

Shire of Dalwallinu



ANNUAL REPORT 2011-2012

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



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Section One

Annual Electors





2013 ANNUAL GENERAL MEETING AGENDA

Notice is hereby given that the Annual General Meeting of Electors will be held on Tuesday, 12 February 2013 commencing at 6.00pm to be held in Council Chambers, Shire Administration Centre, Johnston Street, Dalwallinu.

ORDER OF BUSINESS

1. Opening and Welcome by President
2. Apologies
3. Confirmation of the Minutes of the Annual General Meeting of Electors held on 20 March 2012.
4. The presentation of the Annual Report for the year ending 30 June 2011 comprising of:
 - Presidents Report
 - Chief Executive Officer's Report
 - Financial Report for the 2011/2012 Financial Year
 - Auditors Report
5. Other Information and Question Time
6. General Business

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



2012 ANNUAL GENERAL MEETING MINUTES 20 March 2012

1.0 OPENING & WELCOME BY PRESIDENT

The President declared the meeting open at 6:05pm.

Present

President

Cr RS Nixon
Cr GH Sanderson JP
Cr K Carter
Cr A Dickins
Cr K McNeill
Cr SC Carter
Cr IW Hyde
Cr WM Dinnie

Members of the Public

Mr M Mills
Mr J Roach
Mr C Hyde
Mrs S Dawson
Mr W Carter
Mrs J Carter
Mrs G Hyde
Mr B Cail
Mr P Laxon
Mrs H Seidelin (Until 6:40pm)
Mr J Falls
Mr M Huggett
Mr H Dickins (Until 6:40pm)

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

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

2.0 APOLOGIES

Cr J Martin
Mrs Irene Mills
Mrs Barbara Dinnie
Mr Harry Hyde
Mr Mark Wilson
Mrs Susan Wilson

3.0 MINUTES OF PREVIOUS ANNUAL ELECTORS MEETING

MOTION 6986

Moved Mr C Hyde
Seconded Cr IW HyDE

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

4.0 PRESENTATION OF ANNUAL REPORT CONSISTING OF:

4.1 PRESIDENT'S REPORT

MOTION 6987

Moved Mr S Falls
Seconded Mr M Mills

That the President's Report for the financial year 2010/11 be received.

MOTION CARRIED

4.2 CHIEF EXECUTIVE OFFICER'S REPORT

MOTION 6988

Moved Mr W Carter
Seconded Mr S Falls

That the Chief Executive Officer's Report for the financial year 2010/11 be received.

MOTION CARRIED

4.3 FINANCIAL REPORT FOR THE 2010/11 FINANCIAL YEAR

MOTION 6989

Moved Cr IW Hyde
Seconded Cr KL Carter

That the 2010/11 Annual Financial Statements and Report, as presented, be received and adopted.

MOTION CARRIED

4.4 AUDITOR'S REPORT

MOTION 6989

Moved Mr H Hyde
Seconded Mr M Mills

That the Auditor's Report for the financial year 2010/11 be received.

CARRIED

5.0 OTHER INFORMATION & QUESTION TIME

Mr Bill Carter noted that there was a considerable increase in expenditure on roads, and questioned whether this was also accompanied by increased grant funding.

The Manager of Works informed the meeting that this was accompanied by an increase in the Regional Road Group Funding.

6.0 GENERAL BUSINESS

Nil

7.0 CLOSURE OF MEETING

There being no further business, the Chairperson closed the meeting at at 6:53pm.

8.0 CERTIFICATION

I, Robert Stanley NIXON, certify that the Minutes of the meeting held on the 20 March 2012, as shown on page numbers 1 to 4 were confirmed as a true record at the meeting held on the 20 March 2012.



CHAIRPERSON

DATE



Section Two

Annual Report



Annual Report 2011-2012

December 2012



COUNCILLORS OF THE SHIRE

CR R.S. NIXON (Robert) – President

PO Box 1, Kalannie WA 6468

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CR S.C. CARTER (Steven)

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CR W.M. DINNIE (Bill) OAM JP

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CR I. W. HYDE (Ian)

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CR KL CARTER

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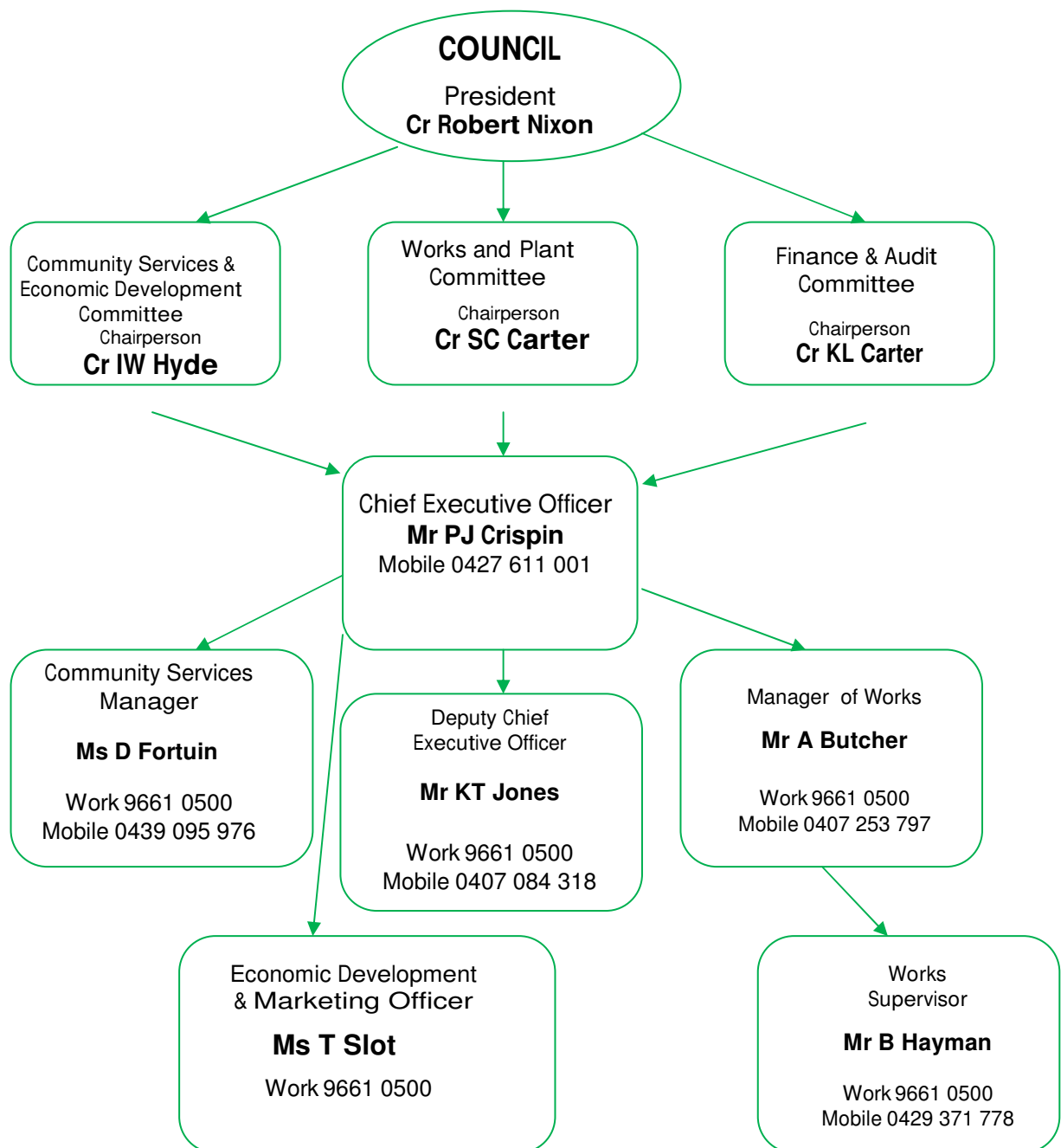
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MANAGEMENT STRUCTURE

The Shire of Dalwallinu has developed its Management Structure to achieve efficient and effective delivery of services and to provide prompt customer service.

The three line Managers have been vested with specific responsibilities, and enjoy a high level of autonomy in carrying out their functions. This is coupled with direct accountability for their respective areas of management. The Managers share a strong commitment towards efficient delivery of Local Government services.



PRESIDENT'S REPORT 2011-2012



On behalf of Council I am pleased to present the President's Report for the 2011/2012 financial year to report on the major activities and achievements of the Shire of Dalwallinu.

Council elections on 15 October 2011 were contested and resulted in the election of Cr Keith Carter, Cr Anita Dickins and Cr Karen McNeill, while Cr Steve Carter and Cr Graham Sanderson were re-elected. Former Councillors David McFarlane, Malcolm Huggett, Glenn Jones and Brian McAlpine did not stand for re-election. The Hon John Castrilli MLA, Minister for Local Government had previously approved the reduction in the number of Councillors from 10 to 9 and the abolition of wards.

Council maintains three standing committees are the Finance and Audit Committee, the Community Services and Economic Development Committee, and the Works & Plant Committee. The committee system provides an important role in Council's governance, particularly in-depth attention to the details of policy issues including sustainable asset management strategies and economic development.

A highlight of Council's economic development policy was when Minister Castrilli launched the Shire's Regional Repopulation Project on 11 October 2011. This community initiative was developed as a pilot project to relocate humanitarian entrants in Western Australia to the Shire to fill job vacancies, while improving the utilisation of established State and Shire infrastructure such as schools, hospital, medical centre and sporting facilities. Dalwallinu is the only regional agricultural and mining service provider on Great Northern Highway.

However a critical shortage of labour due to the expansion of the Shires manufacturing and service industries has resulted in skilled 457 visa holders filling these jobs rather than humanitarian entrants who seemed reluctant to relocate from metropolitan Perth. In June 2012 the Shire commenced an English language programme for the 457 visa workers and new residents in response to their cultural diversity and language needs.

Council has been fortunate in having all senior management positions held and maintained under the direction of CEO, Mr Peter Crispin.

Budget Allocations for Infrastructure Maintenance

The Shires major economic activity is grain production and support services. Wheat is the major grain crop in the *Wheat Shire*. The area planted to canola has increased while lupins plantings have declined. An expansive well maintained road network is required to meet industry expectations with the continuing trend for larger capacity grain harvesters and multi combination vehicles to transport grain, fertiliser, lime and gypsum.

To meet grain industry requirements Council's 2011/2012 budget focus was to effectively and efficiently maintain the large asset base of 1,939kms of road, including 449kms of sealed roads. Consequently to ensure sustainable asset management of the sealed road network Council has commenced a programme of pavement reconstruction focusing on the 6.2 metre seals when they are at the end of their economic life. These roads will be progressively upgraded to 7metre seals that are more suitable for heavy vehicle traffic.

The Road Construction Programme had a budget allocation of \$2,373,413, compared to \$1,857,865 in the previous budget. While there was a decline in the real value of government funding Council had to reallocate funding from other sources. To ensure the requirements of a potential 500,000 tonne local grains industry deliveries to six grain delivery sites are serviced, the programme included: 41.54km of verge maintenance, 45.00km of gravel sheeting and 19.7km of bitumen resealing.

The Shire was able to complete an intersection upgrade on Great Northern Highway at Pithara for Main Roads WA on time and within budget at a competitive price.

Council has a plant replacement schedule so the most suitable plant is available for road construction and maintenance. This schedule stipulates the year when each item of plant is replaced as its fit for purpose economical life has been reached. A strong emphasis continues to be placed on compaction and water binding to extend road life. It is essential the rural landholders are aware that it is critical to source both gravel and water requirements close to road works to reduce costs.

For the year ended 30th June 2012 the total Operating Expenses were \$6,933,857. This enabled the Shire to fund an estimated 80 activities that include some 40 buildings to provide housing, aged care, medical services, recreation and sporting facilities, agricultural support and tourism requirements. The Shire loan liability remains at a very manageable level of \$1,416,616.

The Medical Centre is subsidised as it is unable to achieve full cost recovery after providing a house and vehicle for the Doctor. Support to community groups is provided by way of financial and administrative support. Groups supported in the budget include the Dalwallinu Agricultural Society, Schools, Wubin Progress Incorporated - who operate and maintain a museum complex; and the Liebe Group – who promote and engage in agricultural research and development. Other community groups were assisted through the Community Grants Scheme.

Community and Economic Development

Council continues to direct considerable effort towards enhancing the lifestyle of the community. For instance the Shire assistance to cultural activities such as the 20th Arts and Crafts festival held bi-annually in Dalwallinu, sporting facilities, parks and gardens, and the Dalwallinu Caravan Park. Tourism is importance to the Shire, particularly the town of Dalwallinu and lifts the Shire's profile to the wider community. The Exploring Wildflower Country project was launched that links Dalwallinu Discovery Centre to Geraldton as a major tourist route with information displays. This inter-Shire project was funded by Royalties for the Regions.

Royalties to the Regions funding allocated to the Department of Agriculture and Food is administered by the Shire, by agreement to fund a dogger to control wild dogs along the vermin proof fence. Wild dogs have caused significant sheep losses in the northern section of the Shire and in one instance resulted in a farmer destocking.

Housing for some of the new residents from the Regional Repopulation project has been funded jointly by Royalties for the Regions and the Shire. Three (3) 2 bedroom units at the Dalwallinu Caravan Park have commenced and a tender has been called for a 4x2 house in Dungey Road.

A feature of the Shire's community consultation is its annual surveys and community meetings in the towns of Dalwallinu, Buntine, Kalannie, Pithara and Wubin. Even in an agricultural area each meeting has different requirements and concerns as illustrated by those meetings in the town of Wubin on Great Northern Highway that provides road transport services.

The Shire and Dalwallinu are strategically located on Great Northern Highway which is the gateway from the south to a number of large resource development projects in the Mid West Region. While Council is actively promoting the economic benefits of Dalwallinu's strategic location, there have been a significant number of light industrial development applications ranging from extra grain storage at McLevie and Wubin to factory extensions ranging from metal fabrication to plastics manufacturing.

