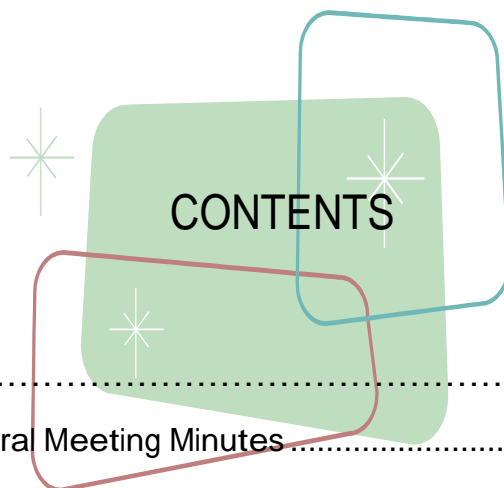




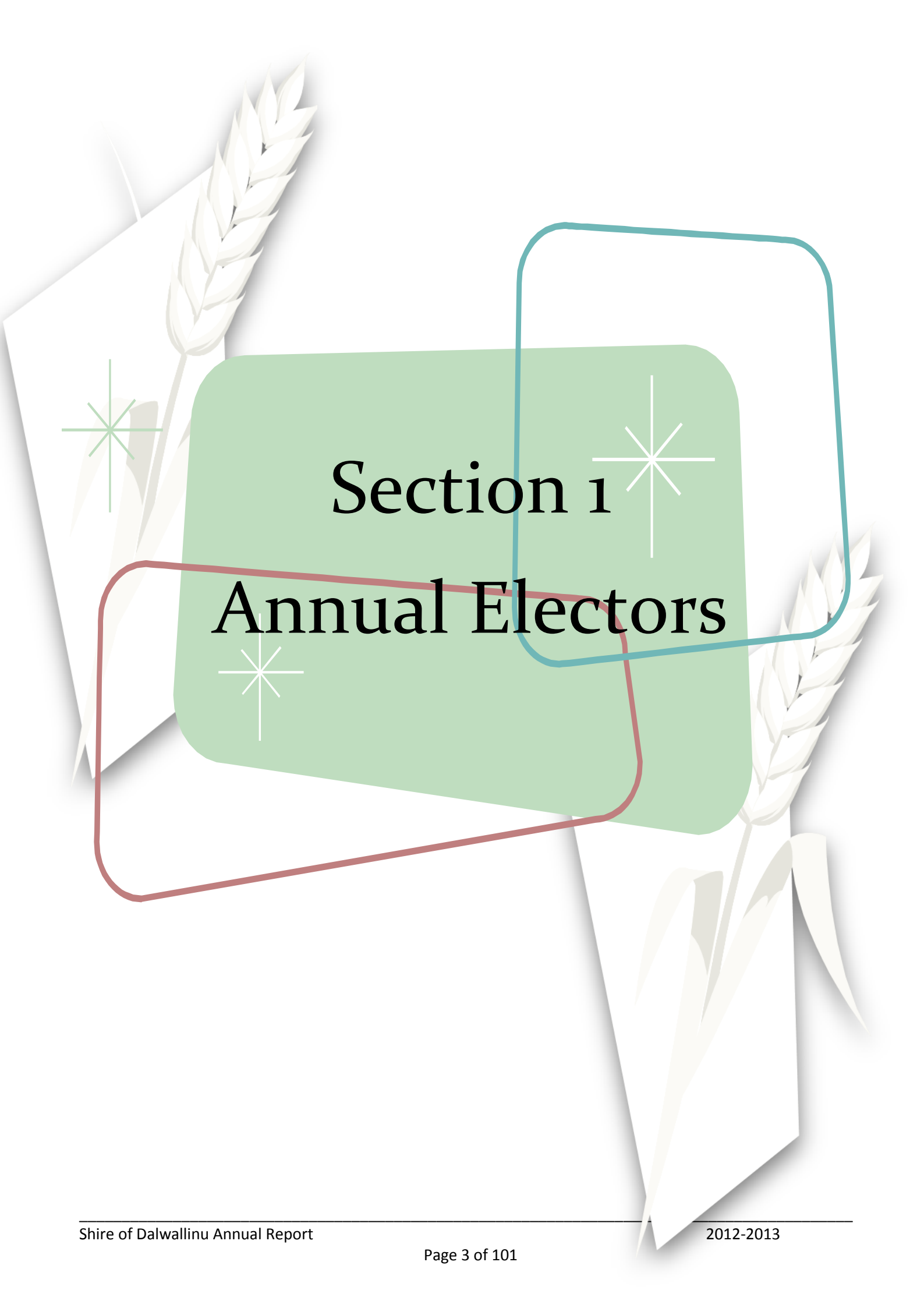
Annual Report 2012-2013



Shire of Dalwallinu
58 Johnston Street
P O Box 141
Dalwallinu WA 6609



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Section 1

Annual Electors

Shire of Dalwallinu



Minutes

2013 ANNUAL ELECTORS MEETING

12 February 2013

2013 ANNUAL ELECTORS MEETING

12 February 2013

1.0 OPENING & WELCOME BY PRESIDENT

The President declared the meeting open at 6:10pm.

Present
President

Cr RS Nixon
Cr GH Sanderson JP
Cr K Carter
Cr A Dickins
Cr K McNeill JP
Cr I Hyde
Cr W Dinnie OAM JP
Cr J Martin

Members of the Public

Mr M Mills
Mrs I Mills
Mr J Roach
Mr C Hyde
Mrs G Hyde
Mrs S Dawson
Mr H Hyde
Mrs J Hyde
Mrs B Dinnie
Mrs S Wilson
Miss R Wilson
Mr R Sawyer
Mr J Falls
Mr D McFarlane
Mrs M McFarlane
Mr G Butcher
Mr M Whyte
Mr K Sawyer
Mr S Sawyer
Mr M Sawyer
Mrs K Cole
Mrs M Boyanich
Mr G Hathway
Mr C Mills
Mrs R Carter

Chief Executive Officer
Deputy Chief Executive Officer
Manager of Works
Community Services Manager

Mr P Crispin
Mr K Jones
Mr A Butcher
Ms D Fortuin

2.0 APOLOGIES

Cr S Carter

3.0 MINUTES OF PREVIOUS ANNUAL ELECTORS MEETING

MOTION 6991

Moved Cr W Dinnie
Seconded Cr J Martin

That the Minutes of the Annual Electors Meeting held on 20 March 2012 be confirmed

MOTION CARRIED

4.0 PRESENTATION OF ANNUAL REPORT CONSISTING OF:

4.1 PRESIDENT'S REPORT

MOTION 6992

Moved Cr G Sanderson
Seconded Cr K Carter

That the President's Report for the financial year 2011/12 be received.

MOTION CARRIED

4.2 CHIEF EXECUTIVE OFFICER'S REPORT

MOTION 6993

Moved Cr I Hyde
Seconded Mr D McFarlane

That the Chief Executive Officer's Report for the financial year 2011/12 be received.

MOTION CARRIED

4.3 FINANCIAL REPORT FOR THE 2011/12 FINANCIAL YEAR

MOTION 6994

Moved Cr K Carter
Seconded Cr A Dickins

That the 2011/12 Annual Financial Statements and Report, as presented, be received and adopted.

MOTION CARRIED

4.4 AUDITOR'S REPORT

MOTION 6995

Moved Cr W Dinnie
Seconded Mr G Butcher

That the Auditor's Report for the financial year 2011/12 be received.

MOTION CARRIED

5.0 OTHER INFORMATION & QUESTION TIME

Nil

6.0 GENERAL BUSINESS

MOTION 6996

Moved Mrs B Dinnie
Seconded Cr W Dinnie

That future Electors meeting be held at the Dalwallinu Recreation Centre Oval Room and include displays for the community to see.

MOTION LOST 8/10

7.0 CLOSURE OF MEETING

There being no further business, the Chairperson closed the meeting at 6:51pm.

Section 2

Annual Report



ANZAC Day 2013

COUNCILLORS OF THE SHIRE

CR R.S. NIXON (Robert)
President

PO Box 1, Kalannie WA 6468
TEL (08) 9666 2045
Fax: (08) 9666 2100



CR S.C. CARTER (Steven)
Deputy President

P O Box 148, Dalwallinu WA 6609
TEL (08) 9666 3017
Fax (08) 9666 3066



CR I. W. HYDE (Ian)

PO Box 323, Dalwallinu WA6609
TEL (08) 9661 1578
Fax (08) 9661 1578

CR KM McNEILL (Karen) JP

PO BOX 152 Dalwallinu, WA 6609
Tel (08) 9661 1162
Fax (08) 9661 1162



CR AR DICKINS (Anita)

PO BOX 326 Dalwallinu, WA 6609
Tel (08) 9662 1000
Fax (08) 9662 1112

CR G.H. SANDERSON (Graham) JP

PO Box 48, Kalannie WA 6468
TEL (08) 9666 2018
Fax (08) 9666 2018



CR KL CARTER (Keith)

PO BOX 10 Dalwallinu, WA 6609
Tel (08) 9664 3051
Fax (08) 9664 3020

Cr J MARTIN (Julie)

PO Box 209, Dalwallinu WA 6609
Tel (08) 9661 1004
Fax (08) 9661 1314



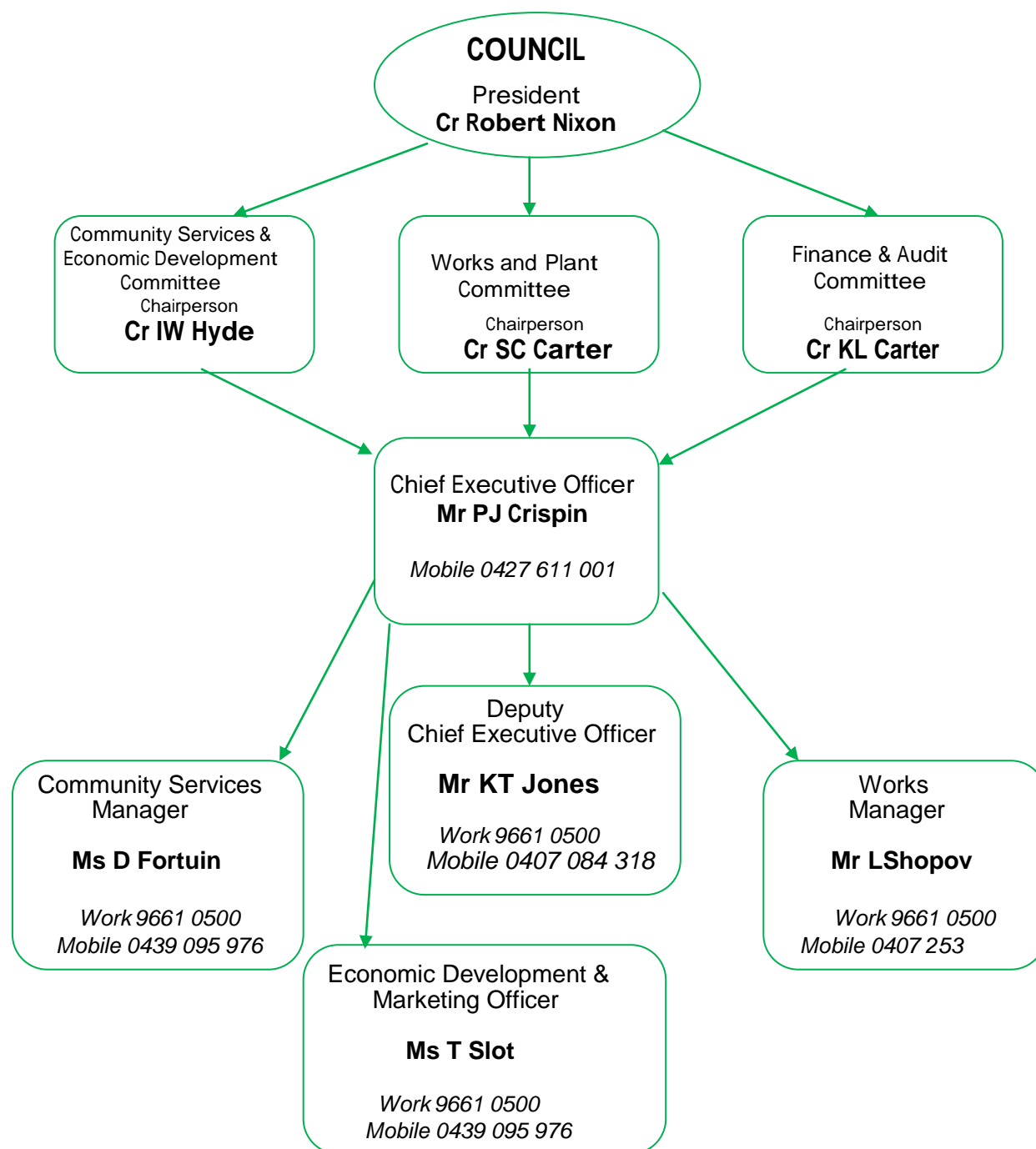
CR W.M. DINNIE (Bill) OAM JP

Post Office, Wubin WA 6612
TEL (08) 9664 2010
Fax (08) 9664 2049

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.



PRESIDENT'S REPORT 2012-2013



On behalf of Council I present the President's Report for the 2012-2013 financial year to report on the major activities and achievements of the Shire of Dalwallinu.

There were no Council elections during the reporting period.

Council has three standing committees – the Audit Committee, the Community Services & Economic Development Committee, and the Works & Plant Committee. The functions of the Regional Repopulation Advisory Committee were transferred to the Community Services and Economic Development Committee to reduce the work load on councillors. This committee structure retains the integrity of Council's governance as it provides a higher level of attention to policy implications at the committee level prior to the presentation of committee recommendations to Council meetings.

Under the direction of CEO, Mr Peter Crispin, the only change to senior management was the appointment by Council of Mr Louka Shopov to the position of Manager of Works.

Dalwallinu Wins Multiculturalism Award

Dalwallinu is strategically located on a national highway and the town is the only agricultural and mining service centre on Great Northern Highway. While employment from local industry and service providers continues to bring the benefits of population growth the Shire's Regional Repopulation Project ensures the gain in new residents, from diverse cultural backgrounds, are retained. The Shire continued to welcome and provide new residents with services that included English language lessons. A data base on new residents is maintained and shows an increase in student enrolments at the Dalwallinu and Districts High School and Kalannie Primary School.

The cost benefit of this pilot project is the increased utilisation of established State and Shire infrastructure such as schools, hospital, medical centre and sporting facilities. In April 2013 the project was recognised by the Hon Dr Mike Nahan, Minister for Citizenship and Multicultural Interests, when the Shire was presented with the Implementing Multiculturalism Locally Award 2013.

Budget Allocations for Infrastructure Maintenance

The Shire's major agricultural economic activity is grain production and support services. Wheat is the major grain crop in the *Wheat Shire*. Other grain crops include barley, canola and lupins. Council continues to review the Restrictive Access Vehicle Network to accommodate heavy haulage vehicles, or multi combination vehicles, to meet the requirements of grain, fertiliser, lime and gypsum transport.

To meet grain industry requirements Council's 2012-2013 budget focus was to effectively and efficiently maintain the large asset base of 1,939kms of road, including 449kms of sealed roads. Consequently to ensure sustainable asset management of the sealed road network Council has continued with its programme of pavement reconstruction focusing on the 6.2 metre seals when they are at the end of their economic life. These roads will be progressively upgraded to 7metre seals that are more suitable for the use of heavy vehicle traffic.

The Road Construction Programme was increased to \$2,528,648 due to an increased allocation from the Regional Road Group, compared to \$2,373,413 in the previous budget. To ensure road infrastructure is adequate for the requirements of a potential 500,000 tonne local grains industry delivering to six grain delivery sites, the programme included: 13.2 km of verge maintenance, 66.18 km of gravel sheeting and 31.82 km of bitumen resealing.

Council now has a policy of sealing 50 metres of unsealed roads at the intersections of sealed roads subject to the consideration of its merits based on traffic volumes and maintenance history.

