

Audit & Risk Management Committee Meeting Minutes

20 December 2022

3.00pm



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SHIRE OF DALWALLINU

MINUTES of the Audit & Risk Management Committee Meeting of Council held at the Council Chambers, Shire Administration Centre, Dalwallinu on Tuesday 20 December 2022 at 3.00pm.

1 OPENING & ANNOUNCEMENT OF VISITORS

The Chairperson opened the meeting at 3.04pm.

2 ANNOUNCEMENTS OF PRESIDING MEMBER

3 ATTENDANCE RECORD

3.1 Present

Cr SC Carter (Chairperson)

Cr KL Carter

Cr MM Harms

Cr NW Mills

Chief Executive Officer Mrs JM Knight

Manager Corporate Services Mrs AI Bryant

Executive Assistant Mrs DJ Whitehead

3.2 Apologies

3.3 Leave of Absence Previously Granted

4 DECLARATIONS OF INTEREST

5 PUBLIC QUESTION TIME

6 MINUTES OF PREVIOUS MEETINGS

6.1 Audit & Risk Management Committee Meeting – 16 August 2022

MOTION

Moved Cr MM Harms

Seconded Cr KL Carter

That the Minutes of the Audit & Risk Management Committee Meeting held on the 16 August 2022 be confirmed.

CARRIED 4/0



7 REPORTS

7.1 Adoption of the 2021-2022 Annual Report and setting the Annual Meeting of Electors*

Report Date	20 December 2022
Applicant	Shire of Dalwallinu
File Ref	FM/9 Financial Reporting
Previous Meeting Reference	Nil
Prepared by	Ally Bryant, Manager Corporate Services
Supervised by	Jean Knight, Chief Executive Officer
Disclosure of interest	Nil
Voting Requirements	Absolute Majority
Attachments	Annual Report including Independent Auditor's Report

Purpose of Report

For the Audit & Risk Management Committee to accept the Annual Report and Financial Statements for 2021-2022 and set a date, time and place to convene the Annual Meeting of Electors.

Background

The Office of the Auditor General (OAG) have completed the audit of the 2021-2022 Financial Reports. The *Local Government Act 1995* requires that Council accepts the report no later than 31 December 2022.

Further, the Act also requires that the Annual Report be presented to the Annual Electors Meeting no later than 56 days after it is accepted by Council. If the Annual Report is accepted at the OCM on 20 December 2022, the Annual Electors Meeting must be held on or before Tuesday 14 February 2023.

An Audit Exit meeting was held on Tuesday 6 December 2022 where the Auditor gave the Annual Audit Completion Report. Attendees at this meeting were Mr Mark Ambrose, Mr Conley Manifis, Ms Martanki Mathew, Mr Milvert Ling, Cr KL Carter, Cr SC Carter, CEO Jean Knight and MCS Ally Bryant.

Consultation

Auditor – Martanki Mathew of William Buck

Auditor – Conley Manifis Partner of William Buck

Director OAG – Mark Ambrose

Legislative Implications

State

Local Government Act 1995 – sections 5.27 Electors' general meeting, 5.29 Convening electors' meetings and 5.54 Acceptance of annual reports

Policy Implications

Nil

Financial Implications

Nil

Strategic Implications

Nil



Site Inspection

Site inspection undertaken: Not applicable

Triple Bottom Line Assessment

Economic implications

There are no known significant economic implications associated with this proposal.

Social implications

There are no known significant social implications associated with this proposal.

Environmental implications

There are no known significant environmental implications associated with this proposal.

Officer Comment

The Office of the Auditor General (OAG) has recently completed the 2021-2022 audit and the Independent Auditor's Report is attached to this report.

The report indicates another clean audit for the Shire of Dalwallinu.

Officer Recommendation/Resolution

MOTION

Moved Cr MM Harms
Seconded Cr NW Mills

That the Audit & Risk Management Committee:

1. Accepts the 2021-2022 Annual Report including the Audited Annual Financial Statements;
2. Receives the 2021-2022 Independent Audit Report and Management Report;
3. Advise the Chief Executive Officer to convene the Annual Meeting of Electors for the 2021-2022 financial year on Tuesday 7 February 2023 commencing at 6:00pm in the Council Chambers, Dalwallinu;
4. Advise the Chief Executive Officer to convene the Annual Community Meeting at Kalannie on 28 March 2023 commencing at 5:00pm, following the March Ordinary Council Meeting;
5. Requests that the Chief Executive Officer give local public notice of the availability of the annual report;
6. Requests that the Chief Executive Officer publish the annual report on the Shire of Dalwallinu website within fourteen (14) days from the date the report is adopted by Council.

CARRIED BY ABSOLUTE MAJORITY 4/0



ANNUAL REPORT 2021 - 2022

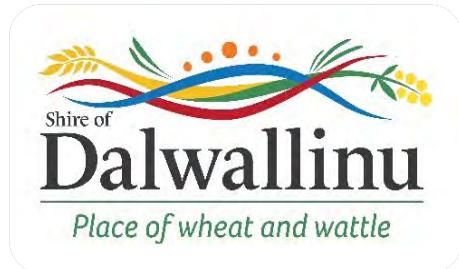


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ABOUT US



The Shire of Dalwallinu is a strong, connected and thriving community. The Shire is based in the Wheatbelt region of Western Australia. The centre of the Shire is the town of Dalwallinu, situated 254km north east of Perth along the Great Northern Highway. The town is a support centre to the sheep and wheat farms of the district, and home to flourishing businesses and a diverse and growing community.

Our population is growing each year, and we are seeing strong business outcomes from our region. Our very strong industrial businesses are unique in a country town. Dalwallinu is unlike a lot of other country towns because it is diverse with both industry and agriculture. We are not solely reliant on agriculture, with industries including plastics, concrete, mine engineering and fabrication. The Shire of Dalwallinu has a long heritage of sheep and wheat farming, with established and strong agricultural industries.

For a range of businesses, Dalwallinu is ideally located along the Great Northern Highway, which links the capital of Perth with WA's northern-most port at Wyndham. Being only 2 ½ hours drive away from Perth, Dalwallinu is close enough to be able to access Perth, but far enough away to capitalise on affordable land, rents and overheads. From retail and tourism, to mining, manufacturing and agricultural support industries, Dalwallinu provides all essential services for our community and far beyond to customers across Australia. We are an inclusive and diverse community.

Dalwallinu has a range of religious organisations and a significant population of overseas born residents due to the very successful Regional Repopulation Project. Dalwallinu welcomes new businesses to the area and with local government assistance, new initiatives are being implemented to address business needs including staff housing and workforce support. New businesses can apply for Shire rates concessions, marketing assistance, site works support and discounted application fees.

Locally-based farm enterprise support businesses include fertiliser and chemical suppliers, farm equipment businesses, and heavy machinery mechanics. Concrete, engineering, plastics, haulage service, logistics and transportation services are also based in Dalwallinu. Dalwallinu has a centrally located position on the Great Northern Highway ideally positioned between Perth and Geraldton. Being in-between the two as well as being the last stop on the Great Northern Highway before you head significantly north makes it good for business.



ELECTED MEMBERS OF THE SHIRE

ELECTED MEMBERS

Cr Keith Carter
Shire President

Mob: 0428 643 051
Term ends: 2023



Cr Steven Carter
Deputy Shire President
Mob: 0428 663 017
Term ends: 2023



Cr Karen Christian
Mob: 0427 183 363
Term ends: 2025



Cr Karen McNeill
Mob: 0429 020 285
Term ends: 2023



Cr Melissa Harms
Mob: 0437 663 035
Term ends: 2023



Cr Noel Mills
Mob: 0428 662 088
Term ends: 2025



Cr Diane Cream
Mob: 0417 908 317
Term ends: 2025



Cr Jemma Counsel
Mob: 0428 642 085
Term ends: 2025



ELECTED MEMBERS

INFORMATION AND ATTENDANCE

Statutory Report ORDINARY COUNCIL

Table 1: Attendance of Elected members at Council Meetings - 1 July 2021 to 30 June 2022

Elected Member	Ordinary Council Meetings (11)	Special Council Meetings (2)	Apologies	Leave of Absence
Cr KL Carter	11	2		
Cr SC Carter	11	2		
Cr KJ Christian	10	2		1
Cr JL Counsel (8 & 1) (elected 20/10/2021)	8	1		
Cr DS Cream (8 & 1) (elected 20/10/2021)	6	1		2
Cr MM Harms	9		3	1
Cr KM McNeill	9	2		2
Cr NW Mills	10	2		1
Cr BH Boys (3 & 1) (retired October 2021)	2	1	1	
Cr AR Dickins (3 & 1) (retired October 2021)	3	1		

Table 2: Elected Members Gender and background information - 1 July 2021 to 30 June 2022

Elected Member	Gender	Linguistic Background	Country of Birth	Aboriginal or Torres Strait Islander
Cr KL Carter	Male	English	Australia	No
Cr SC Carter	Male	English	Australia	No
Cr KJ Christian	Female	English	Australia	No
Cr JL Counsel (elected 20/10/2021)	Female	English	Australia	No
Cr DS Cream (elected 20/10/2021)	Female	English	Australia	No
Cr MM Harms	Female	English	Australia	No
Cr KM McNeill	Female	English	Australia	No
Cr NW Mills	Male	English	Australia	No
Cr BH Boys (retired October 2021)	Male	English	Australia	No
Cr AR Dickins (retired October 2021)	Female	English	Australia	No

Table 3: Elected Members Age Range - 1 July 2021 to 30 June 2022

Age Range	Number
Between 18 years and 24 years	0
Between 25 years and 34 years	0
Between 35 years and 44 years	1
Between 45 years and 54 years	3
Between 55 years and 64 years	3
Over 64 years	3



ELECTED MEMBERS

MEMBERS TRAINING

Pursuant to Section 5.127 of the *Local Government Act 1995*:

1. A local government must prepare a report for each financial year on the training completed by Council members in the financial year.
2. The CEO must publish the report on the local government's official website within 1 month after the end of the financial year to which the report relates.

NON-MANDATORY TRAINING

Elected Member	Training Program	Date of Program	Training Provider	Location
Cr KL Carter	Local Government Annual Convention	19 -22 September 2021	WALGA	Perth
Cr SC Carter	Local Government Annual Convention	19 -22 September 2021	WALGA	Perth
Cr KJ Christian	Local Government Annual Convention	19 -22 September 2021	WALGA	Perth
Cr JL Counsel	New Councillor Seminar	12 November 2021	WALGA	Perth
Cr DS Cream	New Councillor Seminar	12 November 2021	WALGA	Perth
Cr MM Harms	Nil			
Cr KM McNeill	Local Government Annual Convention	19 -22 September 2021	WALGA	Perth
Cr NW Mills	Nil			
Cr BH Boys (retired 2020)	Nil			
Cr AR Dickins (retired 2020)	Nil			

MANDATORY TRAINING

Elected Member	Elected to Office	Council Members Essentials	Completion Date	Due Date for Completion
Cr KL Carter	2019	Completed		
Cr SC Carter	2019	Understanding Financial Reports & Budgets	Not Completed	19 October 2020
Cr KJ Christian	2021	Serving on Council	11 May 2022	19 October 2020
Cr JL Counsel	2021	Understanding Local Government	10 January 2022	15 October 2022
(Elected 20/10/2021)		Conflicts of Interest	1 March 2022	15 October 2022
		Serving on Council	11 May 2022	15 October 2022
		Meeting Procedures	20 March 2022	15 October 2022
		Understanding Financial Reports & Budgets	11 May 2022	15 October 2022
Cr DS Cream	2021	Understanding Local Government	5 January 2022	15 October 2022
(Elected 20/10/2021)		Conflicts of Interest	24 May 2022	15 October 2022
		Serving on Council	11 May 2022	15 October 2022
		Meeting Procedures	17 May 2022	15 October 2022
		Understanding Financial Reports & Budgets	23 June 2022	15 October 2022



ELECTED MEMBERS

MANDATORY TRAINING

Elected Member	Elected to Office	Council Members Essentials	Completion Date	Due Date for Completion
Cr MM Harms	2019	Completed		
Cr KM McNeil	2019	Completed		
Cr NW Mills	2021	Understanding Local Government	22 January 2022	19 October 2020
		Serving on Council	26 June 2022	19 October 2020
		Understanding Financial Reports & Budgets	Not Completed	19 October 2020
Cr BH Boys (Retired 2020)	2017	Understanding Local Government	Not Completed	19 October 2020
		Serving on Council	Not Completed	19 October 2020
Cr AR Dickins (Retired 2020)	2017	Completed		

FORMER ELECTED MEMBERS

FORMER COUNCILLOR'S WHOSE TERMS EXPIRED IN 2021



Cr Brett Boys
Mob: 0413 740 320
Term ended: 2021

Cr Anita Dickins
Mob: 0429 621 112
Term ended: 2021



MANAGEMENT STRUCTURE

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.



EMPLOYEE INFORMATION

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EMPLOYEE INFORMATION

- The number of employees of the Local Government entitled to an annual salary of \$130,000 or more is 1.
- There was no remuneration and allowances paid by the Local Government under Schedule 5.1 clause 9 during the financial year;
- There was no amount ordered under section 5.110(6)(b)(iv) to be paid by a person against whom a complaint was made under section 5.107(1), 5.109(1) or 5.114(1) to the Local Government during the financial year;
- The remuneration paid or provided to the Chief Executive Officer during the financial year;

The Shire of Dalwallinu is classified as a Band 3 Shire with a Total Reward Package for the Chief Executive Officer to be between \$161,868 - \$266,983.

The Shire of Dalwallinu, Chief Executive Officer was paid a Total Reward Package of \$231,266 in the 2021/2022 financial year.

The Total Reward Package is comprised of Base Salary, Association Membership Fees, Personal Benefit value of Motor Vehicle, Fringe Benefits Tax, Clothing Allowance, Superannuation and Utilities.

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 \$	2021 - 2022	2020 - 2021	2019 - 2020
\$100,000 - \$110,000	4	2	1
\$110,001 - \$120,000		1	1
\$120,001 - \$130,000			1
\$180,001 - \$190,000			1
\$190,001 - \$200,000	1	1	



SENIOR MANAGEMENT TEAM

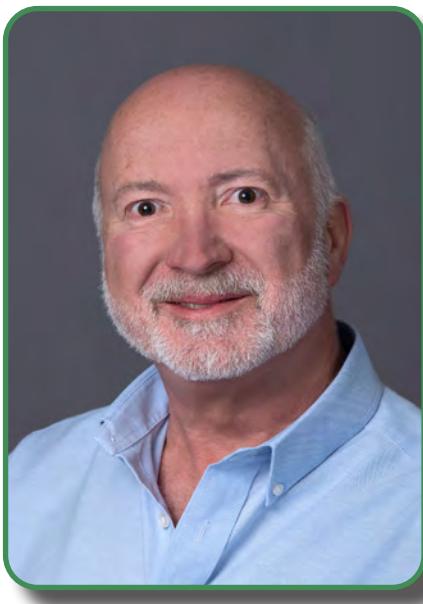
SENIOR MANAGEMENT TEAM



JEAN KNIGHT
CHIEF EXECUTIVE OFFICER



ALLY BRYANT
MANAGER CORPORATE SERVICES



DOUG BURKE
MANAGER PLANNING AND DEVELOPMENT SERVICES



MARC BENNETT
MANAGER WORKS AND SERVICES

SHIRE PRESIDENT'S MESSAGE

**CR KEITH CARTER
SHIRE PRESIDENT**



The year 21/22 has seen some changes on Council. The elections in October saw the return of Councillors Karen Christian and Noel Mills and we welcomed new Councillors Jemma Counsel and Diane Cream replacing retiring Councillors Anita Dickens and Brett Boys. It was pleasing to see sufficient nominations so that an election was required.

COVID continued to fill the media and control a lot of our freedom to travel. Some council staff were required to isolate either due to being a close contact or testing positive with the virus. The public would not have noticed this though as they continued to provide great service and complete all tasks. Well done.

Roads are the most important shire asset affecting our ratepayer businesses. This year we spent in excess of \$6.4M on roads. These monies came from various sources including Wheatbelt Secondary Freight Network, Regional Road Groups, Roads to Recovery, Council funds, and DRFAWA (previously WANNDRA) claim for storm damage.

Some of the more notable road upgrades were

- Dalwallinu-Kalannie Road - 16km
- Pithara West Road - 6km
- Bell Road - 12km
- Rabbit Proof Fence Road - 3km
- Roche Street, Kalannie
- Roberts Road and drainage

(completed by the Shire crew at a saving of several \$100,000 on quotes received - Well done)

The Shire has seen plenty of projects completed in the last 12 months apart from roads the more notable of these have been;

- Building a new ablution block at the Dalwallinu Caravan Park
- Commencement of a new 4x2 Executive residence in Bell St
- Ongoing sewerage upgrades
- Several upgrades to equipment at the Aquatic Centre
- Numerous small projects at tourist spots around the shire

Most of these projects were made possible by LRCIP grants.

The Shire spending on plant has seen a change over recent years. This is due to the move to using contractors where possible for road tasks. Contractors have become necessary due to the inability of the shire to attract or retain skilled plant operators. Grading, verge slashing, water carting and road base cartage are being done by contract and has been very successful. Because of this there are no items such as road graders being purchased.



Roberts Road Catchment

SHIRE
PRESIDENT

This has seen the plant purchase move to machines which save the crew time and make work safer such as a cherry picker, Skid steer and excavator.



Installation of sports precinct banner using new cherry picker

Quite some resources by staff and Council has gone into trying to find a workable outcome for the Town Hall. This included the Manager Planning & Development services having an information and opinion gathering stand at the Agricultural show. Hopefully we are getting closer to finding a purpose for the building as ongoing maintenance will be expensive.