To accommodate further expansion Landcorp is in the final stages of developing six (6) light industrial lots in a new subdivision in Huggett Drive. The Shire is processing the release of housing land both within and adjoining the existing housing area of Dalwallinu.

Council has accepted the transfer of management of a number of reserves held by the Department of Water to the Shire. These reserves will be held for the purposes of gravel supplies and retention of bushland.

Regional Issues

In view of the public debate and pressure for Shire's to amalgamate, Council recommended in February 2012 to prepare a Review of Strategic Alignment and Alliances. It was concluded that the Shire of Dalwallinu is in a stand-alone situation due to its strategic location on a National Highway with area of service delivery beyond its boundaries in most directions. The Shire is on the northern boundary of the Wheatbelt Development Commission and adjoins the southern boundary of the Mid West Development Commission. For instance, the Shire owned Medical Centre provides services into 5 adjoining shires in both Development Commission areas. Similarly volunteers manage the Emergency Services within the Shire and beyond the Shire's boundaries. Council keeps the community informed with minuted community meetings on these issues.

On the relationship between the Commonwealth and Local Government, Council has taken the position of opposing the Recognition of Local Government in Australia's Constitution and sent a submission to the Expert Panel on Constitutional Recognition to substantiate its concerns. The community has been consulted on this issue.

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

Cr Robert S Nixon

PRESIDENT



CHIEF EXECUTIVE OFFICER'S REPORT



On behalf of all Shire staff, I am pleased to present the Chief Executive Officer's Report for the 2011/12 financial year.

The past twelve months has been a reminder that we live in a world of constant change. The digital revolution is coming with the NBN project being rolled out (in our case delivered via Next G and Satellite), television transmission preparing for digital only broadcast, and the proliferation of mobile devices and applications. These developments have seen the Council approve NBN Next G transmission sites in Dalwallinu and Kalannie, including a lease arrangement for tower space at the Dalwallinu Shire Depot. Council have also made the decision not to retransmit television stations in the new digital format (due to cost to the ratepayers), resulting in most people probably needing to have a satellite receiver and decoder, despite the assurance that a terrestrial signal can be received from Moora. The use and applications of mobile devices and applications grows astronomically each year and due to everyone's reliance on these, the Shire and Councillors are constantly lobbying for better mobile services and the infill of "black spots".

Funded projects such as the upgrading of lighting and sound at the Dalwallinu Town Hall (Regional and Local Community Infrastructure Fund) and the Fitness Park at the oval (Landcorp sponsorship) were finally completed. Other asset developments included the upgrading of the Dalwallinu Recreation Centre Kitchen, the completion of the fencing at the Dalwallinu Discovery Centre and the commencement of three (3) two bedroom units at the Dalwallinu Caravan Park. During this financial year the Shire purchased the old telecentre building in Myers St, Dalwallinu and the old ambulance building in South St, Dalwallinu. Both sites were purchased with future development in mind (to be determined by Council).

The Shire continues to support local community groups with the Community Grant Scheme providing funding to the Kalannie Bowling Club, Wubin Progress Inc, Dalwallinu Scrappers, Kalannie Ladies Hockey Club, Dalwallinu Swimming Club and Kalannie Football Club. Also during the financial year funding (jointly with CSRFF) was provided to the Kalannie Golf Club. Dry Season funding has obtained and sponsored many community events such as the outdoor movie nights and the Wheatbelt Dance group's final concert night.

The release of the first 10 lots of the proposed new 35 lot residential subdivision (a project that the Shire has been working on since 1994) behind the old ambulance hall was finally completed and the Shire is eagerly awaiting the first sale and building project. Funding for the extension to the industrial area south of Huggett Street (Formerly Leahy St) Dalwallinu was finally attracted with Landcorp commencing the development of six (6) lots as phase one, with completion expected in the coming financial year.

The Dalwallinu Medical Centre (under Dr Hendrick Smit and Practise Nurse Mrs Gail Smit) has continued to provide an exceptional service to the community despite the pressures and overwhelming workload. Dr Smit's extensive knowledge and skills have been tested many times since his arrival and we are indeed lucky to have such a quality medical practitioner. The frequent services of a lady doctor (through an agreement with the Royal Flying Doctor Service) continues to be well patronised and enhances the quality of medical care that is available to the community. The Shire is continually looking for and researching options that would provide additional medical services for the community at an affordable cost.

The works crew, under the expert management of the Manager of Works, Mr Allister Butcher, have continued to maintain and improve the Shire's infrastructure assets (roads, parks, ovals, gardens, etc) to a high standard. The roads in the shire are generally maintained to a very good quality, although heavy traffic, storms, etc can cause problems that require additional rectification. The main street of Dalwallinu continues to receive praise from far and wide with memorial park being described as "an oasis on the long trip to Perth". All members of the outside works team, under the supervision of Mr Brett Hayman, should hold their heads high and be proud, as I am, of their continuing efforts over the past twelve months.

The community services and building crews, now under the expert direction of the Community Services Manager, Ms Debbie Fortuin also provide many services that are not always recognised or acknowledged. These include the building maintenance team, aquatic centre manager, caravan park manager and cleaners. All these services are essential in ensuring the facilities are maintained for the use of the community. Keeping these facilities up to the standard expected by the community is not always an easy task and is sometimes a thankless process. During the financial year, Council considered the expiring lease on the aquatic centre and after receiving external advice, reverted to having the manager as a full time employee.

The administration and finance section, under the expert direction of the Deputy Chief Executive Officer, Mr Keith Jones, unfortunately continues to suffer from the greatest staff turnover, with maternity leave being the biggest contributor. Although this is not easy to manage, Keith Jones is implementing changes that will eventually lead to a more multi-skilled and customer service oriented group. This will be an ongoing process which will need to be reviewed and modified as circumstances change.

The Shire continues to be involved in partnerships and groupings for specific purposes. Examples include the Exploring Wildflower Country Trails project (in partnership with the Shires of Morawa, Perenjori and Greater Geraldton (formerly Geraldton-Greenough and Mullewa) that is now officially open, the membership of and funding for the Mid West Chamber of Commerce and Industry (MWCCI), and the administration of a wild dog project (in partnership with the Department of Agriculture and Food). The Shire is also providing administrative support for the Central Wheatbelt Declared Species Group (involving the Shires of Dalwallinu, Koorda and Perenjori) and was a shared working relationship with the Shire of Wongan-Ballidu where the Shire provides all environmental health services to Wongan-Ballidu and they provide building surveying expertise to our Shire.

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

Finally, 2011-12 has also seen many changes in staffing with a new Deputy Chief Executive Officer (Keith Jones), a new Community Services Manager (Debbie Fortuin), a new Accountant (Hanna Kirveslahti) and a new Economic Development and Marketing Officer (Tess Slot). Other staff changes included another two employees taking parental (maternity) leave and a third due to commence shortly. I wish to thank the employees who have left during the year and especially Miss Liz Lofthouse (Accountant) whose outstanding work ethic and diligence was an inspiration during her seven (7) years with the Shire. The Shire continues to be so successful due to the diligence of the managers and staff which is not always recognised or respected. I congratulate them for their hard work during the year.

Peter J. Crispin

CHIEF EXECUTIVE OFFICER



DEPUTY CHIEF EXECUTIVE OFFICER'S REPORT



The 2011/2012 financial year has been interesting with a few variations occurring that were unforeseen when the budget was set. Once again the Federal Government paid the Shire an advance of Federal Assisted Grant Scheme (FAGS) monies. This amounted to 50% of the 2012-2013 Financial Year funds totalling \$1,115,379. The grant funding and expenditure for the houses in Dungey Road and South Street was not anticipated at the time of budgeting.

The Capital funding for the 2011/2012 year showed \$983,085 in property plant and equipment and an amount of \$2,267,708 for roads and infrastructure. This indicates that asset improvement and maintenance is a high priority for the Shire and significant funds are being expended in this area.

As noted in the Auditor's report, there are no significant matters in the Shire's financial position that need addressing. The only matter raised in the Audit Report related to timing issues that will not be a concern in the future.

All but one of the Shire's financial ratios are strong except the Untied Cash to Unpaid Creditors ratio mentioned in the Auditors Report. \$320,000 was set aside in the reserves instead of maintaining it in the municipal account, thus having an impact on the Untied Cash to Unpaid Creditors ratio. Also the outstanding debtors figure included an amount owed by Main Roads WA of \$343,611 which was paid on 9/8/12. Had this amount been received by 30/6/12 it would have also improved the Untied Cash to Unpaid Creditors ratio. So with these two factors taken into account the ratio would have been 1.624 instead of 0.53. Next year the ratios will be different and so I felt it important to spend a little more emphasis on this particular one.

All the Shire administration staff have given good support this year and I thank them for that but in particular our Accountant Hanna and Finance Officer Christie have given additional effort especially with the changes in staff over this period.

The next year brings again new challenges, in particular the Integrated Planning and Reporting structure. This will be an opportunity for Councillors and Staff to set a clear direction for the Shire in the next ten years. I look forward to contributing my expertise to this worthwhile process.

Keith Jones
DEPUTY CHIEF EXECUTIVE OFFICER



Community Services Manager Report



This year saw the changing of the guards for the Community Services Manager. Having stepped into the role fresh from New Zealand, it has been a challenging and steep learning curve coming to grips with the legislative demands of WA legislative requirements which has been no mean feat given that the role covers around 20 different pieces of legislation.

The community services section is underpinned by very dedicated and capable staff which has made stepping into the role a lot easier. I would like to thank the staff for their commitment and dedication and for stepping up to the mark when called upon. We could not have achieved our goals this year without the dedication of the whole team.

The Caravan Parks

The annual inspection of the Dalwallinu Caravan Park revealed around 90 maintenance items requiring attention. While many of these items were small items – they were nonetheless important to ensure a good state of repair enabling thorough cleaning of the facilities given the visitor numbers coming through the park.

The Caravan Park continues to attract healthy numbers of visitors. This past financial year figures for the park reveal that visitor numbers continue to creep upwards. The cabin accommodation is up 5% to 851 guest nights occupation and the total sites occupied is up by 30% from 3752 to 4878 guest nights. Positive feedback has been received with regards to the facilities namely the ablutions and the general layout of the park and the friendly welcome by the Manager. A number of complaints have been received regarding the cabins mainly for being too hot in the summer and looking tired and lacking in basic furniture forcing people to store their clothes and personal items on the floor. The purchase of additional furniture for the cabins and an external repaint is planned for the new financial year which should address most of the concerns raised by complainants.

Kalannie Caravan Park continues to attract low visitor numbers.

Building

There were a total of 22 building applications and one demolition application that was processed during this financial year compared with 15 building applications processed the previous financial year. The total value of the building application amounts to \$3 8225 65.00 with a split of \$2 8127 45.00 for residential properties and \$ 1009820.00 for industrial properties. Building applications are processed by the Building Surveyor from Wongan Balidu Shire.

The beginning of April 2012 also saw the implementation of the new Building Act and Regulations. It has resulted in significant processing changes that needed to be adopted, including the training of customer services staff. The new system continues to be a challenge as the Building Commission continues to make changes as they refine the system.

Planning

13 Planning applications were received during this financial year as compared with 8 the previous financial year. Planning applications were varied in their makeup and included setback reductions, a plastics factory, transportable homes and extension of concrete aprons at the various wheat bins within the Shire.

Aquatic Centre

This financial year saw the end of the contract term for the Pool Manager and a decision to employ a full time equivalent to fill the role. The pool takings increased from \$9681.88 to \$11874.97 with the pool only being out of operation for one and a half days. One day due to a storm and the half day due to a break down in equipment servicing the pool.

Building Maintenance

The building maintenance team have done an outstanding job this year with tackling some more difficult projects. Mark Young being new on the team, project managed the build of the DDC retainer wall and fence, the fabrication of the Shade structures for the Cabins at the Caravan Park and led the team in the upgrade of the Recreational Centre Kitchen with some real savings with regards to creditor expenditure.

Cleaning

The Cleaning staff have gone the extra mile to keep things afloat on the cleaning front despite being one person down for a few months. I would like to take this opportunity to extend my heartfelt thanks and appreciation for their dedication and commitment to the job.

Health

The Shire of Dalwallinu provides the Wongan Balidu Shire with services relating to health as part of a reciprocal agreement with Wongan Balidu Shire providing building surveying services to the Shire of Dalwallinu.

With regards to the Shire of Dalwallinu, the focus this year has been to familiarise myself with the varying aspect of the role of the Community Services Manager. All Shire building inspections and housing inspections have been completed for this financial year, as were all the inspections of private swimming pools, with food premises inspections part way through and yet to be completed. The building and housing inspections have given risen to the new maintenance schedule for the current financial year. A number of the private swimming pools were non compliant with regards to fencing and skimmer box requirements. These properties have been notified of the non-compliances. The food premises inspected thus far have been of a reasonable standard with no major problems.

Sewage Audit

The sewage scheme is required as a condition of its license to undertake an external audit once every 3 years. The audit was undertaken in November 2011 and the audit found some minor non-compliances relating to documentation such as an outdated Asset Management Plan, a late return on compliance reporting, and a number of other small adjustments to be made to the documentation. There were no serious non-compliances found.

Ranger

This past financial year has seen the retirement of the Moora Ranger who provides the services of one day a fortnight to the Shire of Dalwallinu. The Shire of Dalwallinu has retained the retired ranger for one day a fortnight in a private contract capacity. The ranger will continue to administer various legislative requirements such as the Bushfires Act, the Dog Act and the Local Laws.

Bushfires

The bushfire season ran from October to April. During this time the Ranger did regular checks for fire breaks. Eight property owners received warning letters, after which four complied with the remaining four being issued with fines for non-compliance which finally resulted in compliance.

Policy, Protocols and Procedures

Two new policies have been developed namely the Caravan Park Overflow policy and the Camping on Land other than a Caravan Park or Camping Ground Policy. Both these policies have been developed as a result of a need for direction in these areas.

