



SHIRE OF WAROONA

Annual Report

2011 - 2012

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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.

Our Community Vision

To be a vibrant place with a dynamic rural economy, building on existing strengths and new opportunities that align with our vision.

To value the unique aspects of our natural environment, coast and countryside to be conserved and appreciated by all.

To provide access to services and facilities that suit the needs of our citizens.

To be a strong and resilient community that celebrates its past but looks to the future.

Core Principles

Sustainable development: the integration of economic, social, cultural and environmental dimensions in the way the shire develops.

Community participation: effective community participation in significant decisions about the Shire of Waroona's direction and future.

Good governance: leadership, transparency, accountability, proper management, effective services, equitable access and organisation capacity building.

Co-operation: the exchange of good practice, support and mutual learning and partnerships with government and other stakeholders to progress the Shire of Waroona.

Objectives

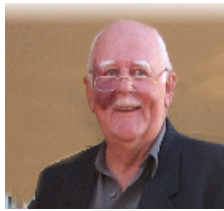
Manage future growth
Protect rural land use
Maintain a strong sense of community
Conserve sensitive environmental assets
Encourage a dynamic local economy
Provide active civic leadership

“We value our coast and country and care for our community”

COUNCILLORS

1 July 2011 to 30 June 2012

<u>NAME</u>	<u>COMMENCEMENT</u>	<u>EXPIRY OF TERM</u>
Shire President - Cr Noel Dew (Oct 11 – June 12)	1999	2013
Shire President Cr Michael Walmsley (July 11 – Oct 11)	2002	2011
Deputy Shire President - Cr Larry Scott	2007	2013
Cr Christine Germain	1992	2013
Cr Trish Witney	2005	2013
Cr John Salerian	2007	2011
Cr Craig Wright	2007	2011
Cr Laurie Snell	2007	2011
Cr John Mason	2011	2015
Cr Lina Look	2011	2015



Cr Noel Dew
Shire President



Cr Larry Scott
Deputy Shire President



Cr Trish Witney



Cr John Mason



Cr John Salerian



Cr Christine (Chris) Germain



Cr Lina Look



Cr Craig Wright

ORDINARY/SPECIAL COUNCIL MEETING ATTENDANCE

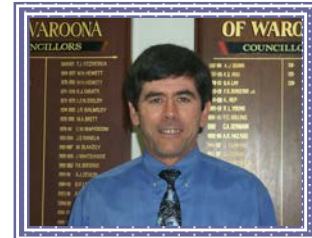
2011/2012

COUNCILLOR	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Cr Noel Dew	13	12
Cr Christine Germain	13	11
Cr Mike Walmsley	4	4
Cr Trish Witney	13	11
Cr John Salerian	13	13
Cr Laurie Snell	4	4
Cr Craig Wright	13	11
Cr Larry Scott	13	13
Cr John Mason	9	8
Cr Lina Look	9	5

STAFF



Ian Curley Dip LG (C) MLGMA
Chief Executive Officer



Laurie Tilbrook
**Deputy Chief Executive Officer/
Director Corporate Services**

Steve Cleaver - Director Community & Planning Services
Patrick Steinbacher - A/Director Technical Services

<u>NAME</u>	<u>POSITION</u>	<u>COMMENCEMENT DATE</u>
Mr William Rafferty	Shire Mechanic	1990
Mr Dave Rose	Plant Operator	1990
Mr Laurie Tilbrook	Deputy Chief Executive Officer/Director Corporate Services	1994
Mr Mark Wake	Town Maintenance Labourer	1995
Mrs Maree Ellis	Community Development Officer	1997
Mr Trevor Dearle	Plant Operator	1999 (resigned Sept 2011)
Ms Bronwyn Cooke	Pool Attendant	1999
Mr Craig Birch	Leading Hand/Plant Operator	2001
Mr Ian Curley	Chief Executive Officer	2004
Mrs Annette Mason	Administration Officer	2005
Mr Joe Dineley	Senior Finance Officer	2005
Mr Steve Cleaver	Director Community & Planning Services	2005
Mr Trevor Pitcher	Environmental Health/Building Officer	2006
Miss Kathy Simpson	Administration Officer	2007
Miss Rikki Bellairs	Customer Service Officer	2007
Mr Ron Thomas	Centre Manager – Recreation/Aquatic Centre	2008
Ms Tamara Olsson	Manager Financial Services	2009
Ms Bobbi Wetnall	Ranger	2009 (resigned May 2012)
Mr Mark Tamblin	Mgr Environmental Health & Building Services	2010 (resigned Jan 2012)
Mr Louis Fouche	Manager Planning Services	2010
Mr Greg Delahunty	Town Planner	2010
Mr Anthony Sayer	Labourer	2010
Mr Finn Bombara	Pool Duty Manager/Recreation Officer	2010 (resigned Dec 2012)
Mr Chris Dunlop	Town Planner	2011
Mr Steve Barnes	Co-ordinator Parks & Gardens	2011
Mr Murry Bracknell	Manager Works & Services	2011
Ms Donna Wetnall	Plant Operator/Labourer	2011
Mr Steve Ferraro	Plant Operator/Labourer	2011 (resigned Dec 2011)
Mr Grayson Hindmarsh	Mgr Environmental Health & Building Services	2012 (resigned Aug 2012)
Mr Roger Cumbers	Works Supervisor	2012
Ms Kate McInerney	Recreation Centre Duty Manager	2012
Mrs Karen Oborn	Coordinator Corporate Planning	2012
Ms Moya Bazzo	Parks & Gardens General Hand	2012

EMPLOYEES - PERMANENT PART-TIME

Mrs Kirsty Ferraro	Senior Rates Officer	1996
Ms Lorraine McIntosh	Licensing Officer	1997
Mrs Pauline Bonner	Library Officer	1999
Mrs Tracy Goldsworthy	Manager Waroona Tourist & Info Centre	1999
Mrs Kerry Shore	Licensing Officer	2000
Mrs Jean Johnston	Depot Administration Assistant	2001
Mr Gino Chiera	Gardener	2001
Miss Nikki Colgan	Administration Officer	2002
Mrs Sarah Dineley	Pt Time Cleaner	2006
Ms Jennifer Kidman	Pt Time Cleaner – Rec Centre	2007
Mrs Sue Cicolari	Executive Support Officer	2010
Mrs Lissy Oliver	Library Assistant	2009
Ms Samantha Dunne	Visitor Centre Assistant	2010 (resigned Apr 2012)
Ms Ronnell Capp	Library Officer	2011
Ms Naomi Purcell	Community Development Officer	2011
Mrs Maria Harris	Depot Admin Officer	2012

PRESIDENT'S REPORT 2011 - 2012



Once again I am pleased to have the honour of presenting the Annual President's report, reflecting on our achievements, examining our challenges and continuing to demonstrate our commitment to ensuring a strong continuity of services to benefit our community.

Obviously, in order for us to reach our objectives and provide a strong quality service for our ratepayers it is vital that we promote a culture of community identity and consultation to assist us to reach our goals. To that end, this year saw the Shire undertake a Strategic Community Plan which will provide a long term view that will incorporate the community's main priorities and expectations for the future and to then examine the ways and methods required to achieve these goals and visions.

We will also need to develop a Resourcing Strategy to ensure we are able to deliver a Community Strategic Plan that will need to include long term financial Planning, Workforce Planning and Asset Management Planning. The bottom line is that this Plan, when completed, will ensure that the Council is provided with a high level of direction on what are the key aspirations and visions of the various localities, at the same time helping to maintain a strong sense of community identity, pride and wellbeing throughout these localities within our Shire.

The shadow of Council amalgamations continues to hang over all Local Governments in Western Australia creating, what I believe, is an unnecessary and unpalatable situation for all of us who are working so hard to plan and create to ensure we provide a strong positive environment for the benefit of our community.

In many ways this year has been one similar to many others, dealing with numerous challenges, many expected, others not, ensuring we provided and maintained strong financial management and effective controls and importantly promoting a positive culture, one that clearly demonstrates openness and honesty.

As the result of the hard work, diligence and commitment from our Councillors, strongly and effectively supported by our dedicated staff, we have, I believe, represented the interests of our ratepayers in the best possible manner.

Councillors and Staff

As a result of council elections held in October 2011, we welcomed two new councillors being Cr Lina Look and Cr John Mason to our Council. Outgoing Shire President Mike Walmsley decided it was time to retire after some 8yrs on Council including two years, as Deputy Shire President and two years as Shire President. Laurie Snell, who had been a councillor for a period of four years demonstrating a strong passion for the need to protect the environment, was not re-elected. Both Mike and Laurie worked extremely hard to best represent the interests of the ratepayers and community of Waroona and we sincerely thank them for their outstanding efforts during their time on Council. As I have stated, we, as Councillors are strongly committed to providing quality services to our community whilst at the same time ensuring we maintain a high standard of fiscal management. We are fortunate that we continue to be strongly supported in our efforts to meet these goals with excellent support from our dedicated staff under the strong leadership of our Chief Executive Officer, Ian Curley. Solid management practices are in place that ensure accountability and outcomes, all underpinned by the efficient use of resources.



Mini Tornado

On the evening of the 27 July a mini tornado struck the southern section of Waroona causing significant tree and property damage. With wind gusts recorded up to 130kph, 25 homes were damaged with 12 having major damage including those that lost large sections of roofing and as a result becoming uninhabitable. Our staff was very quickly on the scene to render assistance with acting Supervisor Craig Birch and depot staff commencing the recovery effort and clearing of debris, working from midnight through to 3.30am and then back again at first light. The Depot crew worked all day clearing fallen trees and debris and continued until the worst affected areas were back to normal. Let there be

no doubt, the efforts of our Depot crew over the period of time it took to clean up following this severe storm event, were quite outstanding. In addition, during this period we also witnessed numerous acts of kindness as many members of our community went to the aid of those in need, helping to cleanup, assisting with repairs and generally offering much needed support. This spirit of community support was not confined to the Waroona Town site but was mirrored right across the Shire.

Australia Day

Warm weather, a large crowd and a sumptuous breakfast cooked by the hard working members of our local Lions Club set the scene for the Australia Day celebrations in Waroona. A wonderful array of activities kept the crowd entertained prior to the official presentations. Music was provided by the popular Rod Drummond, face painting, pony rides and balloon twisting followed by a colourful street parade which was led through town by the local police, followed by a large contingent of community service vehicles, cars from the Just Cruising Street Machines, and Nick Derosa in his tractor adorned with Australian flags.

Shire of Waroona Deputy Chief Executive Officer, Laurie Tilbrook, as MC, opened the official proceedings and welcomed everyone followed by the raising of the Australian flag by local Girl Guides. I then had the honour of making the Australia Day Address in which I encouraged everyone to appreciate this wonderful country in which we live and not to take for granted the things we have and the lifestyle that we are able to live. I also took the opportunity to pay homage to the many volunteers in the Shire who contribute so much to the quality of life and community well-being and to the early pioneers and all those who have given their lives for this country.

