



Annual Report 2014-2015



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Financial Report

Report by the Shire President



It is with great pleasure that I present the 2014/2015 Annual Report, on behalf of the Council to the electors of the Shire of Dundas.

The Shire continues with its activities from Eucla in the east to our western boundary along the Hyden-Norseman Road. The distances and large area of the Shire continues to provide a challenge with the resources available to achieve the results during the past year.

The Strategic Community Plan and Corporate Business Plan continues to guide the Council and shows how we will achieve the objectives that the Community has identified. The Communities expectations of the Shires future gives the Shire the confidence to proceed with service delivery and major projects. To support the Corporate Business Plan, the Shire has further developed the Asset Management Plan and long term financial plan to understand what funding is required to maintain our assets to the level that will provide the service delivery that meets the expectations of the Community. Supporting documentation such as the Workforce Plan clearly sets out the workforce requirements to meet our goals. The Council and staff will continue to refine our integrated planning framework to ensure that the Communities expectations are met within the available resources.

The Goldfields Voluntary Regional Organisation of Councils has grown stronger and some projects have been undertaken and others are being developed as the group continues to work together, more opportunities for regional cooperation and service delivery. The regional archive facility in Kalgoorlie continues to grow and regional projects only enhance our region and provide greater opportunity to work together for the benefit of the Goldfields Esperance region.

There have been a number of projects with the most noteworthy being the upgrade to the Town Hall and a number of other Shire buildings. These projects include continuing to remove asbestos from Shire properties, upgrades to Shire staff housing as well as improving disabled access to the Shires facilities and town. Security in the town of Norseman has also been improved with the installation of more CCTV cameras.

These projects would not have been undertaken without a number of grants being received throughout the year. This funding includes, but is not limited to Department of Sport and Recreation, Blackspot Funding, Roads to Recovery (R2R), Regional Road Group (RRG) and Lottery West.

All the staff at the Shire of Dundas continue to work efficiently and professionally and this is reflected through our excellent audit reports. The staff need to be congratulated on 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 commitment and dedication to their duties on the Council which includes attending public functions and giving up their personal time to attend training and meetings. The upcoming year looks promising for the Shire and I look forward to another productive year of improved infrastructure and service delivery.

Cr Jacquie Best
Shire President

Councillors

PRESIDENT

Cr J (Jacqui) Best

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

Retiring (2017)



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) Vicensoni

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

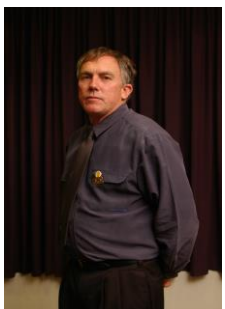
Retiring (2017)



Cr L (Lynn) Webb

78 Goodliffe Street
NORSEMAN WA 6443
Phone: (08) 9039 0380
Fax:

Retiring (2017)



Cr CR (Chris) South

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

Retiring (2015)



Year in brackets denotes expiry of the Councillors elected term.

Report by the Chief Executive Officer



It is with pleasure that I report on the 2014/15 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 Manager of Works and Services and welcomed John Fry to the position. Jon has a high level of local government experience and will make a valuable member of the executive team. The deputy CEO, Doug Stead has made significant improvements in the financial reporting system which has allowed the Council to make good financial decisions. 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 the staff and Councillors continues to be of the highest professional standard, which provides for a very effective and stable working environment. I thank all the Shire President, 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 the completion of projects reflects the value of this training.

The Shire has completed the Strategic Community Plan, Corporate Business Plan, Workforce Plan, Asset Management Plan and the Long Term Financial Plan as part of the integrated planning framework and these plans will be reviewed in the near future to ensure that they are relevant and guide the development of the Shire for future years.

State and Federal funding has enabled the Shire to undertake more projects with footpath paving around the town being continually improved. In addition a number of other projects have been completed. The Shire will continue to undertake improvements to the town's infrastructure to encourage business development and tourism.

By receiving state government funding the Shire was able to further upgrade the security cameras around the town resulting in a significant reduction in vandalism around the town.

The next 12 months will provide many 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 successful and the future presents further exciting opportunities and projects. Thank you to the Councillors and staff who have collectively contributed to that success and I am sure that the systems and work practices developed within the Shire will ensure that the Shire will continue to prosper into the future.

Richard J Brookes
Chief Executive Officer

**Shire of Dundas Staff
(as at the 30th June 2015)**

Chief Executive Officer
Richard Brookes

Deputy Chief Executive Officer
Doug Stead

Manager Works & Services
Jon Fry

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
Lester Ball (contract)

Profile of the Shire

The Shire of Dundas covers 92,725km² 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 710 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 13th 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 WA 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 departments and agencies as well as new legislation, it is essential that Councillors and staff maintain an appropriate and high level of training to ensure that these requirements are met. This is a continuous requirement, with a training expenses totalling \$38,438.

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

During the year, administration staff continue to upgrade the Shire's record-keeping system as well as reviewing old records for disposal and storage. This task will continue into the 2015-2016 year.

Law, Order and Public Safety

Bushfires

The bushfire season provided the Shire with several bushfires reported and fought this season with costs totalling \$75,101. The costs were significant however 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 2014-15 was \$29,934.

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 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.

The 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 \$127,471.

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 however the cost for 2014/15 was \$12,972. The rents charged do not reflect the true cost of providing the accommodation units

Staff / Other

Renewal and maintenance programs continue to be carried out on an annual basis, as per strategies with the Strategic Community Plan and Corporate Business Plan. These programs ensure that housing is well maintained and of a good standard.

Community Amenities

Household Refuse / Litter

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

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

Cemetery

Maintenance of the Norseman Cemetery was at a cost of \$3,029. The Norseman Cemetery is located at the end on Denison Drive and has been the subject of increased maintenance through the "work for the dole" program.

Recreation and Culture

Public Halls

Council provides two main public halls in Norseman. These halls are the 'Norseman Town Hall and 'Dodd House'. The Norseman Pensioners League is a regular user of Dodd House. The annual running costs of the two buildings amounted to \$65,927. A community hall is also located at Eucla.

Swimming Pool

The Norseman Swimming Pool is operated in the summer months by a qualified Swimming Pool Manager. The swimming pool operating cost was \$184,776 for the reporting financial year. The swimming pool admission charges amounted to \$6,979 which is relatively insignificant compared to the overall cost.

Although a substantial cost to ratepayers, the swimming pool is popular with residents and visitors in the summer months and will continue to be operated into the future, however the pool is nearing the end of its useful life and the Council will need to decide on its future.

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 a good condition.

Library

The Library enjoys high user numbers for a small town, with 435 members and borrowing approximately 800 items during the year. The service cost was \$11,829 to operate and is considered to be an essential amenity for the Community.

Other Culture

During the year various services were provided to the community at a total cost of \$34,780.

Transport

Roads and Footpaths

The Shires major road project was the continuous improvement and upgrading of the Hyden – Norseman Road with expenditure of \$1,437,770 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 \$226,499.

Rural roads and properties located along the Eyre Highway and Eucla received \$59,578 for maintenance and other works. Significant funding of \$139,547 was also allocated to the Nullarbor Trans line access road. Norseman streets received regular maintenance, equating to \$56,562.

The Shire carried out a footpath replacement program with a total cost of \$35,385. Funding was received from Country Local Government Fund to assist with the cost of the program.

