



Contents

Elected Members of the Shire	3
Elected Members Attendance	4
Elected Members Information	5
Elected Members Training Report	6
Management Structure	9
Employee Information	10
Shire President Message	11
Chief Executive Officer Message	12
Deputy Chief Executive Officer Report	16
Manager Works and Services Report	19
Manager Planning & Development Services Report	21
Dalwallinu Aquatic Centre Report	22
Chief Bush Fire Control Officer Report	23
Freedom of Information	24
Register of Minor Complaints.....	24
2019/20 Objectives and Achievements.....	25
Citizenship Ceremonies	29
Strategic Community Plan Scorecard	30
Competition Policy	38
Disability Access and Inclusion	39
Record Keeping Plan Report	40
Events & Programs	41
2019/20 Annual Financial Statements	43



Elected Members of the Shire

Cr STEVEN CARTER

Shire President

Mob: 0428 663 017

Term ending: 2023



Cr KEITH CARTER

Shire Deputy President

Mob: 0428 643 051

Term ending: 2023



Cr ANITA DICKINS

Councillor

Mob: 0429 621 112

Term ending: 2021



Cr NOEL MILLS

Councillor

Mob: 0428 662 088

Term ending: 2021



Cr KAREN CHRISTIAN

Councillor

Mob: 0427 183 363

Term ending: 2021



Cr BRETT BOYS

Councillor

Mob: 0413 740 320

Term ending: 2021



Cr KAREN McNEILL

Councillor

Mob: 0429 020 285

Term ending: 2023



Cr JANINE HUGGETT

Councillor

Mob: 0491 247 272

Term ended: February 2021
(Resigned)



Cr MELISSA HARMS

Councillor

Mob: 0437 663 035

Term ending 2023



Elected Members Attendance



Statutory Report

ORDINARY COUNCIL

TABLE 1: Attendance of Elected members at Council Meetings -1 July 2019 to 23 June 2020.

Elected Members	Ordinary Council Meetings (11)	Special Council Meetings (1)	Apologies	Leave of Absence
Cr Steve Carter	10	1	1	0
Cr Keith Carter	10	1	0	1
Cr Brett Boys	10	1	0	1
Cr Karen McNeill	11	1	0	0
Cr Anita Dickins	8	0	2	2
Cr Karen Christian	8	0	4	0
Cr Graham Sanderson	3	1	0	0
Cr Janine Huggett	6	1	0	0
Cr Noel Mills	8	1	1	2

Note: Cr Graham Sanderson was not re elected in October 2019 and Cr Janine Huggett resigned in February 2020.



Elected Member Information



Age Range	Number
Between 18 years and 24 years	0
Between 25 years and 34 years	0
Between 35 years and 44 years	0
Between 45 years and 54 years	4
Between 55 years and 64 years	3
Over 64 years	1

Elected Member	Gender	Linguistic background	Country of Birth	Aboriginal or Torres Strait Islander
Cr SC Carter	Male	English	Australia	No
Cr KL Carter	Male	English	Australia	No
Cr BH Boys	Male	English	Australia	No
Cr AR Dickins	Female	English	Australia	No
Cr KM McNeill	Female	English	Australia	No
Cr NW Mills	Male	English	Australia	No
Cr KJ Christian	Female	English	Australia	No
Cr MM Harms	Female	English	Australia	No



Elected Members Training Report 2019-2020

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

Name	Training Program	Date of Program	Traning Provider	Cost	Location
Cr Steve Carter	Local Government Week 2019 - various topics	7-9 August 2019	WALGA	\$2,069	Perth
Cr Keith Carter	Local Government Week 2019 - various topics	7-9 August 2019	WALGA	\$2,069	Perth
Cr Brett Boys	Nil				
Cr Anita Dickins	Professionally Speaking for Elected Members	9 March 2020	WALGA	\$578	Perth
Cr Karen McNeill	Nil				
Cr Noel Mills	Nil				
Cr Karen Christian	Nil				
Cr Melissa Harms	Nil				
Cr Graham Sanderson	Local Government Week 2019 - various topics	7-9 August 2029	WALGA	\$2,030	Perth
Cr Janine Huggett	Nil				



Elected Members Training Report 2019-2020

Mandatory Training

Name	Elected to Office	Council Members Essentials	Completion Date	Due Date for Completion
Cr Steve Carter	2019	Understanding Local Government	-	1 November 2020
		Conflicts of Interest	29 February 2020	1 November 2020
		Meeting Procedures	-	1 November 2020
		Serving Council	-	1 November 2020
		Understanding Financial Reports and Budgets	Under development	1 November 2020
Cr Keith Carter	2019	Understanding Local Government	2 March 2020	1 November 2020
		Conflicts of Interest	24 December 2019	1 November 2020
		Meeting Procedures	19 February 2020	1 November 2020
		Serving Council	-	1 November 2020
		Understanding Financial Reports and Budgets	Under development	1 November 2020
Cr Brett Boys	2017	Understanding Local Government	-	1 November 2020
		Conflicts of Interest	-	1 November 2020
		Meeting Procedures	-	1 November 2020
		Serving Council	-	1 November 2020
		Understanding Financial Reports and Budgets	Under development	1 November 2020
Cr Anita Dickins	2017	Understanding Local Government	-	1 November 2020
		Conflicts of Interest	-	1 November 2020
		Meeting Procedures	-	1 November 2020
		Serving Council	-	1 November 2020
		Understanding Financial Reports and Budgets	Under development	1 November 2020



Elected Members Training Report 2019-2020

Name	Elected to Office	Council Members Essentials	Completion Date	Due Date for Completion
Cr Karen McNeill	2019	Understanding Local Government	15 March 2020	1 November 2020
		Conflicts of Interest	17 December 2020	1 November 2020
		Meeting Procedures	15 March 2020	1 November 2020
		Serving Council	-	1 November 2020
		Understanding Financial Reports and Budgets	Under development	1 November 2020
Cr Noel Mills	2017	Understanding Local Government	-	1 November 2020
		Conflicts of Interest	25 January 2020	1 November 2020
		Meeting Procedures	-	1 November 2020
		Serving Council	-	1 November 2020
		Understanding Financial Reports and Budgets	Under development	1 November 2020
Cr Karen Christian	2017	Understanding Local Government	27 February 2020	1 November 2020
		Conflicts of Interest	27 February 2020	1 November 2020
		Meeting Procedures	-	1 November 2020
		Serving Council	-	1 November 2020
		Understanding Financial Reports and Budgets	Under development	1 November 2020
Cr Melissa Harms	2019	Understanding Local Government	15 January 2020	1 November 2020
		Conflicts of Interest	15 January 2020	1 November 2020
		Meeting Procedures	15 January 2020	1 November 2020
		Serving Council	-	1 November 2020
		Understanding Financial Reports and Budgets	Under development	1 November 2020



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.

COUNCIL

Cr Steven Carter (President)

Cr Keith Carter

Cr Brett Boys

Cr Karen Christian

Cr Melissa Harms

Cr Anita Dickins

Cr Karen McNeill

Cr Noel Mills

Chief Executive Officer

Mrs Jean Knight

Mobile: 0427 611 001

Manager Planning & Development
Services

Mr Doug Burke

Mobile: 0439 095 976

Manager Corporate Services

Mrs Hanna Jolly

Mobile: 0407 084 318

Manager Works & Services

Mr Will Taylor

Mobile: 0407 253 797



Employee Information



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 \$	2020	2019
100,001 - 110,000	1	2
110,001 - 120,000	1	0
120,001 - 130,000	1	1
150,001 - 160,000	0	0
180,000 - 190,000	1	1

- 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 \$157,920 - \$259,278.

The Shire of Dalwallinu, Chief Executive Officer was paid a Total Reward Package of \$230,420 in the 2019/2020 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.



Shire President Message



The 2019-2020 season has proven to be a challenge around the shire in many ways. As far as farming goes it was a short, sharp growing season which started late & finished early, which meant the freight task was greatly reduced compared to 2018-2019. Several bins in the shire remained closed & even this didn't see the upgrades made to McLevie CBH tested to their capacity.

This section of Dalwallinu-Kalannie Rd was re-formed, widened to eight metres then re-sealed. This was a Regional Road Group Funded Project which is funded 2/3 by State Government & 1/3 ratepayers funds.

The lack of rainfall events impacted on the road crew's ability to carry out both road construction and maintenance & I congratulate them on sticking to their tasks. It seems the combination of contract & shire crews, whether working together or separately is a success. Our road network is fantastic and I hear plenty of positive comments from both inside and outside of the shire to back that up.

I mentioned the upgrades to the McLevie CBH receival site previously. This was a \$20 million project completed just before harvest (in fact I think some trucks rolled in even before it was completed). This shows they have confidence in the district to keep producing plenty of grain and maintain our reputation as the Wheat Shire although maybe not this year.

The Recreation Centre was completed and officially opened. I'd like to thank Lotterywest for

funding the Recreation centre precinct upgrades and the ratepayers of Dalwallinu for the rest of the refurbishment. I'm confident all who use the facility will be very impressed with the building's appearance and functionality.

The Shire is in the process of upgrading the deep sewerage as there have been a few failures in recent years. This will take several years however money from rates goes into a reserve to allow this work to progress without putting extra pressure on the finances.

Two 1x1 units were completed in James St. This was a joint venture project between Department of Communities & the Shire. The Shire provided the land and the funds for the buildings came from the joint venture housing reserve.



1x1 James Street Unit

Our towns are looking fantastic and the outside staff can feel particularly proud of their efforts. There are lots of comments from tourists, visitors from nearby towns and locals on how pleasant it is to spend time in the parks.

The administration staff do a great job both in the public eye at the front desk & behind the scenes. I congratulate senior management on keeping things on track. Speaking of senior management the Deputy Chief Executive Officer Keith Jones tendered his resignation effective from September 2020. We thank Keith for his long & loyal service to the Dalwallinu Shire.

Steve Carter
SHIRE PRESIDENT



Chief Executive Officer Message



It gives me great pleasure to present my 2019-2020 report for the Shire of Dalwallinu.

Highlights of the 2019-2020 year include:

- Completion of the landscaping works at the Dalwallinu Recreation Centre
- Expenditure of \$2.06M on capital roadworks , \$1.39M on road maintenance
- Sewerage System Upgrade – McNeill Street
- Construction of two 1x1 Units in James Street
- New guttering and surrounds for the Aquatic Centre
- Replacement of two lighting towers in Kalannie
- Contribution towards new bowling greens in Kalannie
- De-sludging of the Sewerage Ponds
- Lighting on Old Basketball Courts in Dalwallinu
- Construction of car park near club/aquatic centre
- Upgrade to the murals in Johnston Street
- New Mural on the Squash Court Wall

Bell Street Subdivision

Tenders were called for the long awaited Bell Street Subdivision. This has been increased from a nine (9) lot to a twelve (12) lot subdivision to increase the lot yield and provide different size lots. Council awarded the tender in June 2020 with the subdivision to be completed by the end of October 2020. This is to be partially funded by loan proceeds.

Shire of Dalwallinu Sport & Recreation Plan

Council reviewed the Shire of Dalwallinu Sport & Recreation Plan in December 2019 which assists Council in prioritising future works. All groups/clubs were contacted for input. This plan will be updated on a biennial basis to include any new requests from the clubs.

Tenders

The following tenders were called in 2019-2020:

- Sewer Upgrade McNeill Street
- Provision of Cleaning Services – no tenders received
- Bitumenous Sealing Works
- Bell Street Civil Works and Infrastructure

Disposal of Property, Plant & Equipment

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

- 2012 John Deere 624K Loader (DL199)
- Lots – Pioneer Place – no offers received
- 2012 Ford Territory (DL131)
- Surplus Plant & Equipment
- Old Buntine Fire Shed
- 2016 Komatsu Grader (DL143)
- 2019 Mack Tip/Water Truck (DL1207)
- 3 Myers Street, Dalwallinu
- 70 McNeill Street, Dalwallinu
- Lot 172 Harris Street, Dalwallinu



Dalwallinu Gymnasium

The 24/7 Gymnasium opened in July 2019. During the 2019-2020 we had 65 full time members and 38 casual members.

Shire events

Australia Day celebrations were again held at the Aquatic Centre. This was well attended by the community. Unfortunately due to Covid-19 we did not celebrate Anzac Day in our usual way. However like other parts of the State, Dalwallinu held a dawn drive way service.

Citizenship Ceremonies

The Shire conducted three (3) citizenship ceremonies during the year. We had twenty five (25) new citizens with 23 from the Phillipines, 1 from the United Kingdom and 1 from New Zealand.

Events/Programs

The Shire continues to provide school holiday programs for the children. In October 2019 we held a kite making workshop which was very well attended. A cartoon workshop was scheduled for April 2020 but due to Covid-19 had to be cancelled.

The Shire joined forces with the Lions Club in December 2019 to host the annual Street Christmas Party. The Shire provided the band, children's entertainment, free fairy floss/popcorn 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.

In October 2019 we held an opening for the Dalwallinu Recreation Centre. We had a good sized crowd attend. Everyone enjoyed the evening and were impressed by the upgrade.



Recreation Centre Opening

Xantippe again hit the headlines in October 2019 with the Great Aussie Coin Hunt. The coin for X represented by Xantippe.



Xantippe Coin Drive

In December 2019 we had the ABC present their morning program from the Shire Office. The broadcast came across great on the radio and we had a wide range of interesting speakers.

Local Government Elections

Elections were held in October 2019. There were four (4) vacancies. At the close of nominations on 12 September 2019, five (5) nominations were received. We had a 28% voting turnout. Councillors Steve Carter, Keith Carter and Karen McNeill were re-elected and we had one new Councillor elected, Cr Melissa Harms. Mr Graham Sanderson was not re-elected after serving on Council for 33 years. Mr Sanderson is to be congratulated for serving on Council for so many years.