A total of 8 new procedures relating to various aspects of the Community Services Managers role has been developed, including a procedure on swimming pool sampling, a compliance schedule for the sewage scheme, a building permit processing procedure to name a few.

There is no doubt that the year has been a challenging one, but a very rewarding one at that, in that much of what we have set out to achieve has been achieved. We look forward to the new challenges that lie ahead and to improving the service we provide, one small step at a time.

Report Compiled by:

Debbie Fortuin

Community Services Manager



MANAGER OF WORKS



General

The 2011/12 financial year was an eventful 12 months with a number of different things that affected the Shire from large rainfall events, a WAFL game held at the Kalannie Oval and undertaking the reconstruction and improvement works for the intersection of Pithara East Road, Pithara West Road and Great Northern Highway (Black Spot Project).

Construction

Every year the Shire of Dalwallinu spends a lot of its energy on constructing its roads and drains to the highest possible standard and in the areas that have been deemed to be in the greatest need of upgrading or improvement. The Shire was able to complete the Works Program, which was extraordinary considering that the Works Crew were called on to undertake large unforeseen works such as clean up works from a number of large storm events. Without the use of the semi-trailer water tanker the Shire would have not have been able to complete the Capital Roadworks Program for 2011/12.

The Shire of Dalwallinu has continued taking a proactive approach towards maintaining our sealed road assets by undertaking some pavement reconstruction works (including widening 6m wide sealed roads to 7m) in 2011/12. This is a positive step forward for asset management in the Shire to ensure that in years to come the Shire will not be burdened by a large amount of pavement reconstruction work. The Shire of Dalwallinu is undertaking this by systematically renewing assets in a sustainable and economically viable manner.

The Shire was able to complete a total of 23 projects, which is a huge credit to the Works Supervisor (Brett Hayman) and the Construction Crew.

In 2011/12 the Shire completed improvement works for the intersection of Pithara East Road, Pithara West Road and Great Northern Highway which was a Black Spot Project. The Shire encountered and overcame many obstacles to complete this project including:

- Tenders received being approximately 2-3 times more expensive than the budget for the project resulting in the Shire managing the project intensively and utilising local contractors to complete the works to ensure the project came in on budget.
- Amendments to the design due to asset relocation works (water, Telstra and Western Power).
- Pavement failures due to stormwater ingress to the exposed gravel pavement.

This project was completed on time and to budget which was the conclusion of a project that has been ongoing for the previous five years (since 2007/08).

In the 2011/12 financial year the Shire spent \$2,192,587 on road construction. This work included:

- 12.93km of resealing (a decrease of 2.48km from 2010/11);
- 34.04km of verge clearing and reforming of roads (as per clearing exemptions; an decrease of 55.87km from 2010/11);
- 42.79km of gravel sheeting (a decrease of 7.65km from 2010/11);
- 6.44km of pavement reconstruction and widening (an increase of 2.54km from 2010/11);
- 2 culverts replaced (Dalwallinu-Kalannie Rd and Gatti Rd); and
- 1km of footpath construction (an increase of 0.5km from 2010/11).

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

- | | |
|-------------------------|-------------------------------------|
| • Regional Road Group | \$575,636 (+\$353,485 from 2010/11) |
| • Roads to Recovery | \$543,700 (no change from 2010/11) |
| • Black Spot | \$192,203 (+\$134,261 from 2010/11) |
| • Road Program | \$782,556 (+\$28,106 from 2010/11) |
| • Footpath Construction | \$98,491 (+\$65,970 from 2010/11) |

As part of the construction works the Shire obtained \$835,486 in grant funding to assist with the construction works. The break down of this funding was:

- | | |
|-------------------------------|-------------------------------------|
| • Regional Road Group (State) | \$265,442 (+\$110,176 from 2010/11) |
| • Roads to Recovery (Federal) | \$543,700 (no change from 2010/11) |
| • Black Spot | \$153,287 (+\$153,287 from 2010/11) |
| • Direct Grant (State) | \$171,348 (+\$10,975 from 2010/11) |

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

Maintenance

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

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

In 2011/12 the Shire of Dalwallinu spent \$2,616,696 (an increase of \$248,254 from 2010/11) on maintaining the Shire's assets with regards to the Works Department. Some of that amount was spent in the following areas:

- Road Maintenance \$800,896 (-\$15,313 from 2010/11)
- Street Cleaning \$65,028 (-\$5,965 from 2010/11)
- Traffic Signs & Control \$80,994 (+\$7,527 from 2010/11)
- Street Tree Maintenance \$40,337 (+\$16,314 from 2010/11)

Parks & Gardens

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

In 2011/12 the Shire of Dalwallinu spent \$217,035 (a 5% increase (\$10,607) from 2010/11) on maintaining its parks and gardens. A total of \$148,755 (a 45% increase (\$66,485) from 2010/11) was spent on the Dalwallinu and Kalannie ovals in 2011/12; with \$56,994 spent on the Dalwallinu Oval and \$91,356 spent on the Kalannie Oval. In 2011/12 the Kalannie Oval hosted a WAFL game.

Plant & Machinery

In 2011/12 the Shire of Dalwallinu purchased a number of items of plant to assist with the completion of the Works Program and maintain a sustainable and economical fleet.

The vehicles of note that were purchased are as follows:

- Mack Granite 12T tipper (body constructed by Shermac Engineering)
- Sewell trailer broom.
- Mitsubishi Dual Cab 3.5T truck (Road Construction Crew transport and service vehicle)

Allister Butcher
Manager of Works



STORM

January 2012



MACK 435 TIPPER

April 2012



Pithara Intersection Improvement Works

June 2012



MEDICAL OFFICER'S ANNUAL REPORT

JULY 2011-JUNE 2012

The 2011/2012 financial year saw a number of developments at the Dalwallinu Medical Practice. Through the generous donations from the members of the local community, an additional consultation room was fully furnished with electronic and medical equipment. The Shire is also in the process of installing a much-needed generator at the premises.

The Dalwallinu Medical Practice was also able to secure their AGPAL re-accreditation for another 3-year period, after a very detailed external review process. This accreditation has direct financial implication towards the income generated through the practice. It also reassures patients that the practice is using the latest and current best medical practice methods.

The medical practice has continued during this financial year to provide security for patients in the knowledge of having readily available medical care 24 hrs per day.

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

The Dalwallinu Medical Practice continues to be under financial pressure during this financial year. The major contributing factor is the very high number of patients on health care support with a limited medicare rebateable fee structure. The income generating structure is constant review by the medical staff. And viable options will be implemented as required.

The services of our practice nurse, Gail Smit has increased the functionality of the practice, with many more patients being able to be seen on any specific day she is available. Her practice nurse duties including help with antenatal care, medical care plans and doing most phlebotomies, has also increased the scope services delivered. The practice nurse has enabled an easier flow and availability of appointments by freeing up time for the doctor.

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

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

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

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

Dr. Hendrick Smit
MB ChB,
Medical Officer



DALWALLINU HOSPITAL REPORT



Dalwallinu hospital is part of the State Government Royalties for region funded Southern Inland Health Initiative. This funding is being planned over the next 4 years to upgrade some country hospitals and provide improved service delivery. The 6 streams where funding will be spent are the Medical Workforce Program, Primary Health care , Services Planning, Capital Works (2 streams) Primary Healthcare and Telehealth. Dalwallinu Hospital can expect some improvements under the capital works stream and has been fortunate to be part of the pilot Emergency Telehealth Service.

Residential Care and Home and Community care (HACC) continues to be a large part of our business and our comprehensive staff training and service delivery reflect those figures.

Emergency service personal have continued to partner us in our endeavour to respond to the communities well being. Thanks also must go to the volunteers throughout the year who are a valuable resource especially to the aged members of the community.

Jeanette Syme

Health Service Manager

Dalwallinu Hospital

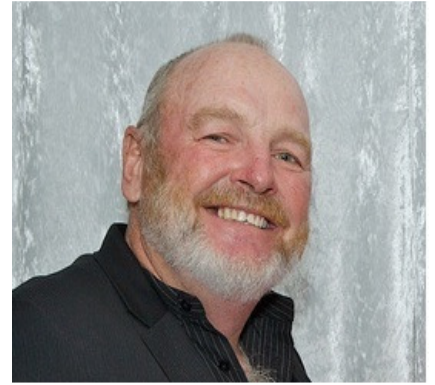


CBFCO REPORT

This bushfire season we have had **30 reported fires**.

We have had:

- 12 caused by lightning burning 297 ha involving 80 fire fighters
- 6 false alarms
- 1 rubbish tip fire
- 2 roadside fires (unknown cause suspicious)
- 8 controlled burn escapes burning 483 ha involving 78 fire fighters.
- 1 assist Fire and rescue with a spillage of ammonium nitrate on Great Northern Highway



My thanks to all those who give their time and equipment to their community.

I would also like to acknowledge the services of Colin Vince who has recently retired as an active Fire Control officer after an excess of thirty years of service.

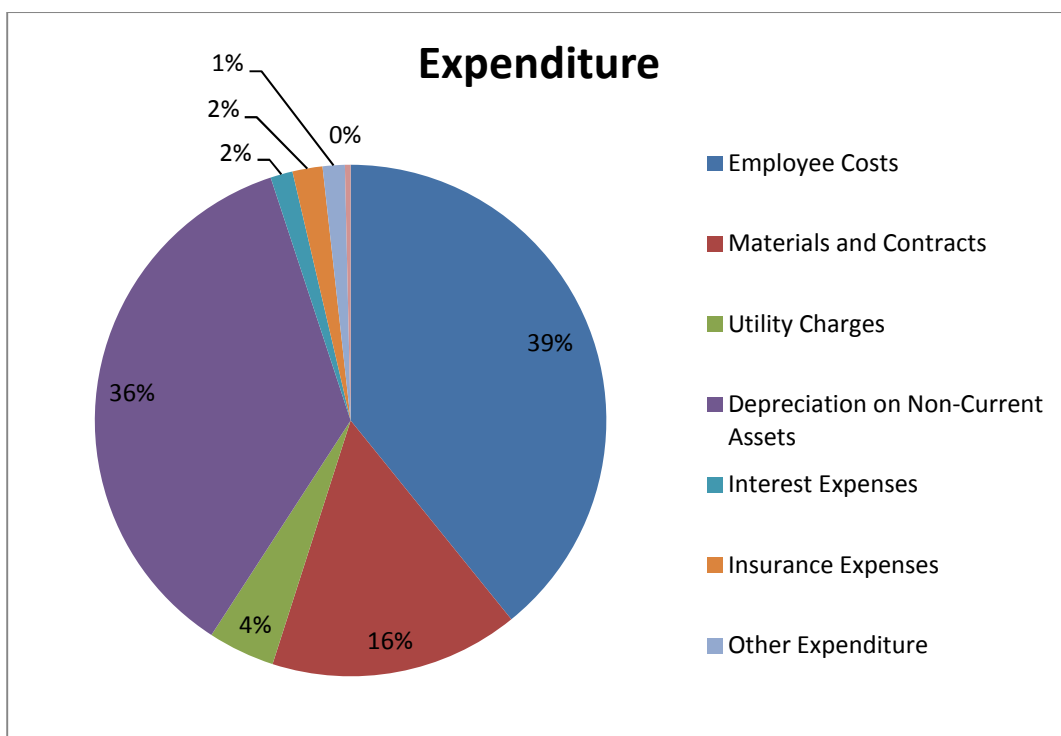
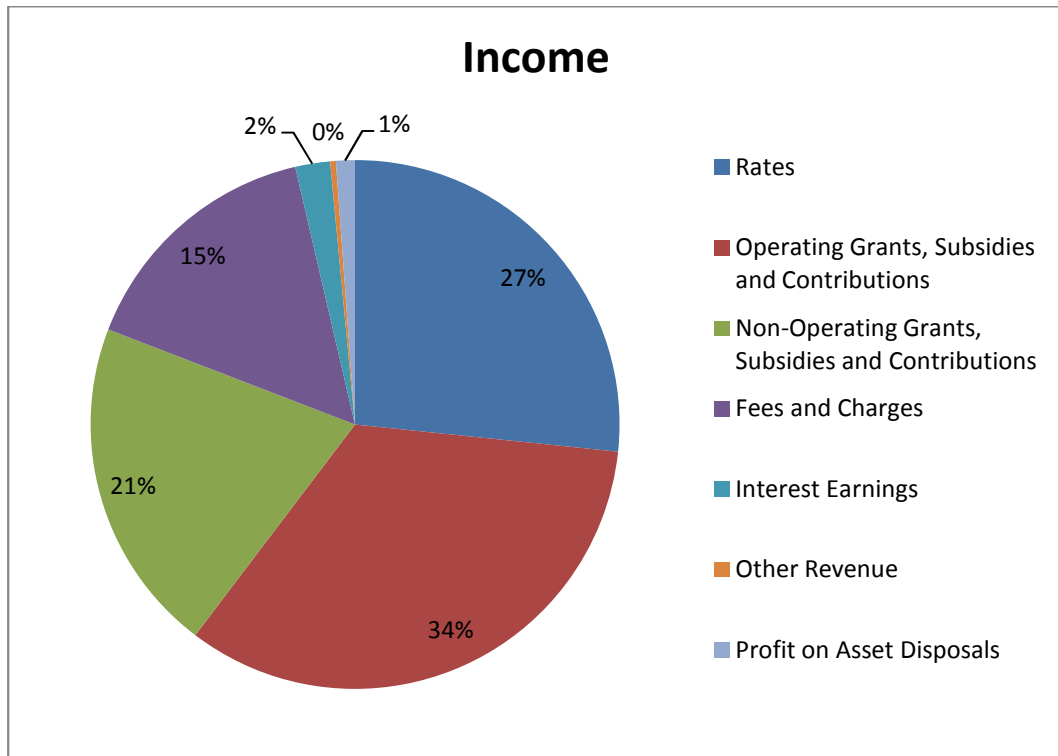
Gary Butcher