Street Lighting for the year cost \$57,330. 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 \$69,676. 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 \$216,907 this year on a new tourist information bay to the south of the town. A subsidy of \$60,000 was 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.

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 \$110,000 to \$120,000.
- there is one employee with a salary in the range of \$170,000 to \$180,000.

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.

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 Town Hall has been improved;

- 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 30th June 2015, 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.

**SHIRE OF DUNDAS
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

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

**SHIRE OF DUNDAS
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire being the annual financial report and other information for the financial year ended 30 June 2015 are in my opinion properly drawn up to present fairly the financial position of the Shire at 30th June 2015 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 10th day of February 2016



Doug Stead
Chief Executive Officer

SHIRE OF DUNDAS
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2015

	NOTE	2015 \$	2015 Budget \$	2014 \$
Revenue				
Rates	20	1,884,361	1,917,864	1,984,692
Operating grants, subsidies and contributions	26	2,621,857	784,347	1,640,265
Fees and charges	25	256,010	305,950	288,014
Interest earnings	2(a)	109,605	132,500	242,154
Other revenue		339,580	17,300	0
		<u>5,211,413</u>	<u>3,157,961</u>	<u>4,155,125</u>
Expenses				
Employee costs		(1,815,921)	(1,284,782)	(1,461,044)
Materials and contracts		(588,415)	(1,490,593)	(1,053,067)
Utility charges		(179,739)	(78,000)	(161,702)
Depreciation on non-current assets	2(a)	(1,151,863)	(1,167,850)	(856,323)
Interest expenses	2(a)	0	0	(898)
Insurance expenses		(148,844)	(144,850)	(178,793)
Other expenditure		(75,899)	0	(83,664)
		<u>(3,960,681)</u>	<u>(4,166,075)</u>	<u>(3,795,491)</u>
		1,250,732	(1,008,114)	359,634
Non-operating grants, subsidies and contributions	26	1,231,368	1,594,751	1,383,872
Profit on asset disposals	19	62,345	9,996	2,530
Loss on asset disposals	19	(24,396)	(88,450)	0
Net result		2,520,049	508,183	1,746,036
Other comprehensive income				
Changes on revaluation of non-current assets	11	45,037,879	0	5,085,370
Total other comprehensive income		<u>45,037,879</u>	<u>0</u>	<u>5,085,370</u>
Total comprehensive income		<u><u>47,557,928</u></u>	<u><u>508,183</u></u>	<u><u>6,831,406</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 2015

	NOTE	2015 \$	2015 Budget \$	2014 \$
Revenue	2(a)			
Governance		95,868	30,802	59,769
General purpose funding		3,741,678	2,631,965	2,802,650
Law, order, public safety		99,724	35,700	5,849
Health		4,704	4,500	4,510
Education and welfare		87,970	77,147	77,340
Housing		19,265	22,500	20,813
Community amenities		136,843	141,100	139,175
Recreation and culture		23,330	19,650	27,012
Transport		703,917	11,900	273,742
Economic services		89,964	92,000	84,421
Other property and services		208,150	90,700	659,845
		<u>5,211,413</u>	<u>3,157,964</u>	<u>4,155,126</u>
Expenses	2(a)			
Governance		(550,954)	(580,736)	(498,413)
General purpose funding		(207,737)	(307,705)	(211,541)
Law, order, public safety		(176,923)	(135,482)	(87,230)
Health		(100,760)	(130,435)	(98,912)
Education and welfare		(142,679)	(148,153)	(123,213)
Housing		(73,115)	(60,883)	(90,472)
Community amenities		(569,287)	(682,840)	(473,293)
Recreation and culture		(744,387)	(817,588)	(678,864)
Transport		(967,550)	(977,636)	(718,397)
Economic services		(255,538)	(262,320)	(227,098)
Other property and services		(171,751)	(62,300)	(587,161)
		<u>(3,960,681)</u>	<u>(4,166,078)</u>	<u>(3,794,594)</u>
Finance costs	2(a)			
Governance		0	0	(898)
		<u>0</u>	<u>0</u>	<u>(898)</u>
Non-operating grants, subsidies and contributions				
Law, order, public safety		0	0	52,551
Recreation and culture		30,000	0	293,056
Transport		929,821	1,594,751	989,251
Economic services		271,547	0	49,014
	26	<u>1,231,368</u>	<u>1,594,751</u>	<u>1,383,872</u>
Profit/(Loss) on disposal of assets				
Governance		(5,394)	(7,520)	2,530
Health		(6,058)	(1,273)	0
Education and welfare		0	4,492	0
Community amenities		0	(27,520)	0
Transport		49,401	(46,633)	0
	19	<u>37,949</u>	<u>(78,454)</u>	<u>2,530</u>
Net result		<u>2,520,049</u>	<u>508,183</u>	<u>1,746,036</u>
Other comprehensive income				
Changes on revaluation of non-current assets	11	45,037,879	0	5,085,370
Total other comprehensive income		<u>45,037,879</u>	<u>0</u>	<u>5,085,370</u>
Total comprehensive income		<u>47,557,928</u>	<u>508,183</u>	<u>6,831,406</u>

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

**SHIRE OF DUNDAS
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2015**

	NOTE	2015 \$	2014 \$
Current assets			
Cash and cash equivalents	3	5,787,718	5,642,228
Trade and other receivables	4	983,026	1,107,928
Inventories	5	<u>10,875</u>	<u>10,875</u>
		6,781,619	6,761,031
Non-current assets			
Other receivables	4	34,779	34,373
Property, plant and equipment	6	12,587,986	12,176,876
Infrastructure	7	<u>63,375,014</u>	<u>16,492,288</u>
		75,997,779	28,703,537
Total assets		<u>82,779,398</u>	<u>35,464,568</u>
Current liabilities			
Trade and other payables	8	184,538	429,710
Provisions	9	<u>256,401</u>	<u>254,327</u>
		440,939	684,037
Non-current liabilities			
Provisions	9	<u>48,020</u>	<u>48,020</u>
		48,020	48,020
Total liabilities		<u>488,959</u>	<u>732,057</u>
Net assets		<u>82,290,439</u>	<u>34,732,511</u>
Equity			
Retained surplus		27,691,761	25,644,750
Reserves - cash backed	10	4,320,872	3,847,834
Revaluation surplus	11	<u>50,277,806</u>	<u>5,239,927</u>
Total equity		<u>82,290,439</u>	<u>34,732,511</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 2015**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2013		23,100,627	4,645,921	154,557	27,901,105
Comprehensive income					
Net result		1,746,036	0	0	1,746,036
Changes on revaluation of non-current assets	11	<u>0</u>	<u>0</u>	<u>5,085,370</u>	<u>5,085,370</u>
Total comprehensive income		1,746,036	0	5,085,370	6,831,406
Transfers from/(to) reserves		798,087	(798,087)	0	0
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance as at 30 June 2014		25,644,750	3,847,834	5,239,927	34,732,511
Comprehensive income					
Net result		2,520,049	0	0	2,520,049
Changes on revaluation of non-current assets	11	<u>0</u>	<u>0</u>	<u>45,037,879</u>	<u>45,037,879</u>
Total comprehensive income		2,520,049	0	45,037,879	47,557,928
Transfers from/(to) reserves		(473,038)	473,038	0	0
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance as at 30 June 2015		<u>27,691,761</u>	<u>4,320,872</u>	<u>50,277,806</u>	<u>82,290,439</u>

