



SHIRE OF DANDARAGAN

2017/18 ANNUAL REPORT

(THIS DOCUMENT IS AVAILABLE IN ALTERNATIVE FORMATS SUCH AS LARGE PRINT, BRAILLE, DIGITAL (ON DISK OR BY EMAIL) UPON REQUEST, AND ON THE SHIRE'S WEBSITE AT WWW.DANDARAGAN.WA.GOV.AU)



*Jurien Bay Shire of Dandaragan Administration Centre
Photo: Toni Hanske*



*Indian Ocean Festival Fireworks
Photo: Mike Murphy*



Australia Day Badgingarra



JBDHS Remembrance Day Memorial Service

TABLE OF CONTENTS

COUNCILLORS AND EXECUTIVE MANAGEMENT TEAM	4
SHIRE PRESIDENT'S REPORT	5
CHIEF EXECUTIVE OFFICER'S REPORT	6
DEVELOPMENT SERVICES	8
INFRASTRUCTURE SERVICES	13
CORPORATE AND COMMUNITY SERVICES	25
STATUTORY STATEMENTS	31
- COMPETITIVE NEUTRALITY	31
- NATIONAL COMPETITION POLICY	31
- STATE RECORDS ACT	32
- REMUNERATION	32
- PUBLIC INTEREST DISCLOSURE	32
- FREEDOM OF INFORMATION	32
- REPORTS ON COMPLAINTS MADE AGAINST COUNCILLORS	33
- FEDERAL GOVERNMENT FINANCIAL ASSISTANCE GRANTS	33
REGISTER OF FINANCIAL INTERESTS	33
AUDIT REPORT	34
FINANCIAL DECLARATION	37
ANNUAL FINANCIAL STATEMENTS	38



*Wildflower Season at Vern Westbrook Walk, Badgingarra
Photo: Dandyman Images*

COUNCILLORS



CR LESLEE HOLMES
SHIRE PRESIDENT
CR.HOLMES@DANDARAGAN.WA.GOV.AU



CR PETER SCHARF
DEPUTY SHIRE PRESIDENT
CR.SCHARF@DANDARAGAN.WA.GOV.AU



CR JASON CLARKE
CR.CLARKE@DANDARAGAN.WA.GOV.AU



CR WAYNE GIBSON
CR.GIBSON@DANDARAGAN.WA.GOV.AU



CR ANN EYRE
CR.EYRE@DANDARAGAN.WA.GOV.AU



CR KAYE MCGLEW
CR.MCGLEW@DANDARAGAN.WA.GOV.AU



CR DAHLIA RICHARDSON
CR.RICHARDSON@DANDARAGAN.WA.GOV.AU



CR ROB SHANHUN
CR.SHANHUN@DANDARAGAN.WA.GOV.AU



CR DARREN SLYNS
CR.SLYNS@DANDARAGAN.WA.GOV.AU

EXECUTIVE MANAGEMENT TEAM



BRENT BAILEY
CHIEF EXECUTIVE OFFICER



SCOTT CLAYTON
EXECUTIVE MANAGER
CORPORATE AND COMMUNITY SERVICES



DAVID CHIDLOW
EXECUTIVE MANAGER
DEVELOPMENT SERVICES



GARRICK YANDLE
EXECUTIVE MANAGER
INFRASTRUCTURE

PRESIDENT'S REPORT



It gives me great pleasure to once again be reporting to the Community as your Shire President after yet another successful and satisfying year in the Shire of Dandaragan.

Our Shire continues to deliver on our Strategic Vision for our communities as we embrace our lifestyle and opportunities in our wonderful area.

This has been a year of endless opportunities for our Shire with our renewable energy focus growing all the time and our ability to attract large private enterprise to build their businesses in the Shire.

Our four towns all continue to flourish and the emphasis has switched from tourism to agriculture and renewable energy. Dandaragan is well placed to reap the benefits of the new wave of Agri-Business with its beautiful soil types and abundant water. These include a camel farm, citrus and organic beef farms, including the award winning Agri-Fresh. Badgingarra is well placed with its second windfarm and solar farms under construction and Yandin Wind Farm to commence construction in 2019. Iluka is also in full swing again which has created jobs for the region, along with the AAA Egg Farm, which incidentally is opening a secondary egg farm outside of Badgingarra. while The Lobster Shack and Gold award winning RAC Caravan Park in Cervantes continue to also do well.

It is heartening to report that our Shire is in a strong financial position and ready for the future whatever challenges it brings.

I would like to thank my Deputy President, Councillor Peter Scharf, for all his assistance and wise counsel throughout the year. We also had the opportunity to welcome three new Councillors around the table, Councillors Clarke, Eyre and Shanhun, and welcome the re-election of Cr Slyns for another term.

This is also a great opportunity to welcome our CEO Brent Bailey and his family to Jurien Bay. Brent comes with a wealth of knowledge and I am sure will help us to remain the envy of many other Shires.

Looking forward we have embarked on a new process of communicating with our citizens and hope by now you are all familiar with Envision 2029. We are thrilled with the amount of support and feedback received to date. and we continue to invite you to take part in helping us to shape our future together.

Finally, I would like to congratulate Brent and his staff for all their great work throughout the year.

A handwritten signature in black ink that reads "Leslee Holmes". The signature is fluid and cursive.

LESLEE HOLMES
SHIRE PRESIDENT



Newly sworn in Councillors 2017
L-R Cr Slyns, Cr Shanhun, Cr Clarke and Cr Eyre

CHIEF EXECUTIVE OFFICER



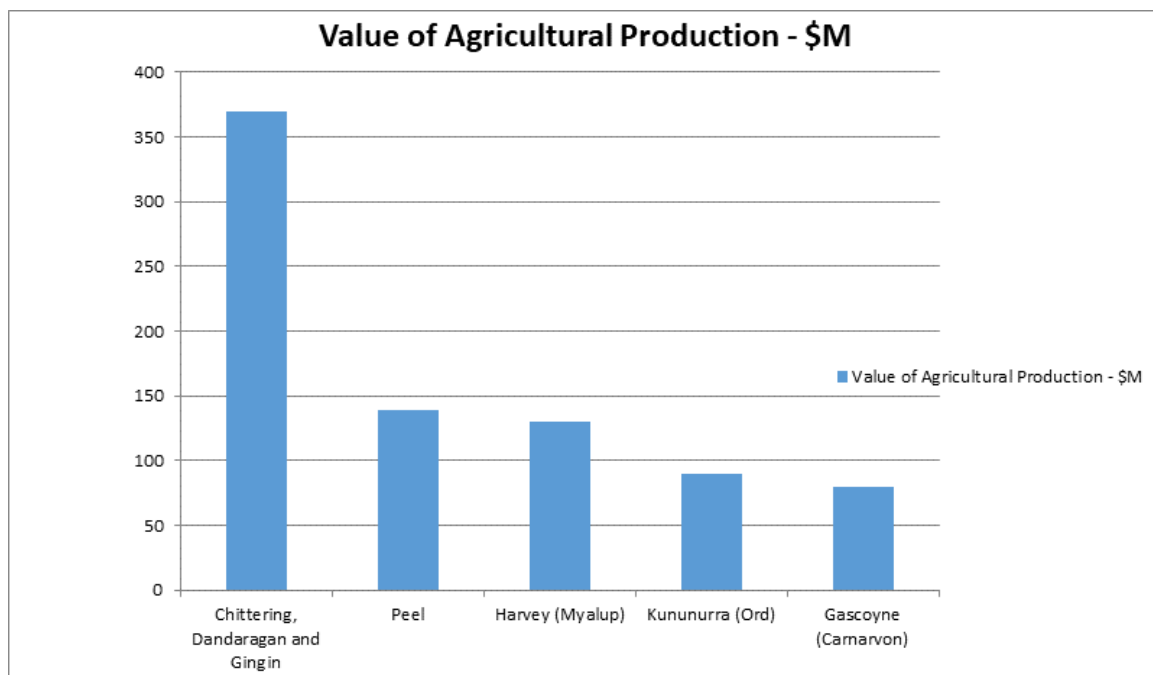
Since commencing in the CEO's role in March 2018 I have been fortunate to be involved in this progressive organisation and community. The Shire's former CEO, Mr Tony Nottle has contributed so much to the community here and I hope to continue to meet the high expectations of Council and the community. In the 2017/2018 financial year the Shire of Dandaragan brought a number of fantastic projects to life through development, partnerships, effective planning and long term strategy implementation.

Some of the key highlights covered in this reporting period include:

- 1) Construction of the Cervantes Multi-purpose Performing Arts and Cultural Centre
- 2) Completion of the coastal nodes project and campgrounds improvements at Sandy Cape.
- 3) Support for another year of highly successful events including the Indian Ocean Festival, Opera at the Pinnacles and Spray the Grey Youth Festival.
- 4) Completion of the kitchen and building upgrades of the Jurien Bay, Dandaragan and Badgingarra Community Centres funded through Royalties for Regions.

The Shire's renewable energy industry continues to grow and this year the Emu Downs Solar farm which is the largest in Western Australia was opened amidst the existing and developing Wind Farms at Emu Downs, Badgingarra and Yandin. These are exciting projects for the region contributing to the growth and diversification of our local economy. They also fit well with the Shire's goal of sustaining a healthy natural and built environment. The past year has also seen the Shire continue to partner with the Shire's of Gingin, Chittering, City of Wanneroo and the Wheatbelt Development Commission to promote the Northern Growth Alliance and promote investment in the region. The Alliance has been successful in elevating the status of the region and emphasising our competitive advantages. As an example the following graph puts into perspective the value of our horticultural production:

Significant Agricultural Production (not including fisheries)



Based on data sourced from Australian Bureau of Statistics, Agricultural Commodities, Australia, 2015-16

CHIEF EXECUTIVE OFFICER

The Alliance is also committed to advocating for key infrastructure to break down investment barriers. The focus on improvements to power, water, telecommunications and transport networks will continue and collective lobbying efforts are showing early signs of success for the private sector. The Shire's infrastructure department has had another extraordinary year delivering \$5.97million of construction projects throughout the Shire. Our roadworks team should be commended on their expertise and skills to deliver a complex and diverse transport network. The Shire's ongoing investment in lime sands routes and gravel roads will continue to support our local agricultural industry by supporting efficient and safe logistics. This year we again maximised our sources of external funding through the MRWA Regional Road Group, Roads to Recovery, State Blackspot, and Shared Path programs leveraging \$1.8million towards road asset improvements. I personally thank our teams and supporting local contractors who help us deliver these works.

This annual report contains reports from each directorate and addresses the outcomes achieved and projects and initiatives identified in our current Strategic Community Plan.

Shifting focus to the future, the support for the Shire's Envision 2029 project has been very positive and we look forward to finalising our new Strategic Community Plan in the coming months. The Strategic Community Plan is the primary planning document for the Shire which guides the Shire's direction and decision making processes. As part of the wider suite of the Integrated Planning and Reporting Framework this process will provide the organisation with focus on achieving the goals and objectives of the community within our available resources. No doubt there will be some exciting new projects that rise to the surface through this process to complement existing initiatives which will continue.

In closing I hope the following annual report provides a substantial summary of the organisation's achievements over the 2017/2018 financial year. The Council and staff should all be proud of their efforts and continued high standards of performance.



Brent Bailey
Chief Executive Officer



2017 Citizen of the Year Celebrations, Badgingarra

DEVELOPMENT SERVICES

The areas covered by this report include the following:

- Planning
- Buiding
- Environmental Health
- Emergency Services

The following is a brief summary of some of the projects undertaken and approvals issued in the Development Services department:

Summary Building Statistics 2017/2018

2017 / 2018		
Class I Residences	36	\$12,808,010.00
Outbuildings / Garages	34	\$688,119.00
Patio / Pergola / Carports \ Balcony	22	\$182,875.00
Swimming Pools	5	\$60,000.00
Additions	8	\$2,410,283.00
Office / Commercial Buildings / Sheds / etc	5	\$2,547,575.00
Fit-outs / Occupancy	6	\$104,600.00
Fences	2	\$16,500.00
Re-roof / Lean-to / Veranda's / Alfresco	7	\$107,150.00
Storage Sheds / Units / Temporary Camps	6	\$8,870,114.00
Communication Towers	3	\$281,200.00
Miscellaneous	5	\$385,473.00
Total	139	\$28,461,899.00