CBFCO Dalwallinu Shire



Operating Revenue and Expenditure

FOR THE YEAR ENDING 30 JUNE 2012



Budget VARIATIONS Report

For the year ending 30 June 2012

Sch	COA	Description	Original Budget	YTD Actual	Variance (\$)	Comment
03	I032050	Grants Commission - General Purpose Grant	(743,481)	(1,275,883)	536,817	higher income than anticipated - Advance Payments
03	I032051	Grants Commission - Untied Roads Grant	(786,029)	(1,369,006)	587,377	higher income than anticipated - Advance Payments
03	I033070	Interest on Investments	(85,000)	(113,735)	28,735	higher income than anticipated
04	E041175	Legal Expenses	5,000	0	5,000	No Legal expenditure 11/12
04	E041185	Consultants	12,000	920	11,203	Less spent than anticipated in budget
04	E041187	Advertising of Local Laws	5,000	0	5,000	No local laws advertising expenditure 11/12
04	E041187	Advertising of Local Laws	5,001	0	5,001	No local laws advertising expenditure 11/12
07	I073040	Dalwallinu Medical Centre Income	(650,000)	(530,492)	(119,537)	Reduction due to no pharmacy sales - less 2/3 costs of stock though
07	I073042	Medical Centre Income (Including GST)	(90,000)	(100,918)	10,918	higher income than anticipated due nurse incentive payments
07	E073188	Medical Centre Operating Costs	269,034	200,165	66,615	cost of pharmaceuticals
07	E073200	Doctors & Receptionists - Staff Expenses	613,030	600,569	12,461	less than anticipated in budget
07	E073541	Doctors Housing Maintenance	6,970	14,719	(7,749)	cost of refencing other maintenance higher than budgeted
09	I092411	Rental - Non Employees Housing	(8,839)	(18,469)	10,176	higher income than anticipated due more rentals let to non-employees
09	I092414	Rental - Joint Venture Housing	(32,120)	(37,340)	5,220	higher income than anticipated
09	E092341	Non Employee's Residence Maintenance	4,398	13,758	(9,114)	costs of maintenance higher than budget expectation

09	E092441	GEHA Housing - Maintenance	11,550	5,935	5,615	less than anticipated in budget
09	E092541	Aged Persons Housing - Maintenance	18,036	11,227	6,809	less than anticipated in budget
09	E092641	Joint Venture Housing Maintenance	28,310	18,785	9,175	less than anticipated in budget
10	E101341	Refuse Site Management	115,734	78,641	37,220	less time spent at tip than anticipated
10	E102750	Refuse Collection Commercial - Contractor	30,912	25,783	5,129	less pickups than budgeted
10	E102755	Disposal of used tyres	15,000	10,000	5,000	less than anticipated in budget
10	E103185	Sewerage Works	67,484	45,756	21,728	less than anticipated in budget
10	E103378	Septic Tank Cleaning	23,988	17,586	6,402	less than anticipated in budget
10	E106188	Town Planning Scheme Advertising	10,000	106	9,894	Rebudgeted for 12/13
10	E107341	Cemeteries Maintenance	28,588	21,453	7,135	less than anticipated in budget
10	E107441	Public Amenity Building Maintenance	59,919	39,998	19,921	less than anticipated in budget
11	I111031	Reimbursements	(2,000)	(9,435)	7,435	DDC electricity Reimbursements more than budgeted
11	I113073	Contribution - Kalannie Golf Club (CSRFF Tee Boxes)	0	(14,286)	14,286	No Budget for 11/12
11	E111341	Public Halls Building Maintenance	127,222	121,039	6,183	less than anticipated in budget
11	E112341	Dalwallinu Aquatic Centre Maintenance	75,264	85,983	(10,719)	costs of maintainace higher than budget expectation
11	E113195	Community Grant Scheme	16,964	11,630	5,334	fewer claims from Community
11	E113341	Parks & Gardens	200,757	217,035	(16,088)	seasonal work will balance this
11	E113342	Ovals	104,515	148,755	(42,740)	Corella issues

11	E113441	Recreation Centre Maintenance	68,044	101,859	(32,815)	unforeseen works plus vandals
12	I121055	Grant - RRG Program	(303,606)	(265,445)	(37,161)	less than anticipated in budget
12	I121057	Grant - Black Spot Funding	(104,543)	(153,287)	49,744	more income than budgeted
12	I122031	Reimbursements	(169)	(15,504)	15,335	more income than budgeted: Instalation of Wildflower Signage
12	I123120	Profit on Sale of Assets	(66,624)	(97,982)	31,866	more income than budgeted
12	E122341	Depot Building Maintenance	40,208	47,985	(7,777)	costs of maintenance higher than budget expectation
12	E122359	Street Trees	29,761	40,337	(10,576)	more expenditure than budgeted
12	E122360	Road Verge Spraying	66,038	13,009	53,001	less than anticipated in budget
12	E122381	Traffic Signs & Control Equipment	108,732	80,994	27,738	less than anticipated in budget
12	E122441	Housing Maintenance	55,733	41,168	14,565	less than anticipated in budget
12	E122641	Road Maintenance	850,155	800,896	49,259	less than anticipated in budget
13	I132155	Dalwallinu Caravan Park Fees	(70,000)	(99,952)	30,290	higher income than anticipated to date (see expense account E132341)
13	I132159	Dalwallinu Caravan Park Unit Fees	(20,427)	(38,890)	18,463	higher income than anticipated to date (see expense account E132341)
13	I134046	Standpipe Water Fees	(300)	(8,200)	7,900	higher income than anticipated to date
13	I135048	DRD Grant Funding - Housing	0	(444,735)	444,735	Grant for South St Project from Department of Regional Development and Lands not budgeted
13	E131386	R4R - Wild Dog Project	58,183	36,730	21,453	less than anticipated in budget
13	E132341	Caravan Parks Maintenance	79,332	127,561	(47,229)	higher Maintenance costs than anticipated to date (see income accounts I132155, I132156 & I132159)
13	E132441	Housing Maintenance at Caravan Park	48,194	27,972	21,160	less than anticipated in budget

13	E133850	Other Building Control Expenses	62,463	1,056	62,407	less than anticipated in budget
13	E135366	MWCCI - Membership and Sponsorship	10,350	5,000	5,350	less than anticipated in budget
13	E134341	Standpipe Maintenance	30,000	41,393	(11,393)	more expenditure than budgeted
13	E135900	Administration Activity Costs	360,353	353,103	7,250	less than anticipated in budget
13	E135370	Regional Repopulation Project	14,000	15,147	(1,147)	more expenditure than budgeted - English Classes
14	I141396	Private Works Income	(55,000)	(70,564)	15,564	higher income than anticipated: see expenditure E141396
14	I142031	Workers Compensation Reimbursements	(25,632)	(56,056)	30,432	higher income than anticipated
14	I144038	Fuel Rebates	(25,000)	(32,265)	7,265	higher income than anticipated
14	E141396	Private Works	47,357	63,958	(16,601)	more expenditure than budgeted: see income I141396
14	E142205	Workers Compensation Payments	25,632	49,529	(23,897)	more expenditure than budgeted
14	E143200	Works Supervisor Expenses - Salaries etc	173,143	177,362	(4,219)	more expenditure than budgeted
14	E143201	Superannuation	129,187	95,983	33,204	less than anticipated in budget
14	E143211	Annual Leave	81,953	58,685	23,268	less than anticipated in budget
14	E143212	Long Service Leave	0	16,022	(16,022)	more expenditure than budgeted
14	E143341	Works Management Housing Maintenance	19,544	8,786	10,758	less than anticipated in budget
14	E143395	Occupational Health & Safety	27,771	8,252	19,519	less than anticipated in budget
14	E143400	Training/Conferences	32,697	4,005	28,692	less than anticipated in budget

14	E144234	Internal Repair Wages	182,362	207,859	(25,497)	more expenditure than budgeted
14	E144250	Mechanic's House Maintenance	15,879	0	15,879	Unspent
14	E144335	Expendable Tools & Consumables	20,000	26,908	(6,908)	more expenditure than budgeted
14	E144337	Parts & Repairs	200,000	219,279	(19,279)	more expenditure than budgeted
14	E144338	Tyres	60,000	52,188	7,812	less than anticipated in budget
14	E144339	Fuels & Oils	300,000	315,100	(15,100)	more expenditure than budgeted
14	E144990	Depreciation	408,095	398,951	9,144	less than anticipated in budget
14	E143901	Less Recovered From Works	(1,011,747)	(985,766)	(25,981)	more expenditure than budgeted
14	E144905	Less Depreciation Recovered From Works	(408,095)	(398,352)	(9,743)	more expenditure than budgeted
14	E144906	Less Costs Recovered From Works	(850,471)	(874,564)	24,093	less than anticipated in budget



SHIRE OF DALWALLINU
STATISTICAL COMPARISON REPORT FOR EIGHT YEARS
FOR THE YEAR ENDED 30TH JUNE 2012

	2004/05 ACTUAL	2005/06 ACTUAL	2006/07 ACTUAL	2007/08 ACTUAL	2008/2009 ACTUAL	2009/2010 ACTUAL	2010/2011 ACTUAL	2011/2012 ACTUAL
RATE REVENUE								
Income/Receipts	1,647,622	1,734,063	1,801,308	1,881,012	1,968,774	2,279,781	2,399,955	2,509,733
Increase/Decrease on Previous Year	74,368	86,441	67,245	79,704	87,762	311,007	120,174	109,778
% Increase/Decrease on Previous Year	4.73%	5.25%	3.88%	4.42%	4.67%	15.80%	5.27%	4.57%
LOAN REPAYMENT S (all loans)								
Principal & Interest	160,905	157,285	132,381	130,867	142,208	171,061	181,605	191,100
Increase/Decrease on Previous Year	3,889	-3,620	-24,904	-1,714	11,539	28,855	10,544	9,495
% Increase/Decrease on Previous Year	2.48%	-2.25%	-15.83%	-1.29%	8.83%	20.29%	6.16%	5.23%
% Revenue (Rate)	9.77%	9.07%	7.35%	6.95%	7.22%	7.50%	7.57%	7.61%
LOAN PRINCIPAL OUT STANDING (excl Self Supporting)								
Balance at 1 July	794,913	692,911	567,238	481,665	386,534	1,753,774	1,601,885	1,528,437
Balance at 30 June	692,911	567,238	481,665	386,534	1,753,774	1,601,885	1,528,437	1,601,614
Increase/Decrease on Previous Year	-102,002	-125,673	-85,573	-95,131	1,367,240	-151,889	-73,448	73,177
% Increase/Decrease on Previous Year	-12.83%	-18.14%	-15.09%	-19.75%	353.72%	-8.66%	-4.59%	4.79%
SALARIES AND WAGES								
Salaries	599,512	852,035	962,067	979,299	1,303,429	1,100,736	1,264,200	1,419,564
Wages	870,417	789,473	869,549	869,830	936,194	994,031	1,051,996	1,166,577
Total Payroll	1,469,929	1,641,508	1,831,616	1,849,129	2,239,623	2,094,767	2,316,196	2,586,141
% Increase/Decrease on Previous Year	-4.00%	11.67%	11.58%	0.96%	21.12%	-6.47%	10.57%	11.65%
% Revenue (Rate)	89%	95%	102%	98%	114%	92%	97%	103%

(Continued)

GRANTS COMMISSION GENERAL PURPOSE GRANT								
Amount Received	735,565	742,855	759,858	804,085	889,448	910,611	972,400	968,771
Increase/Decrease on Previous Year	50,133	7,290	17,003	44,207	65,383	41,163	61,789	-3,629
% Increase/Decrease on Previous Year	7.31%	0.98%	2.29%	5.82%	8.13%	4.73%	6.79%	-0.37%
FEDERAL/STATE ROAD GRANTS								
Amount Received	1,609,230	2,051,563	1,629,587	1,900,079	1,998,882	1,653,720	1,710,433	2,028,280
Increase/Decrease on Previous Year	-82,031	442,333	-421,976	270,492	98,803	-345,162	56,713	317,847
% Increase/Decrease on Previous Year	-4.85%	27.49%	-20.57%	16.60%	5.20%	-18.17%	2.98%	15.90%
PERFORMANCE INDICATOR								
Total Accum. Balance 1 July	28,554,438	27,555,372	29,438,014	30,455,575	31,357,521	33,346,980	35,672,130	36,981,214
Total Accum. Balance 30 June	27,555,372	29,438,014	30,455,575	31,357,521	33,346,980	35,672,130	36,981,214	38,600,077
Increase/Decrease on Previous Year	1,000,936	1,880,642	1,019,561	901,948	1,989,459	2,325,150	1,309,084	1,618,863
% Increase/Decrease on Previous Year	3.77%	6.82%	3.46%	2.96%	6.34%	6.97%	3.67%	4.38%
Accum. Surplus per Resident \$	17,309	18,432	19,070	19,635	24,376	26,076	27,033	28,216

Competition Policy

COMPETITION REFORM

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

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

COMPETITIVE NEUTRALITY

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

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

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

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

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

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

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

Competition Policy Continued

LEGISLATION REVIEW

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

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

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

In 2000, Council reviewed all Local Laws. A further review of Local Laws will be undertaken in 2013.

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

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

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

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

STRUCTURAL REFORM

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

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

Disability Access and Inclusion Plan Report

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

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

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

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

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

Key Outcome One – Existing Services (adopted)

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

Key Outcome Two – Access to Buildings is Improved

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

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

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

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

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

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

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

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

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

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

EMPLOYEE REMUNERATION

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

Salary Range	2012	2011
\$		
100,000 – 109,999	1	1
* 390,000 – 399,999		1
* 400,000 – 410,000	1	

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



Recordkeeping Plan Report

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

PURPOSES

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

OBJECTIVES

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

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

PERFORMANCE INDICATORS

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

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

State records commission standard 2: Principal 6

RECORD KEEPING TRAINING PROGRAM

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

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

A briefing session for all staff on the requirements of the RKP and their responsibilities was conducted in 2004. As a consequence of this process the need for an electronic recording system was identified, the system “Synergy Soft Records” was introduced in September 2005 and the annual test carried out in December 2011 has shown the System to be very successful.