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

**SHIRE OF DUNDAS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	2015 \$	2015 Budget \$	2014 \$
Cash flows from operating activities				
Receipts				
Rates		1,909,001	1,917,865	2,289,873
Operating grants, subsidies and contributions		2,721,712	784,347	1,066,901
Fees and charges		256,010	305,950	367,211
Interest earnings		109,605	132,500	242,154
Goods and services tax		384,129	530,000	276,831
Other revenue		0	17,300	0
		<u>5,380,457</u>	<u>3,687,962</u>	<u>4,242,970</u>
Payments				
Employee costs		(1,710,250)	(1,284,782)	(1,417,951)
Materials and contracts		(891,689)	(1,664,095)	(847,746)
Utility charges		(179,739)	(78,000)	(194,888)
Interest expenses		0	0	(898)
Insurance expenses		(148,844)	(144,850)	(178,793)
Goods and services tax		(165,940)	(408,100)	(262,233)
Other expenditure		0	0	(83,664)
		<u>(3,096,462)</u>	<u>(3,579,827)</u>	<u>(2,986,173)</u>
Net cash provided by (used in) operating activities	12(b)	2,283,995	108,135	1,256,797
Cash flows from investing activities				
Payments for purchase of property, plant & equipment		(1,244,795)	(998,000)	(374,727)
Payments for construction of infrastructure		(2,392,714)	(2,174,745)	(1,559,864)
Non-operating grants, Subsidies and contributions		1,231,368	1,594,751	1,383,872
Proceeds from sale of fixed assets		267,636	173,500	26,450
Net cash provided by (used in) investment activities		<u>(2,138,505)</u>	<u>(1,404,494)</u>	<u>(524,269)</u>
Cash flows from financing activities				
Repayment of debentures		0	0	(29,323)
Net cash provided by (used in) financing activities		<u>0</u>	<u>0</u>	<u>(29,323)</u>
Net increase (decrease) in cash held		145,490	(1,296,359)	703,205
Cash at beginning of year		5,642,228	5,642,229	4,939,023
Cash and cash equivalents at the end of the year	12(a)	<u><u>5,787,718</u></u>	<u><u>4,345,870</u></u>	<u><u>5,642,228</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 2015**

	NOTE	2015 Actual \$	2015 Budget \$	2014 Actual \$
Revenue				
Governance		103,487	30,802	62,299
General purpose funding		1,857,317	714,101	817,958
Law, order, public safety		99,724	35,700	58,400
Health		4,704	4,500	4,510
Education and welfare		87,970	81,639	77,340
Housing		19,265	22,500	20,813
Community amenities		136,843	141,100	139,175
Recreation and culture		53,330	19,650	320,068
Transport		1,688,464	1,606,651	1,262,993
Economic services		361,511	92,000	133,435
Other property and services		208,150	90,700	659,845
		<u>4,620,765</u>	<u>2,839,343</u>	<u>3,556,836</u>
Expenses				
Governance		(563,967)	(588,256)	(499,311)
General purpose funding		(207,737)	(307,705)	(211,541)
Law, order, public safety		(176,923)	(135,482)	(87,230)
Health		(106,818)	(131,708)	(98,912)
Education and welfare		(142,679)	(148,153)	(123,213)
Housing		(73,115)	(60,883)	(90,472)
Community amenities		(569,287)	(710,360)	(473,293)
Recreation and culture		(744,387)	(817,588)	(678,864)
Transport		(972,875)	(1,024,269)	(718,397)
Economic services		(255,538)	(262,320)	(227,098)
Other property and services		(171,751)	(62,300)	(587,161)
		<u>(3,985,077)</u>	<u>(4,249,024)</u>	<u>(3,795,492)</u>
Net result excluding rates		635,688	(1,409,681)	(238,656)
Adjustments for cash budget requirements:				
Non-cash expenditure and revenue				
(Profit)/Loss on asset disposals	19	(37,949)	78,454	(2,530)
Movement in deferred pensioner rates (non-current)		(405)	0	(9,916)
Movement in employee benefit provisions (non-current)		0	0	23,837
Depreciation and amortisation on assets	2(a)	1,151,863	1,167,850	856,323
Capital Expenditure and Revenue				
Purchase of land and buildings	6(b)	(329,262)	(406,000)	(306,876)
Purchase furniture & equipment	6(b)	(14,349)	(4,500)	(53)
Purchase plant & equipment	6(b)	(901,183)	(587,500)	(66,227)
Purchase valuable items		0	0	(1,571)
Purchase roads	7(b)	(2,076,986)	(1,842,803)	(1,510,247)
Purchase drainage	7(b)	(148,058)	(70,000)	(6,297)
Purchase other infrastructure	7(b)	(81,114)	(20,000)	(33,313)
Purchase airport	7(b)	(86,556)	(267,650)	(10,007)
Proceeds from disposal of fixed assets	19	267,636	173,500	26,450
Repayment of debentures	19(a)	0	0	(29,323)
Transfers to reserves (restricted assets)	10	(473,038)	(473,036)	(2,707,330)
Transfers from reserves (restricted assets)	10	0	0	3,505,417
Estimated surplus/(deficit) July 1 b/fwd	20(b)	2,229,160	1,743,502	754,788
Estimated surplus/(deficit) June 30 c/fwd	20(b)	2,019,808	0	2,229,161
Total amount raised from general rate	20(a)	<u>(1,884,361)</u>	<u>(1,917,864)</u>	<u>(1,984,692)</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 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

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

Amounts in the financial report are stated in Australian dollars.

Critical accounting estimates

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

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

The local government reporting entity

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

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

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

(b) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

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

(c) Cash and Cash Equivalents

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

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

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Trade and Other Receivables

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

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

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

(e) Inventories

General

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

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

Land held for sale

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

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

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

(f) Fixed Assets

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

Mandatory requirement to revalue non-current assets

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

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.

In 2013, the Shire 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.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Land under control

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

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

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

Land under roads

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

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

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

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

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

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Depreciation

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

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

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

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

Buildings	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
Formed roads (unsealed)	
formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

Capitalisation threshold

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

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities

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

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

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

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

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

Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

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

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

(h) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

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

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

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and subsequent measurement (continued)

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Impairment

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

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

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

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

Derecognition

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

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

(i) Impairment of Assets

In accordance with Australian Accounting Standards the Shire's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

(j) Trade and Other Payables

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

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Employee Benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

(l) Borrowing Costs

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

(m) Provisions

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

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

(n) Leases

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

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

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

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

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

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Investment in Associates

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

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

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

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

(p) Interests in Joint Arrangements

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

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

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

(q) Rates, Grants, Donations and Other Contributions

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

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

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

(r) Superannuation

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

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Current and Non-Current Classification

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

(t) Rounding Off Figures

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

(u) Comparative Figures

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

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

(v) Budget Comparative Figures

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

**SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect.
(ii) AASB 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]	September 2012	1 January 2018	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 Shire (refer (i) above).
(iii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2017	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(iv)	AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments [Operative date: Part C Financial Instruments - 1 January 2015]	December 2013	Refer title column	Part C of this Standard makes consequential amendments to AASB 9 and numerous other Standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value. As the bulk of changes relate either to editorial or reference changes it is not expected to have a significant impact on the Shire.
(v)	AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	August 2014	1 January 2016	This Standard amends AASB 11: <i>Joint Arrangements</i> to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: <i>Business Combinations</i> , to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations. Since adoption of this Standard would impact only acquisitions of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the Shire's financial statements.
(vi)	AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]	August 2014	1 January 2016	This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. Given the Shire currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.

**SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(vii) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	December 2014	1 January 2017	<p>Consequential changes to various Standards arising from the issuance of AASB 15.</p> <p>It will require changes to reflect the impact of AASB 15.</p>
(viii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]	January 2015	1 January 2016	<p>This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements.</p> <p>This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column.</p> <p>It is not anticipated it will have any significant impact on disclosures.</p>
(ix) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality	January 2015	1 July 2015	<p>This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing it to be completely withdrawn.</p> <p>It is not anticipated it will have a significant impact as the principles of materiality remain largely unchanged.</p>

**SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(x) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]	March 2015	1 July 2016	The objective of this Standard is to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities. The Standard is expected to have a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.

Notes:

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

(x) Adoption of New and Revised Accounting Standards

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

These new and revised Standards were:

- AASB 2011-7
- AASB 2012-3
- AASB 2013-3
- AASB 2013-8
- AASB 2013-9 Parts A & B

Most of the Standards adopted had a minimal effect on the accounting and reporting practices of the Shire as they did not have a significant impact on the accounting or reporting practices or were either not applicable, 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.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

2. REVENUE AND EXPENSES

	2015	2014
	\$	\$
(a) Net Result		
The Net result includes:		
(i) Charging as an expense:		
Auditors remuneration		
- Audit of the annual financial report	19,984	25,450
- Acquittals	<u>600</u>	<u>9,900</u>
	<u><u>20,584</u></u>	<u><u>35,350</u></u>
Depreciation		
Non-specialised buildings	21,672	0
Specialised buildings	168,108	170,867
Furniture & Equipment	25,682	17,304
Plant & Equipment	388,535	146,342
Roads	491,298	462,184
Drainage	8,189	8,121
Parks & Ovals	25,758	25,700
Other Infrastructure	13,942	17,537
Airport	<u>8,678</u>	<u>8,268</u>
	<u><u>1,151,863</u></u>	<u><u>856,323</u></u>
Finance costs (interest expenses)		
Debentures	<u>0</u>	<u>898</u>
	<u><u>0</u></u>	<u><u>898</u></u>
Rental charges		
Operating leases	<u>17,410</u>	<u>11,428</u>
	<u><u>17,410</u></u>	<u><u>11,428</u></u>
(ii) Crediting as revenue:		
Other revenue		
Other	<u>339,580</u>	<u>0</u>
	<u><u>339,580</u></u>	<u><u>0</u></u>

	2015	2015	2014
	Actual	Budget	Actual
	\$	\$	\$
Interest earnings			
- Reserve funds	45,034	100,000	151,412
- Other funds	27,952	12,500	26,473
Other interest revenue (refer note 24)	<u>36,619</u>	<u>20,000</u>	<u>64,269</u>
	<u><u>109,605</u></u>	<u><u>132,500</u></u>	<u><u>242,154</u></u>

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

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

Community Vision

The Shire will endeavour to provide the community services and facilities to meet the needs of the members of the community and enable them to enjoy a pleasant and healthy way of life. Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

Governance

Objective:

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

Activities:

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

General Purpose Funding

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

Law, Order, Public Safety

Objective:

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

Activities:

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

Health

Objective:

To provide an operational framework for environmental and community health.

Activities:

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

Education And Welfare

Objective:

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

Activities:

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

Housing

Objective:

To provide and maintain elderly residents housing.

Activities:

Provision and maintenance of elderly residents housing.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

Community Amenities

Objective:

To provide services required by the community.

Activities:

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

Recreation And Culture

Objective:

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

Activities:

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

Transport

Objective:

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

Activities:

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and

Economic Services

Objective:

To help promote the shire and its economic wellbeing.

Activities:

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

Other Property and Services

Objective:

To monitor and control Shire's overheads operating accounts.

Activities:

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

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

<u>Grant/Contribution</u>	<u>Function/ Activity</u>	<u>Opening Balance ⁽¹⁾ 1/07/13 \$</u>	<u>Received ⁽²⁾ 2013/14 \$</u>	<u>Expended ⁽³⁾ 2013/14 \$</u>	<u>Closing Balance ⁽¹⁾ 30/06/14 \$</u>	<u>Received ⁽²⁾ 2014/15 \$</u>	<u>Expended ⁽³⁾ 2014/15 \$</u>	<u>Closing Balance 30/06/15 \$</u>
HACC Grant	Welfare	6,945	0	(6,945)	0	0	0	0
Roberts Street Upgrade	Transport	13,000	0	(13,000)	0	0	0	0
Workforce Planning Grant	Governance	25,000	0	(25,000)	0	0	0	0
Cat Sterilization Grant	LOP	5,000	0	(5,000)	0	0	0	0
Community Safety Grant	LOP	22,561	0	(22,561)	0	0	0	0
CLGF (12/13)	Various	0	382,085	(355,571)	26,514	0	0	26,514
Total		<u>72,506</u>	<u>382,085</u>	<u>(428,077)</u>	<u>26,514</u>	<u>0</u>	<u>0</u>	<u>26,514</u>

Notes:

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

(2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.

(3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	Note	2015 \$	2014 \$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		1,466,846	1,711,635
Restricted		<u>4,320,872</u>	<u>3,930,593</u>
		<u>5,787,718</u>	<u>5,642,228</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Leave reserve	10	(323,614)	(323,614)
Plant Reserve	10	(707,741)	(707,741)
Aerodrome Reserve	10	(129,786)	(129,784)
IT Reserve	10	(85,172)	(85,172)
Unspent Grant Reserve	10	(26,514)	(26,514)
Transport Reserve	10	(1,594,347)	(1,357,829)
Land Development Reserve	10	(1,453,698)	(1,217,180)
Restricted - Unspent Grants		0	(82,759)
		<u>(4,320,872)</u>	<u>(3,930,593)</u>
4. TRADE AND OTHER RECEIVABLES			
Current			
Rates outstanding		267,260	292,307
Sundry debtors		760,766	837,225
Interest Accrued		0	23,396
Provision for Doubtful Debts		<u>(45,000)</u>	<u>(45,000)</u>
		<u>983,026</u>	<u>1,107,928</u>
Non-current			
Rates outstanding - pensioners		<u>34,779</u>	<u>34,373</u>
		<u>34,779</u>	<u>34,373</u>
5. INVENTORIES			
Current			
Fuel and materials		<u>10,875</u>	<u>10,875</u>
		<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 2015

