



ANNUAL REPORT 2013/14



58 Johnston Street
P O Box 141
Dalwallinu WA 6609



Contents

SECTION ONE	3
2014 Annual General Meeting Minutes	4
SECTION TWO	8
Councillors of the Shire	9
Management Structure	10
President's Report	11
Chief Executive Officer's Report.....	15
Deputy Chief Executive Officer's Report	17
Community Services Manager Report	19
Manager of Works Report	23
Medical Officer's Report	26
Dalwallinu Hospital Report	28
St John Ambulance President Report	29
Chief Bush Fire Control Officer's Report	31
Operating Revenue and Expenditure (For the Year Ending 30 June 2014).....	32
Shire of Dalwallinu Statistical Comparison Report for Eight (8) Years for the Year Ended 30 June 2014.....	33
Competition Policy.....	35
Disability Services Plan Report	37
Employee Remuneration over \$100,000	39
Recordkeeping Plan Report	40
Plan for the Future of the District	42
SECTION THREE – 2013/14 Financial Report	47



SECTION 1

Annual Electors

Shire of Dalwallinu



Minutes

2014 ANNUAL ELECTORS MEETING

18 March 2014

2014 ANNUAL ELECTORS MEETING

18 March 2014

1.0 OPENING & WELCOME BY PRESIDENT

The President declared the meeting open at 6:31pm.

Present

President
Councillors

Cr RS Nixon
Cr GH Sanderson JP
Cr KL Carter
Cr AR Dickins
Cr SC Carter
Cr IW Hyde
Cr NW Mills

Members of the Public

Mr S Dawson
Mrs B Dinnie
Mr W Dinnie
Mrs K Cole
Mr B Cail
Mr W Carter
Mrs J Carter
Mrs P Mitchell

Chief Executive Officer
Deputy Chief Executive Officer
Manager of Works
Community Services Manager
Economic Development &
Marketing Officer

Mr PJ Crispin
Mr KT Jones
Mr L Shopov
Ms D Fortuin

Ms T Slot

2.0 APOLOGIES

Cr MC Huggett
Cr KM McNeill JP
Mr M Mills
Mrs I Mills
Mrs M Sutherland

3.0 MINUTES OF PREVIOUS ANNUAL ELECTORS MEETING

MOTION 6997

Moved Cr W Dinnie
Seconded Cr I Hyde

That the Minutes of the Annual Electors Meeting held on 12 February 2013 be confirmed
MOTION CARRIED

4.0 PRESENTATION OF ANNUAL REPORT CONSISTING OF:

4.1 PRESIDENT'S REPORT

MOTION 6998

Moved Mr W Carter
Seconded Mr B Cail

That the President's Report for the financial year 2012/13 be received.
MOTION CARRIED

4.2 CHIEF EXECUTIVE OFFICER'S REPORT

MOTION 6999

Moved Cr S Carter
Seconded Mrs J Carter

That the Chief Executive Officer's Report for the financial year 2012/13 be received.
MOTION CARRIED

4.3 FINANCIAL REPORT FOR THE 2011/12 FINANCIAL YEAR

MOTION 7000

Moved Cr I Hyde
Seconded Mr W Carter

That the 2012/13 Annual Financial Statements and Report, as presented, be received and adopted.
MOTION CARRIED

4.4 AUDITORS REPORT

MOTION 7001

Moved Cr K Carter
Seconded Cr G Sanderson

That the Auditor's Report for the financial year 2012/13 be received.

MOTION CARRIED

5.0 OTHER INFORMATION & QUESTION TIME

Nil

6.0 GENERAL BUSINESS

Nil

7.0 CLOSURE OF MEETING

There being no further business, the Chairperson closed the meeting at 7.06pm.



SECTION 2

Annual Report

Councillors



Cr RS Nixon (Robert)
Shire President

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Shire Deputy President; Chairman –
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Cr NW Mills (Noel)

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Cr IW Hyde (Ian)

**Chairman- Community Services &
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Cr AR Dickins (Anita)

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Cr GH Sanderson (Graham) JP

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Cr KM McNeill (Karen) JP

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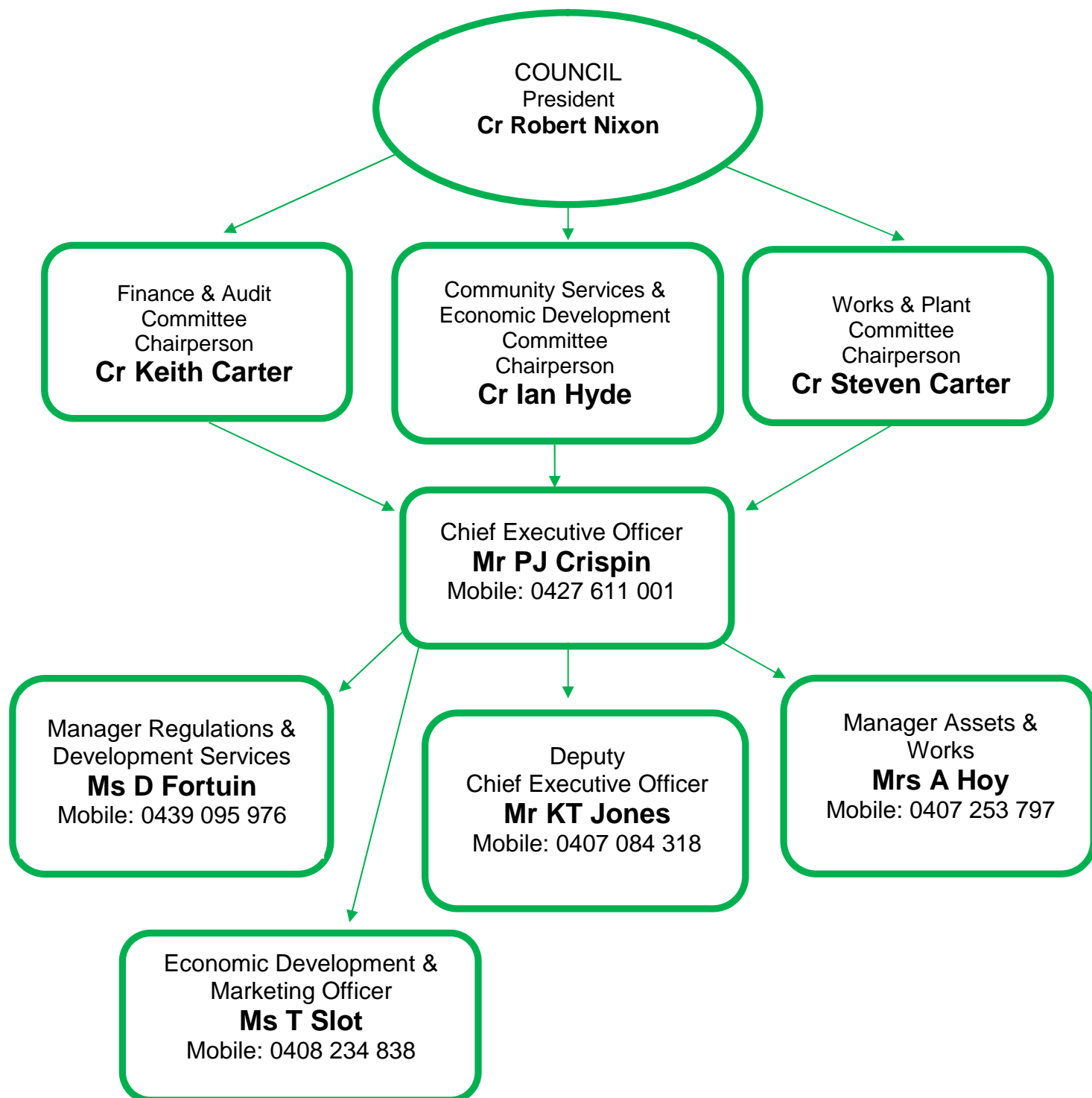
Cr MC Huggett (Mal)

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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



On behalf of Council I have much pleasure in presenting this report for the 2013-2014 Financial Year that mentions the major activities and achievements of the Shire of Dalwallinu.

At the September 2013 Council elections Cr Bill Dinnie and Cr Julie Martin retired, Cr Ian Hyde and Cr Graham Sanderson were re-elected. Cr Noel Mills and Cr Malcolm Huggett, who previously served for 13 years, were elected. All Councillors are members of at least one standing committee.

On the 26 April 2014 at a function attended by the Hon Tony Simpson, Minister for Local Government, two notable achievements were recognised. Cr Graham Sanderson JP, and a former Deputy President, having served for a councillor for 28 years, was recognised with the bestowal of Freeman of the Shire. Mr Bill Dinnie OAM JP, a former Shire President and Freeman of the Shire, was recognised for his 48 years service as a Councillor and to the community.

There has been no change in the senior management positions under the direction of the CEO, Mr Peter Crispin.

Regional Repopulation Project

As outlined in the previous report, the Shire continues to benefit from population growth resulting from the Shire's Regional Repopulation Project that was recognised with the Implementing Multiculturalism Locally Award 2013. The Shire's database records show an estimated population growth in this reporting period of 4%. By gaining and retaining new residents, student enrolments at the Dalwallinu and Districts High School and the Kalannie Primary School have increased. English classes provided by the Shire have continued as part of a programme to make new residents feel welcome and part of the community.

Council has promoted and supported the policy of indexed income tax zone rebates along the lines of Recommendation 1 in the WESTERN AUSTRALIAN GOVERNMENT SUBMISSION TO THE REVIEW OF AUSTRALIA'S FUTURE TAX SYSTEM (May 2009). (This policy if applied to this Shire has potential to further encourage population growth, given there is capacity within existing state and local government infrastructure to accommodate population growth such as schools and recreation facilities.)

Budget Allocations for Infrastructure Maintenance

Council has endeavoured to ensure the Shire's extensive road network is well maintained and fit for the purpose of transporting the agricultural commodities with multi-combination vehicles. Commodities include wheat, barley, canola, lupins, wool and sheep. Grain production for the 2013-14 harvest that was delivered to Goodlands, Kalannie, McLevie, Pithara and Wubin was 376.351 tonnes, in addition to fertiliser, lime and gypsum transport.

Most of the Class B,C and D roads servicing the Class A sealed roads are in the Network 3 & 4 category for Restricted Access Vehicles (RAV) up to 27.5metres long. Council encourages RAV operators to be mindful that speed and other conditions placed on these roads are for safety reasons and to maximise asset preservation. A combination of multi-axles vehicles carrying heavy loads at faster speeds, and 'tram-lining', contribute to a disproportionate increase in damage to the road pavement. The consequence of avoidable road damage is increased road maintenance costs.

In the 2013-2014 Budget for road construction there was an allocation of \$2,506,183, which includes a contribution from the State Government's Regional Road Group, compared to \$2,528,648 in the previous budget. This budgeted amount was spent on asset preservation of the 1,939km road network as follows: extending the sealed road network to 456 kms with the addition of a 3.6m seal on a 7.5km section of the Rabbit Proof Fence Road; the reconstruction and widening of 7.8kms from 6.2m seal to 7m on a section of the Dalwallinu-Kalannie, Dowerin-Kalannie and Goodlands Roads; 17kms of resealing; 36.5kms of gravel re-sheeting; and 12.1kms of verge maintenance.

Once again I would like to emphasise the benefits to ratepayers when gravel is sourced close to the road section being re-sheeted. Short distances equate to shorter gravel cartage cycle times and hence a greater length of road repaired per dollar of road expenditure. To ensure plant replacements meet current local government requirements, the present 7 year schedule is being extended to 10 years.

Total operating expenses for the year ended 30 June 2014 was \$7,336,651 for an estimated 80 activities funded. This has enabled the Shire to provide 40 buildings for housing, aged care, medical services and recreation, as well as agricultural and tourism services. The Shire's loan liability was reduced to a very manageable amount of \$1,311,042.

Community Services and Community Groups

The Shire operates the Dalwallinu Medical Centre that provides medical services beyond its boundaries and consequently it has an active patient list two and a half times the Shire's population. Full cost recovery of these services hasn't been possible after providing a house and vehicle for a doctor, and expenses of two visiting doctors. Also the Swimming Pool doesn't achieve cost recovery from fees. Community groups supported in the budget include the Dalwallinu Agricultural Society, Wubin Progress Incorporated (who operate and maintain a commendable 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.