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

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



PLAN FOR THE FUTURE OF THE DISTRICT

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

PRIORITY 1 – ATTRACT AND SUPPORT BUSINESS AND SERVICES

Strategy 1 Provision of residential and industrial/commercial land

- 3 x 2 bedroom units built in Dowie Street
- 1 x 4 bedroom 2 bathroom house commenced in Dungey Road
- Town planning scheme in process with a review of areas that could be used for residential land
- Industrial Land developed in Huggett Drive
- Acquired old ambulance building site

Strategy 2 Planning and promotion of Dalwallinu businesses and services

- Promotion of support for industrial businesses by Economic and Community Development Officer
- Assisted and supported the establishment of a Pharmacy in Johnson Street
- Continued the liaison with mining companies

Strategy 3 Investment attraction and readiness

- Utilised in helping Pharmacy get established

Strategy 4 Increase the population capacity of the district

- Identified blocks of land that can be used for residential purposes
- Landcorp developed 9 blocks in Leahy Street

Strategy 5 Support the development of the tourism industry

- Dalwallinu Discovery Centre staffed and promoted
- Promotion of “Exploring Wildflower Trails”

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

- Maintained relationships with several mining companies

Strategy 7 Create an environment conducive to employment growth

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

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

- Hospital Land Subdivision completed
- Town Planning Scheme review in progress
- Local Planning Strategy review in progress

PRIORITY 2 – IMPROVED LIFESTYLE

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

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

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

- Continued to lobby for improved services with private agencies and government.

Strategy 3 Provision of high quality medical services

- Continuing employment of a Doctor and provision of the local medical practice
- Working with state authorities to improve services from Dalwallinu District Hospital
- Negotiations with various bodies and individuals to ease the workload of the one doctor
- Provision of other services operating from the Medical Centre

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

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

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

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

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

- Policy exists to always use solar hot water on all new houses and replacement systems
- New buildings constructed to a 6 star energy rating

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

Strategy 1 Develop effective relationships with key government agencies

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

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

- Successfully hosted the Minister for Multicultural Affairs John Castrilli for the release of the Regional Repopulation Plan
- Maintained a strong working relationship with several local members of Parliament

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

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

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

- The services of administration staff have been requested several times by neighbouring Shire's during the past year
- User group support network established and utilised

Strategy 5 Make Dalwallinu a preferred venue for conferences and seminars

- Attracted several regional meetings at the Dalwallinu Discovery Centre

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

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

- Town Planning Scheme review in progress
- Local Planning Strategy review in progress

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

- All land/ building sales proceeds are held in reserve for future developments
- Royalties for Regions funding acquired for Shire and Regional projects

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

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

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

- Plans to be developed when the Town Planning Scheme and Local Planning Strategy reviews have been completed



Section Three

FINANCIAL REPORT



SHIRE OF DALWALLINU
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

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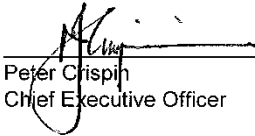
SHIRE OF DALWALLINU
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Dalwallinu being the annual financial report and other information for the financial year ended 30th June 2012 are in my opinion properly drawn up to present fairly the financial position of the Shire of Dalwallinu at 30th June 2012 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed on the 21st day of November 2012



Peter Crispin
Chief Executive Officer

**SHIRE OF DALWALLINU STATEMENT OF
COMPREHENSIVE INCOME *BY NATURE OR
TYPE*
FOR THE YEAR ENDED 30TH JUNE 2012**

	NOTE	2012 \$	2012 Budget \$	2011 \$
Revenue				
Rates	22	2,509,733	2,501,027	2,399,955
Operating Grants, Subsidies and Contributions	28	3,171,943	1,909,486	2,360,171
Fees and Charges	27	1,460,729	1,401,926	1,442,752
Service Charges	24	0	0	0
Interest Earnings	2(a)	200,283	115,911	140,112
Other Revenue		32,508	101,391	96,758
		<u>7,375,196</u>	<u>6,029,741</u>	<u>6,439,748</u>
Expenses				
Employee Costs		(2,722,939)	(2,518,942)	(2,491,008)
Materials and Contracts		(1,095,142)	(1,711,506)	(932,669)
Utility Charges		(393,404)	(371,805)	(315,944)
Depreciation on Non-Current Assets	2(a)	(2,486,846)	(2,184,273)	(2,218,553)
Interest Expenses	2(a)	(97,042)	(98,439)	(100,311)
Insurance Expenses		(133,120)	(199,225)	(131,384)
Other Expenditure		(96,683)	(134,639)	(193,749)
		<u>(7,025,176)</u>	<u>(7,218,829)</u>	<u>(6,383,618)</u>
		350,020	(1,189,088)	56,130
Non-Operating Grants, Subsidies and Contributions	28	1,934,214	951,849	1,354,020
Profit on Asset Disposals	20	109,302	145,290	67,064
Loss on Asset Disposal	20	(25,031)	(6,431)	(10,048)
Net Result		2,368,505	(98,380)	1,467,166
Other Comprehensive Income				
Total Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
Total Comprehensive Income		<u>2,368,505</u>	<u>(98,380)</u>	<u>1,467,166</u>

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

**SHIRE OF DALWALLINU STATEMENT OF
COMPREHENSIVE INCOME BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2012**

	NOTE	2012 \$	2012 Budget \$	2011 \$
Revenue				
Governance		2,945	2,503	1,706
General Purpose Funding		5,386,621	4,174,147	4,571,558
Law, Order, Public Safety		35,042	30,876	28,183
Health		641,298	710,330	683,958
Education and Welfare		1,332	1,388	1,576
Housing		96,556	75,355	82,441
Community Amenities		355,939	333,529	339,118
Recreation and Culture		103,379	67,690	111,460
Transport		215,184	186,628	259,195
Economic Services		367,221	349,197	263,269
Other Property and Services		175,402	98,098	159,781
	2(a)	<u>7,380,919</u>	<u>6,029,741</u>	<u>6,502,245</u>
Expenses				
Governance		(376,351)	(413,725)	(356,521)
General Purpose Funding		(187,633)	(193,107)	(183,215)
Law, Order, Public Safety		(90,422)	(87,784)	(67,061)
Health		(922,244)	(959,260)	(903,909)
Education and Welfare		(12,425)	(15,041)	(7,418)
Housing		(97,099)	(103,007)	(98,130)
Community Amenities		(483,794)	(555,098)	(428,244)
Recreation and Culture		(1,207,729)	(1,179,858)	(1,107,791)
Transport		(2,648,485)	(2,469,685)	(2,353,035)
Economic Services		(864,100)	(1,096,468)	(684,789)
Other Property and Services		(43,575)	(47,357)	(69,667)
	2(a)	<u>(6,933,857)</u>	<u>(7,120,390)</u>	<u>(6,259,780)</u>
Finance Costs				
Governance		(19,336)	(20,030)	(6,811)
Housing		0	0	(14,932)
Community Amenities		(20,062)	(74,047)	(20,768)
Recreation and Culture		(57,644)	(4,362)	(57,800)
	2(a)	<u>(97,042)</u>	<u>(98,439)</u>	<u>(100,311)</u>
Non-Operating Grants, Subsidies and Contributions				
Recreation and Culture		0	0	456,905
Transport		962,432	951,849	897,115
Economic Services		971,782	0	0
		<u>1,934,214</u>	<u>951,849</u>	<u>1,354,020</u>
Profit/(Loss) on Disposal of Assets				
Governance		(4,296)	(3,131)	(1,339)
Health		5,598	0	0
Housing		0	3,184	4,567
Transport		97,981	138,806	(32,236)
Economic Services		(15,012)	0	0
		<u>84,271</u>	<u>138,859</u>	<u>(29,008)</u>
Net Result		<u>2,368,505</u>	<u>(98,380)</u>	<u>1,467,166</u>
Other Comprehensive Income				
Total Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
Total Comprehensive Income		<u>2,368,505</u>	<u>(98,380)</u>	<u>1,467,166</u>

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

**SHIRE OF DALWALLINU STATEMENT
OF FINANCIAL POSITION AS AT 30TH
JUNE 2012**

	NOTE	2012 \$	2011 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	4,408,309	2,597,053
Trade and Other Receivables	4	506,207	136,520
Inventories	5	20,377	52,730
TOTAL CURRENT ASSETS		<u>4,934,893</u>	<u>2,786,303</u>
NON-CURRENT ASSETS			
Other Receivables	4	60,668	79,997
Inventories	5	0	0
Property, Plant and Equipment	6	15,628,822	15,805,529
Infrastructure	7	102,915,839	102,170,907
TOTAL NON-CURRENT ASSETS		<u>118,605,329</u>	<u>118,056,433</u>
TOTAL ASSETS		<u>123,540,222</u>	<u>120,842,736</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	767,405	358,303
Long Term Borrowings	9	99,645	94,058
Provisions	10	372,131	357,129
TOTAL CURRENT LIABILITIES		<u>1,239,181</u>	<u>809,490</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	1,416,616	1,516,262
Provisions	10	54,618	55,682
TOTAL NON-CURRENT LIABILITIES		<u>1,471,234</u>	<u>1,571,944</u>
TOTAL LIABILITIES		<u>2,710,415</u>	<u>2,381,434</u>
NET ASSETS		<u>120,829,807</u>	<u>118,461,302</u>
EQUITY			
Retained Surplus		38,600,077	36,981,214
Reserves - Cash Backed	11	1,716,168	966,526
Reserves - Asset Revaluation	12	80,513,562	80,513,562
TOTAL EQUITY		<u>120,829,807</u>	<u>118,461,302</u>

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

**SHIRE OF DALWALLINU STATEMENT
OF CHANGES IN EQUITY FOR THE
YEAR ENDED 30TH JUNE 2012**

NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	ASSET REVALUATION RESERVE \$	TOTAL EQUITY \$
Balance as at 1 July 2010	35,672,131	808,443	75,335,218	111,815,792
Changes in Accounting Policy	0	0	0	0
Correction of Errors	0	0	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Restated Balance	35,672,131	808,443	75,335,218	111,815,792
Net Result	1,467,166	0	0	1,467,166
Total Other Comprehensive Income				0
Reserve Transfers	(158,083)	158,083	5,178,344	5,178,344
	<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 30 June 2011	36,981,214	966,526	80,513,562	118,461,302
Net Result	2,368,505	0	0	2,368,505
Total Other Comprehensive Income	0	0	0	0
Reserve Transfers	(749,642)	749,642	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 30 June 2012	38,600,077	1,716,168	80,513,562	120,829,807

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

SHIRE OF DALWALLINU
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2012

	NOTE	2012 \$	2012 Budget \$	2011 \$
Cash Flows From Operating Activities				
Receipts				
Rates		2,141,271	2,501,027	2,589,903
Operating Grants, Subsidies and Contributions		3,171,944	1,909,486	2,360,171
Fees and Charges		1,460,730	1,401,926	1,442,752
Service Charges		0	0	0
Interest Earnings		198,050	115,911	140,112
Goods and Services Tax		0	0	42,339
Other Revenue		34,740	101,391	96,758
		<u>7,006,735</u>	<u>6,029,741</u>	<u>6,672,035</u>
Payments				
Employee Costs		(2,694,514)	(2,707,581)	(2,435,571)
Materials and Contracts		(682,367)	(2,676,213)	(941,323)
Utility Charges		(393,404)	(371,805)	(315,944)
Insurance Expenses		(133,120)	(199,225)	(131,384)
Interest expenses		(100,750)	(98,439)	(98,462)
Goods and Services Tax		17,901	(48,000)	(34,461)
Other Expenditure		(96,685)	(105,443)	(193,748)
		<u>(4,082,939)</u>	<u>(6,206,706)</u>	<u>(4,150,893)</u>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>2,923,796</u>	<u>(176,965)</u>	<u>2,521,142</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale		0	0	0
Payments for Purchase of Property, Plant & Equipment		(983,084)	(1,125,863)	(1,111,637)
Payments for Construction of Infrastructure		(2,267,708)	(964,226)	(2,156,884)
Advances to Community Groups		0	0	(90,000)
Payments for Purchase of Investments		0	0	0
Non-Operating Grants, Subsidies and Contributions		1,934,214	951,849	1,354,020
Proceeds from Sale of Plant & Equipment		279,993	253,000	331,462
Proceeds from Advances		0	0	0
Proceeds from Sale of Investments		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
Net Cash Provided By (Used In) Investing Activities		<u>(1,036,585)</u>	<u>(885,240)</u>	<u>(1,673,039)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(94,058)	(94,058)	(81,294)
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		18,103	16,497	9,913
Proceeds from New Debentures		0	0	90,000
		<u>0</u>	<u>0</u>	<u>90,000</u>
Net Cash Provided By (Used In) Financing Activities		<u>(75,955)</u>	<u>(77,561)</u>	<u>18,619</u>
Net Increase (Decrease) in Cash Held		<u>1,811,256</u>	<u>(1,139,766)</u>	<u>866,722</u>
Cash at Beginning of Year		2,597,053	2,514,318	1,730,331
Cash and Cash Equivalents at the End of the Year	13(a)	<u><u>4,408,309</u></u>	<u><u>1,374,552</u></u>	<u><u>2,597,053</u></u>

