



Shire of Dalwallinu



Annual Report 2008-2009

Shire of Dalwallinu
58 Johnston Street
PO Box 141
Dalwallinu
WA 6609

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Section One Annual Electors



2010 ANNUAL GENERAL MEETING AGENDA

Notice is hereby given that the Annual Meeting of Electors will be held on Tuesday , 23 March 2010 commencing at 6.00pm to be held in Council Chambers, Shire Administration Centre, Johnston Street, Dalwallinu.

ORDER OF BUSINESS

1. Opening and Welcome by President
2. Apologies
3. Confirmation of the Minutes of the Annual Electors Meeting held on the 10 February 2009.
4. The presentation of the Annual Report for the year ending 30 June 2009 comprising of:
 - Presidents Report
 - Chief Executive Officer's Report
 - Financial Report for the 2008/2009 financial year
 - Auditors Report
5. Other Information and Question Time
6. General Business

Note: Seven (7) days prior notice given by Electors in respect of questions needing research will ensure the necessary information being available at the meeting.

2009 ANNUAL GENERAL MEETING MINUTES 10 FEBRUARY 2009

1.0 OPENING & WELCOME BY PRESIDENT

The President declared the meeting open at 5.40pm welcoming visitors.

Present

President

East Ward

North Ward

South Ward

Chief Executive Officer

Deputy Chief Executive Officer

Works Supervisor

Community Services Manager

Projects Officer

Cr RS Nixon

Cr GH Sanderson JP

Cr BE McAlpine

Cr WM Dinnie OAM JP

Cr MC Huggett

Cr HJ Hyde

Cr DH McFarlane

Cr SC Carter

Mr B Cail

Mrs S Bell

Mr D McNeill

Mrs M McFarlane (from 5.42pm)

Mr PJ Crispin

Mr MK Humfrey

Mr J Ellison

Mr P Zenni

Mr BG Parkinson

2.0 APOLOGIES

Mrs B Dinnie

Cr G Jones

3.0 MINUTES OF PREVIOUS ANNUAL ELECTORS MEETING

MOTION 6381

Moved Cr W Dinnie

Seconded Cr S Carter

That the Minutes of the Annual Electors Meeting held on 12 February 2008 be confirmed

MOTION CARRIED

4.0 PRESENTATION OF ANNUAL REPORT CONSISTING OF:

4.1 PRESIDENT'S REPORT

MOTION 6382

Moved Cr H Hyde
Seconded Cr S Carter

That the President's Report for the financial year 2007/08 be received.

MOTION CARRIED

4.2 CHIEF EXECUTIVE OFFICER'S REPORT

MOTION 6383

Moved Cr G Sanderson
Seconded Cr D McFarlane

That the Chief Executive Officer's Report for the financial year 07/08 be received.

MOTION CARRIED

4.3 FINANCIAL REPORT FOR THE 2007/08 FINANCIAL YEAR

MOTION 6384

Moved Cr M Huggett
Seconded Cr S Carter

That the 2007/08 Annual Financial Statements and Report, as presented, be received and adopted.

MOTION CARRIED

4.4 AUDITORS REPORT

MOTION 6385

Moved Cr D McFarlane
Seconded Cr H Hyde

That the Auditor's Report for the financial year 2007/08 be received.

MOTION CARRIED

5.0 OTHER INFORMATION & QUESTION TIME

There were no questions or issues in regard to the 2007/08 Financial Year and it was decided to hold general discussions (normally considered at a separate public meeting) at this meeting under general business.

6.0 GENERAL BUSINESS

Cr W Dinnie	Would like to know if people are excited about the Dalwallinu Centenary (2010)? This is an opportunity to do some exciting projects (e.g. Shirley Strickland).
Mr J Ellison	What effect will the “amalgamation talk” about Councils be on the Shire of Dalwallinu? Council should be advising the public of the advantages and/or disadvantages of amalgamation.
Cr R Nixon	Council have commenced discussions (earlier today) and they are preparing their position for discussion with the community.
Mrs S Bell	Did WALGA originally propose amalgamations which would seem to be in opposition to the advertisement in today’s West Australian?
Cr R Nixon	The SSS Report did (in our opinion) contain a regionalisation agenda which was missed by most Councils and we certainly agree with the advertisement published today. Councillors would welcome input from the community.
Mr D McNeill	Small Councils down south should be the ones being looked at as they do not suffer the distance problems.
Cr R Nixon	Council is the largest employer in the Shire and any reduction could effect the population of the community.
Cr W Dinnie	The Minister says he is looking after ratepayers while Councillors are looking after themselves – that is why we need input from the ratepayers and residents. The Minister says that expenses are too much for the residents and amalgamation will fix this!
Mr J Ellison	Need to send out an individual flyer/letter asking if anyone has an issue with amalgamation (make it hard hitting).
Mrs M McFarlane	Tell everyone the worst case scenario and get them to attend.
Cr H Hyde	We need to get the best deal for Dalwallinu and need to plan our strategy very well.
Mr J Ellison	This then needs to go back to the community for further comment.
Cr S Carter	It is possible that the general public do not know that the goal posts have been moved. Need to get facts together before a further meeting.
Mr P Zenni	Looking from the outside, does not believe that we will be listened to individually. Need to get together with other Councils who feel the same and take it to the Minister. Need to present counter arguments.

Cr R Nixon	The President and the Deputy President will be meeting with surrounding Shires (approximately 10) next Monday. The opinions of each of them can then be discussed.
Cr S Carter	If we are going alone, we may not be able to continue to protest without it being detrimental.
Cr D McFarlane	Need to be more efficient and develop figures that show it would be a disadvantage to the community to amalgamate. This needs to include costs, etc. We need to make sure that we can tick all the boxes showing that we are already a regional Council (equivalent to some south west Councils).
Cr B McAlpine	Our role is to show why we can stand on our own two feet – financially well managed and well set.
Mr J Ellison	Other (surrounding) Shires have not completed their works programmes for the last two years but we have – on time and on budget.
Cr R Nixon	The Yarra Yarra Catchment Regional Council (YYCRC) are unsure of continuing funding. If funding ceases, the YYCRC may have to cease or be funded by member Councils. Deep drain setups can cause extra burden on the Shire when they are damaged by adverse weather events.
Cr D McFarlane Questioned the employment of staff at YYCRC.	
Cr R Nixon	YYCRC are employed on contract until 30 June 2009. YYCRC can continue to 30 June 2009 if no further funding is received – requested that the contribution stays in the budget.
Cr R Nixon	Gravel is becoming harder to get – the further it has to be carted, the more costly road building becomes.
Cr R Nixon	AGLime route 4 (Carot Well Rd, Bell Rd, Locke Rd, Dalwallinu West Rd, Dalwallinu Kalannie Rd) does not appear to be getting used. Some sections of this route is not sealed in 2 surrounding Shires – Moora & Dandaragan. It appears that this traffic is using Buntine Marchagee Rd. Road counters have been placed on these roads to verify this.
Cr R Nixon	A Rail line rescue package is being discussed at a further meeting in February 2009.

7.0 CLOSURE OF MEETING

There being no further business, the Chairperson closed the meeting at 6.40pm.



Section Two Annual Report



COUNCILLORS OF THE SHIRE



(from left to Right)

CR R.S. NIXON (Robert) - President

PO Box 1 Kalannie, WA 6468

☎ (08) 9666 2045 Fax: (08) 9666 2100

CR I. W. HYDE (Ian)

PO Box 323 Dalwallinu WA 6609

☎ (08) 9661 1578 Fax (08) 9661 1578

CR S.C. CARTER (Steven)

P O Box 148 Dalwallinu, WA, 6609

☎ (08) 9666 3017 Fax (08) 9666 3066

CR H.J. HYDE (Harry)

PO Box 29 Dalwallinu WA 6609

☎ (08) 9661 1211 Fax (08) 9661 1212

CR G.N. JONES (Glen)

C/- Landmark Dalwallinu, WA, 6609

☎ (08) 9661 1678 Fax (08) 9661 2073



(from left to Right)

CR W.M. DINNIE (Bill) OAM JP

Post Office, Wubin, WA 6612

☎ (08) 9664 2010 Fax (08) 9664 2049

CR D.H. McFARLANE (David) JP - Deputy President

PO Box 24, Ballidu WA 6606

☎ (08) 9674 3031 Fax (08) 9674 3001

CR M.C. HUGGETT (Malcolm)

PO Box 110, Dalwallinu WA 6609

☎ (08) 9661 1094 Fax (08) 9661 1367

CR G.H. SANDERSON (Graham) JP

PO Box 48, Kalannie WA 6468

☎ (08) 9666 2018 Fax (08) 9666 2018

CR B.E. McALPINE (Brian)

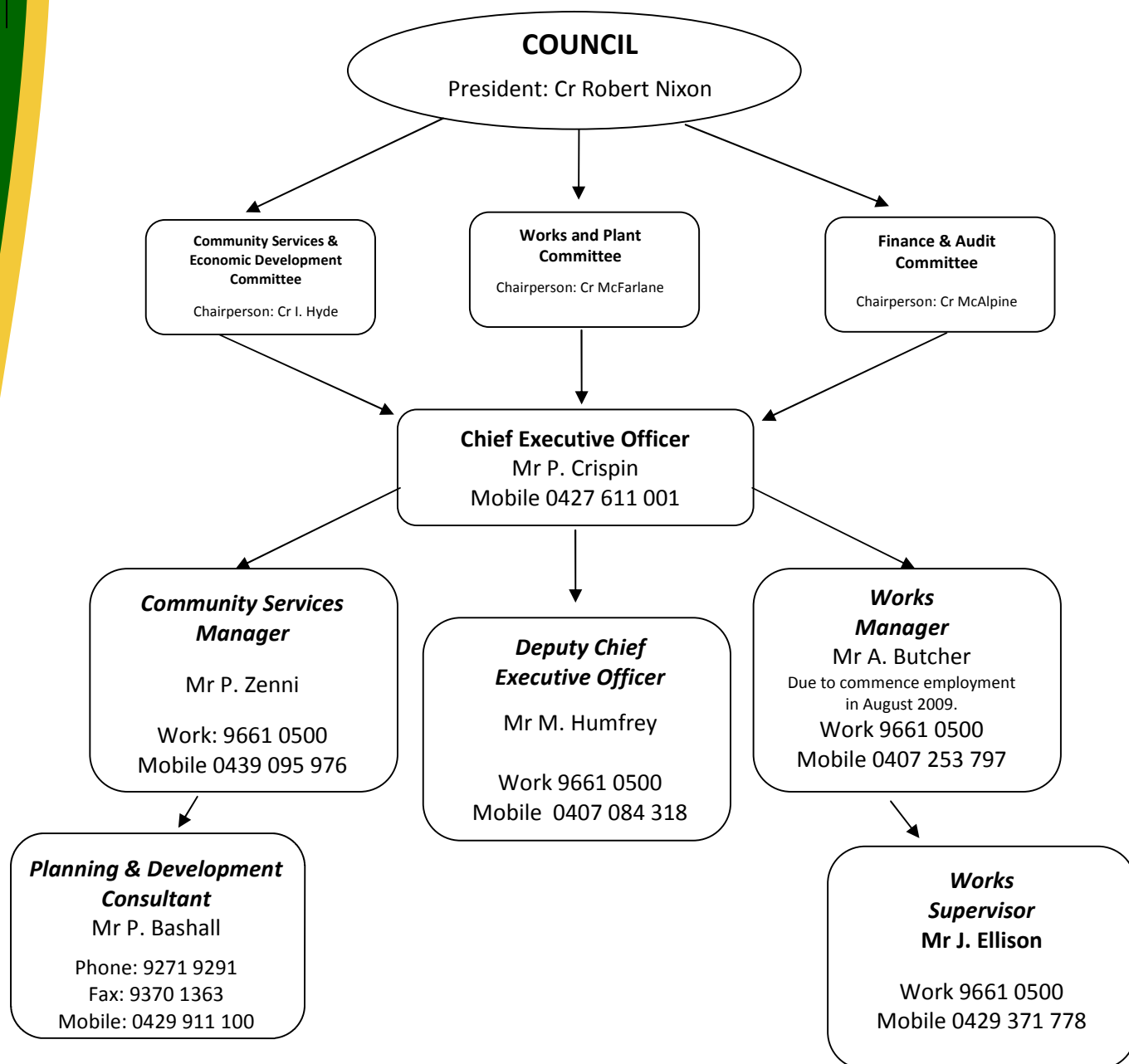
PO, Wubin, WA, 6612

☎ (08) 9664 2053 Fax (08) 9664 2053

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 am pleased to present the President's Report for the 2008/2009 financial year to report on the major activities and achievements of the Shire of Dalwallinu.

There were no bi-annual elections held in the reporting year. However, due to the resignation of Councillor J.D. (Jamie) Falls in September 2008 a vacancy resulted. Cr Falls served on Council for 13 years and held the position of Deputy President Chairperson as well as being a member of the Audit, Finance, Works and Community Services Committees. His valuable contribution to both the Council and community is greatly appreciated. Cr. I.W. (Ian) Hyde was elected unopposed at an extra-ordinary election in April 2009. Council has three standing committees; an Audit Committee, a Community Services and Economic Development Committee, and a Works & Plant Committee. In response to demographic changes within the Shire and pressure from the Minister for Local Government and Regional Development to reduce the councillor to elector ratio, Council decided in June 2009 to apply to have ward boundaries removed and the number of councillors reduced to nine in time for the 2011 council elections.