	2015	2014
	\$	\$
6 (a). PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
Freehold land at:		
- Independent valuation 2014 - level 2	453,000	453,000
	<u>453,000</u>	<u>453,000</u>
Land vested in and under the control of Council at:		
- Independent valuation 2014 - level 3	450,000	450,000
	<u>450,000</u>	<u>450,000</u>
	<u>903,000</u>	<u>903,000</u>
Non-specialised buildings at:		
- Independent valuation 2014 - level 2	1,190,000	1,190,000
- Additions after valuation - cost	329,262	0
Less: accumulated depreciation	<u>(21,672)</u>	<u>0</u>
	1,497,590	1,190,000
Specialised buildings at:		
- Independent valuation 2014 - level 3	7,903,900	7,903,900
Less: accumulated depreciation	<u>(168,108)</u>	<u>0</u>
	7,735,792	7,903,900
	<u>9,233,382</u>	<u>9,093,900</u>
Total land and buildings	<u>10,136,382</u>	<u>9,996,900</u>
GVROC Joint Venture at:		
- Management valuation 2012 - level 3	68,000	68,000
Less accumulated depreciation	<u>(75)</u>	<u>(75)</u>
	67,925	67,925
Furniture & Equipment at:		
- Management valuation 2012 - level 3	138,907	156,159
- Additions after valuation - cost	14,349	53
Less accumulated depreciation	<u>(25,682)</u>	<u>(17,305)</u>
	127,574	138,907
Plant & Equipment at:		
- Management valuation 2012 - level 3	1,970,913	2,074,948
- Additions after valuation - cost	901,183	94,881
- Disposals after Valuation	(229,687)	(52,574)
Less accumulated amortisation	<u>(388,535)</u>	<u>(146,342)</u>
	2,253,874	1,970,913
Valuable Items at:		
- Management valuation 2012 - level 3	2,231	660
- Additions after valuation - cost	0	1,571
Less accumulated depreciation	<u>0</u>	<u>0</u>
	2,231	2,231
	<u>12,587,986</u>	<u>12,176,876</u>

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

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Freehold land	453,000	0	0	0	0	0	0	453,000
Land vested in and under the control of Council	450,000	0	0	0	0	0	0	450,000
Total land	903,000	0	0	0	0	0	0	903,000
Non-specialised buildings	1,190,000	329,262	0	0	0	(21,672)	0	1,497,590
Specialised buildings	7,903,900	0	0	0	0	(168,108)	0	7,735,792
Total buildings	9,093,900	329,262	0	0	0	(189,781)	0	9,233,381
Total land and buildings	9,996,900	329,262	0	0	0	(189,781)	0	10,136,381
GVROC Joint Venture	67,925	0	0	0	0	0	0	67,925
Furniture & Equipment	138,907	14,349	0	0	0	(25,682)	0	127,575
Plant & Equipment	1,970,913	901,183	(229,687)	0	0	(388,535)	0	2,253,874
Valuable Items	2,231	0	0	0	0	0	0	2,231
Total property, plant and equipment	12,176,876	1,244,795	(229,687)	0	0	(603,997)	0	12,587,986

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Land and buildings					
Freehold land	Level 2	Market approach	Sales comparison	August 2014	Sales of similar properties
Land vested in and under the control of Council	Level 3	Cost approach	Replacement cost	August 2014	Estimated remaining life years (ERLY)
Non-specialised buildings	Level 2	Market approach	Sales comparison	August 2014	Sales of similar properties
Specialised buildings	Level 3	Cost approach	Replacement cost	August 2014	Gross current replacement cost (GCRC), estimated economic working life (EEWL), estimated remaining life years (ERLY),
GVROC Joint Venture	Level 3	Cost approach	Replacement cost	July 2012	Current replacement cost ,estimated economic working life , estimated remaining life years
Furniture & Equipment	Level 3	Cost approach	Replacement cost	July 2012	Current replacement cost ,estimated economic working life , estimated remaining life years
Plant & Equipment	Level 3	Cost approach	Replacement cost	July 2012	Current replacement cost ,estimated economic working life , estimated remaining life years
Valuable Items	Level 3	Cost approach	Replacement cost	July 2012	Current replacement cost ,estimated economic working life , estimated remaining life years

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

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

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015	2014
	\$	\$
7 (a). INFRASTRUCTURE		
Roads		
- Independent valuation 2015 - level 3	59,391,389	0
- Cost	0	24,500,058
Less accumulated depreciation	<u>0</u>	<u>(9,969,926)</u>
	59,391,389	14,530,132
Drainage		
- Independent valuation 2015 - level 3	2,088,725	0
- Cost	0	629,956
Less accumulated depreciation	<u>0</u>	<u>(117,066)</u>
	2,088,725	512,890
Parks & Ovals		
- Independent valuation 2015 - level 3	837,900	0
- Cost	0	1,186,729
Less accumulated depreciation	<u>0</u>	<u>(194,753)</u>
	837,900	991,976
Other Infrastructure		
- Independent valuation 2015 - level 3	732,828	0
- Additions after valuation - cost	81,114	0
- Cost	0	343,309
Less accumulated depreciation	<u>(13,942)</u>	<u>(28,408)</u>
	800,000	314,901
Airport		
- Independent valuation 2015 - level 3	179,122	0
- Additions after valuation - cost	86,556	0
- User defined	0	164,847
Less accumulated depreciation	<u>(8,678)</u>	<u>(22,458)</u>
	257,000	142,389
	<u>63,375,014</u>	<u>16,492,288</u>

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

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

7. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Balance as at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of the Year \$
Roads	14,530,132	2,076,986	0	43,275,570	0	(491,298)	0	59,391,389
Drainage	512,890	148,058	0	1,435,966	0	(8,189)	0	2,088,725
Parks & Ovals	991,976	0	0		(128,318)	(25,758)	0	837,900
Other Infrastructure	314,901	81,114	0	417,928	0	(13,942)	0	800,000
Airport	142,389	86,556	0	36,733	0	(8,678)	0	257,000
Total infrastructure	<u>16,492,288</u>	<u>2,392,713</u>	<u>0</u>	<u>45,166,197</u>	<u>(128,318)</u>	<u>(547,866)</u>	<u>0</u>	<u>63,375,014</u>

The revaluation of infrastructure assets resulted in an increase on revaluation of \$45,166,197 in the net value of infrastructure.

All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 11) 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 2015**

7. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Roads	Level 3	Cost approach	Depreciated replacement cost	June 2015	Standard replacement cost (SRC), total useful lives (TUL), residual value (RV), remaining useful lives (RUL), expected condition and Actual condition
Drainage	Level 3	Cost approach	Depreciated replacement cost	June 2015	Gross current replacement cost (GCRC), estimated economic working life (EOWL), estimated remaining life years (ERLY), residual value (RV)
Parks & Ovals	Level 3	Cost approach	Depreciated replacement cost	June 2015	Gross current replacement cost (GCRC), estimated economic working life (EOWL), estimated remaining life years (ERLY), residual value (RV)
Other Infrastructure	Level 3	Cost approach	Depreciated replacement cost	June 2015	Gross current replacement cost (GCRC), estimated economic working life (EOWL), estimated remaining life years (ERLY), residual value (RV)
Airport	Level 3	Cost approach	Depreciated replacement cost	June 2015	Gross current replacement cost (GCRC), estimated economic working life (EOWL), estimated remaining life years (ERLY), residual value (RV)

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

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

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015	2014
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry creditors	(177,153)	(314,222)
Accrued interest on debentures	0	(354)
Accrued salaries and wages	0	(60,704)
ATO liabilities	(7,385)	(54,430)
	(184,538)	(429,710)

9. PROVISIONS

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2014			
Current	(141,101)	(113,226)	(254,327)
Non-current	0	(48,020)	(48,020)
	(141,101)	(161,246)	(302,347)
Additional provision	(11,422)	(13,866)	(25,288)
Amounts used	0	23,214	23,214
Balance at 30 June 2015	(152,523)	(151,898)	(304,421)
Comprises			
Current	(152,523)	(103,878)	(256,401)
Non-current	0	(48,020)	(48,020)
	(152,523)	(151,898)	(304,421)

