

# ANNUAL REPORT 2017/18





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## 2016/17 Annual Electors Meeting

### 1.0 OPENING & WELCOME BY PRESIDENT

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

#### Present

Shire President	Cr SC Carter
Deputy President	Cr KL Carter
	Cr AR Dickins
	Cr KM McNeill JP
	Cr J Huggett
	Cr NW Mills
	Cr KJ Christian

#### IN ATTENDANCE

Chief Executive Officer	Ms JM Sutherland
Deputy Chief Executive Officer	Mr KT Jones
Manager Regulations & Development Services	Mr D Burke
Manager Works & Services	Mr W Taylor
Members of Public	Mr M Huggett
	Ms K Carter
	Mr J Roach
	Mrs B Sutherland
	Mr B Cail
	Mr J Marrone
	Mr W Matthews
	Mr C Hyde
	Mrs G Hyde
	Mrs S Orenshaw
	Ms A Davey

### 2.0 APOLOGIES

Mr RS Nixon
Cr B Boys
Cr GH Sanderson JP
Mr G McNeill
Mrs I Mills



### 3.0 MINUTES OF PREVIOUS ANNUAL ELECTORS MEETING

#### **MOTION 7017**

Moved Mr M Huggett

Seconded Cr A Dickins

That the Minutes of the Annual Electors Meeting held on 7 February 2017 be confirmed.

**CARRIED**

### 4.0 PRESENTATION OF ANNUAL REPORT CONSISTING OF:

#### 4.1 PRESIDENT'S REPORT

#### **MOTION 7018**

Moved Mr C Hyde

Seconded Mr W Matthews

That the President's Report for the financial year 2016/17 be received.

**CARRIED**

#### 4.2 CHIEF EXECUTIVE OFFICER'S REPORT

#### **MOTION 7019**

Moved Cr K McNeill

Seconded Cr N Mills

That the Chief Executive Officer's Report for the financial year 2016/17 be received.

**CARRIED**

#### 4.3 FINANCIAL REPORT FOR THE 2016/17 FINANCIAL YEAR

#### **MOTION 7020**

Moved Mr C Hyde

Seconded Cr N Mills

That the 2016/17 Annual Financial Statements and Report, as presented, be received and adopted.

**CARRIED**





#### 4.4 AUDITOR'S REPORT

##### MOTION 7021

Moved Cr K Carter

Seconded Mr M Huggett

That the Auditor's Report for the financial year 2016/17 be received.

**CARRIED**

#### 5.0 OTHER INFORMATION & QUESTION TIME

The following points were raised and addressed: -

- Drainage issues in a back lane of Kalannie. Manager of Works to address.
- What upgrade to sewerage system and timeline. Waiting on consultant's report before setting a plan and priorities.
- Not much parking available for the disabled around Pharmacy. Business owners will be consulted.
- Pithara workers camp/caravan park, how will it impact on the Dalwallinu businesses. Shire President indicated that there will not be much flow on to Dalwallinu.
- Shed plans sizing limits. Yes and specific details can be obtained by contacting office.
- Noise management restrictions especially weekends. Shire will advertise the regulations to the general public.

#### 6.0 GENERAL BUSINESS

Mr Malcolm Huggett gave a vote of thanks to the staff and councillors for a job well done.

#### 7.0 CLOSURE OF MEETING

There being no further business, the Chairperson closed the meeting at 7:13pm.

#### 8.0 CERTIFICATION

I, **Steven Clifford CARTER**, certify that the Minutes of the meeting held on 12 December 2017, as shown on page numbers 1 to 4 were confirmed as a true record at the meeting held on the \_\_\_\_\_.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



## Councillors of the Shire

**Cr STEVEN CARTER**

Shire President  
Mob: 0428 663 017  
Term ending: 2019



**Cr KEITH CARTER**

Shire Deputy President  
Mob: 0428 643 051  
Term ending: 2019



**Cr ANITA DICKINS**

Councillor  
Mob: 0429 621 112  
Term ending: 2021



**Cr NOEL MILLS**

Councillor  
Mob: 0428 662 088  
Term ending: 2021



**Cr KAREN CHRISTIAN**

Councillor  
Mob: 0427 183 363  
Term ending: 2021



**Cr GRAHAM SANDERSON**

Councillor  
Mob: 0428 662 088  
Term ending: 2019



**Cr KAREN McNEILL**

Councillor  
Mob: 0429 020 285  
Term ending: 2019



**Cr BRETT BOYS**

Councillor  
Mob: 0413 740 320  
Term ending: 2021



**Cr JANINE HUGGETT**

Councillor  
Mob: 0491 247 272  
Term ending: 2021





## Councillors Attendance

### Statutory Report

#### ORDINARY COUNCIL

TABLE 1: Attendance of Elected members at Council Meetings -1 July 2017 to 30 June 2018.

Elected Members	Ordinary Council Meetings (11)	Special Council Meetings (3)	Apologies	Leave of absence
Steven Carter	11	2	1	0
Keith Carter	10	1	2	1
Brett Boys**	8	2	0	0
Karen Christian	10	2	1	1
Anita Dickins	8	2	3	1
Janine Huggett**	7	1	1	1
Karen McNeill	8	3	1	2
Noel Mills	11	2	0	1
Graham Sanderson	11	2	1	0
Robert Nixon*	3	1	0	2

\*Cr RS Nixon resigned Oct 2017.

\*\*Crs JA Huggett and BH Boys commenced office Oct 2017.

#### COUNCIL COMMITTEES

TABLE 2: Attendance of Elected members at Council Committee Meetings -1 July 2017 to 30 June 2018

Elected Members	Community Services & Economic Development (11)	Finance & Audit (11)	Works & Plant (11)
Steven Carter	7	10	10
Keith Carter	4	10	10
Brett Boys**	5	0	0
Karen Christian	9	0	0
Anita Dickins	9	8	3
Janine Huggett**	6	5	2
Karen McNeill	8	6	5
Noel Mills	11	11	11
Graham Sanderson	0	0	11
Robert Nixon*	4	4	4

\*Cr RS Nixon resigned Oct 2017.

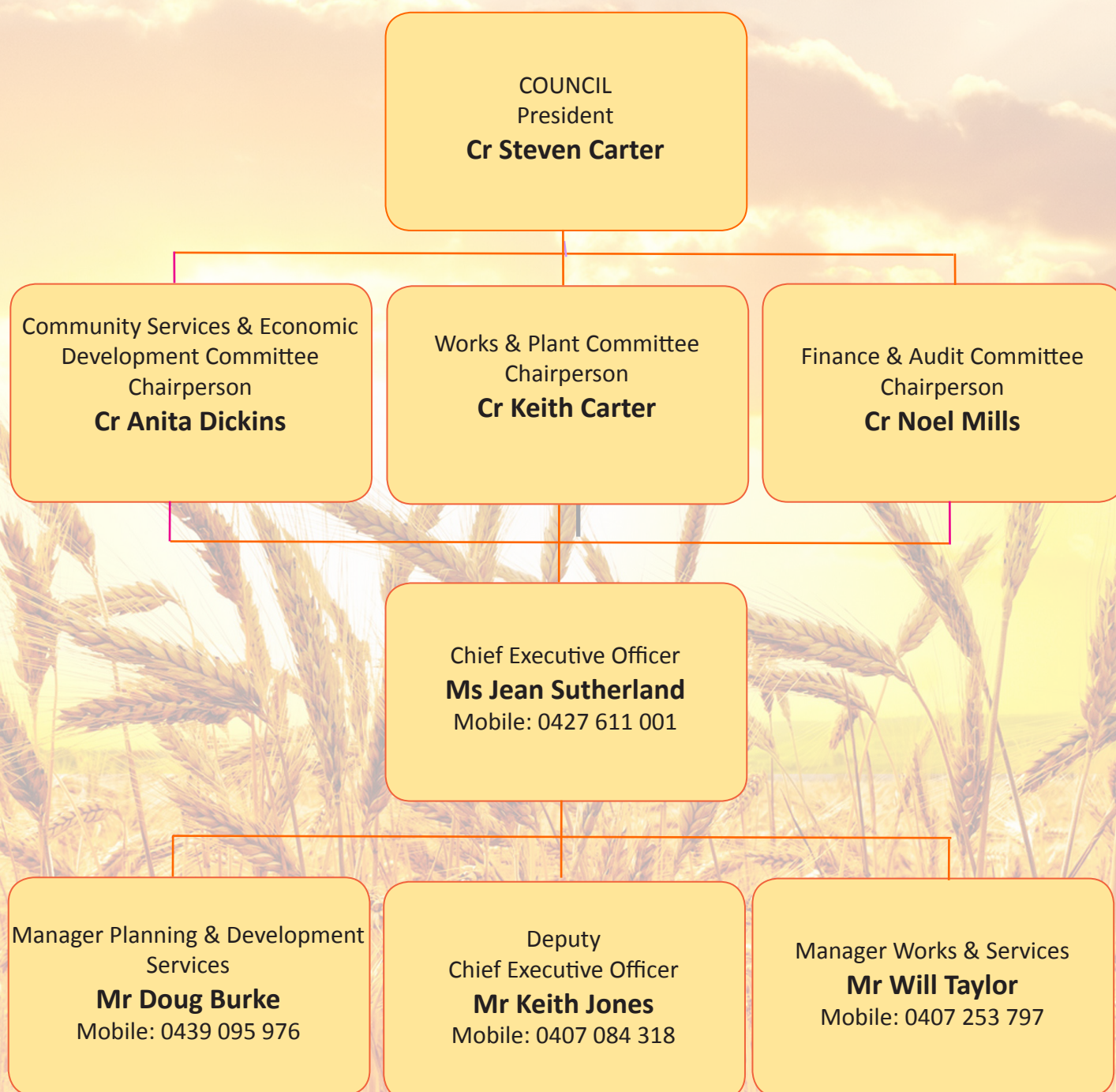
\*\*Crs JA Huggett and BH Boys commenced office Oct 2017.



## 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.







## Shire President Message



Thank you for taking the time to read this 2018 annual report. It was a busy year for the Shire staff and councillors and a very trying year for farmers. Dalwallinu is very fortunate in the fact that even though it was a terrible year as far as agriculture goes the town has continued to grow as was shown by recent census figures and school enrolments.

The lack of rain had a very negative impact on the farmers and the pressure that was put on shire roads was diminished greatly as the amount of grain, lime and fertiliser that was required was reduced markedly. The road maintenance and construction crews also find the dry conditions a challenge however the budgeted work was completed on time and on budget. The third WANDRRA claim was approved and Robbro was the successful tenderer.

Council has had some extremely important and somewhat difficult decisions to make this past year due to a reduction in funds available and missing out on some grant money and I believe the process we've followed and outcomes achieved are a credit to all Councillors and staff and I thank them all for their diligence.

The Shire's application to the Federal Government for assistance to rejuvenate the Recreation Centre was unsuccessful and a great deal of discussion was held to work out the way forward. Eventually the decision was made to proceed with the recreation centre upgrade and

I think the Dalwallinu community will be able to look at the finished product with great pride knowing we completed the project without any assistance from Federal or State Governments. The project to enhance the recreation precinct which was funded by a \$1.3 million Lottery West grant is well under way and it will connect and enhance all areas of the precinct.

A successful Building Better Regions grant has allowed the Liebe Group group to build a new office and research facility in Dalwallinu on the site of the old post office (a vast improvement to the appearance of this block) reaffirming the importance of this group and the esteem in which it is held Australia wide.

The Water Corporation has finally commenced their project to alleviate the water shortages that the town has experienced in past years.

All three factory units are now rented, two for new business and one for an expanding business. While on the subject of new businesses, several have started up recently in Dalwallinu, further enhancing our town and showing the reputation it has.

Community members along with the shire have been pressing lobbying hard re mobile phone services or the lack of and I believe we are on the cusp of achieving a positive outcome for the people of Goodlands/North Kalannie.

Council is continually trying to get the best value for ratepayers from the rates they pay and to this end we are trying to reduce the amount the ratepayers subsidise the Medical Centre while decreasing the wait times to get an appointment. We are making progress and hope to see a vast improvement in the near future.

Only two housing blocks are left unsold in Gamenya Place, Landcorp subdivision on the old hospital reserve. The Shire is moving forward with plans to develop land for housing in Bell St. The Shire is also in negotiations with Landcorp to develop more industrial blocks in Huggett Drive.



Innovation Central Midlands Incorporated (ICMI), a shared entity between Wongan-Ballidu, Moora and Dalwallinu, which was pursuing a plan to build 27 independent living units with R4R funding were unsuccessful in achieving the funding for this project and have shelved this project and are moving forward investigating building a communication network to supply fast internet to the Wheatbelt.

The dry year affected the amount of tourists that came to visit, however, I would like to congratulate the town work crew for making the town look great, producing some flowers to look at and keeping the town ship shape.

Finally, I would like to welcome the new councillors to the Shire, and hope you find the experience rewarding and thank all councillors for their service to the community. I also want to thank and congratulate the staff, the Shire is a big business and takes some managing. This requires a diverse set of skills and I believe these are well represented by the shire staff at this time.

Steven Carter  
**SHIRE PRESIDENT**



*Recreation Centre Shade Structure*



*Rope Play*



*New Councillors swearing in (2017): Cr Janine Huggett and Cr Brett Boys*



## Chief Executive Officer Message



It gives me great pleasure to present my 2017/18 report for the Shire of Dalwallinu.

A reduction in funding has proven challenging to local governments in the past twelve months. Local governments are expected to maintain service levels with reduced funding. We continue to lobby the Government for changes to grant funding allocations.

### Highlights of the 2017/18 year include:

- Commencement of the Dalwallinu Recreation Centre Upgrade (due for completion early 2019);
- Expenditure of \$3.28M on capital roadworks, \$1.34M on road maintenance and \$3.0M on WANDRRA funded roadworks;
- Commencement of Townscape Focus group initiatives including the lighting upgrade from Memorial Park to the Skate

Park, installation of a Tourist Information Bay, installation of shaded seating at the Skate Park, installation of water coolers at Memorial Park and the Skate Park, installation of a BBQ at Memorial Park completion of the installation of rope play equipment in Memorial Park,

- Acquired land on Bell Street for future residential subdivision;
- Secured funding from Lotterywest and Lions Club for the installation of a toilet at Richardson Park Nature Playground (to be undertaken in the 18/19 budget).

