290	862,769
Aerodrome Reserve	125,143	120,602
Rubbish Reserve	0	83,484
Property Reserve	1,477,085	1,278,934
Road/Footpath Reserve	217,424	130,510
Coastal Reserve	58,428	56,308
Townscape Reserve	0	125,927
Tourist Bureau Reserve	0	44,582
Unspent Grants/Contribution Reserve	825,685	1,105,201
Robert St Upgrade Reserve	0	49,732
IT Reserve	82,126	81,277
Reseal Reserve	503,090	405,812
Industrial Area Reserve	80,076	53,078
Visitor Centre Precinct Reserve	<u>228,532</u>	<u>0</u>
	<u>4,645,921</u>	<u>4,698,936</u>
<b>4. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>	562,404	275,622
Rates Outstanding	13,354	16,315
Legal & Sundry	24,338	11,344
Emergency Service Levy	42,656	18,789
Sanitation Charges	53,839	53,498
Pensioner Rebates	(45,000)	(45,000)
Less Provision for Doubtful Debts	263,861	93,970
Sundry Debtors	11,618	4,575
Accrued Interest on Investment	14,598	18,110
GST Receivable	1,788	1,890
Fuel Tax Credit	<u>943,456</u>	<u>449,113</u>
<b>Non-Current</b>	24,456	17,117
Rates Outstanding - Pensioners	<u>24,456</u>	<u>17,117</u>
<b>5. INVENTORIES</b>		
<b>Current</b>	10,875	10,875
Fuel and Materials	<u>10,875</u>	<u>10,875</u>

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

	2013 \$	2012 \$
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
Land and Buildings	81,626	81,626
Freehold Land - Cost	<u>2,000</u>	<u>2,000</u>
Land - Vested in and Under the Control of Council - Cost	<u>83,626</u>	<u>83,626</u>
Total Land		
Buildings at:	5,703,572	5,488,168
- Cost	<u>(1,011,677)</u>	<u>(891,850)</u>
Less Accumulated Depreciation	4,691,895	4,596,318
Total Buildings	<u>4,775,521</u>	<u>4,679,944</u>
Total Land and Buildings		
GVROC Joint Venture at Cost	68,000	68,000
Less Accumulated Depreciation	<u>(75)</u>	<u>(75)</u>
	67,925	67,925
Furniture and Equipment at:	156,159	0
- Management Valuation 2013	0	616,817
- Cost	<u>0</u>	<u>(415,190)</u>
Less: Accumulated Depreciation	156,159	201,627
Plant and Equipment at:	2,074,948	0
- Management Valuation 2013	0	3,096,609
- Cost	<u>0</u>	<u>(1,428,111)</u>
Less Accumulated Depreciation	2,074,948	1,668,498
Other Valuable Items at Cost	660	660
	<u>7,075,213</u>	<u>6,618,654</u>

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**6. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**Plant and Equipment**

The Shire's Plant and Equipment was revalued at 30 June 2013 by way of management valuation.

Majority of the valuations were made having regard for their current replacement cost, condition assessment (Level 2 inputs in the fair value hierarchy), residual values and remaining estimated useful life (Level 3 inputs). Given the significance of the level 3 inputs into the overall fair value measurement, these assets are deemed to have been valued using Level 3 inputs.

These 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.

The remaining valuations were made on the basis of open market values (Level 2 inputs in the fair value hierarchy).

The revaluation resulted in an overall increase of \$112,783 to the net value of the Shire's Plant and Equipment. All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 12 for further details) and was recognised as Changes on Revaluation of Non-Current Assets in the Statement of Comprehensive Income.

**Furniture and Equipment**

The Shire's Furniture and Equipment was revalued at 30 June 2013 by management valuation having regard for their current replacement cost, condition assessment (Level 2 inputs in the fair value hierarchy), residual values and remaining useful life (Level 3 inputs).

Given the significance of the Level 3 inputs into the overall fair value measurement, the assets are deemed to have been valued using Level 3 inputs.

These level 3 inputs are based on assumptions with regards to the 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.

