



AGENDA

OF MEETING

HELD ON

TUESDAY

28 NOVEMBER 2017

3.00PM

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1. OPENING, OBITUARIES, VISITORS

1.1 OPENING

1.2 OBITUARIES

Ivan Walter Jones

2. RECORD OF ATTENDANCE/APOLOGIES

2.1 RECORD OF ATTENDANCE

Cr D.P.Hudson	President
Cr A.J. Metcalf	Deputy President
Cr R.I. Trepp	
Cr J.C. Chatfield	
Cr L.H. Holberton	
Cr B.N. Walsh	
Cr L.G. Hagboom	
Cr B.A. Ward	
A.J. Selvey	Chief Executive Officer
S.G. Fitchat	Finance Manager
S.F. Geerdink	Assets & Works Manager
E.L. Richards	Council Liaison/Minutes

2.2 LEAVE OF ABSENCE

2.3 APOLOGIES

3. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

4. DECLARATION OF ELECTED MEMBERS

5. PUBLIC QUESTION TIME

6. APPLICATIONS FOR LEAVE OF ABSENCE

7. CONFIRMATION OF MINUTES

OFFICER RECOMMENDATION – ITEM 7.1

THAT THE MINUTES OF THE ORDINARY MEETING OF THE DOWERIN SHIRE COUNCIL HELD ON 24 OCTOBER 2017 BE CONFIRMED AS A TRUE AND CORRECT RECORD OF PROCEEDINGS.

8. PETITIONS/DEPUTATIONS/PRESENTATIONS

9. ANNOUNCEMENTS BY PRESIDENT WITHOUT DISCUSSION

9.1 PRESIDENT ANNOUNCEMENTS

10. REPORTS OF COMMITTEE AND OFFICERS

10.1 OPERATIONS

10.1.1 2016/17 ANNUAL REPORT

Date:	21 NOVEMBER 2017
Applicant:	The Shire of Dowerin
Location:	N/A
File Ref:	
Disclosure of Interest:	Nil
Author:	A. Selvey, Chief Executive Officer
Attachments:	1. Shire of Dowerin Annual Report 2016/17

Summary

This item presents the Annual Report for the year ended 30 June 2017 for the Shire of Dowerin, inclusive of the 2016/17 Financial Statements and the Auditors Management Report, for Council to consider. The officer's recommendation seeks a Council resolution to accept the Shire of Dowerin Annual Report for the 2016/2017 Financial Year and to set a date for the Annual Electors Meeting.

Background

Section 5.54 'Acceptance of Annual Reports' of the Local Government Act 1995 requires an Annual Report to be accepted by Council by 31 December in each year unless the Auditors Report is not available in time. The Local Government Act 1995 Section 5.54(2) requires that if the Annual Report is not accepted by the Local Government by 31 December then it must be presented within two (2) months of the Auditors Report becoming available.

Comment

The Audit Report was forwarded to the Shire on 15 November 2017 and was considered by the Audit Committee at their meeting on 20 November 2017. The Shire's External Auditor, Ms Maria Cavallo, presented her Management Report and finding of the Audit to the Audit Committee.

Ms Cavallo reported to the Audit Committee on the audit approach, audit adjustments and unadjusted audit differences the audit opinion which is that the financial report presents fairly the financial position of the Shire at the end of the 2016/17 financial year; that the internal processes, procedures and financial reporting frameworks are adequately designed and have been maintained to a high standard. The Management Letter lists five issues that were found but have been rated as minor meaning that the Auditor believes they are not of primary concern but still warrant action. A summary of issues is listed below:

1. Provision of employee entitlement requires review.
This review has since been carried out and training is scheduled for 21 and 22 November.
2. Discrepancies in depreciation rates.
A significant effort has been made to improve asset management, including depreciation rates. This effort will continue in 2017/18 and will result in much more accurate application of depreciation.

3. Public Works Overheads under allocation which indicates that allocation rates were too low. New processes will be introduced and staff will review allocations as per timing recommended by the Auditor.
4. Creditor and accrued expenses not brought into account at year end. Staff will be provided with training in this area in the coming year and will develop a procedure to follow. Management is confident this will not be an issue in 2017/18 when staff better understand the context and implications.
5. Interim Rating.
Interim rating will be carried out as updated Valuer General schedules are received.

The Audit Report for year ending 30 June 2017 is unqualified.

The Annual Report highlights the organisation's achievements against the Strategic Community Plan.

It is a requirement for Council to accept the Annual Report within two months of the Auditor's Report becoming available and as such the Annual Report is now presented to Council for consideration. Officers seek a Council resolution to accept the 2016/17 Annual Report and to set the date for the Annual Electors Meeting. It is a legislative requirement to hold the Annual Electors Meeting within 56 days of Council accepting the Annual Report.

Should the 2016/2017 Annual Report be accepted by Council, it is proposed to hold the Annual Electors Meeting on Tuesday 12 December 2017 at 6.30pm at the Dowerin Community Club. Public notice of the Annual Electors meeting will be given via an advertisement in the Dowerin Despatch, the Shire website and Facebook and print notices on the Shire's notice board and other venues.

Financial Implications

The Financial Statements show that the Shire's financial position at close of the 2016/17 financial year and provides information on the financial performance and financial management of the organisation. The financial ratios, reported on page 42 of the Financial Report, are perhaps the best indicator of overall financial performance. The Auditor notes that the Shire's calculated ratios are within the Department's recommended guidelines which indicate an acceptable financial position.

Risk Implications

The Management Letter lists five issues that are rated Minor risks by the Auditor. These matters are being investigated by Management and will be actioned to ensure they do not continue to pose a risk to the Shire.

Consultation

The Audit Committee has reviewed and recommended the adoption of the Annual Financial Report at its meeting held on 20 November 2017. The minutes from the Audit Committee records the questions asked of the Auditor. Responses to those questions are contained in the minutes of the Audit Committee meeting which are included in this agenda as an attachment to Item 10.3.1.

Policy Implications

Nil

Statutory Implications

It is a statutory requirement under the Local Government Act 1995 Section 5.53 for Local Governments to accept an Annual Report and under Section 5.27 to hold meeting of electors. This process and all timeframes comply with statutory requirements.

Strategic Implications

Aligns with the Strategic Community Plan Theme 4 – Local Government Leadership

Voting Requirements

Absolute majority required.

OFFICER RECOMMENDATION – ITEM 10.1.1

THAT COUNCIL, BY ABSOLUTE MAJORITY, PURSUANT TO SECTION 5.54 OF THE LOCAL GOVERNMENT ACT 199, RESOLVES TO:

- 1. ACCEPT THAT THE MEETING BETWEEN THE AUDIT COMMITTEE AND THE AUDITOR AT THE AUDIT COMMITTEE MEETING HELD ON 20 NOVEMBER 2017 SATISFIES LEGISLATIVE REQUIREMENTS;***
- 2. ACCEPT THE REPORT PROVIDED BY THE SHIRE AUDITOR MS MARIA CAVALLO OF AMD;***
- 3. ACCEPT THE SHIRE OF DOWERIN ANNUAL REPORT FOR THE 2016/2017 FINANCIAL YEAR; AND***
- 4. SET THE DATE FOR THE ANNUAL ELECTORS GENERAL MEETING AS TUESDAY 12 DECEMBER 2017 AT 6.30PM IN THE DOWERIN COMMUNITY CLUB AND AUTHORISE THE CEO TO GIVE PUBLIC NOTICE OF THE MEETING AND ENSURE THE AVAILABILITY OF THE ANNUAL REPORT FROM 29 NOVEMBER 2017.***

10.1.2 MEETING SCHEDULE FOR ORDINARY MEETINGS OF COUNCIL FOR 2018

Date: 22 NOVEMBER 2017
Applicant: The Shire of Dowerin
Location: N/A
File Ref:
Disclosure of Interest: Nil
Author: A. Selvey, Chief Executive Officer
Attachments: Nil

Summary

This item seeks a Council resolution to adopt a schedule for the Ordinary Meetings of Council for the 2018 calendar year.

Background

Under Section 5.3 of the Local Government Act, Councils are required to hold ordinary meetings no more than three months apart, although for good governance, more frequent meetings are standard practice. The Shire of Dowerin's usual practice is to hold monthly meetings, with the exception of January.

The Local Government (Administration) Regulations – Reg 12 requires Council to give local public notice of dates, times and the location of its ordinary and special meetings.

Meetings, public notice of (Act s. 5.25(1)(g))

(1) At least once each year a local government is to give local public notice of the dates on which and the time and place at which

(a) the ordinary council meetings; and

(b) the committee meetings that are required under the Act to be open to members of the public or that are proposed to be open to members of the public, are to be held in the next 12 months

2) A local government is to give local public notice of any change to the date, time or place of a meeting referred to in subregulation (1).

Comment

The Shire of Dowerin current schedule is for Ordinary Meetings of Council to be held on the fourth Tuesday of each month with the following exceptions:

January – no meeting;

August – third Tuesday to avoid clash with Field Days; and

December – third Tuesday due to Christmas holiday period.

The dates proposed for the Ordinary Meetings of Council for 2018 are as follows:

ORDINARY MEETINGS OF COUNCIL 2017		
Date	Venue	Time
TUESDAY 27 FEBRUARY 2018	Shire of Dowerin Chambers	3pm
TUESDAY 27 MARCH 2018	Shire of Dowerin Chambers	3pm
TUESDAY 24 APRIL 2018	Shire of Dowerin Chambers	3pm
TUESDAY 22 MAY 2018	Shire of Dowerin Chambers	3pm
TUESDAY 26 JUNE 2018	Shire of Dowerin Chambers	3pm
TUESDAY 24 JULY 2018	Shire of Dowerin Chambers	3pm
TUESDAY 21 AUGUST 2018	Shire of Dowerin Chambers	3pm
TUESDAY 25 SEPTEMBER 2018	Shire of Dowerin Chambers	3pm
TUESDAY 23 OCTOBER 2018	Shire of Dowerin Chambers	3pm
TUESDAY 27 NOVEMBER 2018	Shire of Dowerin Chambers	3pm
TUESDAY 18 DECEMBER 2018	Shire of Dowerin Chambers	3pm

Financial Implications

Nil

Risk Implications

Nil

Consultation

Once the meeting schedule has been adopted by Council, local public notice will be given via the Shire's website, an article in the Dowerin Despatch and on the Shire and Public Library notice boards.

Policy Implications

Nil

Statutory Implications

Section 5.3 of the Local Government Act stipulates the requirement to hold regular Ordinary Meetings of Council and Reg 12 of the Local Government (Administration) Regulations requires Council to give local public notice of dates, times and the location of its ordinary and special meetings. The Officer's Recommendation complies with these statutory requirements.

Voting Requirements

Simple majority required.

OFFICER RECOMMENDATION – ITEM 10.1.2

THAT COUNCIL, BY SIMPLE MAJORITY, PURSUANT TO SECTION 5.3 OF THE LOCAL GOVERNMENT ACT RESOLVES TO ADOPT THE FOLLOWING SCHEDULE FOR ORDINARY MEETINGS OF COUNCIL FOR 2018 AS FOLLOWS AND GIVE LOCAL PUBLIC NOTICE REGARDING THIS SCHEDULE:

ORDINARY MEETINGS OF COUNCIL 2017		
Date	Venue	Time
TUESDAY 27 FEBRUARY 2018	Shire of Dowerin Chambers	3pm
TUESDAY 27 MARCH 2018	Shire of Dowerin Chambers	3pm
TUESDAY 24 APRIL 2018	Shire of Dowerin Chambers	3pm
TUESDAY 22 MAY 2018	Shire of Dowerin Chambers	3pm
TUESDAY 26 JUNE 2018	Shire of Dowerin Chambers	3pm
TUESDAY 24 JULY 2018	Shire of Dowerin Chambers	3pm
TUESDAY 21 AUGUST 2018	Shire of Dowerin Chambers	3pm
TUESDAY 25 SEPTEMBER 2018	Shire of Dowerin Chambers	3pm
TUESDAY 23 OCTOBER 2018	Shire of Dowerin Chambers	3pm
TUESDAY 27 NOVEMBER 2018	Shire of Dowerin Chambers	3pm
TUESDAY 18 DECEMBER 2018	Shire of Dowerin Chambers	3pm

10.1.3 GROH HOUSING PROPOSAL

Date: 22 NOVEMBER 2017
Applicant: The Shire of Dowerin
Location: N/A
File Ref:
Disclosure of Interest: Nil
Author: A. Selvey, Chief Executive Officer
Attachments: 2. New House NPV calculations;
3. Loan schedule; and
4. Email from Program Manager Department of Communities (Housing Program)

Summary

This item formally brings a proposal to build a house in Dowerin for the Department of Communities to lease on behalf of the Education Department. The Officer's Recommendation is for Council to resolve to proceed with the proposal.

Background

The Shire received an email from the Program Manager, Housing Program at the Department of Communities in August 2017 asking if Council would have the capacity and willingness to build a 3 bedroom 2 bathroom home in Dowerin for the use and occupation of the Education Department under the GROH Program on a 9 year lease with a 1 year option. The email stated that the Department of Communities Housing Division has insufficient capital to build a property in Dowerin, due to recent reductions imposed by the State Government under the Government Regional Officers' Housing (GROH) Program to reign in State debt.

As Councillors would be aware the Department currently leases Shire properties at 18 and 26 O'Loughlen Street at \$342 per week and each year they apply pressure on the Shire to reduce the rent. However, in this circumstance, the Department has indicated they would be willing to negotiate a 'cost rent' on the build to allow the Shire to recoup costs associated with the acquisition of land and building and enter into a 10-year lease with an option to extend. They have also advised that assuming a capital cost of \$400,000 (see below) they would be prepared to entertain a rent of up to \$700 per week. While they would be looking to take out a 10 year lease, should they exercise the option to extend, they would continue to pay the cost rent for up to 25 years. This could be documented in the lease proposal.

Comment

This form of transaction is viewed as a partnership between the Department of Communities and the local Authority, whereby debt is taken on by the Authority; however the arrangement is so far as possible a cost neutral proposition to the Shire. The aim is to ensure that quality State Government employees, this case teaching staff, are attracted to and retained in the Dowerin community.

The Department has also suggested that should the Shire have existing suitable and appropriate existing owned housing stock, they would be happy to consider this option; however there are currently no properties that meet the strict requirements of the Department.

Should Council resolve to progress with this project, the process is outlined below.

Stage 1 - If GROH has a requirement for this type of housing then the owner will be required to supply the terms, conditions and the proposed address. If these are satisfactory then a floor plan is required.

The floor plan will be assessed for compliance with room sizes, the GROH design brief and specification. The location (address) rental information and any variance from GROH standards will be referred to the departments for their consideration and approval.

Stage 2 - When GROH and the client department are satisfied with the floor plan, term, conditions and the location of the proposed house then agreement in principle will be provided by GROH. This is only an agreement in principle and is conditional upon the owner supplying the following to the satisfaction of GROH before an "Agreement to Lease" will be drawn up:

1. The site plan for the selected lot.
2. External elevation drawings showing all four sides of the house.
3. Internal elevations for the kitchen, bathroom, ensuite and laundry.
4. Floor plan.
5. Electrical plan.
6. Wardrobe, linen and broom cupboard details.
7. GROH specification and design brief, current at that particular time will be included in the documentation.
8. Any agreed variations from the design brief / specification will be documented

If GROH and the owner cannot reach agreement with this proposal at this point, then there will be no obligation on either party to proceed and the proposal will lapse.

Stage 3 - Once the owner has supplied the required details and they are approved by GROH then an "Agreement to Lease" document will be signed by GROH and the owner. The following documentation will be included in this agreement:

1. Finalised site plan for the selected lot
2. Finalised external elevation drawings showing all four sides of the house.
3. Finalised internal elevations for the kitchen, bathroom, ensuite and laundry.
4. Finalised floor plan.
5. Finalised electrical plan.
6. Finalised wardrobe, linen and broom cupboard details.
7. The GROH specification and design brief upon which the agreement is based will be included in the documentation.
8. Any agreed variations from the GROH design brief / specification.

Stage 4 - Upon completion of the dwelling a representative of GROH will be required to inspect the property to verify that it is complete and meets the specified requirements. If this is the case the property will be accepted and the lease will commence from this date.

This item has not articulated or attempted to quantify the benefit to the community from the potential for attracting a new family to move to Dowerin; nor has it quantified the importance of quality housing in attracting and retaining quality teaching staff and the social benefits that could flow from that aspect.

Financial Implications

Preliminary investigations suggest that with outdoor areas, fencing, landscaping etc. a house that meets the Department's standards is likely to cost approximately \$400,000 as an indicative amount. Another comparison is a similar house built by the Shire in 2011 which had a total cost of \$370,000. In addition to the capital costs it is expected that the ongoing maintenance could be in the vicinity of \$5000 per annum. As a comparison 18 O'Lughlen cost \$7,486 in 2015/16 and \$3,437 in the 2016/17 and 26 O'Lughlen cost \$1,748 in 2015/16 and \$1355 in 2016/17 being operational expenses such as insurance, pest control, cleaning gutters and maintenance.

A full NPV calculation, based on the following assumptions is attached (see Attachment 2).

EXPENSES	
LOAN	\$400,000 (\$28,600 per annum)
ANNUAL OPERATIONAL COSTS	\$5,000 PLUS 2.5% PER ANNUM INCREASE
INCOME	
RENT	\$700 PER WEEK PLUS 1.5% PER ANNUM INCREASE
TERMINAL VALUE	\$500,000

NB: Please see attachment 2 for full calculations.

The 2017/18 Budget does not allow for this project; nor does the Shire have reserves or surplus funds to progress this project. Therefore, it would be necessary to borrow funds. The loan schedule for a \$400,000 loan over a twenty year period is attached for Council consideration –see attachment 3. This shows that loan repayments would be approx. \$28,600 per annum. Income, based on \$700 per week will be approx. \$36,500 in the first year.

See below for impacts on relevant ratios included for Councillors information.

Debt service ratio

Excluding	Including
9.56	8.01

The purpose of this ratio is to measure whether the Shire has the ability to repay its debts. The higher the ratio means the ability to repay debt is easier. There would be a slight decrease in this ratio with the take on of an additional loan.

A **Basic** standard is achieved if the ratio is greater than or equal to two.

An **Advanced** standard is achieved if the ratio is greater than five.

(Local Government Operational Guidelines – Financial Ratios)

Own source revenue ratio

Excluding	Including
0.56	0.57

There will be slight increase in own source revenue.

A Basic standard is achieved if the ratio is between 40% and 60% (or 0.4 and 0.6).

An Intermediate standard is achieved if the ratio is between 60% and 90% (or 0.6 and 0.9)

An Advanced standard is achieved if the ratio is greater than 90% (or >0.9).

(Local Government Operational Guidelines – Financial Ratios)

Risk Implications

The NVP shows that a 10 year program could pose a risk for Council. That is, if the Department chooses not to exercise the option to renew the lease after the first ten years, Council would be left with a large debt which may not be able to be covered by rental income. The current Council's Risk Policy lists financial loss of \$300,000 to \$600,000 as major. However given that Council would still own the asset regardless of whether or not the Department of Communities continues to lease the property for more than ten years, the loss would be substantially less, thus reducing the risk to a moderate risk. (NB: It should be noted that at the Audit Committee meeting on 20 November 2017 the Committee reviewed the risk matrix and recommended reducing the financial impact figures. The policy will be revised accordingly and be brought formally to Council in December. The review by the Audit Committee suggests that a loss of \$350,000 would have an extreme impact on the organisation.)

The Shire's request to secure a 20 year lease agreement with the Department of \$700 was not able to be accommodated. However, the Department has stated that the rent could include an annual CPI increase. The Department has also noted that under the GROH Program they own two 3 bedroom dwellings built in 1990 and 1996 respectively; therefore it is most likely that both these older dwellings will be reverted should demand for housing diminish in Dowerin into the future. Therefore, in their view, there is little risk to Council that this dwelling will be returned at the end of the 10-year lease period.

Consultation

While there has been no specific community consultation on this item with the community, at recent community workshops the value and importance of the school and quality education was a strong recurrent theme.

The local Real Estate agent has been consulted. The only property he suggested that may be suitable would not meet the requirements as set down by the Department.

The matter has been discussed as a concept at two Councillor workshops (September and October 2017).

Policy Implications

Nil

Statutory Implications

Section 6.20 of the Local Government Act 1995 outlines Council's Power to borrow and the legislative requirements for borrowing.

Strategic Implications

Aligns with:

Objective 1.4 Maintain and increase education and training opportunities; and

Objective 1.5 Provide a range of affordable housing.

Voting Requirements

Absolute majority required.

OFFICER RECOMMENDATION – ITEM 10.1.3

THAT COUNCIL, BY ABSOLUTE MAJORITY, PURSUANT TO SECTION 6.20 OF THE LOCAL GOVERNMENT ACT 1995 RESOLVES TO:

- 1. ADVISE THE DEPARTMENT OF COMMUNITIES HOUSING DIVISION THAT THE SHIRE OF DOWERIN PROVIDES IN PRINCIPLE SUPPORT FOR THE PROPOSAL TO CONSTRUCT A 3 BEDROOM 2 BATHROOM HOME IN DOWERIN FOR THE USE AND OCCUPATION OF THE EDUCATION DEPARTMENT UNDER THE GROH PROGRAM SUBJECT TO THE FOLLOWING CONDITIONS:***
 - a. THE DEPARTMENT AGREES TO A 10 YEAR LEASE WITH A 10 YEAR OPTION;***
 - b. THE DEPARTMENT PAYS RENT OF \$700 PER WEEK, PLUS ANNUAL CPI INCREASES;***
 - c. ALL OTHER CONDITIONS OF LEASE ARE AS PER THE RESIDENTIAL TENANCY ACT WA 1987;***
 - d. IF GROH AND THE SHIRE CANNOT REACH AGREEMENT WITH THIS PROPOSAL IN TERMS OF SITING AND BUILDING PLANS THEN THERE WILL BE NO OBLIGATION ON EITHER PARTY TO PROCEED AND THE PROPOSAL WILL LAPSE.***
- 2. APPROVE UNBUDGETED EXPENDITURE OF A MAXIMUM OF \$400,000 FOR THE PROJECT AND GIVE PUBLIC NOTICE AS PER LEGISLATIVE REQUIREMENTS OF THE INTENTION TO BORROW \$400,000 TO FUND THE PROJECT;***
- 3. AUTHORISE THE CEO TO INVESTIGATE SITING OPTIONS IN CONSULTATION WITH THE DEPARTMENT AND BRING AN ANALYSIS OF THE OPTIONS AND A RECOMMENDED SITE BEFORE COUNCIL FOR FORMAL CONSIDERATION BY COUNCIL AT AN ORDINARY MEETING OF COUNCIL; AND***

- 4. SEEK EXPRESSIONS OF INTEREST FROM BUILDERS FOR COSTED PROPOSALS THAT MEET THE HOUSING SPECIFICATIONS AS DETAILED BY THE DEPARTMENT OF COMMUNITIES HOUSING DIVISION FOR FURTHER CONSIDERATION BY COUNCIL.**

10.1.4 PROPOSED SUBDIVISION AND BOUNDARY REALIGNMENT - LOTS 6 & 10977 HINDMARSH BACK ROAD, DOWERIN

Date: 14 November 2017

Applicant: JBA Surveys on behalf of the landowner, Mr Donald Freind

Location: Lot 6 on Deposited Plan 68697 and Lot 10977 on Deposited Plan 135959, Hindmarsh Back Road, Dowerin

File Ref:

Disclosure of Interest: Nil

Author: A. Selvey, Chief Executive Officer

Attachments: 5. Location Plan
6. Proposed Subdivision Plan
7. Proposed Bushfire Management Plan

Summary

This item seeks Council's consideration regarding a referral from the Western Australian Planning Commission (WAPC) about a proposal to change the boundaries of Lots 6 and 10977 Hindmarsh Back Road, Dowerin ('the site').

It is recommended that Council advise the WAPC that Council conditionally supports the proposed subdivision and boundary realignment.

Background

The site is located approximately 21km south east of Dowerin townsite. See Attachment 5 – Location Plan for context.

The site currently comprises 2 lots, namely Lot 6 and Lot 10977. Lot 6 is 270.3664ha in area, 173.1565ha of which is located north of Hindmarsh Back Road and 97.2099ha of which is located south of Hindmarsh Back Road. Lot 10977 is 57.7132ha in area. See Attachment 6 – Proposed Subdivision Plan.

What is proposed?

The application proposes to reconfigure the existing Titles by: -

- excising that portion of Lot 6 located south of Hindmarsh Back Road (97.2099ha) from the original Lot 6 to form proposed Lot 800, 173.1565ha in area; and
- by amalgamating that portion of Lot 6 located south of Hindmarsh Back Road (97.2099ha) with Lot 10977 (57.7132ha) to form a new lot (proposed Lot 801) 154.9231ha in area.

Summary

Original Lots		Proposed Lots	
Lot 6	270.3664ha	Lot 800	173.1565ha
Lot 10977	57.7132ha	Lot 801	154.9231ha
TOTAL	328.0796ha	TOTAL	328.0796ha

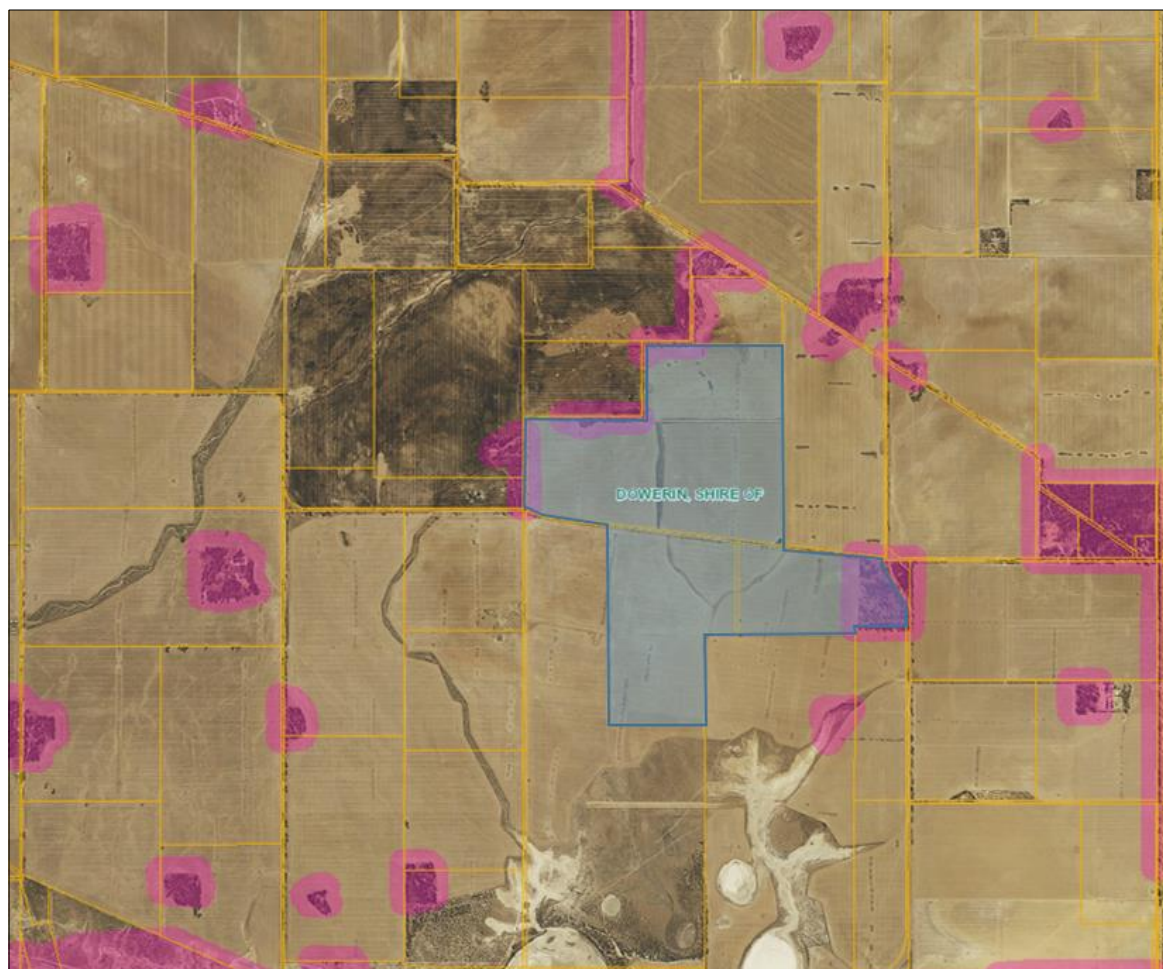
Site is in a designated bushfire prone area

What is a 'designated bushfire prone area'?

A designated bushfire prone area is an area that has been identified and designated by the Fire and Emergency Services (DFES) Commissioner under the Fire and Emergency Services Act 1998 (as amended). Such areas are identified on the Map of Bush Fire Prone Areas. Designation of an area as being bushfire prone reflects the potential of bushfire to affect that site. It acts as a mechanism for initiating further assessment in the planning and building processes.

A search of the properties on DFES's Map of Bush Fire Prone Areas confirms that both properties are located within a designated bushfire prone area.

Figure: Map of Bush Fire Prone Areas – Lots 6 and 10977 Hindmarsh Back Road, Dowerin



Under clause 6.4 of *State Planning Policy No. 3.7 – Planning in Bushfire Prone Areas (SPP3.7)*, an application for subdivision within designated bushfire prone areas is to be accompanied by: -

- a Bushfire Attack Level (BAL) Contour Map to determine the indicative acceptable BAL ratings across the subject site;
- the identification of any bushfire hazard issues arising from the BAL Contour Map; and

- an assessment against the bushfire protection criteria requirements contained within the *Guidelines for Planning in Bushfire Prone Areas* demonstrating compliance within the boundary of the subdivision site.

This information was submitted with the application in the form of a Bushfire Management Plan (BMP). See Attachment 7 – Proposed Bushfire Management Plan.

The BMP, prepared by Green Start Consulting, makes the following recommendations (in respect of the proposal): -

- “1. A notice is to be placed on title for the lot by the local government alerting future landowners to this BMP.*
- 2. An asset protection zone is to be created and maintained in accordance with siting requirements of element 2 of the Guidelines for Planning in Bushfire Prone Areas.*
- 3. Road network to be maintained in accordance with element 3 of the Guidelines for Planning in Bushfire Prone Areas.*
- 4. Any future development outside the indicative building envelopes to require this BMP to be amended showing new building envelopes.*
- 5. Installation and maintenance of the fire break is the responsibility of the landowner as per the Shire of Dowerin’s Fuel Load Notice.*
- 6. A procedure must be in place to ensure that water tanks are maintained at or above the designated capacity, including home tanks on single lots, at all times. This could be in the form of an agreement with the local government and the fire service.*
- 7. Any applicable construction requirements are to be implemented for any proposed development as per AS3959.*
- 8. All future landowners to thoroughly read this BMP. If there are any items which require clarification it is recommended that they contact the author of this report.*
- 9. Implementation and enforcement schedule to be actively adhered to.*
- 10. This BMP along with any relevant documents is to be referred the local government’s planning department.”*

Comment

An assessment of the proposal against the relevant provisions of State Planning Policy 2.5 – Rural Planning, State Planning Policy 3.7 – Planning in Bushfire Prone Areas and Development Control Policy 3.4 – Subdivision of Rural Land shows that the proposal to rationalise (reconfigure) the boundaries of Lots 6 and 10977 Hindmarsh Back Road, Dowerin is entirely consistent with State planning policy and warrants Council’s support for the following reasons: -

- there is no increase in the number of lots;
- the new boundaries achieve improved environmental and land management practices and will minimise adverse impacts on rural land use; and
- no new roads are created that may become a maintenance burden for the Shire.

Financial Implications

There are no direct financial implications for the Shire in relation to the recommendations of this report.

Risk Implications

There are no known risk implications for the Shire in relation to the recommendations of this report.

Consultation

In preparing this report, the CEO sought advice from the Manager Assets and Works and from Hinterland Urban & Regional Planning Consultants.

Policy Implications

Nil

Statutory Implications

- *Planning and Development Act (as amended) 2005;*
- *Shire of Dowerin Local Planning Scheme No.2;*
- *State Planning Policy 2.5 – Rural Planning;*
- *State Planning Policy 3.7 – Planning in Bushfire Prone Areas;*
- *Development Control Policy 3.4 – Subdivision of Rural.*

Strategic Implications

Community Strategic Plan

Objective 2.1 - A diverse and growing economic base that will provide local employment

Voting Requirements

Simple Majority required.

OFFICER RECOMMENDATION – ITEM 10.1.4

THAT COUNCIL, BY SIMPLE MAJORITY, PURSUANT TO THE PLANNING AND DEVELOPMENT ACT 2005 AND THE SHIRE OF DOWERIN LOCAL PLANNING SCHEME NO. 2, RESOLVES TO ADVISE THE WESTERN AUSTRALIAN PLANNING COMMISSION THAT COUNCIL HAS NO OBJECTION TO THE PROPOSED SUBDIVISION AND BOUNDARY REALIGNMENT OF LOTS 6 AND 10977 HINDMARSH BACK ROAD, DOWERIN AS DEPICTED IN THE PLAN OF SUBDIVISION (WAPC REF: 155693) SUBJECT TO THE FOLLOWING CONDITION BEING PLACED ON ANY APPROVAL GRANTED BY THE COMMISSION:

- 1. A NOTIFICATION, PURSUANT TO SECTION 70A OF THE TRANSFER OF LAND ACT 1893 IS TO BE PLACED ON THE CERTIFICATES OF TITLE OF THE PROPOSED LOTS. NOTICE OF THIS NOTIFICATION IS TO BE INCLUDED ON THE DIAGRAM OR PLAN OF SURVEY (DEPOSITED PLAN). THE NOTIFICATION IS TO STATE AS FOLLOWS:***

“THE LOT(S) IS/ARE SUBJECT TO A FIRE MANAGEMENT PLAN.”

10.1.5 RFT 03/2017 TENDER FOR FLOOD DAMAGE CONTRACTOR

Date:	22 November 2017
Applicant:	The Shire of Dowerin
Location:	Shire of Dowerin
File Ref:	
Disclosure of Interest:	Nil
Author:	A. Selvey, Chief Executive Officer
Attachment:	8. Tender Evaluation Report (Confidential) 9. Costings (Confidential)

Summary

This item presents the tenders and tender evaluation report for the Flood Damage Contractor associated with flood damage repairs and seeks a resolution from Council to not accept any tender.

Background

The Shire of Dowerin sustained road and drainage infrastructure damage during the January and February 2017 declared flood event (WANDRRA AGRN#743). The Shire of Dowerin appointed GHD Pty Ltd to compile documentation for two tenders; one for a supervisor to oversee the project and manage the execution of the works as specified; and a second for a contractor. The contractor would be responsible for supplying all equipment and labour and undertaking all repair works.

Comment

Tender documentation was prepared by GHD Pty Ltd and advertised in The West Classifieds Tenders on 22 July 2017. The tenders closed at 12:00 pm on 11 August 2017. Tenders were emailed to GHD.

The contract for the supervisor was awarded under CEO delegation as the contract amount was well under the tender threshold.

Three tenders were received for the Contractor tender. One tenderer did not provide all necessary information and was excluded from the assessment. The compliant tenders were evaluated by GHD and recommendations issued to Shire of Dowerin on 7 September. The assessment consisted of an analysis of against the following criteria and associated weightings in Table 1.

Table 1 – Evaluation Criteria and Weightings

A. Price	80%
B Compliance with tender specifications and selection criteria	10%
C. Availability	5%
D. Experience in Shire of Dowerin	5%

The confidential tender evaluation report is attached – see Attachment 8.

Greenfield Technical Services prepared a cost estimate after the flood event. The amount of \$715,340.73 was approved by Main Roads WA.

An estimated construction cost has been calculated based on the tendered rates by contractors. This cost is higher than the original cost estimate approved by Main Roads WA. It is the view of the tender panel that none of the tenders satisfied the requirement of value for money – therefore the recommendation is to not accept any tenders.

Under Division 2 (section 3.57) of the *Local Government (Functions and General) Regulations 1996*, Council does not have to invite tenders publicly to progress these works given that the tender was advertised in the last six months.

Under recent changes to the WANDRRA program, the Shire of Dowerin is now also allowed to use its own resources to undertake flood damage reinstatement works themselves and claim the associated costs.

A comparison has been made between construction costs based on tendered contractor rates and Shire works rates.

It has been determined that the Shire carrying out a portion of this work presents the best approach in terms of budget and timeframes. These are further explained in the confidential attachment 9.

Construction packages

It is proposed that the Shire of Dowerin undertake reinstatement works of the following roads at a cost of \$314,707 (ex GST). This amount includes supervisor and consultancy costs.

- Williams Road;
- Williams North Road; and
- Pulford Road.

The Shire will seek external contractors to assist with the following roads:

- MacPherson Road;
- McKay Road;
- Avery Road; and
- Bruce Road.

Value for money

The construction period would be able to be shortened by having the Shire and contractors work on construction sites work simultaneously. This presents savings on time based supervision, project management, and traffic management costs.

See confidential attachment 9 for a detailed cost comparison. This shows the revised cost estimate for the project, including the roads to be reinstated by the Shire.

Consultation

The CEO and Assets & Works Manager were consulted during the tender assessment.

Financial Implications

The Shire has received a grant through WANDRRA of \$715,340 which incorporates these supervision works, capital costs and consultancy fees.

Policy Implications

Council has an adopted Policy with respect to Procurement which stipulates that purchases over \$150,000 require a public tender process and for Council to select and approve the tenderer. The proposed process is compliant with this policy requirement.