Following this, Jessica Walmsley then gave an inspiring Youth Address encouraging all young people to become involved in their community and also undertake volunteer work. The final part of the morning's activities was the presentation of the Shire of Waroona Community Awards Meritorious and the Premier's Australia Day Active Citizenship Awards. Presenting these awards is always such an honour and pleasure as it provides a wonderful opportunity to, on behalf of the community, acknowledge and congratulate all the recipients for their outstanding community service, hard work and dedication.



Recipients:

PREMIERS AUSTRALIA DAY AWARDS:

Person over 25 Years: Christine Germain
Community Group: Waroona Volunteer Fire Service
Certificates of Appreciation: Preston Beach, Lake Clifton, and Waroona West Volunteer Bush Fire Brigades
Certificate Of Achievement: Waroona Football Club

SHIRE OF WAROONA MERITOROUS COMMUNITY SERVICE AWARDS:

Glenece Walmsley
 William (Bill) Rafferty
 Annette Mason

Preston Beach and Lake Clifton

I would like to thank both the Preston Beach Progress Association and the Lake Clifton Herron Progress Association for their ongoing efforts in representing their respective communities. I believe it is vitally important that both communities and the Shire have the means to be able to engage in a positive, constructive dialogue that will hopefully benefit all concerned.

Community

I have often said that volunteers are the life blood of any successful community and here, in the Shire of Waroona, one cannot help but be inspired by the dedicated efforts of so many different volunteers from so many different groups and organisations. In order to try and acknowledge and recognise the efforts and importance of our volunteers, the Shire each year invite these people to attend a Thank You Breakfast so that we, the Shire, can in some small way demonstrate our appreciation. These functions are held in December each year at Centennial Park in Waroona and at the Preston Beach Community Centre with Councillors and Staff preparing a hearty breakfast for all our volunteers.

Drakesbrook Weir

Following many years of planning and subsequent construction, this year saw the official opening of the \$330,000 upgrade (over 2 financial years) of the Waroona Weir which is recognised as having many special significant aspects of historical, cultural and recreational components including a strong relationship to the agriculture industry of Waroona. Over the years the Weir has been the scene of many recreational activities such as swimming classes, canoeing, fishing and bush walking. Other events include Australia Day celebrations, family picnics and raft building.

This upgrade now ensures more modern and safe facilities which include a new swimming pontoon, extra shelter and seating, a much improved area with beach sand, solar lighting and a well-constructed trail walk that will cater for most levels of fitness. All of this will, of course complement the existing BBQ facilities, shady parking and the previously upgraded toilet facilities. The Noisy Scrub Bird Trail provides a link from the picnic area to the Noisy Scrub Bird historical marker and seating with excellent views of the surrounding countryside and waterway.

It is important that we recognise the efforts of the Lions Club of Waroona for their hard work and commitment in assisting with not only the development of this area but also the many hours of hard work they have put into the ongoing maintenance.

Preston Beach Townsite Strategy - Community Workshop

A community open day was held at Preston Beach and a subsequent open day and workshop was held at the Lake Clifton Herron Community Centre in order to provide interested members of the community an opportunity to comment on the Preston Beach Joint Venture's proposed concept for the development of Preston Beach. This workshop was well attended by Councillors, staff on the Steering Committee, consultants representing the developers and a large number of ratepayers and residents. Preston Beach is a valuable asset for the people of the Shire and the region and if any development is to go ahead then the challenge is getting the balance right, growing the town to provide the services and facilities people need whilst preserving the things that make it special – the unique environment and the coastal lifestyle. The consultation process is a vital and important step in planning for the future of this area.

Financial

Each year we are required to have strong financial management plans in place to cater for, not only the short term, but also to ensure long term financial viability. Community expectations are always an

integral consideration when considering our annual budget, however, it is vitally important that we are extremely vigilant and especially, realistic, in order to provide a balanced budget, especially in these uncertain times. Our financial position is audited annually by AMD Chartered Accountants and I am pleased to report that once again we have received a very positive report which indicates our Council continues to be in a sound financial position. In addition, the Auditors indicated the audit result was a credit to our Deputy Chief Executive Officer, Laurie Tilbrook, Tamara Olsson and the finance and administration team. Well done to all concerned.

As a council we will continue to work diligently to source State and Federal funding in order to progress large capital projects. Listed below are some of our achievements this year:

11/12 Grants

\$530,658 - Royalties for Regions	
Re-roof Administration Building	\$112,000
Recreation Centre sprung floor	77,500
Sewerage ponds	250,000
Road Construction	101,158
Preston Beach Entry Statement	20,000

\$44,520 - Peel Development Commission
Install Water tanks Lake Clifton

\$20,000 - Office of Crime Prevention Upgrade CCTV in Waroona

\$15,089 - Department of Sport and Recreation
Replace solar hot water system at Recreation Centre

\$120,000 - Blackspot Funding
Coronation Road upgrade

\$185,893 - Roads to Recovery
Williamson Road Gravel sheet
Peppermint Grove Road reseal

\$166,667 - Regional Road Group
Coronation/Sth West Hwy intersection reconstruction
Dorsett Road widening

NOEL DEW
SHIRE PRESIDENT

CHIEF EXECUTIVE OFFICER'S REPORT

Introduction

2011/2012 has been another successful year for the Shire of Waroona. In April 2012 the Council formally adopted the Shire of Waroona Strategic Community Plan 2012-2017 which was prepared by consultants SDF Global. The plan was the culmination of several months of individual and group interviews and community meetings to create a plan that will be an important resource to assist the Council plan for the type of future the community desires. In presenting the final document to the Council the Executive Director of SDF Global provided the following insight by respondents during the compilation phase –

“The vast majority of people met love the places that they live in and highly valued the amenity and feel of the Shire. There is a strong level of appreciation of the facilities and services provided by the Shire to the extent that when questioned, there was little that community members felt they needed. There is a high level of contentment and happiness within the community members we met with regard to their community. Also, the sense of community and Shire support was mentioned as one of the main positive aspects of living in the Shire. It has been wonderful working with a community that obviously appreciates their area”

The Royalties for Regions Country Local Government Fund direct funding to the Council has continued with \$466,000 received for 2011/12 which will fund - \$250,000 for expansion of the gymnasium at the Waroona Recreation Centre, \$41,000 car-parking and landscaping at the Shire Office and Library, \$70,000 refurbishment of the Preston Beach car park toilets and change-rooms and \$105,000 to build a new niche wall at the Drakesbrook Cemetery. A further \$466,000 is expected in 2012/13 which will bring the total of the Royalties for Regions Country Local Government Fund direct allocation to Waroona to \$2.43m.

In October 2011 the then Shire President Cr Mike Walmsley retired after a lengthy period on Council serving as Councillor, Deputy President and President. I take this opportunity to congratulate Mr Walmsley on his dedication to the many projects initiated and completed by the Shire during his time on Council and, in particular, his support and guidance during his term as President.

Current Councillor and former President, Cr Noel Dew was elected as the incoming President and I congratulate Cr Dew on receiving a “Long and Loyal Service Award” at the 2011 WALGA Local Government Week Conference. At the time of the award Cr Dew has been a Councillor for 12 years, including 4 years as President.



Be Active Aged Care Games at the Rec Centre

Functions and Events

During the year the Council and Staff had the privilege to be involved in organising a number of functions and events throughout the various community areas; a number of which were sponsored by Council either financially and/or with the provision of staff resources -

- Volunteer thankyou breakfasts in Waroona and Preston Beach
- Emergency Services thankyou dinner
- The Premiers Australia Day Active Citizenship Awards and Meritorious Community Service Awards and BBQ breakfast
- Movie under the Stars
- A variety of school holiday activities throughout the year
- Art 6215 display at Lake Clifton
- Carols by Torchlight in Preston Beach
- Carols by Candlelight in Waroona
- Waroona Agricultural Show
- Classic Car Show
- 6 months on – Lake Clifton Fire Exhibition
- Community Conversations event for local groups and organisations
- Hamel Old School Dedication
- Sea to ART exhibition at the Waroona Visitors Centre
- Youth Action Day
- Southwest Wanderers Motor Home Club weekend at the showgrounds
- Be Active Aged Care Games at the Waroona Recreation Centre

To further promote the district the Shire of Waroona invested in the opportunity to feature in the "Russell Goodrick's Best Country Towns" TV show in November 2011. The short video presentation featured footage from each of the locality areas of the Shire – Hamel, Lake Clifton, Preston Beach and Waroona and has been uploaded onto the Shire's website www.waroona.wa.gov.au for viewing.

Our Staff



Shire Staff changes have been minimal throughout the year with all areas adequately covered and the program set by the annual budget completed. There has been no significant change to staffing numbers during the year.

Three Directorates operate within our organisation, managed by-

- Laurie Tilbrook, Deputy CEO/Director of Corporate Services who has control of administration, finance, licensing, library and visitor centre.
- Steve Cleaver, Director Community & Planning Services who has control of building, health, planning, recreation centre and community development.
- Patrick Steinbacher who has control of the works depot and staff, road construction and maintenance, parks and reserves maintenance.

The current staff continue to display a high level of professionalism and commitment to their duties.

Financial Management and Control

Council's finances continue to remain well protected with a sensible 2011/2012 budget set in August 2011. All major works included in the 2011/12 budget were completed and the financial position was, again, in surplus at 30 June 2012.

Reserve funds remain at a high level of \$1.37m, slightly reduced from last year's balance due to funds being spent on their allotted projects. The financial position of the Reserve Funds puts Council in a good position to deliver future projects.

With no new Council loan borrowings during the year the outstanding Loan principal has continued to reduce with the outstanding principal amount being \$325,000 at 30 June 2012, of which \$50,000 represents self-supporting loans taken out by the Council on behalf of community groups (to be paid back by those groups). This is a very modest loan portfolio, leaving Council in an excellent position to take up loans in the future if needed.

The 2010/2011 audit was successfully completed during this period in accordance with the Local Government Act and Accounting regulations. This is testament to the integrity of the financial control systems in place in the Shire and also of all the employees who are involved in our numerous financial transactions and financial compliance requirements throughout the organisation.

