



# 2018/19 Annual Report





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# 2017/18 Annual Electors Meeting

## 1.0 OPENING & WELCOME BY PRESIDENT

The President declared the meeting open at 5.31pm.

### Present

Shire President	Cr SC Carter
Deputy President	Cr KL Carter
	Cr J Huggett
	Cr GH Sanderson JP
	Cr KM McNeill JP
	Cr AR Dickins

Chief Executive Officer	Mrs JM Knight
Deputy Chief Executive Officer	Mr KT Jones
Manager Planning & Development Services	Mr D Burke
Manager Works & Services	Mr W Taylor

Members of Public	Mr RS Nixon
	Mrs I Mills
	Mrs B Dinnie
	Mrs C Hyde
	Mrs G Hyde
	Mr W Dinnie
	Mr B Cail
	Mr J Roach
	Mrs BG Matias

## 2.0 APOLOGIES

Cr KJ Christian  
Cr BH Boys  
Cr NW Mills

## 3.0 MINUTES OF PREVIOUS ANNUAL ELECTORS MEETING

### **MOTION 7022**

Moved	Mr Jim Roach
Seconded	Mr Charles Hyde

That the Minutes of the Annual Electors Meeting held on 12 December 2017 be confirmed.

**CARRIED**



**4.0 PRESENTATION OF ANNUAL REPORT CONSISTING OF:**

**4.1 PRESIDENT'S REPORT**

**MOTION 7023**

Moved Mr Charles Hyde

Seconded Cr Keith Carter

That the President's Report for the financial year 2017/18 be received.

**CARRIED**

**4.2 CHIEF EXECUTIVE OFFICER'S REPORT**

**MOTION 7024**

Moved Mr William Dinnie

Seconded Cr Graham Sanderson

That the Chief Executive Officer's Report for the financial year 2017/18 be received.

**CARRIED**

**4.3 FINANCIAL REPORT FOR THE 2017/18 FINANCIAL YEAR**

**MOTION 7025**

Moved Cr Anita Dickins

Seconded Cr Karen McNeill

That the 2017/18 Annual Financial Statements and Report, as presented, be received and adopted.

**CARRIED**

**4.4 AUDITOR'S REPORT**

**MOTION 7026**

Moved Cr Anita Dickins

Seconded Cr Keith L Carter

That the Auditor's Report for the financial year 2017/18 be received.

**CARRIED**



**5.0 GENERAL BUSINESS**

**5.1 Motion Received prior to Meeting – Vote of Thanks – Robert Nixon**

**MOTION 7027**

Moved Mr Robert Nixon

Seconded Mr Jim Roach

That this meeting acknowledges the 2017-2018 achievements of the Shire of Dalwallinu.

**CARRIED**

**5.2 Offer of Crockery and Cutlery from Dalwallinu CWA - Barbara Dinnie**

**5.3 Request for Consideration – Ideas – Bill Dinnie**

- Town Centre Image
- Entry Signs
- Wall Murals
- Tourism Industry – Waterpark, Wildlife Park, Farm Tourism

**5.4 Sunrise in Xantippe**

**6.0 CLOSURE OF MEETING**

There being no further business, the Chairperson closed the meeting at 6.24pm.

**7.0 CERTIFICATION**

I, Steven Clifford CARTER, certify that the Minutes of the meeting held on 18 December 2018, as shown on page numbers 1 to 3 were confirmed as a true record at the meeting held on \_\_\_\_\_ 2019.

\_\_\_\_\_  
\_\_\_\_\_

**Date**



## Councillors of the Shire

**Cr STEVEN CARTER**

Shire President  
Mob: 0428 663 017  
Term ending: 2019



**Cr KEITH CARTER**

Shire Deputy President  
Mob: 0428 643 051  
Term ending: 2019



**Cr ANITA DICKINS**

Councillor  
Mob: 0429 621 112  
Term ending: 2021



**Cr NOEL MILLS**

Councillor  
Mob: 0428 662 088  
Term ending: 2021



**Cr KAREN CHRISTIAN**

Councillor  
Mob: 0427 183 363  
Term ending: 2021



**Cr GRAHAM SANDERSON**

Councillor  
Mob: 0428 662 088  
Term ending: 2019



**Cr KAREN McNEILL**

Councillor  
Mob: 0429 020 285  
Term ending: 2019



**Cr BRETT BOYS**

Councillor  
Mob: 0413 740 320  
Term ending: 2021



**Cr JANINE HUGGETT**

Councillor  
Mob: 0491 247 272  
Term ending 2021





## Councillors Attendance

### Statutory Report

#### ORDINARY COUNCIL

TABLE 1: Attendance of Elected members at Council Meetings -1 July 2018 to 26 June 2019.

Elected Members	Ordinary Council Meetings (11)	Special Council Meetings (2)	Apologies	Leave of absence
Cr Steven Carter	9	2	1	1
Cr Keith Carter	10	2	1	0
Cr Brett Boys	10	2	0	1
Cr Karen Christian	8	2	2	1
Cr Anita Dickins	9	2	1	1
Cr Janine Huggett	11	2	0	0
Cr Karen McNeill	10	2	0	1
Cr Noel Mills	10	2	0	1
Cr Graham Sanderson	11	1	1	0

#### COUNCIL COMMITTEES

TABLE 2: Attendance of Elected members at Council Committee Meetings -1 July 2018 to 26 June 2019

Elected Members	Community Services & Economic Development (6)	Finance & Audit (6)	Works & Plant (5)
Cr Steven Carter	1	3	2
Cr Keith Carter	1	6	5
Cr Brett Boys	5	0	0
Cr Karen Christian	4	0	0
Cr Anita Dickins	5	5	2
Cr Janine Huggett	6	4	1
Cr Karen McNeill	5	6	3
Cr Noel Mills	5	5	4
Cr Graham Sanderson	2	2	5

\*\* As from Feb 2019 the Committees were abolished. There were only 6 meetings held for the year 2018 - 2019.



## Management Structure

The Shire of Dalwallinu has developed its Management Structure to achieve efficient and effective delivery of services and to provide prompt customer service.

The three line Managers have been vested with specific responsibilities, and enjoy a high level of autonomy in carrying out their functions. This is coupled with direct accountability for their respective areas of management. The Managers share a strong commitment towards efficient delivery of Local Government services.





## Shire President Message



Thank you for taking the time to read the 2019 Presidents report. This is my fourth annual report as President & it's one I'm really pleased to be presenting to you after a year of consolidation in the Shire & a year of record production for our farmers.

The 2018 cropping season started a bit late however the rains came & once the season got going it progressed well. There was a dry spell in September which took the edge off a few crops however the stacks of grain in McLevie, Kalannie, Wubin & Pithara along with the many train movements was proof of the record harvest that was taking place. The record harvest put a lot of pressure on the road system however I feel it stood up to the task well considering the lack of good road building weather leading up to harvest. A big harvest always leads to a big lime sand & fertiliser year which puts further pressure on the roads, often these are different roads to the ones used at harvest so it spreads the load a bit for the road crew.

The Shire crew along with contractors & Red Dust Holdings, the contractors completing the 3rd WANDRRA claim, have kept the road system in the Shire in great shape. There seems to be tendency towards larger trucks on our roads & the permit system Main Roads has in place takes the decision out of the Shires hands in the first instance which seems to be working OK.

The Rec Centre upgrade is nearing completion,

after many years of deliberation & failed funding applications. There have been a few unforeseen issues along the way such as the decaying concrete floor which had to be removed & a new floor laid. There was the very wet period in May/June that delayed work on the site somewhat. Despite these problems it appears the project will come in on budget which is a great result for the ratepayers of Dalwallinu.

While talking about the Rec Centre, I would like to congratulate the sporting clubs who had to put up with a lot during the course of the year & I believe the ability of these clubs to look forward & appreciate what we were all working towards having a grand facility for the community as a whole.

The Ag Society also had to make a tough decision as to whether they should hold the annual show or not. I believe the decision not to hold a show in 2018 was the correct one & I look forward to celebrating 100 years of the Dalwallinu Ag Society in 2019.

While talking recreation, the Kalannie Club has its roof on, the inside looks great & it's open for business. This has been a trying time for the Kalannie residents & I'm sure with the benefit of hindsight we may have done things a little differently, however let's hope we don't have to go through that experience again. I thank the Kalannie residents for their patience & their willingness to make the best out of a difficult situation.

With one phone tower up and running and two more expected to come on line shortly, this should make a huge difference to the liveability in our Shire & safety of our residents who live some distance away from their centres.

Water should never be a problem in Dalwallinu town again with the completion by Water Corp of the 2million litre tank in Strickland Drive. It's a very impressive structure and yet quite unobtrusive. Our focus now will turn to the deep sewage system in Dalwallinu & as a Council will be asking the State Government to



reintroduce their farm water grants scheme.

After much deliberation & negotiation Panaceum, a medical services provider from Geraldton agreed to take over the Dalwallinu Medical Centre. This means the financial burden of provision of medical services to the area will be reduced markedly. There have been a few teething issues however I believe with time this solution will work & eventually there will be minimal financial burden on the ratepayers.

Landcorp have now sold all of the blocks in Gamenya Way, Stage 2 of the old hospital housing subdivision. This reinforces the shires decision to proceed with the Bell street subdivision which will be a shire funded project aiming for full cost recovery on sale of the blocks.

I would like to take this opportunity to congratulate & thank the town crew for keeping our towns looking great, the positive comments keep flowing in and your efforts don't go unnoticed. Although the inside staff efforts aren't as visual they are no less appreciated by council. The Dalwallinu Shire is in an extremely strong position due to the expertise & diligence of the staff in the office. The quality of staff employed by the Shire of Dalwallinu make my position as President very enjoyable & allows us as Councillors to get busy with the bigger picture items.

Steven Carter  
**SHIRE PRESIDENT**



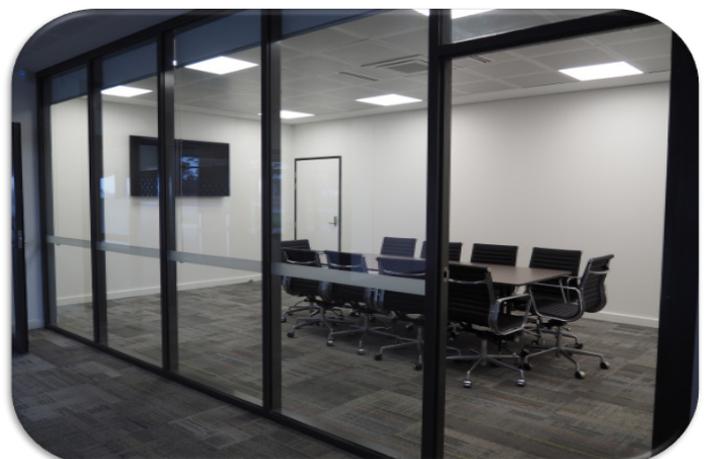
*Recreation Centre Entrance*



*Multi purpose court*



*Football Changerooms*



*Recreation Centre Meeting Room*



## Chief Executive Officer Message



It gives me great pleasure to present my 2018-2019 report for the Shire of Dalwallinu.

Highlights of the 2018-2019 year include:

- Upgrade works on the Dalwallinu Recreation Centre (landscaping due for completion August 2019);
- Completion of the Dalwallinu Recreation Precinct Upgrade;
- Expenditure of \$3.28M on capital roadworks, \$1.34M on road maintenance and \$3.0M on WANDRRA funded roadworks;
- Completion of Townscape Focus group initiatives including the lighting upgrade from Memorial Park to the Skate Park, installation of a Tourist Information Bay, installation of shaded seating at the Skate Park, installation of water coolers at Memorial Park and the Skate Park, installation of a BBQ at Memorial Park completion of the installation of rope play equipment in Memorial Park;
- Installation of a toilet at Richardson Park Nature Playground;
- Completion of repairs to Kalannie Sports Club after storm damage;
- Townscape enhancements in Kalannie;
- Fencing at the Dalwallinu Refuse Site;
- Installation of fence at the Hockey Oval;
- Sewerage System Upgrade – Annetts Road.

Since 2014 the Shire has suffered several storm incidents which has resulted in road damage which has enabled us to access Western Australia Natural Disaster Relief & Recovery Arrangements (WANDRRA) funding. Our final claim was finalised in June 2019. The total amount of funding received over the past five (5) years amounts to \$13,108,419.

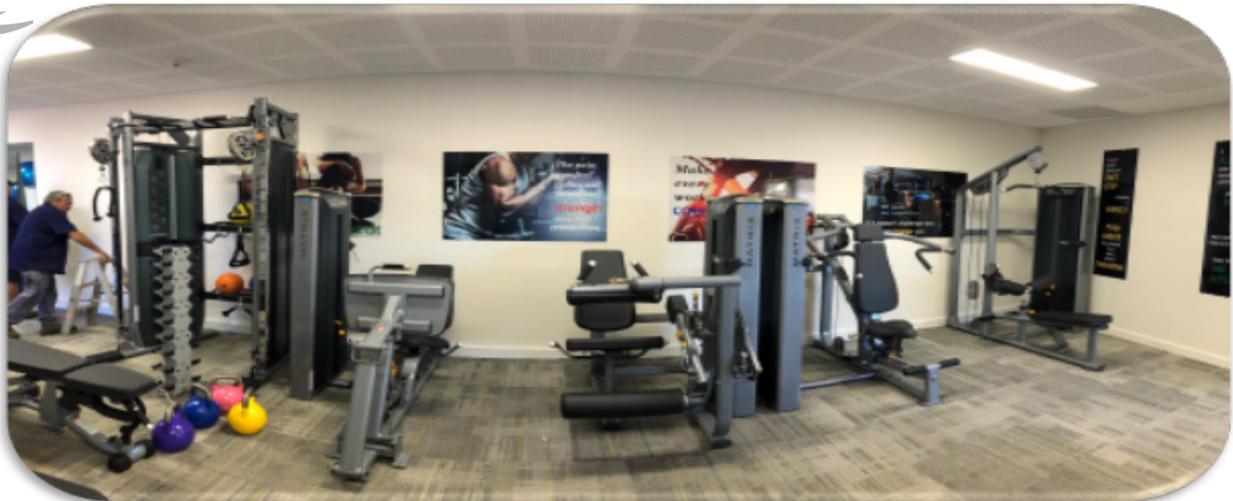
In August 2018, Council appointed Panaceum Group to manage the day to day operations of the Dalwallinu Medical Centre. Panaceum commenced on 1 October 2018. Panaceum have been trying to recruit a permanent GP for Dalwallinu with no success to date. The centre has been staffed by locums since they commenced.

Council adopted the Shire of Dalwallinu Sport & Recreation Plan in December 2018 which will assist Council in prioritising future works. All groups/clubs were contacted for input. This plan will be updated on an annual basis to include any new requests from the clubs.

The following tenders were called in 2018-2019:

- Provision of IT Services
- Provision of Electrical Services
- Sale of 6 Shannon Street, Dalwallinu
- Provision of Grading Services
- Sale of 1 Wasley Street, Dalwallinu – no tenders received
- Design & Construct Two (2), 1x1 dwellings
- Sale of Surplus Plant
- Sale of 3 Myers Street – no tender awarded
- Sale of 70 McNeill Street – to be considered in July 2019

In December 2018, Council adopted the business plan for a 24/7 Gymnasium to be located in the upgraded Recreation Centre. The opening date for the gym was 1 July 2019.



*Dalwallinu 24/7 Gymnasium*

Also in December we had the crew from Channel 7 Sunrise program visit and put Xantippe on the map. We had an excellent turnout of locals even at the start time of 3am!



The Department of Primary Industries and Regional Development (DPIRD) announced on 8 August 2018 in Chapman Valley that the Goodlands tower project submitted by Telstra/Shire of Dalwallinu/Kalannie Community Association under the Digital Farm grants program had been approved for funding of \$260,000. Representatives from the Kalannie Community attended the funding announcement in Chapman Valley on 8 August 2018. This is a great outcome for the Kalannie Community.

Australia Day celebrations were held at the Aquatic Centre. This included a citizenship ceremony for six (6) new citizens. Another successful Anzac day breakfast cooked by staff/councillors was held in Memorial Park.

The Shire continues to provide school holiday programs for the children. In July 2018, we took eighteen (18) children to Bounce in Cannington for the day. Unfortunately the Laser Tag organised for October 2018 was cancelled due to lack of numbers. In April 2019 we held a Graffiti workshop at the Skate Park which was well attended and the children did a great job on painting the jumps.

A Community Fun Day was held at the Dalwallinu Oval on Saturday 27 October 2018 from 11am – 2pm. The day has an inflatable obstacle course, sumo suits, bubble soccer, calico bag painting station and the first 150 people were provided with a free healthy lunch. A grant of \$1,000 from the Meerilinga organisation was received for Children's week. We added funds and made this our annual community event for 18-19.

Council has entered into a Joint Venture with the Department of Communities to construct two (2), 1x1 units at the rear of Lot 11 James Street. These are 'low income' housing. Stallion Homes were appointed for this project and will commence construction in August 2019.