In road construction a strong emphasis is placed on appropriate running surface width, compaction and water binding to extend road life. Council has a plant replacement schedule so the most suitable plant is available for road construction and maintenance. Council has a 5year plant replacement schedule where each item is replaced according to its fit for purpose economic life and to ensure annual replacement expenditures are kept at similar amounts with the assistance of a plant reserve fund. At community meetings rural landholders are made aware of the importance of sourcing good quality gravel close to the work in progress to reduce cartage cycle times and costs.

For the year ended 30th June 2013 the total Operating Expenses were \$8,208,356. This enabled the Shire to fund an estimated 80 activities that include some 40 buildings to provide housing, aged care, medical services, recreation and sporting facilities, agricultural support and tourism requirements. The level of the Shire loan liability remains at a very manageable level of \$1,416,617.

Community Services and Community Groups

Although the Shire's Medical Centre has an active patient list two and a half times its population, it is subsidised as it is unable to achieve full cost recovery after providing a house and vehicle for the Doctor. The Swimming Pool revenue also fails to achieve cost recovery from entrance fees. Support to community groups is provided by way of financial and administrative support. Groups supported in the budget include the Dalwallinu Agricultural Society, Schools, Wubin Progress Incorporated - who operate and maintain a museum complex, and the Liebe Group – who promote and engage in agricultural research and development. Other community groups were assisted through the Community Grants Scheme.

Community and Economic Development

Statutory requirements obligate Council to develop and maintain a number of key documents. To this end a Strategic Community Plan was adopted after the completion of a consultation process with the community. A Disability Access and Inclusion Plan 2013 were also adopted. Council has commenced the adoption process of new and amended local laws. It updated the Local Planning Scheme No 2 and Local Planning Strategy for review by the Western Australian Planning Commission. These two planning documents provide guidance to the location of future development such as general industry, commercial and housing.

To address a shortage of housing, Royalties for Regions funding was used to construct 3 units in Leahy Street. In order to meet the future requirements of general industrial land Council has welcomed comments on the size and shape of the new subdivision on Huggett Drive. Council's response to the inclusion of a Shire multi-purpose office building in the Strategic Community Plan has been to work with the community and Liebe Group to access their future office requirements and approve Lot 16, Myers Street as the building site.

The Shire continues to direct considerable effort towards enhancing the lifestyle of the community by providing assistance to sporting facilities, parks and gardens, and the Dalwallinu Caravan Park. Tourist income is important to the local economy, particularly the town of Dalwallinu, where the Exploring Wildflower Country route links the Dalwallinu Discovery Centre to a pathway to Geraldton with information displays. The historic AWA transmitter, originally installed at the Dalwallinu 6DL antennae, that was on display at the Wireless Hill Museum in Melville, has been relocated to the Wubin Wheatbin Museum to complement its unique display of agricultural items of bygone days.

Community consultation by annual surveys and community meetings in the towns of Dalwallinu, Buntine, Kalannie, Pithara and Wubin provide valuable information on community needs and aspirations. Each town has issues requiring a particular response. The Dalwallinu Town Hall has a problem with rising damp and information on how this is being rectified can be explained at community meeting.

Council has had the privilege of assessing the nominations put forward to the Shire for the annual round of Active Citizenship Awards - the quality of the nominations and their dedication to the community make all the nominations commendable.

Regional Issues

Wild dogs control is ongoing because of its potential to destroy the viability of the sheep industry. The Shire continues to provide assistance to the Central Wheatbelt Declared Species Group, with a membership from the Shires of Dalwallinu, Koorda, and Perenjori, and administer Royalties to the Regions funding by agreement with the Department of Agriculture and Food to fund a dogger to control dogs along the vermin proof fence.

The relationship between the Commonwealth and Local Government is the central issue in the proposed referendum on constitutional recognition. Council has taken the position of opposing the Recognition of Local Government in Australia's Constitution and sent a submission to substantiate its position in support of the "No" Case to the Joint Select Committee on Constitutional Recognition of Local Government. It has continued to consult the community on this issue.

In conclusion, Councillors would like to acknowledge and convey their appreciation for the valuable contribution made by all the community volunteers whose efforts are essential to the successful operation of all voluntary organisations in the Shire's five towns.

Cr Robert S Nixon
PRESIDENT



CHIEF EXECUTIVE OFFICERS REPORT

2012-2013



On behalf of all Shire staff, I am pleased to present the Chief Executive Officer's Report for the 2012/13 financial year.

During this financial year the Shire issued tenders for the construction of three (3) three bedroom 1½ bathroom units to be built on the old ambulance building site on the corner of Leahy & South Streets in Dalwallinu. This tender was awarded in February 2013 and construction is progressing slowly. The Shire attempted to sell the old telecentre building site in Myers St, Dalwallinu, but no interest was received. A later decision was also made to use this site should a Multi-Purpose Office Building be considered. The Shire also purchased two (2) lots in the Landcorp subdivision in South Street, Dalwallinu, for the proposed construction of two (2) three bedroom one bathroom residences.

The extension to the industrial area south of Huggett Street (Formerly Leahy St) Dalwallinu (developed by Landcorp) was finally completed, with three (3) of the six(6) already sold.

The Shire continues to be involved in partnerships and groupings for specific purposes. Examples include the membership of the Mid West Chamber of Commerce and Industry (MWCCI), and the administration of a wild dog project (in partnership with the Department of Agriculture and Food). The Shire is also providing administrative support for the Central Wheatbelt Declared Species Group (involving the Shires of Dalwallinu, Koorda and Perenjori) and has a shared working relationship with the Shire of Wongan-Ballidu where the Shire provides all environmental health services to Wongan-Ballidu and they provide building surveying expertise to our Shire. A commitment has been made during the year to investigate forming a regional association in conjunction with the Shires of Moora and Wongan-Ballidu to facilitate the building and maintenance of housing.

The roads in the shire are generally maintained to a very good quality, although heavy traffic, storms, etc can cause problems that require a rectification. The main street of Dalwallinu continues to receive praise from far and all members of the outside works team, should hold their heads high and be proud, as I am, of their continuing efforts over the past twelve months.

The Shire continues to support local community groups with the Community Grant Scheme providing funding to the Kalannie Bowling Club, Dalwallinu Football & Hockey Club, Kalannie Sports & Recreation Club, St John Ambulance - Dalwallinu Subcentre and Dalwallinu Early Learning Centre. The Shire sponsored many community events such as the outdoor movie nights, Variety Bash, Men's Health Night, Diggers Club and the Dalwallinu Police Ball.

The Dalwallinu Medical Centre (under Dr Hendrick Smit and Practice Nurse Mrs Gail Smit) continues to provide an exceptional service to the community. Dr Smit's extensive knowledge and skills have been tested many times since his arrival and we are indeed fortunate to have such a quality medical practitioner. The frequent services of a female doctor (through an agreement with the Royal Flying Doctor Service) continues to be well patronised and enhances the quality of medical care that is available to the community. The services have now been supplemented by the services of another Doctor every Tuesday.

The community services and building crews continue to provide many services that are not always recognised or acknowledged. These include building maintenance, aquatic centre management, caravan park management and cleaning services. All these services are essential in ensuring the buildings and facilities are maintained for the use of the community. Keeping these facilities up to the standard expected by the community is not always an easy task and is mostly a thankless process.

Local emergency services are vital for the community and it is not always easy to attract volunteers. I remain in awe of the remarkable job that these dedicated volunteers carry out and I commend all those involved and would encourage everyone to explore how they may be able to help. The community relies on volunteers who contribute in so many different ways and I congratulate everybody who volunteers in any capacity in the community.

Finally, 2012-13 has been reasonably stable with the only change being the departure of the Manager of Works and Mr Louka Shopov being appointed as the replacement. I wish to thank all the managers and staff for their efforts this financial year and look forward to continuing to serve the Shire in the coming financial year. The Shire continues to be so successful due to the diligence of these managers and staff which is not always recognised or respected. I congratulate them for their hard work during the year.

Peter J. Crispin
CHIEF EXECUTIVE OFFICER



DEPUTY CHIEF EXECUTIVE OFFICER'S REPORT



The 2012/2013 year had a number of interesting events occur in relation to the financial statements. I have highlighted some of them in the following headings.

BUDGET SURPLUS

The Rate Setting Statement indicates a figure of \$2,452,974 in surplus. This includes unspent grant funding of \$724,178 and \$1,115,379 advance on the 2013/2014 financial assistance grants.

FAIR VALUE

The Local Government (Financial Management) Regulations were amended from 1 July 2012 and the measurement of non-current assets at "Fair Value" became mandatory. Fair Value is to be introduced in a staged process, as follows:

- Year-ended 30th June 2013: Plant & Equipment
- Year-ended 30th June 2014: Land & Building OR Infrastructure
- Year-ended 30th June 2015: Land & Buildings OR Infrastructure and all others.
- Each asset class is to be re-valued every 3 years following the initial re-valuation.

The Shire of Dalwallinu chose to revalue not only Plant & Equipment but also Land and Buildings for the year ended 30th June 2013. This decision resulted in a late completion of the Annual Financial Report. The intent is to complete the process in the 2013/2014 year revaluing Infrastructure and all others.

BORROWINGS

As at 30th June 2013, the total borrowings were \$1,416,617 which represents 3 Shire loans and 1 self-supporting loan. There were no new borrowings during the 2012/2013 financial year. Debt principal repaid during the year was \$99,645.

INTEREST

Interest earnings for the financial year 2012/2013 amounted to \$182,323 against a budget of \$145,830. Of the interest income, \$93,192 resulted from short term investments on municipal funds.

CAPITAL FUNDING EXPENDITURE

As is the case usually, the majority expenditure in the capital area is on our road infrastructure. A total of \$2,258,789 was invested in infrastructure for the financial year 2012/2013. Completion of part grant-funded buildings will occur in 2013/2014.

ROAD MAINTENANCE EXPENDITURE

Over three million dollars was expended in the 2012/2013 year. This was an increase of \$482,000 on the 2011/2012 financial year.

AUDITORS

AMD Chartered Accountants in Bunbury have been contracted to carry out the next three years audits.

FINANCIAL RATIOS

A recent amendment to the Local Government (Financial Management) Regulations has resulted in a change to the ratios that are used by local governments in Western Australia. The six new ratios are:

- **Asset Consumption Ratio**
Indicates a local government is investing in asset renewal to a level where a high percentage of the local government depreciable assets remain in an 'as new' condition.
- **Asset Renewal Funding Ratio**
Indicates a local government is investing in asset renewal to the degree that offsets the current consumption of its assets and provides for the effect of inflation planned over 10 years.
- **Asset Sustainability Ratio**
Indicates a local government is investing in asset renewal/replacement to the degree that offsets the current consumption of its assets and provides for the effect of inflation.
- **Debt Service Cover Ratio**
Measures a Council's ability to service debt out of its uncommitted or general purpose fund available for its operations.
- **Operating Surplus Ratio**
Effectively highlights the scale/extent of any operating surplus or deficit in relation to the overall size of the local government. A sustained period of deficits will erode the local government's ability to maintain both its operational service level and asset base.
- **Own Source Revenue Coverage Ratio**
Measures the local government's ability to cover operating expenses from own source revenue. The higher the ratio, the more self-reliant the local government is. Allows greater flexibility as less external funds required for operational purposes.

The team in finance and administration receive my sincere thanks and appreciation for their support and the fine work they have done. My thanks also go to the Councillors for their support during the year and I anticipate a productive and successful 2013/2014.

Keith Jones
DEPUTY CHIEF EXECUTIVE OFFICER



COMMUNITY SERVICES MANAGER'S REPORT

This financial year was a year jam packed with activity as the team all settled into their roles and focused on getting the job done. We have learnt some good lessons from the previous year and have made some changes in how we do things in an attempt to better manage our time and plan activities better. We are for example now doing our building maintenance inspections earlier than previously done, so that we can have the time to get more accurate quotes and estimates for planned jobs in time for the budget round. We have also completed a few more protocols and procedures to ensure consistency of service for example inputting bookings into the computer system at the Caravan Park as well as the receipting and reconciling of accounts.

The building maintenance programme was hindered by a number of time costly operations such as the Demolition of the old ambulance building, the making safe of the old well, the excessive number of hours spent trying to remediate the problems at the Dalwallinu Town Hall to name a few. The result of this is that the planned maintenance programme suffered, leaving many priority maintenance jobs untouched. The maintenance team consists of 2 staff and covers 80 plus buildings including houses, within the Shire. They undertake planned budgeted work and unplanned maintenance requests in relation to all built assets owned by council. Their jobs can range from paving, painting, fixing latches, concreting and fabricating to name a few. Given the variety of the work demands placed on them, and the skill base required, the staff have performed well and have done some good quality work.

The operation of the caravan park flowed a lot smoother with the provision of additional cleaning assistance to the Manager during the tourist season and the additional assistance provided by the cleaner while the caravan park manager took time off. Some good improvements were brought about at the park, with all four cabins getting an external repaint, and the BBQ area and campers kitchen getting a significant facelift with a new kitchen sink and bench top and lighting for the BBQ area. A new soak hole was also installed for the campers kitchen.

The pool proved popular with the community with Mark Gillbard commencing duties as the pool manager. This saw the end of a contractual pool manager and the Shire employing a pool manager full time. The arrangement has brought a number of improvements including updating maintenance of all equipment and increased pool attendance as well as the introduction of aqua-aerobics. The solar heating was re-instated with positive feedback from many patrons. As a consequence the early morning swimming numbers soared with no free lanes on some mornings. While the pool will always be a subsidised service, it was pleasing to see that the subsidy by the ratepayer had reduced by \$5000 this financial year.

A total of 19 building permits were issued during the financial year – this being slightly down from the previous year when 23 permits were issued. Planning reflected a similar trend with 15 planning approvals issued as compared with 21 the previous year. Planning approvals did cover a few interesting areas of development such as the Linfox Truck Depot in Wubin, the Buntine Housing application, the Convent and the Bed and Breakfast in Cousins Road, to name a few. These consents were more involved and requiring proportionally more staff time. Quite a number of residential developments proposals required reduced setbacks to less than that stated in the Residential Design Code, resulting in planning applications having to be submitted to Council for approval. Applicants requested that Council consider delegating authority in the reduction of setbacks to 1m so that planning consents do not have to wait until Council sittings. The result has been that a Reduction of Setbacks Policy for Residential Developments has been developed allowing the Community Services Manager and the Chief Executive Officer to authorise applications that reduce setbacks to a minimum of 1m to side and rear boundaries provided they meet the required criteria.

We had two new food businesses register with the Shire this year, giving us a total of 22 food businesses within the district – including those registered as sports clubs. A total of 25 assessments were undertaken of the food businesses. Food businesses as a whole maintained a reasonable standard in terms of their premises and food safety. Some improvements were however required for some businesses, this being mostly due to lack of regular maintenance. Assessments of food premises are undertaken largely unannounced, except where a follow up visit is required. All businesses had responded well to requests for improvements and consequently it was not necessary to issue infringements or formal notices.

Ranger Services were contracted out to Murray Matthews who had retired from the Shire of Moora as their ranger the previous year. Murray visits the shire for one day a fortnight and has attended to a whole range of complaints, and issues. It was pleasing to see that no notices or reminders had to be issued for bush fire offences this year. All properties kept their fire breaks within compliance levels. Murray's duties include monitoring bushfire requirements, animal complaints, litter, swimming pool inspections, refuse tip monitoring, issuing of infringements, patrols to name a few.

Every 5 years, the Shire is required by law to review its Disability Access Inclusion Plan (DAIP). This year, the DAIP was reviewed and submitted to the Disability Commission for approval, with minor changes to the plan. The Shire is required to amend the plan again in the coming year due to some legislative changes requiring an inclusion plan for recruitment of staff.

Reporting to state and federal governments include formal reports being sent to the Health Department on Food Premises Assessments, Economic Regulatory Authority for the compliance and performance indicators for the Shire's Sewage Plant, the Disability and Inclusion Plan outcomes to the Disability Commission, Waste Management Stats to DEC and statistics on waste water management to the Australian Bureau of Statistics. Reporting requirements is time consuming and in some cases quite complex.