Some projects proposed for 2012/2013

- Completion of Preston Beach fire shed
- Purchase of an all terrain vehicle for Volunteer Ranger's use on Preston Beach.
- Construction of a new niche wall at the Drakesbrook Cemetery.
- Refurbishment of the Preston Beach carpark toilet and changeroom facility
- Upgrade of the Town Oval lighting.
- Construction of a new Town Oval loading ramp.
- Widening of the Coronation Road single lane bridge.
- Bitumen reseals on Newnham, Fawcett and McNeil Roads.
- Gravel resheeting of sections of Tallathalla, Peel and Meredith Roads.
- Continue widening of Dorsett Road near the Forrest Highway intersection and Coronation Road near Fawcett Road intersection.
- Install kerbing and drainage on Mitchell Rd and improve drainage on Waterway Road and Lakeside Terrace.
- Replace the airconditioning system at the Waroona Library.
- Upgrade of the Lake Preston walk trail.
- Extensions to the Waroona Recreation Centre gymnasium.

- Continuation of the Summer events funding program helping to deliver a number of events around the district during summer.
- Continuation of the Townscape Incentive Grants and Business Incentive Grants to assist in the revitalisation of the Waroona town centre.

Conclusion

The Councillors and Staff have continued to deliver the expected services to the community in an enthusiastic and professional manner throughout 2011/12 and the outlook for our future is positive. The workload and responsibility for both Councillors and Staff continues to increase, in particular in the areas of compliance with continued new State Government administrative requirements. Of particular note is the introduction of the Integrated Planning Framework which has significant new compliance requirements. The Staff and their teams continue to work hard to meet the demands required of them and provide services to the community in a most efficient and effective manner.

This year has tested the ability of our staff to adapt to changing circumstances, proven by the role many of the staff played during and the Waroona tornado clean-up of July 2011 and the state-wide storm damage of June 2012 which affected large sections of the shire. These events followed on from the devastating Lake Clifton fires in early 2011. Staff efforts were re-directed during these events to help the community in the clean-up and recovery process whilst still having to undertake their ordinary duties. Much of this work was well outside the normal role of the staff concerned, who took the challenge without hesitation.

Overall growth in the district remains static, however, the Preston Beach Townsite strategy, which was commenced in 2005, was finally completed in 2012. The work is yet to be presented to the Council and the community as it is currently undergoing preliminary assessment by a number of government departments.

I congratulate and thank all Councillors and Staff for their continued commitment towards the duties of the Council as we continue to pursue the best possible outcomes for the community.

IAN CURLEY
CHIEF EXECUTIVE OFFICER

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 2010/2011 year no complaints have been entered into the register.



One of the many tourist attractions - Thrombolites at Lake Clifton

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.



*Standing From L to R – Kirsty Ferraro, Kathy Simpson, Tamara Olsson, Annette Mason, Kerry Shore
Seated – Joe Dineley and Laurie Tilbrook*

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, Agendas and Minutes, Library Services, Tourism 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.

2011/12 Rating

A general rate revenue increase of 6.5% applied for the 2011/12 financial year with rate revenue totalling \$2,990,220. Minimum rates for GRV properties increased from \$650 to \$700 and from \$650 to \$680 for UV rated properties.

A general revaluation of unimproved valuations resulted in an average decrease of 6.7% which is the second successive decrease in unimproved values following the last decrease in 2002/03.

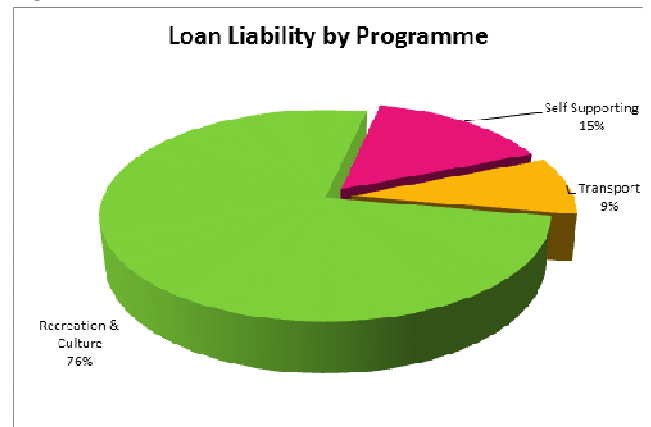
Financial Performance

As reported above the Council's audit for 2011/12 has been reported by the Council's auditor as being highly successful. The Council's debt level remains low and rating levels continue to reflect the steady growth of the Shire.

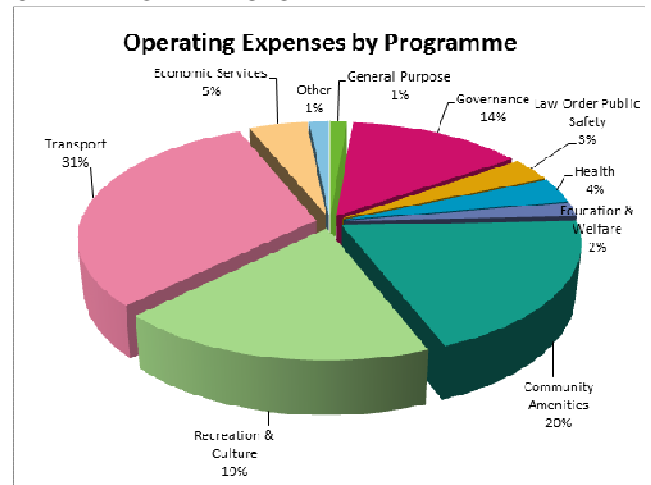
Staff were also commended for the excellent quality of financial reports presented to the Council with easy to understand charts and graphs making the statements more user friendly.

The following graphs provide an overview of the Council's financial transactions for 2011/12.

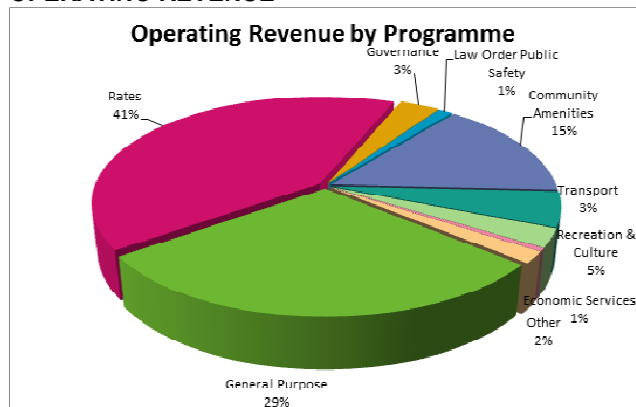
LOAN LIABILITY



OPERATING EXPENSES



OPERATING REVENUE



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

Long Term Financial Plan

The Council has continued the development of its financial planning process with the adoption of a four year financial plan incorporating proposed significant activities for the period.

This document contains details and estimates of the Council's operating and capital projections over an extended period. Such a planning tool is vital to ensure the long term sustainability of the Council given the pressures of growth, levels of government funding, and the requirement to build Reserve accounts to part fund future significant projects.

In future the plan will be incorporated into the Council's overall Integrated Planning Framework.

Integrated Planning & Reporting Framework

The Council is required by June 2013 to introduce a fully "Integrated Planning & Reporting Framework" within its organisation.

Such a plan will provide the framework for establishing community priorities and to link this information into different parts of the Council's operations.

Initially this involved the preparation of a "Community Strategic Plan" which reflects the long term goals of the community (10+ years) and was adopted by the Council in April 2012.

Other plans currently being developed which will support the Community Strategic Plan include:

- Workforce Plan (4 years)
- Asset Management Plan (10+ years)
- Financial Plan (10+ years)
- Forward Capital Works Plan (5 years)

- Corporate Business Plan (4 years)

Reporting on progress with the implementation of Strategic Community priorities will be required as a part of future Annual Reports.

Forward Capital Works Plan – Royalties For Regions

This plan is required to be prepared and submitted to State Government agencies associated with the distribution of Royalties for Regions funding.

The plan covers proposed capital works for a 4 year period and forms the basis for funding submissions pursuant to Royalties for Regions guidelines.

Recent projects completed with Royalties for Regions funding include:

- Construction of Sewerage Ponds – Buller Road Refuse Site
- Replacement of Sprung floor at Recreation Centre
- Re-roofing of Administration Centre building

Library

Changes have been happening in the Library over the last twelve months with many more to come in the next year. Kaye Eatts retired this year after many years of dedication to the Waroona Library. Ronnell Capp has replaced Kaye and now job shares with Polly Bonner.

Over the past year the library has held many events including:

- Display of the Lake Clifton Bush Fire
- First book launch of a local author, Cheryl Newman
- Preschool visits
- High School and Primary School fortnightly book clubs



Polly Bonner displays book launched by local author CJ Newman (Cheryl)

In addition regular book club and knitting group meetings continue as well as broadband for seniors training.

Replacement computer hardware has been installed and library software upgraded. New blinds have been fitted throughout, and the junior area has had a net hanging from the ceiling to decorate and display themes.

This year is National Year of Reading and "Read Anywhere Anytime" is the theme promoted. Our library received free books to give away to encourage people to read or return to reading.

Staff attended an open space forum to discuss the changes to new and used book exchanges that will result from a new Federal/State Government initiative. This is the start of many changes in the structure of the agreement which will be carried out over the next few years. These changes will be extensively advertised to ensure the public are well informed of how they may benefit at a local level.

Waroona Visitor Centre

The Waroona Visitor Centre operates under direct control of the Council. As well as providing a single point of information for locals and visitors, the Centre participates in State tourism as a part of the "Experience Perth" tourist region and "Peel" sub-region.

Staff have been involved in a number of major events during the year including:

- Sea to Art Exhibition – official opening and promotion.
- British Auto Classic – including free district tours
- Perth Caravan and Camping Show – assisting with promotion of the local region.
- Highway 20 initiative – a collaboration between Visitor Centres located on the South West Highway (Armadale to Harvey) to promote the highways and its attractions.
- Gotta Go WA – a tourism promotion in conjunction with RAC Travel.
- QR Code project – supporting St Joseph's Primary School with information on art projects etc.

Geocaching

With the assistance of the geocaching community, Waroona Visitor Centre has created four new caches for the Shire, two at Drakesbrook Weir and two at the Harvey River Ramble (near the John Tognola Rest Stop). The number of Centre sponsored caches will increase with the addition of a Zoom-in cache as part of the Highway 20 caching trail.

Visitor numbers have remained steady thus maintaining the 8% increase from the previous financial year.

This has also reflected in gallery sales which were up by 10% on the previous financial year which is an excellent result especially when considering the exceptional increase the previous year (+50%). These sales are mainly made up of local arts and crafts.



Former Shire President Mike Walmsley with Artist Cynthia Haumann at the "Sea to Art" launch

Resource Sharing Initiatives

The Shire of Waroona continues to work in close association with the Shire's of Murray and Boddington to provide and maintain a high standard of Information Technology Services.

This has included a substantial upgrade to server equipment, personal computers and the installation of a wireless link to the Shire of Murray via the Council Works Depot. This link not only provides an online service to the depot but is to be used in the future for the purposes of back up and disaster recovery.

Following the erection of a new communications tower proposed for October 2012 other Council operations will be connected to the wireless network.