Council commenced the Shire of Dalwallinu re-branding process with a community workshop held on 8 April 2019. Market Creations gained some excellent feedback from the attendees and have been designing concepts. At the time of writing this report we have agreed on a concept and are just finalising the finer details and we hope to share with the community very soon.



## STAFF



Again I would like to thank the staff, led by the Senior Management Team for their efforts over the past twelve months.

Their leadership and support is critical to the ongoing success of our organisation. We have a very good team of staff who are doing their absolute best to deliver on both Council and community expectations. The Senior Management Team has remained unchanged over the past twelve months which has provided stability for the organisation.

The FTE for the Shire of Dalwallinu currently sits at 31.66.

The outside workforce had four (4) resignations in this financial year, Stef Vankova, Chris Kay, Gordon Crnobja and Jayden Timmins. Trevor Nannup was appointed along with a new Trainee Georgia Cousins.

The Administration team had five (5) resignations with three of those, Gracie Gaytos, Judy Roux and Mark Gillbard moving to other local governments plus resignations from Dr Henni Smit and Gail Smit. With Council no longer operating the Dalwallinu Medical Centre, Karen Hodson was made redundant and Sheree Sundstrom was redeployed to the Administration Centre. Two new appointments were made being Kim Johnson, Aquatic Centre Manager who commences in September 2019 and Rosie De Beer as a PT Customer Service Officer.

I would like to thank the Councillors, Staff and community for their support over the past twelve months and look forward to another productive year ahead.

Jean Knight  
CHIEF EXECUTIVE OFFICER



# Deputy Chief Executive Officer Report

## Corporate Services

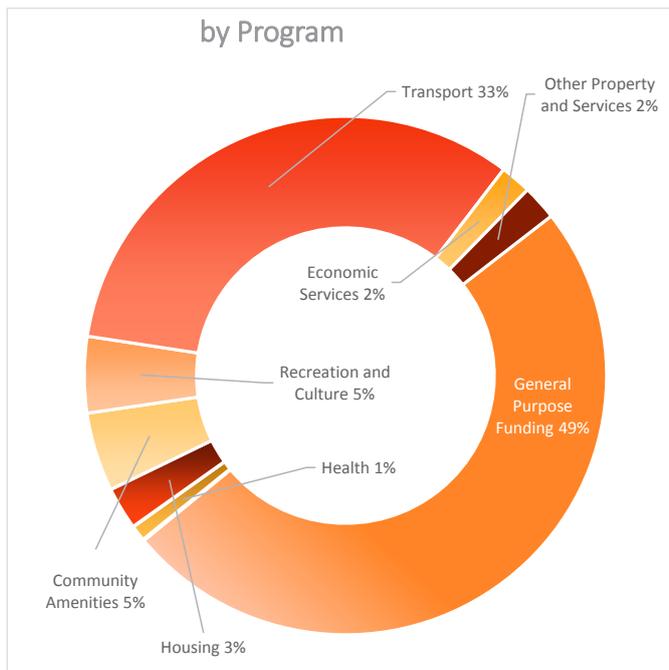
### FINANCE

This financial year a similar surplus of \$2.6million to last year was due to two main reasons. An early 50% payment of Financial Assistance Grant Funding (FAGS) totalling nearly \$1.45million and unfinished projects carried forward. All this surplus has been budgeted to be expended in the 2019/2020 financial year.

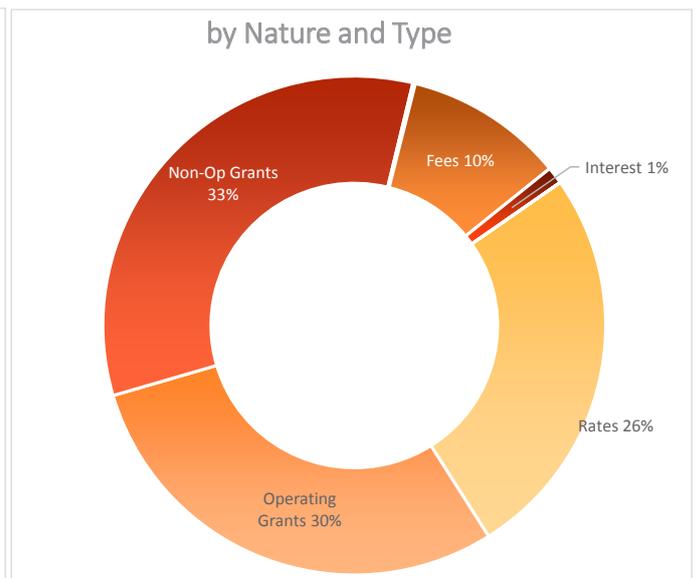
The following 2018/2019 revenue received by the Shire is detailed by graphs showing Nature and Type and by Program.



Graph 1 ~ Revenue



Graph 2 ~ Revenue



Rates	3,204,366
Operating Grants, Subsidies and Contributions	3,664,999
Non-Operating Grants, Subsidies and Contributions	4,142,241
Profit on Asset Disposals	20,000
Fees and Charges	1,276,962
Interest Earnings	137,746
Other Revenue	36

Governance	219
General Purpose Funding	6,170,203
Law, Order, Public Safety	11,535
Health	120,180
Education and Welfare	3,929
Housing	328,926
Community Amenities	612,961
Recreation and Culture	591,937
Transport	4,098,463
Economic Services	239,173
Other Property and Services	268,824



## Corporate Services

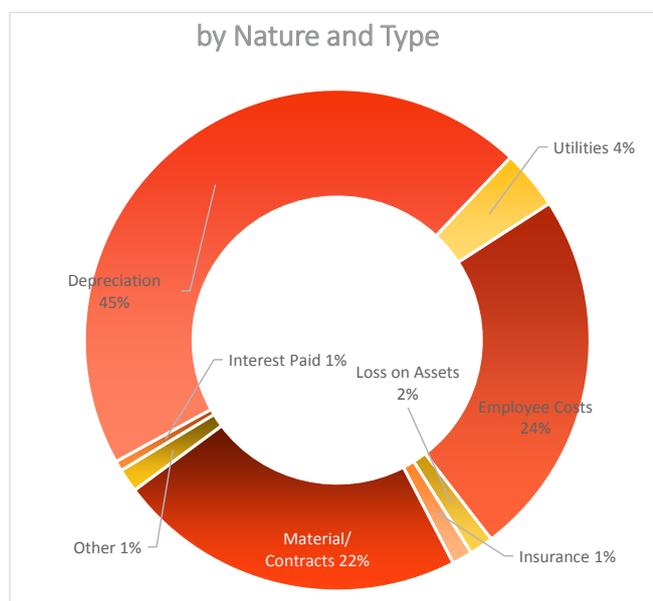
### RESERVE ACCOUNTS

The Shire has a total of \$2,892,808 cash backed reserves (see note 3 in the financial report for a breakdown of this amount). The Plant Reserve and Land & Building Reserve are holding the largest amounts currently. The Plant Reserve is based on a ten year replacement plan, however it may be holding more than will be necessary into the future. This will be assessed in the next budget.

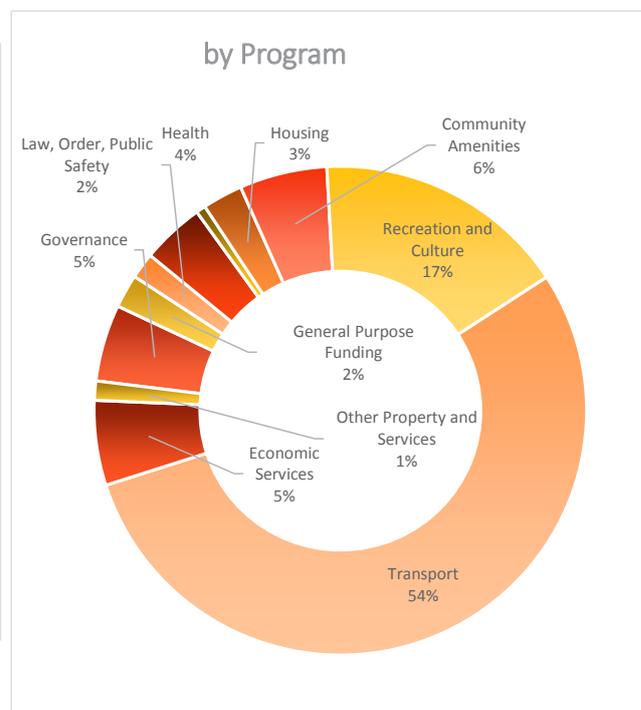
### LOANS AND BORROWINGS

The Shire has taken out a new loan for \$2.7 million for the upgrade to the Recreation Centre and refinanced the Discovery Centre loan for a further 10 years. Debt principal repaid during the year was a net \$117,096. The following 2018/2019 expenditure by the Shire is detailed by graphs showing Nature and Type and by Program.

Graph 3 ~ Expenditure



Graph 4 ~ Expenditure



Employee Costs	2,830,290
Materials and Contracts	2,667,499
Utility Charges	455,009
Insurance	155,982
Loss on Asset Disposals	182,937
Depn. on Non-curr. Assets	5,371,282
Interest	77,633
Other	179,977

Governance	606,772
General Purpose Funding	264,051
Law, Order, Public Safety	203,849
Health	493,626
Education and Welfare	74,888
Housing	315,045
Community Amenities	685,810
Recreation and Culture	1,988,353
Transport	6,468,051
Economic Services	669,286
Other Property and Services	150,878

### RATES

The Shire raised a total of \$3,204,366 in Rates revenue and at the 30th June 2019 the amount of unpaid rates was \$33,782.



### INTEREST

Interest earnings for the 2018/2019 financial year amounted to \$137,746 against a budget of \$124,257. Very low interest rates are still in place but all efforts were made to access the highest interest rate possible when reinvesting Shire funds.

### GRANT FUNDING RECEIVED

Note 2(a) of the Financial Report details the grants received and expended for the year 2018/2019. In addition to these notes the following projects were also funded by grant submissions.

Project	Funder/Program	Amount \$
Roads and General Purpose Funding	Federal Government (Financial Assistance Grants)	2,771,609
Road Maintenance	Main Roads WA	152,975
WANDRRA Flood Damaged Roads	Main Roads WA and Federal Government	3,914,703
Capital Road Works	Regional Road Group WA	162,485
ESL Operational Funding	Department of Fire & Emergency Services (DFES)	25,773

### LIBRARY & TOURISM

The Library has been constant with users again this financial year with a few people taking advantage of the room set aside for quiet study.

2018 started out dry & the wildflower season extended well into October ending a reasonable season. The following table shows the peak times in the last five years.

### TOURIST STATISTICS

Month	2018 Visitors	2017 Visitors	2016 Visitors	2015 Visitors	2014 Visitors
July	262	244	254	285	111
August	1148	637	1143	769	794
September	1701	955	2401	1232	1154
October	355	296	439	235	209



### **COMMUNITY GRANTS & SUPPORT PROVIDED**

\$22,295 was directly contributed in financial support relating to the Community Grant Scheme. This support is available to groups and sporting clubs wishing to make improvements in their areas of responsibility but just need a little further help to get them over the line.

Groups such as Liebe, the schools, sporting teams, dance group and Community Resource Centres all benefit from the facilities available in the towns, some of which are provided for little or no cost.

Keith Jones  
Deputy Chief Executive Officer



*Dalwallinu Discovery Centre*



# Manager Works & Services Report



## WORKS REQUESTS

	2018 - 2019	2017- 2018
Parks & Gardens	14	16
Engineering (Roads, Verges)	27	30
Signage	4	14
Sewerage	59	43
Drains/Culverts	0	8
Footpaths	7	2
Building Maintenance	330	379
<b>Total</b>	<b>441</b>	<b>492</b>

## ROAD CONSTRUCTION

\$515,647 was invested in road construction throughout the Shire of which \$162,485 was received from 'Regional Road Group'.

Projects included in 2018-2019 were:

Dalwallinu Kalannie Road, Rabbit Proof Fence Rd, Roche Street Drainage, Kalannie/Kulja Road.

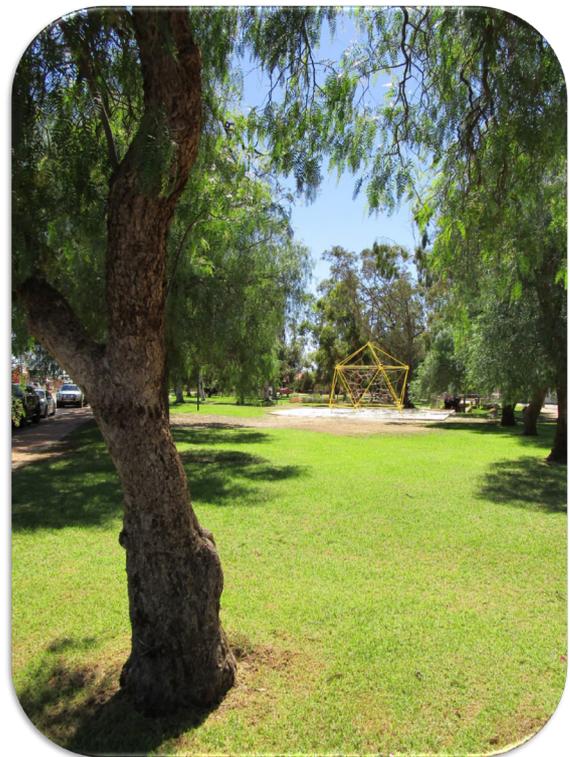
## PARKS & GARDENS

\$465,870 was spent on the maintenance of the Shire's parks, ovals and reserves.

## ROAD MAINTENANCE

	2018 - 2019	2017- 2018
Road Maintenance	\$536,555	\$396,985
Rural Road Maintenance	\$848,439	\$471,4778
Verge Maintenance	\$62,264	\$312,014
Footpath Maintenance	\$29,040	\$30,277
Street Cleaning	\$48,460	\$74,853
Street Trees	\$25,761	\$24,604
Stormwater Drainage Maintenance	\$37,778	\$34,575
<b>Total</b>	<b>\$1,588,297</b>	<b>\$1,344,786</b>

\$3,480,377 was received from WANDRRA for repairs to damaged roads in various parts of the Shire due to flooding in Jan/Feb 2017.



*Memorial Park*



## SEWERAGE

Upgrade to the sewerage system on Annetts Road was completed in 2018-2019.



## STAFF CHANGES

### Appointments

- Trevor Nannup            General Hand
- Georgia Cousins        Trainee

### Resignations

- Jayden Timmins        General Hand
- Stef Vankova            General Hand
- Gordon Crnbrnja        General Hand
- Chris Kay                Mechanic



*New Hitatchi Loader*



Will Taylor  
**MANAGER WORKS & SERVICES**



# Manager Planning & Development Services Report



## Planning Services

The determination of any applications for land use development within the local government area is the responsibility of Council under the Planning and Development Act 2005. The Western Australia Planning Commission has the authority to approve subdivisions. The Minister or the Department of Planning, Lands and Heritage gives consent to any proposal to amend the local planning scheme on the advice of the Western Australia Planning Commission.

Guiding land use and development in the Dalwallinu local government area is the Shire of Dalwallinu Local Planning Scheme No 2 and a number of subsidiary local planning policies.

Policy	N <sup>o</sup>	Policy
Policy N <sup>o</sup> 1		Offensive Uses
Policy N <sup>o</sup> 2		Fences Amended
Policy N <sup>o</sup> 3		East Pithara Road
Policy N <sup>o</sup> 4		Stables
Policy N <sup>o</sup> 5		Moveable Buildings
Policy N <sup>o</sup> 6		Aged Accommodation
Policy N <sup>o</sup> 7		Verandas Over Footpaths

## Land Use & Development Applications

Type of Activity	18/19	17/18	16/17
Planning Applications	23	24	14
Subdivisions	2	2	3
Scheme Amendments	2	1	2

## Building Services

All building works other than exempted works require a building permit to be in force before construction takes place. The Building Act 2011 empowers the local government to issue permits when satisfied that the proposed building work will comply with the National Construction Codes and any requisite provisions relating to State and local planning policy.

## Types of Building Applications

Building Permit Applications	2018-19	2017-18	2015-17
Dwelling	5	14	9
Buildings ancillary to dwellings	10	3	7
Commercial	3	3	6
Industrial	4	1	0
Total applications	23	21	22
Monetary value of all applications	6460,5K	8,788K	3,512K

## Regulatory Services

Council has a legislated responsibility to regulate other prescribed activities, such as companion animals, conduct on public thoroughfares and fire control, under:

Cat Act 2011

Dog Act 1976

Fire and Emergency Services Act 1998

Litter Act 1979

## Building Maintenance

The Shire owns and maintains an inordinately considerable number of buildings throughout the local government area that are required to be maintained to provide functionality and longevity. The department services 36 public and commercial buildings, which include administration offices, meeting spaces, community facilities and industrial units; and 41 dwellings that accommodate staff, the elderly and other members of the general community.



## AQUATIC CENTRE

This facility provides access to an aquatic environment for members of the local community and visitors. The facility comprises two swimming pools offering immersive opportunities to patrons of all ages and swimming abilities.

As a public swimming pool complex the aquatic centre is regulated under the Code of Practice for the Design, Construction, Operation, Management & Maintenance of Aquatic Facilities.