At a State-wide Forum on 15 September 2008 the *Systemic Sustainability Study* reform agenda produced by the Western Australian Local Government Association was passed by a large majority. The Shire of Dalwallinu voted against the agenda's plan as it believed it was not in the best interest of the Shire as it had potential to regionalise Local government. This plan together with State and Federal Government policy has increased the expectation of Local Government to work more cooperatively at the regional level. As a consequence the workload of Councillors and Executive Officers has increased.

Deputy CEO, Peter Crispin commenced duties as CEO on 30 August 2008 to replace Acting CEO, Mr Allan Middleton. It is very satisfying for the Shire to be in a position to appoint a CEO, after a formal selection process, from one of its own Executive Officers who joined the administration team in 1994 as a Senior Administration Officer. Also in August 2008 Council appointed Mr Mat Humfrey as Deputy CEO, and Mr Alistair Butcher was appointed to the position of Manager of Works in June 2009.

With the appointment of Dr Osinaike, the Shire now employs two Doctors at the Shire owned Medical Centre. This is to ensure continuous general and emergency medical services are provided for the needs of the Shire, adjoining region, National Highway, and the Dalwallinu and Districts Hospital.

Budget Allocations & Infrastructure Maintenance

Harvest 2008 broke some of the records of individual grain producers. Kalannie CBH, where over 160,000 tonnes of grain was delivered, set a new record. To service the transport needs of the *Wheat Shire*, with the trend for larger capacity grain harvesters and multi combination vehicles to transport grain, fertiliser, lime and gypsum; Council is faced with the challenges of funding its large road network to meet community needs and expectations. The network is also increasingly being accessed by tourists.

The Shire is increasingly being utilised for agricultural and mining services and, in particular Dalwallinu, which is strategically located on Great Northern Highway and the gateway to existing and new mining projects.

In adopting the 2008/2009 budget, Council continued to focus on effectively and efficiently maintaining a large asset base while servicing industry, community development, recreational and sporting requirements. This budget had projected Operating Expenses of \$5,726,783. The tender was awarded in March 2009 for the Dalwallinu Community and Enterprise Centre. As the building will have a regional focus including a Visitor Centre and Environmental Centre, substantial State and Federal funding has been obtained.

The Shire has continued to subsidise medical services. It is unable to achieve full cost recovery after employing two Doctors, providing a Medical Centre and houses and vehicles for the Doctors.

The Road Construction Programme had a budget allocation of \$2,156,727 spent across the 1,939 kilometre road network that is used by an increasing number of multi-combination trucks. To ensure the requirements of a potential 500,000 tonne local grains industry are satisfied, a multi-combination vehicle network of roads is provided to service six grain delivery sites.

Council has a plant replacement schedule so the most suitable plant is available for road construction and maintenance. A strong emphasis continues to be placed on compaction and water binding to extend road life, therefore it is critical to source both gravel and water requirements close to road works to reduce costs.

Approval was given for the construction of two new staff houses in Cousins Road as part of Councils policy to maintain a high standard of staff housing.

Community and Economic Development

Considerable effort is directed to enhancing the lifestyle of the community. Many complements are received on the quality of our sporting facilities, parks and gardens, and in particular, the flower beds of Johnson Street and the Dalwallinu Caravan Park. Tourism is of growing importance to the Shire, both economically, and making the Shire known to the wider community. Therefore Council decided to use a substantial portion of its \$100,000 allocation of the Commonwealth Government's economic Stimulus Plan delivered through the Regional and Local Community Infrastructure Programme, to upgrade the ablution facilities at the Dalwallinu Caravan Park.

Community meetings were held in Dalwallinu, Buntine, Kalannie, Pithara and Wubin. This has been a valuable means of the community informing Council of their requirements and to seek clarification on Shire policies.

Recognition of the voluntary efforts of a wide range of sporting, community and essential service organisations has to be acknowledged. It is important to highlight the valuable role these volunteers play in under-pinning the lifestyles of the communities of the five towns in the Shire, the economic flow on benefits to the grains industry and to the region. For instance the Fire and Emergency Services Authority regional co-location facility needs a pool of volunteers to provide National Highway services extending from Miling to Paynes Find.

Our recognised Active Citizen Award Winners for 2009 were Kevin Ashby with recognition to Kevin's wife Shirley for all their hard work with landscaping around the Dalwallinu Town Site and The Wubin Progress Association whose efforts include the Wubin Wheatbin Museum and Wildflower Display during Wattle Week.

Council continues to encourage the development of agricultural and mining services from Dalwallinu, Kalannie and Wubin due to its close proximity to mid-west mining projects. In addition to current provision of mining services from retail, trades and metal fabrication enterprises located within the Shire, planning approval has been granted for a mining contractor to establish a mining machinery repair facility. The wider regional benefits of this type of facility include less escorted over-width machinery on Great Northern Highway south of Dalwallinu.

The release of residential lots in the hospital subdivision, and light industrial land south of Huggett Drive needs to be a continuing priority to satisfy the community and economic development requirements of the Shire.

Regional Involvement

The Shire has worked in partnership with Main Roads (WA) by providing construction services for the extension of the Wubin Road Train Assembly Area.

Council delegates to regional groups include the Yarra Yarra Regional Council, Central Midlands Voluntary Regional Council, Main Roads Group, and the Local Government Grain Infrastructure Group that works towards maintaining a viable rail and transport network without transferring unnecessary costs upon the road network of the Shire.

Finally, Councillors would like to acknowledge the valuable contribution made by all the community volunteers whose efforts are vital to the successful operation of the voluntary organisations in 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 2008/09 financial year.

The past twelve months has seen a period of development for the Shire with the completion of 2 new staff houses in Cousins Rd and the commencement of the \$4,000,000 Dalwallinu Community and Enterprise Centre.

The Shire, after an investment of an extraordinary amount of time and effort, managed to employ a second Doctor (Dr Adewale Osinaike) to support Dr Simon Wamono and to assist the Hospital in the delivery of improved health services. This was a major coup for our Shire, and along with the frequent services of a lady doctor (through an agreement with the Royal Flying Doctor Service) the community has a very good choice and quality of medical care.

Due to the State Government's 3% spending cuts, the proposed remodelling of the Dalwallinu Hospital was cancelled. The Shire had committed \$250,000 in a shared funding arrangement with the WA Country Health Service, who will, at some future time, reveal their long term plans for Dalwallinu Hospital.

Work continues (with Landcorp) to develop a new 35 lot residential subdivision (a project that the Shire has been working on since 1994) behind the old ambulance hall, and an extension to the industrial area south of Huggett Street (Formerly Leahy) in Dalwallinu. These projects are competing for funding with the boom areas in the north of the state and have not as yet been programmed to proceed. The development of the residential land is particularly important as a shortage of vacant land will prevent any rapid expansion of the town.

The Shire follows with great interest, the growing mining operations to the north. Already two mining based businesses have set up in Dalwallinu and Kalannie, and these types of businesses are seen as one way to diversify our economic base. Many businesses in the Shire have been providing products and services to the mining sector already and will hopefully receive many more opportunities as the new mining projects at Mt Gibson commence.

Local volunteers in Dalwallinu are now operating from the Emergency Services Co-location Facility and have greatly benefited from this new building. Attracting volunteers still remains a difficult task and I congratulate all those who have helped provide these essential services for our district.

It is again a credit to John Ellison and the Works Team that all the budgeted road projects were completed during the year. The Shire has maintained its commitment, expending over \$2.1 million to improve the general condition of its road network. This is a remarkable achievement as the variation against budget was only 1%. Further footpaths were upgraded and have again proved to be most welcome, with plans in place for these works to continue over the coming years. All members of the outside works team, under the direction of John Ellison, are congratulated for their efforts over the past twelve months.

Special mention needs to be made about the increasing tourist numbers that are passing through and staying in our region. Local accommodation in Dalwallinu is well utilised and the Dalwallinu Caravan Park has been receiving increasing promotion through “word of mouth” due, in no small part, to the endeavours of the park manager, Trish Laxon. Only very positive comments are ever received about experiences in the park, and Trish is to be congratulated on her tireless work to make all visitors’ stay more enjoyable.

Compliance continues to be a major issue for local government and is still expanding at a seemingly ever increasing rate. Examples include the new Aquatic Centre Code of Practice, mooted changes to the Bush Fire regulations, Health regulations and new Food regulations. The ever increasing threat of structural reform (including amalgamations) is taking away our time and energies that should be focused on improving our own communities. It is unfortunate, but we must continue to argue against changes that do not make economic sense or provide the ratepayers with better services or reduced costs.

The Shire has a huge year ahead, but we are again looking forward to the coming year with optimism that new and existing projects will be completed. Important projects for the coming year include:

- Development of the Hospital Reserve residential subdivision (Landcorp);
- Completion of the Community and Enterprise Centre, housing the Telecentre, Visitor Centre (Tourist Information) and Environmental Centre.

I wish to thank all staff for their continued commitment and congratulate them for their hard work during the year.

Peter J. Crispin
CHIEF EXECUTIVE OFFICER

Deputy Chief Executive Officer's Report



The 2008/2009 Financial year saw the Shire of Dalwallinu undertake several large building projects, which will pay dividends for the community for many years to come.

The first half of the year saw the completion of two new shire houses in Cousins Road, Dalwallinu. These houses represent a \$650,000 investment by the Shire in its own assets as well as the revitalisation of the town itself.

The second, and far larger project, was the commencement of construction of the Dalwallinu Community and Enterprise Centre as it was then known, now officially named the Dalwallinu Discovery Centre.

This project represents a \$4 million infrastructure spend, that will have a great return for the region for many generations to come. Ironically it is placed next to the Dalwallinu Hall, which has stood for 90 years, and thanks to refurbishments that form a part of the project, will remain a modern viable facility for the foreseeable future. Given the innovative design of the Dalwallinu Discovery Centre and the quality of construction, this building should be around well into the next century.

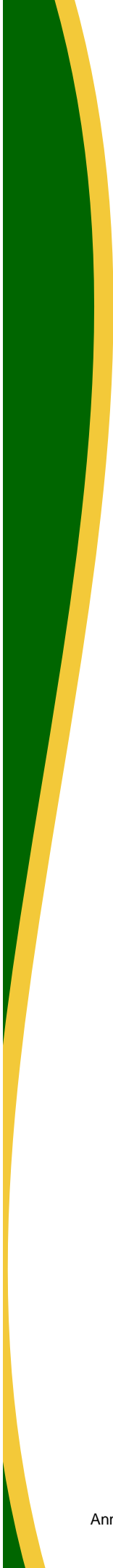
These large capital costs must be paid for, and it is true that loans were taken out to cover the costs of these projects. However, the Shires assets to liabilities ratios have improved with these projects, as the asset values of these projects far exceeds the loans required to fund them.

The decision to take out loan funds could not have been better timed. The global financial crisis forced the Reserve Bank of Australia to take emergency measures, one of which was to reduce interest rates to levels that had not been seen since World War II. The Shire was able to take advantage of this situation and locked in interest rates at these lows. This means overall cost of these loans will be significantly lower than would have been the case if they were taken out a year earlier.

The other way that the Shire was impacted by the global financial crisis was the forwarding of funding under the Commonwealth Government's stimulus program. The Shire was given \$100,000 to put towards capital projects, however there were conditions on this. The main conditions were that the monies had to be spent by 30 September 2009, had to be spent on infrastructure and on projects that were not already allowed for in budgets. This meant that projects needed to be identified quickly in order for the money to be spent by the required deadline.

Council opted to search for projects that would reduce future funding commitments, ensuring the most efficient use of funds was achieved. The two projects that were chosen were the refurbishment of the ablution facilities at the Dalwallinu Caravan Park and the installation of air-conditioning at Kalannie Hall.

The ablutions at the Dalwallinu Caravan Park were costing the Shire funds each year to maintain, due to their age and the wear and tear that the building had experienced. At some point in the near future, these facilities would need to have been overhauled or replaced. This was a major



consideration in listing this project for funding under the stimulus payments. It will reduce the Shire's capital spending in the long term and will reduce the maintenance costs in the short term.

Air-conditioning at the Kalannie hall will allow this vital piece of community infrastructure to be used year round, by the many community groups that need it. At some point in the future the building would have required air-conditioning, so again it met the criteria of capital spending that would have eventually needed to have been undertaken.

As we move into the 2009/2010 financial year, there are a number of challenges that face the Shire of Dalwallinu. The Shires assets and financial position will allow it the best possible chance of meeting these challenges.

Mat Humfrey
DEPUTY CHIEF EXECUTIVE OFFICER

Community Services Manager's Report



For the period of 1st July 2008 to the 30th June 2009, the Shire of Dalwallinu issued 19 Building Permits for construction work within the Shire.

For the period of 1st July 2008 to the 30th June 2009, the Shire of Dalwallinu issued 10 Planning Approvals for development work within the Shire.

Regular inspections of food premises revealed general compliance with legislative requirements.