Roche Street, Kalannie

This report has been a pleasure to write as there has been so much happening. The main street looks great, plenty of roads are getting upgraded, the parks in Dalwallinu and Kalannie are presented well.

Building activity is going ahead everywhere- on farms, in the industrial precinct, and on blocks in towns, particularly Bell Street.



Kalannie Park, Kalannie

Thanks to the Chief Executive Officer, office staff and the outside staff for making all this possible.

KL Carter
SHIRE PRESIDENT

CEO MESSAGE

JEAN KNIGHT
CHIEF EXECUTIVE OFFICER



It gives me great pleasure to present my 2021-2022 report for the Shire of Dalwallinu.

HIGHLIGHTS OF THE 2021-2022 YEAR INCLUDE:

- Construction of a new Ablution facility at the Dalwallinu Caravan Park
- Commencement of a new Executive Residence in Bell Street, Dalwallinu
- Shade sails at the Dalwallinu Aquatic Centre and Dalwallinu Rec Centre
- Drainage, Road Upgrades and catchment Dam on Roberts Rd, Dalwallinu
- Generator at the Dalwallinu Recreation Centre
- Expenditure of \$3.64M on capital roadworks , \$1.60M on road maintenance



New Ablutions, Dalwallinu Caravan Park



New shade sails, Dalwallinu Pool

BELL STREET SUBDIVISION

The final Lot settled in February 2022. Construction of housing is well underway with the total investment of housing to date being in excess of \$4M.

TENDERS

The following tenders were called in 2021-2022:

- Maintenance Grading – awarded to West Coast Stabilisers
- WSFN Civil Works – awarded to WCP Civil
- Sewer Upgrades – awarded to WA Plumbing
- Roberts Rd & Stormwater Upgrade – not awarded (*undertaken in-house*)
- Road Restoration AGRN962 – River Hill WA P/L
- Multi Purpose Early Childhood Learning Centre - awarded to Geared Construction Pty Ltd

DISPOSAL OF PROPERTY, PLANT & EQUIPMENT

The following Property, Plant & Equipment were advertised for disposal:

- 2001 Howard Porter Low Loader - Disposed
- Lot 3 Bell Street - Disposed
- Lot 360 (1) Wasley Street, Dalwallinu – Not disposed
- Lot 1001 Deacon and Lot 1002 Roberts Rd, Dalwallinu – Not disposed
- Lots 12,14,16 McNeill Street, Dalwallinu – Not disposed
- Lot 572 (16) Sawyer Ave, Dalwallinu – Not disposed

SHIRE EVENTS

Australia Day celebrations were again held at the Aquatic Centre. This was well attended by the community.

Mrs Joy Wornes was awarded Active Citizen of the Year and Mr Thomas Davis was awarded Under 25's Active Citizen of the year. Joy was unable to attend on the day. Her daughter Ros Shaw was on hand to receive the award on her behalf.



Shire President Cr Keith Carter presenting Ros Shaw with her Mother's Citizenship Award

ANZAC DAY

The gunfire breakfast was again held at Memorial Park hosted by the Shire staff.

CITIZENSHIP CEREMONIES

The Shire conducted two (2) citizenship ceremonies during the year. Both citizens were from the Phillipines.

EVENTS/PROGRAMS

The Shire continued to jointly host, with the Lions Club, the Annual Street Party in December 2021. The Shire provided the music, children's entertainment, bar in the park and organised market stalls. This year the event was very well attended and it was pleasing to see the crowd stay and enjoy the entertainment.



Dalwallinu children receiving a present from Santa Claus at the 2021 Street Party

LAND AVAILABILITY

Lobbying for additional residential and industrial land has continued throughout 2021-2022.

Currently we have five (5) proposals with the Department, Planning Lands and Heritage to convert reserve land to freehold. In addition extensive lobbying has been undertaken with DevelopmentWA for additional residential and industrial lots. Two business cases will be presented to the DevelopmentWA Board in late June 2022.

Council has planned a workshop for the coming months to discuss future land and housing developments.

LOCAL GOVERNMENT ELECTIONS

Local Government Elections were held in October 2021. There were four (4) vacancies at the election. We received five (5) nominations. Congratulations to returning Councillors Noel Mills and Karen Christian and we welcome new Councillors Diane Cream and Jemma Counsel.

Many thanks to the outgoing Councillors Anita Dickins and Brett Boys for their time and effort during their terms.

We had a 23% voting turnout which was 5% less than the previous election in 2019.

LOCAL GOVERNMENT REFORMS

On 10 November 2021 the State Government announced the most significant package of major reforms for WA Local Government since the Local Government Act 1995 was passed more than 25 years ago.

The Department of Local Government, Sport and Cultural Industries (DLGSC) invited comments from local governments and the wider community to inform the implementation of the proposed reforms. Council submitted their comments on the reform in February 2022.

The Department has advised that the first stage of the reforms will occur in Spring 2022.

PUBLIC HEALTH PLAN

Part 5 of the Public Health Act 2016 requires the preparation of two types of public health plans:

- State public health plan prepared by the Chief Health Officer and
- Local public health plan prepared by each local government district.

The plan is to be developed by July 2023. A consultant was appointed to develop

the Public Health Plan for the Shire of Dalwallinu. A community survey was made available and we received eighty seven (87) responses. It is expected that the Plan will be endorsed by Council in August 2022.

LOCAL BICYCLE NETWORK PLAN

In 2020 the Shire successfully applied for Department of Transport funding towards the development of a new comprehensive Local Bicycle Network Plan for the towns of Dalwallinu and Kalannie. The Shire previously had a five year footpath plan for the years 2010-2011 to 2014-2015.

Council appointed consultants, Stantec, to develop the plan. The final plan was endorsed by Council at the May 2022 Ordinary Council Meeting.

This plan will assist Council to prioritise future pathways. A budget allocation has been included in the 2022-2023 budget to deliver on the first priorities recognised in the plan.



LOCAL ROADS & COMMUNITY INFRASTRUCTURE PROGRAM

The Shire continues to be very fortunate to receive money from the Federal Government under the Local Roads and Community Infrastructure Program. This program supports local councils to deliver priority local road and community infrastructure projects across Australia, supporting jobs and the resilience of local economies to help communities bounce back from the COVID-19 pandemic.

In Phase 2 we received an additional **\$543,435** which allowed us to undertake the following projects:

Phase 2	\$543,435
Shade Sails – Dalwallinu Rec Centre Playground	\$31,950
Drink Fountain – Dalwallinu Rec Centre & Aquatic Centre	\$5,460
New Oven – Dalwallinu Rec Centre	\$16,105
New Ablution Facility – Dalwallinu Caravan Park	\$346,605
Generator – Dalwallinu Rec Centre	\$40,730
Shade Sails – Dalwallinu Aquatic Centre	\$80,000
Shaded Seating - Xantippe	\$7,500
Water Fountain - Kalannie Sports Pavilion	\$2,710
Dump Point – Kalannie Caravan Park	\$8,470
Water Fountain – Dalwallinu Discovery Centre	\$3,905
New Ablution Facility - Kalannie	\$44,996

In Phase 3 we received an additional **\$1,519,820** which will allow us to undertake the following projects in the 2022-2023 financial year:

Phase 3	\$1,519,820
Proposed Multi Purpose Early Childhood Learning Centre	\$1,400,000
Footpaths – Dalwallinu and Kalannie	\$119,820

After the election in 2022 the Phase 3 extension was announced where we received a further amount of **\$759,910**. The following projects are proposed to be undertaken with these funds in the 2022-2023 financial year:

Phase 3 Extension	\$759,910
Solar Batteries – Dalwallinu Rec Centre	\$28,000
Shade Sails – Dalwallinu Aquatic Centre Toddler Pool	\$88,000
Cricket Pitch Upgrade – Dalwallinu Oval	\$25,000
Gazebo – Tourist Car Park Johnston Street	\$13,600
Electronic Score Board – Kalannie Oval	\$10,000
Ablution Block repairs – Dalwallinu Caravan Park	\$50,000
Replacement Fencing – Pioneer House	\$6,000
Landscaping – Multi Purpose Early Childhood Learning Centre	\$202,310
Traffic Control Equipment - Wubin	\$12,000
Roadworks – Rabbit Proof Fence Rd – 2kms	\$210,000
Playground Equipment	\$55,000
Ablution Facility – Dalwallinu Cemetery	\$60,000



In total the Shire of Dalwallinu has received \$3,583,075 via the Local Roads and Community Infrastructure Program. This has allowed Council to spend their Municipal funds on other projects within the Shire.

The FTE for the Shire of Dalwallinu currently sits at 28.18. In addition we have 6 casual employees for cleaning services and the Aquatic Centre.

WHEATBELT SECONDARY FREIGHT NETWORK (WSFN)

The WSFN in the Main Roads WA Wheatbelt Region comprises some 4,400km of Local Government managed roads across 53 routes that connect with State and National highways to provide access for heavy vehicles into the region.

It consists of 42 LGs of the Wheatbelt region who have worked collaboratively for over 4 years to identify to secure \$187M of Federal, State and Local Government funding to improve secondary freight network routes on Local Government Roads in the Wheatbelt.

2020-2021 was the first year of works associated with the WSFN in the Shire of Dalwallinu. The project was completed in 2021-2022 on Bell Rd (SLK 14.69-20.69).

2021-2022 saw the continuation of works under the WSFN Program with the following roads receiving upgrades:

- Bell Rd (SLK 8.68-14.69)
- Dalwallinu-Kalannie Rd (SLK 0.00-8.96)
- Dalwallinu-Kalannie Rd (SLK 10.48-12.06)
- Dalwallinu-Kalannie Rd (SLK 49.64-51.70)
- Roche Street (SLK 0.00-0.95)

DISASTER RECOVERY FUNDING ARRANGEMENTS WESTERN AUSTRALIA (DRFAWA)

In March 2021 the Shire received flood damage on various roads within the Shire. An application was lodged for DRFAWA funding to repair the damaged infrastructure. The final estimate was approved at \$7,510,117. Works are being carried out by River Hill WA Pty Ltd and commenced in June 2022. This will be approximately eighteen (18) months' work on our roads.

DONATION – (AGT)

AUSTRALIAN GRAIN TECHNOLOGIES

In late 2021, (AGT) Australian Grain Technologies sent correspondence to farmers in the district requesting projects to be nominated to receive a donation of \$20,000.

Mrs Margaret Batterham submitted the new Learning Centre as a community project. In June 2022 Alana Hartley presented a cheque for \$20,000 as a contribution towards the new Multi Purpose Early Childhood Learning Centre.



Shire President Keith Carter, Alana Hartley, Margaret Batterham, Chief Executive Officer Jean Knight with the \$20,000 cheque

MEETINGS IN DALWALLINU

In April 2022 at the Dalwallinu Recreation Centre, the Shire hosted the WALGA Avon Zone Meeting and in May 2022 the Shire hosted the Coastal Midlands Branch of LG Professionals WA. These meetings were perfect opportunities to showcase Dalwallinu and attendees were very impressed by our facilities and the town.

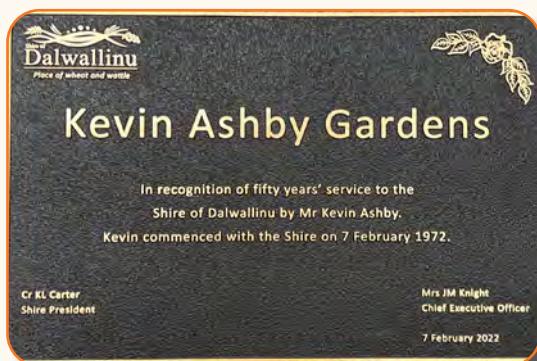
FUNCTION – RECOGNITION OF STAFF

In February 2022 a Sundowner was held to recognise the efforts of three (3) employees with combined services of ninety (90) years. Kevin Ashby (50 years), Robert Waye (20 years) and Christie Andrews (20 years).



Kevin Ashby, Christie Andrews and Bert Waye

A plaque titled '**Kevin Ashby Gardens**' was placed in the rose garden at the front of the Shire Administration Centre in recognition of Kevin's service to the Shire of Dalwallinu.



The plaque recognising Kevin Ashby's Service

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 seen two changes during the 21-22 financial year. We farewelled Will Taylor and welcomed Marc Bennett as the Manager Works & Services and we farewelled (for a short time) Hanna Jolly who went on maternity leave to enjoy some time with baby Alfie and we welcomed Ally Bryant as the Manager Corporate Services. Both Officers have settled well into the organisation.

The Works & Services team, has seen a few changes this year:

Appointments	Resignations / Terminations
Marc Bennett	Robert Waye
Corey Kirkness	Will Taylor
Kyle Harris	Greg Whitehead
Zachary Johnson	Corey Kirkness
Glenn Merrett	

The Administration team has also seen a few changes this year:

Appointments	Resignations / Terminations
Julie Bain	Lailah Woodford
Ally Bryant (M/Leave Cover)	
Lauren Willis	

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

Jean Knight
CHIEF EXECUTIVE OFFICER



MANAGER'S MESSAGE

ALLY BRYANT
MANAGER CORPORATE SERVICES

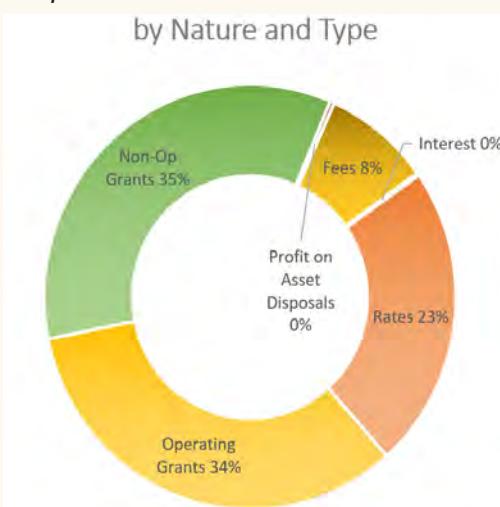


FINANCE

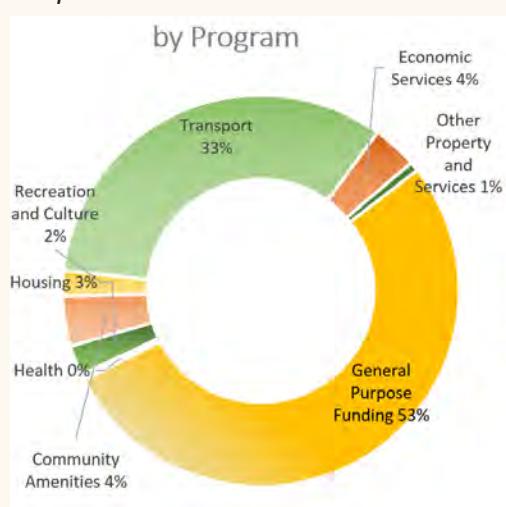
This financial year resulted in a surplus of \$3.1 million which was due to three main reasons. An early payment of Financial Assistance Grant Funding (FAGS) totalling nearly \$2.7 million, unfinished projects carried forward and savings on items budgeted for in 2021-2022. All this surplus has been budgeted to be expended in the 2022-2023 financial year.

The following 2021-2022 revenue received by the Shire is detailed by graphs showing Nature and Type and by Program.

Graph 1 ~ Revenue



Graph 2 ~ Revenue



Rates	3,394,968
Operating Grants, Subsidies & Contributions	4,894,012
Non-Operating Grants, Subsidies & Contributions	5,062,426
Profit on Asset Disposals	50,109
Fees & Charges	1,227,224
Interest Earnings	27,686
Other Revenue	0

Governance	0
General Purpose Funding	7,768,862
Law, Order, Public Safety	39,168
Health	13,323
Education & Welfare	23,694
Housing	358,613
Community Amenities	599,349
Recreation & Culture	311,887
Transport	4,892,839
Economic Services	535,838
Other Property & Services	112,852



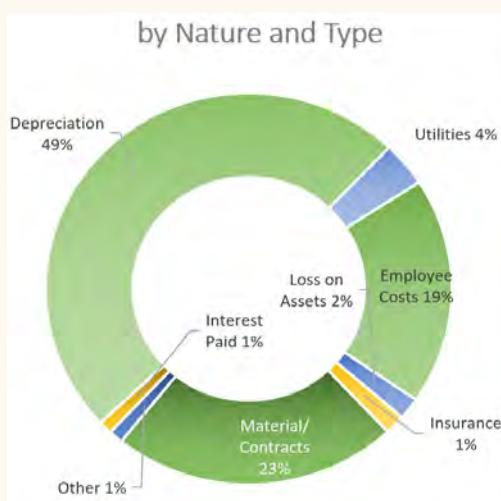
RESERVE ACCOUNTS

The Shire has a total of \$3,794,137 cash backed reserves (see note 27 in the financial report for a breakdown of this amount). The Land & Building Reserve and Sewerage Scheme Reserve are holding the largest amounts currently. The Land & Buildings Reserve includes proceeds from the Bell St subdivision sales which will be used to pay the loan in the next three financial years. The Sewerage Scheme Reserve is to undertake further works as per the Sewer Master Plan.

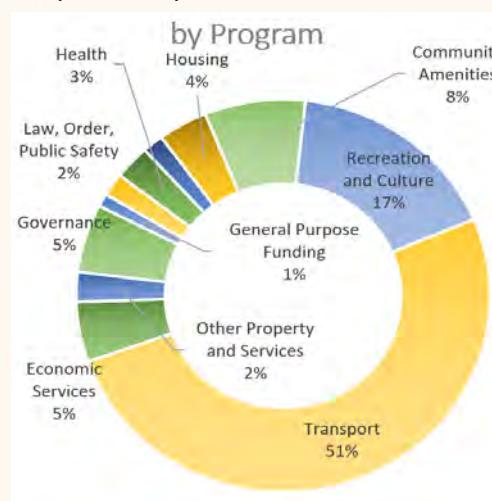
LOANS AND BORROWINGS

There was no new loans taken out during the year. Debt principal repaid during the year was a net \$304,001. Current outstanding loan principal at the end of the financial year is \$3,618,509 which is made up of four loans. These loans are for Dalwallinu Sewerage Scheme, Dalwallinu Discovery Centre, Dalwallinu Recreation Centre and Bell St Subdivision.