Statutory Implications

The Local Government (Functions and General) Regulations 1996 - Reg 11 stipulates the requirements for calling tenders. Extract from the Regulations below:

- (2) *Tenders do not have to be publicly invited according to the requirements of this Division if —*
- (c) *within the last 6 months (i) the local government has, according to the requirements of this Division, publicly invited tenders for the supply of the goods or services but no tender was submitted that met the tender specifications or satisfied the value for money assessment;*

This process has been compliant with these statutory requirements.

Strategic Implications

Strategic Community Plan – Theme 1 – Community

Objective 1.1 Maintain a liveable and safe environment for all

Voting Requirements

Absolute majority

OFFICER RECOMMENDATION – ITEM 10.1.5

- 1. THAT COUNCIL BY SIMPLE MAJORITY PURSUANT TO SECTIONS 3.57 AND 6.8 OF THE LOCAL GOVERNMENT ACT 1995 RESOLVES TO NOT ACCEPT ANY TENDER FOR RFT 03/2017 AND;**
- 2. THAT COUNCIL BY SIMPLE MAJORITY PURSUANT TO S.3.57 RESOLVES TO DELEGATE AUTHORITY TO THE CEO TO ENTER INTO A CONTRACT OR CONTRACTS WITH EXTERNAL CONTRACTORS TO UNDERTAKE THE WANDRRA FUNDED ROADWORKS.**

10.2 FINANCE REPORT

10.2.1 FINANCIAL ACTIVITY STATEMENTS – OCTOBER 2017

Date:	22 November 2017
Applicant:	Shire of Dowerin
Location:	N/A
File Ref:	
Disclosure of Interest:	Nil
Author:	Susan Fitchat – Finance and Corporate Services Manager
Reviewer:	Megan Shirt – LG Consultant
Senior Officer:	Andrea Selvey – Chief Executive Officer
Attachments:	10. Monthly Financial Activity Statements – October 2017

Summary

The financial statements for the period ending 31 October 2017 are presented for Council review.

Background

Section 6.4 of the Local Government Act 1995 requires a Local Government to prepare financial reports.

The Local Government (Financial Management) Regulations 34 & 35 set out the form and content of the financial reports which have been prepared for the periods as above and are presented to Council for approval.

Comment

In order to fulfil statutory reporting requirements, and to provide the Council with a synopsis of the Shire's overall financial performance on a year to date basis, the following financial reports are attached:

- Statements of Financial Activity – Statutory Reports by Program and Nature or Type

The Statements of Financial Activity provide details of the Shire's operating revenues and expenditures on a year to date basis. The reports further include details of non-cash adjustments and capital revenues and expenditures, to identify the Shire's net current position; which reconciles with that reflected in the associated Net Current Position note (Note 3).

- Capital Acquisitions

This report provides year to date budget performance in respect of the following capital expenditure activities and their funding sources. Individual project information can be found at Note 12.

- Note 1 – Significant Accounting Policies

This note provides details of the accounting policies relating to the Shire's accounts.

- Note 2 - Explanation of Material Variances

Council adopted (in conjunction with the Annual Budget) a material reporting variance threshold of 5% or \$5,000, whichever is the greater. This note explains the reasons for any material variances identified in the Statements of Financial Activity at the end of the reporting period.

- Note 3 - Net Current Funding Position - Statutory Requirement

This note provides details of the composition of the net current asset position on a year to date basis, and reconciles with the closing funding position as per the Statement of Financial Activity.

- Note 4 – Cash and Investments

This note provides Council with the details of the actual amounts in the Shire's bank accounts and/or Investment accounts as at reporting date.

- Note 5 – Budget Amendments

This note provides council with a list of all budget amendments to date.

- Note 6 – Receivables

This note provides Council with the sundry debtors outstanding as at reporting date.

- Note 7 - Cash Backed Reserves

This note provides summary details of transfers to and from reserve funds, and associated interest earnings on reserve funds, on a year to date basis.

- Note 8 – Rating Information

This note provides details of rates levied during the year.

- Note 9 – Information on Borrowings

This note shows the Shire's current debt position and lists all borrowings.

- Note 10 – Grants and Contributions received

This note is being redeveloped and will be provided as soon as possible.

- Note 11 – Trust Funds

This note shows the balance of funds held by the Shire in its Trust Fund on behalf of another person/entity.

- Note 12 – Capital Acquisitions

This note details the capital expenditure program for the year.

Consultation

The Finance Committee considered the Financial Activity Statements for October 2017 at their meeting on 20 November 2017 and raised the following matters:

Note 6 - Refer to Note 3. Provide details of accounts included in 'Receivables Other' and provide an explanation of the overdue amount.

Response: The overdue invoice relates to a LGIS Workcare claim which shall be followed up.

Note 2 - Variance Surplus explanation to be reviewed.

Response: Explanation amended.

Note 8 - Disposal of assets – variance to budget. Two vehicles have been traded in November for one new vehicle; and not in October. Therefore the October Financial Statements still reflect budget, not actuals. Actuals will be reflected in the November statements to be presented to the Finance Committee and Council in December.

Note 4 - Maturity dates of future fixed deposits to be aligned. The preferred maturity date should be May/June ; which will release the cash interest into the correct financial year.

Response: These will be reviewed and aligned when they mature.

Note 9 - Borrowing maturing information (dates) should be disclosed on financial statements.

Response: Will be implemented as from the November statements.

Financial Implications

The budgeted opening funding surplus was predicted to be \$1,134,516 and following the finalisation of the audit of the annual financial statements the actual closing surplus as at 30 June 2017, the result has been increased to \$1,339,634. This increase was due to adjustments required by the auditor to bring unbudgeted revenue to account in the 2016/ 2017 financial year. This adjustment will be considered with the statutory budget review in early 2018.

Other financial implications are detailed within the context of the attached reports.

Risk Implications

Timely preparation of the monthly financial statements within statutory guidelines is vital to good financial management. Failure to submit compliant reports within statutory time limits will lead to non-compliance with the Local Government act and Financial Management regulations.

Policy Implications

The Shire of Dowerin has a comprehensive suite of financial management policies.

Finances have been managed in accordance with these policies.

Statutory Implications

Council is required to adopt monthly finance reports to comply with Reg 34(1) of the Local Government (Financial Management) Regulations 1996. These reports and processes are compliant.

Strategic Implications

Nil

Voting Requirements

Simple Majority is required.

OFFICER AND COMMITTEE RECOMMENDATION – ITEM 10.2.1

THAT COUNCIL, BY SIMPLE MAJORITY, PURSUANT TO REGULATION 34(1) OF THE LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996 RECEIVES THE STATUTORY FINANCIAL ACTIVITY STATEMENT REPORTS FOR THE PERIOD ENDING 31 OCTOBER 2017.

10.2.2 ACCOUNTS FOR PAYMENT – 4 OCTOBER 2017 TO 31 OCTOBER 2017

Date:	22 November 2017
Applicant:	Shire of Dowerin
Location:	N/A
File Ref:	
Disclosure of Interest:	Nil
Author:	Emma Hardy – Finance Officer
Senior Officer:	Susan Fitchat – Finance and Corporate Services Manager
Attachments:	11. List of Accounts 12. Credit Card Summaries

Background

The attached schedules of cheques drawn and electronic payments that have been raised under delegated authority during the month since the last Council meeting are presented to Council to be received.

Comment

The list as presented has been reviewed by the Assets and Works Manager, Finance and Corporate Services Manager and Chief Executive Officer.

Statutory Implications

Reg 12 & 13 of the Local Government (Financial Management) Regulations 1996 requires that a separate list be prepared each month for adoption by Council showing:

- Creditors to be paid
- payments made from Municipal Fund, Trust Fund and Reserve Fund by Chief Executive Officer under delegated authority from Council

Policy Implications

Payments have been made under delegation.

Consultation

The list of accounts and credit card summaries for this period were presented for review by the Finance Committee at their meeting on 20 November 2017. The Finance Committee review included checking the sequencing of payment numbers. The Finance Committee was satisfied with the sequencing.

In addition the Finance Committee raised the following queries:

1. EFT 5298 - payment to Local Government Appointments. Should this be a contra?
Response: Some of these fees are contra but not all.
2. Cheque 10409 - payment to Water Corporation, standpipes water usage.
Response: The committee viewed and verified the account.
3. Cheque 10412 - payment to Water Corporation. Query why some accounts attract State Government discounts.
Response: management to enquire about criteria for the application of discounts on some bills and not others.
4. Credit card payment Microsoft Sharepoint \$443.85, recurring debit.

Response: This payment is the monthly licence fee for Office365, including our secure records management system. This fee is for 14 users.

Financial Implications

Funds expended are in accordance with Council's adopted budget for the 2017/18 financial year.

Risk Implications

Nil

Strategic Implications

Nil

Voting Requirements

Simple Majority will be required at the Ordinary Meeting of Council.

OFFICER RECOMMENDATION – ITEM 10.2.2

THAT COUNCIL, BY SIMPLE MAJORITY, PURSUANT TO REG 12 & 13 OF THE LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996 RECEIVES THE REPORT FROM THE CHIEF EXECUTIVE OFFICER ON THE EXERCISE OF DELEGATED AUTHORITY IN RELATION TO CREDITOR PAYMENTS FROM THE MUNICIPAL FUND FOR THE PERIOD 4 OCTOBER 2017 TO 31 OCTOBER 2017.

10.3 MINUTES TO BE RECEIVED

10.3.1 MINUTES FROM COMMITTEE MEETINGS TO BE RECEIVED

Date:	23 November 2017
Applicant:	The Shire of Dowerin
Location:	N/A
File Ref:	
Disclosure of Interest:	Nil
Author:	A Selvey, Chief Executive Officer
Attachments:	13. Finance Committee Meeting (Unconfirmed), 20 th November 2017; and 14. Audit Committee Meeting (Unconfirmed), 20 th November 2017.

Summary

The report formally presents the minutes of Advisory Groups and Council Committees from the previous month.

Background

At the Ordinary Meeting of Council on Shire has established the following Committees of Council:

- Audit Committee;
- Finance Committee;
- Local Emergency Management Committee;
- Bush Fire Advisory Committee;
- Australia Day Honours Committee

The above Committees do not have any delegated authority; therefore any recommendations requiring a Council decision that result from a Committee meeting must be brought before Council. This will be done via agenda items to Council.

(NB: The list above excludes those Committees that are external to the Shire, i.e. established and managed by an external group, on which the Shire has nominated representatives. Council representatives from the external committees will report back to Council verbally at the next available Council meeting. Should a decision of Council be required, an agenda item will be prepared for Council.)

Comment

The attached minutes are the unconfirmed minutes of the meetings of Committees of Council held in the previous month.

Consultation

N/A

Financial Implications

The Officer's recommendation for Council to receive the minutes of Committee meetings carries no financial commitment for Council. Should any recommendation require a financial commitment or have any implication outside the CEO's delegated authority, the matter will be referred to Council as a specific agenda item.

Risk Implications

Presenting the minutes of all Committee meetings to Council reduces the risk of Council not being fully aware of Committee activities and recommendations.

Policy Implications

Nil

Statutory Implications

Nil

Strategic Implications

The Strategic Community Plan

Objective 4.2 - Strong leadership and governance

Voting Requirements

Simple majority

OFFICER RECOMMENDATION – ITEM 10.3.1

THAT COUNCIL BY SIMPLE MAJORITY PURSUANT TO SECTION 3.18 OF THE LOCAL GOVERNMENT ACT 1995 RESOLVES TO:

1. RECEIVE THE MINUTES OF THE:

- a. FINANCE COMMITTEE MEETING (UNCONFIRMED), 20TH NOVEMBER 2017; AND***
- b. AUDIT COMMITTEE MEETING (UNCONFIRMED), 20TH NOVEMBER 2017.***

11. NEW BUSINESS OF AN URGENT NATURE

12. ELECTED MEMBERS MOTIONS

CONFIDENTIAL

The Shire President has an Elected Member's motion for Council's consideration in relation to the CEO's Performance Review.

14. CLOSURE OF MEETING

ORDINARY COUNCIL MEETING ATTACHMENTS

Tuesday
28 November 2017
3.00pm



ATTACHMENTS

- 10.1.1
 - 1. Shire of Dowerin Annual Report 2016/17
- 10.1.3
 - 2. New House NPV calculations
 - 3. Loan Schedule
 - 4. Email from Program Manager Department of Communities (Housing Program)
- 10.1.4
 - 5. Location plan
 - 6. Proposed Subdivision Plan
 - 7. Proposed Bushfire Management Plan
- 10.1.5
 - 8. Tender Evaluation Report (Confidential)
 - 9. Costings (Confidential)
- 10.2.1
 - 10. Monthly Financial Activity Statements – October 2017
- 10.2.2
 - 11. List of Accounts
 - 12. Credit Card Summaries
- 10.3.1
 - 13. Finance Committee Meeting Minutes (Unconfirmed), 20th November 2017
 - 14. Audit Committee Meeting Minutes (Unconfirmed), 20th November 2017

Shire of Dowerin

2016-2017 Annual Report



2016-2017 Annual Report

Our Year

Message from the Shire President

The financial year of 2016/2017 has been one of consolidation for the Dowerin Shire. With the aid of CEO and staff significant progress has been made in the areas of governance, policy and financial processes which has taken 2 years of dedicated work. Credit must go to Andrea Selvey and her team who have made major improvements in these areas to a point where Council can be confident we are now heading in the right direction.

The Short Term Accommodation was started and ready for the 2017 Field Days. I believe the STA in time will be a major asset for Dowerin attracting people to stay and support business in town. Thanks to staff who worked hard, sometimes in inclement weather conditions, to allow this project to be ready for use during the 2017 Field Days.

Although elections were not in this financial year I cannot write this report without mentioning the past President Dale Metcalf, past Vice-President Bill Coote and Councillor Tracy Jones who are now retired. Tracy served eight years, Bill ten years and Dale fourteen years with ten of those as President. They all represent a lot of experience now lost to Council. In particular Dale's leadership and knowledge has been greatly valued by Council and will be missed. I personally thank all three former Councillors for their contributions to Council and their service to the Dowerin community.

Thank you to Steve Geerdink and the works team who continue to keep the roads and town in top order. Weather conditions were somewhat extreme at times this year and credit to the works crew in managing the extra workload. Also thank you to the administration team who continue to make progress in the office and interact professionally with clients.

Darrel Hudson
Shire President

Message from the CEO

The Dowerin Shire Council's commitment to providing quality services, infrastructure and amenity for the residents of this local government area was highly evident in 2016/17. The year was filled many highlights as we made progress towards the goals set by Council with investment in improvements to governance and internal processes whilst also delivering on a varied number of services and capital projects.

The Shire President has mentioned the Short Stay Accommodation project – staff were certainly very excited when the work commenced on this wonderful project. Another great development was the commencement of a new Fire Services Building to house the Volunteer Fire Brigades new Fire Fighting Truck.

Council implemented a number of governance decisions which were necessary to ensure a well-functioning local government capable of functioning at a high level in the best interests of the community. A Ward Review resulted in a Council resolution to dissolve the Ward system which is to take effect during the October elections. Council and staff participated in a great deal of training to ensure we all have the skills and knowledge required to be a professional organisation in a changing environment.

These achievements could not have been possible without a high performing, dedicated and hardworking Council and on behalf of the Shire staff and I offer my thanks to the Shire President and all Councillors for their efforts, guidance and strong support throughout the year.

Shire staff have continued to inspire me with their tireless efforts and commitment to the community they serve with such passion. While we have bid farewell to some staff and welcomed others, it is a testament to the strength of the team that we have continued to focus on high quality service delivery. I thank them for their support and hard work and look forward to working as team in the coming year.

Andrea Selvey
Chief Executive Officer



About Dowerin

Green in winter, golden in summer Dowerin is a small Wheatbelt community boasting a vast array of high quality community services and facilities for a town of its size. The annual GWN Machinery Field Days has cemented Dowerin on the map, attracting over 20,000 people annually to the town to enjoy the 2-day event in August. It is remarkable that this small community proudly hosts one of the largest Machinery Field Days the Southern Hemisphere.

Dowerin caters for the needs of varying demographics with a variety of activities, facilities and services designed to meet the needs of seniors including Home & Community Care (HACC), and a small range of Independent Living units. For families and children, Dowerin is home to Lil'Tigers Early Learning Centre which has proven to be a vital service to families and local businesses, Dowerin Playgroup, safe playgrounds and the provision of a highly successful District High School. These combine to ensure that Dowerin is a family friendly place to reside.

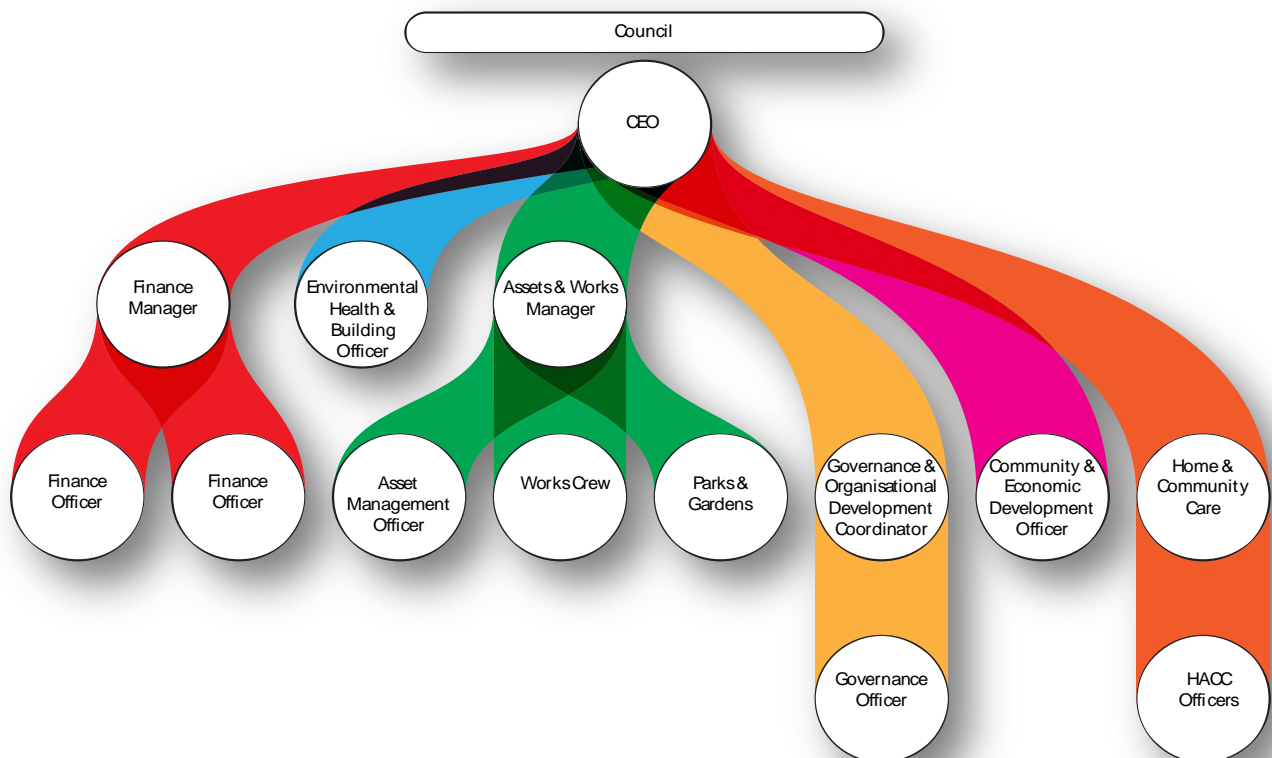
The district of Dowerin comprises of the town of Dowerin and a number of smaller localities covering a combined area of some 1,867sq km. The district consists of mainly of agricultural land used primarily for the purposes of grain growing and sheep production for meat and wool. Other predominant industries in the region include cattle, engineering, agricultural machinery & goods supply, heavy transport, CBH, retail, accounting and farm advisory services.

Our Councillors

The Dowerin Shire Council is divided into three wards, north and south wards are represented by two Councillors each whilst the town ward consists of 4 representatives. In December 2016, Council after consulting with the Community, voted in favour of dissolving the wards and having one district. This change will come into effect at the October 2017 Election.

Our Councillors are the voice of the Dowerin community. Councillors listen to the issues and ideas of individual residents and community groups and make strategic and policy decisions within the legislative framework in which they operate. The Shire President leads Council meetings and represents Council on formal occasions.

Staff Snapshot



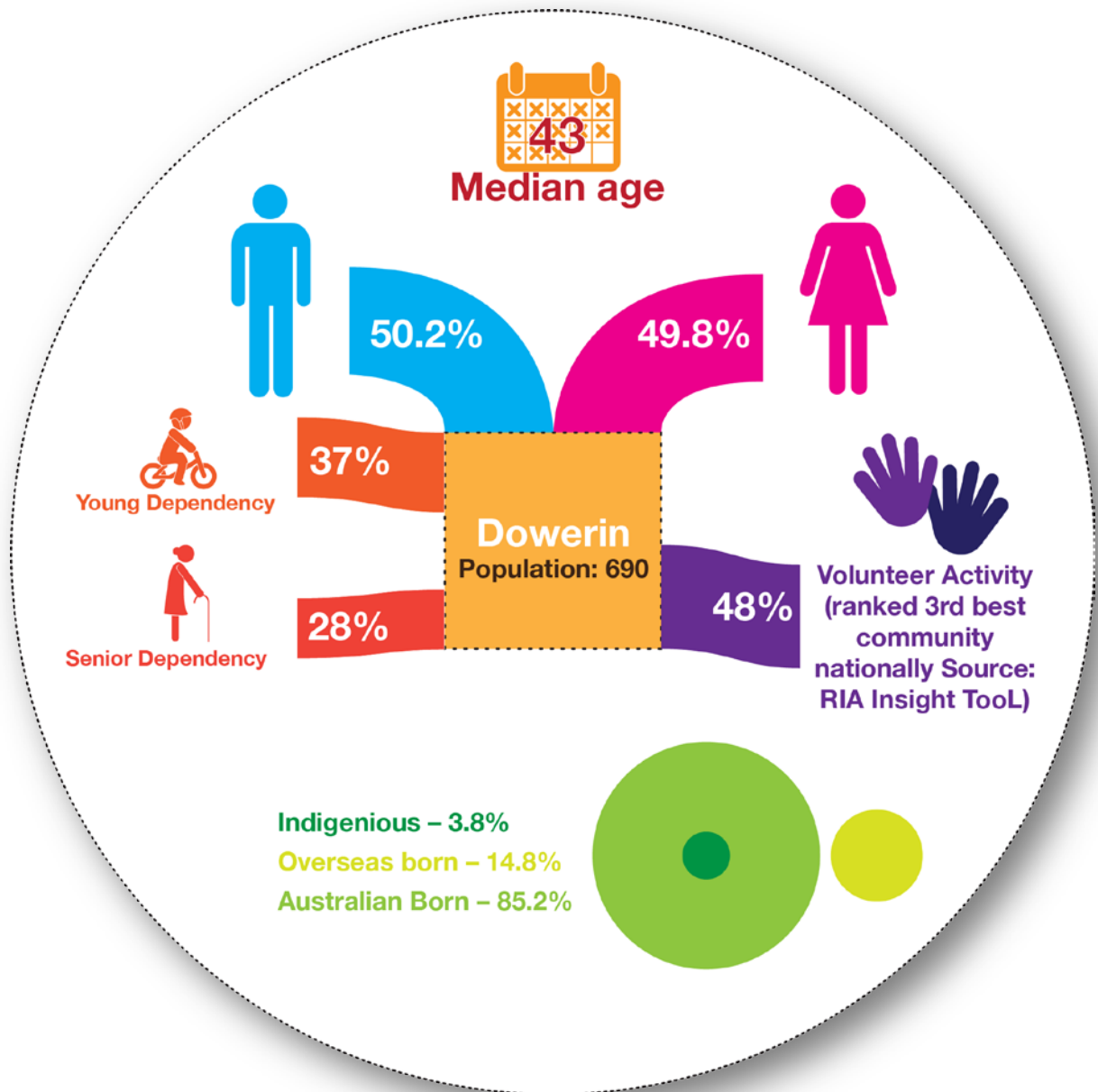
Our Community

Community Strategic Plan

The Shire of Dowerin continues to prioritise Community Engagement as a means to involve the community in decision making. Likewise, customer service remains a key priority – staff’s commitment to providing an effective, efficient and courteous customer service in accordance with Council values is stronger than ever.



Demographics



Population: 690

Male – 50.2%

Female – 49.8%

Senior Dependency 28%

Young Dependency 37%

Volunteer Activity 48% (ranked 3rd best community nationally Source: RIA Insight Tool)

Characteristics:

Indigenous – 3.8%

Overseas born – 14.8%

Australian Born – 85.2%

Age	Dowerin (S)
Median age	43
0-4 years	70
5-9 years	57
10-14 years	36
15-19 years	27
20-24 years	26
25-29 years	27
30-34 years	46
35-39 years	39
40-44 years	42
45-49 years	49
50-54 years	38
55-59 years	33
60-64 years	67
65-69 years	62
70-74 years	29
75-79 years	25
80-84 years	18
85 years and over	11

Our Results

A summary of some of the outcomes achieved in 2016/2017 as part of the Community Strategic Plan include:

Community

Community Events (Strategy 1.2.1)

The Shire of Dowerin has delivered and supported a range of events and activities over the past 12 months. In December 2016, the Shire in conjunction with Dowerin Events Management and the Dowerin Community Resource Centre, held the Twilight Christmas Festival on the main street of town. This festival incorporated bustling market stalls, a delicious range of food and drinks and captivating entertainment for the whole family. The aim was simple, to bring the community together following harvest, prior to the summer break and to celebrate the culmination of another successful year for the community of Dowerin. Feedback from the community was overwhelmingly positive and nostalgic of the former 'Late Night Shopping' events that were previously held in Dowerin.

Home and Community Care (Strategy 1.3.2)

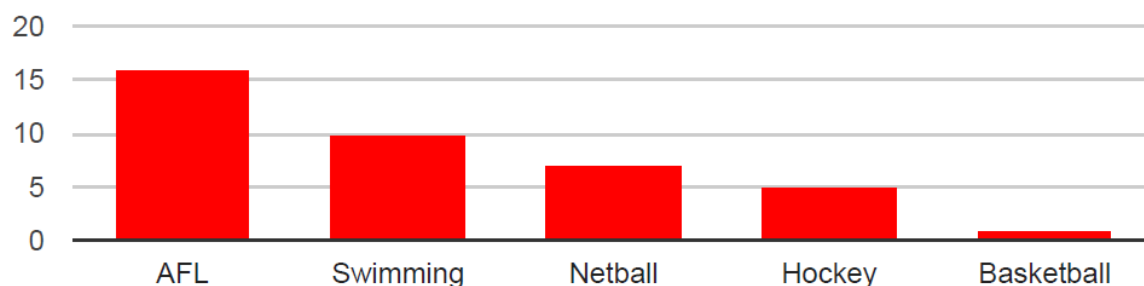
Our Home and Community Care (HACC) provides an invaluable service that assists people to stay in their own homes. Throughout the course of the year, the dedicated HACC team supported by a group of passionate volunteers delivered meals, provided transport assistance and assisted with personal care for approximately 30 clients. Active seniors enjoy the Gentle Gym sessions offered by the HACC team.

Sporting and Recreational Pursuits (Strategy 1.3.3)

Kidsport

Kidsport enables Western Australian children to participate in community sport and recreation, no matter their financial circumstances. Eligible youth aged 5-18 years can apply for financial assistance to contribute towards club fees. The Shire of Dowerin funded \$2,595 throughout the 2016-2017 financial year. 22 children benefited from the funding with a total of 39 vouchers claimed.

Top sports



High Quality Sporting Facilities

The Shire of Dowerin takes pride in offering high quality, well maintained sporting facilities to cater for a diverse range of recreational pursuits. Our grounds and facilities are admired by all who use them. The Shire acknowledges the dedicated volunteers who assist in making Dowerin's sporting environment such an active and well-managed feature of our community.

Youth Leadership Event (Strategy 1.4.1)

The Shire of Dowerin was proud to support the Dowerin District High School in delivering a successful Student Leadership Day. 180 students from 14 Wheatbelt schools attended the event. Excellent feedback received from all schools who attended. Approximately 50 attended the lunch where Sean Pollard - shark attack survivor and SDERA - School Drug Education and Road Aware spoke about youth, alcohol and drugs.

An evening event that featured presentations from Sean Pollard and Claire Eaton attracted about 100 participants. Both speakers focused on how to foster resilience, optimism and confidence in our Youth.

Report on Options to Revive Old/Empty Buildings along the Main Street (Strategy 1.7.1)

A concern which was highlighted as a priority to be addressed by is the number and condition of vacant buildings on the main street of Dowerin. Unfortunately, many of these buildings are externally owned resulting in the Shire and community having limited opportunity to ensure that they are maintained to a high standard. However, in November 2016 the Shire was able to utilise the expertise of the Wheatbelt Work Camp in order to renovate an empty shop on Stewart Street for the purpose of developing a Pop Up Shop. On a very limited budget, the shop has been freshly painted, gyprocked and the wooden floorboards exposed, sanded and sealed. This facility is utilised by local micro-businesses who hire the space in order to sell their goods. Not only has this facility provided a platform for microbusinesses in the region to sell their wares, but an 'event' in the pop up shop creates consumer traffic down the main street inevitably leading to flow on benefits to surrounding shops and services in Dowerin.

Beautification of Public Spaces Utilizing Water Wise Principles (Strategy 1.7.3)

The Dowerin Streetscape and Gardens working group was established in September 2016. This passionate group of 'green thumbs' have been committed to developing and implementing projects that assist with the beautification of Dowerin. The Working Group is voluntary based working in conjunction with the Shire Parks & Gardens crew in order to achieve some notable outcomes in a short period of time. The group negotiated with local business Bowman Brush to secure a donation of brushwood fencing to hide the unsightly RV dump point located on the west side of Stewart Street as well as enlisted the help of the Dowerin Men's shed volunteers who crafted some large planter boxes to beautify the central reservation along the main street. The Streetscape and Garden's Working Group has been instrumental in the designs for the Short-Term Accommodation Precinct Gardens and continue to strive to ensure that Dowerin is an attractive place to live, work and visit.

Continue to support the Dowerin Community Child Care (Strategy 1.6.4)

Lil'Tigers Early Learning Centre continues to thrive on Cottrell Street in Dowerin with a steady flow of numbers utilizing the service. Staff at the centre are committed and continually part take in professional development opportunities to ensure that the children utilizing the facility are receiving the best possible care and educational opportunities available. The Shire of Dowerin recognizes the valuable contribution that Dowerin Community Childcare Committee and Lil'Tigers makes to the community. Under an MoU approved by Council in 2016, Shire officers take an active role in delivering the Human Resource expertise to the committee and Lil'Tiger reliving some burden on the existing and future voluntary committee incorporated to oversee the operation of Lil'Tigers ELC. The Shire has also agreed to part fund the development of an updated Business Plan for the facility, ensuring a strategic direction and planning for the service well into the future. The Shire also supports Lil' Tigers by way of rent-free fully maintained premises and by meeting utilities costs.



Implement Short Stay Accommodation Project (Strategy 2.3.4)

Following a successful Stronger Regions application for funding from the Department of Regional Development and Infrastructure for \$800,000, a generous contribution of \$400,000 from Dowerin Events Management and the Shire's contribution of \$1.085m the Shire was in a position to commence work on the Short Stay Accommodation. MCG Architects won the tender for architectural services and Solutions4Building won the construction tender. Site works commenced in December 2016 with the Shire outdoor crew undertaking much of the critical headworks, which they executed to the highest standard.

Builders were on site in February to commence construction of the 4 studio units, 3 one bedroom units and ablution block/camp kitchen. The flow on effect of having builders and contractors has resulted in a flurry of activity for local businesses during the construction phase. We were delighted by the support from local business Bowman Brush who sponsored a significant amount of locally made brushwood fencing which will be a wonderful feature and stunning photographs of local scenes donated by talented photographer, Lyn Phillips.

The aim is to have the facility open for the 2017 Dowerin Field Days. Upon completion of this precinct, it is anticipated that there will be an overall increase in overnight visitors to the area which aims to increase visitor spend in our local shops and services, boosting the local economy.

Supporting Local Business Networks (Strategy 2.1.4)

Over the past 12 - 24 months, Shire staff have made a concerted effort to work alongside local businesses and bridge the gap between local business and local government. In 2016/17 Shire staff met with representatives from all main street businesses in the retail and industrial sectors. As a result, the Shire enlisted the help of the Wheatbelt Business Network (WBN) who assisted in hosting business network forums for both the industrial and retail sectors both events highlighted a number of areas of potential development for the Shire to work towards in the future to support these important community services.

Ensure there is Adequate Land for Commercial and Industrial Purposes (Strategy 2.2.1)

Light industrial development in Dowerin would provide an opportunity to diversify our economic base and attract private investment and business growth to the town. Dowerin has a well- established light industry/servicing sector which can be expanded by making more serviced industrial lots available. There is currently no capacity in the Dowerin light industrial area for new businesses or existing businesses to relocate if they require more land or better facilities. At the July 2016 meeting, Council resolved to provide 'in principal support' to the Wheatbelt Development Commissions Business Case which aims to seek funding from the Growing our South Initiative in order to develop industrial land within a number of shires across the Wheatbelt, including Dowerin. Should the Wheatbelt Development Commission be successful in their Business Case for funding it is proposed that the Landcorp would assist the Shire in order to acquire the land at no cost and that any revenue from sale of the land would be returned to the Shire under the certain condition.

Continue Developing the Wheatbelt Heritage Rail Project (Strategy 2.3.5)

The Wheatbelt Heritage Rail project has progressed significantly over the past 12 months with the inception of the Wheatbelt Heritage Rail Committee of Council and the completion of phase one of the project. The Committee of Council met initially met in September 2016 and provided an opportunity for all stakeholders, including project officers, Shire staff, corporate entities (Brookfield Rail, LGIS) and community representatives to meet monthly in order to plan and progress the future of the Wheatbelt Heritage Rail Concept. In April, a celebration was held at the Minnivale Wheatbin marking the completion of phase 1 of the Wheatbelt Heritage Rail project. This celebration marked almost 10 years' work on the project which has achieved the restoration of rolling stock, acquisition of locomotives and the completion of rail infrastructure at Minnivale allowing access to the former Wheat Bin whereby rolling stock and carriages are now in situ. Over 250 people attended the phase one opening celebration including Hon Alannah MacTiernan and Hon Mia Davies MLA and whilst a significant volume of work remains before an operational interpretative centre and train is possible, this event did demonstrate the economic benefits that this project could bring to the region.



Encourage efficient use of natural resources (Strategy 3.1.3)

The Shire of Dowerin has submitted a grant funding application to assist in a \$250,000 project which aims to increase the catchment and improve effectiveness of the dam at the Field Days site. This project aims to more efficiently utilise harvested water in Dowerin by gathering storm water from Metcalf Street and Maisey Street and developing a water pipeline to run the dam water storage in a 200KL tank at the civic precinct for irrigating the gardens. It is also proposed to add 2 x 250 kL tanks and a new reticulation pump for the oval and hockey pitch watering – which will simplify the whole watering operating system. Initial plans outline that these tanks will be located just north of the Tennis Courts and behind the Ram Pavilion Another smaller booster pump will be located at the tanks and a smaller diameter water pipeline to the Short-Term Accommodation precinct with a booster pump that will automatically come on, on demand, simplifying the management of both irrigation systems.

Funding sought for this project is \$170,000 through the Watering WA Towns and an outcome of the funding application is anticipated in late 2017.

Promote waste minimisation and sustainable waste disposal (Strategy 3.1.2)

The Dowerin Recycle shed continues to prove a valuable resource for the community and the Dowerin P&C families remain committed to collecting the newspaper recycling each month. Since July 2016 the Recycling Centre has saved the following volume of waste from landfill:

Glass: 11.2 tonnes

Aluminium cans – 372kg

Plastic – 440kg

Cardboard – 7.8 tonnes

Paper – 8.4 tonnes.

The Wheatbelt Workcamp have been instrumental to the Shire in their help to sort and process Dowerin's recyclables.

Cactus Control Project (strategy 3.3.2)

The Shire of Dowerin in partnership with DAFWA commenced this project in February 2017 and received a grant of \$20,000.00 with an in kind contribution of \$9,528.00 from the Shire for staff management and travel/vehicle costs. The aim of this project is to eradicate this invasive species through trialling different chemicals, treatment techniques and methods with collaboration from DAFWA and other neighbouring local governments within the Cactus Task Force.

The Shire has since purchased injecting equipment and chemicals and conducted applications to cacti species at Minnivale, Ejanding and around Dowerin with varying results. All species treated have reshot from dead bases or continued to grow unabated apart from browning off. The Shire will continue ongoing treatments throughout the entire project life with continual input, data and effective methods of treatment from other councils and DAFWA.

The Shire is planning to hold an education/awareness session with the Dowerin District High School to engage, educate and raise awareness of this weed to the school children and seek assistance in mapping out and reporting the distribution of cacti species within the Shire and town site.

The Shire has investigated methods used at various controlled/treated areas of invasion and discussed methods of control, eradication and treatments with neighbouring Shires and will utilise the methods proven to be most successful.

Governance

Strengthen the Role of Staff and Councilors by Providing Regular Training Opportunities (Strategy 4.1.3)

Training in all facets of the organisation has been of paramount over the past financial year. The Shire of Dowerin encourages staff to access and engage in continuing, needs-based training and skills development opportunities in order to enhance their effectiveness in their chosen field of the organisation.