Peter Zenni
COMMUNITY SERVICES MANAGER

Works Manager's Report



Construction

Every year the Shire of Dalwallinu spends a lot of its energy in 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 once again complete the Works Program, a total of 42 projects, which is a huge credit to John Ellison (Works Manager/Supervisor), Peter Flood (Leading Hand) and the Construction Crew.

In the 2008/09 financial year the Shire spent \$2,167,082 on road construction. This work included:

- 50.45km of resealing;
- 0.45km of new construction sealing works;
- 19.17km of clearing;
- 31.96km of reformation works;
- 57.01km of gravel sheeting; and
- 0.26km of footpath construction.

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

- Regional Road Group \$427,911
- Roads to Recovery \$524,398
- Black Spot \$286,437
- Road Program \$734,933
- Footpath Construction \$26,227
- Roads to Recovery (Supplementary) \$167,176

As part of the construction works the Shire obtained \$869,665 in grant funding to assist with the construction works. The break down of this funding was:

- Regional Road Group (State) \$249,279
- Roads to Recovery (Federal) \$475,485
- Black Spot (State) \$144,901

Procuring gravel is always an issue for the Shire of Dalwallinu, any assistance that rural landowners may be able to give would be greatly appreciated.

Maintenance

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

In 2008/09 the Shire of Dalwallinu spent \$2,256,296 on maintaining the Shire's assets with regards to the Works Department. Some of that amount was spent in the following areas:

- Road Maintenance \$826,003
- Footpath Maintenance \$5,633
- Street Cleaning \$84,565
- Street Tree Maintenance \$38,576

To assist with maintaining the Shire's roads, the Shire received \$155,759 from Main Roads Western Australia in the form of a Road Preservation Grant.

Parks & Gardens

Every year, especially during wildflower season, the parks and gardens in the Shire of Dalwallinu look amazing. The Shire's Parks and Gardens employees work tirelessly year round to ensure that the townsites in the Shire of Dalwallinu are welcoming to passing motorists and Shire residents alike. Not only does the Works Department manage the parks and gardens but they also maintain the other public open spaces in the Shire that comprise ovals and other areas that residents and tourists may visit that are not necessarily parks. The Shire of Dalwallinu receives numerous compliments each year from tourists which is an enormous credit to Kevin Ashby and his Garden crew.

In 2008/09 the Shire of Dalwallinu spent \$161,456 on maintaining its parks and gardens and a total of \$68,560 on the Dalwallinu and Kalannie ovals.

Plant & Machinery

In 2008/09 the Shire of Dalwallinu purchased two items of new plant to assist with the completion of the Works Program and maintain a sustainable and economical fleet. These two items of plant purchased were a Bomag BW25RH Multi-Tyred Roller (trade vehicle was the Multipac Multi-tyred Roller) and the purchase of a Nissan Navara Tray Back Utility (trade vehicle was a Ford Courier Utility) for the Shire mechanic's vehicle. The Bomag BW25RH Roller is the leader in its class for safety and innovation, this piece of plant will assist the Shire in completing the Works Program in an efficient and safe manner.



Allister Butcher
WORKS MANAGER

Dalwallinu Hospital Annual Report

Dalwallinu Hospital has been very fortunate in securing the services of two GPs.

A big welcome to Dr Adewale Osinaike who with Dr Simon Wamono provided excellent clinical services to the Dalwallinu community.

Nursing and support staffing levels at the hospital have been very stable this year. There are 3 residents in Pioneer House and the Shire aged units are full. Acacia house has 3 residents and the hospital has 5 residents. The exercise groups continue to be extremely successful with high attendance figures maintained through out the year. These exercises are designed to decrease the number of falls in our community members and increase social and mental wellbeing.

The local Health Advisory Group does not have enough members to run formally but the positions remain open for any community members who would like to join. If anyone has an interest in the ongoing interaction and communication between the community and WA Country Health Service or to discuss any local health service issues, then this may be the forum for you. Please contact the hospital during business hours for any expressions of interest.

The Old Gentleman's Club, scrabble, Activity Day are also well attended. Including children in our events has also shown to be very popular especially with the residents who often have little contact with the younger members of our community.

We have a great band of volunteers who deliver Meals on Wheels, Red Cross ladies and other members of the community who visit our residents and tend to the garden or just come for a social visit and chat. These volunteers are to be heartily thanked for their contribution in brightening the lives of our residents.

Again a big thank you must go the St Johns volunteer Ambulance officers who give up a lot of their time to attend to emergencies for the benefit of their community. They are often working in very trying conditions and are to be commended for their professionalism and compassion.

Jeanette Syme
Health Service Manager
Dalwallinu Hospital

St John Ambulance Dalwallinu Kalannie Sub – Centre Report

Thank you once again to all involved in the running of the Dalwallinu / Kalannie Sub-Centre over the past twelve months. Thank you also to the Committee, especially Angella Davey & Sue Norton. Congratulations to all new Officers and Drivers, and a Special Congratulations to Karen Christian, for completing her AAC.

Thank you to Karen Christian for taking on the Skills Training in Dalwallinu in conjunction with Cheryl Moore in Kalannie. I would like to take this opportunity to encourage all Ambulance Officers to attend Skills Training Evenings. As the duty of care to our Community it is our responsibility to ensure that all Ambulance Officers are current and proficient in all skills.

Thank you to Elize Pronk for continuing in her role as First Aid Trainer. This is another vital service filled in an extremely competent manner.

Thank you to Harry Hyde for organizing and taking on the project of the cropping which continues to be a vital contribution financially to the Sub Centre.

Thank you to Sue McCreery for organizing the Maintenance of the Kalannie Ambulance and to Harry Hyde in advance for organising the Maintenance of the Dalwallinu Ambulance.

The recent publicity that St John's has received in the media, although it appears damaging in the short term, I believe it will lead to better patient care outcomes in the long term. I'm thankful that on a local level we have a great team of Ambulance Officers who always apply themselves diligently and professionally to the job at hand.

I would like to thank all those involved in the New Co-Location facility which we have just moved into. This will prove to be a wonderful asset to Dalwallinu for many years to come.

In recent months we have had a few issues to deal with and I would like to apologise to the Ambulance Officers and Committee for not addressing this sooner.

As we move forward into the next twelve months I feel that with better communication between Head Office, the Committee and all Officers and Drivers, the Dalwallinu Sub-Centre will be able to function smoother in its service to the Community.

Mark Wilson
President



Chief Bush Fire Control Officer's Report

There were 20 reported fires this season.

13 lightning strikes resulting in the loss of 170 ha, involving an average of 10 volunteers per fire. Fortunately most of the fires were followed by rain which lessened the potential impact.

3 header fires including one header destroyed to the value of \$250,000.

1 roadside fire cause unknown.

1 controlled burn escape.

2 assist Dalwallinu FRS with vehicle fires on the great Northern Highway north of Wubin.

We also sent the Wubin 2.4 to assist at the Toodyay fire involving three crew changes.

My thanks go to all the volunteers who respond to these fires throughout the year day or night.

Gary Butcher
CHIEF BUSH FIRE CONTROL OFFICER



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 p.a. 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.

****Competition Policy Continued****

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

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

In 2000, Council reviewed all Local Laws. A further review of Local Laws will be undertaken in 2010.

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

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

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

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

STRUCTURAL REFORM

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

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

Disability Access and Inclusion Plan Report

Council maintains all public building 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 finalized and is available for review at the Administration Office. Persons wishing to discuss disabled 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 Rayner Street and Sawyers Avenue, these works included pram ramps down to road level to assist access.

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.

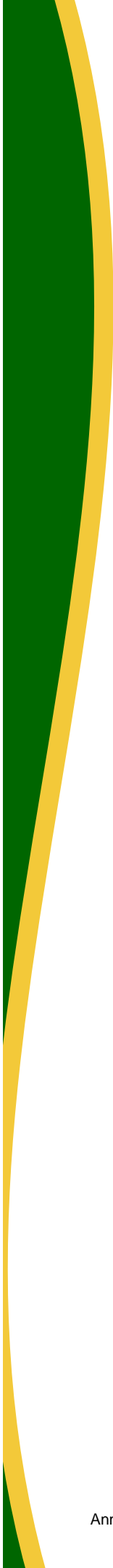
In addition the Council's Community Services and Economic Development Committee have identified the need for the provision of additional housing for the aged within the Shire of Dalwallinu.

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 i.e. brail can be provided on request.

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

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



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.

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 organization, including information regarding the organization'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 the
- Protection and preservation of the Local Government's records.

PERFORMANCE INDICATORS

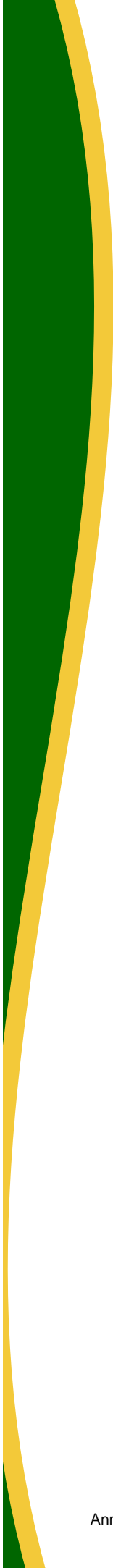
Under Section 6.2 of the Shire of Dalwallinu's Recordkeeping Plan, Performance Indicators, as listed below, were tested successfully with less than 10% error rate being recorded:

- 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 employed a full time Records Officer in 2005 who has been trained to be proficient in all aspects of Records Keeping in relation to the software Council has in place SynergySoft. 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 2007 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 25 July 2006, the Council adopted a “Plan for the Future of the District” for the next two years. The plan identified 10 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 AGED CARE ACCOMMODATION – DALWALLINU

Strategy 1 Home Help

The Aged Care Advisory Committee and Dalwallinu District Hospital MPS have been working on maintaining current services and predicting future requirements.

Strategy 2 Well Aged Care

Joint Venture accommodation in James St, Dalwallinu (2 Units), 1 unit in Pioneer Place, Wilfred Thomas & Sullivan Lodges have been maintained.

Strategy 3 Nursing Home Type Accommodation

Funding for the structural changes at Acacia House and the Dalwallinu Hospital has been withdrawn due to State Government funding cuts. Further investigation is being undertaken.

PRIORITY 2 DALWALLINU COMMUNITY CENTRE

Strategy 1 Consolidate Public and Stakeholder Support for the Project

Support has been received from all stakeholders and the community at large has been kept up to date by regular newsletters and articles.

Strategy 2 Develop Building Design and Plans for the Community Centre

Contract has been let to Diploma Construction to develop the Dalwallinu Community & Enterprise Centre.

Strategy 3 Identifying Potential Funding Sources and Seek Commitments

Many funding applications have been submitted, and the Shire has received confirmation of \$1,625,000.00 grant funding.

Strategy 4 Commence Building of the Dalwallinu Community Centre

Contract let to Diploma Construction and construction of the Dalwallinu Community and Enterprise Centre commenced in April 2009.

PRIORITY 3 ATTRACT BUSINESS AND SERVICES TO ACHIEVE ECONOMIC AND POPULATION GROWTH OF THE DISTRICT

Strategy 1 *Provision of Residential and Industrial Land*

Residential and industrial land subdivisions have been initiated with LandCorp and are still awaiting approval and funding allocation. A local planning strategy has been developed and is currently waiting to be endorsed by the State Government (now waiting three years).

Strategy 2 *Planning and Promotion of Dalwallinu – Business Services*

Lobbying of State Government service providers is ongoing, with presentations being done regularly of the benefits of the Shire.

Strategy 3 *Attract Investment*

New opportunities are being continually pursued, with the Shire taking a leading role in lobbying mining, etc industries and investigating alternative energy sources. Two businesses have purchased properties in Dalwallinu and Kalannie.

Strategy 4 *Population Growth*

The Shire is continually working with Government departments to develop a profile of the Shire as a secure and amenable place to live and is a driving force in the push to promote a zone tax rebate scheme for regional areas more than 200kms from metropolitan areas.

Strategy 5 *Create Environment Conducive to Employment Growth*

The Shire lobbies on behalf of the local community to remove/reduce barriers that stop increases in employment and limit development and encourage the employment of apprentices and trainees. New businesses have brought with them new employment opportunities.

PRIORITY 4 ESTABLISH EFFECTIVE POLITICAL LINKAGES

Strategy 1 *Develop Effective Working Relationships with Key Government Agencies*

The Shire has attended and facilitated many meetings with key government agencies and departments.

Strategy 2 *Develop Strong communication links with Politicians and State and Federal Governments*

Many Links have been established with politicians, State and Federal Government Ministers and Departmental Heads.

The “Plan for the Future of the District” will be reviewed for the 2009/10 financial year after more consultation with the community, including the annual survey and community meetings.