The Councillors took part in a Governance review in July 2017. The recommendations out of this review have been taken on board.

October saw the local government elections held. There were six (6) nominations for five (5) vacancies. We had a voting turnout of 28.29%. Congratulations to all returning Councillors and our two new Councillors Brett Boys and Janine Huggett. We farewelled long serving Councillor Robert Nixon after these elections. Robert made a fantastic contribution to the Shire over his sixteen years' service and was thanked with a farewell dinner.

In late 2017, expressions of interest were sought for the purchase or lease of the Dalwallinu Caravan Park. At the time no interest was received. In March 2018 interest was received from Keith & Lorri Jones and they took over the management of the Dalwallinu Caravan Park in May 2018 for a three (3) year period.



*Recreation Centre Before works*



*Recreation Centre During works*





Australia Day celebrations were this year held at the Aquatic Centre. This change of venue was well received by the community.

Another successful Anzac day breakfast cooked by staff was held in Memorial Park.



*Anzac Memorial*

In May 2018, Registrations of Interest were called from interested parties to manage and operate the Dalwallinu Medical Centre. At the close of the submission period no interest was received. Council will continue to investigate options for the Dalwallinu Medical Centre.

Council has now leased out all three (3) of the factory units in Huggett Drive that were built in 2015-2016.

The Community Support Officer is currently working on a Sport & Recreation plan which will assist Council in prioritising future works. She has also held two events for youth since her commencement. The first event was a movie night for the younger children which was well supported and the second event was a school holiday program which was a bus trip to the city to attend 'Bounce' a trampoline and obstacle course centre. This too was well supported and we look forward to future school holiday events.

### Staff

From an organisational perspective I would like to thank the staff, led by the Senior Management Team for their efforts over the past twelve months.

Their leadership and support is critical to the ongoing success of our organisation. We have a very good team of staff who are doing their absolute best to deliver on both Council and community expectations. The Senior Management Team has remained unchanged over the past twelve months which has provided stability for the organisation.

The FTE for the Shire of Dalwallinu currently sits at 38.95.

The outside workforce has remained steady with two resignations in this financial year, William Timmins and Shane Morton.

Emily Dutton was employed as our Community Support Officer in February 2018. Emily's role is to be the conduit between Council and the Community. Emily will be focusing on community groups, youth and the aged. A Youth Survey was conducted in May 2018 which will assist us in creating programs for the youth of the Shire.

Kirsty Cole resigned as Caravan Park Caretaker in May 2018 and the position was not replaced as the Park is now leased privately.

Adam Silvestri commenced as Customer Service Officer in January 2018, however resigned in May 2018 and was replaced by Tinelle Syme.

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

Jean Knight  
**CHIEF EXECUTIVE OFFICER**





## Deputy Chief Executive Officer Report

### Corporate Services

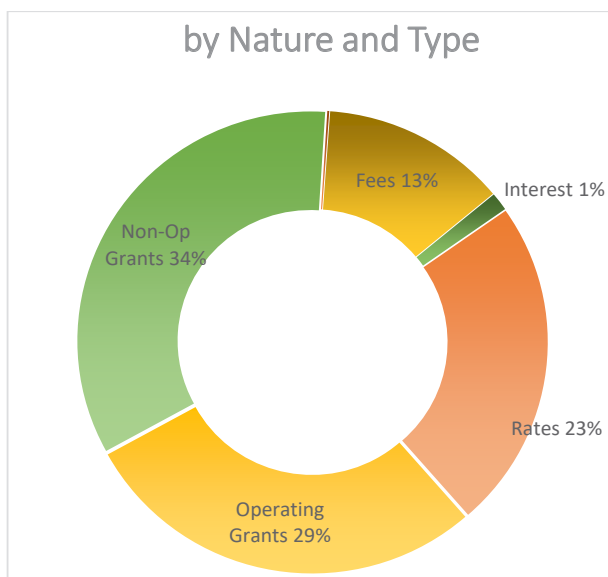
#### FINANCE

This financial year a surplus of \$2.6million was due to a few factors. The two main reasons were due to an early 50% payment of Financial Assistance Grant Funding (FAGS) totalling nearly \$1.4million and budgeted expenditure for the Recreation Centre upgrade not spent. All this surplus has been budgeted to be expended in the 2018/19 financial year.

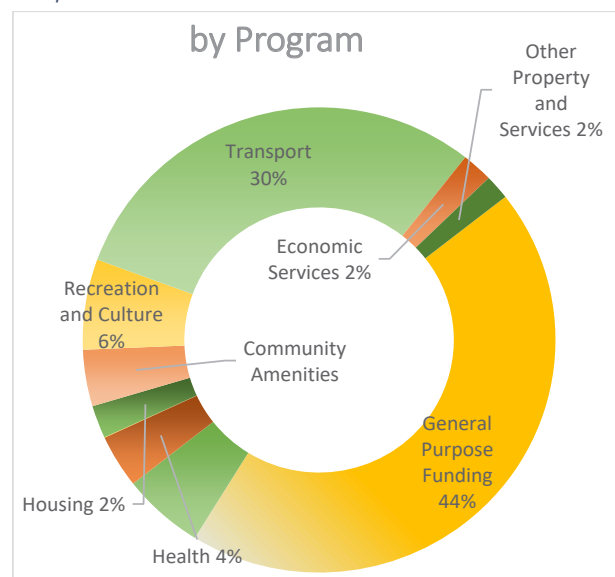
The following 2017/18 revenue received by the Shire is detailed by graphs showing Nature and Type and by Program.



Graph 1 ~ Revenue



Graph 2 ~ Revenue



Rates	3,117,581
Operating Grants,	
Subsidies and Contributions	3,808,866
Non-Operating Grants,	
Subsidies and Contributions	4,551,374
Profit on Asset Disposals	18,000
Fees and Charges	1,720,770
Interest Earnings	171,370
Other Revenue	18

Governance	220
General Purpose Funding	5,938,817
Law, Order, Public Safety	749,479
Health	494,546
Education and Welfare	4,354
Housing	304,516
Community Amenities	525,619
Recreation and Culture	841,903
Transport	4,015,805
Economic Services	283,814
Other Property and Services	228,904



## RESERVE ACCOUNTS

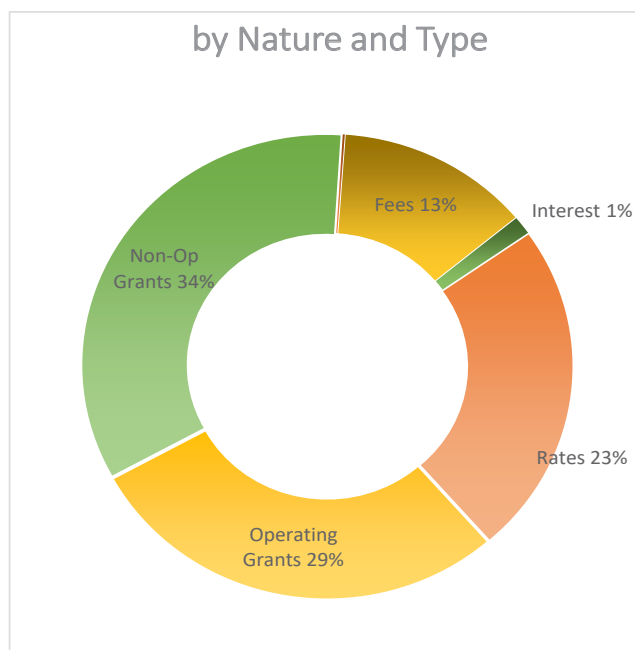
The Shire has a total of \$2,882,192 cash backed reserves (see note 11 in the financial report for a breakdown of this amount). The Plant Reserve and Sewerage Scheme Reserve are holding the largest amounts currently. The Plant Reserve is based on a ten year replacement plan and Council have adopted a Sewer Master Plan which will see the Reserve being used for upgrades to the town sewerage system over the next few years.

## LOANS AND BORROWINGS

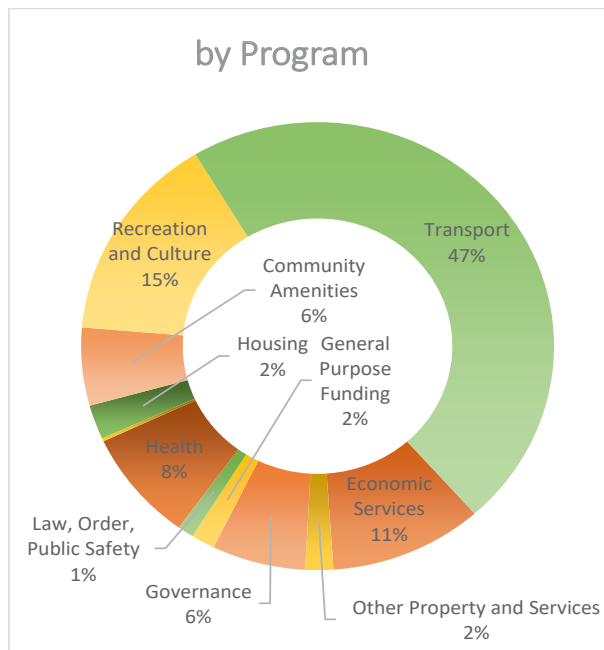
The Shire has only three loans currently and no new borrowings were taken out in this financial year. Debt principal repaid during the year was \$110,345.

The following 2017/18 expenditure by the Shire is detailed by graphs showing Nature and Type and by Program.

Graph 3 ~ Expenditure



Graph 4 ~ Expenditure



Employee Costs	2,512,128
Materials and Contracts	5,647,295
Utility Charges	433,471
Insurance	152,368
Loss on Asset Disposals	81,324
Depn. on Non-curr. Assets	5,076,029
Interest	74,172
Other	121,749

Governance	739,253
General Purpose Funding	205,353
Law, Order, Public Safety	141,314
Health	920,762
Education and Welfare	12,929
Housing	291,169
Community Amenities	575,264
Recreation and Culture	1,605,739
Transport	8,617,346
Economic Services	955,811
Other Property and Services	33,596



## **RATES**

The Shire raised a total of \$3,117,581 in Rates revenue and as at 30 June 2018 the amount of unpaid rates was \$130,538.

## **INTEREST**

Interest earnings for the 2017/18 financial year amounted to \$171,370 against a budget of \$160,379. Very low interest rates are still in place but all efforts were made to access the highest interest rate possible when reinvesting Shire funds.

## **GRANT FUNDING RECEIVED**

Note 2(c) of the Financial Report details the grants received and expended for the year 2017/18.

In addition to these notes the following projects were also funded by grant submissions.

Project	Funder/Program	Amount \$
Richardson Park	Lotterywest	32,168
Landscaping - Leahy Street	Main Roads WA	15,000
Capital Road Works	Roads to Recovery	1,037,012
ELS Operational Funding	Department of Fire & Emergency Services (DFES)	34,958

## **LIBRARY & TOURISM**

The Library continues to be utilised regularly by our community and the access to information via LISWA is of great benefit.

We had a record number of visitors come through the Discovery Centre and we regularly receive many comments of a similar nature - on what a nice clean attractive town Dalwallinu is – how it looks like it is thriving, how friendly the people are and that the town is a credit to the shire.

### **Tourist Statistics**

Month	2017 Visitors	2016 Visitors	2015 Visitors	2014 Visitors
July	244	254	285	111
August	637	1103	769	794
September	955	2401	1232	1154



### COMMUNITY GRANTS AND SUPPORT PROVIDED

\$17,107 was directly contributed in financial support relating to the Community Grant Scheme. This support is available to groups and sporting clubs wishing to make improvements in their areas of responsibility but just need a little further help to get them over the line.

Community Grants		
Organisation	Purpose	Amount granted (\$)
Dalwallinu Sports Club	Install water fountain for outdoor sports	1,250
Kalannie Sports & Recreation Club Inc	Building Repair	12,468
Kalannie CWA		2,800
Dalwallinu & Districts Dance Group	Shade structure	589
TOTAL		17,107

### TEAM CHANGES

We have had one change to the administration section with Tinelle Syme joining us in May as the new Customer Service Officer.

Keith Jones

**DEPUTY CHIEF EXECUTIVE OFFICER**



*Tourist Information Bay*





## Manager Works & Services Report



\$1,344,786 was spent on road maintenance throughout the Shire as follows:

Road Maintenance	\$396,985
Rural Road Maintenance	\$471,478
Grading	
Verge Maintenance	\$312,014
Footpath Maintenance	\$30,277
Street Cleaning	\$74,853
Street Trees	\$24,604
Stormwater Drainage	\$34,575
Maintenance	

### ROAD CONSTRUCTION

\$3,284,480 was invested in road construction throughout the Shire of which \$1,200,287 was received from 'Regional Road Group and Roads to Recovery'.

Projects included during 2017/18 were:

- Dalwallinu Kalannie Road
- Wubin East Road
- Carter Road
- Buntine Marchagee Road
- Dalwallinu West Road
- Nugadong West Road
- Locke Road
- Rabbit Proof Fence Road
- Sanderson Road
- Wubin Gunyidi Road

### ROAD MAINTENANCE

Two tenders were awarded in 2017/18 for repairs to roads caused by flood damage. \$2,606,119 was received from WANDRRA (Western Australian Natural Disaster Relief Recovery Arrangements) AGRN673 & AGRN 714 for flood damage caused to roads in the Shire in July 2105 and March 2016. \$3,914,703 has been approved from WANDRRA AGRN 743 for flood damage caused to roads in the Shire in Jan/Feb 2017.

This brings the total amount of funding from WANDRRA over the past five (5) years to \$13,590,093.