In addition the Shire of Murray have also assisted with the provision of Asset Management Services. This information is expected to be invaluable in the preparation of Asset Management Strategies associated with the introduction of Integrated Planning and Reporting.

The Council's Rates Officer has provided assistance and training to Shire of Murray staff in the generation of their rate notices from 2011/12.

Local Government Elections

Bi-annual elections were held in October 2011 to fill four vacancies on a district wide basis.

At the close of nominations the Council's Returning Officer, Mr Peter Reynolds had received 6 nominations for four vacancies thus requiring an election which was to be conducted by postal ballot.

At the close of the poll on October 15th the following Councillors were declared elected with terms expiring on October 17, 2015. Cr Michael Walmsley chose not to seek re-election.

Cr Lina Look
Cr John Mason
Cr John Salerian
Cr Craig Wright

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 2011/12 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.

There were no new local laws or local law amendments during 2011/12, however the Council is currently involved in a statutory review of its local laws.

This review has resulted in the Council resolving as follows:

- To repeal the Bush Fire Brigades Local Law

- To repeal the Fencing and Floodlighting Local Law
- To amend the Local Government Property Local Law.

At the conclusion of the 2011/12 financial year the following local laws were valid:

- Dogs
- Bush Fire Brigades
- Cemeteries
- Health
- Thoroughfares/Trading in Public Places
- Standing Orders
- Local Government Property
- Extractive Industries
- Fencing and Floodlighting

State Records Act

The Council's Record Keeping Plan submitted in accordance with the above Act was approved in November 2004 for a period of 5 years. Subsequently the plan was subject to a review which concluded in June 2011 resulting in the plan being extended in November 2011 for a further 5 years.

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;
- Staff training is 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 not found it necessary to implement the formal destruction of records to date however this is expected to occur for the first time in 2012/13.

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 2011/12.

LAURIE TILBROOK
DEPUTY CHIEF EXECUTIVE OFFICER/
DIRECTOR OF CORPORATE SERVICES

COMMUNITY AND PLANNING SERVICES

COMMUNITY & PLANNING SERVICES

Community and Planning Services

The organisation is proposed to be restructured in 2011/2012 with Mr Louis Fouche being promoted to Director of Planning and assuming responsibility for Statutory Planning. New staff continue to bring skills to the Shire of Waroona with Mr Grayson Hindmarsh replacing Mr Mark Tamblyn as the Manager Health and Building Services. Mrs Naomi Purcell also joined the organisation as a Community Development Officer.



Rear L to R – Steve Cleaver, Karen Oborn, Trevor Pitcher
Front – Sue Cicolari and Naomi Purcell

With the requirement for Local Government to undertake detailed Integrated Planning inserted into the Local Government Act 1995 Mrs Karen Oborn was employed as the Coordinator of Corporate Planning.

The Shire is well advanced to ensure compliance with the Integrated Planning Reports being required to be completed by 30 June 2013.

STEVE CLEAVER DIRECTOR COMMUNITY & PLANNING SERVICES

Strategic Services

Recently the Department of Local Government in WA regulated that all Local Government authorities, will develop and implement an “Integrated Planning & Reporting Framework” (IP&RF) *figure1*; compliant with the criteria set out in the ‘Integrated Planning and Reporting Advisory Standards’. These regulations require Council to implement a range of linked strategic plans, based on their community’s aspirations.

In 2011/2012, Council undertook a range of community engagement activities in order to ask community members from across the Shire, what was their vision for the Shire in 2022. The results formed the foundation of the “Strategic Community Plan”. All Councils across Western Australia have developed a Strategic Community Plan, forming part of the IP&RF. The Strategic Community Plan sits at the top of Council’s planning hierarchy and identifies the community’s main priorities and expectations for the future and ways to achieve these goals.

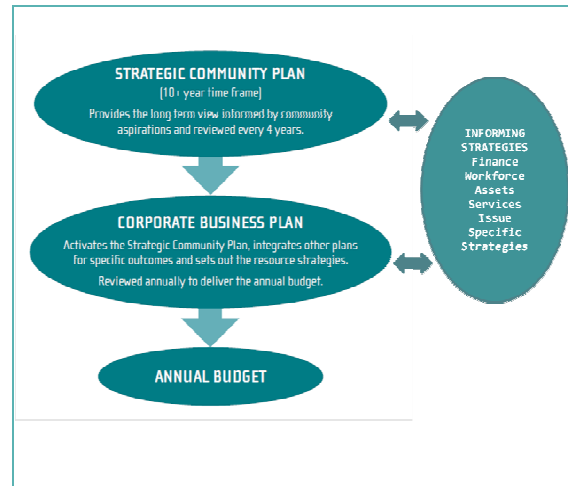


Fig.1: IP&RF now required by the Department of Local Government

The vision for the Shire of Waroona emerged from many discussions with local residents. The Strategic Community Plan, Waroona 2012 - 2022, sets out the community’s main priorities and aspirations, as provided during the community consultation, over the next twenty years. This plan includes a Community Vision Statement with a series of strategic priorities for the community. The Strategic Priorities have been divided into six themes:

- ✚ Theme 1. Managing our future growth
- ✚ Theme 2. Protecting rural land
- ✚ Theme 3. Strong sense of community
- ✚ Theme 4. Conserving the environment
- ✚ Theme 4. Dynamic local community
- ✚ Theme 6. Active civic leadership

In May 2012, Karen Oborn commenced with the Shire as the ‘Coordinator of Corporate Planning’, to develop and implement the linked strategic plans, informing strategies and reporting hierarchy, to meet the criteria set out in the ‘Integrated Planning and Reporting Advisory Standards’. This will ensure all services and activities undertaken by the Shire contribute to the outcomes the community identified in the Strategic Community Plan.

KAREN OBORN COORDINATOR CORPORATE PLANNING

COMMUNITY DEVELOPMENT

Shire of Waroona Community Development Grants:

Under this program, organisations from within the Shire of Waroona can apply for funds of up to \$800 towards projects. The grants round was well subscribed and successful recipients in 2011 were:

Waroona Uniting Church	\$800.00
Preston Beach Golf Club	\$765.00
Waroona District High School	\$800.00
Scout Association of WA 1 st Waroona Scouts	\$500.00
Waroona Lions Club Inc	\$600.00
Waroona Bowling and Social Club	\$600.00
Waroona Senior Citizens Welfare Committee	\$200.00
Waroona Youth Centre	\$400.00
Family Support Services Christmas Hampers	\$400.00
Waroona Playgroup Inc.	\$250.00
Waroona Community Resource Centre – Cuppa	\$250.00
Total Funds Applied for	\$5565.00

Local Business Townscape Development Grants:

The Shire of Waroona Townscape Development Fund provides small amounts (individual amounts of up to \$3000) of discretionary funds to commercial business owners in the Waroona townscape for upgrades to their premises. This fund was designed to assist with projects that enhance the aesthetics of the area and compliment the town centre.

Grant funds were awarded to the following businesses; (note; payments are only made on completion of project)

Natashia Keen- Shop 1/61 Sth West H'way	\$3,000.00
Clinton Atkinson Shop 9, 10. 11/61 Sth West H'way	\$3,000.00
Margaret Russell - Waroona Post Office	\$1,080.00
Natali and Kurt Hay - Shop 8/61 Sth West H'way	\$1,926.00

Total	\$9,006.00
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Business Incentive Grants

The New Business Incentive Grant Fund continues to provide small amounts of up to \$2000 of discretionary funds to new or existing commercial business proprietors in the Waroona Central Business District (CBD) to assist with the costs of opening a new business or expansion of an existing business.

St Vincent De Paul Society	\$2,000.00
Luke Cadwell Waroona Computers	\$2,000.00
Natalie and Kurt Hay	\$2,000.00

Community Conversations

All community and sporting groups in the Shire of Waroona were invited to attend a get together / networking event at the Waroona Memorial Hall on 10 August 2011. The evening gave attendees the opportunity to meet with Shire representatives, hear the announcement of the 2011/12 Community

Development Grants and participate in information sharing on the development of the Community Strategic Plan. There were approx. 60 people in attendance and an enjoyable evening was had by all.

The Harvey River Walk Trail & John Tognela Rest Area



George Walley gives an interpretive talk

After the official opening of this area in May of last year a River Ramble, Sea to Scarp Summer Event organised by the Harvey River Restoration Taskforce, the Shire of Waroona with support from Main Roads and Alcoa, was enjoyed by many to further promote this area and trail.

The ramble was through the newly completed River Walk Trail on the Lower Harvey River, a two kilometre section that has been restored and revegetated. The guided tour was presented by traditional owner and custodian George Walley who gave an informative talk of the traditional uses for some of the plants found in the area as well as the spiritual connections to the river and the land. George explained that the area is part of the Bindjareb Region of the Noongar Nation, the Traditional Lands of the Southwest Aboriginal peoples of Western Australia.

Rivercare assistants Chris Thomas and Sam Nynette were also on hand to explain about the restoration and revegetation works.

Emergency Services Thank You Function

The Shire of Waroona hosted the annual Emergency Services Thank You Dinner for the Waroona Emergency Services and Waroona Police. This function acknowledges the work that they do to support our community. The Emergency Services include Waroona Ambulance, Waroona Fire Services, Bush Fire Brigades, State Emergency Services and Preston Beach Rangers. Shire President Noel Dew thanked everyone for their commitment to helping others and recognised all services specifically for their support towards the devastating Lake Clifton fires early in the year.

During the speeches, Waroona Fire Services accepted a cheque from Shire of Waroona CEO Ian Curley for their services after a significant storm.

Cr Dew also spoke of the 2011 FESA Volunteer Emergency Service and Volunteer Fire Services

Awards for Outstanding Volunteer Emergency Service Unit/Volunteer Fire Service Brigade that this year went to the Waroona Volunteer Fire Service. They were among a strong selection of finalists and should be congratulated for their dedication.

Hamel Eco Historic Precinct

Students and teachers from Waroona District High School and the Shire of Waroona partnered to plant hundreds of seedlings around the Hamel wetland. The revegetation is part of an ongoing project to restore the bushland around the waterway. The Hamel Wetland supports more than 30 species of birds and 11 species of frogs as well as other wildlife in a bush land setting. An Interpretive Walk Trail allows people access to the site and an interpretation shelter at the end of the trail provides a spectacular view of the bird life during nesting season.

Summer Series Events

The Summer Series are community development events held throughout the summer months to increase community safety and wellbeing. This year the Shire received funds of \$20,000 from the Regional Business Development Corporation Dry Season Scheme to add to existing funding from the Shire of Waroona, Alcoa and Department for Communities to support the Summer Series events.