Section Three

Financial

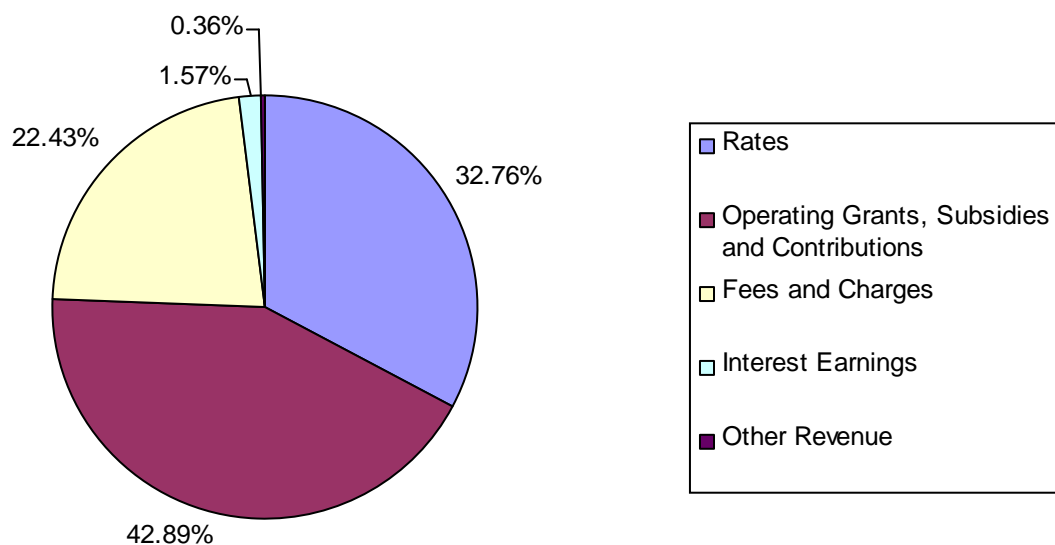
Report



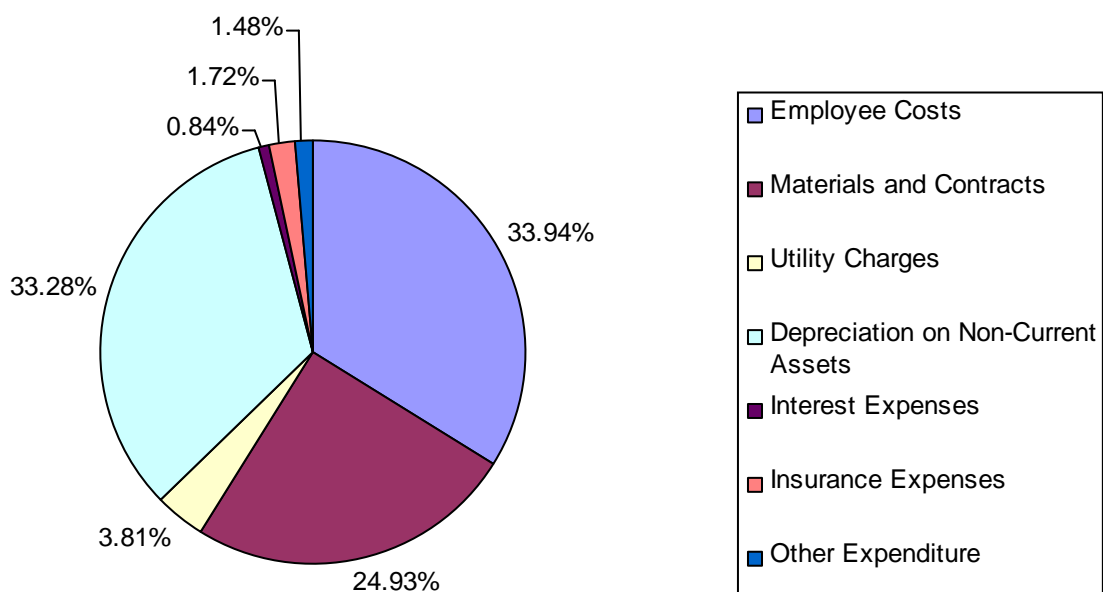
Operating REVENUE AND expenditure

FOR THE YEAR ENDED 30 JUNE 2008

Income



Expenditure



Budget VARIATIONS report

For the year ended 30 June 2009

Overall deviation from budget \$2,280,213

The overall budget deviation figure is affected by several key items that have changed during the course of the year, and were largely beyond the control of the Council. These were:

The carrying forward of the Dalwallinu Community and Enterprise Centre Project	\$671,000
Alterations to the grant structure for the Grants Commission Grants	\$602,603
Royalties for Regions grants	\$802,548
Federal Government Stimulus grants	\$100,000

Several other variations were caused by vehicles that were budgeted for, not being purchased.

While it is true that there has been a greater than normal number of budget variations in the year ended 30 June 2009, it must be remember that this year saw drastic changes in interest rates, plant values, building costs and fuel prices – due in a large part to the global financial crisis. It is also a year in which the Shire has had significant staff changes, particularly at a senior management level.

Description	Budget 2008 /2009	Actual 2008 / 2009	Variance	Cause
Grants Commission - General Purpose Grant	(804,064)	(1,092,653.50)	(288,589)	In June the first payment of the 2009/2010 Grant was received and in accordance with the accounting standards, this was included in the current years income
Grants Commission - Untied Roads Grant	(888,426)	(1,202,440.50)	(314,014)	In June the first payment of the 2009/2010 Grant was received and in accordance with the accounting standards, this was included in the current years income
Interest On Investments	(88,803)	(51,140.29)	(37,663)	Interest rates were much lower than anticipated during the budget process
Members Conference Expenses	16,165	6,849.79	9,315	Lower than expected expenditure
Consultants	15,800	6,414.02	9,386	Lower than expected consultant costs
Staff Expenses - Salaries Etc	722,281	682,041.29	34,760	Lower than expected staff costs
Staff Expenses - Other	25,707	18,844.85	6,862	Lower than expected staff rental costs (vacancy's)
Office Maintenance	63,305	54,580.40	8,725	Lower than expected maintenance costs
Computer Equipment & Software	12,573	7,425.09	5,148	Equipment not purchased

CEO Vehicle	95,745	0.00	95,745	No changeover
DCEO Vehicle	33,939	0.00	33,939	No changeover
CSM Vehicle	36,250	0.00	36,250	No changeover
Depreciation	78,610	87,634.44	(9,024)	Higher than expected vehicle depreciation
Commissions	(38,922)	(45,471.09)	6,549	Higher than expected commissions
Proceeds - (DI2) Holden Statesman Sedan	(82,400)	0.00	(82,400)	No changeover
Proceeds - (DI186) Ford Xr6 Sedan	(27,500)	0.00	(27,500)	No changeover
Proceeds - (DI 492) Toyota Camry Sedan	(31,200)	0.00	(31,200)	No changeover
Realisation Of Asset - DI2	82,400	0.00	82,400	No changeover
Realisation Of Asset - DI186	27,500	0.00	27,500	No changeover
Realisation Of Asset - DI 492	31,200	0.00	31,200	No changeover
Equipment Maint. & Repairs	2,000	10,638.76	(8,639)	Unexpected repairs (will claim back from FESA)
Doctor Vehicle - DI 89	37,744	0.00	37,744	No changeover
Dalwallinu Medical Centre Income	(712,732)	(695,932.62)	13,268	Lower than expected income
Proceeds -Doctor'S Vehicle (DI89)	(33,100)	0.00	(33,100)	No changeover
Realisation Of Asset -DI89	33,100	0.00	33,100	No changeover
Non Employee Residents Maintenance	14,529	23,423.72	(7,198)	Higher than expected maintenance
Interest On Loan - 4X2 & 3X2 Staff Housing	15,881	7,053.51	(7,054)	The loan was not incurred until late in the year, reducing the interest cost
Refuse Site Management	76,317	66,829.68	9,487	Lower than expected maintenance costs
Refuse Collection - Contractor	51,272	45,093.81	6,178	The allocation between refuse and recycling was different from that expected
Kerbside & General Waste Collections	7,719	31,053.56	(11,521)	The allocation between refuse and recycling was different from that expected
Sewerage Works	39,277	60,694.91	(15,763)	Pump failures – required unexpected repairs
Local Planning Strategy	8,000	0.00	8,000	Not undertaken
Public Amenity Building Maintenance	30,839	25,449.02	5,390	Lower than expected maintenance costs
Public Halls Building Maintenance	97,802	105,748.72	(7,947)	Higher than expected maintenance
Interest On Loan - Resource Centre	53,644	12,847.51	(12,848)	The loan was not incurred until late in the year, reducing the interest cost
Dalwallinu Community Resource Centre	2,600,000	762,501.40	1,837,499	The project was not started until March 2009 – the remaining expenditure will be incurred in the financial year ended 30 June 2010
Landscaping Resource Centre	207,272	0.00	207,272	Project to be undertaken in next financial year
Grant – CLGIF	0	(87,174.00)	87,174	Funding was not budgeted for as it was announced until early 2009
Grant - Royalties 4 Regions - DCEC	0	(802,548.00)	802,548	Funding was not budgeted for as it was not announced until

				after the budget had been adopted
Dalwallinu Aquatic Centre Maintenance	90,671	112,892.21	(18,231)	Unexpected repairs
Parks & Gardens	177,559	161,455.88	16,103	Lower than expected maintenance
Ovals	77,505	68,559.71	8,945	Lower than expected maintenance
Recreation Centre Maintenance	92,583	105,684.40	(13,101)	Higher than expected maintenance
Kalannie Tennis Club - Resurfacing	49,092	41,420.00	7,672	Cost Savings
Reimbursements	(9,432)	(15,000.29)	5,568	Reimbursements / refunds previously not anticipated
Dalwallinu Recreation Centre Hire Fees	7,020	(7,083.50)	14,104	Budget incorrectly loaded as an expenditure
Dalwallinu & Districts Centenary Committee	6,000	11,166.88	(5,167)	Represents forwarding of payments received on committees behalf
Grant - Dalwallinu Civic Centre	(1,073,500)	0.00	(1,073,500)	Works not yet to a stage to allow grant to be claimed
Dalwallinu Centenary Committee	0	(5,166.88)	5,167	Represents forwarding of payments received on committees behalf
Roads To Recovery	504,767	524,398.46	(19,631)	Higher than expected grants
Road Program	766,222	734,933.25	31,289	Lower than expected grants
Footpath Construction	41,071	26,226.97	14,844	Works not completed
Black Spot Road Design	313,350	286,436.86	26,913	Lower than expected cost
Roads To Recovery Supplementary Program	140,275	167,176.14	(26,901)	Higher than expected costs
Grant - Roads To Recovery	(486,640)	(475,485.00)	(11,155)	Lower than expected grant
Grant - Black Spot Funding	(170,536)	(144,901.00)	(25,635)	Lower than expected grant
Street Cleaning	75,512	84,564.89	(9,053)	Over expenditure
Street Trees	50,000	38,576.42	11,424	Under expenditure
Road Maintenance	508,053	826,003.10	(217,397)	Over expenditure
Depreciation	1,137,716	1,145,902.24	(8,186)	Variation from Budget Calculation
Tray Back Utility (DI 194)	24,717	0.00	24,717	Not purchased
AWD Wagon (Works Manager) - DI281	37,744	0.00	37,744	No changeover
Multi-Tyred Self-Propelled Roller (DI203)	150,000	180,000.00	(30,000)	Higher than expected costs
Dual Cab Utility - Ws (New)	33,750	0.00	33,750	Not purchased
Profit On Sale Of Assets	(64,540)	(28,062.82)	(36,477)	Vehicles not changed over
Proceeds - (DI 194) Toyota Hilux Dual Cab Ute	(12,850)	0.00	(12,850)	Not purchased
Proceeds - (DI 764) Isuzu Prime Mover	(25,000)	0.00	(25,000)	Not purchased
Proceeds - (DI 3367) Haulmore Low Loader	(10,000)	0.00	(10,000)	Not purchased
Proceeds - (DI 281) Holden Adv/Ford Territory	(33,100)	0.00	(33,100)	Not purchased
Realisation Of Asset - DI 194	12,850	0.00	12,850	Not purchased
Realisation Of Asset - DI 764	25,000	0.00	25,000	Not purchased
Realisation Of Asset - DI 3367	10,000	0.00	10,000	Not purchased

Noxious Weeds/Pests	12,082	2,828.48	9,254	Lower than expected costs
Caravan Park Management - Salaries/Wages Etc	42,796	33,587.97	9,208	Lower than expected costs
Tourism Development & Promotion	35,755	26,853.46	8,902	Projects not complete
Housing Maintenance At Caravan Park	8,457	14,365.75	(5,909)	Repairs that were not foreseeable
Tourist Information Board Update	7,200	0.00	7,200	Project not complete
Dalwallinu Caravan Park Fees	(29,340)	(43,900.45)	14,560	Higher than expected income
Dalwallinu Caravan Park Unit Fees	(19,460)	(32,902.96)	13,443	Higher than expected income
Loss On Sale Of Assets	55,166	17,668.54	37,497	Change-overs not completed
Promotions & Functions	13,800	2,967.29	10,833	Less functions than anticipated
Central Midlands VROC	18,000	10,444.00	7,556	Yearly commitment not yet called for
Proceeds Of Sale Of Industrial Land	(30,000)	(41,548.36)	11,548	Land sold for more than budgeted
Proceeds Of Sale Wasley Street	0	(49,046.30)	49,046	Unbudgeted land sale
Realisation Of Assets - Industrial Land	30,000	41,548.00	(11,548)	Higher than expected income
Private Works	10,461	23,026.94	(12,566)	Additional Private Works Completed
Private Works Income	(16,689)	(32,094.30)	15,405	Private works at DCEC not in budget
Gross Salaries & Wages	2,217,366	2,239,622.73	(22,257)	Influence of various vacancies
Less Salaries Allocated	(2,217,366)	(2,239,622.73)	22,257	Influence of various vacancies
Workers Compensation Payments	0	6,240.06	(6,240)	Unbudgeted
Workers Comp Reimbursements	0	(9,196.22)	9,196	Unbudgeted payments from insurance company
Works Supervisor Expenses - Salaries Etc	160,624	67,300.40	23,324	Influence of various vacancies
Superannuation	129,673	97,148.72	32,524	Influence of various vacancies
Workers Compensation Insurance	64,482	55,008.00	9,474	Influence of various vacancies
Annual Leave	71,249	57,753.26	13,496	Influence of various vacancies
Sick Leave	35,624	16,853.87	18,770	Lower than expected sick leave
Occupational Health & Safety	10,000	17,689.44	(7,689)	Higher than expected costs
Training/Conferences	25,520	2,181.82	23,338	Less training that expected undertaken
Parts & Repairs	112,323	83,922.94	28,400	Savings
Fuels & Oils	328,282	288,502.73	39,779	Savings resulting from variations in fuel price
Depreciation	432,674	421,084.48	11,590	Depreciation lower than expected due not purchasing additional vehicles, not changing over fully depreciated vehicles
Sale Of Scrap	(100)	(9,050.87)	8,951	Unbudgeted scrap sales