Shire Re-branding

In March 2019 we commenced the re-branding of the Shire of Dalwallinu. A working group was formed consisting of Councillors, Staff and community members. The consultant provided seven (7) designs which the working group narrowed down to two options. After further refinements Council adopted the final logo at the Ordinary Council Meeting in November 2019.





Colours

- Red - soil
- Blue - skies
- Green – wheat and wattle
- Gold – wheat and wattle
- Red & Blue – sporting colours

Elements

- Gold Wheat stalk – representing the agriculture in the Shire
- Wattle flower – representing one of the many species of wattle found within the Shire
- Five orange circles – represents the five (5) towns within the Shire of Dalwallinu
- Blue wave – represents the blue skies
- Red wave – represents the soil
- Green stems – represents the crops

The objective of the re-branding was to acquire a logo that presents a professional corporate image of the Shire that is distinct and recognisable.

Promotional Video

After the Electors Meeting held in February 2020, Council launched the new Shire of Dalwallinu Promotional Video. All community members who took part in the making of the video were invited to attend the launch. The video went viral and within days had reached 23,673 people and been shared 208 times.

Review of the Strategic Community Plan

Council commenced the review of their Strategic Community Plan in February 2020. Unfortunately Covid-19 hit and community workshops were not able to be held so we attempted to seek feedback from the community by an online survey. Thank you to those that took the time to provide their feedback on the Shire's way forward.

Covid-19

In April 2020 Council granted concessions for their ratepayers in response to the Covid-19 pandemic. These included:

- The adoption of a Financial Hardship Policy;
- Waiving all penalty interest charges for outstanding rates until 30 June 2020;
- Waiving of all fees relating to Planning Applications until 31 December 2020;
- Waiving of all fees relating to Building Applications above \$105 until 31 December 2020;
- Applying a zero percent increase to all non-statutory fees and charges;
- Applying a zero percent increase in overall rate revenue for the 2020-2021 financial year.

Unfortunately many planned events had to be cancelled due to the Covid-19 pandemic. Some of these included:

- School holiday workshop
- Festival of Small Halls
- Information session with Sabrina Hahn
- Hawaiian Ride for Youth
- Anzac Day
- Strategic Community Plan workshop with the community



Staff



Again I would like to thank the staff, led by the Senior Management Team for their efforts over the past twelve months. Their leadership and support is critical to the ongoing success of our organisation. We have a very good team of staff who are doing their absolute best to deliver on both Council and community expectations. The Senior Management Team has remained unchanged over the past twelve months which has provided stability for the organisation. In June 2020 we said farewell to our Deputy Chief Executive Officer who went on long service leave and will resign from his position in September 2020. Keith will remain in Dalwallinu as he continues to operate the Dalwallinu Caravan Park. This vacancy was filled internally by the very capable Mrs Hanna Jolly who is now the Manager Corporate Services.

The FTE for the Shire of Dalwallinu currently sits at 28.73. In addition we have 7 casual employees for cleaning services and the Aquatic Centre.

The Works & Services team remained fairly stable:

Appointments	Resignations
George Cross	Trevor Nannup
Steve Brindley	Mark Donnes
Luke Breadsell	George Cross

The Administration team also remained fairly stable given that there was a restructure within the organisation:

Appointments	Resignations
Rosie De Beer	Nicole Bolin
Jazzmin Maunick	Omari Pronk
Martika Fogarty	Rosie De Beer
Sandra Nailer	
Jade Welbon	
Sam Dickins	
Kayla Claydon	

This year we appointed a school based trainee. This was an ideal opportunity for the Shire to provide a young person in our community with a start on their career pathway. I would like to thank the Councillors, Staff and community for their support over the past twelve months and look forward to another productive year ahead.

Jean Knight

CHIEF EXECUTIVE OFFICER



Deputy Chief Executive Officer Report

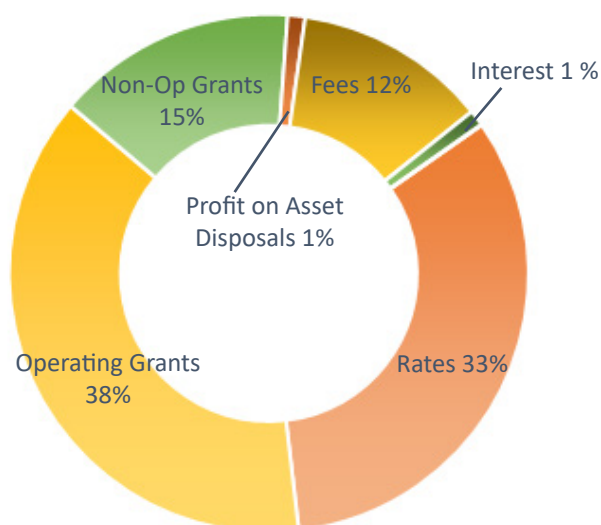


Finance

This financial year a surplus of \$2.8 million was due to four main reasons. An early payment of Financial Assistance Grant Funding (FAGS) totalling nearly \$1.55million, unfinished projects carried forward, savings on items budgeted for 2019/20 and sale of plant & equipment which wasn't budgeted. All this surplus has been budgeted to be expended in the 2020/2021 financial year.

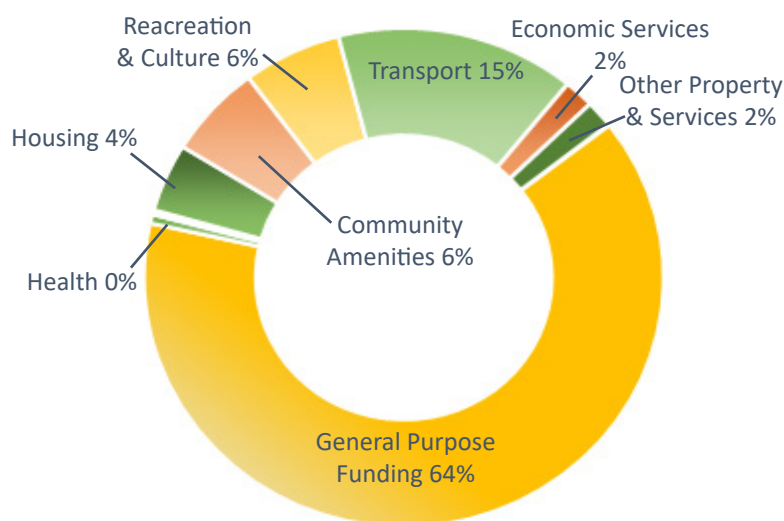
The following 2019/2020 revenue received by the Shire is detailed by graphs showing Nature and Type and by Program.

by Nature and Type



Graph 1 ~ Revenue

by Program



Graph 2 ~ Revenue

Rates	3,274,816
Operating Grants, Subsidies and Contributions	3,787,002
Non-Operating Grants, Subsidies and Contributions	1,491,653
Profit on Asset Disposals	108,172
Fees and Charges	1,198,315
Interest Earnings	99,033
Other Revenue	1,122

Governance	9,798
General Purpose Funding	6,369,705
Law, Order, Public Safety	57,288
Health	24,492
Education and Welfare	5,548
Housing	439,912
Community Amenities	598,514
Recreation and Culture	612,177
Transport	1,485,826
Economic Services	186,762
Other Property and Services	170,091



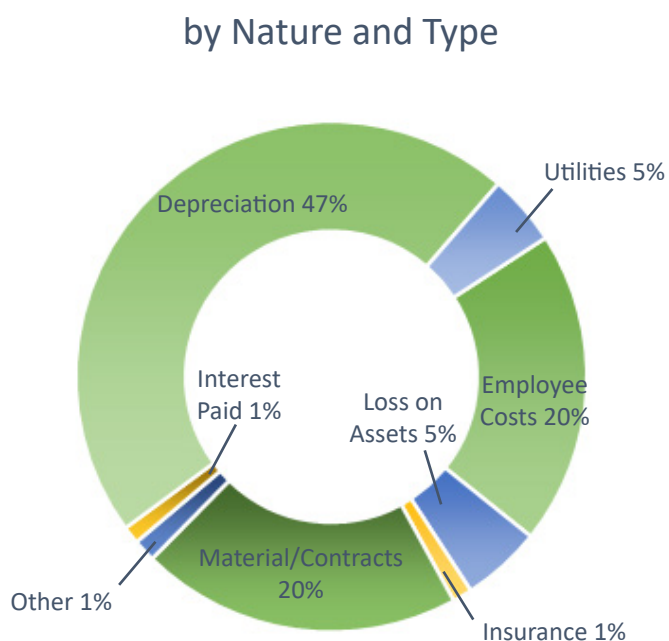
Reserve Accounts

The Shire has a total of \$2,299,421 cash backed reserves (see note 4 in the financial report for a breakdown of this amount). The Plant Reserve and Land & Building Reserve are holding the largest amounts currently. The Plant Reserve is based on a ten year replacement plan however can also be used to cover contractor expenditure if the Shire doesn't have resources available internally.

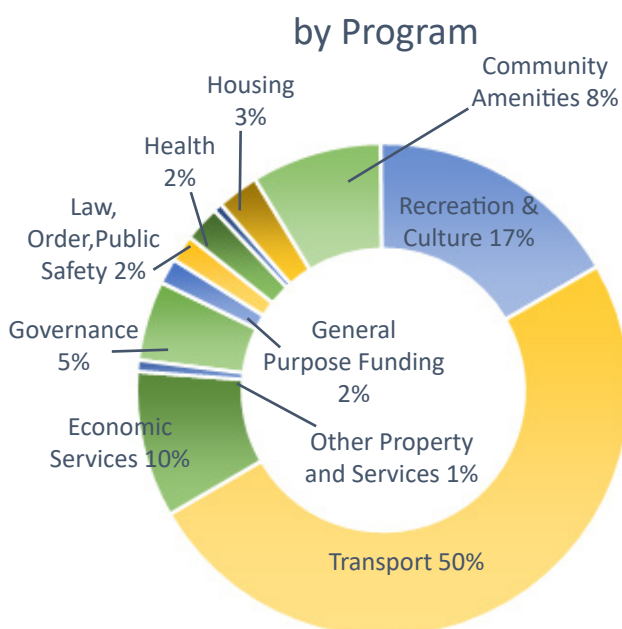
Loans & Borrowings

There were no new loans taken out during the financial year. Debt principal repaid during the year was a net \$129,673. Current outstanding loan principal at the end of the financial year is \$3,329,739 which is made of three loans. These loans are for the Dalwallinu Sewerage Scheme, Dalwallinu Discovery Centre and Dalwallinu Recreation Centre. Budgeted new loan for Bell St subdivision did not go ahead during the financial year.

The following 2019/2020 expenditure by the Shire is detailed by graphs showing Nature and Type and by Program.



Graph 3 ~ Expenditure



Graph 4 ~ Expenditure

Employee Costs	2,338,371
Materials and Contracts	2,386,757
Utility Charges	527,495
Insurance	145,241
Loss on Asset Disposals	593,768
Depn. on Non-curr. Assets	5,450,740
Interest	130,000
Other	167,540

Governance	615,732
General Purpose Funding	196,766
Law, Order, Public Safety	207,592
Health	276,491
Education and Welfare	68,224
Housing	439,912
Community Amenities	1,003,778
Recreation and Culture	1,974,742
Transport	5,865,189
Economic Services	1,125,092
Other Property and Services	86,136



Rates

The Shire raised a total of \$3,274,816 in Rates revenue and at the 30th June 2020 the amount of unpaid rates (including legal fees) was \$66,058.

Interest

Interest earnings for the 2019/2020 financial year amounted to \$99,033 against a budget of \$92,590. Very low interest rates are still in place but all efforts were made to access the highest interest rate possible when reinvesting Shire funds.

Grant Funding Received

Note 2(a) of the Financial Report details the grants received and expended by program for the year 2019/2020. In addition to these notes the following projects were funded by grant submissions and formed major portion of the grant revenue.

Project	Funder/Program	Amount
Roads and General Purpose Funding	Federal Government (Financial Assistance Grants)	2,930,789
Road Maintenance	Main Roads WA	275,176
Capital Road Works	Roads to Recovery Federal Government	723,092
Capital Road Works	Regional Road Group WA	443,693
ESL Operational Funding	Department of Fire & Emergency Services (DFES)	51,888
Recreation Centre Precinct	Lotterywest	232,363

Community Grants and Support Provided

\$16,170 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 make 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.

Keith Jones

DEPUTY CHIEF EXECUTIVE OFFICER



Manager Works & Services Report



Road Construction

\$2.06M was invested in road construction throughout the Shire of which \$443,693 was received from 'Regional Road Group' and \$723,092 from 'Roads to Recovery'. Projects included in 2019-2020 were:

- Dalwallinu Kalannie Road
- Wubin East Road
- Rabbit Proof Fence Road
- Pithara East Road
- Hourigan Road
- Glamoff Road
- Buntine Marchagee Road

Road Maintenance

	2019-2020	2018-2019
Road Maintenance	\$429,853	\$536,555
Rural Road Maintenance	\$594,692	\$848,439
Grading		
Verge Maintenance	\$176,149	\$62,264
Footpath Maintenance	\$14,351	\$29,040
Street Cleaning	0	\$48,460
Street Trees	0	\$25,761
Stormwater Drainage Maintenance	\$38,492	\$37,778
Total	\$1,253,537	\$1,588,297

Parks & Gardens

\$492,969 was spent on the maintenance of the Shire's parks, ovals and reserves.

Sewerage

Upgrade to the sewerage system on McNeill Street was completed in 2019-2020.