Councillors have also taken part in professional development opportunities over the past 12 months. While Councillors in Dowerin are from a range of diverse backgrounds and bring different and valuable skills to the role, it is recognized that they require an extensive knowledge of the system of local government, how a council works or the full range of their roles and responsibilities. Therefore Councilors have participated in several training programs to assist them to gain a deeper understanding of their role.

Provide Opportunities for the Community to have Input in Council's Decision Making (Strategy 4.1.5)

Council hosted the Annual Electors Meeting for 2015/16 in February. 24 local residents attended and were presented with financial statements for the 2015/2016 financial year, auditor reports as well as the President and CEO's report. Council also continues to encourage community participation in Public Question Time held at the commencement of each monthly Council meeting.

Review the Visions, Aspirations and Priorities of the Strategic Community Plan every 4 Years (Strategy 4.2.2)

Shire staff have commenced the community participation phase of the development of the new Dowerin Strategic Community Plan 2018-2028. A community survey was conducted in June 2017 which has focused on a review of the current vision, objectives and strategies as outlined previously for the district. Shire staff will continue to work in conjunction with the community via community workshops in order to explore how these objectives have been achieved and develop the aspirations of the community for today and into the future.

Statutory Reports

It is a requirement that the Shire of Dowerin include information regarding the following documents in its Annual Report. For further details regarding any of the documents detailed throughout this report please contact Shire Administration Staff.

PLAN FOR THE FUTURE

DISABILITY ACCESS & INCLUSION PLAN

RECORD KEEPING PLAN

PUBLIC INTEREST DISCLOSURE

FREEDOM OF INFORMATION STATEMENT

EMPLOYEES REMUNERATION

Plan for the Future

Under provisions of clause 19C of the Local Government (Administration) Regulations 1996, a local government is to make a plan for the future of its district. The plan for the future of a district is to set out the broad objectives of the local government for the period specified in the plan.

Section 5.53 of the Local Government Act 1995 requires Council to include in its annual report an overview of the plan for the future of the district made in accordance with section 5.56, including major programs that are proposed to commence or to continue in the next financial year

Disability Access Inclusion Plan

Council undertook a review of its Disability Access Inclusion Plan in 2013 and adopted the 2013/18 Disability Access Inclusion Plan at the October 2013 Council Meeting. In endorsing the new Plan, Council adopted the following access and inclusion statement;

“The Shire of Dowerin endeavours to provide universally accessible and inclusive services and facilities for all people within the community”

In evaluating implementation of the Disability Services Plan during the 2014/15 financial year across the following 6 outcomes;

- Outcome 1: People with disabilities have the same opportunities as other people to access the services of, and any events organised by, the relevant Public Authority.
- Outcome 2: People with disabilities have the same opportunities as other people to access to buildings and facilities of the relevant public authority.
- Outcome 3: People with disabilities receive the information from the relevant public authority in a format that will enable them to access the information as readily as other people are able to access it.
- Outcome 4: People with disabilities receive the same level and quality of service from the staff of the relevant public authority.
- Outcome 5: People with disabilities have the same opportunities as other people to make complaints to the relevant public authority.
- Outcome 6: People with disabilities have the same opportunities as other people to participate in any public consultation by the relevant public authority.

The Shire has continued to assist in promoting improved access for people with disabilities in Dowerin. Work has been finalized on the ramp and handrails to the swimming pool whilst the Short Stay Accommodation Precinct has been specifically designed to cater for the needs of those requiring wheelchair access.

Record Keeping Plan

The State Records Act 2000 is an Act to provide for the keeping of State records and for related purposes. Section 19 of the Act requires that every government organisation must have a record keeping plan (RKP) that has been approved by the State Records Commission. A government organisation's record keeping plan sets out the matters about which records are to be created by the organisation and how it keeps its records.

The record keeping plan comprises a range of documents which, when assessed as a whole, provides an accurate reflection of the record keeping program within the organisation. More specifically, documentation regarding the organisation's record keeping system/s, disposal arrangements, policies, practices and processes will be the essential component of the record keeping plan. The inclusion of such documentation will constitute evidence of compliance.

The Shire of Dowerin submitted its revised RKP to the State Records Office in October 2008. The RKP meets the requirements of SRC Standard 2: Record Keeping Plans and fairly reports the policies, procedures and activities which are or will be implemented by the Shire of Dowerin to comply with the State Records Act 2000.

Staff members responsible for records management have been trained in the basic retention and disposal methods for local government records and have attended RKP training at the Office of State Records. Ongoing training is programmed for new and existing staff in the new reporting period.

Public Interest Disclosure

At the July 2016 meeting, Council moved to adopt the Shire of Dowerin Public Disclosure Policy.

The Public Interest Disclosure Act 2003 (PID Act) provides the legislative framework for the disclosure of information in the public good or interest. The Act also provides protection for individuals who make such disclosures and those who are the subject of disclosures. The Act provides a process for investigation and for relevant action to be taken.

Under the PID Act, the principal executive officer of each public authority is required to prepare and publish internal procedures relating to how their authority will discharge its obligations under the PID Act. The Public Interest Disclosure Act is administered by the Public-Sector Commissioner under Section 20 of the Public Interest Disclosure Act 2003.

One of the principles of the legislation is not just to provide protection to those who make disclosures (and those who are the subject of disclosures) but also encourages a system of transparency and accountability in the way government or government officials act and utilise public monies.

Matters that fall into the category of public interest include the following;

- » Improper Conduct (irregular or unauthorised use of public resources)
- » An offence under State Law including corruption (substantial unauthorised or irregular use of, or substantial mismanagement of, public monies)
- » Administration matters generally (conduct involving a substantial risk of injury to public health, prejudice to public safety or harm to the environment)

Matters that relate to the Shire of Dowerin should be referred to the Shire of Dowerin's Public Interest Disclosure Officer. Disclosures to the Public Interest Disclosures Officer can be made not just about officers of a local authority but also its elected officials.

There is an obligation of the Public Interest Disclosure Officer in the Public Interest Disclosure Act to ensure that the disclosure is confidential and that the person making a disclosure is provided adequate protection from reprisals, civil and criminal liability, dismissal or breach of confidentiality.

Freedom of Information Statement

The Shire of Dowerin is responsible for the good governance of the Shire and carries out functions as required including statutory compliance and provision of services and facilities. Council is comprised of eight elected members who meet each month, except January, to make decisions relating to the policy and direction of the Shire. All Council meetings are open to the public and meeting dates and venues are advertised on a regular basis. Members of the public are invited to ask questions during Public Question Time shortly after the commencement of each meeting.

Council maintains records relating to the function and administration of the Shire, each property within the Shire and include such documents as the Minutes of Meetings, Rate Book, Town Planning Schemes, Local Planning Strategies, Local Laws, Codes of Conduct, Register of Financial Interests, Register of Delegated Authority, Financial Statements and Electoral Rolls.

These documents can be inspected free of charge at the Shire Administration Office, 13 Cottrell Street Dowerin 8.30am to 4.00pm Monday to Friday.

Council received 1 request under Freedom of Information legislation during 2016/17. Requests for information under the Freedom of Information Act can be sent to:

**Chief Executive Officer
Shire of Dowerin
PO Box 111
DOWERIN WA 6461**

Employees Remuneration

In accordance with part 5 of the Local Government (Administration) Regulations 1996 the Shire is required to disclose the number of employees entitled to and receiving an annual salary over \$100,000. There is one employee within the salary band of \$160,000 to \$169,999 per annum.

SHIRE OF DOWERIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

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Principal place of business:
13 Cottrell Street
DOWERIN WA 6461

**SHIRE OF DOWERIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Dowerin being the annual financial report and supporting notes and other information for the financial year ended 30 June 2017 are in my opinion properly drawn up to present fairly the financial position of the Shire at 30th June 2017 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the 15th day of November 2017



Andrea Selvey
Chief Executive Officer

SHIRE OF DOWERIN
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2017

	NOTE	2017 \$	2017 Budget \$	2016 \$
Revenue				
Rates	23	1,211,846	1,211,651	1,163,541
Operating grants, subsidies and contributions	30	2,574,347	1,704,000	1,093,172
Fees and charges	29	312,332	286,061	284,642
Service charges	26	132,831	132,227	127,877
Interest earnings	2(a)	49,876	61,500	60,251
Other revenue	2(a)	418,305	202,740	285,334
		<u>4,699,537</u>	<u>3,598,179</u>	<u>3,014,817</u>
Expenses				
Employee costs		(1,421,079)	(1,493,709)	(1,383,311)
Materials and contracts		(823,767)	(881,179)	(721,456)
Utility charges		(156,757)	(147,160)	(146,003)
Depreciation on non-current assets	2(a)	(1,104,583)	(1,112,647)	(1,144,753)
Interest expenses	2(a)	(40,952)	(44,659)	(25,515)
Insurance expenses		(148,421)	(146,402)	(142,972)
Other expenditure		(85,614)	(88,350)	(264,041)
		<u>(3,781,173)</u>	<u>(3,914,106)</u>	<u>(3,828,051)</u>
		918,364	(315,927)	(813,234)
Non-operating grants, subsidies and contributions	30	1,308,272	2,074,000	997,915
Profit on asset disposals	21	0	0	98,293
(Loss) on asset disposals	21	0	0	(60,364)
Net result		<u>2,226,636</u>	<u>1,758,073</u>	<u>222,610</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	91,768	0	(35,797)
Total other comprehensive income		<u>91,768</u>	<u>0</u>	<u>(35,797)</u>
Total comprehensive income		<u><u>2,318,404</u></u>	<u><u>1,758,073</u></u>	<u><u>186,813</u></u>

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

SHIRE OF DOWERIN
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2017

	NOTE	2017 \$	2017 Budget \$	2016 \$
Revenue	2(a)			
Governance		221,601	8,525	115,910
General purpose funding		3,345,290	2,570,551	1,884,872
Law, order, public safety		19,857	24,150	24,984
Health		324,840	259,000	265,870
Education and welfare		98,595	129,894	116,505
Housing		178,331	128,256	126,918
Community amenities		251,188	228,327	223,393
Recreation and culture		82,441	80,700	92,057
Transport		144,277	146,100	140,139
Economic services		14,932	12,176	12,686
Other property and services		18,185	10,500	11,483
		<u>4,699,537</u>	<u>3,598,179</u>	<u>3,014,817</u>
Expenses	2(a)			
Governance		(537,993)	(505,037)	(593,560)
General purpose funding		(155,352)	(134,898)	(89,390)
Law, order, public safety		(60,379)	(81,231)	(80,436)
Health		(301,697)	(310,563)	(319,371)
Education and welfare		(125,238)	(170,271)	(138,894)
Housing		(186,437)	(175,349)	(165,504)
Community amenities		(264,811)	(310,220)	(315,361)
Recreation and culture		(732,106)	(704,429)	(710,704)
Transport		(1,142,356)	(1,283,028)	(1,183,376)
Economic services		(217,922)	(183,454)	(180,010)
Other property and services		(15,930)	(10,967)	(25,930)
		<u>(3,740,221)</u>	<u>(3,869,447)</u>	<u>(3,802,536)</u>
Finance costs	2(a)			
Recreation and culture		(17,404)	(16,605)	(21,547)
Economic services		(23,548)	(28,054)	(3,968)
		<u>(40,952)</u>	<u>(44,659)</u>	<u>(25,515)</u>
		<u>918,364</u>	<u>(315,927)</u>	<u>(813,234)</u>
Non-operating grants, subsidies and contributions	30	1,308,272	2,074,000	997,915
Profit on disposal of assets	21	0	0	98,293
(Loss) on disposal of assets	21	0	0	(60,364)
Net result		<u>2,226,636</u>	<u>1,758,073</u>	<u>222,610</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	91,768	0	(35,797)
Total other comprehensive income		<u>91,768</u>	<u>0</u>	<u>(35,797)</u>
Total comprehensive income		<u><u>2,318,404</u></u>	<u><u>1,758,073</u></u>	<u><u>186,813</u></u>

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

SHIRE OF DOWERIN
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2017

	NOTE	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	3	3,427,050	2,021,078
Trade and other receivables	5	556,042	198,133
Inventories	6	6,636	5,504
TOTAL CURRENT ASSETS		<u>3,989,728</u>	<u>2,224,715</u>
NON-CURRENT ASSETS			
Investments	4	46,428	53,666
Other receivables	5	65,553	80,135
Property, plant and equipment	7	17,387,795	16,179,419
Infrastructure	8	25,543,945	25,057,927
TOTAL NON-CURRENT ASSETS		<u>43,043,721</u>	<u>41,371,147</u>
TOTAL ASSETS		<u>47,033,449</u>	<u>43,595,862</u>
CURRENT LIABILITIES			
Trade and other payables	9	707,324	297,382
Current portion of long term borrowings	10	117,509	85,005
Provisions	11	185,112	169,706
TOTAL CURRENT LIABILITIES		<u>1,009,945</u>	<u>552,093</u>
NON-CURRENT LIABILITIES			
Long term borrowings	10	1,064,968	411,485
Provisions	11	25,551	17,703
TOTAL NON-CURRENT LIABILITIES		<u>1,090,519</u>	<u>429,188</u>
TOTAL LIABILITIES		<u>2,100,464</u>	<u>981,281</u>
NET ASSETS		<u>44,932,985</u>	<u>42,614,581</u>
EQUITY			
Retained surplus		31,440,812	29,148,659
Reserves - cash backed	12	1,787,396	1,852,913
Revaluation surplus	13	11,704,777	11,613,009
TOTAL EQUITY		<u>44,932,985</u>	<u>42,614,581</u>

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

SHIRE OF DOWERIN
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2017

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/INVESTMENT BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2015		28,973,770	1,805,192	11,648,806	42,427,768
Comprehensive income					
Net result		222,610	0	0	222,610
Changes on revaluation of assets		0	0	(35,797)	(35,797)
Total comprehensive income	13	<u>222,610</u>	<u>0</u>	<u>(35,797)</u>	<u>186,813</u>
Transfers from/(to) reserves		<u>(47,721)</u>	<u>47,721</u>	<u>0</u>	<u>0</u>
Balance as at 30 June 2016		29,148,659	1,852,913	11,613,009	42,614,581
Comprehensive income					
Net result		2,226,636	0	0	2,226,636
Changes on revaluation of assets		0	0	91,768	91,768
Total comprehensive income	13	<u>2,226,636</u>	<u>0</u>	<u>91,768</u>	<u>2,318,404</u>
Transfers from/(to) reserves		<u>65,517</u>	<u>(65,517)</u>	<u>0</u>	<u>0</u>
Balance as at 30 June 2017		<u>31,440,812</u>	<u>1,787,396</u>	<u>11,704,777</u>	<u>44,932,985</u>

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

SHIRE OF DOWERIN
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2017

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
Net current assets at start of financial year - surplus/(deficit)	24	<u>(16,508)</u> <u>(16,508)</u>	<u>164,258</u> <u>164,258</u>	<u>572,630</u> <u>572,630</u>
Revenue from operating activities (excluding rates)				
Governance		221,601	8,525	115,910
General purpose funding		2,153,602	1,378,900	740,714
Law, order, public safety		19,857	24,150	24,984
Health		324,840	259,000	265,870
Education and welfare		98,595	129,894	116,505
Housing		178,331	128,256	126,918
Community amenities		251,188	228,327	223,393
Recreation and culture		82,441	80,700	92,057
Transport		144,277	146,100	238,432
Economic services		14,932	12,176	12,686
Other property and services		18,185	10,500	11,483
		<u>3,507,849</u>	<u>2,406,528</u>	<u>1,968,952</u>
Expenditure from operating activities				
Governance		(537,993)	(505,037)	(593,560)
General purpose funding		(155,352)	(134,898)	(148,403)
Law, order, public safety		(60,379)	(81,231)	(80,436)
Health		(301,697)	(310,563)	(319,371)
Education and welfare		(125,238)	(170,271)	(138,894)
Housing		(186,437)	(175,349)	(165,504)
Community amenities		(264,811)	(310,220)	(315,361)
Recreation and culture		(749,510)	(721,034)	(732,251)
Transport		(1,142,356)	(1,283,028)	(1,184,727)
Economic services		(241,470)	(211,508)	(183,978)
Other property and services		(15,930)	(10,967)	(25,930)
		<u>(3,781,173)</u>	<u>(3,914,106)</u>	<u>(3,888,415)</u>
Operating activities excluded from budget				
(Profit) on disposal of assets	21	0	0	(98,293)
Loss on disposal of assets	21	0	0	60,364
Movement in Local Gov't House Equity		7,238	0	0
Movement in employee benefit provisions (non-current)	11	7,848	0	(59,165)
Movement in employee leave reserve	12	(48,287)	0	0
Movement in Deferred Rates		(8,989)		
Depreciation and amortisation on assets	2(a)	1,104,583	1,112,647	1,144,753
Amount attributable to operating activities		<u>772,560</u>	<u>(230,673)</u>	<u>(299,174)</u>
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	30	1,308,272	2,074,000	997,915
Proceeds from disposal of assets	21	0	0	149,859
Purchase of property, plant and equipment	7(b)	(1,765,751)	(2,473,038)	(683,147)
Purchase and construction of infrastructure	8(b)	(941,458)	(1,123,913)	(1,218,854)
Adjustments to Equity in Local Gov't House		0	0	0
Amount attributable to investing activities		<u>(1,398,937)</u>	<u>(1,522,951)</u>	<u>(754,227)</u>
FINANCING ACTIVITIES				
Repayment of debentures	22(a)	(99,263)	0	(81,815)
Proceeds from new debentures	22(a)	785,250	785,250	0
Proceeds from self supporting loans		22,817	23,002	22,272
Transfers to reserves (restricted assets)	12	(480,584)	(432,922)	(167,474)
Transfers from reserves (restricted assets)	12	546,101	300,000	119,753
Amount attributable to financing activities		<u>774,321</u>	<u>675,330</u>	<u>(107,264)</u>
Surplus(deficiency) before general rates		<u>147,945</u>	<u>(1,078,294)</u>	<u>(1,160,666)</u>
Total amount raised from general rates	23	<u>1,191,688</u>	<u>1,191,651</u>	<u>1,144,158</u>
Net current assets at June 30 c/fwd - surplus/(deficit)	24	<u><u>1,339,633</u></u>	<u><u>113,357</u></u>	<u><u>(16,508)</u></u>

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

SHIRE OF DOWERIN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2017

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,188,828	1,218,983	1,148,561
Operating grants, subsidies and contributions		2,307,003	2,175,308	1,027,240
Fees and charges		312,332	282,387	284,642
Service charges		132,831	132,227	127,877
Interest earnings		49,876	61,500	60,251
Goods and services tax		278,163	217,378	267,928
Other revenue		418,303	35,106	285,334
		<u>4,687,336</u>	<u>4,122,889</u>	<u>3,201,833</u>
Payments				
Employee costs		(1,391,682)	(1,531,843)	(1,463,771)
Materials and contracts		(426,693)	(969,252)	(667,408)
Utility charges		(156,757)	(147,160)	(146,003)
Interest expenses		(35,359)	(74,659)	(25,751)
Insurance expenses		(148,421)	(146,402)	(142,972)
Goods and services tax		(353,945)	(196,791)	(232,072)
Other expenditure		(78,374)	(113,350)	(264,041)
		<u>(2,591,231)</u>	<u>(3,179,457)</u>	<u>(2,942,018)</u>
Net cash provided by (used in) operating activities	14(b)	<u>2,096,105</u>	<u>943,432</u>	<u>259,815</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(1,765,751)	(2,473,038)	(683,147)
Payments for construction of infrastructure		(941,458)	(1,123,913)	(1,218,854)
Non-operating grants, subsidies and contributions		1,308,272	2,074,000	997,915
Proceeds from sale of fixed assets		0	0	149,859
Net cash provided by (used in) investment activities		<u>(1,398,937)</u>	<u>(1,522,951)</u>	<u>(754,227)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures		(99,263)	0	(81,815)
Proceeds from self supporting loans		22,817	23,002	22,272
Proceeds from new debentures		785,250	785,250	0
Net cash provided by (used in) financing activities		<u>708,804</u>	<u>808,252</u>	<u>(59,543)</u>
Net increase (decrease) in cash held		1,405,972	228,733	(553,955)
Cash at beginning of year		2,021,078	1,884,451	2,575,033
Cash and cash equivalents at the end of the year	14(a)	<u><u>3,427,050</u></u>	<u><u>2,113,184</u></u>	<u><u>2,021,078</u></u>

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

**SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PREPARATION

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 20 to these financial statements.

(a) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of GST receivable or payable.

The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

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

(b) Cash and Cash Equivalents

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

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

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Trade and Other Receivables

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

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

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

(d) Inventories

General

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

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

Land held for sale

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

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

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

(e) Fixed Assets

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

Mandatory requirement to revalue non-current assets

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

During the year ended 30 June 2013, the Shire commenced the process of adopting Fair Value in accordance with the Regulations.

Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2015 all non-current assets were carried at Fair Value in accordance with the requirements.

Thereafter, each asset class must be revalued in accordance with the regulatory framework established and the Shire revalues its asset classes in accordance with this mandatory timetable.

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

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Fixed Assets (Continued)

Land under control

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

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

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

Land under roads

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

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

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

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

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

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Fixed Assets (Continued)

Depreciation

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

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

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

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

Buildings	20 to 50 years
Furniture and equipment	4 to 20 years
Plant and equipment	5 to 15 years
Sealed roads and streets	
formation	Not Depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	Not Depreciated
pavement	50 years
Formed roads (unsealed)	
formation	Not Depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage Infrastructure	40 years
Drainage	20 to 75 years
Parks and Ovals	17 years
Street Lighting	20 years
Other Infrastructure	20 to 50 years

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

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

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

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fair Value of Assets and Liabilities

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

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

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

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

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

Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Income approach

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

Cost approach

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

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

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued in accordance with the regulatory framework.

(g) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

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

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

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial Instruments (Continued)

Classification and subsequent measurement (continued)

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial Instruments (Continued)

Impairment

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

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

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

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

Derecognition

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

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

(h) Impairment of Assets

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

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

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

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

(i) Trade and Other Payables

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

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Employee Benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

(k) Borrowing Costs

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

(l) Provisions

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

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

(m) 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 Shire, 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.

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Investment in Associates

An associate is an entity over which the Shire has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

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

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

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

(o) Interests in Joint Arrangements

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

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

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 17.

(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 operations for the current reporting period.

(q) Superannuation

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

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

(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 DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Notes:

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

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(iv) AASB 1058 Income of Not-for-Profit Entities (incorporating AASB 2016-7 and AASB 2016-8)	December 2016	1 January 2019	<p>These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are:</p> <ul style="list-style-type: none"> - Assets received below fair value; - Transfers received to acquire or construct non-financial assets; - Grants received; - Prepaid rates; - Leases entered into at below market rates; and - Volunteer services. <p>Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the Shire's operations.</p>

Notes:

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

(w) Adoption of New and Revised Accounting Standards

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

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

(i) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities	The objective of this Standard was to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities.
[AASB 10, 124 & 1049]	The Standard has had a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management are deemed to be Key Management Personnel and resultant disclosures in accordance to AASB 124 have been necessary.

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

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

COMMUNITY VISION

The Shire's Strategic Community Plan provides the following Key Themes.

- Community - A Strong, Healthy and Safe Community
- Economic - A Strong and Diverse Local Economy
- Environment - To have a Sustainable Natural and Built Environment that meets our community's needs now and into the future.
- Local Government Leadership - A Vibrant and Progressive Community lead by an innovative Council.

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

GOVERNANCE

Activities:

Administration and operation of facilities and services to elected members of Council.

GENERAL PURPOSE FUNDING

Activities:

Rates including income and expenses relating to the imposition of rates. General purpose government grants and interest earnings.

LAW, ORDER, PUBLIC SAFETY

Activities:

Supervision and enactment of various Local Laws, fire prevention, animal control and community crime prevention.

HEALTH

Activities:

Environmental health services including food quality, pest control, inspection of buildings and food premises. Home and community care services and meals on wheels services.

EDUCATION AND WELFARE

Activities:

Care for the aged, community nursing. Maintenance costs. Community Resource Centre.

HOUSING

Activities:

Maintenance of staff and other rental housing including Community Housing Project Units operated by joint venture with Homeswest.

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

COMMUNITY AMENITIES

Activities:

Rubbish collection & recycling services, operation of disposal sites, administration and operation of the Dowerin townsite sewerage scheme, administration of the town planning scheme, operation of Dowerin and Minnivale public cemeteries, maintenance to public toilets, Dowerin community bus.

RECREATION AND CULTURE

Activities:

Maintenance of various halls and sports pavilions, parks and gardens, sports playing surface areas and reserves (including football oval, hockey oval, grassed tennis courts, bowling greens and golf course). Contribution to the operation of the public library.

TRANSPORT

Activities:

Construction and maintenance of streets, roads, footpaths, drainage, signs. Maintenance of street trees. Lighting of streets. Maintenance of works depot. Purchase of road plant.

ECONOMIC SERVICES

Activities:

Regulation of tourism, area promotion, building control, saleyards, noxious weeds, vermin. Assistance with administration and infrastructure associated with the Dowerin Field Days.

OTHER PROPERTY AND SERVICES

Activities:

Private works. Plant repairs and operation. Engineering and administration overheads. Material stocks.

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Opening Balance ⁽¹⁾ 1/07/15 \$	Received ⁽²⁾ 2015/16 \$	Expended ⁽³⁾ 2015/16 \$	Closing Balance ⁽¹⁾ 30/06/16 \$	Received ⁽²⁾ 2016/17 \$	Expended ⁽³⁾ 2016/17 \$	Closing Balance 30/06/17 \$
Economic Services							
R4R - Heritage Rail	407,790	0	(213,939)	193,851	0	(193,851)	0
WDC - Age Friendly Communities	41,000	0	(37,363)	3,637	0	(3,637)	0
Short Term Accommodation	0	0	0	0	200,000	0	200,000
Suicide Prevention	1,850	0	(1,850)	0	0	0	0
Womens Program 2015	3,170	0	(3,170)	0	0	0	0
Roads to Recovery	0	710,772	(664,962)	45,810	518,820	(564,630)	0
Regional Road Group	0	287,543	(287,543)	0	187,634	(187,634)	0
Swimming Pool	0	32,000	(32,000)	0	32,000	(32,000)	0
Department of Transport - Bike Plan	0	7,000	(7,000)	0	0	0	0
Department of Health - HACC	0	247,117	(247,117)	0	309,071	(250,824)	58,247
Total	453,810	1,284,432	(1,494,944)	243,298	1,247,525	(1,232,576)	258,247

Notes:

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

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

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

(4) Economic Dependency - A significant portion of revenue is received by way of grants from the State and Federal Government. Total grant revenue from government sources is disclosed within the Statement of Comprehensive Income.

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	Note	2017 \$	2016 \$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		1,381,407	(75,133)
Restricted		<u>2,045,643</u>	<u>2,096,211</u>
		<u>3,427,050</u>	<u>2,021,078</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Sewerage Reserve	12	1,043,357	951,502
Plant Reserve	12	142,872	92,264
LSL Reserve	12	53,493	101,780
Land & Building Reserve	12	146,594	20,494
Swimming Pool Reserve	12	32,456	32,000
Recreation Reserve	12	180,866	178,345
CHP Units Reserve	12	46,221	45,649
Community Bus Reserve	12	40,787	40,250
Economic Reserve	12	12,021	315,534
All Hours Gym Reserve	12	1,684	5,132
Bowling Green Reserve	12	61,461	50,681
Tennis Court Reserve	12	25,584	19,282
Unspent grants	2(c)	<u>258,247</u>	<u>243,298</u>
		<u>2,045,643</u>	<u>2,096,211</u>

4. INVESTMENTS

Equity in Local Government House			
At the beginning of the year		<u>53,666</u>	<u>53,666</u>
Additions		0	0
Revaluation to fair value		<u>(7,238)</u>	<u>0</u>
At the end of the year		<u>46,428</u>	<u>53,666</u>

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017	2016
	\$	\$
5. TRADE AND OTHER RECEIVABLES		
Current		
Rates outstanding	50,660	36,631
Sewerage rates outstanding	15,823	14,680
Rubbish rates outstanding	10,075	9,221
Emergency Services Levy	6,989	4,142
Sundry debtors	356,178	99,516
GST receivable	86,723	10,941
Loans Club/Institutions	23,756	23,002
Prepayments	5,838	0
	<u>556,042</u>	<u>198,133</u>
Non-current		
Rates outstanding - pensioners	28,268	19,279
Loans receivable - clubs/institutions	37,285	60,856
	<u>65,553</u>	<u>80,135</u>
Information with respect the impairment or otherwise of the totals of rates outstanding and sundry debtors is as follows:		
Rates outstanding	<u>50,660</u>	<u>36,631</u>
Includes:		
Past due and not impaired	50,660	36,631
Sewerage rates outstanding	<u>15,823</u>	<u>14,680</u>
Includes:		
Past due and not impaired	15,823	14,680
6. INVENTORIES		
Current		
Stock on Hand	<u>6,636</u>	<u>5,504</u>
	<u>6,636</u>	<u>5,504</u>

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017 \$	2016 \$
7 (a). PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
Land (Independent Valuation 2015 - Level 2)	963,000	963,000
	<u>963,000</u>	<u>963,000</u>
	<u>963,000</u>	<u>963,000</u>
Buildings - non-specialised at:		
Buildings (Independent Valuation 2015 - Level 2)	13,569,540	13,569,540
- Additions after valuation - cost	2,131,347	365,596
Buildings - non-specialised - Less: accumulated depreciation	<u>(612,829)</u>	<u>(293,686)</u>
	15,088,058	13,641,450
	<u>15,088,058</u>	<u>13,641,450</u>
Total land and buildings	<u>16,051,058</u>	<u>14,604,450</u>
Furniture and equipment at:		
Furniture & Equipment (Management Valuation 2016 - Level 3)	116,719	116,719
Furniture and equipment - Less: accumulated depreciation	<u>(7,461)</u>	<u>0</u>
	109,258	116,719
Vehicles and plant at:		
Vehicles & Plant (Management Valuation 2016 - Level 3)	1,421,409	1,421,409
Vehicles and plant - Less: accumulated depreciation	<u>(213,523)</u>	<u>0</u>
	1,207,886	1,421,409
Tools and equipment at:		
Tools & Equipment (Management Valuation 2016 - Level 3)	36,841	36,841
Tools & Equipment - Less: accumulated depreciation	<u>(17,248)</u>	<u>0</u>
	19,593	36,841
	<u>17,387,795</u>	<u>16,179,419</u>

The fair value of property, plant and equipment is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires property, plant and equipment to be shown at fair value.

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Land - freehold land	963,000	0	0	0	0	963,000
Total land	963,000	0	0	0	0	963,000
Buildings - non-specialised	13,641,450	1,765,751	0	(319,143)	0	15,088,058
Total buildings	13,641,450	1,765,751	0	(319,143)	0	15,088,058
Total land and buildings	14,604,450	1,765,751	0	(319,143)	0	16,051,058
Furniture and equipment	116,719	0	0	(7,461)	0	109,258
Vehicles and plant	1,421,409	0	0	(213,523)	0	1,207,886
Tools and equipment	36,841	0	0	(17,248)	0	19,593
Total property, plant and equipment	16,179,419	1,765,751	0	(557,375)	0	17,387,795

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Land and buildings					
Land - freehold land	2	Market approach using recent observable market data for similar items (Net revaluation method)	Independent Registered Valuer	June 2015	Price per hectare/market borrowing rate
Buildings - non-specialised	3	Market approach using recent observable market data for similar items (Net revaluation method)	Independent Registered Valuer	June 2015	Improvements to buildings using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Furniture and equipment					
	3	Cost approach using depreciated replacement cost (Net revaluation method)	Management Valuation	June 2016	Construction/Purchase costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs.
Vehicles and plant					
Vehicles & Plant (Management	3	Cost approach using depreciated replacement cost (Net revaluation method)	Independent and Management Valuation	June 2016	Construction/Purchase costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs.
Tools and equipment					
Tools & Equipment (Management	3	Cost approach using depreciated replacement cost (Net revaluation method)	Management Valuation	June 2016	Construction/Purchase costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs.

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

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

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017 \$	2016 \$
8 (a). INFRASTRUCTURE		
Infrastructure - Roads		
Roads (Management Valuation June 2014 - Level 3)	0	22,374,975
Roads (Independent Valuation June 2017 - Level 3)	20,692,217	0
- Additions after valuation - cost	0	1,218,854
Infrastructure - Roads - Less: accumulated depreciation	<u>0</u>	<u>(825,759)</u>
	20,692,217	22,768,070
 Footpaths		
Footpaths (Management Valuation June 2014 - Level 3)	0	371,239
Footpaths (Independent Valuation June 2017 - Level 3)	524,099	0
Accumulated Depreciation Footpaths	<u>0</u>	<u>(23,602)</u>
	524,099	347,637
 Drainage		
Drainage (Cost)	0	518,045
Drainage (Independent Valuation June 2017 - Level 3)	1,105,786	0
Accumulated Depreciation Drainage	<u>0</u>	<u>(475,521)</u>
	1,105,786	42,524
 Signs		
Signs (Cost)	0	195,010
Signs - Less: accumulated depreciation	<u>0</u>	<u>(168,683)</u>
	0	26,327
 * Recognised from 2017 as Other Infrastructure		
 Parks and Ovals		
Parks & Ovals (Cost)	0	1,830,838
Parks & Ovals (Independent Valuation June 2017 - Level 3)	1,351,642	0
Parks & Ovals - Less: accumulated depreciation	<u>0</u>	<u>(441,540)</u>
	1,351,642	1,389,298

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017 \$	2016 \$
8 (a). INFRASTRUCTURE (Continued)		
Street Lighting		
Street Lighting (Cost)	0	122,714
Street Lighting - Less: accumulated depreciation	0	(88,465)
	<u>0</u>	<u>34,249</u>
* Recognised from 2017 as Other Infrastructure		
Sewerage Infrastructure		
Sewerage Infrastructure (Cost)	0	520,088
Sewerage Infrastructure (Management Valuation June 2017 - Level 3)	1,113,375	0
Sewerage Infrastructure - Less: accumulated depreciation	0	(247,512)
	<u>1,113,375</u>	<u>272,576</u>
Other Infrastructure		
Other Infrastructure (Cost)	0	214,361
Other Infrastructure (Independent Valuation June 2017 - Level 3)	733,225	0
- Additions after valuation - cost	23,601	0
Other Infrastructure - Less: accumulated depreciation	0	(37,115)
	<u>756,826</u>	<u>177,246</u>
	<u><u>25,543,945</u></u>	<u><u>25,057,927</u></u>

The fair value of infrastructure is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost. Given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and, where appropriate, the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A(2) which requires infrastructure to be shown at fair value.

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

8. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Balance as at the Beginning of the Year	Additions	(Disposals)	Revaluation Increments/ (Decrements) Transferred to Revaluation	Revaluation (Loss)/ Reversal Transferred to Profit or Loss	Depreciation (Expense)	Transfers	Carrying Amount at the End of the Year
	\$	\$	\$	\$	\$	\$	\$	\$
Infrastructure - Roads	22,768,070	936,271	0	(2,601,146)	0	(410,978)	0	20,692,217
Footpaths	347,637	0	0	187,598	0	(11,136)	0	524,099
Drainage	42,524	0	0	1,078,803	0	(15,541)	0	1,105,786
Signs	26,327	0	0	0	0	(15,601)	(10,726)	0
Parks and Ovals	1,389,298	0	0	33,549	0	(71,205)	0	1,351,642
Street Lighting	34,249	0	0	0	0	(6,136)	(28,113)	0
Sewerage Infrastructure	272,576	0	0	853,801	0	(13,002)	0	1,113,375
Other Infrastructure	177,246	5,187	0	539,162	0	(3,608)	38,839	756,826
Total infrastructure	25,057,927	941,458	0	91,768	0	(547,208)	0	25,543,945

The Asset Classes of Signs and Street Lighting have been transferred to Other Infrastructure in FY 16/17.

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

8. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Infrastructure - Roads	3	Cost approach using depreciated replacement cost (Gross revaluation method)	Independent Valuation	June 2017	Construction costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs.
Footpaths	3	Cost approach using depreciated replacement cost (Gross revaluation method)	Independent Valuation	June 2017	Construction costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs.
Drainage	3	Cost approach using depreciated replacement cost (Gross revaluation method)	Independent Valuation	June 2017	Construction costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs.
Parks and Ovals	3	Cost approach using depreciated replacement cost (Gross revaluation method)	Independent Valuation	June 2017	Construction costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs.
Sewerage Infrastructure	3	Cost approach using depreciated replacement cost (Gross revaluation method)	Independent Valuation	June 2017	Construction costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs.
Other Infrastructure	3	Cost approach using depreciated replacement cost (Gross revaluation method)	Independent Valuation	June 2017	Construction costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs.

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

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

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017	2016
	\$	\$
9. TRADE AND OTHER PAYABLES		
Current		
Sundry creditors	347,143	108,420
Excess Rates	45,252	36,565
Dept Transport	13,629	8,305
Accrued Loan Interest	6,922	1,329
Accrued Salaries & Wages	6,143	0
Other Payables	227,826	141,495
Payroll Creditors	60,409	1,268
	<u>707,324</u>	<u>297,382</u>

10. LONG-TERM BORROWINGS

Current		
Secured by floating charge		
Loan Liability Current	117,509	85,005
	<u>117,509</u>	<u>85,005</u>
Non-current		
Secured by floating charge		
Debentures (Non Current)	1,064,968	411,485
	<u>1,064,968</u>	<u>411,485</u>

Additional detail on borrowings is provided in Note 22.