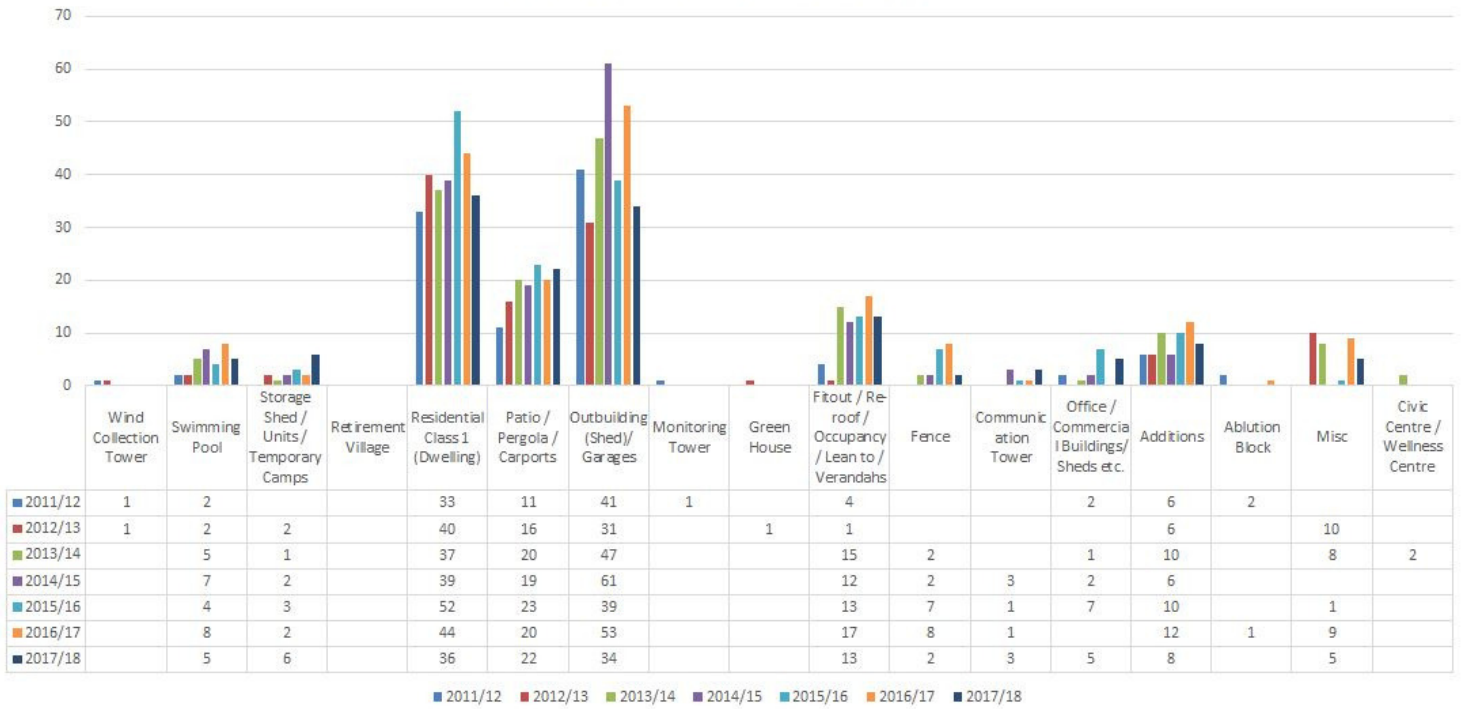


Badgingarra Canola Field

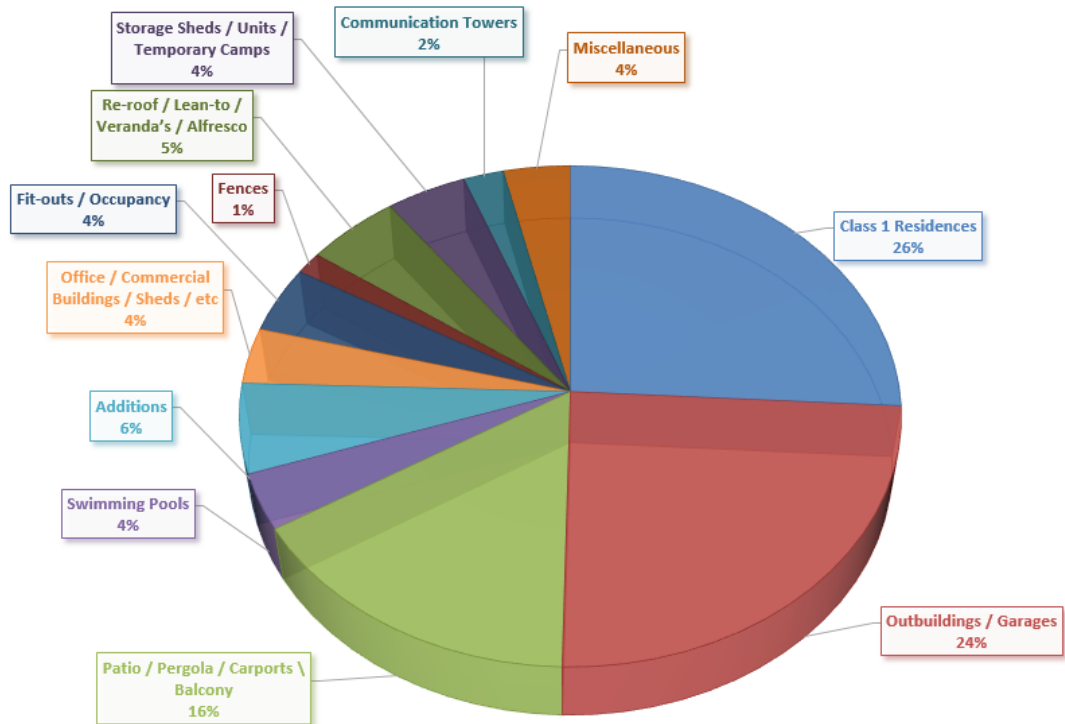
DEVELOPMENT SERVICES

2017 - 2018 Building Construction

2011 - Onwards Building Construction Stats



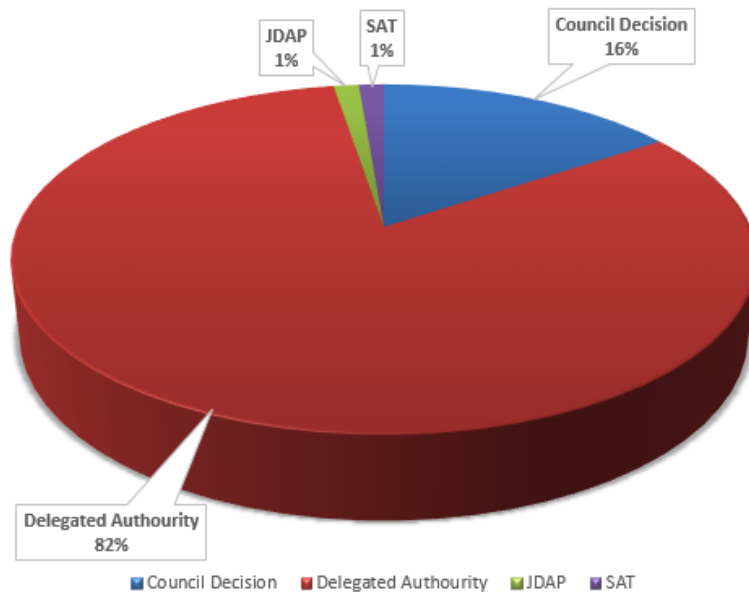
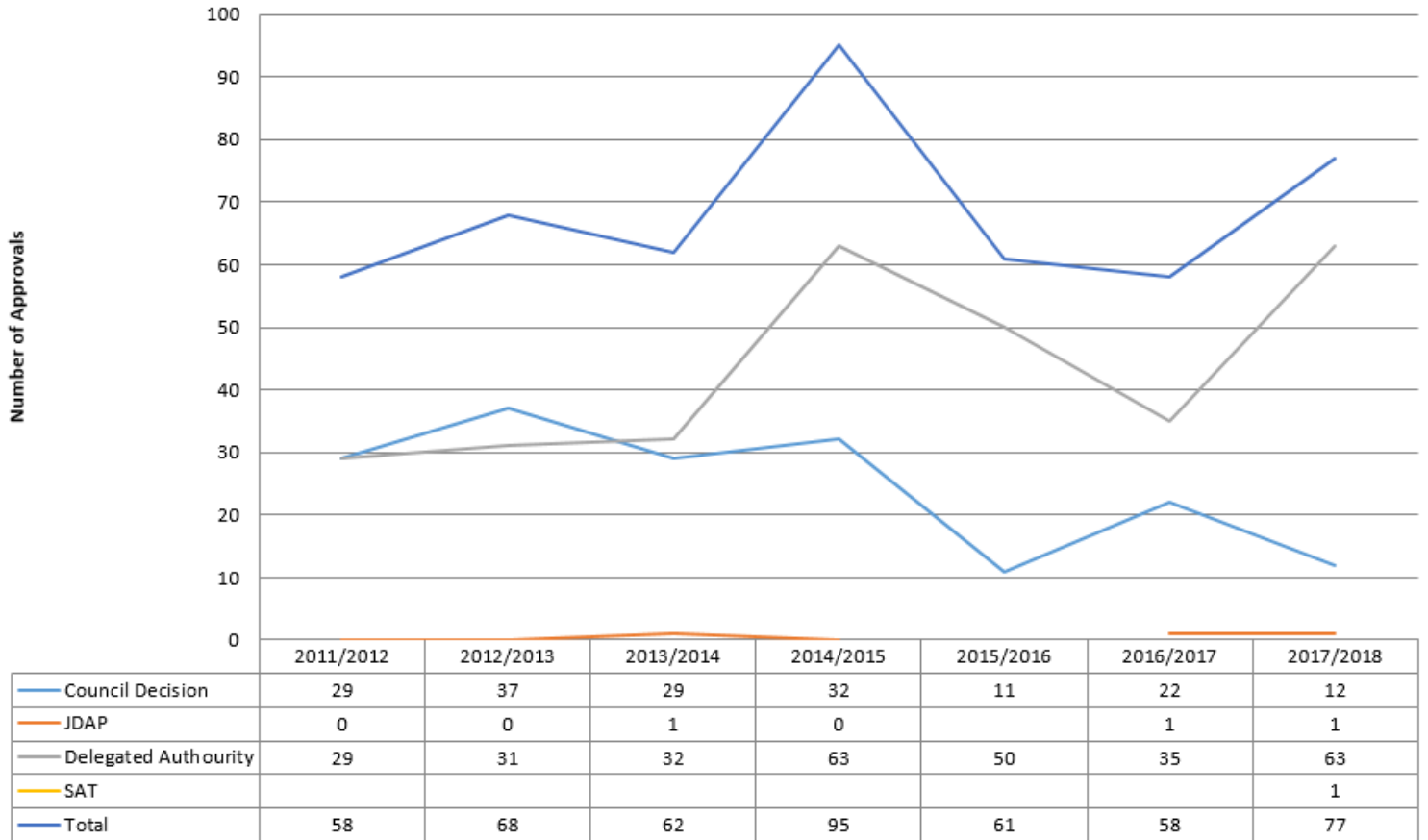
2017 - 2018 BUILDING CONSTRUCTION STATISTICS



DEVELOPMENT SERVICES

2017 - 2018 PLANNING DECISIONS

Planning Decisions 2011 - 2018



DEVELOPMENT SERVICES

DISABILITY SERVICES REPORT

Council is conscious of the need to provide facilities and services to residents and visitors with a range of abilities. The Disability Access and Inclusion Plan (DAIP) provides the framework to achieve this goal. The DAIP contains a number of strategies to ensure that facilities, services, events, information and employment opportunities are available to all community members – including those who may have a disability.

Local Governments are required to submit an annual report to the Disability Services Commission listing any outcomes achieved during the reporting period such as; ease of access to services; built infrastructure; effective communications; quality of services; appropriate consultation; and employment.

Outcome 1 - Services and events

The Shire inducted new employees in disability access and inclusion issues; informed and liaised with event organisers about accessibility issues and encouraged them to plan events accordingly; provided a wide range of large print and audio books at the library; and provided website accessibility at the Shire's website.

Outcome 2 - Buildings and other facilities

The Shire installed several new accessible footpaths; purchased a beach accessible wheelchair and provided accessible beach access; encouraged event organisers to provide 'Accessible Events'; upgraded public toilets to comply with relevant standards; ensured that commercial developments meet the specification prior to issuing building permits.

Outcome 3 - Information

The Shire of Dandaragan upgraded its website to ensure that it user friendly for people of all abilities; tourist information is provided in an alternative format; increased community and staff awareness that Shire documents are available in alternative formats.

Outcome 4 - Level of quality of services

The Shire included disability access and inclusion awareness in staff inductions.

Outcome 5 - Complaints

The Shire reviewed the grievance mechanism and feedback form to ensure that they are user friendly for people of different abilities. We improved the awareness of staff that Shire related information is available in an alternative format.

Outcome 6 - Consultation

All public documents are published on the Shire's website. Documents required for community consultation are available in alternative format upon request.

Outcome 7 - Employment

Job adverts are published in accessible format and interviews are held in an accessible venue.

ENVIRONMENTAL HEALTH

The Shire's Environmental Health section undertakes a range of activities designed to maintain and protect public health. During the reporting period more than 200 risk assessments of home occupations, hair dressers, offensive trades (eg. , piggery and pet meat processing), caravan parks, public and private pools, recreational waters, traders and waste facilities were carried out to ensure that legislative requirements and high public health standards are maintained.

DEVELOPMENT SERVICES

In addition, the Shire responded to many service requests on a range of issues including noise, premises, pests, food, waste water and other general health issues.

Fifty two registered food businesses operating in the Shire were regularly assessed by the Environmental Health Officer against legislative standards to prevent disease, minimize environmental impacts and maintain public safety.

During the year thirty six on-site waste water disposal system applications were assessed, approved and inspected. In the same time frame five systems located in the sewerred areas of Jurien Bay were decommissioned and the dwellings connected to the deep sewer.

During this reporting period the Shire's Environmental Health Officer additionally provided a contractual Environmental Health service to the Shires of Gingin and Coorow.

EMERGENCY SERVICES REPORT

The DFES 400MHz upgrades are now complete across all Brigade units in the Shire and delivery of a Tatra 8.6 fire appliance which has been donated to the Hill River Bush Fire Brigade is expected early in 2019.

The Canover VFBF members and other local personnel have been very proactive and formed a sub branch of the Eneabba Coastal District SES which is based in the Canover VFBF.

DAVID CHIDLOW

EXECUTIVE MANAGER DEVELOPMENT SERVICES



Yandin Wind Farm

INFRASTRUCTURE SERVICES

The Infrastructure Department is responsible for all operational staff, with crews based in Jurien Bay and Dandaragan. These crews are responsible for the maintenance and development of the Shire's roads, footpaths, storm water infrastructure, parks and gardens, sporting fields, and the four landfill sites.

GENERAL WORKS

Crews have been busy throughout the year carrying out regular maintenance of the Shire's infrastructure assets.

The Jurien Bay crew is responsible for all aspects associated with town maintenance within each of the four Shire towns. This includes maintenance of public open space (POS), parks, gardens, ovals, foreshore areas, town streets and swales within Beachridge.

The Dandaragan Crew is responsible for all aspects associated with road maintenance including maintenance grading, roadside spraying and slashing, culvert cleaning, and pavement repairs. The crew operates two maintenance graders and a road patrol truck which manage road maintenance across gravel roads, sealed roads and town streets within the Shire.

Where necessary the crews share equipment and resources. Where required the Shire also uses local and external contractors from our Pre-qualified Supplier Panel to undertake tasks surplus to our resources or requiring a specific skillset.

PERSONNEL

The 2017 / 2018 financial year again saw changes to a number of leadership positions within the Infrastructure department. These infrastructure leadership positions are as follows:

Executive Manager Infrastructure – Mr Garrick Yandle

Operations Supervisor Jurien Bay

Mr Troy Wright, Operations Supervisor, was seconded to the position of Acting Community Emergency Services Coordinator from February 2017 until September 2017 when he returned to his role as Operations Supervisor. During this time Mr Shaun Lyons stepped into the Acting Operations Supervisor position. Mr Wright then left the organisation as Operations Supervisor in January 2018 whereby Mr Cameron Rosenthal was appointed as Acting Operations Supervisor from January 2018 until April 2018. Following an extensive recruitment period to fill this position Mr Michael Rouse was successfully appointed as Operations Supervisor from April 2018 and continues to work in this role.

Dandaragan Operations Supervisor

Mr Paul Woolstencroft

Coordinator Infrastructure Services

Mr Angus Padfield resigned from this position in October 2017 after 20 months service. Following a review of this position and position description a new role within the Infrastructure team was developed for a Coordinator Infrastructure Services. Mr Brad Pepper was appointed to this position in December 2017, bringing a wealth of infrastructure and road construction experience to the team.

Reticulation Fitter

Mr Geoff Beale retired from this position on a full time basis in May 2017 and assisted the crew in a casual position over the 2017/18 summer as part of a handover process. Mr Danny Makarov was successfully appointed to this position from October 2017 onwards.

INFRASTRUCTURE SERVICES

Leading Hand Light Plant Maintenance

Mr Cameron Rosenthal commenced this newly created position created in June 2017 to manage repairs and mechanical maintenance of light plant at the Jurien Bay Depot. Mr Rosenthal also successfully assisted as Acting Supervisor Jurien Bay Operations.

Leading Hand (Parks and Gardens)

Mr Shaun Lyons

Leading Hand (Final Trim Grader Driver)

Mr William Sturgess

Leading Hand (Road Crew)

Mr James Deaker, who also successfully undertook the Acting Supervisor role in Mr Woolstencroft's absences for leave.

Mechanic

Mr David Taylor

STRATEGIC INFRASTRUCTURE PROJECTS

The following section provides a summary of Strategic Infrastructure Projects being planned and developed by Shire officers and being led by the Infrastructure team in 2017/18.

Bashford Street Upgrade

The Concept Design for a potential future Bashford Street pgrade was completed by Cardno in February 2014 and presented to Council. The design was reviewed by the Infrastructure team, with Council feedback presented to the consultant. The Concept design was revised and presented at a Community Workshop in February 2015. The Concept Design was endorsed by Council in March 2015. The Infrastructure team has continued to work with Cardno regarding additional detailed design.

Potential funding sources are currently being pursued as the design progresses. Completing the Preliminary and Detailed design will provide greater opportunities towards obtaining funding for the project. This includes liaison with civil design consultants, Western Power and Main Roads to finalise design and ensure all regulatory requirements are addressed with the relevant government agencies.

Shire officers continue working with the Wheatbelt Development Commission (WDC), Regional Development Australia Wheatbelt (RDAW) and economic consultant Pracsys in the development of Business Case documentation suitable for submission for significant potential funding sources through Building Better Regions Funding and the State Government's Royalties for Regions. Additionally, the Shire continues to investigate and identify potential co-contributions.

The following reports have been prepared as part of the project and development of the Business Case submission:

Project Management Plan

Procurement Plan

Communication Management Plan

Risk Management Plan

Cost Estimate

Historical Costs; and

Economic Development

INFRASTRUCTURE SERVICES

Consulting Engineers, Cardno, have also prepared the following Plans in relation to this project:

- Preliminary Design Report
- Preliminary Design Drawings
- Underground Power
- Street Lighting
- Civil Works
- Landscaping

while Pracsys, management advisory consultants are currently preparing the Business Case and Cost Benefit Analysis.

Final consultant documentation is due in late 2018.



Construction of the Cervantes Multi Purpose Performing Arts and Cultural Centre

Jurien Bay Irrigation Water Resource Review

Shire officers are investigating the current water supply needed to maintain areas requiring irrigation that may not be sufficient in the long term to adequately service critical POS. The following scope of work will be undertaken as part of this investigation:

Desktop Review

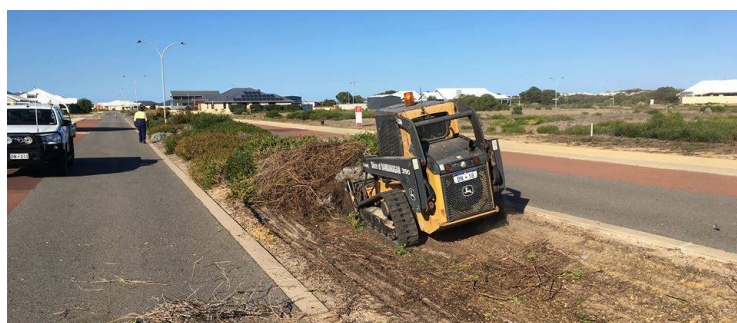
A desktop review of information provided by the Shire to identify potential irrigation sources and information gaps will be undertaken to review the requirements and distribution of irrigation water in consultation. Review of the Shire's water extraction licence conditions and the availability and quality of those sources also continues. The identification of potential alternative water resources remains an important focus including the consideration of utilising treated wastewater for irrigation. A review of available technologies, their costs, infrastructure requirements and implementation strategy for such a system are currently being completed.

The assessment opportunities to abstract groundwater at different locations within the Local Government area not impacted by salinity are to be investigated along with opportunities to use existing irrigation water as part of a shandied irrigation supply.

The Shire is currently developing a draft scope of investigation for the proposed Golf Club production bore and to consider additional infrastructure requirements and costs.

Reporting

A Water Resource Options Assessment is to be developed in order for an examination of water resource options to a conceptual level of understanding of form, scale, cost and method of implementation by in late 2018.