*Dalwallinu West Road*





## PARKS & GARDENS

\$358,220 was spent on the maintenance of the Shire's parks, ovals and reserves.

## SEWERAGE

In February 2018, Council endorsed the Shire of Dalwallinu Sewer Master Plan. The Sewer Plan has proposed upgrades outlined and will guide Officers when preparing annual budgets.

Stage 1 is planned to be undertaken in the 2018-2019 financial year.

## WORKS REQUESTS

	2017/18	Jan 2016/17
Parks & Gardens	16	11
Engineering (Roads,Verges)	30	31
Signage	14	6
Sewerage	43	9
Drains/Culverts	8	8
Footpaths	2	6
<b>Total</b>	<b>113</b>	<b>71</b>



## STAFF CHANGES

### Appointments

- Jayden Timmins General Hand

### Resignations

- William Timmins Leading Hand
- Shane Morton LeadingHand Town Crew

Will Taylor

## MANAGER WORKS & SERVICES



*Skate Park development*



*Johnston Street, Dalwallinu*





# Manager Planning & Development Services Report



## Planning Services

The determination of any applications for land use development within the local government area is the responsibility of Council under the Planning and Development Act 2005. The Western Australia Planning Commission has the authority to approve subdivisions. The Minister or the Department of Planning, Lands and Heritage gives consent to any proposal to amend the local planning scheme on the advice of the Western Australia Planning Commission.

Guiding land use and development in the Dalwallinu local government area is the Shire of Dalwallinu Local Planning Scheme No 2 and a number of subsidiary local planning policies.

Policy	N°	Policy
Policy N° 1		Offensive Uses
Policy N° 2		Fences Amended
Policy N° 3		East Pithara Road
Policy N° 4		Stables
Policy N° 5		Moveable Buildings
Policy N° 6		Aged Accommodation
Policy N° 7		Verandas Over Footpaths

## Land Use & Development Applications

Type of Activity	17/18	16/17	15/16
Planning Applications	24	14	8
Subdivisions	2	3	5
Scheme Amendments	1	2	1

## Building Services

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

## Types of Building Applications

Building Permit Applications	2017/18	2016/17	2015/16
Dwelling	14	9	6
Buildings ancillary to dwellings	3	7	6
Commercial	3	6	4
Industrial	1	0	5
Total applications	21	22	23
Monetary value of all applications	\$8,788K	3,512K	3,376

## Regulatory Services

Council has a legislated responsibility to regulate other prescribed activities, such as companion animals, conduct on public thoroughfares and fire control, under:

- Cat Act 2011
- Dog Act 1976
- Fire and Emergency Services Act 1998
- Litter Act 1979

## Building Maintenance

The Shire owns and maintains an inordinately considerable number of buildings throughout the local government area that are required to be maintained to provide functionality and longevity. The department services 36 public and commercial buildings, which include administration offices, meeting spaces, community facilities and industrial units; and 41 dwellings that accommodate staff, the elderly and other members of the general community.



## Building Maintenance Work Requests

Type of Building Work Undertaken	Number of Work Requests & the Location				
	Dalwallinu	Kalannie	Pithara	Wubin	Buntine
Residential	152	6	0	0	0
Public	196	22	3	17	1
Other Infrastructure	120	0	0	1	0
<b>Total</b>	<b>360</b>	<b>28</b>	<b>3</b>	<b>18</b>	<b>1</b>

## Caravan Parks

The Shire of Dalwallinu maintains two caravan parks, located within the townsites of Dalwallinu and Kalannie.

The Dalwallinu Caravan Park is a managed facility that can cater for 46 caravans on a temporary or permanent basis and provide suitable space for a lesser compliment of campers. The Park was overbooked for the high season coinciding with the large numbers of travellers coming to the area to observe the prolific expanse of wildflowers seen that year.

Major works maintenance works were undertaken during the year to improve drainage and sullage and visitor amenity. Old fittings and fixtures have also been replaced to give an uplift to the facility and generally improve safety for visitors and the general aesthetics of the Park.

### Caravan Park Statistics

Year	2017/18	2016 /17	2015/16
No of Customers	7, 568	8, 437	7, 757

## Aquatic Centre

This facility provides access to an aquatic environment for members of the local community and visitors. The facility comprises two swimming pools offering immersive opportunities to patrons of all ages and swimming abilities.

### Aquatic Centre Statistics

Year	2017/18	2016 /17	2015/16
No of Customers	7,971	7, 012	8,207

Doug Burke  
**MANAGER PLANNING & DEVELOPMENT SERVICES**



kiddie pool





## Chief Bush Fire Control Officer Report



During the 2017/2018 fire season the four shire brigades attended 13 callouts.

These consisted of:

- 3 x grass /scrub fires
- 2 x tip fires Kalannie
- 2 x tip fires Dalwallinu
- 1 x power pole fire
- 1 x air seeder and tractor fire
- 1 x medical assist to St Johns
- 1 x storm damage clean up
- 2 x dispatch then stand down

We also took delivery of two new appliances one for Buntine brigade and one for Dalwallinu brigade.

These are 4000 litre crew cab 4WD trucks paid for by the Emergency Services Levy.

Once again thank you to the volunteers who attend these incidents and to the farmers who attend with private appliances.

Gary Butcher

**CHIEF BUSH FIRE CONTROL OFFICER**



*Kalannie storm damage clean up: Photos 1-2*



*grass fire*



## Freedom of Information

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

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

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

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

Nil Freedom of Information requests were received in 2017/18.

## Register of Minor Complaints

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

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

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

In accordance with these requirements, it is advised that no complaints or minor breaches under the *Local Government Act 1995* were received during 2017-2018.

## Employee Remuneration Over \$100,000

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

Salary Range \$	2018	2017
100,001 – 110,000	1	0
110,001 – 120,000	1	1
120,001 – 130,000	1	0
150,001 – 160,000	1	1
400,001 – 410,000*	1	0
410,000 – 420,000*	0	1

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



## 2017/18 Objectives and Achievements

### OBJECTIVES AND ACHIEVEMENTS

The Council, in its 2017/18 Annual Budget, proposed to undertake and achieve the following:

Activity	Planned Works	Completion Date	Comments
Bell Street Subdivision	Development of 9 residential lots	N/A	Subdivision on hold pending increased demand. Council looking at increasing lot yield to 11-13 lots to give a smaller lot alternative.
Employee Housing	Construction of two (2) new employee houses on subdivided land between Wasley/ Dungey	N/A	Project was to go ahead if sale of two shire houses was realised. Only one house has been sold to date to fund the construction. Also waiting on subdivision to take place. Has been included in 2018-2019 budget.
Purchase of Bell Street Land	Acquisition of Land for subdivision	October 2017	Land has been purchased.
Purchase of Myer Street Land	Acquisition of land for future aged housing	N/A	Waiting on Department of Lands to progress the sale.
Recreation Centre Dalwallinu	Upgrade to Recreation Centre	Ongoing	Tender awarded in April 2018. Works expected to be completed early 2019.
Depot Building Solar Panels	Installation of solar panels on depot shed	June 2018	Completed
Composting Toilet – Richardson Park	Installation of a toilet facility at Richardson park	N/A	Project to be undertaken in 2018-2019. Received grant funding from Lotterywest and contribution from Lions Club.
Recreation Centre Precinct	Upgrade to Recreation Centre precinct creating a community hub, with a BBQ, water cooler, playground equipment, seating, ablution facility, pathways, bike track and landscaping	Ongoing	Tender awarded in February 2018. Works expected to be completed early 2019.
Swimming Pool Area	Upgrades to equipment at swimming pool	N/A	Swimming Pool funding was withdrawn by the State Government.
Leahy St Landscaping	Landscaping of Leahy St after subdivision works completed	N/A	Waiting for completion of the Water Corp project before commencing the landscaping. Budgeted to be completed in 2018-2019.





Activity	Planned Works	Completion Date	Comments
Sewerage Ponds	Construction of new pond	N/A	Awaiting flow metre information to enable correct design of new pond. Has been budgeted to be completed in 2018-2019.
Sewerage system upgrade	Upgrades to sewerage system	N/A	Was awaiting the completion of the Sewer Master Plan. Council endorsed the plan in Feb 2018. Tenders have been called for stage 1 and will be completed in 2018-2019.
Road Construction	Ongoing upgrade and renewal works across the Shire	June 2018	Completed
Plant Replacement	Ongoing replacement of Plant as per Council's Plant Replacement Schedule	June 2018	Completed





## Citizenship Ceremonies

The Shire conducted three (3) citizenship ceremonies throughout the year for a total of 14 new Australian Citizens. Every ceremony concluded with an afternoon tea provided by the Shire.

The following ceremonies were conducted in the Financial Year 2017/18.

Date of Ceremony	Country of Origin				Total
	Philippines	United Kingdom	Ireland	New Zealand	
25/7/2017	1	1	0	0	2
26/1/2018	5	0	1	0	6
22/5/2018	5	0	0	1	6
<b>Total</b>	<b>11</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>14</b>



25 July 2017 Ceremony



26 January 2018 Ceremony



22 May 2018 Ceremony



## Strategic Community Plan Scorecard

### Strategic Community Plan 2017/2027 – Score Card 2017/18

Goal 1 – Community (Social)			
Outcome 1.1: Enhanced and expanded medical and other appropriate health services			
Outcomes	Shire Activity/Action	Did we meet the outcome	Comment
1.1.1 Advocate for additional medical services e.g Dental, physio	Nil	No	No advocacy undertaken for additional services in 17/18. Advocacy for retention of psychology services was undertaken in 17/18.
1.1.2 Advocate and promote an integrated public and Community Health Programme	An allocation was made in the budget for the employment of the practice nurse	Yes	Practice nurse employed at the medical centre for 25 hours per week
1.1.3 Investigate improved service delivery model	Registrations of Interest called for the operations and management of the Dalwallinu Medical Centre	No	Ongoing
1.1.4 Advocate for improvements to and extension in the availability of ‘in-home care and support services’	Nil	No	No progress on this outcome
1.1.5 Support regular provision of locum medical services	An allocation was made in the budget for a visiting GP to attend the medical centre	Yes	A GP from Moora attended the medical centre one day per week





## Strategic Community Plan 2017/2027 – Score Card 2017/18

Outcome 1.2: Enhanced quality of public amenities and all Shire facilities			
Outcomes	Shire Activity/Action	Did we meet the outcome	Comment
1.2.1 Improve the cleaning services of public amenities and all Shire facilities	Increased the allocation in the budget for additional cleaning hours Discussion paper presented to Council on employee vs contract cleaners.	Yes	Additional cleaning of public facilities undertaken by cleaners
1.2.2 Improve lighting and universal access requirements in public places	Grant application lodged for lighting upgrade in Johnston Street	Yes	Grant successful and works will be undertaken in 18/19
1.2.3 Promote greater usage of facilities for conferences and workshops	Nil	Yes	Due to Rec Centre being unavailable, the town hall has held weddings and conferences. This may have improve usage in the future
Outcome 1.3: Improved technology and electronic communication			
Outcomes	Shire Activity/Action	Did we meet the outcome	Comment
1.3.1 Lobby State and Federal departments to improve mobile phone coverage	Contact regularly made with Telstra and the Goodlands Community who have been instrumental in trying to improve communications	Yes	Lobbying undertaken with some progress being made out in the Goodlands area. Council have committed \$100K as a contribution for improved communications
1.3.2 Lobby for better access and capability to National Broadband Network	Nil	No	No longer relevant due to satellite television
1.3.3 Support continued provision of public services such as Community Resource Centres	Provision of building at nil rental	Yes	New lease with Dalwallinu CRC expires 30 November 2028. Lobbied State Government when CRC funding cuts were announced.
1.3.4 Encourage and support private enterprise solutions to improve communications	Shire representatives are members of Innovation Central Midlands Inc	Yes	ICMI have been involved with the 'Supernet' communications project



## Strategic Community Plan 2017/2027 – Score Card 2017/18

### Goal 1 – Community (Social)

#### Outcome 1.4: Improved youth activities and services

Outcomes	Shire Activity/Action	Did we meet the outcome	Comment
1.4.1 Improve ambience and management of Recreation Centres	Council agreed to fund the upgrade to the Dalwallinu Recreation Centre after being unsuccessful with grant funding.  Tender for upgrade was awarded early 2018. Project due for completion early 2019	Yes	Upgrade well underway in 17/18
1.4. Enhance connections between DDHS and Shire Officers	Chief Executive Officer is a member of the School Council.  Community Support Officer in regular contact with school regarding youth activities	Yes	Ongoing
1.4.3 Enhance youth engagement and utilisation of recreation services	Youth Survey undertaken in May 2018	Yes	Outdoor movie night held for younger children in April 2018. Future events to be held.  Basketball backboard installed at skate park  School holiday activities planned.
1.4.4 Engage with Early Learning Centre to investigate funding options, case studies for potential upgrades/ extensions	Nil	No	No progress on this outcome

#### Outcome 1.5: Protected heritage areas and buildings

Outcomes	Shire Activity/Action	Did we meet the outcome	Comment
1.5.1 Continue to maintain a municipal heritage register	Municipal Register maintained	Yes	Ongoing
1.5.2 Investigate funding options for heritage listed assets	Nil	No	Not considered a high priority