11. PROVISIONS

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2016			
Current provisions	72,617	97,089	169,706
Non-current provisions	0	17,703	17,703
	<u>72,617</u>	<u>114,792</u>	<u>187,409</u>
Additional provision	128,598	8,996	137,594
Amounts used	(106,562)	(7,778)	(114,340)
Balance at 30 June 2017	<u>94,653</u>	<u>116,010</u>	<u>210,663</u>
Comprises			
Current	94,653	90,459	185,112
Non-current	0	25,551	25,551
	<u>94,653</u>	<u>116,010</u>	<u>210,663</u>

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

12. RESERVES - CASH BACKED

	Actual 2017 Opening Balance \$	Actual 2017 Transfer to \$	Actual 2017 Transfer (from) \$	Actual 2017 Closing Balance \$	Budget 2017 Opening Balance \$	Budget 2017 Transfer to \$	Budget 2017 Transfer (from) \$	Budget 2017 Closing Balance \$	Actual 2016 Opening Balance \$	Actual 2016 Transfer to \$	Actual 2016 Transfer (from) \$	Actual 2016 Closing Balance \$
Sewerage Reserve	951,502	91,855	0	1,043,357	951,502	104,829	0	1,056,331	851,521	99,981	0	951,502
Plant Reserve	92,264	191,608	(141,000)	142,872	92,264	135,235	0	227,499	150,291	3,973	(62,000)	92,264
Lsl Reserve	101,780	51,097	(99,384)	53,493	101,780	52,884	0	154,664	155,425	4,108	(57,753)	101,780
Land & Building Reserve	20,494	126,100	0	146,594	20,494	72,513	0	93,007	19,966	528	0	20,494
Swimming Pool Reserve	32,000	456	0	32,456	32,000	32,907	0	64,907	0	32,000	0	32,000
Recreation Reserve	178,345	2,521	0	180,866	178,345	5,053	0	183,398	173,751	4,594	0	178,345
Chp Units Reserve	45,649	572	0	46,221	45,649	1,293	0	46,942	44,474	1,175	0	45,649
Community Bus Reserve	40,250	537	0	40,787	40,250	1,140	0	41,390	39,214	1,036	0	40,250
Economic Reserve	315,534	2,204	(305,717)	12,021	315,534	8,940	(300,000)	24,474	312,977	2,557	0	315,534
All Hours Gym Reserve	5,132	(3,448)	0	1,684	5,132	145	0	5,277	5,000	132	0	5,132
Bowling Green Reserve	50,681	10,780	0	61,461	51,425	11,344	0	62,769	40,358	10,323	0	50,681
Tennis Court Reserve	19,282	6,302	0	25,584	18,538	6,639	0	25,177	12,215	7,067	0	19,282
	1,852,913	480,584	(546,101)	1,787,396	1,852,913	432,922	(300,000)	1,985,835	1,805,192	167,474	(119,753)	1,852,913

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

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

12. RESERVES - CASH BACKED

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
Sewerage Reserve	Ongoing	- To be used to preserve sewerage assets.
Plant Reserve	Ongoing	- To be used to fund the purchase of future plant acquisitions and major repairs.
Lsl Reserve	Ongoing	- To be used to fund annual and long service leave requirements.
Land & Building Reserve	Ongoing	- For future purchase and renewal of Council land & building assets.
Swimming Pool Reserve	Ongoing	- To be used for the maintenance and or renewal of the swimming pool.
Recreation Reserve	Ongoing	- To be used for the proposed construction of a multi purpose sports centre.
Chp Units Reserve	Ongoing	- To be used for contribution to joint venture aged unit projects and singles accommodation.
Community Bus Reserve	Ongoing	- To be used for the replacement of the community bus.
Economic Reserve	Ongoing	- To provide for future funding for development opportunities in the community.
All Hours Gym Reserve	Ongoing	- To be used for the replacement of the gym equipment
Bowling Green Reserve	Ongoing	- To be used for the replacement of the bowling greens.
Tennis Court Reserve	Ongoing	- To be used for the replacement of the tennis courts.

13. REVALUATION SURPLUS

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

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

14. 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:

	2017 \$	2017 Budget \$	2016 \$
Cash and cash equivalents	<u>3,427,050</u>	<u>2,113,184</u>	<u>2,021,078</u>

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

Net result	2,226,636	1,758,073	222,610
Non-cash flows in Net result:			
Depreciation	1,104,583	1,112,647	1,144,753
(Profit)/Loss on sale of asset	0	0	(37,929)
Movement in Local Govt House Equity	7,238	0	0
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	(366,144)	324,710	(45,056)
(Increase)/Decrease in inventories	(1,132)	(75,000)	15,301
Increase/(Decrease) in payables	409,942	(64,865)	10,186
Increase/(Decrease) in provisions	23,254	(38,133)	(52,135)
Grants contributions for the development of assets	<u>(1,308,272)</u>	<u>(2,074,000)</u>	<u>(997,915)</u>
Net cash from operating activities	<u>2,096,105</u>	<u>943,432</u>	<u>259,815</u>

	2017 \$	2016 \$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	60,000	60,000
Bank overdraft at balance date	0	0
Credit card limit	9,000	12,000
Credit card balance at balance date	<u>(704)</u>	<u>(1,671)</u>
Total amount of credit unused	<u>68,296</u>	<u>70,329</u>
Loan facilities		
Loan facilities - current	117,509	85,005
Loan facilities - non-current	<u>1,064,968</u>	<u>411,485</u>
Total facilities in use at balance date	<u>1,182,477</u>	<u>496,490</u>
Unused loan facilities at balance date	<u>NIL</u>	<u>NIL</u>

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

15. CONTINGENT LIABILITIES

The Shire is not aware of any reportable contingent liability.

16. CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments

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

(b) Capital Expenditure Commitments

- capital expenditure projects 17/18

Short Term Accomodation Project

Payable:

- not later than one year

554,162

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

17. JOINT VENTURE ARRANGEMENTS

The Shire has no Joint Venture arrangements in place.

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2017	2016
	\$	\$
Governance	84,810	142,571
General purpose funding	1,381,407	257,303
Law, order, public safety	225,758	253,970
Health	69,457	15,909
Education and welfare	601,900	616,950
Housing	4,527,243	3,621,674
Community amenities	2,719,362	1,525,368
Recreation and culture	9,170,968	7,079,520
Transport	22,360,942	24,126,726
Economic services	3,007,350	1,447,123
Other property and services	2,507,727	2,612,463
Unallocated	376,525	1,896,285
	<u>47,033,449</u>	<u>43,595,862</u>

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017	2016	2015
19. FINANCIAL RATIOS			
Current ratio	2.03	0.29	1.14
Asset sustainability ratio	0.96	1.49	1.20
Debt service cover ratio	14.72	3.68	11.91
Operating surplus ratio	0.43	(0.38)	(0.05)
Own source revenue coverage ratio	0.56	0.52	0.45

The above ratios are calculated as follows:

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

Notes:

Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Supplementary Ratio Information on Page 60 of this document.

Three of the 2017 ratios disclosed above were distorted by the early receipt of half of the allocation of the 2017-18 Financial Assistance Grant in June 2017.

The early payment of the grant increased operating revenue in 2017 by \$723,087.

Three of the 2016 and 2015 ratios disclosed above were distorted by the early receipt of half of the allocation of the 2015-16 Financial Assistance Grant on 30 June 2015.

The early payment of the grant increased operating revenue in 2015 and decreased operating revenue in 2016 by \$695,769.

If recognised in the year to which the allocation related, the calculations in the 2017, 2016 and 2015 columns above would be as follows:

	2017	2016	2015
Current ratio	1.28	Not reported	Not reported
Debt service cover ratio	9.56	10.16	4.42
Operating surplus ratio	0.09	(0.04)	(0.41)

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

20. 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:

	1 July 2016	Amounts Received	Amounts Paid	30 June 2017
	\$	\$	(\$)	\$
Housing Rental Bonds	3,866	0	(360)	3,506
Key Deposits	610	0	0	610
Tidy Towns Prize	2,818	0	0	2,818
HACC Vehicle	2,025	0	(1,532)	493
Building Deposits	10,000	0	(10,000)	0
AROC Funds	95,657	1,800	(97,457)	0
HACC Fundraising	2,509	0		2,509
Recreational Steering Committee	23,359	0	(23,359)	0
Nomination Deposits	320	0	0	320
Yellow Ribbon	247	0	0	247
Centenary Park	2,112	0	(320)	1,792
Interest on Trust Funds	0	12	0	12
	<u>143,523</u>	<u>1,812</u>	<u>(133,027)</u>	<u>12,307</u>

21. DISPOSALS OF ASSETS - 2016/17 FINANCIAL YEAR

The Shire disposed of no assets during the financial year.

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

22. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1 July 2016 \$	New Loans \$	Principal Repayments		Principal 30 June 2017		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Housing								
Loan 99 - Short Term Accommodation	0	785,250	14,257	28,352	770,993	756,898	20,867	25,448
Recreation and culture						0		
Loan 97 - Dowerin Community Club	412,632	0	62,004	62,003	350,628	350,629	17,404	16,605
Economic services						0		
* Loan 98 - Dowerin Events Management SSL	83,858	0	23,002	23,002	60,856	60,856	2,681	2,606
	496,490	785,250	99,263	113,357	1,182,477	1,168,383	40,952	44,659

* Self supporting loan financed by payments from third parties.

All other loan repayments were financed by general purpose revenue.

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

22. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2016/17

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate %	Amount Used		Balance Unspent
	Actual	Budget						Actual	Budget	
Loan 99 - Short Term Accommodation	\$ 785,250	\$ 785,250	NA Treasury Corporation		20	\$ 278,160	3.14%	\$ 785,250	\$ 785,250	\$ 0

(c) Unspent Debentures

The Shire did not have any unspent debentures as at 30 June 2017.

(d) Overdraft

The Shire has an overdraft facility of \$60,000 with the National Australia Bank to assist with short term liquidity requirements. The balance of the overdraft at 1 July 2016 and 30 June 2017 was 0.

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

23. RATING INFORMATION - 2016/17 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential general rate / general rate											
Gross rental value valuations											
Residential	10.2662	131	1,116,024	114,573	0	0	114,573	114,572	0	0	114,572
Commercial	10.2662	18	316,540	32,497	0	0	32,497	32,497	0	0	32,497
Town Rural	10.2662	10	87,048	8,937	0	0	8,937	8,937	0	0	8,937
Other	10.2662	1	2,130	219	0	0	219	219	0	0	219
Unimproved value valuations											
Rural Farmland	0.8920	239	104,841,500	93,518,618	37	0	935,223	935,186	0	0	935,186
Sub-Total		399	106,363,242	93,674,843	37	0	1,091,448	1,091,411	0	0	1,091,411
Minimum payment	Minimum \$										
Gross rental value valuations											
Residential	686	51	236,988	34,986	0	0	34,986	34,986	0	0	34,986
Commercial	686	15	55,169	10,290	0	0	10,290	10,290	0	0	10,290
Town Rural	686	17	42,102	11,662	0	0	11,662	11,662	0	0	11,662
Other	200	18	5,529	3,600	0	0	3,600	3,600	0	0	3,600
Unimproved value valuations											
Rural Farmland	686	50	2,569,800	34,300	0	0	34,300	34,300	0	0	34,300
Commercial / Industrial	686	4	400	2,744	0	0	2,744	2,744	0	0	2,744
Town Rural	686	3	65,500	2,058	0	0	2,058	2,058	0	0	2,058
Mining Tenement	200	3	5,867	600	0	0	600	600	0	0	600
Sub-Total		161	2,981,355	100,240	0	0	100,240	100,240	0	0	100,240
Total amount raised from general rate		560	109,344,597	93,775,083	37	0	1,191,688	1,191,651	0	0	1,191,651
Ex-gratia rates							1,191,688				1,191,651
Totals							<u>20,158</u>				<u>20,000</u>
							<u>1,211,846</u>				<u>1,211,651</u>

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

24. NET CURRENT ASSETS

Composition of net current assets

	2017	2017	2016
	(30 June 2017	(1 July 2016	(30 June 2016
	Carried	Brought	Carried
	Forward)	Forward)	Forward)
	\$	\$	\$
Surplus/(Deficit) 1 July 16 brought forward	1,339,633	(16,508)	(16,508)
CURRENT ASSETS			
Cash and cash equivalents			
Unrestricted	1,381,407	(75,133)	168,165
Restricted	2,045,643	2,096,211	1,852,913
Rates outstanding	50,660	36,631	36,631
Sewerage rates outstanding	15,823	14,680	14,680
Rubbish rates outstanding	10,075	9,221	9,221
Emergency Services Levy	6,989	4,142	4,142
Sundry debtors	356,178	99,516	99,516
GST receivable	86,723	10,941	10,941
Loans Club/Institutions	23,756	23,002	23,002
Prepayments	5,838	0	0
Stock on Hand	6,636	5,504	5,504
LESS: CURRENT LIABILITIES			
Trade and other payables			
Sundry creditors	(347,143)	(108,420)	(108,420)
Excess Rates	(45,252)	(36,565)	(36,565)
Dept Transport	(13,629)	(8,305)	(8,305)
Accrued Loan Interest	(6,922)	(1,329)	(1,329)
Accrued Salaries & Wages	(6,143)	0	0
Other Payables	(227,826)	(141,495)	(141,495)
Payroll Creditors	(60,409)	(1,268)	(1,268)
Current portion of long term borrowings			
Secured by floating charge	(117,509)	(85,005)	(85,005)
Provisions			
Provision for annual leave (Current)	(94,653)	(72,617)	(72,617)
Provision for long service leave (Current)	(90,459)	(97,089)	(97,089)
Unadjusted net current assets	2,979,783	1,672,622	1,672,622
Adjustments			
Less: Reserves - restricted cash	(1,787,396)	(1,852,913)	(1,852,913)
Less: Loans Club/Institutions	(23,756)	(23,002)	(23,002)
Less: Liabilities supported by a Reserve	53,493	101,780	101,780
Add: Secured by floating charge	117,509	85,005	85,005
Adjusted net current assets - surplus/(deficit)	1,339,633	(16,508)	(16,508)

Difference

There was no difference between the surplus/(deficit) 1 July 2016 brought forward position used in the 2017 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2016 audited financial report.

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

25. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR

No specified area rates were imposed by the Shire during the year ended 2017.

26. SERVICE CHARGES - 2016/17 FINANCIAL YEAR

	Amount of Charge \$	Revenue Raised \$	Budget Revenue \$	Charges Applied to Costs \$	Charges Set Aside to Reserve \$	Reserve Applied to Costs \$	Budget Charges Applied to Costs \$	Budget Charges Set Aside to Reserve \$	Budget Reserve Applied to Costs \$
Service Charges		122,879	122,275	122,879	0	0	122,275	0	0
Sewerage Rates		9,952	9,952	9,952	0	0	9,952	0	0
Sewerage Fixtures		132,831	132,227	132,831	0	0	132,227	0	0

Nature of the Service Charge	Objects of the Charge	Reasons for the Charge	Area/Properties Charge Imposed
Sewerage charges		The charge is to be applied to the ongoing maintenance costs of the sewerage scheme, in addition to future capital expenditure requirements of the scheme.	Properties within the Dowerin townsite connected to the Shire's sewerage scheme.

27. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2016/17 FINANCIAL YEAR

The Shire of Dowerin does not offer a discount for the early payment of rates.

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

28. INTEREST CHARGES AND INSTALMENTS - 2016/17 FINANCIAL YEAR

	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Instalment Options				
Option One				
Single full payment	14 September 16	0	0.00%	0.00%
Option Two				
First Instalment	14 September 16	4	5.50%	11.00%
Second Instalment	14 March 17	4	5.50%	11.00%
Option Three				
First Instalment	14 September 16	4	5.50%	11.00%
Second Instalment	14 November 16	4	5.50%	11.00%
Third Instalment	13 January 17	4	5.50%	11.00%
Fourth Instalment	14 March 17	4	5.50%	11.00%

Interest on unpaid rates	Revenue	Budgeted	2016
Charges on instalment plan	\$	Revenue	Revenue
	13,242	\$	\$
	924	8,000	8,341
		900	848
	14,166	8,900	9,189

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

29. FEES & CHARGES	2017	2016
	\$	\$
Governance	28	323
General purpose funding	3,024	3,048
Law, order, public safety	3,169	2,002
Health	15,548	18,723
Education and welfare	1,620	1,620
Housing	150,853	125,065
Community amenities	96,668	91,925
Recreation and culture	31,037	32,609
Transport	360	630
Economic services	5,295	5,330
Other property and services	4,730	3,367
	<u>312,332</u>	<u>284,642</u>

30. GRANT REVENUE

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

	2017	2016
	\$	\$
By Nature or Type:		
Operating grants, subsidies and contributions		
General purpose funding	2,076,522	656,466
Law, order, public safety	12,688	22,983
Health	309,071	247,117
Community amenities	20,000	0
Recreation and culture	33,000	45,071
Transport	123,066	120,412
Economic services	0	1,123
	<u>2,574,347</u>	<u>1,093,172</u>
Non-operating grants, subsidies and contributions		
Transport	706,454	997,915
Economic services	601,818	0
	<u>1,308,272</u>	<u>997,915</u>
	<u>3,882,620</u>	<u>2,091,087</u>

31. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

	<u>26</u>	<u>24</u>
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SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

32. ELECTED MEMBERS REMUNERATION	2017	2017	2016
	\$	Budget	\$
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	21,145	21,250	22,010
Presidents allowance	3,000	3,000	3,000
Deputy Presidents allowance	750	750	750
Telecommunications allowance	540	2,000	978
	<u>25,435</u>	<u>27,000</u>	<u>26,738</u>

33. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

	2017
	\$
The total of remuneration paid to KMP of the Shire during the year are as follows:	
Short-term employee benefits	263,147
Post-employment benefits	24,337
Other long-term benefits	1,635
	<u>289,118</u>

Short-term employee benefits

These amounts include all salary, paid leave, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found at Note 32.

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Entities subject to significant influence by the Shire

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

33. RELATED PARTY TRANSACTIONS (Continued)

Transactions with Related Parties that have not been disclosed

Council has assessed the materiality of disclosure of transactions with related parties on the following criteria:

- 1) The potential effect of the relationship on the financial statements;
 - 2) Whether the transaction occurred as:
 - a) part of a public service provider relationship with a taxpayer on terms no different to that of a transaction with the general public or
- conditions no more or less favourable than those that is reasonable to expect the Council would have adopted with the

Council has determined that no material transactions with related parties have occurred during the financial year 2016-2017

34. MAJOR LAND TRANSACTIONS

The Shire did not participate in any major land transactions during the 2016/2017 financial year.

35. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire did not participate in any trading undertakings or major trading undertakings during the 2016/2017 financial year.

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

36. FINANCIAL RISK MANAGEMENT

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

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

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

The Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2017	2016	2017	2016
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	3,427,050	2,021,078	3,427,050	2,021,078
Receivables	621,595	278,268	621,595	278,268
	<u>4,048,645</u>	<u>2,299,346</u>	<u>4,048,645</u>	<u>2,299,346</u>
Financial liabilities				
Payables	707,324	297,382	707,324	297,382
Borrowings	1,182,480	496,490	1,259,725	523,495
	<u>1,889,804</u>	<u>793,872</u>	<u>1,967,049</u>	<u>820,877</u>

Fair value is determined as follows: □

- Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.
- Borrowings, held to maturity investments, estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.
- Financial assets at fair value through profit and loss, available for sale financial assets - based on quoted market prices at the reporting date or independent valuation.

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

36. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Financial assets at fair value through profit and loss

Available-for-sale financial assets

Held-to-maturity investments

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

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

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

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

The Shire manages these risks by diversifying its portfolio and only investing in investments authorised by *Local Government (Financial Management) Regulation 19C*. Council also seeks advice from independent advisers (where considered necessary) before placing any cash and investments.

	2017	2016
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	34,271	20,211
- Statement of Comprehensive Income	34,271	20,211

Notes:

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

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

36. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

	2017	2016
Percentage of rates and annual charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of other receivables		
- Current	60%	92%
- Overdue	40%	8%

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

36. 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. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required.

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

2017

Payables	707,324	0	0	707,324	707,324
Borrowings	156,964	564,006	770,978	1,491,948	2,432,480
	<u>864,288</u>	<u>564,006</u>	<u>770,978</u>	<u>2,199,272</u>	<u>3,139,804</u>

2016

Payables	297,382	0	0	297,382	308,190
Borrowings	103,794	376,864	78,252	558,910	496,490
	<u>401,176</u>	<u>376,864</u>	<u>78,252</u>	<u>856,292</u>	<u>804,680</u>

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

36. 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. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

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

	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
Year ended 30 June 2017								
Borrowings								
Fixed rate								
Debentures	0	0	60,856	0	350,631	770,993	1,182,480	3.43%
Weighted average	0.00%	0.00%	3.25%	0.00%	4.09%	3.14%		
Effective interest rate								
Year ended 30 June 2016								
Borrowings								
Fixed rate								
Debentures	0	0	0	83,858	0	412,632	496,490	3.95%
Weighted average								
Effective interest rate	0.00%	0.00%	0.00%	3.25%	0.00%	4.09%		

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

Opinion

We have audited the accompanying financial report of the Shire of Dowerin which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity, the rate setting statement, and the statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, and the Chief Executive Officer's statement.

In our opinion, the accompanying financial report of the Shire of Dowerin:

- (i) gives a true and fair view, in all material respects, of the financial position of the Shire of Dowerin as at 30 June 2017, and of its financial performance and its cash flows for the year then ended;
- (ii) complies with Australian Accounting Standards; and
- (iii) is prepared in accordance with the requirements of the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996.

Report on Other Legal and Regulatory Requirements

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

- (i) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire of Dowerin;
- (ii) There are no other matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law noted during the course of our audit;
- (iii) The asset consumption ratio and the asset renewal funding ratio included in the annual financial report are supported by verifiable information and reasonable assumptions;
- (iv) All necessary information and explanations were obtained by us; and
- (v) All audit procedures were satisfactorily completed during our audit.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the ethical requirements the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the Shire's annual report for the year ended 30 June 2017 but does not include the financial report and our auditor's report thereon.

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

Responsibilities of Management and Council for the Financial Report

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

In preparing the financial report, management is responsible for assessing the ability of the Shire to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting.

Council is responsible for overseeing the Shire's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibility for the audit of the financial report is located at the Auditing and Assurance Standard Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our audit report.

AMD Chartered Accountants

MARIA CAVALLO
Director

28-30 Wellington Street, Bunbury, Western Australia

Dated this 15th day of November 2017

**SHIRE OF DOWERIN
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2017**

RATIO INFORMATION

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

	2017	2016	2015
Asset consumption ratio	0.98	0.94	0.91
Asset renewal funding ratio	0.84	n/a	n/a

The above ratios are calculated as follows:

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

SHIRE OF DOWERIN - HOUSE BUILD PROJECT

[illegible]

Indicative Loan Repayment Schedule

Client: Shire of Dowerin (the "Borrower") -
Interest Rate: 3.7300% p.a. * (Semi Annual Compounding)
 1.8650% * effective Semi Annual
Lending Date: 14 November 2017
Maturity Date: 14 November 2037
Loan amount: \$400,000.00
Schedule Basis: 40 Semi Annual repayments

Payment Date	Debt Balance Outstanding	Capital Repayment	Interest Payment	Total Fixed Payment
14 May 2018	393,181.68	6,818.32	7,460.00	14,278.32
14 Nov 2018	386,236.20	6,945.48	7,332.84	14,278.32
14 May 2019	379,161.19	7,075.01	7,203.31	14,278.32
14 Nov 2019	371,954.23	7,206.96	7,071.36	14,278.32
14 May 2020	364,612.86	7,341.37	6,936.95	14,278.32
16 Nov 2020	357,134.57	7,478.29	6,800.03	14,278.32
14 May 2021	349,516.81	7,617.76	6,660.56	14,278.32
15 Nov 2021	341,756.98	7,759.83	6,518.49	14,278.32
16 May 2022	333,852.43	7,904.55	6,373.77	14,278.32
14 Nov 2022	325,800.46	8,051.97	6,226.35	14,278.32
15 May 2023	317,598.32	8,202.14	6,076.18	14,278.32
14 Nov 2023	309,243.21	8,355.11	5,923.21	14,278.32
14 May 2024	300,732.28	8,510.93	5,767.39	14,278.32
14 Nov 2024	292,062.62	8,669.66	5,608.66	14,278.32
14 May 2025	283,231.27	8,831.35	5,446.97	14,278.32
14 Nov 2025	274,235.21	8,996.06	5,282.26	14,278.32
14 May 2026	265,071.38	9,163.83	5,114.49	14,278.32
16 Nov 2026	255,736.64	9,334.74	4,943.58	14,278.32
14 May 2027	246,227.81	9,508.83	4,769.49	14,278.32
15 Nov 2027	236,541.64	9,686.17	4,592.15	14,278.32
15 May 2028	226,674.82	9,866.82	4,411.50	14,278.32
14 Nov 2028	216,623.99	10,050.83	4,227.49	14,278.32
14 May 2029	206,385.71	10,238.28	4,040.04	14,278.32
14 Nov 2029	195,956.48	10,429.23	3,849.09	14,278.32
14 May 2030	185,332.75	10,623.73	3,654.59	14,278.32
14 Nov 2030	174,510.89	10,821.86	3,456.46	14,278.32
14 May 2031	163,487.20	11,023.69	3,254.63	14,278.32
14 Nov 2031	152,257.92	11,229.28	3,049.04	14,278.32
14 May 2032	140,819.21	11,438.71	2,839.61	14,278.32
15 Nov 2032	129,167.17	11,652.04	2,626.28	14,278.32
16 May 2033	117,297.82	11,869.35	2,408.97	14,278.32
14 Nov 2033	105,207.10	12,090.72	2,187.60	14,278.32
15 May 2034	92,890.89	12,316.21	1,962.11	14,278.32
14 Nov 2034	80,344.99	12,545.90	1,732.42	14,278.32
14 May 2035	67,565.10	12,779.89	1,498.43	14,278.32
14 Nov 2035	54,546.87	13,018.23	1,260.09	14,278.32
14 May 2036	41,285.85	13,261.02	1,017.30	14,278.32
14 Nov 2036	27,777.51	13,508.34	769.98	14,278.32
14 May 2037	14,017.24	13,760.27	518.05	14,278.32
16 Nov 2037	0.00	14,017.24	261.42	14,278.66
Totals:		400,000.00	171,133.14	571,133.14

Client:	Shire of Dowerin (the "Borrower") -
Interest Rate:	3.7300% p.a. * (Semi Annual Compounding) 1.8650% * effective Semi Annual
Lending Date:	14 November 2017
Maturity Date:	14 November 2037
Loan amount:	\$400,000.00
Schedule Basis:	40 Semi Annual repayments

Notes:

The interest rate quoted and this Loan Repayment Schedule are based on rates applying as at 14 November 2017
Interest rates do not include Government Guarantee Fee, which is invoiced separately by WATC on behalf of the Treasurer of the State of Western Australia and is subject to change in accordance with government policy.

Emma Richards

Subject: FW: Urgent - Housing required in Dowerin under the Government Regional Officers' Housing (GROH) Program - 1718-ED123

From: Matt MEYERS [<mailto:Matt.MEYERS@communities.wa.gov.au>]

Sent: Tuesday, 31 October 2017 10:50 AM

To: Andrea Selvey

Cc: Susan Fitchat; Steven Geerdink; Graeme Southey

Subject: RE: Urgent - Housing required in Dowerin under the Government Regional Officers' Housing (GROH) Program - 1718-ED123

Hi Andrea

We have 8 dwellings in the town, 3 private leases and 5 GROH owned dwellings. Of this we have two x 2 bed units, 3 x 3 bed dwellings and 3 x 4 bed dwellings. Details of these dwellings are outlined below:

PROPERTY_REF	LOT_NO	UNIT_NO	STREET_NO+SFX	STREET_NAME	STREET_
705531	278	1	6	MECKERING	ROAD
707601	278	2	6	MECKERING	ROAD
1693752	53		6	OLOGHLEN	STREET
1664473	55		10	OLOGHLEN	STREET
711942			13	OLOGHLEN	STREET
1631826			18	O'LOGHLEN	STREET
1700017	63		26	O'LOGHLEN	STREET
711416	16		3	PLACE	STREET

The current request from the Department of Education is for an "additional" 3 bedroom dwelling, you will note that under the GROH Program we own two 3 bedroom dwellings built in 1990 and 1996 respectively, therefore it is most likely that both these older dwellings will be reverted should demand for housing diminish in Dowerin into the future. Therefore there is little risk to Council that this dwelling will be returned at the end of the 10-year lease period.

Unfortunately under our program we are unable to grant a lease for beyond a 10-year timeframe, we are therefore unable to consider a 20-year lease term. We are agreeable to your suggested rental of \$700 per week, plus annual CPI increases.

It would be appreciated if you could present this to Council once more for their consideration.

Regards

Matthew Meyers

Program Manager | Housing Programs
Housing

Department of Communities

P 08 9286 6033 **F** 08 9286 6025 **M** 0438 916 690

203 Nicholson Road, Shenton Park WA 6008

W communities.wa.gov.au



From: Andrea Selvey [<mailto:ceo@dowerin.wa.gov.au>]

Sent: Thursday, 26 October 2017 10:20 AM

To: Matt MEYERS <Matt.MEYERS@housing.wa.gov.au>

Cc: Susan Fitchat <finance@dowerin.wa.gov.au>; Steven Geerdink <works@dowerin.wa.gov.au>; Graeme Southey <cdo@dowerin.wa.gov.au>

Subject: RE: Urgent - Housing required in Dowerin under the Government Regional Officers' Housing (GROH) Program - 1718-ED123

Good morning Matt,

At the Council workshop on Tuesday evening, Councillors looked at the NPV calculations on various scenarios regarding this proposal.

The NVP shows that a 10 year program would be disadvantageous to Council and the current proposal for possible renewal of the lease carries high risk for Council. That is, if the Department chooses not to exercise the option to renew the lease, Council would be left with a large debt and limited income.

I got the strong feeling from the workshop discussion that Council would be more likely to consider this proposal more favourably if we could be assured of a 20 year lease agreement with the Department of \$700 per week plus an annual CPI increase. Is that something you can work with?

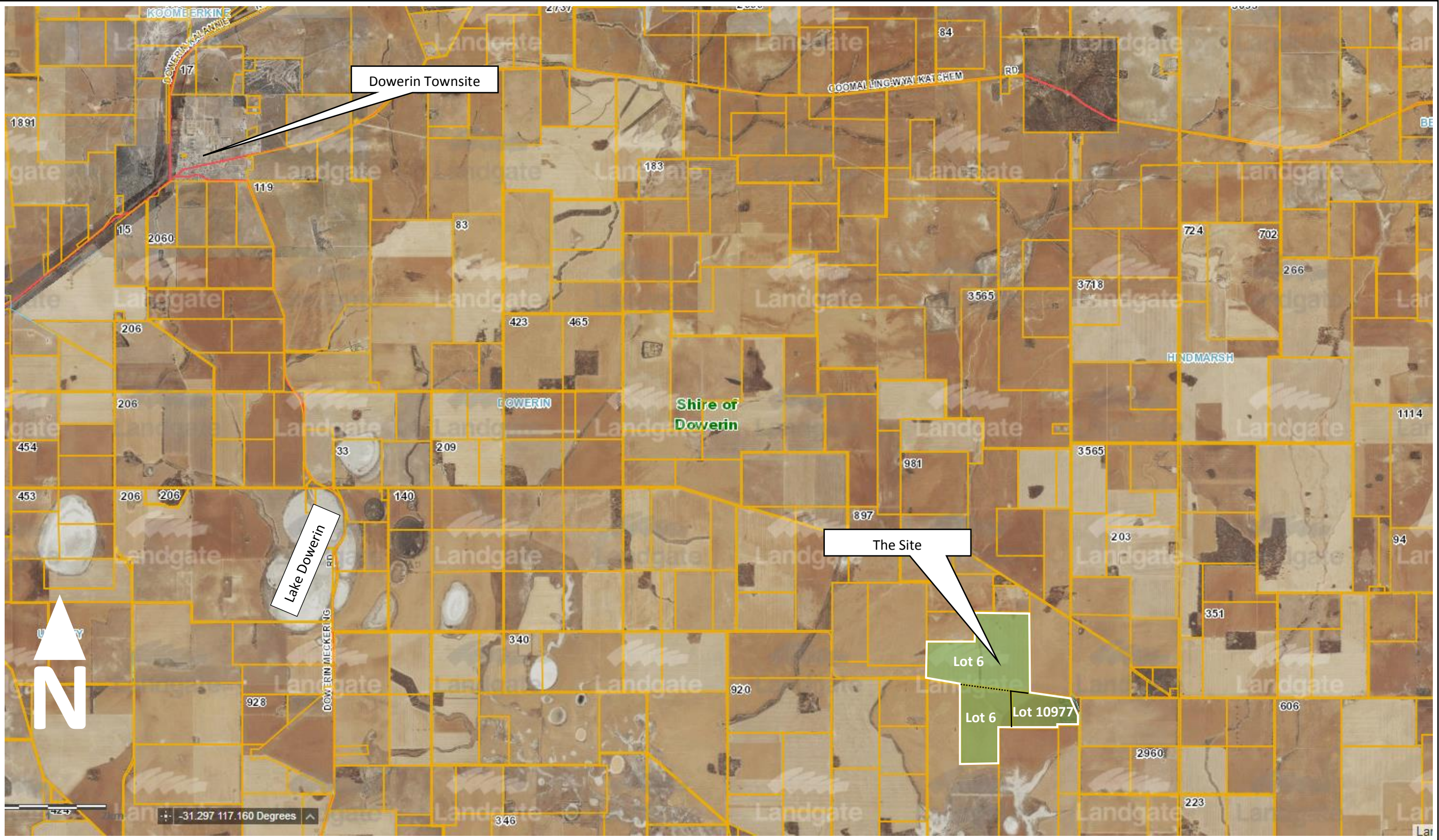
Many thanks, Andrea

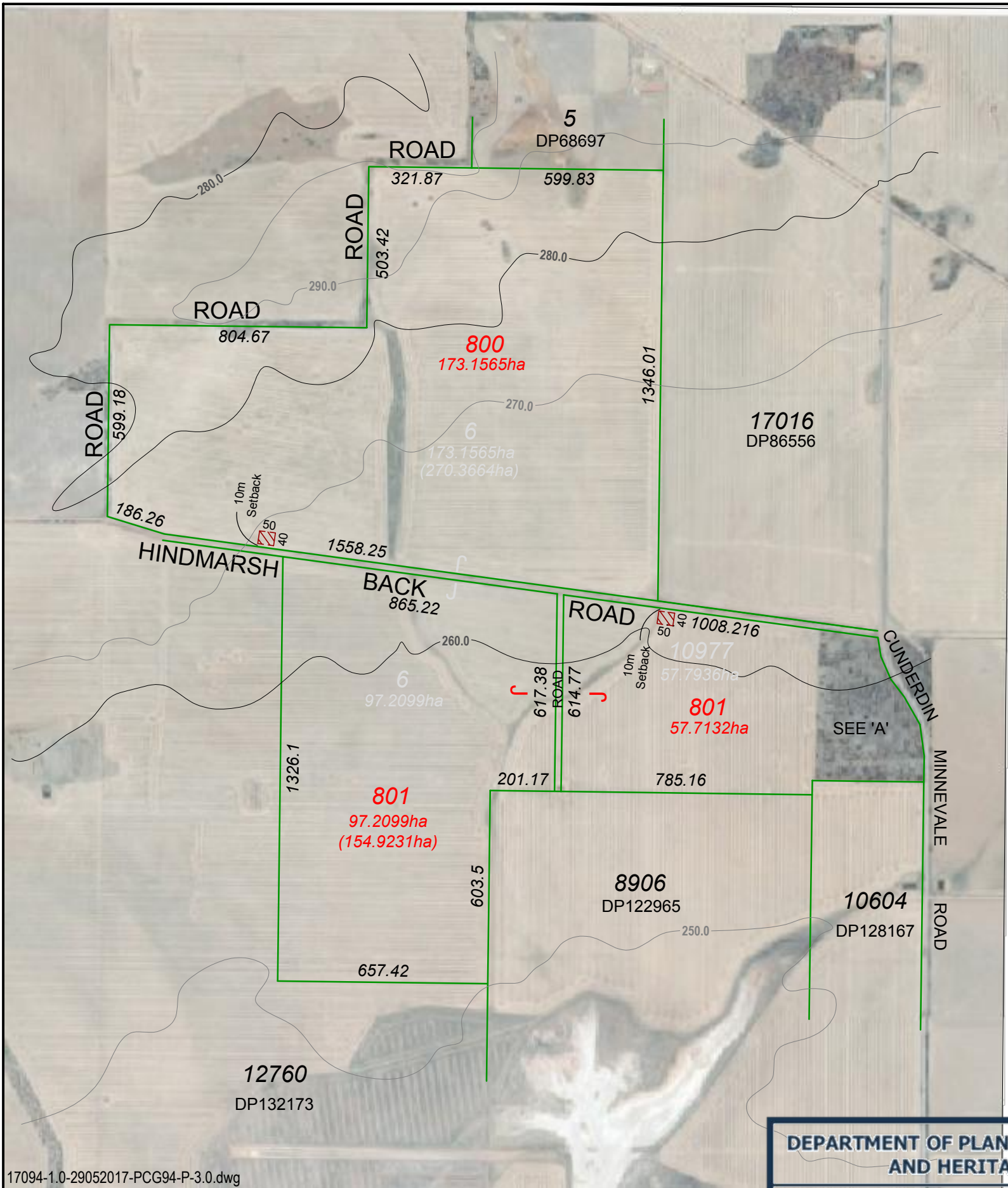
Andrea Selvey
Chief Executive Officer
Shire of Dowerin
PO Box 111
13 Cottrell Street
Dowerin WA 6461

Ph: 08 9631 1202
Fax: 08 9631 1193
Website: www.dowerin.wa.gov.au



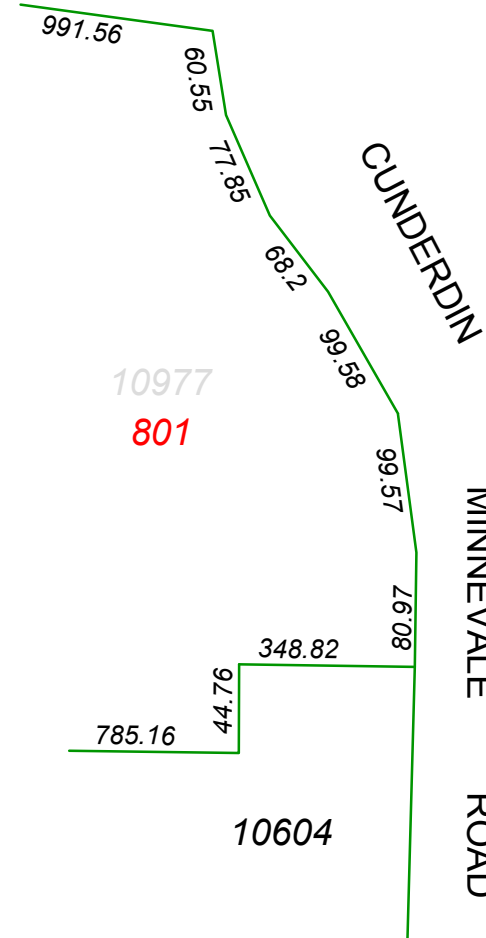
Lot 6 and Lot 10977 Hindmarsh Back Road, Dowerin
LOCATION PLAN



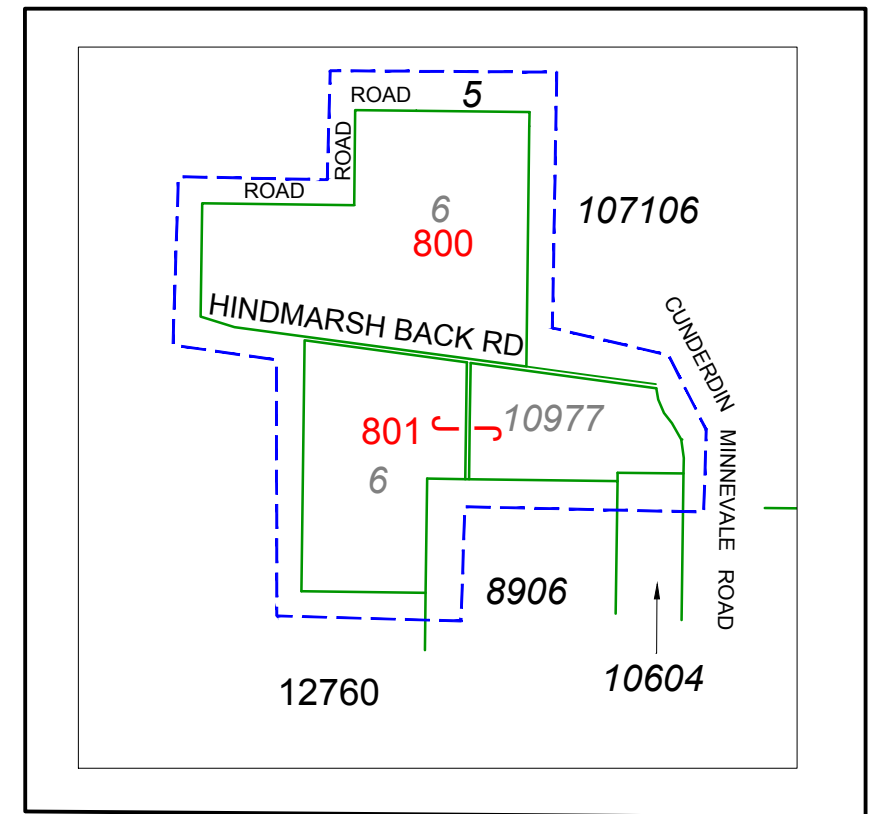


INDICATIVE BUILDING
ENVELOPE 2000m²

HINDMARSH
BACK ROAD



ENLARGEMENT 'A'
NOT TO SCALE



LOCATION SKETCH
NOT TO SCALE

- = Cadastral Boundary
- - - = Proposed Boundary
- - - = Application Boundary

Nº of Original Lots = 2
Lot 6 = 270.3664ha
Lot 10977 = 57.7132ha
Total = 328.0796ha

Nº of Proposed Lots = 2
Lot 800 = 173.1565ha
Lot 801 = 154.9231ha
Total = 328.0796ha

Scale @A3 1:15000



Notes:

- Boundary plotted from Landgate SCDB digital data only.
- Boundary for WAPC Application purposes only.
- True position of Boundary is subject to a re-establishment survey.
- Dimensions, Areas and Offsets subject to re-establishment survey.