The area of Community Services continues to be busy with constant demands from tenants, the community and Council in a broad spectrum of areas requiring a constant juggling of competing priorities. Despite the challenges and demands, the staff have risen to the demands placed on them and produced some good results. I would like to thank and acknowledge my team comprising the Building Maintenance Officers, The Manager of the Caravan Park, the Pool Manager, Ranger and Cleaners for their continued commitment and support during what was a challenging yet productive year. Without their tireless efforts we would have been unable to achieve what we did. We look forward to building on our achievements and meeting the new challenges that lay ahead.



The Old Well Before making it safe



The Old Well After making it safe



The Old Ambo Site during the Demolition The Old Ambo Site After the Demolition



New BBQ shelter for the Dalwallinu Caravan Park

Report prepared by:
Debbie Fortuin
Community Services Manager

WORKS MANAGER'S REPORT



General

As the Manager of Works was replaced in April, 2013, this report is based on records from the Shire financial system, and annual works and maintenance programs.

Construction

Every year the Shire of Dalwallinu spends a lot of its energy on constructing its roads and drains to the highest possible standard, and in the areas that have been deemed to be in the greatest need of upgrading or improvement. The Shire was able to complete most of the projects from the Works Program. Only two road reconstruction jobs, Reform and Resheet of Thomson Rd and Resheet of Pearse Rd, were excluded from the Works Programme. The reason for this was, a source of gravel had not been found within reasonable proximity to the area of works

The Shire of Dalwallinu has continued taking a proactive approach towards maintaining our sealed road assets by undertaking some pavement reconstruction works (including widening 6m wide sealed roads to 7m).

The Shire was able to complete a total of 26 projects, which is a huge credit to the Works Supervisor (Brett Hayman) and the Construction Crew.

In the 2012/13 financial year the Shire spent \$2,216,503 on road construction. This work included:

- 23.77km of resealing (an increase of 10.84km from 2011/12);
- 54.13km of gravel sheeting (an increase of 11.34km from 2011/12);
- 5.96km of pavement reconstruction and widening (a decrease of 0.54km from 2011/12);
- 0.22km of footpath construction (a decrease of 0.8km from 2011/12).

The Shire of Dalwallinu expended the following amounts in the prescribed areas:

- | | |
|-------------------------|---------------------------------------|
| • Regional Road Group | \$1,008,871 (+\$433,235 from 2011/12) |
| • Roads to Recovery | \$512,771 (-\$30,929 from 2011/12) |
| • Road Program | \$694,861 (-\$87,6956 from 2011/12) |
| • Footpath Construction | \$35,374 (-\$63,117 from 2011/12) |

As part of the construction works the Shire obtained \$1,235,129 in grant funding to assist with the construction works. The break down of this funding was:

- | | |
|-------------------------------|-------------------------------------|
| • Regional Road Group (State) | \$501,232 (+\$235,790 from 2011/12) |
| • Roads to Recovery (Federal) | \$543,700 (no change from 2011/12) |
| • Direct Grant (State) | \$190,197 (+\$11,348 from 2011/12) |

Procuring gravel is always an issue for the Shire of Dalwallinu, any assistance that rural landowners may be able to give would be greatly appreciated. The Shire has however, been able to procure gravel from landowners that have not previously given gravel to the Shire and the Shire is extremely grateful for their contributions.

Maintenance

The Shire of Dalwallinu not only constructs roads and drains but it also maintains these assets so that the public are able to utilise this infrastructure. The Shire of Dalwallinu prides itself on the fact that it maintains its roads and drains to the highest possible standard, especially when compared to its neighbouring Shires. This is a massive credit to the maintenance grader drivers of Ted Richards, Peter Flood and Mark Donnes as well as the Maintenance Crew.

This year was a tough year for rural road maintenance due to the lack of rain. The maintenance grader operators only completed approximately eight weeks of winter grading for the entire financial year.

In 2012/13 the Shire of Dalwallinu spent \$1,066,254 to maintain the Shire's assets with regards to the Works Department. Some of that amount was spent in the following areas:

- | | |
|---------------------------|------------------------------------|
| • Road Maintenance | \$758,365 (-\$41,635 from 2011/12) |
| • Street Cleaning | \$90,351 (+\$25,323 from 2011/12) |
| • Traffic Signs & Control | \$111,779 (+\$30,785 from 2011/12) |
| • Street Tree Maintenance | \$40,442 (+\$105 from 2011/12) |
| • Footpath maintenance | \$28,102 |
| • Road verge spraying | \$37,215 |

Parks & Gardens

Every year, especially during wildflower season, the parks and gardens in the Shire of Dalwallinu look amazing. The Shire's Parks and Gardens employees work tirelessly all year round to ensure that all of the town sites in the Shire of Dalwallinu are welcoming to passing motorists and Shire residents alike. Not only does the Works Department manage the parks and gardens but they also maintain the other public open spaces in the Shire that comprise ovals and other areas that residents

and tourists may visit that are not necessarily parks. The Shire of Dalwallinu receives numerous compliments each year from tourists which is an enormous credit to Kevin Ashby and his Garden crew.

In 2012/13 the Shire of Dalwallinu spent \$210,035 (a decrease (\$7,000) from 2011/12) on maintaining its parks and gardens. A total of \$104,625 ((-\$44,130) from 2011/12) was spent on the Dalwallinu and Kalannie ovals in 2012/13; with \$47,700 spent on the Dalwallinu Oval and \$56,925 spent on the Kalannie Oval.

Plant & Machinery

In 2012/13 the Shire of Dalwallinu purchased a number of items of plant to assist with the completion of the Works Program and maintain a sustainable and economical fleet.

The vehicles of note that were purchased are as follows:

- Volvo BL718 Backhoe Loader
- John Deer 624K Loader

Report prepared by:

Louka Shopov

WORKS MANAGER



Councillors' afternoon tea with the Police Officers.

MEDICAL OFFICER'S REPORT



The 2012/2013 financial year proved to be an ongoing quest to provide good and sustainable health care for the local community. The medical practice has continued during this financial year to provide security for patients in the knowledge of having readily available medical care 24hrs per day.

Patient numbers have kept on growing, with a steady increase of people moving into the Shire. This includes foreign workers employed at local businesses. Patients from surrounding communities also continue to access the practice services.

The Dalwallinu Medical Practice continues to be under financial pressure during this financial year. The major contributing factor is the very high number of patients on health care support with a limited medicare rebatable fee structure. The income generating structures is under constant review by the medical staff and all possible saving measures are implemented as far as possible.

The services of our practice nurse, Gail Smit has proven to be a success. It has increased the functionality of the practice, with many more patients being able to be seen on any specific day she is available. Her practice nurse duties including help with antenatal care, medical care plans and doing most phlebotomies, has also increased the scope of services delivered. The practice nurse has enabled an easier flow and availability of appointments by freeing up time for the doctor. Her availability has enabled the doctor to do all small surgical procedures at the practice, a task previously done at the local hospital.

The practice has been able to secure the services of a GP Registrar, Dr Bryan Low, for one day per week in the last three months of this financial year. This is a supervised placement for newly qualified doctors and was a welcome addition and help to the medical practice.

Dr "Ellie", the visiting female doctor, continue to visit the practice on a monthly basis. She attends to woman's health issues on request.

The practice is also privileged to have the ongoing services of a visiting psychologist from Perth (fortnightly) and a diabetic educator from Northam (every 2 month's).

Securing locum relief for the local doctor proved to remain a problem and an ongoing quest, with only one locum, Dr Andrew Trappitt, employed during this year.

The doctor and staff at the medical practice want to thank the Dalwallinu Shire Council for their support during this financial year.

Dr Hendrik Smit
MB ChB, FRACGP
SPECIALIST GENERAL PRACTITIONER

DALWALLINU HOSPITAL REPORT



Dalwallinu Hospital has been able to maintain and enhance delivery of a variety of services throughout the last year.

The Southern Inland Health Initiative (SIHI) funding program involved community consultation and has already delivered some facility upgrades to the hospital with more planned in the coming years.

The Emergency Telehealth Services(ETS) also SIHI funded was installed in the Emergency department . At designated times nursing staff can access the services of emergency physicians when the GP is unavailable.

Primary care staff have been able to provide consistent visiting services in the areas of physiotherapy, speech therapy, Occupational therapy , Dietetics and Diabetes management .

Dalwallinu Hospital has also seen significant improvement in staffing retention in this period

Provision of respite and residential care has been at the forefront of service delivery. By accessing relevant Home and Community care services many older community members have been able to safely stay in their own homes.

The Dalwallinu community has again provided much appreciated and needed volunteers to enhance our service delivery. A special thanks to all those volunteers who commit selflessly to help those in need.

Jeanette Syme
HEALTH SERVICE MANAGER
Dalwallinu Hospital



DALWALLINU ST JOHN AMBULANCE PRESIDENT'S REPORT



Firstly, thank you to our great team of Volunteer Ambulance Officers and Office Bearers for their dedication to providing our community with a professional service of ambulance care. The load has been lightened considerably this year with the addition of three new officers in Dalwallinu, in Wayne Johnson and Craig & Natalie Sutherland and two new officers in Kalannie in Stewart Benton and Daniel Nixon. We also have Vanessa England who is coming on board and thank you to her for commitment in being involved. Wayne Stoner (AAC) from Wongan Hills has also been added to our Dalwallinu Spectrum as he is now residing in Dalwallinu 3-4 nights a week. Thank you to everyone for their commitment in stepping up to the plate and helping the Dalwallinu Community.

For our Committee in Dalwallinu St John I thank you so much for your valued support which has given me a higher level of confidence to deal with any issues that have arisen during the course of the previous year. A special thank you to our Treasurer and Purchasing Officer, Bec Wilson, who spends many hours keeping the Administration of Supplies and all Finances in order. For Bill Harris (the quiet achiever) thank you for your work and efforts in grinding away in the background, they are much appreciated. For the new Committee Members in Steven Wilson, Bec Wilson, Craig and Natalie Sutherland and Laurie Donnes thank you for your input and time. I would also like to acknowledge the longer serving Committee Members in Sue McCreery, Deb Mincherton, Sian Hewton, Suzanne Wilson and Cheryle Moore. Thank you for your on-going commitment and loyalty to the local St John's Sub-Centre ensuring we continue to function as a Professional organisation.

We have finally taken possession of our brand new Mk6 Ambulance which has been a long time coming. This ambulance has been fitted with all the modern technologies in UHF, VHF, Sat Phone and GPS Ambicad for receiving calls from our Operation Centre. It also gives an added tool in being able to carry a spinal board for better options in extricating patients. We will have this Ambulance available at the Dalwallinu Show for display to the community together with our Emergency Trailer which is currently under reconstruction and upgrading. Having now three ambulances in the Shire ready to go on callouts has been excellent, as the need has arisen on a few occasions where all three were required at the same time. This has also given us the breathing space when an ambulance has broken down to still have one available in both Kalannie and Dalwallinu.

It is with some disappointment that we are continually challenged by the condition of the Emergency Services Building which has now been partly closed for over a year now waiting for repairs to be done. We do look forward to seeing changes in this area soon.

Skills Training has gone very well this year with good attendance and great enthusiasm. There is also a welcomed addition to our team in Dylan Meldrum who has been appointed as our Community Paramedic who has also been facilitating Training in the Zoll Defibrillator and doing PAC and AAC Refresher Courses. Having three Skills Trainers locally in Cheryle Moore, Karen Christian and myself has certainly made things easier in sharing the workload during the busy times. Thank you to Dylan, Cheryle and Karen for their help in the CEP (Continuing Education Programme) of our Ambulance Officers.

I would like to also thank the support staff in St John's, being Kalie Gladwin, Rod Chambers and Steve Hall. Their contribution and support of myself and the Committee has been greatly appreciated.

I look forward to working alongside everyone involved in the Emergency Services in Dalwallinu, being DFES, the Police, The Dalwallinu District Hospital and our local Doctor Dr.Hendrik Smit in the coming year.

Mark Wilson
ST JOHN AMBULANCE PRESIDENT
Dalwallinu



Premier's Australia Day citizenship awards winners: (left) (Group) Dalwallinu District School Centenary Committee; (right) (Individual) Mrs Beryl Southcott.

CBFCO REPORT

2012-2013



This fire season we have had 14 reported fires.

8 fires caused by escapes from controlled burns that burnt 435 ha

2 caused by lightning

2 false alarms

1 caused by power lines clashing

1 road train trailer burnt on Great Northern Highway

Thank you to those volunteers who gave their time and effort to attend these incidents.

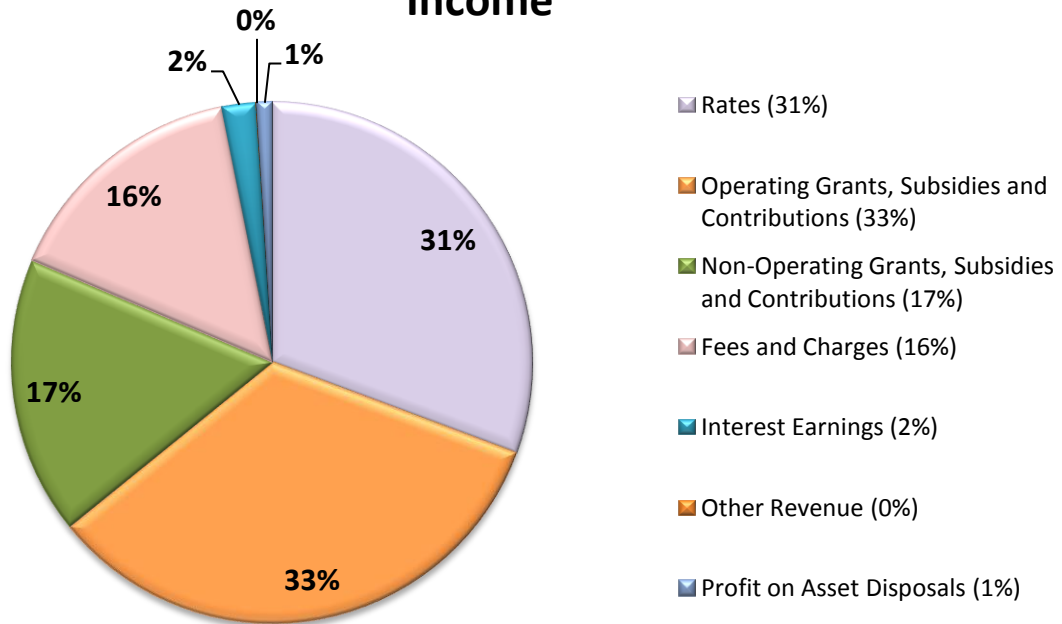
Gary Butcher
CBFCO Dalwallinu Shire



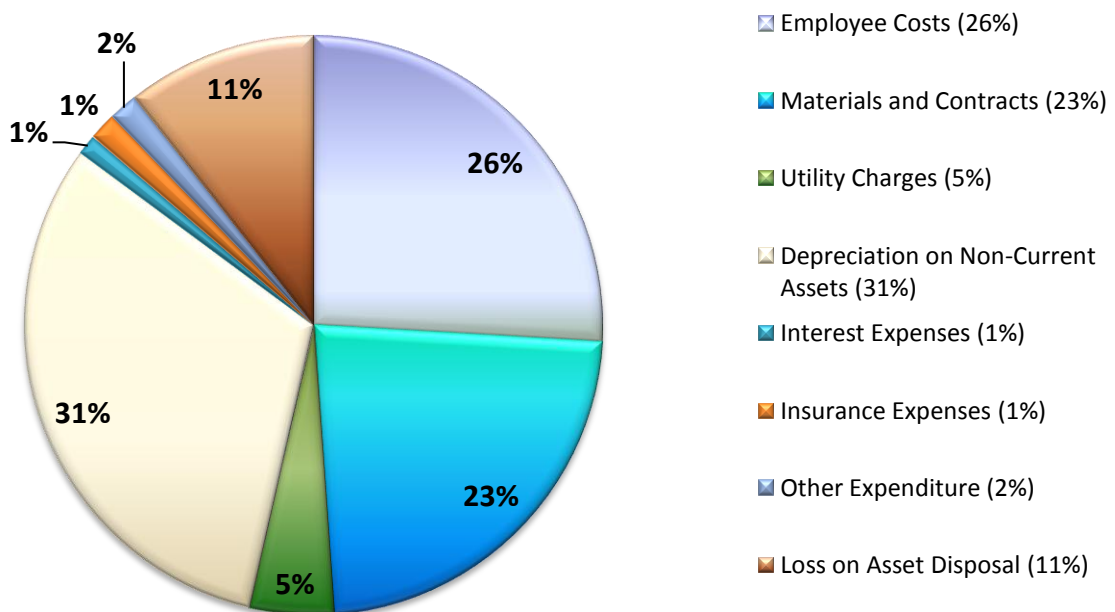
Operating Revenue and Expenditure

FOR THE YEAR ENDING 30 JUNE 2013

Income



Expenditure



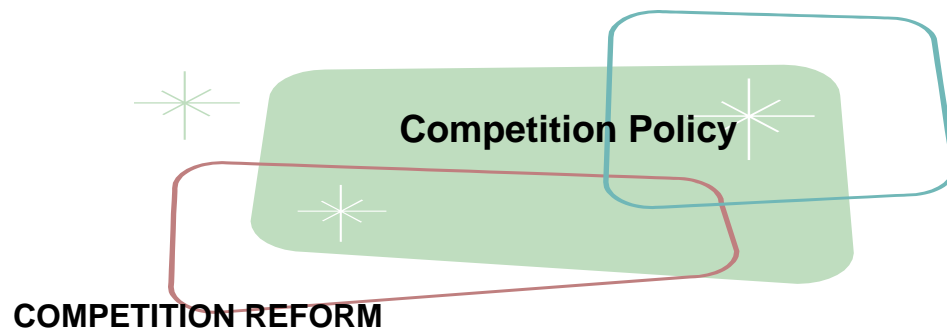
SHIRE OF DALWALLINU
STATISTICAL COMPARISON REPORT FOR EIGHT YEARS
FOR THE YEAR ENDED 30TH JUNE 2013