## Strategic Community Plan 2017/2027 – Score Card 2017/18

Outcome 1.6: Enhanced community meeting areas in each town			
Outcomes	Shire Activity/Action	Did we meet the outcome	Comment
1.6.1 Redevelop townsites main streets	Installation of rope play equipment, commencement of BBQ in Memorial Park, installation of shaded seating at skate park, installation of tourist information bay, installation of water coolers at memorial park and skate park, purchase of windmill to be placed in Johnston Street	Yes	Works commenced in 17/18 will be completed in 18-19 along with the commencement of the mural project.
1.6.2 Support entities such as Mens Shed	Nil	No	No progress on this outcome
Outcome 1.7: Improved and enhanced playground areas			
Outcomes	Shire Activity/Action	Did we meet the outcome	Comment
1.7.1 Improve public amenities in playground areas	Grant application successful with Lotterywest for a toilet facility at Richardson Park and Lions Club are providing a cash contribution Shade structure installed at skate park Additional BBQ, seating and water cooler placed in Memorial Park near rope play equipment	Yes	Toilet facility to be undertaken in 18/19
1.7.2 Provide appropriate shade structures in playgrounds	Shade seating structure commenced at skate park and the shade structure erected at community hub at Rec Centre	Yes	Skate park structure will be completed in 18/19
Outcome 1.8: Rejuvenated and enhanced recreation precinct and Dalwallinu Recreation Centre			
1.8.1 Develop vibrant community hub space within the Dalwallinu recreation precinct	Council were successful in receiving \$1.3M from Lotterywest. Project commenced early 2018 with completion due early 2019. This area provides a shaded community meeting area with BBQ, water cooler, ablution facility, play equipment, bike track, musical play equipment and paved areas	Yes	Due for completion early 2019
1.8.2 Provide improved landscape and links with the amenity of recreational spaces and sporting facilities	As above	Yes	As above
1.8.3 Promote rejuvenated modern conference and function capabilities to regional users	Nil	No	On completion of facility, the Centre will be promoted as a venue for workshops, conferences, weddings etc



Strategic Community Plan 2017/2027 – Score Card 2017/18

Goal 2 – Sustainable Living (Economic)			
Outcome 2.5: Improved drainage of stormwater in towns			
Outcomes	Shire Activity/Action	Did we meet the outcome	Comment
2.5.1 Advocate for culvert size increases across Great Northern Highway (Wubin)	Lobbied Main Roads WA	Yes	Lobbying to continue
2.5.2 Instigate improved maintenance of current drainage system	Council adopted the Sewer Master Plan and the first stage to be undertaken in 18-19.	Yes	Assessing tenders as at 30 June 2018
2.5.3 Increase capture and utilisation of storm water	Discussion paper being prepared.	No	No progress on this outcome
Outcome 2.6: Improved road network			
Outcomes	Shire Activity/Action	Did we meet the outcome	Comment
2.6.1 Ensure Restricted Access Vehicle (RAV) Network is fit for purpose to service agricultural transport needs	Nil	No	No progress on this outcome
2.6.2 Continue programme of road maintenance and reconstruction to meet asset renewal standards	Planned roadworks completed	Yes	Ongoing road maintenance and construction planned
2.6.3 Monitor annual freight task on Shire roads and lobby for sufficient funding	Nil	No	No progress on this outcome
2.6.4 Progress towards all Class A roads being 8 metres in width	When new Class A roads are planned for construction these are to 8m width	Yes	Ongoing



## Strategic Community Plan 2017/2027 – Score Card 2017/18

Outcome 2.7: Improved productivity and profitability of agriculture			
Outcomes	Shire Activity/Action	Did we meet the outcome	Comment
2.7.1 Maintain the relationship with local Liebe Group	Provision of office space on a lease basis, plus a donation Liebe have now vacated to their own building as of 30 June 2018	Yes	Continued with support of the Liebe Group with financial contribution
2.7.2 Facilitate vermin and weed control activities where the need arises	Undertook verge spraying	Yes	Nil
Goal 3 - Environment			
Outcome 3.1 Reduced feral animal population in the Shire			
Outcomes	Shire Activity/Action	Did we meet the outcome	Comment
3.1.1 Continue to work with local farmers to reduce the corella population	Corella Culls were held in Dalwallinu and Kalannie with varying success	Yes	Ongoing
3.1.2 Continue support for Central Wheatbelt Biosecurity Association Inc	Have ceased managing the financials for this organisation but continue to support as and when required.	Yes	Nil
Outcome 3.2 Reduced litter and improved ambiance of streetscapes			
3.2.1 Expand litter maintenance works in the town sites	Nil	No	Nil
3.2.2 Encourage volunteer programs to assist with litter control	Nil	No	No progress on this outcome
3.2.3 Provide appropriate awards and prizes for excellence in tidy streets	Nil	No	No progress on this outcome
Goal 3 - Environment			
Outcome 3.3 Improved weed control in the Shire			
Outcomes	Shire Activity/Action	Did we meet the outcome	Comment
3.3.1 Maintain weed management programs in the Shire	Increased verge spraying in townsites	Yes	Nil



## Strategic Community Plan 2017/2027 – Score Card 2017/18

Outcome 3.4 Enhanced rehabilitation of reserves			
Outcomes	Shire Activity/Action	Did we meet the outcome	Comment
3.4.1 Expand gravel pit rehabilitation program	Rehabilitation undertaken on several pits	Yes	Ongoing. More rehab works planned for 18/19
Outcome 3.5 Expanded recycling services			
3.5.1 Promote greater use of DrumMuster	Annual collection day in Dalwallinu and Kalannie	Yes	Continue to hold collection days annually
3.5.2 Education program on what to put in recycle bins	Regular advertising on Facebook to educate on recyclable items	Yes	Ongoing

Goal 4 – Civic Leadership (Governance)			
Outcome 4.1 Improved communication/consultation across all towns with a variety of methods			
Outcomes	Shire Activity/Action	Did we meet the outcome	Comment
4.1.1 Continue to engage the community in decision making and a shared responsibility to achieve our goals	Continued to liaise with the community in line with Councils Communication Plan and Community Engagement Plan Monthly newsletter well received Email database established	Yes	Continue to use the plans to engage the community
4.1.2 Review the Strategic Community Plan regularly through community engagement to ensure it represents the community's interests	SCP reviewed and updated in 2017	Yes	Nil
Outcome 4.2 Improved flexibility in and provision of customer service			
4.2.1 Promote the alternative for payment options	Implemented Centre Pay for pensioners and then Federal Government ceased the service	No	No progress on this outcome
4.2.2 Review staff work ethics and promote best practice customer service	Continued to promote the Customer Service Charter	Yes	All staff aware of Customer Service Charter
4.2.3 Monitor and develop response time to customer issues	As per Customer Service Charter	Yes	All staff aware of customer response times



## Strategic Community Plan 2017/2027 – Score Card 2017/18

Outcome 4.3 Improved emergency planning and response			
Outcomes	Shire Activity/Action	Did we meet the outcome	Comment
4.3.1 Improve the coordination of emergency planning via the Local Emergency Management Committee	Quarterly meetings held	Yes	Nil
4.3.2 Encourage volunteers to work with emergency service providers	Nil	No	No progress on this outcome
4.3.3 Advocate support for local emergency services	Council supports emergency services as and when required	Yes	Nil
4.3.4 Maintain and enhance support for Bush Fire Brigades and volunteers	The Shire administers the ESL for the bush fire brigades	Yes	Nil
Outcome 4.4 Strategic alliances to best serve Dalwallinu			
Outcomes	Shire Activity/Action	Did we meet the outcome	Comment
4.4.1 Develop regional projects with adjoining shires in the Mid West and Wheatbelt	Dalwallinu is part of Innovation Central Midland Inc with the Shires of Moora and Wongan Ballidu to deliver regional projects	Yes	The partnership will continue into the future
4.4.2 Provide services to other Shires e.g conference facilities	Nil	No	No progress on this outcome
4.4.3 Promote advantages of decentralised governance	Nil	No	No progress on this outcome
4.4.4 Lobby the State Government to highlight the current community of interest services and funded by the Shire, and the strategic National Highway location of the town of Dalwallinu	Nil	No	No progress on this outcome
4.4.5 Strive to ensure 'best practice' local governance is maintained	Council took part in a 'Governance Review' in August 2017.  Recommendations from review are being implemented	Yes	Ongoing



## Competition Policy

### Competition Reform

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

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

### Competitive Neutrality

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

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

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

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

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

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

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

### LEGISLATION REVIEW

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

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

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

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

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

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

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

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





## STRUCTURAL REFORM

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

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



## Disability Access and Inclusion

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

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

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





## Record Keeping Plan Report

Consistent with the provisions of the State Records Act 2000, the Shire of Dalwallinu has, at 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 and again in 2014/15.

### Purposes

The purpose of this Recordkeeping Plan (RKP) is to set out the minimum requirements as to which records are to be created by the Shire of Dalwallinu and how it is to keep its records. Recordkeeping Plans are to provide an accurate reflection of the recordkeeping program within the organisation, including information regarding the organisation's recordkeeping system(s), disposal arrangements, policies, practices and processes. The RKP is the primary means of providing evidence of compliance with the Act.

### Objectives

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

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

### Performance Indicators

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

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

### State records commission standard 2: Principal 6

#### RECORD KEEPING TRAINING PROGRAM

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

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

A briefing session for all staff on the requirements of the RKP and their responsibilities 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 since December 2010 has shown the System to be very successful.

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

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





## 2017/18 Annual Financial Report



**SHIRE OF DALWALLINU**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2018**

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**COMMUNITY VISION**

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

Principal place of business:  
58 Johnston Street  
DALWALLINU WA 6609


**SHIRE OF DALWALLINU  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Shire of Dalwallinu for the financial year ended 30 June 2018 is based on proper accounts and records to present fairly the financial position of the Shire of Dalwallinu at 30 June 2018 and the results of the operations for the financial year then ended in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 26<sup>th</sup> day of NOVEMBER 2018



\_\_\_\_\_  
Chief Executive Officer

Jean M Knight  
\_\_\_\_\_  
Name of Chief Executive Officer

**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
<b>Revenue</b>				
Rates	23(a)	3,117,581	3,098,000	3,041,331
Operating grants, subsidies and contributions	2(a)	3,826,998	7,607,707	5,000,065
Fees and charges	2(a)	1,720,770	1,703,070	1,778,638
Interest earnings	2(a)	171,370	157,606	152,653
Other revenue	2(a)	17	12,283	93
		<b>8,836,736</b>	<b>12,578,666</b>	<b>9,972,780</b>
<b>Expenses</b>				
Employee costs		(3,383,197)	(3,212,960)	(3,141,256)
Materials and contracts		(2,284,641)	(8,870,310)	(1,700,421)
Utility charges		(405,231)	(402,935)	(435,400)
Depreciation on non-current assets	9(b)	(5,168,510)	(5,458,846)	(5,005,686)
Interest expenses	2(b)	(63,955)	(61,293)	(74,173)
Insurance expenses		(132,542)	(146,948)	(152,368)
Other expenditure		(167,645)	(147,519)	(121,749)
		<b>(11,605,721)</b>	<b>(18,300,811)</b>	<b>(10,631,053)</b>
		<b>(2,768,985)</b>	<b>(5,722,145)</b>	<b>(658,273)</b>
Non-operating grants, subsidies and contributions	2(a)	4,551,374	5,075,148	5,695,736
Profit on asset disposals	9(a)	18,000	0	2,191
(Loss) on asset disposals	9(a)	(46,109)	(42,628)	(87,067)
<b>Net result</b>		<b>1,754,280</b>	<b>(689,625)</b>	<b>4,952,587</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	3,348,649	0	(5,329,504)
<b>Total other comprehensive income</b>		<b>3,348,649</b>	<b>0</b>	<b>(5,329,504)</b>
<b>Total comprehensive income</b>		<b>5,102,929</b>	<b>(689,625)</b>	<b>(376,917)</b>

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



**STATEMENT OF COMPREHENSIVE INCOME  
BY PROGRAM  
FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
<b>Revenue</b>	2(a)			
Governance		220	459	319
General purpose funding		5,938,817	4,652,693	7,172,243
Law, order, public safety		731,479	28,333	31,681
Health		494,547	567,865	555,400
Education and welfare		4,354	3,240	3,493
Housing		304,516	286,141	300,086
Community amenities		525,619	506,896	526,745
Recreation and culture		115,057	119,793	206,758
Transport		209,409	6,035,475	303,420
Economic services		283,814	290,450	714,147
Other property and services		228,904	87,321	158,488
		<b>8,836,736</b>	<b>12,578,666</b>	<b>9,972,780</b>
<b>Expenses</b>	2(a)			
Governance		(752,624)	(831,582)	(743,449)
General purpose funding		(190,668)	(226,469)	(206,347)
Law, order, public safety		(130,640)	(132,398)	(143,147)
Health		(939,949)	(948,968)	(921,445)
Education and welfare		(27,188)	(33,422)	(12,929)
Housing		(279,903)	(333,817)	(289,390)
Community amenities		(640,356)	(855,978)	(560,924)
Recreation and culture		(1,657,267)	(1,728,199)	(1,559,195)
Transport		(5,474,876)	(11,772,872)	(5,214,938)
Economic services		(1,229,346)	(1,298,214)	(958,933)
Other property and services		(218,949)	(77,599)	53,818
		<b>(11,541,766)</b>	<b>(18,239,518)</b>	<b>(10,556,879)</b>
<b>Finance Costs</b>	2(a)			
Community amenities		(14,008)	(14,605)	(15,270)
Recreation and culture		(44,976)	(41,237)	(50,233)
Other property and services		(4,971)	(5,451)	(8,670)
		<b>(63,955)</b>	<b>(61,293)</b>	<b>(74,173)</b>
		<b>(2,768,985)</b>	<b>(5,722,145)</b>	<b>(658,272)</b>
Non-operating grants, subsidies and contributions	2(a)	4,551,374	5,075,148	5,695,736
Profit on disposal of assets	9(a)	18,000	0	2,191
(Loss) on disposal of assets	9(a)	(46,109)	(42,628)	(87,067)
		<b>4,523,265</b>	<b>5,032,520</b>	<b>5,610,860</b>
<b>Net result</b>		<b>1,754,280</b>	<b>(689,625)</b>	<b>4,952,587</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	3,348,649	0	(5,329,504)
<b>Total other comprehensive income</b>		<b>3,348,649</b>	<b>0</b>	<b>(5,329,504)</b>
<b>Total comprehensive income</b>		<b>5,102,929</b>	<b>(689,625)</b>	<b>(376,917)</b>