Graph 4 ~ Expenditure



Graph 3 ~ Expenditure



Employee Costs	2,174,005	Governance	651,379
Materials and Contracts	2,638,588	General Purpose Funding	124,103
Utility Charges	427,585	Law, Order, Public Safety	217,887
Insurance	187,287	Health	325,319
Loss on Asset Disposals	208,137	Education and Welfare	190,428
Deprec. Non-current Assets	5,691,202	Housing	449,833
Interest	126,714	Community Amenities	912,005
Other	130,347	Recreation and Culture	1,958,076
		Transport	5,901,008
		Economic Services	571,953
		Other Property and Services	281,874

RATES

The Shire raised a total of \$3,353,365 in Rates revenue and at the 30 June 2022 the amount of unpaid rates (including legal fees) was \$47,376 (1.4%).

INTEREST

Interest earnings for the 2021-2022 financial year amounted to \$27,686 against a budget of \$24,401. 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 provides the total grants received for operating and capital for the year 2021-2022. In addition to this note the following table provides a breakdown of the grants that the Shire received for the 2021-22 year.

Project	Funder/Program	Amount
Roads & General Purpose Funding	Federal Government (Financial Assistance Grants)	4,328,793
Road Maintenance	Main Roads WA	299,557
Capital Road Works	Roads to Recovery Federal Government	723,094
Capital Road Works	Regional Road Group WA	363,464
Capital Road Works	Wheatbelt Secondary Freight Network – Main Roads	3,425,324
ESL Operational Funding	Department of Fire & Emergency Services (DFES)	32,639
LRCI Program Phase 2 delivered 11 local projects	Local Roads and Community Infrastructure Program (LRCIP)	543,435
Kitchen Upgrade	Department of Communities	19,184
Development of Shire Bike Plan	Department of Transport	11,875

COMMUNITY GRANTS AND SUPPORT PROVIDED

\$1,418 was directly contributed in financial support relating to the Community Grant Scheme. This support is available to the local groups and sporting clubs wishing to improve their facilities, equipment and services.

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.

OTHER

I would like to thank Hanna Jolly for her assistance during the handover period. Hanna commenced twelve months Parental Leave in April 2022. I would also like to express my thanks to the Chief Executive Officer and all the Staff for their support since I commenced the role in March 2022.

Ally Bryant
MANAGER CORPORATE SERVICES



MANAGER'S MESSAGE

MARC BENNETT
MANAGER WORKS AND SERVICES



ROAD CONSTRUCTION

\$7.26M was invested in road preservation throughout the Shire of which \$531,312 was received from 'Regional Road Group', \$724,897 from 'Roads to Recovery', \$4,008,666 from the 'Wheatbelt Secondary Freight Network' plus \$678,810 of Shire funds. Projects included in 2022-2022 were:

WHEATBELT SECONDARY FREIGHT NETWORK

- Bell Rd (SLK 8.68-14.69)
- Dalwallinu-Kalannie Rd (SLK 0.00-8.96)
- Dalwallinu-Kalannie Rd (SLK 10.48-12.06)
- Dalwallinu-Kalannie Rd (SLK 49.64-51.70)
- Roche Street (SLK 0.00-0.95)



Upgrade work - Niche Wall, Dalwallinu Cemetery

REGIONAL ROAD GROUP

- Dalwallinu-Kalannie Rd (SLK 12.06-15.00)

ROADS TO RECOVERY

- Pithara West Rd (SLK6.00-11.93)
- Rabbit Proof Fence Rd (SLK41.50-44.85)

SHIRE FUNDED PROJECTS

- Sanderson Rd (SLK50.00-56.00)
- Warren Rd (SLK12.12-17.20)
- Roberts Road



New Ablutions Block - Dalwallinu Caravan Park



Beautification Bollards - Front Entrance Dalwallinu Recreation Centre

WORKS AND SERVICES

ROAD MAINTENANCE

	2021-2022	2020-2021	2019-2020
Road Maintenance	\$409,305	\$430,953	\$429,853
Rural Road Maintenance Grading	\$588,472	\$710,186	\$594,692
Culvert & Headwalls	\$15,126	\$13,839	\$118,009
Patching & Potholes	\$39,403	\$36,304	\$27,255
Verge Maintenance	\$173,096	\$197,271	\$176,149
Footpath Maintenance	\$32,724	\$30,010	\$14,351
Street Cleaning	\$58,517	\$52,371	0
Stormwater Drainage Maintenance	\$8,765	\$28,840	\$38,492
Total	\$1,325,408	\$1,499,774	\$1,398,801

PARKS & GARDENS

\$384,647 was spent on the maintenance of the Shire's parks, ovals and reserves.



Dalwallinu-Kalannie Road - under construction



Dalwallinu-Kalannie Road - completed

SEWERAGE

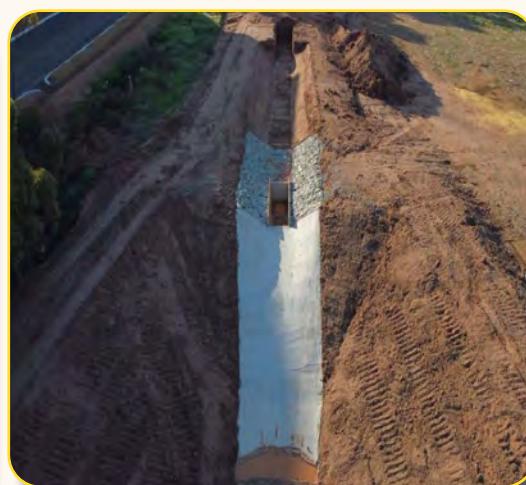
Sewer upgrades were undertaken in 2021-2022 on McNeill Street between James Street and Hyde Street. This \$389,328 investment was another stage of the Shire's Sewer Master Plan.

STORMWATER CATCHMENT

Road Upgrades were undertaken on Roberts Road, Dalwallinu with the addition of a stormwater catchment dam. It is proposed that we will harvest the stormwater that is captured in the dam and use it for the town parks and gardens.



Roberts Road - under construction



Roberts Road - catchment area



WORKS AND SERVICES

WORK REQUESTS

Works and Services			
	2021-2022	2020-2021	2019-2020
Parks & Gardens	8	18	0
Engineering (Roads,Verges)	80	58	7
Signage	3	0	6
Sewerage	60	59	57
Drains/Culverts	0	0	0
Footpaths	1	0	1
Building maintenance	436	341	328
Total	588	476	399

STAFF CHANGES

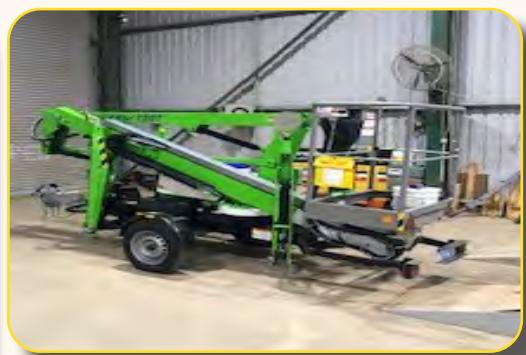
Appointments	Resignations / Terminations
Marc Bennett	Robert Waye
Corey Kirkness	Will Taylor
Kyle Harris	Greg Whitehead
Zachary Johnson	Corey Kirkness
Glenn Merrett	

NEW EQUIPMENT

This year the Shire took possession of four new pieces of equipment to assist us moving forward with our work.



New Excavator



New Cherry Picker



New Low Loader



New Skid Steer;

MANAGER'S MESSAGE

DOUG BURKE
MANAGER
PLANNING & DEVELOPMENT SERVICES



PLANNING SERVICES

The determination of any applications for land use development within the local government area is the responsibility of the Shire under the *Planning and Development Act 2005*. The Western Australia Planning Commission has the authority to approve subdivisions.

The Minister of 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 No 1 Offensive Uses
 Policy No 3 East Pithara Road
 Policy No 7 Verandas Over Footpaths

Policy No 2 Fences Amended
 Policy No 4 Stables
 Policy No 8 Sea Containers

LAND USE & DEVELOPMENT APPLICATIONS 2021 -2022

TYPE OF ACTIVITY	2021-2022	2020-2021	2019-2020
Planning Applications	15	15	24
Monetary Value	\$4,944K	\$3,258K	\$16,406K
Subdivisions	4	3	2
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 APPLICATION

TYPE OF ACTIVITY	2021-2022	2020-2021	2019-2020
Dwelling	13	13	5
Buildings ancillary to dwellings	17	9	10
Commercial	11	5	3
Industrial	1	5	4
Total Applications	42	32	22
Monetary value of all applications	\$7,099.5K	\$7,243.6K	\$2,607.3K



MANAGER'S MESSAGE

**KIM JOHNSON
MANAGER,
DALWALLINU AQUATIC CENTRE**



The Dalwallinu Aquatic Centre has been in operation for twenty three seasons in 2021/2022 and was my third season as Manager. During the season I continued to coordinate our Swim School and introduced a number of new programs to the centre.

The Dalwallinu Swim School continues to provide opportunity for the children of Dalwallinu to learn and develop their swimming and lifesaving skills. Endorsed by the Royal Life Saving Society of WA the Swim School had a record thirty five enrolments in Term 4 of 2021 only one short of absolute capacity. It had thirty enrolments in term 1, 2022. The swim school employs two casual swimming teachers.

Other programs and events conducted during the 2021/2022 season included the Dive in Disco. This was an event for children and this year included eight and nine year olds (under parental supervision) and they were entertained by local DJ WheatBeats.

The 2021/2022 season saw the inaugural Easter Pool Party for zero to seven year olds with around one hundred parents and children attending. The morning session saw participants enjoy an Easter egg hunt, Easter egg and spoon races and lots of other fun activities.

Water quality is fundamental to the operation of the Aquatic Centre. Our pool

is tested every three hours each day and we have monthly testing conducted by the WA Health Department. All results during the last season came back with no adverse findings to pathological screening. This is an excellent result and is reassuring for the swim participants.

The swimming pool continues to be a community hub for the residents and visitors to Dalwallinu. Last season's attendance totals equated to approximately 5 visits to the Centre per resident. The Dalwallinu Aquatic Centre achieved and surpassed the income budget and the expenditure came in under budget for season 2021-2022.

I am looking forward to another successful season as I look to continue popular programs and events for the people of Dalwallinu to allow them to be entertained and participate in aquatic activities.



Early morning swimmers at Dalwallinu Pool

BUSHFIRE CONTROL REPORT

**MR GARY BUTCHER
CHIEF
BUSHFIRE CONTROL OFFICER**



BUSH FIRE CONTROL

There were 36 reported fires in the reporting period July 2021 to June 2022.

We had 20 lightning strikes including 15 on one afternoon alone.

The continuing use of the **What's App** group messaging has maintained shorter response times and better information and feedback to our fire fighters.

Pole top fires, along with lightning strikes and continuing header fires remain the primary causes of fire ignition in the Shire.

During the last year we had a total of

- 6 fires started by headers
- 3 roadside with unknown ignition source
- 1 Reefinator rock strike
- 1 header rock strike
- 1 plow rock strike
- 1 farm rubbish tip escape
- 1 controlled burn escape
- 1 campfire escape to bush

We also responded to assist in an adjoining Shire with a tractor electrical fault which resulted in stubble fire and loss of tractor. There was unfortunately a loss of life in this incident.

Once again I thank those volunteers who have given up their time to help keep our community safe.

I would also like to thank the FCO's and volunteers who have worked alongside me over the last 30 years to help keep our district free from large out of control fires.

**Gary Butcher
CHIEF BUSH FIRE CONTROL OFFICER**





FREEDOM OF INFORMATION

Section 96 of the FOI *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.

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.

No Freedom of Information requests were received in 2021/2022.

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:

1. The number of complaints recorded in the register of complaints;

2. How the recorded complaint was dealt with; and
3. 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 2021-2022.



OBJECTIVES & ACHIEVEMENTS - 2021-2022



OBJECTIVES AND ACHIEVEMENTS 2021-2022

The Council, in its 2021-2022 Annual Budget, proposed to undertake and achieve the following:

Name	Planned Works	Completion Date	Status
Bell Street	Construction of a 4x2 Executive residence on Lot 2	December 2022	Completion due in 2022-2023
Dalwallinu Aquatic Centre	Installation of Shade Sails	October 2021	Completed
Dalwallinu Caravan Park	New Ablution facility	December 2021	Completed
Dalwallinu Recreation Centre	Installation of Shade sails, New Oven and Generator	December 2021	Completed
Kalannie Caravan Park	Installation of Dump Point	August 2021	Completed
McNeill Street	Acquisition of Lot 255 (if required) for proposed Multi Purpose Early Learning Centre	June 2022	Completion due in 2022-2023
McNeill Street	Upgrade to Sewerage System (James to Hyde)	May 2022	Completed
Myer Street	Acquisition of Old Fire Station Land	March 2022	Completion due in 2022-2023
Roberts Road	Construction of dam and associated roadworks	June 2022	Completed
Shire Administration Centre	Replacement Flooring	February 2022	Completed
Xantippe	Installation of seating	November 2021	Completed
Road Construction	Ongoing upgrade and renewal works across the Shire	June 2022	Completed
Plant Replacement	Ongoing replacement of Plant as per Council's Plant Replacement Schedule	December 2021	Completed





OBJECTIVES 2022-2023

The Council, in its 2022-2023 Annual Budget, proposes to undertake and achieve the following:

Name	Planned Works	Completion Date
Arthur Street, Wubin	Installation of Playground Equipment (subject to grant approval)	June 2023
Bell Street	Completion of a 4x2 Executive residence on Lot 2 Bell St	June 2023
Dalwallinu Aquatic Centre	Installation of Shade Sails over Toddler Pool (subject to grant approval)	October 2022
Dalwallinu Caravan Park	Repairs to Ablution facility (subject to grant approval)	April 2023
Dalwallinu Cemetery	Installation of Ablution Facility (subject to grant approval)	June 2023
Dalwallinu Recreation Centre	Upgrade to Cricket Pitch (subject to grant approval)	October 2022
Dalwallinu Recreation Centre	Installation of Solar Battery System (subject to grant approval)	October 2022
Dalwallinu Recreation Centre	Installation of Shade Shelters at Bowling Club	December 2022
Entry Statements	Upgrade of Entry Statements in Kalannie	June 2023
Footpaths	Construction of footpaths in Dalwallinu and Kalannie	December 2022
Great Northern Highway, Wubin	Installation of Traffic Control Equipment (subject to grant approval)	June 2023
Shire - Employee Housing	Installation of Solar Panels, Air Conditioning and Shower upgrades	December 2022
Shire - Other Housing	Shower & Bathroom Upgrades, Fencing	December 2022
Johnston Street, Dalwallinu	Replacement of Gazebo at Tourist Parking Bay (subject to grant approval)	December 2022
Kalannie Sports Pavilion	Installation of Electronic Scoreboard (subject to grant approval)	June 2023
McNeill Street	Acquisition of Lot 255 (if required) for proposed Multi Purpose early learning Centre	June 2023
McNeill Street	Construction of Multi Purpose Early Childhood Learning Centre	June 2023

OBJECTIVES - 2022-2023





OBJECTIVES 2022-2023

The Council, in its 2022-2023 Annual Budget, proposes to undertake and achieve the following:

Name	Planned Works	Completion Date
McNeill Street	Landscaping of Multi Purpose Early Childhood Learning Centre (subject to grant approval)	June 2023
Myer Street	Acquisition of Old Fire Station Land	June 2023
Sewerage Ponds	Extension/Upgrade of Sewerage Ponds	June 2023
Shire Administration Centre	Replacement Flooring in Shire foyer	November 2022
Shire Administration Centre	Server and Software Upgrade	June 2023
Shire Standpipes	Upgrade to Standpipe Controllers	December 2022
Road Construction	Ongoing upgrade and renewal works across the Shire	June 2023
Plant Replacement	Ongoing replacement of Plant as per Council's Plant Replacement Schedule	December 2022

OBJECTIVES 2022-2023



SCORE CARD 2021-2022

STRATEGIC COMMUNITY PLAN 2017-2027 – SCORE CARD 2021-2022

Goal 1 – Community (Social)			
Outcome 1.1: Enhanced And Expanded Medical And Other Appropriate Health Services			
Outcomes	Shire Activity/Action	Did we meet the outcome?	Comment
1.1.1 Advocate for additional medical services e.g Dental, physio	Nil	N/A	No advocacy undertaken for additional services in 2021/2022
1.1.2 Advocate and promote an integrated public and Community Health Programme	Nil	N/A	No advocacy undertaken for community health programme in 21/22.
1.1.3 Investigate improved service delivery model	Advertised the Dalwallinu Medical Centre for private lease	Yes	Dalwallinu Medical Centre leased to Dr O Onikola for three years until October 2023.
1.1.4 Advocate for improvements to and extension in the availability of ‘in-home care and support services’	Nil	N/A	No progress on this outcome
1.1.5 Support regular provision of locum medical services	Nil	N/A	Medical Services not the Shire’s responsibility
Outcome 1.2: Enhanced quality of public amenities and all Shire facilities			
Outcomes	Shire Activity/Action	Did we meet the outcome?	Comment
1.2.1 Improve the cleaning services of public amenities and all Shire facilities	Cleaning contract was put out to tender.	Yes	Contractors terminated agreement in November 2021. Cleaning undertaken in-house.
1.2.2 Improve lighting and universal access requirements in public places	Additional solar street lighting installed in Johnston Street.	Yes	Banner poles with solar lighting installed.
1.2.3 Promote greater usage of facilities for conferences and workshops	Marketing package developed for the Dalwallinu Recreation Centre	Yes	No progress on this outcome.