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015 \$	2015 Budget \$	2014 \$
10. RESERVES - CASH BACKED			
(a) Leave Reserve			
Opening balance	(323,614)	(323,614)	(312,042)
Amount set aside / transfer to reserve	0	0	(11,572)
Amount used / transfer from reserve	0	0	0
	<u>(323,614)</u>	<u>(323,614)</u>	<u>(323,614)</u>
(b) Plant Reserve			
Opening balance	(707,741)	(707,741)	(736,290)
Amount set aside / transfer to reserve	0	0	(26,489)
Amount used / transfer from reserve	0	0	55,038
	<u>(707,741)</u>	<u>(707,741)</u>	<u>(707,741)</u>
(c) Aerodrome Reserve			
Opening balance	(129,784)	(129,784)	(125,143)
Amount set aside / transfer to reserve	(2)	0	(4,641)
Amount used / transfer from reserve	0	0	0
	<u>(129,786)</u>	<u>(129,784)</u>	<u>(129,784)</u>
(d) IT Reserve			
Opening balance	(85,172)	(85,172)	(82,126)
Amount set aside / transfer to reserve	0	0	(3,046)
Amount used / transfer from reserve	0	0	0
	<u>(85,172)</u>	<u>(85,172)</u>	<u>(85,172)</u>
(e) Unspent Grant Reserve			
Opening balance	(26,514)	(26,514)	(825,685)
Amount set aside / transfer to reserve	0	0	0
Amount used / transfer from reserve	0	0	799,171
	<u>(26,514)</u>	<u>(26,514)</u>	<u>(26,514)</u>
(f) Transport Reserve			
Opening balance	(1,357,829)	(1,357,829)	0
Amount set aside / transfer to reserve	(236,518)	(236,518)	(1,357,829)
Amount used / transfer from reserve	0	0	0
	<u>(1,594,347)</u>	<u>(1,594,347)</u>	<u>(1,357,829)</u>
(g) Land Development Reserve			
Opening balance	(1,217,180)	(1,217,180)	0
Amount set aside / transfer to reserve	(236,518)	(236,518)	(1,217,180)
Amount used / transfer from reserve	0	0	0
	<u>(1,453,698)</u>	<u>(1,453,698)</u>	<u>(1,217,180)</u>
(h) Property			
Opening balance	0		(1,477,085)
Amount set aside / transfer to reserve	0	0	(53,539)
Amount used / transfer from reserve	0	0	1,530,624
	<u>0</u>	<u>0</u>	<u>0</u>
(i) Road / Footpath			
Opening balance	0	0	(217,424)
Amount set aside / transfer to reserve	0	0	(8,063)
Amount used / transfer from reserve	0	0	225,487
	<u>0</u>	<u>0</u>	<u>0</u>
(j) Coastal			
Opening balance	0	0	(58,428)
Amount set aside / transfer to reserve	0	0	(2,166)
Amount used / transfer from reserve	0	0	60,594
	<u>0</u>	<u>0</u>	<u>0</u>

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015 \$	2015 Budget \$	2014 \$
10. RESERVES - CASH BACKED (CONTINUED)			
(k) Reseal			
Opening balance	0	0	(503,090)
Amount set aside / transfer to reserve	0	0	(18,657)
Amount used / transfer from reserve	0	0	521,747
	0	0	0
(l) Visitor Centre Precinct			
Opening balance	0	0	(228,532)
Amount set aside / transfer to reserve	0	0	(1,914)
Amount used / transfer from reserve	0	0	230,446
	0	0	0
(m) Industrial Area reserve			
Opening balance	0	0	(80,076)
Amount set aside / transfer to reserve	0	0	(2,234)
Amount used / transfer from reserve	0	0	82,310
	0	0	0
TOTAL RESERVES	(4,320,872)	(4,320,870)	(3,847,834)
Total Opening balance	(3,847,834)	(3,847,834)	(4,645,921)
Total Amount set aside / transfer to reserve	(473,038)	(473,036)	(2,707,330)
Total Amount used / transfer from reserve	0	0	3,505,417
TOTAL RESERVES	(4,320,872)	(4,320,870)	(3,847,834)

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

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

- (a) Leave Reserve**
- to be used to fund annual and long service leave requirements.
- (b) Plant Reserve**
- to be used for the purchase of major plant.
- (c) Aerodrome Reserve**
- to be used for the maintenance of the airstrip at Norseman.
- (d) IT Reserve**
- to be used to purchase and replace computer equipment.
- (e) Unspent Grant Reserve**
- to be used for completion of projects.
- (f) Transport Reserve**
- to be used for the construction, maintenance and reseal of the Shire's transport network.
- (g) Land Development Reserve**
- to be used for the building, construction and maintenance of the Shire's land and buildings.

The leave and plant 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 2015

11. REVALUATION SURPLUS	2015	2014
Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:		
(a) Land and buildings		
Opening balance	(5,085,370)	0
Revaluation increment	0	(5,085,370)
Revaluation decrement	0	0
	<u>(5,085,370)</u>	<u>(5,085,370)</u>
(b) Furniture & Equipment		
Opening balance	(41,774)	0
Revaluation increment	0	(41,774)
Revaluation decrement	0	0
	<u>(41,774)</u>	<u>(41,774)</u>
(c) Plant & Equipment		
Opening balance	(112,783)	0
Revaluation increment	0	(112,783)
Revaluation decrement	0	0
	<u>(112,783)</u>	<u>(112,783)</u>
(d) Roads		
Opening balance	0	0
Revaluation increment	(43,275,570)	0
Revaluation decrement	0	0
	<u>(43,275,570)</u>	<u>0</u>
(e) Drainage		
Opening balance	0	0
Revaluation increment	(1,435,965)	0
Revaluation decrement	0	0
	<u>(1,435,965)</u>	<u>0</u>
(f) Parks & Ovals		
Opening balance	0	0
Revaluation increment	128,317	0
Revaluation decrement	0	0
	<u>128,317</u>	<u>0</u>
(g) Other Infrastructure		
Opening balance	0	0
Revaluation increment	(417,928)	0
Revaluation decrement	0	0
	<u>(417,928)</u>	<u>0</u>
(h) Airport		
Opening balance	0	0
Revaluation increment	(36,733)	0
Revaluation decrement	0	0
	<u>(36,733)</u>	<u>0</u>
TOTAL ASSET REVALUATION SURPLUS	<u><u>(50,277,806)</u></u>	<u><u>(5,239,927)</u></u>

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

12. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2015 \$	2015 Budget \$	2014 \$
Cash and cash equivalents	<u>5,787,718</u>	<u>4,345,870</u>	<u>5,642,228</u>
(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	2,520,049	508,183	1,746,036
Non-cash flows in Net result:			
Depreciation	1,151,863	1,167,850	856,323
(Profit)/Loss on sale of asset	(37,949)	(78,454)	(2,530)
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	124,496	153,210	(174,388)
Increase/(Decrease) in payables	(245,170)	(47,903)	226,565
Increase/(Decrease) in provisions	2,074	0	(11,337)
Grants contributions for the development of assets	(1,231,368)	(1,594,751)	(1,383,872)
Net cash from operating activities	<u>2,283,995</u>	<u>108,135</u>	<u>1,256,797</u>

	2015 \$	2014 \$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	12,000	12,000
Credit card balance at balance date	(4,000)	(2,000)
Total amount of credit unused	<u>8,000</u>	<u>10,000</u>
Loan facilities		
Loan facilities - current	0	0
Loan facilities - non-current	0	0
Total facilities in use at balance date	<u>0</u>	<u>0</u>
Unused loan facilities at balance date	<u>NIL</u>	<u>NIL</u>

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

13. CONTINGENT LIABILITIES

There were no contingent liabilities against the Shire at the 30th June 2015.