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

**STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2018**

	NOTE	2018 \$	2017 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	6,016,176	6,376,316
Trade and other receivables	5	668,049	1,896,785
Inventories	6	13,889	4,374
<b>TOTAL CURRENT ASSETS</b>		<b>6,698,114</b>	<b>8,277,475</b>
<b>NON-CURRENT ASSETS</b>			
Other receivables	5	16,560	18,838
Property, plant and equipment	7	30,607,765	33,106,138
Infrastructure	8	277,614,949	268,469,440
<b>TOTAL NON-CURRENT ASSETS</b>		<b>308,239,274</b>	<b>301,594,416</b>
<b>TOTAL ASSETS</b>		<b>314,937,388</b>	<b>309,871,891</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	752,577	758,273
Current portion of long term borrowings	13(a)	752,753	110,206
Provisions	14	604,588	524,236
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,109,918</b>	<b>1,392,715</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	13(a)	123,755	876,646
Provisions	14	53,148	54,892
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>176,903</b>	<b>931,538</b>
<b>TOTAL LIABILITIES</b>		<b>2,286,821</b>	<b>2,324,253</b>
<b>NET ASSETS</b>		<b>312,650,567</b>	<b>307,547,638</b>
<b>EQUITY</b>			
Retained surplus		46,348,859	43,305,119
Reserves - cash backed	4	2,882,192	4,171,653
Revaluation surplus	10	263,419,516	260,070,866
<b>TOTAL EQUITY</b>		<b>312,650,567</b>	<b>307,547,638</b>

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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2018**

		RESERVES			
	NOTE	RETAINED SURPLUS	CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
<b>Balance as at 1 July 2016</b>		<b>39,326,604</b>	<b>3,197,581</b>	<b>265,400,370</b>	<b>307,924,555</b>
Comprehensive income					
Net result		4,952,587	0	0	4,952,587
Changes on revaluation of assets	10	0	0	(5,329,504)	(5,329,504)
Total comprehensive income		4,952,587	0	(5,329,504)	(376,917)
Transfers from/(to) reserves		(974,072)	974,072	0	0
<b>Balance as at 30 June 2017</b>		<b>43,305,119</b>	<b>4,171,653</b>	<b>260,070,866</b>	<b>307,547,638</b>
Comprehensive income					
Net result		1,754,280	0	0	1,754,280
Changes on revaluation of assets	10	0	0	3,348,649	3,348,649
Total comprehensive income		1,754,280	0	3,348,649	5,102,929
Transfers from/(to) reserves		1,289,461	(1,289,461)	0	0
<b>Balance as at 30 June 2018</b>		<b>46,348,859</b>	<b>2,882,192</b>	<b>263,419,516</b>	<b>312,650,567</b>

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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018 Actual	2018 Budget	2017 Actual
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		\$	\$	\$
<b>Receipts</b>				
Rates		3,100,122	3,098,000	3,005,506
Operating grants, subsidies and contributions		5,073,259	8,644,676	4,669,733
Fees and charges		1,720,770	1,703,070	1,778,637
Interest earnings		171,370	157,606	152,652
Other revenue		17	12,283	93
		10,065,538	13,615,635	9,606,621
<b>Payments</b>				
Employee costs		(3,296,920)	(3,212,960)	(3,201,243)
Materials and contracts		(2,305,194)	(8,899,206)	(1,786,996)
Utility charges		(405,231)	(402,935)	(435,400)
Interest expenses		(66,282)	(61,293)	(72,999)
Insurance expenses		(132,542)	(146,948)	(152,368)
Goods and services tax		0	0	87,287
Other expenditure		(167,645)	(147,519)	(121,749)
		(6,373,814)	(12,870,861)	(5,683,468)
<b>Net cash provided by (used in) operating activities</b>	15	3,691,724	744,774	3,923,153
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment		(1,494,838)	(7,756,537)	(1,977,495)
Payments for construction of infrastructure		(7,203,268)	(3,666,902)	(6,184,024)
Non-operating grants, subsidies and contributions		4,551,374	5,075,148	5,695,736
Proceeds from sale of fixed assets		203,000	401,818	400,281
<b>Net cash provided by (used in) investment activities</b>		(3,943,732)	(5,946,473)	(2,065,502)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of long term borrowings		(110,344)	(110,345)	(104,142)
Proceeds from self supporting loans		2,212	0	2,146
Proceeds from new long term borrowings		0	2,000,000	0
<b>Net cash provided by (used in) financing activities</b>		(108,132)	1,889,655	(101,996)
<b>Net increase (decrease) in cash held</b>		(360,140)	(3,312,044)	1,755,655
Cash at beginning of year		6,376,316	6,376,318	4,620,661
<b>Cash and cash equivalents at the end of the year</b>	15	6,016,176	3,064,274	6,376,316

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



**RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018 Actual	2018 Budget	2017 Actual
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
Net current assets at start of financial year - surplus/(deficit)		3,030,483	3,092,241	1,873,908
		3,030,483	3,092,241	1,873,908
<b>Revenue from operating activities (excluding rates)</b>				
Governance		220	459	319
General purpose funding		2,821,236	1,554,693	4,130,912
Law, order, public safety		749,479	28,333	31,681
Health		494,547	567,865	555,400
Education and welfare		4,354	3,240	3,493
Housing		304,516	286,141	300,086
Community amenities		525,619	506,896	526,745
Recreation and culture		115,057	119,793	206,758
Transport		209,409	6,035,475	305,611
Economic services		283,814	290,450	714,147
Other property and services		228,904	87,321	158,488
		5,737,155	9,480,666	6,933,640
<b>Expenditure from operating activities</b>				
Governance		(752,624)	(831,582)	(743,449)
General purpose funding		(190,668)	(226,469)	(206,347)
Law, order, public safety		(130,640)	(132,398)	(143,147)
Health		(941,873)	(948,968)	(921,445)
Education and welfare		(27,188)	(33,422)	(12,929)
Housing		(288,981)	(333,817)	(294,408)
Community amenities		(654,364)	(870,583)	(576,194)
Recreation and culture		(1,719,379)	(1,769,436)	(1,610,153)
Transport		(5,492,847)	(11,815,500)	(5,273,635)
Economic services		(1,229,346)	(1,298,214)	(958,933)
Other property and services		(223,920)	(83,050)	22,521
		(11,651,830)	(18,343,439)	(10,718,119)
<b>Operating activities excluded</b>				
(Profit) on disposal of assets	9(a)	(18,000)	0	(2,191)
Loss on disposal of assets	9(a)	46,109	42,628	87,067
Loss on revaluation of fixed assets	8(b)	0	0	0
(Reversal) of prior year loss on revaluation of fixed assets		0	0	0
Movement in deferred pensioner rates (non-current)		0	0	(3,593)
Movement in employee benefit provisions (non-current)		(1,746)	0	(45,676)
Depreciation and amortisation on assets	9(b)	5,168,510	5,458,846	5,005,686
<b>Amount attributable to operating activities</b>		2,310,681	(269,058)	3,130,722
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		4,551,374	5,075,148	5,695,736
Proceeds from disposal of assets	9(a)	203,000	401,818	400,281
Purchase of property, plant and equipment	7(b)	(1,494,838)	(7,756,537)	(1,977,495)
Purchase and construction of infrastructure	8(b)	(7,203,268)	(3,666,902)	(6,184,024)
<b>Amount attributable to investing activities</b>		(3,943,732)	(5,946,473)	(2,065,502)
<b>FINANCING ACTIVITIES</b>				
Repayment of long term borrowings	13(a)	(110,344)	(110,345)	(104,142)
Proceeds from new long term borrowings	13(b)	0	2,000,000	0
Proceeds from self supporting loans		2,212	0	2,146
Transfers to reserves (restricted assets)	4	(260,600)	(391,729)	(974,072)
Transfers from reserves (restricted assets)	4	1,550,061	1,619,605	0
<b>Amount attributable to financing activities</b>		1,181,329	3,117,531	(1,076,068)
<b>Surplus(deficiency) before general rates</b>		(451,722)	(3,098,000)	(10,848)
<b>Total amount raised from general rates</b>	23	3,117,581	3,098,000	3,041,331
<b>Net current assets at June 30 c/fwd - surplus/(deficit)</b>	24	<b>2,665,859</b>	<b>0</b>	<b>3,030,483</b>

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

## 1. BASIS OF PREPARATION

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

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

### CRITICAL ACCOUNTING ESTIMATES

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

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

### THE LOCAL GOVERNMENT REPORTING ENTITY

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

### THE LOCAL GOVERNMENT REPORTING ENTITY (Continued)

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.

### AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

#### Land under roads

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

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

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

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

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

## 2. REVENUE AND EXPENSES

### (a) Revenue

#### Significant revenue

WANDRRA Income

#### Other revenue

Other

#### Fees and Charges

Governance

General purpose funding

Law, order, public safety

Health

Education and welfare

Housing

Community amenities

Recreation and culture

Transport

Economic services

Other property and services

	2018 Actual	2017 Actual
	\$	\$
WANDRRA Income	2,606,119	3,263,517
Other	18	93
	18	93
Governance	220	270
General purpose funding	6,399	5,721
Law, order, public safety	6,078	6,277
Health	490,646	550,000
Education and welfare	1	1
Housing	283,032	276,621
Community amenities	523,219	521,974
Recreation and culture	69,449	75,740
Transport	31,974	34,421
Economic services	191,977	249,808
Other property and services	117,775	57,805
	1,720,770	1,778,638

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

## 2. REVENUE AND EXPENSES (Continued)

### (a) Revenue (Continued)

#### Grant Revenue

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

	2018	2017
	\$	\$
<b>Operating grants, subsidies and contributions</b>		
Governance	0	50
General purpose funding	2,643,585	3,972,720
Law, order, public safety	725,402	25,404
Health	3,900	5,400
Education and welfare	4,235	3,309
Housing	21,484	23,465
Community amenities	2,400	4,771
Recreation and culture	45,608	131,018
Transport	177,435	269,000
Economic services	91,837	464,339
Other property and services	111,112	100,589
	3,826,998	5,000,065
<b>Non-operating grants, subsidies and contributions</b>		
Recreation and culture	744,978	418,333
Transport	3,806,396	5,277,403
	4,551,374	5,695,736
<b>Total grants, subsidies and contributions</b>	<b>8,378,372</b>	<b>10,695,801</b>

#### SIGNIFICANT ACCOUNTING POLICIES

##### Grants, Donations and Other Contributions

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

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

##### Grants, Donations and Other Contributions (Continued)

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 22. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current period.

#### Interest earnings

- Loans receivable - clubs/institutions
- Reserve funds
- Other funds
- Other interest revenue (refer note 23(c))

2018	2018	2017
Actual	Budget	Actual
\$	\$	\$
94,706	76,176	85,212
53,091	65,000	47,819
23,573	16,430	19,622
171,370	157,606	152,653



## 2. REVENUE AND EXPENSES (Continued)

### (b) Expenses

#### Significant expense

WANDRRA Expenditure

#### Auditors remuneration

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

#### Interest expenses (finance costs)

Long term borrowings (refer Note 13(a))

#### Rental charges

- Operating leases

	2018	2017
	\$	\$
WANDRRA Expenditure	3,005,880	3,309,615
Auditors remuneration		
- Audit of the Annual Financial Report	11,215	14,077
- Other Services	1,113	2,350
- Disbursements	1,061	2,864
	13,389	19,291
Interest expenses (finance costs)		
Long term borrowings (refer Note 13(a))	63,955	74,173
	63,955	74,173
Rental charges		
- Operating leases	329,875	313,666
	329,875	313,666

### 3. CASH AND CASH EQUIVALENTS

	NOTE	2018	2017
		\$	\$
Unrestricted		3,019,352	1,413,012
Restricted		2,996,824	4,963,304
		6,016,176	6,376,316
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserves cash backed - Leave Reserve	4	219,787	214,961
Reserves cash backed - Plant Reserve	4	829,009	810,799
Reserves cash backed - Joint Venture Housing Reser	4	261,208	255,471
Reserves cash backed - Land & Buildings Reserve	4	379,455	1,205,400
Reserves cash backed - Sewerage Scheme Reserve	4	615,418	600,992
Reserves cash backed - Townscape Reserve	4	68,594	98,635
Reserves cash backed - Telecommunications Reser	4	111,675	109,222
Reserves cash backed - Swimming Pool Reserve	4	42,632	41,695
Reserves cash backed - Recreation Reserve	4	286,932	280,630
Reserves cash backed - Insurance Excess Reserve	4	67,482	66,000
Reserves cash backed - Roadworks Reserve	4	0	487,848
Unspent grants	22	114,632	791,652
		2,996,824	4,963,304

#### SIGNIFICANT ACCOUNTING POLICIES

##### Cash and cash equivalents

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

##### Cash and cash equivalents (Continued)

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

4. RESERVES - CASH BACKED

	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 Actual	2018 Budget Opening Balance	2018 Budget Transfer to	2018 Budget Transfer (from)	2018 Budget Closing Balance	2017 Actual Opening Balance	2017 Actual Transfer to	2017 Actual Transfer (from)	2017 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Reserves cash backed - Leave Reserve	214,961	4,828	0	219,789	214,960	4,299	0	219,259	209,380	5,580	0	214,960
Reserves cash backed - Plant Reserve	810,799	18,209	0	829,008	810,799	196,140	0	1,006,939	734,909	75,892	0	810,801
Reserves cash backed - Joint Venture Housing Reserve	255,471	5,737	0	261,208	255,471	31,013	0	286,484	221,353	34,118	0	255,471
Reserves cash backed - Land & Buildings Reserve	1,205,400	193,057	(1,019,000)	379,457	1,205,401	24,107	0	1,229,508	1,125,408	79,992	0	1,205,400
Reserves cash backed - Sewerage Scheme Reserve	600,992	14,425	0	615,417	600,992	20,350	(850,000)	(228,658)	560,861	40,131	0	600,992
Reserves cash backed - Townscape Reserve	98,635	2,215	(32,257)	68,593	98,635	1,973	(247,000)	(146,392)	47,372	51,262	0	98,634
Reserves cash backed - Telecommunications Reserve	109,222	2,453	0	111,675	109,222	52,184	(32,257)	129,149	57,684	51,537	0	109,221
Reserves cash backed - Swimming Pool Reserve	41,695	936	0	42,631	41,695	834	0	42,529	40,613	1,082	0	41,695
Reserves cash backed - Recreation Reserve	280,630	6,302	0	286,932	280,630	41,009	0	321,639	200,000	80,630	0	280,630
Reserves cash backed - Insurance Excess Reserve	66,000	1,482	0	67,482	66,000	17,320	0	83,320	0	66,000	0	66,000
Reserves cash backed - Roadworks Reserve	487,848	10,956	(498,804)	0	487,848	2,500	(490,348)	0	0	487,848	0	487,848
	4,171,653	260,600	(1,550,061)	2,882,192	4,171,653	391,729	(1,619,605)	2,943,777	3,197,580	974,072	0	4,171,652

