

ANNUAL REPORT

2016/2017



Shire of Waroona



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OUR MISSION, VALUES & STRATEGIC OBJECTIVES

The Shire of Waroona, through its Community Strategic Plan 2012-2017 will continue to provide and deliver effective and efficient services to its residents through a responsive, unified and democratic system of Local Government that is a reflection of its community.

Vision Statement

We care for our Coast, our Country, and for our Community;

We will build on our foundations to be socially, environmentally and financially sound and sustainable.

Mission Statement

The Council will provide leadership, and pursue actions and outcomes to enhance the quality of life for the people of the area, by providing a wide variety of quality services, supported by adequate assets and infrastructure, as per our broad Themes/Key Areas of Emphasis.

Aspirations & Objectives

- Local Economy: Managing our future growth
- Environment: Conserving our unique Environment
- Land Use: Responsible Land Use Planning, and Protecting Rural Land
- Society: A Strong sense of Community, addressing Social Issues, and Effective Community Wellbeing
- Asset Management and Financial Sustainability: Provision of functional Assets to support services, involving built/acquired assets and infrastructure; Financial proficiency and Sustainability
- Good Governance: Active and Responsible Civic Leadership, and Excellence in Management

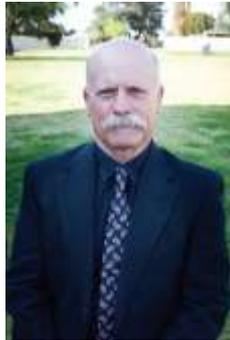


ELECTED MEMBERS OF COUNCIL

2016/2017



Cr Noel Dew
Shire President



Cr Larry Scott
Deputy Shire President



Cr Christine Germain



Cr Trish Witney



Cr Craig Wright



Cr John Salerian



Cr John Mason



Cr Laurie Snell

EXECUTIVE STAFF



Ian Curley
Chief Executive Officer



Laurie Tilbrook
Deputy Chief Executive Officer/
Director Corporate Services



Louis Fouche
Director Development Services



Patrick Steinbacher
Director Technical Services

PRESIDENT'S REPORT 2016 - 2017



It is with pleasure that I present the Annual President's Report for 2016-2017 reflecting on our achievements and, of course, the ever-increasing challenges that we must confront if we are to continue to be able to provide a quality level of service to our

community. As I have said on numerous occasions, meeting community expectations, against what council can reasonably afford, is a constant ongoing issue and there are times when I think we need to take a deep breath and contemplate on who, and what, we are, what we represent and what we are trying to achieve. In Local Government parlance our Shire is classified as a Rural Agriculture (medium) and the reality is, we do have a low rate-payer base, something that is not likely to change in the near future and will have considerable ramifications in coming years. How many times have we heard the critical comments that we appear stagnant in our growth while nearby Shires are expanding rapidly? Take, for example, the fast developing coastal areas north and south of our shire, these developments are supported by our relevant state authorities who, on the other hand, prohibit our shire from undertaking similar activities.

The above should not necessarily be considered as all doom and gloom because on a positive side we are the caretakers of a very special and unique land, one that is home to a vast and varied range of wonderful natural assets, from the magnificent scarp down to the ocean. This area encompasses lakes, dams, state forests, farmland, the Yalgorup National Park and the 17 kms of coast at Preston Beach. Our challenge will be to convince both State and Federal Governments of the massive potential for tourism and the need for them to invest significantly into our area. The potential is clear, the vision is clear!

The highlights of our achievements during the past year will be dealt with in detail in the various officers' reports, however, from a personal perspective one of the highlights of the year for me would be witnessing once again the strength and resilience of our community following the disastrous bushfire of January 2016. This was always going to be a difficult and arduous journey for many and was a challenge that was taken up and driven by a community that will always work together to support one another in tough times. As always our volunteers, from all areas, were outstanding in their selfless contributions to benefit others.

I congratulate the Waroona Shire Councillors for their diligence in dealing with a vast range of issues during this period. For example, we faced the ongoing reductions in State and Federal funding and the potential reduction of financial support from Alcoa which would have had a significant impact on our rates. The good news however, in this regard, the outcome was positive, the result of hard work and strong negotiations.

As always, our staff, under the leadership of CEO Ian Curley, has worked conscientiously to ensure the Shire provides a professional and responsible level of service to our community.

NOEL DEW
SHIRE PRESIDENT

CHIEF EXECUTIVE OFFICER'S REPORT

I am pleased to provide this report detailing some of the projects and initiatives of the Shire Administration during the 2016/2017 financial year.

The year has been a productive one for the Shire, with the most notable achievement being the 99% proficiency received in the November 2016 Occupational Health & Safety Audit undertaken by Local Government Insurance Services. This score equates to achieving a Gold certificate, which is a significant upgrade on our previous Silver certificate result. This is high achievement for all the staff who have diligently applied themselves and embraced the principles of OH&S. The Waroona Recreation & Aquatic Centre also achieved a score of 98% in the 2016 safety assessment by the Royal Life Saving Society.



Jonathan Seth, CEO, LGIS presents Award

Recovery efforts from the January 2016 fire have continued throughout the year, and will continue for some time yet with an additional \$450,000 having been secured from the State Government to assist with fire affected waste removal and other recovery initiatives.

Recovery Officer, Dave Gossage, has taken on the role of Emergency Management Co-ordinator (EMC) and operated the dual roles throughout the year. The EMC role has largely been to give support to local Bushfire brigades and has resulted in an increase in our operating grant from the ESL from \$36,000 in 2016/17 to \$50,000 next year.

I am pleased to report that the Council's audit and annual compliance reports for the previous year were, again, both excellent and it is testament to the overall governance health of the organisation.

Alcoa Waroona Sustainability Fund

The Alcoa Waroona Sustainability Fund has been operating since 2013 and 2 rounds of funding have been issued. In 2017 the following successful grants were awarded –

• Waroona Bowling Club	\$10,387
• Quambie Park	\$50,000
• Preston Beach Progress Assn	\$50,000
• Waroona Men's Shed	\$50,000
• Waroona Youth Centre	\$50,000
• Waroona Visitor's Centre	\$22,000
• Waroona Community Lights	\$21,687
• Waroona Senior Citizens Centre	\$18,257
• Waroona West Bushfire Brigade	\$25,000

A total of \$412,331 has now been granted from the fund to community projects with the next round of funding to be released in 2019.

Our Staff

The Administration comprises 3 Directorates which are managed by –

Laurie Tilbrook, Deputy CEO/Director of Corporate Services who has control of administration, corporate planning, finance, licensing, visitor's centre and rangers. Laurie is supported by Manager of Financial Services, Ashleigh Nuttall.

Louis Fouché, Director Development Services, who has control of the planning department, community development, recreation centre, building and health. Louis is supported by Manager Development Services, Leonard Long.

Patrick Steinbacher, who has control of the works depot and staff, road construction and maintenance, parks and reserves maintenance and waste management. Patrick is supported by Manager Works & Services Murry Bracknell.

During the year 2 employees were awarded Country Local Government fund scholarships - Brad Vitale received a Community Development Scholarship and Daniel Cools received a Youth Development Scholarship.

Earlier in 2017 we congratulated our Works Mechanic, Bill Rafferty, who retired after 27 years of service to the Shire.

Our staff numbers have remained static over the year with no general increase in the number of staff.

Financial Management and Control

A balanced budget for 2016/2017 was set in August 2016 and all major works included were completed. Council has continued to follow the recommended rate increases included in the Long Term Financial Plan and a loan proposed in the budget to offset the additional costs associated with the fire was not required.

Council's Reserve funds continue to remain at a high level of \$2.508m at the end of June 2017. The outstanding Loan principal remains low - \$265,000 as at 30 June 2017 with Council having only taken out 1 loan of \$200,000 (for the gymnasium extension) in recent years. There are no community group self-supporting loans.

The 2016/2017 audit was completed by Council's independent Auditors in accordance with the Local Government Act and Accounting regulations. The result being an excellent audit report. I acknowledge the diligent work of all staff involved in budgeting, procurement and project management in this regard.

Snapshot of some of the Projects and Initiatives throughout the year

- Successful negotiations with Alcoa to re-instate the \$200,000pa ex-gratia payment to Council commencing in 2018,
- Management of a successful 2nd grant round from the Alcoa Waroona Sustainability Fund Committee,
- Continuation of the Kidsport program,
- Construction of the new Lake Clifton fire shed completed,
- \$32,000 Pool Revitalization grant for purchase of new boilers, painting & safety signage at the Recreation Centre,
- Replacement of fluorescent lights with LED lights over the basketball courts,
- Updating and printing of the latest edition of the "Drakesbrook Days & Waroona Years' history book,
- Repainting of inside and outside of Town Hall & outside of Visitors Centre,
- Installation of back-up generator for the Admin Centre and Library,

- Through our Community Development department, 7 local organisations were assisted and successful in obtaining volunteer grants from the Department of Social Services between \$3,500 and \$5,000,
- Re-alignment of a 1.2km section of Dorsett Road,
- Reconstruction of 2 sections on Buller Road,
- Reconstruction of Lakeview Road in Preston Beach,
- Upgrade of Weir Road, and
- Reseals on Old Bunbury and Bristol Roads and drainage works in Elliott St.



Lake Clifton Fire Shed Official Opening



Functions

During 2016/2017 the Council and Staff were involved in organising a number of events within the community, and a number of other events were sponsored by Council either financially and/or by the provision of staff resources –

- Sea to ART October 2016
- National Youth Week - Youth Fest April 2017
- Waroona Agricultural Show October 2016
- Christmas Lights tour December 2016
- Aussie Car Day display April 2017
- South West Indigenous Basketball Carnival 2016
- Emergency Services dinner May 2017
- Australia Day celebration & awards January 2017
- Vintage Machinery Rally September 16
- Bi-monthly Waroona Interagency Network meetings
- Managing activities of the Youth Advisory Council and monthly meetings

- Recreation Centre swim school
- 2 x Movie under the Stars November 2016, February 2017
- In conjunction with the WDHS - RUOK Day-freestyle skate; Suicide Awareness program.
- Volunteer Breakfasts were held in Waroona and Preston Beach December 2016
- Rodeo held at the Cricket Oval April 2017
- Canteen Bike Ride – Bassendean to Busselton
- NAIDOC week activities July 2016
- Reconciliation week activities at the Recreation Centre June 2016
- Red Cross outreach visits to fire affected areas
- Children’s Week – Halloween event 2016

Figures from the 2016 census show a steady rate of population growth in the shire with current population at 4,148, which is 565 above the 2011 figure, representing an annual growth of 3.1% per year. The State average growth per year is 2.1%.



All of the State Government’s compliance requirements have been implemented, however, each come with a rigorous review schedule, often every 2 years. This comes at a high price, in both staff time and extra cost; all of which adds to the rate burden. Despite any additional costs we have managed to follow the rate increases set in the Long Term Financial Plan, which shows a decline in rate increases each year.

During the year I have been well supported by the Shire President Cr Noel Dew and Deputy Shire President, Cr Larry Scott, and Councillors and I thank them all for the support given to me, and the administration, and I look forward to 2017/18.

IAN CURLEY Dip Local Government (Clerk) MLGPA
CHIEF EXECUTIVE OFFICER

Set out below, on bands of \$10,000, is the number of employees of the Shire of Waroona entitled to an annual salary of \$100,000 or more. The publishing of this information is a requirement of the Local Government (Administration) Regulations 1996 Clause 19B.

Salary Range - \$		2016/2017
100,000	109,999	2
110,000	119,999	1
120,000	129,999	0
130,000	139,999	2
140,000	149,999	1
150,000	159,999	0
160,000	169,999	0
170,000	179,999	0
180,000	189,999	1

The Local Government Act 1995 requires the annual report to contain details of entries made under section 5.121 of the Act during the financial year.

Section 5.121 requires the Council to maintain a register recording complaints and action taken in relation to complaints made to the local government standards panel about council members breaches of the rules of conduct or contravention of a local law under the Act.

I am pleased to advise that during the 2016/2017 year no complaints have been entered into the register.



CORPORATE SERVICES

INTRODUCTION

Corporate Services is responsible for ensuring that the Council's Finance and Administration services are managed in accordance with the Local Government Act 1995 and various other Statutes.

Administration staff ensure that a high level of budgetary control and financial accountability is maintained within the organisation as well as providing Council with forward financial planning and the appropriate level of financial information on which to base good decision making. Corporate Services also manages Council's Licensing Agency, Insurance portfolio, Local Government Elections, Information Technology, Agendas and Minutes, and general administration.

Staff were pleased to report that the Council had achieved another very successful audit report for the year with the Council extending its congratulations to the entire finance and administration team on their achievement.



Back L to R – Ashleigh Nuttall, Kirsty Ferraro, Laurie Tilbrook, Annette Mason, Kerry Shore, Front L to R – Joe Dineley, Sue Cicolari, Kathy Simpson and Holly Pritchard

2016/17 Rating

A general rate revenue increase of 6.95% applied for the 2016/17 financial year with rate revenue totalling \$4,390,922. Minimum rates for both GRV and UV rated properties increased from \$940 to \$1010.

A general revaluation of unimproved valuations resulted in an average decrease of 3.5% which is the sixth consecutive decrease in unimproved values.

The next revaluation of Gross Rental Valued (GRV) properties is scheduled for the latter half of 2016 and will take effect on 1st July 2017.

Unpaid rates at the 30th June 2017 totalled \$111,946. The council continues to maintain a strong record in relation to the collection of outstanding debts.

Financial Performance

As reported the Council's audit for 2016/17 has been highly successful with no issues of non-compliance having been identified by the Auditor. The Council's debt liability remains well within manageable levels.

The Council continues to face substantial challenges in developing its Corporate Business Plan (CBP) and Long Term Financial Plan (LTFP). These plans provide an indication as to how it will maintain its long term financial obligation, yet at the same time, continue to deal with varying levels of State and Federal Government funding.

Any decrease in external funding places pressure on the Council to maintain its existing services by sourcing income from within its own means ie, rates, and fees and charges. This has been compounded by several years of no, or very little, growth in the Council's rating database.





Integrated Planning & Reporting

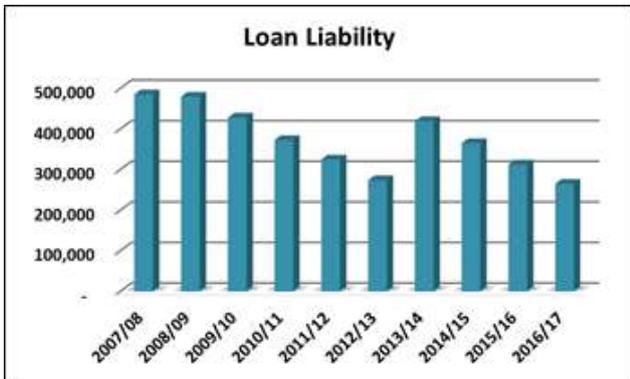
Each Council is now required to develop and maintain an “Integrated Planning Process” which is underpinned by a “Strategic Community Plan”. The inaugural plan was adopted by the Council in 2012 and subsequently reviewed in 2014 and 2016.

The following documents which underpin the Strategic Community Plan have been prepared and adopted:

- a 10 Year Long Term Financial Plan,
- a Workforce Plan,
- a number of Asset Management Plans, and
- a 4 Year Corporate Business Plan,

The aim of this new system of Integrated Planning and Reporting Framework (IP & RF) is to ensure that Council’s activities reflect the aspirations of the community. The hierarchy of Plans, Programs and Reports is also aimed at showing how the community’s aspirations will be turned into reality by prioritising them and clearly setting out how they will be funded.

A full review of the Community Strategic Plan was carried out in November 2016. This involved a process of extensive community consultation and subsequent feedback.

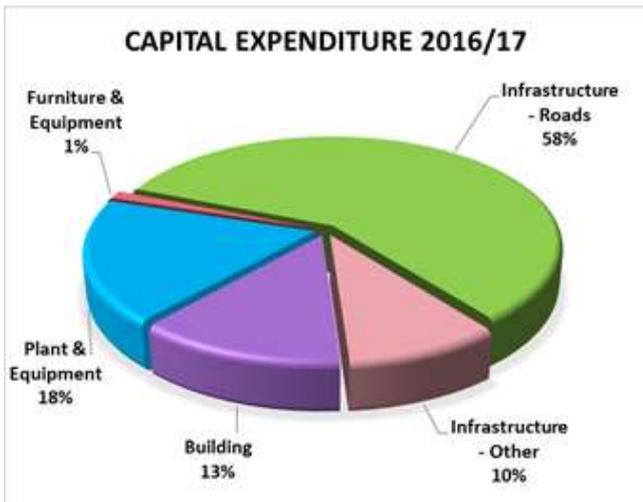


“Fair Value” Asset Accounting

The Council is required by legislation to ensure that its assets are recorded in the books of account at “Fair Value”. This method of reporting is considered essential to provide a more accurate measure of the value of community assets than the previous method of “historical cost”.

Implementation of “Fair Value” was phased in over a three year period concluding in 2014/15.

This process is being repeated with Land & Buildings having been revalued in 2016/17.



Measurement of assets is obtained through comparing similar assets within observable markets and either applying a cost or revaluation model, then depreciating that amount to the assets current life and condition. Then using this fair value the asset would be depreciated throughout its remaining useful life using the straight line method.

The fair value revaluation process will continue in the 2017/18 financial year with Council’s Infrastructure assets including roads.

A full copy of the Annual Financial Statements and Auditors report is located at the back of this Annual Report.



Vehicle Licensing

The Council continues to provide Department of Transport vehicle and drivers licensing services by way of an agency which operates from a central location in the main reception area of the Administration Centre.

The agency currently offers a range of services relating to individual driver licences, vehicle licenses, registration plate transactions, firearm renewals, boat transfers and renewals, farm vehicle licencing and 18 plus cards.