Kalannie Townscape

Works Request

Works & Services		
	2019-2020	2018-2019
Parks & Gardens	0	14
Engineering (Roads, Verges)	7	27
Signage	6	4
Sewerage	57	59
Drains/Culverts	0	0
Footpaths	1	7
Building Maintenance	328	330
Total	399	441



Staff Changes



Appointments

George Cross
Steve Brindley
Luke Breadsell

Resignations/Terminations

George Cross
Mark Donnes
Trevor Nannup

Staff Recognition

Tyran Herron – 5 years' service
Dave Hughes – 20 years' service
Greg Rodan – 30 years' service

Will Taylor

MANAGER WORKS & SERVICES



New Shire Grader



New Shire Loader

Manager Planning & Development Services Report



Planning Services

The determination of any applications for land use development within the local government area is the responsibility of the Shire under the *Planning and Development Act 2005*. The Western Australia Planning Commission has the authority to approve subdivisions. The Minister or the Department of Planning, Lands and Heritage gives consent to any proposal to amend the local planning scheme on the advice of the Western Australia Planning Commission. Guiding land use and development in the Dalwallinu local government area is the Shire of Dalwallinu Local Planning Scheme No 2 and a number of subsidiary local planning policies.

- Policy No 1 Offensive Uses
- Policy No 2 Fences Amended
- Policy No 3 East Pithara Road
- Policy No 4 Stables
- Policy No 6 Aged Accommodation
- Policy No 7 Verandas Over Footpaths
- Policy No 8 Sea Containers

Land Use & Development Applications

Type of Activity	2019-2020	2018-2019	2017-2018
Planning Applications	15	24	24
Monetary Value	\$3,258K	\$16,406K	\$8,671K
Subdivisions	3	2	3
Scheme Amendments	1	2	1

Building Services

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

Types of Building Applications

Type of Activity	2019-2020	2018-2019	2017-2018
Dwelling	5	14	12
Buildings ancillary to dwellings	10	3	4
Commercial	3	3	3
Industrial	4	1	1
Total Applications	22	21	20
Monetary value of all applications	\$2,607.3K	\$6,511.5K	\$12,964K

Doug Burke
MANAGER PLANNING & DEVELOPMENT SERVICES



Dalwallinu Aquatic Centre Report



Aquatic Centre

Officially opened on 12 February 1999 the Dalwallinu Aquatic Centre celebrated its 21st birthday during season 2019/20 with this milestone. The Aquatic Centre also welcomed a new Aquatic Centre Manager, Kim Johnson, Kim has brought with him a wealth of knowledge in aquatic operations and event and program management. With this the centre now has the start of what is proving to be a very successful Swim School, endorsed by the Royal Life Saving Society of WA the Swim School had 26 enrolments and employed two casual swimming teachers in the first year. Other programs and events introduced during the 2019/20 season included the Dive in Disco an event for children aged 10 – 15 years being entertained by local DJ WheatBeats. Water quality is fundamental to the operation of the Aquatic Centre, being tested numerous time per day and monthly testing by the WA Health Department all results during the last season came back with no adverse findings to pathological screening.

The swimming pool continues to be a community hub for the residents and visitors to the Shire with over 7,000 visits to the Centre during season 2019-20 equating to approximately 5 visits to the centre per resident. The Aquatic Centre closed two weeks early due to the Covid19 epidemic however the centre achieved and surpassed the income budget and expenditure came in under budget for season 2019-20.



Dalwallinu Swim School



School Holiday Inflatable Fun

Kim Johnson
AQUATIC CENTRE MANAGER



Chief Bush Fire Control Officer Report



Once again thank you to all those volunteers who attend these fires to keep property damage to a minimum for our community.



Bush Fire Control

The Wubin brigade has taken delivery of a new 4.4 Urban fire appliance. (funded by the ESL.)
Buntine brigade has a new appliance shed under construction in Buntine. (funded by the ESL)

Thanks to Mike and Narelle Dodd for housing the Buntine appliance in their shed on farm while the planning and funding for this new building was being organised.

There was one known incidence of a Volunteer fire fighter being injured while mopping up the day after the fire. He was not wearing the required PPE. As FCO's representing our Shire we remind you that the wearing of the readily available PPE is a requirement for attending fires as volunteers.

There were 16 reported fires last season.

1 tip fire which took 3 days to finally extinguish,
1 header fire which caused \$190,000 worth of damage and burnt a small area of crop \$5,000,
8 pole top fires and 9 poles burnt in a fire caused by lightning.

4 lightning strikes burning approximately 700 ha of crop and stubble.

One car fire causing \$5,000 damage

One crop fire caused by comb striking a rock (5 ha)



Gary Butcher
CHIEF BUSH FIRE CONTROL OFFICER

Freedom of Information

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

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

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

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

Nil Freedom of Information requests were received in 2019/20.

Register of Minor Complaints

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

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

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

In accordance with these requirements, it is advised that no complaints or minor breaches under the Local Government Act 1995 were received during 2019-2020.



2019/2020 Objectives and Achievements

Objectives & Achievements

The Council, in its 2019-20 Annual Budget, proposed to undertake and achieve the following:

Activity	Planned Works	Completion Date	Comments
Bell street Subdivision	Development of 12 residential lots	N/A	Business Plan for a 12 lot residential subdivision was endorsed by Council in October 2019. Tender awarded for the civil works in June 2020. Estimated completion date October 2020.
Buntine Fire Shed	Construction of a new Fire Shed to house the Buntine fire appliance	N/A	Due to timeframes, the construction of the fire shed has been included in the 2020-2021 budget.
Employee Housing	Construction of two (2) new employee houses on subdivided land between Wasley/Dungey	N/A	Construction of two new houses did not proceed as there is was no current demand for additional employee housing. However, the subdivision of 1 Wasley Street did proceed.
Housing – James Street	Construction of two (2) 1x1 low income housing units at the rear of Lot 11 James Street, Dalwallinu	February 2020	Completed.
Purchase of Myer Street Land	Acquisition of land for future aged housing	N/A	Waiting for DPLH to finalise documentation before proceeding to settlement. Budgeted in 2020-2021
Recreation Centre Dalwallinu	Upgrade to Recreation Centre	October 2019	Completed.
Kalannie Club	Repairs to storm damaged building	October 2019	Completed.
Purchase of Sawyer Avenue Land	Acquisition of land for future housing either Shire or private	N/A	Negotiations completed. Settlement due mid July 2020.



Fencing - Dams	Upgrade to fencing around old Water Corp Dams that have now been vested to the Shire	N/A	Included in the 2020-2021 budget. Works to be decided.
Aquatic Centre Guttering	Replacement of pool surround gutters and grates	November 2019	Completed.
Lighting towers - Kalannie	Replace two lighting towers that were damaged in a storm	N/A	Awaiting completion of the project due to supplier providing incorrect poles.
Activity	Planned Works	Completion Date	Comments
Car Park – Rec Centre	Formation of a gravel car park behind Sports Club/Squash Court area	November 2019	Completed.
Recreation Centre Precinct	Upgrade to Recreation Centre precinct creating a community hub, with a BBQ, water cooler, playground equipment, seating, ablution facility, pathways, bike track and landscaping	August 2019	Completed.
Leahy St Landscaping	Landscaping of Leahy St after subdivision works completed	N/A	Majority of landscaping completed. Remainder to be completed in 2020-2021.
Sewerage Ponds	Construction of new pond/Upgrade	June 2020	Completed. Ponds de-sludged.
Sewerage system upgrade	Upgrades to sewerage system	April 2020	Completed.
Road Construction	Ongoing upgrade and renewal works across the Shire	June 2020	Completed.
Plant Replacement	Ongoing replacement of Plant as per Council's Plant Replacement Schedule	June 2020	Completed except purchase of Prime Mover.



2020/2021 Objectives

Objectives & Achievements

The Council, in its 2020-21 Annual Budget, propose to undertake and achieve the following:

Activity	Planned Works	Completion Date
Bell Street Subdivision	Development of 12 residential lots	October 2020
Buntine Fire Shed	Construction of a new Fire Shed to house the Buntine fire appliance	November 2020
Dalwallinu Aquatic Centre	New Chlorine System	November 2020
Dalwallinu Cemetery	Replacement of fencing	December 2020
Dalwallinu Discovery Centre	Installation of solar panels	December 2020
Dalwallinu Recreation Centre	Upgrade to ticket box	March 2021
Dalwallinu Recreation Centre	Bitumise car Park (Club/Squash Courts area)	February 2021
Dalwallinu Recreation Centre	Construction of a 10 bay car parking shelter	December 2020
Dalwallinu Recreation Centre	Replace football posts	November 2020
Dalwallinu Recreation Centre	New Playground	February 2021
Dalwallinu Recreation Centre	Installation of alfresco and oval seating	March 2021
Dalwallinu Recreation Centre Upgrade to ticket box	New Electronic indoor scoreboard	November 2020



Activity	Planned Works	Completion Date
Dalwallinu Town Hall	Upgrade/provide solution to water issues	June 2021
Dalwallinu Ablution Facility	Upgrade to existing facility	December 2020
Fencing - Dams	Upgrade to fencing around old Water Corp Dams that have now been vested to the Shire	June 2021
Footpaths	Construction of footpaths – Bell/Wasley Streets	April 2021
Johnston Street	Installation of 3 x Banner Poles with solar lighting	December 2020
Kalannie Ablution Facility	Installation of a one cubicle universal access ablution facility	February 2021
Kalannie Oval	Installation of fencing around portion of oval	March 2021
Kalannie Sports Pavilion	Construction of a lean to at front of pavilion	November 2020
Mia Moon/Petrudor	Installation of seating	December 2020
Purchase of Myer Street Land	Acquisition of land for future aged housing	June 2021
Sawyer Avenue Land	Acquisition of land for future housing either Shire or private	July 2020
Shire Admin Centre	Installation of Air-Conditioning – Main Office/Foyer	October 2020
Wubin	Installation of play equipment	February 2021
Road Construction	Ongoing upgrade and renewal works across the Shire	June 2021
Plant Replacement	Ongoing replacement of Plant as per Council's Plant Replacement Schedule	June 2021



Citizenship Ceremonies

Citizenship Ceremonies

The Shire conducted three (3) citizenship ceremonies throughout 2019-2020 for a total of twenty five (25) new Australian Citizens. Each ceremony concluded with an afternoon tea provided by the Shire.

Date of Ceremony	Philippines	United Kingdom	New Zealand	South Africa	Total
27/07/19	13	0	0	0	13
24/07/19	8	0	0	1	9
26/01/20	1	1	1	0	3
Total	22	2	1	0	25



July 2019 Ceremony



January 2020 Ceremony



September 2019 Ceremony



Strategic Community Plan Scorecard

Strategic Community Plan 2017-2027 – Score Card 2019- 2020

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 19/20.
1.1.2 Advocate and promote an integrated public and Community Health Programme	Nil	N/A	No advocacy undertaken for community health programme in 19/20.
1.1.3 Investigate improved service delivery model	Nil	Yes	Dalwallinu Medical Centre leased to Panaceum Group for three years until October 2021.
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 no longer 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	Increased the allocation in the budget for additional cleaning hours	Yes	Additional cleaning of public facilities undertaken by cleaners.
1.2.2 Improve lighting and universal access requirements in public places	Nil	N/A	Nil
1.2.3 Promote greater usage of facilities for conferences and workshops	Marketing package developed for the Dalwallinu Recreation Centre	Yes	Package distributed to organisations who hold conferences in the regions.
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	Mobile tower in Goodlands installed.



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	New lease with Dalwallinu CRC expires 30 November 2028.
1.3.4 Encourage and support private enterprise solutions to improve communications	Shire representatives are members of Innovation Central Midlands Inc	Yes	ICMI have been involved with the 'Supernet' communications project and other projects that will benefit the Wheatbelt.

Strategic Community Plan 2017-2027 – Score Card 2019-2020

Goal 1 – Community (Social)			
Outcome 1.4: Improved youth activities and services			
Outcomes	Shire Activity/Action	Did we meet the outcome	Comment
1.4.1 Improve ambience and management of Recreation Centres	Council agreed to fund the upgrade to the Dalwallinu Recreation Centre after being unsuccessful with grant funding.	Yes	Completed
1.4. Enhance connections between DDHS and Shire Officers	Nil	N/A	Nil
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	Nil.
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 19-20 all completed



Strategic Community Plan 2017/2027 – Score Card 2019/2020

1.6.2 Support entities such as Mens Shed	Nil	N/A	No progress on this outcome
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			
1.8.1 Develop vibrant community hub space within the Dalwallinu recreation precinct	Completed in 18 - 19	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 2019 -2020

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	Subdivision of Wasley Street completed. Housing placed on hold as no demand for additional employee housing currently.
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	No	No progress on this outcome
2.1.4 Promote decentralised development	Nil	No	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	Nil	N/A	No progress on this outcome
2.2.2 Continue to promote local employment opportunities through website	All Shire vacancies are advertised on the Shire website	Yes	Ongoing
2.2.3 Investigate options for a new industrial area for heavy industries	Compile data to show demand. All lots have now been sold.	N/A	Demand for LIA needs to be demonstrated to State Government.
2.2.4 Develop and promote strategy for the business development in Shire towns	Shire Business Attraction brochure completed and distributed	No	More marketing to be undertaken

Strategic Community Plan 2017-2027 – Score Card 2019 - 2020

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	Have partnerships with Wildflower Country, Discover Golden Horizons, Australia's Golden Outback	Yes	Ongoing
2.3.3 Develop partnerships to enhance and maintain/rotate DDC educational displays	Nil	N/A	To be undertaken in 20-21
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			
2.4.1 Improve and build additional accommodation for aged persons	Nil	N/A	No progress on this outcome
2.4.2 Advocate for existing UCL to be released for development	Negotiate with State Government to purchase Reserves.	Yes	Purchased Lot 572 Sawyer Ave.



2.4.3 Encourage a variety of housing types are available	Construct two 1x1 Units in James Street	Yes	Completed as a joint venture with Dept of Communities.
2.4.4 Investigate potential joint venture arrangements for increased accommodation	Application lodged with Community Housing for the construction of 2 accommodation units in James Street. These to be funded from Joint Venture Reserve.	Yes	Approval received to use \$184K from reserve. Project awarded to Stallion Homes.