Economic and Community Development

As part of its statutory obligations Council has adopted the Strategic Community Plan and Workforce Plan.

Housing continues to be in short supply in Dalwallinu and to address the shortage \$755,936 of Royalties to the Regions funding was used to complete 3 units in Leahy Street while \$396,930 was spent on the construction in the reporting period on 3 units in South Street. The Liebe Group have decided that they will not be requiring office space in the proposed Shire multi-

purpose office building. Therefore the project will not proceed. An alternative smaller area of office space was considered in the Discovery Centre for inclusion in the next budget.

General industry land is again in short supply in Dalwallinu as the town grows as Great Northern Highway's agricultural and mining service centre. Investment in the Shire also includes a major transport company's depot in Wubin.

Council is considering whether it has a continuing responsibility to own and manage the Dalwallinu Caravan Park.

The Dalwallinu Recreation Centre was opened in September 1980 and now requires renovations. Concept plans have been developed to renovate the Centre for what will be a substantial project.

Other community consultation has been by annual surveys and community meetings Dalwallinu, Kalannie and Wubin. The work of community volunteers was again recognised through by active citizen awards.



Regional Issues and Boundary Changes

The Shire continues to provide administrative assistance inter-shire services such as the Royalty for Regions funding, by agreement with the Department of Agriculture and Food, for a dogger to control wild dogs in the Shires of Dalwallinu, Koorda, Perenjori and Yalgoo.

Council in April 2014, in response to community consultations and efforts by the State Government to restructure Local government, passed the following motion:

"That the Shire of Yalgoo be advised, in the event of its consideration of structural/boundary changes with other Shires, the Shire of Dalwallinu request the Shire of Yalgoo give consideration to the return of land transferred from the Shire of Dalwallinu to the Shire of Yalgoo in the period 1963-64."

Council was presented with information that a strong community of interest has never been severed with the area, in spite of the transfer of land to the Shire of Yalgoo many decades ago.

In conclusion, Council would like to acknowledge and convey its appreciation for the valuable contribution made by all the community volunteers whose efforts are essential to the functioning of all the voluntary organisations within the Shire's five towns.

Cr Robert S Nixon
President



Chief Executive Officer's Report



On behalf of all Shire staff, I am pleased to present the Chief Executive Officer's Report for the 2013/14 financial year.

As has been the case for a few years now, the shortage of housing in Dalwallinu continues to be a problem. To this end, the Shire awarded a tender for the construction of two (2) three bedroom one bathroom residences in South Street. This follows the completion of three (3) three bedroom units on the corner of South and Leahy Streets which now totals seven (7) new residences in the last two financial years being completed using mostly grant funding. A further two (2) dwellings will be tendered in the coming financial year (again in the South Street subdivision) with further grant funding becoming available.

The Shire continues to pursue all avenues to make available further residential and industrial land with a proposed subdivision to provide nine (9) housing lots being planned in Bell Street.

Due to ongoing operational issues, the four (4) single units at the Dalwallinu Caravan Park were sold by tender and have been removed from the park. Further investigation continues on the most appropriate way to provide a caravan park service and further changes are expected in the coming financial year. During the 2013/14 financial year the Shire also sold a staff house in Shannon Street and a vacant lot in Pioneer Place.

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 continues to share a 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 regional association in conjunction with the Shires of Moora and Wongan-Ballidu was formed to facilitate the economic development of the region, with particular focus on the building and maintenance of housing.

The Shire continues to support local community groups with the Community Grant Scheme providing funding to the Kalannie Community Association, Dalwallinu Football & Hockey Club, Dalwallinu Sports Club, and Dalwallinu & Districts Dance Group. The Shire sponsored many community events such as the outdoor movie nights and the Mates 500 Relay.

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.

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 lucky 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. Some minor operational changes have been implemented to try to lessen delays in getting and appointment and these will be continued to be trialled in the search to provide a more efficient service to the community. We ask for your patience in these and understanding if you feel that you have been inconvenienced.

The roads in the shire are generally maintained to a very good quality, although heavy traffic, storms, etc can cause problems that require additional rectification. The main street of Dalwallinu continues to receive praise 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 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.

The finance and administration staff continue to ensure that the community receive an effective front counter and telephone service (sometimes under difficult circumstances) and I am proud to say that the Shire continues to remain financially sound and well managed.

Finally, 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 their 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



A major impact this year was on insurance premiums due to the requirement of revaluing the plant, equipment, land and buildings. Premiums basically tripled from the previous year which required Council to re-evaluate the necessity to insure certain assets. After a very detailed investigation of the Shire Assets some appropriate savings were made but the premiums still increased significantly.

All compliance areas were addressed and completed in the time expected by the Department of Local Government.

The Shire continues to support the Central Wheatbelt Declared Species Group by carrying out the financial administration matters on behalf of the group. This group essentially provides for the services of "dogger" a person responsible for trapping and removing wild dogs in the Shire.

The Shire has also taken on the role of supporting the Gunduwa Regional Conservation Association. Financial administration services are provided via the Shire staff which ensures any money received or paid out goes through the Shire Trust Account.

BUDGET SURPLUS

Due to extenuating factors, we found ourselves again with a surplus figure on the Rate Setting Statement. The \$784,162 did include a figure of \$199,510 relating to unspent grants (which can be seen in detail at note 2(c)). The balance of \$584,652 was mainly due to capital expenditure not made due to timing factors.

BORROWINGS

As at 30th June 2014 the total borrowings were \$1,311,042 which represents 3 Shire loans and 1 self supporting loan. There were no new borrowings during the 2013/2014 financial year. Debt principal repaid during the year was \$105,576.

INTEREST

Interest earnings for the 2013/2014 financial year amounted to \$172,169 against a budget of \$149,117. Of the interest income, \$82,407 resulted from short term investments on municipal funds.

CAPITAL FUNDING

Once again the majority of expenditure in the capital area was on our road infrastructure. A total of \$2,370,895 was invested in capital road works which was augmented by grant funding of \$1.13 million from Regional Road Group Program and Roads to Recovery.

ROAD MAINTENANCE FUNDING

A further \$2.8 million was expended on road and other infrastructure maintenance.

AUDITORS

The Independent Auditor's Report shows that the Shire of Dalwallinu has no matters indicating significant adverse trends in the financial position or financial management practices.

TEAM CHANGES

Our accountant Hanna Jolly, welcomed the birth of twins so she took some maternity leave and we received some excellent assistance filling the void Hanna left from Leanne Parola (ex-Shire of Moora) in a consultancy role. Our Payroll Officer resigned and so we now have Grace Gaytos who has taken to the position extremely well. Right at the end of the financial year, Lisa Burrige (Customer Service Officer) gave notice that she had taken a position at the bank but the rest of the administration team continue to support each other and the community carrying out their day to day tasks in a totally professional manner for which I am extremely grateful.

My thanks also go to the Councillors for their support during this eventful year and I look forward to next year producing even more positive results.

Keith Jones
Deputy Chief Executive Officer



Manager Regulations & Development Services

This year we encountered the usual challenges along with a number of changes both from a legislative point of view and in operational matters.

On the planning front, the Western Australian Planning Commission introduced the new Residential Design Codes State Planning Policy 3.1(R-codes). This meant some additional time consuming changes had to be made in the way we assess building applications as essentially each new proposed dwelling has to be assessed against the R-codes and deemed to comply.

The Shire of Dalwallinu's Local Planning Scheme No.2 was gazetted in February 2014 and 7 revised policies were adopted under the Local Town Planning Scheme No.2.

There were a total of 22 building permits issued this financial year with a value of \$2,601,690. The number of building permits issued is slightly up from the previous financial year, however, the value of the building development was only slightly down by \$64 000. A total of 13 Planning development applications were approved by Council during this financial year, involving developments such as drainage modifications, fencing, signage, relocating of a transportable home, to name a few.

The team welcomed Scott Hennings at the end of September 2013. Scott has taken to the job effortlessly and has made a valuable contribution in the building maintenance area. The Building Maintenance Team undertook their regular programmed work as well as quite a number of un-programmed requests. The un-programmed requests rose from 110 requests the previous year to 268 requests for 2013/2014 financial year. The sharp increase in un-programmed work meant that a fair amount of the programmed work had to be carried over to the new financial year.

One of the major building maintenance projects involving the team was the installation of improved drainage to the DDC amphitheatre which had been contributing to the damp problems encountered with the Dalwallinu Town Hall. Repairs were made to the Dalwallinu Town Hall stormwater system as well as the sub-floor ventilation openings.

Further to this, experts were consulted and Council were advised to allow the Hall to dry out naturally over the course of 3 or 4 years to minimize movement and damage. An application was made to the Lotteries West grants funding to undertake repairs to the Hall, but our application was deferred pending further information being provided in the form of a drainage conservation report.



Dalwallinu Discovery Centre Drainage Excavation



DDC retaining wall and ballustrade installed

The Dalwallinu Caravan Park saw some major changes in that the four self contained cabins were sold and removed from site in March 2014 shortly followed by the resignation of the Caravan Park Manager. The decision was made not to replace the Caravan Park Manager immediately in order to investigate options for the future of the Caravan Park, including the possible sale of the park.

This year also saw some legislative changes in the area of the Water Services Act 2012. A new Water Services Code of Conduct (Customer Service Standards) 2013 was promulgated under the act requiring all participating Shires to develop and adopt a Financial Hardship Policy. The Shire of Dalwallinu has complied with this requirement and this policy can be found on the Shire web page.

The new Cat Act was introduced during this financial year requiring a whole new registration system and supporting information sheets to be developed and advertised. All cats are now required to be registered, micro-chipped and sterilised.

We continue to look for efficiencies and in an attempt to make some further savings. The issue of undertaking fire-extinguisher testing and tagging has been taken on in-house. Up until now the Shire has outsourced this statutory requirement. Fire extinguishers are required to be inspected every 6 months (at a cost of \$2,000 to \$3,000 per occasion) and replaced every 5 years. A fire-extinguisher register has now been developed, and the Building Maintenance Officer and Manager of Regulation and Development Services will be undertaking these inspections during the course of their building inspections.

We also receive enquiries from time to time from people wanting to establish home-based food businesses. In order to save staff time dealing with all the questions relating to these types of enquiries an information sheet was developed to assist individuals with understanding the legislative requirements to establish such a business. The information sheet appears to be working so far, with individuals being better equipped with the information required when making their applications to the Shire.

Enforcement issues dealt with over this time period included the issue of infringement notices for wandering and unregistered dogs, a notice being issued to remove a neglected caravan from the caravan park, the eviction of a patron at the caravan park for disorderly behaviour and the issue of bushfire notices.

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. This year some of the reporting templates were changed to reflect changes in legislation which consumed a bit more of staff time.

The Aquatic Centre was audited this financial year, which is a requirement of our insurance provider. A number of minor issues were raised in terms of this audit relating mainly to signage and documentation to be updated.

The Dalwallinu Recreation Centre upgrade planning stage had commenced, including community consultation, the engagement of an architect with the resultant Concept Plan being created.

Business as usual included food premises inspections, the issue of a Boarding House License, the licensing of the Convent as a food premises, ranger duties, attendance of noise complaints and odour nuisance complaints, Public Building Inspections and services provided to the Shire of Wongan-Ballidu for environmental health officer duties.

All in all the year was a busy one, in which we managed to meet our statutory obligations and much of the programmed work we set. This could not have been achieved without the dedication and effort of all staff concerned. I'd like to thank all Shire staff concerned for their hard work and effort made to help get us over the line and overcome all the challenges we faced. Without their contribution, we could not have achieved so much.

Debbie Fortuin
Manager Regulation and Development Services



Buntine climbing gym revamped

Manager of Works' Report

General

This report is based on records from the Shire financial system, and annual works and maintenance programs. I cannot take any credit for the works completed in the 2013/14 year.