Beachridge swales clearing

INFRASTRUCTURE SERVICES

CAPITAL WORKS PROJECTS - GENERAL

The following section provides a summary of Capital Projects delivered by the Infrastructure team in 2017/18:

Turquoise Path	<p>Immediately south of Foreshore Redevelopment</p> <ul style="list-style-type: none"> ▪ Location changed from immediately south of Shingle Ave beach access based upon condition rating assessment ▪ Completed October 2017 <p>Island Point Realignment</p> <ul style="list-style-type: none"> ▪ Works were required due to erosion of the beach in this area undermining the original path alignment ▪ Additional funding successfully received from the Department of Transport ▪ Construction completed June 2018
Jurien Bay Sewerage Project	<p>Stages IA, IB and IC completed Completed October 2017</p>
Dual Use Path Bashford Street (Doust to Hastings)	<p>3m wide concrete Completed February 2018</p>
Cervantes Waste Facility Fence	<p>RFQ to be developed Completed October 2017</p>
Thirsty Point Outdoor Shower	<p>Shower complete Drink fountain installed Signage and bollards installed Completed June 2018</p>
Jurien Bay Tank Replacement	<p>Install completed by contractor Completed June 2018</p>
Cervantes Oval Bore Replacement	<p>Bores proofed up Completed June 2018</p>
Dual Use Path Bashford Street (Batt to Whitfield)	<p>3m wide concrete Completed June 2018</p>
Beachridge Planter Boxes	<p>Contractor almost complete Adriana Parade, Drosera Avenue and Parakeet Bend. Completed May 2018</p>
Beachridge Swales Staged Renewal	<p>Plants have been ordered Clearing and mulching underway of Adriana Parade, Middleton Boulevard and Meelup Drive swales undertaken June 2018</p>
<i>Carryover to 2018/2019</i>	
Cervantes Recreation Centre Playground	<p>Scope to be developed Liaison with stakeholders to be conducted as part of scope development Design being finalised Carryover to 18/19</p>

INFRASTRUCTURE SERVICES

CAPITAL WORKS PROJECTS - ROADS

Rural Roads

Municipal Funded - Gravel Resheets

Cadda Road (carryover from 2016/2017)	Gravel Resheet SLK 22 – 26 (near Munbinea Road) Completed August 2017
Mackays Road	Gravel Resheet SLK 0 – 3 (near Watheroo Road) 100% complete Completed August 2017
Koodjee Road	Gravel Resheet SLK 0 – 4 Completed September 2017
Bidgerabbie Road	Gravel Resheet SLK 0 – 4.0 Completed October 2018
Black Arrow Road	Gravel Resheet SLK 2.0 – 6.0 100% completed Completed March 2018
Goonderdoo Road	Carryover from 2016/2017 Gravel Resheet completed early July 2017
Cantabilling Road	Gravel Resheet SLK 9.3 – 11.8 (near Nylargarda Road) Completed March 2018
Cowalla Road	Gravel Resheet SLK 0 – 3.0 Completed April 2018
Cadda Road	Gravel Resheet SLK 9.3 – 11.8 Completed April 2018
Dewar Road	Gravel Resheet SLK 2.0 – 6.0 Completed June 2018

INFRASTRUCTURE SERVICES

State Commodity Route [SCR] funded projects

Sandy Cape Road	<p>Pavement reconstruction and widening Clearing has been completed Formation works to follow – cut and fill Pavement works to follow</p> <ul style="list-style-type: none"> ▪ SLK 4 – 6 ▪ RFQ issues and quote received ▪ Waiting for clearing permit ▪ Commenced June 2018 <p>Carryover to be completed August 2018</p>
Gillingarra Road	<p>Gravel Resheet SLK 21 – 25 (eastern to Boundary Road) Completed May 2018</p>

Regional Road Group (RRG) - seal renewal and reconstruction

Dandaragan Road	<p>Pavement reconstruction and widening SLK 37 - 40 (near Stockyard Hill Road) Construction completed March 2018 2nd coat scheduled December 2018</p>
Jurien East Road	<p>Design works</p> <ul style="list-style-type: none"> ▪ Upgrade from Brand Highway (SLK 0) to Cockleshell Gully Road (SLK 24) ▪ Approximately 24km to be done in stages over 3 years ▪ Survey undertaken March / April 2016 ▪ Design completed December 2016 ▪ Environmental Survey completed October 2016 ▪ Clearing Permit received December 2018 <p>Construction</p> <ul style="list-style-type: none"> ▪ SLK 7 – 11 ▪ Reconstruction and pavement widening to 10m with 8m seal ▪ Completed December 2017 <p>2nd coat seal to be undertaken</p> <ul style="list-style-type: none"> ▪ SLK (0 – 7) ▪ Completed January 2018 ▪ Line marking scheduled for May 2018
Dandaragan Road	<p>2nd coat seal to be undertaken SLK 51 – 55 (near Gillingarra Road) Changed to near Koodie Woodie Hill</p>
Rowes Road	<p>2nd coat seal to be undertaken SLK 30 – 33 (near Koodjee Road) Completed April 2018 2nd coat completed April 2018 and line-marking completed in May 2018</p>

INFRASTRUCTURE SERVICES

Urban Roads

Roads to Recovery (RTR) funded projects

Drummond Circus – Cervantes	Reconstruction and re-asphalt SLK 0.0 – 0.4 (Lang to Leon) Completed May 2018
Cadiz Street - Cervantes	Reconstruction and re-asphalt SLK 0.0 – 0.4 Completed May 2018
Murray Street – Jurien Bay (carryover 2016 / 2017)	Reconstruction and re-asphalt SLK 0.0 – 0.25 (Bashford to Sandpiper) Works completed October 2018
Ward Street – Jurien Bay	Reconstruction and re-asphalt SLK 0.0 – 0.25 (from Lesueur Drive) Quotes received and awarded Completed November 2017
Carmella Street – Jurien Bay	Reconstruct pavement, upgrade drainage and re-asphalt SLK 0.4 – 0.76 (Boulangier to termination) Quotes received and awarded Completed March 2018



INFRASTRUCTURE SERVICES

TOWN MAINTENANCE (Parks and Gardens)

The Town Maintenance team (Parks and Gardens) and specific contractors continue to maintain all assets in each of the 4 towns within the Shire. Key areas of note in each town are:

Jurien Bay Oval

- Turf stripped in November 2016 to remove excessive infestation of buffalo grass.
- Couch grass allowed to regrow.
- Re-turf renovations to slow growing areas continued over summer of 2017/2018.
- Coring January 2018
- Aeration March 2018

Jurien Community and Recreation Centre surrounds

Town Streets

Public Open Space

Beachridge Swales

Jurien Bay Jetty

Turquoise Way

Sandy Cape

Cemetery

Industrial Areas

Airfield

Jurien Landfill Site

Dandaragan Oval

- Coring January 2018
- Aeration March 2018

Dandaragan Community Centre surrounds

Pioneer Park

Town Streets

Community Resource Centre Grounds

Cemetery

Aggie's Cottage

Dandaragan Landfill Site

Cervantes Oval

- Coring January 2018
- Aeration March 2018

Cervantes Community Recreation Centre surrounds

Parks

Town Streets

Industrial Area

Airfield

Cervantes Waste Transfer Station

Badgingarra Oval

Badgingarra Community Centre surrounds

Town Streets

Badgingarra Landfill Site



INFRASTRUCTURE SERVICES

Turf Management Review

Mowing of turfed areas of public open spaces (POS) across the Shire has been delivered in recent years by a combination of Shire internal operations resources and by a contractor.

In 2017/2018 Shire officers undertook a review of Turf Management within the Shire and activities undertaken. This included a comprehensive review of scope of services associated with Mowing of Public Open Space. This entailed:

- Turf management review undertaken by turf consultant, Woodlands.
- Working with the incumbent turf mowing contractor (Vari-Skilled) as well as operations staff to review and trial alternative mowing regimes.

The Shire commissioned a turf consultant, Woodlands, to provide an independent review and recommendations to the Shire on its current turf management practices. Information gathered as part of this review process contributed towards refining how turf mowing and turf management as a whole is to be undertaken from 1 July 2018 onwards.

Request for Tender 01/18 Mowing of Public Open Space was advertised in May 2018 and awarded at the June Council Meeting to local contractor Vari-Skilled for 4 years commencing 1 July 2018 for the mowing of the Jurien Bay townsite POS, the Jurien Bay Administration Centre building surrounds and lawns, the and the Cervantes townsite POS,

Shire Operations crews continue to manage and maintain, Fautleroy Park, Jurien Sport and Recreation Centre Oval, and the Badgingarra and Dandaragan townsites POS.

WASTE MANAGEMENT

Waste Facility Management

The Infrastructure team continues to manage the four landfill facilities within the Shire through a combination of staff and local contractors.

Jurien Bay - 1pm to 5pm

Monday, Tuesday, Wednesday, Friday, Saturday, Sunday - Mr Bob Bridgeman
Thursday - Parks and Gardens crew

Cervantes - 8.30am - 11.30am

Monday and Tuesday - Parks and Gardens crew
Wednesday, Thursday, Friday and Saturday - Graeme Rowe

Badgingarra

Wednesdays, Fridays and Saturdays - Contractor

Dandaragan

Wednesdays, Fridays and Saturdays - Contractor

Refuse Collection

The Shire continues to provide refuse collection services via contractor Avon Waste who are into the second year of a seven year contract. Avon Waste have worked closely with Infrastructure team members to fine tune the collection of public waste bins and provide additional recycling services over the busy holiday season months of December, January and April.

INFRASTRUCTURE SERVICES

PLANT AND EQUIPMENT

In 2017 / 2018 the Shire replaced or bought the following Light and Heavy items of Plant:

Heavy Plant

Maintenance Grader

- Replace Volvo when reaches 9,000 hrs
- Approved March 2018 Council Meeting
- Completed June 2018

6 Wheeler Water Truck

- Replace existing
- Completed May 2018

Tri Axle Side Tipper and Tandem Dolly

- To replace existing Pig Trailer
- EMI investigation options

Mowing Tractor

- Replace Massey Ferguson Tractor
- PO issued April 2018
- Delivery expected August 2018
- Carryover 18/19

Dispose of

- Pole Saw - loader attachment
- Carryover dispose via Tender August 2018

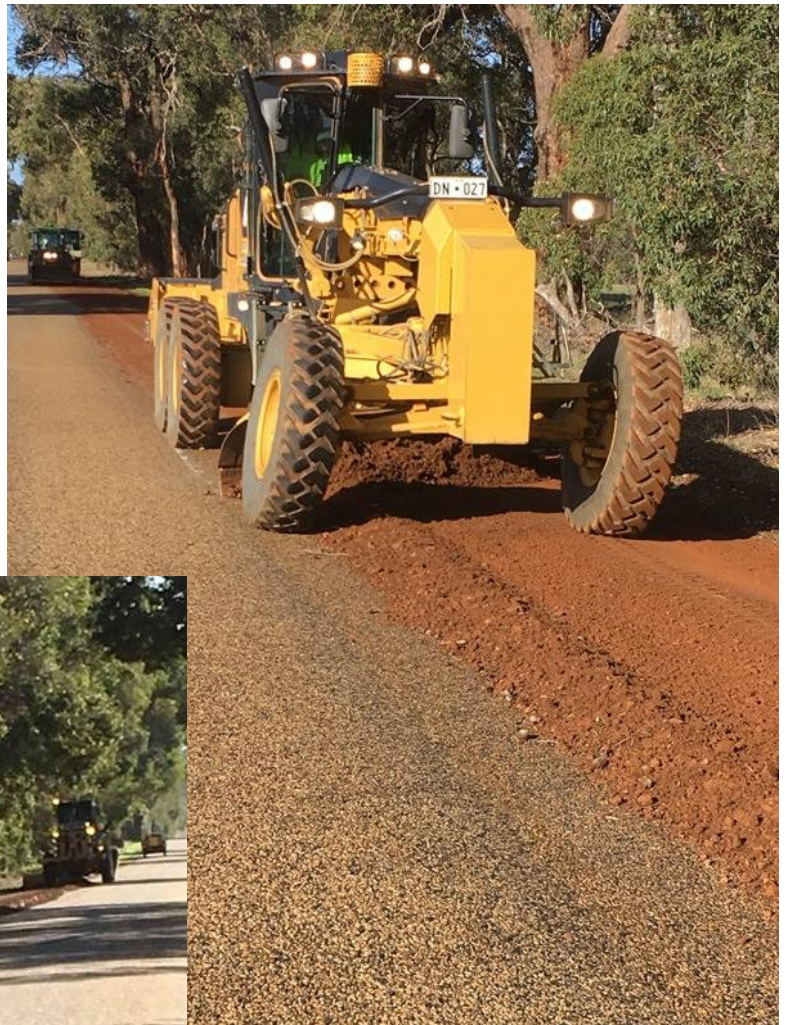
Light Plant

DN Oval Mower

- Trade Huskvarna for Toro360
- Completed February 2018

Dispose of the following

- John Deere Ride on mower
- Toro ride on mower



INFRASTRUCTURE SERVICES

ASSET MANAGEMENT

The Infrastructure team continues to development key Asset Management programs for Shire Infrastructure. Key items addressed in 2017/2018 as part of ongoing Asset Management included:

1. Asset Management Roads

Executive Manager Infrastructure and Asset Infrastructure Coordinator updating AMP with Opus. Hierarchy and RAMM Review completed.
Unit Renewal Costs being Evaluated.
Revaluation completed June 2018.
Revised AMP due July 2018 commenced February 2018.
To be presented to Council early 2018/2019.

2. Infrastructure Management Procedures

Document reviewed
To be utilised in developing relevant Asset Management Plans

3. Footpath Asset Management Plan

RAMM Data
Survey completed late 2014
Valuations unit rates to be verified and updated
Renewal works completed to be updated
Develop Hierarchy
High and Low
Level of Service
Condition Rating



4. Reserves / Parks Asset Management Plan

Review against Public Open Space Policy.
Mr Ben Symmons, consultant from Asset Infrastructure Management engaged to update AMP
Condition Rating to be completed
Level of Service to be completed

5. Building Asset Management Plan

RAMM Data has been uploaded into RAMM
Review against Public Open Space Policy



INFRASTRUCTURE SERVICES

Condition Rating to be completed

Level of Service to be completed

Over the last 2 years we have had all buildings and infrastructure (minus roads and footpaths) valued by Griffin Valuers for both insurance and fair value purposes, including replacement cost, remaining effective life and current value

6. Airport Asset Management Plan

Completed June 2015 and to be reviewed bi-annually

Condition Rating inspection completed in May 2016

Ongoing development of capital renewal budget projects for 2017/18 and the next 5 years, including a maintenance plan

STRATEGIC COMMUNITY PLAN

The following key performance indicators from the Shire of Dandaragan Strategic Community Plan were addressed by the Infrastructure Team in 2017/2018:

GOAL AREA	KEY PERFORMANCE INDICATOR	COMMENTS
Great Place for Residential and Business Development	Ensure timely provision of essential and strategic infrastructure	Key infrastructure essential and strategic projects have been undertaken as per the Capital Projects sections of this report. Significant projects include: <ul style="list-style-type: none"> • Jurien Bay Infill Sewer Project Stage 4 • Roads 2030 Roads upgrades through RRG • Sandy Cape Road upgrade • Town street renewal • Dual Use Path installations
	Residents have access to television channels	The Shire continues to distribute television service from the Jurien Bay Depot. Currently the community has access to all channels available to residents in regional Western Australia
Healthy Natural and Built Environment	<ul style="list-style-type: none"> ▪ Manage and maintain priority road verges which link or are strategic sites on Shire reserves ▪ Develop and implement gravel pit restoration program 	Relevant gravel pits continue to be maintained and rehabilitated on an ongoing basis.

The Infrastructure department continues to be an extremely busy and vital component of the Shire's delivery of services to the communities of Jurien Bay, Dandaragan, Cervantes and Badgingarra. The day-to-day routine maintenance activities, combined with the capital projects, has kept all members of the team active and provided great opportunities for staff and local contractors to work together. The year 2018 / 2019 looks to be busier again with more capital works projects likely to reach construction phase as the Shire continues its pursuit of strategic infrastructure development.

GARRICK YANDLE

EXECUTIVE MANAGER INFRASTRUCTURE

CORPORATE AND COMMUNITY SERVICES

COMMUNITY ENGAGEMENT AND CONSULTATION

To support the Shire of Dandaragan's Community Engagement Plan, endorsed by Council endorsed in 2015, this year, staff strengthened standard procedures around how to engage and consult with the community on projects and matters of interest. Clearer internal procedures were developed and rolled out across the Shire to enable staff to build positive relationships between Council and all sections of the community, provide the community with the information they need to participate in a meaningful way, explain more clearly why community consultation is taking place and the decisions to be made, and inform the community of any limits to influence they will have on the decision. This process has included the development of a Consultation Matrix to guide staff on appropriate strategies and the creation of consultation plans for individual projects or issues.