	2005/06 ACTUAL	2006/07 ACTUAL	2007/08 ACTUAL	2008/2009 ACTUAL	2009/2010 ACTUAL	2010/2011 ACTUAL	2011/2012 ACTUAL	2012/2013 ACTUAL
RATE REVENUE								
Income/Receipts	1,734,063	1,801,308	1,881,012	1,968,774	2,279,781	2,399,955	2,509,733	2,637,184
Increase/Decrease on Previous Year	86,441	67,245	79,704	87,762	311,007	120,174	109,778	127,451
% Increase/Decrease on Previous Year	5.25%	3.88%	4.42%	4.67%	15.80%	5.27%	4.57%	5.08%
LOAN REPAYMENTS (all loans)								
Principal & Interest	157,285	132,381	130,667	142,206	171,061	181,605	191,100	190,829
Increase/Decrease on Previous Year	-3,620	-24,904	-1,714	11,539	28,855	10,544	9,495	-271
% Increase/Decrease on Previous Year	-2.25%	-15.83%	-1.29%	8.83%	20.29%	6.16%	5.23%	-0.14%
% Revenue (Rate)	9.07%	7.35%	6.95%	7.22%	7.50%	7.57%	7.61%	7.24%
LOAN PRINCIPAL OUTSTANDING (excl Self Supporting)								
Balance at 1 July	692,911	567,238	481,665	386,534	1,753,774	1,601,885	1,528,437	1,450,877
Balance at 30 June	567,238	481,665	386,534	1,753,774	1,601,885	1,528,437	1,450,877	1,368,656
Increase/Decrease on Previous Year	-125,673	-85,573	-95,131	1,367,240	-151,889	-73,448	-77,560	-82,221
% Increase/Decrease on Previous Year	-18.14%	-15.09%	-19.75%	353.72%	-8.66%	-4.59%	-5.07%	-5.67%
SALARIES AND WAGES								
Salaries	852,035	962,067	979,299	1,303,429	1,100,736	1,264,200	1,419,564	1,504,202
Wages	789,473	869,549	869,830	936,194	994,031	1,051,996	1,166,577	1,236,131
Total Payroll	1,641,508	1,831,616	1,849,129	2,239,623	2,094,767	2,316,196	2,586,141	2,740,333
% Increase/Decrease on Previous	11.67%	11.58%	0.96%	21.12%	-6.47%	10.57%	12.89%	18.31%

Year

SHIRE OF DALWALLINU
STATISTICAL COMPARISON REPORT FOR EIGHT YEARS
FOR THE YEAR ENDED 30TH JUNE 2013
(Continued)

Amount Received	742,855	759,858	804,065	869,448	910,611	972,400	968,771	1,189,161
Increase/Decrease on Previous Year	7,290	17,003	44,207	65,383	41,163	61,789	-3,629	220,390
% Increase/Decrease on Previous Year	0.99%	2.29%	5.82%	8.13%	4.73%	6.79%	-0.37%	22.75%
FEDERAL/STATE ROAD GRANTS								
Amount Received	2,051,563	1,629,587	1,900,079	1,998,882	1,653,720	1,710,433	2,028,280	2,277,899
Increase/Decrease on Previous Year	442,333	-421,976	270,492	98,803	-345,162	56,713	317,847	249,619
% Increase/Decrease on Previous Year	27.49%	-20.57%	16.60%	5.20%	-17.27%	3.43%	18.58%	12.31%
PERFORMANCE INDICATOR								
Total Accum. Balance 1 July	27,555,372	29,436,014	30,455,575	31,357,521	33,346,980	35,672,130	36,981,214	38,600,077
Total Accum. Balance 30June	29,436,014	30,455,575	31,357,521	33,346,980	35,672,130	36,981,214	38,600,077	38,919,219
Increase/Decrease on Previous Year	1,880,642	1,019,561	901,946	1,989,459	2,325,150	1,309,084	1,618,863	319,142
% Increase/Decrease on Previous Year	6.82%	3.46%	2.96%	6.34%	6.97%	3.67%	4.38%	0.83%
Accum Surplus per Resident \$	18,432	19,070	19,635	24,376	26,076	27,033	28,216	28,450



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 p.a. this negates further action or reporting obligation.

Competition Policy Continued

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) 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 will be undertaken in 2014.

b) 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.

c) 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 Plan Report

Council maintains all public buildings to the requirements for disabled access.

The Dalwallinu Library contains information to assist persons with disabilities and a range of aids are provided, for example cassette and large print books.

Council's Disability Access and Inclusion Plan has now been finalised and is available for review at the Administration Office. Persons wishing to discuss needs and requirements should contact Council's Environmental Health Officer.

Section 29 of the Disability Services Act 1993 requires Council to provide a report on the implementation of their Disability Services Plan.

In accordance with the Act, and the requirements issued under the five key outcomes, the following information is provided:

Key Outcome One – Existing Services (adopted)

Footpath improvements are ongoing. Footpaths were constructed in Leahy Street, Dalwallinu as well as Hathway Drive, Kalannie. These works include pram ramps down to road level to assist access. Furthermore a number of additional ACROD parking bays have been provided in the Shire.

Key Outcome Two – Access to Buildings is Improved

In 2007, the Shire of Dalwallinu commissioned E-QUAL to prepare a disability access audit report for the Shire. The report identifies access issues and recommends certain actions.

Council considered the findings of this report and determine priorities for incorporation in a schedule of works forming part of the Budget.

As a result a number of initiatives have been implemented throughout the year aimed at improving access for people with disabilities to existing buildings of a public nature with the Shire.

In addition the Councils Community Services and Economic Development Committee have identified the need for the provision of additional housing for the aged within the Shire of Dalwallinu.

Key Outcome Three – Information Provided in Formats, which meet the communication requirements of people with disabilities

Library information includes all levels of books and information to assist individuals with specific disabilities. Additional formats i.e. brail can be provided on request.

Key Outcome Four – Advice and Services provided by staff with understanding of persons with disabilities

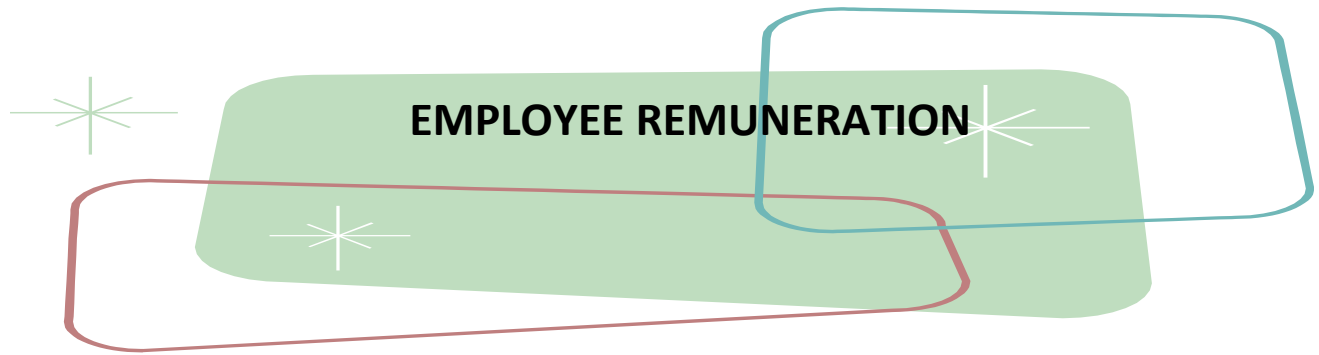
Staff are aware that issues may arise and have access to management staff who can further assist. Staff awareness has been improved by ensuring that the formal staff induction process contains information relating to compliance with the requirements of the Disability Services Act 1993.

Disability Access and Inclusion Plan Report Continued

Key Outcome Five – Opportunities are provided for persons with disabilities to participate in public consultations, grievance mechanisms etc.

Council provides opportunities for all residents and interested persons to participate. All public venues chosen are provided with disabled access.



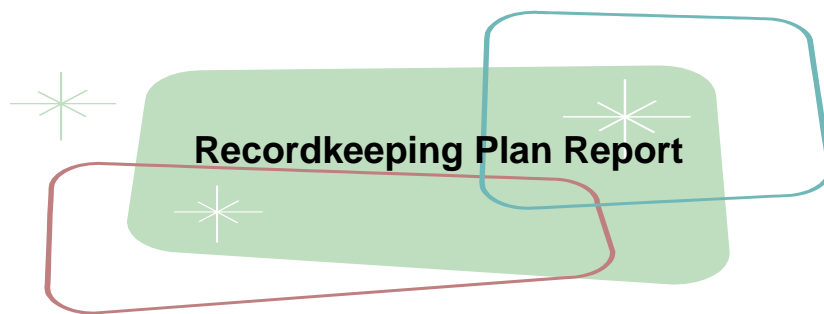


Set out below, in bands of \$10,000 is the number of shire employees entitled to an annual salary of \$100,000 or more.

Salary Range	2013	2012
\$		
100,000 – 109,999	1	1
* 400,000 – 410,000	1	1

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





Consistent with the provisions of the *State Records Act 2000*, the Shire of Dalwallinu has, at 14 September 2004, adopted an Approved 'Recordkeeping Plan' and satisfied the compliance requirements of the Act, and has provided sufficient and appropriate training for the staff in this responsibility having had the Chief Executive Officer approve the Operational Procedures Manual for this training. This plan was reviewed in November 2007.

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 has employed a full time Records Officer since 2005 who has been trained to be proficient in all aspects of Records Keeping in relation to the software Council has in place Synergy Soft. The Records Officer also provides training to other staff in relation to the requirements of the Records Keeping Plan.

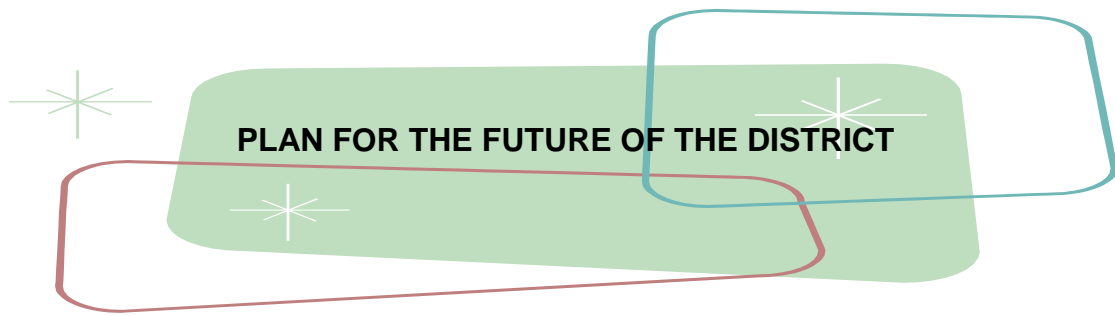
REVIEW OF THE EFFICIENCY AND EFFECTIVENESS OF THE RECORD KEEPING TRAINING PROGRAM.

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

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

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





On 11 August 2009, the Council adopted a “Plan for the Future of the District” for the next four years. The plan identified 6 priorities in order of importance. Strategies were then developed for the first 4 priorities. A review of the status of these 4 priorities follows.

PRIORITY 1 – ATTRACT AND SUPPORT BUSINESS AND SERVICES

Strategy 1 Provision of residential and industrial/commercial land

- Landcorp has completed stage one of the Hospital Land Subdivision
- Town planning scheme review has commenced and should be completed in the 2013/14 financial year
- A tender has been let for the development of three (3) units on the old ambulance building site on the corner of Leahy & South Streets, Dalwallinu

Strategy 2 Planning and promotion of Dalwallinu businesses and services

- Economic Development & Marketing Officer employed since July 2009
- Expansion of online presence
- Relationships with mining companies to North of the Shire developed and maintained

Strategy 3 Investment attraction and readiness

- Business Attraction and Incentive Policy reviewed
- Highway signage program reviewed

Strategy 4 Increase the population capacity of the district

- Hospital Land subdivision now available
- Use of vacant farm houses being investigated

Strategy 5 Support the development of the tourism industry

- Support given to Tourism Committee and “Wildflower Promotions”
- Project Officer undertook several promotional activities during the year, including at the Caravan and Camping Expo and Dowerin Field Day
- Supported the Dalwallinu School Centenary Celebrations

Strategy 6 Support the development of the mining and agricultural support industries

- Maintained and developed new relationships with several mining companies

Strategy 7 Create an environment conducive to employment growth

- Consulted widely with local businesses to ascertain the restrictions on business growth
- Finalising the Town Planning Scheme review, which includes an expansion of the current area zone industrial

Strategy 8 Develop a range of housing options, including rural residential land, to increase the district’s population capacity

- Hospital Land Subdivision stage one completed
- Town Planning Scheme review being finalised
- Local Planning Strategy being finalised

PRIORITY 2 – IMPROVED LIFESTYLE

Strategy 1 Provide or facilitate the provision of adequate and sufficient aged and disability services

- Continued to provide dedicated aged and over 55’s accommodation
- Continued to work with local health providers to ensure sufficient services

Strategy 2 Provide, facilitate the provision of or lobby for improved telecommunications services for all residents

- Continued to lobby for improved services (particularly black spots) with private agencies and government.