Acknowledgements

- First and foremost none of the works mentioned below would have been able to be completed without both the Town and Roads Crews. The crews are interchangeable and fully supportive of each other. Special mention to PJ for stepping up as leading hand.
- Robert Newton our current works supervisor for his forward thinking and efforts with keeping the crews going and delivering projects.
- Pat and his assistant for keeping the Shire fleet operational and up to standard.
- Shane Morton and fellow crew for completing the footpath construction.
- Kevin and crew for as always keeping the town beautiful.
- Smasher and crew for keeping the towns' reticulation systems running.
- Ted and crew for maintenance grading.
- Shire Admin staff for always assisting with paperwork.

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 all the projects from the Works Program. During the year two road reconstruction jobs, Reform and Re-sheet of 2.9 km of Damboring East Rd and 2.0 km of Jones Rd, were excluded from the Works Programme. Both roads were in reasonable and safe condition and Council decided to postpone the reconstruction until next year.

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

The Shire was able to complete a total of 31 projects, which is a huge credit to the Construction Crew.

In the 2013/14 financial year the Shire spent \$2,370,895 on road construction. This work included:

- 31.61 km of resealing (an increase of 7.84 km from 2012/13);
- 39.46 km of gravel sheeting (a decrease of 11.67 km from 2012/13);
- 10.6 km of pavement reconstruction and widening (an increase of 4.64 km from 2012/13);
- 0.6 km of footpath construction (an increase of 0.38 km from 2012/13).

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

- | | |
|-------------------------|-------------------------------------|
| • Regional Road Group | \$948,970 (-\$59,901 from 2012/13) |
| • Roads to Recovery | \$720,865 (+\$208,094 from 2012/13) |
| • Road Program | \$653,461 (-\$41,400 from 2012/13) |
| • Footpath Construction | \$45,781 (+\$10,407 from 2012/13) |

The Shire obtained \$1,130,150 in grant funding to assist with the construction works. The breakdown of this funding was:

- | | |
|-------------------------------|------------------------------------|
| • Regional Road Group (State) | \$586,449 (+\$85,217 from 2012/13) |
| • Roads to Recovery (Federal) | \$543,701 (no change from 2012/13) |

Road 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 maintenance grader operators completed 1,135 km of grading for the entire financial year.

In 2013/14 the Shire of Dalwallinu spent \$1,087,618 to maintain the Shire's assets with regards to the Works Department. Some of that amount was spent in the following areas:

- | | |
|---------------------------|-----------------------------------|
| • Road Maintenance | \$753,424 (-\$4,941 from 2012/13) |
| • Street Cleaning | \$82,419 (-\$7,932 from 2012/13) |
| • Traffic Signs & Control | \$112,558 (+\$779 from 2012/13) |
| • Street Tree Maintenance | \$24,865 (-\$15,577 from 2012/13) |
| • Footpath maintenance | \$30,770 (+\$2,668 from 2012/13) |
| • Road verge spraying | \$28,673 (-\$8,542 from 2012/13) |

Parks & Gardens

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.

In 2013/14 the Shire of Dalwallinu spent \$260,513 (an increase (\$50,478) from 2012/13) on maintaining its parks and gardens. A total of \$93,579 (-\$11,046 from 2012/13) was spent on the Dalwallinu and Kalannie ovals in 2013/14; with \$46,387 spent on the Dalwallinu Oval and \$47,192 spent on the Kalannie Oval.

Plant & Machinery

In 2013/14 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.

As only one large item of plant was purchased during the year, a Volvo Skid Steer Loader (\$68,000), \$333,177 was transferred into the Plant Reserve for future purchases.

Closing Comments

I believe with some additional fine tuning, current work practices will become more economically sustainable whilst still maintaining a safe and health work environment for field staff. We continue to encourage all staff to up-skill themselves, such as the progression of heavy duty licenses, and external training opportunities.

Whilst feedback from the public is important, it would be great to receive as many compliments as we do complaints. The Shire crews work very hard, so if you see them please take the time to say thank you, or even better write us a short note so we can display for all to see.

We have an increase in the Roads to Recovery an additional payment of \$526,904 in 2015/16 of which we will be able to put to good use. This may well offset the loss in funds from the Regional Roads Group.

As all Assets now fall under my area, we will be looking at further funding opportunities to upgrade our existing buildings.

We will continue:

- To optimise on current building maintenance costs, and risk reduction by exploring alternative measures
- To acquire various land parcels for building/reserve/vested orders purposes.

I look forward to continuing to develop and assist both crews, as well as the building crew over the 2014/15 period.

Angela Hoy

Manager Assets & Works

on behalf of previous Manager of Works, Louka Shopov

Medical Officer's Report



This financial year the medical practice has continued to provide security for patients in the knowledge of having readily available medical care.

Patient numbers continued to increase with people moving into the Shire. Patients from surrounding communities, including nearby mine-sites, also continued to access the practice services.

The practice made some operational changes during this year. This has made a general improvement in service access for patients through a streamlined appointment system. Triage procedures have also been improved with an increase of acute cases seen at the practice.

Previously many people seeking medical care used the Dalwallinu Hospital, both during and after surgery hours. These cases are now primarily seen at the practice.

The Dalwallinu Medical Practice continued to be under financial pressure. The income generating structures are under constant review and the operational changes implemented forms part of this.

The services of our practice nurse Gail Smit, remains in high demand. It forms an important part of the service delivery of the practice. With her availability, small surgical procedures continued to be performed at the practice.

The practice is fortunate to still have the services of a GP Registrar, Dr Bryan Low, one day per week, during this financial year. Negotiations are currently in progress to secure this service for another 12 months.

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

Our visiting psychologist from Perth (fortnightly) and a diabetic educator from Northam (every 2 month's) continued their visits.

The practice was fortunate once again to secure the locum service of Dr Andrew Trappitt during Dr Smit's annual leave, and appreciates his ongoing availability.

The practice manager and reception staff forms an important part of delivering a friendly, confidential and efficient service to all patients accessing the practice and their contribution should not be undervalued.

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

Dr Hendrik Smit
MB ChB, FRACGP
Specialist General Practitioner



Dalwallinu Hospital Report



Dalwallinu Hospital continues to provide appropriate care and service to the community with positive outcomes from external reviewers being a highlight of the 2013/2014 period.

In October 2013 Dalwallinu hospital was reviewed by Community West, specifically Home and Community Care(HACC) and Residential Services. All aspects of care and delivery of services was reviewed by two surveyors over a period of two days. A favourable review and positive feedback was the result with some minor recommendations and opportunity's to improve noted. The whole Wheatbelt Health Service had a review, including Dalwallinu, in November 2013 .This review focused on acute services and delivery. We again achieved accreditation as part of the 3 year cycle.

The Southern Inland Health Initiative (SIHI) funding program is progressing. There have been more planning meetings and it is expected that further works will commence in late 2014.

The Emergency Telehealth Services (ETS), also SIHI funded, has continued to provide medical cover and advice to our Clinical staff. 40 Sites across WA Country Health Service are now part of the ETS network and have VC equipment in their Emergency Departments.

Primary care management has experienced difficulty in recruiting to some of the Primary Health positions such as Social Worker and Dietician. We are currently utilising some support from Northam Primary Health with Physiotherapy services for leave relief.

Clinical and Support staffing has remained stable throughout the year with retention rates remaining high.

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

St John Ambulance President's Report



St John's Dalwallinu seems to have had a great year consolidating in many areas that have been building over the last couple of years. It is with much regret that this is my last year as Chairman but feel it is now time to help and nurture a new person to lead the organization with the help of a very supportive committee. In saying this I would like to thank all the Committee very much as I have felt that even though we don't always agree that the support has been fantastic and I always felt that the backing has been there anytime we have had tricky issues to deal with.

To Bill our Secretary thank you for your diligence and sense of humour.

To Bec our Treasurer and Purchasing Officer thank you for the endless hours you contribute to this vital part of the running of our Sub-Centre. Thank you also to Craig & Cheryle for maintaining all our Ambulances. Thank you also to Natalie who has been a wonderful caterer for our many Meetings & Training nights.

To our great team of Volunteer Ambulance Officers, thank you for their dedication to providing our community with a professional service of ambulance care. We have also consolidated in the area of trained volunteers with four new Ambulance Officers in training in Jimwell Cruz, Elizabeth Bunngo, Bree Franz and Grace Matias. Thank you for your commitment in stepping up to the plate to become fully trained Officers. This is a somewhat daunting task and I would ask that any community members seeing these new guys especially, out and about, to encourage them and let them know that you appreciate their commitment.

Our Emergency Services Building in Dalwallinu is currently seeing some of the long awaited jobs now completed with toilets and showers in much better condition. Signage is currently being addressed along with the garden. These processes have only just started but are currently being addressed by the committee.

Skills Training is going well this year with good attendance and great enthusiasm. There is also a welcomed addition to our team in Peter Hewat who has been appointed as our Community Paramedic and will be involved with most aspects of Support to the Volunteering Community. Peter is following on from Dylan Meldrum who was very helpful in keeping Volunteers trained up by delivering many different courses and refreshers.

Thank you to Cheryle and Karen for their help in the CEP (Continuing Education Programme) of our Ambulance Officers. As my time to dedicate to the senior role in Skills Training has diminished Karen has now taken on that role and I thank her for that.

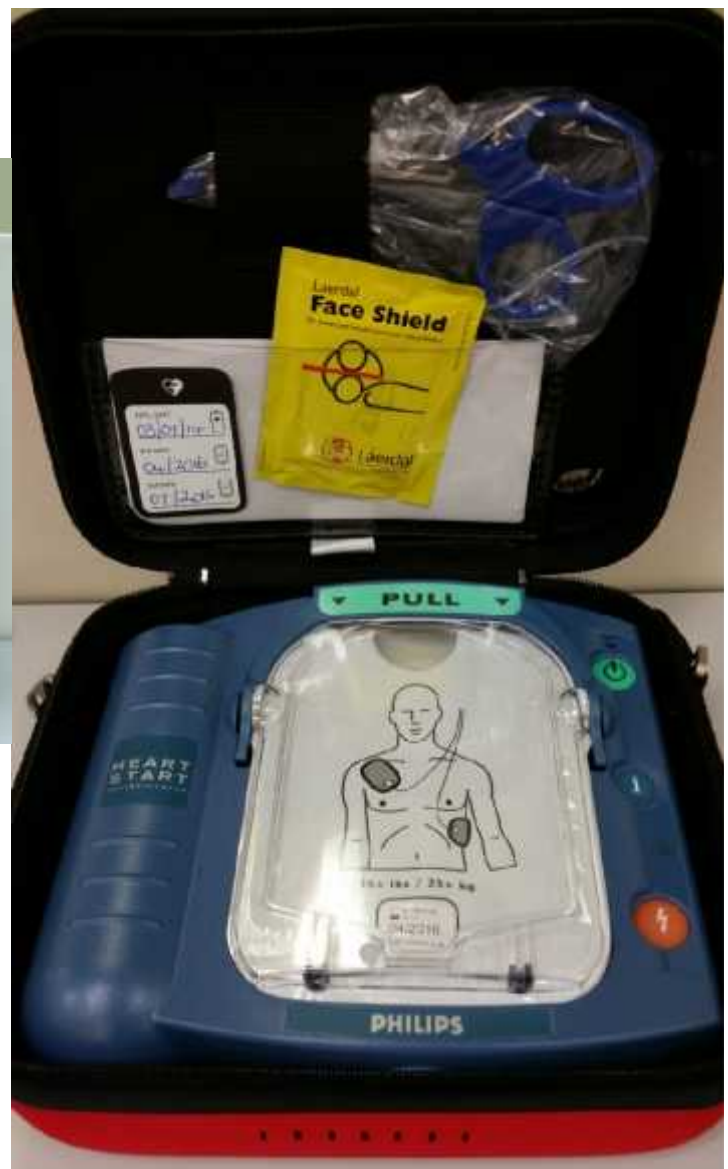
I would like to also thank the support staff in St John's, being Kalie Gladwin, Rod Chambers and Steve Hall. Their contribution and support of myself and the Committee has been greatly appreciated.

Lastly I would like to thank all the organizations and individuals involved in delivering Emergency Services in Dalwallinu, being DFES, the Police, The Dalwallinu District Hospital and our local Doctor in Dr Hendrik Smit.