STATISTICAL COMPARISON REPORT FOR SIX YEARS

FOR THE YEAR ENDED 30TH JUNE 2009

	2003/04 ACTUAL	2004/05 ACTUAL	2005/06 ACTUAL	2006/07 ACTUAL	2007/08 ACTUAL	2008/2009 ACTUAL
RATE REVENUE						
Income/Receipts	1,573,254	1,647,622	1,734,063	1,801,308	1,881,012	1,968,774
Increase/Decrease on Previous Year	2,040	74,368	86,441	67,245	79,704	87,762
% Increase/Decrease on Previous Year	0.13%	4.73%	5.25%	3.88%	4.42%	4.67%
LOAN REPAYMENTS (all loans)						
Principal & Interest	157,016	160,905	157,285	132,381	130,667	142,206
Increase/Decrease on Previous Year	14,289	3,889	-3,620	-24,904	-1,714	11,539
% Increase/Decrease on Previous Year	10.01%	2.48%	-2.25%	-15.83%	-1.29%	8.83%
% Revenue (Rate)	9.98%	9.77%	9.07%	7.35%	6.95%	7.22%
LOAN PRINCIPAL OUTSTANDING (excl Self Supporting)						
Balance at 1 July	803,347	794,913	692,911	567,238	481,665	386,534
Balance at 30 June	794,913	692,911	567,238	481,665	386,534	1,753,774
Increase/Decrease on Previous Year	-8,434	-102,002	-125,673	-85,573	-95,131	1,367,240
% Increase/Decrease on Previous Year	-1.05%	-12.83%	-18.14%	-15.09%	-19.75%	353.72%
SALARIES AND WAGES						
Salaries	661,537	599,512	852,035	962,067	979,299	1,303,429
Wages	869,583	870,417	789,473	869,549	869,830	936,194
Total Payroll	1,531,120	1,469,929	1,641,508	1,831,616	1,849,129	2,239,623

% Increase/Decrease on Previous Year	-7.06%	-4.00%	11.67%	11.58%	0.96%	21.12%
% Revenue (Rate)	97%	89%	95%	102%	98%	114%

GRANTS COMMISSION GENERAL PURPOSE GRANT

Amount Received	685,432	735,565	742,855	759,858	804,065	869,448
Increase/Decrease on Previous Year	47,653	50,133	7,290	17,003	44,207	65,383
% Increase/Decrease on Previous Year	7.47%	7.31%	0.99%	2.29%	5.82%	8.13%

FEDERAL/STATE ROAD GRANTS

Amount Received	1,691,261		2,051,563	1,629,587	1,900,079	1,998,882
		1,609,230				
Increase/Decrease on Previous Year	89,113	-82,031	442,333	-421,976	270,492	98,803
% Increase/Decrease on Previous Year	5.56%	-4.85%	27.49%	-20.57%	16.60%	5.20%

PERFORMANCE INDICATOR

Total Accum. Balance 1 July	25,294,117	26,554,436	27,555,372	29,436,014	30,455,575	31,357,521
Total Accum. Balance 30 June	26,554,436	27,555,372	29,436,014	30,455,575	31,357,521	33,446,086
Increase/Decrease on Previous Year	1,260,319	1,000,936	1,880,642	1,019,561	901,946	2,088,565
% Increase/Decrease on Previous Year	4.98%	3.77%	6.82%	3.46%	2.96%	6.66%
Accum. Surplus per Resident \$	15,208	17,309	18,432	19,070	19,635	24,449 ***

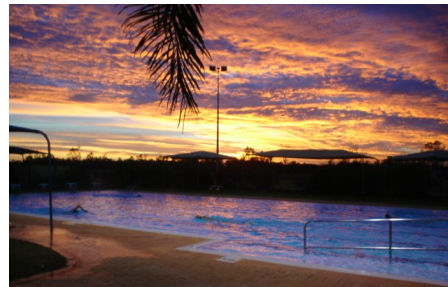
*Please note that the General Purpose Grant payment received in advance on 26th June 2009 will be included in the 09/10 year.

**Please note that the Untied Road Grant payment received in advance on 26th June 2009 will be included in the 09/10 year.

***Please note that population has fallen from 1,597 to 1,368 after the last Census



SHIRE OF DALWALLINU



Financial Statements To the Year Ending 30th June 2009

SHIRE OF DALWALLINU
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

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SHIRE OF DALWALLINU
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Dalwallinu being the annual financial report and other information for the financial year ended 30th June 2009 are in my opinion properly drawn up to present fairly the financial position of the Shire of Dalwallinu at 30th June 2009 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 on the 6th day of January 2010.

Peter J Crispin
Chief Executive Officer

SHIRE OF DALWALLINU
INCOME STATEMENT
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2009

	NOTE	2009 \$	2009 Budget \$	2008 \$
REVENUES FROM ORDINARY ACTIVITIES				
Rates	22	1,968,774	1,968,741	1,867,682
Operating Grants, Subsidies and Contributions	28	2,577,575	1,946,738	2,000,673
Fees and Charges	27	1,347,842	1,314,542	1,231,445
Interest Earnings	2(a)	94,275	139,832	148,055
Other Revenue		21,567	13,920	13,093
		<u>6,010,033</u>	<u>5,383,773</u>	<u>5,260,948</u>
EXPENSES FROM ORDINARY ACTIVITIES				
Employee Costs		(2,031,339)	(1,715,002)	(1,885,806)
Materials and Contracts		(1,491,691)	(1,171,668)	(2,099,429)
Utility Charges		(228,024)	(253,118)	(217,208)
Depreciation on Non-Current Assets	2(a)	(1,991,307)	(2,019,038)	(1,974,813)
Interest Expenses	2(a)	(50,445)	(100,334)	(35,536)
Insurance Expenses		(103,103)	(190,022)	(108,142)
Other Expenditure		(88,406)	(216,573)	(80,535)
		<u>(5,984,315)</u>	<u>(5,665,755)</u>	<u>(6,401,469)</u>
		25,718	(281,982)	(1,140,521)
Non-Operating Grants, Subsidies and Contributions	28	2,013,652	1,996,319	1,957,899
Profit on Asset Disposals	20	28,792	73,590	172,093
Loss on Asset Disposal	20	(25,344)	(61,028)	(44,008)
NET RESULT		<u>2,042,818</u>	<u>1,726,899</u>	<u>945,463</u>

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

SHIRE OF DALWALLINU
INCOME STATEMENT
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2009

	NOTE	2009 \$	2009 Budget \$	2008 \$
REVENUES FROM ORDINARY ACTIVITIES				
	2 (a)			
Governance		6,971	2,068	1,293
General Purpose Funding		4,384,664	3,827,588	3,754,776
Law, Order, Public Safety		147,140	29,227	28,274
Health		758,567	771,400	639,579
Education and Welfare		0	634	0
Housing		74,296	100,419	89,121
Community Amenities		287,824	270,874	266,820
Recreation and Culture		1,005,001	1,143,072	34,434
Transport		1,071,285	1,144,178	1,208,248
Economic Services		234,741	122,292	1,311,677
Other Property and Services		81,987	41,930	56,718
		<u>8,052,476</u>	<u>7,453,682</u>	<u>7,390,940</u>
EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING BORROWING COSTS EXPENSE				
	2 (a)			
Governance		(326,091)	(331,692)	(261,391)
General Purpose Funding		(159,842)	(166,872)	(156,618)
Law, Order, Public Safety		(61,458)	(82,972)	(86,543)
Health		(1,033,780)	(826,326)	(744,493)
Education and Welfare		(7,286)	(11,401)	(7,281)
Housing		(110,489)	(226,011)	(112,122)
Community Amenities		(421,329)	(421,797)	(470,819)
Recreation & Culture		(938,825)	(875,995)	(734,237)
Transport		(2,267,429)	(1,998,903)	(2,111,755)
Economic Services		(578,605)	(667,473)	(1,707,179)
Other Property and Services		(54,079)	(17,007)	(17,503)
		<u>(5,959,213)</u>	<u>(5,626,449)</u>	<u>(6,409,941)</u>
BORROWING COSTS EXPENSE				
Governance		(8,387)	(8,387)	(12,182)
Housing		(7,216)	(16,053)	(822)
Community Amenities		(21,994)	(22,250)	(22,532)
Recreation and Culture		(12,848)	(53,644)	0
	2 (a)	<u>(50,445)</u>	<u>(100,334)</u>	<u>(35,536)</u>
NET RESULT		<u><u>2,042,818</u></u>	<u><u>1,726,899</u></u>	<u><u>945,463</u></u>

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

**SHIRE OF DALWALLINU
BALANCE SHEET
AS AT 30TH JUNE 2009**

	NOTE	2009 \$	2008 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	2,887,352	1,548,704
Trade and Other Receivables	4	596,032	212,385
Inventories	5	72,647	43,705
TOTAL CURRENT ASSETS		3,556,031	1,804,794
NON-CURRENT ASSETS			
Other Receivables	4	18,257	0
Property, Plant and Equipment	6	13,269,730	12,156,684
Infrastructure	7	91,360,576	91,225,024
TOTAL NON-CURRENT ASSETS		104,648,563	103,381,708
TOTAL ASSETS		108,204,594	105,186,502
CURRENT LIABILITIES			
Trade and Other Payables	8	631,301	356,084
Current Portion of Long Term Borrowings	9	152,159	91,761
Provisions	10	302,212	219,957
TOTAL CURRENT LIABILITIES		1,085,672	667,802
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	1,601,614	303,774
Provisions	10	42,119	27,270
TOTAL NON-CURRENT LIABILITIES		1,643,733	331,044
TOTAL LIABILITIES		2,729,405	998,846
NET ASSETS		105,475,189	104,187,656
EQUITY			
Retained Surplus		33,446,086	31,357,521
Reserves - Cash Backed	11	709,339	755,086
Reserves - Asset Revaluation	12	71,319,764	72,075,049
TOTAL EQUITY		105,475,189	104,187,656

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 2009**

	NOTE	2009 \$	2008 \$
RETAINED SURPLUS			
Balance as at 1 July 2008		31,357,521	30,455,575
Net Result		2,042,818	945,463
Transfer from/(to) Reserves		45,747	(43,517)
Balance as at 30 June 2009		<u>33,446,086</u>	<u>31,357,521</u>
RESERVES - CASH BACKED			
Balance as at 1 July 2008		755,086	711,569
Amount Transferred (to)/from Retained Surplus		(45,747)	43,517
Balance as at 30 June 2009	11	<u>709,339</u>	<u>755,086</u>
RESERVES - ASSET REVALUATION			
Balance as at 1 July 2008		72,075,049	72,916,969
Revaluation Increment		0	0
Revaluation Decrement		(755,285)	(841,920)
Balance as at 30 June 2009	12	<u>71,319,764</u>	<u>72,075,049</u>
TOTAL EQUITY		<u>105,475,189</u>	<u>104,187,656</u>