17094-1.0-29052017-PCG94-P-3.0.dwg

VER.	DATE	BY	AMENDMENTS
1.0	30.05.2017	CG	Issued for Information
2.0	01.06.2017	CG	Amend Proposed Lots
3.0	10.07.2017	CG	Added Building Envelope



12B Pepler Ave. Salter Point WA 6152
Ph: 9450 7188 Fax: 9450 7199
email: admin@jbasurveys.com.au
web: www.jbasurveys.com.au

CLIENT:

DEPARTMENT OF PLANNING, LANDS
AND HERITAGE

DATE
15-Sep-2017

FILE
155693

DONALD FREIND

JOB NO: 17094

TITLE: PROPOSED SUBDIVISION

PROJECT:

LOT 6 ON DP68697 & LOT 10977 ON DP135959
HINDMARSH BACK ROAD
DOWERIN, WA, 6461
C/T 2792-203 & 2790-500

SURVEYOR: N/A

DATE OF SURVEY: N/A

DRAWN BY: CG

APPROVED BY: NRW

DATUM

VERT: AHD
HORIZ: PCG94

SCALE: 1:15000

DWG NO: 17094-APS01

SHEET NO: 1 OF 1

VER:
3.0

A3

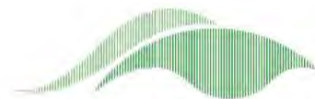


Bushfire Management Plan



Report Details

Project:	Proposed Subdivision	
Project Address:	Lots 6 and 10977 Hindmarsh Back Road, Dowerin, WA, 6107	
Prepared by:	James Terenciuk, Level 2 BPAD Bushfire Planning Practitioner, BPAD36529, MAIBS, AIMM.	
Report / Job Number 7412	Report Version 1	Assessment Date: 28 July 2017



GREEN START CONSULTING
fast building approvals

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Executive Summary

The aim of this report is to take a detailed look into bushfire management strategies to reduce the risk to future development on the subject site. Furthermore, development of the land is consistent with the principles of orderly and proper planning and is not considered to impact the safety of future residents.

1. Background Information

This Bushfire Management Plan was prepared to provide guidance for the planning and management of potential bushfire threat. The standards and recommendations within this plan are based on the performance criteria as set out in Guidelines for Planning in Bushfire Prone Areas (2015).

This Bushfire Management Plan meets the requirements of SPP 3.7 and the Guidelines for Planning in Bushfire Prone Areas



James Terenciuk
Level 2 BPAD Bushfire Planning Practitioner

1.1 Purpose of Plan

The purpose of this Plan is minimise the occurrence and impact of bushfires and their devastating effects to life, property and the environment, and to document fire prevention requirements at the Site. By providing acceptable solutions the BAL level can be managed to an acceptable level.

1.2 Proposed Development

The proposal at Lots 6 and 10977 Hindmarsh Back Road, Dowerin seeks approval for a proposed subdivision on site. The site has been identified as being located within a bushfire prone area according to the most recent map published by the Department of Fire and Emergency Services at the time of this report.

1.3 Objectives

The objectives of this Plan are to:

- Define areas where values are located
- Identify individuals and organizations responsible for fire management and associated works within the area of the plan
- Develop fire management strategies for all land with regard to life, property and the environment
- Nominate an assessment procedure that evaluates the effectiveness and impact of proposed and existing fire prevention work and strategies
- Identify performance criteria and acceptable solutions for all fire management works, including acceptable solutions for fire breaks, low fuel areas and building construction standards.

This Plan will achieve the objectives by:

- Assessing the bushfire attack level
- Determining bushfire management requirements
- Determining ongoing management responsibilities

1.4 Site Details and Overview

The Site is located approximately 160 km North-East of Perth. Lot 6 is approximately 270 ha, whereas lot 10977 is approximately 58 ha, giving a total lot area of 328 ha. The site is located in a bushfire prone region and has no known LNA on site. A subdivision and boundary realignment is proposed at the Site.

1.5 Solutions applied

The Guidelines for Planning in Bushfire Prone Areas require a statement of which Acceptable Solutions are proposed, and where applicable, a summary of any alternative solutions proposed and in what sections of the Bushfire Management Plan they are documented.

Applicable Acceptable Solutions addressed in Part 4 of this Bushfire Management Plan: A1.1, A2.1, A3.1, A3.8, A4.3. Alternative Solutions forming part of this report: Nil.

2. Spatial Considerations of Bushfire Threat

The location and extent of the classifiable vegetation in relation to the proposed subdivision have been assessed and recorded in the attached BAL Assessment Report extract. The BAL Assessment Report is produced based on a methodology 1 assessment, with the vegetation being assessed “as is” in accordance with AS3959. The indicative BAL is given in the table below. Exemptions in Clause 2.2.3.2 of AS3959 have been utilized where appropriate and results in a BAL rating of BAL-29 or below, in accordance with the Guidelines to Planning in Bushfire Prone Areas.

Potential Bushfire Impacts

The potential bushfire impact to the site, based on the indicative building envelopes, from each of the identified vegetation plots are identified in the following table and further extrapolated in the following preliminary BAL Assessment. Based on the current conditions on site, each building envelope indicates a BAL-LOW rating based on its proximity to classifiable vegetation.

Plot	Vegetation Classification	Effective Slope	Separation (m)	BAL
1	Excludable – Clause 2.2.3.2(f)	-	-	BAL – LOW
2	Excludable – Clause 2.2.3.2(a)	-	350.9m (lot 800)	BAL – LOW
3	Excludable – Clause 2.2.3.2(a)	-	455.8m (lot 801)	BAL – LOW

Indicative Bushfire Attack Level (BAL)

As there is no development being proposed at this stage, the building envelopes provided on the location plan are indicative only. If the indicative building envelopes on the location plan are proposed to be relocated for the purposes of any future development application, the author of the plan should be notified and the document amended accordingly. The table below demonstrates the indicative maximum BAL rating for each proposed lot after the implementation of this Bushfire Management Plan.

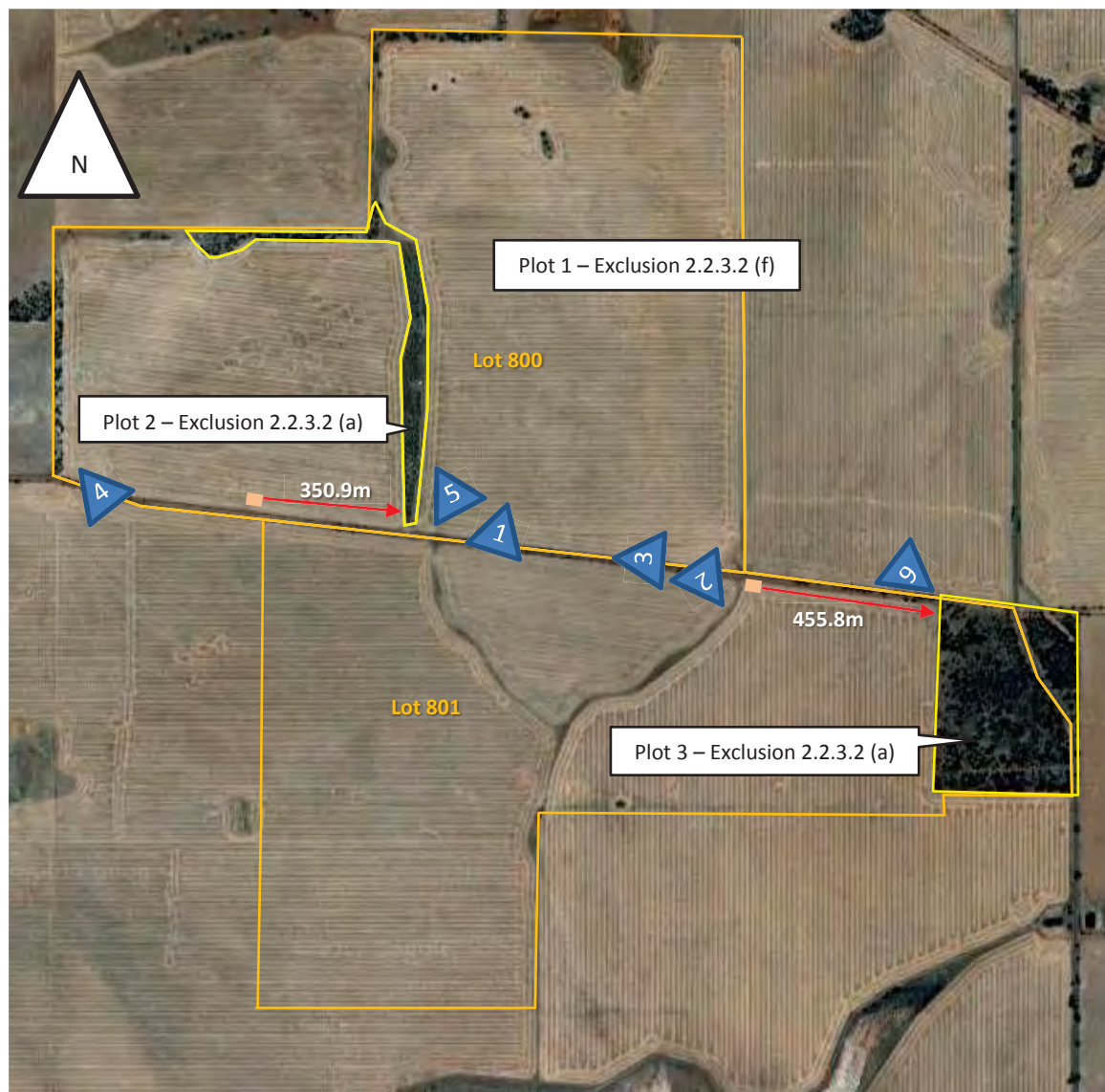
Building Envelope	Vegetation Classification	Effective Slope	Proposed Separation	Indicative BAL Rating
Proposed Lot 800	Excludable - 2.2.3.2(a) (Class B Woodland if less than 100m from any altered building envelope)	Flatland	14 m	BAL-29
Proposed Lot 801	Excludable - 2.2.3.2(a) (Class B Woodland if less than 100m from any altered building envelope)	Flatland	14 m	BAL-29

2.1 Preliminary BAL Assessment






2.1.1 Site Assessment & Site Plans

The assessment of this site / development was undertaken by a BPAD Accredited Practitioner for the purpose of determining the Bushfire Attack Level in accordance with AS 3959 - 2009 Simplified Procedure (Method 1).

Total Site Map – Showing Plots of vegetation classified based on indicative building envelopes.



Legend

-  = Photo location
-  = 150m wide buffer
-  = Vegetation plots
-  = Site boundary
-  = Proposed Building Envelopes

2.1.2 Vegetation Classification

All vegetation within the site boundary was classified in accordance with Clause 2.2.3 of AS 3959-2009. Each distinguishable vegetation plot with the potential to determine the Bushfire Attack Level is identified below, based on its proximity to the indicative building envelopes.

Photo ID:	1	Plot:	1
Vegetation Classification or Exclusion Clause			
Excludable - 2.2.3.2(f) Low Threat Vegetation			
Description / Justification for Classification			
Low threat vegetation managed in a minimal fuel condition, including grassland managed to less than 100mm, nature strips and windbreaks.			


			
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Photo ID:	2	Plot:	1
Vegetation Classification or Exclusion Clause			
Excludable - 2.2.3.2(f) Low Threat Vegetation			
Description / Justification for Classification			
Low threat vegetation managed in a minimal fuel condition, including grassland managed to less than 100mm, nature strips and windbreaks.			


			
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Photo ID:	3	Plot:	1
Vegetation Classification or Exclusion Clause			
Excludable - 2.2.3.2(f) Low Threat Vegetation			
Description / Justification for Classification			
Low threat vegetation managed in a minimal fuel condition, including grassland managed to less than 100mm, nature strips and windbreaks.			





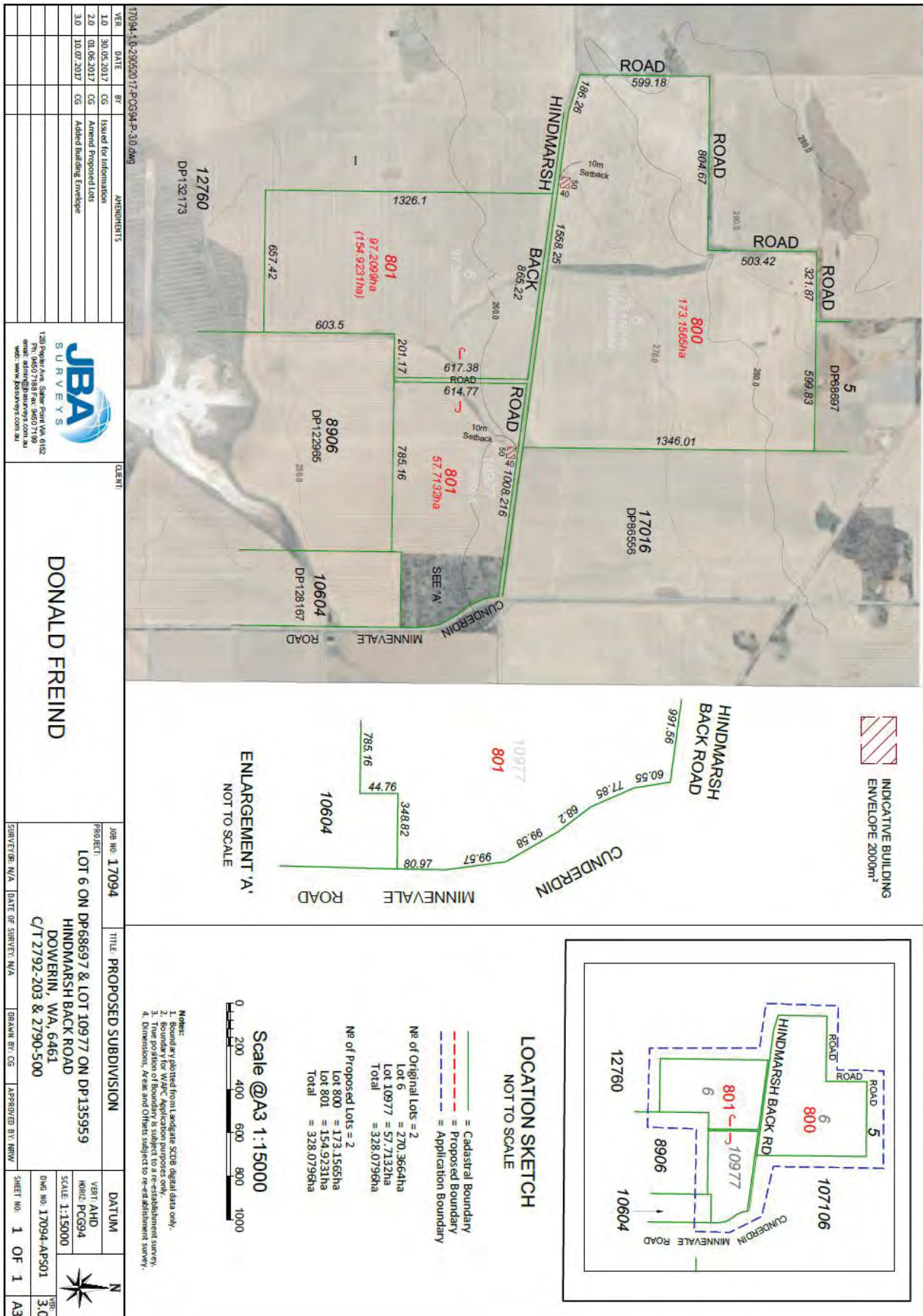
			
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Photo ID:	4	Plot:	1
Vegetation Classification or Exclusion Clause			
Excludable - 2.2.3.2(f) Low Threat Vegetation			
Description / Justification for Classification			
Low threat vegetation managed in a minimal fuel condition, including grassland managed to less than 100mm, nature strips and windbreaks.			
			
Photo ID:	5	Plot:	2
Vegetation Classification or Exclusion Clause			
Excludable - 2.2.3.2(a) >100m from site			
Description / Justification for Classification			
Vegetation of any type that is more than 100 m from the site.			
			
Photo ID:	6	Plot:	3
Vegetation Classification or Exclusion Clause			
Excludable - 2.2.3.2(a) >100m from site			
Description / Justification for Classification			
Vegetation of any type that is more than 100 m from the site.			
			

2.2 Subdivision Location Plan



3. Proposal Compliance and Justification

3.1 Meeting the Objectives of SPP3.7

Objective 5.1

Avoid any increase in the threat of bushfire to people, property and infrastructure. The preservation of life and the management of bushfire impact are paramount.

Objective 5.1 is satisfied by the fact that the proposed subdivision and subsequently the residence does not intensify the threat of bushfire to the development or neighbouring lots. The impact of any potential bushfire is mitigated by addressing all of the 4 Elements in the Guidelines for Planning in Bushfire Prone Areas.

Objective 5.2

Reduce vulnerability to bushfire through the identification and consideration of bushfire risks in decision-making at all stages of the planning and development process.

Objective 5.2 is satisfied by the site assessment map in this document that identifies all classifiable vegetation within the context of the site that may pose any potential bushfire risks to this particular site. The attached Bushfire Attack Level Assessment then determines the highest BAL level the site will be subject to.

Objective 5.3

Ensure that higher order strategic planning documents, strategic planning proposals, subdivision and development applications take into account bushfire protection requirements and include specified bushfire protection measures

Objective 5.3 is satisfied by the compliance with the 4 elements of the bushfire protection criteria listed in section 4 of this report.

Objective 5.4

Achieve an appropriate balance between bushfire risk management measures and, biodiversity conservation values, environmental protection and biodiversity management and landscape amenity, with consideration of the potential impacts of climate change.

Objective 5.4 is satisfied by minimal clearing maintaining the amenity valued in the area.

3.2 Policy Measures Which Apply To This Proposal

6.1 Higher order strategic planning documents in bushfire prone areas
Not Applicable.
6.2 Strategic planning proposals, subdivision and development applications
Site has been identified as being rated above BAL-LOW therefore Policy Measures 6.3, 6.4 and 6.5 are triggered.
6.3 Information to accompany strategic planning proposals
Not applicable.
6.4 Information to accompany subdivision applications
This Bushfire Management Plan contains all of the required elements to support the proposed subdivision at the subject site. The included site assessment map from the BAL Assessment highlights all the classifiable vegetation within the context of the site, which may pose any potential bushfire risk to future development.
6.5 Information to accompany development applications
Not applicable.
6.6 Vulnerable or high-risk land uses
Not Applicable.
6.7 Strategic planning proposals, subdivision or development applications in areas where an extreme BHL and/or BAL-40 or BAL-FZ applies
Not applicable.
6.8 Advice of State/relevant authority/s for emergency services to be sought
Not Applicable.
6.9 Advice of State/relevant agencies/authorities for environmental protection to be sought
Not applicable.
6.10 Bushfire conditions may be imposed
A notice is to be placed on title which is to be enforced by Local Government notifying of the existence of this Bushfire Management Plan and requirement to maintain areas of property in low fuel conditions.
6.11 Precautionary principle
The precautionary principle is a fundamental part of bushfire planning and has been incorporated in all aspects of this Bushfire Management Plan.

3.3 How Does the Proposal Address the Bushfire Protection Criteria

The Bushfire Protection Criteria are addressed in Part 4 of this Bushfire Management Plan.

3.4 Statement Against Other Relevant Documents

This Bushfire Management Plan meets the intent of:

1. State Planning Policy 3.7,
2. Guidelines for Planning in Bushfire Prone Areas,
3. Local planning strategy references to bushfire risk management,
4. Local planning scheme provisions relating to bushfire risk management,
5. Applicable structure plans, special control area provisions, previous planning approvals or similar referencing bushfire risk management applicable to the subject site,
6. Standard fire break orders of the area; and
7. AS3959 Construction of Buildings in Bushfire-Prone Areas.

There is currently no Bushfire Management Plan prepared over the subject site, no existing Bushfire Hazard Level assessment or BAL assessment prepared over the site and no applicable landscaping plans. No noncomplying areas have been identified.

4. Bushfire Risk Management Measures

The 4 elements of bushfire protection criteria to follow have been provided to assist in the design and development of strategic planning proposals, subdivision applications and development applications in bushfire prone areas.

4.1 Element 1: Location

Intent: To ensure that strategic planning proposals, subdivision and development applications are located in areas with the least possible risk of bushfire to facilitate the protection of people, property and infrastructure.

Performance Principle P1: The strategic planning proposal, subdivision and development application is located in an area where the bushfire hazard assessment is or will, on completion, be moderate or low, or a BAL-29 or below, and the risk can be managed.

Acceptable Solution A1.1 Development location: The strategic planning proposal, subdivision and development application is located in an area that is or will, on completion, be subject to either a moderate or low bushfire hazard level, or BAL-29 or below.

Response: The purpose of this bushfire management plan is to reduce the risk of bushfire attack to any future development on the subdivision site. After implementation of this Bushfire Management Plan the indicative Bushfire Attack Level on site will not exceed BAL-29. If the indicative building envelopes on the subdivision plan are relocated for the purposes of any potential development application, the author of the plan should be notified and the document amended accordingly.

4.2 Element 2: Siting

Intent: To ensure that the siting and design of development minimises the level of bushfire impact.

Performance Principle P2: The siting and design of the strategic planning proposal, subdivision or development application, including roads, paths and landscaping, is appropriate to the level of bushfire threat that applies to the site. That it minimises the bushfire risk to people, property and infrastructure, including compliance with AS 3959.

Acceptable Solution A2.1 Asset Protection Zone (APZ): Every habitable building is surrounded by, and every proposed lot can achieve, an APZ depicted on submitted plans, which meets the following requirements:

1. **Width:** Measured from any external wall or supporting post or column of the proposed building, and of sufficient size to ensure the potential radiant heat impact of a bushfire does not exceed 29kW/m^2 (BAL-29) in all circumstances.

Figure 14: A reduced separation distance may necessitate increased construction standards

It may be possible to reduce the minimum distances, for example by increasing the construction standard of the building – in this example the building would need to be constructed to BAL-29



Figure 2.1.1: Diagram of Asset Protection Zone achieving a maximum BAL-29

2. **Location:** the APZ should be contained solely within the boundaries of the lot on which the building is situated, except in instances where the neighbouring lot or lots will be managed in a low-fuel state on an ongoing basis, in perpetuity.
3. **Management:** the APZ is managed in accordance with the requirements of 'Schedule 1: Standards for Asset Protection Zones':
 - i) **Fences:** within the APZ are constructed from non-combustible materials (e.g. iron, brick, limestone, metal post and wire). It is recommended that solid or slatted non-combustible perimeter fences are used.
 - ii) **Objects:** within 10 metres of a building, combustible objects must not be located close to the vulnerable parts of the building i.e. windows and doors.
 - iii) **Fine Fuel load:** combustible dead vegetation matter less than 6 millimetres in thickness reduced to and maintained at an average of two tonnes per hectare.
 - iv) **Trees (> 5 metres in height):** trunks at maturity should be a minimum distance of 6 metres from all elevations of the building, branches at maturity should not touch or overhang the building, lower branches should be removed to a height of 2 metres above the ground and or surface vegetation, canopy cover should be less than 15% with tree canopies at maturity well spread to at least 5 metres apart as to not form a continuous canopy.

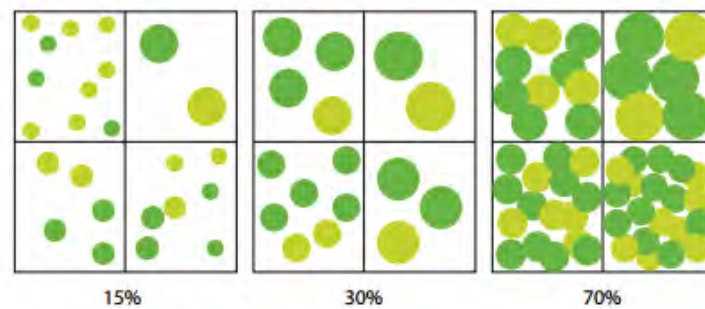


Figure 2.1.1: Tree canopy cover – ranging from 15 to 70 percent at maturity

- v) **Shrubs (0.5 metres to 5 metres in height):** should not be located under trees or within 3 metres of buildings, should not be planted in clumps greater than 5m² in area, clumps of shrubs should be separated from each other and any exposed window or door by at least 10 metres. Shrubs greater than 5 metres in height are to be treated as trees.
- vi) **Ground covers (<0.5 meters in height):** can be planted under trees but must be properly maintained to remove dead plant material and any parts within 2 metres of a structure, but 3 metres from windows or doors if greater than 100 millimetres in height. Ground covers greater than 0.5 metres in height are to be treated as shrubs.
- vii) **Grass:** should be managed to maintain a height of 100 millimetres or less

Response:

1. In order to achieve a reasonable separation distance from Group B Woodland (flat land) the mandatory Asset Protection Zone width for the indicative building envelopes is 14 m, to maintain an indicative BAL rating that does not exceed BAL-29 throughout the life of any proposed buildings.
2. The proposed Asset Protection Zone will be maintained within the boundary of the site and in all directions around the building envelopes (as demonstrated by APZ Layout below), with the exception of the area directly facing Hindmarsh Back Road for each proposed building envelope. These will extend the 10m to the lot boundary, with the road reserve (20m wide) providing the remaining buffer
3. The APZ is to be maintained as per Schedule 1 to reduce the fuel load and the potential bushfire risk to the property in perpetuity.
4. If the indicative building envelopes are to be altered in any future development application, the author of this plan is to be notified and the BMP amended accordingly. An APZ of a minimum 14m will apply in all cases.
5. This is to be combined with the legal requirement of vegetation management as per Shire of Dowerin's Fuel Load Notice. (attached as appendix in this document).



4.2.1 APZ Layout

4.3 Element 3: Vehicular Access

Intent: To ensure that the vehicular access serving a subdivision/development is available and safe during a bushfire event.

Performance Principle P3: The internal layout, design and construction of public and private vehicular access and egress in the subdivision/ development allow emergency and other vehicles to move through it easily and safely at all times.

Acceptable Solution A3.1 Two access routes: Two different vehicular access routes are provided, both of which connect to the public road network, provide safe access and egress to two different destinations and are available to all residents/the public at all times and under all weather conditions

E3.2 Public road

Trafficable surface

Widths quoted for access routes refer to the width of the trafficable surface. A six metre trafficable surface does not necessarily mean paving width. It could, for example, include four metre wide paving one metre wide constructed road shoulders.

In special circumstances, where eight lots or less are being serviced, a public road with a minimum trafficable surface of four metres for a maximum distance of 90 metres may be provided subject to the approval of both the local government and Department of Fire and Emergency Services.

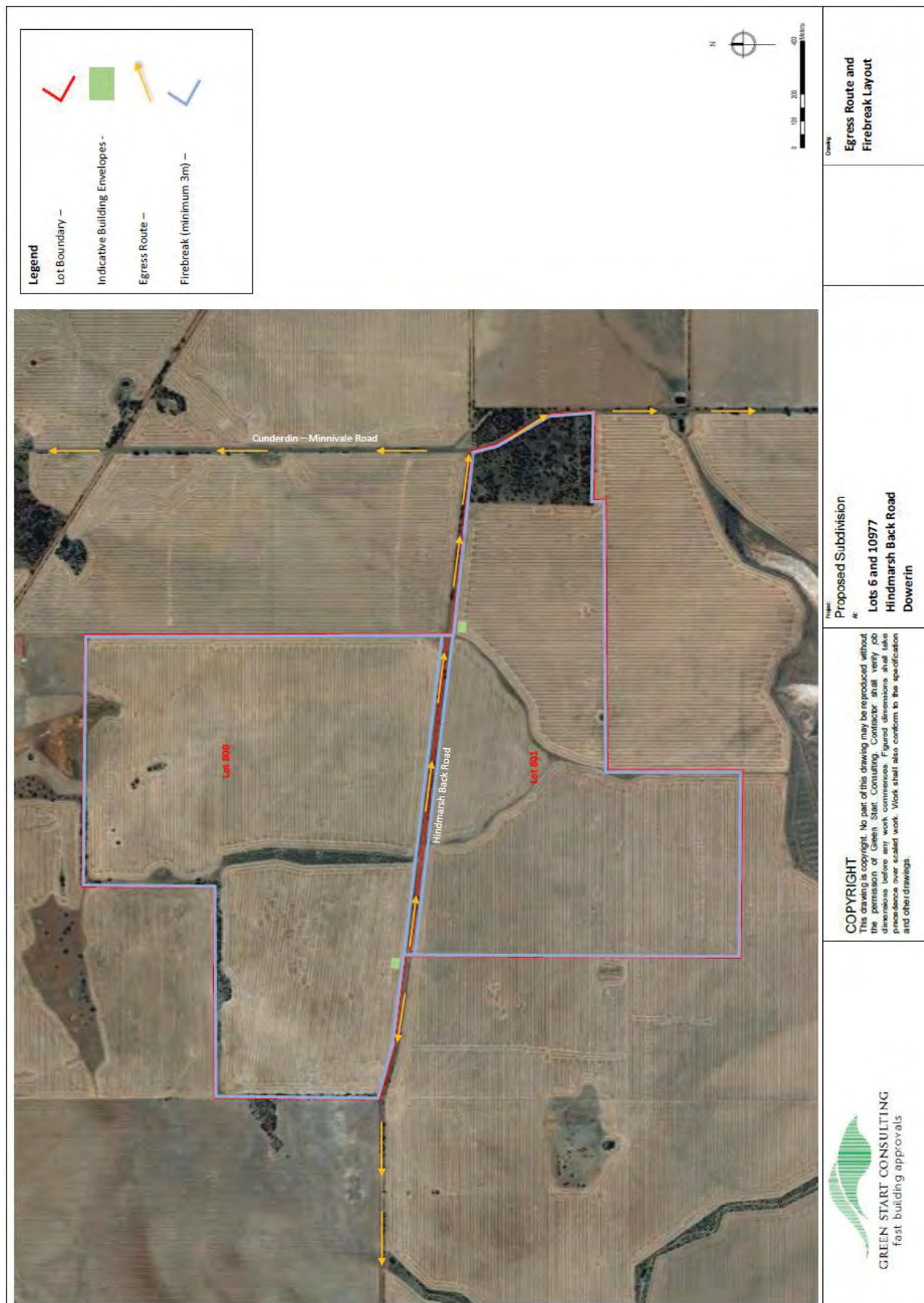
Public road design

All roads should allow for two-way traffic to allow conventional two-wheel drive vehicles and fire appliances to travel safely on them.



Figure 17: Minimum design requirements for a public road

Response: Access will primarily be provided via Hindmarsh Back Road which runs in between each proposed lot, giving a choice of two safe egress destinations to the east and west, which are available to all people at all times.



4.3.1 Egress Route and Firebreak Layout

Acceptable Solution A3.8 Firebreak width: Lots greater than 0.5 hectares must have an internal perimeter firebreak of a minimum width of three metres or to the level as prescribed in the local firebreak notice issued by the local government.

Response: The landowner of the lot must comply with the requirements of the local government's firebreak notice, as published annually. As per the Shire of Dowerin's Fuel Load Notice, all land over 50 ha is to install a legally required trafficable fire break of a minimum width of 3 m. The landowner is to undertake the ongoing maintenance of the firebreaks whilst the management of vegetation for the rest of the plot is to be carried out as per the notice.

4.4 Element 4: Water

Intent: To ensure that water is available to the subdivision, development or land use to enable people, property and infrastructure to be defended from bushfire.

Performance Principle P4: The subdivision, development or land use is provided with a permanent and secure water supply that is sufficient for firefighting purposes.

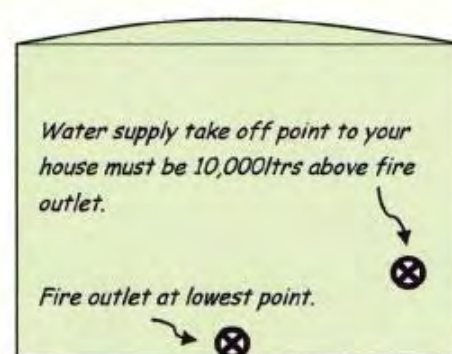
Acceptable Solution A4.3 Individual lots within non-reticulated areas: Single lots above 500 square metres need a dedicated static water supply on the lot that has the effective capacity of 10,000 litres.