Strategy 3 Provision of high quality medical services

- Continuing employment of a Doctor and provision of the local medical practice
- Working with state authorities to improve services from Dalwallinu District Hospital
- Employed a practice nurse
- Provision of other services, such as an optician working from the Medical Centre

Strategy 4 Develop youth facilities and improve sport, recreation, social and cultural facilities – and ensure the maximum possible usage of these facilities

- Support of the Dalwallinu Dance Group in the provision of their program
- Maintained several high quality sports facilities for community use
- Continued support for youth activities

Strategy 5 Develop a law abiding and friendly community, with a strong civic focus and appreciation of the efforts of the district volunteers

- Open communication maintained with district police officers
- Continued promotion of the Shire's emergency services volunteers
- Advocating for residents to report illegal activities (especially where affecting community assets)

Strategy 6 Ensure that the Shire's operations are conducted in an ecologically responsible manner

- Policy exists to always use solar hot water on all new houses and replacement systems
- Applied for grants for conversion to solar power

PRIORITY 3 – ESTABLISH DALWALLINU AS A CENTRE FOR REGIONAL SERVICE PROVISION

Strategy 1 Develop effective relationships with key government agencies

- Strong relationship developed with Landcorp – with particular focus on land development within the Shire
- Continued relationships with various government agencies such as MRWA, RDL, Water Corp, Housing etc

Strategy 2 To develop strong communication with appropriate State and Federal members of Parliament

- Maintained a strong working relationship with several local members of Parliament
- Attended community parliaments whenever run and met with various Ministers

Strategy 3 Promote the Shire's geographical advantages to key stakeholders

- An active strategy of including the importance of the Shire's strategic location on Great Northern Highway was pursued at every opportunity
- The location relevant to the mid west mining developments has been promoted to all visitors to the Shire

Strategy 4 Shire to increase its ability to support neighbouring Shire's with key service provision and professional services

- The services of administration staff have been requested several times by neighbouring Shire's during the past year

Strategy 5 Make Dalwallinu a preferred venue for conferences and seminars

- Completion of the Dalwallinu Discovery Centre has provided a high quality venue to be used in this objective

PRIORITY 4 – POSITION COUNCIL FINANCIALLY TO BE ABLE TO TAKE UP LAND ACQUISITION OPPORTUNITIES

Strategy 1 Establish town planning plans and procedures to enable land development opportunities to progress for the greatest benefit of the district

- Town Planning Scheme review is being finalised
- Local Planning Strategy review is being finalised

Strategy 2 Establish a financial strategy to ensure development opportunities are achievable

- All land/ building sales proceeds are held in reserve for future developments

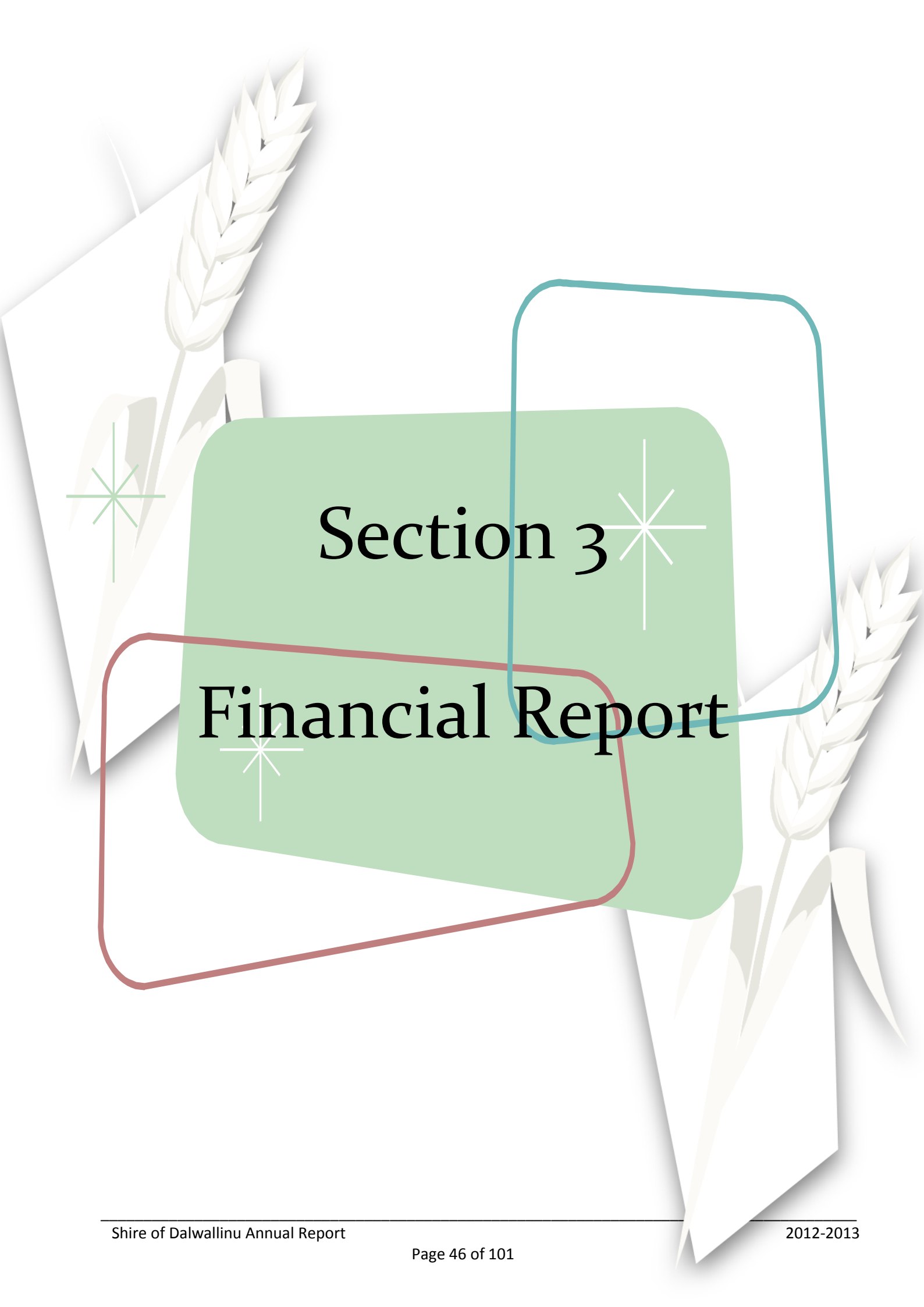
Strategy 3 Identification of potential land development sites and development of appropriate business plans for development

- Hospital Land Subdivision stage one completed with Landcorp
- Several other sites of interest were identified with the Shire and negotiations with land holders and state government agencies in progress

Strategy 4 Ensure that business plans for land development maximise the benefit to the district

- Plans to be developed after the Town Planning Scheme and Local Planning Strategy are completed





Section 3

Financial Report

SHIRE OF DALWALLINU
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

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SHIRE OF DALWALLINU
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Dalwallinu being the annual financial report and other information for the financial year ended 30th June 2013 are in my opinion properly drawn up to present fairly the financial position of the Shire of Dalwallinu at 30th June 2013 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the 25th day of February 2014



Peter Crispin
Chief Executive Officer

SHIRE OF DALWALLINU
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2013

	NOTE	2013 \$	2013 Budget \$	2012 \$
Revenue				
Rates	22	2,637,184	2,638,248	2,509,733
Operating Grants, Subsidies and Contributions	28	2,881,843	1,540,033	3,171,943
Fees and Charges	27	1,333,976	1,329,154	1,460,729
Service Charges	24	0	0	0
Interest Earnings	2(a)	182,323	143,179	200,283
Other Revenue		<u>3,988</u>	<u>300</u>	<u>32,508</u>
		<u>7,039,314</u>	<u>5,650,914</u>	<u>7,375,196</u>
Expenses				
Employee Costs		(2,128,711)	(2,721,716)	(2,722,939)
Materials and Contracts		(1,885,286)	(1,519,893)	(1,095,142)
Utility Charges		(382,471)	(404,151)	(393,404)
Depreciation on Non-Current Assets	2(a)	(2,591,578)	(2,565,260)	(2,486,846)
Interest Expenses	2(a)	(91,184)	(92,853)	(97,043)
Insurance Expenses		(125,163)	(221,709)	(133,120)
Other Expenditure		<u>(132,258)</u>	<u>(42,242)</u>	<u>(96,683)</u>
		<u>(7,336,651)</u>	<u>(7,567,824)</u>	<u>(7,025,177)</u>
		<u>(297,337)</u>	<u>(1,916,910)</u>	<u>350,019</u>
 Non-Operating Grants, Subsidies and Contributions	28	1,484,932	1,066,053	1,934,214
Fair value adjustments to non-current assets through profit or loss	6	(259,489)	0	0
Profit on Asset Disposals	20	79,138	70,277	109,302
Loss on Asset Disposal	20	<u>(43,147)</u>	<u>(84,177)</u>	<u>(25,031)</u>
Net Result		964,097	(864,757)	2,368,504
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	18,867,164	0	0
Total Other Comprehensive Income		<u>18,867,164</u>	<u>0</u>	<u>0</u>
Total Comprehensive Income		<u><u>19,831,261</u></u>	<u><u>(864,757)</u></u>	<u><u>2,368,504</u></u>

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

SHIRE OF DALWALLINU
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2013

	NOTE	2013 \$	2013 Budget \$	2012 \$
Revenue				
Governance		4,014	3,053	2,945
General Purpose Funding		5,088,638	3,950,859	5,386,621
Law, Order, Public Safety		29,510	34,422	35,042
Health		456,528	464,327	641,298
Education and Welfare		1,344	425	1,332
Housing		109,539	119,507	96,556
Community Amenities		411,007	386,788	355,939
Recreation and Culture		118,034	82,659	103,379
Transport		223,775	199,526	215,184
Economic Services		427,405	328,940	367,221
Other Property and Services		179,673	83,059	175,402
	2(a)	<u>7,049,467</u>	<u>5,653,565</u>	<u>7,380,919</u>
Expenses				
Governance		(430,770)	(451,809)	(376,351)
General Purpose Funding		(235,689)	(210,483)	(187,633)
Law, Order, Public Safety		(82,134)	(92,710)	(90,422)
Health		(770,731)	(747,095)	(922,244)
Education and Welfare		(8,884)	(19,421)	(12,425)
Housing		(101,839)	(120,868)	(97,099)
Community Amenities		(522,344)	(515,549)	(483,794)
Recreation and Culture		(1,166,276)	(1,187,435)	(1,207,729)
Transport		(2,753,345)	(3,096,055)	(2,648,485)
Economic Services		(1,061,162)	(1,018,065)	(864,100)
Other Property and Services		(122,446)	(15,482)	(43,575)
	2(a)	<u>(7,255,620)</u>	<u>(7,474,972)</u>	<u>(6,933,857)</u>
Finance Costs				
Governance		0	0	(19,336)
Community Amenities		(19,271)	(71,506)	(20,062)
Recreation and Culture		(54,791)	(3,435)	(57,644)
Other Property and Services		(17,122)	(17,911)	0
	2(a)	<u>(91,184)</u>	<u>(92,852)</u>	<u>(97,042)</u>
Fair Value Adjustments to Non-Current Assets through Profit or Loss				
General Purpose Funding		(259,489)	0	0
Non-Operating Grants, Subsidies and Contributions				
Transport		1,044,932	1,066,053	962,432
Economic Services		440,000	0	971,782
		<u>1,484,932</u>	<u>1,066,053</u>	<u>1,934,214</u>
Profit/(Loss) on Disposal of Assets				
Governance		0	0	(4,296)
Health		0	0	5,598
Housing		68,357	62,066	0
Transport		(32,994)	(76,369)	97,981
Economic Services		0	0	(15,012)
Other Property and Services		628	403	0
		<u>35,991</u>	<u>(13,900)</u>	<u>84,271</u>
Net Result		964,097	(862,106)	2,368,505
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	18,867,164	0	0
Total Other Comprehensive Income		18,867,164	0	0
Total Comprehensive Income		19,831,261	(862,106)	2,368,505

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

SHIRE OF DALWALLINU
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2013

	NOTE	2013 \$	2012 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	4,963,095	4,408,309
Trade and Other Receivables	4	157,753	506,207
Inventories	5	9,930	20,377
TOTAL CURRENT ASSETS		<u>5,130,778</u>	<u>4,934,893</u>
NON-CURRENT ASSETS			
Other Receivables	4	40,303	60,668
Property, Plant and Equipment	6	34,293,027	15,628,822
Infrastructure	7	103,582,470	102,915,839
TOTAL NON-CURRENT ASSETS		<u>137,915,800</u>	<u>118,605,329</u>
TOTAL ASSETS		<u>143,046,578</u>	<u>123,540,222</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	470,845	767,405
Long Term Borrowings	9	105,577	99,645
Provisions	10	454,394	372,131
TOTAL CURRENT LIABILITIES		<u>1,030,816</u>	<u>1,239,181</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	1,311,040	1,416,616
Provisions	10	43,654	54,618
TOTAL NON-CURRENT LIABILITIES		<u>1,354,694</u>	<u>1,471,234</u>
TOTAL LIABILITIES		<u>2,385,510</u>	<u>2,710,415</u>
NET ASSETS		<u>140,661,068</u>	<u>120,829,807</u>
EQUITY			
Retained Surplus		39,488,252	38,600,077
Reserves - Cash Backed	11	1,792,090	1,716,168
Revaluation Surplus	12	99,380,726	80,513,562
TOTAL EQUITY		<u>140,661,068</u>	<u>120,829,807</u>

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

**SHIRE OF DALWALLINU
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/ INVESTMENT BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2011		36,981,214	966,526	80,513,562	118,461,302
Comprehensive Income					
Net Result		2,368,505	0	0	2,368,505
Changes on Revaluation of Non-Current Assets	12	0	0	0	0
Total Comprehensive Income		2,368,505	0	0	2,368,505
Reserve Transfers		(749,642)	749,642	0	0
Balance as at 30 June 2012		38,600,077	1,716,168	80,513,562	120,829,807
Comprehensive Income					
Net Result		964,097	0	0	964,097
Changes on Revaluation of Non-Current Assets	12	0	0	18,867,164	18,867,164
Total Other Comprehensive Income		964,097	0	18,867,164	19,831,261
Reserve Transfers		(75,922)	75,922	0	0
Balance as at 30 June 2013		39,488,252	1,792,090	99,380,726	140,661,068

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

SHIRE OF DALWALLINU
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2013

	NOTE	2013 \$	2013 Budget \$	2012 \$
Cash Flows From Operating Activities				
Receipts				
Rates		2,986,430	2,910,570	2,141,271
Operating Grants, Subsidies and Contributions		2,881,843	1,540,033	3,171,944
Fees and Charges		1,333,976	1,329,155	1,460,730
Service Charges		0	0	0
Interest Earnings		182,323	145,830	198,050
Goods and Services Tax		0	0	0
Other Revenue		3,988	300	34,740
		<u>7,388,560</u>	<u>5,925,888</u>	<u>7,006,735</u>
Payments				
Employee Costs		(2,043,530)	(2,775,413)	(2,694,514)
Materials and Contracts		(2,206,353)	(1,966,741)	(682,367)
Utility Charges		(382,471)	(404,151)	(393,404)
Insurance Expenses		(125,163)	(221,709)	(133,120)
Interest expenses		(93,356)	(92,852)	(100,750)
Goods and Services Tax		23,246	(24,174)	17,901
Other Expenditure		(132,258)	(42,242)	(96,685)
		<u>(4,959,885)</u>	<u>(5,527,282)</u>	<u>(4,082,939)</u>
Net Cash Provided By Operating Activities	13(b)	<u>2,428,675</u>	<u>398,606</u>	<u>2,923,796</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale		0	0	0
Payments for Purchase of Property, Plant & Equipment		(1,408,771)	(2,362,746)	(983,084)
Payments for Construction of Infrastructure		(2,258,788)	(2,588,684)	(2,267,708)
Advances to Community Groups		0	0	0
Payments for Purchase of Investments		0	0	0
Non-Operating Grants, Subsidies and Contributions		1,484,932	1,066,053	1,934,214
Proceeds from Sale of Plant & Equipment		388,810	367,636	279,993
Proceeds from Advances		0	0	0
Proceeds from Sale of Investments		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
Net Cash Used In Investing Activities		<u>(1,793,817)</u>	<u>(3,517,741)</u>	<u>(1,036,585)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(99,645)	(99,645)	(94,058)
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		19,573	17,424	18,103
Proceeds from New Debentures		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
Net Cash Used In Financing Activities		<u>(80,072)</u>	<u>(82,221)</u>	<u>(75,955)</u>
Net Increase (Decrease) in Cash Held		554,786	(3,201,356)	1,811,256
Cash at Beginning of Year		4,408,309	4,408,309	2,597,053
Cash and Cash Equivalents at the End of the Year	13(a)	<u><u>4,963,095</u></u>	<u><u>1,206,953</u></u>	<u><u>4,408,309</u></u>