Maintaining water quality is a fundamental role in operating an aquatic facility. The water is tested on a regular basis to ensure that the water is properly disinfected at all times, to prevent transmission of infectious diseases and achieve the maximum patron comfort. The facility has passed all microbiological and chemical testing requirements.



*Dalwallinu Aquatic Centre Lap Pool*

Doug Burke  
**MANAGER PLANNING & DEVELOPMENT SERVICES**



## Chief Bush Fire Control Officer Report



1 deliberately lit tip fire.

A total of 184 individual fire units turned up to the 60 fires we had this season involving 400 bushfire volunteers spending an average of 2 hours at each event.

Thankyou to all the volunteers who were active this year.

Gary Butcher

**CHIEF BUSH FIRE CONTROL OFFICER**

2018/19 was a busy time for the four local Dalwallinu shire brigades and farmer volunteers.

On the 9th of November we had a series of dry lightning strikes in the Pithara Kalannie area resulting in five reported fires losing 169 ha of crop to the value of \$152,000.

On the 15th November we had 50 separate fires on multiple properties starting at 3 pm caused by lightning mainly in the West Buntine and West Wubin area but stretching down in a south easterly direction towards Dalwallinu then East Pithara.

These fires were largely under control by 9pm on the 15th with a further mopping up the following day by volunteers and property owners.

Wind speeds gusted to 65 km per hour with RH of 13 and a max daytime temp of 39 degrees( 37 down to 32 degrees at the time of the fire ) so difficult changeable conditions for firefighting.

Farmers lost approximately 3,000 ha of mostly standing crop with an estimated farm gate value of 2.7 million dollars.

This was a chaotic time with so many lightning strikes happening at once and although the rain was delayed it did eventually come later in the afternoon and evening helping to preventing more serious losses.

Other fires reported were:

3 header fires causing \$109,000 of damage;

3 escaped control burns;

1 downed power line causing \$80,000 of damage;





## Freedom of Information

Section 96 of the Freedom of Information Act requires local governments to publish an Information Statement.

In summary, the Shire of Dalwallinu's statement indicates that the Shire of Dalwallinu is responsible for the good governance of the Shire, and carries out functions as required, including statutory compliance and provision of services and facilities.

All Council meetings are open to the public, and meeting dates and venues are advertised on a regular basis. Members of the public are invited to ask questions during Public Question Time, shortly after the commencement of each meeting.

The Shire of Dalwallinu maintains records relating to the function and administration of the Shire, each property within the Shire, and includes such documents as the Minutes of Meetings, Rate Book, Town Planning Scheme, Local Laws, Codes of Conduct, Register of Financial Interests, Register of Delegations, Financial Statements and Electoral Rolls. These documents can be inspected free of charge at the Shire Administration Centre, 58 Johnston Street, Dalwallinu, during office hours.

Nil Freedom of Information requests were received in 2018/19.

## Register of Minor Complaints

Section 5.121 of the Local Government Act 1995 (Register of Certain Complaints of Minor Breaches) requires the Complaints Officer for each local government to maintain a Register of Complaints which records all complaints that result in action under Section 5.110(6) (b) or (c) of the Act (Conduct of Certain Officials).

Section 5.53 (2) (hb) of the Local Government Act 1995 requires disclosure in the Annual Report of details of entries made under Section 5.121 during the financial year in the Register of Complaints, including:

- i. The number of complaints recorded in the register of complaints;
- ii. How the recorded complaint was dealt with; and
- iii. Any other details that the Regulations may require.

In accordance with these requirements, it is advised that no complaints or minor breaches under the Local Government Act 1995 were received during 2018-2019.

## Employee Remuneration Over \$100,000

Set out below, in bands of \$10,000 is the number of shire employees entitled to an annual salary of \$100,000 or more.

Salary Range \$	2019	2018
100,001 – 110,000	2	1
110,001 – 120,000	0	1
120,001 – 130,000	1	1
150,001 – 160,000	0	1
400,001 – 410,000*	1	1
410,000 – 420,000*	0	0

\*note: these figures relate to the employment of a Doctor.



## 2018/19 Objectives and Achievements

### OBJECTIVES AND ACHIEVEMENTS

The Council, in its 2018/19 Annual Budget, proposed to undertake and achieve the following:

Activity	Planned Works	Completion Date	Comments
Bell Street Subdivision	Development of 9 residential lots	N/A	Subdivision on hold pending increased demand. Council increased lot yield to 13 lots. Lot configuration finalised. Waiting on WAPC approval.
Employee Housing	Construction of two (2) new employee houses on subdivided land between Wasley/ Dungey	N/A	Project was to go ahead if sale of two shire houses was realised. Only one house has been sold to date to fund the construction.  Second shire house proposed to be sold in 19-20 therefore construction of two new houses has been included in the 2019-2020 budget.
Housing - James Street	Construction of two (2) 1x1 low income housing units at the rear of Lot 11 James Street, Dalwallinu	Ongoing	JV entered into with Department of Communities. Tender awarded to Stallion Homes. Works to commence July 2019
Purchase of Myer Street Land	Acquisition of land for future aged housing	N/A	Waiting on Department of Lands to progress the sale.
Recreation Centre Dalwallinu	Upgrade to Recreation Centre	March 2019	Completed
Composting Toilet – Richardson Park	Installation of a toilet facility at Richardson park	May 2019	Completed
Townscape Projects	Reverse Angle parking – Myers Street, Dalwallinu Memorial Park Upgrade, Dalwallinu Tourist Information bay Upgrade, Dalwallinu Skate Park Upgrade, Murals, Lighting Upgrade, Shire Boundary Signage, Kalannie Townscape	Partially Completed	All completed except Murals and Shire Boundary Signage which have been included in the 2019-2020 budget.



Activity	Planned Works	Completion Date	Comments
Recreation Centre Precinct	Upgrade to Recreation Centre precinct creating a community hub, with a BBQ, water cooler, playground equipment, seating, ablution facility, pathways, bike track and landscaping	Ongoing	Stage two of landscaping works around the newly upgraded Rec Centre will be completed in Jul/Aug 2019.
Leahy St Landscaping	Landscaping of Leahy St after subdivision works completed	N/A	Water Corp works have now been completed. Landscaping expected to be completed in 2019-2020.
Sewerage Ponds	Construction of new pond/Upgrade	N/A	Project is ongoing and has been budgeted to be completed in 2019-2020.
Sewerage system upgrade	Upgrades to sewerage system	December 2018	Completed
Kalannie Sports Club, Bowls Shed & Tennis courts	Repairs to infrastructure from Storm Damage in March 2018.	December 2018	Completed
Fencing Dalwallinu Tip Site	New Fencing	January 2019	Completed
Fencing around Dams	New fencing around old Water Corp Dams	N/A	Still awaiting transfer of one Dam to the Shire.
Car Park Rec Centre	New parking area for Sports Club patrons	N/A	Not completed. Included in 2019-2020 budget.
Road Construction	Ongoing upgrade and renewal works across the Shire	June 2019	Completed
Plant Replacement	Ongoing replacement of Plant as per Council's Plant Replacement Schedule	June 2019	Completed except purchase of Prime Mover.



## Citizenship Ceremonies

The Shire conducted three (3) citizenship ceremonies throughout 2018-2019 for a total of seventeen (17) new Australian Citizens. Each ceremony concluded with an afternoon tea provided by the Shire.

The following ceremonies were conducted in the Financial Year 2018-2019.

Date of Ceremony	Country of Origin	Total
	Philippines	
18/09/2018	2	2
26/01/2019	6	6
16/04/2019	9	9
<b>Total</b>	17	17



26 January 2019 Ceremony



19 September 2018 Ceremony



26 January 2019 Ceremony



## Strategic Community Plan Scorecard

### Strategic Community Plan 2017-2027 – Score Card 2018-19

<b>Goal 1 – Community (Social)</b>			
<b>Outcome 1.1: Enhanced and expanded medical and other appropriate health services</b>			
<b>Outcomes</b>	<b>Shire Activity/Action</b>	<b>Did we meet the outcome</b>	<b>Comment</b>
1.1.1 Advocate for additional medical services e.g Dental, physio	Nil	No	No advocacy undertaken for additional services in 18/19.
1.1.2 Advocate and promote an integrated public and Community Health Programme	An allocation was made in the budget for the employment of the practice nurse	Yes	Facilitated the development of a Community Wellbeing Programme.
1.1.3 Investigate improved service delivery model	Registrations of Interest called for the operations and management of the Dalwallinu Medical Centre	No	Dalwallinu Medical Centre leased to Panaceum Group for three years in October 2018.
1.1.4 Advocate for improvements to and extension in the availability of ‘in-home care and support services’	Nil	No	No progress on this outcome
1.1.5 Support regular provision of locum medical services	An allocation was made in the budget for a visiting GP to attend the medical centre	Yes	A GP from Moora attended the medical centre one day per week until it was leased to Panaceum Group in October 2018.
<b>Outcome 1.2: Enhanced quality of public amenities and all Shire facilities</b>			
<b>Outcomes</b>	<b>Shire Activity/Action</b>	<b>Did we meet the outcome</b>	<b>Comment</b>
1.2.1 Improve the cleaning services of public amenities and all Shire facilities	Increased the allocation in the budget for additional cleaning hours Discussion paper presented to Council on employee vs contract cleaners.	Yes	Additional cleaning of public facilities undertaken by cleaners.
1.2.2 Improve lighting and universal access requirements in public places	Grant application lodged for lighting upgrade in Johnston Street	Yes	Lighting upgrade completed in Dalwallinu Memorial Park.
1.2.3 Promote greater usage of facilities for conferences and workshops	Nil	Yes	Nil in 18-19 due to Rec Centre being unavailable for use due to upgrade.



<b>Outcome 1.3: Improved technology and electronic communication</b>			
<b>Outcomes</b>	<b>Shire Activity/Action</b>	<b>Did we meet the outcome</b>	<b>Comment</b>
1.3.1 Lobby State and Federal departments to improve mobile phone coverage	Contact regularly made with Telstra and the Goodlands Community who have been instrumental in trying to improve communications	Yes	Funding received for a new mobile tower in Goodlands. Council have committed \$100K as a contribution.
1.3.2 Lobby for better access and capability to National Broadband Network	Nil	No	No longer relevant due to satellite television.
1.3.3 Support continued provision of public services such as Community Resource Centres	Provision of building at nil rental	Yes	New lease with Dalwallinu CRC expires 30 November 2028.
1.3.4 Encourage and support private enterprise solutions to improve communications	Shire representatives are members of Innovation Central Midlands Inc	Yes	ICMI have been involved with the 'Supernet' communications project and other projects that will benefit the Wheatbelt.

**Strategic Community Plan 2017-2027 – Score Card 2018-19**

<b>Goal 1 – Community (Social)</b>			
<b>Outcome 1.4: Improved youth activities and services</b>			
<b>Outcomes</b>	<b>Shire Activity/Action</b>	<b>Did we meet the outcome</b>	<b>Comment</b>
1.4.1 Improve ambience and management of Recreation Centres	Council agreed to fund the upgrade to the Dalwallinu Recreation Centre after being unsuccessful with grant funding.  Tender for upgrade was awarded early 2018. Project due for completion early 2019	Yes	Upgrade of building completed in March 2019. External works due to be completed in July/Aug 2019.
1.4. Enhance connections between DDHS and Shire Officers	Chief Executive Officer is a member of the School Council.  Community Support Officer in regular contact with school regarding youth activities	Yes	Ongoing
1.4.3 Enhance youth engagement and utilisation of recreation services	Youth Survey undertaken in May 2018	Yes	School holiday programme and Community Fun Day was well supported.
1.4.4 Engage with Early Learning Centre to investigate funding options, case studies for potential upgrades/extensions	Nil	No	Has been discussions with a new provider for the ELC.



## Strategic Community Plan 2017/2027 – Score Card 2018/19

<b>Outcome 1.5: Protected heritage areas and buildings</b>			
<b>Outcomes</b>	<b>Shire Activity/Action</b>	<b>Did we meet the outcome</b>	<b>Comment</b>
1.5.1 Continue to maintain a municipal heritage register	Municipal Register maintained	Yes	Ongoing
1.5.2 Investigate funding options for heritage listed assets	Nil	No	Not considered a high priority
<b>Outcome 1.6: Enhanced community meeting areas in each town</b>			
<b>Outcomes</b>	<b>Shire Activity/Action</b>	<b>Did we meet the outcome</b>	<b>Comment</b>
1.6.1 Redevelop townsites main streets	Installation of rope play equipment, commencement of BBQ in Memorial Park, installation of shaded seating at skate park, installation of tourist information bay, installation of water coolers at memorial park and skate park, purchase of windmill to be placed in Johnston Street	Yes	Works completed except murals and shire boundary signage which has been budgeted in 19-20.
1.6.2 Support entities such as Mens Shed	Nil	No	No progress on this outcome
<b>Outcome 1.7: Improved and enhanced playground areas</b>			
<b>Outcomes</b>	<b>Shire Activity/Action</b>	<b>Did we meet the outcome</b>	<b>Comment</b>
1.7.1 Improve public amenities in playground areas	Grant application successful with Lotterywest for a toilet facility at Richardson Park and Lions Club are providing a cash contribution  Shade structure installed at skate park  Additional BBQ, seating and water cooler placed in Memorial Park near rope play equipment	Yes	Toilet facility completed in May 2019.  Lions Club installed a barrier fence on Leahy Street side of Richardson Park.
1.7.2 Provide appropriate shade structures in playgrounds	Shade seating structure commenced at skate park and the shade structure erected at community hub at Rec Centre	Yes	Skate park structure completed in 2018-2019.



<b>Outcome 1.8: Rejuvenated and enhanced recreation precinct and Dalwallinu Recreation Centre</b>			
1.8.1 Develop vibrant community hub space within the Dalwallinu recreation precinct	Council were successful in receiving \$1.3M from Lotterywest. Project commenced early 2018 with completion due early 2019. This area provides a shaded community meeting area with BBQ, water cooler, ablution facility, play equipment, bike track, musical play equipment and paved areas	Yes	Completed
1.8.2 Provide improved landscape and links with the amenity of recreational spaces and sporting facilities	As above	Yes	As above
1.8.3 Promote rejuvenated modern conference and function capabilities to regional users	Nil	No	On completion of facility, the Centre will be promoted as a venue for workshops, conferences, weddings etc

**Strategic Community Plan 2017-2027 – Score Card 2018-19**

<b>Goal 2 – Sustainable Living (Economic)</b>			
<b>Outcome 2.1: A growing Shire population</b>			
<b>Outcomes</b>	<b>Shire Activity/Action</b>	<b>Did we meet the outcome</b>	<b>Comment</b>
2.1.1 Improve and encourage additional accommodation for single workers and families	Council proposes to subdivide 1 Wasley Street for future employee accommodation	No	Subdivision is planned. New employee housing in 19-20 budget
2.1.2 Examine population growth targets and impact on capacity of existing essential services	Nil	No	No progress on this outcome
2.1.3 Update the Rural Repopulation Plan	Nil	No	No progress on this outcome
2.1.4 Promote decentralised development	Nil	No	No progress on this outcome



<b>Outcome 2.2: Additional business development in the commercial and industrial sectors</b>			
<b>Outcomes</b>	<b>Shire Activity/Action</b>	<b>Did we meet the outcome</b>	<b>Comment</b>
2.2.1 Advocate for additional commercial businesses to set up in towns	Nil	No	No progress on this outcome
2.2.2 Continue to promote local employment opportunities through website	All Shire vacancies are advertised on the Shire website	Yes	Ongoing
2.2.3 Investigate options for a new industrial area for heavy industries	Nil	No	Landcorp have advised until remaining lots sell they will not consider any further expansion
2.2.4 Develop and promote strategy for the business development in Shire towns	Shire Business Attraction brochure completed and distributed	No	More marketing to be undertaken

**Strategic Community Plan 2017-2027 – Score Card 2018-19**

<b>Goal 2 – Sustainable Living (Economic)</b>			
<b>Outcome 2.3: Promote tourism and associated business in the area</b>			
<b>Outcomes</b>	<b>Shire Activity/Action</b>	<b>Did we meet the outcome</b>	<b>Comment</b>
2.3.1 Utilise websites to maximise promotion of the Shire	Shire website is up to date at all times with tourist information	Yes	Ongoing
2.3.2 Maintain partnerships with tourism groups	Have partnerships with Wildflower Country, Discover Golden Horizons, Australia's Golden Outback	Yes	Ongoing
2.3.3 Develop partnerships to enhance and maintain/rotate DDC educational displays	Nil	No	No progress on this outcome
2.3.4 Promote iconic landmarks – Rabbit Proof Fence and Dalgery Track	Nil	No	No progress on this outcome



<b>Outcome 2.4: Increased housing development</b>			
2.4.1 Improve and build additional accommodation for aged persons	Nil	No	No progress on this outcome
2.4.2 Advocate for existing UCL to be released for development	Lot configuration amended from 9 to 13.	Yes	Waiting on approval from WAPC.
2.4.3 Encourage a variety of housing types are available	Nil	No	No progress on this outcome
2.4.4 Investigate potential joint venture arrangements for increased accommodation	Application lodged with Community Housing for the construction of 2 accommodation units in James Street. These to be funded from Joint Venture Reserve.	Yes	Approval received to use \$184K from reserve. Project awarded to Stallion Homes.