Events this year included:

Youth Action Event

To celebrate National Youth Week, a free Youth Action event was held at the Recreation Centre and Skate Park. The event had a variety of activities for young people to participate including skate and bike competitions at the upgraded Skate Park and workshops to provide advice on how to use the new equipment. The Recreation centre hosted the climbing wall on the outside basketball courts, a bouncy castle and Hip Hop and Fun and Funky dance workshops. The event attracted over 200 participants.

During the evening, the Waroona Youth Advisory Council, who assisted with the coordination of the event, put on a free sausage sizzle and turned children into tigers and butterflies with their newly acquired face painting skills.



Face painting showcase

Movie Under the Stars

Over 300 people attended the Waroona Youth Advisory Council Movie Under the Stars, a popular annual community event. The event held at the Waroona Cricket Oval featured Disney's The Muppets Movie. The Youth Advisory Council organised the event with sponsorship and support from Alcoa, Shire of Waroona, Waroona Cricket Club, Curtis Electrical, SES and Pinjarra Waroona Youth care.

Sea to Art 2011

The 2011 Sea to ART exhibition at the Waroona Visitor Centre was once again a highly successful event. The exhibition featured 36 local artists including 16 new artists and over 115 pieces of work. The range of works included paintings, sculptures, pottery, fine woodwork, glass, mixed media and textiles. The artists included thirteen year old Emma Mitchell and the oldest exhibitor Mr Dave Perso aged eighty. Also featured was a painting by Everlyn Sturgess an award winning artist who recently won Best Rural Artist at the Perth Royal Show.

The Sea to ART exhibition is now in its fourth year and has become an annual event showcasing local talent. More than 100 people attended the opening night. Cr Noel Dew officially opened the exhibition and the commended the quality and professionalism of the event.

The Sea to ART exhibition was sponsored by Alcoa and Shire of Waroona as part of the Sea to Scarp Summer Event program with additional financial contribution from the State Government's Dry Season Assistance Fund.

Art 6215

An Art exhibition organised by the Lake Clifton Herron Progress and Sporting Association held annually at Lake Clifton supported by the Shire of Waroona.

Other events held were the Carols by Candlelight and Streetlight tour.

The Waroona Interagency Group

The Waroona Interagency Group is a forum for agencies who work with the community to share knowledge and work collaboratively to address issues generally around community safety and wellbeing. The forum provides the opportunity for members to share information, network and access collegial support. The Shire of Waroona Council has given its full support to the formation of this interagency group and is represented at the meetings by the Community Development Officer who provides administration support. The Group has been successful in attracting service providers from the wider Peel region.

Community Safety and Crime Prevention

Funds of \$20,000 were received from the Office of Crime Prevention following the successful review of the Shire of Waroona Community Safety and Crime Prevention Plan. These funds have been used to upgrade the current CCTV system.

Drakesbrook Weir Upgrade Official Opening

The Drakesbrook Weir recreation area has undergone a makeover in the last two years with the official opening in April.

The opening ceremony included a Welcome to Country by local Elder Mr Bruce Jetta and speeches by Shire President Cr Noel Dew and Murray Cowper MLA who congratulated the Shire of Waroona and the Lions Club on an outstanding facility.



Mr Bruce Jetta, Shire President Noel Dew and Hon Murray Cowper MLA officially opening the Drakesbrook Weir upgrade

The Waroona Lions Club, in conjunction with the Shire of Waroona, constructed shelters, a picnic area, BBQ's and an ablution block. This partnership has continued and with the assistance of funding from the State Government, Lotterywest and the Department of Sport and Recreation, has resulted in the new facilities for the enjoyment of the wider community.



KidSport

KidSport is a West Australian government initiative to partner with local government to make it possible for children to participate in community sport and recreation no matter their financial circumstances. Eligible applicants are able to access \$200 dollars towards club fees from the Shire of Waroona funded by the Department of Sport and Recreation.

Hamel Nursery

The Hamel Nursery is currently state forest and managed by the Department of Environment and Conservation. A partnership between the National Trust, Shire of Waroona and the Peel Development Commission has been formed to take over this site and look at developing it into a community/business facility optimising the heritage values of the area.

The Shire's commitment to removal of invasive flora (lantana) has been ongoing with the assistance of Landcare and the South West Catchment Council.

Grants

- Department for Communities - Thank a Volunteer Day Grant- \$700.00
- Alcoa - Partnering Stronger Communities Grant - \$5,000 and \$10,000
- Department for Communities - National Youth Week Grant- \$1,000
- Department of Planning - Coastwest Grant - Preston Beach dune brushing - \$17,000
- Department of Sustainability, Environment, Water and Communities - Community Action Grant - reserve 31437 - \$22,000
- Department of Sport and Recreation - CSRFF funding - \$57,000
- Department of Sport and Recreation - KidSport - \$26,000
- Community Safety and Crime Prevention
- Alcoa Funding



Preston Beach Dune Brushing Project

Preston Beach Dune Brushing – Coastwest

This is an ongoing annual project to maintain and protect the Preston Beach Coastline and Dunes from unnatural environmental influences and to guide and educate our community and tourists to prevent further impact.

Placement of brushing on the coastal dunes to prevent further erosion and discourage unauthorised access was carried out by a contractor with the use of a Positrack machine. This year we also received funding to be able to re-fence along the north and south access points to the beach and gate off the brush collection area.

Staff

Mrs Naomi Purcell was employed as a casual Community Development Assistant to assist with the growing workload and community demands. This role was initially 1-2 days per week, increasing during events, staff leave and work load.

SIAN GAIR & NAOMI PURCELL
COMMUNITY DEVELOPMENT OFFICERS

BUILDING SERVICES

This year saw the introduction and implementation of the new Building Act and associated legislation.

The Building Act and Building Regulations are the final stage of major reform to building regulation in Western Australia. It has been over fifty years since the last reforms took place.

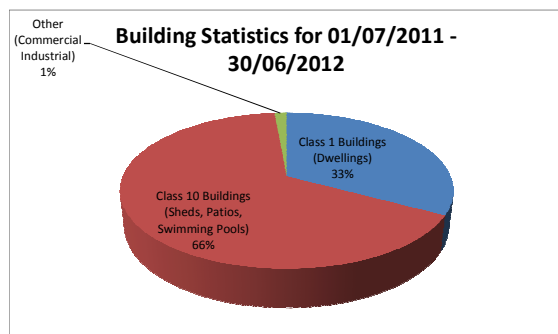
The Shire's Building Services Department worked closely with the State Government Building Commission, industry personnel including the Housing Industry Association (HIA), Master Builders Association (MBA) and the Western Australian Local Government Association (WALGA) to comment on draft legislation; offer guidance and a balanced view for the pathway forward in the best interests of existing and future residents of the Shire.



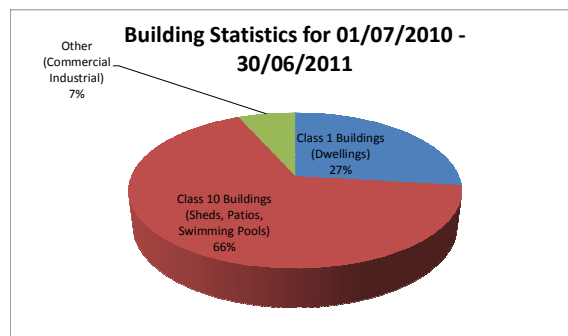
The Building Services department is committed to providing the best possible level of service to residents and the building industry through actively participating at the highest level; representing WALGA on the Building Act Working Committee.

This Committee is responsible for the monitoring of the new legislation and how it is being implemented and received by both local government and the building and construction industry.

Building statistics for the Shire show continued, steady activity.



For the financial year 01/07/2011- 30/06/2012:
Class 10 buildings – 66
Class 1 buildings – 33
Other – 4
Total: 104



For the financial year 01/07/2010- 30/06/2011:
Class 10 buildings – 151
Class 1 buildings – 61
Other – 15
Total: 227

RANGER SERVICES

This year has seen many challenges for the Shire with the advent of new legislation being implemented, the Cat Act being the most significant.

This legislation is aimed at promoting responsible ownership of cats and the Shire Ranger has a pivotal role in ensuring the legislation, being phased in over a one year period, is managed in a sensitive manner, for the benefit of the whole community.

Ranger Services has been working with local animal industry bodies and individuals to see the objectives of the Cat Act are successful.

Shire staff attended various workshops including Bushfire Protection Zones, allowing the Shire to make informed decisions for its role in Bushfire Control Mitigation.



The Shire has actively promoted an awareness campaign in respect to Bushfire Control Mitigation. This year, the Shire has placed banners at various locations and information on the Shire Ranger vehicle to help spread the message of fire safety.

Off road vehicle (ORV) activity has been a growing problem for the community and State Government agencies. The Shire's Ranger has taken a proactive approach promoting a multi-agency approach to the issue. While there are still spates of ORV activity, this approach is more efficient with a significant reduction in the number of complaints regarding ORV use.

Ranger Compliance Statistics

As a snapshot, over the last few months, Ranger Services has dealt with the following compliance issues:

- Dog Wander/Bark Complaints: 175
- Dog Attacks: 11
- Cats: 16
- Cattle: 33
- Animal Welfare: 22
- Off Road Vehicles: 4
- Litter: 9
- Wildlife: 13
- Abandoned Vehicles: 10
- Other: 29
- Requirement To Register Book: 38

Emergency Management

The Shire has again committed fully to ensuring its responsibilities towards effective emergency management are maintained and continually being reviewed to provide confidence that the Shire, in conjunction with local, district and state agencies will be as best prepared for any possible event.

Emergency Management Services has continued, through the Local Emergency Management Committee, to effectively maintain and expand stakeholder customer relationship.

A full review of the Emergency Management Plan is proposed for the new financial year.

Emergency Management data is constantly being updated and reviewed so that delivery of a safer future for all Waroona residents can be maintained. As an example, data collection on volunteer Ranger operational and non-operational hours, training needs and vehicle and equipment resources is included to make informed decisions.

Building Maintenance

The Shire is committed to having all its buildings audited for ensuring the health and amenity of all who use or occupy Council buildings.

An audit of Council buildings and facilities was undertaken this year for air-conditioning, with reactive maintenance being undertaken on all air-conditioning units. In addition, other minor works have already been completed including:

- Painting of the Memorial Hall ablution block
- Painting of the Memorial Hall stage area
- Upgrading the electrical components for Hamel Hall
- Painting of the Visitor Centre interior
- Upgrading hot water systems for the Community Centre

Many other works are scheduled for completion by the end of the financial year.

Building Construction

The Shire continues to manage its built assets. In 2011 the Shire completed its extension of the Shire Administration Building. This project was completed without the need to utilise loan funds. The facility allows for future growth of the Shire and provides civic facilities which have been lacking since 2007.

The Shire also completed construction of the Preston Beach Fire Shed funded from a range of grant funds. Further fit out is programmed for next financial year.