I wish everyone in Dalwallinu St John's the very best for the coming year.

Mark Wilson

Chairman St Johns Ambulance Dalwallinu



CBFCO Report



CBFCO Annual Report 2013/14

There were five (5) reported fires caused by lightning involving 4 volunteers per fire with a total damage of bill of \$15,500.

There were two fires caused by headers involving 15 volunteers per fire with damage of \$15,000.

We had two call outs to control burns that were not out of control (false alarms).

We assisted FRS on 4 call outs involving incidents on the Great Northern Highway with one involving a trailer load of general supplies worth \$100,000.

My thanks goes to all volunteers who attended these fires as it is a credit to you all that your prompt action and fire prevention strategies keeps our Shire safe and away from the headlines.

We have also taken delivery of a new 4,000 litre fire truck to be stationed at Kalannie town site.

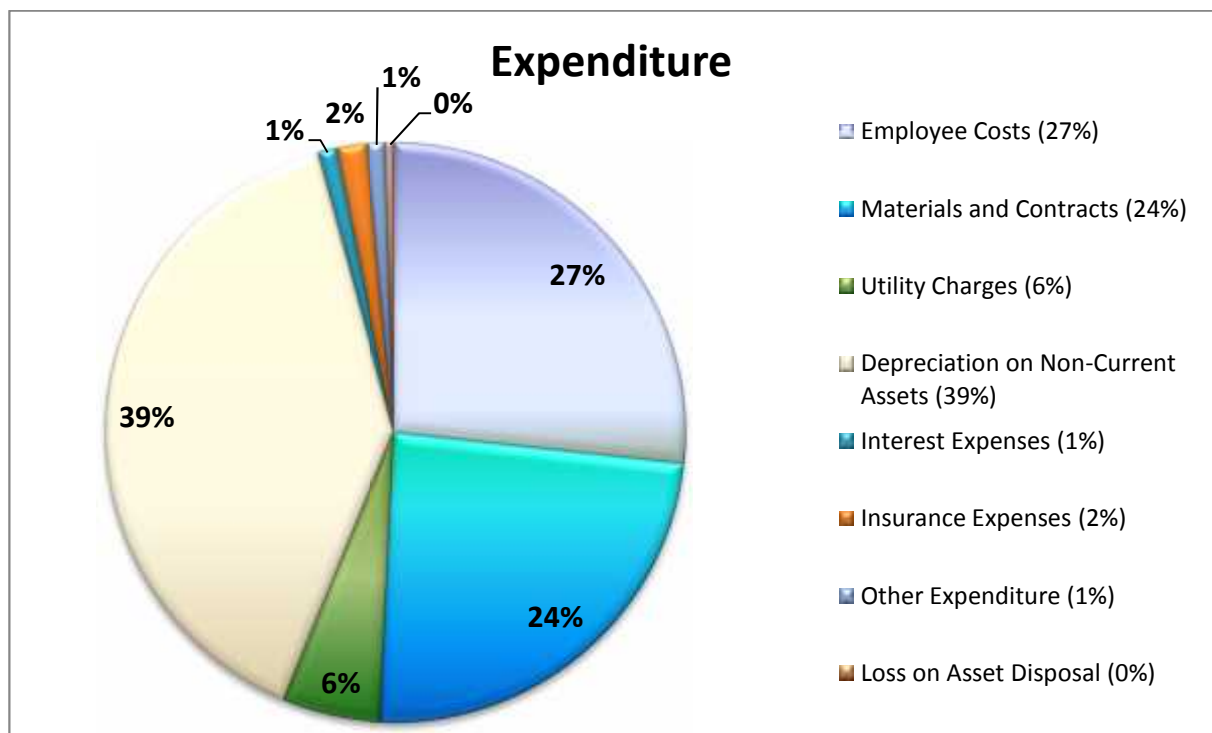
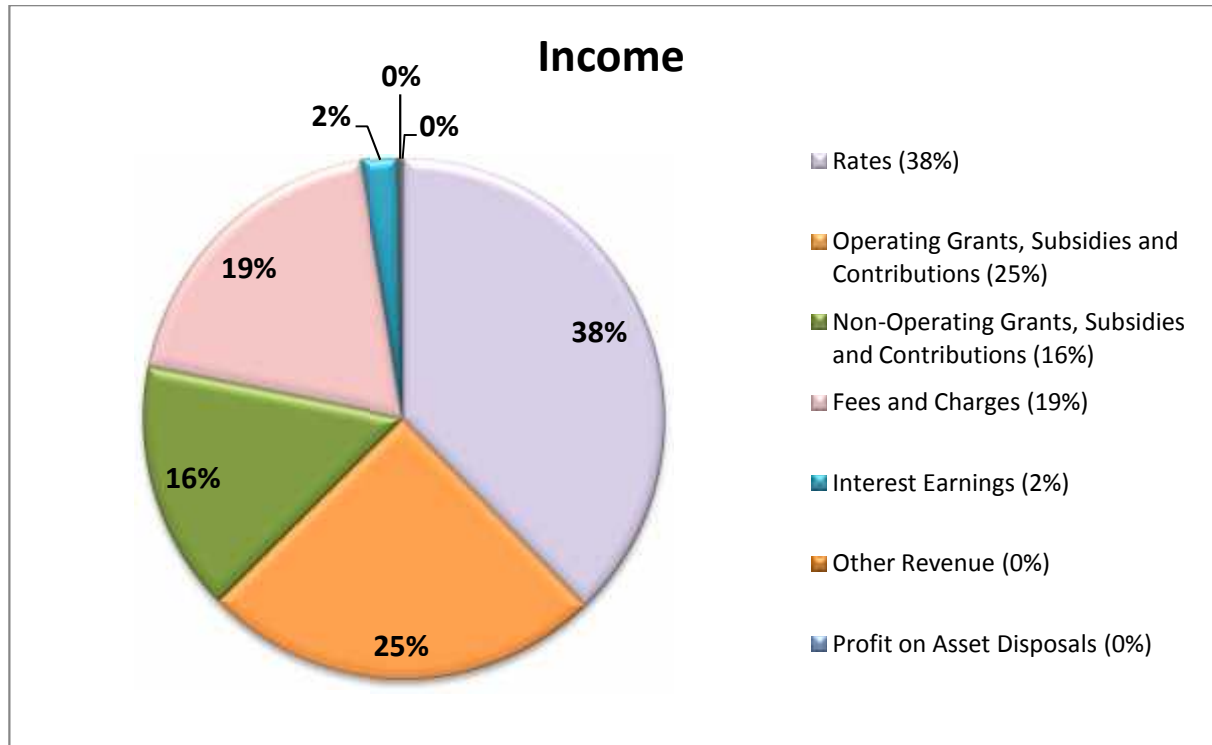
Gary Butcher
CBFCO Dalwallinu Shire



FESA on guard during the Dalwallinu and Districts Agricultural Show 2014

Operating Revenue and Expenditure

FOR THE YEAR ENDING 30 JUNE 2014



Shire of Dalwallinu Statistical Comparison Report for Eight Years

	2006/07 ACTUAL	2007/08 ACTUAL	2008/2009 ACTUAL	2009/2010 ACTUAL	2010/2011 ACTUAL	2011/2012 ACTUAL	2012/2013 ACTUAL	2013/2014 ACTUAL
RATE REVENUE								
Income/Receipts	1,801,308	1,881,012	1,968,774	2,279,781	2,399,955	2,509,733	2,637,184	2,787,730
Increase/Decrease on Previous Year	67,245	79,704	87,762	311,007	120,174	109,778	127,451	150,546
% Increase/Decrease on Previous Year	3.88%	4.42%	4.67%	15.80%	5.27%	4.57%	5.08%	5.71%
LOAN REPAYMENTS (all loans)								
Principal & Interest	132,381	130,667	142,206	171,061	181,605	191,100	190,829	190,707
Increase/Decrease on Previous Year	-24,904	-1,714	11,539	28,855	10,544	9,495	-271	-122
% Increase/Decrease on Previous Year	-15.83%	-1.29%	8.83%	20.29%	6.16%	5.23%	-0.14%	-0.06%
% Revenue (Rate)	7.35%	6.95%	7.22%	7.50%	7.57%	7.61%	7.24%	6.84%
LOAN PRINCIPAL OUTSTANDING (excl Self Supporting)								
Balance at 1 July	567,238	481,665	386,534	1,753,774	1,601,885	1,528,437	1,450,877	1,368,656
Balance at 30 June	481,665	386,534	1,753,774	1,601,885	1,528,437	1,450,877	1,368,656	1,281,480
Increase/Decrease on Previous Year	-85,573	-95,131	1,367,240	-151,889	-73,448	-77,560	-82,221	-87,176
% Increase/Decrease on Previous Year	-15.09%	-19.75%	353.72%	-8.66%	-4.59%	-5.07%	-5.67%	-6.37%
SALARIES AND WAGES								
Salaries	962,067	979,299	1,303,429	1,100,736	1,264,200	1,419,564	1,504,202	1,652,635
Wages	869,549	869,830	936,194	994,031	1,051,996	1,166,577	1,236,131	1,288,729
Total Payroll	1,831,616	1,849,129	2,239,623	2,094,767	2,316,196	2,586,141	2,740,333	2,941,363
% Increase/Decrease on Previous Year	11.58%	0.96%	21.12%	-6.47%	10.57%	12.89%	18.31%	13.74%
% Revenue (Rate)	102%	98%	114%	92%	97%	103%	104%	106%

Shire of Dalwallinu Statistical Comparison Report for Eight Years

(Continued)

GRANTS COMMISSION GENERAL PURPOSE GRANT

Amount Received	759,858	804,065	869,448	910,611	972,400	995,771	1,119,218	1,286,457
Increase/Decrease on Previous Year	17,003	44,207	65,383	41,163	61,789	23,371	123,447	167,239
% Increase/Decrease on Previous Year	2.29%	5.82%	8.13%	4.73%	6.79%	2.40%	12.40%	14.94%

FEDERAL/STATE ROAD GRANTS

Amount Received	1,629,587	1,900,079	1,998,882	1,653,720	1,710,433	2,199,628	2,268,411	2,438,127
Increase/Decrease on Previous Year	-421,976	270,492	98,803	-345,162	56,713	489,195	68,783	169,716
% Increase/Decrease on Previous Year	-20.57%	16.60%	5.20%	-17.27%	3.43%	28.60%	3.13%	7.48%

PERFORMANCE INDICATOR

Total Accum. Balance 1 July	29,436,014	30,455,575	31,357,521	33,346,980	35,672,130	36,981,214	38,600,077	39,488,252
Total Accum. Balance 30 June	30,455,575	31,357,521	33,346,980	35,672,130	36,981,214	38,600,077	39,488,252	38,357,268
Increase/Decrease on Previous Year	1,019,561	901,946	1,989,459	2,325,150	1,309,084	1,618,863	888,175	-1,130,984
% Increase/Decrease on Previous Year	3.46%	2.96%	6.34%	6.97%	3.67%	4.38%	2.30%	-2.86%

Competition Policy

Competition Reform

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

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

Competitive Neutrality

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

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

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

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

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

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

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

LEGISLATION REVIEW

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

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

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

In 2000, Council reviewed all Local Laws. A further review of Local Laws will be undertaken in 2014.

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

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

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

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

STRUCTURAL REFORM

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

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



Disability Access and Inclusion 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 Council's 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 ie 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.

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.



Employee Remuneration

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 \$	2014	2013
100,000 – 110,000		1
110,001 – 120,000	1	
* 400,000 – 410,000		1
* 410,001 – 420,000	1	

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



Recordkeeping Plan Report

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.



Plan for the Future of the District

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

Opportunities in the Shire of Dalwallinu



A unique opportunity in Buntine

The township of Buntine, 25 minutes north of Dalwallinu, just off the Great Northern Highway, offers a unique opportunity for growth, diversity and a bright future.

There are houses for sale and for rent with a further 2 hectares of land allocated for residential development.

There is a well equipped primary school, with 10 students and with the ability to expand to meet the needs of the town. The Town Hall and tennis courts are sound but under used. There is a 13 million litre dam holding water, and the potential for a general store and cafe. In the 2011 census Buntine counted a population of 237 and the town is looking for an influx of people to enhance the community.