The revaluation resulted in an overall increase of \$41,774 in the net value of the Shire's Furniture and Equipment. All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 12 for further details) and was recognised as changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

SHIRE OF DUNDAS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Movements in Carrying Amounts

Movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land \$	Buildings \$	Total Land and Buildings \$	GRDC JV \$	Plant and Equipment (Level 2) \$	Plant and Equipment (Level 3) \$	Total Plant and Equipment \$	Furniture and Equipment (Level 3) \$	Other Valuable Items \$	Total \$
Balance as at the beginning of the year	83,626	4,596,318	4,679,944	67,925	346,865	1,321,633	1,668,498	201,827	660	6,618,654
Additions	0	215,403	215,403	0	122,315	718,648	840,963	33,669	0	1,090,035
(Disposals)	0	0	0	0	0	(175,736)	(175,736)	(84,136)	0	(239,872)
Revaluation - Increments/(Decrements)	0	0	0	0	(1,179)	113,962	112,783	41,774	0	154,557
Impairment - (Losses) - Reversals	0	0	0	0	0	0	0	0	0	0
Depreciation (Expense)	0	(119,826)	(119,826)	0	(93,704)	(277,856)	(371,560)	(56,775)	0	(548,161)
Carrying amount at the end of year	<u>83,626</u>	<u>4,691,895</u>	<u>4,775,521</u>	<u>67,926</u>	<u>374,297</u>	<u>1,700,651</u>	<u>2,074,948</u>	<u>156,159</u>	<u>660</u>	<u>7,075,213</u>



**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

	2013 \$	2012 \$
<b>7. INFRASTRUCTURE</b>		
Roads - Cost	22,989,811	21,297,585
Less Accumulated Depreciation	<u>(9,507,742)</u>	<u>(9,081,790)</u>
	13,482,069	12,215,795
 Drainage - Cost	 623,659	 623,660
Less Accumulated Depreciation	<u>(108,945)</u>	<u>(100,838)</u>
	514,714	522,822
 Airport - Cost	 154,839	 72,199
Less Accumulated Depreciation	<u>(14,189)</u>	<u>(11,482)</u>
	140,650	60,717
 Parks & Ovals - Cost	 1,186,729	 1,110,434
Less Accumulated Depreciation	<u>(169,053)</u>	<u>(146,844)</u>
	1,017,676	963,590
 Other Infrastructure - Cost	 309,839	 208,874
Less Accumulated Depreciation	<u>(10,714)</u>	<u>(5,788)</u>
	299,125	203,086
	<u>15,454,234</u>	<u>13,966,010</u>

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**7. INFRASTRUCTURE (Continued)**

**(a) Movements in Carrying Amounts**

Movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year.

	Roads \$	Drainage \$	Airport \$	Parks and Ovals \$	Other Infrastructure \$	Total \$
Balance at the beginning of the year	12,215,795	522,822	60,717	963,590	203,086	13,966,010
Additions	1,592,225	0	82,640	76,295	100,965	1,952,125
(Disposals)	0	0	0	0	0	0
Impairment - (Losses) - Reversals	0	0	0	0	0	0
Depreciation (Expense)	(425,951)	(8,108)	(2,707)	(22,209)	(4,926)	(483,901)
Carrying amount at the end of year	<u>13,482,069</u>	<u>514,714</u>	<u>140,650</u>	<u>1,017,676</u>	<u>299,125</u>	<u>15,454,234</u>

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

	2013 \$	2012 \$
<b>8. TRADE AND OTHER PAYABLES</b>		
Current	80,258	362,826
Sundry Creditors	33,186	20,164
FESA Levy	21,583	19,827
PAYG Payable	7,059	8,323
FBT Payable	354	801
Accrued interest on Debentures	64,089	49,363
Accrued Salaries and Wages	<u>206,529</u>	<u>461,304</u>
<b>9. LONG-TERM BORROWINGS</b>		
Current		
Secured by Floating Charge	29,323	37,083
Debentures	<u>29,323</u>	<u>37,083</u>
Non-Current		
Secured by Floating Charge	0	29,323
Debentures	<u>0</u>	<u>29,323</u>
Additional detail on borrowings is provided in Note 21.		
<b>10. PROVISIONS</b>		
Analysis of Total Provisions		
Current	286,116	236,093
Non-Current	<u>24,183</u>	<u>28,629</u>
	<u>310,299</u>	<u>264,722</u>
	Provision for Annual Leave	Provision for Long Service Leave
	\$	\$
Opening balance as at 1 July 2012	122,897	141,825
Additional provision/amount used	<u>15,462</u>	<u>30,115</u>
Balance at 30 June 2013	<u>138,359</u>	<u>171,940</u>
		Total \$
		264,722
		45,577
		<u>310,299</u>