Resource Sharing Initiative – Information Technology

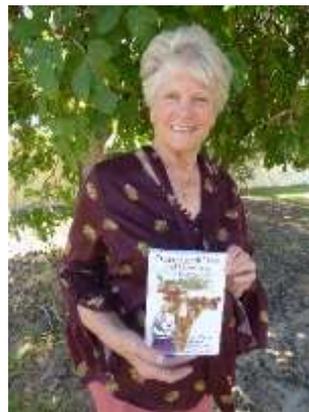
The Shire of Waroona continues to work in close liaison with the Shire of Murray to provide and maintain a high standard of Information Technology Services. This includes wireless links to other Council buildings within the townsite together with a full wireless microwave link to the Shire of Murray Council offices. System data backup and disaster recovery options are now provided for both the Shires of Murray and Waroona. During 2016/17 the Council's security firewall was upgraded to ensure greater protection from external threats.

Emergency Generator – The entire Administration building, including vital computer & communications equipment, will now remain fully operational in the event of an emergency due to the installation of an 110KVA electrical generator. Purchase of this equipment was made possible by a \$50,000 grant from the Peel Development Commission.

Resource Sharing Initiative – Ranger Services

At the conclusion of 2016/17 the Council completed the second year of a major new service contract being the provision of ranger services by the Shire of Murray. This initiative provides the Council with a complete ranger service catering for after-hours emergency, fire regulation compliance, dog and cat control and traditional ranger functions. The Council now has access to staff resources and expertise that may not have been available previously and allows officers from both Council's to share their knowledge and skills.

History Book Publication



The Council completed its much anticipated update to its history publication "Drakesbrook Days & Waroona Years" which now includes an additional chapter dedicated to the devastating 2016 Bush-fire.

Gratitude is extended to Cr Laurie Snell for her dedication & commitment to see the book updated.

In accordance with Council Policy all proceeds from book sales will be used for future updates of the publication.

Copies are for sale to the public from the Councils Administration Centre or Waroona Visitor Centre.

Financial Management Systems Review

In accordance with the Local Government Financial Management regulations the Council is required to undertake a review of its financial systems. This review which is to be undertaken every four years is designed to address the appropriateness and effectiveness of financial procedures which support actual accounting systems. The Council's auditor has reported a successful review with minimal findings.

Emergency Services Levy

For the 2016/17 financial year the Council on behalf of the State Government, collected \$200,404 in property levies associated with the Emergency Services Levy (ESL). A small portion of these funds (\$33,630) were returned to the Council to assist in the annual operation of fire brigades. Subject to acceptance of a grant submission the Council may also receive funding for capital purposes. Recently the Council completed construction of a new fire facility at Lake Clifton funded by a \$206,018 grant from the scheme.

National Competition Policy

National Competition Policy is designed to enhance the efficiency and effectiveness of public sector agencies and lead to more efficient use of all economic reserves. There are a number of specific requirements placed on Local Government in the areas of competition, neutrality, legislation review and structural reform. The Clause 7 Statement of the application of National Competition Policy requires certain information to be provided in the Annual Report.

Competitive Neutrality

The Shire has not acquired any new entities in the 2016/17 financial year that have required competitive neutrality testing.

Legislative Review

The Council is required to assess each of its Local Laws to ensure there are no negative impacts on competition and to determine how any restrictive practices might be overcome or to propose amendments to existing Local Laws. Every 8 years the Council is required to review all of its Local Laws with the next full review being due in 2023/24. During 2016/17 there were no amendments considered necessary. The following Local Laws are now valid:

- Dogs
- Cemeteries
- Health Thoroughfares and Trading in Public Places
- Standing Orders
- Local Government Property
- Extractive Industries
- Fencing

State Records Act

The Shire is required to manage its records in accordance with the State Records Act 2000 and the Shire's Record Keeping Plan. The Council's Record Keeping Plan submitted in accordance with the above Act was subject to review and subsequently approved for a 5 year period which commenced in November 2011. The following information with respect to the plan is noted:

- The Council has adopted its own internal procedural policy with respect to the plan;
- Efficiency and Effectiveness of the plan is monitored on an ongoing basis by the use of report

tracking methods incorporating management software;

- New employees received a face-to-face induction from the Records Manager, covering an overview of the Recordkeeping Plan, the Records Procedure Manual, and staff responsibilities, including the capture of emails and procedures for forwarding records for capture into the corporate system.
- Staff training in conducted on an ongoing basis by providing information services at staff meetings and one on one meetings with new staff;
- Software training in the Council's recording tracking system is also carried out as required; and
- Offsite storage procedures have been introduced and subsequently reviewed. The Council has conducted its first destruction of records and is currently preparing for its second.

During the latter half of 2017 the Council is required to conduct a further review of its Record Keeping Plan. The review will be sent to the State Records Office for approval and validation in October 2017.

Freedom of Information

The Council's Freedom of Information policy and guidelines are reviewed annually along with all other Council policies. No modifications were made to the statement during 2016/17. No Freedom of Information applications were processed for 2016/17.

LIBRARY



The Library membership numbers have increased by 113 new members in the last financial year and issued over 10,000 items to those members.

The Library now has access to a catalogue where all members can search for items they are interested in and order books and other items for themselves at home or in the library. The Library offers the service to those who do not have, or use, a computer. Lessons are available in the library on how to order books online.

The Broadband for Seniors Program continued to be offered throughout the 2016/17 financial year. This program aimed at increasing the confidence, skill and online knowledge of older citizens using digital technology. It was announced at the closing of this financial year that this program will no longer be supported, however the Library was able to keep the equipment and will continue to offer support to suit the on-going learning of people who wish to become computer literate

2016/17 financial year saw the coming together of 11 South West Councils to create a WA first by agreeing to implement a shared 'One Card' Library System. Under the joint initiative, library members, using their home library card, will be able to access resources from any of the 11 participating local government libraries and then return items to any other within the group. This shared approach not only provides library members with access to a bigger library collection, it has generated significant savings for the participating local governments by purchase one shared software system.

Waroona Library has joined the Peel Library Group which consists of the Shires of Waroona, Boddington, Serpentine-Jarrahdale, Murray and the City of Mandurah. The purpose of the group is to work together to provide better public library services to people in the Peel Region.

2016/2017 Achievements

- Distribution of Green Better Beginnings Bags
- Change over to the new Management System
- All member information updated through the new system
- New logo design for the Library Consortium
- Upgrading of shelving in the fiction section
- Waroona Show poster display
- Spring time theme display
- Bushfire season display
- Host Linda Bettenay Australian historical author
- Radio Lollipop talk to knitting group
- Monthly Adult Book club



WAROONA VISITOR CENTRE



The Centre's three main functions are:

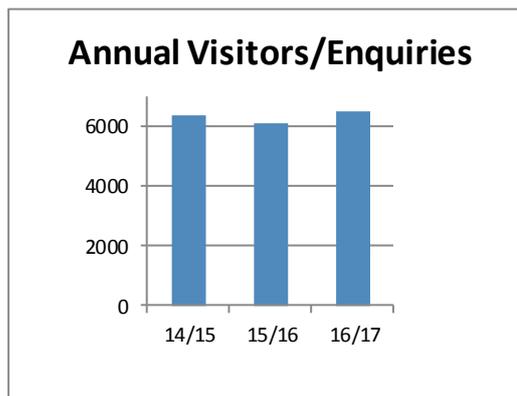
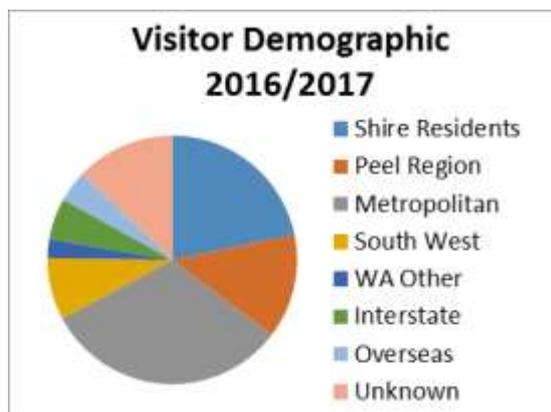
- Visitor Servicing & Information – assisting both Shire of Waroona residents and visitors with enquiries
- Area Promotion – promoting the Shire as a visitor destination
- Art & Craft Gallery – providing an outlet for, and promoting, local art and craft

Centre staff and volunteers welcomed around 6,100 visitors during 2016/17 and attended to around 400 visitor related telephone and email enquiries. Visits, calls and emails of an administrative nature (not included in statistics) are handled by the Manager and number in excess of 2,500 per annum.

Visitor Statistics

The Centre's visitor demographic is led by metropolitan travellers followed by local residents.

The majority of visitor enquiries were for local information (things to see and do, places to visit, accommodation and dining, local businesses, community and interest groups, events, etc.).



Brochures & Information

Over 250 different brochures, flyers and maps are available free to assist visitors and residents and each year thousands are distributed. The range includes local, regional and Western Australian tourism services; local business, community and interest groups, events and history; and activities such as bushwalking and fishing.

During the year a diverse range of promotional initiatives and opportunities provided local, regional and state-wide exposure for the Shire.

Annual, regular and one-off advertisements, editorial and articles are created and written by the Visitor Centre Manager for the print media and appear in newspapers, planners, newsletters, magazines and maps. A wider net is also cast when story outlines are sent to, and picked up, by the various media.

Free television, radio and internet exposure was received by way of community event advertising, and radio interviews were sought by ABC Drive and ABC Australia in response to The Heartfelt Project and yarnbombing.

Websites & Social Media

The Centre's Facebook page continued to provide cost effective promotion for the Visitor Centre and various events. Facebook provides an efficient and inexpensive medium for tourism bodies, tourism operators, business owners, event organizers and community and interest groups to exchange information and to cross-promote.

In addition to visitor servicing, Waroona Visitor Centre maintains a quality gallery creating interesting and attractive displays with a focus on local produce, art and craft. This function provides a sales outlet for around 50 local contributors with stock including artworks, craft

items, fine woodwork, sculptures, preserves, books and novels, textiles, candles, soap and ceramics.

Local artists and artisans are given support as are the various organisations looking to strengthen culture and art in the community and region.

Mooriel

The popularity of a life-size fibreglass cow continues to prove an exciting attraction. Mooriel has a devoted fan base of both locals and travellers, draws in all demographics and is the subject of thousands of photographs.



Mooriel - Photos courtesy Tracy Goldsworthy

The Heartfelt Project

Support from far and wide continued for The Heartfelt Project where colourful crocheted and knitted mandalas were sewn to pond mesh and installed on burnt trees all through the fire affected areas of the shires of Waroona and Harvey. The outpouring of gratitude from residents and the emotional reaction to the project in general, was quite incredible.

A radio interview on ABC Drive lead to the station doing a Facebook video post that was viewed over 23,000 times.

Christmas in July 2016

A striking street frontage display was created with Mooriel dressed as "Moodolf" surrounded by decorated Christmas trees. The Visitor Centre also collaborated with Alcoa volunteers from Waroona Lions enabling them to do community service at the Centre.



Snowman created by Glen & Mike James. Photo courtesy Tracy Goldsworthy

Sea to ART Exhibition November 2016

The ninth annual Sea to ART Exhibition, hosted by the Waroona Visitor Centre was held throughout November 2016.

There were 30 exhibiting artists and over 110 pieces on show with sales for the exhibition in excess of \$5,000. Sea to ART is a Shire of Waroona event supported by Alcoa Australia through Sea to Scarp Summer Events funding.

Yarn Bomb Waroona November 2016

In its second year, Yarn Bomb Waroona again provided excellent opportunities for exposure and promotion and proved a winner in encouraging those travelling to stop in the town. The interest generated also lead to numerous regional, state and national exposure including a radio interview on ABC Australia.



*Trudi Kohlfurst poses with Colin the Carrot. Photo courtesy Rudi Kohlfurst
Lindsay Krauth with the serpents. Photo courtesy Tracy Goldsworthy*

**LAURIE TILBROOK MLGPA
DEPUTY CHIEF EXECUTIVE OFFICER /
DIRECTOR CORPORATE SERVICES**

DEVELOPMENT SERVICES

OVERVIEW

Development Services consists of the following service units:

- Planning Services
- Building Services
- Environmental Health Services
- Recreation Services
- Building Maintenance
- Cleaning Services



Back L to R – Chris Dunlop, Paul Sportel, Louis Fouche, Brad Vitale, Front L to R – Nikki Colgan, Leonard Long, Sarah Park

PLANNING SERVICES

Introduction

Planning Services are responsible for guiding the development of the built environment and for the regulation of development and subdivision within the Shire.

Disability Access and Inclusion Plan

The Western Australia Disability Services Act 1993 requires all Local Governments to develop and implement a Disability Access and Inclusion Plan (DAIP) to ensure that people with disabilities have equal access to its facilities and services.

The DAIP was reviewed in consultation with the Disability Services Commission. Revisions and updates were identified for inclusion in the adoption of a new DAIP, which is expected to be completed in the first half of the 2017-18 financial year.

State Administrative Tribunal Reviews

No applications determined by Council or officers under delegated authority have been the subject of a review by the State Administration Tribunal.

Mid-West / Wheatbelt (Central) Joint Development Assessment Panel

No development applications have required determination by the Mid-West / Wheatbelt (Central) Joint Development Assessment Panel.

Town Planning Scheme Review

Work on the review of Town Planning Scheme No. 7 is now nearing completion with Scheme Amendment 32 having been gazetted on 17 January 2017.

Local Planning Policies

Planning staff continue to re-evaluate and update the Local Planning Policies to ensure they remain relevant and operational to assist and guide development in the Shire in a proper and orderly manner.

The following reviewed policies have been adopted by Council this year:

- LPP 1 – Community Consultation
- LPP 13 – Intensive Agriculture
- LPP 27 – Waroona East Hills Development
- LPP 11 – Home Based Business

The following policy has been rescinded by Council this year:

- LPP 9 – Relocated Dwellings

Geographic Information Systems

The following additional layers have been included onto the Shire's Intra-maps system:

- Topography
- Local Planning Strategy
- Building Envelopes
- Structure Plans

The Bushfire Risk Management's Bushfire Prone Areas Map has been amended / updated as a separate module in the Intra-map system to assist staff and the community to identify bushfire prone areas and to ensure appropriate planning and development in these areas.

In addition to the regular data updates obtained from Landgate and incorporated into the Shire's Intrapmap system.

Property Information Requests

111 property requests were received during the financial year, compared to the 140 property request of the last financial year which represents a decrease of 20% year on year.



Continued Improvements

Weekly Development Control Unit (DCU) meetings and arranged pre-lodgement meetings continue to make the development control process more efficient and co-ordinates the development assessment function of the various technical departments and units.

Officers have modified the delegated report format to improve efficiency thereby reducing turnaround times for development applications.

Monthly activity reporting and analysis ensure that regulatory standards are being met and appropriate responses are made to operational requirements.

Municipal Heritage Inventory Review

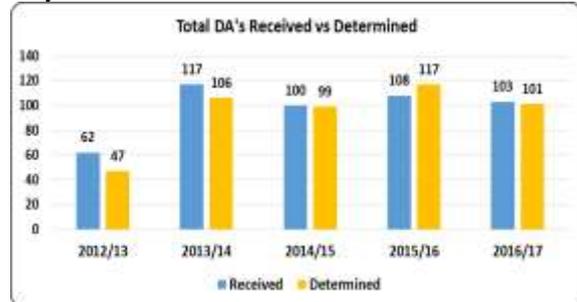
The first draft of the review of the Shire of Waroona Municipal Heritage Inventory was finalised this year.

The project includes a review of the heritage places on the current inventory, a review of potential new places are to be included on the list and the updating of photographs of the heritage places.

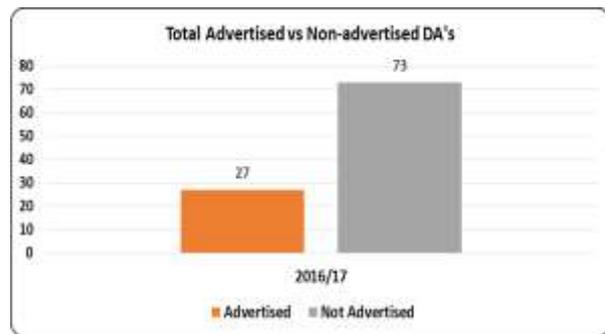
It is anticipated that the review will be completed in the 2017/18 financial year.

Development Applications

103 Development Applications were received during the 2016/17 financial year, compared to 108 last financial year. This relates to a marginal decrease of 0.9% year on year.



Of the 103 applications received this year 73 did not require any community consultation with 27 applications being advertised as part of the required community consultation process.



The average processing time for all development applications (advertised & non-advertised) is 27 days for the 2016/17 financial year. This is a decrease of 15% on the previous year's average of 32 days.



The legislative requirement for determining DA's that do not require advertising is 60 days and for those that require advertising 90 days from the date it is received.



The average processing time for non-advertised applications was 23 days and for advertised applications it was 35 days. This equates to 89% of applications being determined within the legislative requirements in respect of advertised applications and 92% in respect of non-advertised applications.

Development Value

The value of development this financial year is \$9,984,970, which is significantly higher than the last financial year's \$5,457,252.

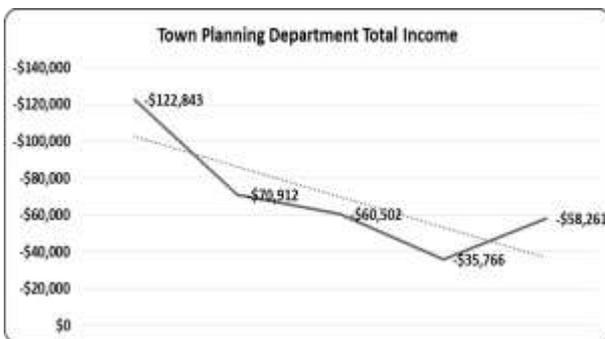
The increase in value can be attributed to a number of higher value residential developments being proposed as well as escalating construction costs.