Goal 2 – Sustainable Living (Economic)

Outcome 2.5: Improved drainage of stormwater in towns

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
2.5.3 Increase capture and utilisation of storm water	Designs have been prepared. Need more work on location of proposed dam	Ongoing	To be re-costed in new location

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
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



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
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	Ongoing
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			
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	No	No progress on this outcome
3.2.3 Provide appropriate awards and prizes for excellence in tidy streets	Nil	No	No progress on this outcome
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	Increased verge spraying in townsites	Yes	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			
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

Strategic Community Plan 2017-2027 – Score Card 2019- 2020

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 2020
Outcome 4.2 Improved flexibility in and provision of customer service			
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
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	The partnership will continue into the future
4.4.2 Provide services to other Shires e.g conference facilities	Nil	N/A	No progress on this outcome
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 practise	Yes	Nil



Competition Policy

Competition Reform

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

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

Competitive Neutrality

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

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

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

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

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

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

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

LEGISLATION REVIEW

All Local Governments are required to assess which of

their local laws might impact on competition and conduct a review of each to determine how any restrictive practices might be overcome.

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

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

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

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

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

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

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

STRUCTURAL REFORM

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

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



Disability Access and Inclusion



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

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

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



Record Keeping Plan Report

Consistent with the provisions of the State Records Act 2000, the Shire of Dalwallinu has, at 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), disposal arrangements, policies, practices and processes. The RKP is the primary means of providing evidence of compliance with the Act.

OBJECTIVES

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

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

PERFORMANCE INDICATORS

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

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

State records commission standard 2: Principal 6

RECORD KEEPING TRAINING PROGRAM

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

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

A briefing session for all staff on the requirements of the RKP and their responsibilities 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 & Programs

Holey Moley Mini Golf

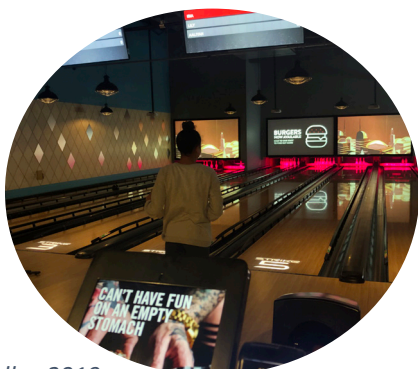


July 2019 School Holiday Program

Dalwallinu Kids go Holey Moley

This year's first school holiday program was a trip to Holey Moley mini golf centre Perth. We had 15 kids in attendance with the bus leaving Dalwallinu at 8am. Ty Herron volunteered his time to drive the bus and assist over the course of the day.

We all stopped for morning tea at the Bindoon Bakehouse and then continued onto Perth. When we arrived at Holey Moley the kids played a 9 hole course of crazy mini put and a game of tenpin bowling. After some lunch at the food court it was back to the bus and headed home to Dalwallinu.



Bowling Alley 2019

Kite Kinetics

For the October 2019 School Holiday we had Michael Alveres visit Dalwallinu to do his Kite Kinetics workshop with the Children of Dally. We had over 15 children attend the day which started off with an educational show and tell of all the Kites Michael has made over the years and then we began making our own kites with the kids. Once the Kites were made they were tested on the oval lucky it was a windy day and then they returned to the rec centre to make recycled spinning garden flowers.



Kite Kinetics 2019



Events & Programs

Swimming Pool Dive in Disco

Saturday 8 December the Dalwallinu Aquatic Centre held its first Dive in Disco, the event was an evening event held from 6-8pm run by the Dalwallinu Aquatic Manager Kim. We had the large inflatable obstacles set up in the pool and DJ Manu from Wheatbeats there providing the music.



Sabrina Hahn

Dalwallinu hosted horticulture expert and ABC presenter Sabrina Hahn and Jess Cullen for a landscaping day in Leahy Street and the Recreation Centre. Sabrina came to Dalwallinu in August 2019 to consult with the Shire regarding the plans to landscape the traffic islands in Leahy Street and the entry statement at the Recreation Centre.



Shire Staff & Sabrina Hahn



Sabrina Hahn & Joanne Harris

2019/20 Annual Financial Statements





SHIRE OF DALWALLINU
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

TABLE OF CONTENTS

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Index of Notes to the Financial Report	9
Independent Auditor's Report	56

COMMUNITY VISION

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

Principal place of business:
58 Johnston Street
Dalwallinu WA 6609



**SHIRE OF DALWALLINU
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Dalwallinu for the financial year ended 30 June 2020 is based on proper accounts and records to present fairly the financial position of the Shire of Dalwallinu at 30 June 2020 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 10th day of DECEMBER 2020



Chief Executive Officer

Jean M Knight

Name of Chief Executive Officer

SHIRE OF DALWALLINU
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2020



	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
Revenue				
Rates	23(a)	3,274,816	3,268,453	3,204,366
Operating grants, subsidies and contributions	2(a)	3,787,002	2,380,984	3,664,999
Fees and charges	2(a)	1,198,315	1,249,112	1,276,962
Interest earnings	2(a)	99,033	92,590	137,746
Other revenue	2(a)	1,122	100	36
		8,360,288	6,991,239	8,284,109
Expenses				
Employee costs		(2,338,371)	(2,451,518)	(2,830,290)
Materials and contracts		(2,386,757)	(2,727,361)	(2,667,499)
Utility charges		(527,495)	(522,824)	(455,009)
Depreciation on non-current assets	10(d)	(5,450,740)	(5,197,645)	(5,371,282)
Interest expenses	2(b)	(130,000)	(106,618)	(77,633)
Insurance expenses		(145,241)	(162,262)	(155,982)
Other expenditure		(167,540)	(151,281)	(179,979)
		(11,146,144)	(11,319,509)	(11,737,674)
		(2,785,856)	(4,328,270)	(3,453,565)
Non-operating grants, subsidies and contributions	2(a)	1,491,653	1,499,148	4,142,241
Profit on asset disposals	10(a)	108,172	70,841	20,000
(Loss) on asset disposals	10(a)	(593,767)	(67,721)	(182,937)
Fair value adjustments to financial assets at fair value through profit or loss		2,017	0	122,620
		1,008,075	1,502,268	4,101,924
Net result for the period		(1,777,781)	(2,826,002)	648,359
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	(288,743)	0	32,466
Total other comprehensive income for the period		(288,743)	0	32,466
Total comprehensive income for the period		(2,066,524)	(2,826,002)	680,825

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

SHIRE OF DALWALLINU
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2020



	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
Revenue				
Governance	2(a)	9,798	459	219
General purpose funding		6,369,705	4,821,463	6,170,203
Law, order, public safety		57,288	192,213	11,535
Health		24,492	21,082	120,180
Education and welfare		5,548	3,501	3,929
Housing		347,074	355,352	328,926
Community amenities		598,514	595,078	602,478
Recreation and culture		284,759	265,330	237,109
Transport		306,257	313,176	301,533
Economic services		186,762	260,554	239,173
Other property and services		170,091	163,032	268,824
		8,360,288	6,991,240	8,284,109
Expenses				
Governance	2(b)	(615,732)	(801,108)	(606,772)
General purpose funding		(196,766)	(220,279)	(264,051)
Law, order, public safety		(185,388)	(170,136)	(203,849)
Health		(276,491)	(259,103)	(446,513)
Education and welfare		(68,224)	(79,576)	(74,888)
Housing		(320,170)	(360,299)	(315,045)
Community amenities		(988,493)	(711,924)	(673,194)
Recreation and culture		(1,835,118)	(1,936,290)	(1,852,788)
Transport		(5,784,448)	(5,703,129)	(6,428,383)
Economic services		(664,464)	(812,541)	(659,466)
Other property and services		(80,850)	(158,507)	(135,092)
		(11,016,144)	(11,212,892)	(11,660,041)
Finance Costs				
Community amenities	2(b)	(11,085)	(11,805)	(12,616)
Recreation and culture		(118,356)	(94,813)	(63,428)
Other property and services		(559)	0	(1,589)
		(130,000)	(106,618)	(77,633)
		(2,785,856)	(4,328,270)	(3,453,565)
Non-operating grants, subsidies and contributions	2(a)	1,491,653	1,499,148	4,142,241
Profit on disposal of assets	10(a)	108,172	70,841	20,000
(Loss) on disposal of assets	10(a)	(593,767)	(67,721)	(182,937)
Fair value adjustments to financial assets at fair value through profit or loss		2,017	0	122,620
		1,008,075	1,502,268	4,101,924
Net result for the period		(1,777,781)	(2,826,002)	648,359
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	(288,743)	0	32,466
Total other comprehensive income for the period		(288,743)	0	32,466
Total comprehensive income for the period		(2,066,524)	(2,826,002)	680,825

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

SHIRE OF DALWALLINU
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020



	NOTE	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	3	6,494,104	2,078,484
Trade and other receivables	6	314,183	1,349,722
Other financial assets	5(a)	0	2,892,808
Inventories	7	5,214	10,947
TOTAL CURRENT ASSETS		6,813,501	6,331,961
NON-CURRENT ASSETS			
Trade and other receivables	6	21,581	16,560
Other financial assets	5(b)	124,637	122,620
Property, plant and equipment	8	32,002,597	33,419,224
Infrastructure	9	276,728,132	277,941,617
Right of use assets	11(a)	68,288	0
TOTAL NON-CURRENT ASSETS		308,945,235	311,500,021
TOTAL ASSETS		315,758,736	317,831,982
CURRENT LIABILITIES			
Trade and other payables	13	385,299	534,812
Lease liabilities	14(a)	22,789	0
Borrowings	15(a)	134,455	129,674
Employee related provisions	16	464,146	458,666
Other provisions	17	23,805	0
TOTAL CURRENT LIABILITIES		1,030,494	1,123,152
NON-CURRENT LIABILITIES			
Lease liabilities	14(a)	46,387	0
Borrowings	15(a)	3,195,284	3,329,739
Employee related provisions	16	62,114	47,699
Other provisions	17	159,589	0
TOTAL NON-CURRENT LIABILITIES		3,463,374	3,377,438
TOTAL LIABILITIES		4,493,868	4,500,590
NET ASSETS		311,264,868	313,331,392
EQUITY			
Retained surplus		44,942,280	46,986,602
Reserves - cash/financial asset backed	4	3,299,421	2,892,808
Revaluation surplus	12	263,023,167	263,451,982
TOTAL EQUITY		311,264,868	313,331,392

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

SHIRE OF DALWALLINU
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020



		RESERVES CASH/FINANCIAL		
	NOTE	RETAINED SURPLUS	ASSET BACKED	REVALUATION SURPLUS
		\$	\$	\$
Balance as at 1 July 2018		46,348,859	2,882,192	263,419,516
Comprehensive income				
Net result for the period		648,359	0	0
Other comprehensive income	12	0	0	32,466
Total comprehensive income		648,359	0	32,466
Transfers from reserves	4	529,306	(529,306)	0
Transfers to reserves	4	(539,922)	539,922	0
Balance as at 30 June 2019		46,986,602	2,892,808	263,451,982
Comprehensive income				
Net result for the period		(1,777,781)	0	0
Other comprehensive income	12	0	0	(288,743)
Total comprehensive income		(1,777,781)	0	(288,743)
Transfers from reserves	4	851,495	(851,495)	0
Transfers to reserves	4	(1,258,108)	1,258,108	0
Change in accounting policy	28	140,072	0	(140,072)
Balance as at 30 June 2020		44,942,280	3,299,421	263,023,167

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 2020



	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		3,259,100	3,268,453	3,295,523
Operating grants, subsidies and contributions		4,760,293	2,380,984	2,962,834
Fees and charges		1,198,315	1,249,112	1,276,962
Interest received		99,033	92,590	137,746
Goods and services tax received		0	0	(72,943)
Other revenue		1,122	100	36
		9,317,863	6,991,239	7,600,158
Payments				
Employee costs		(2,303,370)	(2,451,518)	(3,042,713)
Materials and contracts		(2,362,248)	(2,727,361)	(2,895,706)
Utility charges		(527,495)	(522,824)	(455,009)
Interest expenses		(130,000)	(106,618)	(3,197)
Insurance paid		(145,241)	(162,262)	(155,982)
Goods and services tax paid		72,943	0	0
Other expenditure		(167,540)	(151,281)	(179,979)
		(5,562,951)	(6,121,864)	(6,732,586)
Net cash provided by (used in) operating activities	18	3,754,912	869,375	867,572
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	8(a)	(1,181,079)	(3,811,667)	(4,266,405)
Payments for construction of infrastructure	9(a)	(3,251,271)	(2,920,726)	(4,674,317)
Non-operating grants, subsidies and contributions	2(a)	1,491,653	1,499,148	4,142,241
Proceeds from financial assets at amortised cost - term deposits		2,892,808		(2,892,808)
Proceeds from financial assets at amortised cost - self supporting loans		0	0	2,278
Proceeds from sale of property, plant & equipment	10(a)	840,102	520,000	300,841
Proceeds from sale of infrastructure		20,400	0	0
Net cash provided by (used in) investment activities		812,613	(4,713,245)	(7,388,170)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	15(b)	(129,673)	(129,812)	(752,893)
Payments for principal portion of lease liabilities	14(b)	(22,228)	0	0
Proceeds from new borrowings	15(b)	0	1,100,000	3,335,797
Net cash provided by (used in) financing activities		(151,901)	970,188	2,582,904
Net increase (decrease) in cash held		4,415,620	(2,873,682)	(3,937,694)
Cash at beginning of year		2,078,484	4,896,856	6,016,176
Cash and cash equivalents at the end of the year	18	6,494,104	2,023,174	2,078,484