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

SHIRE OF DALWALLINU
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2013

	NOTE	2013 Actual \$	2013 Budget \$	2012 Actual \$
Revenue				
Governance		4,014	3,054	2,945
General Purpose Funding		2,451,454	1,312,611	2,876,888
Law, Order, Public Safety		29,510	34,422	35,042
Health		456,528	464,327	646,896
Education and Welfare		1,344	425	1,332
Housing		177,896	181,573	96,556
Community Amenities		411,007	386,788	355,939
Recreation and Culture		118,034	82,659	103,379
Transport		1,268,708	1,265,579	1,275,597
Economic Services		867,405	328,940	1,339,003
Other Property and Services		180,301	83,463	175,402
		<u>5,966,201</u>	<u>4,143,841</u>	<u>6,908,979</u>
Expenses				
Governance		(430,770)	(451,809)	(399,983)
General Purpose Funding		(235,689)	(210,483)	(187,633)
Law, Order, Public Safety		(82,135)	(92,710)	(90,422)
Health		(770,731)	(747,095)	(922,244)
Education and Welfare		(8,884)	(19,421)	(12,425)
Housing		(101,839)	(120,868)	(97,099)
Community Amenities		(541,615)	(587,055)	(503,857)
Recreation and Culture		(1,221,067)	(1,190,870)	(1,265,373)
Transport		(2,786,339)	(3,172,424)	(2,648,485)
Economic Services		(1,061,162)	(1,018,065)	(879,112)
Other Property and Services		(139,568)	(33,394)	(43,574)
		<u>(7,379,799)</u>	<u>(7,644,194)</u>	<u>(7,050,207)</u>
Net Result Excluding Rates		(1,413,598)	(3,500,353)	(141,228)
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
Initial Recognition of Assets Due to Change to Regulations				
- Land		0	0	0
(Profit)/Loss on Asset Disposals	20	(35,991)	13,900	(84,271)
Movement in Accrued Interest		(1,668)	0	(3,708)
Movement in Accrued Salaries and Wages		13,881	(53,697)	14,488
Movement in Employee Benefit Provisions (Non-Current)		71,300	0	13,938
Depreciation and Amortisation on Assets	2(a)	2,591,578	2,565,260	2,486,846
Capital Expenditure and Revenue				
Purchase Land Held for Resale		0	0	0
Purchase Land and Buildings		(648,064)	(1,330,928)	(350,890)
Purchase Infrastructure Assets - Roads		(2,216,505)	(2,490,184)	(2,094,095)
Purchase Infrastructure Assets - Other		(42,284)	(98,500)	(173,613)
Purchase Plant and Equipment		(732,345)	(986,925)	(559,215)
Purchase Furniture and Equipment		(28,360)	(44,893)	(72,980)
Proceeds from Disposal of Investments		0	0	0
Proceeds from Disposal of Assets	20	388,810	367,636	279,992
Repayment of Debentures	21	(99,645)	(99,645)	(94,058)
Proceeds from New Debentures	21	0	0	0
Self-Supporting Loan Principal Income		19,573	17,424	18,103
Transfer to/from Restricted Cash		1,839,557	2,344,292	(2,344,293)
Transfers to Reserves (Restricted Assets)	11	(99,519)	(181,153)	(749,642)
Transfers from Reserves (Restricted Assets)	11	23,597	705,635	0
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	22(b)	185,473	133,883	1,530,366
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	22(b)	2,452,974	0	185,473
Total Amount Raised from General Rate	22(a)	<u>(2,637,184)</u>	<u>(2,638,248)</u>	<u>(2,509,733)</u>

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

(a) Basis of Preparation

The financial report is a general purpose financial statement which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the local Government Act 1995 and accompanying regulations.

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

Critical Accounting Estimates

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

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

(b) The Local Government Reporting Entity

All Funds through which the Council 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, but a separate statement of those monies appears at Note 19 to these financial statements.

(c) 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.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, 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 shown as short term borrowings in current liabilities in the statement of financial position.

(e) Trade and Other Receivables

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

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

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

(f) Inventories

General

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

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

Land Held for Resale

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

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

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets

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

Mandatory Requirement to Revalue Non-Current Assets

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

The amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

(a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and

(b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -

(i) that are plant and equipment; and

(ii) that are -

(I) land and buildings; or

(II) infrastructure;

and

(c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, in accordance with the regulations, each asset class must be revalued at least every 3 years.

Council has commenced the process of adopting Fair Value in accordance with the Regulations.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

Land Under Control

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

The Shire of Dalwallinu does not operate or control any assets which fall into this category.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Initial Recognition

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of comprehensive income in the period in which they are incurred.

Revaluation

Revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date.

Revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date.

For land and buildings, fair value will be determined based on the nature of the asset class. For land and non-specialised buildings, fair value is determined on the basis of observable open market values of similar assets, adjusted for conditions and comparability at their highest and best use (Level 2 inputs in the fair value hierarchy).

With regards to specialised buildings, fair value is determined having regard for current replacement cost and both observable and unobservable costs. These include construction costs based on recent contract prices, current condition (observable Level 2 inputs in the fair value hierarchy), residual values and remaining useful life assessments (unobservable Level 3 inputs in the fair value hierarchy).

For infrastructure and other asset classes, fair value is determined to be the current replacement cost of an asset (Level 2 inputs in the fair value hierarchy) less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset (Level 3 inputs in the fair value hierarchy).

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

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

In addition, the amendments to the Financial Management Regulations mandating the use of Fair Value, imposes a further minimum of 3 years revaluation requirement. As a minimum, all assets carried at a revalued amount, will be revalued at least every 3 years.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Transitional Arrangement

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes.

Those assets carried at cost will be carried in accordance with the policy detailed in the ***Initial Recognition*** section as detailed above.

Those assets carried at fair value will be carried in accordance with the ***Revaluation*** methodology section as detailed above.

Early Adoption of AASB 13 - Fair Value Measurement

Whilst the new accounting standard in relation to fair value, *AASB 13 - Fair Value Measurement* does not become applicable until the end of the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology for this reporting period, the Council chose to early adopt AASB 13 (as allowed for in the standard).

As a consequence, the principles embodied in *AASB 13 - Fair Value Measurement* have been applied to this reporting period (year ended 30 June 2013).

Due to the nature and timing of the adoption (driven by legislation), the adoption of this standard has had no effect on previous reporting periods.

Land under Roads

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

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB1051 - Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

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

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

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Depreciation of Non-Current Assets

All non-current assets having a limited useful life (excluding freehold land) are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Buildings	40 years
Furniture and Fittings - Electrical	5 years
Furniture and Fittings - Other	10 years
Motor Vehicle - Passenger	5 years
Light Vehicle - Commercial	5 years
Trucks	5 years
Graders, Loaders and Other Plant	10 years
Infrastructure Assets - roads, streets and kerbing	
clearing and earthworks	not depreciated
pavement	40 years
seal	15 years
kerbing	50 years
Infrastructure Assets - Gardens	not depreciated
Infrastructure Assets - Parks & Ovals	10 - 40 years
Infrastructure Assets - Other Structures	20 - 50 years

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

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

Gains and losses on disposals are determined by comparing proceeds with with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

Capitalisation Threshold

Expenditure on items of equipment under \$2,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

(h) Intangible Assets

Easements

Due to legislative changes, Easements are required to be recognised as assets.

If significant, they are initially recognised at cost and have an indefinite useful life.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial Instruments

Initial Recognition and Measurement

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

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

Classification and Subsequent Measurement

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

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

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

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

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current. They are subsequently measured at fair value with changes to carrying amount being included in profit or loss.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

Impairment

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired.

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

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial Instruments (Continued)

Derecognition

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

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expire. 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.

(j) Impairment

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

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

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

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

(k) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council 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.

(l) Employee Benefits

Provision is made for the Council's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to the employee wage increases and the probability the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity matching the expected timing of cash flows.

(m) 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.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Provisions

Provisions are recognised when:

- a) the Council has a present legal or constructive obligation as a result of past events;
- b) for which it is probable that an outflow of economic benefits will result; and
- c) 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.

(o) 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 Council, are classified as finance leases.

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

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

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

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

(p) Investments in Associates

Associates are entities in which the Council has significant influence through holding, directly or indirectly, 20% or more of the voting power of the Council. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Council's share of net assets of the associate entity. In addition, Council's share of the profit or loss of the associate entity is included in the Council's profit or loss.

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

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Joint Venture

The Council's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the appropriate line items of the financial statement. Information about the joint venture is set out in Note 16.

The Council's interest in joint venture entities are recorded using the equity method of accounting (refer to Note 1(p) for details) in the financial report.

When the Council contributes assets to the joint venture or if the Council purchases assets from the joint venture, only the portion of gain or loss not attributable to the Council's share of the joint venture shall be recognised. The Council recognises the full amount of any loss when the contribution results in a reduction in the net realisable value of current assets or an impairment loss.

(r) Rates, Grants, Donations and Other Contributions

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

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

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

(s) Superannuation

The Council contributes to a number of superannuation funds on behalf of employees. All funds to which the Council contributes are defined contribution plans.

(t) Current and Non-Current Classification

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

(u) Rounding Off Figures

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Comparative Figures

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

When the Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, a statement of financial position as at the beginning of the earliest period will be disclosed.

(w) Budget Comparative Figures

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Title and Topic	Issued	Applicable (*)	Impact
(i) AASB 9 – Financial Instruments AASB 2012 – 6 Amendments to Australian Accounting Standards – Mandatory effective date of AASB 9 and Transition Disclosures	December 2009 September 2012	01 January 2013 Deferred AASB 9 until 1 January 2015	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii) AASB 2009 – 11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12)	December 2009	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(iii) AASB 2010 – 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	December 2010	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(iv) AASB 10 - Consolidated Financial Statements, AASB 11 - Joint Arrangements, AASB 12 - Disclosure of Interests in Other Entities, AASB 127 - Separate Financial Statements, AASB 128 - Investments in Associates and Joint Ventures, AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	August 2011	01 January 2013	Nil - None of these, except for AASB 128 , are expected to have significant application to the operations of the Council. With respect to AASB 128, where the Council has an interest in a Joint Venture, the requirements of AASB 128 supercede those of the current Joint Venture Standard AASB 131. The new standard more clearly defines the accounting treatment and disclosure in relation to it. Due to the nature of the Joint Venture, it is not expected to have a significant impact on the Council.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(v) AASB 2011 - 9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	September 2011	01 July 2013	The main change embodied in this standard is the requirement to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. It effects presentation only and is not expected to significantly impact the Council.
(vi) AASB 119 - Employee Benefits, AASB 2011 - 10 Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, 8, 101, 124, 134, 1049 & 2012-8 and Interpretation 14]	September 2011	01 January 2013	The changes in relation to defined benefit plans contained in this standard are not expected to significantly impact the Council nor are the changes to AASBs in relation to termination benefits.
(vii) AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 32]	June 2012	01 January 2013	Principally amends AASB 7: Financial Instruments: Disclosures to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. This Standard is not expected to significantly impact on the Council's financial statements.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(viii) AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]	June 2012	01 January 2014	<p>This Standard adds application guidance to AASB 132: <i>Financial Instruments: Presentation</i> to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.</p> <p>This Standard is not expected to significantly impact on the Council’s financial statements.</p>
(ix) AASB 2012-5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASB 1, 101, 116, 132, 134 and Interpretation 2]	June 2012	01 January 2013	<p>Outlines changes to the various standards and interpretations as listed. These topics are not currently relevant to Council, nor are they expected to be in the future. As a consequence, this Standard is not expected to significantly impact on the Council’s financial statements.</p>
(x) AASB 2012-10: Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments. [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Interpretation 12]	December 2012	01 January 2013	<p>Mainly consequential changes relating to transition guidance. It is not expected to have a significant impact on Council.</p>

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Adoption of New and Revised Accounting Standards

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

These new and revised standards were:

AASB 2010 – 8
AASB 2011 - 3
AASB 2011 - 13

The standards adopted had a minimal effect on the accounting and reporting practices of the Council as they were either largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.

The Council also chose to early adopt *AASB 13 – Fair Value Measurement* as allowed for in the standard. For further details with respect to this early adoption, refer to Note 1(g).

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

2. REVENUE AND EXPENSES	2013	2012
	\$	\$
(a) Net Result		
The Net Result includes:		
(i) Charging as an Expense:		
Auditors Remuneration		
- Audit of the financial report	8,210	19,045
- Financial Management Review	0	6,570
- Audit of grant acquittals/reports	1,890	0
- Assistance with the finalisation of the annual financial report	0	0
Depreciation		
Buildings	433,868	429,031
Plant and Equipment	520,869	484,260
Furniture and Equipment	44,684	50,779
Roads	1,452,398	1,391,821
Other Infrastructure	135,312	126,508
Parks & Gardens	4,447	4,447
	<u>2,591,578</u>	<u>2,486,846</u>
Interest Expenses (Finance Costs)		
Finance Lease Charges	0	0
Debentures (<i>refer Note 21(a)</i>)	91,184	97,043
	<u>91,184</u>	<u>97,043</u>
Rental Charges		
- Operating Leases	0	0
	<u>0</u>	<u>0</u>
(ii) Crediting as Revenue:		
	2013	2013
	\$	Budget
		\$
Interest Earnings		
Investments		
- Reserve Funds	75,922	51,485
- Other Funds	93,192	80,424
Other Interest Revenue (<i>refer note 26</i>)	13,209	11,270
	<u>182,323</u>	<u>143,179</u>
	<u>182,323</u>	<u>200,283</u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

The Shire of Dalwallinu is dedicated to providing high quality services to the community through the various service orientated programs which it has established; with a mission statement which encompasses the direction of the Shire as follows:

"To promote and enhance economic opportunities and lifestyle for the community"

GOVERNANCE

Administration and operation of facilities and services to members of Council; other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council activities.

GENERAL PURPOSE FUNDING

Administration of rates income & expenditure, general purpose grant and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Supervision of various by-laws, fire prevention, emergency services and animal control.

HEALTH

Administration of food quality, pest control, medical centre operations and other health services.

EDUCATION AND WELFARE

Provision of school support, assistance to playgroups, retirement villages and other voluntary services.

HOUSING

Maintenance of aged, frail aged, joint venture and non-employee rental housing.

COMMUNITY AMENITIES

Provision of rubbish collection services, operation of tips, noise control, administration of town planning scheme, maintenance of cemeteries, maintenance of public conveniences, storm water drainage maintenance, sewerage scheme operation, litter control and provision of roadside furniture.

RECREATION AND CULTURE

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 the maintenance of halls, aquatic centres, recreation and community centre, parks and gardens, sports grounds and operation of libraries.

TRANSPORT

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

The regulation and provision of tourism, area promotion, building control, noxious weed control, vermin control, standpipes and subdivisions.