STRATEGIC COMMUNITY PLAN 2017 - 2027



SCORE CARD 2021-2022

STRATEGIC COMMUNITY PLAN 2017-2027 – SCORE CARD 2021-2022

Goal 1 – Community (Social)			
Outcome 1.3: Improved technology and electronic communication			
Outcomes	Shire Activity/Action	Did we meet the outcome?	Comment
1.3.1 Lobby State and Federal departments to improve mobile phone coverage	Lobbying continued for improved communication	Yes	No progress on this outcome by Shire however Telstra upgraded phone tower to 5G.
1.3.2 Lobby for better access and capability to National Broadband Network	Nil	N/A	Nil
1.3.3 Support continued provision of public services such as Community Resource Centres	Provision of building at nil rental	Yes	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	Membership continued until ICMI ceased.
Outcome 1.4: Improved youth activities and services			
Outcomes	Shire Activity/Action	Did we meet the outcome?	Comment
1.4.1 Improve ambiance 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 completed.	Yes	Completed
1.4.2 Enhance connections between DDHS and Shire Officers	Nil	N/A	Nil



STRATEGIC COMMUNITY PLAN 2017 - 2027



SCORE CARD 2021-2022

STRATEGIC COMMUNITY PLAN 2017-2027 – SCORE CARD 2021-2022

Goal 1 – Community (Social)			
Outcome 1.4: Improved youth activities and services			
Outcomes	Shire Activity/Action	Did we meet the outcome?	Comment
1.4.3 Enhance youth engagement and utilisation of recreation services	Provision of school holiday youth activities	Yes	School holiday programmes are well supported.
1.4.4 Engage with Early Learning Centre to investigate funding options, case studies for potential upgrades/ extensions	Dalwallinu ELC is now being run by REED	No	Meetings held with stakeholders. Concept plan developed. Architects engaged to design new building. Tenders called with awarding of tenders due July 2022. LRCIP funds received of \$1.4M to assist with funding of project.
Outcome 1.5: Protected heritage areas and buildings			
Outcomes	Shire Activity/Action	Did we meet the outcome?	Comment
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	N/A	Nil
Outcome 1.6: Enhanced community meeting areas in each town			
Outcomes	Shire Activity/Action	Did we meet the outcome?	Comment
1.6.1 Redevelop townsites main streets	Continue to enhance streetscapes in towns	Yes	Planned projects for 21-22 all completed
1.6.2 Support entities such as Mens Shed	Nil	N/A	No progress on this outcome



STRATEGIC COMMUNITY PLAN 2017 - 2027

SCORE CARD
2021-2022

STRATEGIC COMMUNITY PLAN 2017-2027 – SCORE CARD 2021-2022

Goal 1 – Community (Social)			
Outcome 1.7: Improved and enhanced playground areas			
Outcomes	Shire Activity/Action	Did we meet the outcome?	Comment
1.7.1 Improve public amenities in playground areas	Nil	N/A	Nil action required in this area.
1.7.2 Provide appropriate shade structures in playgrounds	Nil	N/A	Nil action required in this area.
Outcome 1.8: Rejuvenated and enhanced recreation precinct and Dalwallinu Recreation Centre			
Outcomes	Shire Activity/Action	Did we meet the outcome?	Comment
1.8.1 Develop vibrant community hub space within the Dalwallinu recreation precinct	Completed in 2018-2019	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	Marketing package developed for the Dalwallinu Recreation Centre	Yes	Nil



STRATEGIC COMMUNITY PLAN 2017 - 2027



SCORE CARD 2021-2022

STRATEGIC COMMUNITY PLAN 2017-2027 – SCORE CARD 2021-2022

Goal 2 – Sustainable Living (Economic)			
Outcome 2.1: A growing Shire population			
Outcomes	Shire Activity/Action	Did we meet the outcome?	Comment
2.1.1 Improve and encourage additional accommodation for single workers and families	Council proposes to subdivide 1 Wasley Street for future employee accommodation	Yes	Plans for the future of Wasley St to be discussed by Council in August 2022.
2.1.2 Examine population growth targets and impact on capacity of existing essential services	Nil	N/A	No progress on this outcome
2.1.3 Update the Rural Repopulation Plan	Nil	N/A	No progress on this outcome
2.1.4 Promote decentralised development	Nil	N/A	No progress on this outcome
Outcome 2.2: Additional business development in the commercial and industrial sectors			
Outcomes	Shire Activity/Action	Did we meet the outcome?	Comment
2.2.1 Advocate for additional commercial businesses to set up in towns	Three lots re-zoned to commercial in McNeill Street.	Yes	Marketing of the vacant lots in McNeill St and Deacon St have been ongoing.
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	Compile data to show demand. All lots have now been sold.	N/A	DevelopmentWA have approved the extension of the LIA. Expected delivery date 2023-2024.
2.2.4 Develop and promote strategy for business development in Shire towns	Shire Business Attraction brochure completed and distributed	No	More marketing to be undertaken once land becomes available.



STRATEGIC COMMUNITY PLAN 2017 - 2027

SCORE CARD
2021-2022

STRATEGIC COMMUNITY PLAN 2017-2027 – SCORE CARD 2021-2022

Goal 2 – Sustainable Living (Economic)			
Outcome 2.3: Promote tourism and associated business in the area			
Outcomes	Shire Activity/Action	Did we meet the outcome?	Comment
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	Partnerships with Wildflower Country, Discover Golden Horizons, Australia's Golden Outback	Yes	Ongoing
2.3.3 Develop partnerships to enhance & maintain/rotate DDC educational displays	Nil	N/A	Little interest with people wanting to display at the DDC
2.3.4 Promote iconic landmarks – Rabbit Proof Fence and Dalgary Track	Nil	N/A	No progress on this outcome
Outcome 2.4: Increased housing development			
Outcomes	Shire Activity/Action	Did we meet the outcome?	Comment
2.4.1 Improve and build additional accommodation for aged persons	Nil	N/A	Continue to finalise the purchase of Old Fire Station for future aged accommodation.
2.4.2 Advocate for existing UCL to be released for development	Negotiate with State Government to purchase Reserves.	Yes	Continued follow up of proposals submitted to Department, Planning Lands and Heritage
2.4.3 Encourage a variety of housing types are available	Nil	Yes	Bell St subdivision sees a variety of housing options.
2.4.4 Investigate potential joint venture arrangements for increased accommodation	Nil	N/A	No progress on this outcome



STRATEGIC COMMUNITY PLAN 2017 - 2027

SCORE CARD
2021-2022

STRATEGIC COMMUNITY PLAN 2017-2027 – SCORE CARD 2021-2022

Goal 2 – Sustainable Living (Economic)			
Outcome 2.5: Improved drainage of stormwater in towns			
Outcomes	Shire Activity/Action	Did we meet the outcome?	Comment
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	Continue with upgrades of sewerage system	Yes	Completed another section as identified in the Sewer Master Plan.
2.5.3 Increase capture and utilisation of storm water	Designs have been prepared. Need more work on location of proposed dam	Ongoing	Catchment Dam at the end of Huggett Drive completed in 2021-2022
Outcome 2.6: Improved road network			
Outcomes	Shire Activity/Action	Did we meet the outcome?	Comment
2.6.1 Ensure Restricted Access Vehicle (RAV) Network is fit for purpose to service agricultural transport needs	Nil	N/A	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	N/A	Successful with funding from WFSN for upgrades to Bell Rd and Dalwallinu-Kalannie Rd
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





SCORE CARD 2021-2022

STRATEGIC COMMUNITY PLAN 2017-2027 – SCORE CARD 2021-2022

Goal 2 – Sustainable Living (Economic)			
Outcome 2.7: Improved productivity and profitability of agriculture			
Outcomes	Shire Activity/Action	Did we meet the outcome?	Comment
2.7.1 Maintain the relationship with local Liebe Group	Continue with support	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





SCORE CARD 2021-2022

STRATEGIC COMMUNITY PLAN 2017-2027 – SCORE CARD 2021-2022

Goal 3 - Environment			
Outcome 3.1 Reduced feral animal population in the Shire			
Outcomes	Shire Activity/Action	Did we meet the outcome?	Comment
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	Fortnightly culling from November – April in addition to annual February weekend cull
3.1.2 Continue support for Central Wheatbelt Biosecurity Association Inc	Continue to support as and when required.	N/A	Nil
Outcome 3.2 Reduced litter and improved ambiance of streetscapes			
Outcomes	Shire Activity/Action	Did we meet the outcome?	Comment
3.2.1 Expand litter maintenance works in the town sites	Nil	N/A	Nil
3.2.2 Encourage volunteer programs to assist with litter control	Nil	N/A	No progress on this outcome
3.2.3 Provide appropriate awards & prizes for excellence in tidy streets	Nil	N/A	No progress on this outcome





SCORE CARD 2021-2022

STRATEGIC COMMUNITY PLAN 2017-2027 – SCORE CARD 2021-2022

Goal 3 - Environment			
Outcome 3.3 Improved weed control in the Shire			
Outcomes	Shire Activity/Action	Did we meet the outcome?	Comment
3.3.1 Maintain weed management programs in the Shire	Nil	N/A	Nil
Outcome 3.4 Enhanced rehabilitation of reserves			
Outcomes	Shire Activity/Action	Did we meet the outcome?	Comment
3.4.1 Expand gravel pit rehabilitation program	Nil	N/A	Nil
Outcome 3.5 Expanded recycling services			
Outcomes	Shire Activity/Action	Did we meet the outcome?	Comment
3.5.1 Promote greater use of DrumMuster	No longer conducted by the Shire	N/A	Nil
3.5.2 Education program on what to put in recycle bins	Regular advertising on Facebook to educate on recyclable items	Yes	Ongoing





SCORE CARD 2021-2022

STRATEGIC COMMUNITY PLAN 2017-2027 – SCORE CARD 2021-2022

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	Commenced review of the Strategic Community Plan and Corporate Business Plan in early 2020	Yes	To be finalised late 2022. SCP and CBP have been combined and is now called "Council Plan".
Outcome 4.2 Improved flexibility in and provision of customer service			
Outcomes	Shire Activity/Action	Did we meet the outcome?	Comment
4.2.1 Promote the alternative for payment options	Nil	N/A	Nil
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



STRATEGIC COMMUNITY PLAN 2017 - 2027

SCORE CARD
2021-2022

STRATEGIC COMMUNITY PLAN 2017-2027 – SCORE CARD 2021-2022

Goal 4 – Civic Leadership (Governance)			
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	N/A	Nil
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	ICMI has ceased to exist. No further commitments
4.4.2 Provide services to other Shires e.g conference facilities	Nil	N/A	No progress on this outcome





SCORE CARD 2021-2022

STRATEGIC COMMUNITY PLAN 2017-2027 – SCORE CARD 2021-2022

Goal 4 – Civic Leadership (Governance)			
Outcome 4.4 Strategic alliances to best serve Dalwallinu			
Outcomes	Shire Activity/Action	Did we meet the outcome?	Comment
4.4.3 Promote advantages of decentralised governance	Nil	N/A	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	N/A	No progress on this outcome
4.4.5 Strive to ensure 'best practice' local governance is maintained	Continue to ensure best practice	Yes	Nil



CITIZENSHIP CEREMONIES



The Shire conducted two (2) citizenship ceremonies throughout 2021-2022.



Richard Santiago with former Shire President Steven Carter

In September 2021 the Shire hosted a Citizenship ceremony for Mr Richard Santiago to receive his Australian Citizenship.

Shire President at that time Steve Carter presided at the ceremony. Also in attendance was Mr Shane Love MLA.

At the conclusion of the ceremony the Shire of Dalwallinu hosted a small afternoon tea attended by Richard and his family, Mr Shane Love MLA, Shire President at that time Mr Steve Carter, Shire Councillors, CEO Jean Knight and staff of the Shire of Dalwallinu.



Shire President Mr Keith Carter and Mrs Sharon Tesico



Philip and Sharon Tesico with their two daughters

her Australian Citizenship from Shire President Mr Keith Carter. At the conclusion of the ceremony Cr Carter warmly welcomed Sharon into the Australia community.

The ceremony was followed by an afternoon tea celebrated with her husband and two daughters in attendance. Present at the afternoon tea was the Shire President Mr Keith Carter, Shire Councillors, Chief Executive Officer Mrs Jean Knight and staff from the Shire of Dalwallinu.

Date of Ceremony	Phillipines	Total
28/09/2021	1	1
24/05/2022	1	1
Total	2	2



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 2020, Council reviewed all Local Laws.

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

DISABILITY ACCESS AND INCLUSION



The 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 the 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.





RECORDKEEPING PLAN REPORT

Consistent with the provisions of the *State Records Act 2000*, the Shire of Dalwallinu on 24 March 2020 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.

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), policies, disposal arrangements, 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 is conducted regularly. 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 AND PROGRAMS

EVENTS AND PROGRAMS



Dalwallinu-Kalannie Road - new seal



Roche Street, Kalannie - new seal



Roberts Road, Dalwallinu - stormwater dam



Roberts Road, Dalwallinu - new road construction



EVENTS AND PROGRAMS



Dalwallinu Aquatic Centre - new shade sails



Dalwallinu Recreation Ground - new oval seating



Overhead Dalwallinu Recreation Centre showing new shade sails and new seating



Dalwallinu Recreation Playground - new shade sails

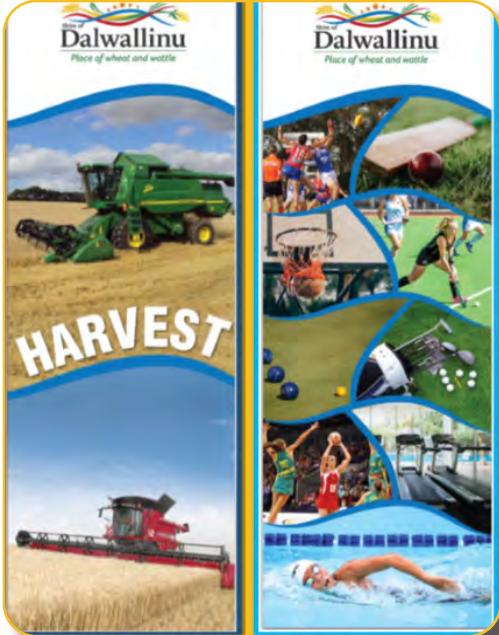


Dalwallinu Recreation Playground



EVENTS AND PROGRAMS

EVENTS AND PROGRAMS



New Street Banners - 2021



Xantippe Tank - new table with shade structure



Dalwallinu Caravan Park - new ablutions block



Shire of Dalwallinu Display 2021 Dalwallinu Show



Dalwallinu Niche Wall - new works



Block Bollards - Dalwallinu Recreation Centre



New water fountain



EVENTS AND PROGRAMS

EVENTS AND PROGRAMS



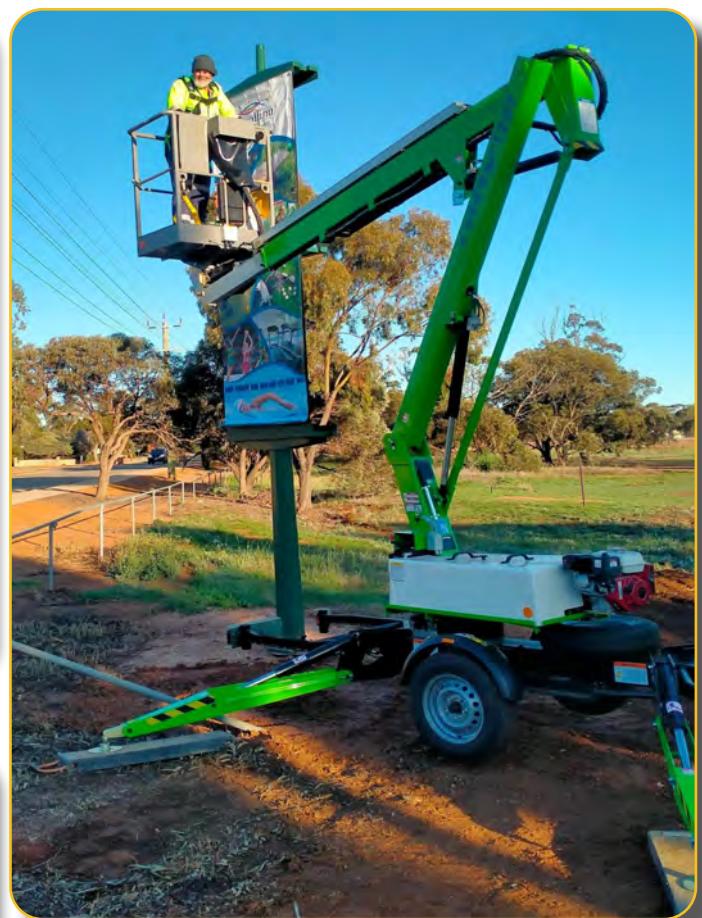
Low Loader



Excavator



Skid Steer



Cherry Picker in action



Cherry Picker folded away



EVENTS AND PROGRAMS

AUSTRALIA DAY COMMUNITY CITIZENS OF THE YEAR 2022



ACTIVE COMMUNITY CITIZEN OF THE YEAR - MRS JOY WORNES

Mrs Wornes was recognised for her work as a volunteer to Music and Drama, Dalwallinu Creative Art Society, Dalwallinu Ag Society, Church Groups, CWA, Wubin Progress Association, Dalwallinu Tourism and for being a driving force behind the establishment and running of the Wubin Wheatbin Museum.

She was a passionate piano player performed in musical productions, church services, Weddings and funerals for over forty years.