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

SHIRE OF DALWALLINU
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020



	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	24 (b)	2,655,053	2,678,832	2,665,859
		2,655,053	2,678,832	2,665,859
Revenue from operating activities (excluding rates)				
Governance		11,815	459	122,839
General purpose funding		3,094,889	1,553,010	2,965,837
Law, order, public safety		57,288	192,213	31,535
Health		24,492	21,082	120,180
Education and welfare		5,548	3,501	3,929
Housing		439,912	425,118	328,926
Community amenities		598,514	595,078	602,478
Recreation and culture		287,309	265,330	237,109
Transport		319,041	314,251	301,533
Economic services		186,762	260,554	239,173
Other property and services		170,091	163,032	268,824
		5,195,661	3,793,628	5,222,363
Expenditure from operating activities				
Governance		(615,732)	(801,108)	(606,772)
General purpose funding		(196,766)	(220,279)	(264,051)
Law, order, public safety		(207,592)	(170,136)	(203,849)
Health		(276,491)	(259,103)	(460,817)
Education and welfare		(68,224)	(79,576)	(77,858)
Housing		(320,170)	(360,299)	(315,045)
Community amenities		(1,003,778)	(723,729)	(685,810)
Recreation and culture		(1,974,742)	(2,031,103)	(1,980,258)
Transport		(5,865,188)	(5,770,850)	(6,468,050)
Economic services		(1,125,092)	(812,541)	(681,908)
Other property and services		(86,136)	(158,507)	(176,193)
		(11,739,911)	(11,387,231)	(11,920,611)
Non-cash amounts excluded from operating activities	24(a)	6,103,301	5,289,205	5,406,150
Amount attributable to operating activities		2,214,104	374,434	1,373,761
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	1,491,653	1,499,148	4,142,241
Proceeds from disposal of assets	10(a)	860,502	520,000	300,841
Proceeds from financial assets at amortised cost - self supporting loans		0	0	2,278
Purchase of property, plant and equipment	8(a)	(1,181,079)	(3,811,667)	(4,266,405)
Purchase and construction of infrastructure	9(a)	(3,251,271)	(2,920,726)	(4,674,317)
Amount attributable to investing activities		(2,080,195)	(4,713,245)	(4,495,362)
FINANCING ACTIVITIES				
Repayment of borrowings	15(b)	(129,673)	(129,812)	(752,893)
Proceeds from borrowings	15(c)	0	1,100,000	3,335,797
Payments for principal portion of lease liabilities	14(b)	(22,228)	0	0
Transfers to reserves (restricted assets)	4	(1,258,108)	(1,061,325)	(539,922)
Transfers from reserves (restricted assets)	4	851,495	1,161,495	529,306
Amount attributable to financing activities		(558,514)	1,070,358	2,572,288
Surplus/(deficit) before imposition of general rates		(424,605)	(3,268,453)	(549,313)
Total amount raised from general rates	23(a)	3,274,816	3,268,453	3,204,366
Surplus/(deficit) after imposition of general rates	24(b)	2,850,211	0	2,655,053

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

SHIRE OF DALWALLINU
INDEX OF NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

Note 1	Basis of Preparation	10
Note 2	Revenue and Expenses	11
Note 3	Cash and Cash Equivalents	15
Note 4	Reserves - Cash backed	16
Note 5	Other Financial Assets	17
Note 6	Trade and Other Receivables	18
Note 7	Inventories	19
Note 8	Property, Plant and Equipment	20
Note 9	Infrastructure	22
Note 10	Fixed Assets	24
Note 11	Leases	27
Note 12	Revaluation Surplus	28
Note 13	Trade and Other Payables	29
Note 14	Lease Liabilities	30
Note 15	Information on Borrowings	31
Note 16	Employee Provisions	33
Note 17	Other Provisions	34
Note 18	Notes to the Statement of Cash Flows	35
Note 19	Total Assets Classified by Function and Activity	36
Note 20	Contingent Liabilities	37
Note 21	Commitments	38
Note 22	Related Party Transactions	39
Note 23	Rating Information	41
Note 24	Rate Setting Statement Information	45
Note 25	Financial Risk Management	46
Note 26	Events occurring after the end of the Reporting Period	49
Note 27	Initial Application of Australian Accounting Standards	50
Note 28	Change in Accounting Policies	52
Note 29	Other Significant Accounting Policies	53
Note 30	Activites/Programs	54
Note 31	Financial Ratios	55

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board, and the Local Government Act 1995 and accompanying regulations.

AMENDMENTS TO LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

The Local Government (Financial Management) Regulations 1996 take precedence over Australian Accounting Standards. Prior to 1 July 2019, Financial Management Regulation 16 arbitrarily prohibited a local government from recognising as assets Crown land that is a public thoroughfare, i.e. land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets pertaining to vested land, including land under roads acquired on or *after 1 July 2008, were not recognised in previous financial reports of the Shire. This was not in accordance with the requirements of AASB 1051 Land Under Roads paragraph 15 and AASB 116 Property, Plant and Equipment paragraph 7.*

From 1 July 2019, the Shire has applied AASB 16 Leases which requires leases to be included by lessees in the statement of financial position. Also, the Local Government (Financial Management) Regulations 1996 have been amended to specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position) rather than at fair value. The exception is 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 Shire to measure any vested improvements at zero cost.

The Shire has no vested land under zero cost concessionary leases and therefore the amendment has no effect.

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

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

On 1 July 2020 the following new accounting standards are to be adopted:

- AASB 1059 Service Concession Arrangements: Grantors
- AASB 2018-7 Amendments to Australian Accounting Standards - Materiality

AASB 1059 Service Concession Arrangements: Grantors is not expected to impact the financial report.

Specific impacts of AASB 2018-7 Amendments to Australian Accounting Standards - Materiality, have not been identified.

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	Operating Income	During the financial year	Full payment in September or four instalments option	N/A	Council - As per adopted budget	N/A	N/A	During the financial year as when received
Operating grants, subsidies and contributions	Operating Income	During the financial year or completion of project	As per invoice or operating grant agreement	N/A	Actual or agreement amount	N/A	Grant agreements - completion of project	Practical completion of project
Fees and Charges	Operating Income	During the financial year	Prior the service or goods being delivered unless purchase order provided when payment terms are 21 days	N/A	Council - As per adopted budget	N/A	Goods and services provided	During the financial year as when received
Interest Earnings	Operating Income	During the financial year	End of the investment term	N/A	As per effective interest rate	N/A	N/A	At the end of the investment period
Other Revenue	Operating Income	During the financial year	Prior the service or goods being delivered unless purchase order provided when payment terms are 21 days	N/A	Council - As per adopted budget or tender	N/A	Goods and services provided	During the financial year as when received
Non-operating grants, subsidies and contributions	Capital Income	During the financial year or completion of project	As per invoice or operating grant agreement	If paid in advance and performance obligations are not met	Actual or agreement amount	N/A	Grant agreements - completion of project	Practical completion of project

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES

(a) Grant revenue

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

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Operating grants, subsidies and contributions			
Governance	9,743	100	0
General purpose funding	2,989,491	1,455,776	2,821,812
Law, order, public safety	51,888	186,113	5,773
Health	21,693	17,428	19,892
Education and welfare	5,547	3,500	3,894
Housing	17,563	33,034	30,119
Community amenities	22,303	7,309	16,028
Recreation and culture	207,631	199,294	191,236
Transport	281,029	288,176	267,152
Economic services	74,079	91,054	142,529
Other property and services	106,035	99,200	166,564
	3,787,002	2,380,984	3,664,999
Non-operating grants, subsidies and contributions			
Community amenities	0	0	10,483
Recreation and culture	324,868	332,363	354,828
Transport	1,166,785	1,166,785	3,776,930
	1,491,653	1,499,148	4,142,241
Total grants, subsidies and contributions	5,278,655	3,880,132	7,807,240
Fees and charges			
Governance	55	259	220
General purpose funding	6,366	4,644	6,313
Law, order, public safety	5,400	6,100	5,762
Health	2,799	3,654	100,289
Education and welfare	1	1	1
Housing	329,512	322,317	298,807
Community amenities	576,211	587,769	586,449
Recreation and culture	77,128	66,036	45,873
Transport	25,227	32,000	34,381
Economic services	112,682	169,500	96,643
Other property and services	62,934	63,831	102,224
	1,198,315	1,256,111	1,276,962

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

Operating grants, subsidies and contributions are grants, subsidies or contributions that are not non-operating in nature.

Non-operating grants, subsidies and contributions are amounts received for the acquisition or construction of recognisable non-financial assets to be controlled by the local government.

Fees and Charges

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

**Contracts with customers and transfers
for recognisable non-financial assets**

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature or types of goods or services:

Non-operating grants, subsidies and contributions

1,491,653	1,499,148	4,142,241
1,491,653	1,499,148	4,142,241

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:

Contracts from transfers intended for acquiring or constructing recognisable non financial assets during the year

1,491,653	1,499,148	4,142,241
1,491,653	1,499,148	4,142,241

Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:

Trade and other receivables from contracts with customers

264,926	0	0
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SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES

(a) Revenue (Continued)

Revenue from statutory requirements

Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:

General rates
Statutory permits and licences
Fines

Other revenue

Other

Interest earnings

Interest on reserve funds
Rates instalment and penalty interest (refer Note 23(c))
Other interest earnings

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
General rates	3,274,816	3,268,453	3,204,366
Statutory permits and licences	18,739	35,000	54,793
Fines	711	200	0
	3,294,266	3,303,653	3,259,159
Other revenue			
Other	1,122	100	36
	1,122	100	36
Interest earnings			
Interest on reserve funds	47,543	36,160	78,252
Rates instalment and penalty interest (refer Note 23(c))	13,154	16,430	15,901
Other interest earnings	38,336	40,000	43,593
	99,033	92,590	137,746

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset 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).

Interest earnings (continued)

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report
- Other services
- Disbursements

Interest expenses (finance costs)

Borrowings
Lease liabilities

Note	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Auditors remuneration			
- Audit of the Annual Financial Report	20,000	30,000	20,000
- Other services	800	10,000	7,000
- Disbursements	0	0	3,476
	20,800	40,000	30,476
Interest expenses (finance costs)			
Borrowings	127,989	106,618	77,633
Lease liabilities	2,011	0	0
	130,000	106,618	77,633

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

3. CASH AND CASH EQUIVALENTS

NOTE	2020	2019
	\$	\$
Cash at bank and on hand	3,194,683	2,078,484
Term deposits	3,299,421	0
Total cash and cash equivalents	6,494,104	2,078,484

Restrictions

The following classes of 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	3,299,421	149,436
- Financial assets at amortised cost	0	2,892,808
	3,299,421	3,042,244

The restricted assets are a result of the following specific purposes to which the assets may be used:

Reserves - cash/financial asset backed	4	3,299,421	2,892,808
Unspent grants, subsidies and contributions		0	75,000
Bonds and deposits held		0	74,436
Total restricted assets		3,299,421	3,042,244

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

Restricted assets

Restricted asset balances are not available for general use by the local government due to externally imposed restrictions. Externally imposed 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.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

4. RESERVES - CASH/FINANCIAL

	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance	2020 Budget Opening Balance	2020 Budget Transfer to	2020 Budget Transfer (from)	2020 Budget Closing Balance	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	2019 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave Reserve	276,127	4,287	0	280,414	276,127	3,452	0	279,579	219,789	56,338	0	276,127
(b) Plant Reserve	998,029	15,493	0	1,013,522	998,029	12,475	0	1,010,504	829,008	169,021	0	998,029
(c) Joint Venture Housing Reserve	287,722	22,417	(184,000)	126,139	287,722	12,836	(184,000)	116,558	261,208	26,514	0	287,722
(d) Land & Buildings Reserve	454,147	452,340	(67,495)	838,992	454,147	274,119	(377,495)	350,771	379,457	74,690	0	454,147
(e) Sewerage Scheme Reserve	335,816	613,072	(450,000)	498,888	335,816	610,681	(450,000)	496,497	615,417	103,705	(383,306)	335,816
(f) Townscape Reserve	70,571	1,095	0	71,666	70,571	882	0	71,453	68,593	1,978	0	70,571
(g) Telecommunications Reserve	114,896	1,784	(100,000)	16,680	114,896	1,436	(100,000)	16,332	111,675	3,221	0	114,896
(h) Swimming Pool Reserve	43,862	76,340	0	120,202	43,862	75,548	0	119,410	42,631	1,231	0	43,862
(i) Recreation Reserve	176,209	2,597	(50,000)	128,806	176,209	2,203	(50,000)	128,412	286,932	35,277	(146,000)	176,209
(j) Insurance Excess Reserve	85,429	17,467	0	102,896	85,429	17,068	0	102,497	67,482	17,947	0	85,429
(k) Waste Management Reserve	50,000	51,216	0	101,216	50,000	50,625	0	100,625	0	50,000	0	50,000
	2,892,808	1,258,108	(851,495)	3,299,421	2,892,808	1,061,325	(1,161,495)	2,792,638	2,882,192	539,922	(529,306)	2,892,808

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserves - cash/financial assets 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) 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 internally.
(c) Joint Venture Housing Reserve	Ongoing	- to be used for the construction & maintenance of the Joint Venture Housing.
(d) Land & Buildings Reserve	Ongoing	- to be used for the purchase, construction & maintenance of residential & commercial sites.
(e) Sewerage Scheme Reserve	Ongoing	- to be used for the maintenance & replacement of the Sewerage Scheme.
(f) Townscape Reserve	Ongoing	- to be used for various townscape special projects.
(g) Telecommunications Reserve	Ongoing	- to be used to leverage enhanced telecommunications capabilities within the Shire.
(h) Swimming Pool Reserve	Ongoing	- to be used to ensure long term maintenance and upgrade of the swimming pool.
(i) Recreation Reserve	Ongoing	- to be used to ensure long term maintenance and upgrade of the recreation areas.
(j) Insurance Excess Reserve	Ongoing	- to be used to pay for insurance excess in the event of abnormal number of claims in a year.
(k) Waste Management Reserve	Ongoing	- to be used to pay for future waste management sites rehabilitation.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

5. OTHER FINANCIAL ASSETS

	2020	2019
	\$	\$
(a) Current assets		
Financial assets at amortised cost	0	2,892,808
	0	2,892,808
Other financial assets at amortised cost		
Term deposits	0	2,892,808
	0	2,892,808
Financial assets at fair value through profit and loss		
Financial assets at fair value through profit and loss	(124,637)	(122,620)
Financial assets at fair value through profit and loss Units in Local Government Hou	124,637	122,620
	0	0
(b) Non-current assets		
Financial assets at fair value through profit and loss	124,637	122,620
	124,637	122,620
Financial assets at fair value through profit and loss		
Units in Local Government House Trust	124,637	122,620
	124,637	122,620

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 15(b) as self supporting loans.