There is room to set up new businesses - growing food, supplying niche food or craft or service markets, catering to tourists. Or to live in a delightful small community and commute to your nearby job – there are so many opportunities.

The nature reserve with Buntine Rocks is a beautiful, natural environment. Fresh air, room to move and glorious night skies.

Buntine is ready to be re-invigorated. It needs families to move in and to set up the town, and your family, for a sustainable, profitable future.



Buntine School garden



Buntine School



Students at Buntine rocks



SECTION 3

Financial Report

SHIRE OF DALWALLINU

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2014

TABLE OF CONTENTS

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Notes to and Forming Part of the Financial Report	9 to 57
Independent Audit Report	58 to 59
Supplementary Ratio Information	60
Principal place of business: 58 Johnston Street DALWALLINU WA 6609	

**SHIRE OF DALWALLINU
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

**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 30 June 2014 are in my opinion properly drawn up to present fairly the financial position of the Shire of Dalwallinu at 30th June 2014 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.

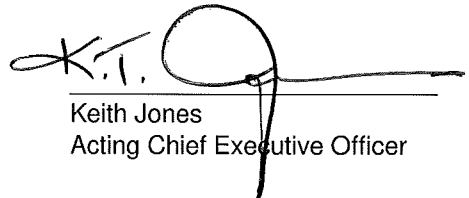
Signed as authorisation of issue on the

13th

day of

November

2014



Keith Jones
Acting Chief Executive Officer

SHIRE OF DALWALLINU
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2014

	NOTE	2014 \$	2014 Budget \$	2013 \$
Revenue				
Rates	22	2,787,730	2,789,706	2,637,184
Operating Grants, Subsidies and Contributions	28	1,838,906	1,639,059	2,881,843
Fees and Charges	27	1,421,910	1,448,433	1,333,976
Interest Earnings	2(a)	172,169	149,117	182,323
Other Revenue		9,456	300	3,988
		<u>6,230,171</u>	<u>6,026,615</u>	<u>7,039,314</u>
Expenses				
Employee Costs		(2,088,975)	(2,196,176)	(2,128,711)
Materials and Contracts		(1,876,535)	(2,156,775)	(1,885,286)
Utility Charges		(430,064)	(371,212)	(382,471)
Depreciation on Non-Current Assets	2(a)	(3,087,016)	(2,669,993)	(2,591,578)
Interest Expenses	2(a)	(85,130)	(86,920)	(91,184)
Insurance Expenses		(131,349)	(137,413)	(125,163)
Other Expenditure		(80,890)	0	(132,258)
		<u>(7,779,959)</u>	<u>(7,618,489)</u>	<u>(7,336,651)</u>
		<u>(1,549,788)</u>	<u>(1,591,874)</u>	<u>(297,337)</u>
Non-Operating Grants, Subsidies and Contributions	28	1,151,270	1,826,526	1,484,932
Loss on Revaluation of Fixed Assets		0	0	(259,489)
Profit on Asset Disposals	20	11,402	7,126	79,138
Loss on Asset Disposals	20	<u>(35,598)</u>	<u>(37,394)</u>	<u>(43,147)</u>
NET RESULT		(422,714)	204,384	964,097
Other Comprehensive Income				
Changes on Revaluation of Non-Current Assets	12	0	0	18,867,164
Total Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>18,867,164</u>
Total Comprehensive Income		<u><u>(422,714)</u></u>	<u><u>204,384</u></u>	<u><u>19,831,261</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 2014

	NOTE	2014 \$	2014 Budget \$	2013 \$
Revenue				
Governance		3,621	3,649	4,014
General Purpose Funding		4,194,790	4,190,925	5,088,638
Law, Order, Public Safety		36,255	31,949	29,510
Health		455,613	529,776	456,528
Education and Welfare		1,545	1,383	1,344
Housing		117,696	132,450	121,539
Community Amenities		435,941	413,188	411,007
Recreation and Culture		109,483	97,971	118,034
Transport		233,773	231,825	223,775
Economic Services		445,546	309,889	427,405
Other Property and Services		195,908	83,609	180,301
	2(a)	<u>6,230,171</u>	<u>6,026,614</u>	<u>7,062,095</u>
Expenses				
Governance		(464,171)	(230,793)	(430,770)
General Purpose Funding		(216,181)	(483,798)	(235,689)
Law, Order, Public Safety		(82,922)	(91,453)	(82,134)
Health		(863,328)	(725,321)	(770,731)
Education and Welfare		(13,105)	(14,722)	(8,884)
Housing		(143,096)	(83,105)	(101,839)
Community Amenities		(551,297)	(573,210)	(522,344)
Recreation & Culture		(1,427,060)	(1,107,409)	(1,166,276)
Transport		(2,869,289)	(3,222,939)	(2,760,163)
Economic Services		(1,030,189)	(982,392)	(1,061,162)
Other Property and Services		(34,191)	(16,426)	(116,256)
	2(a)	<u>(7,694,829)</u>	<u>(7,531,568)</u>	<u>(7,256,248)</u>
Financial Costs				
Community Amenities		(18,464)	(18,820)	(19,271)
Recreation & Culture		(51,750)	(52,424)	(54,791)
Other Property and Services		(14,916)	(15,676)	(17,122)
	2(a)	<u>(85,130)</u>	<u>(86,920)</u>	<u>(91,184)</u>
Non-Operating Grants, Subsidies and Contributions				
Recreation & Culture		0	111,125	0
Transport		1,130,150	1,130,149	1,044,932
Economic Services		21,120	585,252	440,000
		<u>1,151,270</u>	<u>1,826,526</u>	<u>1,484,932</u>
Profit/(Loss) on Disposal of Assets				
General Purpose Funding		0	0	(259,489)
Housing		0	0	68,357
Recreation & Culture		493	0	0
Transport		7,929	(20,536)	(32,994)
Economic Services		(25,990)	0	0
Other Property and Services		(6,628)	(9,732)	628
		<u>(24,196)</u>	<u>(30,268)</u>	<u>(223,498)</u>
Net Result		(422,714)	204,384	976,097
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	0	0	18,867,164
Total Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>18,867,164</u>
Total Comprehensive Income		<u>(422,714)</u>	<u>204,384</u>	<u>19,843,261</u>

This statement is to be read in conjunction with the accompanying notes.
Page 51 of 107

SHIRE OF DALWALLINU
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2014

	NOTE	2014 \$	2013 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	3,615,991	4,963,095
Trade and Other Receivables	4	286,381	157,753
Inventories	5	14,273	9,930
TOTAL CURRENT ASSETS		<u>3,916,641</u>	<u>5,130,778</u>
NON-CURRENT ASSETS			
Other Receivables	4	27,411	40,303
Property, Plant and Equipment	6	34,196,669	34,293,027
Infrastructure	7	104,272,732	103,582,470
TOTAL NON-CURRENT ASSETS		<u>138,496,812</u>	<u>137,915,800</u>
TOTAL ASSETS		<u>142,413,458</u>	<u>143,046,578</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	334,731	470,845
Current Portion of Long Term Borrowings	9	111,878	105,577
Provisions	10	472,795	454,394
TOTAL CURRENT LIABILITIES		<u>919,404</u>	<u>1,030,816</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	1,199,162	1,311,040
Provisions	10	56,538	43,654
TOTAL NON-CURRENT LIABILITIES		<u>1,255,700</u>	<u>1,354,694</u>
TOTAL LIABILITIES		<u>2,175,104</u>	<u>2,385,510</u>
		<u>140,238,354</u>	<u>140,661,068</u>
EQUITY			
Retained Surplus		38,357,268	39,488,252
Reserves - Cash Backed	11	2,500,360	1,792,090
Revaluation Surplus	12	99,380,726	99,380,726
TOTAL EQUITY		<u>140,238,354</u>	<u>140,661,068</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 2014**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2012		38,588,077	1,716,168	80,513,562	120,817,807
Comprehensive Income					
Net Result		976,097	0	0	976,097
Changes on Revaluation of Non-Current Assets	12	0	0	18,867,164	18,867,164
Total Comprehensive Income		976,097	0	18,867,164	19,843,261
Balance as at 30 June 2013		39,488,252	1,792,090	99,380,726	140,661,068
Comprehensive Income					
Net Result		(422,714)	0	0	(422,714)
Total Comprehensive Income		(422,714)	0	0	(422,714)
Balance as at 30 June 2014		38,357,268	2,500,360	99,380,726	140,238,354

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 2014

	NOTE	2014 \$	2014 Budget \$	2013 \$
Cash Flows From Operating Activities				
Receipts				
Rates		2,751,000	2,806,581	2,986,430
Operating Grants, Subsidies and Contributions		1,739,534	1,639,059	2,881,843
Fees and Charges		1,421,910	1,448,433	1,333,976
Interest Earnings		172,169	149,117	182,323
Other Revenue		9,456	300	3,988
		<u>6,094,069</u>	<u>6,043,490</u>	<u>7,388,560</u>
Payments				
Employee Costs		(2,047,854)	(2,879,684)	(2,043,530)
Materials and Contracts		(2,025,040)	(1,644,145)	(2,206,353)
Utility Charges		(430,064)	(371,212)	(382,471)
Interest Expenses		(86,920)	(137,413)	(125,163)
Insurance Expenses		(131,349)	(112,731)	(93,356)
Goods and Services Tax		0	(47,420)	23,246
Other Expenditure		(80,890)	0	(132,258)
		<u>(4,802,117)</u>	<u>(5,192,605)</u>	<u>(4,959,885)</u>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>1,291,952</u>	<u>850,885</u>	<u>2,428,675</u>
Cash Flows from Investing Activities				
Payments for Purchase of Property, Plant & Equipment		(1,600,183)	(2,850,850)	(1,408,771)
Payments for Construction of Infrastructure		(2,370,895)	(2,731,183)	(2,258,788)
Non-Operating Grants, Subsidies and Contributions		1,151,270	1,826,526	1,484,932
Proceeds from Sale of Fixed Assets		265,962	49,000	388,810
Net Cash Provided by (Used in) Investment Activities		<u>(2,553,846)</u>	<u>(3,706,507)</u>	<u>(1,793,817)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(105,576)	(105,577)	(99,645)
Proceeds from Self Supporting Loans		20,366	18,660	19,573
Net Cash Provided By (Used In) Financing Activities		<u>(85,210)</u>	<u>(86,917)</u>	<u>(80,072)</u>
Net Increase (Decrease) in Cash Held		<u>(1,347,104)</u>	<u>(2,942,539)</u>	<u>554,786</u>
Cash at Beginning of Year		4,963,095	4,963,095	4,408,309
Cash and Cash Equivalents at the End of the Year	13(a)	<u><u>3,615,991</u></u>	<u><u>2,020,556</u></u>	<u><u>4,963,095</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 2014