Waste Services

Officers continue to actively monitor the performance of the Buller Road Landfill site and participate in the Rivers Regional Council forum.

The Rivers Regional Council plays a vital role in ensuring waste management responsibilities of Councils are maintained, working together to deliver good outcomes for their communities, aligning with the State Governments primary body; Waste Authority of Western Australia.

Earlier this year a new Liquid Waste Stabilisation Pond was completed.



Steve Cleaver inspecting new Liquid Waste Ponds

This is a significant achievement, with a state of the art system using HDPE pond liners and a biofilter wetland bed to prevent leaching into groundwater. The Shire has delivered on a system that is at the forefront of being environmentally sustainable.

Recently, staff from other Regional and Metropolitan Councils undertook a visit of the Buller Road Waste facility specifically to look at the Stabilisation Pond.

Shire staff attended the Waste and Recycle Conference held earlier this year. The Conference successfully drew together members from the waste industry, Local, State and Federal Government for discussions on waste management at a local, state and national level.

HEALTH SERVICES

The Shire's Environmental Health Services is responsible for the health of the community.

It achieves this by monitoring and regulating food businesses, lodging houses and caravan parks, hairdressing establishments, swimming pools, mosquito borne diseases, standards of dwellings, liaison with Department of Environment and Conservation, and attending to health related nuisance complaints such as noise and odour.

A total of 42 food businesses are currently registered within the Shire, as follows

- Restaurants (Canteens, Takeaways, Bakeries) – 14
- Wholesale supplier - 1
- Bed and Breakfast -1
- Supermarkets – 1
- Roadhouses – 1
- Private catering - 2
- Temporary food stalls and home production (Waroona Show) – 22

The Shire of Waroona is a member of the Peel Mosquito Management Group (PMMG) along with the Shires of Murray, Mandurah and Rockingham, and the Department of Health. The PMMG is actively involved in enhancing mosquito control, including use of aerial larvicide application.

Mosquito numbers have increased over previous years mainly due to the La Nina Southern Oscillation Index (SOI) phenomenon which gives rise to higher tidal activity, therefore giving higher mosquito breeding sites as mosquitoes breed in settled water. The El Nino and La Nina Southern Oscillation Index phenomenon alternate approximately every 5 years.

Disability Access and Inclusion Plan



Planning for better access

The Western Australia Disability Services Act 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.

Other legislation that underpins access and inclusion matters includes the Western Australia Equal Opportunity Act (1984) and the Commonwealth Disability Discrimination Act 1992 (DDA), both of which make discrimination on the basis of a person's disability unlawful.

Continued Progress

The Shire of Waroona is fully committed to facilitating the inclusion of people with disabilities through the improvement of access to its information, facilities and services.

Towards this goal the Shire adopted its first Disability Access and Inclusion Plan (DAIP) in 1995 to address the access barriers within the community.

Since the adoption of the initial DAIP, the Shire has implemented many initiatives and has made significant progress towards better access. Some of these include:

- Waroona Health & Community Resource Centre being designed and completed to meet the latest Building Code and Australian Standards
- Progressive upgrading of footpath surfaces including kerb ramp access where appropriate
- Unisex sanitary facility at Preston Beach
- Unisex sanitary facility to public conveniences adjacent to the Memorial Hall
- Additional disabled parking bay and signage at the Recreation Centre
- Access ramps and parking bays to other Council owned buildings

A review of the Disability Access and Inclusion Plan (DAIP) is planned for October 2012, and in alignment with the Shires Strategic Community Plan, is committed to a process of continual improvement for equal access planning.

JASON ROBERTSON
MANAGER ENVIRONMENTAL HEALTH & BUILDING SERVICES

RECREATION CENTRE

The recreation Centre has had another successful year with all programs holding their numbers.

Netball had eight teams competing with up to ten competitors in each team.

Swim School was a success with 261 children enjoying our classes with some children travelling from Pinjarra and Harvey which is a testament to our swim School Coordinator and teachers.

Group fitness Classes were slightly down due to Hayley Pollard leaving to work overseas, however we were lucky to gain Tracey McFie and with her experience and the Les Mills program starting next year I am confident this will soon turnaround. Our over 50's Aqua classes are still our most popular with patrons travelling from Pinjarra, Mandurah, Harvey and Dwellingup twice a week which is a tribute to Debbie Piconeri's instructing and fun she brings to work.

Pool numbers were down due to Pinjarra Pool opening and the beautification of the Drakesbrook Weir with the Weir being an alternative to swim for Waroona residents who like the outdoor swimming during the summer months.

Gym, Basketball and Junior Netball have held there numbers, even growing slightly with teams travelling from Pinjarra as they have no mens basketball at their Pinjarra Centre.

Projects

The solar pool heating system was replaced with the help of a CSRFF grant and has a profound effect on water temperature with pool patrons very happy and, although the boilers have been running during winter, we hope not to run during summer which will save on gas and electricity. In this project major repairs were made to all roofing sheets.



Court one has had the sprung floor replaced with basketball players very happy to play on that court now.



Three new digital televisions were mounted in the Gym to replace our old analogue televisions as these will be out of service in the near future.

Salt water chlorinators were purchased as old chlorinators were failing and the benefit to the pool with less chemical used and the financial benefit is more than we expected. The extra salt we use may have a detrimental effect on the boilers and they may have to be replaced more frequently but I believe our savings will still be greater than not having salt in the pool.

Staff Training

All staff have been updated to the required standard with all senior staff attending conferences, first aid training, bronze medallion, and trainee Daniel Cools attaining his pool operations certification.

RON THOMAS
RECREATION SERVICES MANAGER

PLANNING SERVICES

Introduction

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



Greg Delahunty, Louis Fouché and Chris Dunlop

Staff

Chris Dunlop commenced in one of the two Town Planner positions on 25 July 2011.

Rana Murad commenced a four week work experience opportunity on 26 June 2012 in a Town Planning Student role as part of the Rural and Regional Work Experience Program of the Planning Institute of Australia.

State Administrative Tribunal (SAT) Reviews

In *Paramount Australia v Shire of Waroona*, the applicants applied on 8 June 2011 to the SAT to review Council's decision of 24 May 2011 (previous financial year) to refuse a Third Party Advertising Sign at 33 Wealand Road Waroona. SAT gave the applicants leave to withdraw from the review on 26 August 2011.

In *Kearle v Shire of Waroona* the applicants applied to SAT to review Council's decision of 14 February 2012 to refuse an application for a caravan storage area on lot 102 Bristol Road, Waroona. This matter was dealt with by SAT in the next financial year.

In *Aurecon Australia Pty Ltd v Shire of Waroona* the applicants applied on 2 April 2012 to the SAT to review Council's non-approval of proposed telecommunications infrastructure at lot 356 Beachcast Close, Preston Beach. This matter was also determined by SAT in the next financial year.

The two reviews lodged this financial year translate to 2.5% of development applications dealt with by the Shire in the year, being reviewed.

Peel Joint Development Assessment Panel

An application by the Water Corporation for the duplication of the Stirling Trunk Water Main Pipeline was determined by the Peel Joint Development Assessment Panel on 22 December 2012. This \$46.5 Million project application also included portions of the pipeline in the Shire of Murray and the Shire of Harvey. (The latter being determined by the South-West Joint Development Assessment Panel).

Town Planning Scheme Review

Work on the review of Town Planning Scheme No.7 Text continued with assistance from Edge Planning consultants. The draft Scheme documents are expected to be finalised in the next year.

Planning Policies

The drafting of Planning Policies for Outbuildings and Holiday Homes was completed this year. Council adopted the policies on 22 May and 26 June 2012 respectively.

The development of a Draft Waroona East Hills Development Policy is nearing completion. The policy is intended to provide guidance for development in the Waroona Hills area in accordance with the Local Planning Strategy.

Municipal Heritage Inventory Review

The review of the Shire of Waroona Municipal Heritage Inventory continued from last year. The project includes a review of the heritage places on the current inventory, a review of potential new places to be included on the list and the updating of photographs of the heritage places.

Preston Beach Townsite Strategy

The process to enable the preparation of a District Structure Plan for Preston Beach has continued in 2011/2012.

The consultants appointed by the developers continued work in relation to key issues such as the environment, hydrology, bushfire and infrastructure.

Meetings of the Steering Committee and Technical Advisory Group recommenced in order to facilitate the drafting of the District Structure Plan and the initiation of amendments to the Peel Region Scheme and Local Planning scheme upon approval of the relevant Government Agencies.

The drafting of the Townsite Strategy was well advanced towards the end of the year and the lodgement of the relevant applications is expected in the next year.

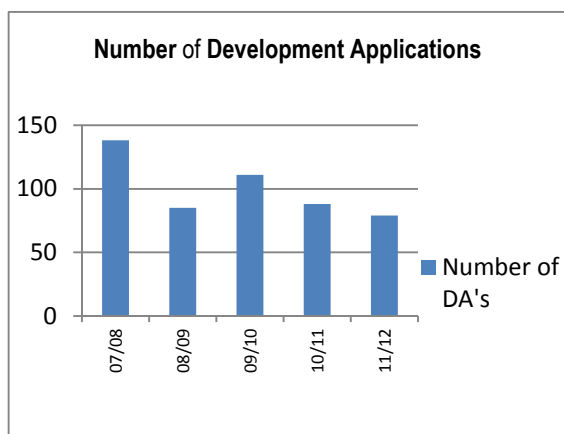
Continued Improvements

Weekly Development Control Unit (DCU) meetings and arranged Pre-lodgement meetings continue to make the development control process more efficient and coordinate the development assessment function of technical departments.

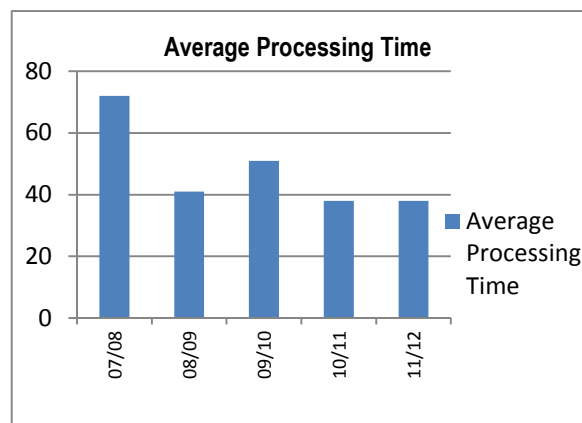
Applications received are vetted to ensure all necessary information is received early in order to minimise delays in the processing of applications.

Focused staff training is also part of operational improvements and this has generally paid dividends in the improvement in application processing times as can be noted in the following statistics and graphs.