Unfortunately Mrs Wornes passed away only a few weeks after receiving her award.



The late Mrs Joy Wornes - Active Community Citizen of the Year 2022

YOUTH ACTIVE COMMUNITY CITIZEN OF THE YEAR - MR THOMAS DAVIS



Thomas Davis was nominated by his school Principal and teachers. Thomas always displayed positive sportsmanship and was a role model for other students.

He was a leader within the school community and also within the basketball community.

Through his positive leadership and participation in school and community sports he was able to be an inspiration to other younger members of the community.

He was also noted as being highly respected within the Dalwallinu community.

Shire President Keith Carter congratulating Mr Thomas Davis - Active Young Community Citizen of the Year 2022



EVENTS AND PROGRAMS

EVENTS AND PROGRAMS

School Holiday Program at Dalwallinu Discovery Centre Drawing Class - October 2021



Easter Egg Hunt - Dalwallinu Aquatic Centre



EVENTS AND PROGRAMS

EVENTS AND PROGRAMS

2021 Shire of Dalwallinu and Lions Club of Dalwallinu Street Party



EVENTS AND PROGRAMS

2022 Anzac Day Service and Gunfire Breakfast - Memorial Park



2022 Australia Day Breakfast - Dalwallinu Aquatic Centre





EVENTS AND PROGRAMS

EVENTS AND PROGRAMS



Kevin and Shirley Ashby



Kevin Ashby, Christie Andrews and Bert Waye



The Kevin Ashby Gardens

STAFF RECOGNITION AND AWARDS

In February 2022 the Shire recognised three staff who had amassed an amazing combined service of 90 years.

Kevin Ashby started working for the Shire in February 1972. The Shire recognised his amazing dedication to the township of Dalwallinu and its gardens with a plaque and by naming the rose garden in front of the Shire Administration building the Kevin Ashby Gardens.

Robert (Bert) Waye commenced working at the Shire in September 2001 and retired after celebrating 20 years of work. Bert was employed as a General Hand and has been part of the Maintenance/Construction crew and the Town Crew. He was a quiet worker who always did what was needed.

Christie Andrews started at the Shire whilst still in High School. She initially completed one day a week doing work experience. Upon leaving school she commenced a 12 months traineeship and over the years has worked as Customer Service Officer, Payroll/Debtors/Creditors Officer, Rates Officer and is now the Senior Finance Officer.



Plaque in the Kevin Ashby Gardens recognising Kevin's lengthy contribution and service.



**2021/2022
ANNUAL
FINANCIAL
STATEMENTS**



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SHIRE OF DALWALLINU
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

Certification of Financial Report	2
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The Shire of Dalwallinu conducts the operations of a local government with the following community vision:

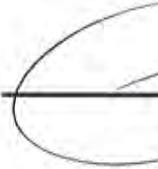
Social and economic stability and well planned sustainable towns. A high standard of living, promoting business growth and nurturing agriculture in balance with the environment. A place of opportunity, acceptance of all people, strong health/aged care, educational facilities and a community favourable to extend families.

Principal place of business:
58 Johnson Street
Dalwallinu WA 6609

SHIRE OF DALWALLINU
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

The attached financial report of the Shire of Dalwallinu for the financial year ended 30 June 2022 is based on proper accounts and records to present fairly the financial position of the Shire of Dalwallinu at 30 June 2022 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 16 day of December 2022



Chief/Executive Officer

Jean Knight

SHIRE OF DALWALLINU
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022	2022	2021
		Actual	Budget	Actual
Revenue				
Rates	24(a),2(a)	3,394,968	3,407,750	3,323,912
Operating grants, subsidies and contributions	2(a)	4,894,012	1,740,370	3,950,395
Fees and charges	23(c),2(a)	1,227,224	1,185,374	1,188,254
Interest earnings	2(a)	27,686	24,401	41,296
Other revenue	2(a)	0	100	35
		9,543,890	6,357,995	8,503,892
Expenses				
Employee costs		(2,174,005)	(2,406,055)	(2,309,114)
Materials and contracts		(2,638,588)	(2,928,174)	(2,268,439)
Utility charges		(427,585)	(426,926)	(416,743)
Depreciation	9(a)	(5,691,202)	(5,534,680)	(5,471,172)
Finance costs	2(b)	(126,714)	(129,049)	(131,879)
Insurance		(187,287)	(189,206)	(169,426)
Other expenditure	2(b)	(130,346)	(133,541)	(118,555)
		(11,375,727)	(11,747,631)	(10,885,328)
		(1,831,837)	(5,389,636)	(2,381,436)
Capital grants, subsidies and contributions	2(a)	5,062,426	10,038,666	2,943,290
Profit on asset disposals	9(b)	50,109	34,641	20,133
Loss on asset disposals	9(b)	(208,137)	(101,138)	(627,785)
Fair value adjustments to financial assets at fair value through profit or loss		6,994	0	4,525
Loss on revaluation of Other infrastructure - drainage	8(a)	0	0	(593,809)
		4,911,392	9,972,169	1,746,354
Net result for the period	23(b)	3,079,555	4,582,533	(635,082)
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	16	5,012,068	0	(1,175,580)
Total other comprehensive income for the period	16	5,012,068	0	(1,175,580)
Total comprehensive income for the period		8,091,623	4,582,533	(1,810,662)

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

William Buck Audit (WA) Pty Ltd



**SHIRE OF DALWALLINU
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	NOTE	2022	2021 Restated	1-Jul-20 Restated
		\$	\$	\$
CURRENT ASSETS				
Cash and cash equivalents	3	8,385,962	7,724,964	6,494,104
Trade and other receivables	5	284,421	195,234	314,183
Inventories	6	10,157	14,628	5,214
TOTAL CURRENT ASSETS		8,680,540	7,934,826	6,813,501
NON-CURRENT ASSETS				
Trade and other receivables	5	12,991	17,424	21,581
Other financial assets	4(a)	136,156	129,162	124,637
Property, plant and equipment	7(a)	37,318,925	32,387,912	32,002,597
Infrastructure	8(a)	276,104,729	273,250,729	275,596,099
Right-of-use assets	10(a)	22,183	45,236	68,288
TOTAL NON-CURRENT ASSETS		313,594,984	305,830,463	307,813,202
TOTAL ASSETS		322,275,524	313,765,289	314,626,703
CURRENT LIABILITIES				
Trade and other payables	11	765,558	605,621	385,299
Other liabilities	12	788,246	290,902	0
Lease liabilities	10(b)	23,028	23,359	22,789
Borrowings	13	304,001	297,875	134,455
Employee related provisions	14	411,575	367,548	464,146
Other provisions	15	0	0	23,805
TOTAL CURRENT LIABILITIES		2,292,408	1,585,305	1,030,494
NON-CURRENT LIABILITIES				
Lease liabilities	10(b)	0	23,028	46,387
Borrowings	13	3,314,508	3,618,507	3,195,284
Employee related provisions	14	40,213	43,013	62,114
Other provisions	15	214,599	173,263	159,589
TOTAL NON-CURRENT LIABILITIES		3,569,320	3,857,811	3,463,374
TOTAL LIABILITIES		5,861,728	5,443,116	4,493,868
NET ASSETS		316,413,796	308,322,173	310,132,835
EQUITY				
Retained surplus		46,892,037	43,033,903	44,942,280
Reserve accounts	27	3,794,137	4,572,716	3,299,421
Revaluation surplus	16	265,727,622	260,715,554	261,891,134
TOTAL EQUITY		316,413,796	308,322,173	310,132,835

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

William Buck Audit (WA) Pty Ltd



**SHIRE OF DALWALLINU
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	RETAINED SURPLUS	RESERVE ACCOUNTS	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2020		44,942,280	3,299,421	263,023,167	311,264,868
Correction of error	28	0	0	(1,132,033)	(1,132,033)
Restated balance at the beginning of the financial year		44,942,280	3,299,421	261,891,134	310,132,835
Comprehensive income for the period					
Net result for the period		(635,082)	0	0	(635,082)
Other comprehensive income for the period	16	0	0	(1,175,580)	(1,175,580)
Total comprehensive income for the period		(635,082)	0	(1,175,580)	(1,810,662)
Transfers from reserves	27	26,377	(26,377)	0	0
Transfers to reserves	27	(1,299,672)	1,299,672	0	0
Balance as at 30 June 2021		43,033,903	4,572,716	260,715,554	308,322,173
Comprehensive income for the period					
Net result for the period		3,079,555	0	0	3,079,555
Other comprehensive income for the period	16	0	0	5,012,068	5,012,068
Total comprehensive income for the period		3,079,555	0	5,012,068	8,091,623
Transfers from reserves	27	1,260,964	(1,260,964)	0	0
Transfers to reserves	27	(482,385)	482,385	0	0
Balance as at 30 June 2022		46,892,037	3,794,137	265,727,622	316,413,796

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

**SHIRE OF DALWALLINU
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		3,407,417	3,366,138	3,272,081
Operating grants, subsidies and contributions		5,381,471	1,781,982	4,416,234
Fees and charges		1,227,224	1,185,374	1,188,254
Interest received		27,686	24,401	41,296
Goods and services tax received		1,069,390	0	0
Other revenue		0	100	35
		11,113,188	6,357,995	8,917,900
Payments				
Employee costs		(2,145,828)	(2,406,055)	(2,379,380)
Materials and contracts		(2,412,423)	(2,928,174)	(2,114,835)
Utility charges		(427,585)	(426,926)	(416,743)
Finance costs		(128,884)	(129,049)	(130,139)
Insurance paid		(187,287)	(189,206)	(169,426)
Goods and services tax paid		(1,156,708)	0	0
Other expenditure		(135,547)	(133,541)	(118,555)
		(6,594,262)	(6,212,951)	(5,329,078)
Net cash provided by (used in) operating activities	17(b)	4,518,926	145,044	3,588,822
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	7(a)	(1,442,726)	(1,957,679)	(2,852,726)
Payments for construction of infrastructure	8(a)	(7,503,532)	(11,808,842)	(3,956,971)
Non-operating grants, subsidies and contributions		5,062,426	10,038,666	2,943,290
Proceeds from sale of property, plant & equipment	9(b)	347,136	380,712	944,591
Net cash provided by (used in) investing activities		(3,536,696)	(3,347,143)	(2,921,816)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	26(a)	(297,873)	(297,874)	(213,357)
Payments for principal portion of lease liabilities	26(b)	(23,359)	(23,053)	(22,789)
Proceeds from new borrowings	26(a)	0	0	800,000
Net cash provided by (used in) financing activities		(321,232)	(320,927)	563,854
Net increase (decrease) in cash held		660,998	(3,523,026)	1,230,860
Cash at beginning of year		7,724,964	7,724,964	6,494,104
Cash and cash equivalents at the end of the year	17(a)	8,385,962	4,201,938	7,724,964

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

SHIRE OF DALWALLINU
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
NET CURRENT ASSETS - At start of financial year - surplus/(deficit)	25(b)	2,353,531	2,271,381	2,850,211
OPERATING ACTIVITIES				
Revenue from operating activities (excluding general rate)				
Rates (excluding general rate)	24(b)	41,604	41,612	40,641
Operating grants, subsidies and contributions		4,894,012	1,740,370	3,950,395
Fees and charges		1,227,224	1,185,374	1,188,254
Interest earnings		27,686	24,401	41,296
Other revenue		0	100	35
Profit on asset disposals	9(b)	50,109	34,641	20,133
Fair value adjustments to financial assets at fair value through profit or loss		6,994	0	4,525
		6,247,629	3,026,498	5,245,279
Expenditure from operating activities				
Employee costs		(2,174,005)	(2,406,055)	(2,309,114)
Materials and contracts		(2,638,588)	(2,928,174)	(2,268,439)
Utility charges		(427,585)	(426,926)	(416,743)
Depreciation		(5,691,202)	(5,534,680)	(5,471,172)
Finance costs		(126,714)	(129,049)	(131,879)
Insurance		(187,287)	(189,206)	(169,426)
Other expenditure		(130,346)	(133,541)	(118,555)
Loss on asset disposals	9(b)	(208,137)	(101,138)	(627,785)
Loss on revaluation of non-current assets		0	0	(593,809)
		(11,583,864)	(11,848,769)	(12,106,922)
Non-cash amounts excluded from operating activities	25(a)	5,885,853	5,601,177	6,666,838
Amount attributable to operating activities		549,618	(3,221,094)	(194,805)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		5,062,426	10,038,666	2,943,290
Proceeds from disposal of assets	9(b)	347,136	380,712	944,591
Purchase of property, plant and equipment	7(a)	(1,442,726)	(1,957,679)	(2,852,726)
Purchase and construction of infrastructure	8(a)	(7,503,532)	(11,808,842)	(3,956,971)
		(3,536,696)	(3,347,143)	(2,921,816)
Amount attributable to investing activities		(3,536,696)	(3,347,143)	(2,921,816)
FINANCING ACTIVITIES				
Repayment of borrowings	26(a)	(297,873)	(297,874)	(213,357)
Proceeds from borrowings	26(a)	0	0	800,000
Payments for principal portion of lease liabilities	26(b)	(23,359)	(23,053)	(22,789)
Transfers to reserves (restricted assets)	27	(482,385)	(281,283)	(1,299,672)
Transfers from reserves (restricted assets)	27	1,260,964	1,532,927	26,377
Amount attributable to financing activities		457,347	930,717	(709,441)
Surplus/(deficit) before imposition of general rates		(176,200)	(3,366,138)	(975,851)
Total amount raised from general rates	24(a)	3,353,364	3,366,138	3,283,271
Surplus/(deficit) after imposition of general rates	25(b)	3,177,164	0	2,307,420

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

**SHIRE OF DALWALLINU
FOR THE YEAR ENDED 30 JUNE 2022
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SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with the Local Government Act 1995 and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the Local Government Act 1995 read with the Local Government (Financial Management) Regulations 1996 prescribe that the financial report be prepared in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The Local Government (Financial Management) Regulations 1996 specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the City to measure any vested improvements at zero cost. 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 financial 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.

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.

All monies held in the Trust Fund are excluded from the financial statements.

Judgements and 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 balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, and infrastructure.
- estimation uncertainties made in relation to lease accounting

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/ Warranties	Timing of revenue recognition
Rates	General rates	Over time	Payment dates adopted by Council	None	When rates notice is issued.
Grant contracts with customers	Community events and minor facilities	Over time	Fixed terms transfer of funds based on agreed milestones and reporting.	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared.
Grants, subsidies or contributions with no contractual commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable.	Not applicable	When assets are controlled.
Fees and charges	Building, planning, development and animal management having the same nature as a licence regardless of naming	Single point in time	Full payment prior to issue.	None	On payment if the licence, registration or approval.
Fees and charges	Regulatory food, health and safety. Compliance safety check (pool)	Single point in time	Full payment prior to issue/inspection.	None	On payment of the inspection or check.
Fees and charges	Kerbside collection service	Over time	Payment on annual basis in advance. Billed with rates notice.	None	When rates notice is issued.
Fees and charges	Use of halls and facilities	Single point in time	In full in advance.	Refund if event is cancelled	On entry of hire.
Fees and charges	Use of Shire rental properties	Single point in time	In weekly, fortnightly or monthly payments in advance.	None	On payment of rent.
Fees and charges	Gym and Pool membership	Single point in time	Payment in full in advance.	None	On first entry of membership period.
Fees and charges	Cemetery services, library fees, private works, road construction materials and shire merchandise	Single point in time	Payment in full in advance or invoice on completion if purchase order is issued.	None	Output method based on provision of service or completion of works.
Fees and charges	Fines issued for breaches of local laws or relevant state legislation	Single point in time	Payment in full within defined time.	None	When fine notice is issued.
Other revenue	Insurance claims and other miscellaneous reimbursements	Single point in time	Payment in arrears for claimable event.	None	When claim is agreed or assets controlled.
Non-operating grants, subsidies and contributions	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting.	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations.

Consideration from contracts with customers is included in the transaction price.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

2. REVENUE AND EXPENSES

(a) Revenue (Continued)

Revenue Recognition

Revenue recognised during the year under each basis of recognition by nature or types of goods or services is provided in the table below:

For the year ended 30 June 2022

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	3,394,968	0	3,394,968
Operating grants, subsidies and contributions	4,894,012	0	0	0	4,894,012
Fees and charges	1,227,224	0	0	0	1,227,224
Interest earnings	0	0	0	27,686	27,686
Non-operating grants, subsidies and contributions	0	5,062,426	0	0	5,062,426
Total	6,121,236	5,062,426	3,394,968	27,686	14,606,316

For the year ended 30 June 2021

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	3,323,912	0	3,323,912
Operating grants, subsidies and contributions	3,950,395	0	0	0	3,950,395
Fees and charges	1,188,254	0	0	0	1,188,254
Interest earnings	0	0	0	41,296	41,296
Other revenue	35	0	0	0	35
Non-operating grants, subsidies and contributions	0	2,943,290	0	0	2,943,290
Total	5,138,684	2,943,290	3,323,912	41,296	11,447,182

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

2. REVENUE AND EXPENSES (Continued)

	Note	2022 Actual	2022 Budget	2021 Actual
Interest earnings				
Interest on reserve funds		11,146	9,001	20,148
Rates instalment and penalty interest (refer Note 24(g))		10,855	7,400	11,927
Other interest earnings		5,685	8,000	9,221
		27,686	24,401	41,296
(b) Expenses				
Auditors remuneration				
- Audit of the Annual Financial Report		20,900	18,900	19,560
- Other services		4,000	6,000	800
		24,900	24,900	20,360
Finance costs				
Borrowings	26(a)	125,834	128,169	130,429
Lease liabilities	26(b)	880	880	1,450
		126,714	129,049	131,879
Other expenditure				
Sundry expenses		130,346	133,541	118,555
		130,346	133,541	118,555

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

3. CASH AND CASH EQUIVALENTS

Cash at bank and on hand
 Short term deposits
Total cash and cash equivalents

Held as
 - Unrestricted cash and cash equivalents
 - Restricted cash and cash equivalents

Note	2022	2021
	\$	\$
	4,591,825	3,152,248
	3,794,137	4,572,716
17(a)	8,385,962	7,724,964
	3,803,579	2,861,346
17(a)	4,582,383	4,863,618
	8,385,962	7,724,964

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 and which are subject to an insignificant risk of changes in value.