Development Application Revenue

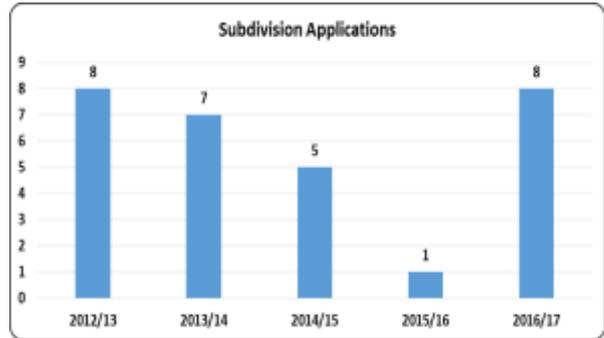
The total revenue received by Planning Services this financial year totalled \$58,261 compared to \$35,766 last financial year. This represents a total increase of 38% year on year.

The increase in revenue is related to the higher value of developments.



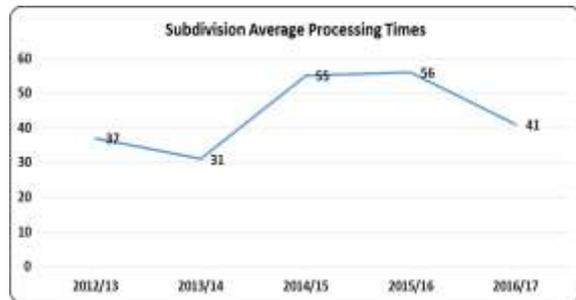
Subdivision Applications

Eight (8) subdivision applications have been received in the 2016/17 financial year, which is a significant increase compared to the one (1) subdivision received the previous financial year.



The Western Australian Planning Commission (WAPC) requires local authorities to provide comments on subdivision applications within 42 days of receiving such a request.

The average processing time for subdivision applications this financial year was 41 days compared to 56 the previous year.



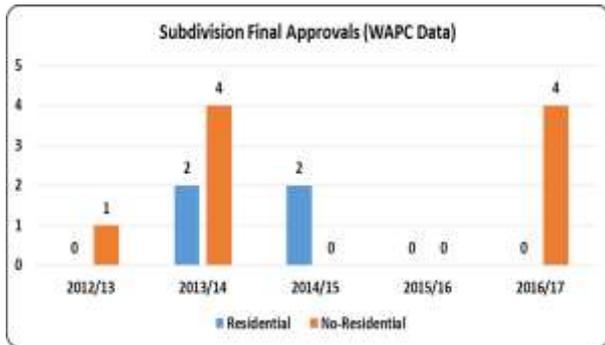
88% of subdivision applications have been processed with the WAPC 42 day timeframe compared with 33% the previous year.



Lots Applied for and Approved by the Western Australian Planning Commission

4 lots have received final approval from the Western Australian Planning Commission (WAPC), compared to 0 final approvals the previous year.





Scheme Amendments

Scheme Amendment 38 has been received during the year. The schedule below indicates the details of the scheme amendments continuing to be processed.

Scheme Amendments 2016/17			
No:	Property affected	Summary of Proposal	Status of Amendment
29	Lot 2 Old Coast Road, Lake Clifton.	Rezoning to Rural small Holdings.	Revised, yet to be adopted
32	Omnibus Text Amendment		Gazetted
34	Lot 524 Look Road, Waroona	Additional use for 'Industry'	With WAPC for final consideration.
35	Lot 500 Old Bunbury Road, Lake Clifton	Rezoning to Rural Residential	Council resolved not to initiate.
37	Text Amendment	Single House & Associated – development exemption	With WAPC for final consideration.
38	Lots 2 & 21 – 24 Prince Road, Waroona	Rezoning to Hills Landscape Protection	Pending approval to advertise from the EPA

BUILDING SERVICES

Introduction

Building Services is responsible for assessing Uncertified Building Permit applications and reviewing Certified Building Permit applications to ensure all building work within the Shire is done in accordance with the Building Code of Australia and all other relevant legislation.

In addition to building permit applications the unit is also responsible for the assessment of demolition permits and strata title assessments.

The unit also undertakes site inspections to ensure swimming pool enclosures are compliant with the relevant legislation.

Certified Applications

A total of 25 Certified Building Permits have been received this financial year, compared to 18 the previous year, representing a 38% increase year on year. (26 Certified Building Permits have been determined with 1 having been received within the previous financial year).



The statutory requirement for Certified applications to be processed is 10 business days. The average timeframe to process applications this financial year was 1 day compared to 19 days last year.

The improved average processing timeframe is attributed to the introduction of a new checklist as well as improved pre-submission consultation with the applicants.



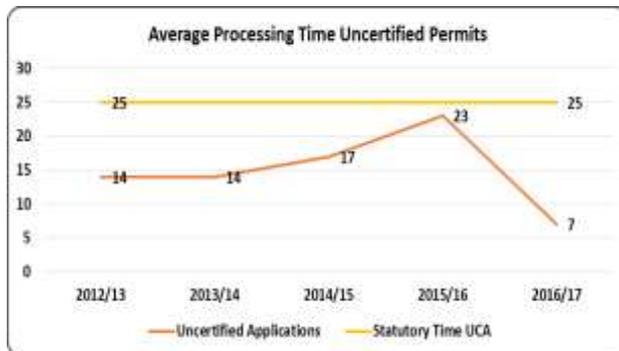
Uncertified Applications

84 Uncertified Building Permit applications were received during the 2016/17 financial year, compared to the 146 the previous year. This represents a decrease of 42% year on year.

The decrease in the number of uncertified applications is attributed to more building companies now using professional certification services.



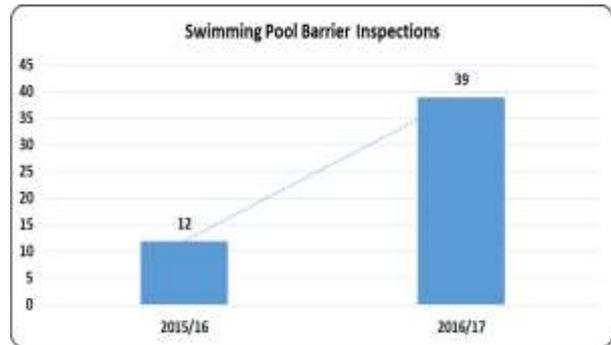
The statutory requirement for uncertified applications to be assessed is 25 business days. The average timeframe to process applications during the 2016/17 financial year was 7 days compared to 23 days last year.



Swimming Pools Enclosure Inspections

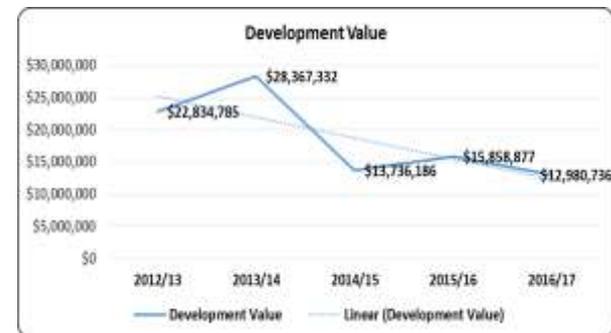
There are 175 swimming pools in the Shire which, in terms of the Building Regulations 2012, are required to be inspected on a four (4) yearly basis.

An inspection program has been established in order to undertake the required four (4) yearly inspections with a minimum of 39 swimming pool barriers needing to be inspected annually. During the financial year all 39 scheduled swimming pools were inspected with only one (1) pool barrier not being able to be approved.



Approved Building Values

The value of approved building works totalled \$12,980,736, which is a decrease of 18% when compared with the \$15,858,877 of last year.



Building Permit Application Revenue

A total revenue of \$34,298 has been received by Building Services during the 2016/17 financial year - a marginal increase on last year's total of \$33,095.



ENVIRONMENTAL HEALTH SERVICES

Introduction

Environmental Health Services is responsible for the assessment of septic waste systems and also undertake the commissioning for use, collecting and analysing of water samples from both potable and non-potable water sources.

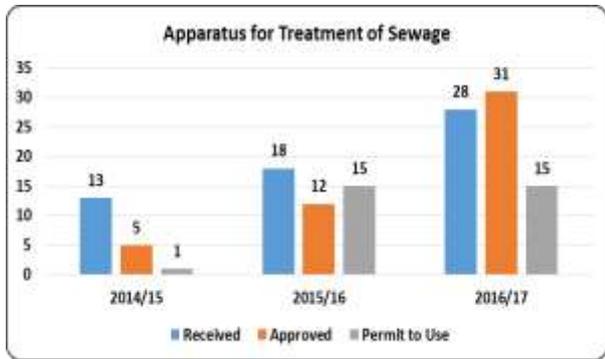
The unit also undertakes statutory food premises inspections and does random food stall inspection during community events held throughout the year.

In addition the unit undertakes site inspection related to noise and odour complaints.

Apparatus for the Treatment of Sewage (Septic waste system) Applications:

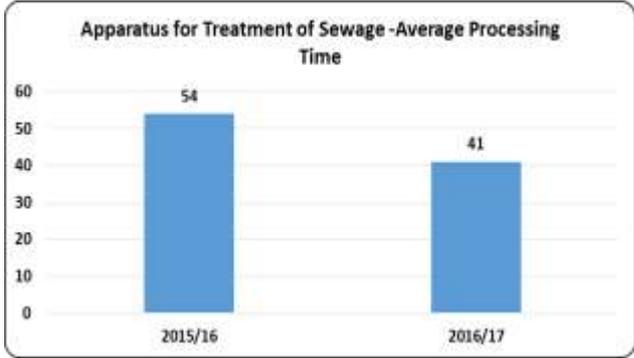
28 "Apparatus for the treatment of sewage" applications were received this financial year compared to 18 last year. Of the applications 31 have been approved compared to the 12 approved last financial year. (3 of the approved systems were received last financial year).

Of the 31 approved septic systems 15 have been issued with a permit to use.



On average applications for an apparatus for treatment of sewage were processed within 41 days this financial year compared with an average of 54 days previously

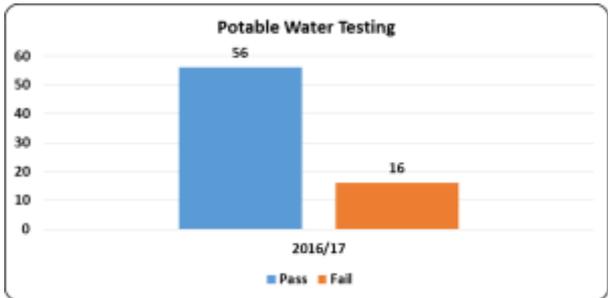
The reduction in the average processing time can be attributed to the introduction of a new vetting sheet on the submission of applications and additional administrative resource allocation.



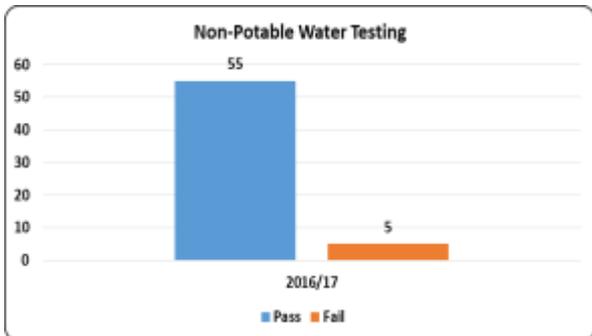
Potable and Non-Potable Water Sampling

The unit undertakes potable water sampling for seven (7) businesses within the shire that are not connected to a scheme water system. The unit introduced a "safe water program" which has led to an improved regime of potable water sampling.

A total of 72 water samples were processed of which 56 passed and 16 required further sampling to be done.

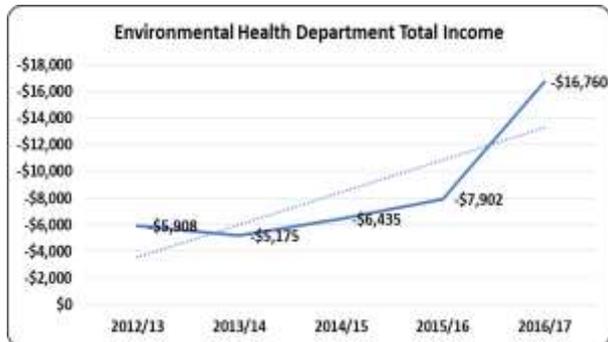


There are five (5) public swimming pools in the shire that are required to be sampled monthly. Of the 60 samples tested 5 samples failed and required further testing. (22% of the samples).



Environmental Health Revenue

The revenue received through the various Environmental Health charges totalled \$16,760, which is significantly higher than last year's \$7,902 and can be attributed to improved service fee recovery (particularly in relation to re-inspections and retesting).



Basketball

The Recreation Centre hosted the junior and senior basketball grand finals, which saw approximately 150 players and approximately 1000 visitors attending the centre.

RECREATION SERVICES

Introduction

The Recreation Unit is responsible for the smooth operation of the Shire's Recreation and Aquatic Facility and contributes to the general wellbeing of the community.

The unit oversees and offers a number of sporting and recreational activities

Grants

The Shire received a \$32,000 grant from the Swimming Pool Revitalisation grant (Royalties for Regions). The funds were used towards maintenance requirements.

Major Events Hosted at the Recreation Centre

Naidoc Week

The Waroona Recreation Aquatic Centre hosted the Naidoc week in June with Aboriginal dance, music, singing and art being showcased and attended by the local Waroona District High School.



The centre also hosted the local school swim carnival in March 2017 with approximately 300 swimmers and 80 spectators.

In March 2017 the Canteen Bike Ride from Bassendean to Busselton once again used the centre as a stopover for its fund raising event that helps young people cope with their own cancer or that of a family member. The centre played host to approximately 135 riders providing refreshments and a chance to cool down in the centre swimming pool.



Recreation Centre Programs

Every year the centre hosts a number holiday programs which are attended by the local community.

Fitness Programs

The centre provides a number of fitness classes which are run by professional fitness instructors.

The centre also introduced a fitness challenge this year which proved to be very popular with approximately 55 participants.

Sports

Tennis:

This year also saw the return of social tennis to the centre which was organised and run by centre staff. A total of 640 player entries to the training sessions were recorded over the financial year.

Swimming:

Swimming coaching by centre staff also continued this year.

Waroona Swimming Club

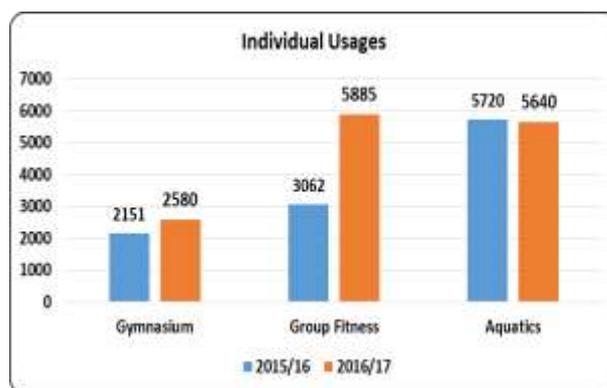
The Waroona Swimming Club has been steadily growing during 16/17 with almost 30 members in the club.



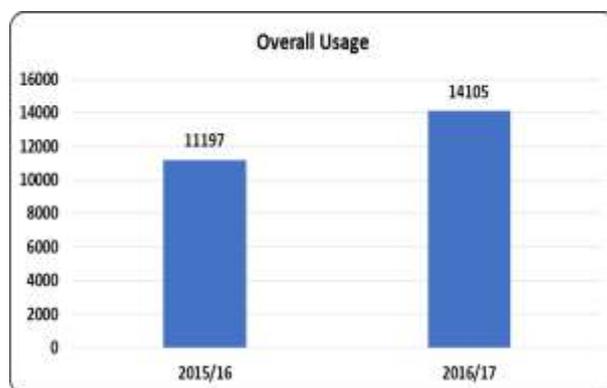
Recreation Centre Usage

Individual Area Usage

The gymnasium has shown improvement with the Group Fitness classes having a dramatic increase. This is attributed to the Group Fitness Challenge introduced to attract more numbers to the centre. The Aquatics area has remained relatively constant throughout the year.



Overall the centre has performed well this financial year with the number of users totalling 14105 compared with the 11197 users last financial year.



Recreation Centre Revenue

The total revenue generated by the centre totalled \$345,115 this financial year. This is a 9% increase in revenue compared to last year's \$312,521.



BUILDING MAINTENANCE

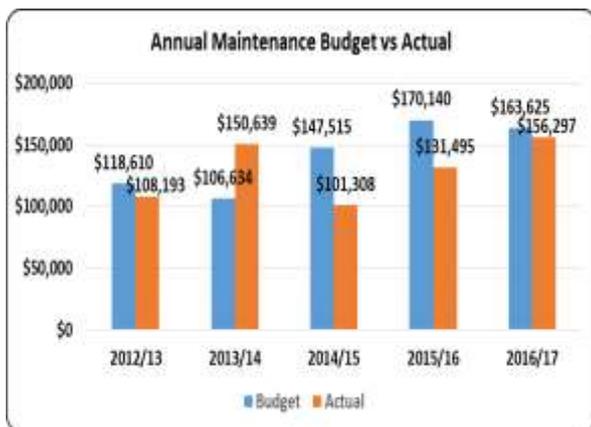
Introduction

The unit is responsible for the general maintenance of Shire buildings including public ablutions.

Maintenance

The following key maintenance and repair projects have been completed during this year:

- Memorial Hall exterior refurbishment.
- Visitors Centre exterior refurbishment.
- Installation of backup generator for the administration office and library.
- Recreation Centre interior painting.
- LED lighting on Basketball Courts.
- LED lighting in Recreation Centre carpark.



CLEANING SERVICES

Introduction

The unit is responsible for the general cleaning of Shire public buildings including public ablutions.

COMMUNITY DEVELOPMENT

Staff

In September 2016, Naomi Purcell resigned from her position as Part Time Community Development Officer (CDO).

Community Development Scholarship

CDO Brad Vitale received a \$10,000 Community Development Scholarship from the Department of Local Government and Communities. These scholarships provide funding for country local governments employees and elected members to undertake accredited training to build their capacity to deliver community development within their local government and community.

The funds will contribute towards the completion of a Bachelor of Business, double majoring in Management and Community Development at Murdoch University.