Development Applications

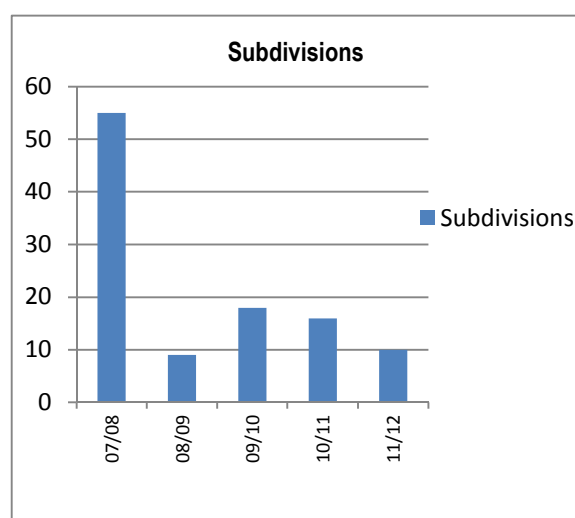


Development applications received decreased from 88 to 79 (10%) on the previous year. The total is well down from the number received during the 2007/2008 financial year and the graph above reflect the lingering effects of the Global Financial Crisis.

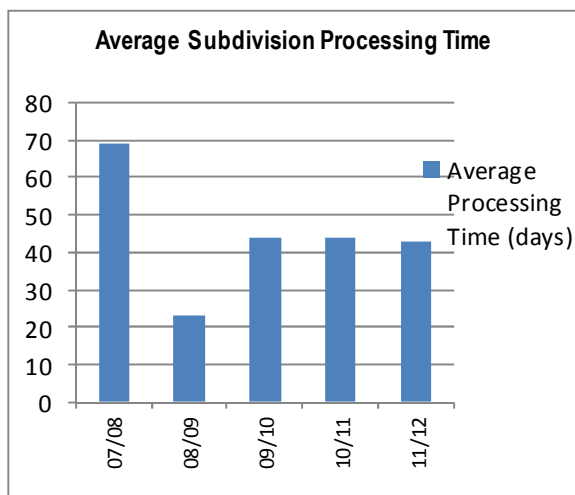


The average time to process a development application was 38 days, which is the same as the previous year. The graph above indicates a general downward trend in application processing times.

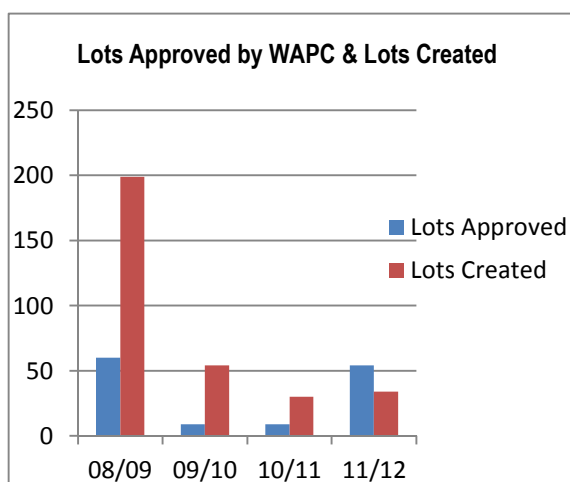
Subdivision Applications



Subdivision applications received decreased from 16 to 10 (37.5%) on the previous year. The graph above also reflects a general downward trend in subdivision applications received over the last 5 years.

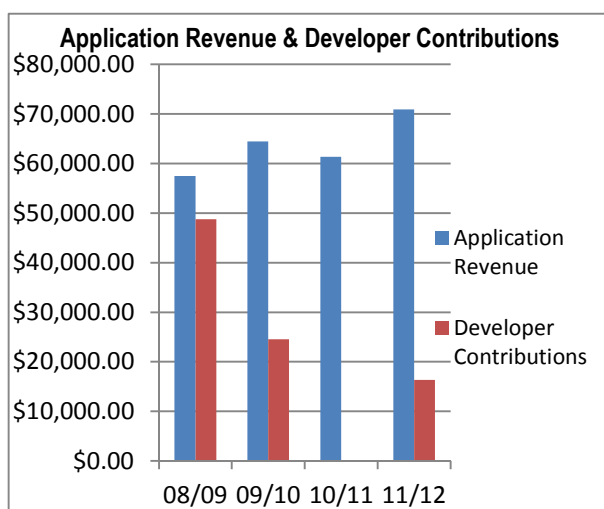


The average time to process a subdivision application was 43 days, which is 1 day less than the 44 days the previous year, reflecting a 2% improvement.



During the year 54 lots were approved and 34 created after clearance of subdivision conditions. Lots created increased from 30 lots (13) % on the previous year.

Revenue



Revenue received from Planning Applications increased from \$61,326 to \$70,916 (5%), while development contributions received increased from \$0 to \$16,327 (100%). Although application numbers have decreased, a number of high value applications have resulted in the increase in total application fees received.

Scheme Amendments

The schedule below indicates the details of Scheme amendments received and gazetted during 2011-2012:

Scheme Amendment/s Received			
Amendment Number	Particulars of affected property	Summary of Proposal	Associated Date
31	Lot 10 Invarell Road, Waroona.	Rezone from Rural 5 – Darling Range to Rural 8 – Hills Landscape Protection	Received 26 September 2011

Scheme Amendment/s Initiated			
Amendment Number	Particulars of affected property	Summary of Proposal	Associated Date
31	Lot 10 Invarell Road, Waroona.	Rezone from Rural 5 – Darling Range to Rural 8 – Hills Landscape Protection	Advertising closed 26 June 2012

Scheme Amendments Gazetted			
Amendment Number	Particulars of affected property	Summary of Proposal	Associated Date
4	Lot 3 Southern Estuary Road, Lake Clifton.	Rezone from Rural 1 – General Farming to Rural 6 - Rural Residential	13 March 2012
17	Lot 1 Southern Estuary Road, Lake Clifton	Rezone from Rural 1 – General Farming to Rural 6 – Rural Residential	13 March 2012

LOUIS FOUCHÉ
MANAGER PLANNING SERVICES

TECHNICAL SERVICES

TECHNICAL SERVICES

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

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

These combine to present a challenging and at times, complex set of tasks each year. New management and supervisory staff added during the course of the year 2011/12 assisted in an improvement in the operations of the Works and Services, improvement that is continuing even at the present time.

Construction Program – Actual Costs

Roads to Recovery

- Williamson Road (gravel resheet) \$89,447
- Tallathalla (gravel resheet, balance c/f - 2012/13) \$6,216
- Peppermint Grove Road (bitumen reseal) \$32,844

Blackspot Program

- Coronation Road (seal shoulders) \$123,073



Coronation Road reconstruction from Sth West Hwy to railway

Regional Road Group

- Coronation Road (reconstruct from main street to railway) \$153,691
- Dorsett Road (widen narrow seal) \$117,880

Own Resources

- Invarell Road (bitumen reseal) \$35,904
- Buller Road (gravel resheet) \$38,465
- Peel Road (gravel resheet) \$30,041
- Fouracre/Millar Street (improve intersection) \$10,954

- Millar Street (widen & improve parking) \$40,343
- Whettem Road (bitumen reseal) \$9,979
- Recreation Road (bitumen reseal) \$8,868
- Preston Drive (construct cul de sac end) \$40,697
- Coronation Road (bitumen reseal) \$45,851
- Elliot Street (underground drainage) \$80,762
- Sundercombe Loop (install fence to basin) \$6,752



Widening & Improve Parking on Millar Street

Road Network

New roads at the Leavy Road subdivision (~ 600 metres), and the Stacey Rise subdivision (~ 1,050 metres) were added to the network in 2011/12.

Plant Replacement

Major plant replacement for 2011/12 consisted of the purchase of a new front end loader and trade of the previous unit.



Shire's New Loader

Works Program

The works program was essentially fully completed with the exception of Tallathalla Road gravel resheeting which was delayed due to the severe storm, and subsequent clean up works, in early June 2012.

Works on Coronation Road between the main street and the rail crossing were the main capital project in the Waroona Townsite. These works are the completion of

the road works component of the Fouracre Street precinct upgrade and the Millar Street upgrade now sees that loop formed by Coronation/Fouracre/Millar completely upgraded.

It was pleasing to be able to achieve some large rural resealing such as Peppermint Grove and Invarell Roads which now will require no further treatment for some years.

Drainage

Capital drainage works consisted of the completion of the first stage of the installation of underground stormwater drainage in Elliot Street, which replaces a large open drain.

Regular drainage maintenance continued throughout the year and the focus is now on scheduled rather than reactive maintenance. Staff are now more aware of where problem areas are and these are targeted at appropriate intervals in an attempt to stop issues arising rather than deal with their consequences.

Rural Reconstruction

Dorsett Road

Approximately 1.2 kilometres of the remaining narrow section of Dorsett Road was reconstructed or widened to reflect the increased traffic this road receives as a result of the construction of the Forrest Highway.

Coronation Road

Blackspot funds were expended improving a three kilometre section of Coronation road in the vicinity of Coles Road. Works included removing roadside obstacles and improving seal width. The works have substantially widened the seal in the area and travelling the section has become markedly more user friendly.

Parks and Gardens

Main Ovals

Oval maintenance has seen continued improvement under the guidance of the Parks and Gardens supervisor. An effective and detailed program of watering, fertilising and mowing has been introduced and this together with the knowledge and experience of the supervisor has been the catalyst for this improvement.

Verge Mowing

Verge mowing continues and effort is improving with greater emphasis on scheduling being introduced, resulting in a more efficient operation and greater output by the existing crew.

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, Shire Office, Community Centre, Tourist Information Centre, Cemetery 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.

Staff

The period saw a welcome reduction in staff turnover, resulting in a more stable workforce and greater levels of work achieved.

Departing

- Steven Ferraro - resigned December 2011

Commencing

- Roger Cumbers commenced March 2012
- Moya Bazzo commenced May 2012
- Maria Harris commenced Feb 2012

A new Works Supervisor, Mr Roger Cumbers, commenced in March 2012. Roger is an experienced local government employee having recently spent some years at the City of Joondalup in a similar role.

As mentioned previously, the reduction in staff turnover from what was a relatively high level in 2010/11 was very welcome. It has allowed the Works department to develop its employees and put into place some effective strategies which are cemented by the retention of staff which aids familiarity and consistency, and ultimately the end result.

Conclusion

All in all it is felt that the 2011/12 financial year was very positive for the Works department of the Shire of Waroona. With some key management and supervisory staff now in place, the improvement in all areas is very evident and it is especially pleasing to note that these improvements were occurring in all aspects of the department's operations.

It is with confidence that we continue with the knowledge that we are meeting challenges, setting new levels of service and solving problems such that improvements to the way we carry out our operations are now inevitable.