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

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

Details of restrictions on financial assets can be found at Note 17.

4. OTHER FINANCIAL ASSETS

(a) Non-current assets

Financial assets at fair values through other comprehensive income

(b) Financial assets at fair values through other comprehensive income

Financial assets at fair values through other comprehensive income - Local Government House trust

2022	2021
\$	\$
136,156	129,162
136,156	129,162

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.

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 22 (i)) due to the observable market rates.

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

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 20.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

5. TRADE AND OTHER RECEIVABLES

Current

Rates receivable
 Trade and other receivables
 GST receivable

Non-current

Pensioner's rates and ESL deferred

Note	2022	2021
	\$	\$
Rates receivable	51,808	59,824
Trade and other receivables	145,295	135,410
GST receivable	87,318	0
	284,421	195,234
Pensioner's rates and ESL deferred	12,991	17,424

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 grants, contributions, reimbursements, and goods sold and services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

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 20.

Classification and subsequent measurement

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the Shire 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 value is considered immaterial.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

6. INVENTORIES

	Note	2022	2021
		\$	\$
Current			
Fuel and materials		10,157	14,628
		10,157	14,628

The following movements in inventories occurred during the year:

Balance at beginning of year	14,628	5,214
Additions to inventory	(4,471)	9,414
Balance at end of year	10,157	14,628

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

7. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Note	Land - freehold land	Buildings - Non Specialised	Total land and buildings	Furniture And Equipment	Plant And Equipment	Total property, plant and equipment
Balance at 1 July 2020		2,252,066	26,833,834	29,085,900	48,926	2,867,771	32,002,597
Additions		1,509,909	452,579	1,962,488	6,722	883,516	2,852,726
Disposals		(1,423,526)	0	(1,423,526)	0	(128,717)	(1,552,243)
Depreciation	9(a)	0	(569,321)	(569,321)	(13,303)	(332,544)	(915,168)
Balance at 30 June 2021		2,338,449	26,717,092	29,055,541	42,345	3,290,026	32,387,912
Comprises:							
Gross balance amount at 30 June 2021		2,338,449	28,888,642	31,227,091	252,371	3,970,334	35,449,796
Accumulated depreciation at 30 June 2021		0	(2,171,550)	(2,171,550)	(210,026)	(680,308)	(3,061,884)
Balance at 30 June 2021		2,338,449	26,717,092	29,055,541	42,345	3,290,026	32,387,912
Additions		72,567	568,805	641,372	39,783	761,571	1,442,726
Disposals		(156,998)	(111,065)	(268,063)	0	(237,101)	(505,164)
Revaluation increments / (decrements) transferred to revaluation surplus		198,982	4,813,086	5,012,068	0	0	5,012,068
Depreciation	9(a)	0	(578,783)	(578,783)	(15,300)	(410,175)	(1,004,258)
Transfers		0	(14,359)	(14,359)	0	0	(14,359)
Balance at 30 June 2022		2,453,000	31,394,776	33,847,776	66,828	3,404,321	37,318,925
Comprises:							
Gross balance amount at 30 June 2022		2,453,000	31,411,440	33,864,440	270,213	4,409,422	38,544,075
Accumulated depreciation at 30 June 2022		0	(16,664)	(16,664)	(203,385)	(1,005,101)	(1,225,150)
Balance at 30 June 2022		2,453,000	31,394,776	33,847,776	66,828	3,404,321	37,318,925

**SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land - freehold land	2	Market approach using recent observable market data for similar properties	Independent Valuer	30 June 2022	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 2022	Price per square metre/market borrowing rate.
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.					
(ii) Cost					
Furniture and equipment	3	Cost approach using depreciated replacement cost	Management Valuation	30 June 2020	Purchase costs and current condition, residual values.
Plant and equipment	3	Cost approach using depreciated replacement cost	Management Valuation	30 June 2020	Purchase costs and current condition, residual values.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

8. INFRASTRUCTURE

(a) Movements in Balances

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

	Note	Infrastructure - roads	Other infrastructure - drainage	Other infrastructure - foopaths	Other infrastructure - parks and ovals	Other infrastructure - gardens	Other infrastructure - other	Total Infrastructure
Restated Balance at 1 July 2020 *	28	248,456,268	2,622,583	1,368,577	388,048	986,443	21,774,180	275,596,099
Additions		3,449,079	144,147	53,674	0	9,369	300,702	3,956,971
Impairment due to heavy rain and flood damage		(1,139,501)	(629,888)	0	0	0	0	(1,769,389)
Depreciation	9(a)	(4,009,444)	(54,193)	(76,031)	(14,886)	0	(378,398)	(4,532,952)
Balance at 30 June 2021		246,756,402	2,082,649	1,346,220	373,162	995,812	21,696,484	273,250,729
Comprises:								
Gross balance at 30 June 2021		258,615,892	2,223,933	1,574,316	417,820	995,812	23,049,190	286,876,963
Accumulated depreciation at 30 June 2021		(11,859,490)	(141,284)	(228,096)	(44,658)	0	(1,352,706)	(13,626,234)
Balance at 30 June 2021		246,756,402	2,082,649	1,346,220	373,162	995,812	21,696,484	273,250,729
Additions		6,476,404	93,100	0	0	0	934,028	7,503,532
Depreciation	9(a)	(4,117,096)	(44,631)	(78,716)	(14,907)	(1,085)	(407,456)	(4,663,891)
Transfers		0	0	0	0	0	14,359	14,359
Balance at 30 June 2022		249,115,710	2,131,118	1,267,504	358,255	994,727	22,237,415	276,104,729
Comprises:								
Gross balance at 30 June 2022		265,092,296	2,317,034	1,574,316	417,820	995,812	23,999,219	294,396,497
Accumulated depreciation at 30 June 2022		(15,976,586)	(185,916)	(306,812)	(59,565)	(1,085)	(1,761,804)	(18,291,768)
Balance at 30 June 2022		249,115,710	2,131,118	1,267,504	358,255	994,727	22,237,415	276,104,729

* Refer Note 28 for details of the prior period restatement

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

8. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
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.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

9. FIXED ASSETS

(a) Depreciation

Note	2022	2022	2021
	Actual	Budget	Actual
Buildings - Non Specialised	7(a)	578,783	567,452
Furniture And Equipment	7(a)	15,300	10,344
Plant And Equipment	7(a)	410,175	399,448
Infrastructure - roads	8(a)	4,117,096	4,009,444
Other infrastructure - drainage	8(a)	44,631	54,194
Other infrastructure - foopaths	8(a)	78,716	76,032
Other infrastructure - parks and ovals	8(a)	14,907	14,886
Other infrastructure - gardens	8(a)	1,085	0
Other infrastructure - other	8(a)	407,456	379,827
Right-of-use assets - furniture and equipment	10(a)	23,053	23,052
		5,691,202	5,534,680
			5,471,172

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 20 years
Sealed roads and streets	
Clearing & Earthworks	not depreciated
pavement	40 years
seal	
- bituminous seals	15 to 20 years
- asphalt surfaces	15 to 20 years
Gravel roads	
Clearing & Earthworks	not depreciated
pavement	40 years
Infrastructure - footpaths	20 years
Infrastructure - drainage	50 years
Infrastructure - parks & ovals	10 to 40 years
Infrastructure - other	10 to 50 years
Infrastructure - gardens	not depreciated
Right of use (plant and equipment)	Based on the remaining lease

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

9. FIXED ASSETS (Continued)

(b) Disposals of assets

	2022	2022	2022	2022	2022	2022	2021	2021	2021	2021	2021
	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Actual	Actual	Actual	Actual
	Net Book	Sale	Profit	Loss	Net Book	Sale	Profit	Net Book	Sale	Profit	Loss
Land - freehold land	\$ 156,998	\$ 67,727	\$ 0	\$(89,271)	\$ 230,189	\$ 137,576	\$ 0	\$ (92,613)	\$ 1,423,526	\$ 834,682	\$ 19,769
Buildings - Non Specialised	111,065	0	0	(111,065)	0	0	0	0	0	0	0
Plant And Equipment	237,101	279,409	50,109	(7,801)	217,020	243,136	34,641	\$(8,525)	128,717	109,909	364
	505,164	347,136	50,109	(208,137)	447,209	380,712	34,641	(101,138)	1,552,243	944,591	20,133
											(627,785)

The following assets were disposed of during the year.

	2022	2022	2022	2022		
	Actual	Actual	Actual	Actual		
	Net Book	Sale	Profit	Loss		
Plant and Equipment						
<i>Recreation and culture</i>						
Dalwallinu Sportsman's Club Shed	31,905	0	0	(31,905)		
Dalwallinu Sportsman's Club - Golf Club Toilets	19,640	0	0	(19,640)		
<i>Transport</i>						
2013 Skid Steer Loader (DL150)	23,802	16,000	0	(7,802)		
2012 Mack 6x4 Tipper Truck (DL2478)	69,194	83,636	14,442	0		
2020 Mitsubishi Triton Utility WS (DL281)	25,167	28,182	3,015	0		
2020 Toyota Hilux MWS (DL103)	30,000	39,091	9,091	0		
2017 Hyundai iLoad Cleaners (DL304)	14,386	24,091	9,705	0		
2009 Haulmore Low Loader (DL10254)	21,168	27,500	6,332	0		
<i>Economic services</i>						
Dalwallinu Caravan Park - Amenities Block East	59,519	0	0	(59,519)		
<i>Other property and services</i>						
5 Bell Street Dalwallinu (lot 3)	156,998	67,727	0	(89,271)		
2020 Nissan Pathfinder MCS (DL131)	26,385	30,000	3,615	0		
2019 Nissan Pathfinder MPDS (DL492)	27,000	30,909	3,909	0		
	505,164	347,136	50,109	(208,137)		

**SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

9. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost the asset is initially recognised at fair value. Assets held at cost are depreciated and assessed for indicators of impairment annually.

Initial recognition and measurement between mandatory revaluation dates for assets held at fair value

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A* (5). These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

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 zero cost or otherwise significantly less than fair value, 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 that are land, buildings, infrastructure and investment properties acquired between scheduled revaluation dates 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 revaluation date in accordance with the mandatory measurement framework.

Revaluation

The fair value of land, buildings, infrastructure and investment properties is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Shire.

At the end of each period the carrying amount for each asset class 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 land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

Revaluation (continued)

For property, plant and equipment and infrastructure, 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. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, 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 on revaluation

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

- (i) 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
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

10. LEASES

(a) Right-of-Use Assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.

	Note	Right-of-use assets - furniture and equipment	Right-of-use assets Total
		\$	\$
Balance at 1 July 2020		68,288	68,288
Depreciation		(23,052)	(23,052)
Balance at 30 June 2021		45,236	45,236
Depreciation	9(a)	(23,053)	(23,053)
Balance at 30 June 2022		22,183	22,183

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:

		2022 Actual	2021 Actual
		\$	\$
Depreciation on right-of-use assets	9(a)	(23,053)	(23,052)
Interest expense on lease liabilities	26(b)	(880)	(1,450)
Total amount recognised in the statement of comprehensive income		(23,933)	(24,502)
Total cash outflow from leases		(24,239)	(24,239)
(b) Lease Liabilities			
Current		23,028	23,359
Non-current		0	23,028
	26(b)	23,028	46,387

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

11. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Accrued salaries and wages
 ATO Liabilities
 Bonds and deposits held
 Accrued Interest on loans
 Other Liabilities

	2022	2021
	\$	\$
Sundry creditors	615,033	395,424
Accrued salaries and wages	57,504	33,347
ATO Liabilities	0	37,207
Bonds and deposits held	15,146	20,347
Accrued Interest on loans	39,111	41,281
Other Liabilities	38,764	78,015
	765,558	605,621

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

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.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services.

The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Prepaid rates

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

12. OTHER LIABILITIES

	2022	2021
	\$	\$
Current		
Contract liabilities	23,053	19,184
Capital grant/contributions liabilities	765,193	271,718
	788,246	290,902
Reconciliation of changes in contract liabilities		
Opening balance	19,184	0
Additions	23,053	19,184
Revenue from contracts with customers included as a contract liability at the start of the period	(19,184)	0
	23,053	19,184
The Shire expects to satisfy the performance obligations from contracts with customers unsatisfied at the end of the reporting period to be satisfied within the next 12 months.		
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	271,718	0
Additions	765,193	271,718
Revenue from capital grant/contributions held as a liability at the start of the period	(271,718)	0
	765,193	271,718
Expected satisfaction of capital grant/contribution liabilities		
Less than 1 year	765,193	271,718

Performance obligations in relation to capital grant/contribution liabilities are satisfied as project milestones are met or completion of construction or acquisition of the asset.

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

Contract liabilities represent the Shire's obligation to transfer goods or services to a customer for which the Shire has received consideration from the customer.

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

Capital grant/contribution liabilities

Capital grant/contribution liabilities represent the Shire's obligations to construct recognisable non-financial assets to identified specifications to be controlled by the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as revenue when the obligations in the contract are satisfied.

Non-current capital grant/contribution liabilities fair values are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 22(i)) due to the unobservable inputs, including own credit risk.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

13. BORROWINGS

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		304,001	3,314,508	3,618,509	297,875	3,618,507	3,916,382
Total secured borrowings	26(a)	304,001	3,314,508	3,618,509	297,875	3,618,507	3,916,382

Secured liabilities and assets pledged as security

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the Shire of Dalwallinu. Other loans relate to transferred receivables. Refer to Note 5.

The Shire of Dalwallinu has complied with the financial covenants of its borrowing facilities during the 2022 and 2021 years.

SIGNIFICANT ACCOUNTING POLICIES

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.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 22(i)) due to the unobservable inputs, including own credit risk.

Risk

Information regarding exposure to risk can be found at Note 20.

Details of individual borrowings required by regulations are provided at Note 26(a).

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

14. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2022	2021
	\$	\$
Current provisions		
Employee benefit provisions		
Annual Leave	193,815	177,982
Long Service Leave	217,760	189,566
	411,575	367,548
Non-current provisions		
Long Service Leave	40,213	43,013
	40,213	43,013
	451,788	410,561

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

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

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date
 More than 12 months from reporting date

Note	2022	2021
	\$	\$
Less than 12 months after the reporting date	256,436	142,984
More than 12 months from reporting date	195,352	267,577
	451,788	410,561

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The Shire's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

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

Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

15. OTHER PROVISIONS

	Note	Provision for landfill rehabilitation	Total
		\$	\$
Opening balance at 1 July 2021			
Non-current provisions		173,263	173,263
		173,263	173,263
Additional provision		41,336	41,336
Balance at 30 June 2022			
		214,599	214,599
Comprises			
Non-current		214,599	214,599
		214,599	214,599

Other provisions

Shire of Dalwallinu have landfill sites in Dalwallinu and Kalannie as itemised below. These sites are not licenced but they are recognised sites under the Department of Environment Regulation. The Shire has a post closure plan in place to rehabilitate these sites at the end of their useful life.

1. Dalwallinu landfill site 1

Rehabilitation was completed for Dalwallinu 1 site during 2019/20 for 4,386m². The total site is 22,346m² with 17,960m² remaining to be rehabilitated. This was scheduled for 2020/21 but has been postponed until 2024/25 as the remaining site is still being utilised as a waste site.

2. Kalannie landfill site

Remaining useful life for this site is 12 years reaching the end during 2033/34. Rehabilitation future value expenditure provided as a non-current provision taking into consideration current interest rate, inflation and useful life.

3. Dalwallinu landfill site 2

Remaining useful life for this site is 23 years reaching the end during 2044/45. Rehabilitation future value expenditure is provided as a non-current provision taking into consideration current interest rate, inflation and useful life.