School Partnerships

The Community Development team continued their strong partnership with both local schools.

St Joseph's Primary School Partnership

This partnership continues to develop and strengthen with the Community Development team assisting the school with events, projects and grant applications. The school was instrumental in the planning for the NAIDOC Celebrations.

Waroona District High School (WDHS) Partnership

The Community Development team, in partnership with Waroona District High School has facilitated a number of projects throughout the year including RUOK Day - Freestyle Skate, Suicide Awareness, Education and Prevention and Mental Health Response Box - Brain Ambulance

In March 2017, students from WDHS were able to attend the Heath Black talk on *The Importance of Physical and Mental Wellbeing*, GP Down South and the 3 Tier Youth Mental Health Program at Mandurah. The Community Development Team supported this event by providing bus transport funds for students.

EVENTS

Summer Series

The Shire continued its partnership with ALCOA to provide a number of events during the summer, supporting groups such as the Lake Clifton Progress Association, Preston Beach Progress Association and the Youth Advisory Council.

NAIDOC Week

On Monday 4 July 2016, the Community Development team assisted the local Aboriginal community to hold NAIDOC celebrations at the Waroona Memorial Hall.

Vintage Machinery Rally

Over 2,000 vintage enthusiasts attended the Waroona Vintage Machinery Rally at the Waroona Showgrounds on Sunday 18 September 2016.



Sea to Art

Throughout the months of October and November 2016, the Community Development team assisted Waroona Visitor Centre with the ninth annual Sea to Art Exhibition.

Thank a Volunteer Breakfast

On Saturday 10 December 2016, two 'Thank a Volunteer' Breakfasts were held to enable the Shire to thank the volunteers who consistently give their support to the community. One breakfast was held at Waroona Football Club and the second was held at Footprints Resort in Preston.

Carols by Candlelight

The annual Carols by Candlelight was held on Sunday 18 December 2016 at Centennial Park, after a stop at Pam Corker House.

Australia Day Celebrations

The Australia Day Celebrations returned to the Memorial Hall for 2017.

Australia Day celebrations were also held at Preston Beach and Lake Clifton, organised by the respective Progress Associations.

Emergency Services Dinner

On Thursday 18 May 2017 the Shire held an Emergency Services Dinner at the Waroona Bowling and Social Club. The event recognise and acknowledge the valued efforts of local volunteer emergency services and police.



Reconciliation Week

On Thursday 22 June 2017 the Community Development team assisted the local Aboriginal community will hold an event to recognise Reconciliation Week at Waroona Recreation & Aquatic Centre.

Preston Beach Causeway Renaming

On Thursday 29 June 2017 the Shire officially renamed the Preston Beach Causeway to the Alf Barker Memorial Causeway. The late Mr Alf Barker was the Shire of Waroona's Works Manager/Supervisor for over 30 years and as such he was involved in a substantial amount of the Shire's past works activities including the construction of the Preston Beach Road causeway in its present state. Following his passing in 2016, the Preston Beach Progress Association and local residents considered it would be fitting to install signage adjacent to the causeway to name it in Mr Barker's memory.

Shire Councillors, senior staff, relatives of the late Alf Barker and residents attended the official ceremony followed by a morning tea held at the Preston Beach Community Centre.



Supported Events

The Shire also supported a number of events coordinated by local community groups including the Bushfire Preparedness Expo, Walk Over October, Women's Health Expo, the annual Agricultural Show, Red Cross Outreach, Work From Home Business Expo, White Ribbon Day, Turning on the Lights Ceremony, Lions Christmas Gala, Just Cruizin Candlelight Tour, Hearts and Horses, Opening of Lake Clifton Fire Brigade Building, Pam Corker Fete, All Australian Car Day, ANZAC Day, Remembrance Day.

YOUTH ADVISORY COUNCIL

The Waroona Youth Advisory Council (YAC), under the guidance of the CDO, meets monthly at the Shire Administration Offices to develop the leadership skills, social skills, event management and volunteering of youth in the community.

This year the YAC decided to restructure and review their goals, objectives and mission, inevitably modifying the operation and management of the group. The group now consists of 10 enthusiastic and productive members, representing a range of backgrounds. Throughout the year, YAC led by newly elected President Joelle Chaffey coordinated three major events, and assisted with other local events and activities.

Movie Under The Stars

This year, YAC successfully delivered two Movie Under The Stars events at the Waroona Cricket Club.

Children's Week WA

Children's Week is a national annual event held during the fourth week in October across Australia. The week is dedicated to celebrating children and highlighting their achievements. It is an opportunity to engage in a variety of activities that facilitate, support and encourage children and their families to celebrate, play and discover together.

On Saturday 5 November 2016, a Halloween Party for 0-17 year olds was held.

Youth Fest - National Youth Week

On Friday 7 April 2017 Waroona YAC held their first Youth Fest (previously known as Youth Action Event) in celebration of National Youth Week.



PROJECTS

What's On In Waroona Calendar

The Community Development Officer distributes a monthly calendar to local organisations and clubs, providing an opportunity for community groups to promote their events and creates awareness of what is happening in the Shire of Waroona.

Media Releases

Updates on community activities and initiatives run by the Shire are published in a variety of media including the Information Bulletin, Sea to Scarp, featured in the Harvey - Waroona Reporter; Drakesbrook Despatch, WALGA's Western Councillor, Peel Magazine, and Purely Peel, which is featured in the Mandurah Mail.

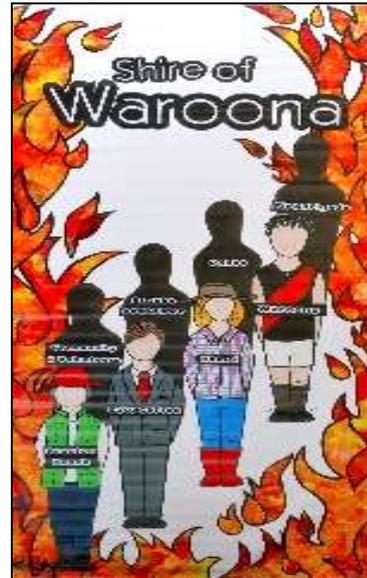
Street Banners

The Shire street banners are displayed along the South Western Highway and changed monthly to reflect particular seasons and events. This year all the banners were updated, with the addition of designs recognising Australia Day, Easter, ANZAC Day, NAIDOC Week, Waroona Agricultural Show, Remembrance Day and Christmas; depicting local flora and fauna; and reflecting the localities of Waroona, Hamel, Lake Clifton and Preston Beach.



Banners in the Terrace

This annual banner exhibition is held in Perth and is a colourful representation of Local Governments across WA. This year, the Shire of Waroona engaged the YAC and local artist Sarah Robertson to design a banner to showcase the exhibition theme "Members First".



Tidy Towns

This year the Shire entered the annual Western Australian Keep Australia Beautiful awards program. The Tidy Towns Sustainable Communities Award acknowledge and celebrates regional and remote communities who take positive action to protect and enhance their environment. The Shire was nominated in two categories; Environmental Education (FRAGYLE) and Youth Leadership (Leo's). The two entries from the Shire progressed as finalists in their respective categories in the state competition.

Waroona Interagency Group

Over 70 representatives from more than 40 community service agencies attend the bi-monthly Waroona Interagency Group meetings. These meetings are a forum for agencies who deliver local community services to share knowledge and work collectively to address issues, generally around community safety, health and wellbeing.

Age-Friendly Community Strategy

In early 2016, the Shire of Waroona, in collaboration with the Shire of Murray, was successful in receiving a \$10,000 grant from the Department of Local Government and Communities to implement an Age Friendly Community strategy.

Through the months of April and May 2016 Liz Storr of Storybox Consulting and the Community Services team engaged with providers who service the local area and consulted with the various communities within the two shires including Waroona, Hamel, Lake Clifton and Preston Beach. The working group behind this strategy was well represented by the local community and included Councillors, Progress Associations and local organisations such as Quambie Park and Waroona Community Resource Centre. The final strategy was adopted by Council in September 2016, and will be used as a reference document in the future.

Peel Early Years Collective Strategy

Child Australia, in collaboration with the five local governments that constitute the Peel region, have formed the Peel Early Years Collective. This working group includes members from the Shire of Waroona, Shire of Murray, Shire of Boddington, Shire of Serpentine-Jarrahdale, City of Mandurah, early years networks, children services providers, local primary schools and community groups.

Trails

The Shire of Waroona remains a member of the Peel Trails Group to continue its understanding of current and future trails projects in the Peel region.

AWARDS

Australia Day Awards

Shire of Waroona Meritorious Community Service Award - Under 25 Years recipients:

Joelle Chaffey and Reegan Davis

Shire of Waroona Meritorious Community Service Award - 25 Years and Over recipients:

Paul Anzellino, Andrew Hull, Fred Hull & Clint Vagg

Citizen of the Year Award recipient:

Andrew Templeman Twells

Award for Active Citizenship (Group / Event) recipient:

Waroona Community Resource Centre Inc.



Youth Contributing to Community

The Community Development team relaunched the Youth Contributing to Community Awards. Alcoa sponsors this initiative, which is aimed to identify and acknowledge young people in the Shire of Waroona who are voluntarily contributing to the community in a positive way. A number of applications were received and will be processed and awarded in the next financial year.

GRANTS

External

Thank A Volunteer Day

The Shire of was successful in applying for the National Thank A Volunteer Day Grant, funded by Department of Local Government and Communities. The \$1,000 grant contributed towards the annual Thank A Volunteer Breakfasts that were held at Waroona Football Club and Footprints Resort.

National Youth Week

The Shire of was successful in applying for the National Youth Week Grant, funded by Department of Local Government and Communities. The \$1,000 grant contributed towards the annual Youth Fest event held at the Waroona skate park.

WAPHA Aboriginal and Torres Strait Islander Mental Health Program

The Shire received \$100,000 from Western Australian Primary Health Alliance (WAPHA) to complete a twelve month Aboriginal and Torres Strait Islander Mental Health program with the objective to engage with local Aboriginal and Torres Strait Islander youth and enhance and better integrate health services at a local level. The Community Development Officer will coordinate the program with the assistance of a general project reference group, and a youth program reference group. The program will commence in July 2017 and will be completed by June 2018.

Children's Week WA

Waroona Youth Advisory Council, with assistance from the Community Development team, was successful in applying for the Children's Week WA Grant, funded by Department of Local Government and Communities. This \$2,000 grant contributed towards the Halloween Party held in October.

Club Equipment Subsidy

With the assistance of the Community Development team, five local sporting clubs submitted successful applications for the Club Equipment Subsidy funded by Department of Sport and Recreation. Waroona Amateur Basketball Association, Waroona Swimming Club, Waroona Bowling and Social Club, Waroona Junior Cricket Club and Waroona Junior Football Club each received \$500 to be contributed towards assorted equipment required to deliver their sports activities.

Volunteer Grants

With the assistance of the Community Development team, seven local community organisations submitted successful applications for the Volunteer Grant funded by Department of Social Services. Lions Club of Waroona, Waroona Amateur Basketball Association, Waroona Community Resource Centre, Waroona Conference, Waroona Historical Society, Waroona Senior Citizens' Welfare Association and Waroona Youth Advisory Council each received amounts varying between \$3,500 and \$5,000 to be contributed towards expenses incurred as a result of volunteering, or costs associated with improving the ability for volunteers to perform their tasks within the organisations.

KidSport

The Shire has received funding from the Department of Sport and Recreation's KidSport program since 2012. KidSport enables eligible children aged 5-18 to participate in community sporting and recreation activities by offering financial assistance towards their club fees. This initiative is funded by the Department of Sport and Recreation and administered by the Shire of Waroona.

Statistics for the Shire of Waroona for 2016/17 indicates that 111 KidSport vouchers were funded to the value of \$13,381.00. Since the program's inception in 2012, 612 vouchers have been processed to a total amount of \$71,017.20, enabling 230 children to participate in sport and recreation in the shire.

Shire Grants

Community Development

Under this program, organisations from within the Shire of Waroona can apply for funds of up to \$800 towards projects. This year saw the greatest number of applications since the program's inception in 2004. The successful recipients receiving a total of \$6,400 in the

2016/17 program were Lake Clifton Herron Residents' Association, Preston Beach Progress Association, Lions Club of Waroona, Really Really Free Markets, RSLWA Waroona-Hamel Sub Branch, Waroona Amateur Swimming Club, Waroona Community Men's Shed, Waroona Creative Arts Centre, Waroona District High School P&C, Waroona Historical Society, Waroona Senior Citizens' Welfare Association, Waroona Junior Netball Club and Waroona Karate Club.

PARTNERSHIPS

Summer Event Series

The Summer Event Series is an initiative funded by ALCOA to support a range of community cultural events throughout the Shire of Waroona during the summer period. The \$5,000 sponsorship contributes to a number of activities that promote tourism, arts and community participation.

Youth Activities

ALCOA again provided funding of \$10,000 towards youth activities this year. This funding enables the Community Development Team to work with young people in the community and has ensured the continuation of KidSport administration, the Youth Advisory Council (YAC) coordination and management, youth events and the provision of leadership opportunities and activities for young people.



CLUB DEVELOPMENT

Staff

The Club Development Officer position is funded through the Department of Sport and Recreation (DSR) and the Shire of Waroona.

Representation

The Club Development Officer represents the Shire on a number of the Peel Sporting associations' boards and all relevant information is being shared with relevant clubs.

Waroona Bowling Club:

A Community Sport and Recreation Facility Funding (CSRFF) annual grant application for a complete Green Replacement was received from the DSR in 2015/16 and the project is now fully complete. The club continues to grow from strength to strength and is making maximum use of both bowling greens and club house facilities.

Waroona Cricket Club:

Discussions have been held with DSR in relation to advising the Waroona Cricket Club with facility planning and applying for grant funds. The club has 3 projects they wish to complete in the future.

Association Incorporation Act Workshop:

Following recent changes to the *Association Incorporation Act 2015* a workshop was hosted in Pinjarra on 7 September 2016 which provided an overview of the changes that have been introduced under the *Act*. Work has been completed with three clubs.

Club Development Manual

The Club Development Manual has been completed and is available to all local clubs. The Manual is designed to address broader club management issues, to assist sporting clubs to achieve sustainability and to ensure that clubs are given every opportunity to run effectively and efficiently.

Financial Management Workshop

The workshop presented by the JGC Group in partnership with the DSR, was held on 26 April 2017 at the Pinjarra Football Club.

Participants were able to obtain a greater understanding of the importance to plan for the future with budgets and to prioritise their goals. Each group was provided with templates and a workbook to create successful budgets and financials reports appropriate to their clubs.



Attendees at the Financial Management Workshop

Grant Writing Workshop

The workshop held on 6 February 2017 in Pinjarra was presented by the Volunteer Resource Centre in partnership with the DSR.

Participants were able to obtain a greater understanding of the grant writing process and the importance to plan years in advance for their projects and to clearly prioritise their goals.

Sponsorship and Fundraising Workshop

The workshop presented by Ian Crawford in partnership with the DSR was held on 31 May 2017 at the Waroona Community Resource Centre. Local club representatives attended for training in how to be successful in gaining sponsorship and fundraising.

Peel Sports Forum – 24 March 2017

The Peel Sports Forum is a partnership between DSR and the Local Governments in the Peel Region with the aim of supporting the development of sporting clubs and athletes to help achieve their goals.

The forum included a list of high calibre speakers, providing information on a variety of topics including Taking opportunities, Preparing to play, Keeping kids in the game, Playing for life and Reacting to negatives.

The forum was aimed primarily at coaches, officials, administrators and athletes that have a strong passion and / or talent in sport and is an ideal marketing opportunity for the Peel sporting community.



Paralympian Brant Garvey (Centre) with DSR staff and Mitchell Green (far left)



Annette Mason with her award

Club Development Survey

The 2016/17 Club Development survey consisted of meetings and/or phone calls with club representatives. From the results of the survey the Shire can tailor the Club Development portfolio to suit club needs.

Surveys were received from the following clubs;

- Waroona Cricket Club (Junior & Senior)
- Waroona Swimming Club
- Waroona Basketball Association
- Waroona Netball Association
- Waroona Bowling Club

Alcoa Peel Volunteer of the Year Awards

The Department of Sport and Recreation received three nominations from local clubs and groups for their valued volunteers.

Local sporting identity and Shire employee Annette Mason received the 2016 Sports and Recreation Volunteer of the Year award for her significant contribution in a range of roles with the Waroona Amateur Basketball Association and the Waroona Netball Association.

LOUIS FOUCHÉ DIRECTOR DEVELOPMENT SERVICES

TECHNICAL SERVICES

The Technical Services Department is responsible for the maintenance, renewal and management of various Shire assets including:

- Roads & Bridges
- Drainage
- Paths
- Parks & Gardens
- Waste Management
- Plant & Machinery

All of these areas present their unique challenges and complexity. They are dealt with via the department's employees and by various outsourcing to consultants and contractors where necessary. The Technical Services Department continues to strive for improvement with an eye on both the present time and into the future, so as to create sustainable, efficient and compliant improvements currently and in years to come.

Notable Operational Achievements:

- Dorsett Road realignment
- Buller Road Reconstruction
- Coronation Road historical land matters
- Heavy Haulage Contribution Scheme – roll out of the scheme

Construction Program – Actual Costs

Roads to Recovery

- | | |
|---|-----------|
| • Old Bunbury Road reseal | \$28,433 |
| • Bristol Road 2 nd coat seal | \$10,341 |
| • Elliott Street kerb & reseal | \$11,782 |
| • Somers Road reconstruction | \$112,921 |
| • Lake View Road reconstruction | \$200,068 |
| • Scarp/Nanga Brook/Weller/Invarell Roads intersection improvements | \$51,073 |

Regional Road Group

- | | |
|---|-----------|
| • Dorsett Road reconstruction/realignment | \$593,327 |
| • Buller Road (Commodities funding) | \$373,518 |
| • Weir Road (Australian Blackspot) | \$139,798 |

Council Resources

- | | |
|--------------------------------------|----------|
| • Showgrounds reseal | \$28,991 |
| • Elliott Street drainage | \$48,081 |
| • Preston Beach kerbing replacement | \$6,641 |
| • Waroona kerbing replacement | \$13,928 |
| • Sporting Oval reticulation works | \$43,623 |
| • Henning Street disabled bay & path | \$6,559 |

Plant Replacement

Plant Purchases/Expenditure

- DTS Vehicle
- MWS Vehicle
- Trade Holden Colorado utility WR106

Major Plant Repairs

- Rebuild Caterpillar 12G grader engine
- Rebuild Caterpillar waste compactor engine
- Capital improvement Caterpillar Loader (waste)

Major Works Program

Dorsett Road

A further 1.2 km section of Dorsett Road has been realigned or reconstructed this year. This has been a very successful project and the finished product represents a major improvement to what was a very substandard section in terms of geometry and width. Land matters associated with this realigned section have been dealt with to completion.