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

**SHIRE OF DALWALLINU
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2009**

	NOTE	2009 \$	2009 Budget \$	2008 \$
Cash Flows From Operating Activities				
Receipts				
Rates		1,957,765	1,968,741	1,860,450
Operating Grants, Subsidies and Contributions		2,577,575	1,929,280	2,000,673
Fees and Charges		959,358	1,329,542	1,327,191
Interest Earnings		94,476	139,846	148,055
Goods and Services Tax		514,589	200,000	549,795
Other Revenue		21,366	13,466	13,093
		<u>6,125,129</u>	<u>5,580,875</u>	<u>5,899,257</u>
Payments				
Employee Costs		(1,919,982)	(1,585,799)	(1,925,870)
Materials and Contracts		(1,278,755)	(1,130,352)	(2,212,066)
Utility Charges		(228,024)	(253,118)	(217,208)
Insurance Expenses		(103,103)	(190,022)	(108,142)
Interest expenses		(31,360)	(100,334)	(36,309)
Goods and Services Tax		(500,000)	(550,000)	(539,437)
Other Expenditure		(88,406)	(57,815)	(80,535)
		<u>(4,149,630)</u>	<u>(3,867,440)</u>	<u>(5,119,567)</u>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>1,975,499</u>	<u>1,713,435</u>	<u>779,690</u>
Cash Flows from Investing Activities				
Payments for Purchase of Property, Plant & Equipment		(1,887,114)	(4,177,940)	(1,232,982)
Payments for Construction of Infrastructure		(2,240,269)	(2,497,851)	(2,151,725)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		2,013,652	1,996,319	1,957,899
Proceeds from Sale of Non Current Assets		135,641	337,150	476,171
Proceeds from Self Supporting Loans		3,000	3,000	6,000
Advances to Community Groups		(20,000)	0	0
Net Cash Provided By (Used In) Investing Activities		<u>(1,995,090)</u>	<u>(4,339,322)</u>	<u>(944,637)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(91,761)	(125,231)	(95,130)
Proceeds from New Debentures		1,450,000	2,000,000	0
Net Cash Provided By (Used In) Financing Activities		<u>1,358,239</u>	<u>1,874,769</u>	<u>(95,130)</u>
Net Increase (Decrease) in Cash Held		<u>1,338,648</u>	<u>(751,118)</u>	<u>(260,077)</u>
Cash at Beginning of Year		1,548,704	1,906,550	1,808,781
Cash and Cash Equivalents at the End of the Year	13(a)	<u><u>2,887,352</u></u>	<u><u>1,155,432</u></u>	<u><u>1,548,704</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 2009**

	NOTE	2009 \$	2009 Budget \$
REVENUES			
Governance		6,971	2,068
General Purpose Funding		2,415,890	1,858,847
Law, Order, Public Safety		147,140	29,227
Health		758,567	771,400
Education and Welfare		0	634
Housing		74,296	100,419
Community Amenities		287,824	270,874
Recreation and Culture		1,005,001	1,143,072
Transport		1,071,285	1,144,178
Economic Services		234,741	122,292
Other Property and Services		81,987	41,930
		6,083,702	5,484,941
EXPENSES			
Governance		(334,477)	(340,079)
General Purpose Funding		(159,843)	(166,872)
Law, Order, Public Safety		(61,458)	(82,972)
Health		(1,033,780)	(826,326)
Education and Welfare		(7,286)	(11,401)
Housing		(117,705)	(242,064)
Community Amenities		(443,323)	(444,047)
Recreation & Culture		(951,673)	(929,639)
Transport		(2,267,429)	(1,998,903)
Economic Services		(578,605)	(667,473)
Other Property and Services		(54,079)	(17,007)
		(6,009,658)	(5,726,783)
Adjustments for Cash Budget Requirements:			
Non-Cash Expenditure and Revenue			
(Profit)/Loss on Asset Disposals	20	(3,448)	(12,562)
Movement in Accrued Interest		19,085	0
Movement in Accrued RDO		(6,634)	0
Movement in Accrued Salaries and Wages		14,254	0
Movement in Employee Benefit Provisions		97,104	0
Depreciation and Amortisation on Assets	2(a)	1,991,307	2,019,038
Capital Expenditure and Revenue			
Purchase Land and Buildings	6	(1,446,471)	(3,281,682)
Purchase Infrastructure Assets - Roads	7	(2,085,600)	(2,156,727)
Purchase Infrastructure Assets - Other	7	(154,669)	(129,952)
Purchase Infrastructure Assets - Parks	7	0	(3,900)
Purchase Infrastructure Assets - Gardens	7	0	(207,272)
Purchase Plant and Equipment	6	(380,198)	(844,429)
Purchase Furniture and Equipment	6	(60,445)	(51,829)
Proceeds from Disposal of Assets	20	135,641	337,150
Repayment of Debentures	21	(91,761)	(125,231)
Proceeds from New Debentures	21	1,450,000	2,000,000
Advances to Community Groups		(20,000)	0
Self-Supporting Loan Principal Income		3,000	3,000
Transfers to Reserves (Restricted Assets)	11	(126,201)	(127,868)
Transfers from Reserves (Restricted Assets)	11	171,948	110,000
ADD Surplus/(Deficit) July 1 B/Fwd		730,483	745,365
LESS Surplus/(Deficit) June 30 C/Fwd		2,280,213	0
Amount Required to be Raised from Rates	22	(1,968,774)	(1,968,741)

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 2009

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this financial report are:

(a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying regulations (as amended).

The report has also been prepared on the accrual basis under the convention of historical cost accounting as modified by the accounting treatment relating to the revaluation of financial assets and liabilities at fair value through profit and loss and certain classes of non-current assets.

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 this experience and other factors combine to form the basis of making judgements about carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

(b) The Local Government Reporting Entity

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

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

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 19 to this financial report.

(c) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables in the Balance Sheet are stated inclusive of applicable GST.

(d) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities on the balance sheet.

(e) Trade and Other Receivables

Trade receivables, which generally have 30 - 90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for uncollectible amounts.

Collectibility of trade 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.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Inventories

General

Inventories are valued 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. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months.

Land Held for Resale

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

Revenue arising from the sale of property is recognised in the Income Statement as at the time of signing a binding contract of sale.

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

(g) Fixed Assets

Initial Recognition

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

Revaluation

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on a basis to reflect the already consumed or expired future economic benefits.

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

Land under Roads

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

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

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

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

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Depreciation of Non-Current Assets

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

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

Buildings	40 years
Furniture and Equipment - Electrical	5 years
Furniture and Equipment - Other	10 years
Motor Vehicle - Passenger	5 years
Light Vehicles - 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 - Parks and Ovals	10-40 years
Infrastructure Assets - Gardens	not depreciated
Infrastructure Assets - Other Structures	20-50 years

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Investments and Other Financial Assets

Classification

Council classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current 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. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. If Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Investments and Other Financial Assets (Continued)

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue from continuing operations when Council's right to receive payments is established. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Impairment

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss- measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

(j) Estimation of Fair Value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Impairment

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

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 '*Impairment of Assets*' and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

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.

(l) Trade and Other Payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the municipality has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

(ii) Long Service Leave (Long-term Benefits)

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

(n) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Provisions

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(p) 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 municipality, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under 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.

(q) Joint Venture

The municipality's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the relevant items reported in the Balance Sheet and Income Statement. Information about the joint venture is set out in Note 16.

(r) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

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

(s) Superannuation

The Council contributes to the Local Government Superannuation Scheme and the Occupational Superannuation Fund. Both funds are defined contribution schemes.

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Current and Non-Current Classification

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

(u) Rounding Off Figures

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

(v) Comparative Figures

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

(w) Budget Comparative Figures

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2009

Council's assessment of these new standards and interpretations is set out below:

	Title and Topic	Issued	Applicable (*)	Impact
(i)	AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8	February 2007	1 January 2009	Nil – The Standard is not applicable to not-for-profit entities.
(ii)	Revised AASB 123 Borrowing Costs (includes AASB 2009-1) and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	June 2007 and April 2009	1 January 2009	Nil – There have been two revisions to the Standard. The first removed the option to expense all borrowing costs and required the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. The second (AASB2009-1) reinstated the choice to either expense or capitalise in the case of not-for-profit entities. There will be no impact on the financial report of the Council as it already capitalises borrowing costs relating to qualifying assets and will continue to do so.
(iii)	Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101	September 2007 and December 2007	1 January 2009	Nil – The revised Standard requires the presentation of a Statement of comprehensive income and makes changes to the Statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If Council has made a prior period adjustment or has reclassified items in the financial statements, it is likely it will need to disclose a third balance sheet (Statement of Financial Position), being as at the beginning of the comparative period.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations (Continued)

	Title and Topic	Issued	Applicable (*)	Impact
(iv)	AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project	July 2008	1 January 2009	Nil – The revisions are part of the AASBs annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRSs.
	AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	July 2008	1 July 2009	The revisions embodied in these standards relate largely to terminology or editorial comments and will have a minimal effect on the accounting practices of the Council. It is not anticipated the more significant changes will have any effect on the financial report as the topics are not relevant to the operations of the Council.
(v)	AASB 2008-11 Amendments to Australian Accounting Standard – Business Considerations Among Not-for-Profit Entities	November 2008	1 July 2009	Nil – Whilst this standard has the effect of applying AASB 3 Business Combinations to the Not-for-Profit sector, specific provisions are provided in respect of local government. These specific provisions are very similar to the previous requirements of AAS 27.
(vi)	AASB 2008-1 Amendments to Australian Accounting Standard – Share-Based Payments: Vesting Conditions and Cancellations	February 2008	1 January 2009	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
	AASB 2008-2 Amendments to Australian Accounting Standards Puttable Financial Instruments and Obligations Arising on Liquidation	March 2008	1 January 2009	

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations (Continued)

Title and Topic	Issued	Applicable (*)	Impact
(vi) (Continued)			
AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	March 2008	1 January 2009	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2007-7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	July 2008	1 January 2009	
AASB 2008-8 Amendments to Australian Accounting Standards – Eligible Hedged Items	August 2008	1 July 2009	
AASB 2008-9 Amendments to AASB 1049 for Consistency with AASB 101	September 2008	1 January 2009	
AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-Cash Assets to Owners	December 2008	1 July 2009	
Interpretation 1 – Changes in Existing, Decommissioning, Restoration and Similar Liabilities	June 2007	1 January 2009	

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations (Continued)

Title and Topic (vi) (Continued)	Issued	Applicable (*)	Impact
Interpretation 12 – Service Concession Arrangements	June 2007	1 January 2009	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
Interpretation 15 – Agreements for the Construction of Real Estate	August 2008	1 January 2009	
Interpretation 16 – Hedges of a Net Investment in a Foreign Operation	August 2008	1 October 2008	
Interpretation 17 – Distributions of Non-Cash Assets to Owners	December 2008	1 July 2009	
Interpretation 18 – Transfers of Assets from Customers	March 2009	Ending 1 July 2009	

Notes:

(*) - 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 2009

2. REVENUES AND EXPENSES

	2009		2008
	\$		\$
(a) Result from Ordinary Activities			
The Result from Ordinary Activities includes:			
(i) Charging as an Expense:			
Auditors Remuneration			
- Audit	10,250		9,533
- Other Services	5,800		5,700
Depreciation			
Buildings	318,692		311,643
Furniture and Equipment	47,992		48,656
Plant and Equipment	458,597		468,349
Roads	1,075,840		1,058,699
Other Infrastructure	86,277		83,902
Parks and Ovals	3,909		3,564
	<u>1,991,307</u>		<u>1,974,813</u>
Interest Expenses			
Debentures (<i>refer Note 21(a)</i>)	50,445		35,536
	<u>50,445</u>		<u>35,536</u>
(ii) Crediting as Revenue:			
	2009	2009	2008
	\$	Budget	\$
		\$	
Interest Earnings			
Investments			
- Reserve Funds	33,664	45,353	43,517
- Other Funds	51,140	88,803	97,763
Other Interest Revenue (<i>refer note 26</i>)	9,471	5,676	6,775
	<u>94,275</u>	<u>139,832</u>	<u>148,055</u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

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

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

GOVERNANCE

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

GENERAL PURPOSE FUNDING

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

LAW, ORDER, PUBLIC SAFETY

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

HEALTH

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

EDUCATION AND WELFARE

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

HOUSING

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

COMMUNITY AMENITIES

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

RECREATION AND CULTURE

Provision of facilities and support for organisations concerned with leisure time activities and sport, support for performing and creative arts and preservation of the natural estate. This includes the maintenance of halls, aquatic centres, recreation and community centres, parks gardens, sports grounds and operation of libraries.

TRANSPORT

Construction, maintenance and cleaning of streets, road, bridges, drainage works, footpaths, parking facilities and traffic signs, cleaning and lighting of streets, depot maintenance and airstrip maintenance.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

ECONOMIC SERVICES

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

OTHER PROPERTY & SERVICES

Administration of private works operation, 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.

(c) Conditions Over Contributions

Grants recognised as revenues in a previous reporting period which were not expended at the close of the previous reporting period (ie opening balances).

Grants for R2R Extra Funding	189,239	399,239
Grants for Dalwallinu Community and Enterprise Centre	17,500	17,500
Grants for Spritely Seniors	0	16,520
	<u>206,739</u>	<u>433,259</u>

Add:

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

RLCIP	100,000	0
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Less:

Grants which were recognised as revenues in a previous reporting period and which were expended in the current reporting period in the manner specified by the contributor.