Provisions

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

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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16. REVALUATION SURPLUS

	2022 Opening Balance	2022 Revaluation Increment	2022 Revaluation (Decrement)	Total Movement on Revaluation	2022 Closing Balance	2021 Opening Balance	2021 Revaluation (Decrement)	Total Movement on Revaluation	2021 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	1,532,098	198,982	0	198,982	1,731,080	1,532,098	0	0	1,532,098
Revaluation surplus - Buildings - Non Specialised	16,591,360	4,813,086	0	4,813,086	21,404,446	16,591,360	0	0	16,591,360
Revaluation surplus - Furniture And Equipment	195	0	0	0	195	195	0	0	195
Revaluation surplus - Infrastructure - roads	223,489,584	0	0	0	223,489,584	224,629,087	(1,139,501)	(1,139,501)	223,489,584
Revaluation surplus - Other infrastructure - bridges	0	0	0	0	0	36,077	(36,077)	(36,077)	0
Revaluation surplus - Other infrastructure - foopaths	477,712	0	0	0	477,712	477,712	0	0	477,712
Revaluation surplus - Other infrastructure - parks and ovals	326,084	0	0	0	326,084	326,084	0	0	326,084
Revaluation surplus - Other infrastructure - gardens	304,948	0	0	0	304,948	304,948	0	0	304,948
Revaluation surplus - Other infrastructure - other	17,993,573	0	0	0	17,993,573	17,993,573	0	0	17,993,573
	260,715,554	5,012,068	0	5,012,068	265,727,622	261,891,134	(1,175,578)	(1,175,578)	260,715,554

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.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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17. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	8,385,962	4,201,938	7,724,964
Restrictions				
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents	3	4,582,383	3,321,072	4,863,618
		4,582,383	3,321,072	4,863,618
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Restricted reserve accounts	27	3,794,137	3,321,072	4,572,716
Restricted Contract Liabilities from contracts with customers	12	788,246	0	290,902
Total restricted financial assets		4,582,383	3,321,072	4,863,618
(b) Reconciliation of Net Result to Net Cash Provided By Operating Activities				
Net result		3,079,555	4,582,533	(635,082)
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		(6,994)	0	(4,525)
Depreciation/amortisation		5,691,202	5,534,680	5,471,172
(Profit)/loss on sale of asset		158,028	66,497	607,652
Loss on revaluation of fixed assets		0	0	593,809
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		(84,754)	0	123,106
(Increase)/decrease in inventories		4,471	0	(9,414)
Increase/(decrease) in trade and other payables		159,937	0	220,322
Increase/(decrease) in employee related provisions		41,227	0	(115,699)
Increase/(decrease) in other provisions		41,336	0	(10,131)
Increase/(decrease) in contract liabilities		497,344	0	290,902
Non-operating grants, subsidies and contributions		(5,062,426)	(10,038,666)	(2,943,290)
Net cash provided by/(used in) operating activities		4,518,926	145,044	3,588,822
(c) Undrawn Borrowing Facilities				
Credit Standby Arrangements				
Bank overdraft limit		0	0	0
Bank overdraft at balance date		0	0	0
Credit card limit		20,000	10,000	10,000
Credit card balance at balance date		(4,398)		(2,554)
Total amount of credit unused		15,602		7,446
Loan facilities				
Loan facilities - current		304,001	297,875	
Loan facilities - non-current		3,314,508	3,618,507	
Total facilities in use at balance date		3,618,509	3,916,382	

SHIRE OF DALWALLINU
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18. CAPITAL COMMITMENTS

	2022	2021
	\$	\$
Contracted for:		
- capital expenditure projects	412,685	140,742
	<hr/>	<hr/>
Payable:		
- not later than one year	412,685	140,742
<i>Capital expenditure projects are represented by:</i>		
Bell St Subdivision construction	0	72,567
Dalwallinu Recreation Centre Oven	0	16,105
Dalwallinu Aquatic Centre Balance Tank Repairs	0	43,600
Kalannie Caravan Park Dump Point	0	8,470
3 Bell Street House construction	412,685	0
Total	<hr/>	<hr/>
	412,685	140,742

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

19. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration	Note	2022	2022	2021
		Actual	Budget	Actual
		\$	\$	\$
Councillor Keith Carter				
President's annual allowance		7,942	0	0
Deputy President's annual allowance		0	1,985	1,985
Meeting attendance fees		7,540	4,895	5,180
Other expenses		2,230	1,953	0
Travel and accommodation expenses		1,938	500	1,391
		19,650	9,333	8,556
Councillor Steven Carter				
Deputy President's annual allowance		1,985	0	0
President's annual allowance		0	7,942	7,942
Meeting attendance fees		5,940	7,766	6,600
Other expenses		2,230	1,954	0
Travel and accommodation expenses		155	500	202
		10,310	18,162	14,744
Councillor Melissa Harms				
Meeting attendance fees		3,440	4,895	4,320
Other expenses		0	1,953	0
Travel and accommodation expenses		634	500	706
		4,074	7,348	5,026
Councillor Karen McNeill				
Meeting attendance fees		4,060	4,695	4,320
Other expenses		2,144	1,953	0
Travel and accommodation expenses		0	500	0
		6,204	7,148	4,320
Councillor Noel Mills				
Meeting attendance fees		4,720	1,440	4,880
Other expenses		0	1,953	0
Travel and accommodation expenses		0	250	0
		4,720	3,643	4,880
Councillor Diane Cream				
Meeting attendance fees		2,520	0	0
		2,520	0	0
Councillor Jemma Counsel				
Meeting attendance fees		3,340	0	0
Travel and accommodation expenses		622	0	0
		3,962	0	0
Councillor Brett Boys				
Meeting attendance fees		1,080	1,440	4,680
Other expenses		0	1,953	0
Travel and accommodation expenses		0	250	0
		1,080	3,643	4,680
Councillor Anita Dickins				
Meeting attendance fees		1,440	1,440	4,520
Other expenses		0	1,953	0
Travel and accommodation expenses		173	250	663
		1,613	3,643	5,183
Councillor Karen Christian				
Meeting attendance fees		4,420	1,440	4,680
Other expenses		2,144	1,953	0
Travel and accommodation expenses		0	250	0
		6,564	3,643	4,680

**SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

19. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration (Continued)

Councillor LY Budget item only

Meeting attendance fees	0	13,420	0
Travel and accommodation expenses	0	1,000	0
	0	14,420	0
	60,697	70,983	52,069

Fees, expenses and allowances to be paid or reimbursed to elected council members.

	2022 Actual \$	2022 Budget \$	2021 Actual \$
President's annual allowance	7,942	7,942	7,942
Deputy President's annual allowance	1,985	1,985	1,985
Meeting attendance fees	38,500	41,431	39,180
Other expenses	8,748	15,625	0
Travel and accommodation expenses	3,522	4,000	2,962
19(b)	60,697	70,983	52,069

(b) Key Management Personnel (KMP) Compensation

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

	2022 Actual \$	2021 Actual \$
Short-term employee benefits	757,158	538,822
Post-employment benefits	83,450	78,804
Employee - other long-term benefits	106,084	70,907
Employee - termination benefits	30,158	0
Council member costs	19(a) 60,697	52,069
	1,037,547	740,602

Short-term employee benefits

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

Post-employment benefits

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

Other long-term benefits

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

Termination benefits

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

Council member costs

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

**SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

19. RELATED PARTY TRANSACTIONS

(c) 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 guarantees exist in relation to related parties at year end.

In addition to KMP compensation above the following transactions occurred with related parties:

Sale of goods and services

2022 Actual	2021 Actual
\$	\$

27,718 62,224

Purchase of goods and services

5,798 15,806

Amounts outstanding from related parties:

Trade and other receivables

3,928 2,323

Amounts payable to related parties:

Trade and other payables

2,569 0

(d) 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 council member, are considered key management personnel.

ii. Other Related Parties

An associate person of KMP was employed by the Shire under normal employment terms and conditions.

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 activity of the entity, directly or indirectly, are considered related 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.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

20. 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 rates	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, 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, term deposits, and Treasury bonds 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 \$
2022					
Cash and cash equivalents	0.30%	8,385,962	3,794,137	4,448,927	142,898
2021					
Cash and cash equivalents	0.41%	7,724,964	4,572,716	3,152,248	0

Sensitivity

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

	2022 \$	2021 \$
Impact of a 1% movement in interest rates on profit and loss and equity*	83,860	77,250

* 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 26(a).

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

20. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other 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 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 2021 or 1 July 2022 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.

The loss allowance as at 30 June 2022 and 30 June 2021 for rates receivable was determined as follows:

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
30 June 2022						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	4,513	20,903	8,396	17,996	51,808	
Loss allowance	0	0	0	0	0	5
30 June 2021						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	36,048	9,611	6,664	24,925	77,248	
Loss allowance	0	0	0	0	0	5

The loss allowance as at 30 June 2022 and 30 June 2021 was determined as follows for trade receivables.

	Less than 1 year past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	
30 June 2022						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	60,075	8,841	131	76,244	145,291	
Loss allowance	0	0	0	0	0	5
30 June 2021						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	127,730	1,765	2,480	1,049	133,024	
Loss allowance	0	0	0	0	0	5

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

20. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

The loss allowances for trade receivables and contract assets as at 30 June reconcile to the opening loss allowances as follows:

	Rates receivable		Trade and other receivables		Contract Assets	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual
	\$	\$	\$	\$	\$	\$
Opening loss allowance as at 1 July	0	0	0	0	0	0
Closing loss allowance at 30 June	0	0	0	0	0	0

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Shire, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

20. 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 17(c).

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
<u>2022</u>	\$	\$	\$	\$	\$
Trade and other payables	765,558	0	0	765,558	765,558
Borrowings	304,001	978,735	2,335,773	3,618,509	3,618,509
Lease liabilities	23,028	0	0	23,028	23,028
	1,092,587	978,735	2,335,773	4,407,095	4,407,095
<u>2021</u>					
Trade and other payables	605,621	0	0	605,621	605,621
Borrowings	297,875	1,282,738	2,335,769	3,916,382	3,916,382
Lease liabilities	23,053	23,334	0	46,387	46,387
	926,549	1,306,072	2,335,769	4,568,390	4,568,390

**SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

21. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There have been no material events after the reporting period which would affect the financial report of the Shire for the year ended 30th June 2022 or which would require a separate disclosure.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

22. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest earnings

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

i) 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.

j) 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 regularity to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

k) Initial application of accounting standards

During the current year, no new or revised Australian Accounting Standards and Interpretations were compiled, became mandatory and were applicable to its operations.

New accounting standards for application in future years

The following new accounting standards will have application to local government in future years:

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

It is not expected these standards will have an impact on the financial report.

**SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

23. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

Shire operations as disclosed in this financial report encompass the following service orientated functions and activities.

Objective	Description
Governance To provide a decision making process for the efficient allocation of scarce resources.	Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific Shire services.
General purpose funding To collect revenue to allow for the provision of services.	Rates income & expenditure, Grants commission and Pensioners deferred rates interest.
Law, order, public safety To provide services to help ensure a safer and environmentally conscious community.	Supervision of various by-laws, fire prevention, emergency services and animal control.
Health To provide an operational framework for environmental and community health.	Food quality, pest control, immunisation services and other health.
Education and welfare To provide services to disadvantaged persons, the elderly, children and youth.	School support, assistance to playgroups, retirements villages and other voluntary services.
Housing To provide and maintain employee, non-employee and elderly residents housing.	Provision and maintenance of staff and rental housing.
Community amenities 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.
Recreation and culture 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.
Transport 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.
Economic services 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.
Other property and services 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.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

23. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Income excluding grants, subsidies and contributions			
Governance	6,994	200	4,525
General purpose funding	3,430,594	3,437,301	3,373,256
Law, order, public safety	6,529	4,699	5,783
Health	3,440	1,572	1,952
Education and welfare	1	0	1
Housing	324,944	338,191	361,178
Community amenities	591,991	569,900	560,615
Recreation and culture	92,165	95,943	101,850
Transport	76,087	64,641	29,835
Economic services	133,317	132,410	112,927
Other property and services	40,919	7,409	26,233
	4,706,981	4,652,266	4,578,155
Grants, subsidies and contributions			
Governance	0	100	0
General purpose funding	4,338,268	1,180,368	2,812,048
Law, order, public safety	32,639	34,288	683,314
Health	9,883	20,614	20,886
Education and welfare	23,693	3,272	2,829
Housing	33,669	39,255	14,790
Community amenities	7,358	6,315	192,335
Recreation and culture	219,722	287,332	310,392
Transport	4,816,752	9,799,264	2,692,496
Economic services	402,521	357,028	58,100
Other property and services	71,933	51,200	106,495
	9,956,438	11,779,036	6,893,685
Total Income	14,663,419	16,431,302	11,471,840
Expenses			
Governance	(651,379)	(736,633)	(587,515)
General purpose funding	(124,103)	(142,681)	(144,166)
Law, order, public safety	(217,887)	(211,382)	(198,308)
Health	(325,319)	(339,814)	(342,150)
Education and welfare	(190,428)	(126,653)	(39,231)
Housing	(449,833)	(521,877)	(351,273)
Community amenities	(912,005)	(857,617)	(803,970)
Recreation and culture	(1,958,076)	(2,168,003)	(1,832,607)
Transport	(5,901,008)	(5,997,195)	(6,640,375)
Economic services	(571,953)	(568,855)	(483,810)
Other property and services	(281,873)	(178,059)	(683,517)
Total expenses	(11,583,864)	(11,848,769)	(12,106,922)
Net result for the period	3,079,555	4,582,533	(635,082)

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

23. FUNCTION AND ACTIVITY (Continued)

	2022	2022	2021
	Actual	Budget	Actual
	\$	\$	\$
(c) Fees and Charges			
Governance	0	100	0
General purpose funding	7,940	5,151	8,048
Law, order, public safety	6,529	4,700	5,784
Health	3,440	1,572	1,952
Education and welfare	1	1	1
Housing	324,944	338,191	341,408
Community amenities	591,989	569,900	560,616
Recreation and culture	92,165	95,943	101,850
Transport	33,502	30,000	29,834
Economic services	133,317	132,410	112,927
Other property and services	33,397	7,406	25,834
	1,227,224	1,185,374	1,188,254

(d) Total Assets

	2022	2021
	\$	\$
Governance	571,000	500,000
General purpose funding	5,395,891	7,724,964
Law, order, public safety	1,300,075	1,305,344
Health	526,612	544,013
Education and welfare	120,000	140,698
Housing	8,001,124	7,268,508
Community amenities	4,029,084	2,601,308
Recreation and culture	40,168,325	36,845,281
Transport	254,375,678	249,248,281
Economic services	2,448,526	2,177,508
Other property and services	5,318,409	4,025,993
Unallocated	20,800	1,383,391
	322,275,524	313,765,289

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

24. RATING INFORMATION

(a) General Rates

RATE TYPE Rate Description	Basis of valuation	Rate in \$	Number of Properties	2021/22 Actual Rateable Value *	2021/22 Actual Rate Revenue	2021/22 Actual Interim Rates	2021/22 Actual Back Rates	2021/22 Actual Total Revenue	2021/22 Budget Rate Revenue	2021/22 Budget Interim Rate	2021/22 Budget Back Rate	2021/22 Budget Total Revenue	2020/21 Actual Total Revenue	
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
General Rate	Gross rental valuation	0.09181	288	4,147,377	380,771	0	0	380,771	380,771	3,000	0	383,771	358,739	
General Rate	Unimproved valuation	0.01701	363	172,802,000	2,939,362	473	0	2,939,835	2,939,362	2,000	0	2,941,362	2,881,184	
Sub-Total			651	176,949,377	3,320,133	473	0	3,320,606	3,320,133	5,000	0	3,325,133	3,239,923	
Minimum payment														
Residential	Gross rental valuation	600	239	1,029,634	143,400	0	0	143,400	143,400	0	0	143,400	149,647	
Rural	Unimproved valuation	700	35	634,578	24,500	0	0	24,500	24,500	0	0	24,500	24,500	
Mining	Unimproved valuation	700	37	293,730	25,900	0	0	25,900	25,900	0	0	25,900	20,828	
Sub-Total			311	1,957,942	193,800	0	0	193,800	193,800	0	0	193,800	194,975	
				962	178,907,319	3,513,933	473	0	3,514,406	3,513,933	5,000	0	3,518,933	3,434,898
Discounts on general rates (Refer note 24(f))									(161,042)				(152,795)	
Total amount raised from general rates									3,353,364				3,283,271	
* Rateable value is based on the value of properties at the time the rate is raised.														
(b) Rates (excluding general rates)														
Ex-gratia Rates														
CBH *					41,604			41,604				41,612	40,641	
Sub-Total				0	0	41,604	0	0	41,604	41,612	0	0	41,612	40,641
Total amount raised from rates (excluding general rates)									41,604				41,612	40,641
* In prior years Ex-gratia rates have been included as fees and charges income.														
(c) Total Rates									3,394,968				3,407,750	3,323,912

The entire balance of rates revenue has been recognised at a point in time in accordance with AASB 1058 *Income for not-for-profit entities*.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

24. RATING INFORMATION (Continued)

(d) Specified Area Rate

The Shire did not raise specified rates for the year ended 30th June 2022

(e) Service Charges

The Shire did not raise service charges for the year ended 30th June 2022

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

Rates Discounts

Rate or Fee Discount Granted	Type	Discount %	Discount \$	2022 Actual \$	2022 Budget \$	2021 Actual \$	Circumstances in which Discount is Granted
Early Payment	Rate	5%		150,142	141,295	139,727	Payment of full amount owing, including arrears and service charges no later than 4:00pm, 35 days after the date of service appearing on the rates notice.
Rates minimum	Rate		100	10,900	11,500	11,900	Applied to assessments (GRV) outside of Dalwallinu townsite which are minimum rated
				161,042	152,795	151,627	

**SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

24. RATING INFORMATION (Continued)

(g) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Option One				
Single full payment	3/09/2021	0	0.00%	7.00%
Option Three				
First instalment	3/09/2021	0	5.50%	7.00%
Second instalment	5/11/2021	10	5.50%	7.00%
Third instalment	7/01/2022	10	5.50%	7.00%
Fourth instalment	9/03/2022	10	5.50%	7.00%

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

25. RATE SETTING STATEMENT INFORMATION

Note	2021/22 (30 June 2022 Carried Forward)	2021/22		2021/22 (1 July 2021 Brought Forward)	2020/21 (30 June 2021 Carried Forward)			
		Budget (30 June 2022 Carried Forward)	\$					
(a) Non-cash amounts excluded from operating activities								
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> .								
Adjustments to operating activities								
Less: Profit on asset disposals	9(b)	(50,109)	(34,641)	(20,133)	(20,133)			
Less: Movement in employee leave reserve		648		0				
Less: Fair value adjustments to financial assets at fair value through profit and loss		(6,994)	0	(4,525)	(4,525)			
Movement in pensioner deferred rates (non-current)		4,433	0	4,157	4,157			
Movement in employee benefit provisions (non-current)		(2,800)	0	(19,101)	(19,101)			
Add: Loss on disposal of assets	9(b)	208,137	101,138	627,785	627,785			
Add: Loss on revaluation of fixed assets	8(a)	0	0	593,809	593,809			
Add: Depreciation	9(a)	5,691,202	5,534,680	5,471,172	5,471,172			
Non-cash movements in non-current assets and liabilities:								
Other provisions		41,336	0	13,674	13,674			
Non-cash amounts excluded from operating activities		5,885,853	5,601,177	6,666,838	6,666,838			
(b) Surplus/(deficit) after imposition of general rates								
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.								
Adjustments to net current assets								
Less: Reserve accounts	27	(3,794,137)	(3,321,072)	(4,572,716)	(4,572,716)			
- Current portion of other provision held in reserve		0	(54,688)	0	0			
Add: Current liabilities not expected to be cleared at end of year								
- Current portion of borrowings	13	304,001	297,875	297,875	297,875			
- Current portion of lease liabilities	10(b)	23,028	306	23,359	23,359			
- Liabilities supported by a reserve	27	256,140	255,492	255,492	209,381			
Total adjustments to net current assets		(3,210,968)	(2,822,087)	(3,995,990)	(4,042,101)			
Net current assets used in the Rate Setting Statement								
Total current assets		8,680,540	4,396,801	7,934,826	7,934,826			
Less: Total current liabilities		(2,292,408)	(1,574,714)	(1,585,305)	(1,585,305)			
Less: Total adjustments to net current assets		(3,210,968)	(2,822,087)	(3,995,990)	(4,042,101)			
Net current assets used in the Rate Setting Statement		3,177,164	0	2,353,531	2,307,420			