COMMUNITY EVENTS

The Shire supports and hosts many events throughout the year. This might be through financial support or through in-kind support such as providing additional bins, marquees, preparing event sites, or other necessary support. All events on Shire-owned/managed land require an event application and permit, and staff work with event coordinators throughout the year to ensure that events comply with statutory regulations so that events are kept incident-free and safe for everyone.

It is also important for the Shire to showcase our fantastic towns, both to residents, and those visiting from elsewhere, and good quality, well-run and safe events encourage visitors to come, stay and enjoy our Shire.

This year, the Shire of Dandaragan supported the Cervantes Family Fest and Jurien Bay Beach Mission which is targeted at engaging young people in healthy outdoor activities. There are also regular markets coordinated by the Lions Club of Jurien Bay which were recently moved to the new Foreshore development at Fauntleroy Park due to increase in attendance causing some safety issues. The new venue has meant that more stalls could be booked and patrons could move around the venue safely without having to negotiate traffic.

ANZAC Day and Australia Day 2017/18 were nationally significant events that are held annually in towns across the Shire, as well as the acknowledgement of two new Australian citizens at Citizenship ceremonies at the Shire of Dandaragan Council Chambers in Jurien Bay. Citizen and Young Citizen of the Year ceremonies were held in Badgingarra and were awarded to Mr Josh Barnes and Ms Caitlyn Porteous, both worthy winners.

The following are events and activities for the 2017/18 year that Shire officers assisted with permits and support:

- Beach Clean-Ups run by Jurien Bay Progress Association,
- Jurien Bay Village Bocce & BBQ
- Vietnam Veterans Day Memorial Service
- National Tree Day events around the Shire
- Toyota Landcruiser Club 40th Birthday
- Indian Ocean Festival
- Cervantes Windsurf Challenge
- Jurien Bay Clouds 2 Coast Triathlon
- Dog's Breakfast
- Jurien Bay T20 Blast School Cup
- Turquoise Coast Netball Association Summer Cup



CORPORATE AND COMMUNITY SERVICES

- Jurien Bay Youth Group Christmas Party
- Dandaragan Carols by the Lake
- Ronnie Hobbs 239km Challenge BBQ
- Jurien Bay Carols in the Park
- Cervantes Show and Shine
- Cervantes Art Festival Market
- Turquoise Coast Triathlon
- Jurien Bay Easter Fair
- Sunsmart Community Fishing Clinic
- Jurien Bay Regional Herbarium Group Native Plant Giveaway
- World Environment Day Planting
- Back to Cervantes



The Shire also received a number of requests to hold weddings on local beaches and parks which we assisted to coordinate use of Shire land and resources.

DISABILITY BEACH ACCESS

Based on previous identification of needs, the community development team teamed with the Shire's building services to design an improved disability ramp to improve access to the water's edge at the Jurien Bay Marina. The improved design will include the correct gradient for easy manoeuvring with a wheelchair or walker, a bench to assist when transferring to a beach wheelchair or putting on shoes, and regulation level handrails for improved useability. The Shire is now waiting on approval from Department of Transport to undertake these changes which will make it possible for people with mobility issues or disability to enter the water for swimming.

To coincide with the improved ramp design, community development officers undertook further consultation and investigation of the purchase of a beach (multi-use) wheelchair. An appropriate model was identified which would suit the needs of people with disability who would like to access beaches in the Shire, and a Memorandum of Understanding was entered into with the Jurien Bay Community Resource Centre and Jurien Bay Tourist Park for the purchase and availability of a wheelchair for the public to hire. The beach wheelchair will be available from late 2018.

Based on tasks identified from the Shire's Disability Access and Inclusion Plan as well as priorities in the Shire's Age Friendly Community Plan, existing toilet facilities at the Dandaragan Community Centre have been upgraded for improved useability and access. Similarly, renovations and expansion of the Cervantes Multi-Purpose Cultural and Arts Centre provided an opportunity to include disability access facilities in accordance with the National Construction Code Series. Issues addressed were an improved path of travel from carpark, width of access doors, installation of mobility aids and grab rails, emergency assistance alarm facility, facilities for ambulant disabilities and international standard facility identification signage with braille indicators.

AGE FRIENDLY COMMUNITIES

Following the adoption of the Age Friendly Community Plan in 2016, Shire officers are due to undertake a third 'age-friendly' audit mid-2019, to determine areas of improvement and where more attention is required to improve wellbeing and lifestyle of older people in the Shire.

CORPORATE AND COMMUNITY SERVICES

However, during 2017/18, the Shire made improvements to enhance its website with website accessibility features, making it easier to use for people with visibility issues.

In addition, based on feedback from the Age Friendly Community Plan and the Shire's Bike Network Plan 2015-2020, upgrades to footpaths along Bashford Street (between Doust/Hastings Streets and Batt Street/Whitfield Road) were widened to improve safety and usability for pedestrians and cycle users.

HERITAGE

During 2017/18, the Shire continued to work with Heritage Consultants/Archaeologists and the community on the North Head Radar Installation site just north of Jurien Bay. Council budgeted to undertake further archaeological investigations and in June 2018, Council received the Report on the Archaeological Investigations of Radar Station 48, North Head, Jurien Bay for the Shire of Dandaragan. Recommendations in the report included developing a Conservation Management Plan and an oral history project to protect both the physical and historical value of the site. This work will continue into 2018/19.

COMMUNITY GROUPS

Community development staff continue to work closely with community groups around the Shire - from ratepayer groups, youth groups and sporting clubs on a wide range of projects such as the installation of art sculptures, development of events, governance, finances and grant opportunities. The Shire's Community Development team are available to any group in the Shire that need assistance or advice with an 'open door' attitude, and this ensures we have a thorough sense of the needs and capacity of local groups and how best to assist.

YOUTH

This year, Community Development staff were successful in receiving funding from the State Government to employ a Community Development (Youth) Trainee. Our new trainee has been working alongside our Community Development team on creating a Shire of Dandaragan Youth Advisory Council made up of young volunteers from around the Shire. This officer has also worked on increasing consultation of young people in projects such as naming of local Jurien Bay reserves, Banners in the Terrace, and Spray the Grey Youth Festival.

Following on from funding received in 2016/17 to undertake consultation for the preparation of a Youth Plan under the Youth Friendly Communities program, Community Development staff have utilised feedback received from young people and prepared a draft Shire of Dandaragan Youth Plan. Staff are continuing to work on this document to ensure that it is an accurate and workable representation of the wishes and needs of young people as told to us by young people themselves. The document will contain key focus areas, goals, strategies and action plans to ensure best outcomes for young people. Our aim is for Council to endorse our first Youth Plan in late 2018. This informing document aligns with 'Objective 3.5: to be supporting and developing youth for a strong and connected community' within the Shire's Strategic Community Plan.

Council continue to support the Leeuwin Ocean Adventure Scholarship which offers one fully paid voyage fare to a young person between the age of 15 and 18. This year, the scholarship was awarded to Miss Lailah Woodford from Cervantes who undertook her voyage in October 2018. The Shire also contributed financially to the Jurien Bay Youth Group to assist them to operate a quality group for young people in the area.

CORPORATE AND COMMUNITY SERVICES

Based on petitions and letters from many young people over a number of years, and the Shire's draft Youth Friendly Community Plan which highlighted that young people continue to request an upgraded skatepark, staff investigated the development of a district-level skatepark and youth space in Jurien Bay. Workshops and other consultation activities, including a skateboarding day during the Spray the Grey Youth Festival, were held in early 2018.

Feedback from young people, the skateboarding and broader community were combined to develop a draft design. Further investigations into whether the wider community support such a significant piece of infrastructure, and possible funding sources, will continue into 2018/19.

SPORT AND RECREATION

The Associations Incorporation Act 2015 (the Act) came into effect on 1 July 2016 which means that all Clubs and Associations across the State must review and update their Constitution's and comply with additional governance requirements under the Act. The Community Development team have been assisting Clubs and Associations with this process to ensure that all are compliant by the final transition date of 1 July 2019. Across the Shire the majority of clubs have now completed the updating process. The Community Development team are now encouraging Clubs to better plan for their immediate and long term future. The Clubs are being encouraged to undertake a planning process in line with the Shire's Strategic Community Plan. This process is targeted at aligning the Club's aspirations with the Strategic Community Plan so that an orderly process for improvement over the Plan period can be implemented. The Shire continues to work with the Sport and Recreation Clubs to build their capacity improve governance and sustainability.

SHIRE OF DANDARAGAN / TRONOX MANAGEMENT SPORTING & RECREATION FACILITIES FUND

Policy 6.6 - Sport and Recreation funding includes a provision for the Shire of Dandaragan and Tronox Management Sporting and Recreation Facilities Fund.

The Shire of Dandaragan, in its annual budget, allocates \$15,000 to be matched by Tronox Management to fund the program. The purpose of the grant is to assist community-based organisations in the purchase of durable equipment and small grants to undertake improvements. The applications for funding for 2017/2018 were over \$83,000. A total of \$38,061 worth of projects were funded, enabled by the carryover from previous years.



Spray the Grey Youth Festival

CORPORATE AND COMMUNITY SERVICES

The following groups received grants from this program in 2017/18:

Organisation	Project Description	Project Costs (\$)	Grant (\$)
Badgingarra Community Association	Stage	17,787.00	8,893.50
Cervantes Bowling Club	Bench Seating	2,656.50	1,328.25
Cervantes Community Recreation Centre	Tables and Trolley	3,967.70	1,983.82
Cervantes Community Recreation Centre	Kitchen Equipment	2,278.00	1,139.00
Cervantes Golf Club	Self-Propelled Ride-On Mower	5,379.00	2,689.50
Cervantes Historical Society	Office Equipment	1,568.00	784.00
Dandaragan Community Centre Management Committee	Crockery and Cutlery	6,277.50	3,138.75
Dandaragan Golf Club	Upgrade to Clubhouse and outdoor area	9,059.99	4,530.00
ICAN	Laptop and Mobile Printer	1,649.00	824.50
Jurien Bay Motor Cycle Club	Reticulation	2,870.15	1,435.00
Jurien Bay Motor Cycle Club	Fire Extinguisher and Fire Blanket	568.95	284.00
Jurien Bay RSL Sub-branch	Audio Equipment	1,230.00	615.00
Jurien Sport and Recreation Centre	Stage	21,681.00	3,155.98
Jurien Sport and Recreation Centre	Tables and Trolley	4,011.70	2,000.00
Lions Club of Jurien Bay	PA / Sound System	8,027.80	4,013.90
Wolba Wolba Heritage Site Management Committee	Market Umbrellas	2,492.00	1,246.00
Total		\$91,504.29	\$38,061.20

Policy 1.6 - Community Grants Program provides funds to community-based organisations and individuals to support the promotion and development of social, economic, recreational, art and cultural benefits for the residents of the Shire of Dandaragan.

The policy contains two sections:

1. Recurring Grants

Local publications

Each year the Shire will incorporate within the budget a grant to be provided in September of each year to the community newspapers. The grant of \$250 each is to cover the cost of community service announcements by the Shire in the various local publications. Advertising by the Shire is to be invoiced separately.

Student awards - Schools

Each year the Shire will contribute \$100 to the Jurien Bay District High School, \$100 to the Central Midlands Senior High School, and \$50 each to the Dandaragan Primary School, Badgingarra Primary School, Jurien Bay Primary School and Cervantes Primary School award nights.

CORPORATE AND COMMUNITY SERVICES

Australia Day

Each year the Shire of Dandaragan will grant \$1,000 to the Jurien Bay Progress Association, \$1,000 to the Cervantes Ratepayers & Progress Association, \$750 to the Badgingarra Community Association and \$750 to Advance Dandaragan for Australia Day festivities. This grant is to assist organisations with conducting an Australia Day event and is not intended to meet the total cost of the event.

Art

Each Cervantes Art Festival, the Shire of Dandaragan will contribute \$1,500 to the Cervantes Cultural Committee to purchase art as the Shire of Dandaragan Art prize. The \$1,500 will be awarded to the chosen artist for artwork up to the value of \$1,500. The prize will be determined by the Shire President or delegate, who will seek guidance from the judges. The artwork will be acquired by the Shire of Dandaragan as part of the Shire's art collection.

In addition to the art prize, the Shire of Dandaragan will donate \$1,500 towards the cost of delivering the Art Show. These funds will be spent at the discretion of the Cervantes Cultural Committee.

Mid West Group of Affiliated Agricultural Societies Inc.

Each year the Shire of Dandaragan will contribute to the Mid West Group of Affiliated Agricultural Societies Inc. \$200 to showcase the Shire of Dandaragan's products and attractions.

Jurien Bay Beach Mission and Cervantes Family Festival

Each year the Shire of Dandaragan will contribute \$1,500 to each of the Jurien Bay Beach Mission and the Cervantes Family Festival to continue their summer holiday program.

2. Annual Grants

The second section of the policy allows groups and individuals to make applications for funding under the Shire's small grants program, with each application being assessed against the policy criteria. In 2017/18 the following events/activities were funded from this policy:

ORGANISATION	PROJECT DESCRIPTION	GRANT REQUEST
Advance Dandaragan	Quiet Achievers Dinner	\$500
Badgingarra Community Association	Inspirational Dinner	\$1,500
Coastal Kids Care	Community Christmas Party and Open Day	\$1,500
Dandaragan Community Resource Centre	Dandaragan Christmas Carols Event	\$800
Dandaragan Golf Club	Men and Ladies Open Days	\$1,000
Dandaragan Playgroup	Tiny Hearts First Aid Course	\$1,020
ICAN	Art Workshops	\$1,500
Jurien Bay Camera Club	2018 Turquoise Coast Photo Competition	\$1,500
Jurien Bay District High School P & C	Senior Ball	\$1,000
Jurien Bay Interpretive Complex	Feasibility Study, Business Care, Memorandum of Understanding	\$1,500
Jurien Bay Youth Group	Basic Survival and First Aid Trek	\$1,500
Jurien Sport and Recreation Centre	Country Arts WA "Shows on the Go"	\$1,500
Wolba Wolba Heritage Site Management Committee	Aggies Cottage Christmas Pop Up Shop	\$1,500
	TOTAL	\$16,320

STATUTORY STATEMENTS

COMPETITIVE NEUTRALITY

National Competition Policy reforms require local governments to comply with and implement the principles of competitive neutrality and restructure monopolies (or near monopolies), subject to public benefits.

National Competition Policy is a framework for reform and is about promoting competition in business across Australia regardless of private or public ownership, size of business or ownership structure.

Local Government is required to report annually on the implementation, application and effects of the National Competition Policy (NCP) with regard to three areas, being competitive neutrality, legislation review, and structural reform.

As the Shire of Dandaragan did not acquire any new entities or privatise any activities during 2017/18, there was no requirement for competitive neutrality testing.

NATIONAL COMPETITION POLICY

The Shire of Dandaragan had 35 Local Laws that may have restricted competition and hence were reviewed under the National Competition Policy.

This process was completed in 2000/2001 with the gazettal of the following Local Laws on 9 May 2001:

- Activities on thoroughfares and trading in thoroughfares and public places
- Beekeeping
- Local Government Property
- Standing Orders
- Extractive Industries
- Fencing
- Repeal Local Law 2001
- Pest Plants
- Bushfire Brigades
- Public Cemeteries
- Dogs Local Law



STATE RECORDS ACT

In compliance with the State Records Act 2000, the Shire of Dandaragan has a Record Keeping Plan. The amended Record Keeping Plan outlines the improvements made to the Shire's record keeping policies, as they relate to staff and Councillors.

The Plan has assisted the Shire to implement an efficient and effective electronic records management system InfoExpert. This system has promoted ongoing improvements and continued compliance with the State Records Act 2000. Although the conversion to an electronic system was not easy, the benefits it provides far outweigh the initial difficulties. Each individual is now responsible for their own documents, in accordance with the State Records Act as records are everyone's responsibility.

REMUNERATION

The Local Government Act requires the Annual Report to detail the number of employees who are entitled to an annual salary of \$100,000 or more and to break those employees down into bands of \$10,000.

As at 30 June 2017 the Shire of Dandaragan had the following:

\$100,000 - \$109,999 - 2 EMPLOYEES
\$110,000 - \$119,999 - 1 EMPLOYEE
\$160,000 - \$169,999 - 1 EMPLOYEE
FULL TIME EQUIVALENT EMPLOYEES - 60

PUBLIC INTEREST DISCLOSURE

In accordance with the requirements of the Public Interest Disclosure Act 2013, the Shire of Dandaragan has established procedures to facilitate the making of disclosures under the Act. These procedures set out the processes in place in respect to protected disclosures generally to protect people from reprisal for making protected disclosures, and to provide guidance on investigations. No disclosures relating to improper conduct were made to the Shire during 2017/2018 financial year, therefore no disclosures were referred to the ombudsman.

FREEDOM OF INFORMATION

The Shire of Dandaragan is subject to the provisions of the Freedom of Information Act 1992, which gives individuals and organisations a general right of access to information held by the Shire. The Act also provides the right of appeal in relation to decisions made by the Shire to refuse access to information applied under the Act.

The Shire of Dandaragan received no requests for information during 2017/2018.