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
Reserves cash backed - Leave Reserve	as required	To be used to fund annual and long service leave requirements
Reserves cash backed - Plant Reserve	as required	To be used for the purchase of major plant
Reserves cash backed - Joint Venture Housing Reserve	as required	To be used for long term maintenance & construction of joint venture housing
Reserves cash backed - Land & Buildings Reserve	as required	To be used for the purchase/construction of land/buildings
Reserves cash backed - Sewerage Scheme Reserve	as required	To be used for the maintenance & replacement of the sewerage Scheme
Reserves cash backed - Townscape Reserve	as required	To be used for future townscaping projects within the Shire
Reserves cash backed - Telecommunications Reserve	as required	To be used to leverage enhanced telecommunications capabilities within the Shire
Reserves cash backed - Swimming Pool Reserve	as required	To be used for the maintenance & upgrade of the swimming pool
Reserves cash backed - Recreation Reserve	as required	To be used for the upgrade of the recreation centre
Reserves cash backed - Insurance Excess Reserve	as required	To be used for the damaged non-insured assets upgrade
Reserves cash backed - Roadworks Reserve	N/A	Fully used in 2017/18

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**5. TRADE AND OTHER RECEIVABLES**

**Current**

Rates outstanding
Sundry debtors
Loans receivable - clubs/institutions
Accrued Income

**Non-current**

Rates outstanding - pensioners
Loans receivable - clubs/institutions

Information with respect the impairment or otherwise of the totals of rates outstanding and sundry debtors is as follows:

**Rates outstanding**

Includes:

Not past due and not impaired	0	451
Past due and impaired	0	0
- 3 months to 1 year	92,610	87,288
- 1 to 5 years	46,465	35,031
- more than 5 years	2,424	1,270

**Sundry debtors**

Includes:

Not past due and not impaired	515,833	1,335,517
Past due and impaired	1,299	2,199
Past due and not impaired	0	46,188
- up to 1 month	4,695	5,075
- 1 to 3 months	1,814	355,301
- 3 months to 1 year	15,464	41,575

2018	2017
\$	\$
124,939	107,480
539,105	1,785,855
2,278	2,212
1,727	1,238
668,049	1,896,785
16,560	16,560
0	2,278
16,560	18,838
0	451
0	0
92,610	87,288
46,465	35,031
2,424	1,270
515,833	1,335,517
1,299	2,199
0	46,188
4,695	5,075
1,814	355,301
15,464	41,575

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other receivables**

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

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

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

**Classification and subsequent measurement**

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

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



## 6. INVENTORIES

### Current

Fuel and Materials

2018	2017
\$	\$
13,889	4,374
13,889	4,374

### SIGNIFICANT ACCOUNTING POLICIES

#### General

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

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**7 (a). PROPERTY, PLANT AND EQUIPMENT**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Land and buildings		
Land - freehold land at:		
- Independent valuation 2017- level 2	2,454,635	2,454,635
- Additions after valuation - cost	60,844	0
- Disposals - cost	(65,000)	0
	<b>2,450,479</b>	<b>2,454,635</b>
Total land	<b>2,450,479</b>	<b>2,454,635</b>
Buildings - non-specialised at:		
- Independent valuation 2017 - level 2	24,483,608	27,271,490
- Additions after valuation - cost	364,961	0
- Disposals - cost	(110,000)	0
Less: accumulated depreciation	(550,018)	0
	<b>24,188,551</b>	<b>27,271,490</b>
Total buildings	<b>24,188,551</b>	<b>27,271,490</b>
Total land and buildings	<b>26,639,030</b>	<b>29,726,125</b>
Furniture and equipment at:		
- Independent valuation 2016 - level 2	233,746	211,007
- Additions after valuation - cost	0	68,829
- Disposals - cost	(13,609)	0
Less: accumulated depreciation	(38,255)	(46,090)
	<b>181,882</b>	<b>233,746</b>
Plant and equipment at:		
- Management valuation 2016 - level 2	0	2,066,589
- Management valuation 2018 - level 2	2,972,810	0
- Additions after valuation - cost	1,069,033	1,342,251
- Disposals - cost	(214,391)	0
Less: accumulated depreciation	(40,599)	(262,573)
	<b>3,786,853</b>	<b>3,146,267</b>
<b>Total property, plant and equipment</b>	<b>30,607,765</b>	<b>33,106,138</b>

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

## 7. PROPERTY, PLANT AND EQUIPMENT (Continued)

### (b) Movements in Carrying Amounts

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

	Land - freehold land	Total land	Buildings - non- specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2016</b>	2,717,829	2,717,829	29,416,632	29,416,632	32,134,461	211,007	2,546,003	34,891,471
Additions	20,952	20,952	545,463	545,463	566,415	68,829	1,342,251	1,977,495
(Disposals)		0	(5,743)	(5,743)	(5,743)		(479,414)	(485,157)
Revaluation increments/ (decrements) transferred to revaluation surplus	(284,146)	(284,146)	(1,351,627)	(1,351,627)	(1,635,773)			(1,635,773)
Depreciation (expense)		0	(727,746)	(727,746)	(727,746)	(46,090)	(262,573)	(1,036,409)
Transfers		0	(605,489)	(605,489)	(605,489)			(605,489)
<b>Carrying amount at 30 June 2017</b>	2,454,635	2,454,635	27,271,490	27,271,490	29,726,125	233,746	3,146,267	33,106,138
Additions	60,844	60,844	364,961	364,961	425,805		1,069,033	1,494,838
(Disposals)	(65,000)	(65,000)	(109,078)	(109,078)	(174,078)	(1,925)	(37,971)	(213,974)
Revaluation increments/ (decrements) transferred to revaluation surplus		0	(2,787,882) *	(2,787,882)	(2,787,882)		82,801	(2,705,081)
Depreciation (expense)		0	(550,940)	(550,940)	(550,940)	(49,939)	(473,277)	(1,074,156)
<b>Carrying amount at 30 June 2018</b>	2,450,479	2,450,479	24,188,551	24,188,551	26,639,030	181,882	3,786,853	30,607,765

\*

NOTE: Dalwallinu Recreation Centre demolition and Kalannie Country Club Storm damage (\$2,787,882) in 2017/18 have been shown as a devaluation and disclosed as an impairment through the revaluation reserve.

## 7. PROPERTY, PLANT AND EQUIPMENT (Continued)

### (c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>Land and buildings</b>					
Land - freehold land	2	market approach using recent observable market data for similar properties	independent valuer	June 2017	price per square metre/ market borrowing rate
Buildings - non-specialised	2	market approach using recent observable market data for similar properties	independent valuer	June 2017	price per square metre/ market borrowing rate
<b>Furniture and equipment</b>	3	cost approach using depreciated replacement cost	management valuation	June 2016	current condition, residual values
<b>Plant and equipment</b>					
- Management valuation 2016	2	market approach using recent observable market data for similar properties	management valuation	June 2016	price per item
- Management valuation 2018	2	market approach using recent observable market data for similar properties	management valuation	June 2018	price per item

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

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**8 (a). INFRASTRUCTURE**

Infrastructure - Roads

- Management valuation 2016 - level 2	
- Independent valuation 2018 - level 2	
- Additions after valuation - cost	
Less: accumulated depreciation	

2018	2017
\$	\$
0	241,534,689
245,802,699	0
5,476,953	4,456,785
0	(7,148,234)
251,279,652	238,843,240

Infrastructure - Footpaths

- Management valuation 2016 - level 2	
- Independent valuation 2018 - level 2	
- Additions after valuation - cost	
Less: accumulated depreciation	

0	1,221,317
1,451,900	0
68,741	90,627
0	(115,507)
1,520,641	1,196,437

Infrastructure - Drainage

- Management valuation 2016 - level 2	
- Independent valuation 2018 - level 2	
- Additions after valuation - cost	
Less: accumulated depreciation	

0	203,158
932,008	0
744,235	826,290
0	(46,088)
1,676,243	983,360

Infrastructure - Parks & Ovals

- Management valuation 2016 - level 2	
- Independent valuation 2018 - level 2	
- Additions after valuation - cost	
Less: accumulated depreciation	

0	328,491
415,674	0
5,040	46,382
0	(70,338)
420,714	304,535

Infrastructure - Other

- Management valuation 2016 - level 2	
- Independent valuation 2018 - level 2	
- Management valuation 2018 - level 2	
- Additions after valuation - cost	
- Disposals - cost	
Less: accumulated depreciation	

0	27,962,954
21,750,327	0
(44,603)	0
942,910	763,940
(40,819)	0
(269,622)	(1,925,639)
22,338,193	26,801,255

Infrastructure - Gardens

- Management valuation 2016 - level 2	
- Independent valuation 2018 - level 2	
Less: accumulated depreciation	

0	342,707
379,506	0
0	(2,094)
379,506	340,613

**Total infrastructure**

277,614,949	268,469,440
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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

## 8. INFRASTRUCTURE (Continued)

### (b) Movements in Carrying Amounts

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

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Parks & Ovals	Infrastructure - Other	Infrastructure - Gardens	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2016</b>	240,765,027	1,167,249	1,105,493	275,290	25,687,168	342,707	269,342,934
Additions	4,456,785	90,627	826,290	46,382	763,940	0	6,184,024
Revaluation increments/ (decrements) transferred to revaluation surplus	(2,745,483)	0	(948,247)	0	0	0	(3,693,730)
Depreciation (expense)	(3,633,089)	(61,439)	(176)	(17,137)	(255,342)	(2,094)	(3,969,277)
Transfers					605,489		605,489
<b>Carrying amount at 30 June 2017</b>	238,843,240	1,196,437	983,360	304,535	26,801,255	340,613	268,469,440
Additions	5,476,953	68,741	744,235	0	913,339	0	7,203,268
(Disposals)	0	0	0	(17,313)	178	0	(17,135)
Revaluation increments/ (decrements) transferred to revaluation surplus	10,667,758	321,060	(30,763)	152,313	(5,095,531) *	38,893	6,053,730
Depreciation (expense)	(3,708,299)	(65,597)	(20,589)	(19,175)	(280,694)	0	(4,094,354)
Transfers	0	0	0	354	(354)	0	0
<b>Carrying amount at 30 June 2018</b>	251,279,652	1,520,641	1,676,243	420,714	22,338,193	379,506	277,614,949

\* NOTE: Kalannie Tennis Courts storm damage (\$44,603) in 2017/18 have been shown as a devaluation and disclosed as an impairment through the revaluation reserve.

## 8. INFRASTRUCTURE (Continued)

### (c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	3	cost approach using depreciated replacement cost	independent valuer	June 2018	construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
Infrastructure - Footpaths	3	cost approach using depreciated replacement cost	independent valuer	June 2018	construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
Infrastructure - Drainage	3	cost approach using depreciated replacement cost	independent valuer	June 2018	construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
Infrastructure - Parks & Ovals	3	cost approach using depreciated replacement cost	independent valuer	June 2018	construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
Infrastructure - Other	3	cost approach using depreciated replacement cost	independent valuer	June 2018	construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
Infrastructure - Gardens	3	cost approach using depreciated replacement cost	independent valuer	June 2018	construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs

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

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

## 9. FIXED ASSETS

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

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

#### Initial recognition and measurement between mandatory revaluation dates

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

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

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

#### Revaluation

The fair value of fixed assets is determined at least every three years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires property, plant and equipment to be shown at fair value.

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

#### Land under control

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

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

#### Land under roads

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

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

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

## 9. FIXED ASSETS (Continued)

### (a) Disposals of Assets

The following assets were disposed of during the year.