The adjusted 1 July 2021 brought forward value is due to Liabilities supported by reserve being accounted as the full value of the staff leave reserve - Refer Note 27. This reserve supports the funding of Employee provisions included as liabilities.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

26. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Loan Number	Actual						Budget						
		Principal at 1 July 2020		New Loans During 2020-21		Principal Repayments During 2020-21		Principal at 30 June 2021		New Loans During 2021-22		Principal Repayments During 2021-22		
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Sewerage Scheme	64	107,753	0	(17,617)	90,136		0	(19,395)	70,741		90,136	(19,395)	70,741	
Dalwallinu Discovery Centre	157	578,531	0	(58,584)	519,947		0	(59,933)	460,014		519,948	(59,933)	460,015	
Dalwallinu Recreation Centre	159	2,643,455	0	(58,254)	2,585,201		0	(60,015)	2,525,186		2,585,200	(60,015)	2,525,185	
Bell Street Subdivision	160	0	800,000	(78,902)	721,098		0	(158,530)	562,568		721,098	(158,531)	562,567	
Total		3,329,739	800,000	(213,357)	3,916,382		0	(297,873)	3,618,509		3,916,382	0	(297,874)	3,618,508
Borrowing Interest Repayments														
Purpose	Note	Function and activity			Loan Number	Institution		Interest Rate	Actual for year ending 30 June 2022		Budget for year ending 30 June 2022		Actual for year ending 30 June 2021	
		Community amenities				WATC			\$ (7,554)		\$ (8,412)		\$ (9,394)	
Sewerage Scheme		Recreation and culture			157	WATC		2.29%	(14,729)		(15,266)		(16,469)	
Dalwallinu Discovery Centre		Recreation and culture			159	WATC		3.00%	(95,054)		(95,109)		(96,719)	
Dalwallinu Recreation Centre		Other property and services			160	WATC		2.29%	(8,497)		(9,382)		(7,847)	
Total									(125,834)		(128,169)		(130,429)	
Total Interest Repayments	2(b)								(125,834)		(128,169)		(130,429)	

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

26. BORROWING AND LEASE LIABILITIES (Continued)

(b) Lease Liabilities

Purpose	Note	Actual							Budget			
		Principal at 1 July 2020	New Leases During 2020-21	Principal Repayments During 2020-21	Principal at 30 June 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Gymnasium Equipment		54,201	0	(17,656)	36,545		(18,092)	18,453	35,703	0	(17,852)	17,851
Multifunction Photocopiers x 2		14,975	0	(5,133)	9,842	0	(5,267)	4,575	9,959	0	(5,201)	4,758
Total Lease Liabilities	10(b)	69,176	0	(22,789)	46,387	0	(23,359)	23,028	45,662	0	(23,053)	22,609

Lease Interest Repayments

Purpose	Note	Function and activity	Lease Number	Institution	Interest Rate	Actual for year ending	Budget for year ending	Actual for year ending 30 June	Lease Term
						30 June 2022	30 June 2022	2021	
						\$	\$	\$	
Gymnasium Equipment		Recreation and culture	2	Maya Financial	2.30%				4 years
Multifunction Photocopiers x 2		Other property and services	1	Ricoh Finance	3.00%	(645)	(645)	(1,051)	5 years
Total Interest Repayments	2(b)					(235)	(235)	(399)	
						(880)	(880)	(1,450)	

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

27. RESERVE ACCOUNTS

	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance	2022 Budget Opening Balance	2022 Budget Transfer to	2022 Budget Transfer (from)	2022 Budget Closing Balance	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Staff Leave Reserve	255,492	648	0	256,140	255,492	511	0	256,003	280,414	1,455	(26,377)	255,492
(b) Plant Reserve	1,019,118	2,105	(419,266)	601,957	1,019,118	2,038	(369,266)	651,890	1,013,522	5,596	0	1,019,118
(c) Swimming Pool Reserve	171,044	20,477	0	191,521	171,043	20,342	0	191,385	120,202	50,842	0	171,044
(d) Recreation Reserve	129,517	329	0	129,846	129,517	259	(50,000)	79,776	128,806	711	0	129,517
(e) Insurance Claims Excess Reserve	119,521	16,254	(43,600)	92,175	119,521	16,239	(57,000)	78,760	102,896	16,625	0	119,521
(f) Waste Management Reserve	151,953	20,428	0	172,381	151,953	20,304	0	172,257	101,216	50,737	0	151,953
(g) Joint Venture Housing Reserve	161,012	231	0	161,243	161,012	11,960	0	172,972	126,139	34,873	0	161,012
(h) Land and Buildings Reserve	1,725,559	144,124	(781,098)	1,088,585	1,725,559	72,845	(967,598)	830,806	838,992	886,567	0	1,725,559
(i) Sewerage Scheme Reserve	750,114	277,434	0	1,027,548	750,114	136,750	0	886,864	498,888	251,226	0	750,114
(j) Townscape	72,062	183	0	72,245	72,063	0	(72,063)	0	71,666	396	0	72,062
(k) Telecommunications	17,324	172	(17,000)	496	17,324	35	(17,000)	359	16,680	644	0	17,324
	4,572,716	482,385	(1,260,964)	3,794,137	4,572,716	281,283	(1,532,927)	3,321,072	3,299,421	1,299,672	(26,377)	4,572,716

All reserves are supported by cash and cash equivalents and are restricted within equity as Reserves - cash backed.

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Staff Leave Reserve	Ongoing	- to be used to fund sick, annual and long service leave requirements.
(b) Plant Reserve	Ongoing	- to be used for the purchase & maintenance of major plant or to cover contractor expenditure where the Shire doesn't have resources available internal
(c) Swimming Pool Reserve	Ongoing	- to be used to ensure long term maintenance and upgrade of the swimming po
(d) Recreation Reserve	Ongoing	- to be used to ensure long term maintenance and upgrade of the recreation are
(e) Insurance Claims Excess Reserve	Ongoing	- to be used to pay for insurance excess in the event of abnormal number of claims in a ye
(f) Waste Management Reserve	Ongoing	- to be used to pay for future waste management sites rehabilitati
(g) Joint Venture Housing Reserve	Ongoing	- to be used for the construction & maintenance of the Joint Venture Housi
(h) Land and Buildings Reserve	Ongoing	- to be used for the purchase, construction & maintenance of residential & commercial sit
(i) Sewerage Scheme Reserve	Ongoing	- to be used for the maintenance & replacement of the Sewerage Sche
(j) Townscape	2022/2023	- to be used for various townscape special projec
(k) Telecommunications	Ongoing	- to be used to leverage enhanced telecommunications capabilities within the Shi

**SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

28. CORRECTION OF ERROR

Until 2020, the Local Government (Financial Management) Regulation 16(a) required that crown land operated by local governments as golf courses, showgrounds, racecourses or other sporting or recreational facilities of regional significance be included as assets.

When the changes to the Local Government (Financial Management) Regulation 17A were made in 2020, the Shire was required to account for the removal of vested land values, such as those associated with golf courses. The Shire identified in 2022 that the Pithara Golf Course vested land value (included under Infrastructure Assets) and was not removed in 2020.

The error has been corrected by restating each of the affected financial statement categories for the prior period as follows:

Statement of Financial Position (Extract)	30 June 2021		30 June 2020		01 July 2020	
	\$	(Decrease)	\$	(Decrease)	\$	(Decrease)
Infrastructure	274,382,762	(1,132,033)	273,250,729	276,728,132	(1,132,033)	275,596,099
Revaluation Surplus	261,847,587	(1,132,033)	260,715,554	263,023,167	(1,132,033)	261,891,134



Auditor General

INDEPENDENT AUDITOR'S REPORT 2022 Shire of Dalwallinu

To the Councillors of the Shire of Dalwallinu

Opinion

I have audited the financial report of the Shire of Dalwallinu (Shire) which comprises:

- the Statement of Financial Position at 30 June 2022, the Statement of Comprehensive Income by Nature or Type, Statement of Changes in Equity, and Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2022 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 below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter – Correction of Error

I draw attention to Note 28 to the financial report which states that the amounts reported in the previously issued 30 June 2021 financial report have been restated and disclosed as comparatives in this financial report. My opinion is not modified in respect of this matter.

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, but not the financial report and my auditor's report.

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

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

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer of the Shire is responsible for:

- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the Shire's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- 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 responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. 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.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

My independence and quality control relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Dalwallinu for the year ended 30 June 2022 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.

Mark Ambrose
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
16 December 2022

7.2 Independent Auditor's Report*

Report date	20 December 2022
Applicant	Shire of Dalwallinu
File ref	FM/7 – Financial Management Audit
Previous Meeting Reference	Nil
Prepared by	Ally Bryant, Manager Corporate Services
Supervised by	Jean Knight, Chief Executive Officer
Disclosure of interest	Nil
Voting requirements	Simple Majority
Attachments	1. OAG Report 2. Shire of Dalwallinu Report

Purpose of Report

The Audit Committee is requested to accept a recommendation addressing the matter relating to the Shire's Fair value of Infrastructure Assets, identified as significant by the auditor.

Background

Section 7.12A (4) (a) of the *Local Government Act 1995* states that a Local Government must prepare a report addressing any matters identified as significant by the auditor. The auditor in his report identified a significant matter on the Shire's Fair value of Infrastructure Assets. The Shire is required to prepare a report stating what action it has taken or intends to take with respect to this matter and give a copy of that report to the Minister within 3 months after the audit report is received by the Local Government.

The Audit Committee is required to examine the report of the Auditor and prepare a report on the actions the Shire of Dalwallinu has taken or intends to take in relation the matters raised.

Consultation

Auditor – Martanki Mathew of William Buck

Auditor – Conley Manifis Partner of William Buck

Director OAG – Mr Mark Ambrose

Legislative Implications

State

Local Government Act 1995 – s7.12A(4)

Policy Implications

Nil

Financial Implications

Nil

Strategic Implications

Nil

Triple Bottom Line Assessment

Economic implications

There are no known significant economic implications associated with this proposal.



Social implications

There are no known significant social implications associated with this proposal.

Environmental implications

There are no known significant environmental implications associated with this proposal.

Officer Comment

Management have drafted a report for the Audit & Risk Committee to review. The report is attached to this report.

Officer Recommendation/Resolution

MOTION

Moved Cr NW Mills
Seconded Cr KL Carter

That the Audit & Risk Management Committee:

1. Accepts the Report on Significant Matters recommended by Management;
2. Requests that the Chief Executive Officer forward a copy of the report to the Minister for Local Government, Sport and Cultural Industries;
3. Request the Chief Executive Officer to publish a copy of the report on the Shire of Dalwallinu website within 14 days.

CARRIED 4/0



SHIRE OF DALWALLINU

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2022

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
1. Fair value of Infrastructure Assets – Frequency of valuations	✓		

Key To Ratings

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

Significant - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However, even if the issue is not likely to impact the audit report, it should be addressed promptly.

Moderate - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.

Minor - Those findings that are not of primary concern but still warrant action being taken.

SHIRE OF DALWALLINU**PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2022****FINDINGS IDENTIFIED DURING THE FINAL AUDIT****1. Fair Value of Infrastructure Assets - Frequency of Valuations****Finding**

The Shire has not performed an assessment to determine whether its infrastructure assets represent fair value.

The Shire last performed an assessment on infrastructure assets in financial year 2018. The formal fair value assessment was performed by an approved independent valuer. The Shire's policy is to revalue infrastructure once every five years. According to this policy the Shire intends to revalue infrastructure assets in financial year 2023.

Although Regulation 17A(4)(b) of the Local Government (Financial Management) Regulations 1996 requires the local government to revalue land, buildings and infrastructures no more than 5 years after the last valuation, management should consider assessing whether there are trigger events that would indicate movement in these assets annually. Where indicators exist a robust fair value assessment should be performed capturing the requirements of AASB 13 Fair Value Movements.

Rating: Significant**Implication**

Without a robust assessment of fair value of the Shire's Infrastructure Assets, there is a risk that the fair value of infrastructure assets may not have been assessed adequately and in compliance with AASB 13 Fair Value Measurement, as well as Regulation 17A(4)(b) of the Local Government (Financial Management) Regulations 1996 (the Regulations).

Recommendation

The Shire to consider implementing as part of the preparation of financial statements a formal robust process to determine whether indicators exist annually, that would trigger a requirement to perform a formal revaluation of Infrastructure Assets. Where indicators exist a robust fair value assessment should be performed capturing the requirements of AASB 13 Fair Value Movements. This process is to ensure that the Shire's infrastructure assets are recorded at fair value in compliance with AASB 13 Fair Value Measurement and the Regulations.

This may entail obtaining relevant input from an independent valuer as to whether or not they consider there are any prevailing market factors which may indicate that the fair value of relevant assets are likely to have been impacted to any significant / material extent from the prior year. Where a fair value assessment has been performed internally the Shire may consider having this assessment peer reviewed by an independent valuer to obtain assurance over the valuation methodology applied, inputs and the reasonableness of the valuation model applied.

SHIRE OF DALWALLINU

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2022

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

Management comment

The Shire accepts the recommendation to implement a procedure to capture the Fair Value of the Shires Other Infrastructure. We are due for a full Revaluation of Other Infrastructure in the 23 FY. In the following Financial Years the Shire will assess the need for an internal valuation capturing Fair Value Movement depending on the indicators at the time.

Responsible person: Ally Bryant

Completion date: 01/12/2022



Report on Significant Matters for the financial year ended 30 June 2022

Report per Section 7.12A(4)(a) of the *Local Government Act 1995*

The Audit of the Shire of Dalwallinu for the Financial Year ending 30 June 2022 resulted in the findings of one (1) Significant Matter.

Purpose of Report

To address the Shires need for an annual revaluation of Infrastructure.

Significant Matter Identified by OAG - Fair value of Infrastructure Assets

The Shire has not performed an assessment to determine whether its infrastructure assets represent fair value.

The Shire last performed an assessment on infrastructure assets in financial year 2018. The formal fair value assessment was performed by an approved independent valuer. The Shire's policy is to revalue infrastructure once every five years. According to this policy the Shire intends to revalue infrastructure assets in financial year 2023.

Although Regulation 17A(4)(b) of the *Local Government (Financial Management) Regulations 1996* requires the local government to revalue land, buildings and infrastructure no more than five (5) years after the last valuation, management should consider assessing whether there are trigger events that would indicate movement in these assets annually. Where indicators exist a robust fair value assessment should be performed capturing the requirements of AASB 13 Fair Value Movements.

Implication

Without a robust assessment of fair value of the Shire's Infrastructure Assets, there is a risk that the fair value of infrastructure assets may not have been assessed adequately and in compliance with AASB 13 Fair Value Measurement, as well as Regulation 17A(4)(b) of the *Local Government (Financial Management) Regulations 1996* (the Regulations).

Recommendation

The Shire to consider implementing as part of the preparation of financial statements, a formal robust process to determine whether indicators exist annually, that would trigger a requirement to perform a formal revaluation of Infrastructure Assets. Where indicators exist, a robust fair value assessment should be performed capturing the requirements of AASB 13 Fair Value Movements. This process is to ensure that the Shire's infrastructure assets are recorded at fair value in compliance with AASB 13 Fair Value Measurement and the Regulations.

This may entail obtaining relevant input from an independent valuer as to whether or not they consider there are any prevailing market factors which may indicate that the fair value of relevant assets are likely to have been impacted to any significant / material extent from the prior year. Where a fair value assessment has been performed internally, the Shire may consider having this assessment peer reviewed by an independent valuer to obtain assurance over the valuation methodology applied, inputs and the reasonableness of the valuation model applied.

Management Comment

The Shire accepts the recommendation to implement a procedure to capture the Fair Value of the Shires Other Infrastructure. The Shire is due for a full Revaluation of Other Infrastructure in the 23FY. In the following Financial Years the Shire will assess the need for an internal valuation capturing Fair Value Movement depending on the indicators at the time.

Action taken or intended to be taken

Management of the Shire will introduce an internal assessment to be undertaken by March of each year. This will be determined by indicators at the time which may affect the current fair value of the Shires Infrastructure.

Completion or Proposed Completion Date

Internal Assessment – 30 March 2023

Annual assessment – Ongoing

8 SCHEDULING OF MEETING

The next Audit & Risk Management Committee Meeting will be held at a date to be decided.

9 CLOSURE

There being no further business, the Chairperson closed the meeting at 3.12pm.

10. CERTIFICATION

I, Steven Clifford Carter, certify that the minutes of the Audit Committee meeting held on the 20 December, 2022 as shown on pages 1 to 126 were confirmed as a true record at the meeting held on 7 February 2023.



Chairperson

7/2/23
DATE