Response:

Each owner is to supply their domestic water tank (minimum 120,000 litres) with 10,000 litres to be retained in the tank at all times to be used solely for the purpose of firefighting. It will be the owner's responsibility to replenish the supply at owner's cost.

Each private domestic vessel shall be fitted with a minimum 50mm Full Flow Valve and a 50 mm male camlock fitting with a blanking cap. This coupling and valve shall be installed and maintained in a correct operating condition at all times at the property owner's expense. The firefighting outlet is to be placed at the bottom of the tank and the domestic outlet above to bottom of the tank so that 10,000 litres of water remain in the tank at all times. See Diagram Below.

The domestic vessel shall be located in an area that will enable fire appliances to back up onto a hardstand and turn around area to within 3 metres from the tank. Access is to be suitable for a large 15 tonne fire appliance with a 17.5 metre turning circle or as shown in 4.3.4 Proposed Driveway diagram.



5. Construction Requirements as per AS3959.

In order to improve the ability of a proposed building in designated bushfire-prone areas to better withstand attack from bushfire, improving the design and construction of buildings to minimize damage from the effects of bushfire is but one of several measures available to property owners and occupiers to address damage during bushfire.

Therefore, any future proposed development must abide with Section 3 Construction General and Section 7 Construction for Bushfire Attack Level 29 from the AS3959 in order to lessen the risk of damage to the building as well as to protect the occupants of the property from harm.

6. Implementation and Enforcement

Task	Upfront tasks needing to be completed		Individuals and/or organisations	
	Responsible Party	Time Frame	Responsible Party	Time Frame
Asset Protection Zone	Landowner	Prior to subdivisional clearance	Land owner	Ongoing
Construction requirements	Builder and Building Surveyor	Prior to construction commencement	Land owner	Ongoing
Road network	Builder	Prior to subdivisional clearance	Land owner	Ongoing
Water Tanks	Landowner	Prior to development approval	DFES, Local Government, Landowner	Ongoing
Water Hydrants	DFES and Local Government	Prior to subdivisional clearance	DFES and Local Government	Ongoing
Firefighting Response	DFES and Local Volunteer Brigade	Ongoing	DFES and Local Volunteer Brigade	Ongoing
Fuel reduction and Fire Break Notice	Landowner	Ongoing	Landowner	Annually
Inspection and Enforcement			Local Government	Ongoing

** Responsible for ongoing fire management and works proposed in the Bushfire Management Plan (e.g. local government for land vested in it and private property owners for freehold land)*

The individuals/organisations stated in the table are to be notified of their responsibilities by the proponent so that they are able to comply with the Bushfire Management Plan. A copy of the endorsed Bushfire Management Plan is to be provided to each entity for a thorough understanding of the roles and responsibilities involved.

Although this Bushfire Management Plan relates to a specific planning approval, as a part of an ongoing fire mitigation strategy it should be referred to periodically. In case of changing circumstances and any items found to require review, they must be brought to the attention of the local government and the Bushfire Management Plan author.

7. Recommendations

1. A notice is to be placed on title for the lot by the local government alerting future landowners to this BMP.
2. An asset protection zone is to be created and maintained in accordance with siting requirements of element 2 of the Guidelines for Planning in Bushfire Prone Areas.
3. Road network to be maintained in accordance with element 3 of the Guidelines for Planning in Bushfire Prone Areas.
4. Any future development outside the indicative building envelopes to require this BMP to be amended showing new building envelopes.
5. Installation and maintenance of the fire break is the responsibility of the landowner as per the Shire of Dowerin's Fuel Load Notice.
6. A procedure must be in place to ensure that water tanks are maintained at or above the designated capacity, including home tanks on single lots, at all times. This could be in the form of an agreement with the local government and the fire service.
7. Any applicable construction requirements are to be implemented for any proposed development as per AS3959.
8. All future landowners to thoroughly read this BMP. If there are any items which require clarification it is recommended that they contact the author of this report.
9. Implementation and enforcement schedule to be actively adhered to.
10. This BMP along with any relevant documents is to be referred the local government's planning department.

8. Appendix 1 – BAL Certificates Issued Based on BMP Recommendations

Bushfire Attack Level (BAL) Certificate

Determined in accordance with AS 3959-2009

This certificate has been issued by a person by Fire Protection Association Australia under the Bushfire Planning and Design (BPAD) Accreditation Scheme. The certificate details the conclusions of the full Bushfire Attack Level Assessment Report (full report) prepared by the Accredited Practitioner.

Property Details and Description of Works

Address Details Local government area Main BCA class of the building Description of the building or works	Unit no	Street no	Lot no 800 and 801	Street name / Plan Reference Hindmarsh Back Road		
	Suburb Dowerin			State WA	Postcode 6461	
	Shire of Dowerin.					
	N/A		Use(s) of the building	N/A		
	Proposed Subdivision					

Determination of Highest Bushfire Attack Level

AS 3959 Assessment Procedure	Vegetation Classification	Effective Slope	Separation Distance	BAL
Method 1	Class B Woodland	Flatland	14 m	BAL – 29

BPAD Accredited Practitioner Details

Name James Terenciuk	 <i>Authorised Practitioner Stamp</i>
WA Bushfire Attack Level Report admin@wabalreport.com.au Phone: (08) 6114 9356 	
Green Start Consulting admin@greenstartconsulting.com.au Phone: (08) 6114 9356 	
I hereby certify that I have undertaken the assessment of the above site and determined the Bushfire Attack Level stated above in accordance with the requirements of AS 3959-2009 (Incorporating Amendments 1,2 and 3).	

Reliance on the assessment and determination of the Bushfire Attack Level contained in this report should not extend beyond a period of 12 months from the date of issue of the report. If this report was issued more than 12 months ago, it is recommended that the validity of the determination be confirmed with the Accredited Practitioner and where required an updated report issued

11. Appendix 2– Shire of Dowerin Fuel Load Notice 2016/17

First and Final Notice

Bush Fires Act, 1954 (as amended)

Notice is given to all owners and/or occupiers of land within the Shire of Dowerin under the requirements in relation to Section 33 of the Bush Fires Act 1954, that fire-breaks must be installed by 31st October 2016 and maintained clear of inflammable material up to and including 30th April 2017.

No burning is permitted over the

EASTER HOLIDAY PERIOD

(Good Friday and the 3 days immediately following Good Friday).

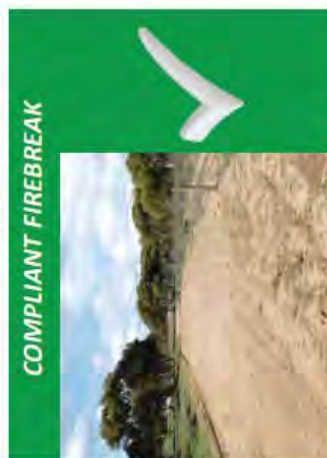
No lighting of chaff piles permitted on Wednesday or

Thursday before Good Friday

No open fires are permitted between

5th November – 14th February

(including for the purpose of cooking and camping).



Firebreaks must be installed

by the 31st October 2016.

ON THE SPOT FINE OF \$250 WILL BE ISSUED FOR

NON COMPLIANCE.

Contacts

Chief Bush Fire Control Officer
Phil Pickering — 0429 311 250
Bush Fire Control Officer
Andrea Selvey — 0429 311 202

Prescribed Burning

Restricted and Prohibited Burning Periods

Restricted Burning period:

20th October to the 4th November ; and 15th February to 14th April— **Permits are required.**

During the restricted burning period a permit to set fire to the bush is required before any burning operation can be carried out. These dates may be varied by the Shire of Dowerin, depending on the seasonal conditions.

Prohibited Burning period:

5th November to 14th February — **Strictly No Burning**

No burning is allowed for any reason during this period. This includes open cooking or camp fires. These times may be varied by the Shire of Dowerin depending on seasonal conditions.

Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug

Permit required



No burning



Burning Permits

A permit must be obtained from the SHIRE OF DOWERIN and must remain in possession of the permit holder during the burn.

Permits will only be issued for controlled burns that reduce a fire hazard on a property where no alternative method exists to abate the hazard. At least 24 hours notice prior to the burn the permit holder must give notice of intentions to burn to the owner or occupier of adjoining land or a phone call.

Any special conditions imposed by the Chief Bush Fire Control Officer must be strictly adhered to. Permits will NOT be issued for burning on any Sunday or Public Holiday.

Apply for a burning permit, providing your Assessment or Location number/s at the Shire of Dowerin office during business hours on Ph 9631 1202 or Fax 9631 1193 or email dowshire@dowerin.wa.gov.au

Fire Break Standards

Properties 20 hectares (50ac) or larger

1. Clear a ground firebreak at a width of no less than 3m, as close as practical, inside the external boundaries of the property, in which all inflammable material must be removed and remain cleared.
2. Firebreaks must be maintained to provide a vertical clearance of a minimum 4m so as to allow adequate access for fire appliances subject to the satisfaction of the Council's appointed officers.
3. Construct a 5m firebreak immediately surrounding all fuel and chemical storage areas.
4. Clear inflammable material within 20m of all dwellings to construct a 20m circle of safety. This can be maintained through domestic grass, mulch or slashed native grasses.
5. Areas cleared and piled for burning require a 20m ground firebreak.

Non Urban Land—Rural residential, rural development)

Industrial estates and subdivisions between half an acre (2023m2) to 50 acres

1. Clear 3m wide ground firebreak (clear of all inflammable material) with a vertical clearance of 4m high, clear of any obstructions immediately inside or as close as practical inside all external boundaries of the land.
2. Clear all inflammable material within 20m of all buildings to construct a 20m circle of safety.

Urban Land—All town sites

Properties less than half an acre (2023m2)

1. Clear land of ALL INFLAMMABLE material ie. Debris, dry grass, dry bush etc, subject to the satisfaction of Council's authorised officer's.

Properties larger than half an acre (2023m2)

1. Clear and maintain a 3m wide firebreak immediately inside external boundaries of the land.

SHIRE OF DOWERIN

MONTHLY FINANCIAL REPORT (Containing the Statement of Financial Activity) For the Period Ended 30 October 2017

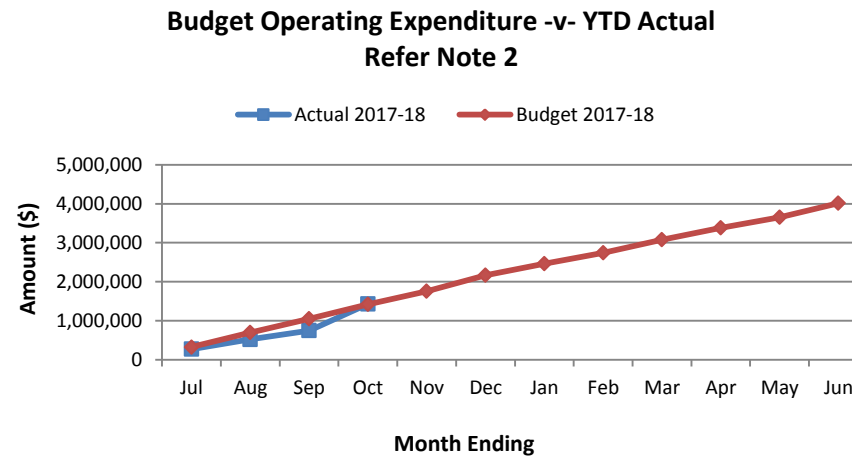
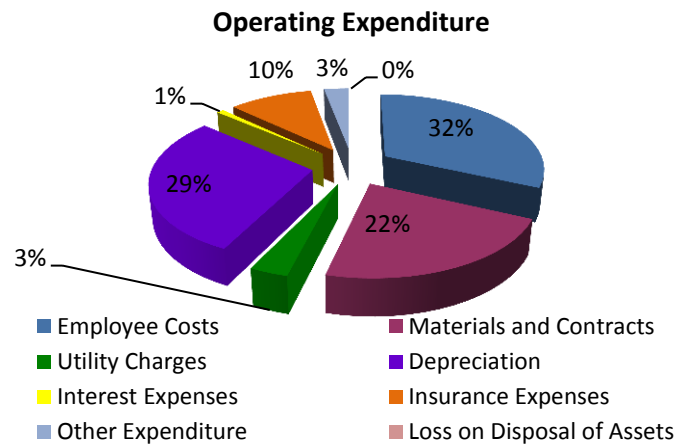
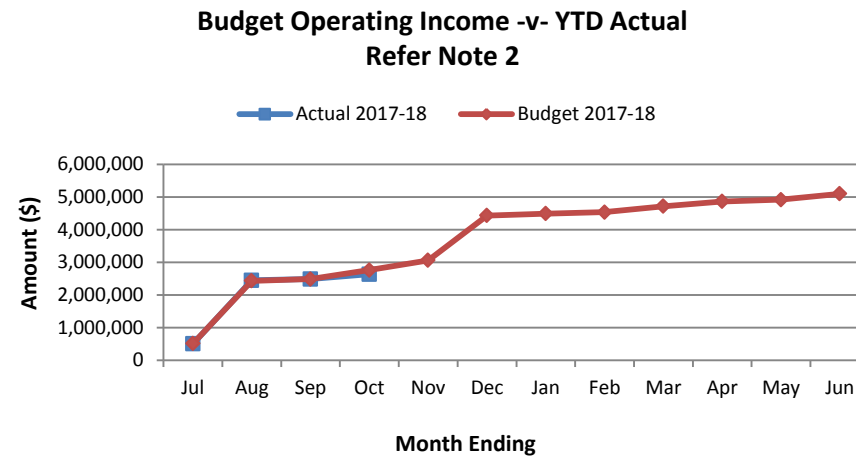
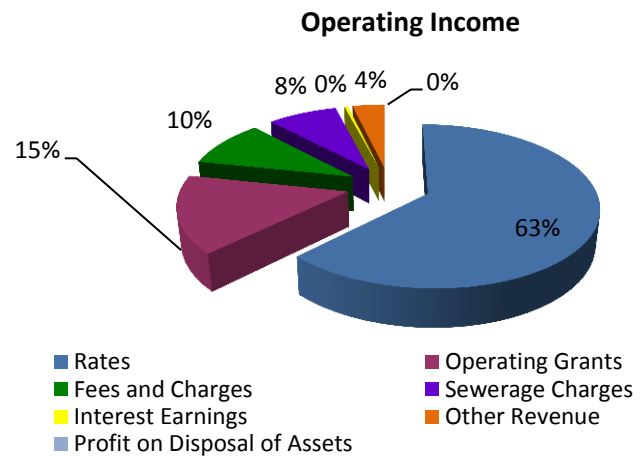
LOCAL GOVERNMENT ACT 1995

LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

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SHIRE OF DOWERIN
Information Summary
For the Period Ended 30 October 2017



SHIRE OF DOWERIN
STATEMENT OF FINANCIAL ACTIVITY
(Statutory Reporting Program)
For the Period Ended 30 October 2017

	Note	Original Annual Budget	Amended Annual Budget	Amended YTD Budget	YTD Actual	(b)-(a)	(b)-	Var.
		\$	\$	\$	\$	\$	%	
Opening Funding Surplus(Deficit)	3	1,134,516	1,134,516	1,134,516	1,339,634	205,118	18%	😊
Revenue from operating activities								
Governance		7,530	7,530	4,372	7,466	3,094	71%	
General Purpose Funding - Rates	8	1,226,770	1,226,690	1,226,690	1,225,674	(1,016)	(0%)	
General Purpose Funding - Other		807,647	807,727	191,004	195,309	4,305	2%	
Law, Order and Public Safety		25,310	25,310	19,340	4,072	(15,268)	(79%)	😞
Health		267,152	267,152	146,338	144,695	(1,643)	(1%)	
Education and Welfare		132,510	132,510	40,172	26,267	(13,905)	(35%)	😞
Housing		142,590	142,590	47,524	40,838	(6,686)	(14%)	😞
Community Amenities		235,837	235,837	225,145	250,874	25,729	11%	😊
Recreation and Culture		81,840	81,840	11,784	6,975	(4,809)	(41%)	
Transport		185,630	185,630	132,844	5,592	(127,252)	(96%)	😞
Economic Services		137,866	137,866	42,946	45,478	2,532	6%	
Other Property and Services		10,710	10,710	3,569	2,498	(1,071)	(30%)	
		3,261,392	3,261,392	2,091,728	1,955,737			
Expenditure from operating activities								
Governance		(479,870)	(479,870)	(159,395)	(162,410)	(3,015)	(2%)	
General Purpose Funding		(142,710)	(142,710)	(42,228)	(39,478)	2,750	7%	
Law, Order and Public Safety		(68,680)	(68,680)	(22,876)	(26,001)	(3,125)	(14%)	
Health		(319,910)	(319,910)	(122,688)	(83,702)	38,986	32%	😊
Education and Welfare		(166,000)	(166,000)	(54,702)	(51,229)	3,473	6%	
Housing		(196,250)	(196,250)	(82,898)	(103,817)	(20,919)	(25%)	😞
Community Amenities		(295,770)	(295,770)	(98,012)	(91,127)	6,885	7%	😊
Recreation and Culture		(762,647)	(762,647)	(252,042)	(258,571)	(6,529)	(3%)	
Transport		(1,226,750)	(1,226,750)	(434,683)	(416,637)	18,046	4%	
Economic Services		(354,908)	(354,908)	(138,329)	(132,885)	5,444	4%	
Other Property and Services		(2,950)	(2,950)	(10,720)	(63,060)	(52,340)	(488%)	😞
		(4,016,445)	(4,016,445)	(1,418,573)	(1,428,916)			
Operating activities excluded from budget								
Add back Depreciation		1,138,280	1,138,280	374,688	414,545	39,857	11%	😞
Adjust (Profit)/Loss on Asset Disposal	8	(33,600)	(33,600)	(2,700)	0	2,700	(100%)	
Movement in Leave Reserve		0	0	0	0	0		
Amount attributable to operating activities		349,627	349,627	1,045,143	941,365			
Investing Activities								
Non-operating Grants, Subsidies and Contributions	10	1,839,985	1,839,985	670,000	679,903	9,903	1%	
Proceeds from Disposal of Assets	8	155,500	155,500	0	0	0		
Land Held for Resale		0	0	0	0	0		
Land and Buildings	12	(1,308,700)	(1,308,700)	(952,152)	(952,152)	0	0%	
Infrastructure Assets - Roads	12	(1,213,927)	(1,213,927)	(82,772)	(83,296)	(524)	1%	
Infrastructure Assets - Footpaths	13	(14,000)	(14,000)	0	0	0		
Infrastructure Assets - Other	13	(257,000)	(257,000)	0	0	0		
Plant and Equipment	12	(411,737)	(411,737)	0	0	0		
Furniture and Equipment	12	(18,300)	(18,300)	(18,300)	(13,751)	4,549	(25%)	
Amount attributable to investing activities		(1,228,179)	(1,228,179)	(383,224)	(369,296)			
Financing Activities								
Proceeds from New Debentures		0	0	0	0	0		
Self-Supporting Loan Principal		23,756	23,756	0	0	0		
Transfer from Reserves	7	195,844	195,844	0	0	0		
Repayment of Debentures	9	(117,510)	(117,510)	0	(14,481)	(14,481)		😞
Transfer to Reserves	7	(352,053)	(352,053)	0	0	0		
Amount attributable to financing activities		(249,963)	(249,963)	0	(14,481)			
Closing Funding Surplus(Deficit)	3	6,001	6,001	1,796,435	1,897,222			



More Revenue OR Less Expenditure
Less Revenue OR More Expenditure

Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold.
Refer to Note 2 for an explanation of the reasons for the variance.
This statement is to be read in conjunction with the accompanying Financial Statements and notes.

SHIRE OF DOWERIN
STATEMENT OF FINANCIAL ACTIVITY
(By Nature or Type)
For the Period Ended 30 October 2017

	Note	Original Annual Budget	Amended Annual Budget	Amended YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	\$	%	
Opening Funding Surplus (Deficit)	3	1,134,516	1,134,516	1,134,516	1,339,634	205,118	18%	😊
Revenue from operating activities								
Rates	8	1,247,570	1,247,570	1,247,570	1,225,674	(21,896)	(2%)	
Operating Grants, Subsidies and Contributions	10	1,151,749	1,151,749	448,070	305,201	(142,869)	(32%)	😞
Fees and Charges		422,200	422,200	188,198	188,858	660	0%	
Sewerage Charges		137,807	137,807	137,807	155,716	17,909	13%	😊
Interest Earnings		57,740	57,740	6,120	8,049	1,929	32%	
Other Revenue		203,526	203,526	61,163	72,239	11,076	18%	😊
Profit on Disposal of Assets		40,800	40,800	2,800	0			
		3,261,392	3,261,392	2,091,728	1,955,737			
Expenditure from operating activities								
Employee Costs		(1,553,120)	(1,553,120)	(552,841)	(454,827)	98,014	18%	😊
Materials and Contracts		(843,690)	(843,690)	(283,240)	(315,891)	(32,651)	(12%)	😞
Utility Charges		(177,710)	(177,710)	(57,791)	(46,751)	11,040	19%	😊
Depreciation on Non-Current Assets		(1,138,280)	(1,138,280)	(374,688)	(414,545)	(39,857)	(11%)	😞
Interest Expenses		(39,455)	(39,455)	(12,105)	(12,105)	0	0%	
Insurance Expenses		(162,650)	(162,650)	(109,402)	(142,454)	(33,052)	(30%)	😞
Other Expenditure		(94,340)	(94,340)	(28,406)	(42,346)	(13,940)	(49%)	😞
Loss on Disposal of Assets		(7,200)	(7,200)	(100)	0	100	100%	
		(4,016,445)	(4,016,445)	(1,418,573)	(1,428,917)			
Operating activities excluded from budget								
Add back Depreciation		1,138,280	1,138,280	374,688	414,545	39,857	11%	😞
Movement in Leave Reserve		0	0	0	0	0		
Amount attributable to operating activities		349,627	349,627	1,045,143	941,365			
Investing activities								
Grants, Subsidies and Contributions	10	1,839,985	1,839,985	670,000	679,903	9,903	1%	
Proceeds from Disposal of Assets	8	155,500	155,500	0	0	0		
Land Held for Resale		0	0	0	0	0		
Land and Buildings	12	(1,308,700)	(1,308,700)	(952,152)	(952,152)	0	0%	
Infrastructure Assets - Roads	12	(1,213,927)	(1,213,927)	(82,772)	(83,296)	(524)	1%	
Infrastructure Assets - Footpaths	13	(14,000)	(14,000)	0	0	0		
Infrastructure Assets - Other	13	(257,000)	(257,000)	0	0	0		
Plant and Equipment	13	(411,737)	(411,737)	0	0	0		
Furniture and Equipment	13	(18,300)	(18,300)	(18,300)	(13,751)	4,549	(25%)	
Amount attributable to investing activities		(1,228,179)	(1,228,179)	(383,224)	(369,296)			
Financing Activities								
Proceeds from New Debentures		0	0	0	0	0		
Self-Supporting Loan Principal		23,756	23,756	0	0	0		
Transfer from Reserves	7	195,844	195,844	0	0	0		
Repayment of Debentures	9	(117,510)	(117,510)	0	(14,481)	(14,481)		😞
Transfer to Reserves	7	(352,053)	(352,053)	0	0	0		
Amount attributable to financing activities		(249,963)	(249,963)	0	(14,481)			
Closing Funding Surplus (Deficit)	3	6,001	6,001	1,796,435	1,897,222	100,788	6%	😊

Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold.
Refer to Note 2 for an explanation of the reasons for the variance.

😊 More Revenue OR Less Expenditure
😞 Less Revenue OR More Expenditure

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

SHIRE OF DOWERIN
STATEMENT OF CAPITAL ACQUISITIONS AND CAPITAL FUNDING
For the Period Ended 30 October 2017

Capital Acquisitions

	Note	Amended Annual Budget	% Source of Funding	YTD Actual Total
		\$		\$
Land and Buildings	12	1,308,700		952,152
Infrastructure Assets - Roads	12	1,213,927		83,296
Infrastructure Assets - Footpaths	13	14,000		0
Infrastructure Assets - Other	13	257,000		0
Plant and Equipment	13	411,737		0
Furniture and Equipment	13	18,300		13,751
Capital Expenditure Totals		3,223,664		1,049,199
Capital acquisitions funded by:				
Capital Grants and Contributions	10	1,839,985	57%	669,903
Borrowings	9	0	0%	0
Other (Disposals & C/Fwd)		413,500	13%	0
Council contribution - Cash Backed Reserves	7	152,456	5%	0
Council contribution - operations		817,723	25%	\$379,296
Capital Funding Total		3,223,664		1,049,199

SHIRE OF DOWERIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 October 2017

Note 1: Significant Accounting Policies

(a) Basis of Accounting

This statement comprises a special purpose financial report 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. Material accounting policies which have been adopted in the preparation of this statement are presented below and have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

Critical Accounting Estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

(b) The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in this statement. 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 statement, but a separate statement of those monies appears at Note 12.

(c) Rounding Off Figures

All figures shown in this statement are rounded to the nearest dollar.

(d) 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.

(e) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

(g) Trade and Other Receivables

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

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

(h) 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 held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed. Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point. Land held for sale is classified as current except where it is held as non-current based on Council's intentions to release for sale.

(i) Fixed Assets

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 local government includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead. Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value 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.

SHIRE OF DOWERIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 October 2017

Note 1: Significant Accounting Policies

(j) Depreciation of Non-Current Assets

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

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

Asset	Years
Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
bituminous seals	20 years
asphalt surfaces	25 years
Gravel Roads	
formation	not depreciated
pavement	50 years
gravel sheet	12 years
Formed roads	
formation	not depreciated
pavement	50 years
Footpaths - slab	40 years

(k) Trade and Other Payables

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

(l) Employee Benefits

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

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

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

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

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

(m) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

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

Borrowing Costs

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

(n) Provisions

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one of item included in the same class of obligations may be small.

SHIRE OF DOWERIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 October 2017

Note 1: Significant Accounting Policies

(o) Current and Non-Current Classification

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

(p) Nature or Type Classifications

Rates

All rates levied under the Local Government Act 1995. Includes general, differential, specific area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts offered. Exclude administration fees, interest on instalments, interest on arrears and service

Operating Grants, Subsidies and Contributions

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

Non-Operating Grants, Subsidies and Contributions

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

Profit on Asset Disposal

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure

Fees and Charges

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

Service Charges

Service charges imposed under Division 6 of Part 6 of the Local Government Act 1995. Regulation 54 of the Local Government (Financial Management) Regulations 1996 identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services. Exclude rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

Interest Earnings

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

Other Revenue / Income

Other revenue, which can not be classified under the above headings, includes dividends, discounts, rebates etc.

Employee Costs

All costs associate with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

Materials and Contracts

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

Utilities (Gas, Electricity, Water, etc.)

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

Insurance

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

Loss on asset disposal

Loss on the disposal of fixed assets.

Depreciation on non-current assets

Depreciation expense raised on all classes of assets.

Interest expenses

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

Other expenditure

Statutory fees, taxes, provision for bad debts, member's fees or State taxes. Donations and subsidies made to community groups.

SHIRE OF DOWERIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 October 2017

Note 1: Significant Accounting Policies

(r) Program Classifications (Function/Activity)

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

GOVERNANCE

GENERAL PURPOSE FUNDING

LAW, ORDER, PUBLIC SAFETY

HEALTH

EDUCATION AND WELFARE

HOUSING

COMMUNITY AMENITIES

RECREATION AND CULTURE

TRANSPORT



ECONOMIC SERVICES

OTHER PROPERTY AND SERVICES

SHIRE OF DOWERIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 October 2017

Note 2: Explanation of Material

The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date budget or greater.

-  **More Revenue OR Less Expenditure**
 **Less Revenue OR More Expenditure**

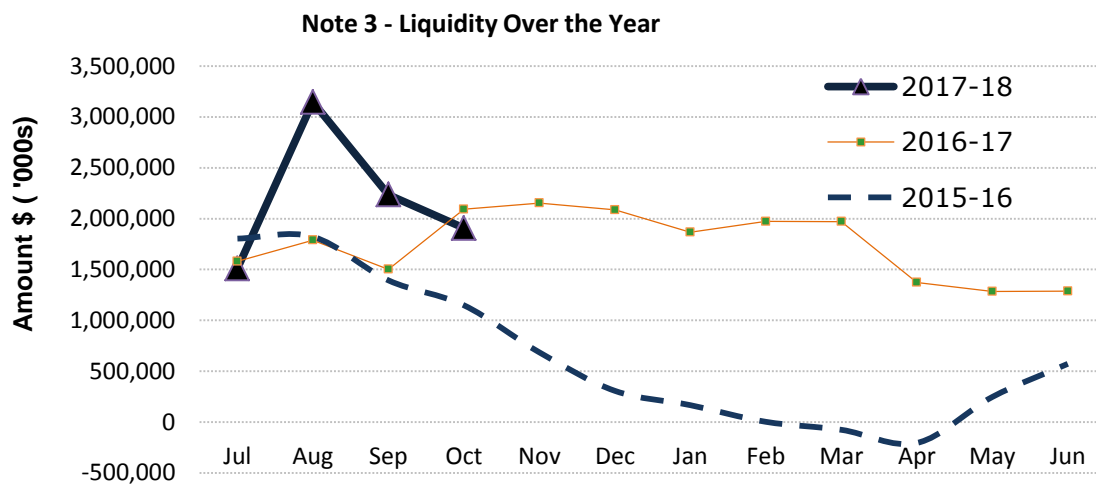
Reporting Program	Var. \$	Var. %	Var.	Timing/ Permanent	Explanation of Variance
Operating Income	\$	%			
Governance	3,094	71%			Within Variance Threshold
General Purpose Funding - Rates	(1,016)	(0%)			Within Variance Threshold
General Purpose Funding - Other	4,305	2%			Within Variance Threshold
Law, Order and Public Safety	(15,268)	(79%)		Timing	DFES subsidy is lower than YTD budget, and is paid quarterly. The amount received maybe lower than budgeted. Staff will review with DFES.
Health	(1,643)	(1%)			Within Variance Threshold
Education and Welfare	(13,905)	(35%)		Timing	Reimbursement of Childcare wages is \$13K below TYD budget. This is a timing issue with delayed invoicing
Housing	(6,686)	(14%)		Permanent	Housing rental income is lower than YTD Budget. Staff will review other rental budget allocations over the next couple of months and adjust if required at Budget Review.
Community Amenities	25,729	11%		Permanent	The sale of scrap metal following a clean up of the site has gained revenue of approx. \$6K which is \$4K more than budgeted. Commercial Sewerage levies are \$18K higher than budget. The actual levy data indicates that some properties were not included in the original budget modelling.
Recreation and Culture	(4,809)	(41%)			Within Variance Threshold
Transport	(127,252)	(96%)		Permanent	Main roads direct budget revenue will now only be \$73K. An adjustment of \$54K less revenue will be addressed with the budget review.
Economic Services	2,532	6%			Within Variance Threshold
Other Property and Services	(1,071)	(30%)			Within Variance Threshold
Operating Expense	\$	%			
Governance	(3,015)	(2%)			Within Variance Threshold
General Purpose Funding	2,750	7%			Within Variance Threshold
Law, Order and Public Safety	(3,125)	(14%)			Within Variance Threshold
Health	38,986	32%		Timing	HACC expenditure is \$38K lower with exp being salaries. Staff will review this budget.
Education and Welfare	3,473	6%			Within Variance Threshold
Housing	(20,919)	(25%)		Permanent	Depreciation variance of 11K is due to a review of depreciation rates for FY17. Staff will revise this budget, with the budget review.
Community Amenities	6,885	7%		Timing	Community Amenities are \$7K lower than YTD budget. This may even out over the year.
Recreation and Culture	(6,529)	(3%)			Within Variance Threshold
Transport	18,046	4%			Within Variance Threshold
Economic Services	5,444	4%			Within Variance Threshold
Other Property and Services	(52,340)	(488%)		Timing	Public works actual overhead recovery is not covering expenditure. Staff will review and correct this during the budget review.
Operating activities excluded from budget					
Depreciation	(39,857)	11%		Timing	YTD Depreciation budgeted at \$40K is higher than budget. A review of depreciation rates was carried out as at 30 June 17, and has impacted depreciation expense. Staff will review and correct this during the budget review.
Capital Revenues					Within Variance Threshold
Grants, Subsidies and Contributions	9,903	1%			Within Variance Threshold
Capital Expenses					<i>Refer to Note 12 for Capital expenditure detail</i>
Land and Buildings	0	0%			Within Variance Threshold
Infrastructure - Roads	(524)	1%			Within Variance Threshold
Infrastructure - Footpaths	0				Within Variance Threshold
Infrastructure Assets - Other	0	0%			Within Variance Threshold
Plant and Equipment	0				Within Variance Threshold
Furniture and Equipment	4,549	(25%)			Within Variance Threshold
Financing					
Proceeds from New Debentures	0				Within Variance Threshold
Self-Supporting Loan Principal	0				Within Variance Threshold
Transfer from Reserves	0				Within Variance Threshold
Opening Funding Surplus(Deficit)	205,118	18%			The opening funding surplus is \$205K higher than budget due to end of year adjustments required by the auditors. This relates to revenue received for unanticipated income

SHIRE OF DOWERIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 October 2017

Note 3: Net Current Funding Position

Positive=Surplus (Negative=Deficit)

		Last Years Actual Closing	Current
	Note	30 June 2017	30 Oct 2017
		\$	\$
Current Assets			
Cash Unrestricted	4	1,639,654	1,810,999
Cash Restricted	4	1,787,396	1,828,722
Receivables - Rates		50,660	321,355
Receivables - Other	6	418,661	173,598
Interest / ATO Receivable/Trust		101,647	27,457
Inventories		6,635	8,859
		4,004,654	4,170,990
Less: Current Liabilities			
Payables		(722,249)	(330,996)
Current Borrowings		(117,509)	(103,029)
Provisions		(185,111)	(185,111)
		(1,024,870)	(619,136)
Net Current Assets		2,979,784	3,551,854
Less: Cash Reserves	7	(1,787,396)	(1,787,396)
Plus: Current Borrowings included in Budget		93,753	79,272
Plus : Liabilities funded by Cash Backed Reserves		53,493	53,493
Net Current Funding Position		1,339,634	1,897,223



Cash Restricted includes Cash Backed Reserves and the STA Retention Bond.

Current Ratio equals 1:3.78

This means that for every \$1.00 of liability Council has \$3.97 of Current assets available to cover current debt

SHIRE OF DOWERIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 October 2017

Note 4: Cash and Investments

	Unrestricted	Restricted	Trust	Total Amount	Institution	Interest Rate	Maturity Date
	\$	\$	\$	\$			
(a) Cash Deposits							
Municipal Bank Account	355,850			355,850	NAB	Variable	At Call
Cash Maximiser	1,291,507			1,291,507	NAB	2.05%	At Call
Trust Bank Account			12,627	12,627	NAB	Variable	At Call
(b) Term Deposits							
TD2361911	1,899	888,352		890,251	Bendigo	Variable	17-Aug-18
Reserve Bank Account - Bendigo		899,044		899,044	Bendigo	2.70%	13-Dec-17
TD 2361913	162,611			162,611	Bendigo	2.70%	17-Aug-18
# STA Retention Bond		41,326		41,326	Bendigo	2.50%	24-Jul-18
	1,811,866	1,828,722	12,627	3,653,215			

Comments/Notes - Investments

The above balances are the funds held in bank accounts and on hand as at reporting date.

The Shire is holding Funds as a retention bond until the defects period for the STA is over.

SHIRE OF DOWERIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 October 2017

Note 5: Budget Amendments

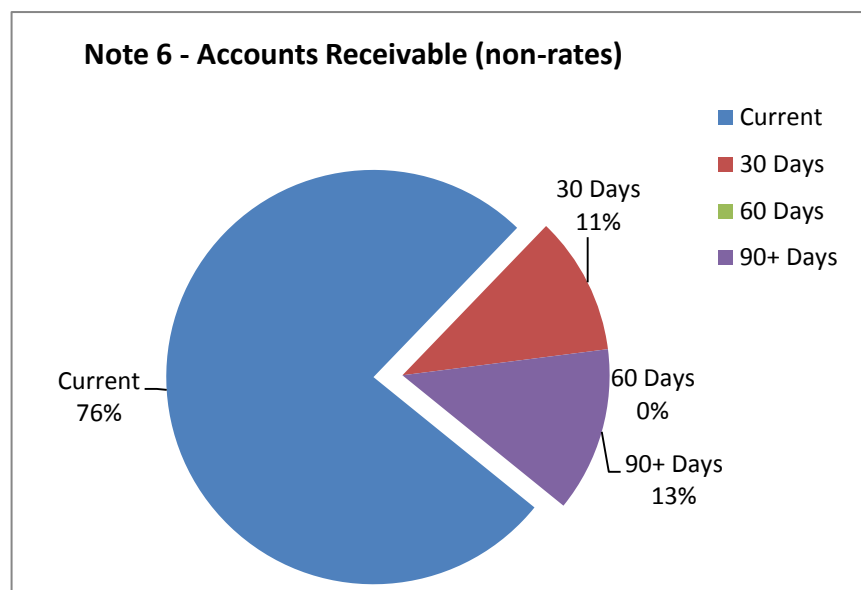
Amendments to original budget since budget adoption. Surplus/(Deficit)

GL Account Code	Description	Council Resolutio n	Classification	Original Budget	Amended Budget	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance
	Budget Adoption		Closing Surplus(Deficit)			\$	\$	\$
	There have been no budget amendments to date							6,001
Amended Budget Cash Position as per Council Resolution						0	0	0

SHIRE OF DOWERIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 October 2017

Note 6: Receivables

Receivables - General	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$
Receivables - General	41,236	5,827	0	6,938	54,001
Balance per Trial Balance					
Sundry Debtors					54,001
Total Receivables General Outstanding					54,001



Comments/Notes - Receivables General

Other Receivables included in \$173,598, include GST receivables, prepayments and sewerage

SHIRE OF DOWERIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 October 2017

Note 7: Cash Backed Reserve

Name	Opening Balance	Amended Budget Interest Earned	Actual Interest Earned	Amended Budget Transfers In (+)	Actual Transfers In (+)	Amended Budget Transfers Out (-)	Actual Transfers Out (-)	Amended Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Leave Reserve	53,493	1,202	0	0	0	0	0	54,695	53,493
Plant Reserve	142,872	3,210	0	140,000	0	(120,000)	0	166,082	142,872
Sewerage Asset Preservation Reserve	1,043,357	23,429	0	71,000	0	0	0	1,137,786	1,043,357
Land & Building Reserve	146,594	3,293	0	42,000	0	0	0	191,887	146,594
Swimming Pool Reserve	32,456	0	0	0	0	(32,456)	0	(0)	32,456
Recreation Facilities Reserve	180,866	4,063	0	1,673	0	0	0	186,602	180,866
Community Housing Project Reserve	46,221	1,039	0	0	0	0	0	47,260	46,221
Community Bus Reserve	40,787	917	0	0	0	(41,704)	0	0	40,787
Economic Development Reserve	12,021	271	0	42,000	0	0	0	54,292	12,021
All Hours Gym Reserve	1,684	0	0	0	0	(1,684)	0	(0)	1,684
Bowling Green Replacement Reserve	61,461	1,381	0	10,000	0	0	0	72,842	61,461
Tennis Court Replacement Reserve	25,584	575	0	6,000	0	0	0	32,159	25,584
	1,787,396	39,380	0	312,673	0	(195,844)	0	1,943,605	1,787,396

Reserve funds are fully cash-backed in a term Deposit and Bank Account - Refer Note 4.