REPORTS ON COMPLAINTS MADE AGAINST COUNCILLORS

In accordance with section 5.53 of the Local Government Act and the associated Local Government (Rules of Conduct) Regulations 2007, the complaints made against councillors for 2017/2018 were:

- Number of entries in the register - Nil
- How the complaints were handled - Not applicable.

FEDERAL GOVERNMENT FINANCIAL ASSISTANCE GRANTS

The Shire of Dandaragan received \$1,573,394 in Financial Assistance Grants in 2017/2018. These grants contribute to annual maintenance of communities infrastructure and general operations of the local government.

REGISTER OF FINANCIAL INTERESTS FOR ELECTED MEMBERS AND SENIOR STAFF

In accordance with the requirements of the Local Government Act (1995), this register is held in the Shire's administration office and available for viewing by the public.



AUDIT REPORT



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Council of the Shire of Dandaragan

Report on the Audit of the Financial Report

Opinion

I have audited the annual financial report of the Shire of Dandaragan which comprises the Statement of Financial Position as at 30 June 2018, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In my opinion the annual financial report of the Shire of Dandaragan:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2018 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for Opinion

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

Emphasis of Matter – Basis of Accounting

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Shire's financial reporting responsibilities under the Act. Regulation 16 of the Local Government (Financial Management) Regulations 1996 (Regulations), does not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. My opinion is not modified in respect of this matter.

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

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

In preparing the financial report, the CEO is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State government has made decisions affecting the continued existence of the Shire.

AUDIT REPORT (CONT.)

The Council is responsible for overseeing the Shire's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Report

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

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

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

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

Report on Other Legal and Regulatory Requirements

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

- (i) In my opinion, the following material matter indicates a significant adverse trend in the financial position of the Shire:
 - a. The Operating Surplus Ratio has been below the Department of Local Government, Sport and Cultural Industries standard for the past three years. The financial ratios are reported in Note 26 of the financial report.

AUDIT REPORT (CONT.)

- (ii) The following material matter indicating non-compliance with Part 6 of the *Local Government Act 1995*, the *Local Government (Financial Management) Regulations 1996* or applicable financial controls of any other written law was identified during the course of my audit:
 - a. Accounting journal entries were posted with no evidence of independent review and approval by another person. Accounting journals can represent significant adjustments to previously approved accounting transactions, and should therefore be independently reviewed and approved with evidence of this review being retained.
- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed.
- (v) In my opinion, the asset consumption ratio and the asset renewal funding ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

Other Matter

The financial report of the Shire for the year ended 30 June 2017 was audited by another auditor who expressed an unmodified opinion on that financial report. The financial ratios for 2017 and 2016 in Note 26 of the audited financial report were included in the supplementary information and/or audited financial report for those years.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the annual financial report of the Shire of Dandaragan for the year ended 30 June 2018 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



DON CUNNINGHAME
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT
Delegate of the Auditor General for Western Australia
Perth, Western Australia
7 December 2018

FINANCIAL DECLARATION

SHIRE OF DANDARAGAN

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2018

Local Government Act 1995

Local Government (Financial Management) Regulations 1996

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Dandaragan for the financial year ended 30 June 2018 is based on proper accounts and records to present fairly the financial position of the Shire of Dandaragan at 30 June 2018 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.A

Signed on the 3rd day of December 2018.



Chief Executive Officer
Brent Bailey



2017/2018
ANNUAL FINANCIAL STATEMENTS

SHIRE OF DANDARAGAN
STATEMENT OF COMPREHENSIVE INCOME by Nature or Type
for the year ended 30 June 2018

	Note	Actual 2017/2018	Budget 2017/2018	Actual 2016/2017
		\$	\$	\$
Revenue				
Rates	19	6,082,363	6,084,507	5,902,205
Operating grants and subsidies	2(a)	1,845,158	1,040,917	2,755,587
Contributions, reimbursements & donations	2(a)	310,973	250,702	308,377
Fees and charges	2(a)	2,359,091	2,120,008	2,030,968
Interest earnings	2(a)	126,910	109,000	153,158
Other revenue		110,719	87,599	103,316
		10,835,214	9,692,734	11,253,610
Expenses				
Employee costs		(3,998,726)	(3,967,246)	(3,620,644)
Materials and contracts		(2,685,835)	(2,810,189)	(2,588,755)
Utilities		(454,086)	(590,263)	(450,665)
Insurance		(397,002)	(380,061)	(400,501)
Other expenses		(646,537)	(744,145)	(699,615)
Depreciation	9(b)	(6,158,800)	(6,171,904)	(6,052,865)
		(14,340,985)	(14,663,807)	(13,813,045)
		(3,505,771)	(4,971,073)	(2,559,435)
Borrowing costs	2(b)	(25,197)	(27,115)	(35,089)
Non-operating grants & subsidies	2(a)	3,626,988	1,433,304	3,955,271
Profit on asset disposal	9(a)	40,186	317,452	33,184
(Loss) on asset disposal	9(a)	(5,345,187)	(128,111)	(67,042)
(Loss) on asset revaluation	8(b)	(1,529,888)	(0)	(0)
Net result		(6,738,868)	(3,375,544)	1,326,888
Other comprehensive income				
Items not reclassified subsequently to profit or loss				
Changes on revaluation of non-current assets	10	43,791,529	(0)	1,314,828
Total other comprehensive income		43,791,529	(0)	1,314,828
Total comprehensive income		37,052,661	(3,375,544)	2,641,716

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

SHIRE OF DANDARAGAN
STATEMENT OF COMPREHENSIVE INCOME by Program
for the year ended 30 June 2018

	Note	Actual 2017/2018	Budget 2017/2018	Actual 2016/2017
Revenue	2(a)	\$	\$	\$
Governance		11,515	31,175	38,448
General purpose funding		7,820,348	6,969,193	8,390,910
Law, order & public safety		514,245	479,105	495,435
Health		21,328	19,667	18,985
Education & welfare		(0)	(0)	(0)
Community amenities		1,363,970	1,205,857	1,216,814
Recreation and culture		478,043	321,519	473,500
Transport		149,072	234,335	251,995
Economic services		278,690	208,840	272,754
Other property and services		198,004	223,043	94,769
		10,835,214	9,692,734	11,253,610
Expenses excluding finance costs	2(b)			
Governance		(524,080)	(677,667)	(702,384)
General purpose funding		(212,674)	(243,529)	(154,751)
Law, order & public safety		(1,340,296)	(1,346,668)	(1,119,684)
Health		(349,480)	(378,880)	(340,253)
Education & welfare		(96,009)	(81,423)	(0)
Community amenities		(1,905,963)	(2,210,697)	(2,243,437)
Recreation and culture		(3,349,780)	(3,190,499)	(3,103,561)
Transport		(5,195,784)	(5,287,545)	(5,203,133)
Economic services		(669,222)	(734,787)	(637,855)
Other property and services		(697,696)	(512,112)	(307,986)
		(14,340,984)	(14,663,807)	(13,813,045)
		(3,505,770)	(4,971,073)	(2,559,435)
Finance costs	2(b)			
Governance		(16,806)	(18,106)	(26,530)
Recreation and culture		(8,075)	(8,641)	(7,852)
Other property and services		(316)	(368)	(708)
		(25,197)	(27,115)	(35,089)
Non- operating grants and subsidies	2(a)			
Law, order & public safety		(0)	(0)	149,737
Community amenities		(0)	(0)	765,614
Recreation and culture		50,000	(0)	729,144
Transport		3,576,988	1,433,304	2,310,776
		3,626,988	1,433,304	3,955,271
Profit / (loss) on asset disposal	9(a)			
Governance		(1,489)	803	(0)
Law, order & public safety		(0)	(0)	(16,565)
Community amenities		(5,315,357)	(0)	(0)
Recreation and culture		(4,673)	(0)	(0)
Transport		5,174	(102,352)	(1,798)
Economic services		(3,471)	(2,212)	(0)
Other property and services		14,816	293,102	(15,496)
		(5,305,001)	189,341	(33,859)
Fair value adjustments	8(b)			
(Loss) on asset revaluation		(1,529,888)	(0)	(0)
Net result		(6,738,868)	(3,375,544)	1,326,888
Other comprehensive income				
Items not reclassified subsequently to profit or loss				
Changes on revaluation of non-current assets	10	43,791,529	(0)	1,314,828
Total other comprehensive income		43,791,529	(0)	1,314,828
Total comprehensive income		37,052,661	(3,375,544)	2,641,716

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

SHIRE OF DANDARAGAN
STATEMENT OF FINANCIAL POSITION
as at 30 June 2018

Description	Note	2018	2017
CURRENT ASSETS			
Cash and cash equivalents	3	6,152,114	7,216,558
Trade and other receivables	5	1,236,001	986,066
Inventories	6	35,309	24,690
TOTAL CURRENT ASSETS		7,423,424	8,227,314
NON-CURRENT ASSETS			
Land	7	3,060,000	3,060,000
Buildings and improvements	7	30,370,919	31,016,300
Furniture and equipment	7	871,648	917,743
Plant and equipment	7	4,354,512	4,460,872
Infrastructure	8	249,071,943	210,715,353
Trade & other receivables	5	198,269	198,552
TOTAL NON-CURRENT ASSETS		287,927,292	250,368,820
TOTAL ASSETS		295,350,716	258,596,134
CURRENT LIABILITIES			
Trade and other payables	11	(296,962)	(520,683)
Provisions	13	(582,983)	(526,245)
Current portion of long term borrowings	12(a)	(118,788)	(108,362)
TOTAL CURRENT LIABILITIES		(998,733)	(1,155,289)
NON-CURRENT LIABILITIES			
Provisions	13	(36,525)	(76,862)
Long term borrowings	12(a)	(315,747)	(416,933)
TOTAL NON-CURRENT LIABILITIES		(352,272)	(493,795)
TOTAL LIABILITIES		(1,351,005)	(1,649,084)
TOTAL NET ASSETS		293,999,711	256,947,050
EQUITY			
Reserves - cash backed	4	5,386,753	4,945,538
Revaluation surplus	10	87,158,696	43,367,167
Retained earnings		201,454,262	208,634,345
TOTAL EQUITY		293,999,711	256,947,050

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

SHIRE OF DANDARAGAN
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2018

	Note	Retained Earnings \$	Reserves Cash Backed \$	Revaluation Surplus \$	Total Equity \$
Balance as at 30 June 2016		205,656,113	6,596,882	42,052,339	254,305,335
Comprehensive Income					
Net result		1,326,888	0	0	1,326,888
Other comprehensive income	10	0	0	1,314,828	1,314,828
Total comprehensive income		1,326,888	0	1,314,828	2,641,716
Transfers from/(to) reserves		1,651,344	(1,651,344)	0	0
Balance as at 30 June 2017		208,634,345	4,945,538	43,367,167	256,947,050
Comprehensive Income					
Net result		(6,738,868)	0	0	(6,738,868)
Other comprehensive income	10	0	0	43,791,529	43,791,529
Total comprehensive income		(6,738,868)	0	43,791,529	37,052,661
Transfers from/(to) reserves		(441,214)	441,214	0	0
Balance as at 30 June 2018		201,454,262	5,386,753	87,158,696	293,999,711

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

SHIRE OF DANDARAGAN
STATEMENT OF CASH FLOWS
for the year ended 30 June 2018

	Note	Actual 2017/2018	Budget 2017/2018	Actual 2016/2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		6,100,408	6,170,507	5,892,783
Operating grants, subsidies & contributions		2,156,131	1,291,619	3,063,963
Fees and charges		2,219,851	2,720,008	1,502,795
Interest earnings		126,910	109,000	153,158
Goods & services tax		442,908	0	857,849
Other revenue		110,719	87,599	103,316
		11,156,927	10,378,733	11,573,864
Payments				
Employee costs		(3,979,938)	(3,967,246)	(3,608,395)
Materials and contracts		(2,995,085)	(3,210,189)	(2,631,297)
Utilities		(454,086)	(590,263)	(450,665)
Insurance		(397,002)	(380,061)	(400,501)
Interest expenses		(27,363)	(27,115)	(37,248)
Goods & services tax		(530,593)	0	(795,476)
Other expenses		(646,537)	(744,145)	(699,615)
		(9,030,604)	(8,919,019)	(8,623,198)
Net cash provided by operating activities	14	2,126,323	1,459,714	2,950,666
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment		(1,518,518)	(2,036,295)	(1,367,060)
Payments for construction of infrastructure		(3,691,218)	(3,996,490)	(7,153,753)
Grants/contributions for assets		1,810,304	1,433,304	3,955,271
Proceeds from sale of assets		265,507	739,727	150,237
Net cash used in investing activities		(3,133,925)	(3,859,754)	(4,415,305)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings		(111,760)	(108,362)	(212,928)
Proceeds from self-supporting loans / cash advance		33,919	47,368	50,851
Proceeds from new loans		21,000	0	0
Net cash provided by (used in) financing activities		(56,842)	(60,994)	(162,077)
Net increase (decrease) in cash held		(1,064,444)	(2,461,034)	(1,626,715)
Cash at beginning of year		7,216,558	7,216,558	8,843,273
Cash at end of year	14	6,152,114	4,755,524	7,216,558

SHIRE OF DANDARAGAN
RATE SETTING STATEMENT
for the year ended 30 June 2018

Description	Note	Actual 2017/2018	Budget 2017/2018	Actual 2016/2017
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	20	2,234,848	2,789,561	1,675,172
Revenue from operating activities (excluding rates)				
Governance		11,515	31,978	38,448
General purpose funding		1,737,984	897,686	2,617,927
Law, order & public safety		514,245	479,105	495,435
Health		21,328	19,667	18,985
Education & welfare		0	0	0
Community amenities		1,363,970	1,205,857	1,216,814
Recreation and culture		478,043	321,519	473,500
Transport		154,246	236,948	285,178
Economic services		278,690	208,840	272,754
Other property and services		233,016	537,079	94,769
		4,793,037	3,938,679	5,513,810
Expenditure from operating activities				
Governance		(542,377)	(695,773)	(728,914)
General purpose funding		(212,674)	(243,529)	(154,751)
Law, order & public safety		(1,340,296)	(1,346,668)	(1,136,249)
Health		(349,480)	(378,880)	(340,253)
Education & welfare		(96,009)	(81,423)	0
Community amenities		(7,221,320)	(2,210,697)	(2,243,437)
Recreation and culture		(4,892,416)	(3,199,140)	(3,111,412)
Transport		(5,195,784)	(5,392,510)	(5,238,115)
Economic services		(672,693)	(736,999)	(637,855)
Other property and services		(718,209)	(533,415)	(324,189)
		(21,241,258)	(14,819,034)	(13,915,175)
Operating activities excluded				
(Profit)/loss on asset disposals	9(a)	5,305,001	(189,341)	33,859
Movement in employee provisions (non current)		(40,337)	0	(5,225)
Movement in deferred rates (non-current)		(33,636)	0	32,598
(Loss) on asset revaluation		1,529,888	0	0
Depreciation on assets	9(b)	6,158,800	6,171,904	6,052,865
Amount attributable to operating activities		(1,293,657)	(2,108,232)	(612,096)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		3,626,988	1,433,304	3,955,271
Proceeds from disposal of assets	9(a)	265,507	739,727	150,237
Purchase of land and buildings	7(b)	(465,429)	(822,295)	(327,912)
Purchase of furniture and equipment	7(b)	(123,733)	(160,000)	(55,270)
Purchase of plant and equipment	7(b)	(929,356)	(1,054,000)	(983,878)
Purchase of infrastructure assets - roads	8(b)	(3,357,744)	(3,636,017)	(4,287,456)
Purchase of infrastructure assets - parks & reserves	8(b)	(107,771)	(23,993)	(1,461,846)
Purchase of infrastructure assets - other	8(b)	(2,042,386)	(336,480)	(1,404,451)
Amount attributable to investing activities		(3,133,925)	(3,859,754)	(4,415,305)
FINANCING ACTIVITIES				
Proceeds from new borrowings	12(b)	21,000	0	0
Repayment of borrowings	12(a)	(111,760)	(108,362)	(212,928)
Payment of self supporting loan to community group	12(b)	(21,000)	0	0
Self-supporting loan principal income		50,767	47,368	46,699
Community group cash advance principal income		4,152	0	4,152
Transfer to reserves	4	(706,020)	(579,958)	(463,758)
Transfer from reserves	4	264,806	537,430	2,115,102
Amount attributable to financing activities		(498,055)	(103,522)	1,489,267
Budgeted deficiency before general rates		(4,925,637)	(6,071,507)	(3,538,134)
Estimated amount to be raised from general rates	19	6,082,363	6,071,507	5,772,982
Net current assets at end of financial year - surplus/(deficit)	20	1,156,726	0	2,234,848

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

SHIRE OF DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

1. BASIS OF PREPARATION

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

The Local Government (Financial Management) Regulations 1996 take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or any other sporting or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this financial report. This is not in accordance with the requirements of AASB 1051 Land Under Roads paragraph 15 and AASB 116 Property, Plant and Equipment paragraph 7.