Grants for R2R Extra Funding	(189,239)	(210,000)
Grants for Spritely Seniors	0	(16,520)
	<u>117,500</u>	<u>206,739</u>

Closing balances of unexpended grants

Comprises:

Grants for Dalwallinu Community and Enterprise Centre	17,500	17,500
Grants for R2R Extra Funding	0	189,239
RLCIP	100,000	0
	<u>117,500</u>	<u>206,739</u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	1,334,566	586,879
Restricted	1,552,786	961,825
	<u>2,887,352</u>	<u>1,548,704</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Leave Reserve	153,000	194,335
Plant Reserve	60,282	57,710
Joint Venture Housing Reserve	111,128	86,453
Aged Persons Housing Reserve	71,022	67,992
Sewerage Scheme Reserve	194,135	136,338
Johnston Street, Dalwallinu Reserve	99,772	95,514
Dalwallinu Town Hall Roof Reserve	0	116,744
Townscape Reserve	20,000	0
Unspent Loan	725,947	0
Unspent Grants	117,500	206,739
	<u>1,552,786</u>	<u>961,825</u>
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates Debtors Outstanding	42,885	31,876
Sundry Debtors (See note (a) below)	551,204	162,720
GST Receivable	0	14,589
Prepayments	200	200
Loans - Clubs/Institutions	1,743	3,000
	<u>596,032</u>	<u>212,385</u>
(a) Included in the Sundry Debtors balance of \$551,204 in 2009 is \$401,274 of money owing in relation to the 2008/09 Royalties for Regions Grant Funding. Whilst this amount is yet to be received, it is considered restricted in nature.		
Non-Current		
Loans - Clubs/Institutions	18,257	0
	<u>18,257</u>	<u>0</u>
5. INVENTORIES		
Current		
Fuel and Materials	43,445	20,951
Medical Centre Pharmaceuticals	29,202	22,754
	<u>72,647</u>	<u>43,705</u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008
	\$	\$
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings - Cost	14,781,101	13,291,487
Less Accumulated Depreciation	<u>(3,761,733)</u>	<u>(3,475,041)</u>
	11,019,368	9,816,446
 Furniture and Equipment - Cost	 736,275	 704,370
Less Accumulated Depreciation	<u>(575,337)</u>	<u>(546,905)</u>
	160,938	157,465
 Plant and Equipment - Cost	 4,641,795	 4,422,619
Less Accumulated Depreciation	<u>(2,552,371)</u>	<u>(2,239,846)</u>
	2,089,424	2,182,773
	<u><u>13,269,730</u></u>	<u><u>12,156,684</u></u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

The following represents the movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land	Furniture & Equipment	Plant & Equipment	Buildings	Total
	\$	\$	\$		\$
Balance as at 1 July 2008	772,216	157,465	2,182,773	9,044,230	12,156,684
Additions	0	60,445	380,198	1,446,471	1,887,114
(Disposals)	(60,263)	(8,980)	(14,950)	(48,000)	(132,193)
Impairment - (losses)	0	0	0	0	0
- reversals	0	0	0	0	0
Depreciation (Expense)	0	(47,992)	(458,597)	(318,692)	(825,281)
Other Movements	0	0	0	183,406	183,406
Balance as at 30 June 2009	<u>711,953</u>	<u>160,938</u>	<u>2,089,424</u>	<u>10,307,415</u>	<u>13,269,730</u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008
	\$	\$
7. INFRASTRUCTURE		
Roads - Management Valuation 2009	107,457,582	0
Roads - Management Valuation 2008	0	106,794,443
Less Accumulated Depreciation	<u>(17,621,574)</u>	<u>(17,212,910)</u>
	89,836,008	89,581,533
 Other Structures - Cost	 2,005,138	 2,033,875
Less Accumulated Depreciation	<u>(687,871)</u>	<u>(601,594)</u>
	1,317,267	1,432,281
 Parks and Ovals - Cost	 159,688	 159,688
Less Accumulated Depreciation	<u>(31,232)</u>	<u>(27,323)</u>
	128,456	132,365
 Gardens - Cost	 78,845	 78,845
	<u>91,360,576</u>	<u>91,225,024</u>

Council have adopted a policy of re-valuing roads annually to ensure the carrying amount of each road asset is fairly stated at reporting date.

This policy accords with the requirements of AASB 116.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

7. INFRASTRUCTURE (Continued)

Movements in Carrying Amounts

The following represents the movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year.

	Roads	Other		Parks &	Total
	\$	Infrastructure	Gardens	Ovals	\$
	\$	\$	\$	\$	\$
Balance as at 1 July 2008	89,581,533	1,432,281	78,845	132,365	91,225,024
Additions	2,085,600	154,669	0	0	2,240,269
(Disposals)	0	0	0	0	0
Revaluation - Increments	0	0	0	0	0
- (Decrements)	(755,285)	0	0	0	(755,285)
Impairment - (losses)	0	0	0	0	0
- reversals	0	0	0	0	0
Depreciation (Expense)	(1,075,840)	(86,277)	0	(3,909)	(1,166,026)
Other Movements	0	(183,406)	0	0	(183,406)
Balance as at 30 June 2009	<u>89,836,008</u>	<u>1,317,267</u>	<u>78,845</u>	<u>128,456</u>	<u>91,360,576</u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	564,737	316,225
Accrued Interest on Debentures	30,538	11,453
Accrued RDO's	13,770	20,404
Accrued Salaries and Wages	22,256	8,002
	<u>631,301</u>	<u>356,084</u>
9. LONG-TERM BORROWINGS		
Current		
Secured by Floating Charge		
Debentures	152,159	91,761
	<u>152,159</u>	<u>91,761</u>
Non-Current		
Secured by Floating Charge		
Debentures	1,601,614	303,774
	<u>1,601,614</u>	<u>303,774</u>
Additional detail on borrowings is provided in Note 21.		
10. PROVISIONS		
Current		
Provision for Annual Leave	174,992	177,236
Provision for Long Service Leave	127,220	42,721
	<u>302,212</u>	<u>219,957</u>
Non-Current		
Provision for Long Service Leave	42,119	27,270
	<u>42,119</u>	<u>27,270</u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2009	2008
	\$	Budget	\$
		\$	
11. RESERVES - CASH BACKED			
(a) Leave Reserve			
Opening Balance	194,335	194,335	183,134
Amount Set Aside / Transfer to Reserve	8,665	12,146	11,201
Amount Used / Transfer from Reserve	(50,000)	(50,000)	0
	<u>153,000</u>	<u>156,481</u>	<u>194,335</u>
(b) Plant Reserve			
Opening Balance	57,710	57,708	148,619
Amount Set Aside / Transfer to Reserve	2,572	3,607	4,496
Amount Used / Transfer from Reserve	0	0	(95,405)
	<u>60,282</u>	<u>61,315</u>	<u>57,710</u>
(c) Joint Venture Housing Reserve			
Opening Balance	86,453	79,644	66,967
Amount Set Aside / Transfer to Reserve	24,675	25,799	19,486
Amount Used / Transfer from Reserve	0	0	0
	<u>111,128</u>	<u>105,443</u>	<u>86,453</u>
(d) Aged Persons Housing Reserve			
Opening Balance	67,992	67,993	64,076
Amount Set Aside / Transfer to Reserve	3,030	4,250	3,916
Amount Used / Transfer from Reserve	0	(60,000)	0
	<u>71,022</u>	<u>12,243</u>	<u>67,992</u>
(e) Sewerage Scheme Reserve			
Opening Balance	136,338	113,712	95,867
Amount Set Aside / Transfer to Reserve	57,797	48,801	40,471
Amount Used / Transfer from Reserve	0	0	0
	<u>194,135</u>	<u>162,513</u>	<u>136,338</u>
(f) Johnston St, Dalwallinu Reserve			
Opening Balance	95,514	95,513	71,162
Amount Set Aside / Transfer to Reserve	4,258	5,969	24,352
Amount Used / Transfer from Reserve	0	0	0
	<u>99,772</u>	<u>101,482</u>	<u>95,514</u>
(g) Dalwallinu Town Hall Roof Reserve			
Opening Balance	116,744	116,744	81,744
Amount Set Aside / Transfer to Reserve	5,204	7,296	35,000
Amount Used / Transfer from Reserve	(121,948)	0	0
	<u>0</u>	<u>124,040</u>	<u>116,744</u>
(h) Townscape Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	20,000	20,000	0
Amount Used / Transfer from Reserve	0	0	0
	<u>20,000</u>	<u>20,000</u>	<u>0</u>
TOTAL CASH BACKED RESERVES	<u>709,339</u>	<u>743,517</u>	<u>755,086</u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

11. RESERVES - CASH BACKED (Continued)

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

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

Leave Reserve

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

Plant Reserve

- to be used for the purchase of major plant.

Joint Venture Housing Reserve

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

Aged Persons Housing Reserve

- to be used for the construction and maintenance of aged persons housing.

Sewerage Scheme Reserve

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

Johnston St, Dalwallinu Reserve

- to be used for lighting in Johnston Street, Dalwallinu.

Dalwallinu Town Hall Roof Reserve

- to be used for the replacement of the Dalwallinu Town Hall Roof.

Townscape Reserve

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

The Leave, Plant, Joint Venture, Aged Persons Housing, Sewerage Scheme and Townscape reserves are not expected to be used within a set period as further funds will be transferred to/from the reserve accounts as funds are utilised.

The Johnston St, Dalwallinu reserve is expected to be utilised within the next 2-3 years.

The Dalwallinu Town Hall Roof reserve was utilised during the current financial year.

12. RESERVES - ASSET REVALUATION

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

(a) Land and Buildings

Balance as at 1 July 2008	3,679,953	3,679,953
Revaluation Increment	0	0
Revaluation Decrement	0	0
Balance as at 30 June 2009	3,679,953	3,679,953

(b) Plant

Balance as at 1 July 2008	37,125	37,125
Revaluation Increment	0	0
Revaluation Decrement	0	0
Balance as at 30 June 2009	37,125	37,125

(c) Furniture and Fittings

Balance as at 1 July 2008	195	195
Revaluation Increment	0	0
Revaluation Decrement	0	0
Balance as at 30 June 2009	195	195

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

12. RESERVES - ASSET REVALUATION (Continued)

	2009	2008
	\$	\$
(d) Roads		
Balance as at 1 July 2008	68,357,776	69,199,696
Revaluation Increment	0	0
Revaluation Decrement	(755,285)	(841,920)
Balance as at 30 June 2009	<u>67,602,491</u>	<u>68,357,776</u>
TOTAL ASSET REVALUATION RESERVES	<u>71,319,764</u>	<u>72,075,049</u>

13. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of Cash

For the purposes of the cash flow statement, cash includes cash on hand and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the balance sheet as follows:

	2009	2009	2008
	\$	Budget	\$
		\$	
Cash and Cash Equivalents	<u>2,887,352</u>	<u>1,155,432</u>	<u>1,548,704</u>
(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net Result	2,042,818	1,726,899	945,463
Depreciation	1,991,307	2,019,038	1,974,813
(Profit)/Loss on Sale of Asset	(3,448)	(12,562)	(128,085)
(Increase)/Decrease in Receivables	(384,904)	29,933	98,872
(Increase)/Decrease in Inventories	(28,942)	(1,092)	6,843
Increase/(Decrease) in Payables	275,216	(54,050)	(140,849)
Increase/(Decrease) in Employee Provisions	97,104	1,588	(19,468)
Grants/Contributions for the Development of Assets	(2,013,652)	(1,996,319)	(1,957,899)
Net Cash from Operating Activities	<u>1,975,499</u>	<u>1,713,435</u>	<u>779,690</u>
(c) Undrawn Borrowing Facilities			
Credit Standby Arrangements			
Bank Overdraft limit	0		275,000
Bank Overdraft at Balance Date	0		0
Credit Card limit	5,000		5,000
Credit Card Balance at Balance Date	(628)		(2,751)
Total Amount of Credit Unused	<u>4,372</u>		<u>277,249</u>
Loan Facilities			
Loan Facilities - Current	152,159		91,761
Loan Facilities - Non-Current	1,601,614		303,774
Total Facilities in Use at Balance Date	<u>1,753,774</u>		<u>395,535</u>
Unused Loan Facilities at Balance Date	<u>725,947</u>		<u>0</u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

14. CONTINGENT LIABILITIES

Council does not have any contingent liabilities as at 30 June 2009.

15. CAPITAL AND LEASING COMMITMENTS

2009
\$

2008
\$

(a) Finance Lease Commitments

Council does not have any finance lease commitments as at 30 June 2009.

(b) Operating Lease Commitments

Council does not have any Operating lease commitments as at 30 June 2009.

(c) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects

2,668,771

0

Payable:

- not later than one year

2,668,771

0

The capital expenditure project outstanding at the end of the current reporting period represents the remainder of the contract price for the construction of the Dalwallinu Community & Enterprise Centre.