14. CAPITAL AND LEASING COMMITMENTS	2015	2014
	\$	\$
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	16,752	20,676
- later than one year but not later than five years	0	46,521
- later than five years	0	0
	<u>16,752</u>	<u>67,197</u>

(b) Capital Expenditure Commitments

Contracted for:		
- capital expenditure projects	0	0
- plant & equipment purchases	0	366,519
	<u>0</u>	<u>366,519</u>
Payable:		
- not later than one year	0	366,519
	<u>0</u>	<u>366,519</u>

The Shire did not have any future capital expenditure commitments at the reporting date.

15. JOINT VENTURE ARRANGEMENTS

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

16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2015	2014
	\$	\$
Governance	2,546,849	5,009,021
General purpose funding	56,920	1,076,075
Law, order, public safety	615,128	720,251
Health	552,779	628,228
Education and welfare	14,925	19,008
Housing	1,058,970	1,200,454
Community amenities	2,739,828	952,860
Recreation and culture	4,504,183	4,255,184
Transport	67,637,583	18,290,128
Other property and services	1,864,860	2,089,723
Unallocated	1,187,373	1,223,636
	<u>82,779,398</u>	<u>35,464,568</u>

**SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

	2015	2014	2013
17. FINANCIAL RATIOS			
Current ratio	13.34	6.51	5.29
Asset sustainability ratio	2.93	1.25	2.93
Debt service cover ratio	N/A	40.35	38.49
Operating surplus ratio	0.56	0.14	0.20
Own source revenue coverage ratio	0.58	0.66	0.63

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

18. TRUST FUNDS

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

	Balance 1 July 2014 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30 June 2015 \$
Building Levy	6,741	22,866	(28,749)	858
Building Registration	4,371	10,524	(14,467)	428
Hall Deposits	1,200	900	(900)	1,200
Electricity Cards	7,024	0	0	7,024
Demolition Deposits	500	0	0	500
Norseman Sport and Recreation Federation	35,409	0	0	35,409
Excess Rates	3,415	880	(1,124)	3,171
TPS App	120	0	0	120
NAPS Trust	1,823	0	0	1,823
Pool Deposits	200	0	(200)	0
Gym Key Deposits	2,060	3,220	(2,710)	2,570
Youth	1,271	0	0	1,271
Chamber of Commerce	2,650	0	0	2,650
Bowling Club	1,729	0	0	1,729
Christmas Festival	20	0	0	20
Tennis Key Deposits	480	30	(320)	190
Norseman Swimming Pool	566	0	0	566
Library Deposits	482	0	0	482
Gold Fever Festival	981	64,704	(59,141)	6,544
Cemetery Trust	100	0	0	100
Bank Interest	75	109	0	184
Norseman Medical Clinic	19,561	0	(4,626)	14,935
	<u>90,778</u>	<u>103,233</u>	<u>(112,237)</u>	<u>81,774</u>

19. DISPOSALS OF ASSETS - 2014/15 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Plant and Equipment						
Governance						
2012 Toyota Prado -	30,563	38,896	38,182	40,000	7,619	1,104
2012 Holden Berlina	22,559	25,624	9,545	17,000	(13,014)	(8,624)
Health						
Ford Falcon Sedan	16,967	19,273	10,909	18,000	(6,058)	(1,273)
Education and welfare						
2010 Hyunda iMax	0	19,008	0	23,500	0	4,492
Community amenities						
2005 Mitsubishi Rosa Bus	0	47,520	0	20,000	0	(27,520)
Transport						
Fuso Fighter Service Truck	0	76,033	0	35,000	0	(41,033)
Town Skid Steer	0	19,000	0	9,000	0	(10,000)
Town Ute	0	6,600	0	11,000	0	4,400
2005 Mitsubishi Tip truck	23,324	0	18,000	0	(5,324)	0
2008 Mitsubishi Tip Truck	68,137	0	95,500	0	27,363	0
2008 Mitsubishi Tip Truck	68,137	0	95,500	0	27,363	0
	<u>229,687</u>	<u>251,954</u>	<u>267,636</u>	<u>173,500</u>	<u>37,949</u>	<u>(78,454)</u>
					Profit	9,996
					Loss	(88,450)
					<u>37,949</u>	<u>(78,454)</u>

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

20. RATING INFORMATION - 2014/15 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 \$
Differential general rate / general rate											
Gross rental value valuations											
Townsites	0.1480	535	3,269,780	483,927	(1,989)	0	481,938	482,538	0	0	482,538
Roadhouses	0.1750	9	937,860	164,126	0	0	164,126	164,093	0	0	164,093
Mining	0.2193	2	595,376	130,566	0	0	130,566	130,546	0	0	130,546
Unimproved value valuations											
Pastoral	0.0378	15	872,574	32,983	(521)	0	32,462	33,002	0	0	33,002
Mining Leases	0.1294	128	5,273,881	682,440	52,988	27	735,455	682,229	0	0	682,229
Exploration Leases	0.1294	116	2,165,894	280,267	(3,180)	121	277,208	268,189	0	0	268,189
Prospecting Leases	0.1652	124	260,411	43,020	(7,185)	1	35,836	41,877	0	0	41,877
Sub-Totals		929	13,375,776	1,817,329	40,113	149	1,857,591	1,802,474	0	0	1,802,474
Minimum payment	Minimum \$										
Gross rental value valuations											
Townsites	325	145	66,412	47,125	0	0	47,125	48,750	0	0	48,750
Roadhouses	280	0	0	0	0	0	0	0	0	0	0
Mining	280	0	0	0	0	0	0	0	0	0	0
Unimproved value valuations											
Pastoral	325	6	26,626	1,950	0	0	1,950	1,950	0	0	1,950
Mining Leases	325	51	45,793	16,575	0	0	16,575	16,250	0	0	16,250
Exploration Leases	325	58	60,659	18,850	0	0	18,850	18,200	0	0	18,200
Prospecting Leases	270	115	125,091	31,050	0	0	31,050	30,240	0	0	30,240
Sub-Totals		375	324,581	115,550	0	0	115,550	115,390	0	0	115,390
Rate Adjustments							1,973,141				1,917,864
Movement in Excess Rates							(653)				
Discounts/concessions (refer note 23)							(88,127)				
Total amount raised from general rate							1,884,361				1,917,864
Specified Area Rate (refer note 21)							0				0
Totals							1,884,361				1,917,864