	NOTE	2014 Actual \$	2014 Budget \$	2013 Actual \$
Revenue				
Governance		3,621	3,649	4,014
General Purpose Funding		1,407,060	1,401,220	2,451,454
Law, Order, Public Safety		36,255	31,949	29,510
Health		455,613	529,776	456,528
Education and Welfare		1,545	1,383	1,344
Housing		117,696	132,450	189,896
Community Amenities		435,941	413,188	411,007
Recreation and Culture		109,976	209,096	118,034
Transport		1,374,832	1,361,974	1,268,707
Economic Services		466,666	895,141	867,405
Other Property and Services		195,908	83,609	180,929
		<u>4,605,113</u>	<u>5,063,435</u>	<u>5,978,828</u>
Expenses				
Governance		(464,171)	(483,798)	(430,770)
General Purpose Funding		(216,181)	(230,793)	(235,689)
Law, Order, Public Safety		(82,922)	(91,454)	(82,134)
Health		(863,328)	(755,589)	(770,731)
Education and Welfare		(13,105)	(14,722)	(8,884)
Housing		(143,096)	(83,105)	(101,839)
Community Amenities		(569,761)	(592,030)	(541,615)
Recreation and Culture		(1,478,810)	(1,159,833)	(1,221,067)
Transport		(2,872,269)	(3,222,939)	(2,793,157)
Economic Services		(1,056,179)	(982,392)	(1,061,162)
Other Property and Services		(55,735)	(32,102)	(133,378)
		<u>(7,815,557)</u>	<u>(7,648,757)</u>	<u>(7,380,426)</u>
Net Result Excluding Rates		(3,210,444)	(2,585,322)	(1,401,598)
Adjustments for Cash Budget Requirements:				
(Profit)/Loss on Asset Disposals	20	24,196	30,268	(35,991)
Movement in Accrued Interest		(8,567)	(25,811)	(1,668)
Movement in Accrued Salaries & Wages		0	(68,884)	13,881
Movement in Employee Benefit Provisions (Non-current)		20,227	0	71,300
Depreciation and Amortisation on Assets	2(a)	3,087,016	2,669,993	2,591,578
Capital Expenditure and Revenue				
Purchase Land and Buildings	6(a)	(1,313,079)	(2,534,954)	(648,064)
Purchase Furniture and Equipment	6(a)	(13,429)	(41,714)	(28,360)
Purchase Plant and Equipment	6(a)	(121,608)	(140,182)	(495,145)
Purchase Motor Vehicles	6(a)	(152,067)	(134,000)	(237,200)
Purchase Roads	7(a)	(2,327,077)	(2,440,783)	(2,216,505)
Purchase Other Infrastructure	7(a)	(43,818)	(290,400)	(42,284)
Proceeds from Disposal of Fixed Assets	20	265,962	49,000	388,810
Repayment of Debentures	21(a)	(105,576)	(105,577)	(99,645)
Proceeds from Self Supporting Loans		20,366	18,660	19,573
Transfer from/to Restricted Cash			2,139,545	1,839,557
Transfers to Reserves (Restricted Assets)	11	(925,617)	(404,257)	(99,519)
Transfers from Reserves (Restricted Assets)	11	217,347	217,346	23,597
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	22(b)	2,582,600	857,367	185,473
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	22(b)	784,162	0	2,452,974
Total Amount Raised from General Rate	22(a)	<u>(2,787,730)</u>	<u>(2,789,706)</u>	<u>(2,625,184)</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 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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 selected non-current assets, financial assets and liabilities.

Critical Accounting Estimates

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

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

The Local Government Reporting Entity

All Funds through which the 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. A separate statement of those monies appears at Note 19. to these financial statements.

(b) 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 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Cash and Cash Equivalents

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

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

(d) Trade and Other Receivables

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

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

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

(e) 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 Sale

Land held for development and sale 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 profit or loss 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 sale is classified as current except where it is held as non-current based on Council's intentions to release for sale.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets

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

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.

In 2013, Council 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 was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or Regional significance.

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

Whilst they were initially recorded at cost, fair value at the date of acquisition was deemed cost as per AASB 116.

Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings at 30 June 2014.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Initial Recognition and Measurement between Mandatory Revaluation Dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

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

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

Revaluation

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

Transitional Arrangements

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 only become applicable for the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology in the previous reporting period (year ended 30 June 2013) the Council chose to early adopt AASB 13

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Land Under Roads

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

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

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

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

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Depreciation

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

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

- a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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

Buildings	40 years
Furniture and Equipment - Electrical	5 years
Furniture and Equipment - Other	10 years
Motor Vehicle - Passenger	5 years
Light Vehicle - Commercial	5 years
Trucks	5 years
Graders, Loaders & Other Plant	10 years
Infrastructure Assets - Roads, Streets & Kerbing	
clearing and earthworks	not depreciated
pavement	40 years
seal	15 years
kerbing	50 years
Infrastructure Assets - Gardens	not depreciated
Infrastructure Assets - Parks	100 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 the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

When revalued assets are disposed of, 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.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities

When performing a revaluation, the Council uses a mix of both independent and management valuations using the following as a guide:

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

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

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

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

Fair Value Hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities (Continued)

Income approach

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

Cost approach

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

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

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

(h) 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 (i.e. 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.

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 and any reduction for impairment; and
- (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.

The effective interest 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.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

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

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss. Assets in this category are classified as current assets.

(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 that the Council 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 non-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 payments.

They are subsequently measured at fair value with changes in such fair value (i.e. 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 that 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.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Impairment

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 (a "loss event") 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 assets, 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 to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

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 continual involvement in the risks and benefits associated with the asset.

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

(i) Impairment of Assets

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 (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

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

(j) 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.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Employee Benefits

Short-Term Employee Benefits

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

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

Other Long-Term Employee Benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

(l) Borrowing Costs

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Provisions

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

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

(n) 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.

(o) Investment in Associates

An associate is an entity over which the Council has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. 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. In addition, the Council's share of the profit or loss of the associate is included in the Council's profit or loss.

The carrying amount of the investment includes, where applicable, 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.

When the Council's share of losses in an associate equals or exceeds its interest in the associate, the Council discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Council will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(o) for a description of the equity method of accounting.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Council's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 16.

(q) 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 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 operations for the current reporting period.

(r) 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.

(s) 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 sale where it is held as non-current based on the Council's intentions to release for sale.

(t) 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 2014

1. SUMMARY SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) 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, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

(v) 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 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) 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 pronouncements that are relevant to the Council, applicable to future reporting periods and which have not yet been adopted are set out as follows:

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(i) AASB 9 – Financial Instruments	December 2013	1 January 2017	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 2010 -7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	December 2013	1 January 2017	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).
[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]			

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(iii) AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [Not-For-Profit entities] [AASB 1, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 131, 132, 133, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	December 2012	1 January 2014	Consequential changes to various standards arising from the issuance of AASB 10, 11, 12, 127 and 128. It is not expected to have a significant impact on Council.
(iv) AASB 2012-3: Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	June 2012	1 January 2014	This Standard adds application guidance to AASB 132: Financial Instruments: Presentation 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. This Standard is not expected to significantly impact the Council's financial statements.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(v) AASB 2013 - 3: Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets	June 2013	1 January 2014	This standard makes amendments to AASB 136 and includes requirements to disclose additional information when present value techniques are used to measure the recoverable amount of impaired assets. It is not expected to have a significant impact on Council.
(vi) AASB 2013-8: Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities [AASB 10, 12 & 1049]	October 2013	1 January 2014	This standard adds Appendix E to AASB 10 to provide implementation guidance for Not-for-Profit entities regarding control criteria from the perspective of not-for-profit entities. It is not expected to have a significant impact on Council.
(vii) AASB 2013-9: Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments [Operative dates: Part A Conceptual Framework – 20 December 2013; Part B Materiality – 1 January 2014; Part C Financial Instruments – 1 January 2015]	December 2013	Refer Title column	Part A of this standard makes various editorial corrections to Australian Accounting Standards. Part B of this standard deletes references to AASB 1031 in various Australian Accounting Standards in advance of the withdrawal of AASB 1031. Part C of this standard makes consequential amendments to AASB 9 and numerous other standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value. As the bulk of changes related either to editorial or reference changes it is not expected to have a significant impact on Council.

Notes:

⁽¹⁾ 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 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) 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 were compiled, became mandatory and which were applicable to its operations.

These new and revised standards were:

AASB 10	AASB 128	AASB 2012 - 2
AASB 11	AASB 2011 - 7	AASB 2012 - 3
AASB 12	AASB 2011 - 9	AASB 2012 - 5
AASB 119	AASB 2011 - 10	AASB 2012 - 10
AASB 127		

Most of the standards adopted had a minimal effect on the accounting and reporting practices of the Council as they did not have a significant impact on the accounting or reporting practices or were either not applicable, 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.

2. REVENUE AND EXPENSES

2013

\$

The Net Result includes:

(i) Charging as an Expense:

8,210

1,890

433.868

44.684

520,869

1,452,398

135.312

4.447

2,591,578

91.184

91,184

(ii) **Crediting as Revenue:**

3.988

3.988

2013

Actual

\$

2.823

75.922

93.192

10.386

82.323

**SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

In order to discharge its responsibilities to the community, the Shire has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the Shire's Community Vision, and for each of its broad activities/programs.

COMMUNITY VISION

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

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

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.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

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 2014

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions		Opening Balance ⁽¹⁾ 1/07/12 \$	Received ⁽²⁾ 2012/13 \$	Expended ⁽³⁾ 2012/13 \$	Closing Balance ⁽¹⁾ 30/06/13 \$	Received ⁽²⁾ 2013/14 \$	Expended ⁽³⁾ 2013/14 \$	Closing Balance 30/06/14 \$
Grant/Contribution	Function/ Activity							
R4R (DAF) - Regional Dogger Pro	13	8,420	0	(8,420)	0	45,150	(22,833)	22,317
Regional Housing - R4R	13	393,584	0	(393,584)	0	0	0	0
Exploring Wildflower Country	13	21,121	0	(21,121)	0	0	0	0
Contribution for landscaping subdi	13	60,000	0	0	60,000	0	0	60,000
Dungey Road Project - R4R	13	327,280	0	(327,280)	0	0	0	0
South Street Project - R4R	13	444,735	0	(11,436)	433,299	0	(433,299)	0
South Street Project 2 - R4R	13	0	440,000	0	440,000	0	(396,930)	43,070
Central Wheatbelt Declared Speci	13	0	0	0	0	95,243	(21,120)	74,123
Total		1,255,140	440,000	(761,841)	933,299	140,393	(874,182)	199,510

Notes:

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

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

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

	Note	2014 \$	2013 \$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		916,122	1,042,896
Restricted		<u>2,699,869</u>	<u>3,920,199</u>
		<u><u>3,615,991</u></u>	<u><u>4,963,095</u></u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Leave Reserve	11	196,859	189,516
Plant Reserve	11	548,860	215,683
Joint Venture Housing Reserve	11	165,519	151,988
Land & Building Reserve	11	1,009,234	766,211
Sewerage Scheme Reserve	11	499,918	391,704
Townscape Reserve	11	25,735	24,776
Telecommunications Reserve	11	54,235	52,212
Unspent Grants	2(c)	<u>199,510</u>	<u>933,299</u>
		<u><u>2,699,869</u></u>	<u><u>2,725,389</u></u>
4. TRADE AND OTHER RECEIVABLES			
Current			
Rates Outstanding		91,988	63,824
Sundry Debtors		170,512	73,564
Loans - Clubs/Institutions		21,458	20,365
Accrued Income/Payments in Advance		<u>2,424</u>	<u>0</u>
		<u><u>286,382</u></u>	<u><u>157,753</u></u>
Non-Current			
Rates Outstanding - Pensioners		8,566	0
Loans - Clubs/Institutions		<u>18,844</u>	<u>40,303</u>
		<u><u>27,411</u></u>	<u><u>40,303</u></u>
5. INVENTORIES			
Current			
Fuel and Materials		14,273	9,930
		<u>14,273</u>	<u>9,930</u>
Non-Current			
Land Held for Resale - Cost			
Cost of Acquisition		0	0
Development Costs		<u>0</u>	<u>0</u>
		<u><u>0</u></u>	<u><u>0</u></u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

	2014 \$	2013 \$
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
Freehold Land at:		
- Independent Valuation 2013	2,443,500	2,523,500
	<u>2,443,500</u>	<u>2,523,500</u>
Total Land	<u>2,443,500</u>	<u>2,523,500</u>
Non-Specialised Buildings at:		
- Independent Valuation 2013	29,398,163	29,543,834
- Additions after valuation	1,313,079	0
Less: Accumulated Depreciation	(869,595)	0
	<u>29,841,647</u>	<u>29,543,834</u>
Total Buildings	<u>29,841,647</u>	<u>29,543,834</u>
Total Land and Buildings	<u>32,285,147</u>	<u>32,067,334</u>
Furniture and Equipment at:		
- Cost	1,033,936	1,020,507
Less Accumulated Depreciation	(815,921)	(775,498)
	<u>218,015</u>	<u>245,009</u>
Plant and Equipment at:		
- Management Valuation 2013	1,916,198	1,980,684
- Additions after Valuation	273,674	0
Less Accumulated Depreciation	(496,365)	0
	<u>1,693,507</u>	<u>1,980,684</u>
	<u>34,196,669</u>	<u>34,293,027</u>

Land and Buildings, Plant and Equipment

Both land and buildings and plant and equipment were revalued in 2013 as part of the mandatory requirement embodied in Local Government (Financial Management) Regulation 17A. Whilst the additions since that time are shown at cost, given they were acquired at arms length and accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. Thus, the value is considered in accordance with Local Government(Financial Management) Regulation 17A(2) which requires these assets to be shown at fair value. These classes of assets will be subsequently revalued in accordance with the mandatory asset measurement framework detailed at note 1(f).