Buller Road

Two sections of Buller Road were upgraded this year, one being around the intersection of the driveway to the Allsands property and the other joining up with 2015/16's works to the East of the waste facility. This year's works continues the push to upgrade the entire sealed section from Somers Road West to the Allsands intersection.

Buller Road was successful in gaining the Commodity Route funding as it services Council's refuse site, a private landfill site and a private sand extraction industry with two more extractive industries approved but yet to commence.



Buller Road complete

Weir Road

Weir Road unfortunately experienced sufficient accident data to support an application for Australian Government Blackspot program funding, which is fully funded and designed to address the more serious blackspot locations. The data suggested that the main issue was the bends, therefore the works have focused on improving width and delineation around the bends on the road. Also funded was the strategic removal of some roadside trees to reduce some of the risk of collision should vehicles leave the carriageway.



Weir Road improvements

Somers Road

The first section of Somers Road North of Coronation to be reconstructed. This section of road is long overdue for reconstruction to modern standards, and the increase in Roads to Recovery funding was opportunity for this to occur with 600 metres reconstructed.

Lake View Road

Also a first, Lake View Road was the first street in the 'old' section of Preston Beach to be upgrade to modern standards. It is hoped that this upgrading can continue in future years, depending on funding.



Lake View Road under construction

Fires

Most, if not all, of the physical response to the January 2016 fires was completed in 2015/16 however the impact of the fires have continued to be felt in 2016/17. The major issue for Technical Services was the application to the Department of Environmental Regulation for an increase to the Buller Road Refuse Disposal Facility's licence in order to meet the terms of an agreement with the State Government to accept fire affected waste. The DER's response was such that compliance would have cost the Shire more than the funds contained in the agreement. This matter stretched over several months and took up a lot of officer time. Finally it was decided to abandon the agreement and seek the cooperation of the DER to cancel the application and return to the previous licence conditions. The DER agreed to this however the whole matter triggered a licence review.

Environmental Technical Officer Mychelle Jeffery has been involved with assessing and administering grant funding to affected land owners in association with the Shire of Harvey.

Parks and Gardens

The Parks & Gardens department have continued to perform well with an increase in staffing levels contributing greatly.

Main Ovals

The new turf on the main oval has increased the quality of the surface and also has required more effort from the crew to keep it in top condition, although this is an endeavour that they welcome as the results speak for themselves. The oval has seen both general maintenance in 2016/17 as well as some capital expenditure to improve wet areas.

The Waroona Cricket club again held a Rodeo on the lower cricket oval, and the lessons learnt from the previous year helped in lessening the impact of this second event.

Verge Mowing and Spraying

Verge maintenance works have benefited from an increase in staff levels and a more targeted spraying and slashing regime.

Preston Beach

Continued increased effort at Preston Beach has seen the level of service maintained or improved.

Hamel

Parks and Gardens personnel attend to Hamel parks maintenance once per fortnight.

Contract Areas

Contract areas remain the Main Street Gardens, Tourist Information Centre and Recreation Centre. Council's Parks and Gardens Supervisor continues to work with the contractor's staff to ensure compliance to a high standard of work, and to ensure that both shire and contractor staff are well aware of each other's area boundaries so that double ups are eliminated.

Waste Management

Waste Management continues to perform adequately however it is a constant challenge to maintain the standards that we would like to see.

Recently the site's future was examined and re-established in terms of the filling of the current cell with a firm plan that has been relayed to the contractor. This should assist in streamlining their operations and make for a less complex set of tasks as well as minimise the amount of cover sand required day to day, and therefore less plant time.

Also this year the site was given a general tidy with the use of another contractor's excavator and a new mini cell has been excavated within the current cell to accept power pole butt ends. These power poles have been presenting a problem to the operation of the site and to

cover an additional cost claim by the contractor the disposal fees have been increased.

The facility again accepted the waste generated by the Shire of Murray's hard waste collection this year, which seemed to operate without major issues.

In an effort to increase our ability to deal with fire at the site and in the vicinity, two new water tanks were installed as well as a hydrant adjacent to the greenwaste area.



Tank installation

The other major waste management activity is the contract for bin collection with Cleanaway. This contract operates fairly autonomously and is predominantly going well. There are very few complaints or concerns received regarding Cleanaway's performance and any issues are usually dealt with promptly.

Staff

Staff movements have been fairly minor for the year. Amanda Turner left the Shire and Crystal Maybourne was employed in this position after it was increased to full time.

The Shire's long serving Depot Mechanic Bill Rafferty retired after 27 years and was appropriately farewelled at a function at the Drakesbrook Hotel. The resulting vacancy was advertised and three applicants were interviewed, with Luke Fair being the successful applicant.



Bill's Send Off

Charlie Eatts and Neville Smith joined the crew again during the construction season.

Asset Management

Asset Management this year is limited to keeping the road inventory up to date following road works and a whole of network condition survey which took place recently.

Occupational Safety & Health

The major achievement this year under the OSH banner was the Technical Services Department's contribution to the 99% score gained after the OSH audit. The LGIS auditor commended the performance of the Department and stated that the OSH operations at the depot were the best that she had ever seen in two years of carrying out similar audits.

Obviously this was an extremely satisfying outcome and it was only made possible by the actions and efforts of all the Depot crew, in particular Rikki Bellairs who coordinates the Depot OSH response.

Conclusion

After an incredibly intense, busy and varied 2015/16, this year has settled back into a more typical year for the Technical Services Department – if there is indeed such a thing as a typical year.

After a couple of years of instigating new initiatives and changing a few things about how we go about our business it's pleasing to now be able to watch these initiatives and changes working – for example, the road use contribution scheme is now in place and soon to be operational, and the changes and improvements to our OSH practices are now reaping huge rewards. Things like this are testament to our determination and resourcefulness and can only be attained in such a short overall time period through a concerted effort by a stable team.

I look forward to continued challenges and successes in the coming year.

PATRICK STEINBACHER
DIRECTOR TECHNICAL SERVICES

STRATEGIC COMMUNITY PLAN OVERVIEW

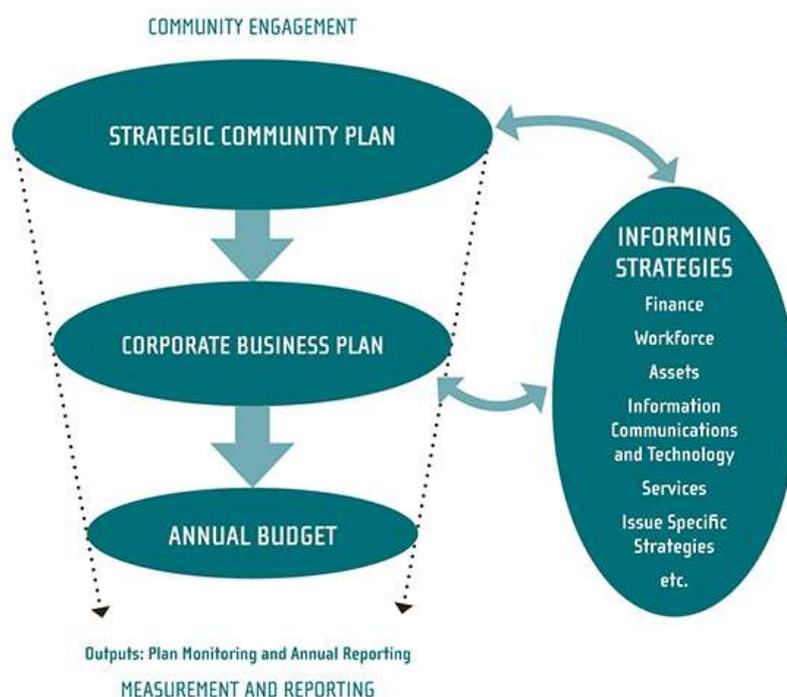
PLAN FOR THE FUTURE - OVERVIEW

[Integrated Planning and Reporting Framework \(IP&RF\)](#)

Annual Report - 2016/17 Year

The WA State Government introduced new reporting “Plan for the Future” requirements, applicable from 1st July 2013. These involve a detailed Integrated Planning process, and various items were prepared in earlier years as part of the preparation work. Further changes and enhancements were made during the 2014/15 and 2015/16 years, and also in 2016/17 and this report provides brief details on such changes.

Our “Plan for the Future” Integrated plans are made up of the following modules:-



Strategic Community Plan (SCP) – as can be seen from the above, this is the pre-eminent, highest, item of the Integrate Planning Process and is to be for a 10 year period. The SCP incorporates broad directions, as well as certain more specific items seen as being needed, over the 10 years. Consideration of these should involve community consultations and input.

A SCP was developed in 2011-12, with many consultations, and the final plan was adopted on 24 April, 2012. That Plan was reviewed in mid-2013, with the 6 major areas slightly extended by adding some expansions, so as to adequately cover the actual services carried out by this Council and the associated, supporting assets. Further enhancements were made in May and June of 2014, with new/extra sub-items then included.

The original Strategic Community Plan, which was adopted in 2012, included 6 main areas of emphasis. These were reviewed in June 2013 and again in June 2014, with only slight modifications made, and items shifted as seemed appropriate. Details of the 6 main areas of emphasis of the Strategic Community Plan, and the subsequent changes, were as follows:-

	24 April 2012	25 June 2013	24 June 2014
1	Future Growth managed	Managing Future Growth	Local Economy; Managing our future growth
2	Rural Land use protected	Protecting Rural Land	Environment; Conserving our Unique Environment
3	Strong Sense of Community maintained	Strong Sense of Community, & Community Wellbeing Activities	Land Use: Responsible Land Use Planning, & Protecting Rural Land
4	Sensitive Environmental Assets conserved	Environment Conservation	Society: A strong sense of Community, addressing social issues, & effective Community Wellbeing
5	Dynamic Local Economy	Dynamic Local Economy	Asset Management & Financial Sustainability.
6	Active Civic Leadership achieved	Active Civic Leadership, Good Governance, & Excellence in Management	Good Governance, Active & Responsible Civic Leadership, & Excellence in Management

As can be seen from the above, the themes have remained basically the same, but with minor modifications made so as to allow certain services and actions to be more readily included.

While a number of extra sub-items were added to the SCP in June 2014, performance details on these latter changes are not included here, but may be included in Reports in later years.

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When referring to the planned CBP items, the budget, and the actual outcomes, the reader should be mindful of the limitations of Council’s finances and other resources, and various proposals and actions have had to be limited accordingly.

The major action area for the 2016/17 year was that of “Asset Management”, and these were for specific Capital works, as stated below.

The major specific initiatives adopted & completed for the 2016/17 year were – New Emergency Generator purchased and installed; completion of the construction of a new Bushfire Brigade building at Lake Clifton; remedial Drainage works at the corner of South West Highway and Thatcher street; Painting of the Waroona Town Hall; major repairs and renewals to parts of the Recreation Centre; Resealing of part of Old Bunbury Road, Bristol road, Elliott Street, Somers road, and Lake View Road, Improve Intersection of Scarp/Nanga Brook/Weller/Invarell roads; other minor road reconstruction works; reconstruction and resealing of roads; and gravel re-sheeting of a number of rural roads [see report by Director of Technical Services].

Other ‘supporting’ documents – See below - These have also been prepared during the past financial year:

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Assets Management Plans, were prepared or updated during the past year. All were reviewed, with the exceptions being a detailed Plant Replacement Plan, and an in-depth Waste Disposal Site Management and Improvement Plan. Both of these are now planned for a later time.

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These supporting documents provided data as “Informing Strategies” to the higher level plans.

Better Planning

For past decades a holistic approach has not been used in relation to all assets, like many other Councils. The new statutory requirements were introduced to try to get Councils, and their staff, to view things in multiple year terms, as well as to take into account any on-going effects of any planned large actions/constructions, and Councils should not just follow a ‘single year budget’ approach.

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The overall aim of the new system of Integrated Planning and Reporting Framework (IP & RF) is to ensure that Council’s activities better reflect the aspirations of the community and take into account various renewal and replacement actions as needed, with the latter involving the consideration of the challenges before the Council with regard to existing services, and their supporting assets. The hierarchy of Plans, Programs and Reports also aim to show how the community’s aspirations will be turned into reality by prioritising them in line with known funding options, which seem to change from year to year

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As is obvious from the attached comparison sheet, the majority of items planned in the middle of the past year were included in the budget for that year, and most were then subsequently completed as planned. In the 2015/16 year the Council had to divert funds towards various Bushfire remedial activities and expenses, and therefore some of the originally planned items for the 2015/16 year had to be scaled back, and this flowed over to the 2016/17 year.



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As identified in Council's Long Term financial Plan, the main emphasis has been to focus on the renewal/replacement of existing assets, before considering any major new assets.

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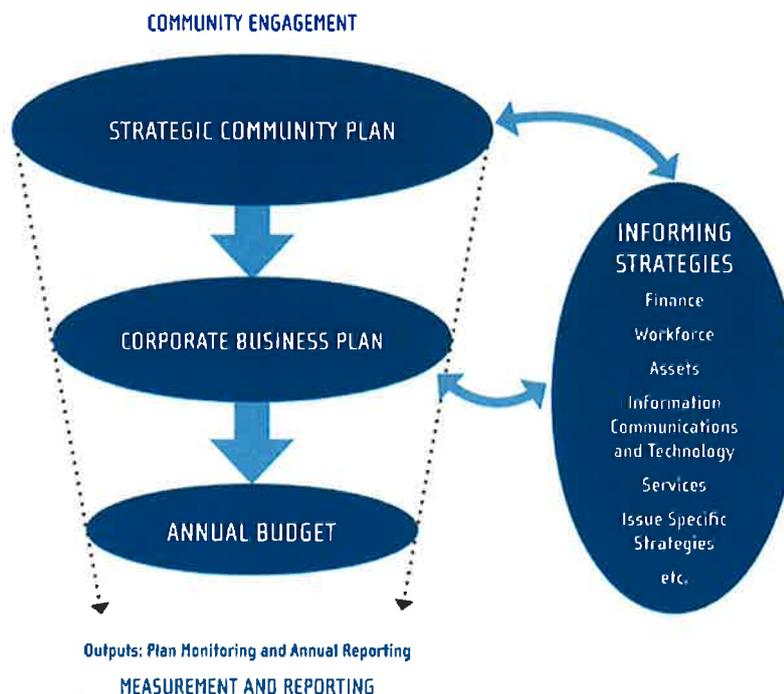
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Annual Report - 2016/17 Year

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**CORPORATE BUSINESS PLAN, BUDGET ITEMS &
ACTUAL RESULTS - COMPARISONS**

CORPORATE BUSINESS PLAN, BUDGET ITEMS, & ACTUAL RESULTS - COMPARISONS 2016/17 YEAR

In accordance with the statutory requirements, items in Council's Corporate Business Plan are herein compared to items included in the Budget allocations for the subject year.