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

CRITICAL ACCOUNTING ESTIMATES

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect 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.

TRUST FUND

All monies held in the Trust fund are excluded from the financial statements. A separate statement of those monies appears at Note 22 to these financial statements

SHIRE OF DANDARAGAN
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2018

2. REVENUE AND EXPENSES

(a) Revenue	2018 Actual	2017 Actual
	\$	\$
Significant revenue		
During the year the Shire received an advance grant from the Local Government Grants Commission. This amount forms part of the "Operating grants and subsidies" line within Statement of Comprehensive Income	853,824	851,605
Turquoise Way path extension received for no consideration. This amount forms part of the "Non operating grants and subsidies" line within Statement of Comprehensive Income	1,816,684	0
	2,670,508	851,605
Fees and Charges		
Governance	1,934	151
General purpose funding	24,185	14,911
Law, order, public safety	325,996	304,255
Health	17,381	13,681
Education and welfare	0	0
Community amenities	1,326,640	1,180,929
Recreation and culture	339,679	243,585
Transport	25,034	17,481
Economic services	215,470	238,773
Other property and services	82,772	17,202
	2,359,091	2,030,968

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

SHIRE OF DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Grant Revenue

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

	2018	2017
	\$	\$
Operating grants, subsidies and contributions		
Governance	9,581	38,296
General purpose funding	1,588,036	2,437,630
Law, order, public safety	175,102	181,659
Health	3,947	5,304
Education and welfare	0	0
Community amenities	19,909	20,245
Recreation and culture	138,364	114,044
Transport	124,039	234,513
Economic services	54,520	26,181
Other property and services	42,634	6,091
	2,156,131	3,063,963
Non-operating grants, subsidies and contributions		
Governance	0	0
General purpose funding	0	0
Law, order, public safety	0	149,737
Health	0	0
Education and welfare	0	0
Community amenities	0	765,614
Recreation and culture	50,000	729,144
Transport	3,576,988	2,310,776
Economic services	0	0
Other property and services	0	0
	3,626,988	3,955,271
Total grants, subsidies and contributions	5,783,119	7,019,234

SIGNIFICANT ACCOUNTING POLICIES

Grants, Donations and Other Contributions

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

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

Grants, Donations and Other Contributions (Continued)

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 18. 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 period.

Interest earnings

- Reserve funds
- Other funds
- Other interest revenue

	2018	2018	2017
	Actual	Budget	Actual
	\$	\$	\$
- Reserve funds	74,862	60,000	98,981
- Other funds	3,883	5,000	3,716
- Other interest revenue	48,165	44,000	50,461
	126,910	109,000	153,158

SHIRE OF DANDARAGAN
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2018

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Significant expense

During the year the Shire incurred a book loss on disposal of the Jurien Bay Sewer to the Water Corporation for no consideration (Note 9a)

Auditors remuneration

- Audit of financial report
- Other Services (Acquittals)

- *Audit fee for Audit of annual financial report*

Interest expenses (finance costs)

- Long term borrowings

Rental charges

- Operating leases

	2018	2017
	\$	\$
	5,315,357	0
	9,360	13,940
	6,550	5,150
	15,910	19,090
	23,700	14,210
	25,197	35,089
	51,771	86,563

SHIRE OF DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

NOTE	2018	2017
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	765,361	2,271,019
Restricted	5,386,753	4,945,538
	6,152,114	7,216,558
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Plant Reserve	259,131	255,104
Building Renewal Reserve	1,055,763	1,028,467
Rubbish Reserve	437,166	363,429
Community Centre Reserve	397,291	385,210
Television Services Reserve	95,132	93,653
Information Technology Reserve Reserve	55,503	54,640
Caravan Park Reserve	385,665	379,672
Land Development Reserve	68,784	67,715
Parking Requirements (Lot 1154 Sandpiper Street) Reserve	11,102	10,930
Parks and Recreation Grounds Development (Seagate) Reserve	366,293	360,601
Sport and Recreation Reserve	289,429	235,708
Administration Office Extension Reserve	0	426
Landscaping Reserve	2,576	2,536
Aerodrome Reserve	96,930	73,330
Staff Attraction & Incentive Reserve	0	200,814
Public Open Space Renewal Reserve	418,705	417,120
Infrastructure Renewal Reserve	920,257	569,281
Public Open Space Construction Reserve	109,904	85,554
Building Construction Reserve	113,104	111,346
Leave Reserve	253,626	250,002
Turquoise Way Path Reserve	50,390	0
	5,386,753	4,945,538

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Cash and cash equivalents (Continued)

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 DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

4. RESERVES - CASH BACKED

	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 Actual Closing Balance	2018 Budget Opening Balance	2018 Budget Transfer to	2018 Budget Transfer (from)	2018 Budget Closing Balance	2017 Actual Opening Balance	2017 Actual Transfer to	2017 Actual Transfer (from)	2017 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant Reserve	255,104	4,027		259,131	255,443	3,096	(30,333)	228,206	576,353	8,396	(329,645)	255,104
Building Renewal Reserve	1,028,467	50,862	(23,566)	1,055,763	1,029,833	18,996	(129,566)	919,263	862,589	165,878		1,028,467
Rubbish Reserve	363,429	73,737		437,166	363,912	4,410		368,322	357,962	5,467		363,429
Community Centre Reserve	385,210	12,081		397,291	385,722	10,674	(31,651)	364,745	373,498	11,712		385,210
Television Services Reserve	93,653	1,478		95,132	93,778	1,136		94,914	92,244	1,409		93,653
Information Technology Reserve Reserve	54,640	863		55,503	54,713	663	(54,640)	736	53,818	822		54,640
Caravan Park Reserve	379,672	5,994		385,665	380,176	4,607		384,783	398,522	6,056	(24,906)	379,672
Land Development Reserve	67,715	1,069		68,784	67,805	822	(50,000)	18,627	66,697	1,019		67,715
Parking Requirements (Lot 1154 Sandpiper Street) Reserve	10,930	173		11,102	10,944	133		11,077	10,765	164		10,930
Parks and Recreation Grounds Development (Seagate) Reserve	360,601	5,693		366,293	361,080	4,376		365,455	355,176	5,424		360,601
Sport and Recreation Reserve	235,708	53,721		289,429	236,021	52,860		288,881	182,854	52,854		235,708
Administration Office Extension Reserve	426	0	(426)	0	426	(0)	(426)	0	426	0		426
Landscaping Reserve	2,536	40		2,576	2,540	31		2,571	2,499	38		2,536
Jetty Reserve	0	0		0	0	0		0	276,558	3,838	(280,396)	0
Aerodrome Reserve	73,330	23,600		96,930	73,427	23,332		96,759	79,692	23,638	(30,000)	73,330
Staff Attraction & Incentive Reserve	200,814	0	(200,814)	0	200,814	2,437	(200,814)	2,437	197,822	2,992		200,814
Jurien Bay City Centre Enhancement Project Reserve (Supertowns)	0	0		0	0	0		0	494,397	5,708	(500,105)	0
Public Open Space Renewal Reserve	417,120	41,585	(40,000)	418,705	417,674	40,062	(40,000)	417,736	739,715	102,405	(425,000)	417,120
Infrastructure Renewal Reserve	569,281	350,977		920,257	570,036	6,900		576,936	1,056,110	16,171	(503,000)	569,281
Public Open Space Construction Reserve	85,554	24,351		109,904	85,667	1,038		86,706	84,279	1,275		85,554
Building Construction Reserve	111,346	1,758		113,104	111,494	1,351		112,845	109,687	1,659		111,346
Leave Reserve	250,002	3,623		253,626	250,334	3,034		253,368	203,419	46,584		250,002
Sewer Stage 1B Reserve	0	0		0	0	0		0	21,798	252	(22,050)	0
Economic Development Initiatives Reserve	0	0		0	0	400,000		400,000	0	0		0
Turquoise Way Path Reserve	0	50,390		50,390	0	0		0	0	0		0
	4,945,538	706,020	(264,806)	5,386,753	4,951,839	579,958	(537,430)	4,994,367	6,596,882	463,758	(2,115,102)	4,945,538

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.

**SHIRE OF DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

4. RESERVES - CASH BACKED (continued)

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
Plant Reserve	ongoing	to be used in order to assist in the purchase of major items of plant.
Building Renewal Reserve	ongoing	to fund capital renewal of buildings and associated assets as guided by the Building Asset Management Plan.
Rubbish Reserve	ongoing	to be used to fund establishing, enhancing, rehabilitation or any other activities associated with new and existing landfill or waste site
Community Centre Reserve	ongoing	to be used to fund capital construction costs and major maintenance restoration / preservation costs to the community recreation centres located in the four towns.
Television Services Reserve	ongoing	to be used to fund the provision of new or improved television rebroadcasting facilities throughout the shire.
Information Technology Reserve Reserve	ongoing	to be used for purchase of hardware, software, licensing, contract labour and cloud transitioning costs related to information technology
Caravan Park Reserve	ongoing	to be used to fund improvements, other works and the promotion of caravan parks and their surrounds. To also fund planning, feasibility and establishment of new caravan parks.
Land Development Reserve	ongoing	for the purpose of funding land development in the townsites of Dandaragan and Badgingarra.
Parking Requirements (Lot 1154 Sandpiper Street) Reserve	ongoing	to fund future parking requirements in the Shire of Dandaragan in the vicinity of Lot 1154 Sandpiper Street, Jurien Bay as separately identified.
Parks and Recreation Grounds Development (Seagate) Reserve	ongoing	to fund the future purchase of land or development of parks and recreation grounds in the locality of Seagate Estates as separately identified or with Ministerial approval, for the improvement or development of parks and recreation.
Sport and Recreation Reserve	ongoing	to fund community sporting groups requests in accordance with the Shire of Dandaragan's Recreation Plan.
Administration Office Extension Reserve	closed	to fund investigation, design and capital costs of future office extensions.
Landscaping Reserve	ongoing	to fund future landscaping requirements in the Shire of Dandaragan in the vicinity of Lot 1154 Sandpiper Street, Jurien Bay as separately identified.
Jetty Reserve	closed	to fund design, feasibility and construction relating to the jetty project
Aerodrome Reserve	ongoing	to be used for renewal, major maintenance, expansion or relocation of the Shire of Dandaragan's airstrips and aerodromes
Staff Attraction & Incentive Reserve	closed	to be used to fund staff attraction and incentive programs and processes, such as, but not limited to additional superannuation contributions, bonuses, rental subsidies and utility subsidies
Jurien Bay City Centre Enhancement Project Reserve (Supertowns)	closed	to be used to fulfilling the requirements, outcomes and achievables identified in the Financial Assistance Agreement for the Supertowns Development Project Fund – Jurien Bay City Centre Enhancement Project
Public Open Space Renewal Reserve	ongoing	to fund capital renewal of public open space and associated assets as guided by the Public Open Space Asset Management Plan
Infrastructure Renewal Reserve	ongoing	to fund capital renewal of infrastructure and associated assets as guided by the Infrastructure Asset Management Plan.
Public Open Space Construction Reserve	ongoing	to fund capital construction and/or purchase of public open space and associated assets.
Building Construction Reserve	ongoing	to fund capital construction and/or purchase of infrastructure and other associated assets.
Leave Reserve	ongoing	to fund annual leave and long service leave entitlements.
Sewer Stage 1B Reserve	closed	to be used to fulfilling the requirements, outcomes and achievables identified in the Financial Assistance Agreement for the Sewer Stage 1B Project
Economic Development Initiatives Reserve	ongoing	to be used for the planning, development and implementation of economic development initiatives with the Shire of Dandaragan
Turquoise Way Path Reserve	ongoing	to be used for the renewal, major maintenance, improvements, promotion, inspection equipment / surveillance, extension or relocation of the Turquoise Way Path and associated infrastructure within the Turquoise Way Path corridor.

SHIRE OF DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

5. TRADE AND OTHER RECEIVABLES

Current

	2018	2017
	\$	\$
Rates outstanding	235,042	286,721
Sundry debtors	750,912	675,046
GST receivable	186,673	24,298
Accrued income	63,375	0
	<u>1,236,001</u>	<u>986,066</u>

Non-current

Rates outstanding - pensioners	33,636	0
Loans receivable - clubs/institutions	164,633	198,552
	<u>198,269</u>	<u>198,552</u>

Information with respect to the impairment or otherwise of the current trade and other receivables (excluding GST receivable) is as follows:

2018	Carrying Amount	Past due but not impaired				Impaired
		Not past due and not impaired	31 - 60 days	61 - 90 days	More than 90 days	
Sundry debtors	750,912	658,630	48,676	1,222	42,384	-
Accrued income	63,375	63,375	-	-	-	-
Loans receivable - clubs/institutions	164,633	164,633	-	-	-	-
2018	Carrying Amount	Past due but not impaired				Impaired
		Not past due and not impaired	1 month - 1 year	2 years	More than 2 years	
Rates outstanding	235,042	1,447	142,150	48,700	42,745	-
Rates outstanding - deferred pensioners	33,636	33,636	-	-	-	-
	<u>1,247,598</u>					<u>-</u>

2017	Carrying Amount	Past due but not impaired				Impaired
		Not past due and not impaired	31 - 60 days	61 - 90 days	More than 90 days	
Sundry debtors	675,046	278,732	333,868	-	62,447	-
Loans receivable - clubs/institutions	198,552	198,552	-	-	-	-
2017	Carrying Amount	Past due but not impaired				Impaired
		Not past due and not impaired	1 month - 1 year	2 years	More than 2 years	
Rates outstanding	286,721	1,004	157,927	73,906	53,885	-
	<u>1,160,320</u>					<u>-</u>

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.

Classification and subsequent measurement

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.

SHIRE OF DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

6. INVENTORIES

Current

Fuel

	2018	2017
	\$	\$
	35,309	24,690
	35,309	24,690

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

SHIRE OF DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

7 (a). PROPERTY, PLANT AND EQUIPMENT

	2018	2017
	\$	\$
Land and buildings		
Land at;		
- Independent valuation 2017	3,060,000	3,060,000
- Movement after valuation	0	0
	<u>3,060,000</u>	<u>3,060,000</u>
Buildings at;		
- Independent valuation 2017	54,843,800	54,843,800
- Movement after valuation	465,429	0
Less: accumulated depreciation	(24,938,310)	(23,827,500)
	<u>30,370,919</u>	<u>31,016,300</u>
Furniture and equipment at:		
- Independent valuation 2016	991,650	991,650
- Movement after valuation	179,003	55,270
Less: accumulated depreciation	(299,006)	(129,177)
	<u>871,648</u>	<u>917,743</u>
Plant and equipment at:		
- Independent valuation 2016	4,386,050	4,386,050
- Movement after valuation	1,375,039	815,683
Less: accumulated depreciation	(1,406,577)	(740,861)
	<u>4,354,512</u>	<u>4,460,872</u>
Total property, plant and equipment	<u>38,657,079</u>	<u>39,454,916</u>

SHIRE OF DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

7. 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.