**Goal 2 – Sustainable Living (Economic)**

**Outcome 2.5: Improved drainage of stormwater in towns**

<b>Outcomes</b>	<b>Shire Activity/Action</b>	<b>Did we meet the outcome</b>	<b>Comment</b>
2.5.1 Advocate for culvert size increases across Great Northern Highway (Wubin)	Lobbied Main Roads WA	Yes	Lobbying to continue
2.5.2 Instigate improved maintenance of current drainage system	Council adopted the Sewer Master Plan and the first stage to be undertaken in 18-19.	Yes	Completed
2.5.3 Increase capture and utilisation of storm water	Designs have been prepared.	Ongoing	Waiting on final costings

**Outcome 2.6: Improved road network**

<b>Outcomes</b>	<b>Shire Activity/Action</b>	<b>Did we meet the outcome</b>	<b>Comment</b>
2.6.1 Ensure Restricted Access Vehicle (RAV) Network is fit for purpose to service agricultural transport needs	Nil	No	No progress on this outcome
2.6.2 Continue programme of road maintenance and reconstruction to meet asset renewal standards	Planned roadworks completed	Yes	Ongoing road maintenance and construction planned
2.6.3 Monitor annual freight task on Shire roads and lobby for sufficient funding	Nil	No	No progress on this outcome
2.6.4 Progress towards all Class A roads being 8 metres in width	When new Class A roads are planned for construction these are to 8m width	Yes	Ongoing



<b>Outcome 2.7: Improved productivity and profitability of agriculture</b>			
<b>Outcomes</b>	<b>Shire Activity/Action</b>	<b>Did we meet the outcome</b>	<b>Comment</b>
2.7.1 Maintain the relationship with local Liebe Group	Provision of office space on a lease basis, plus a donation  Liebe have now vacated to their own building as of 30 June 2018	Yes	Continued with support of the Liebe Group with a financial contribution
2.7.2 Facilitate vermin and weed control activities where the need arises	Undertook verge spraying	Yes	Nil
<b>Goal 3 - Environment</b>			
<b>Outcome 3.1 Reduced feral animal population in the Shire</b>			
<b>Outcomes</b>	<b>Shire Activity/Action</b>	<b>Did we meet the outcome</b>	<b>Comment</b>
3.1.1 Continue to work with local farmers to reduce the corella population	Corella Culls were held in Dalwallinu and Kalannie with varying success	Yes	Ongoing
3.1.2 Continue support for Central Wheatbelt Biosecurity Association Inc	Have ceased managing the financials for this organisation but continue to support as and when required.	Yes	Nil
<b>Outcome 3.2 Reduced litter and improved ambiance of streetscapes</b>			
3.2.1 Expand litter maintenance works in the town sites	Nil	No	Nil
3.2.2 Encourage volunteer programs to assist with litter control	Nil	No	No progress on this outcome
3.2.3 Provide appropriate awards and prizes for excellence in tidy streets	Nil	No	No progress on this outcome
<b>Goal 3 - Environment</b>			
<b>Outcome 3.3 Improved weed control in the Shire</b>			
<b>Outcomes</b>	<b>Shire Activity/Action</b>	<b>Did we meet the outcome</b>	<b>Comment</b>
3.3.1 Maintain weed management programs in the Shire	Increased verge spraying in townsites	Yes	Nil
<b>Outcome 3.4 Enhanced rehabilitation of reserves</b>			
<b>Outcomes</b>	<b>Shire Activity/Action</b>	<b>Did we meet the outcome</b>	<b>Comment</b>
3.4.1 Expand gravel pit rehabilitation program	Rehabilitation undertaken on several pits	Yes	Ongoing.



Outcome 3.5 Expanded recycling services			
3.5.1 Promote greater use of DrumMuster	Annual collection day in Dalwallinu and Kalannie	Yes	Continue to hold collection days annually
3.5.2 Education program on what to put in recycle bins	Regular advertising on Facebook to educate on recyclable items	Yes	Ongoing

**Strategic Community Plan 2017-2027 – Score Card 2018-19**

Goal 4 – Civic Leadership (Governance)			
Outcome 4.1 Improved communication/consultation across all towns with a variety of methods			
Outcomes	Shire Activity/Action	Did we meet the outcome	Comment
4.1.1 Continue to engage the community in decision making and a shared responsibility to achieve our goals	Continued to liaise with the community in line with Councils Communication Plan and Community Engagement Plan  Monthly newsletter well received  Email database established	Yes	Continue to use the plans to engage the community
4.1.2 Review the Strategic Community Plan regularly through community engagement to ensure it represents the community's interests	SCP reviewed and updated in 2017	Yes	Nil
Outcome 4.2 Improved flexibility in and provision of customer service			
4.2.1 Promote the alternative for payment options	Implemented Centre Pay for pensioners and then Federal Government ceased the service	No	Centrepay no longer available from the Federal Government
4.2.2 Review staff work ethics and promote best practice customer service	Continued to promote the Customer Service Charter	Yes	All staff aware of Customer Service Charter
4.2.3 Monitor and develop response time to customer issues	As per Customer Service Charter	Yes	All staff aware of customer response times



Outcome 4.3 Improved emergency planning and response			
Outcomes	Shire Activity/Action	Did we meet the outcome	Comment
4.3.1 Improve the coordination of emergency planning via the Local Emergency Management Committee	Quarterly meetings held	Yes	Nil
4.3.2 Encourage volunteers to work with emergency service providers	Nil	No	Tried to hold a volunteer expo. No organisations were interested.
4.3.3 Advocate support for local emergency services	Council supports emergency services as and when required	Yes	Nil
4.3.4 Maintain and enhance support for Bush Fire Brigades and volunteers	The Shire administers the ESL for the bush fire brigades	Yes	Nil
Outcome 4.4 Strategic alliances to best serve Dalwallinu			
Outcomes	Shire Activity/Action	Did we meet the outcome	Comment
4.4.1 Develop regional projects with adjoining shires in the Mid West and Wheatbelt	Dalwallinu is part of Innovation Central Midland Inc with the Shires of Moora and Wongan Ballidu to deliver regional projects	Yes	The partnership will continue into the future
4.4.2 Provide services to other Shires e.g conference facilities	Nil	No	No progress on this outcome
4.4.3 Promote advantages of decentralised governance	Nil	No	No progress on this outcome
4.4.4 Lobby the State Government to highlight the current community of interest services and funded by the Shire, and the strategic National Highway location of the town of Dalwallinu	Nil	No	No progress on this outcome
4.4.5 Strive to ensure 'best practice' local governance is maintained	Council took part in a 'Governance Review' in August 2017. Recommendations from review are being implemented	Yes	Ongoing



## Competition Policy

### Competition Reform

National Competition Policy (NCP) is designed to enhance the efficiency and effectiveness of public sector agencies and lead to more efficient use of all economic resources. There are a number of specific requirements placed on Local Government in the areas of competitive neutrality, legislation review and structural reform.

Each Local Government is required to report its progress in achieving NCP reforms in its annual report.

### Competitive Neutrality

The principle of competitive neutrality is that government businesses should not enjoy a competitive advantage, or disadvantage, simply as a result of their public sector ownership. Measures should be introduced to effectively neutralise any net competitive advantage flowing from government ownership.

Competitive neutrality should apply to all business activities, which generate a user-pays income of over \$200,000, unless it can be shown it is not in the public interest.

A public benefit test is used to determine if competitive neutrality is in the public interest.

This involves assessing the benefits of implementing competitive neutrality against the costs. If the benefits exceed the costs, competitive neutrality should be implemented.

Annual Reports must show that a public benefit test has been conducted for all significant business activities. They should also provide information on how a decision was reached to implement or not implement competitive neutrality in each case.

If competitive neutrality has been found to be in the public interest, the Annual Report must show the schedule for implementing it over the coming year.

As the Shire of Dalwallinu does not have any 'Significant Business Activities' with an annual user-pays income exceeding \$200,000 pa this negates further action or reporting obligation.

### LEGISLATION REVIEW

All Local Governments are required to assess which of their local laws might impact on competition and conduct a review of each to determine how any restrictive practices might be overcome.

There are specific reporting requirements which must be included in the Annual Report, including:

*A statement of which local laws have been reviewed, the conclusions of those reviews, and an implementation schedule for any resultant recommendations;*

In 2000, Council reviewed all Local Laws. A further review of Local Laws was undertaken in 2014-15.

A forward strategy for Local Health Laws is still to be reviewed, however until the Health Act and Regulations are reviewed, no action can be taken for those local laws.

The Shire of Dalwallinu received advice as to NCP compliance, however will await the review of the Health Act.

A statement indicating that the Clause 7 legislation review principles have been complied with. (The Clause 7 statement is the agreement reached between the Western Australian Local Government Association and the State Government on application of NCP.)

Review of the Operating Procedures and Local Laws for the Shire of Dalwallinu confirm legislative requirements have been complied with, as required.

### STRUCTURAL REFORM

Before Local Governments privatise a monopoly business activity or introduce competition into a sector dominated by a monopoly or near monopoly, the regulatory and commercial activities must be separated and a review undertaken.

Where applicable, all Local Governments in Australia must report their adherence to structural reform principles. At present, this requirement has a very limited impact on Local Government in Western Australia, and most will not need to provide this information.



## Disability Access and Inclusion

Shire of Dalwallinu is committed to facilitate the inclusion of people with disability through the improvement of access to its information, services, events and facilities.

In working towards this goal Shire of Dalwallinu has worked progressively towards achieving the desired results in the key outcomes, our success includes:

- » DAIP available on our website;
- » Confirmed our facilities meet the standard required;
- » Improved Shire of Dalwallinu staff understanding of how to assist the public to obtain information in other formats; and
- » Ongoing community consultation with key stakeholders to guide access and inclusion improvements.





## Record Keeping Plan Report

Consistent with the provisions of the *State Records Act 2000*, the Shire of Dalwallinu has, at 13 June 2019, adopted an Approved 'Recordkeeping Plan' and satisfied the compliance requirements of the Act, and has provided sufficient and appropriate training for the staff in this responsibility having had the Chief Executive Officer approve the Operational Procedures Manual for this training. This plan was reviewed in June 2019.

### PURPOSES

The purpose of this Recordkeeping Plan (RKP) is to set out the minimum requirements as to which records are to be created by the Shire of Dalwallinu and how it is to keep its records. Recordkeeping Plans are to provide an accurate reflection of the recordkeeping program within the organisation, including information regarding the organisation's recordkeeping system(s), disposal arrangements, policies, practices and processes. The RKP is the primary means of providing evidence of compliance with the Act.

### OBJECTIVES

The objectives of the Shire of Dalwallinu Recordkeeping Plan are to ensure:

- » Compliance with Section 19 of the State Records Act 2000;
- » Recordkeeping within the Local Government is moving towards compliance with State Records Commission Standards and Records Management Standard AS ISO 15489;
- » Processes are in place to facilitate the complete and accurate record of business transactions and decisions;
- » Recorded information can be retrieved quickly, accurately and cheaply when required; and
- » Protection and preservation of the Local Government's records.

### PERFORMANCE INDICATORS

Under Section 6.2 of the Shire of Dalwallinu's Recordkeeping Plan, Performance Indicators, as listed below, were tested successfully with less than 10% error rate being recorded:

- » An annual test to retrieve documentation with a random choice;
- » Selection of twenty items with an error rate less than 10% being acceptable.

### State records commission standard 2: Principal 6

### RECORD KEEPING TRAINING PROGRAM

This Shire employs one full time Customer Service Officer, who has been trained to be proficient in all aspects of Records Keeping in relation to the software Council has in place with Synergy Soft. The Records Officer also provide training to other staff in relation to the requirements of the Records Keeping Plan.

### REVIEW OF THE EFFICIENCY AND EFFECTIVENESS OF THE RECORD KEEPING TRAINING PROGRAM.

A briefing session for all staff on the requirements of the RKP and their responsibilities was conducted in 2004. As a consequence of this process the need for an electronic recording system was identified, the system "Synergy Soft Records" was introduced in September 2005 and the annual test carried out since December 2010 has shown the System to be very successful.

The Shire of Dalwallinu's induction program addresses employees' roles and responsibilities in regard to their compliance with the Record Keeping Plan (RKP).

Each new employee is presented with a comprehensive Induction Manual which includes the requirements of the RKP. The Records Officer also provides – brief overview of the practical application of the plan.



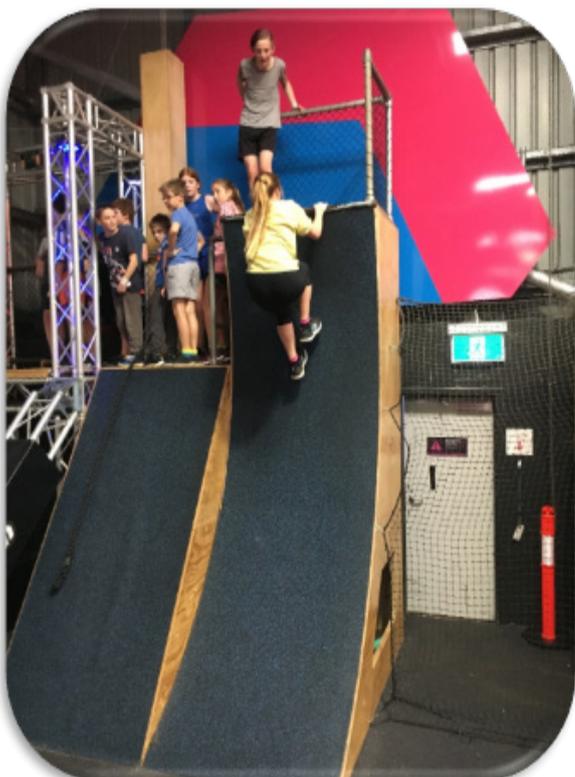
## Events & Programs

### Bounce Cannington 2018



*July 2018 School Holiday Program*

This year's first school holiday program was a trip to the trampoline centre Bounce in Cannington, we had 20 children attend for the day with Greg McNeill volunteering his time to drive the bus for the trip.

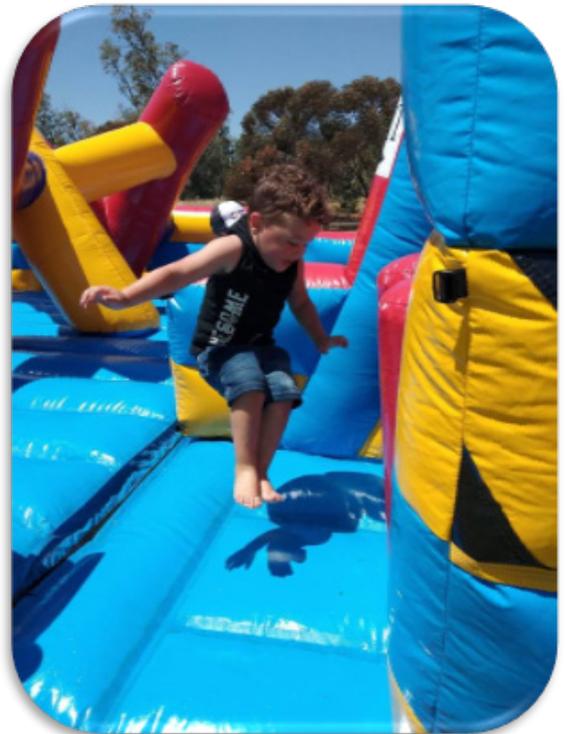


*Bounce Cannington 2018*

### Dally Monster Day Out

The Dally Monster Day out was held on the 27 October 2018. The day was a family friendly event with obstacle courses, water slides, sumo wrestling suits, bubble soccer and an art station to paint your own re-usable enviro bag.

There was around 200 attendees and on the day all children were given a free healthy packed lunch, which was provided by the Shire.



*Dally Monster Day 2018*



*Dally Monster Day 2018*



## Events & Programs

### Skate Park Graffiti Workshop

April School Holidays 2019 we decided to paint the local skate park. 15 children aged from 8 years - 15 years attended the two day workshop to help brighten up the Dalwallinu skate park.

We had Perth Graffiti artist Aiden Garnett come to Dalwallinu for the 2 days to show us the techniques of using aerosol paints. On day one the group learnt how to use the aerosol and the different nozzles on a practise board. Day two the skate ramps were marked up and painted and a Dalwallinu graffiti sign was created.



*Aidan Garnett - Graffiti Artist*



*Dalwallinu Skate Park 2019*



*Dalwallinu Skate Park 2019*



## 2018/19 Annual Financial Report

**SHIRE OF DALWALLINU**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

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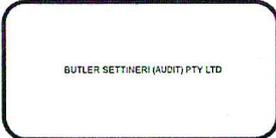
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**COMMUNITY VISION**

Social and economic stability and well planned sustainable towns. A high standard of living, promoting business growth and nurturing agriculture in balance with the environment.