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

SHIRE OF DALWALLINU
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2012

	NOTE	2012 Actual \$	2012 Budget \$	2011 Actual \$
Revenue				
Governance		2,945	2,503	1,706
General Purpose Funding		2,876,888	1,673,120	2,171,603
Law, Order, Public Safety		35,042	30,876	28,183
Health		646,896	713,514	683,958
Education and Welfare		1,332	1,388	1,576
Housing		96,556	75,355	87,008
Community Amenities		355,939	333,529	339,118
Recreation and Culture		103,379	67,690	568,365
Transport		1,275,597	1,280,583	1,156,310
Economic Services		1,339,003	349,197	263,269
Other Property and Services		175,402	98,098	159,781
		<u>6,908,979</u>	<u>4,625,853</u>	<u>5,460,877</u>
Expenses				
Governance		(399,983)	(440,186)	(364,671)
General Purpose Funding		(187,633)	(193,107)	(183,215)
Law, Order, Public Safety		(90,422)	(87,784)	(67,061)
Health		(922,244)	(959,260)	(903,909)
Education and Welfare		(12,425)	(15,041)	(7,418)
Housing		(97,099)	(103,007)	(113,062)
Community Amenities		(503,857)	(629,145)	(449,012)
Recreation and Culture		(1,265,373)	(1,184,220)	(1,165,592)
Transport		(2,648,485)	(2,469,685)	(2,385,271)
Economic Services		(879,112)	(1,096,468)	(684,789)
Other Property and Services		(43,574)	(47,357)	(69,666)
		<u>(7,050,207)</u>	<u>(7,225,260)</u>	<u>(6,393,666)</u>
Net Result Excluding Rates		(141,228)	(2,599,407)	(932,789)
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
(Profit)/Loss on Asset Disposals	20	(84,271)	(138,859)	(57,016)
Movement in Accrued Interest		(3,708)		1,850
Movement in Accrued Salaries and Wages		14,488	(42,881)	15,596
Movement in Employee Benefit Provisions (Non-Current)		13,938	9,566	39,841
Depreciation and Amortisation on Assets	2(a)	2,486,846	2,184,273	2,218,553
Capital Expenditure and Revenue				
Purchase Land Held for Resale		0	0	0
Purchase Land and Buildings		(350,890)	(329,989)	(221,030)
Purchase Infrastructure Assets - Roads		(2,094,095)	(2,239,603)	(2,156,885)
Purchase Infrastructure Assets - Other		(173,613)	(128,450)	0
Purchase Plant and Equipment		(559,215)	(713,500)	(714,337)
Purchase Furniture and Equipment		(72,980)	(82,374)	(176,270)
Proceeds from Disposal of Assets	20	279,992	253,000	331,463
Repayment of Debentures	21(a)	(94,058)	(94,058)	(81,294)
Proceeds from New Debentures	21	0	0	90,000
Advance to Bowling Club		0	0	(90,000)
Self-Supporting Loan Principal Income		18,103	0	9,913
Transfer to Restricted Cash		(2,344,293)		
Transfers to Reserves (Restricted Assets)	11	(749,642)	(482,976)	(158,082)
Transfers from Reserves (Restricted Assets)	11	0	155,891	0
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	22(b)	1,530,366	1,437,307	1,010,898
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	22(b)	185,473	(311,033)	1,530,366
Amount Required to be Raised from Rates	22(a)	<u>(2,509,733)</u>	<u>(2,501,027)</u>	<u>(2,399,955)</u>

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Preparation

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

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

Critical Accounting Estimates

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

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

(b) The Local Government Reporting Entity

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

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

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

(c) Goods and Services Tax

Revenues, expenses and assets capitalised are stated net of any GST recoverable.

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

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

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

(e) Trade and Other Receivables

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

(f) Inventories

General

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

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

Land Held for Resale

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

Revenue arising from the sale of property is recognised in the statement of comprehensive income as at the time of signing an unconditional contract of sale.

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

(g) Fixed Assets

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

Initial Recognition

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

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Revaluation

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

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

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

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

Land under Roads

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

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

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

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

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

Depreciation of Non-Current Assets

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

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Depreciation of Non-Current Assets (Continued)

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

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

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

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

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

Capitalisation Threshold

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

(h) Financial Instruments

Initial Recognition and Measurement

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

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Classification and Subsequent Measurement

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

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

Amortised cost is calculated as:

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

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

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Classification and Subsequent Measurement (Continued)

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

Derecognition

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

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



SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

(i) Impairment

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

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

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

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

(j) Trade and Other Payables

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

(k) Employee Benefits

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

(l) Borrowing Costs

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

(m) Provisions

Provisions are recognised when:

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

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

(n) Leases

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

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

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

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

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

(o) Joint Venture

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

The Council's interest in joint venture entities are recorded using the equity method of accounting in the financial report.

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

(p) Rates, Grants, Donations and Other Contributions

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

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

(q) Superannuation

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

(r) Current and Non-Current Classification

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

(s) Rounding Off Figures

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

(t) Comparative Figures

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

(u) Budget Comparative Figures

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



SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2012.

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

Title and Topic	Issued	Applicable (*)	Impact
(i) AASB 9 – Financial Instruments	December 2009	01 January 2013	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii) AASB 1053 - Application of Tiers of Australian Accounting Standards	June 2010	01 July 2013	Nil - Due to its nature and statutory requirements the Council will be deemed a Tier 1 entity and will continue to prepare general purpose financial statements.
(iii) AASB 2009– 11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12)	December 2009	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

(iv)	AASB 2010 - 2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050, & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052]	June 2010	01 July 2013	Nil - None of these amendments will have any effect on the financial report as the standard does not apply in the case of general purpose financial statements.
(v)	AASB 2010 – 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	December 2010	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(vi)	AASB 2010 - 8 Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets [AASB 112]	December 2010	01 January 2012	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

(vii) AASB 2010 - 10 Further Amendments to Australian Accounting Standards - Removal of Fixed Dates for First-time Adopters [AASB 2009 - 11 & 2010 - 7]	December 2010	01 January 2013	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2011 - 2 Amendments to Australian Accounting Standards - Arising from the Trans-Tasman Consequence Project - Reduced Disclosure Requirements. [AASB 101 & 1054]	May 2011	01 July 2013	
AASB 2011 - 3 Amendments to Australian Accounting Standards - Orderly Adoption of Changes to ABS GFS manual and related Amendments. [AASB 1049]	May 2011	01 July 2012	
AASB 2011 - 6 Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation - Reduced Disclosure Requirements [AASB 127, 128 & 131]	July 2011	01 July 2013	

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

(viii) AASB 10 - Consolidated Financial Statements, AASB 11 - Joint Arrangements, AASB 12 - Disclosure of Interests in Other Entities, AASB 127 - Separate Financial Statements, AASB 128 - Investments in Associates and Joint Ventures, AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	August 2011	01 January 2013	Nil - None of these, except for AASB 128 , are expected to have significant application to the operations of the Council. With respect to AASB 128, where the Council has an interest in a Joint Venture, the requirements of AASB 128 supercede those of the current Joint Venture Standard AASB 131. The new standard more clearly defines the accounting treatment and disclosure in relation to it. Due to the nature of the Joint Venture, it is not expected to have a significant impact on the Council.
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SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

(ix) AASB 13 - Fair Value Measurement, AASB 2011 - 8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	September 2011	01 January 2013	AASB 13 defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements. AASB 13 requires inputs to all fair value measurements to be categorised in accordance with fair value hierarchy. AASB 13 also requires enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value. AASB 13 will have particular relevance to the process of the Council adopting fair value methodology in relation to its fixed assets as mandated from 1 July 2012. Apart from the changes in value in relation to assets to be revalued (which are mandated by legislation and not changes to the standard) it is not expected to significantly impact the Council as the framework embodied in AASB 13 does not differ significantly from that which is present in existing standards. The amendments to the legislation requires the phasing in of fair value in relation to fixed assets over the three years from 1 July 2012. It is not possible to estimate the likely amount of any revaluations.
(x) AASB 2011 - 9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	September 2011	01 July 2013	The main change embodied in this standard is the requirement to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. It effects presentation only and is not expected to significantly impact the Council.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

(xi)	AASB 119 - Employee Benefits, AASB 2011 - 10 Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Interpretation 14]	September 2011	01 January 2013	The changes in relation to defined benefit plans contained in this standard are not expected to significantly impact the Council nor are the changes to AASBs in relation to termination benefits.
(xii)	AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	September 2011	01 July 2013	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
	AASB 2011 – 12 Amendments to Australian Accounting Standards arising from Interpretation 20 [AASB 1]	November 2011	01 January 2013	
	AASB 2011 – 13 Amendments to Australian Accounting Standards – Improvements to AASB 1049	December 2011	01 July 2012	

Notes:

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

These new and revised standards were:

- AASB 124
- AASB 1054
- AASB 2009 - 12
- AASB 2009 - 14
- AASB 2010 - 4
- AASB 2010 - 5
- AASB 2010 - 6
- AASB 2010 - 9
- AASB 2011 - 1

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

2. REVENUE AND EXPENSES	2012	2011
	\$	\$
(a) Net Result		
The Net Result includes:		
(i) Charging as an Expense:		
Significant Expense		
General Purpose Funding		0
This significant expense in both years relates to		
Amortisation		
Capitalised Leased Assets	0	0
Auditors Remuneration		
- Audit	19,045	8,262
- Other Services	6,570	550
Depreciation		
Buildings & Improvements	429,031	421,017
Plant & Equipment	484,260	484,080
Furniture and Equipment	50,779	63,983
Roads	1,391,821	1,144,982
Other Infrastructure	126,508	100,044
Parks & Ovals	4,447	4,447
	<u>2,486,846</u>	<u>2,218,553</u>
Interest Expenses (Finance Costs)		
Finance Lease Charges	0	0
Debentures (<i>refer Note 21(a)</i>)	97,042	100,311
	<u>97,042</u>	<u>100,311</u>
Rental Charges		
- Operating Leases	0	0
(ii) Crediting as Revenue:	2012	2012
	\$	Budget
		\$
Interest Earnings		
Investments		
- Reserve Funds	66,722	57,911
- Other Funds	118,820	50,000
Other Interest Revenue (<i>refer note 26</i>)	14,741	8,000
	<u>200,283</u>	<u>115,911</u>
		<u>140,112</u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

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

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

GOVERNANCE

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

GENERAL PURPOSE FUNDING

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

LAW, ORDER, PUBLIC SAFETY

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

HEALTH

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

EDUCATION AND WELFARE

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

HOUSING

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

COMMUNITY AMENITIES

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

RECREATION AND CULTURE

Provision of facilities and support for organisations concerned with leisure time activities and sport, support for performing and creative arts and preservation of the natural estate.

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

TRANSPORT

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

ECONOMIC SERVICES

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

OTHER PROPERTY AND SERVICES

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening Balance (*) 1-Jul-10 \$	Received (+) 2010/11 \$	Expended (#) 2010/11 \$	Closing Balance (*) 30-Jun-11 \$	Received (+) 2011/12 \$	Expended (#) 2011/12 \$	Closing Balance 30-Jun-12 \$
Landcorp Sponsorship - Early Learning Centre	8	24,270	0	(24,270)	0	0	0	0
LotteryWest - Fit Out - DDC	11	0	141,905	(141,905)	0	0	0	0
DRD&L - Colocation Grant - DDC	11	0	20,000	(20,000)	0	0	0	0
Community Culture and Arts Facilities Fund - DDC	11	0	40,000	(40,000)	0	0	0	0
Landcorp Sponsorship - James St Fitness Park	11	35,000	0	0	35,000	0	(35,000)	0
CSRFF - Dalwallinu Bowling Club	11	0	90,000	(90,000)	0	0	0	0
RLCIP Funding - Dalwallinu Hall Lighting/Sound	11	0	30,000	0	30,000	0	(30,000)	0
RLCIP Funding - Nugandong Airstrip Upgrade	12	30,000	0	(30,000)	0	0	0	0
RADS Funding - Nugandong Airstrip Upgrade	12	0	107,415	(107,415)	0	0	0	0
RASP Funding - Nugandong Airstrip Upgrade	12	0	65,729	(65,729)	0	0	0	0
R4R (DAF) - Regional Dogger Project	13	0	24,150	(9,967)	14,183	30,967	(36,730)	8,420
DAF - Dry Season Assistance Scheme	13	0	20,000	(8,784)	11,216	0	(11,216)	0
Regional Housing - R4R	13				0	505,926	(112,342)	393,584
Exploring Wildflower Country	13				0	21,121	0	21,121
Contribution for landscaping subdivision	13				0	60,000	0	60,000
Dungey Road Project - R4R	13				0	327,280	0	327,280
South Street Project - R4R	13				0	444,735	0	444,735
Total		89,270	539,199	(538,070)	90,399	1,390,029	(225,288)	1,255,140

Notes:

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

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

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

3. CASH AND CASH EQUIVALENTS

Unrestricted	321,622	1,008,019
Restricted	4,086,687	1,589,034
	<u>4,408,309</u>	<u>2,597,053</u>

The following restrictions have been imposed by regulations or other externally imposed requirements:

Leave Reserve	181,486	169,767
Plant Reserve	206,547	66,889
Joint Venture Housing Reserve	145,549	136,150
Land & Building Reserve	711,153	126,357
Sewerage Reserve	375,110	313,330
Johnston St, Dalwallinu Reserve	0	110,701
Townscape Reserve	23,726	22,194
Pithara Hall Reserve	22,597	21,138
Telecommunications Reserve	50,000	
Unspent Grants as per note 2(c)	1,255,140	90,399
Unspent Grants from FAGS	1,115,379	532,109
Unspent Loans	0	0
	<u>4,086,687</u>	<u>1,589,034</u>

4. TRADE AND OTHER RECEIVABLES

Current

Rates Outstanding	57,862	52,337
Sundry Debtors	454,969	92,033
<i>less provision for Doubtful Debts</i>	(26,197)	(26,197)
GST Receivable	0	0
Loans - Clubs/Institutions	19,573	18,347
	<u>506,207</u>	<u>136,520</u>

Non-Current

Rates Outstanding - Pensioners	0	0
Loans - Clubs/Institutions	60,668	79,997
	<u>60,668</u>	<u>79,997</u>

5. INVENTORIES

Current

Fuel and Materials	20,377	19,858
Medical Centre Stock	0	32,872
	<u>20,377</u>	<u>52,730</u>