ANNUAL OUTCOMES

SCP No.	CBP PROJECT No.	NEW WORKS AND SERVICES	CBP. COST	FUNDING SOURCES	Funding Totals	BUDGET PROVISION	ACTUAL COSTS	BRIEF NOTES
		Program 4 Governance/Administration						
6.13.1	6.13.1.26	Admin Building	12,000	Council Revenue	12,000	12,560	3,798	Works commenced; Further works in later Yrs
		Admin Building		State Govt Grant		86,000	83,733	Generator purchased & installed, as planned
			12,000		12,000	98,560	87,531	
5.07.01		Program 5 Law, Order, & Public Safety	136,786	Mainly State Govt Grant	136,786	136,786	177,897	New Building completed, as planned
		Lake Clifton - Bushfire Building						
		Construct New BFB Building						
		Program/Schedule 8 Education & Welfare						
5.03.01	5.03.01	Senior Citizens Centre	4,000	Council Revenue	4,000	4,000	0	Works deferred to later Year
		Building - Renewal & Upgrade works						
		Program 10 Community Amenities						
5.03.01	1	Waroona Town Hall		Council Revenue	0	3,500	2,102	Gas Store replaced; other items deferred to 2017/18
5.03.01	2	Waroona Town Hall	78,000	Council Revenue	78,000	78,000	75,465	Works completed as planned
5.03.01		Preston Beach - Toilets	6,000	Council Revenue	6,000	6,000	0	Works deferred to later Year
5.03.01		Land Care Building				6,000	0	Works deferred to later Year
5.03.05		Drainage Works	80,000	Council Revenue		80,000	131,257	Extra work needed above original plan
5.07.01	1	Waste Disposal Site	45,000	Council Revenue		45,000	30,212	Most items completed; More in later Years
5.07.01	2	Waste Disposal Site	62,500			62,500	0	Funds transferred to Reserve A/c; to be used in later Years
		Transfer Station works	271,500		84,000	284,500	239,036	
		Program 11 Recreational & Cultural						
5.03.01	5.03.01	Library	3,000	Council Revenue	3,000	15,100	1,164	guttering & Patio works done; Shelving in later Years
5.03.07	1	Parks/Other	45,000	Council Revenue		45,000	43,622	Retic works completed as planned; More in next Year
5.03.07	2	Parks/Other	30,000	Council Revenue		30,000	28,991	Car park resal completed as planned
5.03.01	5.03.01	Recreation Centre	31,500	Mainly State Govt Grant	30,000	45,000	57,206	Works completed as planned
		Rectify Roof Problems; Other minor Upgrades	109,500		33,000	135,100	130,983	
		Program 12 Transport - Roads						
5.03.04	1	Roads	544,500	Regional Road Group State funds	544,500	544,500	593,327	Works completed as planned
5.03.04	2	Roads	420,366	Roads to Recovery Federal Grant	420,366	420,366	414,616	Gravel Resheeting; Reseals; Various On-Going
5.03.04	3	Roads	360,000	Commodities Routes-special Funding	360,000	360,000	373,518	Reconstruct Commodities-Forestry Rds-Buller Rd Completed
5.03.04	4	Roads	138,500	Federal Blackspot Road Grant	138,500	138,500	139,799	Weir Road - Works completed as planned
5.03.04	5	Roads/Footpaths	40,000	Council Revenue	40,000	20,000	20,569	Projects completed
5.03.04	5.03.04	Other Infrastructure	12,000	Council Revenue	12,000	12,000	9,412	Project completed, with savings made
		McDowell Street - Tree Removal	1,515,366		1,503,366	1,483,366	1,541,829	
		Program 12 Transport - Plant Replacements						
5.03.02	5.03.02	Plant Replacement	408,300	Trade-ins: Council Revenue	205,000	205,000	235,845	Purchases occurred as planned
		Replace various Plant & Works Equipment Items	408,300		203,300	184,800	243,914	Purchases occurred as planned
					408,300	389,800	479,759	
		Program 13 Economic Services						
		Tourist Centre	8,700			12,400	6,805	Minor External refurbishments done; more planned for later Yrs
			\$2,466,152		\$2,181,452	\$2,544,532	\$2,663,840	



FINANCIAL REPORT



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

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Principal place of business:
Shire of Waroona
52 Hesse Street
WAROONA WA 6215

**SHIRE OF WAROONA
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 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 ELEVENTH day of OCTOBER 2017


Ian Curley
Chief Executive Officer

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

	NOTE	2017 \$	2017 Budget \$	2016 \$
Revenue				
Rates	22	4,405,008	4,390,922	4,105,583
Operating grants, subsidies and contributions	29	2,383,260	1,257,844	2,044,031
Fees and charges	28	1,447,516	1,403,980	1,288,418
Interest earnings	2(a)	70,407	83,570	104,764
Other revenue	2(a)	105,319	97,625	108,397
		<u>8,411,511</u>	<u>7,233,941</u>	<u>7,651,194</u>
Expenses				
Employee costs		(3,313,656)	(2,983,655)	(3,206,270)
Materials and contracts		(2,782,182)	(2,845,832)	(4,163,384)
Utility charges		(383,672)	(382,940)	(374,832)
Depreciation on non-current assets	2(a)	(3,485,324)	(2,874,764)	(2,838,686)
Interest expenses	2(a)	(17,145)	(18,243)	(18,997)
Insurance expenses		(201,870)	(218,275)	(194,802)
Other expenditure		(284,439)	(275,730)	(229,832)
		<u>(10,468,288)</u>	<u>(9,599,439)</u>	<u>(11,026,802)</u>
		<u>(2,056,777)</u>	<u>(2,365,498)</u>	<u>(3,375,608)</u>
Non-operating grants, subsidies and contributions	29	2,465,918	1,829,252	1,361,092
Profit on asset disposals	20	294	14,719	9,778
(Loss) on asset disposals	20	(30,957)	(21,887)	(21,409)
Net result		378,478	(543,414)	(2,026,148)
Other comprehensive income				
Changes on revaluation of non-current assets	12	4,892,390	0	186,233
Total other comprehensive income		4,892,390	0	186,233
Total comprehensive income		<u>5,270,868</u>	<u>(543,414)</u>	<u>(1,839,915)</u>

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

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

	NOTE	2017 \$	2017 Budget \$	2016 \$
Revenue	2(a)			
Governance		145,735	158,260	162,180
General purpose funding		5,923,149	5,437,066	4,715,599
Law, order, public safety		123,587	68,452	463,054
Health		58,749	51,200	49,943
Education and welfare		52,509	18,330	19,135
Housing		14,300	14,300	14,300
Community amenities		1,343,151	963,297	998,876
Recreation and culture		430,675	348,781	527,403
Transport		215,312	76,490	603,259
Economic services		77,773	75,545	42,274
Other property and services		26,570	22,220	55,169
		<u>8,411,510</u>	<u>7,233,941</u>	<u>7,651,193</u>
Expenses	2(a)			
Governance		(1,379,546)	(1,380,224)	(1,361,577)
General purpose funding		(171,232)	(175,894)	(106,809)
Law, order, public safety		(605,251)	(543,006)	(987,460)
Health		(255,546)	(260,898)	(284,748)
Education and welfare		(200,907)	(221,543)	(201,354)
Housing		(21,166)	(19,915)	(15,509)
Community amenities		(1,504,703)	(1,449,232)	(1,510,047)
Recreation and culture		(2,836,597)	(2,678,778)	(2,636,846)
Transport		(2,921,385)	(2,295,518)	(3,391,342)
Economic services		(499,704)	(530,486)	(436,756)
Other property and services		(55,107)	(25,702)	(75,358)
		<u>(10,451,143)</u>	<u>(9,581,196)</u>	<u>(11,007,805)</u>
Finance costs	2(a)			
General purpose funding		(104)	(2,700)	0
Recreation and culture		(17,041)	(15,543)	(18,997)
		<u>(17,145)</u>	<u>(18,243)</u>	<u>(18,997)</u>
		<u>(2,056,778)</u>	<u>(2,365,498)</u>	<u>(3,375,609)</u>
Non-operating grants, subsidies and contributions	29	2,465,918	1,829,252	1,361,092
Profit on disposal of assets	20	294	14,719	9,778
(Loss) on disposal of assets	20	(30,957)	(21,887)	(21,409)
Net result		<u>378,478</u>	<u>(543,414)</u>	<u>(2,026,148)</u>
Other comprehensive income				
Changes on revaluation of non-current assets	12	4,892,390	0	186,233
Total other comprehensive income		<u>4,892,390</u>	<u>0</u>	<u>186,233</u>
Total comprehensive income		<u>5,270,868</u>	<u>(543,414)</u>	<u>(1,839,915)</u>

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

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

	NOTE	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	3	3,406,427	2,435,687
Trade and other receivables	4	326,436	697,371
Inventories	5	8,181	10,511
TOTAL CURRENT ASSETS		<u>3,741,044</u>	<u>3,143,567</u>
NON-CURRENT ASSETS			
Other receivables	4	22,000	30,500
Property, plant and equipment	6	38,405,914	34,009,709
Infrastructure	7	92,326,547	92,972,429
TOTAL NON-CURRENT ASSETS		<u>130,754,462</u>	<u>127,012,637</u>
TOTAL ASSETS		<u>134,495,506</u>	<u>130,156,204</u>
CURRENT LIABILITIES			
Trade and other payables	8	330,897	1,267,186
Current portion of long term borrowings	9	40,551	47,349
Provisions	10	822,365	785,089
TOTAL CURRENT LIABILITIES		<u>1,193,813</u>	<u>2,099,624</u>
NON-CURRENT LIABILITIES			
Long term borrowings	9	224,486	265,037
Provisions	10	58,917	44,124
TOTAL NON-CURRENT LIABILITIES		<u>283,403</u>	<u>309,161</u>
TOTAL LIABILITIES		<u>1,477,216</u>	<u>2,408,785</u>
NET ASSETS		<u>133,018,290</u>	<u>127,747,419</u>
EQUITY			
Retained surplus		10,204,849	10,687,185
Reserves - cash backed	11	2,508,331	1,647,517
Revaluation surplus	12	120,305,109	115,412,719
TOTAL EQUITY		<u>133,018,290</u>	<u>127,747,422</u>

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

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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2015		12,284,146	2,076,704	115,226,486	129,587,336
Comprehensive income					
Net result		(2,026,148)	0	0	(2,026,148)
Changes on revaluation of assets		0	0	186,233	186,233
Total comprehensive income	12	<u>(2,026,148)</u>	<u>0</u>	<u>186,233</u>	<u>(1,839,915)</u>
Transfers from/(to) reserves		429,187	(429,187)	0	0
Balance as at 30 June 2016		10,687,185	1,647,517	115,412,719	127,747,421
Comprehensive income					
Net result		378,478	0	0	378,478
Changes on revaluation of assets		0	0	4,892,390	4,892,390
Total comprehensive income	12	<u>378,478</u>	<u>0</u>	<u>4,892,390</u>	<u>5,270,868</u>
Transfers from/(to) reserves		(860,814)	860,814	0	0
Balance as at 30 June 2017		10,204,849	2,508,331	120,305,109	133,018,290

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

SHIRE OF WAROONA
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		4,418,147	4,455,422	4,102,986
Operating grants, subsidies and Operating grants, subsidies and contributions		2,741,056	1,583,101	1,531,301
Fees and charges		1,447,516	1,403,980	1,288,418
Interest earnings		70,407	83,570	104,764
Other revenue		105,321	204,729	108,397
		<u>8,782,447</u>	<u>7,730,802</u>	<u>7,135,866</u>
Payments				
Employee costs		(3,274,435)	(2,957,256)	(3,132,778)
Materials and contracts		(3,716,792)	(3,840,541)	(3,374,004)
Utility charges		(383,672)	(382,940)	(374,832)
Interest expenses		(3,646)	(18,243)	8,162
Insurance expenses		(201,870)	(218,275)	(194,802)
Other expenditure		(284,439)	(275,730)	(229,832)
		<u>(7,864,854)</u>	<u>(7,692,985)</u>	<u>(7,298,086)</u>
Net cash provided by (used in) operating activities	13(b)	<u>917,593</u>	<u>37,817</u>	<u>(162,219)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for development of Land held for resale		0	0	0
Payments for purchase of property, plant & equipment		(841,462)	(847,666)	(682,219)
Payments for construction of infrastructure		(1,768,303)	(1,700,490)	(1,761,507)
subsidies and contributions		2,465,918	1,829,252	1,361,092
Proceeds from sale of fixed assets		235,845	205,000	158,733
Net cash provided by (used in) investment activities		<u>91,998</u>	<u>(513,904)</u>	<u>(923,901)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures		(47,349)	(47,349)	(52,654)
Proceeds from low interest loans		8,500	0	7,900
Proceeds from new debentures			200,000	
Net cash provided by (used in) financing activities		<u>(38,849)</u>	<u>152,651</u>	<u>(44,754)</u>
Net increase (decrease) in cash held		970,742	(323,436)	(1,130,873)
Cash at beginning of year		2,435,687	2,377,643	3,566,560
Cash and cash equivalents at the end of the year	13(a)	<u>3,406,428</u>	<u>2,054,207</u>	<u>2,435,687</u>

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

SHIRE OF WAROONA
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)		211,518	105,213	1,146,405
		<u>211,518</u>	<u>105,213</u>	<u>1,146,405</u>
Revenue from operating activities (excluding rates)				
Governance		146,029	158,260	162,180
General purpose funding		1,518,140	1,046,144	610,016
Law, order, public safety		123,587	68,452	463,054
Health		58,749	51,200	49,943
Education and welfare		52,509	18,330	19,135
Housing		14,300	14,300	14,300
Community amenities		1,343,151	963,297	998,876
Recreation and culture		430,675	348,781	527,403
Transport		215,312	91,208	613,037
Economic services		77,773	75,545	42,274
Other property and services		26,570	22,220	55,169
		<u>4,006,795</u>	<u>2,857,737</u>	<u>3,555,388</u>
Expenditure from operating activities				
Governance		(1,389,212)	(1,391,936)	(1,370,485)
General purpose funding		(171,336)	(178,594)	(106,809)
Law, order, public safety		(605,251)	(543,006)	(987,460)
Health		(255,546)	(260,898)	(284,748)
Education and welfare		(200,907)	(221,543)	(201,354)
Housing		(21,166)	(19,915)	(15,509)
Community amenities		(1,506,067)	(1,450,764)	(1,512,111)
Recreation and culture		(2,853,638)	(2,694,321)	(2,655,843)
Transport		(2,936,358)	(2,300,725)	(3,400,004)
Economic services		(504,659)	(533,922)	(438,532)
Other property and services		(55,107)	(25,702)	(75,358)
		<u>(10,499,244)</u>	<u>(9,621,326)</u>	<u>(11,048,211)</u>
Operating activities excluded from budget				
(Profit) on disposal of assets	20	(294)	(14,719)	(9,778)
Loss on disposal of assets	20	30,957	21,887	21,409
Movement in employee benefit provisions		52,069	29,117	73,493
Depreciation and amortisation on assets	2(a)	3,485,324	2,874,764	2,838,686
Amount attributable to operating activities		<u>(2,712,875)</u>	<u>(3,747,327)</u>	<u>(3,422,609)</u>
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		2,465,918	1,829,252	1,361,092
Proceeds from disposal of assets	20	235,845	205,000	158,733
Purchase of property, plant and equipment	6(b)	(841,462)	(847,666)	(682,219)
Purchase and construction of infrastructure	7(b)	(1,768,303)	(1,700,490)	(1,761,507)
Amount attributable to investing activities		<u>91,999</u>	<u>(513,904)</u>	<u>(923,901)</u>
FINANCING ACTIVITIES				
Advances to community groups		0	0	(39,000)
Repayment of debentures	21(a)	(47,349)	(47,349)	(52,654)
Proceeds from new debentures	21(a)	0	200,000	0
Proceeds from self supporting loans		0	0	7,900
Proceeds from low interest loans		8,500	8,500	0
Unspent grants 1 July B/Fwd		8,848	8,847	115,858
Unspent grants 30 June C/Fwd		(79,229)	0	(8,847)
Transfers to reserves (restricted assets)	11	(905,230)	(317,690)	(232,151)
Transfers from reserves (restricted assets)	11	44,416	18,000	661,338
Amount attributable to financing activities		<u>(970,045)</u>	<u>(129,692)</u>	<u>452,444</u>
Surplus(deficiency) before general rates		<u>(3,590,921)</u>	<u>(4,390,922)</u>	<u>(3,894,065)</u>
Total amount raised from general rates	22	<u>4,405,008</u>	<u>4,390,922</u>	<u>4,105,583</u>
Net current assets at June 30 c/fwd - surplus/(deficit)	23	<u><u>814,087</u></u>	<u><u>(0)</u></u>	<u><u>211,518</u></u>

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

SHIRE OF WAROONA
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 19 to these financial statements.

(b) Goods and Services Tax (GST)

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

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

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

(c) Cash and Cash Equivalents

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Trade and Other Receivables

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

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

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

(e) Inventories

General

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

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

Land held for sale

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

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

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

(f) Fixed Assets

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

Mandatory requirement to revalue non-current assets

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Depreciation

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

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

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

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

Buildings	40-60 Years
Furniture and equipment	3-20 Years
Plant and equipment	5-20 Years
Seats and Benches	15-25 Years
Water Supply Piping	20-40 Years
Sealed roads and streets	
Construction	45-55 Years
Bituminous Seals	15-25 Years
Asphalt Seals	25-30 Years
Unsealed Roads	
Formed	10-15 Years
Gravel	12-15 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.

Capitalisation Threshold

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Income approach

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

Cost approach

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

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and subsequent measurement (continued)

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the 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 WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Impairment

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

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

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

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

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the 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.

(i) 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) 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.

(l) Borrowing Costs

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

(m) 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.

(n) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the 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 WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) 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.

(p) Interests in Joint Arrangements

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

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

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The 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 16

(q) Rates, Grants, Donations and Other Contributions

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

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

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

(r) Superannuation

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the 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.

(t) Rounding Off Figures

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

(u) 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.

(v) Budget Comparative Figures

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the 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 WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) 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.

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.

Notes:

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

(x) 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

[AASB 10, 124 & 1049]

The objective of this Standard was to extend the scope of AASB 124 *Related Party Disclosures* to include not-for-profit sector entities.

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

2. REVENUE AND EXPENSES	2017	2016
	\$	\$
(a) Net Result		
The Net result includes:		
(i) Charging as an expense:		
Significant expense and revenue		
January 2016 Waroona Bushfire		(475,517)
Bushfire Reimbursements (WANDRRA & Insurance)		346,373
Increase on revaluation of Land & Building Assets	<u>4,892,390</u>	<u> </u>
Auditors remuneration		
- Audit of the Annual Financial Report	8,220	8,020
- Interim Audit	3,390	3,800
- Other Services	2,580	5,640
Depreciation		
Buildings	873,657	827,788
Furniture and equipment	31,024	35,300
Plant and equipment	151,848	197,407
Infrastructure - Roads	1,923,099	1,284,958
Infrastructure - Other	505,695	493,233
	<u>3,485,324</u>	<u>2,838,686</u>
Interest expenses (finance costs)		
Debentures (refer Note 21 (a))	17,041	18,997
Interest on overdraft	104	0
	<u>17,145</u>	<u>18,997</u>
Rental charges		
- Operating leases	78,156	97,217
	<u>78,156</u>	<u>97,217</u>
(ii) Crediting as revenue:		
Other revenue		
Other	105,319	108,397
	<u>105,319</u>	<u>108,397</u>
	2017	2017
	Actual	Budget
	\$	\$
Interest earnings		
- Reserve Funds	44,955	44,800
- Municipal Funds	25,452	38,770
	<u>70,407</u>	<u>83,570</u>
- Other interest revenue (refer note 27)	60,321	53,025
	<u>130,729</u>	<u>136,595</u>
	<u>130,729</u>	<u>165,195</u>

SHIRE OF WAROONA
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

We value our coast and country and care for our community

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

GOVERNANCE

Objective:

To provide a decision making process for the efficient allocation of scarce resources.

Activities:

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objective:

To provide services to help ensure a safer and environmentally conscious community.

Activities:

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

EDUCATION AND WELFARE

Objective:

To provide services to disadvantaged persons, the elderly, children and youth

Activities:

Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.

HOUSING

Objective:

To provide and maintain elderly residents housing.

Activities:

Provision and maintenance of elderly residents housing.