OTHER PROPERTY AND SERVICES

Administration of private works operations, private works overheads, materials, salaries and wages, plant repairs and operation costs. With the exception of private works, the above activities listed are mainly summaries of costs that are allocated to all the works and services undertaken by Council.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening Balance (*)	Received (+)	Expended (#)	Closing Balance (*)	Received (+)	Expended (#)	Closing Balance
		1-Jul-11 \$	2011/12 \$	2011/12 \$	30-Jun-12 \$	2012/13 \$	2012/13 \$	30-Jun-13 \$
Landcorp Sponsorship - James St Fitness Park	11	35,000	0	(35,000)	0	0	0	0
RLCIP Funding - Dalwallinu Hall Lighting/Sound	11	30,000	0	(30,000)	0	0	0	0
R4R (DAF) - Regional Dogger Project	13	14,183	30,967	(36,730)	8,420	0	(8,420)	0
DAF - Dry Season Assistance Scheme	13	11,216	0	(11,216)	0	0	0	0
Regional Housing - R4R	13	0	505,926	(112,342)	393,584	0	(393,584)	0
Exploring Wildflower Country	13	0	21,121	0	21,121	0	(21,121)	0
Contribution for landscaping subdivision	13	0	60,000	0	60,000	0	0	60,000
Dungey Road Project - R4R	13	0	327,280	0	327,280	0	(327,280)	0
South Street Project - R4R	13	0	444,735	0	444,735	0	(11,436)	433,299
South Street Project 2 - R4R	13	0	0	0	0	440,000	0	440,000
Total		90,399	1,390,029	(225,288)	1,255,140	440,000	(761,841)	933,299

Notes:

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

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

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013	2012
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	1,042,896	321,622
Restricted	3,920,199	4,086,687
	<u>4,963,095</u>	<u>4,408,309</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Leave Reserve	189,516	181,486
Plant Reserve	215,683	206,547
Joint Venture Housing Reserve	151,988	145,549
Land & Building Reserve	766,211	711,153
Sewerage Reserve	391,704	375,110
Townscape Reserve	24,776	23,726
Pithara Hall Reserve	0	22,597
Telecommunications Reserve	52,212	50,000
Unspent Grants as per note 2(c)	933,299	1,255,140
Unspent Grants from FAGS	1,194,810	1,115,379
Unspent Loans	0	0
	<u>3,920,199</u>	<u>4,086,687</u>
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	63,824	57,862
Sundry Debtors	113,548	454,969
<i>less provision for Doubtful Debts</i>	(39,984)	(26,197)
GST Receivable	0	0
Loans - Clubs/Institutions	20,365	19,573
	<u>157,753</u>	<u>506,207</u>
Non-Current		
Rates Outstanding - Pensioners	0	0
Loans - Clubs/Institutions	40,303	60,668
	<u>40,303</u>	<u>60,668</u>
5. INVENTORIES		
Current		
Fuel and Materials	9,930	20,377
Medical Centre Stock	0	0
	<u>9,930</u>	<u>20,377</u>
Non-Current		
Nil	0	0
	<u>0</u>	<u>0</u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013 \$	2012 \$
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
Freehold Land at:		
- Fair Value 2013	2,523,500	0
- Cost	0	616,035
	<u>2,523,500</u>	<u>616,035</u>
Land Under Control at:		
- Independent Valuation 2013	0	0
Total Land	<u>2,523,500</u>	<u>616,035</u>
Buildings at:		
- Fair Value 2013	29,543,834	0
- Cost	0	17,349,278
Less Accumulated Depreciation	<u>0</u>	<u>(4,927,187)</u>
Total Buildings	29,543,834	12,422,091
Total Land and Buildings	<u>32,067,334</u>	<u>13,038,126</u>
Furniture and Equipment - at cost	1,020,507	1,002,998
Less Accumulated Depreciation	<u>(775,498)</u>	<u>(739,853)</u>
	245,009	263,145
Plant and Equipment at Fair Value	1,980,684	0
at cost	0	5,027,751
Less Accumulated Depreciation	<u>0</u>	<u>(2,700,201)</u>
	1,980,684	2,327,550
	<u>34,293,027</u>	<u>15,628,822</u>

Land and Buildings:

Land and Buildings were revalued to Fair Value at 30 June 2013 by Griffin Valuation Advisory in accordance with AASB116. There were 6 building assets that were not revalued by Griffin Valuation Advisory as Council considered these to be specialised developments. Council considers the written down value of the following building assets are reflective of Fair Value in accordance with Australian Accounting Standard AASB 13, Fair Value.

	\$
- Kalannie Refuse Site (B107)	18,108
- Dalwallinu Refuse Site (B108)	20,422
- TV Transmitters for WIN GWN & SBS (B110)	63,016
- Dalwallinu Sewerage Scheme (B55)	157,670
- Dalwallinu Memorial Park (B73)	33,151
- Dalwallinu Aquatic Centre (B95)	315,963

Plant and Equipment:

Plant and Equipment has been revalued to Fair Value at 30 June 2013 utilising Red Book valuations for light vehicles, cost less depreciation for small/specialised plant and wherever possible, trade in values from companies specialising in items of large equipment.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

6a. PROPERTY, PLANT AND EQUIPMENT (Continued)

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 (Level 2) \$	Non- Specialised Buildings (Level 2) \$	Total Buildings \$	Total Land and Buildings \$	Plant and Equipment (Level 2) \$	Furniture and Equipment (Level 3) \$	Total \$
Balance as at the beginning of the year	616,035	12,422,086	12,422,086	13,038,121	2,327,550	263,146	15,628,817
Additions	92,721	870,834	870,834	963,555	732,346	28,360	1,724,261
(Disposals)	(1,500)	(364,789)	(364,789)	(366,289)	(300,167)	(1,849)	(668,305)
Revaluation - Increments	1,816,244	17,050,920	17,050,920	18,867,164	0	0	18,867,164
- (Decrements)	0	0	0	0	(259,489)	0	(259,489)
Reclassifications	0	(1,349)	(1,349)	(1,349)	1,349	0	0
Impairment - (Losses)	0	0	0	0	0	0	0
- Reversals	0	0	0	0	0	0	0
Initial Recognition of assets Due to Changes to Regulations	0	0	0	0	0	0	0
Depreciation (Expense)	0	(433,868)	(433,868)	(433,868)	(520,869)	(44,684)	(999,421)
Carrying amount at the end of year	<u>2,523,500</u>	<u>29,543,834</u>	<u>29,543,834</u>	<u>32,067,334</u>	<u>1,980,684</u>	<u>245,009</u>	<u>34,293,027</u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013	2012
	\$	\$
7. INFRASTRUCTURE		
Roads - cost	128,139,567	126,137,940
Less Accumulated Depreciation	<u>(26,880,313)</u>	<u>(25,427,915)</u>
	101,259,254	100,710,025
 Other Infrastructure - cost	 3,247,563	 2,990,402
Less Accumulated Depreciation	<u>(1,144,410)</u>	<u>(1,009,098)</u>
	2,103,153	1,981,304
 Parks & Ovals - cost	 165,066	 165,066
Less Accumulated Depreciation	<u>(48,578)</u>	<u>(44,131)</u>
	116,488	120,935
 Gardens - cost	 <u>103,575</u>	 <u>103,575</u>
	<u><u>103,582,470</u></u>	<u><u>102,915,839</u></u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

7a. INFRASTRUCTURE (Continued)

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.

	126137940				
	Roads	Other	Parks	Gardens	Total
	\$	Infrastructure	and	\$	\$
	\$	\$	Ovals	\$	\$
Balance at the beginning of the year	100,710,025	1,981,304	120,935	103,575	102,915,839
Additions	2,173,795	84,993	0	0	2,258,788
(Disposals)	0	0	0	0	0
Revaluation - Increments	0	0	0	0	0
- (Decrements)	0	0	0	0	0
Reclassification	(172,169)	172,169	0	0	(0)
Impairment - (Losses)	0	0	0	0	0
- Reversals	0	0	0	0	0
Depreciation (Expense)	(1,452,398)	(135,312)	(4,447)	0	(1,592,157)
Carrying amount at the end of year	101,259,254	2,103,153	116,488	103,575	103,582,470

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013 \$	2012 \$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	268,530	606,782
Other current liabilities	92,084	62,604
Accrued Interest on Debentures	25,811	27,479
Accrued Salaries and Wages	84,420	70,540
	<u>470,845</u>	<u>767,405</u>

9. LONG-TERM BORROWINGS

Current		
Secured by Floating Charge		
Debentures	105,577	99,645
	<u>105,577</u>	<u>99,645</u>
Non-Current		
Secured by Floating Charge		
Debentures	1,311,040	1,416,616
	<u>1,311,040</u>	<u>1,416,616</u>

Additional detail on borrowings is provided in Note 21.

10. PROVISIONS

Analysis of Total Provisions

Current	454,394	372,131
Non-Current	43,654	54,618
	<u>498,048</u>	<u>426,749</u>

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance as at 1 July 2012	183,703	243,046	426,749
Additional provisions	51,601	29,640	81,241
Amounts used	0	(9,942)	(9,942)
Used amounts reversed	0	0	0
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	0	0	0
Balance at 30 June 2013	<u>235,304</u>	<u>262,744</u>	<u>498,048</u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013 \$	2013 Budget \$	2012 \$
11. RESERVES - CASH BACKED			
(a) Leave Reserve			
Opening Balance	181,487	181,487	169,767
Amount Set Aside / Transfer to Reserve	8,029	5,444	11,719
Amount Used / Transfer from Reserve	0	0	0
	<u>189,516</u>	<u>186,931</u>	<u>181,486</u>
(b) Plant Reserve			
Opening Balance	206,546	206,546	66,889
Amount Set Aside / Transfer to Reserve	9,137	6,197	139,658
Amount Used / Transfer from Reserve	0	(100,000)	0
	<u>215,683</u>	<u>112,743</u>	<u>206,547</u>
(c) Joint Venture Housing Reserve			
Opening Balance	145,549	145,549	136,150
Amount Set Aside / Transfer to Reserve	6,439	11,784	9,399
Amount Used / Transfer from Reserve	0	0	0
	<u>151,988</u>	<u>157,333</u>	<u>145,549</u>
(d) Land & Building Reserve			
Opening Balance	711,153	711,153	126,357
Amount Set Aside / Transfer to Reserve	55,058	134,972	584,796
Amount Used / Transfer from Reserve	0	(507,360)	0
	<u>766,211</u>	<u>338,765</u>	<u>711,153</u>
(e) Sewerage Scheme Reserve			
Opening Balance	375,110	375,110	313,330
Amount Set Aside / Transfer to Reserve	16,594	19,866	21,630
Amount Used / Transfer from Reserve	0	(75,000)	40,150
	<u>391,704</u>	<u>319,976</u>	<u>375,110</u>
(f) Johnston Street, Dalwallinu Reserve			
Opening Balance	0	0	110,701
Amount Set Aside / Transfer to Reserve	0	0	7,642
Amount Used / Transfer from Reserve	0	0	(118,343)
	<u>0</u>	<u>0</u>	<u>0</u>
(g) Townscape Reserve			
Opening Balance	23,726	23,726	22,194
Amount Set Aside / Transfer to Reserve	1,050	712	1,532
Amount Used / Transfer from Reserve	0	0	0
	<u>24,776</u>	<u>24,438</u>	<u>23,726</u>
(h) Pithara Hall Reserve			
Opening Balance	22,597	22,597	21,138
Amount Set Aside / Transfer to Reserve	1,000	678	1,459
Amount Used / Transfer from Reserve	(23,597)	(23,275)	0
	<u>0</u>	<u>0</u>	<u>22,597</u>
(i) Telecommunications Reserve			
Opening Balance	50,000	50,000	0
Amount Set Aside / Transfer to Reserve	2,212	1,500	50,000
Amount Used / Transfer from Reserve	0	0	0
	<u>52,212</u>	<u>51,500</u>	<u>50,000</u>
TOTAL CASH BACKED RESERVES	<u>1,792,090</u>	<u>1,191,686</u>	<u>1,716,168</u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

11. RESERVES - CASH BACKED continued

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

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

Leave Reserve

- to be used to fund annual and long service leave requirements.

Plant Reserve

- to be used for the purchase of major plant.

Joint Venture Housing Reserve

- to be used for long term maintenance & construction of joint venture housing.

Land & Building Reserve

- to be used for the purchase/construction of land/buildings.

Sewerage Scheme Reserve

- to be used for the maintenance & replacement of the Sewerage Scheme.

Townscape Reserve

- to be used for future townscaping projects within the Shire.

Pithara Hall Reserve

- to be used for works upon Pithara Hall.

Telecommunications Reserve

- to be used to leverage enhanced telecommunications capabilities within the Shire.

The Leave, Plant, Joint Venture Housing, Land & Building, Sewerage Scheme and Townscape Reserves are not expected to be used within a set period as further transfers to these reserve accounts are expected as funds are utilised.

The Johnston Street, Dalwallinu Reserve was closed in 2011/12.

The Pithara Hall Reserve was closed in 2012/13.

12. RESERVES - ASSET REVALUATION

Asset revaluation reserves have arisen on revaluation of the following classes of non-current assets:

(a) Land and Buildings

Opening balance	3,679,953	3,679,953
Revaluation Increment	18,867,164	0
Revaluation Decrement	0	0
	<u>22,547,117</u>	<u>3,679,953</u>

(b) Plant & Equipment

Opening Balance	37,125	37,125
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>37,125</u>	<u>37,125</u>

(c) Furniture & Fittings

Opening Balance	195	195
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>195</u>	<u>195</u>

(d) Roads

Opening Balance	76,796,289	76,796,289
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>76,796,289</u>	<u>76,796,289</u>

TOTAL ASSET REVALUATION RESERVES	<u>99,380,726</u>	<u>80,513,562</u>
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SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the statement of financial position as follows:

	2013 \$	2013 Budget \$	2012 \$
Cash and Cash Equivalents	<u>4,963,095</u>	<u>1,206,953</u>	<u>4,408,309</u>

(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result

Net Result	964,097	(862,106)	2,368,505
Amortisation	0	0	0
Depreciation	2,591,578	2,565,260	2,486,846
(Profit)/Loss on Sale of Asset	792,567	13,900	(84,271)
(Increase)/Decrease in Receivables	349,246	272,323	(368,462)
(Increase)/Decrease in Inventories	10,447	0	32,353
Increase/(Decrease) in Payables	(296,559)	(524,718)	409,101
Increase/(Decrease) in Employee Provisions	71,300	0	13,938
Grants/Contributions for the Development of Assets	(1,484,932)	(1,066,053)	(1,934,214)
Non-Current Assets recognised due to changes in legislative requirements	0	0	0
Net Cash from Operating Activities	<u>2,997,744</u>	<u>398,606</u>	<u>2,923,796</u>

(c) Undrawn Borrowing Facilities
Credit Standby Arrangements

Bank Overdraft limit	0	0
Bank Overdraft at Balance Date	0	0
Credit Card limit	5,000	5,000
Credit Card Balance at Balance Date	(2,823)	(3,041)
Total Amount of Credit Unused	<u>2,177</u>	<u>1,959</u>

Loan Facilities

Loan Facilities - Current	105,577	99,645
Loan Facilities - Non-Current	1,311,040	1,416,616
Total Facilities in Use at Balance Date	<u>1,416,617</u>	<u>1,516,261</u>

Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>
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SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

14. CONTINGENT LIABILITIES

As at the balance date, there were no significant actions pending against the Shire.

	2013	2012
	\$	\$
15. CAPITAL AND LEASING COMMITMENTS		
(a) Finance Lease Commitments		
The Shire does not have any finance lease commitments as at 30 June 2013.		
(b) Operating Lease Commitments		
The Shire does not have any operating lease commitments as at 30 June 2013.		
(c) Capital Expenditure Commitments		
Contracted for:		
- capital expenditure projects	433,299	530,428
- plant & equipment purchases	0	0
Payable:		
- not later than one year	433,299	530,428
The capital expenditure project outstanding at the end of the current reporting period represents South Street 3 houses project		

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

16. JOINT VENTURE

The Shire together with the Department of Housing have a joint venture arrangement with regards to the provision of five houses in Dalwallinu and one in Kalannie. The Shire provided the land and have a joint agreement for use and maintenance on the constructed houses.

This Shire's share of the houses is included in "Buildings and Improvements" as follows;

	2013	2012
	\$	\$
Non-Current Assets		
Buildings & Improvement	1,181,601	190,119
Less: Accumulated Depreciation	<u>(51,597)</u>	<u>(47,434)</u>
	<u><u>1,130,004</u></u>	<u><u>142,685</u></u>

The increase in Buildings & Improvements values from 2012 to 2013 is as a result of the change from recording the asset class at cost to fair value as disclosed within note 6.