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

20. RATING INFORMATION - 2014/15 FINANCIAL YEAR (Continued)

(b) Information on Surplus/(Deficit) Brought Forward

	2015 (30 June 2015 Carried Forward) \$	2015 (1 July 2014 Brought Forward) \$	2014 (30 June 2014 Carried Forward) \$
Surplus/(Deficit) 1 July 14 brought forward	<u>2,019,808</u>	<u>2,229,160</u>	<u>2,229,160</u>
<u>Comprises:</u>			
Cash and cash equivalents			
Unrestricted	1,466,846	1,794,394	1,794,394
Restricted	4,320,872	3,847,834	3,847,834
Receivables			
Rates outstanding	267,260	292,307	292,307
Sundry debtors	760,766	837,225	837,225
Interest Accrued	0	23,396	23,396
Provision for Doubtful Debts	(45,000)	(45,000)	(45,000)
Inventories			
Fuel and materials	10,875	10,875	10,875
<u>Less:</u>			
Trade and other payables			
Sundry creditors	(177,153)	(314,222)	(314,222)
Accrued interest on debentures	0	(354)	(354)
Accrued salaries and wages	0	(60,704)	(60,704)
ATO liabilities	(7,385)	(54,430)	(54,430)
Provisions			
Provision for annual leave	(152,523)	(141,101)	(141,101)
Provision for long service leave	(103,878)	(113,226)	(113,226)
Net current assets	<u>6,340,680</u>	<u>6,076,994</u>	<u>6,076,994</u>
<u>Less:</u>			
Reserves - restricted cash	(4,320,872)	(3,847,834)	(3,847,834)
Surplus/(deficit)	<u><u>2,019,808</u></u>	<u><u>2,229,160</u></u>	<u><u>2,229,160</u></u>

Difference

There was no difference between the surplus/(deficit) 1 July 2014 brought forward position used in the 2015 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2014 audited financial report.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

21. SPECIFIED AREA RATE - 2014/15 FINANCIAL YEAR

The Shire did not impose any Specified Area Rates.

22. SERVICE CHARGES - 2014/15 FINANCIAL YEAR

The Shire did not impose any service charges.

23. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE OFFS - 2014/15 FINANCIAL YEAR

No discount on rates is available.

24. INTEREST CHARGES AND INSTALMENTS - 2014/15 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on unpaid rates	10.00%	N/A	22,672	20,000
Interest on instalments plan	5.50%	N/A	13,947	0
Charges on instalment plan	5.50%	5	7,980	0
			44,599	20,000

'Ratepayers had the option of paying rates in four equal instalments, due on 31 August 2015, 02 November 2015, 18 January 2016 and 04 April 2016. Administration charges and interest applied for the final three instalments.

25. FEES & CHARGES	2015 \$	2014 \$
Governance	26,785	21,206
General purpose funding	9,720	4,462
Law, order, public safety	6,064	5,418
Health	4,704	4,510
Housing	19,265	20,813
Community amenities	136,207	138,179
Recreation and culture	15,572	16,079
Transport	165	0
Economic services	35,619	57,890
Other property and services	1,910	19,457
	256,010	288,014

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 2015

26. GRANT REVENUE

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

	2015	2014
	\$	\$
By Nature or Type:		
Operating grants, subsidies and contributions	2,621,857	1,640,265
Non-operating grants, subsidies and contributions	1,231,368	1,383,872
	<u>3,853,225</u>	<u>3,024,137</u>
By Program:		
Governance	3,042	41,092
General purpose funding	1,737,993	571,342
Law, order, public safety	93,661	52,981
Education and welfare	87,970	77,339
Community amenities	636	996
Recreation and culture	37,758	303,990
Transport	1,633,481	1,260,463
Economic services	234,430	75,546
Other property and services	24,254	640,388
	<u>3,853,225</u>	<u>3,024,137</u>

27. EMPLOYEE NUMBERS

	2015	2014
The number of full-time equivalent employees at balance date	<u>27</u>	<u>26</u>

28. ELECTED MEMBERS REMUNERATION

	2015	2015		2014
	\$	Budget		\$
		\$		
The following fees, expenses and allowances were paid to council members and/or the president.				
Meeting Fees	15,615	17,500		12,040
President's allowance	3,200	12,000		3,200
Deputy President's allowance	800	3,000		800
Travelling expenses	18,380	20,000		17,318
	<u>37,995</u>	<u>52,500</u>		<u>33,358</u>

29. MAJOR LAND TRANSACTIONS

The Shire did not participate in any major land transactions during the 2014/15.

30. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

If the Shire did participate in any trading undertakings or major trading undertakings during the 2014/15 financial year.

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

31. FINANCIAL RISK MANAGEMENT

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

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

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

The Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2015	2014	2015	2014
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	5,787,718	5,642,228	5,787,718	5,642,229
Receivables	1,017,805	1,142,301	1,017,805	1,142,300
	<u>6,805,523</u>	<u>6,784,529</u>	<u>6,805,523</u>	<u>6,784,529</u>
Financial liabilities				
Payables	184,538	429,710	184,538	429,710
Borrowings	0	0	0	0
	<u>184,538</u>	<u>429,710</u>	<u>184,538</u>	<u>429,710</u>

Fair value is determined as follows:

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

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

31. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Financial assets at fair value through profit and loss

Available-for-sale financial assets

Held-to-maturity investments

The Shire's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). Council has an investment policy and the policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

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

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

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

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

	2015	2014
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	57,877	56,422
- Statement of Comprehensive Income	57,877	56,422

Notes:

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

**SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

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

The Shire's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

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

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

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

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

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

	2015	2014
Percentage of rates and annual charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of other receivables		
- Current	100%	67%
- Overdue	0%	33%

SHIRE OF DUNDAS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

31. FINANCIAL RISK MANAGEMENT (Continued)
(c) Payables

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

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2015</u>					
Payables	184,538	0	0	184,538	(184,538)
Borrowings	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>184,538</u>	<u>0</u>	<u>0</u>	<u>184,538</u>	<u>(184,538)</u>
<u>2014</u>					
Payables	429,710	0	0	429,710	(429,710)
Borrowings	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>429,710</u>	<u>0</u>	<u>0</u>	<u>429,710</u>	<u>(429,710)</u>

Borrowings

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

**SHIRE OF DUNDAS
INDEPENDENT AUDIT REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

INDEPENDENT AUDIT REPORT



INDEPENDENT AUDITOR'S REPORT TO THE SHIRE OF DUNDAS

Report on the Financial Report

We have audited the accompanying financial report of Shire of Dundas, which comprises the statement of financial position as at 30 June 2015 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by chief executive officer.

Council's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

Auditor's Opinion

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

- a) giving a true and fair view of the Shire's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australia Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

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**SHIRE OF DUNDAS
INDEPENDENT AUDIT REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

INDEPENDENT AUDIT REPORT (Continued)

Emphasis of Matter

Without modifying our opinion, we draw attention to page 53 of the financial report "Supplementary Ratio Information", which describes certain ratio information relating to the financial report. Management's calculation of these ratios includes assumptions about future capital expenditure and hence falls outside our audit scope. We do not therefore express an opinion on these ratios.

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

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

Other matters

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

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

- a) There are no material matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) The Shire substantially complied with Part 6 of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).
- c) All information and explanations required were obtained by us.
- d) All audit procedures were satisfactorily completed in conducting our audit.

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE CA

Director

Perth

Date: 10 February 2016

**SHIRE OF DUNDAS
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2015**

RATIO INFORMATION

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

	2015	2014	2013
Asset consumption ratio	0.99	0.73	0.68
Asset renewal funding ratio	N/A	N/A	N/A

The above ratios are calculated as follows:

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