	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Plant and Equipment</b>								
<b>Law, order, public safety</b>								
Isuzu FS 500 Fire Tender Buntine	0	18,000	18,000	0				
<b>Health</b>								
Furniture - Removal from Asset Register	1,924		0	(1,924)				
<b>Housing</b>								
14 South St, Dalwallinu house	109,078	100,000	0	(9,078)	353,000	353,000	0	0
14 South St, Dalwallinu land	65,000	65,000	0	0				
<b>Recreation and culture</b>								
Dalwallinu BMX track	17,136		0	(17,136)				
<b>Transport</b>								
Lot 28 McConnell St, Pithara	0	0			1,182	0	0	(1,182)
Iveco Powerstar Primive Mover					61,725	28,818	0	(32,907)
Fuso Canter Tipper Truck	28,539	20,000	0	(8,539)	28,539	20,000	0	(8,539)
Sundry Plant - Removed from Asset Register	9,432		0	(9,432)				
	231,109	203,000	18,000	(46,109)	444,446	401,818	0	(42,628)

### (b) Depreciation

	2018	2017
	\$	\$
Buildings - non-specialised	550,940	727,746
Furniture and equipment	49,939	46,090
Plant and equipment	473,277	262,573
Infrastructure - Roads	3,708,299	3,633,089
Infrastructure - Footpaths	65,597	61,439
Infrastructure - Drainage	20,589	176
Infrastructure - Parks & Ovals	19,175	17,137
Infrastructure - Other	280,694	255,342
	5,168,510	5,005,686

9. FIXED ASSETS (Continued)

(b) Depreciation (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

Depreciation rates

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

Buildings	30 to 50 years
Furniture & Equipment	4 to 10 years
Plant & Equipment	5 to 20 years
Sealed roads & streets	
formation	not depreciated
- pavement	40 to 50 years
- bituminous seals	15 to 25 years
- asphalt surfaces	15 to 25 years
Gravel roads	
- formation	not depreciated
-pavement	50 years
- gravel sheet	12 years
Formed roads	
- formation	not depreciated
- pavement	50 years
Footpath - slab	20 years
Sewerage piping	100 years
Water supply piping & drainage systems	75 years

Depreciation (Continued)

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

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

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



## 10. REVALUATION SURPLUS

	2018 Opening Balance	2018 Revaluation Increment	2018 Revaluation (Decrement)	2018 Total Movement on Revaluation	2018 Closing Balance	2017 Opening Balance	2017 Revaluation Increment	2017 Revaluation (Decrement)	2017 Total Movement on Revaluation	2017 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Buildings - non-specialised	20,911,340	0	(2,787,882)	(2,787,882)	18,123,458	22,547,113		(1,635,773)	(1,635,773)	20,911,340
Revaluation surplus - Furniture and equipment	195	0	0	0	195	195			0	195
Revaluation surplus - Plant and equipment	346,014	82,801	0	82,801	428,815	346,014			0	346,014
Revaluation surplus - Infrastructure - Roads	213,961,329	10,667,758	0	10,667,758	224,629,087	216,706,812		(2,745,483)	(2,745,483)	213,961,329
Revaluation surplus - Infrastructure - Footpaths	156,652	321,060	0	321,060	477,712	156,652			0	156,652
Revaluation surplus - Infrastructure - Drainage	66,840	0	(30,763)	(30,763)	36,077	1,015,088		(948,248)	(948,248)	66,840
Revaluation surplus - Infrastructure - Parks & Ovals	173,771	152,313	0	152,313	326,084	173,771			0	173,771
Revaluation surplus - Infrastructure - Other	24,188,671	0	(5,095,531)	(5,095,531)	19,093,140	24,188,671			0	24,188,671
Revaluation surplus - Infrastructure - Gardens	266,055	38,893	0	38,893	304,948	266,055			0	266,055
	260,070,867	11,262,825	(7,914,176)	3,348,649	263,419,516	265,400,371	0	(5,329,504)	(5,329,504)	260,070,867

Movements on revaluation of fixed assets are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

## 11. TRADE AND OTHER PAYABLES

### Current

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

2018	2017
\$	\$
630,533	624,347
18,687	21,014
10,493	12,110
60,575	51,289
32,289	49,513
752,577	758,273

### SIGNIFICANT ACCOUNTING POLICIES

#### Trade and other payables

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

#### Trade and other payables (Continued)

of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

## 12. SHORT-TERM BORROWINGS

### Unsecured

Unspent Grants
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114,632	791,652
114,632	791,652

### 13. INFORMATION ON BORROWINGS

#### (a) Repayments - Borrowings

Particulars	Principal 1 July 2017	New Loans	Principal Repayments		Principal 30 June 2018		Interest Repayments		Self Supporting?
	\$	\$	Actual	Budget	Actual	Budget	Actual	Budget	Y/N
<b>Housing</b>									
Loan 156 - Staff Housing	109,798	0	53,442	53,442	56,356	56,356	4,971	5,451	N
<b>Community amenities</b>									
Loan 64 - Sewerage Scheme	151,492	0	13,202	13,202	138,290	138,290	14,008	14,605	N
<b>Recreation and culture</b>									
Loan 157 - Dalwallinu Discovery Centre	725,562	0	43,700	43,701	681,862	681,861	44,976	41,237	N
	986,852	0	110,344	110,345	876,508	876,507	63,955	61,293	
<b>Self Supporting Loans</b>	0	0	0	0	0	0	0	0	
	986,852	0	110,344	110,345	876,508	876,507	63,955	61,293	

All loan repayments were financed by general purpose revenue.

#### Borrowings

	2018	2017
	\$	\$
Current	752,753	110,206
Non-current	123,755	876,646
	876,508	986,852

### 13. INFORMATION ON BORROWINGS (Continued)

#### (b) Undrawn Borrowing Facilities

##### Credit Standby Arrangements

Bank overdraft limit  
Bank overdraft at balance date  
Credit card limit  
Credit card balance at balance date

**Total amount of credit unused**

##### Loan facilities

Loan facilities - current  
Loan facilities - non-current

**Total facilities in use at balance date**

##### Unused loan facilities at balance date

2018	2017
\$	\$
0	0
0	0
10,000	10,000
(3,212)	(3,285)
6,788	6,715
752,753	110,206
123,755	876,646
876,508	986,852
NIL	NIL

#### SIGNIFICANT ACCOUNTING POLICIES

##### Financial liabilities

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

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

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

##### Borrowing costs

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

## 14. PROVISIONS

### Opening balance at 1 July 2017

Current provisions  
Non-current provisions

Additional provision

### Balance at 30 June 2018

### Comprises

Current  
Non-current

Provision for Annual Leave	Provision for Long Service Leave	Total
\$	\$	\$
249,265	274,971	524,236
	54,892	54,892
249,265	329,863	579,128
46,183	32,425	78,608
295,448	362,288	657,736
295,448	309,140	604,588
	53,148	53,148
295,448	362,288	657,736

### SIGNIFICANT ACCOUNTING POLICIES

#### Employee benefits

##### Short-term employee benefits

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

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

##### Other long-term employee benefits

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

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

##### Other long-term employee benefits (Continued)

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

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

##### Provisions

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

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



## 15. NOTES TO THE STATEMENT OF CASH FLOWS

### Reconciliation of Cash

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

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Cash and cash equivalents	6,016,176	3,064,274	6,376,316
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	1,754,280	(689,625)	4,952,587
Non-cash flows in Net result:			
Depreciation	5,168,510	5,458,846	5,005,686
(Profit)/loss on sale of asset	28,109	42,628	84,876
Changes in assets and liabilities:			
(Increase)/decrease in receivables	1,228,802	1,036,969	(278,871)
(Increase)/decrease in inventories	(9,515)		7,085
Increase/(decrease) in payables	(5,696)	(28,896)	(137,356)
Increase/(decrease) in provisions	78,608		(15,118)
Grants contributions for the development of assets	(4,551,374)	(5,075,148)	(5,695,736)
Net cash from operating activities	3,691,724	744,774	3,923,153

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Governance	569,000	569,000
General purpose funding	6,714,674	1,483,079
Law, order, public safety	1,082,899	403,097
Health	586,460	694,371
Education and welfare	150,645	158,650
Housing	7,135,934	8,751,899
Community amenities	2,150,241	2,750,491
Recreation and culture	33,164,041	40,847,629
Transport	255,813,047	245,750,484
Economic services	2,739,226	3,221,280
Other property and services	4,810,815	5,176,728
Unallocated	20,406	65,183
	<b>314,937,388</b>	<b>309,871,891</b>

## 17. CONTINGENT LIABILITIES

Nil

## 18. CAPITAL COMMITMENTS

Contracted for:

- Payable:

- not later than one year

The capital expenditure project outstanding at the end of the current reporting period represents the construction of the new recreation centre & precinct and WANDRRA flood recovery works

## 19. JOINT ARRANGEMENTS

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

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

	2018	2017
	\$	\$
<b>Non-current assets</b>		
Land and buildings	1,055,000	1,315,000
Less: accumulated depreciation	(21,718)	0
	<b>1,033,282</b>	<b>1,315,000</b>

### SIGNIFICANT ACCOUNTING POLICIES

#### Interests in joint arrangements

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

Separate joint arrangements providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method.

#### Interests in joint arrangements (Continued)

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements.



## 20. RELATED PARTY TRANSACTIONS

### Elected Members Remuneration

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

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Meeting Fees	40,846	19,776	17,499
President's Allowance	7,942	7,942	7,687
Deputy President's Allowance	1,985	1,985	1,537
Travelling expenses	7,138	9,000	7,278
	57,911	38,703	34,001

### Key Management Personnel (KMP) Compensation Disclosure

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

	2018	2017
	\$	\$
Short-term employee benefits	953,417	1,044,446
Post-employment benefits	106,698	114,656
Other long-term benefits	22,819	22,506
	1,082,934	1,181,608

#### Short-term employee benefits

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

#### Post-employment benefits

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

#### Other long-term benefits

These amounts represent long service benefits accruing during the year.

### Transactions with related parties

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

No outstanding balances or provisions for doubtful debts or guaranties exist in relation to related parties at year end.

The following transactions occurred with related parties:

	2018	2017
	\$	\$
Sale of goods and services	21,888	50,834
Purchase of goods and services	196,183	141,639
<b>Amounts outstanding from related parties:</b>		
Trade and other receivables	13,400	635
<b>Amounts payable to related parties:</b>		
Trade and other payables	6,461	14,269

### Related Parties

The Shire's main related parties are as follows:

#### i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel.

21. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire did not participate in any trading undertakings or major trading undertakings during the 2017/2018 financial year.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

## 22. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance <sup>(1)</sup> 1/07/16	Received <sup>(2)</sup> 2016/17	Expended <sup>(3)</sup> 2016/17	Closing Balance <sup>(1)</sup> 30/06/17	Received <sup>(2)</sup> 2017/18	Expended <sup>(3)</sup> 2017/18	Closing Balance 30/06/18
	\$	\$	\$	\$	\$	\$	\$
<b>Law, order, public safety</b>							
DFES Grant	0	25,404	(25,404)	0	34,958	(27,494)	7,464
<b>Recreation and culture</b>							
Richardson Park toilet grant -Lotterywest	0	0	0	0	32,168	0	32,168
<b>Transport</b>							
Roads to Recovery	0	1,739,569	(1,376,468)	363,101	1,037,012	(1,400,113)	0
Contribution of Landscaping Leahy St	0	0	0	0	15,000	0	15,000
<b>Economic services</b>							
Contribution of Landscaping Leahy St subdivision	60,000	0	0	60,000	0	0	60,000
Central Wheatbelt Biosecurity Assn	12,805	62,400	(45,172)	30,033	70,000	(100,033)	0
CLGF Housing (3 Shires) R4R	81,521		(64,903)	16,618	0	(16,618)	0
AWI Funding - Regional Dogger	0	55,000	(17,100)	37,900	0	(37,900)	0
DAFWA Regional Dogger	0	284,000	0	284,000	0	(284,000)	0
<b>Total</b>	<b>154,326</b>	<b>2,166,373</b>	<b>(1,529,047)</b>	<b>791,652</b>	<b>1,189,138</b>	<b>(1,866,158)</b>	<b>114,632</b>

**Notes:**

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

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

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

## 23. RATING INFORMATION

### (a) Rates

RATE TYPE	Rate in \$	Number of Properties	Value	Rate Revenue	Interim Rates	Back Rates	Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Back Rate	Budget Total Revenue
<b>Differential general rate / general rate</b>			\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Gross rental valuations</b>											
Residential	8.7968	267	3,448,688	303,374			303,374	303,374			303,374
<b>Unimproved valuations</b>											
Rural	1.9828	371	139,970,000	2,775,325	(411)	(375)	2,774,539	2,775,325			2,775,325
<b>Sub-Total</b>		638	143,418,688	3,078,699	(411)	(375)	3,077,913	3,078,699	0	0	3,078,699
<b>Minimum payment</b>	<b>Minimum</b>										
	\$										
<b>Gross rental valuations</b>											
Residential	600	221	1,034,033	132,600			132,600	132,600			132,600
<b>Unimproved valuations</b>											
Rural	700	34	561,905	23,800			23,800	23,800			23,800
Mining	700	30	151,119	21,000			21,000	21,000			21,000
<b>Sub-Total</b>		285	1,747,057	177,400	0	0	177,400	177,400	0	0	177,400
		923	145,165,745	3,256,099	(411)	(375)	3,255,313	3,256,099	0	0	3,256,099
Discounts/concessions (refer note 23(b))							(137,732)				(158,099)
<b>Total amount raised from general rate</b>							3,117,581				3,098,000
<b>Totals</b>							3,117,581				3,098,000

### SIGNIFICANT ACCOUNTING POLICIES

#### Rates

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

## 23. RATING INFORMATION (Continued)

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

#### Rates Discounts

Rate or Fee	Discount	Discount	Actual	Budget	Circumstances in which Discount is Granted
Discount Granted	%	\$	\$	\$	
General & Minimum Rates	5.00%		137,732	158,099	Payment of full amount owing, including arrears and service charges no later than 4:00pm on the day 35 days after the date of service appearing on the rates notice.