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Financial assets at fair value through profit and loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 25.

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable

Trade and other receivables

GST receivable

Accrued income

Non-current

Pensioner's rates and ESL deferred

	2020	2019
	\$	\$
Rates receivable	44,477	33,782
Trade and other receivables	264,926	1,242,181
GST receivable	0	72,943
Accrued income	4,780	816
	314,183	1,349,722
Pensioner's rates and ESL deferred	21,581	16,560
	21,581	16,560

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 25.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

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

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

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

7. INVENTORIES

Current

Fuel and materials

The following movements in inventories occurred during the year:

Carrying amount at beginning of period

Additions to inventory

Carrying amount at end of period

	2020	2019
	\$	\$
	5,214	10,947
	5,214	10,947
	10,947	13,889
	(5,733)	(2,942)
	5,214	10,947

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.

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

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

	Land - freehold land	Total land	Buildings - non- specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	2,450,478	2,450,478	24,188,551	24,188,551	26,639,029	181,882	3,786,853	30,607,764
Additions	16,940	16,940	3,852,643	3,852,643	3,869,583	0	396,822	4,266,405
(Disposals)	(29,405)	(29,405)	(48,603)	(48,603)	(78,008)	(47,113)	(315,122)	(440,243)
Depreciation (expense)	0	0	(511,372)	(511,372)	(511,372)	(32,503)	(470,827)	(1,014,702)
Carrying amount at 30 June 2019	2,438,013	2,438,013	27,481,219	27,481,219	29,919,232	102,266	3,397,726	33,419,224
Comprises:								
Gross carrying amount at 30 June 2019	2,438,013	2,438,013	28,564,321	28,564,321	31,002,334	309,048	5,860,952	37,172,334
Accumulated depreciation at 30 June 2019	0	0	(1,083,102)	(1,083,102)	(1,083,102)	(206,782)	(2,463,226)	(3,753,110)
Carrying amount at 30 June 2019	2,438,013	2,438,013	27,481,219	27,481,219	29,919,232	102,266	3,397,726	33,419,224
Additions	84,052	84,052	490,742	490,742	574,794	0	606,285	1,181,079
(Disposals)	(270,000)	(270,000)	(586,500)	(586,500)	(856,500)	0	(467,547)	(1,324,047)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	0	0	(288,743)	(288,743)
Depreciation (expense)	0	0	(551,627)	(551,627)	(551,627)	(53,340)	(379,949)	(984,916)
Carrying amount at 30 June 2020	2,252,065	2,252,065	26,833,834	26,833,834	29,085,899	48,926	2,867,772	32,002,597
Comprises:								
Gross carrying amount at 30 June 2020	2,252,065	2,252,065	28,468,563	28,468,563	30,720,628	245,649	3,280,499	34,246,776
Accumulated depreciation at 30 June 2020	0	0	(1,634,729)	(1,634,729)	(1,634,729)	(196,723)	(412,727)	(2,244,179)
Carrying amount at 30 June 2020	2,252,065	2,252,065	26,833,834	26,833,834	29,085,899	48,926	2,867,772	32,002,597

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings					
Land - freehold land	2	Market approach using recent observable market data for similar properties	Independent valuer	30 June 2017	Price per square metre/market borrowing rate
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent valuer	30 June 2017	Price per square metre/market borrowing rate
Furniture and equipment	3	Cost approach using depreciated replacement cost	Management valuation	30 June 2020	Purchase costs and current condition, residual values
Plant and equipment					
- Management valuation 2020	2	Market approach using recent observable market data for similar plant items	Management valuation	30 June 2020	Market price per item

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

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

Following a change to *Local Government (Financial Management) Regulation 17A*, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change is effective from 1 July 2019 and represents a change in accounting policy.

Revaluations carried out previously were not reversed as it was deemed fair value approximates cost at the date of change.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

9. INFRASTRUCTURE

(a) Movements in Carrying Amounts

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

	Infrastructure - roads	Other infrastructure - footpaths	Other infrastructure - drainage	Other infrastructure - parks & ovals	Other infrastructure - other	Other infrastructure - gardens	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	251,279,651	1,520,641	1,676,244	420,714	22,338,193	379,506	277,614,949
Additions	2,996,759	0	999,265	0	497,035	181,258	4,674,317
(Disposals)	0	0	0	(2,894)	(20,641)	0	(23,535)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	32,466	0	32,466
Depreciation (expense)	(3,901,233)	(76,032)	(33,525)	(14,886)	(330,904)	0	(4,356,580)
Carrying amount at 30 June 2019	250,375,177	1,444,609	2,641,984	402,934	22,516,149	560,764	277,941,617
Comprises:							
Gross carrying amount at 30 June 2019	254,276,410	1,520,641	2,675,509	417,820	23,177,158	560,764	282,628,302
Accumulated depreciation at 30 June 2019	(3,901,233)	(76,032)	(33,525)	(14,886)	(661,009)	0	(4,686,685)
Carrying amount at 30 June 2019	250,375,177	1,444,609	2,641,984	402,934	22,516,149	560,764	277,941,617
Additions	2,029,904	0	34,165	0	761,523	425,679	3,251,271
(Disposals)	0	0	0	0	(22,050)	0	(22,050)
Depreciation (expense)	(3,948,813)	(76,032)	(53,566)	(14,886)	(349,409)	0	(4,442,706)
Carrying amount at 30 June 2020	248,456,268	1,368,577	2,622,583	388,048	22,906,213	986,443	276,728,132
Comprises:							
Gross carrying amount at 30 June 2020	256,306,314	1,520,641	2,709,674	417,820	23,916,631	986,443	285,857,523
Accumulated depreciation at 30 June 2020	(7,850,046)	(152,064)	(87,091)	(29,772)	(1,010,418)	0	(9,129,391)
Carrying amount at 30 June 2020	248,456,268	1,368,577	2,622,583	388,048	22,906,213	986,443	276,728,132

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

9. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - roads	3	Cost approach using depreciated replacement cost	Independent valuer	30 June 2018	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
Other infrastructure - footpaths	3	Cost approach using depreciated replacement cost	Independent valuer	30 June 2018	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
Other infrastructure - drainage	3	Cost approach using depreciated replacement cost	Independent valuer	30 June 2018	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
Other infrastructure - parks & ovals	3	Cost approach using depreciated replacement cost	Independent valuer	30 June 2018	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
Other infrastructure - other	3	Cost approach using depreciated replacement cost	Independent valuer	30 June 2018	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
Other infrastructure - gardens	3	Cost approach using depreciated replacement cost	Independent valuer	30 June 2018	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs

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

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

10. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Recognition and measurement between mandatory revaluation dates

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.

Items of Plant & Equipment are subsequently measured using the cost model

Individual assets that are land, buildings, infrastructure and investment properties acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

Revaluation

The fair value of 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 valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under control prior to 1 July 2019

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

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

Land under roads prior to 1 July 2019

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

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

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

Whilst such treatment is inconsistent with the requirements of *AASB 1051, Local Government (Financial Management)* Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail. Consequently, any land under roads acquired on or after 1 July 2008 was not included as an asset of the Shire.

Land under roads from 1 July 2019

As a result of amendments to the Local Government (Financial Management) Regulations 1996, effective from 1 July 2019, vested land, including land under roads, are treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position.

The Shire has accounted for the removal of the vested land values associated with vested land previously recognised by removing the land value and associated revaluation reserve as at 1 July 2019. The comparatives have not been restated.

Vested improvements from 1 July 2019

The measurement of vested improvements at fair value in accordance with Local Government (Financial Management) Regulation 17A(2)(iv) is a departure from AASB 16 which would have required the Shire to measure the vested improvements as part of the related right-of-use assets at zero cost.

Refer to Note 11 that details the significant accounting policies applying to leases (including right of use assets).

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

10. FIXED ASSETS

(a) Disposals of Assets

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss	2020 Budget Net Book Value	2020 Budget Sale Proceeds	2020 Budget Profit	2020 Budget Loss	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	270,000	240,000	0	(30,000)					29,405	22,136	0	(7,269)
Buildings - non-specialised	586,500	205,238	92,838	(474,100)	170,234	240,000	69,766	0	48,603	0	0	(48,603)
Furniture and equipment	0	0	0	0					47,113	0	0	(47,113)
Plant and equipment	467,547	394,864	12,784	(85,467)	346,646	280,000	1,075	(67,721)	315,122	278,705	20,000	(56,417)
Other infrastructure - parks & ovals									2,894	0	0	(2,894)
Other infrastructure - other	22,050	20,400	2,550	(4,200)	0	0	0	0	20,641	0	0	(20,641)
	1,346,097	860,502	108,172	(593,767)	516,880	520,000	70,841	(67,721)	463,778	300,841	20,000	(182,937)

The following assets were disposed of during the year.

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
Plant and Equipment				
Transport				
Utility DL134	13,206	7,954	0	(5,252)
Utility DL73	6,478	7,954	1,476	0
Loader DL999	70,000	59,500	0	(10,500)
Utility DL275	10,278	7,955	0	(2,323)
Utility DL103	32,775	27,273	0	(5,502)
Backhoe DL695	45,126	51,000	5,874	0
Utility DL350	10,680	7,955	0	(2,725)
Prime Mover DL8354	12,000	4,000	0	(8,000)
Tip Truck DL1207	51,566	57,000	5,434	0
Grader DL143	203,438	157,000	0	(46,438)
Other property and services				
Ford Territory DL131	12,000	7,273	0	(4,727)
	467,547	394,864	12,784	(85,467)
Land				
Housing				
70 McNeill St, Dalwallinu	60,000	60,000	0	0
Economic services				
3 Myers St, Dalwallinu	60,000	60,000	0	0
Lot 172 Harris St, Dalwallinu	150,000	120,000	0	(30,000)
	270,000	240,000	0	(30,000)
Buildings				
Law, order, public safety				
Buntine Emergency Serv. Shed	24,204	2,000	0	(22,204)
Housing				
70 McNeill St, Dalwallinu	110,400	203,238	92,838	0
Recreation and culture				
Rec. Centre Kitchen Furniture	21,268	0	0	(21,268)
Economic services				
3 Myers St, Dalwallinu	38,373	0	0	(38,373)
Wubin Railway St building	254,549	0	0	(254,549)
Kalannie Railway St building	137,706	0	0	(137,706)
	586,500	205,238	92,838	(474,100)
Other Infrastructure				
Community amenities				
Sewerage Ponds	4,200	0	0	(4,200)
Recreation and culture				
Water Fountains	17,850	20,400	2,550	0
	22,050	20,400	2,550	(4,200)
	1,346,097	860,502	108,172	(593,767)

(b) Fully Depreciated Assets in Use

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

	2020	2019
	\$	\$
Buildings - non-specialised	18,499	18,499
Plant and equipment	137,405	320,951
Other infrastructure - other	0	33,559
	155,904	373,009

(c) Temporarily Idle Assets

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

	2020	2019
	\$	\$
Plant and equipment	9,797	9,797
	9,797	9,797

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

10. FIXED ASSETS

(d) Depreciation

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Buildings - non-specialised	551,627	758,167	511,372
Furniture and equipment	53,340	47,194	32,503
Plant and equipment	379,949	329,185	470,827
Infrastructure - roads	3,948,813	3,720,135	3,901,233
Other infrastructure - footpaths	76,032	62,910	76,032
Other infrastructure - drainage	53,566	23,613	33,525
Other infrastructure - parks & ovals	14,886	19,691	14,886
Other infrastructure - other	349,409	236,751	330,904
Right of use assets - furniture and equipment	23,116	0	0
	5,450,740	5,197,646	5,371,282

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation rates

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

Asset Class	Useful life
Buildings	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 20 years
Sealed roads and streets	
Clearing & Earthworks pavement seal	not depreciated
- bituminous seals	40 years
- asphalt surfaces	15 to 20 years
Gravel roads	15 to 20 years
Clearing & Earthworks pavement	not depreciated
Infrastructure - footpaths	40 years
Infrastructure - drainage	20 years
Infrastructure - parks & ovals	50 years
Infrastructure - other	10 to 40 years
Infrastructure - gardens	10 to 50 years
Right of use (plant and equipment)	not depreciated
	Based on the remaining lease

Depreciation on revaluation

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

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

Amortisation

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income and in the note above.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

11. RIGHT OF USE ASSETS

(a) Right of Use Assets

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

	Right of use assets - furniture and equipment	Right of use assets Total
	\$	
Carrying amount at 30 June 2019	0	0
Recognised on initial application of AASB 16	91,404	91,404
Restated total equity at the beginning of the financial year	91,404	91,404
Depreciation (expense)	(23,116)	(23,116)
Carrying amount at 30 June 2020	68,288	68,288
(b) Cash outflow from leases		
Interest expense on lease liabilities	2,011	2,011
Lease principal expense	24,239	24,239
Total cash outflow from leases	26,250	26,250

SIGNIFICANT ACCOUNTING POLICIES

Leases

At inception of a contract, the Shire assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.