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

Governance	757,807	295,839
General Purpose Funding	63,824	59,208
Law, Order, Public Safety	118,282	64,637
Health	1,063,878	521,395
Education and Welfare	185,728	69,661
Housing	3,971,989	937,176
Community Amenities	2,369,344	875,586
Recreation and Culture	18,284,960	8,556,679
Transport	104,187,998	102,457,976
Economic Services	3,333,515	3,084,070
Other Property and Services	6,188,289	4,591,083
Unallocated	<u>2,520,964</u>	<u>2,026,912</u>
	<u><u>143,046,578</u></u>	<u><u>123,540,222</u></u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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	2013	2012	2011
18. FINANCIAL RATIOS			
Current Ratio	1.439	0.832	1.844
Asset Sustainability Ratio	1.094	1.116	1.456
Debt Service Cover Ratio	12.500	15.794	13.392
Operating Surplus Ratio	(0.070)	0.101	0.027
Own Source Revenue Coverage Ratio	0.577	0.612	0.649

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset Sustainability Ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expense}}$
Debt Service Cover Ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating Surplus Ratio	$\frac{\text{operating revenue minus operating expense}}{\text{own source operating revenue}}$
Own Source Revenue Coverage Ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

19. TRUST FUNDS

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

	Balance 1-Jul-12	Amounts Received	Amounts Paid	Balance 30-Jun-13
	\$	\$	(\$)	\$
DPI Licensing Fees	17,613	1,337,106	(1,344,003)	10,716
St John Ambulance Memberships	375	2,151	(2,526)	0
BCITF Levy	0	4,544	(4,544)	0
Building Service Levy	0	2,465	(2,465)	0
Mainly Mutton Cookbooks	0	0	0	0
Raffle Tickets	3	0	0	3
Nomination Fees	480	0	(480)	0
Hall Hire Bonds	990	0	0	990
Key Deposits	730	0	0	730
Housing Bonds	10,176	4,517	(3,192)	11,501
Windows on the Wheatbelt Book	0	25	(25)	0
75 Stories Book	30	30	(60)	0
Trails, Trials and Triumphs Book	60	0	0	60
Story of Kalannie Book	0	0	0	0
Pioneer to Progress Book	40	40	(40)	40
Pioneer House Donations	10,076	0	0	10,076
Miscellaneous Deposits Held	2,560	30,000	(32,000)	560
5 Graves in Dalwallinu Book	20	184	(204)	0
Prepared to Pioneer Book	28	28	(56)	0
	<u>43,181</u>			<u>34,676</u>

20. DISPOSALS OF ASSETS - 2012/13 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$
Housing						
28 Locke Street, Kalannie (incl land)	26,144	27,852	74,648	68,182	48,504	40,330
Lot 52 Locke Street, Kalannie (incl land)	24,654	23,718	44,507	45,454	19,853	21,736
Transport						
MOW Vehicle - Nissan Navara Dual Cab 4x4 D40 DL103	23,067	26,308	17,273	15,000	(5,794)	(11,308)
WS Vehicle - Nissan Navara Dual Cab 4x4 D22 DL281	25,022	27,034	13,636	15,000	(11,386)	(12,034)
Volvo 90E Loader (With Attachment) DL999	111,654	118,074	102,200	80,000	(9,454)	(38,074)
Volvo BL71 Backhoe/Loader DL695	54,360	64,954	48,000	50,000	(6,360)	(14,954)
Other Property & Services						
CEO Vehicle - Holden Caprice DL2	34,219	39,497	38,182	42,000	3,963	2,503
DCEO Vehicle - Holden SV6 Sedan DL186	26,240	28,481	21,182	28,000	(5,058)	(481)
Cleaner Vehicle - Ford Courier Crew Cab DL304	0	0	6,818	5,000	6,818	5,000
Ricoh MP4500 Photocopier	1,853	292	1,000	1,000	(853)	708
CSM Vehicle - Toyota RAV4 (DL492)	25,606	25,327	21,364	18,000	(4,242)	(7,327)
	<u>352,819</u>	<u>381,537</u>	<u>388,810</u>	<u>367,636</u>	<u>35,991</u>	<u>(13,901)</u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1-Jul-12 \$	New Loans \$	Principal Repayments		Principal 30-Jun-13		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Housing								
Loan 156 - Staff Housing	338,309		40,983	40,983	297,326	297,325	17,122	17,911
Community Amenities								
Loan 64 - Sewerage Scheme	201,422		8,163	8,163	193,259	193,259	19,271	19,644
Recreation & Culture								
Loan 157 - Dalwallinu Discovery Centre	911,146		33,075	33,075	878,071	878,071	51,523	51,863
Loan 158 - Dalwallinu Sports Club *	65,385		17,424	17,424	47,961	47,961	3,268	3,435
	1,516,262	0	99,645	99,645	1,416,617	1,416,616	91,184	92,853

(*) Self supporting loan financed by payments from third parties.
All other loan repayments were financed by general purpose revenue.

(b) New Debentures - 2012/13

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
Nil										

(c) Unspent Debentures

As at 30 June 2013, the Shire did not have any unspent loans.

(d) Overdraft

The Shire does not currently have an overdraft facility.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

22. RATING INFORMATION - 2012/13 FINANCIAL YEAR

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Total Revenue \$
General Rate								
GRV	0.094106	253	2,500,600	235,321	0	0	235,321	235,767
UV - Rural	0.018653	404	127,019,500	2,369,295	5,629	(1,948)	2,372,976	2,369,295
UV - Mining	0.018653	1	27,415	511	0	0	511	511
Sub-Totals		658	129,547,515	2,605,128	5,629	(1,948)	2,608,808	2,605,573
Minimum Rates	Minimum \$							
GRV - Dalwallinu	575	151	712,125	86,825	0	0	86,825	86,825
GRV - Kalannie	447	10	13,635	4,470	0	0	4,470	4,470
GRV - Other Towns	447	51	130,687	22,797	0	0	22,797	22,350
UV - Rural	447	23	151,147	10,281	0	0	10,281	10,281
UV - Mining	447	44	283,950	19,668	0	0	19,668	19,668
Sub-Totals		279	1,291,544	144,041	0	0	144,041	143,594
Discounts (<i>refer note 25</i>)							2,752,849	2,749,167
Total Amount Raised from General Rate							(115,665)	(110,919)
Specified Area Rate (<i>refer note 23</i>)							2,637,184	2,638,248
Total Rates							0	0
							2,637,184	2,638,248

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

22. RATING INFORMATION - 2012/13 FINANCIAL YEAR (Continued)

(b) Information on Surplus/(Deficit) Brought Forward	2013 (30 June 2013 Carried Forward) \$	2013 (1 July 2012 Brought Forward) \$	2012 (30 June 2012 Carried Forward) \$
Surplus/(Deficit) - Rate Setting Statement	<u>2,452,974</u>	<u>185,473</u>	<u>185,473</u>

Comprises:

Cash - Unrestricted	1,042,896	321,622	321,622
Cash - Restricted	3,415,464	1,742,395	1,742,395
Investments - Restricted	0	0	0
Rates - Current	63,824	57,862	57,862
Sundry Debtors	73,564	420,141	420,141
Accrued Income/Payments in Advance		8,631	8,631
GST Receivable	0	0	0
Inventories			
- Fuel and Materials	9,930	20,377	20,377

Less:

Reserves - Restricted Cash			
- Leave Reserve	(189,516)	(181,486)	(181,486)
- Plant Reserve	(215,683)	(206,547)	(206,547)
- Joint Venture Reserve	(151,988)	(145,549)	(145,549)
- Land & Building Reserve	(766,211)	(711,153)	(711,153)
- Sewerage Reserve	(391,704)	(375,110)	(375,110)
- Johnston Street Reserve	0	0	0
- Townscape Reserve	(24,776)	(23,726)	(23,726)
- Pithara Hall Reserve	0	(22,597)	(22,597)
- Telecommunications Reserve	(52,212)	(50,000)	(50,000)
Sundry Creditors	(268,530)	(606,783)	(606,783)
Income in Advance	(8,598)	(2,364)	(2,364)
GST Payable	(83,486)	(60,240)	(60,240)

Surplus/(Deficit)	<u>2,452,974</u>	<u>185,473</u>	<u>185,473</u>
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Difference:

There was no difference between the Surplus/(Deficit) 1 July 2012 Brought Forward position used in the 2013 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2012 audited financial report.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

23. SPECIFIED AREA RATE - 2012/13 FINANCIAL YEAR

The Shire of Dalwallinu did not levy a specified area rate in the year ended 30 June 2013.

24. SERVICE CHARGES - 2012/13 FINANCIAL YEAR

The Shire of Dalwallinu did not impose any service charges in the year ended 30 June 2013.

**25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2012/13 FINANCIAL YEAR**

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Discount	5.00%	115,665	110,919
			115,665	110,919
Photocopy Charge	Waiver		75	0
Debtor Write-Off	Write-Off		16,022	0
Rate Assessment	Write-Off		3,861	0

A discount on rates is granted to all who pay their rates in full within 35 days of the date of service appearing on the rate notice.

Photocopy Charges are waived for certain community groups such as the local newsletter, St John Ambulance and Volunteer Bush Fire Brigade. Council considers support of these groups necessary for the overall benefit of the community.

26. INTEREST CHARGES AND INSTALMENTS - 2012/13 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%	N/A	8,092	6,768
Interest on Instalments Plan	5.50%	N/A	5,117	4,502
Charges on Instalment Plan	N/A	6.67	2,503	2,234
			15,712	13,504

Ratepayers had the option of paying rates in four equal instalments, due on 7th September 2012, 9th November 2012, 11th January 2013 and 8th March 2013. Administration charges and interest applied for the final three instalments.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

27. FEES & CHARGES	2013 \$	2012 \$
Governance	235	69,417
General Purpose Funding	4,504	4,304
Law, Order, Public Safety	2,014	3,619
Health	445,470	625,364
Education and Welfare	0	1
Housing	98,629	87,222
Community Amenities	403,195	351,063
Recreation and Culture	66,291	53,059
Transport	20,846	23,062
Economic Services	181,438	168,886
Other Property and Services	111,354	74,732
	<u>1,333,976</u>	<u>1,460,729</u>

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

28. GRANT REVENUE

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

By Nature and Type:	2013 \$	2012 \$
Operating Grants, Subsidies and Contributions	2,881,843	3,171,943
Non-Operating Grants, Subsidies and Contributions	1,484,932	1,934,214
	<u>4,366,775</u>	<u>5,106,157</u>
By Program:		
Governance	0	21,484
General Purpose Funding	2,258,667	2,672,089
Law, Order, Public Safety	26,362	30,570
Health	8,701	11,400
Education and Welfare	920	851
Housing	10,909	9,333
Community Amenities	5,476	3,332
Recreation and Culture	46,991	44,443
Transport	1,241,043	1,154,553
Economic Services	614,855	1,101,067
Other Property and Services	152,851	57,035
	<u>4,366,775</u>	<u>5,106,157</u>

29. ELECTED MEMBERS REMUNERATION	2013 \$	2013 Budget \$	2012 \$
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	12,012	11,880	13,410
President's Allowance	7,500	7,500	7,500
Deputy President's Allowance	1,500	1,500	1,500
Travelling Expenses	8,189	10,000	11,118
Telecommunications Allowance	0	0	0
	<u>29,201</u>	<u>30,880</u>	<u>33,528</u>

30. EMPLOYEE NUMBERS	2013	2012
The number of full-time equivalent employees at balance date	<u>37</u>	<u>36</u>

**SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

31. MAJOR LAND TRANSACTIONS

The Shire of Dalwallinu did not take part in any major land transactions in the year ended 30 June 2013.

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2012/13 financial year.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

33. FINANCIAL RISK MANAGEMENT

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

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

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

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2013	2012	2013	2012
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	4,963,095	4,408,309	4,963,095	4,408,309
Receivables	157,753	506,207	197,737	532,404
Investments				
	<u>5,120,848</u>	<u>4,914,516</u>	<u>5,160,832</u>	<u>4,940,713</u>
Financial Liabilities				
Payables	470,845	767,405	470,845	767,405
Borrowings	1,416,617	1,516,261	1,096,532	1,285,478
	<u>1,887,462</u>	<u>2,283,666</u>	<u>1,567,377</u>	<u>2,052,883</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Investments – based on quoted market prices at the reporting date or at independent valuation.
- Borrowings – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

33. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

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

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

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

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

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. Council also seeks advice from independent advisers (where applicable) before placing any cash and investments.

	2013	2012
	\$	\$
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	46,857	35,027
- Statement of Comprehensive Income	46,857	35,027

Notes:

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

Recent market volatility has seen large market movements for certain types of investments.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

33. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

	2013	2012
Percentage of Rates and Annual Charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of Other Receivables		
- Current	51.00%	92.27%
- Overdue	49.00%	7.73%

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
Borrowings

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

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2013</u>					
Payables	470,845	0	0	470,845	470,845
Borrowings	191,603	885,187	802,639	1,879,429	1,416,617
	<u>662,448</u>	<u>885,187</u>	<u>802,639</u>	<u>2,350,274</u>	<u>1,887,462</u>
<u>2012</u>					
Payables	767,405	0	0	767,405	767,405
Borrowings	191,603	926,803	1,057,528	2,175,934	1,516,261
	<u>959,008</u>	<u>926,803</u>	<u>1,057,528</u>	<u>2,943,339</u>	<u>2,283,666</u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
Borrowings (Continued)

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs. Council 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 following tables set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
<u>Year Ended 30 June 2013</u>								
Payables								
Borrowings								
Fixed Rate								
Debentures					47,961	1,368,656	1,416,617	6.26%
Weighted Average Effective Interest Rate					5.62%	6.29%		
<u>Year Ended 30 June 2012</u>								
Payables								
Borrowings								
Fixed Rate								
Debentures					65,385	1,450,876	1,516,261	6.24%
Weighted Average Effective Interest Rate					5.62%	6.27%		

PARTNERS

Clifton M Anderson FCA, JP	Stuart Fricker CPA, GAICD
Stephen F J Down CA	Tim Partridge FCA, GAICD
Shaun G O'Callaghan CA	Mana Cavallo CA
Peter Manolas CPA, CTA (Master of Taxation Law)	Shane Kaurin CPA

INDEPENDENT AUDITOR'S REPORT TO THE ELECTORS OF THE SHIRE OF DALWALLINU

Report on the Financial Report

We have audited the accompanying financial report of the Shire of Dalwallinu, which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity, the rate setting statement, and the statement of cash flows for the year ended 30 June 2013, a summary of significant accounting policies and other explanatory notes, and the Chief Executive Officer's statement.

Council's responsibility for the financial report

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

Auditor's responsibility

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

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

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.



**Chartered
Accountants**

Independent Member of

B K R
INTERNATIONAL

Bunbury Office

Unit 1, 28-30 Wellington Street,
PO Box 1306,
Bunbury, WA 6231

Telephone: (08) 9780 7555
Facsimile: (08) 9721 8982

Mandurah Office

197 Mandurah Terrace,
PO Box 4250,
Mandurah North, WA 6210

Telephone: (08) 9535 5889
Facsimile: (08) 9535 8840

Email: amd@amdonline.com.au

Geraldton Office

156 Durlacher Street,
PO Box 288,
Geraldton, WA 6531

Telephone: (08) 9964 5888
Facsimile: (08) 9964 5899

www.amdonline.com.au

Opinion

In our opinion, the financial report of the Shire of Dalwallinu

- i. gives a true and fair view of the Shire of Dalwallinu's financial position as at 30 June 2013 and of its performance for the financial year ended 30 June 2013;
- ii. complies with Australian Accounting Standards; and
- iii. is prepared in accordance with the requirements of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

Statutory Compliance

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

- i. There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- ii. There are no other matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law noted during the course of our audit, with exception of the following:

The annual financial report for the year ending 30 June 2013 does not include the asset consumption ratio or the asset renewal funding ratio, as required by Local Government (Financial Management) Regulations 1996 50(I)(b) and (c).

- iii. All necessary information and explanations were obtained by us.
- iv. All audit procedures were satisfactorily completed during our audit.

AMD Chartered Accountants

MARIA CAVALLO
Partner

Bunbury, Western Australia

Dated this 25th day of February 2014

**SHIRE OF DALWALLINU
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2013**

RATIO INFORMATION

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

	2013	2012	2011
Asset Consumption Ratio	N/A	N/A	N/A
Asset Renewal Funding Ratio	N/A	N/A	N/A

The above ratios are calculated as follows:

Asset Consumption Ratio	$\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciable assets}}$
Asset Renewal Funding Ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

N/A -In keeping with amendments to Local Government (Financial Management) Regulation 50, comparatives for the two preceeding years (being 2012 and 2011) have not been reported as financial information is not available.