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

	2013 \$	2013 Budget \$	2012 \$
<b>11. RESERVES - CASH BACKED</b>			
(a) <b>Leave Reserve</b>	300,720	300,720	244,602
Opening Balance	11,322	8,578	67,281
Amount Set Aside / Transfer to Reserve	0	0	(11,163)
Amount Used / Transfer from Reserve	<u>312,042</u>	<u>309,298</u>	<u>300,720</u>
(b) <b>Plant Reserve</b>	862,769	862,769	564,451
Opening Balance	434,709	426,290	425,765
Amount Set Aside / Transfer to Reserve	(561,188)	(619,131)	(127,447)
Amount Used / Transfer from Reserve	<u>736,290</u>	<u>669,928</u>	<u>862,769</u>
(c) <b>Aerodrome Reserve</b>	120,602	120,602	112,536
Opening Balance	4,541	4,020	8,066
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	<u>125,143</u>	<u>124,622</u>	<u>120,602</u>
(d) <b>Rubbish Reserve</b>	83,484	83,484	77,901
Opening Balance	3,143	2,783	5,583
Amount Set Aside / Transfer to Reserve	(86,627)	(86,267)	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>83,484</u>
(e) <b>Property Reserve</b>	1,278,934	1,278,934	997,446
Opening Balance	198,151	185,631	281,488
Amount Set Aside / Transfer to Reserve	0	(41,635)	0
Amount Used / Transfer from Reserve	<u>1,477,085</u>	<u>1,422,930</u>	<u>1,278,934</u>
(f) <b>Road/Footpath Reserve</b>	130,510	130,510	105,291
Opening Balance	86,914	85,761	25,219
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	<u>217,424</u>	<u>216,271</u>	<u>130,510</u>
(g) <b>Coastal Reserve</b>	56,308	56,308	52,542
Opening Balance	2,120	1,877	3,766
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	<u>58,428</u>	<u>58,185</u>	<u>56,308</u>

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

11. RESERVES - CASH BACKED (Continued)	2013 \$	2013 Budget \$	2012 \$
(h) Townscape Reserve	0	125,928	117,506
Opening Balance	0	4,198	8,421
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	130,126	125,927
(i) Tourist Bureau Reserve	0	44,583	41,601
Opening Balance	0	1,486	2,981
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	46,069	44,582
(j) IT Reserve	81,277	81,277	57,179
Opening Balance	23,060	22,043	24,098
Amount Set Aside / Transfer to Reserve	(22,211)	(30,000)	0
Amount Used / Transfer from Reserve	82,126	73,320	81,277
(k) Reseal Reserve	405,812	405,812	304,022
Opening Balance	97,278	92,860	101,790
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	503,090	498,672	405,812
(l) Robert St Upgrade Reserve	0	49,732	46,406
Opening Balance	0	1,658	3,326
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	51,390	49,732
(m) Unspent Grants/Contribution Reserve	1,105,201	1,105,201	814,518
Opening Balance	799,171	27,150	1,149,053
Amount Set Aside / Transfer to Reserve	(1,078,687)	(1,078,687)	(858,370)
Amount Used / Transfer from Reserve	825,685	53,664	1,105,201
(n) Industrial Area Reserve	53,078	53,078	26,200
Opening Balance	26,998	25,936	26,878
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	80,076	79,014	53,078
(o) Visitor Centre Precinct Reserve	220,241	0	0
Opening Balance	8,291	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	228,532	0	0
<b>TOTAL CASH BACKED RESERVES</b>	<b>4,645,921</b>	<b>3,733,489</b>	<b>4,698,936</b>

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

In accordance with council resolutions in relation to each reserve account, the purpose for which the funds are set aside are as follows:



**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**11. RESERVES - CASH BACKED (Continued)**

**Leave Reserve**

- to be used to fund annual and long service leave requirements

**Plant Reserve**

- to be used for the purchase of major plant

**Property Reserve**

- to be used for the replacement of Shire Buildings

**Aerodrome Reserve**

- to be used for the maintenance of the airstrip to Norseman

**Rubbish Reserve**

- to be used to replace the rubbish truck

**Road/Footpath Reserve**

- to be used for the construction of roads and footpaths

**Coastal Reserve**

- to be used for the construction of coastal infrastructure

**Townscape Reserve**

- to be used to fund townscape projects

**Tourist Bureau Reserve**

- to be used to fund area promotion projects

**Robert St Upgrade Reserve**

- to be used to fund the Robert St Upgrade

**IT Reserve**

- to be used to fund the ongoing IT requirements of the Shire

**Reseal Reserve**

- to be used to fund road reselas in the Shire

**Unspent Grants/Contribution Reserve**

- to be used to restrict unspent grants and contributions at the end of the financial year

**Industrial Area Reserve**

- to be used to fund the extension of the light industrial area (installation of services, roads, development of lots etc)

**Visitor Centre Precinct Reserve**

- to be used for the Shire's contribution to the redevelopment of the Visitor Centre Precinct.

Apart from Unspent Grants/Contribution Reserve, all other reserves are not expected to be used within a set period as further transfers to the reserve accounts are expected as funds are utilised.

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

12. REVALUATION SURPLUS	2013 \$	2012 \$
Asset revaluation reserves have arisen on revaluation of the following classes of non-current assets:		
(a) Plant and Equipment	0	0
Opening balance	112,783	0
Revaluation Increment	0	0
Revaluation Decrement	<u>112,783</u>	<u>0</u>
 (b) Furniture and Fittings	 0	 0
Opening Balance	41,774	0
Revaluation Increment	0	0
Revaluation Decrement	<u>41,774</u>	<u>0</u>
 TOTAL ASSET REVALUATION SURPLUS	 <u>154,557</u>	 <u>0</u>

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**13. 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:

	2013 \$	2013 Budget \$	2012 \$
Cash and Cash Equivalents	<u>4,939,023</u>	<u>3,738,487</u>	<u>5,955,079</u>

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

Net Result	1,522,133	222,955	2,580,177
Depreciation	1,012,062	1,087,409	956,635
(Profit)/Loss on Sale of Asset	60,054	4,701	(26,436)
(Increase)/Decrease in Receivables	(501,882)	(19,316)	597,831
(Increase)/Decrease in Inventories	0	0	633
Increase/(Decrease) in Payables	(269,502)	(119,950)	145,670
Increase/(Decrease) in Employee Provisions	60,304	(30,946)	(1,033)
Grants/Contributions for the Development of Assets	(1,003,244)	(1,096,839)	(1,222,338)
Net Cash from Operating Activities	<u>880,125</u>	<u>48,014</u>	<u>3,031,139</u>

**(c) Undrawn Borrowing Facilities**

Credit Standby Arrangements		6,000
Credit Card limit	10,000	(5,017)
Credit Card Balance at Balance Date	(810)	983
Total Amount of Credit Unused	<u>9,190</u>	
Loan Facilities		37,083
Loan Facilities - Current	29,323	29,323
Loan Facilities - Non-Current	0	68,406
Total Facilities in Use at Balance Date	<u>29,323</u>	

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**14. CONTINGENT LIABILITIES**

The Shire of Dundas does not have any contingent liabilities as at 30 June 2013.

**15. CAPITAL AND LEASING COMMITMENTS**

	2013 \$	2012 \$
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**(a) Finance Lease Commitments**

The Shire of Dundas does not have any finance leases commitments as at 30th June 2013.

**(b) Operating Lease Commitments**

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

Payable:	4,620	11,940
- not later than one year	0	4,620
- later than one year but not later than five years	4,620	16,560

**(c) Capital Expenditure Commitments**

The Shire of Dundas does not have any capital expenditure commitments as at 30th June 2013.

**16. JOINT VENTURE**

The Shire together with the Shire of Coolgardie, Esperance, Laverton, Leonora, Menzies, Ngaanyatjaraku, Ravensthorpe, Wiluna and the City of Kalgoorlie have a joint venture arrangement with regard to the provision of a Regional Records Service. The only asset is a building. Council's one-tenth share in the asset and included it in property, plant & equipment these assets is included in Property, Plant & Equipment (please refer to Note 6).