A place of opportunity, acceptance of all people, strong health/aged care, educational facilities and a community favourable to extend families.

Principal place of business:  
58 Johnston Street  
DALWALLINU WA 6609



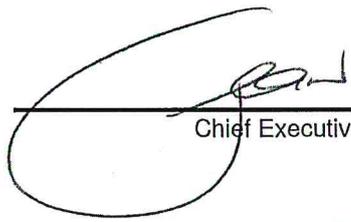
**SHIRE OF DALWALLINU  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

*Local Government Act 1995  
Local Government (Financial Management) Regulations 1996*

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

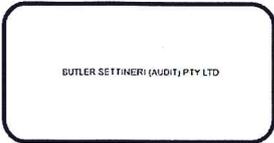
The attached financial report of the Shire of Dalwallinu for the financial year ended 30 June 2019 is based on proper accounts and records to present fairly the financial position of the Shire of Dalwallinu at 30 June 2019 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 28 day of NOVEMBER 2019

  
\_\_\_\_\_  
Chief Executive Officer  
  
Jean M Knight  
\_\_\_\_\_  
Name of Chief Executive Officer



SHIRE OF DALWALLINU  
 STATEMENT OF COMPREHENSIVE INCOME  
 BY NATURE OR TYPE  
 FOR THE YEAR ENDED 30TH JUNE 2019



	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>Revenue</b>				
Rates	21(a)	3,204,366	3,179,933	3,117,581
Operating grants, subsidies and contributions	2(a)	3,664,999	5,890,307	3,826,998
Fees and charges	2(a)	1,276,962	1,502,957	1,720,770
Interest earnings	2(a)	137,746	124,257	171,370
Other revenue	2(a)	36	2,100	17
		<b>8,284,109</b>	<b>10,699,554</b>	<b>8,836,736</b>
<b>Expenses</b>				
Employee costs		(2,830,290)	(3,597,811)	(3,383,197)
Materials and contracts		(2,667,499)	(2,207,613)	(2,284,641)
Utility charges		(455,009)	(371,085)	(405,231)
Depreciation on non-current assets	10(d)	(5,371,282)	(5,195,771)	(5,168,510)
Interest expenses	2(b)	(77,633)	(105,798)	(63,955)
Insurance expenses		(155,982)	(134,312)	(132,542)
Other expenditure		(179,979)	(207,274)	(167,645)
		<b>(11,737,674)</b>	<b>(11,819,664)</b>	<b>(11,605,721)</b>
		<b>(3,453,565)</b>	<b>(1,120,110)</b>	<b>(2,768,985)</b>
Non-operating grants, subsidies and contributions	2(a)	4,142,241	761,987	4,551,374
Profit on asset disposals	10(a)	20,000	15,000	18,000
(Loss) on asset disposals	10(a)	(182,937)	(116,906)	(46,109)
Fair value adjustments to financial assets at fair value through profit or loss	7(b)	122,620	0	0
		<b>4,101,924</b>	<b>660,081</b>	<b>4,523,265</b>
<b>Net result for the period</b>		<b>648,359</b>	<b>(460,029)</b>	<b>1,754,280</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	32,466	0	3,348,649
<b>Total other comprehensive income for the period</b>		<b>32,466</b>	<b>0</b>	<b>3,348,649</b>
<b>Total comprehensive income for the period</b>		<b>680,825</b>	<b>(460,029)</b>	<b>5,102,929</b>

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



SHIRE OF DALWALLINU  
 STATEMENT OF COMPREHENSIVE INCOME  
 BY PROGRAM  
 FOR THE YEAR ENDED 30TH JUNE 2019

BUTLER SETTINERI (AUDIT) PTY LTD

	NOTE	2019 Actual	2019 Budget	2018 Actual
		\$	\$	\$
<b>Revenue</b>	2(a)			
Governance		219	459	220
General purpose funding		6,170,203	4,630,654	5,938,817
Law, order, public safety		11,535	25,776	731,479
Health		120,180	474,423	494,547
Education and welfare		3,929	4,664	4,354
Housing		328,926	312,710	304,516
Community amenities		602,478	515,004	525,619
Recreation and culture		237,109	378,001	115,057
Transport		301,533	4,115,678	209,409
Economic services		239,173	116,350	283,814
Other property and services		268,824	125,835	228,904
		8,284,109	10,699,554	8,836,736
<b>Expenses</b>	2(b)			
Governance		(606,772)	(716,616)	(752,624)
General purpose funding		(264,051)	(261,377)	(190,668)
Law, order, public safety		(203,849)	(137,927)	(130,640)
Health		(446,513)	(956,853)	(939,949)
Education and welfare		(74,888)	(68,913)	(27,188)
Housing		(315,045)	(298,181)	(279,903)
Community amenities		(673,194)	(712,433)	(640,356)
Recreation and culture		(1,852,788)	(1,702,021)	(1,657,267)
Transport		(6,428,383)	(6,077,866)	(5,474,876)
Economic services		(659,466)	(682,333)	(1,229,346)
Other property and services		(135,092)	(99,346)	(218,949)
		(11,660,041)	(11,713,866)	(11,541,766)
<b>Finance Costs</b>	2(b)			
Community amenities		(12,616)	(13,272)	(14,008)
Recreation and culture		(63,428)	(89,988)	(44,976)
Other property and services		(1,589)	(2,538)	(4,971)
		(77,633)	(105,798)	(63,955)
		(3,453,565)	(1,120,110)	(2,768,985)
Non-operating grants, subsidies and contributions	2(a)	4,142,241	761,987	4,551,374
Profit on disposal of assets	10(a)	20,000	15,000	18,000
(Loss) on disposal of assets	10(a)	(182,937)	(116,906)	(46,109)
Fair value adjustments to financial assets at fair value through profit or loss	7(b)	122,620	0	0
		4,101,924	660,081	4,523,265
<b>Net result for the period</b>		<b>648,359</b>	<b>(460,029)</b>	<b>1,754,280</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	32,466	0	3,348,649
<b>Total other comprehensive income for the period</b>		<b>32,466</b>	<b>0</b>	<b>3,348,649</b>
<b>Total comprehensive income for the period</b>		<b>680,825</b>	<b>(460,029)</b>	<b>5,102,929</b>

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



SHIRE OF DALWALLINU  
STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2019

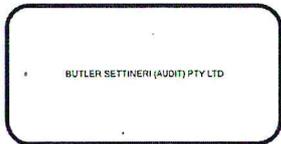
BUTLER SETTNERI (AUDIT) PTY LTD

	NOTE	2019 \$	2018 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	2,078,484	6,016,176
Trade receivables	5	1,349,722	665,771
Other financial assets	7(a)	2,892,808	2,278
Inventories	6	10,947	13,889
<b>TOTAL CURRENT ASSETS</b>		<b>6,331,961</b>	<b>6,698,114</b>
<b>NON-CURRENT ASSETS</b>			
Trade receivables	5	16,560	16,560
Other financial assets	7(b)	122,620	0
Property, plant and equipment	8	33,419,224	30,607,765
Infrastructure	9	277,941,617	277,614,949
<b>TOTAL NON-CURRENT ASSETS</b>		<b>311,500,021</b>	<b>308,239,274</b>
<b>TOTAL ASSETS</b>		<b>317,831,982</b>	<b>314,937,388</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	534,812	752,577
Borrowings	13(b)	129,674	752,753
Employee related provisions	14	458,666	604,588
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,123,152</b>	<b>2,109,918</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	13(b)	3,329,739	123,755
Employee related provisions	14	47,699	53,148
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>3,377,438</b>	<b>176,903</b>
<b>TOTAL LIABILITIES</b>		<b>4,500,590</b>	<b>2,286,821</b>
<b>NET ASSETS</b>		<b>313,331,392</b>	<b>312,650,567</b>
<b>EQUITY</b>			
Retained surplus		46,986,602	46,348,859
Reserves - cash backed	4	2,892,808	2,882,192
Revaluation surplus	11	263,451,982	263,419,516
<b>TOTAL EQUITY</b>		<b>313,331,392</b>	<b>312,650,567</b>

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



SHIRE OF DALWALLINU  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2019



		RESERVES			
	NOTE	RETAINED SURPLUS	CASH BACKED	REVALUATION SURPLUS	
		\$	\$	\$	
				TOTAL EQUITY	
		\$		\$	
Balance as at 1 July 2017		43,305,118	4,171,653	260,070,867	307,547,638
Comprehensive income					
Net result for the period		1,754,280	0	0	1,754,280
Other comprehensive income	11	0	0	3,348,649	3,348,649
Total comprehensive income		1,754,280	0	3,348,649	5,102,929
Transfers from/(to) reserves		1,289,461	(1,289,461)	0	0
Balance as at 30 June 2018		46,348,859	2,882,192	263,419,516	312,650,567
Comprehensive income					
Net result for the period		648,359	0	0	648,359
Other comprehensive income	11	0	0	32,466	32,466
Total comprehensive income		648,359	0	32,466	680,825
Transfers from/(to) reserves		(10,616)	10,616	0	0
Balance as at 30 June 2019		46,986,602	2,892,808	263,451,982	313,331,392

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

SHIRE OF DALWALLINU  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2019

BUTLER SETTYNERI (AUDIT) PTY LTD

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		3,295,523	3,179,933	3,100,122
Operating grants, subsidies and contributions		2,962,834	6,180,369	5,073,259
Fees and charges		1,276,962	1,502,957	1,720,770
Interest received		137,746	124,257	171,370
Goods and services tax received		(72,943)		0
Other revenue		36	2,100	17
		<u>7,600,158</u>	<u>10,989,616</u>	<u>10,065,538</u>
<b>Payments</b>				
Employee costs		(3,042,713)	(3,597,811)	(3,296,920)
Materials and contracts		(2,895,706)	(2,556,050)	(2,305,194)
Utility charges		(455,009)	(371,085)	(405,231)
Interest expenses		(3,197)	(105,798)	(66,282)
Insurance paid		(155,982)	(134,312)	(132,542)
Other expenditure		(179,979)	(207,274)	(167,645)
		<u>(6,732,586)</u>	<u>(6,972,330)</u>	<u>(6,373,814)</u>
<b>Net cash provided by (used in) operating activities</b>	15	<u>867,572</u>	<u>4,017,286</u>	<u>3,691,724</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment		(4,266,405)	(7,190,272)	(1,494,838)
Payments for construction of infrastructure		(4,674,317)	(4,876,458)	(7,203,268)
Non-operating grants, subsidies and contributions		4,142,241	761,987	4,551,374
Proceeds from self supporting loans		2,278	0	0
Proceeds from sale of property, plant & equipment		300,841	592,654	203,000
Proceeds from self supporting loans		0	0	2,212
<b>Net cash provided by (used in) investment activities</b>		<u>(4,495,362)</u>	<u>(10,712,089)</u>	<u>(3,941,520)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings		(752,893)	(767,476)	(110,344)
Proceeds from new borrowings		3,335,797	4,083,058	0
Reclassification of Term Deposit to Financial Assets *		(2,892,808)	0	0
<b>Net cash provided by (used in) financing activities</b>		<u>(309,904)</u>	<u>3,315,582</u>	<u>(110,344)</u>
<b>Net increase (decrease) in cash held</b>		<u>(3,937,694)</u>	<u>(3,379,221)</u>	<u>(360,140)</u>
Cash at beginning of year		6,016,176	6,016,177	6,376,316
<b>Cash and cash equivalents at the end of the year</b>	15	<u><u>2,078,484</u></u>	<u><u>2,636,956</u></u>	<u><u>6,016,176</u></u>

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

\* Reserves Term Deposit reclassified as financial asset - investment period longer than three months

SHIRE OF DALWALLINU  
 RATE SETTING STATEMENT  
 FOR THE YEAR ENDED 30TH JUNE 2019

BUTLER SETTNERI (AUDIT) PTY LTD

	NOTE	2019 Actual	2019 Budget	2018 Actual
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
Net current assets at start of financial year - surplus/(deficit)	22 (b)	2,665,859	2,643,120	3,030,483
		2,665,859	2,643,120	3,030,483
<b>Revenue from operating activities (excluding rates)</b>				
Governance		122,839	459	220
General purpose funding		2,965,837	1,450,721	2,821,236
Law, order, public safety		31,535	40,776	749,479
Health		120,180	474,423	494,547
Education and welfare		3,929	4,664	4,354
Housing		328,926	312,710	304,516
Community amenities		602,478	515,004	525,619
Recreation and culture		237,109	378,001	115,057
Transport		301,533	4,115,678	209,409
Economic services		239,173	116,350	283,814
Other property and services		268,824	125,835	228,904
		5,222,363	7,534,621	5,737,155
<b>Expenditure from operating activities</b>				
Governance		(606,772)	(716,616)	(752,624)
General purpose funding		(264,051)	(261,377)	(190,668)
Law, order, public safety		(203,849)	(137,927)	(130,640)
Health		(460,817)	(956,853)	(941,873)
Education and welfare		(77,858)	(68,913)	(27,188)
Housing		(315,045)	(298,181)	(288,981)
Community amenities		(685,810)	(725,705)	(654,364)
Recreation and culture		(1,980,258)	(1,799,898)	(1,719,379)
Transport		(6,468,050)	(6,157,433)	(5,492,847)
Economic services		(681,908)	(699,806)	(1,229,346)
Other property and services		(176,193)	(113,861)	(223,920)
		(11,920,611)	(11,936,570)	(11,651,830)
Non-cash amounts excluded from operating activities	22(a)	5,406,150	5,282,679	5,194,873
<b>Amount attributable to operating activities</b>		1,373,761	3,523,850	2,310,681
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		4,142,241	761,987	4,551,374
Proceeds from disposal of assets	10(a)	300,841	592,654	203,000
Proceeds from self supporting loans	13(b)	2,278	0	2,212
Purchase of property, plant and equipment	8(a)	(4,266,405)	(7,190,272)	(1,494,838)
Purchase and construction of infrastructure		(4,674,317)	(4,876,458)	(7,203,268)
<b>Amount attributable to investing activities</b>		(4,495,362)	(10,712,089)	(3,941,520)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	13(b)	(752,893)	(767,476)	(110,344)
Proceeds from borrowings	13(c)	3,335,797	4,083,058	0
Transfers to reserves (restricted assets)	4	(539,922)	(415,581)	(260,600)
Transfers from reserves (restricted assets)	4	529,306	1,108,306	1,550,061
<b>Amount attributable to financing activities</b>		2,572,288	4,008,307	1,179,117
<b>Surplus/(deficit) before imposition of general rates</b>		(549,313)	(3,179,933)	(451,722)
<b>Total amount raised from general rates</b>	21(a)	3,204,366	3,179,933	3,117,581
<b>Surplus/(deficit) after imposition of general rates</b>	22(b)	2,655,053	0	2,665,859

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

## 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 Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

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 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*.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

### CRITICAL ACCOUNTING ESTIMATES

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

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

### THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 24 to these financial statements.

**2. REVENUE AND EXPENSES**

(a) Revenue

**Grant Revenue**

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
<b>Operating grants, subsidies and contributions</b>			
Governance	0	100	0
General purpose funding	2,821,812	1,322,003	2,643,585
Law, order, public safety	5,773	19,676	725,402
Health	19,892	12,100	3,900
Education and welfare	3,894	4,480	4,235
Housing	30,119	20,700	21,484
Community amenities	16,028	4,700	2,400
Recreation and culture	191,236	340,470	45,608
Transport	267,152	4,073,678	177,435
Economic services	142,529	28,700	91,837
Other property and services	166,564	63,700	111,112
	<b>3,664,999</b>	<b>5,890,307</b>	<b>3,826,998</b>
<b>Non-operating grants, subsidies and contributions</b>			
Community amenities	10,483	11,531	0
Recreation and culture	354,828	587,191	744,978
Transport	3,776,930	163,265	3,806,396
	<b>4,142,241</b>	<b>761,987</b>	<b>4,551,374</b>
<b>Total grants, subsidies and contributions</b>	<b>7,807,240</b>	<b>6,652,294</b>	<b>8,378,372</b>

**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 20. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2019 Actual \$	2019 Budget \$	2018 Actual \$
Significant revenue			
WANDRRA Income	3,614,445	3,914,703	2,606,119
Other revenue			
Other	36	2,100	17
	36	2,100	17
Fees and Charges			
Governance	220	259	220
General purpose funding	6,313	4,644	6,399
Law, order, public safety	5,762	6,100	6,078
Health	100,289	460,323	490,646
Education and welfare	1	1	1
Housing	298,807	292,010	283,032
Community amenities	586,449	510,304	523,219
Recreation and culture	45,873	37,531	69,449
Transport	34,381	42,000	31,974
Economic services	96,643	87,650	191,977
Other property and services	102,224	62,135	117,775
	1,276,962	1,502,957	1,720,770
There were no changes during the year to the amount of the fees or charges detailed in the original budget.			
Interest earnings			
Reserve accounts interest	78,252	107,827	94,706
Rates instalment and penalty interest (refer Note 21(e))	15,901	16,430	23,573
Other interest earnings	43,593		53,091
	137,746	124,257	171,370