SHIRE OF DOWERIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 October 2017

Note 8: Disposal of Assets

			YTD Actual				Amended Budget			
Asset Number	Asset Description	Program	Net Book Value	Proceeds	Profit	(Loss)	Net Book Value	Proceeds	Profit	(Loss)
			\$	\$	\$	\$	\$	\$	\$	\$
D0	Ford Falcon	Governance					5,200	8,000	2,800	
D002	Ford Territory	Governance					5,600	5,500		(100)
	HACC Vehicle	Health					9,100	2,000		(7,100)
D007	Grader - ACT 12M	Transport					102,000	140,000	38,000	
			0	0	0	0	121,900	155,500	40,800	(7,200)

Comments

There have been no actual disposals to date.

SHIRE OF DOWERIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 October 2017

Note 8: Rating Information

RATE TYPE	Rate in	Number of Properties	Rateable Value	YTD Actual				Amended Budget			
				Rate Revenue	Interim Rates	Back Rates	Total Revenue	Rate Revenue	Interim Rate	Back Rate	Total Revenue
	\$		\$	\$	\$	\$	\$	\$	\$	\$	\$
Differential General Rate											
GRV - Residential	9.2300	182	1,333,264	123,060	0	0	123,060	123,060	0	0	123,060
GRV - Commercial/Indust	9.2300	33	256,474	23,673	0	0	23,673	23,673	0	0	23,673
GRV - Town Rural	9.2300	27	133,530	12,325	0	0	12,325	12,325	0	0	12,325
GRV - Other Towns	9.2300	0	0	0	0	0	0	0	0	0	0
UV - Rural Farmland	0.7910	295	120,307,500	951,632	(1,096)	0	950,536	951,632	0	0	951,632
Sub-Totals		537	122,030,768	1,110,690	(1,096)	0	1,109,594	1,110,690	0	0	1,110,690
Minimum Payment	Minimum										
	\$										
GRV -Residential	706.00	48	260,468	33,888	0	0	33,888	33,888	0	0	33,888
GRV - Commercial/Industrial	706.00	18	66,871	12,708	0	0	12,708	12,708	0	0	12,708
GRV - Town Rural	706.00	16	41,551	11,296	0	0	11,296	11,296	0	0	11,296
GRV - Other Towns	206.00	19	7,659	3,914	0	0	3,914	3,914	0	0	3,914
UV - Rural Farmland	706.00	69	3,535,300	48,714	0	0	48,714	48,714	0	0	48,714
UV - Commercial/Industrial	706.00	4	400	2,824	0	0	2,824	2,824	0	0	2,824
UV - Town Rural	706.00	3	63,000	2,118	0	0	2,118	2,118	0	0	2,118
UV - Mining Tenement	206.00	3	5,867	618	0	0	618	618	0	0	618
Sub-Totals		180	3,981,116	116,080	0	0	116,080	116,080	0	0	116,080
		717	126,011,884	1,226,770	(1,096)	0	1,225,674	1,226,770	0	0	1,226,770
Concession							0				0
Amount from General Rates							1,225,674	1,226,770			1,226,770
Ex-Gratia Rates							0	20,800			20,800
Specified Area Rates							0	0			0
Totals							1,225,674	1,247,570			1,247,570

Comments - Rating Information

Rates were levied on 24th August 2017.

SHIRE OF DOWERIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 October 2017

Note 9 : Information on Borrowings

(a) Debenture Repayments

Particulars	01 Jul 2017	Actual New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			Actual	Amended Budget	Actual	Amended Budget	Actual	Amended Budget
			\$	\$	\$	\$	\$	\$
Recreation and Culture								
Loan 97 - Community Club	350,628		0	64,565	350,628	286,063	0	13,687
Economic Services								
Loan 99 - Short Term Accommodation Project	770,993		14,481	29,189	756,512	741,804	12,105	23,982
Self Supporting Loans								
Loan 98 - Dowerin Events	60,856		0	23,756	60,856	37,100	0	1,786
	1,182,477	0	14,481	117,510	1,167,996	1,064,967	12,105	39,455

(b) New Debentures

The Shire does not propose to raise any debt through the issue of debenture this financial year

(c) Unspent Debentures

The Shire has no unspent debentures.

(d) Overdraft

Council has an overdraft facility of \$60,000 with NAB.

SHIRE OF DOWERIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 October 2017

Note 10: Grants and Contributions

This note is under development and will be provided to Council in future months

SHIRE OF DOWERIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 October 2017

Note 11: Trust Fund

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

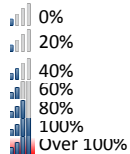
Description	Opening Balance 01 Jul 2017	Amount Received	Amount Paid	Closing Balance 30 Oct 2017
	\$	\$	\$	\$
Housing Bonds	3,428	0	0	3,428
Key Deposits	90	0	0	90
Tidy Towns	3,219	0	0	3,219
HACC Vehicle	691	0	0	691
Building Deposits	0	0	0	0
AROC Funds	0	0	0	0
HACC Fundraising	2,521	0	0	2,522
Recreation Steering Committee	0	0	0	0
Centenary Park	2,111	0	0	2,111
Nomination Deposits	0	480	0	480
Yellow Ribbon	247	0	0	247
	12,307	480	0	12,787

SHIRE OF DOWERIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 October 2017

Note 12: Capital Acquisitions

Assets	Account	Program	YTD Actual			Amended Budget		
			New/Upgrade	Renewal	Total YTD	Annual Budget	YTD Budget	YTD Variance
			\$	\$	\$	\$	\$	\$
<i>Level of completion indicator (based on expenditure), please see table at the end of this note for further detail.</i>								
LAND								
Land - Museum	3715	Governance			0	13,000	13,000	(13,000)
Land Total			0	0	0	13,000	13,000	(13,000)
Buildings								
Shire Office	0364	Governance		0	0	72,500	0	0
HACC - Capex - Building Renewal	1605	Health		0	0	21,770	20,620	(20,620)
BUILDINGS - FIRE SHED PAD	0884	Law, Order And Public Safet	232,685		232,685	264,000	264,000	(31,315)
SWIM POOL CAPITAL EXPENDITURE	3444	Recreation & Culture		0	0	100,000	100,000	(100,000)
WHEATBELT HERITAGE RAIL PROJECT	7144	Economic Services		2,382	2,382	0	0	2,382
SHORT TERM ACCOMMODATION	7145	Economic Services	717,084		717,084	837,430	812,480	(95,396)
Buildings Total			949,770	2,382	952,152	1,295,700	1,197,100	(244,948)
Furniture & Office Equip.								
FURN - PHOTOCOPIER	374	Governance		12,887	12,887	12,900	12,900	(13)
FURN - OFFICE EQUIPMENT	414	Governance		864	864	1,000	1,000	(136)
HACC - Capex - Furniture and Equipment	1624	Health		0	0	4,400	4,400	(4,400)
Furniture & Equipment Total			0	13,751	13,751	18,300	18,300	(4,549)
Plant , Equip. & Vehicles								
Admin Vehicles	394	Governance		0	0	29,660	0	0
HACC - VEHICLE PURCHASE	1604	Health		0	0	32,077	0	0
PLANT - GRADER	6254	Transport		0	0	350,000	0	0
Plant & Equipment Total			0	0	0	411,737	0	0
Infrastructure - Roads								
ROADS - ROADS TO RECOVERY	4184	Transport		45,308	45,308	520,776	45,308	0
ROADS - UNCLASSIFIED	4604	Transport		0	0	212,688	0	0
ROADS - STATE 20/20	4884	Transport		37,465	37,465	480,463	37,465	0
ROADS - SIGNS	4194	Transport		524	524	0	0	524
Roads Total			0	83,296	83,296	1,213,927	82,772	524
Infrastructure - Footpaths								
FOOTPATH/CYCLEWAYS	6094	Transport		0	0	14,000	0	0
Infrastructure - Footpaths TOTAL			0	0	0	14,000	0	0
Infrastructure - Other								
Infrastructure Other - Environment	2910	Transport		0	0	250,000	0	0
Infrastructure - other	4195	Transport			0	7,000	0	0
Infrastructure -Other Total			0	0	0	257,000	0	0
Capital Expenditure Total			949,770	99,429	1,049,199	3,223,664	1,311,172	(261,973)

Level of Completion Indicators



Percentage YTD Actual to Annual Budget
Expenditure over budget highlighted in red.

LIST OF ACCOUNTS

04/10/2017 - 31/10/2017

DIRECT DEBITS

Chq/EFT	Date	Name	Description	Amount	Contra
25	04-10-2017	SHIRE OF DOWERIN - VISA CARD PAYMENTS	AUSTRALIA POST - RATES POSTAGE.	-396.60	
			SEASHELLS SCARBOROUGH - 5 NIGHTS ACCOMMODATION FOR TRELIS L.VALENTINE.	-903.35	903.35
			MICROSOFT RECURRING DIRECT DEBIT - SHAREPOINT.	-443.85	
			CARD FEES x2	-18.00	
26	21-10-2017	PUMA ENERGY	OCTOBER FUEL ACCOUNT	-1564.12	
TOTAL				-3325.92	903.35

EFT PAYMENTS

Chq/EFT	Date	Name	Description	Amount	Contra
EFT5283	04-10-2017	ALL OVER WALLS & CEILINGS	36 STACY ST - CEILING REPAIRS	-1980.00	
EFT5284	06-10-2017	AVON WASTE	RUBBISH COLLECTION	-4798.32	4798.32
EFT5285	06-10-2017	CHILD SUPPORT AGENCY	Payroll deductions	-363.30	363.3
EFT5286	06-10-2017	BORAL CONSTRUCTION MATERIALS	RURAL ROAD MAINTENANCE - 4 x 200L EMULSION	-968.00	
EFT5287	06-10-2017	COUNTRY COPIERS	OFFICE EQUIP - PDF READER KIT FOR PHOTOCOPIER	-716.54	
EFT5288	06-10-2017	DAVID KENNETT	STA - WATER DIVINING	-300.00	300
EFT5289	06-10-2017	ALL-WAYS FOODS	CLEANING SUPPLIES	-323.88	
EFT5290	06-10-2017	GHD PTY LTD	RURAL ROAD MAINT - PROJECT MANAGEMENT OF WANDRRA ROADS PROJECT	-11158.68	11158.68
EFT5291	06-10-2017	LOUISE HAGBOOM	REGS & COMPLIANCE - PREPARATION OF ANNUAL REPORT	-840.00	
EFT5292	06-10-2017	HAYS RECRUITING	GOVERN SALARIES - CUSTOMER SERVICE OFFICER	-3221.37	
EFT5293	06-10-2017	JASON SIGNMAKERS	DOWERIN MECKERING ROAD - 100 GUIDE POSTS. DOWERIN KOORDA ROAD - 100 GUIDE POSTS	-2530.00	2530
EFT5294	06-10-2017	Local Government Appointments	HR/RECRUITMENT - G.SOUTHEY PLACEMENT FEE. SHORT TERM LANDSCAPER G.SOUTHEY. TEMP FINANCE OFFICER. (INVOICES SENT LATE)	-28740.20	
EFT5295	06-10-2017	LAWN DOCTOR TURF FARM	FOOTBALL & HOCKEY OVAL - VERTI DRAINING	-3382.50	
EFT5296	06-10-2017	MAYBERRY HAMMOND & CO	MUSEUM - MUSEUM LAND PURCHASING SETTLEMENT/CONVEYANCING	-10800.00	10800
EFT5297	06-10-2017	IXOM OPERATIONS PTY LTD	POOL CHEMICALS - CHLORINE SERVICE FEE 01/09/17 - 30/09/17	-81.84	
EFT5298	06-10-2017	OFFICE OF THE NATIONAL RAIL SAFETY REGULATOR	WHR - NRSR ANNUAL FEES 2017/18	-62.67	
EFT5299	06-10-2017	PUBLIC LIBRARIES WESTERN AUSTRALIA	LIBRARY - PLWA MEMBERSHIP 2017/18	-110.00	
EFT5300	06-10-2017	WORKWEAR GROUP PTY LTD	UNIFORMS - ADMIN UNIFORMS 2017 MISTY RICHARDS	-240.30	
EFT5301	06-10-2017	PERFECT COMPUTER SOLUTIONS	IT SUPPORT - IT ASSISTANCE	-722.50	
EFT5302	06-10-2017	DEPARTMENT OF PRIMARY INDUSTRIES AND REGIONAL DEVELOPMENT	LAND REHABILITATION - SKELETON WEED TREATMENT	-275.00	
EFT5303	06-10-2017	QUICK CORPORATE AUSTRALIA PTY LTD	STATIONERY - 2018 ADMIN DIARIES	-411.48	
EFT5304	06-10-2017	RESONLINE PTY LTD	STA - ROOM MANAGER MONTHLY FEES	-249.41	
EFT5305	06-10-2017	TRUE PLUMBING AND GAS	18 O'LOGHLEN ST - BATHROOM REPAIRS REQUIRED URGENTLY. 13 MAISEY ST, 4 O'LOGHLEN ST, & 18 O'LOGHLEN ST - PLUMBING REPAIRS.	-4540.80	
EFT5306	06-10-2017	WESTRAC EQUIPMENT	D006 LOADER - 4000hr SERVICE	-4671.23	
EFT5307	06-10-2017	WCS CONCRETE	STA - REPAYMENT OF INVOICE 540 & 550 AFTER IT WAS REFUNDED TO US DUE TO ERROR. PRAM ENTRY, BIKE PATH AND ABUTMENT PATHS	-9276.30	9276.3
EFT5308	06-10-2017	REBECCA WINDSOR	GYM INDUCTIONS - 3	-60.00	60
EFT5309	06-10-2017	WBS GROUP PTY LTD	FIRE SHED - CLAIM 2	-110824.36	110824.36
EFT5310	EFT NUMBER USED IN PREVIOUS LIST OF ACCOUNTS. SEE OCTOBER 2017 MEETING LIST OF ACCOUNTS.				
EFT5311	13-10-2017	ARROW BRONZE	CEMETERY - SINGLE NICHE WALL PLAQUE - JONES	-554.78	554.78
EFT5312	13-10-2017	AVON WASTE	RUBBISH COLLECTION	-2399.16	2399.16
EFT5313	13-10-2017	AUSTRALIAN TAX OFFICE	GST OWING ON MAIN ROADS INVOICE FROM JULY 2016 (per M.Shirt)	-24193.00	
EFT5314	13-10-2017	BOC LIMITED	MONTHLY CHARGE FOR OXYGEN AND ACETYLENE	-40.80	
EFT5315	13-10-2017	Building & Health Surveying Services	EHO - OCTOBER CONTRACT	-4425.44	
EFT5316	13-10-2017	RACHEL BUCK	EMERGENCY TOWER - ELECTRICITY USAGE	-163.31	163.31
EFT5317	13-10-2017	BUBBLES & SUDS LAUNDRETTE	LAUNDRY FROM STA	-171.93	
EFT5318	13-10-2017	COMMERCIAL HOTEL DOWERIN	WHITE WINE COUNCIL REFRESHMENTS	-50.00	
EFT5319	13-10-2017	DOWERIN IGA EXPRESS	COUNCIL REFRESHMENTS. COFFEE, FLY SPRAY, MILK, BIN LINERS.	-115.20	
EFT5320	13-10-2017	DOWERIN BAKERY AND NEWS	CATERING STREETSCAPE COMMITTEE MEETING 26/09/2017 @ CRC. NEWSPAPERS	-86.80	

EFT5321	13-10-2017	DOWERIN ENGINEERING WORKS	D003 TRUCK - REPAIRS TO SIDE TIP DOOR. SEWERAGE SYSTEM - REPAIRS TO LID LIFTING BAR.	-850.14	
EFT5322	13-10-2017	DOWERIN TYRE AND EXHAUST	D02 TERRITORY - 2 NEW TYRES. D013 HILUX - 2 NEW TYRES. HACC TRAILER - 1 SPARE TYRE. D00 OMEGA - BATTERY. PARKS/GARDENS - BATTERY FOR LAWNMOWER. TYRE FOR JETVAC TRAILER.	-1005.00	
EFT5323	13-10-2017	DOWERIN & DISTRICTS FARM SHED	FERTILISER FOR FOOTBALL OVAL, HOCKEY OVAL, CIVIC CENTRE GARDENS, STEWART ST GARDENS. 35mm COMBINATION SPANNER. STA - KEY TAGS & CUTTING.	-1739.00	
EFT5324	13-10-2017	DOWERIN ROADHOUSE	HACC - SEPTEMBER MEALS	-252.00	252
EFT5325	13-10-2017	ELDERS LIMITED	WORKS CLOTHING - 1 PAIR OF BLUNDSTONE BOOTS	-155.00	
EFT5326	13-10-2017	DEPARTMENT OF FIRE AND EMERGENCY SERVICES	ESL 2017/18	-1950.00	1950
EFT5327	13-10-2017	GEVERS GODDARD JONES PTY LTD	HACC OFFICE - SUPPORT SUBSCRIPTION	-600.00	
EFT5328	13-10-2017	JOELECTRICS	18 O'LOGHLEN ST - REPAIRS TO OVEN	-370.50	
EFT5329	13-10-2017	LGIS RISK MANAGEMENT	RISK COORDINATOR PROGRAMME - 1ST INSTALMENT 2017/18	-3327.50	
EFT5330	13-10-2017	LYNETTE BISH	STA - REFUND OF 1 NIGHTS ACCOMMODATION \$122	-122.00	122
EFT5331	13-10-2017	LGIS LIABILITY	LIABILITY INSURANCE	-8367.64	
EFT5332	13-10-2017	LGIS PROPERTY	LGIS PROPERTY INSURANCE	-27796.08	
EFT5333	13-10-2017	LGIS WORKCARE	LGIS WORKCARE	-16689.54	
EFT5334	13-10-2017	MARKET CREATIONS	COMMUNICATIONS - SOCIAL MEDIA MANAGEMENT	-1144.00	
EFT5335	13-10-2017	NORTON ROSE FULBRIGHT	GOV/OTHER - CHARGES FOR PROFESSIONAL SERVICES JULY-SEPT	-783.20	
EFT5336	13-10-2017	NORTHAM FAMILY PRACTICE	HR/RECRUITMENT - PRE EMPLOYMENT MEDICAL FOR G.SOUTHEY	-236.50	
EFT5337	13-10-2017	WORKWEAR GROUP PTY LTD	UNIFORMS - ADMIN UNIFORMS G.SOUTHEY	-323.40	
EFT5338	13-10-2017	PERFECT COMPUTER SOLUTIONS	IT SUPPORT - IT ASSISTANCE	-79.90	
EFT5339	13-10-2017	QUICK CORPORATE AUSTRALIA PTY LTD	STATIONERY - 2018 ADMIN DIARIES	-12.72	
EFT5340	13-10-2017	RURAL RANGER SERVICES	ANIMAL CONTROL - RANGER SERVICES SEPTEMBER	-209.15	
EFT5341	13-10-2017	RESONLINE PTY LTD	STA - ROOM MANAGER MONTHLY FEES	-196.90	
EFT5342	13-10-2017	STRATAGREEN	PARKS/GARDENS - 4m TELESCOPIC POLE, HI REACH PRUNING SAW,HANOLE FOR SAWS, SECATEURS, SOIL SPREADER, TOOTH NAIL RAKE	-603.04	
EFT5343	13-10-2017	TMR Consulting Services	REGS/COMPLIANCE - STRATEGIC COMMUNITY PLAN REPORTS	-4375.00	
EFT5344	13-10-2017	RALPH THAXTER	ON/OFF MOM ON SWITCH FOR TIPPER CIRCUIT	-24.35	
EFT5345	13-10-2017	THE BIG PICTURE FACTORY	WHR - PATCHES FROM JULY	-168.30	
EFT5346	13-10-2017	WA LOCAL GOVERNMENT ASSOCIATION	ELECTORS 2017 COMPOSITE ADVERTISING	-1991.00	
EFT5347	13-10-2017	WESFARMERS KLEENHEAT GAS	ILU/STA/18 O'LOGHLEN ST - YEARLY GAS RENTAL FEES	-1551.48	
EFT5348	23-10-2017	AVON WASTE	RUBBISH COLLECTION	-2362.92	2362.92
EFT5349	23-10-2017	DALWALLINU CONCRETE	DOWERIN MECKERING ROAD - 300mm x 1200mm BELL END PIPES, BOX CULVERTS 1200mm x 300mm x1200mm, BOX CULVERTS 1200mm x 900mm x1200mm, LINK PADS	-9530.40	9530.4
EFT5350	23-10-2017	KOBUS NIEUWOUDT	PLANNING - REVIEW & PROVIDE TECHNICAL PLANNING INPUT INTO MAIN ST ACTIVATION PLAN	-500.00	
EFT5351	23-10-2017	KEOGH'S MOWERS & MORE	PARKS/GARDENS - 2x HONDA HRU 216/m CATCHERS	-370.00	
EFT5352	23-10-2017	WORKWEAR GROUP PTY LTD	UNIFORMS - ADMIN UNIFORMS G.SOUTHEY	-26.40	
EFT5353	23-10-2017	PERFECT COMPUTER SOLUTIONS	IT SUPPORT - IT ASSISTANCE	-297.50	
EFT5354	23-10-2017	PERTH LAUNDRY EQUIPMENT	STA - LEASE OF WASHING MACHINES AND DRYERS FOR STA NOVEMBER	-419.46	
EFT5355	23-10-2017	STRATAGREEN	PARKS/GARDENS - MULCH FORKS CYCLONE,LOPPERS CYCLONE,TERRACOTTER 10kg,2x HAND TROWEL,2x TRANSPLANTING HAND TROWEL	-657.40	
EFT5356	23-10-2017	TELLY'S AUTO ELECTRICAL & AIR-CONDITIONING	D014 ROLLER - ELECTRICAL REPAIRS & RE-GAS,	-671.03	
EFT5357	23-10-2017	ELIZABETH WORTS	HOUSING - KITCHEN ITEMS FOR WHEATBELT HERITAGE RAIL UNIT	-700.00	
EFT5358	23-10-2017	YOUR LOCAL GUY	SHIRE OFFICE - CARPET STEAM CLEANING	-1170.00	
TOTAL				-325477.55	167445.53
CHEQUE PAYMENTS					
Chq/EFT	Date	Name	Description	Amount	Contra
10400	06-10-2017	COURIER AUSTRALIA	FREIGHT	-30.14	
10401	06-10-2017	SYNERGY	DCC - ELECTRICITY	-2436.60	2436.6
10402	06-10-2017	TELSTRA	SHIRE OFFICES - TELEPHONE USAGE	-1571.30	
10403	13-10-2017	COURIER AUSTRALIA	FREIGHT	-28.45	
10404	13-10-2017	LUPTONS LIQUID WASTE	SEWERAGE SYSTEM - PUMP OUT WASTE TANK	-660.00	
10405	13-10-2017	LGRCEU	Payroll deductions	-38.80	38.8
10406	13-10-2017	SYNERGY	STREET LIGHTING - ELECTRICITY	-2225.55	

10407	13-10-2017	GOOMALLING MEDICAL SURGERY	OHS - D.MAXWELL WORKERS COMPENSATION MEDICAL CHECK	-75.05	75.05
10408	13-10-2017	TELSTRA	CEO/WM/FM/WORKS - TELEPHONE USAGE	-336.61	
10409	13-10-2017	WATER CORPORATION	STANDPIPES - WATER USAGE	-786.67	786.67
10410	23-10-2017	CITY OF NEDLANDS	IT SUPPORT - SHAREPOINT CONSULTANCY SERVICES DAVID HAYWOOD	-1815.00	
10411	23-10-2017	GOOMALLING MEDICAL SURGERY	OHS - D.MAXWELL WORKERS COMPENSATION MEDICAL CHECK	-75.05	75.05
10412	23-10-2017	WATER CORPORATION	WATER USAGE	-7271.46	
10413	23-10-2017	WESTNET PTY LTD	HACC/DEPOT - INTERNET USAGE	-50.02	
TOTAL				-17400.70	3412.17
SUPER PAYMENTS					
Chq/EFT	Date	Name	Description	Amount	Contra
DD9703.1	04-10-2017	WA SUPER	Payroll deductions	-3134.30	
DD9703.2	04-10-2017	FIDUCIAN PORTFOLIO SERVICES LIMITED	Superannuation contributions	-79.03	
DD9703.3	04-10-2017	Australian Super	Superannuation contributions	-315.01	
DD9703.4	04-10-2017	REST SUPERANNUATION	Superannuation contributions	-53.30	
DD9703.5	04-10-2017	MLC SUPER FUND	Superannuation contributions	-526.68	
DD9703.6	04-10-2017	NAB SUPERANNUATION FUND A	Superannuation contributions	-164.05	
DD9703.7	04-10-2017	CBUS	Superannuation contributions	-164.85	
DD9703.8	04-10-2017	PRIME SUPER	Superannuation contributions	-529.49	
DD9703.9	04-10-2017	HEALTH EMPLOYEES SUPER	Superannuation contributions	-134.56	
DD9747.1	18-10-2017	WA SUPER	Payroll deductions	-3158.97	
DD9747.2	18-10-2017	FIDUCIAN PORTFOLIO SERVICES LIMITED	Superannuation contributions	-69.45	
DD9747.3	18-10-2017	Australian Super	Superannuation contributions	-517.50	
DD9747.4	18-10-2017	REST SUPERANNUATION	Superannuation contributions	-48.85	
DD9747.5	18-10-2017	MLC SUPER FUND	Superannuation contributions	-491.58	
DD9747.6	18-10-2017	NAB SUPERANNUATION FUND A	Superannuation contributions	-164.05	
DD9747.7	18-10-2017	CBUS	Superannuation contributions	-164.85	
DD9747.8	18-10-2017	PRIME SUPER	Superannuation contributions	-544.69	
DD9747.9	18-10-2017	HEALTH EMPLOYEES SUPER	Superannuation contributions	-124.31	
DD9703.10	04-10-2017	HOSTPLUS	Superannuation contributions	-82.86	
DD9703.11	04-10-2017	CHILDCARE SUPER	Superannuation contributions	-87.42	
DD9703.12	04-10-2017	CONCEPT ONE SUPER	Superannuation contributions	-20.09	
DD9747.10	18-10-2017	HOSTPLUS	Superannuation contributions	-73.48	
DD9747.11	18-10-2017	CHILDCARE SUPER	Superannuation contributions	-53.42	
DD9747.12	18-10-2017	CONCEPT ONE SUPER	Superannuation contributions	-20.09	
TOTAL				-10575.89	
PAYROLL PAYMENTS					
	04-10-17	Payroll Direct Debit of Net Pays		-46211.00	
	18-10-17	Payroll Direct Debit of Net Pays		-46916.28	
TOTAL				-93127.28	
MUNICIPAL TOTALS					
				Amount	Contra
DIRECT DEBITS				-3,325.92	903.35
EFT TRANSACTIONS				-325,477.55	167,445.53
CHEQUES				-17,400.70	3,412.17
SUPER PAYMENTS				-10,575.89	0.00
PAYROLL PAYMENTS				-93,127.28	0.00
TOTAL				-449907.34	171,761.05



Statement for

NAB Business Visa

NAB Commercial Cards Centre - GPO Box 9992 Melbourne Victoria 3001

Tel 1300 498 594 8am - 8pm AEST & AEDT Monday to Friday, 9am - 6pm AEST & AEDT Saturday and Sunday

Fax 1300 363 658

Lost & Stolen cards: 1800 033 103 (24 hours within Australia only)

DOWERIN SHIRE
PO BOX 111
DOWERIN WA 6461



Statement Period

29 August 2017 to 28 September 2017

Company Account No:

4557 0498 0002 7159

Facility Limit:

\$16,000

Your Account Summary

Balance from previous statement	\$3,723.85 DR
Payments and other credits	\$3,723.85 CR
Purchases, cash advances and other debits	\$1,743.80 DR
Interest and other charges	\$18.00 DR
Closing Balance	\$1,761.80 DR

**YOUR DIRECT DEBIT PAYMENT OF \$1,761.80 WILL BE
CHARGED TO ACCOUNT 000086608- 0000480807363 ON
04/10/2017 AS PER OUR AGREEMENT.**

271/21/01/M02752/S007195/014389

see reverse for transaction details

Transaction record for: Billing account

Date	Amount A\$	Details	Reference
4 Sep 2017	\$3,723.85 CR	DIRECT DEBIT PAYMENT	74557047244
Total for this Period:	\$3,723.85 CR		



NAB Telephone Banking: transfer funds by phone from your nominated NAB accounts to your NAB Business Visa account. Phone 1300 498 594, between 7am and 9pm AEST, Monday to Friday, 8am and 6pm AEST, Saturday and Sunday



NAB Internet Banking: transfer funds from your NAB cheque or savings account to your NAB Business Visa account using NAB Internet Banking at nab.com.au



Bill Code: 1008. Ref: Select the card number you are making the payment to. Contact your participating bank, credit union or building society to make this payment from your cheque or savings account. BPAY payments may be delayed until the next banking business day, due to processing cut-off times. Maximum BPAY payment amount is AU \$100,000 per payment.

Cardholder summary

If you have recently switched to a new product or had a Lost/Stolen replacement of your card, your cardholder summary may not reconcile with the account balance. The closing balance in "Your Account Summary" section of this statement reflects your correct balance and amount payable. Please login to your Internet Banking or NAB Connect account to review your most up to date transaction listing.

Cardholder account	Cardholder name	Credit limit	Payments and other credits (A)	Purchases and cash advances (B)	Interest and other charges (C)	Net Totals (B + C - A)
4557-0455-3657-7475	MR STEVEN FRANCIS GE	\$6,000	\$0.00	\$0.00	\$9.00	\$9.00
4557-0455-3744-1887	MS ANDREA JANINE SEL	\$3,000	\$0.00	\$1,743.80	\$9.00	\$1,752.80
4557-0498-0002-7159	BILLING ACCOUNT	\$0	\$3,723.85 CR	\$0.00	\$0.00	\$3,723.85 CR
			\$3,723.85 CR	\$1,743.80 DR	\$18.00 DR	\$1,962.05 CR

Transaction type

Purchase

Annual percentage rate

0.000%

Daily percentage rate

0.00000%



Statement for

NAB Business Visa

NAB Commercial Cards Centre - GPO Box 9992 Melbourne Victoria 3001
Tel 1300 498 594 8am - 8pm AEST & AEDT Monday to Friday, 9am - 6pm AEST & AEDT Saturday and Sunday
Fax 1300 363 658
Lost & Stolen Cards: 1800 033 103 (24 hours, 7 days a week)

Cardholder Details

Cardholder Name: MR STEVEN FRANCIS GEERDINK
Account No: 4557 0455 3657 7475
Statement Period: 29 August 2017 to 28 September 2017
Cardholder Limit: \$6,000

Transaction record for: MR STEVEN FRANCIS GEERDINK

Date	Amount A\$	Details	Explanation	Amount NOT subject to GST	Amount subject to GST	GST component (1/11th of the amount subject to GST)	Reference
28 Sep 2017	\$9.00	CARD FEE					74557047271
Total for this period	\$9.00		Totals				

Employee declaration

I verify that the above charges are a true and correct record in accordance with company policy

Cardholder signature: 

Date: _____

271/21/01/M02752/S007196/1014391



Statement for

NAB Business Visa

NAB Commercial Cards Centre - GPO Box 9992 Melbourne Victoria 3001
Tel 1300 498 594 8am - 8pm AEST & AEDT Monday to Friday, 9am - 6pm AEST & AEDT Saturday and Sunday
Fax 1300 363 658
Lost & Stolen Cards: 1800 033 103 (24 hours, 7 days a week)

Cardholder Details

Cardholder Name: MS ANDREA JANINE SELVEY
Account No: 4557 0455 3744 1887
Statement Period: 29 August 2017 to 28 September 2017
Cardholder Limit: \$3,000

Transaction record for: MS ANDREA JANINE SELVEY

Date	Amount A\$	Details	Explanation	Amount NOT subject to GST	Amount subject to GST	GST component (1/11th of the amount subject to GST)	Reference
30 Aug 2017	\$396.60	POST DOWERIN LPO DOWERIN					74813847241
6 Sep 2017	\$903.35	SEASHELLS SERVICED APA SCARBOROUGH	L. Valentine - TRECIS Training				74940527248
26 Sep 2017	\$443.85	MSFT *E01004HZXK> MSBILL.INFO					74798067268
		RECURRING DIRECT DEBIT.					
28 Sep 2017	\$9.00	CARD FEE					74557047271
Total for this period	\$1,752.80		Totals				

Employee declaration

I verify that the above charges are a true and correct record in accordance with company policy

Cardholder signature: _____

Date: 15/11/17



Shire of Dowerin

MINUTES

Finance Committee Meeting

20 November 2017 at 3.00pm

Committee Members

Cr D.P. Hudson

Cr R.I Trepp

Cr. B.N. Walsh

Observers

Andrea Selvey – CEO

Susan Fitchat – Finance and Corporate Services Manager

SHIRE OF DOWERIN

MINUTES OF THE FINANCE COMMITTEE MEETING HELD ON 20 November 2017 at 3.00pm

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1. DECLARATION OF OPENING

In the absence of a Chair, the Shire President will open the meeting and act as Presiding Member until the election of a Chair.

Cr D. Hudson declared the meeting open at 3.00pm

2. ATTENDANCE

Committee Members

Cr DP Hudson

Cr RI Trepp

Cr BN Walsh

Observers

Andrea Selvey – CEO

Susan Fitchat – Finance and Corporate Services Manager

3. ELECTION OF CHAIR

As this is the first meeting of the newly formed Shire of Dowerin Finance Committee, it is necessary for the Committee to elect a chair. The CEO will call for nominations for Chair at the meeting.

Cr RI Trepp nominated by Cr DP Hudson. Seconded by Cr BN Walsh. Carried 3/0

4. DISCLOSURE OF INTEREST

IMPORTANT: Committee members to complete a “Disclosure of Interest” form for each item on the agenda in which they wish to disclose a financial/proximity/impartiality interest. They should give the form to the Presiding Member before the meeting commences. After the meeting, the form is to be forwarded to the Administration Office for inclusion in the Corporate Financial Disclosures Register.

5. CONFIRMATION OF MINUTES

OFFICER RECOMMENDATION – ITEM 5.1

THAT THE MINUTES OF THE FINANCE COMMITTEE MEETING HELD ON 16 OCTOBER 2017 BE CONFIRMED AS A TRUE AND CORRECT RECORD OF PROCEEDINGS.

COMMITTEE RECOMMENDATION – ITEM 5.1

Moved: Cr DP Hudson Seconded: Cr RI Trepp Carried: 3/0

THAT THE MINUTES OF THE FINANCE COMMITTEE MEETING HELD ON 16 OCTOBER 2017 BE CONFIRMED AS A TRUE AND CORRECT RECORD OF PROCEEDINGS.

6. PRESENTATIONS

7. FINANCE REPORT

7.1 FINANCIAL ACTIVITY STATEMENTS – OCTOBER 2017

Date:	
Applicant:	Shire of Dowerin
Location:	Dowerin
File Ref:	ADM
Disclosure of Interest:	14 November 2017
Author:	Susan Fitchat – Finance and Corporate Services Manager
Reviewer:	Megan Shirt – LG Consultant
Senior Officer:	Andrea Selvey – Chief Executive Officer
Attachments:	1. Monthly Financial Activity Statements – October 2017

Summary

The financial statements for the period ending 31 October 2017 are presented for the Finance Committee review.

Background

Section 6.4 of the Local Government Act 1995 requires a Local Government to prepare financial reports.

The Local Government (Financial Management) Regulations 34 & 35 set out the form and content of the financial reports which have been prepared for the periods as above and are presented to Council for approval.