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Movements in Carrying Amounts

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

		Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Carrying Amount at the End of Year \$
Freehold Land	(Level 2)	2,523,500	0	(80,000)	0	0	0	2,443,500
Total Land		2,523,500	0	(80,000)	0	0	0	2,443,500
Non-Specialised Buildings	(Level 2)	29,543,834	1,313,079	(145,672)	0	0	(869,595)	29,841,647
Total Buildings		29,543,834	1,313,079	(145,672)	0	0	(869,595)	29,841,647
Total Land and Buildings		32,067,334	1,313,079	(225,672)	0	0	(869,595)	32,285,147
Furniture and Equipment	(Level 3)	245,009	13,429	0	0	0	(40,423)	218,015
Plant and Equipment	(Level 2)	1,980,684	273,675	(64,486)	0	0	(496,365)	1,693,507
Total Property, Plant and Equipment		34,293,027	1,600,183	(290,158)	0	0	(1,406,383)	34,196,669

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

	2014	2013
	\$	\$
7. INFRASTRUCTURE		
Roads		
- Management Valuation 2011	128,139,567	128,139,567
- Additions after Valuation - Cost	2,327,077	0
Less Accumulated Depreciation	<u>(28,431,264)</u>	<u>(26,880,313)</u>
	102,035,380	101,259,254
 Parks & Ovals		
- Cost	165,067	165,066
Less Accumulated Depreciation	<u>(53,026)</u>	<u>(48,578)</u>
	112,041	116,488
 Other Infrastructure		
- Cost	3,247,563	3,247,563
- Additions after Valuation - Cost	43,818	0
Less Accumulated Depreciation	<u>(1,269,645)</u>	<u>(1,144,410)</u>
	2,021,736	2,103,153
 Gardens		
- Cost	103,575	103,575
Less Accumulated Depreciation	<u>0</u>	<u>0</u>
	103,575	103,575
	<u><u>104,272,732</u></u>	<u><u>103,582,470</u></u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

7. 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.

		Balance as at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Carrying Amount at the End of Year \$
Roads	(Level 2)	101,259,254	2,327,077	0	0	0	(1,550,950)	102,035,380
Parks & Ovals	(Level 2)	116,488	0	0	0	0	(4,447)	112,041
Other Infrastructure	(Level 2)	2,103,153	43,818	0	0	0	(125,236)	2,021,736
Gardens	(Level 2)	103,575	0	0	0	0	0	103,575
Total		<u>103,582,470</u>	<u>2,370,895</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,680,633)</u>	<u>104,272,732</u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

	2014	2013
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	180,198	268,530
Accrued Interest on Debentures	24,021	25,811
Accrued Salaries and Wages	47,440	84,420
ATO Liabilities	46,816	0
Other current liabilities	36,256	92,084
	<u>334,731</u>	<u>470,845</u>

9. LONG-TERM BORROWINGS

Current		
Secured by Floating Charge Debentures	111,878	105,577
	<u>111,878</u>	<u>105,577</u>
Non-Current		
Secured by Floating Charge Debentures	1,199,162	1,311,040
	<u>1,199,162</u>	<u>1,311,040</u>

Additional detail on borrowings is provided in Note 21.

10. PROVISIONS

Analysis of Total Provisions

Current	472,795	454,394
Non-Current	56,538	43,654
	<u>529,333</u>	<u>498,048</u>

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2013	235,305	262,743	498,048
Additional provision	5,327	25,958	31,285
Balance at 30 June 2014	<u>240,632</u>	<u>288,701</u>	<u>529,333</u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

	2014 \$	2014 Budget \$	2013 \$
11. RESERVES - CASH BACKED			
(a) Leave Reserve			
Opening Balance	189,516	189,516	181,487
Amount Set Aside / Transfer to Reserve	7,343	5,685	8,029
Amount Used / Transfer from Reserve	0	0	0
	<u>196,859</u>	<u>195,201</u>	<u>189,516</u>
(b) Plant Reserve			
Opening Balance	215,683	151,988	206,546
Amount Set Aside / Transfer to Reserve	550,524	12,202	9,137
Amount Used / Transfer from Reserve	(217,347)	0	0
	<u>548,860</u>	<u>164,190</u>	<u>215,683</u>
(c) Joint Venture Housing Reserve			
Opening Balance	151,988	215,683	145,549
Amount Set Aside / Transfer to Reserve	13,531	331,288	6,439
Amount Used / Transfer from Reserve	0	0	0
	<u>165,519</u>	<u>546,971</u>	<u>151,988</u>
(d) Land & Building Reserve			
Opening Balance	766,211	766,210	711,153
Amount Set Aside / Transfer to Reserve	243,023	22,986	55,058
Amount Used / Transfer from Reserve	0	(217,346)	0
	<u>1,009,234</u>	<u>571,850</u>	<u>766,211</u>
(e) Sewerage Scheme Reserve			
Opening Balance	391,704	391,705	375,110
Amount Set Aside / Transfer to Reserve	108,214	29,787	16,594
Amount Used / Transfer from Reserve	0	0	0
	<u>499,918</u>	<u>421,492</u>	<u>391,704</u>
(f) Townscape Reserve			
Opening Balance	24,776	24,776	23,726
Amount Set Aside / Transfer to Reserve	959	743	1,050
Amount Used / Transfer from Reserve	0	0	0
	<u>25,735</u>	<u>25,519</u>	<u>24,776</u>
(g) Pithara Hall Reserve			
Opening Balance	0	0	22,597
Amount Set Aside / Transfer to Reserve	0	0	1,000
Amount Used / Transfer from Reserve	0	0	(23,597)
	<u>0</u>	<u>0</u>	<u>0</u>
(h) Telecommunications Reserve			
Opening Balance	52,212	52,212	50,000
Amount Set Aside / Transfer to Reserve	2,023	1,566	2,212
Amount Used / Transfer from Reserve	0	0	0
	<u>54,235</u>	<u>53,778</u>	<u>52,212</u>
TOTAL RESERVES	<u>2,500,360</u>	<u>1,979,001</u>	<u>1,792,090</u>
 Total Opening Balance	 1,792,090	 1,792,090	 1,716,168
Total Amount Set Aside / Transfer to Reserve	925,617	404,257	99,519
Total Amount Used / Transfer from Reserve	(217,347)	(217,346)	(23,597)
TOTAL RESERVES	<u>2,500,360</u>	<u>1,979,001</u>	<u>1,792,090</u>

All of the reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 3 to this financial report.

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

11. RESERVES - CASH BACKED (continued)

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

- (a) Leave Reserve**
 - to be used to fund annual and long service leave requirements
- (b) Plant Reserve**
 - to be used for the purchase of major plant.
- (c) Joint Venture Housing Reserve**
 - to be used for long term maintenance & construction of joint venture housing.
- (d) Land & Building Reserve**
 - to be used for the purchase/construction of land/buildings.
- (e) Sewerage Scheme Reserve**
 - to be used for the maintenance & replacement of the Sewerage Scheme.
- (f) Townscape Reserve**
 - to be used for future townscaping projects within the Shire.
- (g) Pithara Hall Reserve**
 - to be used for works upon Pithara Hall.
- (h) 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.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

12. REVALUATION SURPLUS

Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:

	2014	2013
	\$	\$
(a) Land & Buildings		
Opening Balance	22,547,117	3,679,953
Revaluation Increment	0	18,867,164
Revaluation Decrement	0	0
	<u>22,547,117</u>	<u>22,547,117</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) 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>
(d) Furniture & Fittings		
Opening Balance	195	195
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>195</u>	<u>195</u>
TOTAL ASSET REVALUATION SURPLUS	<u><u>99,380,726</u></u>	<u><u>99,380,726</u></u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

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:

	2014 \$	2014 Budget \$	2013 \$
Cash and Cash Equivalents	<u>3,615,991</u>	<u>2,020,556</u>	<u>4,963,095</u>

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

Net Result	(422,714)	204,384	964,097
Depreciation	3,087,016	2,669,993	2,591,578
(Profit)/Loss on Sale of Asset	24,196	30,268	792,567
(Increase)/Decrease in Receivables	(136,102)	16,876	349,246
(Increase)/Decrease in Inventories	(4,343)	0	10,447
Increase/(Decrease) in Payables	(136,116)	(244,110)	(296,559)
Increase/(Decrease) in Employee Provisions	31,285	0	71,300
Grants Contributions for the Development of Assets	<u>(1,151,270)</u>	<u>(1,826,526)</u>	<u>(1,484,932)</u>
Net Cash from Operating Activities	<u>1,291,952</u>	<u>850,885</u>	<u>2,997,744</u>

	2014 \$	2013 \$
(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	<u>(2,635)</u>	<u>(2,823)</u>
Total Amount of Credit Unused	<u>2,365</u>	<u>2,177</u>
Loan Facilities		
Loan Facilities - Current	111,878	105,577
Loan Facilities - Non-Current	<u>1,199,162</u>	<u>1,311,040</u>
Total Facilities in Use at Balance Date	<u>1,311,040</u>	<u>1,416,617</u>
Unused Loan Facilities at Balance Date	<u>NIL</u>	<u>NIL</u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

14. CONTINGENT LIABILITIES

	2014	2013
	\$	\$

15. CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments

The Shire did not have any future operating lease commitments at the reporting date.

(b) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects	161,142	433,299
- plant & equipment purchases	0	0

Payable:

- not later than one year	161,142	433,299
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The capital expenditure project outstanding at the end of the current reporting period represents the construction of new residents accommodation.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

16. JOINT VENTURE ARRANGEMENTS

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 the use and maintenance on the constructed houses.

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

	2014	2013
	\$	\$
Non-Current Assets		
Buildings & Improvements	1,195,972	1,181,601
Less: Accumulated Depreciation	<u>(81,295)</u>	<u>(51,597)</u>
	<u><u>1,114,677</u></u>	<u><u>1,130,004</u></u>

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2014	2013
	\$	\$
Governance	661,801	757,807
General Purpose Funding	100,555	63,824
Law, Order, Public Safety	103,294	118,282
Health	992,790	1,063,878
Education and Welfare	179,964	185,728
Housing	5,069,534	3,971,989
Community Amenities	2,323,374	2,369,344
Recreation and Culture	18,381,501	18,284,960
Transport	105,076,010	104,187,998
Economic Services	2,244,145	3,333,515
Other Property and Services	5,820,423	6,188,289
Unallocated	<u>1,460,065</u>	<u>2,520,964</u>
	<u><u>142,413,458</u></u>	<u><u>143,046,578</u></u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

	2014	2013	2012
18. FINANCIAL RATIOS			
Current Ratio	1.684	2.859	0.832
Asset Sustainability Ratio	0.794	1.094	1.116
Debt Service Cover Ratio	8.380	11.036	15.794
Operating Surplus Ratio	(0.358)	(0.123)	0.101
Own Source Revenue Coverage Ratio	0.562	0.555	0.612

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	$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$
Debt Service Cover Ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating Surplus Ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own Source Revenue Coverage Ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

Notes:

Information relating to the **Asset Consumption Ratio** and the **Asset Renewal Funding Ratio** can be found at Supplementary Ratio Information on Page 60 of this document.