Non-Current

Nil	0	0
	<u>0</u>	<u>0</u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

6. PROPERTY, PLANT AND EQUIPMENT

Land and Buildings - Cost	17,967,213	17,711,987
Less Accumulated Depreciation	(4,927,187)	(4,498,156)
	<u>13,040,026</u>	<u>13,213,831</u>
 Furniture and Equipment - Cost	 1,001,098	 930,019
Less Accumulated Depreciation	(739,853)	(689,075)
	<u>261,245</u>	<u>240,944</u>
 Plant and Equipment - Cost	 5,027,752	 4,994,744
Less Accumulated Depreciation	(2,700,201)	(2,643,990)
	<u>2,327,551</u>	<u>2,350,754</u>
 Plant and Equipment Under Lease	 0	 0
Less Accumulated Amortisation	0	0
	<u>0</u>	<u>0</u>
	 <u>15,628,822</u>	 <u>15,805,529</u>
		<u></u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

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

	Land & Buildings \$	Buildings & Improvements \$	Plant & Equipment \$	Furniture & Equipment \$	Total \$
Balance as at the beginning of the year	694,999	12,518,832	2,350,754	240,944	15,805,529
Additions	18,599	332,290	559,215	72,981	983,085
(Disposals)	(97,563)	0	(98,159)		(195,722)
Revaluation - Increments					0
- (Decrements)					0
Impairment - (Losses)					0
- Reversals					0
Depreciation (Expense)	0	(429,031)	(484,260)	(50,779)	(964,070)
					0
Carrying amount at the end of year	<u>616,035</u>	<u>12,422,091</u>	<u>2,327,550</u>	<u>263,146</u>	<u>15,628,822</u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

	2012 \$	2011 \$
7. INFRASTRUCTURE		
Roads - Management Valuation 2012	124,043,845	
Roads - Management Valuation 2011	0	122,465,602
Roads - Cost	2,094,095	1,578,243
Less Accumulated Depreciation	(25,427,915)	(24,036,094)
	<u>100,710,025</u>	<u>100,007,751</u>
 Other Infrastructure - cost	 2,816,789	 2,238,147
Other Movements	0	0
Other Infrastructure - additions	173,613	578,642
Less Accumulated Depreciation	(1,009,098)	(882,590)
	<u>1,981,304</u>	<u>1,934,199</u>
 Parks & Ovals - Management Valuation 2007	 165,066	 165,066
Parks & Ovals - cost	0	0
Less Accumulated Depreciation	(44,131)	(39,684)
	<u>120,935</u>	<u>125,382</u>
 Gardens - Cost	 <u>103,575</u>	 <u>103,575</u>
	<u>102,915,839</u>	<u>102,170,907</u>

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

This policy also accords with AASB 116.



SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

7. INFRASTRUCTURE (Continued)

Movements in Carrying Amounts

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

	Roads \$	Other Infrastructure \$	Parks and Ovals \$	Gardens \$	Total \$
Balance at the beginning of the year	100,007,751	1,934,199	125,382	103,575	102,170,907
Additions	2,094,095	173,613	0	0	2,267,708
(Disposals)	0	0	0	0	0
Revaluation - Increments	0	0	0	0	0
- (Decrements)	0	0	0	0	0
Impairment - (Losses)	0	0	0	0	0
- Reversals	0	0	0	0	0
Depreciation (Expense)	(1,391,821)	(126,508)	(4,447)	0	(1,522,776)
					0
Carrying amount at the end of year	100,710,025	1,981,304	120,935	103,575	102,915,839

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

	2012 \$	2011 \$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	606,782	211,012
Other current liabilities	62,604	60,051
Accrued Interest on Debentures	27,479	31,188
Accrued Salaries and Wages	70,540	56,052
	<u>767,405</u>	<u>358,303</u>
9. LONG-TERM BORROWINGS		
Current		
Secured by Floating Charge Debentures	<u>99,645</u>	<u>94,058</u>
	<u>99,645</u>	<u>94,058</u>
Non-Current		
Secured by Floating Charge Debentures	<u>1,416,616</u>	<u>1,516,262</u>
	<u>1,416,616</u>	<u>1,516,262</u>
Additional detail on borrowings is provided in Note 21.		
10. PROVISIONS		
Current		
Provision for Annual Leave	183,703	189,487
Provision for Long Service Leave	188,428	167,642
	<u>372,131</u>	<u>357,129</u>
Non-Current		
Provision for Long Service Leave	54,618	55,682
	<u>54,618</u>	<u>55,682</u>



SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

	2012 \$	2012 Budget \$	2011 \$
11. RESERVES - CASH BACKED			
(a) Leave Reserve			
Opening Balance	169,767	169,767	160,622
Amount Set Aside / Transfer to Reserve	11,719	10,186	9,145
Amount Used / Transfer from Reserve	0	0	0
	<u>181,486</u>	<u>179,953</u>	<u>169,767</u>
(b) Plant Reserve			
Opening Balance	66,889	66,889	63,285
Amount Set Aside / Transfer to Reserve	139,658	4,013	3,604
Amount Used / Transfer from Reserve	0	0	0
	<u>206,547</u>	<u>70,902</u>	<u>66,889</u>
(c) Joint Venture Housing Reserve			
Opening Balance	136,150	136,150	118,017
Amount Set Aside / Transfer to Reserve	9,399	8,169	18,133
Amount Used / Transfer from Reserve	0	(3,688)	0
	<u>145,549</u>	<u>140,631</u>	<u>136,150</u>
(d) Land & Building Reserve			
Opening Balance	126,357	126,357	74,559
Amount Set Aside / Transfer to Reserve	584,796	382,566	51,798
Amount Used / Transfer from Reserve	0	0	0
	<u>711,153</u>	<u>508,923</u>	<u>126,357</u>
(e) Sewerage Scheme Reserve			
Opening Balance	313,330	313,330	246,225
Amount Set Aside / Transfer to Reserve	21,630	18,800	67,105
Amount Used / Transfer from Reserve	40,150	(34,860)	0
	<u>375,110</u>	<u>297,270</u>	<u>313,330</u>
(f) Johnston Street, Dalwallinu Reserve			
Opening Balance	110,701	110,701	104,740
Amount Set Aside / Transfer to Reserve	7,642	6,642	5,961
Amount Used / Transfer from Reserve	(118,343)	(117,343)	0
	<u>0</u>	<u>0</u>	<u>110,701</u>
(g) Townscape Reserve			
Opening Balance	22,194	22,194	20,996
Amount Set Aside / Transfer to Reserve	1,532	1,332	1,198
Amount Used / Transfer from Reserve	0	0	0
	<u>23,726</u>	<u>23,526</u>	<u>22,194</u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

	2012 \$	2012 Budget \$	2011 \$
11. RESERVES - CASH BACKED (cont)			
(h) Pithara Hall Reserve			
Opening Balance	21,138	21,138	20,000
Amount Set Aside / Transfer to Reserve	1,459	1,268	1,138
Amount Used / Transfer from Reserve	0	0	0
	<u>22,597</u>	<u>22,406</u>	<u>21,138</u>
(i) Telecommunications Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	50,000	50,000	0
Amount Used / Transfer from Reserve	0	0	0
	<u>50,000</u>	<u>50,000</u>	<u>0</u>
TOTAL CASH BACKED RESERVES	<u>1,716,168</u>	<u>1,293,611</u>	<u>966,526</u>

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

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

Leave Reserve

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

Plant Reserve

- to be used for the purchase of major plant.

Joint Venture Housing Reserve

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

Land & Building Reserve

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

Sewerage Scheme Reserve

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

Townscape Reserve

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

Pithara Hall Reserve

- to be used for works upon Pithara Hall.

Telecommunications Reserve

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

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

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

The Pithara Hall Reserve is to be closed in 2012/13.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

12. RESERVES - ASSET REVALUATION

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

	2012 \$	2011 \$
(a) Land and Buildings		
Opening balance	3,679,953	3,679,953
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>3,679,953</u>	<u>3,679,953</u>
(b) Plant & Equipment		
Opening Balance	37,125	37,125
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>37,125</u>	<u>37,125</u>
(c) Furniture & Fittings		
Opening Balance	195	195
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>195</u>	<u>195</u>
(d) Roads		
Opening Balance	76,796,289	71,617,945
Revaluation Increment	0	5,178,344
Revaluation Decrement	0	0
	<u>76,796,289</u>	<u>76,796,289</u>
TOTAL ASSET REVALUATION RESERVES	<u>80,513,562</u>	<u>80,513,562</u>



SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2012 \$	2012 Budget \$	2011 \$
Cash and Cash Equivalents	4,408,309	1,374,552	2,597,053

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

Net Result	2,368,505	(98,380)	1,467,166
Adjustment for Allocations *	0	(1,245,804)	0
Depreciation	2,486,846	2,184,273	2,218,553
(Profit)/Loss on Sale of Asset	(84,271)	(138,859)	(57,016)
(Increase)/Decrease in Receivables	(368,462)	39,588	189,949
(Increase)/Decrease in Inventories	32,353	5,000	(1,382)
Increase/(Decrease) in Payables	405,051	19,500	18,051
Increase/(Decrease) in Employee Provisions	13,937	9,566	39,841
Grants/Contributions for the Development of Assets	(1,934,214)	(951,849)	(1,354,020)
Net Cash from Operating Activities	2,919,745	(176,965)	2,521,142

(c) Undrawn Borrowing Facilities
Credit Standby Arrangements

Bank Overdraft limit	0	0
Bank Overdraft at Balance Date	0	0
Credit Card limit	5,000	5,000
Credit Card Balance at Balance Date	(3,041)	(2,777)
Total Amount of Credit Unused	1,959	2,223

Loan Facilities

Loan Facilities - Current	99,645	94,058
Loan Facilities - Non-Current	1,416,616	1,516,262
Total Facilities in Use at Balance Date	1,516,261	1,610,320
Unused Loan Facilities at Balance Date	0	0

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

14. CONTINGENT LIABILITIES

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

	2012	2011
	\$	\$
15. CAPITAL AND LEASING COMMITMENTS		
(a) Finance Lease Commitments		
The Shire does not have any finance lease commitments as at 30 June 2011.		
(b) Operating Lease Commitments		
The Shire does not have any operating lease commitments as at 30 June 2011.		
(c) Capital Expenditure Commitments		
Contracted for:		
- capital expenditure projects	530,428	0
- plant & equipment purchases	0	0
Payable:		
- not later than one year	530,428	0

The capital expenditure project outstanding at the end of the current reporting period represents the construction of 3 2 bedroom units in Dowie Street and a 4x2 executive house in Dungey Road.



SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

16. JOINT VENTURE

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

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

	2012	2011
	\$	\$
Non-Current Assets		
Buildings & Improvement	190,119	183,672
Less: Accumulated Depreciation	(47,434)	(43,416)
	<u>142,685</u>	<u>140,256</u>

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

Governance	295,839	2,506,967
General Purpose Funding	59,208	52,351
Law, Order, Public Safety	64,637	85,545
Health	521,395	725,782
Education and Welfare	69,661	75,697
Housing	937,176	1,076,204
Community Amenities	875,586	952,481
Recreation and Culture	8,556,679	8,546,086
Transport	102,457,976	101,776,335
Economic Services	3,084,070	1,322,868
Other Property and Services	4,591,083	2,328,537
Unallocated	2,026,912	1,393,883
	<u>123,540,222</u>	<u>120,842,736</u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

	2012	2011	2010
18. FINANCIAL RATIOS			
Current Ratio	0.832	1.844	2.217
Untied Cash to Unpaid Trade Creditors Ratio	0.530	4.777	3.973
Debt Ratio	0.022	0.020	0.021
Debt Service Ratio	0.020	0.023	0.020
Gross Debt to Revenue Ratio	0.161	0.247	0.249
Gross Debt to Economically Realisable Assets Ratio	0.012	0.086	0.089
Rate Coverage Ratio	0.268	0.307	0.274
Outstanding Rates Ratio	0.022	0.022	0.031

The above ratios are calculated as follows:

Current Ratio
$$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$$

Untied Cash to Unpaid Trade Creditors Ratio
$$\frac{\text{untied cash}}{\text{unpaid trade creditors}}$$

Debt Ratio
$$\frac{\text{total liabilities}}{\text{total assets}}$$

Debt Service Ratio
$$\frac{\text{debt service cost}}{\text{available operating revenue}}$$

Gross Debt to Revenue Ratio
$$\frac{\text{gross debt}}{\text{total revenue}}$$

Gross Debt to Economically Realisable Assets Ratio
$$\frac{\text{gross debt}}{\text{economically realisable assets}}$$

Rate Coverage Ratio
$$\frac{\text{net rate revenue}}{\text{operating revenue}}$$

Outstanding Rates Ratio
$$\frac{\text{rates outstanding}}{\text{rates collectable}}$$

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

19. TRUST FUNDS

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

	Balance 1-Jul-11 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-12 \$
DPI Licensing Fees	7,291	1,513,007	(1,502,685)	17,613
St John Ambulance Memberships	80	2,355	(2,060)	375
BCITF Levy	93	8,183	(8,276)	0
BRB Levy	36	645	(681)	0
Mainly Mutton Cookbooks	0	10	(10)	0
Raffle Tickets	3	0	0	3
Nomination Fees	0	480	0	480
Hall Hire Bonds	990	0	0	990
Key Deposits	730	0	0	730
Building Service Levy	0	481	(481)	0
Housing Bonds	9,094	5,388	(4,306)	10,176
75 Stories Book	0	30	0	30
Trails, Trials and Triumphs Book	60	0	0	60
Story of Kalannie Book	48	48	(96)	0
Pioneer to Progress Book	0	40	0	40
Pioneer House Donations	10,076	0	0	10,076
Miscellaneous Deposits Held	2,560	145	(145)	2,560
5 Graves in Dalwallinu Book	0	100	(80)	20
	31,061	1,530,912	(1,518,820)	43,153