	2013 \$	2012 \$
<b>17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY</b>		
Governance	2,166,101	2,143,381
General Purpose Funding	595,699	333,471
Law, Order, Public Safety	536,278	550,626
Health	297,153	223,992
Education and Welfare	23,128	54,035
Housing	676,296	516,755
Community Amenities	1,010,323	406,866
Recreation and Culture	2,708,086	2,722,376
Transport	15,825,807	15,675,687
Economic Services	131,237	125,671
Other Property and Services	1,512,663	218,603
Unallocated	2,964,486	4,045,385
	28,447,257	27,016,848

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

	2013	2012	2011
<b>18. FINANCIAL RATIOS</b>			
Current Ratio	5.29	3.44	4.49
Asset Sustainability Ratio	2.93	2.20	1.99
Debt Service Cover Ratio	38.49	58.17	43.94
Operating Surplus Ratio	0.20	0.57	0.35
Own Source Revenue Coverage Ratio	0.63	0.72	0.70

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	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expense}}$
Debt Service Cover Ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating Surplus Ratio	$\frac{\text{operating revenue minus operating expense}}{\text{own source operating revenue}}$
Own Source Revenue Coverage Ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

**Notes:**

Information relating to the **Asset Consumption Ratio** and the **Asset Renewal Funding Ratio** can be found at Supplementary Ratio Information on Page 57 of this document.



**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**19. 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:

	Balance 1-Jul-12 \$	Amounts Received \$	Amounts Paid \$	Balance 30-Jun-13 \$
Building Levy	2,278	915	(2,852)	341
Building Registration	574	689	0	1,243
Hall Deposits	900	3,770	(3,170)	1,500
Electricity Cards	7,040	0	0	7,040
Demolition Deposits	1,000	1,000	(1,500)	500
Norseman Sport & Rec Federation	35,409	0	0	35,409
LGMA Goldfields Branch	9,210	1,362	(10,572)	0
Norseman Motorcycle Club	3,414	0	0	3,414
Footpath Deposits	0	0	0	0
Nomination Deposits	0	0	0	0
Excess Rates	4,243	2,262	(2,340)	4,165
TPS App/Obj	120	0	0	120
NAPS Trust	1,823	0	0	1,823
Pool Deposits	100	380	(480)	0
Gym Key Deposits	2,900	3,820	(3,780)	2,940
Youth	874	350	(280)	944
Chamber of Commerce	2,650	0	0	2,650
Bowling Club	1,729	0	0	1,729
Christmas Festival	20	300	(300)	20
Licencing	5,242	(2,516)	0	2,726
Tennis Key Deposit	160	760	(640)	280
Norseman Swimming Pool	567	0	0	567
Library Deposits	311	111	0	422
Raffle Trust	0	7,966	(6,905)	1,061
Cemetery Trust	100	0	0	100
Bank Interest	5,287	76	0	5,343
	<u>85,931</u>			<u>74,337</u>

**20. DISPOSALS OF ASSETS - 2012/13 FINANCIAL YEAR**

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Governance</b>						
CEO Vehicle - 2010 Toyota Prado (Asset 762)	39,988	31,838	36,364	30,000	(3,624)	(1,838)
Asset Write-Offs due to Revaluations	43,334	0	0	0	(43,334)	0
<b>Health</b>						
Doctor's Vehicle - 2010 Ford Falcon Sedan (Asset 763)	25,485	26,528	18,182	17,000	(7,303)	(9,528)
Asset Write-Offs due to Revaluations	2,191	0	0	0	(2,191)	0
<b>Education &amp; Welfare</b>						
Asset Write-Offs due to Revaluations	6,625	0	0	0	(6,625)	0
<b>Housing</b>						
Asset Write-Offs due to Revaluations	8,335	0	0	0	(8,335)	0
<b>Community Amenities</b>						
2000 Internatioal Rubbish Truck (Asset 584)	11,493	15,907	20,000	18,182	8,507	2,275
<b>Recreation &amp; Culture</b>						
Asset Write-Offs due to Revaluations	20,978	0	0	0	(20,978)	0
<b>Transport</b>						
Project's Vehicle - 2010 Ford G6 Falcon (Asset 759)	18,129	19,123	17,272	17,000	(857)	(2,123)
2003 Caterpillar 12H Grader (Asset 551)	28,645	48,487	88,000	55,000	59,355	6,513
Asset Write-Offs due to Revaluations	34,669	0	0	0	(34,669)	0
	<u>239,872</u>	<u>141,883</u>	<u>179,818</u>	<u>137,182</u>	<u>(60,054)</u>	<u>(4,701)</u>

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**21. INFORMATION ON BORROWINGS**

**(a) Repayments - Debentures**

Particulars	Principal 1-Jul-12 \$	New Loans \$	Principal Repayments		Principal 30-Jun-13		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Governance Administration Building	80	0	37,083	37,083	29,323	29,323	2,765	3,213
	66,406							
	66,406	0	37,083	37,083	29,323	29,323	2,765	3,213

Loan repayments were financed by general purpose revenue.