	Land - freehold land Level 2	Land - vested in and under the control of Council Level 3	Total land	Buildings - non- specialised Level 2	Buildings - specialised - Level 3	Total buildings	Total land and buildings	Furniture and equipment Level 3	Plant and equipment Level 2	Plant and equipment Level 3	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	2,628,000	0	2,628,000	1,189,920	29,924,344	31,114,264	33,742,264	991,590	3,406,375	1,051,300	39,191,529
Additions	0	0	0	0	327,912	327,912	327,912	55,270	737,140	246,738	1,367,060
(Disposals)	0	0	0	0	0	0	0	0	(151,428)	(32,668)	(184,096)
Revaluation increments/ (decrements) transferred to revaluation surplus	395,000	37,000	432,000	28,192	854,636	882,828	1,314,828	0	0	0	1,314,828
Depreciation (expense)	0	0	0	(68,112)	(1,065,791)	(1,133,903)	(1,133,903)	(129,117)	(631,859)	(164,726)	(2,059,605)
Transfers	0	0	0	0	(174,800)	(174,800)	(174,800)	0	0	0	(174,800)
Balance at 30 June 2017	3,023,000	37,000	3,060,000	1,150,000	29,866,301	31,016,301	34,076,301	917,743	3,360,228	1,100,644	39,454,916
Additions	0	0	0	0	465,429	465,429	465,429	123,733	780,049	149,307	1,518,518
(Disposals)	0	0	0	0	0	0	0	0	(250,478)	0	(250,478)
Depreciation (expense)	0	0	0	(69,228)	(1,041,582)	(1,110,810)	(1,110,810)	(169,829)	(598,833)	(186,405)	(2,065,877)
Balance at 30 June 2018	3,023,000	37,000	3,060,000	1,080,772	29,290,148	30,370,919	33,430,919	871,648	3,290,966	1,063,546	38,657,079

SHIRE OF DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings					
Land - freehold land	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent registered valuer	June 2017	Price per hectare / market borrowing rate
Land - vested in and under the control of Council	3	Leasehold interest based on Income Capitalisation Approach, applying Net Present Value (NPV) derived on potential leasehold rental income	Independent registered valuer	June 2017	Income Capitalisation Approach
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent registered valuer	June 2017	Price per square metre / market borrowing rate
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2017	Construction costs and current condition (Level 3), residual values and remaining useful life assessments (Level 3) inputs
Furniture and equipment	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2016	Purchase costs and current condition (Level 3), residual values and remaining useful life assessments (Level 3) inputs
Plant and equipment					
- Independent valuation 2016	2	Market approach using recent observable market data for similar item	Independent registered valuer	June 2016	Market price per item
- Independent valuation 2016	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2016	Purchase costs and current condition (Level 3), residual values and remaining useful life assessments (Level 3) inputs

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

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

There were no transfer between Level 1, 2 and 3 during the current and previous financial years

**SHIRE OF DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

8 (a) INFRASTRUCTURE

	2018	2017
	\$	\$
Infrastructure - Roads		
- Independent valuation 2018	292,413,706	0
- Independent valuation 2015	0	234,795,000
- Additions after valuation	0	8,648,227
Less: accumulated depreciation	(69,466,448)	(62,162,167)
	<u>222,947,258</u>	<u>181,281,060</u>
Infrastructure - Footpaths		
- Independent valuation 2018	10,671,224	0
- Independent valuation 2015	0	7,072,000
- Additions after valuation	0	510,916
Less: accumulated depreciation	(2,361,275)	(2,287,368)
	<u>8,309,949</u>	<u>5,295,548</u>
Infrastructure - Drainage		
- Independent valuation 2018	7,280,000	0
- Independent valuation 2015	0	6,870,000
- Additions after valuation	0	5,358,734
Less: accumulated depreciation	(2,070,000)	(1,738,696)
	<u>5,210,000</u>	<u>10,490,038</u>
Infrastructure - Parks and reserves		
- Independent valuation 2018	3,317,803	0
- Independent valuation 2015	0	2,878,183
- Additions after valuation	0	1,818,469
Less: accumulated depreciation	(1,532,722)	(1,337,213)
	<u>1,785,081</u>	<u>3,359,439</u>
Infrastructure - Other		
- Independent valuation 2018	17,756,295	0
- Independent valuation 2015	0	16,279,000
- Additions after valuation	0	597,779
Less: accumulated depreciation	(6,936,639)	(6,587,510)
	<u>10,819,656</u>	<u>10,289,269</u>
Total infrastructure	<u>249,071,943</u>	<u>210,715,353</u>

SHIRE OF DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

8. 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.

	Infrastructure - Roads Level 3	Infrastructure - Footpaths Level 3	Infrastructure - Drainage Level 3	Infrastructure - Parks and reserves Level 3	Infrastructure - Other Level 3	Total Infrastructure
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	179,909,772	5,272,356	9,614,667	2,041,175	10,542,029	207,379,999
Additions	4,287,456	241,561	989,718	1,461,846	173,172	7,153,753
(Disposals)	0	0	0	0	0	0
Revaluation increments/ (decrements) transferred to revaluation surplus	0	0	0	0	0	0
Revaluation (loss)/ reversals transferred to profit or loss	0	0	0	0	0	0
Impairment (losses)/reversals	0	0	0	0	0	0
Depreciation (expense)	(2,916,168)	(218,368)	(114,348)	(143,582)	(600,734)	(3,993,200)
Transfers	0	0	0	0	174,801	174,801
Balance at 30 June 2017	181,281,060	5,295,548	10,490,038	3,359,439	10,289,269	210,715,353
Additions	3,357,744	1,945,735	(43,377)	107,771	140,028	5,507,902
(Disposals)	0	0	(5,315,357)	(4,673)	0	(5,320,030)
Revaluation increments/ (decrements) transferred to revaluation surplus	41,279,713	1,298,129	193,044	0	1,020,643	43,791,529
Revaluation (loss)/ reversals transferred to profit or loss	0	0	0	(1,529,888)	0	(1,529,888)
Impairment (losses)/reversals	0	0	0	0	0	0
Depreciation (expense)	(2,971,259)	(229,463)	(114,348)	(147,569)	(630,284)	(4,092,923)
Transfers	0	0	0	0	0	0
Balance at 30 June 2018	222,947,258	8,309,949	5,210,000	1,785,081	10,819,656	249,071,943

SHIRE OF DANDARAGAN
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2018

8. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	3	Cost approach using depreciated replacement cost	Independent valuer	June 2018	Construction costs and current condition (Level 3), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Footpaths	3	Cost approach using depreciated replacement cost	Independent valuer	June 2018	Construction costs and current condition (Level 3), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Drainage	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2018	Construction costs and current condition (Level 3), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Parks and reserves	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2018	Construction costs and current condition (Level 3), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Other	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2018	Construction costs and current condition (Level 3), residual values and remaining useful life assessments (Level 3) inputs

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

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

SHIRE OF DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

9. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

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.

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.

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, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

Revaluation

The fair value of fixed assets is determined at least every three years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires property, plant and equipment to be shown at fair value.

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

Land under control

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

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

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 DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

9. FIXED ASSETS (Continued)

(a) Disposals of Assets

The following assets were disposed of during the year.

	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$
Plant and Equipment								
Governance								
Administration Vehicle (CEO)					44,907	45,000	93	0
Administration Vehicle (DCEO)	37,853	36,364	0	(1,489)	0			
Community amenities								
Administration Vehicle (EMDS)	0	0			40,199	40,909	710	0
Transport								
Tractor					12,716	10,000	0	(2,716)
6 Wheeler (water tanker)	89,826	95,000	5,174	0	99,913	60,000	0	(39,913)
Side Tipper & Dolly (second hand)	0	0			8,175	10,000	1,825	0
Grader	42,768	70,000	27,232	0	76,384	70,000	0	(6,384)
Mower	0	7,780	7,780	0	212	1,000	788	0
Utility	9,859	5,909	0	(3,950)	9,800	4,000	0	(5,800)
Utility	7,400	5,000	0	(2,400)	11,808	4,000	0	(7,808)
Pole Saw Loader Attachment	0	0			95,952	40,000	0	(55,952)
Economic services								
Administration Vehicle (MBS)	24,380	20,909	0	(3,471)	25,212	23,000	0	(2,212)
Other property and services								
Administration Vehicle (EMI)	38,392	24,545	0	(13,847)	39,144	31,818	0	(7,326)
Land and Buildings								
Other property and services								
Lot 96 Bashford Street, Jurien Bay					85,964	400,000	314,036	0
Infrastructure								
Community amenities								
Jurien Bay sewer infrastructure	5,315,357	0	0	(5,315,357)				
Recreation and culture								
Thirsty Point lookout	4,673	0	0	(4,673)				
	5,570,508	265,507	40,186	(5,345,187)	550,386	739,727	317,452	(128,111)

(b) Depreciation

	2018	2017
	\$	\$
Buildings	1,110,810	1,133,903
Plant & Equipment	785,238	796,585
Furniture & Equipment	169,829	129,177
Infrastructure - Roads	2,971,259	2,916,168
Infrastructure - Parks & Reserves	147,569	143,582
Infrastructure - Footpaths	229,463	218,368
Infrastructure - Drainage	114,348	114,348
Infrastructure - Other	630,284	600,734
	6,158,800	6,052,865

**SHIRE OF DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

9. FIXED ASSETS (Continued)

(b) Depreciation (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.
For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Depreciation rates

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

Buildings	25 - 50 years
Furniture and equipment	5 - 20 years
Plant and equipment	2 - 20 years
Infrastructure Roads	
Formation – All roads	Perpetual life
Pavement – Thin Surfaced Flexible Rural	100 years
Pavement – Thin Surfaced Flexible Urban	100 years
Pavement – Unsealed Rural	50 years
Pavement – Unsealed Urban	50 years
Surface – Asphalt	100 years
Surface – Brick	60 years
Surface – Chip seal	60 years
Surface – Concrete	100 years
Surface – Slurry Seal	100 years
Infrastructure - Footpaths	
Black Asphalt	36 years
Brick Paving	36 years
Concrete Slabs	36 years
Gravel	12 years
In situ Concrete	48 years
Red Asphalt	36 years
Sand	12 years
Timber	36 years
Unknown	48 years
Infrastructure - Drainage	60 years
Infrastructure - Other	5 - 80 years
Infrastructure - Parks and reserves	10 - 45 years

Depreciation (Continued)

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

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

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

SHIRE OF DANDARAGAN
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2018

10. REVALUATION SURPLUS

	2018	2018	2018	2018	2018	2017	2017	2017	2017	2017
	Opening	Revaluation	Revaluation	Total	Closing	Opening	Revaluation	Revaluation	Total	Closing
	Balance	Increment	(Decrement)	Movement on	Balance	Balance	Increment	(Decrement)	Movement on	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Furniture and equipment	677,046	0	0	0	677,046	677,046	0	0	0	677,046
Revaluation surplus - Plant and equipment	597,214	0	0	0	597,214	597,214	0	0	0	597,214
Revaluation surplus - Land	2,315,204	0	0	0	2,315,204	1,883,204	432,000	0	432,000	2,315,204
Revaluation surplus - Buildings	14,555,197	0	0	0	14,555,197	13,672,369	882,828	0	882,828	14,555,197
Revaluation surplus - Infrastructure roads	10,476,118	41,279,713	0	41,279,713	51,755,831	10,476,118	0	0	0	10,476,118
Revaluation surplus - Infrastructure drainage	3,690,258	193,044	0	193,044	3,883,302	3,690,258	0	0	0	3,690,258
Revaluation surplus - Infrastructure footpaths	3,862,146	1,298,129	0	1,298,129	5,160,275	3,862,146	0	0	0	3,862,146
Revaluation surplus - Infrastructure other	7,193,984	1,020,643	0	1,020,643	8,214,627	7,193,984	0	0	0	7,193,984
	43,367,167	43,791,529	0	43,791,529	87,158,696	42,052,339	1,314,828	0	1,314,828	43,367,167

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

**SHIRE OF DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

11. TRADE AND OTHER PAYABLES

Current

	2018	2017
	\$	\$
Sundry creditors	162,723	436,073
GST payable	74,986	296
Accrued interest on borrowings	8,402	10,568
Accrued expenses	10,157	35,439
Accrued salaries and wages	40,694	38,307
	296,962	520,683

SIGNIFICANT ACCOUNTING POLICIES

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

Trade and other payables (Continued)

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.

12. INFORMATION ON BORROWINGS

(a) Repayments - Borrowings

Particulars	Principal	New	Principal		Principal		Interest	
	1 July 2017		Loans	Repayments	Repayments	30 June 2018	Repayments	Repayments
	\$	\$	Actual	Budget	Actual	Budget	Actual	Budget
Governance								
Loan 127 - Jurien Bay Administration Centre	341,275		60,994	60,994	280,281	280,281	18,106	18,106
	341,275	0	60,994	60,994	280,281	280,281	18,106	18,106
Self Supporting Loans								
Recreation and culture								
Loan 114 - Cervantes Community Club	43,092	0	16,316	16,316	26,776	26,776	2,814	2,814
Loan 130 - Jurien Bowling Club	112,140	0	20,294	20,294	91,846	91,846	5,292	5,292
Loan 131 - Jurien Bowling Club	21,415	0	5,916	5,916	15,499	15,499	535	535
Loan 132 - Jurien Sport and Recreation Centre	0	21,000	3,398	0	17,602	0	248	0
Other property and services								
Loan 113 - Advance Dandaragan	7,373	0	4,842	4,842	2,531	2,531	368	368
	184,020	21,000	50,767	47,368	154,253	136,652	9,257	9,009
	525,295	21,000	111,760	108,362	434,535	416,933	27,363	27,115

Self supporting loans are financed by payments from third parties.
 All other loan repayments were financed by general purpose revenue.

Borrowings

	2018	2017
	\$	\$
Current	118,788	108,362
Non-current	315,747	416,933
	434,535	525,295

SHIRE OF DANDARAGAN
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2018

12. INFORMATION ON BORROWINGS (Continued)

(b) New Borrowings - 2017/18

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term Years	Total Interest & Charges	Interest Rate	Amount (Used)		Balance Unspent
	Actual	Budget						Actual	Budget	
	\$	\$				\$	%	\$	\$	\$
Loan 132 - Jurien Sport and Recreation Centre	21,000	0	WA Treasury Corporation	Fixed rate loan	5	876	2.36%	(21,000)	0	0
	21,000	0				876		(21,000)	0	0

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank overdraft limit

Bank overdraft at balance date

Credit card limit

Credit card balance at balance date

Total amount of credit unused

Loan facilities

Loan facilities - current

Loan facilities - non-current

Total facilities in use at balance date

Unused loan facilities at balance date

	2018	2017
	\$	\$
Bank overdraft limit	350,000	350,000
Bank overdraft at balance date	0	0
Credit card limit	21,000	21,000
Credit card balance at balance date	(9,040)	(3,988)
Total amount of credit unused	380,040	374,988
Loan facilities - current	118,788	108,362
Loan facilities - non-current	315,747	416,933
Total facilities in use at balance date	434,535	525,295
Unused loan facilities at balance date	NIL	NIL

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are recognised at fair value when the Shire becomes a party to the contractual provisions to the instrument.

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

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

Borrowing costs

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

**SHIRE OF DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

13. PROVISIONS

	2018	2017
	\$	\$
Current		
Annual leave	293,013	330,591
Long service leave	289,969	195,654
Total current employee related provisions	582,982	526,245
Non-current		
Long service leave	36,525	76,862
Total non-current employee related provisions	36,525	76,862

(a) Annual leave liabilities: Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2018	2017
	\$	\$
Within 12 months of the end of the reporting period	293,013	330,591
More than 12 months after the end of the reporting period	0	0
	293,013	330,591

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

(b) Long service leave liabilities: Unconditional long service leave provisions are classified as current liabilities as the Shire does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Shire has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2018	2017
	\$	\$
Within 12 months of the end of the reporting period	65,804	28,458
More than 12 months after the end of the reporting period	260,690	244,058
	326,494	272,516

The provision for long service leave are calculated at present value as the Shire does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date.

SIGNIFICANT ACCOUNTING POLICIES

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.

Other long-term employee benefits

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

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

Other long-term employee benefits (Continued)

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.

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.

SHIRE OF DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

14. NOTES TO THE STATEMENT OF CASH FLOWS

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:

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Cash and cash equivalents	6,152,114	4,755,525	7,216,558

**Reconciliation of Net Cash Provided By
Operating Activities to Net Result**

Net result	(6,738,868)	(3,375,544)	1,326,888
Non-cash flows in Net result:			
Depreciation	6,158,800	6,171,904	6,052,865
(Profit)/loss on sale of asset	5,305,001	(189,341)	33,859
Fair value adjustments to fixed assets			
at fair value through profit or loss	0	0	0
Loss on revaluation of fixed assets	1,529,888	0	0
Reversal of loss on revaluation of fixed assets	0	0	0
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(283,571)	686,000	(444,886)
(Increase)/decrease in inventories	(10,619)	0	873
Increase/(decrease) in payables and provision	(207,319)	(400,000)	(63,661)
Grants contributions for the development of assets	(3,626,988)	(1,433,304)	(3,955,271)
Net cash from operating activities	2,126,323	1,459,715	2,950,666

**SHIRE OF DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

15. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2018	2017
	\$	\$
Governance	5,264,976	5,341,294
Law, order, public safety	1,665,162	1,795,882
Health	764,552	784,328
Community amenities	9,415,652	14,783,706
Recreation and culture	25,524,058	27,247,904
Transport	236,492,853	191,430,541
Economic services	777,504	786,079
Other property and services	15,445,960	16,426,401
	295,350,716	258,596,134

SHIRE OF DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

16. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects
- plant & equipment purchases

Payable:

- not later than one year

	2018	2017
	\$	\$
	0	15,421
	118,646	0
	118,646	15,421

The capital expenditure project outstanding at the end of the current reporting period represents the purchase of a new tractor and Toyota Prado.

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for

Payable:

- not later than one year
- later than one year but not later than five years
- later than five years

	57,357	57,357
	99,910	157,267
	0	0
	157,267	214,624

SIGNIFICANT ACCOUNTING POLICIES

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 of 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.

Leases (Continued)

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 on a straight line basis over the lease term.

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 DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

17. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

	2018	2018	2017
	Actual	Budget	Actual
	\$	\$	\$
The following fees, expenses and allowances were paid to council members and/or the President			
Councillor Meeting Fees	122,384	127,720	112,840
President Meeting Fees	24,500	24,720	24,720
President Allowance	11,893	12,000	12,000
Deputy President Allowance	2,973	3,000	3,000
Travelling Expenses	19,645	25,000	21,047
ICT Allowance	30,330	31,500	28,238
	<u>211,725</u>	<u>223,940</u>	<u>201,845</u>

Key Management Personnel (KMP) Compensation Disclosure

	2018	2017
	\$	\$
The total remuneration for KMP of the Shire during the year are as follows:		
Short-term employee benefits	762,777	888,006
Post-employment benefits	99,032	108,119
Other long-term benefits	39,706	82,418
	<u>901,515</u>	<u>1,078,543</u>

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent annual leave and long service leave benefits accruing during the year.