All contracts that are classified as short-term leases (i.e. a lease with a remaining term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Leases for right-of-use assets are secured over the asset being leased.

Right-of-use assets - valuation

Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 4 for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Shire anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

12. REVALUATION SURPLUS

	2020 Opening Balance	* 2020 Change in Accounting Policy	2020 Revaluation Increment	2020 Revaluation (Decrement)	Total Movement on Revaluation	2020 Closing Balance	2019 Opening Balance	2019 Revaluation Increment	2019 Revaluation (Decrement)	Total Movement on Revaluation	2019 Closing Balance
	\$		\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Buildings - non-specialised	18,123,458	0	0	0	0	18,123,458	18,123,458	0	0	0	18,123,458
Revaluation surplus - Furniture and equipment	195	0	0	0	0	195	195	0	0	0	195
Revaluation surplus - Plant and equipment	428,815	(140,072)	0	(288,743)	(428,815)	0	428,815	0	0	0	428,815
Revaluation surplus - Infrastructure - roads	224,629,087	0	0	0	0	224,629,087	224,629,087	0	0	0	224,629,087
Revaluation surplus - Other infrastructure - footpaths	477,712	0	0	0	0	477,712	477,712	0	0	0	477,712
Revaluation surplus - Other infrastructure - drainage	36,077	0	0	0	0	36,077	36,077	0	0	0	36,077
Revaluation surplus - Other infrastructure - parks & ovals	326,084	0	0	0	0	326,084	326,084	0	0	0	326,084
Revaluation surplus - Other infrastructure - other	19,125,606	0	0	0	0	19,125,606	19,093,140	32,466	0	32,466	19,125,606
Revaluation surplus - Other infrastructure - gardens	304,948	0	0	0	0	304,948	304,948	0	0	0	304,948
	263,451,982	(140,072)	0	(288,743)	(428,815)	263,023,167	263,419,516	32,466	0	32,466	263,451,982

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.

* As a result of change in accounting policy, plant revaluation surplus has been cleared as at 30 June 2020

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

13. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Accrued salaries and wages
ATO liabilities
Bonds and deposits held
Accrued interest on long term borrowings
Other current liabilities

2020	2019
\$	\$
215,827	358,974
23,598	10,016
1,523	0
24,294	74,436
39,541	37,373
80,516	54,013
385,299	534,812

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition

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 2020

14. LEASE LIABILITIES

(a) Lease Liabilities

	2020	2019
	\$	\$
Current	22,789	0
Non-current	46,387	0
	<u>69,176</u>	<u>0</u>

(b) Movements in Carrying Amounts

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Actual Lease Principal 1 July 2019	30 June 2020 Actual Lease Principal Repayments	30 June 2020 Actual Lease Principal Outstanding	30 June 2020 Actual Lease Interest Repayments	Budget Lease Principal 1 July 2019	30 June 2020 Budget Lease Principal Repayments	30 June 2020 Budget Lease Principal Outstanding	30 June 2020 Budget Lease Interest Repayments	Actual Lease Principal 1 July 2018	30 June 2019 Actual Lease Principal Repayments	30 June 2019 Actual Lease Principal Outstanding	30 June 2019 Actual Lease Interest Repayments
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Recreation and culture																
Gymnasium Equipment	2	Maya Financial	2.30%	4 years	71,456	17,255	54,201	1,452	0	0	0	0	0	0	0	0
Other property and services																
Multifunction Photocopiers x 2	1	Richoh Finance	3.00%	5 years	19,948	4,973	14,975	559	0	0	0	0	0	0	0	0
					<u>91,404</u>	<u>22,228</u>	<u>69,176</u>	<u>2,011</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

SHIRE OF DALWALLINU

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

15. INFORMATION ON BORROWINGS

(a) Borrowings

	2020	2019
	\$	\$
Current	134,455	129,673
Non-current	3,195,284	3,329,739
	<u>3,329,739</u>	<u>3,459,412</u>

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual Principal 1 July 2019	30 June 2020 Actual Principal repayments	30 June 2020 Actual Interest repayments	30 June 2020 Actual Principal outstanding	Budget Principal 1 July 2019	30 June 2020 Budget New Loans	30 June 2020 Budget Principal repayments	30 June 2020 Budget Interest repayments	30 June 2020 Budget Principal outstanding	Actual Principal 1 July 2018	30 June 2019 Actual New Loans	30 June 2019 Actual Principal repayments	30 June 2019 Actual Interest repayments	30 June 2019 Actual Principal outstanding
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Housing																	
Staff Housing	156	WA Treasury	5.38%	0	0	0	0	0	0	0	0	0	56,356	0	56,356	1,589	0
Community amenities																	
Sewerage Scheme	64	WA Treasury	9.85%	123,755	16,002	11,085	107,753	123,755	0	16,002	11,805	107,753	138,290	0	14,535	12,616	123,755
Recreation and culture																	
Dalwallinu Discovery Centre	157	WA Treasury	2.29%	635,657	57,126	18,351	578,531	626,128	0	57,265	14,234	568,863	681,862	635,797	682,002	37,274	635,657
Dalwallinu Recreation Centre	159	WA Treasury	3.00%	2,700,000	56,545	98,553	2,643,455	2,700,000	0	56,545	80,579	2,643,455	0	2,700,000	0	26,153	2,700,000
Other property and services																	
Bell St Subdivision	160	WA Treasury	3.00%	0	0	0	0	0	1,100,000	0	0	1,100,000	0	0	0	0	0
				<u>3,459,412</u>	<u>129,673</u>	<u>127,989</u>	<u>3,329,739</u>	<u>3,449,883</u>	<u>1,100,000</u>	<u>129,812</u>	<u>106,618</u>	<u>4,420,071</u>	<u>876,508</u>	<u>3,335,797</u>	<u>752,893</u>	<u>77,632</u>	<u>3,459,412</u>

* WA Treasury Corporation

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

15. INFORMATION ON BORROWINGS (Continued)

	2020	2019
	\$	\$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	10,000	10,000
Credit card balance at balance date	(2,603)	(3,003)
Total amount of credit unused	7,397	6,997
 Loan facilities		
Loan facilities - current	134,455	129,673
Loan facilities - non-current	3,195,284	3,329,739
Lease liabilities - current	22,789	0
Lease liabilities - non-current	46,387	0
Total facilities in use at balance date	3,398,915	3,459,412

Unused loan facilities at balance date

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

Risk

Information regarding exposure to risk can be found at Note 25.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

16. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

Opening balance at 1 July 2019

Current provisions

Non-current provisions

Additional provision

Balance at 30 June 2020

Comprises

Current

Non-current

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2019			
Current provisions	207,609	251,057	458,666
Non-current provisions	0	47,698	47,698
	<u>207,609</u>	<u>298,755</u>	<u>506,364</u>
Additional provision	(4,189)	24,085	19,896
Balance at 30 June 2020	203,420	322,840	526,260
Comprises			
Current	203,420	260,726	464,146
Non-current	0	62,114	62,114
	<u>203,420</u>	<u>322,840</u>	<u>526,260</u>

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

Expected reimbursements from other WA local governments

	2020 \$	2019 \$
Less than 12 months after the reporting date	164,292	190,266
More than 12 months from reporting date	333,062	287,192
Expected reimbursements from other WA local governments	28,906	28,906
	<u>526,260</u>	<u>506,364</u>

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

Other long-term employee benefits (Continued)

rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

Provisions

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

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

17. OTHER PROVISIONS

	Provision for Landfill Site Rehabilitation	Total
	\$	\$
Opening balance at 1 July 2019		
Current provisions	0	0
Non-current provisions	0	0
	0	0
 Provision - Landfill site rehabilitation	183,394	183,394
Balance at 30 June 2020	183,394	183,394
 Comprises		
Current	23,805	23,805
Non-current	159,589	159,589
	183,394	183,394

Provision for Landfill Site Rehabilitation

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. Shire has a post closure plan in place to rehabilitate these sites at the end of their useful life.

1. Dalwallinu landfill site 1

This site has reached end of its useful life during 2019/20. Rehabilitation expenditure provided as a current provision

2. Kalannie landfill site

Remaining useful life for this site is 14 years reaching the end during 2033/34. Rehabilitation future value expenditure provided as non-current provision taking in consideration current interest rate, inflation and useful life

2. Dalwallinu landfill site 2

Remaining useful life for this site is 25 years reaching the end during 2044/45. Rehabilitation future value expenditure provided as non-current provision taking in consideration current interest rate, inflation and useful life

18. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Cash and cash equivalents	6,494,104	2,023,174	2,078,484
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	(1,777,781)	(2,826,002)	648,359
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(2,017)		(122,620)
Depreciation on non-current assets	5,450,740	5,197,646	5,371,282
(Profit)/loss on sale of asset	485,595	(3,120)	162,937
Changes in assets and liabilities:			
(Increase)/decrease in receivables	1,030,518		(683,951)
(Increase)/decrease in inventories	5,733		2,942
Increase/(decrease) in payables	(149,513)		(217,765)
Increase/(decrease) in provisions	203,290		(151,371)
Non-operating grants, subsidies and contributions	(1,491,653)	(1,499,148)	(4,142,241)
Net cash from operating activities	3,754,912	869,375	867,572

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

19. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2020	2019
	\$	\$
Governance	794,516	691,620
General purpose funding	3,260,740	4,987,852
Law, order, public safety	745,129	1,030,452
Health	537,018	550,230
Education and welfare	143,023	145,349
Housing	8,124,439	7,049,729
Community amenities	3,030,054	2,400,392
Recreation and culture	37,392,292	36,792,576
Transport	254,973,149	257,114,282
Economic services	2,335,343	2,634,435
Other property and services	4,352,727	4,435,065
Unallocated	70,306	0
	315,758,736	317,831,982

20. CONTINGENT LIABILITIES AND ASSETS

The Shire is not aware of any contingent liabilities or assets as at 30 June 2020.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

21. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects

Payable:

- not later than one year

Capital expenditure projects are represented by:

Dalwallinu Recreation Centre precinct works

Kalannie Sports Club roof restoration

McNeill St Sewerage works 19/20 - retention

Buntine Emergency Services Shed

Bell St Subdivision construction

	2020	2019
	\$	\$
	1,651,565	783,975
	<u>1,651,565</u>	<u>783,975</u>
	1,651,565	783,975
	0	629,644
	0	154,331
	23,555	0
	163,318	0
	<u>1,464,692</u>	<u>0</u>

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts (short term and low value leases).

Payable:

- not later than one year

- later than one year but not later than five years

	2020	2019
	\$	\$
	0	5,532
	0	15,781
	<u>0</u>	<u>21,313</u>

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

Leases (Continued)

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

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

22. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

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

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Meeting fees	33,312	45,239	37,606
President's allowance	7,942	7,942	7,942
Deputy President's allowance	1,985	1,985	1,985
Travelling expenses	2,381	9,000	4,877
	45,620	64,166	52,410

Key Management Personnel (KMP) Compensation Disclosure

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

	2020 Actual	2019 Actual
	\$	\$
Short-term employee benefits	634,949	589,899
Post-employment benefits	82,273	79,284
Other long-term benefits	69,285	71,938
	786,507	741,121

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

22. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

The following transactions occurred with related parties:	2020 Actual	2019 Actual
	\$	\$
Sale of goods and services	122,829	98,113
Purchase of goods and services	83,761	202,142
Amounts outstanding from related parties:		
Trade and other receivables	2,455	3,324
Amounts payable to related parties:		
Trade and other payables	5,835	14,792

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel (KMP). The associate person of KMP was employed by the Shire under normal employment terms and conditions.

ii. Other Related Parties

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

23. RATING INFORMATION

RATE TYPE
Differential general rate / general rate

Residential	0.08975	264	3,902,315	350,237	1,010	438	351,685	350,237	0	0	350,237	328,061
Unimproved valuations												
Rural	0.01929	362	149,592,000	2,885,480	2,372	1,673	2,889,525	2,885,480	0	0	2,885,480	2,833,823
Sub-Total		626	153,494,315	3,235,717	3,382	2,111	3,241,210	3,235,717	0	0	3,235,717	3,161,884
Minimum payment												
	Minimum \$											
Gross rental valuations												
Residential	600	243	1,129,438	145,800	0	0	145,800	145,800	0	0	145,800	148,800
Unimproved valuations												
Rural	700	34	609,405	23,800			23,800	23,800	0	0	23,800	23,800
Mining	700	24	134,579	16,800			16,800	16,800	0	0	16,800	17,500
Sub-Total		301	1,873,422	186,400	0	0	186,400	186,400	0	0	186,400	190,100
		927	155,367,737	3,422,117	3,382	2,111	3,427,610	3,422,117	0	0	3,422,117	3,351,984
Discounts (Note 23(b))							(152,794)				(153,664)	(147,618)
Total amount raised from general rate							3,274.816				3,268.453	3,204.366

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 2020

23. RATING INFORMATION (Continued)

There were no specified area rates in the financial year ended 30 June 2020

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

23. RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee Discount Granted	Discount	Discount	2020 Actual	2020 Budget	2019 Actual	Circumstances in which Discount is Granted
	%	\$	\$	\$	\$	
Rates general	5.00%		141,294	142,364	136,318	Payment of full amount owing, including arrears and service charges no later than 4:00pm on the day 35 days after the date of service appearing on the rates notice.
Rates minimum		100	11,500	11,300	11,300	
Total discounts/concessions (Note 23(a))			152,794	153,664	147,618	

23. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	6/09/2019	0.00	0.00%	11.00%
Option Two				
First instalment	6/09/2019	0.00	5.50%	11.00%
Second instalment	8/11/2019	6.67	5.50%	11.00%
Third instalment	10/01/2020	6.67	5.50%	11.00%
Fourth instalment	13/03/2020	6.67	5.50%	11.00%