**(b) New Debentures - 2012/13**

Council did not take out any new debentures in 2012/13.

**(c) Unspent Debentures**

Council has no unspent debenture funds as at 30th June 2013.

**(d) Overdraft**

Council did not utilise an overdraft facility in 2012/13.

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**22. RATING INFORMATION - 2012/13 FINANCIAL YEAR**

(a) Rates

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 \$
<b>Differential General Rate</b>											
GRV - Townsites	0.119761	546	4,045,954	484,547	7,424	0	491,972	484,547	0	0	484,547
GRV - Roadhouses	0.165727	9	876,720	145,296	0	0	145,296	145,296	0	0	145,296
GRV - Mining	0.198027	2	1,265,520	250,607	0	0	250,607	250,607	0	0	250,607
UV - Pastoral	0.035824	15	872,643	31,262	0	0	31,262	31,262	0	0	31,262
UV - Mining Leases	0.116904	127	5,070,034	592,707	4,837	0	597,544	592,707	0	0	592,707
UV - Exploration Leases	0.116904	141	1,848,874	215,907	(5,065)	0	210,842	215,907	0	0	215,907
UV - Prospecting Leases	0.133604	147	311,307	41,592	(4,386)	0	37,206	41,592	0	0	41,592
UV - Gold Mining Leases	0.116904	1	5,453	637	0	0	637	637	0	0	637
<b>Sub-Totals</b>		988	14,294,505	1,762,556	2,811	0	1,765,367	1,762,556	0	0	1,762,556
<b>Minimum Rates</b>											
GRV - Townsites	305	125	76,741	38,125	0	0	38,125	38,125	0	0	38,125
UV - Pastoral	305	6	20,526	1,830	0	0	1,830	1,830	0	0	1,830
UV - Mining Leases	305	46	43,719	14,030	0	0	14,030	14,030	0	0	14,030
UV - Exploration Leases	305	86	931,987	26,230	0	0	26,230	26,230	0	0	26,230
UV - Prospecting Leases	240	143	159,510	34,320	0	0	34,320	34,320	0	0	34,320
UV - Gold Mining Leases	305	1	638	305	0	0	305	305	0	0	305
<b>Sub-Totals</b>		407	1,233,121	114,840	0	0	114,840	114,840	0	0	114,840
<b>Excess Rates</b>											
							1,880,207				1,877,396
							30,374				0
<b>Total Rates Raised from General/Total Rates</b>							1,910,581				1,877,396

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**22. RATING INFORMATION - 2012/13 FINANCIAL YEAR (Continued)**

(b) Information on Surplus/(Deficit) Brought Forward	2013 (30 June 2013 Carried Forward) \$	2013 (1 July 2012 Brought Forward) \$	2012 (30 June 2012 Carried Forward) \$
<b>Surplus/(Deficit) - Rate Setting Statement</b>	<u>754,788</u>	<u>1,018,734</u>	<u>1,018,734</u>
<b><u>Comprises:</u></b>			
Cash - Unrestricted	293,102	1,256,143	1,256,143
Cash - Restricted	4,645,921	4,698,936	4,698,936
Rates - Current	562,404	275,622	275,622
Provision for Doubtful Debt	(45,000)	(45,000)	(45,000)
Sundry Debtors	263,861	93,970	93,970
Other Receivables	134,187	99,946	99,946
GST Receivable	14,598	18,110	18,110
Fuel Tax Credit	1,788	1,890	1,890
Accrued Interest on Investments	11,618	4,575	4,575
Inventory	10,875	10,875	10,875
<b>Less:</b>			
Reserves - Restricted Cash	(4,645,921)	(4,698,936)	(4,698,936)
Sundry Creditors	(80,258)	(362,826)	(362,826)
FESA Levy	(33,186)	(20,164)	(20,164)
PAYG Payable	(21,583)	(19,827)	(19,827)
FBT Payable	(7,059)	(8,323)	(8,323)
Accrued Interest on Debentures	(354)	(801)	(801)
Accrued Salaries and Wages	(64,089)	(49,363)	(49,363)
Provision for Annual Leave	(138,359)	(122,897)	(122,897)
Provision for Long Service Leave	(147,757)	(113,196)	(113,196)
<b>Surplus/(Deficit)</b>	<u>754,788</u>	<u>1,018,734</u>	<u>1,018,734</u>

**Difference:**

There was no difference between the Surplus/(Deficit) 1 July 2012 Brought Forward position used in the 2013 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2012 audited financial report.