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

20. DISPOSALS OF ASSETS - 2011/12 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Governance						
09 Commodore Sportswagon (DL186)	19,361	17,700	18,182	21,000	(1,179)	3,300
10 Ford Focus XR5 (DL492)	22,208	21,240	19,091	15,000	(3,117)	(6,240)
Health						
Ford Territory AWD Wagon (DL89)	9,747	13,816	15,345	17,000	5,598	3,184
Transport						
07 Iveco AT1435 12T Tipper (DL2478)	43,938	47,386	90,000	130,000	46,062	82,614
05 Canter 3.5T Crew Cab Truck (DL420)	0	0	18,200	15,000	18,200	15,000
04 Hino Ranger 5T Tipper (DL159)	0	0	0	30,000	0	30,000
06 Ford Courier Tray Back Ute (DL747)	0	0	7,273	5,000	7,273	5,000
06 Ford Courier Tray Back Ute (DL194)	0	0	5,454	5,000	5,454	5,000
07 Ford Ranger Tray Back Ute (DL275)	2,905	3,808	7,273	5,000	4,368	1,192
08 Toyota Aurion (DL131)	0	10,191	0	10,000	0	(191)
Fermec Loader (DL80)	0	0	10,260	0	10,260	0
Ford Trader (DL024)	0	0	6,364	0	6,364	0
Economic Services						
3 Deacon Street Dalwallinu	26,300	0	27,080	0	780	0
Lot 9001 Deacon Street Dalwallinu	60,308	0	39,574	0	(20,734)	0
23 McNeill St, Dalwallinu (Vacant Land)	10,955	0	15,897	0	4,942	0
	195,722	114,141	279,993	253,000	84,271	138,859

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1-Jul-11 \$	New Loans \$	Principal Repayments		Principal 30-Jun-12		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Housing								
Loan 156 - Staff Housing	377,172		38,863	38,864	338,309	338,308	19,336	20,030
Community Amenities								
Loan 64 - Sewerage Scheme	208,837		7,415	7,415	201,422	201,422	20,062	20,392
Recreation & Culture								
Loan 157 - Dalwallinu Discovery Centre	942,429		31,283	31,283	911,146	911,146	53,411	53,655
Loan 158 - Dalwallinu Sports Club *	81,882		16,497	16,497	65,385	65,385	4,233	4,362
	1,610,320	0	94,058	94,059	1,516,262	1,516,261	97,042	98,439

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

(b) New Debentures - 2011/12

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

(c) Unspent Debentures

As at 30 June 2012, the Shire did not have any unspent loans.

(d) Overdraft

The Shire does not currently have an overdraft facility.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

22. RATING INFORMATION - 2011/12 FINANCIAL YEAR

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
General Rate											
GRV	9.0446	256	2,466,592	223,094	(507)	27	222,614	223,094			223,094
UV - Rural	1.7927	408	126,646,447	2,270,391			2,270,391	2,270,391			2,270,391
UV - Mining	1.7927	7	149,985	2,689			2,689	2,689			2,689
Sub-Totals		671	129,263,024	2,496,174	(507)	27	2,495,694	2,496,174	0	0	2,496,174
Minimum Rates	Minimum \$										
GRV - Dalwallinu	573	177	868,009	101,421			101,421	99,702			99,702
GRV - Kalannie	445	11	23,359	4,895			4,895	4,895			4,895
GRV - Other Towns	255	24	13,107	6,120			6,120	6,375			6,375
UV - Rural	255	31	129,214	7,905			7,905	7,905			7,905
UV - Mining	255	15	89,000	3,825			3,825	3,825			3,825
Sub-Totals		258	1,122,689	124,166	0	0	124,166	122,702	0	0	122,702
Ex-Gratia Rates							2,619,860				2,618,876
Specified Area Rate (refer note 23)											0
											0
Discounts (refer note 25)							2,619,860				2,618,876
							(110,127)				(117,849)
Totals							2,509,733				2,501,027

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

22. RATING INFORMATION - 2011/12 FINANCIAL YEAR

	2012 (1 July 2011 Brought Forward) \$	2011 (30 June 2011 Carried Forward) \$
(b) Information on Surplus/(Deficit) Brought Forward		
Surplus/(Deficit) 1 July 2011 Brought Forward	<u>1,530,366</u>	<u>1,530,366</u>
<u>Comprises:</u>		
Cash - Unrestricted	1,630,527	1,630,527
Cash - Restricted	966,526	966,526
Investments - Restricted	0	0
Rates - Current	52,337	52,337
Sundry Debtors	65,358	65,358
Accrued Income/Payments in Advance	477	477
GST Receivable	0	0
Inventories		
- Fuel and Materials	52,730	52,730
Less:		
Reserves - Restricted Cash		
- Leave Reserve	(169,767)	(169,767)
- Plant Reserve	(66,889)	(66,889)
- Joint Venture Reserve	(136,150)	(136,150)
- Land & Building Reserve	(126,357)	(126,357)
- Sewerage Reserve	(313,330)	(313,330)
- Johnston Street Reserve	(110,701)	(110,701)
- Townscape Reserve	(22,194)	(22,194)
- Pithara Hall Reserve	(21,138)	(21,138)
Reserves - Restricted Investments		
- Building Reserve		
Sundry Creditors	(211,012)	(211,012)
Income in Advance	(17,712)	(17,712)
GST Payable	(42,339)	(42,339)
Surplus/(Deficit)	<u><u>1,530,366</u></u>	<u><u>1,530,366</u></u>

Difference:

There was no difference between the Surplus/(Deficit) 1 July 2011 Brought Forward position used in the 2012 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2011 audited financial report

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

23. SPECIFIED AREA RATE - 2011/12 FINANCIAL YEAR

The Shire of Dalwallinu did not levy a specified area rate in the year ended 30 June 2012.

24. SERVICE CHARGES - 2011/12 FINANCIAL YEAR

The Shire of Dalwallinu did not impose any service charges in the year ended 30 June 2012.

**25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2011/12 FINANCIAL YEAR**

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Discount	5.00%	117,849	110,127
			117,849	110,127
Photocopy Charge	Waiver		154	250
Debtor Write-Off	Write-Off		147	0
Rate Assessment	Write-Off		795	0

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

Photocopy Charges are waived for certain community groups such as St John Ambulance, Volunteer Bush Fire Brigades & Dalwallinu and Districts Tourism Committee. Council considers its support of these groups necessary for the overall benefit of the community.

An outstanding debt was written off during the year when the Shire was notified by a debtor's receiver that unsecured creditors would not be receiving any payment.

26. INTEREST CHARGES AND INSTALMENTS - 2011/12 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%	N/A	8,006	5,000
Interest on Instalments Plan	5.50%	N/A	4,501	3,000
Charges on Instalment Plan	N/A	6.67	2,234	2,000
			14,741	10,000

Ratepayers had the option of paying rates in four equal instalments, due on 19th August 2011, 19th October 2011, 19th December 2011 and 20th February 2012. Administration charges and interest applied for the final three instalment

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

27. FEES & CHARGES	2012 \$	2011 \$
Governance	69,417	63,120
General Purpose Funding	4,304	4,081
Law, Order, Public Safety	3,619	2,073
Health	625,364	680,346
Education and Welfare	1	1
Housing	87,222	77,512
Community Amenities	351,063	337,555
Recreation and Culture	53,059	42,980
Transport	23,062	31,645
Economic Services	168,886	143,351
Other Property and Services	74,732	60,088
	<u>1,460,729</u>	<u>1,442,752</u>

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

28. GRANT REVENUE

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

	2012 \$	2011 \$
By Nature and Type:		
Operating Grants, Subsidies and Contributions	3,171,943	2,360,171
Non-Operating Grants, Subsidies and Contributions	1,934,214	1,354,020
	<u>5,106,157</u>	<u>3,714,191</u>
By Program:		
Governance	21,484	16,547
General Purpose Funding	2,672,089	2,024,611
Law, Order, Public Safety	30,570	26,110
Health	11,400	3,145
Education and Welfare	851	1,041
Housing	9,333	9,496
Community Amenities	3,332	1,563
Recreation and Culture	44,443	491,835
Transport	1,154,553	1,064,089
Economic Services	1,101,067	48,443
Other Property and Services	57,035	27,311
	<u>5,106,157</u>	<u>3,714,191</u>

29. ELECTED MEMBERS REMUNERATION	2012 \$	2012 Budget \$	2011 \$
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	13,410	11,600	7,860
President's Allowance	7,500	7,500	5,000
Deputy President's Allowance	1,500	1,500	0
Travelling Expenses	11,118	11,000	6,078
Telecommunications Allowance	0	0	0
	<u>33,528</u>	<u>31,600</u>	<u>18,938</u>

30. EMPLOYEE NUMBERS	2012	2011
The number of full-time equivalent employees at balance date	<u>36</u>	<u>39</u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

31. MAJOR LAND TRANSACTIONS

The Shire of Dalwallinu did not take part in any major land transactions in the year ended 30 June 2012.

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2011/12 financial year.

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

33. FINANCIAL RISK MANAGEMENT

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

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

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

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2012	2011	2012	2011
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	4,408,309	2,597,053	4,408,309	2,597,053
Receivables	506,207	136,520	506,207	136,520
	<u>4,914,516</u>	<u>2,733,573</u>	<u>4,914,516</u>	<u>2,733,573</u>
Financial Liabilities				
Payables	767,405	358,303	767,405	358,303
Borrowings	1,516,261	1,618,437	1,285,478	1,331,219
	<u>2,283,666</u>	<u>1,976,740</u>	<u>2,052,883</u>	<u>1,689,522</u>

Fair value is determined as follows:

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

33. FINANCIAL RISK MANAGEMENT(Continued)
(a) Cash and Cash Equivalents

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The Shire of Dalwallinu only invests in Term Deposit type accounts with a bank registered as a deposit taking institution with APRA

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

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

	2012	2011
	\$	\$
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	35,027	21,637
- Statement of Comprehensive Income	35,027	21,637

Notes:

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

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

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

33. FINANCIAL RISK MANAGEMENT (Continued)
(b) Receivables

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

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

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

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

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

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

	2012	2011
Percentage of Rates and Annual Charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of Other Receivables		
- Current	7.73%	33.69%
- Overdue	92.27%	66.31%

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
Borrowings

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

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2012</u>					
Payables	767,405	0	0	767,405	767,405
Borrowings	191,603	926,803	1,057,528	2,175,934	1,516,261
	<u>959,008</u>	<u>926,803</u>	<u>1,057,528</u>	<u>2,943,339</u>	<u>2,283,666</u>
<u>2011</u>					
Payables	358,303	0	0	358,303	358,303
Borrowings	191,603	926,803	1,144,229	2,262,635	1,610,320
	<u>549,906</u>	<u>926,803</u>	<u>1,144,229</u>	<u>2,620,938</u>	<u>1,968,623</u>

SHIRE OF DALWALLINU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

Borrowings (Continued)

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

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

	<1 year Rate \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Interest %
Year Ended 30 June 2012								
Payables								
Borrowings								
Fixed Rate								
Debentures					65,385	1,450,876	1,516,261	
					6.24% Weighted Average			
Effective Interest Rate					5.62%	6.27%		
Year Ended 30 June 2011								
Payables								
Borrowings								
Fixed Rate								
Debentures					81,882	1,528,438	1,610,320	
					6.22% Weighted Average			
Effective Interest Rate					5.62%	6.26%		



Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDIT REPORT TO THE ELECTORS OF THE SHIRE OF DALWALLINU

Scope

We have audited the financial report of Shire of Dalwallinu for the year ended 30 June 2012. The financial report comprises the Statement by Chief Executive Officer, Statements of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, Rate Setting Statement and accompanying notes to the financial statements.

The Council is responsible for the preparation of a financial report which provides a true and fair view of the financial performance and position of the council in accordance with the Local Government Act 1995, and Regulations. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error and for accounting policies and estimates inherent to the financial report.

Audit Approach

We conducted an independent audit of the financial report in order to express an opinion on it to the electors of the Shire of Dalwallinu. Our audit was conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control and the availability of persuasive rather than conclusive evidence. Therefore an audit cannot guarantee that all misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Local Government Act 1995, and Regulations, including compliance with Accounting Standards in Australia, and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Council's financial position, and of their performance which is represented by the results of operations and cash flows.

We formed our opinion on the basis of these procedures, which included:

- examining on a test basis, information to provide evidence, supporting the amounts and disclosures in the financial report.
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the directors.

Whilst we considered the effectiveness of managements internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions were accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the executive and management of the Shire of Dalwallinu.

Independence

Anderson Munro & Wyllie are independent of the Shire of Dalwallinu, and have met the independence requirements of Australian professional ethical pronouncements and the Local Government Act 1995. The audit opinion expressed in this report has been formed on the above basis.



Audit Opinion

In our opinion the financial statements of the Shire of Dalwallinu are properly drawn up:

- a) So as to give a true and fair view of the state of affairs of the Shire as at 30 June 2012 and the results of its operations and cash flows for the year then ended;
- b) In accordance with the requirements of the Local Government Act 1995; and
- c) In Accordance with Applicable Australian Accounting Standards.

Other Matters

We noted the following instance of non-compliance with the Local Government Act 1995, and its Regulations.

- S 7.9 (1) the Auditor's report for 2010/2011 was not received by the local government by 31 December 2011

Statutory Compliance

- a) Except for the issues identified in the above other matters paragraph, we did not during the course of the audit, become aware of any other instances where the Council did not comply with the requirements of the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996.
- b) There were no material or significant adverse trends in financial position or financial management practices revealed during the course of our audit.
- c) We have obtained all necessary information and explanations in relation to our audit.
- d) Our audit procedures were all satisfactorily completed.

Dated the 30th day of November 2012 in Perth, Western Australia

AMW (AUDIT) PTY LTD

BILLY-JOE THOMAS
Director

ANDERSON MUNRO & WYLLIE
ANDERSON MUNRO & WYLLIE
Chartered Accountants