16. JOINT VENTURE

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

The Shire's share of the houses is included in buildings as follows:

Non-Current Assets

Land and Buildings

Less: Accumulated Depreciation

2009
\$

2008
\$

183,672

183,672

(35,381)

(31,364)

148,291

152,308

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008
	\$	\$
17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY		
Governance	2,610,154	2,064,778
General Purpose Funding	18,257	29,656
Law, Order, Public Safety	138,542	40,558
Health	520,514	744,550
Education and Welfare	40,107	41,739
Housing	1,010,235	1,255,861
Community Amenities	515,706	677,264
Recreation and Culture	5,474,146	4,913,375
Transport	91,333,829	91,542,066
Economic Services	1,103,202	1,219,899
Other Property and Services	1,873,247	2,089,922
Unallocated	3,566,655	566,834
	<u>108,204,594</u>	<u>105,186,502</u>

18. FINANCIAL RATIOS	2009	2008	2007
Current Ratio	1.771	1.780	1.722
Untied Cash to Unpaid Trade Creditors Ratio	2.363	1.856	1.500
Debt Ratio	0.025	0.009	0.012
Debt Service Ratio	0.024	0.020	0.024
Gross Debt to Revenue Ratio	0.290	0.061	0.088
Gross Debt to Economically Realisable Assets Ratio	0.104	0.028	0.034
Rate Coverage Ratio	0.246	0.255	0.277
Outstanding Rates Ratio	0.021	0.017	0.014

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted current assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Untied Cash to Unpaid Trade Creditors Ratio	$\frac{\text{untied cash}}{\text{unpaid trade creditors}}$
Debt Ratio	$\frac{\text{total liabilities}}{\text{total assets}}$
Debt Service Ratio	$\frac{\text{debt service cost}}{\text{available operating revenue}}$
Gross Debt to Revenue Ratio	$\frac{\text{gross debt}}{\text{total revenue}}$
Gross Debt to Economically Realisable Assets Ratio	$\frac{\text{gross debt}}{\text{economically realisable assets}}$
Rate Coverage Ratio	$\frac{\text{net rate revenue}}{\text{operating revenue}}$
Outstanding Rates Ratio	$\frac{\text{rates outstanding}}{\text{rates collectable}}$

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

19. TRUST FUNDS

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

	Balance 1-Jul-08 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-09 \$
Police Licensing	11,625	1,314,532	(1,315,443)	10,714
St John Ambulance	864	4,227	(4,154)	937
BCITF Levy	0	2,286	(1,015)	1,271
BRB Levy	0	536	(436)	101
Raffle Tickets	3	0	0	3
Nomination Fees	0	80	0	80
Hall Hire Bonds	990	400	(400)	990
Key Deposits	480	250	(100)	630
Housing Bonds	6,865	1,972	(1,691)	7,146
Prepared To Pioneer Book	0	119	(119)	0
Pommie Migrant To Pioneer Farmer Book	0	105	(105)	0
Story Of Kalannie Book	0	96	(96)	0
Trails, Trials and Triumphs Book	0	60	0	60
Pioneer House Donations	10,076	0	0	10,076
Miscellaneous Deposits Held	2,000	0	0	2,000
	<u>32,903</u>			<u>34,008</u>

20. DISPOSALS OF ASSETS - 2008/09 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Land						
Industrial Superlot	54,263	26,301	41,548	30,000	(12,715)	3,699
Lot 474 Wasley Street	6,000	6,000	6,000	0	0	(6,000)
Buildings and Improvements						
474A & B Wasley Street	48,000	49,166	43,046	0	(4,954)	(49,166)
Furniture and Fittings						
Ricoh Afficio 3425 Colour Photocopier	8,980	4,947	1,818	2,000	(7,162)	(2,947)
Plant and Equipment						
Holden Stateman (DL2)	0	42,230	0	41,200	0	(1,030)
Holden Stateman (DL2)	0	43,085	0	41,200	0	(1,885)
Ford Falcon XR6 (DL 186)	0	27,180	0	27,500	0	320
Toyota Kluger (DL 492)	0	28,673	0	31,200	0	2,527
Ford Territory (DL89)	0	30,596	0	33,100	0	2,504
Multipac Multi Wheeled Roller	6,937	14,380	35,000	40,000	28,063	25,620
Isuzu Prime Mover (DL 764)	0	0	0	25,000	0	25,000
Haulmore Low Loader	0	0	0	10,000	0	10,000
Ford Courier Crew Cab (DL134)	8,013	9,910	7,500	10,000	(513)	90
Ford Courier Tray Back Utility (DL194)	0	12,804	0	12,850	0	46
Ford Territory AWD Wagon (DL281)	0	29,316	0	33,100	0	3,784
Buntine Fire Tender (DL 475)	0	0	0	0	0	0
Sale of Caravans	0	0	729	0	729	0
	<u>132,193</u>	<u>324,588</u>	<u>135,641</u>	<u>337,150</u>	<u>3,448</u>	<u>12,562</u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

21. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 1-Jul-08 \$	New Loans \$	Principal Repayments		Principal 30-Jun-09		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Governance								
Loan 152 - Admin Building	159,592	0	77,507	77,508	82,085	82,084	8,387	8,387
Housing								
Loan 155 - Joint Venture	5,697	0	5,697	5,697	0	0	163	172
Loan 156 - Staff Housing	0	450,000	0	15,912	450,000	434,088	7,054	15,881
Community Amenities								
Loan 64 - Sewerage Scheme	227,246	0	5,557	5,557	221,689	221,689	21,994	22,250
Recreation and Culture								
Loan 154 - Wubin Sports *	3,000	0	3,000	3,000	0	0	0	0
Loan 157 - Dalwallinu Resource Centre	0	1,000,000	0	17,557	1,000,000	1,482,443	12,848	53,644
	395,535	1,450,000	91,761	125,231	1,753,774	2,220,304	50,445	100,334

(*) Self supporting loan financed by payments from third parties.

All other loan repayments were financed by general purpose revenue.

(b) New Debentures - 2008/09

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
Loan 156 - Staff Housing	450,000	450,000	WATC	Fixed interest	20	138,933	5.38	450,000	450,000	0
Loan 157 - Dalwallinu Resource Centre	1,000,000	1,500,000	WATC	Fixed interest	20	702,255	5.71	275,826	1,500,000	724,174

WATC = Western Australian Treasury Corporation

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

21. INFORMATION ON BORROWINGS (Continued)

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 1-Jul-08 \$	Borrowed During Year \$	Expended During Year \$	Balance 30-Jun-09 \$
Loan 157	1/04/2009	0	1,000,000	274,053	725,947

(d) Overdraft

The Shire has cancelled the overdraft facility of \$275,000 with during the year. The balance of the bank overdraft at 1 July 2008 was \$Nil.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

22. RATING INFORMATION - 2008/09 FINANCIAL YEAR

RATE TYPE	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 \$
General Rate											
GRV	7.4792	281	2,510,599	187,773	95	0	187,868	187,773	0	0	187,773
UV	2.4112	414	73,739,474	1,778,006	0	0	1,778,006	1,778,523	0	0	1,778,523
UV - Mining	2.4112	14	206,326	4,975	(102)	0	4,873	4,976	0	0	4,976
Sub-Totals		709	76,456,399	1,970,754	(7)	0	1,970,747	1,971,272	0	0	1,971,272
Minimum Rates	Minimum \$										
GRV - Dalwallinu	450	139	662,942	62,550	0	0	62,550	62,550	0	0	62,550
GRV - Kalannie	350	9	13,755	3,150	0	0	3,150	3,150	0	0	3,150
GRV - Other Towns	200	21	9,336	4,200	0	0	4,200	4,200	0	0	4,200
UV - Rural	200	23	122,233	4,600	0	0	4,600	4,600	0	0	4,600
UV - Mining	200	25	48,300	5,000	0	0	5,000	5,000	0	0	5,000
Sub-Totals		217	856,566	79,500	0	0	79,500	79,500	0	0	79,500
							2,050,247				2,050,772
Discounts (refer note 25)							(81,473)				(82,031)
Totals							1,968,774				1,968,741

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

23. SPECIFIED AREA RATE - 2008/09 FINANCIAL YEAR

The Shire of Dalwallinu did not levy a specified area rate in the 2008/09 financial year.

24. SERVICE CHARGES - 2008/09 FINANCIAL YEAR

The Shire of Dalwallinu did not impose a service charge during the 2008/09 financial year.

**25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2008/09 FINANCIAL YEAR**

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General and Minimum Rates	Discount	5.00	81,473	82,031
Photocopy Charge	Waiver	N/A	115	250

A discount of 5% of the current rates levied (excluding service charges) was offered to rate payers whose payment of the full amount owing, including arrears and service charges was received on or before the 22 August 2008 or 35 days after the date of service appearing on the rate notice which ever is the latest

Photocopy charges are waived for certain community groups such as St John Ambulance, Volunteer Bush Fire Brigade, Girl Guides & Dalwallinu District Tourism. Council considers its support of these groups necessary for the overall benefit of the community.

26. INTEREST CHARGES AND INSTALMENTS - 2008/09 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00	N/A	5,442	3,540
Interest on Instalments Plan	5.50	N/A	4,029	2,136
Charges on Instalment Plan	N/A	6.67	2,408	1,754
			11,878	7,431

Ratepayers had the option of paying rates in four equal instalments, due on 22nd September 2008, 24th November 2008, 2nd February 2009 and 6th April 2009. Administration charges and interest applied for the final three instalments.

27. FEES & CHARGES

	2009 \$	2008 \$
Governance	59,237	50,235
General Purpose Funding	4,048	24,259
Law, Order, Public Safety	2,786	2,808
Health	750,912	623,353
Housing	66,954	82,842
Community Amenities	285,505	256,609
Recreation and Culture	17,207	18,596
Transport	15,728	21,672
Economic Services	104,321	141,511
Other Property and Services	41,145	9,560
	<u>1,347,842</u>	<u>1,231,445</u>

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

28. GRANT REVENUE

	2009	2008
	\$	\$
By Nature and Type:		
Operating Grants, Subsidies and Contributions	2,577,575	2,000,673
Non-Operating Grants, Subsidies and Contributions	2,013,652	1,957,899
	<u>4,591,226</u>	<u>3,958,572</u>
By Program:		
Governance	10,341	18,423
General Purpose Funding	2,311,411	1,710,326
Law, Order, Public Safety	144,055	25,289
Health	6,982	15,353
Housing	7,342	6,280
Community Amenities	1,626	9,506
Recreation and Culture	982,627	15,838
Transport	1,027,495	1,019,095
Economic Services	78,862	1,108,731
Other Property and Services	20,486	29,732
	<u>4,591,226</u>	<u>3,958,572</u>

29. COUNCILLORS' REMUNERATION

	2009	2009	2008
	\$	Budget	\$
		\$	
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	9,625	11,370	9,300
President's Allowance	5,000	5,000	5,000
Travelling Expenses	7,622	7,640	6,136
	<u>22,247</u>	<u>24,010</u>	<u>20,436</u>

30. EMPLOYEES' REMUNERATION

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

	Salary Range	2009	2008
	\$		
	100,000 - 109,999	0	1
*	160,000 - 169,999	0	1
*	200,000 - 209,999	1	0
*	210,000 - 219,999	1	0

Note * : these amounts relate to the employment of Doctors

31. EMPLOYEE NUMBERS

	2009	2008
The number of full-time equivalent employees at balance date	<u>34</u>	<u>31</u>

32. MAJOR LAND TRANSACTIONS

Council did not participate in any major land transactions during the 2008/09 financial year.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

33. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2008/09 financial year.

34. 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	
	2009	2008	2009	2008
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	2,887,352	1,548,704	2,887,352	1,548,704
Receivables	614,289	212,385	602,298	212,385
	<u>3,501,641</u>	<u>1,761,089</u>	<u>3,489,650</u>	<u>1,761,089</u>
Financial Liabilities				
Payables	631,301	356,084	631,301	356,084
Borrowings	1,753,774	395,535	1,585,070	410,899
	<u>2,385,075</u>	<u>751,619</u>	<u>2,216,371</u>	<u>766,983</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Borrowings – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

34. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Council's objective is to maximise its return on cash whilst maintaining an adequate level of liquidity and preserving capital. The Shire of Dalwallinu only invests surplus cash in term deposits with a bank registered as a deposit holding institution with APRA.

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

As the only investment option used by the Shire of Dalwallinu is term deposits with banks registered with APRA (which are subject to the Australian Government Bank Deposit Guarantee) the investments are not subject to any form of credit risk.

	30-Jun-09 \$	30-Jun-08 \$
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	21,457	24,758
- Income Statement	21,457	24,758

Notes:

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

Council's loans have a fixed interest rate for the life of the loan and hence no additional expenditure would be incurred if interest rates were to rise.

The increase in income (and equity) were calculated using the average interest rate for the year on Council's investments.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

34. 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:

	30-Jun-09	30-Jun-08
Percentage of Rates and Annual Charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of Other Receivables		
- Current	96.39%	84.42%
- Overdue	3.61%	15.58%

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

34. 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>2009</u>					
Payables	631,301	0	0	631,301	631,301
Borrowings	257,322	686,552	1,660,829	2,604,703	1,753,774
	<u>888,623</u>	<u>686,552</u>	<u>1,660,829</u>	<u>3,236,004</u>	<u>2,385,075</u>
<u>2008</u>					
Payables	356,084	0	0	356,084	356,084
Borrowings	122,361	196,916	319,792	639,069	395,535
	<u>478,445</u>	<u>196,916</u>	<u>319,792</u>	<u>995,153</u>	<u>751,619</u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

34. FINANCIAL RISK MANAGEMENT (Continued)

(c) Borrowings (Continued)

Certain 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 ONLY borrowing long term and fixing the interest rate at the signing of the loan contract for the life of the loan and only borrowing funds from the Western Australian Treasury Corporation.

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 2009</u>								
Borrowings								
Fixed Rate								
Debentures	82,084	0	0	0	0	1,671,690	1,753,774	6.12%
Weighted Average Effective Interest Rate	5.82%					6.13%		
<u>Year Ended 30 June 2008</u>								
Borrowings								
Fixed Rate								
Debentures	8,697	159,592	0	0	0	227,246	395,535	8.09%
Weighted Average Effective Interest Rate	3.96%	5.82%				9.86%		

Report Produced by
Shire of Dalwallinu
February 2010