SHIRE OF DALWALLINU  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30TH JUNE 2019

2. REVENUE AND EXPENSES (Continued)

(b) Expenses	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Significant expense			
WANDRRA Expenditure	3,480,377	3,832,466	3,005,880
Auditors remuneration			
- Audit of the Annual Financial Report	20,000	30,000	11,215
- Other services	7,000	10,000	1,113
- Disbursements	3,476	0	1,061
	30,476	40,000	13,389
Interest expenses (finance costs)			
Borrowings (refer Note 13(b))	77,633	105,799	63,955
	77,633	105,799	63,955
Rental charges			
- Operating leases	326,008	320,011	329,875
	326,008	320,011	329,875

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**3. CASH AND CASH EQUIVALENTS**

	NOTE	2019	2018
		\$	\$
Cash at bank and on hand		2,078,484	6,016,176
		2,078,484	6,016,176
<b>Comprises:</b>			
- Unrestricted cash and cash equivalents		1,929,048	3,019,352
- Restricted cash and cash equivalents		3,042,244	2,996,824
		4,971,292	6,016,176
Less: Financial Assets at amortised cost - term deposits		(2,892,808)	0
Cash and cash equivalents		2,078,484	6,016,176
The following restrictions have been imposed by regulations or other externally imposed requirements:			
<b>Reserve accounts</b>			
Reserves cash backed - Leave Reserve	4	276,127	219,789
Reserves cash backed - Plant Reserve	4	998,029	829,008
Reserves cash backed - Joint Venture Housing Reserve	4	287,722	261,208
Reserves cash backed - Land & Buildings Reserve	4	454,147	379,457
Reserves cash backed - Sewerage Scheme Reserve	4	335,816	615,417
Reserves cash backed - Townscape Reserve	4	70,571	68,593
Reserves cash backed - Telecommunications Reserve	4	114,896	111,675
Reserves cash backed - Swimming Pool Reserve	4	43,862	42,631
Reserves cash backed - Recreation Reserve	4	176,209	286,932
Reserves cash backed - Insurance Excess Reserve	4	85,429	67,482
Reserves cash backed - Waste Management Reserve	4	50,000	0
		2,892,808	2,882,192
<b>Other restricted cash and cash equivalents</b>			
Unspent grants/contributions	20	75,000	114,632
Bonds and Deposits Held	25	74,436	0
<b>Total restricted cash and cash equivalents</b>		<b>3,042,244</b>	<b>2,996,824</b>

**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 with original maturities of three months or less that are readily convertible to known amounts of cash

**Cash and cash equivalents (Continued)**

and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

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4. RESERVES - CASH BACKED

	2019		2019		2019		2019		2018		2018		2018	
	Actual Opening Balance	Actual Closing Balance	Actual Transfer to	Actual Transfer (from)	Budget Opening Balance	Budget Closing Balance	Budget Transfer to	Budget Transfer (from)	Actual Opening Balance	Actual Closing Balance	Actual Transfer to	Actual Transfer (from)	Actual Opening Balance	Actual Closing Balance
(a) Reserves cash backed - Leave Reserve	219,789	276,127	56,338	0	219,787	274,183	54,396	0	214,961	219,789	4,828	0	214,961	219,789
(b) Reserves cash backed - Plant Reserve	829,008	998,029	169,021	0	829,009	884,345	55,336	0	810,799	829,008	18,209	0	810,799	829,008
(c) Reserves cash backed - Joint Venture Housing Reserve	261,208	287,722	26,514	0	261,208	45,276	34,068	(250,000)	255,471	261,208	5,737	(250,000)	255,471	261,208
(d) Reserves cash backed - Land & Buildings Reserve	379,457	454,147	74,690	0	379,455	112,044	57,589	(325,000)	1,205,400	379,457	193,057	(1,019,000)	1,205,400	379,457
(e) Reserves cash backed - Sewerage Scheme Reserve	615,417	335,816	103,705	(383,306)	615,418	368,756	86,644	(333,306)	600,992	615,417	14,425	(1,019,000)	600,992	615,417
(f) Reserves cash backed - Townscape Reserve	68,593	70,571	1,978	0	68,594	69,966	1,372	0	98,635	68,593	2,215	(32,257)	98,635	68,593
(g) Reserves cash backed - Telecommunications Reserve	111,675	114,896	3,221	0	111,675	13,909	2,234	(100,000)	109,222	111,675	2,453	0	109,222	111,675
(h) Reserves cash backed - Swimming Pool Reserve	42,631	43,862	1,231	0	42,632	43,485	853	0	41,695	42,631	936	0	41,695	42,631
(i) Reserves cash backed - Recreation Reserve	286,932	176,209	35,277	(146,000)	286,932	242,671	55,739	(100,000)	280,630	286,932	6,302	(100,000)	280,630	286,932
(j) Reserves cash backed - Insurance Excess Reserve	67,482	85,429	17,947	0	67,482	84,832	17,350	0	66,000	67,482	1,482	0	66,000	67,482
(k) Reserves cash backed - Roadworks Reserve	0	0	0	0	0	0	0	0	487,848	0	10,956	(498,804)	487,848	0
(l) Reserves cash backed - Waste Management Reserve	0	50,000	50,000	0	0	50,000	50,000	0	0	0	0	0	0	0
	2,882,192	2,892,808	539,922	(529,306)	2,882,192	2,189,467	415,581	(1,108,306)	4,171,653	2,882,192	260,600	(1,550,061)	4,171,653	2,882,192

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.

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Reserves cash backed - Leave Reserve	ongoing	- to be used to fund sick, annual and long service leave requirements.
(b) Reserves cash backed - Plant Reserve	ongoing	- to be used for the purchase & maintenance of major plant.
(c) Reserves cash backed - Joint Venture Housing Reserve	ongoing	- to be used for the construction & maintenance of the Joint Venture Housing.
(d) Reserves cash backed - Land & Buildings Reserve	ongoing	- to be used for the purchase, construction & maintenance of residential & commercial sites.
(e) Reserves cash backed - Sewerage Scheme Reserve	ongoing	- to be used for the maintenance & replacement of the Sewerage Scheme.
(f) Reserves cash backed - Townscape Reserve	ongoing	- to be used for various townscape special projects.
(g) Reserves cash backed - Telecommunications Reserve	ongoing	- to be used to leverage enhanced telecommunications capabilities within the Shire.
(h) Reserves cash backed - Swimming Pool Reserve	ongoing	- to be used to ensure long term maintenance and upgrade of the swimming pool.
(i) Reserves cash backed - Recreation Reserve	ongoing	- to be used to ensure long term maintenance and upgrade of the recreation areas.
(j) Reserves cash backed - Insurance Excess Reserve	Completed	- to be used to pay for insurance excess in the event of abnormal number of claims in a year.
(k) Reserves cash backed - Roadworks Reserve	ongoing	- No longer in use financial year ending 30 June 2019
(l) Reserves cash backed - Waste Management Reserve	ongoing	- to be used to pay for future waste management sites rehabilitation.

## 5. TRADE RECEIVABLES

### Current

Rates receivable  
 Sundry receivables  
 GST receivable  
 Accrued income

### Non-current

Pensioner's rates and ESL deferred

	2019	2018
	\$	\$
	33,782	124,939
	1,242,181	539,105
	72,943	0
	816	1,727
	<b>1,349,722</b>	<b>665,771</b>
	16,560	16,560
	<b>16,560</b>	<b>16,560</b>

### SIGNIFICANT ACCOUNTING POLICIES

#### 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.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

#### Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 23.

#### Previous accounting policy: Impairment of trade receivables

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment.

#### Classification and subsequent measurement

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.

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

**6. INVENTORIES**

	2019	2018
	\$	\$
<b>Current</b>		
Other inventories - Fuels and Materials	10,947	13,889
	10,947	13,889
The following movements in inventories occurred during the year:		
Carrying amount at 1 July	13,889	4,374
Movements to inventory - fuel expensed	(2,942)	9,515
Carrying amount at 30 June	10,947	13,889

**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.

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7. OTHER FINANCIAL ASSETS

	2019	2018
	\$	\$
<b>(a) Current assets</b>		
Other financial assets at amortised cost	2,892,808	0
Other loans and receivables at amortised cost	0	2,278
	<u>2,892,808</u>	<u>2,278</u>
Other financial assets at amortised cost		
- Financial assets at amortised cost - term deposits	2,892,808	0
	<u>2,892,808</u>	<u>0</u>
Financial assets previously classified as loans and receivables		
- Loans receivable - clubs/institutions	0	2,278
	<u>0</u>	<u>2,278</u>
<b>(b) Non-current assets</b>		
Financial assets at fair value through profit and loss	122,620	0
	<u>122,620</u>	<u>0</u>
Financial assets at fair value through profit and loss		
- <i>Unlisted equity investments</i>		
Units in Local Government House Trust	122,620	0
	<u>122,620</u>	<u>0</u>
During the year, the following gains/(losses) were recognised in profit and loss:		
Fair value gains/(losses) on equity investments at fair value through profit and loss are recognised in other gains/(losses) and classified as other property and services	122,620	0
	<u>122,620</u>	<u>0</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

The Shire classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

**Financial assets at fair value through profit and loss**

The Shire classifies the following financial assets at fair value through profit and loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has not elected to recognise fair value gains and losses through other comprehensive income.

**Impairment and risk**

Information regarding impairment and exposure to risk can be found at Note 23.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Previous accounting policy: available for sale financial assets**

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

**Previous accounting policy: Loans and receivables**

Non-derivative financial assets with fixed or determinable payments that were not quoted in an active market and are solely payments of principal and interest were classified as loans and receivables and are subsequently measured at amortised cost, using the effective interest rate method.

Refer to Note 26 for explanations regarding the change in accounting policy and reclassification of available for sale financial assets to financial assets at fair value through profit and loss.

## 8. PROPERTY, PLANT AND EQUIPMENT

### (a) Movements in Carrying Amounts

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

	Land - freehold land	Total land	Buildings - non- specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	2,454,635	2,454,635	27,271,490	27,271,490	29,726,125	233,745	3,146,267	33,106,137
Additions	60,844	60,844	364,961	364,961	425,805	0	1,069,033	1,494,838
(Disposals)	(65,000)	(65,000)	(109,078)	(109,078)	(174,078)	(1,924)	(37,971)	(213,973)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	(2,787,882)	(2,787,882)	(2,787,882)	0	82,801	(2,705,081)
Depreciation (expense)	0	0	(550,940)	(550,940)	(550,940)	(49,939)	(473,277)	(1,074,156)
Carrying amount at 30 June 2018	2,450,479	2,450,479	24,188,551	24,188,551	26,639,030	181,882	3,786,853	30,607,765
Comprises:								
Gross carrying amount at 30 June 2018	2,450,479	2,450,479	24,738,569	24,738,569	27,189,048	220,137	3,827,452	31,236,637
Accumulated depreciation at 30 June 2018	0	0	(550,018)	(550,018)	(550,018)	(38,255)	(40,599)	(628,872)
Carrying amount at 30 June 2018	2,450,479	2,450,479	24,188,551	24,188,551	26,639,030	181,882	3,786,853	30,607,765
Additions	16,940	16,940	3,852,643	3,852,643	3,869,583	0	396,822	4,266,405
(Disposals)	(26,405)	(26,405)	(23,826)	(23,826)	(50,231)	0	(310,904)	(361,135)
(Disposals) - small asset write offs under \$5,000 threshold	(3,000)	(3,000)	(24,777)	(24,777)	(27,777)	(47,113)	(4,218)	(79,108)
Depreciation (expense)	0	0	(511,372)	(511,372)	(511,372)	(32,503)	(470,827)	(1,014,702)
Carrying amount at 30 June 2019	2,438,013	2,438,013	27,481,219	27,481,219	29,919,233	102,266	3,397,726	33,419,225
Comprises:								
Gross carrying amount at 30 June 2019	2,438,013	2,438,013	28,564,321	28,564,321	31,002,335	309,048	5,860,952	37,172,335
Accumulated depreciation at 30 June 2019	0	0	(1,083,102)	(1,083,102)	(1,083,102)	(206,782)	(2,463,226)	(3,753,110)
Carrying amount at 30 June 2019	2,438,013	2,438,013	27,481,219	27,481,219	29,919,233	102,266	3,397,726	33,419,225

## 8. PROPERTY, PLANT AND EQUIPMENT (Continued)

### (b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>Land and buildings</b>					
Land - freehold land	2	market approach using recent observable market data for similar properties	independent valuer	30 June 2017	price per square metre/market borrowing rate
Buildings - non-specialised	2	market approach using recent observable market data for similar properties	independent valuer	30 June 2017	price per square metre/market borrowing rate
Furniture and equipment	3	cost approach using depreciated replacement cost	management valuation	30 June 2016	current condition, residual values
Plant and equipment	2	market approach using recent observable market data for similar properties	management valuation	30 June 2016	price per item

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.

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**9. INFRASTRUCTURE**

(a) Movements in Carrying Amounts

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

	Infrastructure - Roads	Other Footpaths	Other Drainage	Other infrastructure - Parks & Ovals	Other infrastructure - Other	Other infrastructure - Gardens	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	238,843,240	1,196,437	983,360	304,358	26,801,433	340,613	268,469,441
Additions	5,476,953	68,741	744,235	0	913,339	0	7,203,268
(Disposals)	0	0	0	(17,136)	0	0	(17,136)
Revaluation increments / (decrements) transferred to revaluation surplus	10,667,758	321,060	(30,763)	152,313	(5,095,531)	38,893	6,053,730
Depreciation (expense)	(3,708,299)	(65,597)	(20,589)	(19,175)	(280,694)	0	(4,094,354)
Transfers	0	0	0	354	(354)	0	0
Carrying amount at 30 June 2018	251,279,652	1,520,641	1,676,243	420,714	22,338,193	379,506	277,614,949
Comprises:							
Gross carrying amount at 30 June 2018	251,279,652	1,520,641	1,676,243	420,714	22,607,815	379,506	277,884,571
Accumulated depreciation at 30 June 2018	0	0	0	0	(269,622)	0	(269,622)
Carrying amount at 30 June 2018	251,279,652	1,520,641	1,676,243	420,714	22,338,193	379,506	277,614,949
Additions	2,996,759	0	999,265	0	497,035	181,258	4,674,317
Small asset write offs under \$5,000 threshold	0	0	0	(2,894)	(20,641)	0	(23,535)
Revaluation increments / (decrements) transferred to revaluation surplus							
Depreciation (expense)	(3,901,233)	(76,032)	(33,525)	(14,886)	(330,904)	0	(4,356,580)
Carrying amount at 30 June 2019	250,375,177	1,444,609	2,641,984	402,934	22,516,149	560,764	277,941,617
Comprises:							
Gross carrying amount at 30 June 2019	254,276,410	1,520,641	2,675,509	417,820	23,177,158	560,764	282,628,302
Accumulated depreciation at 30 June 2019	(3,901,233)	(76,032)	(33,525)	(14,886)	(661,009)	0	(4,686,685)
Carrying amount at 30 June 2019	250,375,177	1,444,609	2,641,984	402,934	22,516,149	560,764	277,941,617

9. INFRASTRUCTURE (Continued)

(b) 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	30 June 2018	construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
Other infrastructure - Footpaths	3	cost approach using depreciated replacement cost	independent valuer	30 June 2018	construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
Other infrastructure - Drainage	3	cost approach using depreciated replacement cost	independent valuer	30 June 2018	construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
Other infrastructure - Parks & Ovals	3	cost approach using depreciated replacement cost	independent valuer	30 June 2018	construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
Other infrastructure - Other	3	cost approach using depreciated replacement cost	independent valuer	30 June 2018	construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
Other infrastructure - Gardens	3	cost approach using depreciated replacement cost	independent valuer	30 June 2018	construction costs and current condition (level 2), 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.

## 10. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

Each class of fixed assets within either 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 where the fair value of the asset at date of acquisition is equal to or above \$5,000. All assets are 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 and no more than five 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.

### AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

#### 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.

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10. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

(a) Disposals of Assets

	2019		2019		2019		2019		2018		2018	
	Actual	Actual	2019	2019	Budget	Budget	2019	2019	Actual	Actual	2018	2018
	Net Book	Sale	Actual	Actual	Net Book	Sale	Profit	Loss	Net Book	Sale	Actual	Actual
	Value	Proceeds	Profit	Loss	Value	Proceeds	Profit	Loss	Value	Proceeds	Profit	Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	26,405	22,136	0	(4,269)	3,000	1,818	0	(1,182)	65,000	65,000	0	0
Land - small asset write offs	3,000	0	0	(3,000)	0	0	0	0	0	0	0	0
Buildings - non-specialised	23,826	0	0	(23,826)	217,680	217,680	0	0	109,078	100,000	0	(9,078)
Buildings - non-specialised small asset write offs	24,777	0	0	(24,777)								
Buildings - specialised	0	0	0	0	0	(24,180)	0	(24,180)				0
Furniture and equipment	0	0	0	0	0	0	0	0	1,924	0	0	(1,924)
Furniture and equipment small asset write offs	47,113	0	0	(47,113)								
Plant and equipment	310,904	278,705	20,000	(52,199)	473,880	397,336	15,000	(91,544)	37,971	38,000	18,000	(17,971)
Plant and equipment small asset write offs	4,218	0	0	(4,218)								
Other infrastructure - Parks & Ovals small asset write offs	2,894	0	0	(2,894)	0	0	0	0	17,136	0	0	(17,136)
Other infrastructure - Other small asset write offs	20,641	0	0	(20,641)								0
	463,778	300,841	20,000	(182,937)	694,560	592,654	15,000	(116,906)	231,109	203,000	18,000	(46,109)

The following assets were disposed of during the year.