SHIRE OF WAROONA
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

Objective:

To provide services required by the community.

Activities:

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

RECREATION AND CULTURE

Objective:

To establish and effectively manage infrastructure and resource which will help the social well being of the community.

Activities:

Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

TRANSPORT

Objective:

To provide safe, effective and efficient transport services to the community

Activities:

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and tra

ECONOMIC SERVICES

Objective:

To help promote the shire and its economic wellbeing.

Activities:

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.

OTHER PROPERTY AND SERVICES

Objective:

To monitor and control the Shire's overhead operating accounts.

Activities:

Private works operation, plant repair and operation costs and engineering operation costs.

SHIRE OF WAROONA
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⁾ 20/15/16 \$	Expended ⁽³⁾ 20/15/16 \$	Closing Balance ⁽¹⁾ 30/06/16 \$	Received ⁽²⁾ 20/16/17 \$	Expended ⁽³⁾ 20/16/17 \$	Closing Balance 30/06/17 \$
Law, order, public safety							
Dept Fire & Emergency Services 15/16	1,676	22,620	(24,296)	0	0	0	0
Dept Fire & Emergency Services 16/17	0	3,848	0	3,848	25,223	(29,071)	0
Education and welfare							
Alcoa Youth Activities	5,000	10,000	(10,000)	5,000	10,000	(10,000)	5,000
Suicide Prevention Grant	14,155	0	(14,155)	0	0	0	0
DLGC Community Development Scholarship	0	0	0	0	10,000	(3,703)	6,297
Waroona Karate Club Grant	0	0	0	0	1,720	0	1,720
WA Primary Health Association Grant	0	0	0	0	10,000	0	10,000
Community amenities							
Royalties - Waste Study	15,943	0	(15,943)	0	0	0	0
South Metro Pop Health - NAIDOC	500	0	(500)	0	0	0	0
Coastwest funding - Dune Management 201728	0	0	0	0	8,082	(8,082)	0
Landowner Support for Fire Recovery Grant	0	0	0	0	28,000	(24,864)	3,136
Recreation and culture							
Lake Preston Trail	9,440	20,491	(29,931)	0	0	0	0
Kids Sport Grant	3,244	9,000	(12,244)	0	14,000	(14,000)	0
Royalties - Hall Upgrade Grant	50,000	30,000	(80,000)	0	0	0	0
Strong Families - NAIDOC	100	0	(100)	0	0	0	0
Alcoa RSL Waroona/Hamel	1,740	0	(1,740)	0	0	0	0
DLGC Youth Development Scholarship	0	0	0	0	4,016	(940)	3,076
DPC Preston Beach Community Centre Grant	0	0	0	0	50,000	0	50,000
Economic services							
Royalties - Economic Study	14,060	0	(14,060)	0	0	0	0
Total	115,858	95,959	(202,969)	8,848	161,041	(90,659)	79,229
Funds In Reserve							
Transport							
Royalties for Regions - Coronation Rd Bridge	506,986	-	(506,986)	0	0	0	0
Total	506,986	0	(506,986)	0	0	0	0

Notes:

- (1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.
- (2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.
- (3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

SHIRE OF WAROONA
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		818,867	779,322
Restricted - Reserves		<u>2,587,559</u>	<u>1,656,365</u>
		<u>3,406,427</u>	<u>2,435,687</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Emergency Assistance Reserve	11	38,925	16,938
Sports Reserve	11	39,984	28,746
Staff Leave Reserve	11	151,967	119,492
Waste Management Reserve	11	549,185	372,522
Rec Centre Building Reserve	11	95,570	15,151
Hamel Hall Reserve	11	29,618	28,832
Plant Replacement Reserve	11	564,350	486,089
Depot Redevelopment Reserve	11	74,740	55,233
Building Asset Maintenance Reserve	11	51,490	50,123
Strategic Planning Reserve	11	18,586	24,590
Council Building Construction Reserve	11	228,853	222,776
Preston Beach Volunteer Reserve	11	36,960	30,404
Information Technology Reserve	11	19,125	18,617
Footpath construction Reserve	11	29,666	28,878
Asset Management Reserve	11	114,780	111,732
History Book Reprint Reserve	11	5,952	18,859
Risk & Insurance Reserve	11	8,579	18,537
Fire Recovery Assistance Grant Reserve	11	450,000	0
Unspent grants	2(c)	<u>79,229</u>	<u>8,848</u>
		<u>2,587,559</u>	<u>1,656,365</u>
4. TRADE AND OTHER RECEIVABLES			
Current			
Rates outstanding		111,946	125,085
Sundry debtors		205,990	475,791
Loans - Self Supporting		0	0
Loans - Low Interest		8,500	8,500
Accrued Income		0	87,995
		<u>326,436</u>	<u>697,371</u>
Non-current			
Rates outstanding - pensioners		0	0
Loans receivable - clubs/institutions		0	0
Loans - Low Interest		<u>22,000</u>	<u>30,500</u>
		<u>22,000</u>	<u>30,500</u>
5. INVENTORIES			
Current			
Fuel and Materials		7,086	8,567
Kiosk		<u>1,095</u>	<u>1,944</u>
		<u>8,181</u>	<u>10,511</u>
Non-current			
Land held for resale - cost			
Cost of acquisition		0	0
Development costs		<u>0</u>	<u>0</u>
		<u>0</u>	<u>0</u>

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

	2017	2016
	\$	\$
6 (a). PROPERTY, PLANT AND EQUIPMENT		
Land		
- Independent valuation 2014	0	14,498,500
- Independent valuation 2017	17,926,000	0
- Additions after valuation - cost	<u>0</u>	<u>0</u>
	17,926,000	14,498,500
 Buildings at:		
- Independent valuation 2014	0	18,424,425
- Independent valuation 2017	17,998,750	0
- Additions after valuation - cost	0	352,266
Buildings - Less: accumulated depreciation	<u>0</u>	<u>(1,700,243)</u>
	17,998,750	17,076,448
 Total land and buildings	<u>35,924,750</u>	<u>31,574,949</u>
 Furniture and equipment at:		
- Management valuation 2016 at:	213,920	213,920
- Additions after valuation - cost at:	31,566	0
Furniture and equipment - Less: accumulated depreciation	<u>(31,024)</u>	<u>0</u>
	214,462	213,920
 Plant and equipment at:		
- Management valuation 2016 at:	2,220,840	2,220,840
- Additions after valuation - cost at:	202,515	0
Plant and equipment - Less: accumulated depreciation	<u>(156,653)</u>	<u>0</u>
	2,266,702	2,220,840
	<u>38,405,914</u>	<u>34,009,709</u>

Land and Buildings:

The Shire's land and buildings were revalued throughout the 2016/17 financial year at Fair value by an independent valuer.

Valuations were made on the basis of observable open market values of similar assets, adjusted for condition and comparability, at their highest and best use.

The revaluation of these assets resulted in an overall increase of 4,892,390 in the net value of the Shire's land and buildings. All of this increase was credited to the revaluation surplus in the Shire's equity and was recognised as 'Changes on Revaluation of Non-Current Assets' in the Statement of Comprehensive Income.

Plant & Equipment and Furniture & Equipment

Both Furniture and Equipment and Plant and Equipment were revalued in 2015/2016 year. Major Plant and Equipment items were valued by an independent valuer with the balance of the items being subject to management valuations. All valuations were made on the basis of open market values of similar assets adjusted for condition and comparability (level 2 inputs in the fair value hierarchy).

The revaluation of these assets resulted in an overall increase of \$186,233 in the value of the plant and equipment and furniture and equipment assets. \$148,911 was added to the plant and equipment revaluation surplus and \$37,322 was added to the furniture and equipment revaluation surplus. The full amount of \$186,233 is reflected at Changes on revaluation of non-current assets in the Statement of Comprehensive Income.

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, all Land Building, Plant & Equipment and Furniture and Equipment are all Level 2 measurements.

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

6. 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)	Revaluation Increments/ (Decrements) Transferred to Revaluation	Revaluation (Losses)/ Reversals Through to Profit or Loss	Adjustments	Depreciation (Expense)	Transfers	Carrying Amount at the End of Year
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	14,498,500	0	(280,000)	3,707,500	0	0	0	0	17,926,000
Buildings	17,076,448	330,136	0	1,184,890	0	280,933	(873,657)	0	17,998,750
Total buildings	17,076,449	330,136	0	1,184,890	0	280,933	(873,657)	0	17,998,750
Total land and buildings	31,574,949	330,136	(280,000)	4,892,390	0	280,933	(873,657)	0	35,324,750
Furniture and equipment	213,920	31,566	0	0	0	0	(31,024)	0	214,462
Plant and equipment	2,220,840	479,759	(277,244)	0	0	(4,805)	(151,848)	0	2,266,702
Total property, plant and equipment	34,009,709	841,462	(557,244)	4,892,390	0	276,128	(1,056,529)	0	38,405,914

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

	2017	2016
	\$	\$
7 (a). INFRASTRUCTURE		
Infrastructure - Roads		
- Independant valuation 2015	84,191,051	84,191,051
- Additions after valuation - cost	2,801,546	1,280,286
Infrastructure - Roads - Less: accumulated depreciation	<u>(3,208,057)</u>	<u>(1,284,959)</u>
	83,784,540	84,186,380
Infrastructure - Other		
- Independant valuation 2015	940,198	940,198
- Additions after valuation - cost	112,904	0
- Transfer	72,052	0
Infrastructure - User defined 2 - Less: accumulated depreciation	<u>(147,664)</u>	<u>(64,155)</u>
	977,490	876,042
Infrastructure - Bridges		
- Independant valuation 2015	875,000	875,000
Infrastructure - User defined 3 - Less: accumulated depreciation	<u>(120,837)</u>	<u>(58,362)</u>
	754,163	816,638
Infrastructure - Parks & Ovals		
- Independant valuation 2015	2,161,646	2,161,646
- Additions after valuation - cost	2,882	0
- Transfers	390,751	454,802
Infrastructure - User defined 4 - Less: accumulated depreciation	<u>(378,139)</u>	<u>(182,353)</u>
	2,177,139	2,434,095
Infrastructure - Drainage		
- Independant valuation 2015	3,147,816	3,147,816
- Additions after valuation - cost	131,257	0
Infrastructure - User defined 5 - Less: accumulated depreciation	<u>(158,447)</u>	<u>(78,149)</u>
	3,120,626	3,069,667
Infrastructure - Footpaths		
- Independant valuation 2015	1,636,857	1,636,857
- Additions after valuation - cost	26,419	26,419
Infrastructure - User defined 6 - Less: accumulated depreciation	<u>(150,686)</u>	<u>(73,669)</u>
	1,512,590	1,589,607
	<u>92,326,547</u>	<u>92,972,429</u>

The fair value of infrastructure is determined at least every three years in accordance with legislative requirements. 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.

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, all road infrastructure and other infrastructure are Level 3 measurements

Council engaged Talis Consultants to determine fair value of the following assets as at 30 June 2015; Roads, Drainage and Footpaths, Griffin Valuation Advisory completed the other classes of assets such as; Bridges, Parks and Ovals and Other.

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

7. 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	Impairment (Losses)/ Reversals	Depreciation (Expense)	Transfers	Carrying Amount at the End of the Year
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Infrastructure - Roads	84,186,380	1,521,260	0	0	0	0	(1,923,099)	0	83,784,540
Infrastructure - Other	876,042	112,904	0	0	0	0	(83,509)	72,052	977,490
Infrastructure - Bridges	816,638	0	0	0	0	0	(62,475)	0	754,163
Infrastructure - Parks & Ovals	2,434,095	2,882	0	0	0	0	(202,396)	(57,442)	2,177,139
Infrastructure - Drainage	3,069,667	131,257	0	0	0	0	(80,298)	0	3,120,626
Infrastructure - Footpaths	1,589,607	0	0	0	0	0	(77,018)	0	1,512,590
Total infrastructure	92,972,429	1,768,303	0	0	0	0	(2,428,795)	14,610	92,326,547

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

	2017	2016
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry creditors	247,156	1,184,096
Accrued salaries and wages	73,719	60,220
Accrued interest on debentures	905	1,242
Accrued expenses	9,117	21,628
	<u>330,897</u>	<u>1,267,186</u>

9. LONG-TERM BORROWINGS

Current		
Secured by floating charge		
Debentures	40,551	47,349
	<u>40,551</u>	<u>47,349</u>
Non-current		
Secured by floating charge		
Debentures	224,486	265,037
	<u>224,486</u>	<u>265,037</u>

Additional detail on borrowings is provided in Note 21.

10. PROVISIONS

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2016			
Current provisions	301,392	483,697	785,089
Non-current provisions	0	44,124	44,124
	<u>301,392</u>	<u>527,821</u>	<u>829,213</u>
Additional provision	71,381	(19,312)	52,069
Balance at 30 June 2017	<u>372,773</u>	<u>508,509</u>	<u>881,282</u>
Comprises			
Current	372,773	449,592	822,365
Non-current	0	58,917	58,917
	<u>372,773</u>	<u>508,509</u>	<u>881,282</u>

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

11. RESERVES - CASH BACKED

	Actual 2017 Opening Balance	Actual 2017 Transfer to	Actual 2017 Closing Balance	Budget 2017 Opening Balance	Budget 2017 Transfer to	Budget 2017 Closing Balance	Actual 2016 Opening Balance	Actual 2016 Transfer to	Actual 2016 Closing Balance	Actual 2016 Transfer (from)	Actual 2016 Closing Balance
Emergency Assistance Reserve	16,938	21,987	38,925	16,938	0	16,938	16,438	500	16,938	0	16,938
Sports Reserve	28,746	11,237	39,984	28,746	7,450	36,196	65,748	1,998	67,746	(39,000)	28,746
Staff Leave Reserve	119,492	35,260	151,967	119,492	32,000	151,492	115,968	3,524	119,492	0	119,492
Waste Management Reserve	372,522	176,663	549,185	372,522	104,000	476,522	298,453	74,069	372,522	0	372,522
Rec Centre Building Reserve	15,151	80,419	95,570	15,151	80,000	95,151	80,589	17,462	15,151	(82,900)	15,151
Hamel Hall Reserve	28,832	787	29,618	28,832	0	28,832	27,978	854	28,832	0	28,832
Plant Replacement Reserve	486,089	78,261	564,350	486,089	65,000	551,089	403,799	82,290	486,089	0	486,089
Depot Redevelopment Reserve	55,233	19,507	74,740	55,233	18,000	73,233	53,604	1,629	55,233	0	55,233
Building Asset Maintenance Reserve	50,123	1,367	51,490	50,123	0	50,123	48,645	1,478	50,123	0	50,123
Strategic Planning Reserve	24,590	6,078	30,668	24,590	0	24,590	23,865	725	24,590	0	24,590
Council Building Construction Reserve	222,776	0	222,776	222,776	0	222,776	216,206	6,570	222,776	0	222,776
Preston Beach Volunteer Reserve	30,404	11,857	42,261	30,404	11,240	41,644	35,357	12,047	47,404	(17,000)	30,404
Information Technology Reserve	18,617	508	19,125	18,617	0	18,617	18,068	549	18,617	0	18,617
Footpath construction Reserve	28,878	788	29,666	28,878	0	28,878	28,027	852	28,878	0	28,878
Asset Management Reserve	111,732	3,048	114,780	111,731	0	111,731	108,436	3,295	111,732	0	111,732
History Book Reprint Reserve	18,859	2,250	21,109	18,858	0	18,858	10,538	8,320	18,859	0	18,859
Coronation Road Bridge Reserve	0	0	0	0	0	0	506,986	15,452	0	(522,438)	0
Risk & Insurance Reserve	18,537	4,543	23,080	18,537	0	18,537	18,000	537	18,537	0	18,537
Fire Recovery Assistance Grant Reserve	0	450,000	450,000	0	0	0	0	0	0	0	0
	1,647,517	905,230	2,552,747	1,647,517	317,690	1,965,207	2,076,704	232,151	1,647,517	(661,338)	1,647,517

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
Emergency Assistance Reserve	on going	To provide funds to assist in emergency situations e.g.: major fire
Sports Reserve	on going	To provide funds for sporting facilities and equipment as determined by Council together with low interest loans applications
Staff Leave Reserve	on going	To be used to fund annual and long service leave requirements
Waste Management Reserve	on going	To be used to maintain operations at Buller Road Refuse Site
Rec Centre Building Reserve	on going	To be used for future building asset maintenance items at the Recreation Centre, particularly plant
Hamel Hall Reserve	on going	To provide funds for the upgrading of the Hamel Hall Amenities and surrounds.
Plant Replacement Reserve	on going	To be used for the purchase and replacement of major plant
Depot Redevelopment Reserve	on going	To provide funds for the provision of vehicle storage bays at Works Depot
Building Asset Maintenance Reserve	on going	To provide funds for future maintenance
Strategic Planning Reserve	on going	To provide funds for the future requirements of Council's Strategic Planning
Council Building Construction Reserve	on going	To provide funds for future capital construction works in accordance with Council's Long Term Financial & Community Strategic Plans
Preston Beach Volunteer Reserve	on going	To provide funds to assist in the operations of the volunteer ranger functions including replacement of equipment
Information Technology Reserve	on going	To provide funds for future extension of Dual use path network
Footpath construction Reserve	on going	To be used to ensure that the network computer system is maintained including external site connections
Asset Management Reserve	on going	To provide funds to renew existing Council assets in accordance with the adopted Asset Management Plan
History Book Reprint Reserve	on going	To be used to fund the update reprint of the 'Drakesbrook days and Waroona years' historical book
Coronation Road Bridge Reserve	30-Jun-16	To be used to fund the upgrade of the Coronation road Bridge
Risk & Insurance Reserve	on going	To be used for expenses associated with risk assessments and insurance adjustments or unforeseen expenses
Fire Recovery Assistance Grant Reserve	30-Jun-18	To be used in accordance with the grant agreement. Assistance for the fire affected farming and rural communities of Shire of Harvey and Waroona