Comment

In order to fulfil statutory reporting requirements, and to provide the Council with a synopsis of the Shire's overall financial performance on a year to date basis, the following financial reports are attached:

- Statements of Financial Activity – Statutory Reports by Program and Nature or Type

The Statements of Financial Activity provide details of the Shire's operating revenues and expenditures on a year to date basis. The reports further include details of non-cash adjustments and capital revenues and expenditures, to identify the Shire's net current position; which reconciles with that reflected in the associated Net Current Position note (Note 3).

- Capital Acquisitions

This report provides year to date budget performance in respect of the following capital expenditure activities and their funding sources. Individual project information can be found at Note 12.

- Note 1 – Significant Accounting Policies

This note provides details of the accounting policies relating to the Shire's accounts.

- Note 2 - Explanation of Material Variances

Council adopted (in conjunction with the Annual Budget) a material reporting variance threshold of 5% or \$5,000, whichever is the greater. This note explains the reasons for any material variances identified in the Statements of Financial Activity at the end of the reporting period.

- Note 3 - Net Current Funding Position - Statutory Requirement

This note provides details of the composition of the net current asset position on a year to date basis, and reconciles with the closing funding position as per the Statement of Financial Activity.

- Note 4 – Cash and Investments

This note provides Council with the details of the actual amounts in the Shire's bank accounts and/or Investment accounts as at reporting date.

- Note 5 – Budget Amendments

This note provides council with a list of all budget amendments to date.

- Note 6 – Receivables

This note provides Council with the sundry debtors outstanding as at reporting date.

- Note 7 - Cash Backed Reserves

This note provides summary details of transfers to and from reserve funds, and associated interest earnings on reserve funds, on a year to date basis.

- Note 8 – Rating Information

This note provides details of rates levied during the year.

- Note 9 – Information on Borrowings

This note shows the Shire's current debt position and lists all borrowings.

- Note 10 – Grants and Contributions received

This note is being redeveloped and will be provided as soon as possible.

- Note 11 – Trust Funds

This note shows the balance of funds held by the Shire in its Trust Fund on behalf of another person/entity.

- Note 12 – Capital Acquisitions

This note details the capital expenditure program for the year.

Consultation

CEO

At the Finance Committee meeting the Committee raised the following queries:

Note 6 - Refer to Note 3. Provide details of accounts included in 'Receivables Other' and provide an explanation of the overdue amount.

Response: The overdue invoice relates to a LGIS Workcare claim which shall be followed up.

Note 2 - Variance Surplus explanation to be reviewed.

Response: Explanation amended.

Note 8 - Disposal of assets – variance to budget. Two vehicles have been traded in November for one new vehicle; and not in October. Therefore the October Financial Statements still reflect budget, not actuals. Actuals will be reflected in the November statements to be presented to the Finance Committee and Council in December.

Note 4 - Maturity dates of future fixed deposits to be aligned. The preferred maturity date should be May/June ; which will release the cash interest into the correct financial year.

Response: These will be reviewed and aligned when they mature.

Note 9 - Borrowing maturing information (dates) should be disclosed on financial statements.

Response: Will be implemented as from the November statements.

Financial Implications

The budgeted opening funding surplus was predicted to be \$1,134,516 and following the finalisation of the audit of the annual financial statements the actual closing surplus as at 30 June 2017, the result has been increased to \$1,339,634. This increase was due to adjustments required by the auditor to bring out of court settlement funds to account in FY 2017. This adjustment will be considered with the statutory budget review early 2018.

Other financial implications are detailed within the context of the attached reports.

Risk Implications

Timely preparation of the monthly financial statements within statutory guidelines is vital to good financial management. Failure to submit compliant reports within statutory time limits will lead to non-compliance with the Local Government act and Financial Management regulations.

Policy Implications

The Shire of Dowerin has a comprehensive suite of financial management policies.

Finances have been managed in accordance with these policies.

Statutory Implications

Council is required to adopt monthly finance reports to comply with Reg 34(1) of the Local Government (Financial Management) Regulations 1996. These reports and processes are compliant.

Strategic Implications

Nil

Voting Requirements

Simple Majority will be required at the Ordinary Meeting of Council.

OFFICER RECOMMENDATION – ITEM 7.1

THAT THE FINANCE COMMITTEE RECEIVES THE STATUTORY FINANCIAL ACTIVITY STATEMENT REPORTS FOR THE PERIOD ENDING 31 OCTOBER 2017 PURSUANT TO REGULATION 34(4) OF THE LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS.

COMMITTEE RECOMMENDATION – ITEM 7.1

Moved: Cr DP Hudson Seconded: Cr BN Walsh Carried: 3/0

THAT THE FINANCE COMMITTEE RECEIVES THE STATUTORY FINANCIAL ACTIVITY STATEMENT REPORTS FOR THE PERIOD ENDING 31 OCTOBER 2017 PURSUANT TO REGULATION 34(4) OF THE LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS.

6.2 ACCOUNTS FOR PAYMENT – 4 OCTOBER 2017 TO 31 OCTOBER 2017

Date:	7 November 2017
Applicant:	Shire of Dowerin
Location:	Dowerin
File Ref:	ADM
Disclosure of Interest:	Nil
Author:	Emma Hardy – Finance Officer
Senior Officer:	Susan Fitchat – Finance and Corporate Services Manager
Attachments:	2. List of Accounts 3. Credit Card Summaries

Background

The attached schedules of cheques drawn and electronic payments that have been raised under delegated authority during the month since the last Council meeting are presented to the Finance Committee before being presented to Council to be received.

Comment

The list as presented has been reviewed by the Assets and Works Manager, Finance and Corporate Services Manager and Chief Executive Officer.

The Finance Committee confirmed the sequencing and queried the following payments:

1. EFT 5298 - payment to Local Government Appointments. Should this be a contra?
Response: Some of these fees are contra but not all.
2. Cheque 10409 - payment to Water Corporation, standpipes water usage.
Response: The committee viewed and verified the account.
3. Cheque 10412 - payment to Water Corporation. Query why some accounts attract State Government discounts.
Response: management to enquire about criteria for the application of discounts on some bills and not others.
4. Credit card payment Microsoft Sharepoint \$443.85, recurring debit.
Response: This payment is the monthly licence fee for Office365, including our secure records management system. This fee is for 14 users.

Statutory Implications

Reg 12 & 13 of the Local Government (Financial Management) Regulations 1996 requires that a separate list be prepared each month for adoption by Council showing:

- Creditors to be paid
- payments made from Municipal Fund, Trust Fund and Reserve Fund by Chief Executive Officer under delegated authority from Council

Policy Implications

Payments have been made under delegation.

Financial Implications

Funds expended are in accordance with Council's adopted budget for the 2017/18 financial year.

Risk Implications

Nil

Strategic Implications

Nil

Voting Requirements

Simple Majority will be required at the Ordinary Meeting of Council.

OFFICER RECOMMENDATION – ITEM 7.2

THAT THE FINANCE COMMITTEE RECOMMEND THAT COUNCIL RECEIVE THE REPORT FROM THE CHIEF EXECUTIVE OFFICER ON THE EXERCISE OF DELEGATED AUTHORITY IN RELATION TO CREDITOR PAYMENTS FROM THE MUNICIPAL FUND FOR THE PERIOD 4 OCTOBER 2017 TO 31 OCTOBER 2017.

COMMITTEE RECOMMENDATION – ITEM 7.2

Moved: Cr BN Walsh

Seconded: Cr DP Hudson

Carried:

3/0

THAT THE FINANCE COMMITTEE RECOMMEND THAT COUNCIL RECEIVE THE REPORT FROM THE CHIEF EXECUTIVE OFFICER ON THE EXERCISE OF DELEGATED AUTHORITY IN RELATION TO CREDITOR PAYMENTS FROM THE MUNICIPAL FUND FOR THE PERIOD 4 OCTOBER 2017 TO 31 OCTOBER 2017.

6.3 DRAFT LONG TERM FINANCIAL PLAN

Date:	7 November 2017
Applicant:	Shire of Dowerin
Location:	Dowerin
File Ref:	ADM
Disclosure of Interest:	Nil
Author:	
Senior Officer:	Susan Fitchat – Finance and Corporate Services Manager
Attachments:	

Background

Integrated Planning and Reporting (IPR) regulatory requirements came into effect in July 2013. The IPR is a framework for local governments to plan for the future.

Key elements include:

- A Strategic Community Plan;
- A Corporate Business Plan;
- Long Term Financial Plan (LTFP);
- Asset Management Plans; and
- Workforce Plan.

This item commences the process to develop a Long Term Financial Plan (LTFP) for the Shire of Dowerin. It is proposed to develop this first LTFP as an interim document that will be reviewed and refined as part of the full review of the Strategic Community Plan occurring later this year.

The LTFP is a high-level 10-year rolling plan that informs the Corporate Business Plan in the activation of Strategic Community Plan priorities and includes robust forecast budgets for four years accompanying the Corporate Business Plan. From these planning processes, annual budgets that are aligned with strategic objectives can be developed. The LTFP is often presented in two parts – a narrative section followed by tables of financial projections covering the ten years of the plan. The projections will be backed up by supporting documentation such as detailed spreadsheets, schedules and working papers. The LTFP should contain enough information to be useful and needs to be sufficiently detailed to enable the calculation of statutory financial ratios (see Attachment One)

The LTFP enables local governments to set priorities, based on their resourcing capabilities, for the delivery of short, medium and long term community priorities. It is also an indicator of a local government's long term financial sustainability and allows early identification of financial issues and their longer term impacts.

Comment

The following Financial strategies, as discussed with Council at underpin the April Council workshop, underpin the LTFP:

- Continuous improvement in the financial position of the local government;
- The achievement or maintenance of operating surpluses each year;
- Competitive Rates - we our rates to be affordable;
- Healthy reserves that create interest as an alternative revenue source and allow us to take advantage of opportunities that arise;
- Sufficient rates funding to fund core services and facilities;
- Increases our rates base - not the rate in the dollar.

The starting point for the LTFP was the actual operating budget as per the 2016/17 Mid-Year Budget review. The first scenario position will be to maintain current range and level of services and build in income and expenditure projections based on a number of assumptions as discussed at the April 2017 workshop with Councillors:

- Inflation of around 2% in the short term - 2 -3 years - 2.5% thereafter;
- Utilities - 7%;
- The rates base will stay stable;
- Rates revenue will increase by 4% per annum;
- A major upgrade to our sewerage system - funded by reserves;
- Phase two of the STA project - around 2million in about 5 years;
- Swimming pool upgrades over several years.

It is usually possible to provide reasonably accurate projections based on assumptions in the first few years but it is recognised that projections become increasingly speculative in the latter years of any LTFP. Therefore it is suggested that it is better for a local government to thoroughly understand the key assumptions used in developing its Long Term Financial Plan and to change these over time, rather than to expend resources and effort analysing a range of variables for which accurate current information may not be available.

Using this base model, further models can be developed to explore alternative scenarios (i.e. changes to range and level of service) so that Council can determine how those various scenarios could be resourced.

The Finance Committee made the following suggestions:

1. To link the rates percentage increase to a sliding scale to the graphs for a live demonstration on how it effects the LTFP ratios.
2. Asset Renewal funding ratio has no data from FY26/27; therefore there is a steep downward trend. Stop the graph at FY26/27 as the downward representation is misleading.

Statutory Implications

Integrated Planning and Reporting (IPR) Framework and Guidelines

Policy Implications

The draft LTFP has been developed to progress Council's financial direction as set out in financial policies such as the Reserves Policy.

Financial Implications

The LTFP sets out the financial direction for the Shire.

Risk Implications

Nil

Strategic Implications

The LTFP, like the other strategic documents in the IPR suite, assist Councils to make strategic decisions that are focused on achieving long term objectives. All documents in the suite should be integrated so that

Voting Requirements

N/A

OFFICER RECOMMENDATION – ITEM 7.3

THAT THE FINANCE COMMITTEE RECOMMENDS THAT THE LTFP BE THE SUBJECT OF A COUNCILLOR WORKSHOP.

COMMITTEE RECOMMENDATION – ITEM 7.3

Moved: Cr DP Hudson Seconded: Cr BN Walsh Carried: 3/0

THAT THE FINANCE COMMITTEE RECOMMENDS THAT THE LTFP BE THE SUBJECT OF A COUNCILLOR WORKSHOP.

7. QUESTIONS FROM MEMBERS

Nil

8. URGENT BUSINESS

Nil

9. DATE OF NEXT MEETING

Date: MONDAY 11 DECEMBER 2017 (NOTE – SECOND WEEK OF THE MONTH DUE TO CHRISTMAS)

Items for next meeting:

10. CLOSURE OF MEETING

The presiding member, Cr RI Trepp, closed the meeting at 4.50pm.



Shire of Dowerin

Audit Committee Meeting

Minutes

20 November 2017 at 1pm

Shire of Dowerin Council Chambers

COMMITTEE MEMBERS	
Cr D.P. Hudson	Shire of Dowerin
Cr A.J. Metcalf	Shire of Dowerin
Cr B.A. Ward	Shire of Dowerin
Mr Jason Whiteaker	External Advisor to the Audit Committee
OBSERVER	
Andrea Selvey – CEO	Shire of Dowerin
Susan Fitchat – Finance and Corporate Services Manager	Shire of Dowerin
Maria Cavallo	External Auditor - AMD

COMMITTEE TERMS OF REFERENCE (adopted by Council on 24 October 2017)

Objectives of the Audit Committee:

The primary objective of the Audit Committee is to accept responsibility for the annual external audit and liaise with the Shire's auditor so that Council can be satisfied with the performance of the Shire in managing its financial affairs. Reports from the Audit Committee will assist Council in discharging its legislative responsibilities

The Audit Committee is to facilitate:

- the enhancement of the credibility and objectivity of internal and external financial reporting;
- effective management of financial and other risks and the protection of Council assets;
- compliance with laws and regulations as well as use of best practice guidelines relative to audit, risk management, internal control and legislative compliance;
- the coordination of the internal audit function with the external audit; and
- the provision of an effective means of communication between the external auditor, internal auditor, the CEO and Council.

Powers of the Audit Committee:

The Audit Committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its term of reference.

The Audit Committee is a formally appointed committee of Council and is responsible to that body. The committee does not have executive powers or authority to implement actions and does not have any delegated financial responsibility.

Membership:

The Audit Committee will consist of four members, being three elected and one external person. Membership will be reviewed biennially immediately following Local Government elections unless, by a decision of Council, an interim appointment is required. All members shall have full voting rights.

Appointment of external persons shall be made by Council by way of an invitation to a suitably qualified and experienced Local Government CEO or Corporate Services Executive and be for a maximum of two years. The terms of the appointment should be arranged to ensure an orderly rotation and continuity of membership despite changes to Council's elected representatives. Reimbursement of approved expenses will be paid to the external person who is a member of the committee.

The CEO and Finance Manager will attend meetings in an advisory role only as needed which will include being available at any time the Committee meets.

Secretarial support will be provided to the Committee by the Governance Coordinator or Officer.

Meetings:

The Audit Committee shall meet at least quarterly.

Reporting:

Reports and recommendations of each committee meeting shall be presented to the next ordinary meeting of the Council.

Duties and Responsibilities:

The duties and responsibilities of the Audit Committee will be to:

- a) Provide guidance and assistance to Council as to the carrying out the functions of the local government in relation to audits;
- b) Develop and recommend to Council an appropriate process for the selection and appointment of a person as the Shire's auditor;
- c) Develop and recommend to Council a list of those matters to be audited and the scope of the audit to be undertaken;
- d) Recommend to Council the person or persons to be appointed as auditor;
- e) Develop and recommend to Council a written agreement for the appointment of the external auditor. The agreement is to include:

- the objectives of the audit;
 - the scope of the audit;
 - a plan of the audit;
 - details of the remuneration and expenses to be paid to the auditor; and
 - the method to be used by the local government to communicate with, and supply information to, the auditor;
- f) Meet with the auditor once in each year and provide a report to Council on the matters discussed and outcome of those discussions;
- g) Liaise with the CEO to ensure that the local government does everything in its power to –
- assist the auditor to conduct the audit and carry out his or her other duties under the Local Government Act 1995; and
 - ensure that audits are conducted successfully and expeditiously;
- h) Examine the reports of the auditor after receiving a report from the CEO on the matters to –
- determine if any matters raised require action to be taken by the local government; and
 - ensure that appropriate action is taken in respect of those matters;
- i) Review the report prepared by the CEO on any actions taken in respect of any matters raised in the report of the auditor and presenting the report to Council for adoption prior to the end of the next financial year or 6 months after the last report prepared by the auditor is received, whichever is the latest in time;
- j) Review the scope of the audit plan and program and its effectiveness;
- k) Review the appropriateness of special internal audit assignments undertaken by internal audit at the request of Council or CEO;
- l) Review the level of resources allocated to internal audit and the scope of its authority;
- m) Review reports of internal audits, monitor the implementation of recommendations made by the audit and review the extent to which Council and management reacts to matters raised;
- n) Facilitate liaison between the internal and external auditor to promote compatibility, to the extent appropriate, between their audit programs;
- o) Review the local government's draft annual financial report, focusing on –
- accounting policies and practices;
 - changes to accounting policies and practices;
 - the process used in making significant accounting estimates;
 - significant adjustments to the financial report (if any) arising from the audit process;
 - compliance with accounting standards and other reporting requirements; and
 - significant variances from prior years;
- p) Consider and recommend adoption of the annual financial report to Council. Review any significant changes that may arise subsequent to any such recommendation but before the annual financial report is signed;
- q) Review the annual Compliance Audit Return and report to Council the results of that review, and
- r) Consider the CEO's biennial reviews of the appropriateness and effectiveness of the Shire's systems and procedures in regard to risk management, internal control and legislative compliance, required to be provided to the committee, and report to the Council the results of those reviews.

Shire of Dowerin
13 Cottrell Street
Dowerin WA 6461
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SHIRE OF DOWERIN

MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 20 NOVEMBER 2017 at 1pm at the Shire of Dowerin Council Chambers, Cottrell Street, Dowerin

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1. DECLARATION OF OPENING

In the absence of a Chair, the Shire President will open the meeting and act as Presiding Member until the election of a Chair.

Cr D. Hudson declared the meeting open at 1.05pm

2. ATTENDANCE

Cr D.P Hudson

Cr A.J. Metcalf

Cr B.A. Ward

Mr J. Whiteaker

Ms A. Selvey - Chief Executive Officer

Ms S. Fitchat – Finance and Corporate Services Manager

Ms M. Cavallo – External Auditor, AMD

3. ELECTION OF CHAIR

As this is the first meeting of the re-established Shire of Dowerin Audit Committee, the first item of business is to elect an Audit Committee Chair for the coming two year period, expiring in October 2019.

The Presiding Member will call for nominations for Chair at the meeting.

Cr D.P Hudson nominated by Cr A.J. Metcalf; Seconded by Mr J Whiteaker

Cr Hudson accepted the nomination.

3. APOLOGIES

Nil

4. APPLICATIONS FOR LEAVE OF ABSENCE

Cr B.A. Ward

Moved : Cr A.J Metcalf Seconded by: Mr J Whiteaker

4. DECLARATION OF INTEREST

IMPORTANT: Parts of Division 6 Subdivision 1 of the Local Government Act 1995 requires Council members and employees to disclose any direct or indirect financial interest or general interest in any matter listed in this agenda.

The Act also requires the nature of the interest to be disclosed in writing before the meeting or immediately before the matter being discussed.

NB A Council member who makes a disclosure must not preside or participate in, or be present during, any discussion or decision making procedure relating to the disclosed matter unless the procedures set out in Sections 5.68 or 5.69 of the Act have been complied with.

5. CONFIRMATION OF MINUTES

OFFICER'S RECOMMENDATION

That the minutes of the meeting of the Shire of Dowerin Audit Committee held on 23 June 2017 be confirmed as a true and correct record of that meeting.

Moved: Cr A.J Metcalf Seconded: Mr Jason Whitaker Carried: 4/0

6. PRESENTATIONS

The Shire of Dowerin's External Auditor, Ms M Cavallo, presented the 2016/17 audit report.

Ms M Cavallo presented and provided an overview of the 30 June 2017 Management Report and audit recommendations. This report was tabled at the meeting

The report is prepared according to Australian Auditing Standards, based on the understanding of the Shire's operations, strategies and risks.

The Shire received an unqualified audit, and our annual financial report is free from material misstatement. There were no areas of disagreement either in the accounting estimates or judgements or in the presentation and disclosure made in the financial report.

There was one material misstatement and adjustment made relating to accrued income as at 30 June 2017. This adjustment was discussed with management and is reflected within the final audited financial report.

Appendix 1 discloses audit recommendations for the year ended 30 June 2017.

A summary as follows:

1. Minor: Provision for Employee Entitlements.
Management: IT Vision has completed a full audit of leave of Synergy soft.
2. Minor: Depreciation Rates of various classes of assets.
Management: Depreciation rates will be reviewed according to life of asset classes.
3. Minor: Works Costings for overheads were too low.
Management: overhead allocation rates will be reviewed 3 times a year.
4. Minor: Credit cut off and dormant balances.
Management: Ongoing training for staff on accrued expenses.
5. Minor: Interim rating not completed
Management: Interim rating will be carried out as per Valuer General schedules.

Details of unadjusted audit differences are provided within the report and disclosed within Appendix 2. They have an immaterial effect.

Mr J. Whitaker questioned if Council has a policy on the use of untied surpluses. The CEO confirmed that the Shire does not have a policy for this purpose. The Auditor confirmed that a policy on use of untied surpluses is good practice. The CEO will develop a policy for Council consideration.

7. REPORTS

7.1 2016/17 AUDIT AND ANNUAL REPORT

Date: 12 November 2017
File Ref:
Disclosure of Interest: Nil
Author: A. Selvey, Chief Executive Officer
Attachments: 1. 2016/17 Signed Financial Report;
2. Management Letter;
3. Shire of Dowerin Annual Report 2016/17.

Summary

For Committee to consider and, if acceptable, recommend to Council that Council receives Annual Report, inclusive of the Signed Financial Report, for the year ended 30 June 2017 for the Shire of Dowerin.

Background

It is a requirement for Council to receive the Annual Report within two months of the External Audit being finalised and as such the Annual Report, inclusive of the Signed Financial Report for 2016/17, is now presented for Committee's consideration (see Attachment One and Three).

Should the 2016/2017 Annual Report be recommended by the Committee and subsequently received by Council, it is intended seek Council authorisation to call the Annual Electors Meeting on Tuesday 12 December 2017 at 6.30pm.

Comment

The presentation from Ms Cavallo serves as the detailed commentary on the 2016/7 Audit. The Management Letter (see Attachment Two) signed by Ms Cavallo provides information on the audit approach, audit adjustments and unadjusted audit differences the audit opinion which is that the financial report presents fairly the financial position of the Shire at the end of the 2016/17 financial year; that the internal processes, procedures and financial reporting frameworks are adequately designed and have been maintained to a high standard. Five issues were found but have been rated as minor meaning that the Auditor believes they are not of primary concern but still warrant action. A summary of issues is listed below:

1. Provision of employee entitlement requires review.
This review has since been carried out and training is scheduled for 21 and 22 November.
2. Discrepancies in depreciation rates.
A significant effort has been made to improve asset management, including depreciation rates. This effort will continue in 2017/18 and will result in much more accurate application of depreciation.
3. Public Works Overheads under allocation which indicates that allocation rates were too low.
New processes will be introduced and staff will review allocations as per timing recommended by the Auditor.
4. Creditor and accrued expenses not brought into account at year end.
Staff will be provided with training in this area in the coming year and will develop a procedure to follow. This will not be an issue in 2017/18 when staff better understand the context and implications.

5. Interim Rating.

Interim rating will be carried out as updated Valuer General schedules are received.

The Audit Report for year ending 30 June 2017 is unqualified.

The Annual Report highlights the organisation's achievements against the Strategic Community Plan.

Consultation

Council is required to hold an Annual Electors Meeting within 56 days of acceptance of the Annual Report. It is also a requirement that at notice of at least 2 weeks be given of the Annual Electors meeting. Pending the Committee recommendation and Council's adoption of the Annual Report, the Annual Electors Meeting is proposed to take place on Tuesday 12 December 2017 at 6.30pm at the Dowerin Community Club.

The Annual Electors Meeting will be advertised as follows:

- Dowerin Despatch – 30 November and 7 December;
- Notices will also be placed on Shire and Community Notice Boards, Facebook and the Shire of Dowerin website.

The following queries regarding the Annual Report, were raised at the meeting by the Audit Committee:

1. Page 3 -Other revenue has increased over budget from 202k to 418k, what was the additional revenue?
Response: Unbudgeted revenue relating to a legal matter.
2. Page 3 - Non operating grants and subsidies are \$700k less than budget (\$2.074m - \$1.308m) - timing of grant - which one?
Response:
\$600,000 - Short Term Accommodation
\$112,000 - Regional Road Group
\$ 55,000 - Roads to Recovery
3. Page 5 - current liabilities, \$707,324 - which is quite significant, what was the major reason (s)?
Response:
\$125,000 - Australian Tax Office
\$ 83,000 - Retention Bond Short Term Accommodation,
\$348,000 - Sundry Creditors (Inc \$237,000 Solutions for Building,
\$18,000 Dun Direct, \$12,000 ITVision, \$10,000 Contract Aquatic,
\$14,000 WALGA)

4. Page 7 - transfers to and from reserve not in line with budget, presume a Council resolution in place to support changes?
Response:
Yes – refer to Mid Year Budget review notes – this relates to transfers not completed at end of 2015/16 financial year.
5. Page 7 - end of year surplus \$1.339m - how much of this was tied vs untied? Obviously have the pre-paid grants which also impacts (tied relates to funds unspent attributable to specific projects).
Response:
\$150,000 - Untied
\$ 58,000 - Home and Community Care Grant
\$200,000 - Short Stay Accommodation
\$723,000 - FAGS Grant
\$213,750 - Unbudgeted revenue
6. Page 27 - Rates outstanding - has increased from \$36k to \$50k (significant % increase, aware of this...) although total collected at 96% odd is still good. Just want to watch the trend. Any of these outstanding for longer than 3 years?
Response:
About 5 of them are more than three years / \$value approx. \$20,000. We now have a Debt Collection policy which includes referral to AMPAC.
7. Page 27 - Sundry debtors \$356k - significant, major debtors are?
Response:
\$213,000 - Unbudgeted revenue
\$ 66,000 - Main Roads Claim
\$ 19,000 - Community Childcare
\$ 13,000 - Dowerin Events Management - Loan
8. Page 27 - presume the issue of GST with the ATO has been resolved?
Response:
No, not yet. Have a commitment that this will be done by December.
9. Page 35 - sundry creditors, high, simply timing of payments.....anything major or just bits and pieces?
Response:
Sundry Creditors
\$237,000 - Solutions for Building
\$ 18,000 - Dun Direct
\$ 12,000 - IT Vision
\$ 10,000 - Contract Aquatic,
\$ 14,000 - WALGA

10. Page 35 - what are the other payables?
Response:
\$125,000 - Australian Tax Office
\$ 83,000 - Retention Bond
\$ 13,000 - Accrued Creditors
11. Page 35 - why the significant increase in payroll creditors?
Response:
May & June PAYG payments were made in July (May BAS late)
12. Page 42 - Asset sustainability ratio - trending downward indicating less spend on assets, something to be aware of. Compounded by decreasing depreciation, so indicator would have been worse again if Depreciation had remained same as L/Y.
Response:
AMPs are being developed and depreciation rates are being reviewed. Unsure of prior year valuation quality - Work in progress.
13. Page 50, what was the grant in economic services for \$601k
Response:
\$200,000 from the Federal Govt Dept of Infrastructure and Regional Development \$400,000 from DEM?
These were for the Short Stay Accommodation.

Financial Implications

This report provides information on the financial performance and financial management of the organisation. The financial ratios, reported on page 42 of the Financial Report, are perhaps the best indicator of overall financial performance. The Auditor notes that the Shire's calculated ratios are within the Department's recommended guidelines which indicate an acceptable financial position.

Risk

Nil

Policy Implications

Nil

Statutory Implications

It is a statutory requirement under the Local Government Act 1995 Section 5.53 & 5.54 for Local Governments to receive an Annual Report.

Strategic Implications

Aligns with the Strategic Community Plan Theme 4 – Local Government Leadership

OFFICER RECOMMENDATION – ITEM 7.1

THAT THE AUDIT COMMITTEE RECOMMENDS TO COUNCIL THAT COUNCIL RESOLVES TO:

- 1. ACCEPT THE REPORT PROVIDED BY THE SHIRE'S EXTERNAL AUDITOR, MS M CAVALLO OF AMD;**
- 2. RECEIVE THE SHIRE OF DOWERIN ANNUAL REPORT WHICH INCLUDES THE SIGNED FINANCIAL ACCOUNTS FOR THE 2016/2017 FINANCIAL YEAR; AND**
- 3. PROCEED WITH THE ANNUAL ELECTORS GENERAL MEETING ON TUESDAY 12 DECEMBER 2017 AT 6.30PM AT THE DOWERIN COMMUNITY CLUB.**

COMMITTEE RECOMMENDATION – ITEM 7.1

Moved: Mr J Whiteaker

Seconded: Cr A.J. Metcalf

Carried: 4/0

THAT THE AUDIT COMMITTEE RECOMMENDS TO COUNCIL THAT COUNCIL RESOLVES TO:

- 1. ACCEPT THE REPORT PROVIDED BY THE SHIRE'S EXTERNAL AUDITOR, MS M CAVALLO OF AMD;**
- 2. RECEIVE THE SHIRE OF DOWERIN ANNUAL REPORT WHICH INCLUDES THE SIGNED FINANCIAL ACCOUNTS FOR THE 2016/2017 FINANCIAL YEAR; AND**
- 3. PROCEED WITH THE ANNUAL ELECTORS GENERAL MEETING ON TUESDAY 12 DECEMBER 2017 AT 6.30PM AT THE DOWERIN COMMUNITY CLUB.**

7.2 RISK MANAGEMENT – UPDATE ON PROGRESS

Date:	12 November 2017
Applicant:	The Shire of Dowerin
Location:	N/A
File Ref:	
Disclosure of Interest:	Nil
Author:	Andrea Selvey, CEO
Attachment:	4. Risk Management Tool - Dashboard; 5. Measures of consequence table – V.1; and 6. Draft Measures of consequence table – V.2.

Summary

This item presents an update on the Shire’s processes for identification, tracking and management of risks and seeks the Committee’s support in recommending an amendment to the Risk Management Policy by way of reducing the dollar value for each level of risk in the Risk Matrix.

Background

At the meeting of the Audit Committee in December 2016, the Audit Committee received and recommended to Council, the Regulation 17 Report from the CEO. The Report included a Dashboard that listed risks identified by key staff under the themes / areas of business and actions to mitigate those risks. The report included a Policy which provided a matrix for risk consequences and likelihood.

Comment

Over the past 12 months, the Shire of Dowerin Risk Management Team has met regularly to review risks under each theme and track progress of actions identified to mitigate the risks. This item reports progress against actions. See Attachment Four - Risk Management Tool Dashboard November 2017.

It has come to the attention of the Team that the current levels of exposure in terms of financial impact in the risk matrix are very high for a small local government and therefore the Team is recommending that the policy be amended to reflect a reduction in the dollar amounts. See table below for further clarification. While this is the only change being recommended by the Risk Management Team, this item provides an opportunity for the Committee to review all measures of consequence.

Rating	Current	Proposed
Insignificant (1)	Less than \$10,000	Less than \$5,000
Minor (2)	\$10,001 - \$100,000	\$5,001 - \$50,000
Moderate (3)	\$100,001 - \$300,000	\$50,001 - \$200,000
Major (4)	\$300,001 - \$600,000	\$200,001 - \$500,000
Extreme (5)	More than \$600,000	More than \$500,000

Consultation

The Shire's Risk Management Team includes the Asset and Works Manager, Finance and Corporate Services Manager, Asset Management Officer, Governance and Organisational Development Coordinator and Chief Executive Officer with external support from the LGIS Risk Advisor, Michael Sparks, all of whom have been consulted in preparing this report.

Financial Implications

Many of the actions required to manage the risks identified will require resourcing and are being progressed within current budget allocations.

Policy Implications

The Risk Management Policy includes the Measures of Consequence table as an appendix. Should Council adopt the Officer's Recommendation and revise the dollar amounts, the Risk Management Policy will be updated accordingly.

Statutory Implications

Nil

Strategic Implications

Strategic Community Plan - Theme 4 – Local Government Leadership

OFFICER'S RECOMMENDATION – ITEM 7.2

THAT THE AUDIT COMMITTEE:

- 1. RECEIVES THE REPORT ON PROGRESS OF ACTIONS TO IDENTIFY RISKS AND TRACK ACTIONS TO MANAGE RISKS AT THE SHIRE OF DOWERIN; AND**
- 2. RECOMMENDS THAT THE RISK MANAGEMENT POLICY APPENDIX (RISK MATRIX) BE AMENDED TO REDUCE THE DOLLAR VALUE IN RELATION TO THE CONSEQUENCE ON THE ORGANISATION AS FOLLOWS:**

Rating	Proposed
Insignificant (1)	Less than \$5,000
Minor (2)	\$5,001 - \$50,000
Moderate (3)	\$50,001 - \$200,000
Major (4)	\$200,001 - \$500,000
Extreme (5)	More than \$500,000

COMMITTEE RECOMMENDATION – ITEM 7.2

Moved: Mr J. Whitaker

Seconded: Cr B.A Ward

Carried: 4/0

THAT THE AUDIT COMMITTEE:

- 1. RECEIVES THE REPORT ON PROGRESS OF ACTIONS TO IDENTIFY RISKS AND TRACK ACTIONS TO MANAGE RISKS AT THE SHIRE OF DOWERIN; AND**
- 2. RECOMMENDS THAT THE RISK MANAGEMENT POLICY APPENDIX (RISK MATRIX) BE AMENDED TO REDUCE THE DOLLAR VALUE IN RELATION TO THE CONSEQUENCE ON THE ORGANISATION AS FOLLOWS:**

Rating	Proposed
Insignificant (1)	Less than \$5,000
Minor (2)	\$5,001 - \$50,000
Moderate (3)	\$50,001 - \$150,000
Major (4)	\$150,001 to \$350,000
Extreme (5)	More than \$350,000

NB: The Audit Committee recommendation varied from the Officer's Recommendation as the Audit Committee felt the dollar values in relation to the consequence on the organisation was still too high.

7.3 LOCAL GOVERNMENT AMENDMENT (AUDITING) ACT 2017

Date: 12 November 2017
File Ref:
Disclosure of Interest: Nil
Author: A. Selvey, Chief Executive Officer
Attachments: 7. Letter from the Office of the Auditor General

Summary

This item and attachment provides an update on the 2017 amendment to the Local Government (Auditing) Act giving the Auditor General the mandate to audit Local Governments.

Background

A letter from the Auditor General dated 22 September 2017, provides an update on the proposed implementation of the amendment to the Local Government (Auditing) Act which provides the Auditor General (AG) the mandate to audit Local Governments. The letter advises that while the Act was assented to in September 2017, sections of it are to be proclaimed. (NB: The main promulgation took effect late October when the Act was gazetted. Further promulgations are yet to take place, mainly in relation to the regulations.)

Comment

The AG advises that by 2020/21 all Local Governments will be audited by the Officer of the Auditor General (OAG). The letter advises that the OAG will write to each Local Government about the timing and requirements as it relates to them. The Shire of Dowerin has a two year contract with AMD which expires in 2017/18; therefore the transition for this Local Government is likely to occur at that point.

A summary of other key points include:

The OAG will contract out the majority of the Local Government financial audits; however the AG will sign and issue all audit opinions.

Local Governments will still be required to meet audit fees and that based on the experience of other states, the fees are likely to increase.

The Act allows for performance audits – where these are carried out, they will be funded by the State Government.

Mr Colin Murphy, the AG will be addressing the Great Eastern Country Zone (GECZ) meeting on 30 November. The AG has requested the meeting so that he can speak on the role of the OAG in local government audits and provide an overview of what to expect for both performance and financial audits.

Consultation

Nil

Financial Implications

Nil in receiving this report

Policy Implications

Nil

Statutory Implications

This item seeks to update the Committee on a matter relating to a new piece of legislation that has an impact on all Local Governments.

Strategic Implications

Nil

OFFICER RECOMMENDATION – ITEM 7.3

THAT THE AUDIT COMMITTEE NOTES THE LETTER FROM THE AUDITOR GENERAL ON THE PROPOSED IMPLEMENTATION OF THE *LOCAL GOVERNMENT (AUDITING) ACT 2017* AND SEEKS FURTHER UPDATES FROM THE CEO AS THEY BECOME AVAILABLE.

COMMITTEE RECOMMENDATION – ITEM 7.3

Moved: Mr J. Whitaker Seconded: Cr A.J Metcalf Carried: 4/0

THAT THE AUDIT COMMITTEE NOTES THE LETTER FROM THE AUDITOR GENERAL ON THE PROPOSED IMPLEMENTATION OF THE *LOCAL GOVERNMENT (AUDITING) ACT 2017* AND SEEKS FURTHER UPDATES FROM THE CEO AS THEY BECOME AVAILABLE.

8. QUESTIONS FROM MEMBERS

Nil

9. URGENT BUSINESS

Acknowledge staff and AMD Chartered Accountants for unqualified audit.

10. DATE OF NEXT MEETING

Date: TBA Third week of February (Monday 19 February at 1.00pm)

Items for next meeting: Compliance Audit Return

11. CLOSURE OF MEETING