	2019		2019	
	Actual	Actual	2019	2019
	Net Book	Sale	Actual	Actual
	Value	Proceeds	Profit	Loss
<b>Plant and Equipment</b>				
<b>Law, order, public safety</b>				
1999 Dalwallinu 3.4R Fire Unit	0	20,000	20,000	0
<b>Transport</b>				
Two-way side tipper trailer	15,919	5,100	0	(10,819)
2009 BOMAG BW25RH ROLLER (DL203)	42,417	30,000	0	(12,417)
2010 CAT 12M Grader (DL62)	103,828	101,250	0	(2,578)
2015 Mitsubishi Triton GLX 4x2 DSL - DL194	11,670	10,909	0	(761)
2017 Holden Colorado 4x4 crew cab WS DL281	25,207	19,091	0	(6,116)
2017 Toyota Hilux 4x4 2.8i DSL MWS (DL103)	36,850	34,091	0	(2,759)
Small Assets write off under \$5,000 threshold	4,218	0	0	(4,218)
<b>Economic services</b>				
Roma Deluxe Caravan (second hand)	11,720	1,900	0	(9,820)
<b>Other property and services</b>				
2017 Holden Colorado Trailblazer (DL2)	35,618	31,818	0	(3,800)
2016 Nissan Pathfinder ST 4WD DL492	27,675	24,546	0	(3,129)
	315,122	278,705	20,000	(56,417)
<b>Land</b>				
<b>Other Property and Services</b>				
51 Leahy Street Pithara (Bowling club land)	20,405	18,500	0	(1,905)
Lot 10 McConnell St Pithara (Vacant Land)	3,000	1,818	0	(1,182)
Lot 8 Leahy St Pithara (Vacant Land)	3,000	1,818	0	(1,182)
Small Assets write off under \$5,000 threshold	3,000	0	0	(3,000)
	29,405	22,136	0	(7,269)
<b>Buildings &amp; Improvements</b>				
<b>Recreation and culture</b>				
Pithara Bowling Club	19,429	0	0	(19,429)
Pithara Bowling Club-Toilet Block A	971	0	0	(971)
Pithara Bowling Club-Toilet Block B	971	0	0	(971)
Pithara Bowling Club-Shed	2,455	0	0	(2,455)
Small Assets write off under \$5,000 threshold	24,777	0	0	(24,777)
	48,603	0	0	(48,603)
<b>Furniture &amp; Equipment</b>				
<b>Health &amp; Other Property and Services</b>				
Small Assets write off under \$5,000 threshold	47,113	0	0	(47,113)
	47,113	0	0	(47,113)
<b>Other Infrastructure</b>				
<b>Recreation and culture</b>				
Small Assets write off under \$5,000 threshold	20,641	0	0	(20,641)
	20,641	0	0	(20,641)
<b>Parks &amp; Ovals</b>				
<b>Recreation and culture</b>				
Small Assets write off under \$5,000 threshold	2,894	0	0	(2,894)
	2,894	0	0	(2,894)
	463,778	300,841	20,000	(182,937)

(b) Fully Depreciated Assets in Use

The gross carrying value of assets held by the Shire which are currently in use yet fully depreciated are shown below.

	2019	2018
	\$	\$
Buildings - non-specialised	18,499	18,499
Furniture and equipment	0	4,886
Plant and equipment	320,951	299,258
Other infrastructure - Parks & Ovals	0	1,928
Other infrastructure - Other	33,559	35,559
	373,009	360,130

(c) Temporarily Idle Assets

The carrying value of assets held by the Shire which are temporarily idle or retired from active use and not classified as held for sale are shown below.

	2019	2018
	\$	\$
Plant and equipment	9,797	141,894
	9,797	141,894

**10. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)**

(d) Depreciation	2019	2019	2018
	Actual	Budget	Actual
	\$	\$	\$
Buildings - non-specialised	511,372	769,614	550,940
Furniture and equipment	32,503	47,177	49,939
Plant and equipment	470,827	317,346	473,277
Infrastructure - Roads	3,901,233	3,718,794	3,708,299
Other infrastructure - Footpaths	76,032	62,887	65,597
Other infrastructure - Drainage	33,525	23,604	20,589
Other infrastructure - Parks & Ovals	14,886	17,541	19,175
Other infrastructure - Other	330,904	236,666	280,694
Other infrastructure - Gardens	0	2,143	0
	<b>5,371,282</b>	<b>5,195,772</b>	<b>5,168,510</b>

**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.

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.

**Depreciation rates**

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

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

**Depreciation (Continued)**

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.

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11. REVALUATION SURPLUS

	2019		2019		2019		2018		2018		2018	
	Opening Balance	Revaluation Increment	Revaluation Increment	Movement on Revaluation	Closing Balance	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Movement on Revaluation	Closing Balance	Opening Balance	Revaluation Increment
Revaluation surplus - Buildings - non-specialised	18,123,458	0	0	0	18,123,458	20,911,340	0	(2,787,882)	(2,787,882)	18,123,458	0	0
Revaluation surplus - Furniture and equipment	195	0	0	0	195	195	0	0	0	195	0	0
Revaluation surplus - Plant and equipment	428,815	0	0	0	428,815	346,014	82,801	0	82,801	428,815	82,801	0
Revaluation surplus - Infrastructure - Roads	224,629,087	0	0	0	224,629,087	213,961,329	10,667,758	0	10,667,758	224,629,087	10,667,758	0
Revaluation surplus - Other infrastructure - Footpaths	477,712	0	0	0	477,712	156,652	321,060	0	321,060	477,712	321,060	0
Revaluation surplus - Other infrastructure - Drainage	36,077	0	0	0	36,077	66,840	0	(30,763)	(30,763)	36,077	0	0
Revaluation surplus - Other infrastructure - Parks & Ovals	326,084	0	0	0	326,084	173,771	152,313	0	152,313	326,084	152,313	0
Revaluation surplus - Other infrastructure - Other	19,093,140	32,466	32,466	32,466	19,125,606	24,188,671	0	(5,095,531)	(5,095,531)	19,093,140	0	0
Revaluation surplus - Other infrastructure - Gardens	304,948	0	0	0	304,948	266,055	38,893	0	38,893	304,948	38,893	0
	263,419,516	32,466	32,466	32,466	263,451,982	260,070,867	11,262,825	(7,914,176)	3,348,649	263,419,516	11,262,825	3,348,649

Movements on revaluation of property, plant and equipment (including infrastructure) 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.

## 12. TRADE AND OTHER PAYABLES

### Current

Sundry creditors
Bonds & Deposits Held (refer to Note 25)
Accrued salaries and wages
ATO liabilities
Accrued Interest on long term borrowings
Other Current Liabilities

2019	2018
\$	\$
358,974	630,533
74,436	0
10,016	10,493
0	60,575
37,373	18,687
54,013	32,289
<b>534,812</b>	<b>752,577</b>

### 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.

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13. INFORMATION ON BORROWINGS

	2019	2018
(a) Borrowings		
	\$	\$
Current	129,673	752,753
Non-current	3,329,739	123,755
	3,459,412	876,508

(b) Repayments - Borrowings

Particulars	30 June 2019		30 June 2019		30 June 2019		30 June 2019		30 June 2019		30 June 2018		30 June 2018	
	Actual Principal 1 July 2018	Actual New Loans	Actual Principal repayments	Actual Interest repayments	Budget Principal	Budget Interest repayments	Budget Principal	Budget Interest repayments	Budget Principal	Budget Interest repayments	Actual Principal 1 July 2017	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding
Housing	56,356	0	56,356	1,589	0	2,538	0	56,356	2,538	0	109,798	53,442	4,971	56,356
Loan 156 - Staff Housing	138,290	0	14,535	12,616	138,290	13,272	0	14,535	13,272	123,755	151,492	13,202	14,008	138,290
Community amenities	681,862	0	682,002	37,274	(140)	37,324	(1)	672,333	37,324	(1)	725,562	43,700	44,976	681,862
Loan 64 - Sewerage Scheme	0	635,797	0	635,797	635,797	0	648,857	0	648,857	648,857	725,562	43,700	44,976	681,862
Recreation and culture	0	2,700,000	0	26,153	2,700,000	0	2,700,000	24,253	52,665	2,675,747	2,700,000	24,253	0	0
Loan 157-2 - Dalwallinu Discovery Centre	0	2,700,000	0	26,153	2,700,000	0	2,700,000	24,253	52,665	2,675,747	2,700,000	24,253	0	0
Loan 159 - Dalwallinu Rec Centre	0	2,700,000	0	26,153	2,700,000	0	2,700,000	24,253	52,665	2,675,747	2,700,000	24,253	0	0
Economic services	876,508	3,335,797	752,893	77,632	3,459,412	105,799	734,201	767,477	105,799	4,182,559	986,852	110,344	63,955	876,508
Loan 160 - Bell Street Sub-division	876,508	3,335,797	752,893	77,632	3,459,412	105,799	734,201	767,477	105,799	4,182,559	986,852	110,344	63,955	876,508
	876,508	3,335,797	752,893	77,632	3,459,412	105,799	734,201	767,477	105,799	4,182,559	986,852	110,344	63,955	876,508

Self supporting loans are financed by payments from third parties. These are shown in Note 7 as other financial assets at amortised cost.  
 All other loan repayments were financed by general purpose revenue.

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13. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2018/19

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2019 Actual	2019 Budget	2019 Actual	2019 Budget		
Dalwallinu Recreation Centre	WATC	debenture	20	3.00%	2,700,000	2,700,000	2,700,000	2,700,000	0	0
Dalwallinu Discovery Centre	WATC	debenture	10	2.29%	635,797	635,797	0	0	0	0
					3,335,797	3,335,797	2,700,000	2,700,000	0	0

(d) Unspent Borrowings

Particulars	Date Borrowed	Unspent Balance 1 July 2018	Borrowed During Year	Expended During Year	Unspent Balance 30 June 2019
Total unspent borrowings		\$ 0	\$ 0	\$ 0	\$ 0

Nil

(e) Undrawn Borrowing Facilities

	2019	2018
Credit Standby Arrangements	\$	\$
Credit card limit	10,000	10,000
Credit card balance at balance date	(3,003)	(3,212)
<b>Total amount of credit unused</b>	<b>6,997</b>	<b>6,788</b>

Loan facilities

Loan facilities - current	129,673	752,753
Loan facilities - non-current	3,329,739	123,755
<b>Total facilities in use at balance date</b>	<b>3,459,412</b>	<b>876,508</b>

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.

Risk

Information regarding exposure to risk can be found at Note 23.

## 14. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions	Provision for	Provision for	Total
	Annual Leave	Long Service Leave	
	\$	\$	\$
Opening balance at 1 July 2018			
Current provisions	295,448	309,140	604,588
Non-current provisions		53,148	53,148
	295,448	362,288	657,736
Additional provision	(87,839)	(63,533)	(151,372)
Balance at 30 June 2019	207,609	298,755	506,364
Comprises			
Current	207,609	251,057	458,666
Non-current	0	47,698	47,698
	207,609	298,755	506,364
	2019	2018	
Amounts are expected to be settled on the following basis:	\$	\$	
Less than 12 months after the reporting date	190,266	251,532	
More than 12 months from reporting date	287,192	377,298	
Expected reimbursements from other WA local governments	28,906	28,906	
	506,364	657,736	

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

### 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.

## 15. 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:

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Cash and cash equivalents	4,971,292	2,636,956	6,016,176
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	648,359	(460,029)	1,754,280
Non-cash flows in Net result:			
Adjustments to fair value of financial assets	(122,620)	0	0
Depreciation	5,371,282	5,195,772	5,168,510
(Profit)/loss on sale of asset	162,937	101,906	28,109
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(683,951)	290,062	1,228,802
(Increase)/decrease in inventories	2,942	0	(9,515)
Increase/(decrease) in payables	(217,765)	(348,437)	(5,696)
Increase/(decrease) in provisions	(151,371)	0	78,608
Grants and contributions for the development of assets	(4,142,241)	(761,987)	(4,551,374)
Net cash from operating activities	867,572	4,017,287	3,691,724

**16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY**

	2019	2018
	\$	\$
Governance	691,620	569,000
General purpose funding	4,987,852	6,714,674
Law, order, public safety	1,030,452	1,082,899
Health	550,230	586,460
Education and welfare	145,349	150,645
Housing	7,049,729	7,135,934
Community amenities	2,400,392	2,150,241
Recreation and culture	36,792,576	33,164,041
Transport	257,114,282	255,813,047
Economic services	2,634,435	2,739,226
Other property and services	4,435,065	4,810,815
Unallocated	0	20,406
	<b>317,831,982</b>	<b>314,937,388</b>

## 17. CONTINGENT LIABILITIES

The Shire is not aware of any contingent liabilities as at 30 June 2019.

## 18. CAPITAL AND LEASING COMMITMENTS

### (a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects

2019	2018
\$	\$
783,975	7,691,532
<u>783,975</u>	<u>7,691,532</u>

Payable:

- not later than one year

783,975	7,691,532
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Capital expenditure projects are represented by:

Dalwallinu Recreation Centre precinct works

Kalannie Sports Club roof restoration

629,644
154,331

### (b) Operating Lease Commitments

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

Payable:

- not later than one year

- later than one year but not later than five years

2019	2018
\$	\$
5,532	5,532
15,781	21,313
<u>21,313</u>	<u>26,845</u>

### 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.

## 19. RELATED PARTY TRANSACTIONS

### Elected Members Remuneration

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Meeting Fees	37,606	46,644	40,846
President's Allowance	7,942	7,942	7,942
Deputy President's Allowance	1,985	1,985	1,985
Travelling expenses	4,877	9,000	7,138
	52,410	65,571	57,911

### Key Management Personnel (KMP) Compensation Disclosure

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

	2019 Actual	2018 Actual
	\$	\$
Short-term employee benefits	589,899	953,417
Post-employment benefits	79,284	106,698
Other long-term benefits	71,938	22,819
	741,121	1,082,934

#### *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.

**19. RELATED PARTY TRANSACTIONS (Continued)**

**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.

The following transactions occurred with related parties:	2019 Actual	2018 Actual
	\$	\$
Sale of goods and services - other related parties	98,113	21,888
Purchase of goods and services - other related parties	202,142	196,183
<b>Amounts outstanding from related parties:</b>		
Trade and other receivables - other related parties	3,324	13,400
<b>Amounts payable to related parties:</b>		
Trade and other payables - other related parties	14,792	6,461

**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 (KMP).

Key management personnel were employed by the Shire under normal employment terms and conditions.

*ii. Other Related Parties*

Any entity that is controlled by or over which KMP, or close family members of KMP have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly are considered parties in relation to the Shire.