### (c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
<b>Option One</b>				
Single full payment	15-Sep-17	0	0.00%	11.00%
<b>Option Two</b>				
First instalment				
Second instalment				
<b>Option Two</b>				
First instalment	15-Sep-17		5.50%	11.00%
Second instalment	17-Nov-17	6.67	5.50%	11.00%
Third instalment	19-Jan-18	6.67	5.50%	11.00%
Fourth instalment	19-Mar-18	6.67	5.50%	11.00%

	2018	2018 Budget
	\$	\$
Interest on unpaid rates	15,530	10,430
Interest on instalment plan	8,043	6,000
Charges on instalment plan	3,228	3,174
	26,801	19,604



**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

## 24. NET CURRENT ASSETS

Composition of net current assets for  
the purposes of the Rate Setting Statement

	<b>2018 (30 June 2018 Carried Forward)</b>	<b>2018 (1 July 2017 Brought Forward)</b>	<b>2017 (30 June 2017 Carried Forward)</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Surplus/(Deficit) 1 July 17 brought forward</b>	2,665,859	3,030,483	3,030,483
<b>CURRENT ASSETS</b>			
Cash and cash equivalents			
Unrestricted	3,019,352	1,413,012	1,413,012
Restricted	2,996,824	4,963,304	4,963,304
Receivables			
Rates outstanding	124,939	107,480	107,480
Sundry debtors	539,105	1,785,855	1,785,855
Loans receivable - clubs/institutions	2,278	2,212	2,212
Accrued Income	1,727	1,238	1,238
Inventories			
Fuel and Materials	13,889	4,374	4,374
<b>LESS: CURRENT LIABILITIES</b>			
Trade and other payables			
Sundry creditors	(630,533)	(624,347)	(624,347)
Accrued interest on long term borrowings	(18,687)	(21,014)	(21,014)
Accrued salaries and wages	(10,493)	(12,110)	(12,110)
ATO liabilities	(60,575)	(51,289)	(51,289)
Other current liabilities	(32,289)	(49,513)	(49,513)
Current portion of long term borrowings	(752,753)	(110,206)	(110,206)
Provisions			
Provision for annual leave	(295,448)	(249,265)	(249,265)
Provision for long service leave	(309,140)	(274,971)	(274,971)
<b>Unadjusted net current assets</b>	<b>4,588,196</b>	<b>6,884,760</b>	<b>6,884,760</b>
<b>Adjustments</b>			
Less: Reserves - restricted cash	(2,882,192)	(4,171,653)	(4,171,653)
Less: Loans receivable - clubs/institutions	(2,278)	(2,212)	(2,212)
Add: Current portion of long term borrowings	752,753	110,206	110,206
Cashed backed leave or provision portion	209,380	209,380	209,380
<b>Adjusted net current assets - surplus/(deficit)</b>	<b>2,665,859</b>	<b>3,030,483</b>	<b>3,030,483</b>

There was no difference between the surplus/(deficit) 1 July 2017 brought forward position used in the 2018 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2017 audited financial report.

## 25. FINANCIAL RISK MANAGEMENT

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

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

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

The Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2018	2017	2018	2017
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	6,016,176	6,376,316	6,016,176	6,376,316
Receivables	684,609	1,915,623	684,609	1,915,623
	6,700,785	8,291,939	6,700,785	8,291,939
<b>Financial liabilities</b>				
Payables	692,002	706,984	692,002	706,984
Borrowings	876,508	986,852	876,508	986,852
	1,568,510	1,693,836	1,568,510	1,693,836

Fair value is determined as follows:

Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.

Borrowings, held to maturity investments, estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

## 25. FINANCIAL RISK MANAGEMENT (Continued)

### (a) Cash and Cash Equivalents

The Shire's objective is to maximise its return on cash whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash portfolio. Council has an Investment Policy and the Policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

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

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

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

The Shire manages these risks by diversifying its portfolio and only investing in investments authorised by Local Government (Financial Management) Regulation 19C.

	2018	2017
	\$	\$
Impact of a 1% <sup>(1)</sup> movement in interest rates on cash		
- Equity	60,162	63,763
- Statement of Comprehensive Income	60,162	63,763

**Notes:**

<sup>(1)</sup> Sensitivity percentages based on management's expectation of future possible interest rate movements.

The following table sets out the interest rate exposure of cash:

	Weighted average interest rate	Carrying amounts	Fixed interest rate	Variable interest rate	Non-interest bearing
2,018					
Cash and cash equivalents	1.83%	6,016,176	3,156,321	2,859,455	400
2,017					
Cash and cash equivalents	2.27%	6,376,316	5,704,604	670,869	843

## 25. FINANCIAL RISK MANAGEMENT (Continued)

### (b) Receivables

The Shire'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. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of the Shire to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. The Shire is 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.

The Shire 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 Shire's credit risk at balance date was:

	2018	2017
	%	%
Percentage of rates and annual charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of other receivables		
- Current	95.00%	75.00%
- Overdue	5.00%	25.00%

## 25. FINANCIAL RISK MANAGEMENT (Continued)

### (c) Payables and borrowings

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

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2018</b>					
Payables	692,002	0	0	692,002	692,002
Borrowings	768,448	111,228	55,614	935,290	876,508
	1,460,450	111,228	55,614	1,627,292	1,568,510
<b>2017</b>					
Payables	706,984	0	0	706,984	758,273
Borrowings	170,541	917,566	55,614	1,143,722	986,853
	877,525	917,566	55,614	1,850,706	1,745,126

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

The following tables set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

Year ended 30 June 2018	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
	\$	\$	\$	\$	\$	\$	\$	%
<b>Borrowings</b>								
<b>Fixed rate</b>								
Long term borrowings	752,753	16,002	17,617	19,394	21,353	49,389	876,508	6.29%
Weighted average								
Effective interest rate	5.71%	9.85%	9.85%	9.85%	9.85%	9.85%		
<b>Year ended 30 June 2017</b>		(60,335)						
<b>Borrowings</b>								
<b>Fixed rate</b>								
Long term borrowings	110,206	752,892	16,002	17,617	19,394	70,742	986,853	6.26%
Weighted average								
Effective interest rate	6.02%	5.71%	9.85%	9.85%	9.85%	9.85%		

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**26. TRUST FUNDS**

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

	<b>1 July 2017</b>	<b>Amounts Received</b>	<b>Amounts Paid</b>	<b>30 June 2018</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
DPI Licencing Fees	17,797	1,032,629	(1,024,980)	25,446
St John Ambulance Memberships	816	2,351	(2,541)	626
CTF Levy	(1)	15,363	(4,422)	10,940
Building Services Levy	0	11,474	(11,351)	123
Standpipe Swipe Cards	2,100	850	(600)	2,350
Nomination Fees	0	480	(480)	0
Hall Hire Bonds	360	624	(360)	624
Key Deposits	1,489	1,038	(1,430)	1,097
Housing Bonds	476	11,052	(11,528)	0
Pommie Migrant to Pioneer Book	0	105	(35)	70
Prepared to Pioneer Book	0	28	(28)	0
5 Graves in Dalwallinu Book	20	252	(222)	50
Pioneer House Donations	10,076	0	0	10,076
Miscellaneous Deposits Held	21,560	85,901	(15,208)	92,253
	<b>54,693</b>			<b>143,655</b>



## 27. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE PERIODS

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

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

	<b>Title</b>	<b>Issued / Compiled</b>	<b>Applicable (1)</b>	<b>Impact</b>
(i)	AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect.
(ii)	AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2018	<p>This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.</p> <p>The effect of this Standard will depend on the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.</p>
(iii)	AASB 16 Leases	February 2016	1 January 2019	<p>Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability into the statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position when AASB 16 is adopted.</p> <p>Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Shire, the impact is not expected to be significant.</p>

Notes:

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

## 27. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE PERIODS (Continued)

	<b>Title</b>	<b>Issued / Compiled</b>	<b>Applicable (1)</b>	<b>Impact</b>
(iv)	AASB 1058 Income of Not-for-Profit Entities	December 2016	1 January 2019	<p>These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are:</p> <ul style="list-style-type: none"> <li>- Assets received below fair value;</li> <li>- Transfers received to acquire or construct non-financial assets;</li> <li>- Grants received;</li> <li>- Prepaid rates;</li> <li>- Leases entered into at below market rates; and</li> <li>- Volunteer services.</li> </ul> <p>Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the Shire's operations.</p>

Notes:

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

### Adoption of New and Revised Accounting Standards

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

Whilst many reflected consequential changes associate with the amendment of existing standards, the only new standard with material application is as follows:

- |      |   |                |
|------|---|----------------|
| (i)  | AASB 2016-4 Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities | 1 January 2017 |
| (ii) | AASB 2016-7 Amendments to Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities  | 1 January 2017 |

## 28. OTHER SIGNIFICANT ACCOUNTING POLICIES

### a) Goods and services tax (GST)

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

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

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

### b) Current and non-current classification

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

### c) Rounding off figures

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

### d) Comparative figures

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

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

### e) Budget comparative figures

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

### f) Superannuation

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

### g) Fair value of assets and liabilities

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

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

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

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

### h) Fair value hierarchy

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

#### Level 1

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

#### Level 2

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

#### Level 3

Measurements based on unobservable inputs for the asset or liability.

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

### Valuation techniques

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

#### Market approach

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

#### Income approach

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

#### Cost approach

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

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

### i) Impairment of assets

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

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

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

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

## 29. ACTIVITIES/PROGRAMS

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

PROGRAM NAME	OBJECTIVE	ACTIVITIES
<b>GOVERNANCE</b>	To provide a decision making process for the efficient allocation of scarce resources.	Administration and operation of facilities and services to members of Council; other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council activities.
<b>GENERAL PURPOSE FUNDING</b>	To collect revenue to allow for the provision of services.	Rates income & expenditure, general purpose grant and interest revenue.
<b>LAW, ORDER, PUBLIC SAFETY</b>	To provide services to help ensure a safer and environmentally conscious community.	Supervision of various by-laws, fire prevention, emergency services and animal control.
<b>HEALTH</b>	To provide an operational framework for environmental and community health.	Food quality, pest control, medical centre operations and other health services.
<b>EDUCATION AND WELFARE</b>	To provide services to disadvantaged persons, the elderly, children and youth.	School support, assistance to playgroups, retirement villages and other voluntary services.
<b>HOUSING</b>	To provide and maintain employee, non-employee and elderly residents housing.	Provision and maintenance of staff and rental housing.
<b>COMMUNITY AMENITIES</b>	To provide services required by the community.	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 roadside furniture.
<b>RECREATION AND CULTURE</b>	To establish and effectively manage infrastructure and resource which will help the social well being of the community.	Provision of facilities and support for organisations concerned with leisure time activities and sport, support for performing and creative arts and preservation of the natural estate. This includes the maintenance of halls, aquatic centre, recreation and community centre, parks and gardens, sports grounds and operation libraries
<b>TRANSPORT</b>	To provide safe, effective and efficient transport services to the community.	Construction, maintenance and cleaning of streets, roads, bridges, drainage works, footpaths, parking facilities and traffic signs, cleaning and lighting of streets, depot maintenance and airstrip maintenance.
<b>ECONOMIC SERVICES</b>	To help promote the shire and its economic wellbeing.	The regulation and provision of tourism, area promotion, building control, noxious weed control, vermin control, standpipes and subdivisions.
<b>OTHER PROPERTY AND SERVICES</b>	To monitor and control the shire's overheads and operating accounts.	overheads, materials, salaries & wages, plant repairs and operation costs. With the expectation of private works, the above activities listed are mainly summaries of costs that are allocated to all the works and services undertaken by Council.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**30. FINANCIAL RATIOS**

	2018	2017	2016
Current ratio	1.96	2.81	1.99
Asset sustainability ratio	1.57	1.55	0.89
Debt service cover ratio	13.97	24.32	(13.44)
Operating surplus ratio	(0.56)	(0.15)	(1.56)
Own source revenue coverage ratio	0.43	0.46	0.32

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expenses}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

**Notes:**

Information relating to the asset consumption ratio and the asset renewal funding ratio can be found at Supplementary Ratio Information on Page 56 of this document.

Three of the ratios disclosed above were distorted by the early receipt of Financial Assistance Grants.

In addition, two of the ratios were impacted by revenue and expenses associated with flood damage re-instatement which is considered one-off in nature.

	2017/18	2016/17	2015/16
	\$	\$	\$
Amount of Financial Assistance Grant received during the year relating to the subsequent year.	1,386,996	1,358,405	0
Amount of Financial Assistance Grant received in prior year relating to current year.	1,358,405	0	1,298,346
Amount of reimbursement for flood damage received			
Expenditure on flood damage re-instated	2,606,119	3,263,517	3,628,930

If the events detailed above did not occur, the impacted ratios in the 2018, 2017 and 2016 columns above would be as follows:

	2018	2017	2016
Current ratio	1.97	1.66	2.58
Debt service cover ratio	13.81	16.70	(6.27)
Operating surplus ratio	(0.56)	(0.42)	(1.29)
Own source revenue coverage ratio	0.43	0.46	0.32

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SHIRE OF DALWALLINU**

### **Report on the Financial Report**

#### **Opinion**

We have audited the financial report of the Shire of Dalwallinu, which comprises the statement of financial position as at 30 June 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the Chief Executive Officer. In our opinion, the financial report of the Shire of Dalwallinu is in accordance with the underlying records of the Shire, including:

- a) giving a true and fair view of the Shire's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australia Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

#### **Basis for Opinion**

We have conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We are independent of the Shire in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical requirements in accordance with the Code.

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

#### **Other Information**

Management is responsible for the other information. The other information comprises the information in the Shire's annual report for the year ended 30 June 2018 but does not include the financial report and the auditor's report thereon.

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



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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Council's Responsibility for the Financial Report**

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

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australia Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Shire's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors.
- Conclude on the appropriateness of Shire's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Shire's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Shire to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Council with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Emphasis of Matter**

Without modifying our opinion, we draw attention to page 56 of the financial report "Ratio Information", which describes certain ratio information relating to the financial report. Management's calculation of these ratios includes assumptions about future capital expenditure and hence falls outside our audit scope. We do not therefore express an opinion on these ratios.

However, we have reviewed the calculations as presented and in our opinion these are based on verifiable information and appear reasonable.

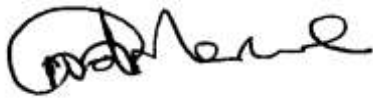
### **Reporting on Other Legal and Regulatory Requirements**

We did not, during the course of our audit, become aware of any instances where the Shire did not comply with the statutory requirements of the Local Government Act (1995) (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

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

- a) Apart from the operating surplus ratio that does not meet the minimum benchmark, there are no material matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) The Shire substantially complied with Part 6 of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).
- c) All information and explanations required were obtained by us.
- d) All audit procedures were satisfactorily completed in conducting our audit.

BUTLER SETTINERI (AUDIT) PTY LTD

A handwritten signature in black ink, appearing to read 'Marius van der Merwe', written in a cursive style.

MARIUS VAN DER MERWE CA  
Director

Perth  
Date: 27 November 2018

SUPPLEMENTARY RATIO INFORMATION  
FOR THE YEAR ENDED 30TH JUNE 2018

RATIO INFORMATION

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

	2018	2017	2016
Asset consumption ratio	1.00	0.97	0.95
Asset renewal funding ratio	0.82	0.80	0.76

The above ratios are calculated as follows:

Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$