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Interest on unpaid rates	5,791	10,430	8,764
Interest on instalment plan	7,363	6,000	7,137
Charges on instalment plan	3,128	3,174	3,035
	16,282	19,604	18,936

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

24. RATE SETTING STATEMENT INFORMATION

		2019/20 (30 June 2020 Carried Forward)	2019/20 Budget (30 June 2020 Carried Forward)	2019/20 (1 July 2019 Brought Forward)	2018/19 (30 June 2019 Carried Forward)
Note		\$	\$	\$	\$
(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	10(a)	(108,172)	(70,841)	(20,000)
	Less: Non-cash grants and contributions for assets			91,228	
	Less: Movement in liabilities associated with restricted cash			3,452	
	Less: Fair value adjustments to financial assets at fair value through profit and loss		(2,017)		(122,620)
	Movement in pensioner deferred rates (non-current)		(5,021)		
	Movement in employee benefit provisions (non-current)		14,415		(5,449)
	Movement in other provisions (non-current)		159,589		
	Add: Loss on disposal of assets	10(a)	593,767	67,721	182,937
	Add: Depreciation on non-current assets	10(d)	5,450,740	5,197,645	5,371,282
	Non cash amounts excluded from operating activities		6,103,301	5,289,205	5,406,150
(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: Reserves - cash/financial asset backed	4	(3,299,421)	(2,792,638)	(2,892,808)
	Less: Current assets not expected to be received at end of year				
	- Cashed backed leave or provision portion		209,381	279,579	209,379
	Add: Current liabilities not expected to be cleared at end of year				
	- Current portion of borrowings	15(a)	134,455	1,099,861	129,673
	- Current portion of lease liabilities		22,789	0	0
	- Employee benefit provisions			24,462	
	Total adjustments to net current assets		(2,932,796)	(1,388,736)	(2,553,756)
Net current assets used in the Rate Setting Statement					
	Total current assets		6,813,501	3,382,561	6,331,961
	Less: Total current liabilities		(1,030,494)	(1,993,825)	(1,123,152)
	Less: Total adjustments to net current assets		(2,932,796)	(1,388,736)	(2,553,756)
	Net current assets used in the Rate Setting Statement		2,850,211	0	2,655,053
(c) Adjustments to current assets and liabilities at 1 July 2019 on application of new accounting standards					
Total current assets at 30 June 2019					
	- Contract assets	27(a)			6,331,961
	Total current assets at 1 July 2019				0
					6,331,961
Total current liabilities at 30 June 2019					
					(1,123,152)
Total current liabilities at 1 July 2019					
					(1,123,152)

25. FINANCIAL RISK MANAGEMENT

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

Risk	Exposure arising from	Measurement	Management
Market risk - interest rate	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and	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

(a) Interest rate risk

Cash and cash equivalents

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

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
2020					
Cash and cash equivalents	0.61%	6,494,104	5,148,249	1,345,655	200
2019					
Cash and cash equivalents	1.23%	2,078,484	0	2,078,284	200
Financial assets at amortised cost - term deposits	2.00%	2,892,808	2,892,808	0	0

Sensitivity

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

Impact of a 1% movement in interest rates on profit and loss and equity*

	2020	2019
	\$	\$
	13,457	20,785

* 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 15(b).

25. 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 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. Whilst the Shire was historically able to charge interest on overdue rates and annual charges at higher than market rates, which further encourage payment, the effect of COVID-19 needs to be considered. Financial assistance provided to ratepayers is expected to adversely affect the Shire's cash flows.

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 2019 or 1 July 2020 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. Re-negotiation of repayment terms is expected due to the COVID-19 pandemic.

The loss allowance as at 30 June 2020 for rates receivable was determined as follows and takes into account the waiver of penalty interest due to the impact of COVID-19.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2020					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	24,072	25,976	5,086	10,924	66,058
30 June 2019					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	26,065	8,417	5,137	10,723	50,342

The loss allowance as at 30 June 2020 and 30 June 2019 was determined as follows for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2020					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	254,821	5,157	0	4,336	264,314
30 June 2019					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	1,241,196	985	0	0	1,242,181

25. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

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
	\$	\$	\$	\$	\$
2020					
Payables	383,776	0	0	383,776	383,776
Borrowings	236,430	945,722	3,382,859	4,565,011	3,329,739
Lease liabilities	22,789	46,387	0	69,176	69,176
	642,995	992,109	3,382,859	5,017,963	3,782,691
2019					
Payables	534,812	0	0	534,812	534,812
Borrowings	236,430	945,722	3,619,290	4,801,442	3,459,412
	771,242	945,722	3,619,290	5,336,254	3,994,224

26. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

Apart from the LG FM Reg changes effective 6 November 2020 (disclosed in Note 28), there were no other events occurring after balance date that have a significant effect on the financial statements.

27. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

The Shire adopted AASB 15 Revenue from Contracts with Customers (issued December 2014) on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the Shire adopted the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. The adoption of AASB 15 does not have a material impact on the financial statements of the Shire.

The Shire adopted AASB 1058 Income for Not-for-Profit Entities (issued December 2016) on 1 July 2019 which will result in changes in accounting policies. In accordance with the transition provisions AASB 1058, the Shire adopted the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods was not restated in accordance with AASB 1058 transition requirements. The adoption of AASB 1058 does not have a material impact on the financial statements of the Shire.

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Therefore the rates received in advance gave rise to a financial liability that is within the scope of AASB 9. On 1 July 2019 the prepaid rates were recognised as a financial asset and a related amount recognised as a financial liability and no income recognised by the Shire. When the taxable event occurred, the financial liability was extinguished and the Shire recognised income for the prepaid rates that have not been refunded.

Assets that were acquired for consideration, that were significantly less than fair value principally to enable the Shire to further its objectives, may have been measured on initial recognition under other Australian Accounting Standards at a cost that was significantly less than fair value. Such assets are not required to be remeasured at fair value.

Volunteer Services in relation to Fire Services were not recognised as the fair value of the services can't be reliably estimated.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

27. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)

The table below provides details of the amount by which each financial statement line item is affected in the current reporting period by the application of this Standard as compared to AASB 118 and 1004 and related Interpretations that were in effect before the change.

		2020 \$		2020 \$
	Note	As reported under AASB 15 and AASB 1058	Adjustment due to application of AASB 15 and AASB 1058	Compared to AASB 118 and AASB 1004
Statement of Comprehensive Income				
Revenue				
Rates	23(a)	3,274,816	0	3,274,816
Operating grants, subsidies and contributions	2(a)	3,787,002	0	3,787,002
Fees and charges	2(a)	1,198,315	0	1,198,315
Non-operating grants, subsidies and contributions	2(a)	1,491,653	0	1,491,653
Net result		(1,777,781)	0	(1,777,781)
Statement of Financial Position				
Trade and other payables	13	385,299	0	385,299
Net assets		311,264,868	0	311,264,868
Statement of Changes in Equity				
Net result		(1,777,781)	0	(1,777,781)
Retained surplus		44,942,280	0	44,942,280

Refer to Note 2(a) for new revenue recognition accounting policies as a result of the application of AASB 15 and AASB 1058.

(a) AASB 16: Leases

The Shire adopted AASB 16 retrospectively from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions of AASB 16, the Shire has applied this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB16 recognised on 1 July 2019. In applying AASB 16, under the specific transition provisions chosen, the Shire will not restate comparatives for prior reporting periods.

	Note	2020 \$
Operating lease commitments at 30 June 2019 applying AAS 117		96,034
Discount applied using incremental borrowing rate		(4,630)
Lease liability recognised as 1 July 2019 discounted using the Shire's incremental borrowing rate of 2.5%	14(b)	91,404
Lease liability - current		22,228
Lease liability - non-current		69,176
Right-of-use assets recognised at 1 July 2019		91,404

In applying AASB 16 for the first time, the Shire will use the following practical expedient permitted by the standard.
- The exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application.

28. CHANGE IN ACCOUNTING POLICIES

(a) Change in Accounting Policies due to regulation changes

Effective 6 November 2020, *Local Government (Financial Management) Regulation 16* was deleted and *Local Government (Financial Management) Regulation 17A* was amended with retrospective application. The changes were effective for financial years ending on or after 30 June 2020 so are required to be applied retrospectively with cumulative effect applied initially on 1 July 2019.

In accordance with the changes, the Shire was required to remove the values attributable to certain crown land assets previously required to be recognised, as well as the associated revaluation surplus at 1 July 2019. These assets have been measured as concessionary lease right-of-use assets at zero cost in accordance with AASB 16. For further details relating to these changes, refer to Note 11.

In summary the following adjustments were made to the amounts recognised in the statement of financial position at the date of initial application (1 July 2019):

	Note	Carrying amount 30 June 2019 \$	Reclassification \$	Carrying amount 01 July 2019 \$
Property, plant and equipment	3	33,419,224	0	33,419,224
Revaluation surplus	5	263,451,982	0	263,451,982

Also, following changes to *Local Government (Financial Management) Regulation 17A*, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change is effective from 1 July 2019 and represents a change in accounting policy. Revaluations carried out previously or during the year were not reversed as it was deemed fair value approximates cost at the date of the change.

(b) Changes in equity due to change in accounting policies

The impact on the Shire's opening retained surplus due to the adoption of AASB 15 and AASB 1058 as at 1 July 2019 was as follows:

	Note	Adjustments	2019 \$
Retained surplus - 30 June 2019			46,986,602
Adjustment to retained surplus from adoption of AASB 15		0	
Adjustment to retained surplus from adoption of AASB 1058		0	0
Retained surplus - 1 July 2019			46,986,602

The impact on the Shire's opening revaluation surplus resulting from *Local Government (Financial Management) Regulation 16* being deleted and the amendments to *Local Government (Financial Management) Regulation 17A* as at 1 July 2019 was as follows:

	Note	Adjustments	2019 \$
Revaluation surplus - 1 July 2019			263,451,982
Adjustment to revaluation surplus from deletion of FM Reg 16	28(a)	0	
Adjustment to revaluation surplus from deletion of FM Reg 17	28(a)	0	0
Revaluation surplus - 1 July 2019			263,451,982

The Shire has elected to reverse all historic revaluation surpluses recognised in respect of plant and equipment to Retained Surplus at 30 June 2020 following the changes to *Local Government (Financial Management) Regulation 17A* where by plant and equipment type of assets are to be measured under the cost model rather than at fair value.

The impact on the Shire's Retained Surplus and Revaluation Surplus at 30 June 2020 was as follows:

	Note	Adjustments	2020
Retained surplus - 30 June 2020			44,802,208
Adjustment to retained surplus from deletion of FM Reg 17	12	140,073	140,073
Retained surplus - 30 June 2020			44,942,280

	Note	Adjustments	2020
Revaluation surplus - 30 June 2020			263,163,239
Adjustment to retained surplus from deletion of FM Reg 17	12	(140,073)	(140,073)
Revaluation surplus - 30 June 2020			263,023,167

SHIRE OF DALWALLINU

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

29. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

30. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
GOVERNANCE To provide a decision making process for the efficient allocation of scarce resources.	Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the 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.

31. FINANCIAL RATIOS

	2020 Actual	2019 Actual	2018 Actual
Current ratio	4.69	3.88	1.96
Asset consumption ratio	0.96	0.97	1.00
Asset renewal funding ratio	0.82	0.83	0.82
Asset sustainability ratio	0.57	0.89	1.57
Debt service cover ratio	8.97	2.35	13.97
Operating surplus ratio	(0.70)	(0.75)	(0.56)
Own source revenue coverage ratio	0.40	0.39	0.43

The above ratios are calculated as follows:

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



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Councillors of the Shire of Dalwallinu

Report on the Audit of the Financial Report

Opinion

I have audited the annual financial report of the Shire of Dalwallinu which comprises the Statement of Financial Position as at 30 June 2020, and the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, as well as notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

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

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2020 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for Opinion

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

Emphasis of Matter – Basis of Accounting

I draw attention to Notes 1 and 10 to the annual financial report, which describe the basis of accounting. The annual financial report has been prepared for the purpose of fulfilling the Shire's financial reporting responsibilities under the Act, including the Local Government (Financial Management) Regulations 1996 (Regulations). My opinion is not modified in respect of these matters:

- (i) Regulation 17A requires a local government to measure vested improvements at fair value and the associated vested land at zero cost. This is a departure from AASB 16 *Leases* which would have required the entity to measure the vested improvements also at zero cost.
- (ii) In respect of the comparatives for the previous year ended 30 June 2019, Regulation 16 did not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report.

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Report

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

A further description of my responsibilities for the audit of the annual financial report is located on the Auditing and Assurance Standards Board website at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This includes the identification and assessment of the risk of material misstatement due to fraud arising from management override of controls. This description forms part of my auditor's report.

Report on Other Legal and Regulatory Requirements

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

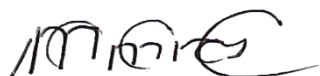
- (i) In my opinion, the following material matter indicates a significant adverse trend in the financial position of the Shire:
 - a. The operating surplus ratio as reported in note 31 of the annual financial report has been below the Department of Local Government, Sport and Cultural Industries' basic standard for the current year and past 2 years.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

Other Matter

The financial ratios for 2018 in Note 31 of the annual financial report were audited by another auditor when performing their audit of the Shire for the year ending 30 June 2018. The auditor expressed an unmodified opinion on the annual financial report for that year.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the annual financial report of the Shire of Dalwallinu for the year ended 30 June 2020 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the annual financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this annual financial report. If users of the annual financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited annual financial report to confirm the information contained in this website version of the annual financial report.



MARK AMBROSE
SENIOR DIRECTOR FINANCIAL AUDIT
Delegate of the Auditor General for Western Australia
Perth, Western Australia
15 December 2020