*iii. Entities subject to significant influence by the Shire*

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

**20. CONDITIONS OVER GRANTS/CONTRIBUTIONS**

Grant/Contribution	Opening	Received <sup>(2)</sup>	Expended <sup>(3)</sup>	Closing	Received <sup>(2)</sup>	Expended <sup>(3)</sup>	Closing
	Balance <sup>(1)</sup> 1/07/17	2017/18	2017/18	Balance <sup>(1)</sup> 30/06/18	2018/19	2018/19	Balance 30/06/19
	\$	\$	\$	\$	\$	\$	\$
<b>Law, order, public safety</b>							
DFES Grant	0	34,958	(27,494)	7,464	25,772	(33,236)	0
<b>Recreation and culture</b>							
Richardson Park toilet grant-Lotterywest	0	32,168	0	32,168	0	(32,168)	0
<b>Transport</b>							
Roads to Recovery	363,101	1,037,012	(1,400,113)	0	0	0	0
Contribution of Landscaping Leahy St	0	15,000	0	15,000	0	0	15,000
<b>Economic services</b>							
Contribution to landscaping-Leahy St	60,000	0	0	60,000	0	0	60,000
Central Wheatbelt Biosecurity Assn	30,033	70,000	(100,033)	0	0	0	0
CLGF Housing (3Shires) R4R	16,618	0	(16,618)	0	0	0	0
AWI Funding - Regional Dogger	37,900	0	(37,900)	0	0	0	0
DAFWA - Regional Dogger	284,000	0	(284,000)	0	0	0	0
<b>Total</b>	<b>791,652</b>	<b>1,189,138</b>	<b>(1,866,158)</b>	<b>114,632</b>	<b>25,772</b>	<b>(65,404)</b>	<b>75,000</b>

**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.

## 21. RATING INFORMATION

### (a) Rates

RATE TYPE	Rate in \$	Number of Properties	2018/19		2018/19		2018/19		2018/19		2017/18	
			Actual Rateable Value	Actual Rate Revenue	Actual Interim Rates	Actual Total Revenue	Budget Rate Revenue	Budget Total Revenue	Actual Total Revenue			
Differential general rate / general rate			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Gross rental valuations</b>												
Residential	0.088391	247	3,711,475	328,061	0	328,061	328,061	328,061	328,061	328,061	303,374	303,374
<b>Unimproved valuations</b>												
Rural	0.019897	373	141,517,500	2,815,774	18,049	2,833,823	2,815,774	2,815,774	2,815,774	2,815,774	2,774,540	2,774,540
<b>Sub-Total</b>		620	145,228,975	3,143,835	18,049	3,161,884	3,143,835	3,143,835	3,143,835	3,143,835	3,077,914	3,077,914
Minimum payment												
<b>Gross rental valuations</b>												
Residential	600	248	1,129,438	148,800	0	148,800	148,800	148,800	148,800	148,800	132,600	132,600
Rural	700	34		23,800		23,800	23,800	23,800	23,800	23,800	23,800	23,800
Mining	700	25		17,500		17,500	17,500	17,500	17,500	17,500	21,000	21,000
<b>Sub-Total</b>		307	1,129,438	190,100	0	190,100	190,100	190,100	190,100	190,100	177,400	177,400
Discounts/concessions (refer Note 21(d))		927	146,358,413	3,333,935	18,049	3,351,984	3,333,935	3,333,935	3,333,935	3,333,935	3,255,314	3,255,314
<b>Total amount raised from general rate</b>						(147,618)	(147,618)	(154,002)	(154,002)	(154,002)	(137,733)	(137,733)
						3,204,366	3,204,366	3,179,933	3,179,933	3,179,933	3,117,581	3,117,581

### 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.

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21. RATING INFORMATION (Continued)

- (b) Specified Area Rate  
 There were no specified area rates in the financial year ended 30 June 2019
- (c) Service Charges  
 There were no service charges in the financial year ended 30 June 2019

21. RATING INFORMATION (Continued)

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

Rates Discounts		2019		2018		Circumstances in which Discount is Granted
Rate or Fee Discount Granted	Discount %	Actual	Budget	Actual	\$	
		\$	\$	\$	\$	
Rates general	5.00%	136,318	142,702	127,033		Payment of full amount owing, including arrears and service charges no later than 4:00pm on the day 35 days after the date of service appearing on the rates notice.
Rates minimum	100	11,300	11,300	10,700		
		147,618	154,002	137,733		

**21. RATING INFORMATION (Continued)**

**(e) Interest Charges & Instalments**

Instalment Options	Date Due	Instalment Plan	Instalment Plan	Unpaid Rates
		Admin Charge	Interest Rate	Interest Rate
		\$	%	%
Single full payment	14 Sep 2018	0.00	0.00%	11.00%
First installment	14 Sep 2018		5.50%	11.00%
Second installment	16 Nov 2018	6.67	5.50%	11.00%
Third installment	18 Jan 2019	6.67	5.50%	11.00%
Fourth installment	15 Mar 2019	6.67	5.50%	11.00%

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Interest on unpaid rates	8,764	10,430	15,530
Interest on instalment plan	7,137	6,000	8,043
Charges on instalment plan	3,035	3,174	3,228
	<b>18,936</b>	<b>19,604</b>	<b>26,801</b>

## 22. RATE SETTING STATEMENT INFORMATION

Note	2018/19	2018/19	2018/19	
	(30 June 2019 Carried Forward)	Budget (30 June 2019 Carried Forward)	(1 July 2018 Brought Forward)	
	\$	\$	\$	
<b>(a) Non-cash amounts excluded from operating activities</b>				
<p>The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i>.</p>				
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals	10(a)	(20,000)	(15,000)	(18,000)
Less: Fair value adjustments to financial assets at amortised cost		(122,620)	0	0
Movement in pensioner deferred rates (non-current)		0	(14,998)	0
Movement in employee benefit provisions (non-current)		(5,449)	0	0
Movement in other provisions (non-current)		0	0	(1,746)
Add: Loss on disposal of assets	10(a)	182,937	116,906	46,109
Add: Depreciation on assets	10(d)	5,371,282	5,195,771	5,168,510
<b>Non cash amounts excluded from operating activities</b>		<b>5,406,150</b>	<b>5,282,679</b>	<b>5,194,873</b>
<b>(b) Surplus/(deficit) after imposition of general rates</b>				
<p>The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.</p>				
<b>Adjustments to net current assets</b>				
Less: Reserves - restricted cash	3	(2,892,808)	(2,189,467)	(2,882,192)
Less: - Financial assets at amortised cost - self supporting loans		0	0	(2,278)
Less: - cashed backed leave or provision portion		209,379	209,380	209,380
Less: Accrued income		0	(1,727)	0
Add: Borrowings	13(b)	129,673	129,673	752,753
<b>Total adjustments to net current assets</b>		<b>(2,553,756)</b>	<b>(1,852,141)</b>	<b>(1,922,337)</b>
<b>Net current assets used in the Rate Setting Statement</b>				
Total current assets		6,331,961	3,013,272	6,698,114
Less: Total current liabilities		(1,123,152)	(1,161,131)	(2,109,918)
Less: Total adjustments to net current assets		(2,553,756)	(1,852,141)	(1,922,337)
<b>Net current assets used in the Rate Setting Statement</b>		<b>2,655,053</b>	<b>0</b>	<b>2,665,859</b>

## 23. FINANCIAL RISK MANAGEMENT

This note explains the Shire's exposure to financial risks and how these risks could affect the Shire's future financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk - interest rate	Cash and cash equivalents and Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings and term deposits
Credit risk	Cash and cash equivalents, trade receivables and other financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

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

Financial risk management is carried out by the finance area under policies approved by the Council. The finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

### (a) Interest rate risk

#### Cash and cash equivalents

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents and term deposits held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
<b>2019</b>					
Cash and cash equivalents	1.23%	2,078,484	0	2,078,284	200
Financial assets at amortised cost - term deposits	2.00%	2,892,808	2,892,808	0	0
<b>2018</b>					
Cash and cash equivalents	1.83%	6,016,176	3,156,321	2,859,455	400

#### Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	2019	2018
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	20,783	28,595

\* Holding all other variables constant

#### Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 13(b).

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

(b) Credit risk

**Trade Receivables**

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

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

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

The Shire applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2018 or 1 July 2019 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a re-negotiation of repayment terms.

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for rates receivable. No expected credit loss was forecast on 1 July 2018 or 30 June 2019 for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed of to recover unpaid rates.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
<b>30 June 2019</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	26,065	8,417	5,137	10,723	50,342
Loss allowance	0	0	0	0	0

**01 July 2018**

Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	92,610	18,462	11,146	19,281	141,499
Loss allowance	0	0	0	0	0

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for sundry receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2019</b>					
Sundry Receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	1,241,196	985	0	0	1,242,181
Loss allowance	0	0	0	0	0

**01 July 2018**

Sundry Receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	532,398	0	0	1,000	533,398
Loss allowance	0	0	0	0	0

## 23. FINANCIAL RISK MANAGEMENT (Continued)

### (c) Liquidity risk

#### Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 13(e).

The contractual undiscounted cash flows of the Shire's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2019</b>					
Payables	534,812	0	0	534,812	534,812
Borrowings	236,430	945,722	3,619,290	4,801,442	3,459,412
	<u>771,242</u>	<u>945,722</u>	<u>3,619,290</u>	<u>5,336,254</u>	<u>3,994,224</u>
<b>2018</b>					
Payables	692,002	0	0	692,002	692,002
Borrowings	768,448	111,228	55,614	935,290	876,508
	<u>1,460,450</u>	<u>111,228</u>	<u>55,614</u>	<u>1,627,292</u>	<u>1,568,510</u>

## 24. TRUST FUNDS

There are no funds held at the balance date which are required to be held in the trust fund.

In previous years, bonds and deposits were held as trust monies. They are now included in Restricted cash at Note 3 and shown as a current liability at Note 12.

	1 July 2018	Amounts Received	Amounts Paid	Reclassification to Restricted Cash	30 June 2019
	\$	\$	\$		\$
DPI Licensing Fees	25,444	1,156,913	(1,169,459)	(12,897)	0.00
St John Ambulance Memberships	626	2,641	(3,066)	(201)	0.00
CTF Levy	10,941	10,466	(21,141)	(265)	0.00
Building Services Levy	123	9,284	(9,224)	(184)	(0.00)
Standpipe Swipe Cards	2,350	600	(950)	(2,000)	0.00
Mainly Mutton Cookbooks	0	20	(20)	0	0.00
Trails, Trials and Triumphs Book	0	30	(30)	0	0.00
Hall Hire Bonds	624	3,209	(2,334)	(1,499)	0.00
Key Deposits	1,097	2,495	(2,050)	(1,542)	0.00
Housing Bonds	0	5,380	(5,380)	0	0.00
Pommie Migrant to Pioneer Farmer Book	70	0	(70)	0	0.00
5 Graves in Dalwallinu Book	50	230	(220)	(60)	0.00
Pioneer House Donations	10,076	0	(10,076)	0	0.00
Miscellaneous Deposits Held	92,253	76,505	(112,970)	(55,789)	0.00
	143,654	1,267,773	(1,336,990)	(74,436)	0

## **25. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

The Shire is not aware of, or in receipt of, any information or events that may impact or lead to any adjustment in the financial statement after the reporting period.

## 26. INITIAL APPLICATION OF AUSTRALIAN 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 associated with the amendment of existing standards, the only new standard with material application is AASB 9 *Financial Instruments*.

### AASB 9 Financial instruments

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Shire applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the Shire has not restated the comparative information which continues to be reported under AASB 139.

There were no adjustments as a result of adopting AASB 9.

#### (a) Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the Shire's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Shire's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

## 26. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)

The classification and measurement requirements of AASB 9 did not have a significant impact on the Shire. The following are the changes in the classification of the Shire's financial assets:

- Trade receivables and Loans and advances (i.e. Other debtors) classified as Loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 July 2018.
- The Shire did not designate any financial assets as at fair value through profit and loss.

In summary, upon the adoption of AASB 9, the Shire had the following required (or elected) reclassifications as at 1 July 2018:

AASB 139 category	AASB 139 value	AASB 9 category amortised cost	Fair value through OCI	Fair value through P/L
	\$	\$	\$	\$
<b>Loans and receivables</b>				
Trade receivables*	682,331	682,331		
Loans and advances	2,278	2,278		
	684,609	684,609	0	0

\* The change in carrying amount is a result of additional impairment allowance. See the discussion on impairment below.

### (b) Impairment

The adoption of AASB 9 has fundamentally changed the Shire's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Shire to recognise an allowance for ECLs for all financial assets not held at fair value through P/L. Upon adoption of AASB 9, the Shire did not recognise any additional impairment on the Shire's Trade receivables

## 27. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS

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.

This note explains management's assessment of the new and amended pronouncements that are relevant to the Shire, the impact of the adoption of AASB 15 *Revenue from Contracts with Customers*, AASB16 *Leases* and AASB 1058 *Income for Not-for-Profit Entities*. These standards are applicable to future reporting periods and have not yet been adopted.

The Shire is in the process of assessing the impact of these standards.

### (a) Revenue from Contracts with Customers

The Shire will adopt AASB 15 Revenue from Contracts with Customers and AASB 1058 Income for Not for Profit Entities (issued December 2014) on 1 July 2019 resulting in changes in accounting policies.

In accordance with the transition provisions AASB 15, the Shire will adopt the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019.

AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is payment) to which the entity expects to be entitled in exchange for those goods or services as performance obligations have been met as specified in the contracts with customers.

### (b) Leases

The Shire adopted AASB 16 retrospectively from 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions of AASB 16, the Shire will apply this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB16 recognised on 1 July 2019.

AASB 16 will cause majority of leases of an entity to be brought onto the statement of financial position. There are limited expectations relating to short term leases and low value assets which may remain off balance sheet. The calculation of the lease liability will take into account appropriate discount rates, assumptions about lease term and increases in lease payments.

A corresponding right to use asset will be recognised which will be amortised over the term of the lease. Rent expenses will no longer be shown, the profit and loss impact of these leases will be through amortisation and interest charges.

## 28. CHANGE IN ACCOUNTING POLICY

On 1 July 2018 Paragraph 17A (5) was inserted into Local Government (Financial Management) Regulations 1996.

The regulation stated an asset is to be excluded from the assets of a local government if the fair value of the asset at the date of acquisition by the local government is under \$5 000.

The adoption of the regulation constitutes a change in accounting policy.

Due to the effect on the financial statements not being material, the Shire did not retrospectively apply the changes in accounting policy arising from the new regulations and has not restated the comparative figures.

During the year assets with a fair value at the date of acquisition of under \$5,000 and purchased prior to 1 July 2018 have been excluded from the assets of the Shire and written off in the Statement of Comprehensive Income.

The impact of the write off of \$102,643 was immaterial and therefore no restatement is required.

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**29. 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 operating 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 ends of the reporting period.

### 30. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
<b>GOVERNANCE</b> 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 task of assisting elected members and ratepayers on matters which do not concern specific Shire services.
<b>GENERAL PURPOSE FUNDING</b> To collect revenue to allow for the provision of services.	Rates income & expenditure, Grants commission and Pensioners deferred rates interest.
<b>LAW, ORDER, PUBLIC SAFETY</b> To provide services to help ensure a safer and environmentally conscious community.	Supervision of various by-laws, fire prevention, emergency services and animal control.
<b>HEALTH</b> To provide an operational framework for environmental and community health.	Food quality, pest control, immunisation services and other health.
<b>EDUCATION AND WELFARE</b> To provide services to disadvantaged persons, the elderly, children and youth.	School support, assistance to playgroups, retirements villages and other voluntary services.
<b>HOUSING</b> To provide and maintain employee, non-employee and elderly residents housing.	Provision and maintenance of staff and rental housing.
<b>COMMUNITY AMENITIES</b> To provide services required by the community.	Rubbish collection services, operation of tips, noise control, administration of the town planning scheme, maintenance of cemeteries, maintenance of public conveniences, storm water drainage maintenance, sewerage scheme operation, litter control and roadside furniture.
<b>RECREATION AND CULTURE</b> To establish and effectively manage infrastructure and resource which will help the social well being of the community.	Provision of facilities and support for organisations concerned with leisure time activities and sport, support for performing and creative arts and preservation of the natural estate. This includes maintenance of halls, aquatic centres, recreation and community centres, parks, gardens, sports grounds and operation of libraries.
<b>TRANSPORT</b> To provide safe, effective and efficient transport services to the community.	Construction, maintenance and cleaning of streets, roads, bridges, drainage works, footpaths, parking facilities and traffic signs, cleaning and lighting of streets, depot maintenance and airstrip maintenance.
<b>ECONOMIC SERVICES</b> To help promote the Shire and its economic wellbeing.	The regulation and provision of tourism, area promotion, building control, noxious weed control, vermin control, standpipes and land subdivisions.
<b>OTHER PROPERTY AND SERVICES</b> To monitor and control the shire's overheads and operating accounts.	Private works operation, public works overheads, materials, salaries & wages, plant repairs and operation costs. With the exception of private works, the above activities listed are mainly summaries of costs that are allocated to all the works and services undertaken by Council.

### 31. FINANCIAL RATIOS

	2019 Actual	2018 Actual	2017 Actual
Current ratio	3.88	1.96	2.81
Asset consumption ratio	0.97	1.00	0.97
Asset renewal funding ratio	0.83	0.82	0.80
Asset sustainability ratio	0.89	1.57	1.55
Debt service cover ratio	2.35	13.97	24.32
Operating surplus ratio	(0.75)	(0.56)	(0.15)
Own source revenue coverage ratio	0.39	0.43	0.46

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	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
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	$\frac{\text{own source operating revenue}}{\text{operating expense}}$



## Auditor General

### INDEPENDENT AUDITOR'S REPORT

To the Councillors of the Shire of Dalwallinu

#### Report on the Audit of the Financial Report

##### **Opinion**

I have audited the annual financial report of the Shire of Dalwallinu which comprises the Statement of Financial Position as at 30 June 2019, 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 Dalwallinu:

- (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 2019 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 annual 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 annual financial report, which describes the basis of accounting. The annual financial report has been prepared for the purpose of fulfilling the Shire's annual 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 an annual financial report that is free from material misstatement, whether due to fraud or error.

In preparing the annual 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.

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 annual 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 annual 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 annual 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 annual 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 annual financial report, including the disclosures, and whether the annual 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 as reported in Note 31 of the annual financial report is below the Department of Local Government, Sport and Cultural Industries' basic standard for the last three financial years.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) 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 annual financial report of the Shire for the year ended 30 June 2018 was audited by another auditor who expressed an unmodified opinion on that annual financial report. The financial ratios for 2017 and 2018 in Note 31 of the audited annual financial report were included in the supplementary information and/or audited annual 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 Dalwallinu for the year ended 30 June 2019 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 annual financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this annual financial report. If users of the annual 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 annual audited financial report to confirm the information contained in this website version of the annual financial report.



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

29 November 2019