19. TRUST FUNDS

	Balance 1 July 2013 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30 June 2014 \$
DPI Licensing Fees	10,716	1,206,338	(1,189,753)	27,301
St John Ambulance Memberships	0	2,320	(2,080)	240
BCITF Levy	0	6,792	(6,792)	0
Building Services Levy	0	3,559	(3,524)	35
Mainly Mutton Cookbooks	0	10	(10)	0
Raffle Tickets	3	0	0	3
Nomination Fees	0	400	(400)	0
Hall Hire Bonds	990	0	0	990
Key Deposits	730	0	0	730
Housing Bonds	11,501	1,828	(1,731)	11,598
Standpipe Swipe Card Bond	0	400	0	400
75 Stories Book	0	30	(30)	0
Pommie Migrant to Pioneer Farmer Book	0	35	(35)	0
Trails, Trials and Triumphs Book	60	30	(90)	0
Pioneer to Progress Book	40	80	(80)	40
Pioneer House Donations	10,076	0	0	10,076
Miscellaneous Deposits Held	560	0	0	560
5 Graves in Dalwallinu Book	0	62	(42)	20
Prepared to Pioneer Book	0	28	(28)	0
Gunduwa Regional Conservation Assn	0	391,827	(46,781)	345,046
	<u>34,676</u>			<u>397,039</u>

The following assets were disposed of during the year.

Page 44

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars Year Borrowed	Principal 1 July 2013 \$	New Loans \$	Principal Repayments		Principal 30 June 2014		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Housing								
Loan 156 - Staff Housing	2008/09	297,326	43,217	43,217	254,109	254,109	14,916	15,676
Community Amenities								
Loan 64 - Sewerage Scheme	1974/75	193,259	8,987	8,987	184,272	184,272	18,464	18,820
Recreation and Culture								
Loan 157 - Dalwallinu Discovery Centre	2008/09	878,071	34,970	34,970	843,101	843,101	49,466	49,968
Loan 158 - Dalwallinu Sports Club *	2010/11	47,961	18,402	18,402	29,559	29,560	2,283	2,456
		1,416,617	0	105,576	1,311,041	1,311,042	85,130	86,920

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

21. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2013/14

The Shire did not take up any new debentures during the year ended 30 June 2014.

(c) Unspent Debentures

The Shire did not have any unspent debentures as at 30 June 2014.

(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 2014

22. RATING INFORMATION - 2013/14 FINANCIAL YEAR

(a) Rates		Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
RATE TYPE												
General Rate												
GRV		0.0809	244	2,986,768	241,624	2,598	288	244,510	241,624	0	0	241,624
Unimproved Value Valuations								0				0
UV - Rural		0.0206	398	121,840,000	2,509,173	233	0	2,509,406	2,509,171	0	0	2,509,171
UV - Mining		0.0206	0	0	0	(2,581)	111	(2,470)	0	0	0	0
Sub-Totals			642	124,826,768	2,750,796	249	400	2,751,446	2,750,795	0	0	2,750,795
Minimum Payment		Minimum \$										
GRV - Dalwallinu		592	162	930,376	95,904	0	0	95,904	95,904	0	0	95,904
GRV - Kalannie		460	12	38,914	5,520	0	0	5,520	5,520	0	0	5,520
GRV - Other Towns		460	57	180,412	26,220	0	0	26,220	26,220	0	0	26,220
Unimproved Value Valuations								0				0
UV - Rural		460	19	152,948	8,740	0	0	8,740	8,740	0	0	8,740
UV - Mining		460	40	195,697	18,400	0	0	18,400	18,400	0	0	18,400
Sub-Totals			290	1,498,347	154,784	0	0	154,784	154,784	0	0	154,784
Discounts (refer note 25.)								2,906,230				2,905,579
Total Amount Raised From General Rate								(118,500)				(115,873)
Specified Area Rate (refer note 23.)								2,787,730				2,789,706
Totals								0				0
								2,787,730				2,789,706

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

22. RATING INFORMATION - 2013/14 FINANCIAL YEAR (Continued)

(b) Information on Surplus/(Deficit) Brought Forward

	2014 (30 June 2014 Carried Forward) \$	2014 (1 July 2013 Brought Forward) \$	2013 (30 June 2013 Carried Forward) \$
Surplus/(Deficit) 1 July 13 Brought Forward	<u>784,162</u>	<u>2,582,600</u>	<u>3,147,225</u>
<u>Comprises:</u>			
Cash and Cash Equivalents			
Unrestricted	916,121	1,042,896	1,042,896
Restricted	2,699,870	3,920,199	3,920,199
Receivables			
Rates Outstanding	91,988	63,824	63,824
Sundry Debtors	170,512	73,564	73,564
Loans - Clubs/Institutions	21,458	20,365	20,365
Accrued Income/Payments in Advance	2,424	0	0
Inventories			
Fuel and Materials	14,273	9,930	9,930
<u>Less:</u>			
Trade and other Payables			
Sundry Creditors	(180,198)	(268,530)	(268,530)
Accrued Interest on Debentures	(24,021)	(25,811)	0
Accrued Salaries and Wages	(47,440)	(84,420)	0
ATO Liabilities	(46,816)	0	0
Other current liabilities	(36,256)	(92,084)	(92,084)
Current Portion of Long Term Borrowings			
Secured by Floating Charge Debentures	(111,878)	(105,577)	(105,577)
Provisions			
Provision for Annual Leave	(240,632)	(235,305)	0
Provision for Long Service Leave	(232,163)	(219,089)	0
<u>Net Current Assets</u>	<u>2,997,242</u>	<u>4,099,962</u>	<u>4,664,587</u>
Less:			
Reserves - Restricted Cash	(2,500,359)	(1,792,090)	(1,792,090)
Loans - Clubs/Institutions	(21,458)	(20,365)	(20,365)
Add:			
Secured by Floating Charge Debentures	111,878	105,577	105,577
Cash -backed leave or provision portion	196,859	189,516	189,516
Surplus/(Deficit)	<u>784,162</u>	<u>2,582,600</u>	<u>3,147,225</u>

Difference

The difference between the Surplus/(Deficit) 1 July 2013 Brought Forward position used in the 2014 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2013 audited financial report occurred due to the inclusion of employee provisions and accrued interest, salaries and wages.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

23. SPECIFIED AREA RATE - 2013/14 FINANCIAL YEAR

The Shire did not impose any Specified Area Rates.

24. SERVICE CHARGES - 2013/14 FINANCIAL YEAR

The Shire did not impose any service charges.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2013/14 FINANCIAL YEAR

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General & Minimum Rates	Discount	5.00%	118,500	115,873
Photocopy Charge	Waiver		0	250
Sundry Debtor	Write-Off	N/A	241	0
Rate Assessment	Write-Off	N/A	71	4,000

A discount of 5.0% of the current rates levied (excluding service charges) was offered to ratepayers whose payment of the full amount owing, including arrears and service charges, was received no later than 4.00 pm on the day 35 days after 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.

The following Rates Assessments and Sundry Debtor were written off in accordance with Council resolution:

	\$	
A561	2.16	Interest on non-current property
A6197	1.30	Interest on deceased mining tenement
A6203	22.93	Interest on non-current minimum tenement
A6219	43.72	Interest on non-current minimum tenement
A6177	1.06	Interest on non-current minimum tenement
Debtor 13491	241.36	Caravan storage fee

26. INTEREST CHARGES AND INSTALMENTS - 2013/14 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		11,429	7,000
Interest on Instalments Plan	5.50%		5,519	5,000
Charges on Instalment Plan		\$ 20.01	3,077	2,500
Interest on ESL & Legal Charges			279	230
Pensioner Deferred Rate Interest			275	200
			20,580	14,930

Ratepayers had the option of paying rates in four equal instalments, due on 13 September 2013, 13 November 2013, 13 January 2014 and 13 March 2014. Administration charges and interest applied for the final three instalments.

	2014 \$	2013 \$
27. FEES & CHARGES		
Governance	248	235
General Purpose Funding	4,133	4,504
Law, Order, Public Safety	7,141	2,014
Health	452,899	445,470
Housing	108,192	98,629
Community Amenities	423,838	403,195
Recreation and Culture	79,241	66,291
Transport	22,541	20,846
Economic Services	189,705	181,438
Other Property and Services	133,973	111,354
	<u>1,421,910</u>	<u>1,333,976</u>

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

28. GRANT REVENUE

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

	2014	2013
	\$	\$
By Nature or Type:		
Operating Grants, Subsidies and Contributions	1,838,906	2,881,843
Non-Operating Grants, Subsidies and Contributions	1,151,270	1,484,932
	<u>2,990,176</u>	<u>4,366,775</u>
By Program:		
General Purpose Funding	1,225,034	2,258,667
Law, Order, Public Safety	28,100	26,362
Health	601	8,701
Education and Welfare	1,178	920
Housing	9,504	10,909
Community Amenities	10,018	5,476
Recreation and Culture	26,392	46,991
Transport	1,341,382	1,241,043
Economic Services	213,475	614,855
Other Property and Services	134,492	152,851
	<u>2,990,176</u>	<u>4,366,775</u>

29. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

<u>40</u>	<u>37</u>
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30. ELECTED MEMBERS REMUNERATION

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

	2014	2014	2013
	\$	Budget	\$
		\$	
Meeting Fees	16,577	15,840	12,012
President's Allowance	7,500	7,500	7,500
Deputy President's Allowance	1,500	1,500	1,500
Travelling Expenses	7,852	10,000	8,189
	<u>33,429</u>	<u>34,840</u>	<u>29,201</u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

31. MAJOR LAND TRANSACTIONS

Council did not participate in any major land transactions during the 2013/14.

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2013/14 financial year.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

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	
	2014	2013	2014	2013
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	3,615,991	4,963,095	3,615,991	4,963,095
Receivables	313,793	157,753	354,117	197,737
	<u>3,929,783</u>	<u>5,120,848</u>	<u>3,970,108</u>	<u>5,160,832</u>
Financial Liabilities				
Payables	334,731	470,845	334,731	470,845
Borrowings	1,311,040	1,416,617	979,188	1,096,532
	<u>1,645,771</u>	<u>1,887,462</u>	<u>1,313,919</u>	<u>1,567,377</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables - estimated to the carrying value which approximates net market value.
- Borrowings, Held to Maturity Investments, estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.
- Financial Assets at Fair Value through profit and loss, Available for Sale Financial Assets - based on quoted market prices at the reporting date or independent valuation.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

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 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 investing in registered commercial banks. Council also seeks advice from independent advisers (where applicable) before placing any cash and investments.

	2014	2013
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	36,160	46,857
- Statement of Comprehensive Income	36,160 ⁽²⁾	46,857

Notes:

⁽¹⁾ Sensitivity percentages based on management's expectation of future possible market movements.

⁽²⁾ Maximum impact.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

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:

	2014	2013
Percentage of Rates and Annual Charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of Other Receivables		
- Current	34%	51%
- Overdue	66%	49%

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

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>2014</u>					
Payables	331,158	0	0	331,158	334,731
Borrowings	191,603	1,500,175	139,036	1,830,814	1,311,040
	<u>522,761</u>	<u>1,500,175</u>	<u>139,036</u>	<u>2,161,972</u>	<u>1,645,771</u>
<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>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

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 2014</u>								
Borrowings								
Fixed Rate								
Debentures				29,560	1,097,210	184,272	1,311,040	6.29%
Weighted Average Effective Interest Rate				5.62%	5.67%	10.09%		
<u>Year Ended 30 June 2013</u>								
Borrowings								
Fixed Rate								
Debentures					47,961	1,368,656	1,416,617	6.26%
Weighted Average Effective Interest Rate					5.62%	6.29%		

**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 2014, 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 2014, a summary of significant accounting policies and other explanatory notes, and the Chief Executive Officer's statement.

Management's responsibility for the financial report

Management 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 Management 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

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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 2014 and of its performance for the financial year ended 30 June 2014;
- 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, other than :
 - Council did not meet with the auditor within the 2013/2014 financial year as required by the Local Government Act 1995, Division 4, Section 7.12 A (2); and
 - The matter detailed in (iii) below.
- iii. The asset consumption ratio and the asset renewal funding ratio are not included in the annual financial report, as required by Local Government (Financial Management) Regulations 1996 Section 50 (1) (b) and (c).
- iv. All necessary information and explanations were obtained by us.
- v. All audit procedures were satisfactorily completed during our audit.

AMD Chartered Accountants



MARIA CAVALLO
Partner

Bunbury, Western Australia

Dated this 13 November 2014

**SHIRE OF DALWALLINU
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2014**

RATIO INFORMATION

The following information relates to those 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

	2014	2013	2012
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	$\frac{\text{depreciated replacement costs of assets}}{\text{current replacement cost of depreciable assets}}$
Asset Renewal Funding Ratio	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

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