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**23. SPECIFIED AREA RATE - 2012/13 FINANCIAL YEAR**

No specified area rates were levied in 2012/13.

**24. SERVICE CHARGES - 2012/13 FINANCIAL YEAR**

No service charges were levied in 2012/13.

**25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS  
- 2012/13 FINANCIAL YEAR**

No discount was offered for early rate payment. An incentive scheme was offered which consisted of three vouchers to the value of \$750, \$500 and \$250 for first, second and third respectively. To be eligible, ratepayers had to make payment within 14 days of the date of service as shown on the 2012/13 rates notice.

No rates were written off during the 2012/13 financial period.

**26. INTEREST CHARGES AND INSTALMENTS - 2012/13 FINANCIAL YEAR**

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00	N/A	68,829	21,000
Interest on Instalments Plan	5.50	N/A	2,485	2,300
Charges on Instalment Plan	N/A	7.00	2,422	5,900
			<u>73,736</u>	<u>29,200</u>

Ratepayers had the option of paying rates in four equal instalments, due on 28th August 2012, 22nd October 2012, 9th January 2013 and 22nd March 2013. Administration charges and interest applied for the final three instalments.

**27. FEES & CHARGES**

	2013 \$	2012 \$
Governance	16,720	20,834
General Purpose Funding	3,536	6,849
Law, Order, Public Safety	2,971	4,830
Health	4,101	3,916
Housing	14,159	18,641
Community Amenities	132,866	124,058
Recreation and Culture	16,385	16,226
Economic Services	27,928	11,743
Other Property and Services	130,308	47,694
	<u>348,974</u>	<u>254,791</u>

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

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**28. GRANT REVENUE**

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

	2013	2012
	\$	\$
<b>By Nature and Type:</b>		
Operating Grants, Subsidies and Contributions	2,044,717	2,270,399
Non-Operating Grants, Subsidies and Contributions	<u>1,003,244</u>	<u>1,222,338</u>
	<u><u>3,047,961</u></u>	<u><u>3,492,737</u></u>
<b>By Program:</b>		
Governance	65,401	117,696
General Purpose Funding	1,168,312	1,274,004
Law, Order, Public Safety	115,279	74,483
Health	0	83,883
Education and Welfare	97,968	10,738
Community Amenities	6,076	840
Recreation and Culture	69,411	43,010
Transport	1,436,718	1,785,612
Economic Services	70,381	74,053
Other Property and Services	<u>18,415</u>	<u>28,418</u>
	<u><u>3,047,961</u></u>	<u><u>3,492,737</u></u>

**29. ELECTED MEMBERS REMUNERATION**

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

	2013	2013	2012
	\$	Budget	\$
	12,250	12,740	12,320
Meeting Fees	2,800	2,800	2,800
President's Allowance	700	700	700
Deputy President's Allowance	15,452	21,699	14,870
Travelling Expenses	191	1,400	0
Telecommunications Allowance	<u>31,393</u>	<u>39,339</u>	<u>30,690</u>

**30. EMPLOYEE NUMBERS**

The number of full-time equivalent employees at balance date

2013	2012
<u>27</u>	<u>23</u>

**31. MAJOR LAND TRANSACTIONS**

Council did not participate in any major land transactions during the 2012/13 financial year.

**32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

Council did not participate in any trading undertakings or major trading undertakings during the 2012/13 financial year.



**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**33. FINANCIAL RISK MANAGEMENT**

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

Council 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 Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2013	2012	2013	2012
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and cash equivalents	4,939,023	5,955,079	4,939,023	5,955,079
Receivables	967,912	466,230	967,912	466,230
	<u>5,906,935</u>	<u>6,421,309</u>	<u>5,906,935</u>	<u>6,421,309</u>
<b>Financial Liabilities</b>				
Payables	206,529	461,304	206,529	461,304
Borrowings	29,323	66,406	27,151	63,222
	<u>235,852</u>	<u>527,710</u>	<u>233,680</u>	<u>524,526</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Borrowings – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**33. FINANCIAL RISK MANAGEMENT (Continued)**  
**(a) Cash and Cash Equivalents**

Council's objective is to maximise its return on cash whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash portfolio. 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.