Transactions with related parties

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

No outstanding balances or provisions for doubtful debts or guaranties exist in relation to related parties at year end.

	2018	2017
	\$	\$
The following transactions occurred with related parties:		
Purchase of goods and services from KMP	300	350
Purchase of goods and services from close family member of KMP	4,020	15,640

Other Disclosure

Parties related to KMP's are employed by the Shire in a non-KMP role.

The related parties are employed in accordance to normal terms and conditions afforded to all employees of the Shire.

Related Parties

The Shire's main related parties are as follows:

- i. *Key management personnel*
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel.
- ii. *Entities controlled by KMP or close family member*
Entities controlled or jointly controlled by KMP or their close family members

SHIRE OF DANDARAGAN
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2018

18. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening	Received ⁽²⁾	Expended ⁽³⁾	Closing	Received ⁽²⁾	Expended ⁽³⁾	Closing
	Balance ⁽¹⁾ 1/07/16	2016/17	2016/17	Balance ⁽¹⁾ 1/07/17	2017/18	2017/18	Balance 30/06/18
	\$	\$	\$	\$	\$	\$	\$
Recreation and culture							
R4R Foreshore	281,733	0	(281,733)	0	0	0	0
Cervantes Community Centre - Cervantes Community Contribution	0	44,091	0	44,091	0	(44,091)	0
Cervantes Community Centre - Dept. Culture & Arts	0	333,803	0	333,803	0	(333,803)	0
R4R 2012/13 Individual Component	176,844	0	(149,264)	27,580	0	(27,580)	0
Transport							
Local Roads State Initiative	1,169,127	0	(1,169,127)	0	0	0	0
Total	1,627,705	377,894	(1,600,125)	405,474	0	(405,474)	0

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 DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

19. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Value	Rate Revenue	Interim Rates	Back Rates	Total Revenue 2018	Total Revenue 2017	Budget Rate Revenue	Budget Interim Rate	Budget Back Rate	Budget Total Revenue
	\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Differential general rate / general rate												
Gross rental valuations												
General	0.084300	1,536	25,405,004	2,112,092	13,345		2,125,437	2,942,037	2,112,092			2,112,092
Unimproved valuations												
General	0.007737	685	368,379,251	2,853,276	2,756	3,037	2,859,069	2,720,140	2,859,280			2,859,280
Sub-Total		2,221	393,784,255	4,965,369	16,101	3,037	4,984,506	5,662,177	4,971,372	0	0	4,971,372
Minimum payment												
Minimum												
\$												
Gross rental valuations												
General	916	1,262	8,155,420	1,169,732			1,169,732	121,730	1,169,732			1,169,732
Lesser General (Dandaragan & Badgingarra)	691	86	491,530	59,426			59,426	0	59,426			59,426
Vacant Residential							0	107,254				0
Unimproved valuations												
General	865	82	1,572,137	64,010			64,010	65,920	66,605			66,605
Lesser General (non-mining)	691	50	2,577,600	33,168			33,168	30,926	33,168			33,168
Sub-Total		1,480	12,796,687	1,326,336	0	0	1,326,336	325,830	1,328,931	0	0	1,328,931
		3,701	406,580,942	6,291,705	16,101	3,037	6,310,842	5,988,007	6,300,303	0	0	6,300,303
Discounts (refer note 19(b))							(229,752)	(216,299)				(230,000)
Total amount raised from general rate							6,081,090	5,771,708				6,070,303
Ex-gratia rates							1,273	1,275				1,204
Total per Rate Setting Statement							6,082,363	5,772,983				6,071,507
Specified area rates							0	115,872				0
Instalment administration fee							0	13,350				0
Total per Statement of Comprehensive Income by Nature or Type							6,082,363	5,902,205				6,071,507

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

SHIRE OF DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

19. RATING INFORMATION (Continued)

(b) Discounts, Incentives, Concessions, & Write-offs

Rates Discounts

Rate or Fee	Discount	Discount	2018	2018	2017	Circumstances in which Discount is Granted
Discount Granted	%	\$	Actual	Budget	Actual	
General & minimum rates	5.00%		229,752	230,000	216,299	Current rates paid in full within 35 days of the date of issue noted on the rate notice.
			229,752	230,000	216,299	

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount	Discount	2018	2018	2017
		%	\$	Actual	Budget	Actual
Rate assessment	Write-off			3,372	3,372	3,176
Civic Centre hire charges	Waiver			1,591	0	6,220
Landing fees	Waiver			21,513	0	13,357
				26,476	3,372	22,753

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
Rate assessment	Central West Men's Shed applied for write-off	To allow for the establishment of a not for profit group	i. the tenure of the land being crown land would be otherwise exempt from rating had the Central West Men's Shed not taken up tenancy; ii. the Central West Men's Shed is a non for profit community group with limited income earning potential; and iii. the purpose of a Men's Shed aligns with the Shire of Dandaragan's strategic plan
Civic Centre hire charges	Fees waived for education providers to utilise rooms at the Civic Centre	To ensure the recently constructed Civic Centre achieves its purpose	Improved access to education facilities to improve education offering within the Shire was a key driver for the construction of the Civic Centre.
Landing Fees	1. waive 100% of the Jurien Bay Airstrip / Aerodrome Landing Fee for the first four landings each calendar month for each customer as individually identified by the "customerID" held by Avdata; 2. waive 100% of the Jurien Bay Airstrip / Aerodrome Landing Fee for landings undertaken by the Royal Flying Doctors Service and student pilots.	To not place barriers to the use of the Jurien Bay airstrip to casual and emergency service users	To encourage landing at the Jurien Bay airstrip

SHIRE OF DANDARAGAN
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2018

19. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan	Instalment Plan	Unpaid Rates
		Admin Charge	Interest Rate	Interest Rate
		\$	%	%
Option One				
Single full payment	22-Sep-17	0	0.00%	10.00%
Option Two				
First instalment	22-Sep-17	0	0.00%	10.00%
Second instalment	22-Nov-17	6.67	5.00%	10.00%
Third instalment	22-Jan-18	6.67	5.00%	10.00%
Fourth instalment	22-Mar-18	6.66	5.00%	10.00%

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Interest on unpaid rates	28,914	27,000	32,819
Interest on instalment plan	17,269	16,000	15,660
Charges on instalment plan	13,540	13,000	13,350
	59,723	56,000	61,829

SHIRE OF DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

20. NET CURRENT ASSETS

Composition of net current assets for
the purposes of the Rate Setting Statement

	2018	2017
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents		
Unrestricted	765,361	2,271,019
Restricted	5,386,753	4,945,538
Receivables		
Rates outstanding	235,042	286,721
Sundry debtors	750,912	675,046
GST receivable	186,673	24,298
Accrued Income	63,375	0
Inventories		
Fuel	35,309	24,690
LESS: CURRENT LIABILITIES		
Trade and other payables		
Sundry creditors	(162,723)	(436,073)
Accrued interest on long term borrowings	(8,402)	(10,568)
Accrued salaries and wages	(40,694)	(38,307)
GST payable	(74,986)	(296)
Accrued expenses	(10,157)	(35,439)
Current portion of long term borrowings	(118,788)	(108,362)
Provisions		
Provision for annual leave	(293,013)	(330,591)
Provision for long service leave	(289,969)	(195,654)
Unadjusted net current assets	6,424,692	7,072,024
Adjustments		
Less: Reserves - restricted cash	(5,386,753)	(4,945,538)
Add: Current portion of long term borrowings	118,788	108,362
Adjusted net current assets - surplus/(deficit)	1,156,726	2,234,848

Difference

There was no difference between the surplus/(deficit) 1 July 2017 brought forward position used in the 2018 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2017 audited financial report.

SHIRE OF DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

21. FINANCIAL RISK MANAGEMENT

Financial instruments held by the Shire are cash and cash equivalents, restricted cash and cash equivalents, loans and receivables, payables, Western Australian Treasury Corporation (WATC) borrowings. The Shire has limited exposure to financial risks. The Shire's overall risk management program focuses on managing the risks identified below.

(a) Summary of risks and risk management

Credit risk

Credit risk arises when there is the possibility of the Shire's receivables defaulting on their contractual obligations resulting in financial loss to the Shire.

The Shire's major receivables comprise rates and annual charges and user charges and fees. 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.

Liquidity risk

Liquidity risk arises when the Shire is unable to meet its financial obligations as they fall due.

The Shire is exposed to liquidity risk through its trading in the normal course of business.

The Shire has appropriate procedures to manage cash flows including drawdown of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Shire's income or the value of its holdings of financial instruments. The Shire does not trade in foreign currency and is not materially exposed to other price risks [for example, equity securities or commodity prices changes].

All borrowings are due to the WATC and are repayable at fixed rates with varying maturities. Other than as detailed in the interest rate sensitivity analysis table at Note 21(d), the Shire is not exposed to interest rate risk because the majority of cash and cash equivalents and restricted cash are non-interest bearing and it has no borrowings other than the WATC borrowings.

(b) Categories of financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2018	2017
	\$	\$
Financial assets		
Cash and cash equivalents	6,152,114	7,216,558
Receivables*	1,247,597	1,160,320
	7,399,711	8,376,878
Financial liabilities		
Payables*	221,976	520,387
Borrowings	434,535	525,295
	656,511	1,045,682

* Amount excludes GST receivable / payable to ATO (statutory receivable / payable)

SHIRE OF DANDARAGAN
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2018

21. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity Risk and Interest Rate Exposure

The following table details the agency's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

Interest rate exposure and maturity analysis of financial assets and financial liabilities

	Weighted Average effective interest rate	Interest rate exposure				Maturity dates			
		Carrying Amount	Fixed interest rate	Variable interest rate	Non-interest bearing	Nominal amount	Up to 1 year	1-5 years	More than 5 years
	%	\$	\$	\$	\$	\$	\$	\$	
2018									
<u>Financial assets</u>									
Cash and cash equivalents (unrestricted)	1.00%	765,361	-	765,361	-	765,361	765,361	-	-
Cash and cash equivalents (restricted)	1.50%	5,386,753	-	5,386,753	-	5,386,753	5,386,753	-	-
Receivables		1,247,597	-	-	1,247,597	1,247,597	-	-	-
		7,399,711	-	6,152,114	1,247,597	7,399,711	7,399,711	-	-
<u>Financial liabilities</u>									
Payables		221,976	-	-	221,976	221,976	221,976	-	-
WATC borrowings	5.29%	434,535	434,535	-	-	464,246	2,589	461,657	-
		656,511	434,535	-	221,976	686,222	224,565	461,657	-
2017									
<u>Financial assets</u>									
Cash and cash equivalents (unrestricted)	1.00%	2,271,019	-	2,271,019	-	2,271,019	2,271,019	-	-
Cash and cash equivalents (restricted)	1.50%	4,945,538	-	4,945,538	-	4,945,538	4,945,538	-	-
Receivables		1,160,320	-	-	1,160,320	1,160,320	-	-	-
		8,376,878	-	7,216,558	1,160,320	8,376,878	8,376,878	-	-
<u>Financial liabilities</u>									
Payables		520,387	-	-	520,387	520,387	520,387	-	-
WATC borrowings	5.44%	525,295	525,295	-	-	570,828	-	570,828	-
		1,045,682	525,295	-	520,387	1,091,215	520,387	570,828	-

21. FINANCIAL RISK MANAGEMENT (continued)

(d) Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Shire's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

	Carrying Amount	-100 basis points		+100 basis points	
	Surplus	Equity	Surplus	Equity	
	\$	\$	\$	\$	\$
2018					
<u>Financial assets</u>					
Cash and cash equivalents (unrestricted)	765,361	(7,654)	(7,654)	7,654	7,654
Cash and cash equivalents (restricted)	5,386,753	(53,868)	(53,868)	53,868	53,868
	6,152,114	(61,521)	(61,521)	61,521	61,521
2017					
<u>Financial assets</u>					
Cash and cash equivalents (unrestricted)	2,271,019	(22,710)	(22,710)	22,710	22,710
Cash and cash equivalents (restricted)	4,945,538	(49,455)	(49,455)	49,455	49,455
	7,216,558	(72,166)	(72,166)	72,166	72,166

SHIRE OF DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

22. TRUST FUND

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

Trust Fund	1 July 2017	Amounts Received	Amounts Paid	30 June 2018
	\$	\$	\$	\$
Housing Relocation Bond	4,000			4,000
Housing Bonds	250	600	(600)	250
Seagate Estate	37,300			37,300
Fire Fighting Facility	5,000			5,000
Other Development Bonds	19,000			19,000
Dust Bond	11,049			11,049
Burial Plots	3,126	6,123	(5,340)	3,909
Footpath Deposits	2,600			2,600
Nomination Deposits	0	480	(480)	0
Sale Lot 28 Harris St for cap exp rec dand	9,500			9,500
Development Assessment Panel Fee	0	196		196
Scheme Amendment Deposit	1,000			1,000
KidsSport	2,829		(2,829)	0
Central Coast Strategy	13,540			13,540
DOLA Sub-Divisions Cervantes	41,401			41,401
Jurien Bay Heights - Stage 2	15,900			15,900
Seagate Estate Footpath	20,814			20,814
Cash in Lieu - Landscaping	2,000			2,000
Cash in Lieu POS - Landcorp	162,500			162,500
RehabBond (Sand Pit Holdings Lot 290 Canover)	5,000			5,000
Retention Wormall Civil PL STowns	148,050		(148,050)	0
Interest on Restricted Assets	59,550			59,550
	564,409	7,399	(157,299)	414,510

**SHIRE OF DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

23. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE PERIODS

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

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

	Title	Issued / Compiled	Applicable (1)	Impact
(i)	AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect.
(ii)	AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2019	<p>This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.</p> <p>The effect of this Standard will depend on the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.</p>
(iii)	AASB 16 Leases	February 2016	1 January 2019	<p>Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability into the statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position when AASB 16 is adopted.</p> <p>Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Shire, the impact is not expected to be significant.</p>

Notes:

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

**SHIRE OF DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

23. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE PERIODS (Continued)

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

Notes:

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

Adoption of New and Revised Accounting Standards

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

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

(i) AASB 2016-4 Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities	1 January 2017
(ii) AASB 2016-7 Amendments to Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities	1 January 2017

**SHIRE OF DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

24. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the 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 or non-current based on the Shire's intentions to release for sale.

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) 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.

g) Fair value of assets and liabilities

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.

h) Fair value hierarchy

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

Level 1

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

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.

Income approach

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

Cost approach

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

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the 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.

i) Impairment of assets

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

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

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

For non-cash generating specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regulatory to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

**SHIRE OF DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

25. ACTIVITIES/PROGRAMS

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

PROGRAM NAME	OBJECTIVE	ACTIVITIES
GOVERNANCE	To provide a decision making process for the efficient allocation of scarce resources	Includes the activities of members of Council and the administrative support available to the Council for the provision of governance of the district. Other costs relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific local government services.
GENERAL PURPOSE FUNDING	To collect revenue to allow for the provision of services	Rates, general purpose government grants and interest revenue
LAW, ORDER, PUBLIC SAFETY	To provide services to help ensure a safer and environmentally conscious community	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
HEALTH	To provide an operational framework for environmental and community health	Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal.
EDUCATION AND WELFARE	To provide services to disadvantaged persons, the elderly, children and youth.	Provision of youth, aged and disability services.
COMMUNITY AMENITIES	To provide services required by the community.	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	To establish and effectively manage infrastructure and resource of the community.	Maintenance of public halls, civic centres, beaches, recreation centres and maintenance of parks, gardens and playgrounds. Operation of library and other cultural facilities.
TRANSPORT	To provide safe, effective and efficient transport services to the community	Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and Tourism and area promotion
ECONOMIC SERVICES	To help promote the local government and its economic wellbeing	Provision of rural services including weed control, vermin control and standpipes. Building control.
OTHER PROPERTY AND SERVICES	To monitor and control operating accounts	Private works operation, plant repair and costs.

SHIRE OF DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

26. FINANCIAL RATIOS

	2018	2017	2016
Current ratio	4.90	5.22	3.50
Asset consumption ratio	0.72	0.71	0.77
Asset renewal funding ratio	0.91	0.94	0.93
Asset sustainability ratio	0.84	0.97	0.97
Debt service cover ratio	(30.53) ¹	13.95	8.60
Operating surplus ratio	(1.15) ²	(0.31)	(0.43)
Own source revenue coverage ratio	0.42 ³	0.61	0.64

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expenses}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

Notes:

Three of the ratios was impacted by expenses associated with the disposal of the sewer to the Water Corporation for nil consideration and loss on revaluation of assets through P&L

	2018
	\$
Loss on disposal of sewer	5,315,357
Loss on revaluation of assets	1,529,888

If the events detailed above did not occur, the ratio would be as follows:

	2018
Debt service cover ratio	19.45 ¹
Operating surplus ratio	(0.39) ²
Own source revenue coverage ratio	0.63 ³