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

12. REVALUATION SURPLUS

	2017		2017		2017		2016		2016		2016	
	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Movement on Revaluation	Closing Balance	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Movement on Revaluation	Closing Balance	Revaluation Increment	Revaluation (Decrement)
Land and Building	23,764,001	4,882,390	0	4,882,390	28,656,391	23,764,001	0	0	0	23,764,001	0	0
Furniture and Equipment	37,322	0	0	0	37,322	0	90,420	(63,098)	37,322	37,322	90,420	(63,098)
Plant & Equipment	655,570	0	0	0	655,570	506,659	556,009	(407,099)	148,911	655,570	556,009	(407,099)
Infrastructure - Roads	88,504,082	0	0	0	88,504,082	88,504,082	0	0	0	88,504,082	0	0
Infrastructure - Other	2,451,744	0	0	0	2,451,744	2,451,744	0	0	0	2,451,744	0	0
	<u>115,412,719</u>	<u>4,882,390</u>	<u>0</u>	<u>4,882,390</u>	<u>120,305,110</u>	<u>115,226,488</u>	<u>646,429</u>	<u>(460,196)</u>	<u>186,233</u>	<u>115,412,719</u>	<u>646,429</u>	<u>(460,196)</u>

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

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2017	2017	2016
	\$	Budget	\$
Cash and cash equivalents	<u>3,406,428</u>	<u>2,054,207</u>	<u>2,435,687</u>
(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	378,478	(543,414)	(2,026,148)
Non-cash flows in Net result:			
Depreciation	3,485,324	2,874,764	2,838,686
(Profit)/Loss on sale of asset	30,663	7,168	11,631
Non-current assets recognised due to changes in legislative requirements	0		
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	370,935	505,708	(515,327)
(Increase)/Decrease in inventories	2,330	2,511	2,701
Increase/(Decrease) in payables	(936,289)	(1,036,067)	813,838
Increase/(Decrease) in provisions	52,069	56,399	73,492
Grants contributions for the development of assets	<u>(2,465,918)</u>	<u>(1,829,252)</u>	<u>(1,361,092)</u>
Net cash from operating activities	<u>917,592</u>	<u>37,817</u>	<u>(162,219)</u>
	2017		2016
	\$		\$
(c) Undrawn Borrowing Facilities			
Credit Standby Arrangements			
Bank overdraft limit	500,000		500,000
Bank overdraft at balance date	0		0
Credit card limit	20,000		20,000
Credit card balance at balance date	<u>0</u>		<u>0</u>
Total amount of credit unused	<u>520,000</u>		<u>520,000</u>
Loan facilities			
Loan facilities - current	40,551		47,349
Loan facilities - non-current	<u>224,486</u>		<u>265,037</u>
Total facilities in use at balance date	<u>265,037</u>		<u>312,386</u>
Unused loan facilities at balance date	<u>NIL</u>		<u>NIL</u>

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

14. CONTINGENT LIABILITIES

As at 30 June 2017 Council has no contingent liabilities

15. CAPITAL AND LEASING COMMITMENTS	2017	2016
	\$	\$
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	78,156	97,217
- later than one year but not later than five years	102,456	259,952
- later than five years	0	0
	<u>180,613</u>	<u>357,169</u>

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

(b) Capital Expenditure Commitments

Contracted for:		
- capital expenditure projects	0	138,836
- plant & equipment purchases	0	0
Payable:		
- not later than one year	0	138,836

2016

The capital expenditure project outstanding at the end of the current reporting period represents the grant funds provided to Council for the capital upgrade of the Lake Clifton Bush Fire Brigade shed.

These funds have been provided by DFES and will be fully spent throughout the 2016/17 year

16. JOINT VENTURE ARRANGEMENTS

The Shire is not involved in any joint venture arrangements.

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2017	2016
	\$	\$
Governance	2,947,591	2,951,753
General purpose funding	3,518,198	2,610,889
Law, order, public safety	1,395,223	1,214,230
Health	1,810,739	1,788,846
Education and welfare	375,500	296,548
Housing	180,000	178,995
Community amenities	4,537,421	4,734,768
Recreation and culture	29,594,880	25,524,327
Transport	87,178,750	88,002,272
Economic services	975,463	965,598
Other property and services	1,124,740	1,062,980
Unallocated	857,000	825,000
	<u>134,495,506</u>	<u>130,156,207</u>

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

18. FINANCIAL RATIOS	2017	2016	2015
Current ratio	1.1070	0.7510	1.4584
Asset sustainability ratio	0.5020	0.6780	0.4483
Debt service cover ratio	21.9760	(7.3910)	14.3059
Operating surplus ratio	(0.3520)	(0.6150)	(0.3327)
Own source revenue coverage ratio	0.5640	0.4990	0.5726

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 50 of this document.

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

19. TRUST FUNDS

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

	1 July 2016	Amounts Received	Amounts Paid	30 June 2017
	\$	\$	(\$)	\$
BCITF Levy	0	18,278	(18,278)	0
Builders Registration Board	0	22,023	(22,023)	0
Hall Deposits	4,075	3,406	(2,855)	4,626
Landcare EOY Balance	58,915	56,879	(58,915)	56,879
Nomination Deposits	0	0	0	0
Retentions	34,641	30,000	0	64,641
Roadworks/Footpath Bonds	7,925	0	0	7,925
Subdivision Bonds	64,910	0	0	64,910
Sundry Items	242,848	190,394	(188,390)	244,852
Vehicle Licensing Plates	0	1,400	(1,400)	0
Extractive Industries	48,730	16,772	0	65,501
Public Open Space	43,022	0	0	43,022
Alcoa Waroona Sustainability	1,311,004	270,612	0	1,581,616
	<u>1,816,070</u>			<u>2,133,973</u>

20. DISPOSALS OF ASSETS - 2016/17 FINANCIAL YEAR

The following assets were disposed of during the year.

	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$
Plant and Equipment								
Governance								
CEO Vehicle	42,700	35,759	-	6,941	37,091	37,000	-	(91)
CEO Vehicle	38,574	37,131	-	1,443	-	-	-	-
DCEO Vehicle	33,100	31,818	-	1,282	38,165	29,000	-	(9,165)
MFS Vehicle	17,206	17,500	294	-	19,456	17,000	-	(2,456)
Community amenities								
DDS Vehicle	30,000	28,636	-	1,364	26,532	25,000	-	(1,532)
Transport								
DTS Vehicle	34,500	30,000	-	4,500	32,659	29,000	-	(3,659)
MWS Vehicle	28,600	27,727	-	873	26,548	25,000	-	(1,548)
Works P&E	1,876	-	-	1,876	9,929	18,000	8,071	-
Works Vehicle	20,452	12,727	-	7,724	1,352	8,000	6,648	-
Economic services								
MDS Vehicle	19,500	14,545	-	4,955	20,436	17,000	-	(3,436)
	<u>266,507</u>	<u>235,845</u>	<u>294</u>	<u>(30,957)</u>	<u>212,168</u>	<u>205,000</u>	<u>14,719</u>	<u>(21,887)</u>

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

21. 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 \$
Recreation and culture								
Loan 106 - Aquatic Centre	26,711		17,504	17,504	9,207	9,207	1,295	1,546
Loan 117 - Basketball Stadium	119,711		11,799	11,799	107,912	107,912	8,334	7,686
Loan 119 - Waroona Bowling Club	18		18	0	0	18	0	0
Loan 120 - Rec Centre Upgrade	165,944		18,027	18,045	147,918	147,899	7,413	6,311
	312,367	0	47,330	47,349	265,037	265,018	17,041	15,543
Self Supporting Loans								
Recreation and culture								
Loan 119 - Waroona Bowling Club	18	0	18	0	0	18	0	0
	18	0	18	0	0	18	0	0
	312,385	0	47,349	47,349	265,037	265,036	17,041	15,543

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

21. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2016/17

The Shire did not take up any new debentures during the year ended 30 June 2017.

(c) Unspent Debentures

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

(d) Overdraft

Council has an established overdraft facility of \$500,000. The balance of this facility was nil at 30 June 2017

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

22. 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 \$	
Gross rental value valuations												
1 Waroona GRV	0.103535	805	11,742,964	1,215,808	7,747		1,223,555	1,215,808			1,215,808	
3 Hamel GRV	0.103535	26	313,872	32,497	0		32,497	32,497			32,497	
4 Preston GRV	0.103535	306	3,482,484	360,559	150		360,709	360,559			360,559	
5 Prescribed GRV	0.103535	16	447,214	46,302	701		47,003	46,302			46,302	
8 Lake Clifton GRV	0.103535	158	2,704,920	280,054	3,882		283,936	280,054			280,054	
10 Footprints GRV	0.103535	2	50,000	5,177	276		5,453	5,177			5,177	
11 Waroona Vacant GRV	0.103535	7	129,350	13,392	0		13,392	13,392			13,392	
31 Hamel Vacant GRV	0.103535	0	0	0	0		0	0			0	
41 Preston Vacant GRV	0.103535	12	215,850	22,348	0		22,348	22,348			22,348	
51 Prescribed Vacant GRV	0.103535	1	20,750	2,148	0		2,148	2,148			2,148	
81 Lake Clifton Vacant GRV	0.103535	9	115,970	12,007	0		12,007	12,007			12,007	
Unimproved value valuations												
2 Waroona UV	0.007182	457	195,914,000	1,407,054	338		1,407,393	1,407,054			1,407,054	
6 Prescribed UV	0.007182	99	23,729,000	170,422	0		170,422	170,422			170,422	
7 Mining UV	0.007182	0	0	0	996		996	0			0	
Sub-Total		1,898	238,866,374	3,567,768	14,090	0	3,581,858	3,567,768	0	0	3,567,768	
Minimum payment												
Gross rental value valuations												
1 Waroona GRV	1,010	214	1,847,620	216,140			216,140	216,140			216,140	
3 Hamel GRV	1,010	7	57,112	7,070			7,070	7,070			7,070	
4 Preston GRV	1,010	52	446,734	52,520			52,520	52,520			52,520	
5 Prescribed GRV	1,010	6	50,648	6,060			6,060	6,060			6,060	
8 Lake Clifton GRV	1,010	13	86,190	13,130			13,130	13,130			13,130	
10 Footprints GRV	1,010	77	535,340	77,770			77,770	77,770			77,770	
11 Waroona Vacant GRV	1,010	165	582,420	166,650			166,650	166,650			166,650	
31 Hamel Vacant GRV	1,010	4	8,100	4,040			4,040	4,040			4,040	
41 Preston Vacant GRV	1,010	99	535,730	99,990			99,990	99,990			99,990	
51 Prescribed Vacant GRV	1,010	5	39,850	5,050			5,050	5,050			5,050	
81 Lake Clifton Vacant GRV	1,010	85	552,960	85,850			85,850	85,850			85,850	
Unimproved value valuations												
2 Waroona UV	1,010	48	3,763,651	48,480			48,480	48,480			48,480	
6 Prescribed UV	1,010	24	2,945,500	24,240			24,240	24,240			24,240	
7 Mining UV	1,010	16	197,759	16,160			16,160	16,160			16,160	
Sub-Total		815	11,649,614	823,150	0	0	823,150	823,154	0	0	823,154	
Totals		2,713	250,515,988	4,390,918	14,090	0	4,405,008	4,390,922	0	0	4,390,922	
											4,405,008	

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

23. NET CURRENT ASSETS

Composition of net current assets

	2017	2017	2016
	(30 June 2017 Carried Forward) \$	(1 July 2016 Brought Forward) \$	(30 June 2016 Carried Forward) \$
Surplus/(Deficit) 1 July 16 brought forward	<u>814,087</u>	<u>211,518</u>	<u>211,518</u>
CURRENT ASSETS			
Cash and cash equivalents			
Unrestricted	818,867	779,322	779,322
Restricted - Reserves	2,508,331	1,647,517	1,647,517
Restricted - cash	79,229	8,848	8,848
Receivables			
Rates outstanding	111,946	125,085	125,085
Sundry debtors	205,990	475,791	475,791
Accrued Income	0	87,995	87,995
Inventories			
Fuel and Materials	7,086	8,567	8,567
Kiosk	1,095	1,944	1,944
LESS: CURRENT LIABILITIES			
Trade and other payables			
Sundry creditors	(247,156)	(1,184,096)	(1,184,096)
Accrued salaries and wages	(83,741)	(83,090)	(83,090)
Unadjusted net current assets	<u>3,401,647</u>	<u>1,867,883</u>	<u>1,867,883</u>
Adjustments			
Less: Reserves - restricted cash	(2,508,331)	(1,647,517)	(1,647,517)
Less: Restricted - cash	(79,229)	(8,848)	(8,848)
Adjusted net current assets - surplus/(deficit)	<u>814,087</u>	<u>211,518</u>	<u>211,518</u>

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

24. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR

The Shire of Waroona did not have any specified area rate in 2016/17 financial year

25. SERVICE CHARGES - 2016/17 FINANCIAL YEAR

The Shire of Waroona did not have any service charges in 2016/17 financial year

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

The Shire of Waroona contributes a \$750 cash incentive prize for prompt payment of rates as per Council Policy 3.11

27. 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	23/09/2016			11.00%
Option Two				
First Instalment	23/09/2016	10		11.00%
Second Instalment	23/01/2017	10	5.50%	11.00%
Option Three				
First Instalment	23/09/2016	10		11.00%
Second Instalment	23/11/2016	10	5.50%	11.00%
Third Instalment	23/01/2017	10	5.50%	11.00%
Fourth Instalment	23/03/2017	10	5.50%	11.00%

	Revenue \$	Budgeted Revenue \$
Interest on unpaid rates	23,821	21,200
Interest on instalment plan	16,310	13,265
Charges on instalment plan	20,190	18,560
	60,321	53,025

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

28. FEES & CHARGES	2017	2016
	\$	\$
Governance	29,824	31,936
General purpose funding	36,691	36,071
Law, order, public safety	38,237	33,338
Health	54,720	47,173
Education and welfare	410	330
Housing	14,300	14,300
Community amenities	887,393	795,432
Recreation and culture	304,142	279,351
Transport	90	60
Economic services	77,773	36,940
Other property and services	3,935	13,487
	<u>1,447,516</u>	<u>1,288,418</u>

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

29. GRANT REVENUE

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

By Nature or Type:	2017	2016
	\$	\$
Operating grants, subsidies and contributions		
Governance	111,911	126,244
General purpose funding	1,391,011	451,583
Law, order, public safety	85,351	429,715
Health	2,529	2,771
Education and welfare	52,099	18,805
Community amenities	452,758	200,342
Recreation and culture	126,466	247,555
Transport	138,500	520,000
Economic services	0	5,334
Other property and services	22,636	41,682
	<u>2,383,260</u>	<u>2,044,031</u>
Non-operating grants, subsidies and contributions		
General purpose funding	585,638	175,526
Law, order, public safety	706,018	0
Community amenities	28,000	0
Recreation and culture	0	105,000
Transport	1,146,262	1,080,566
	<u>2,465,918</u>	<u>1,361,092</u>
	<u>4,849,178</u>	<u>3,405,123</u>

30. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

<u>42</u>	<u>41</u>
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SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

31. ELECTED MEMBERS REMUNERATION	2017	2017	2016
	\$	Budget	\$
		\$	
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	72,000	72,000	68,000
President's allowance	9,500	9,500	9,000
Deputy President's allowance	2,200	2,200	2,000
Travelling expenses	2,808	3,000	1,462
IT allowance	4,000	4,000	4,000
Telecommunications allowance	6,800	6,800	6,800
	97,308	97,500	91,262

32. 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	1,036,446
Post-employment benefits	118,362
Other long-term benefits	14,010
Termination benefits	-
	1,168,819

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 31.

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.

Termination benefits

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given 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 WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

32. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties continued

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
 - b) Part of an ordinary operational transaction within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that are reasonable to expect the council would have adopted with the party at arm's length in the same circumstances

Council has determined that no material transactions with related parties have occurred during the financial year ended 30 June 2017

Note: Transitional provisions contained within AASB 2015-6 do not require comparative related party disclosures to be presented in the period of initial application. As a consequence, only disclosures in relation to the current year have been presented.

33. MAJOR LAND TRANSACTIONS

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

34. 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 WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

35. 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	3,406,427	2,435,687	3,406,427	2,435,687
Receivables	348,436	697,371	348,436	697,371
	<u>3,754,863</u>	<u>3,133,058</u>	<u>3,754,863</u>	<u>3,133,058</u>
Financial liabilities				
Payables	330,897	1,267,186	330,897	1,267,186
Borrowings	265,037	312,386	265,037	312,386
	<u>595,934</u>	<u>1,579,572</u>	<u>595,934</u>	<u>1,579,572</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.

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

35. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

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 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.

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	34,064	24,357
- Statement of Comprehensive Income	34,064	24,357

Notes:

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

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

35. 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	97.06%	97.67%
- Overdue	2.94%	2.33%
Percentage of other receivables		
- Current	93.25%	90.72%
- Overdue	6.75%	9.28%

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

35. 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	(40,551)	(32,926)	(34,594)	(36,352)	(38,230)	(82,410)	(265,062)	5.10%
Weighted average Effective interest rate	5.42%	5.00%	5.02%	5.03%	5.05%	5.07%		
Year ended 30 June 2016								
Borrowings								
Fixed rate								
Debentures	(47,346)	(40,511)	(32,926)	(34,954)	(36,352)	(120,616)	(312,705)	5.19%
Weighted average Effective interest rate	5.68%	5.42%	5.00%	5.02%	5.03%	5.07%		

**SHIRE OF WAROONA
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	0.6970	0.6975	0.6998
Asset renewal funding ratio	0.9650	1.1734	1.1574

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	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$



AUDITOR'S REPORT



**INDEPENDENT AUDITOR'S REPORT
TO THE ELECTORS OF THE SHIRE OF WAROONA**

Opinion

We have audited the accompanying financial report of the Shire of Waroona 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 Waroona:

- (i) gives a true and fair view, in all material respects, of the financial position of the Shire of Waroona 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 Waroona;
- (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, with exception of the following;
- (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



TIM PARTRIDGE
Director

28-30 Wellington Street, Bunbury, Western Australia

Dated this 17th day of October 2017