Cash is subject to interest rate risk - risk that movement in interest rates could affect returns.

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

Council manages these risks by only investing in funds with recognised Australian banks.

	2013	2012
	\$	\$
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	50,205	51,790
- Statement of Comprehensive Income	50,205	51,790

**Notes:**

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

Recent market volatility has seen large market movements for certain types of investments.

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**33. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Receivables**

Council'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. Council 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 Council to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. Council 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.

Council 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 Council's credit risk at balance date was:

	2013	2012
Percentage of Rates and Annual Charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of Other Receivables		
- Current	67.44%	49.47%
- Overdue	32.56%	50.53%

**SHIRE OF DUNDAS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**33. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Payables**  
**Borrowings**

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. Council 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 Council's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

	<u>2013</u>				
	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
Payables	206,529	0	0	206,529	206,529
Borrowings	29,323	0	0	29,323	29,323
	<u>235,852</u>	<u>0</u>	<u>0</u>	<u>235,852</u>	<u>235,852</u>
	<u>2012</u>				
Payables	461,304	0	0	461,304	461,304
Borrowings	40,296	30,222	0	70,518	66,406
	<u>501,600</u>	<u>30,222</u>	<u>0</u>	<u>531,822</u>	<u>527,710</u>

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

**REPORT ON THE FINANCIAL REPORT**

We have audited the accompanying financial report of the Shire of Dundas, which comprises the statement of financial position as at 30 June 2013, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and the rate setting statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Chief Executive Officer.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL REPORT**

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

**AUDITOR'S RESPONSIBILITY**

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

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

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

**AUDITOR'S OPINION**

In our opinion, the financial report of the Shire of Dundas is in accordance with the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended), including:

- a. giving a true and fair view of the Shire's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

**INDEPENDENT AUDITOR'S REPORT  
TO THE ELECTORS OF THE SHIRE OF DUNDAS (CONTINUED)**

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

During the course of our audit we became aware of two instances where the Council did not comply with the Local Government Act 1995 (as amended).

**Submission of Financial Report**

The accounts and financial report for the year ended 30 June 2013 were not submitted to the auditor by 30 September 2013 as required by Section 6.4(3) of the Local Government Act.

**Fees and Charges**

Local public notice was not given for additional refuse service fees imposed after budget adoption as required by Section 6.19 of the Local Government Act.

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

- a) There are no matter that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) Except as detailed above, no other matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- c) In relation to the Supplementary Ratio Information presented at page 57 of this report, we have reviewed the calculation for the Asset Consumption Ratio as presented and nothing has come to our attention to suggest it is not:
  - i) reasonably calculated; and
  - ii) based on verifiable information

The Asset Renewal Funding Ratio was not calculated and hence no review was carried out.

- d) All necessary information and explanations were obtained by us.
- e) All audit procedures were satisfactorily completed in conducting our audit.

Date: 4 March 2014  
Perth, WA

UHY HAINES NORTON  
CHARTERED ACCOUNTANTS

  
WEN-SHIEN CHAI  
PARTNER



**SHIRE OF DUNDAS  
SUPPLEMENTARY RATIO INFORMATION  
FOR THE YEAR ENDED 30TH JUNE 2013**

**RATIO INFORMATION**

The following information relates to those ratios which only require attestation they have been checked and are supported by verifiable information.

	2013	2012	2011
Asset Consumption Ratio	0.68	N/A	N/A
Asset Renewal Funding Ratio (NOTE 1)	N/A	N/A	N/A

The above ratios are calculated as follows:

Asset Consumption Ratio	$\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciable assets}}$
Asset Renewal Funding Ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

N/A - In keeping with amendments to Local Government (Financial Management) Regulation 50, comparatives for the two preceeding years (being 2012 and 2011) have not been reported as financial information is not available.

NOTE 1 - The Shire's Asset Management Plans did not include details on planned capital renewal over 10 years so this ratio was not calculated as at 30 June 2013.