PATRICK STEINBACHER
CONSULTANT DIRECTOR TECHNICAL SERVICES

FINANCIAL REPORT - SEE SECTION B

AUDITOR'S REPORT - SEE SECTION C

FINANCIAL REPORT - SEE SECTION B



SHIRE OF WAROONA

Financial report

FOR THE YEAR ENDED 30TH JUNE 2012

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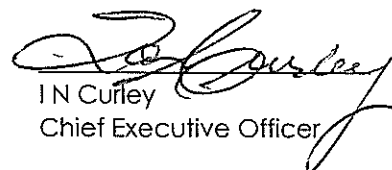
Financial report

FOR THE YEAR ENDED 30TH JUNE 2012

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the *15th* day of *October* 2012


I N Curley
Chief Executive Officer

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

Statement of comprehensive income

by nature or type

FOR THE YEAR ENDED 30TH JUNE 2012

	NOTE	2012 \$	2012 Budget \$	2011 \$
Revenue				
Rates	22	2,990,220	2,970,056	2,770,434
Operating Grants, Subsidies and Contributions	28	2,831,865	1,542,746	1,488,740
Fees and Charges	27	1,182,445	1,110,693	1,125,642
Service Charges	24	0	0	0
Interest Earnings	2(a)	188,399	114,220	165,613
Other Revenue		85,582	92,400	85,572
		<u>7,278,511</u>	<u>5,830,115</u>	<u>5,636,001</u>
Expenses				
Employee Costs		(2,794,322)	(2,706,086)	(2,505,223)
Materials and Contracts		(1,812,785)	(1,886,712)	(1,534,621)
Utility Charges		(336,382)	(318,980)	(316,855)
Depreciation on Non-Current Assets	2(a)	(2,179,717)	(2,138,230)	(2,063,738)
Interest Expenses	2(a)	(23,168)	(24,953)	(26,604)
Insurance Expenses		(158,776)	(260,105)	(172,555)
Other Expenditure		(170,123)	192,430	(32,275)
		<u>(7,475,273)</u>	<u>(7,142,636)</u>	<u>(6,651,871)</u>
		<u>(196,762)</u>	<u>(1,312,521)</u>	<u>(1,015,870)</u>
Non-Operating Grants, Subsidies and Contributions				
	28	931,006	913,228	1,266,876
Profit on Asset Disposals	20	50,923	44,202	18,227
Loss on Asset Disposal	20	(17,615)	(21,585)	(57,611)
Net Result		767,552	(376,676)	211,622
Other Comprehensive Income		0	0	0
Total Other Comprehensive Income		0	0	0
Total Comprehensive Income		<u>767,552</u>	<u>(376,676)</u>	<u>211,622</u>

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

Statement of comprehensive income

by program

FOR THE YEAR ENDED 30TH JUNE 2012

	NOTE	2012 \$	2012 Budget \$	2011 \$
Revenue				
Governance		244,220	141,450	138,839
General Purpose Funding		5,102,531	4,182,849	3,638,754
Law, Order, Public Safety		88,009	74,998	85,848
Health		45,205	50,200	52,349
Education and Welfare		28,263	12,110	40,467
Housing		13,520	13,620	13,520
Community Amenities		1,094,495	847,183	829,901
Recreation and Culture		382,298	349,565	496,736
Transport		201,748	72,980	106,440
Economic Services		37,184	49,025	46,743
Other Property and Services		41,037	36,135	204,631
	2(a)	<u>7,278,510</u>	<u>5,830,115</u>	<u>5,654,228</u>
Expenses				
Governance		(1,036,715)	(1,123,902)	(813,308)
General Purpose Funding		(100,267)	(97,119)	(97,286)
Law, Order, Public Safety		(252,742)	(216,610)	(234,737)
Health		(266,921)	(286,020)	(271,264)
Education and Welfare		(153,405)	(170,625)	(104,212)
Housing		(25,017)	(26,243)	(26,453)
Community Amenities		(1,469,558)	(1,334,148)	(1,218,275)
Recreation and Culture		(1,393,469)	(1,447,652)	(1,319,489)
Transport		(2,317,216)	(2,017,486)	(2,089,607)
Economic Services		(344,471)	(380,593)	(338,028)
Other Property and Services		(92,272)	(17,285)	(131,447)
	2(a)	<u>(7,452,053)</u>	<u>(7,117,683)</u>	<u>(6,644,106)</u>
Finance Costs				
Recreation and Culture		(20,979)	(21,965)	(23,492)
Transport		(2,189)	(2,988)	(2,500)
	2(a)	<u>(23,168)</u>	<u>(24,953)</u>	<u>(25,992)</u>
Non-Operating Grants, Subsidies and Contributions				
General Purpose Funding		453,887	256,920	348,702
Law, Order, Public Safety		63,270	63,270	120,352
Community Amenities		0	0	54,828
Recreation and Culture		0	15,000	242,680
Transport		411,214	540,453	436,099
Economic Services		2,635	37,585	64,215
		<u>931,006</u>	<u>913,228</u>	<u>1,266,876</u>
Profit/(Loss) on Disposal of Assets				
Governance		(3,081)	(8,340)	(21,388)
Law, Order, Public Safety		(856)	(1,538)	0
Community Amenities		(3,257)	(3,819)	(3,535)
Transport		45,517	34,743	(2,715)
Economic Services		(5,066)	1,571	(11,746)
		<u>33,257</u>	<u>22,617</u>	<u>(39,384)</u>
Net Result		<u>767,552</u>	<u>(376,676)</u>	<u>211,622</u>
Other Comprehensive Income		0	0	0
Total Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
Total Comprehensive Income		<u><u>767,552</u></u>	<u><u>(376,676)</u></u>	<u><u>211,622</u></u>

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



Statement of financial position

AS AT 30TH JUNE 2012

	NOTE	2012 \$	2011 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	2,717,859	1,928,088
Trade and Other Receivables	4	291,330	315,787
Inventories	5	11,357	10,852
TOTAL CURRENT ASSETS		3,020,546	2,254,727
NON-CURRENT ASSETS			
Other Receivables	4	44,990	63,048
Inventories	5	0	0
Property, Plant and Equipment	6	26,204,724	25,960,397
Infrastructure	7	65,516,524	65,644,555
TOTAL NON-CURRENT ASSETS		91,766,238	91,668,000
TOTAL ASSETS		94,786,784	93,922,727
CURRENT LIABILITIES			
Trade and Other Payables	8	362,966	227,638
Long Term Borrowings	9	51,106	47,920
Provisions	10	454,539	429,490
TOTAL CURRENT LIABILITIES		868,611	705,048
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	273,852	324,958
Provisions	10	40,439	56,391
TOTAL NON-CURRENT LIABILITIES		314,291	381,349
TOTAL LIABILITIES		1,182,902	1,086,397
NET ASSETS		93,603,882	92,836,330
EQUITY			
Retained Surplus		16,278,361	15,375,035
Reserves - Cash Backed	11	1,368,273	1,504,047
Reserves - Asset Revaluation	12	75,957,248	75,957,248
TOTAL EQUITY		93,603,882	92,836,330

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



Statement of changes in equity

FOR THE YEAR ENDED 30TH JUNE 2012

NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	ASSET REVALUATION RESERVE \$	TOTAL EQUITY \$
Balance as at 1 July 2010	14,554,676	2,112,784	75,957,248	92,624,708
Changes in Accounting Policy	0	0	0	0
Correction of Errors	0	0	0	0
Restated Balance	14,554,676	2,112,784	75,957,248	92,624,708
Net Result	211,622	0	0	211,622
Total Other Comprehensive Income	0	0	0	0
Reserve Transfers	608,737	(608,737)	0	0
Balance as at 30 June 2011	15,375,035	1,504,047	75,957,248	92,836,330
Net Result	767,552	0	0	767,552
Total Other Comprehensive Income	0	0	0	0
Reserve Transfers	135,774	(135,774)	0	0
Balance as at 30 June 2012	16,278,361	1,368,273	75,957,248	93,603,882

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

Statement of cash flows

FOR THE YEAR ENDED 30TH JUNE 2012



	NOTE	2012 \$	2012 Budget \$	2011 \$
Cash Flows From Operating Activities				
Receipts				
Rates		3,018,439	2,995,463	2,681,119
Operating Grants, Subsidies and Contributions		2,831,865	1,542,746	1,488,741
Fees and Charges		1,206,340	1,183,249	1,125,642
Service Charges		0	0	0
Interest Earnings		160,836	114,220	165,613
Goods and Services Tax		135,000	122,335	136,000
Other Revenue		96,943	92,400	85,574
		<u>7,449,423</u>	<u>6,050,413</u>	<u>5,682,689</u>
Payments				
Employee Costs		(2,785,225)	(2,681,727)	(2,581,529)
Materials and Contracts		(1,690,148)	(1,719,492)	(1,805,346)
Utility Charges		(336,383)	(317,855)	(316,855)
Insurance Expenses		(158,776)	(260,105)	(172,555)
Interest Expenses		(23,168)	(26,794)	(27,254)
Goods and Services Tax		(135,000)	(122,335)	(136,000)
Other Expenditure		(170,123)	130,557	(32,276)
		<u>(5,298,823)</u>	<u>(4,997,751)</u>	<u>(5,071,815)</u>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>2,150,600</u>	<u>1,052,662</u>	<u>610,874</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale		0	0	0
Payments for Purchase of Property, Plant & Equipment		(1,035,950)	(1,153,263)	(1,469,828)
Payments for Construction of Infrastructure		(1,496,958)	(1,522,891)	(1,385,651)
Advances to Community Groups		0	0	0
Payments for Purchase of Investments		0	0	0
Non-Operating Grants, Subsidies and Contributions		931,006	913,228	1,266,876
Proceeds from Sale of Plant & Equipment		270,202	249,500	193,682
Proceeds from Advances		0	0	0
Proceeds from Sale of Investments		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
Net Cash Provided By (Used In) Investing Activities		<u>(1,331,700)</u>	<u>(1,513,426)</u>	<u>(1,394,921)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(47,920)	(47,920)	(55,144)
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		13,731	13,732	14,897
Proceeds from Low Interest Loans		5,000	5,000	3,000
		<u>5,000</u>	<u>5,000</u>	<u>3,000</u>
Net Cash Provided By (Used In) Financing Activities		<u>(29,189)</u>	<u>(29,188)</u>	<u>(37,247)</u>
Net Increase (Decrease) in Cash Held		<u>789,711</u>	<u>(489,952)</u>	<u>(821,294)</u>
Cash at Beginning of Year		1,928,148	1,928,088	2,749,382
Cash and Cash Equivalents at the End of the Year	13(a)	<u><u>2,717,859</u></u>	<u><u>1,438,136</u></u>	<u><u>1,928,088</u></u>

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

Rate setting statement

FOR THE YEAR ENDED 30TH JUNE 2012



	NOTE	2012 Actual \$	2012 Budget \$	2011 Actual \$
Revenue				
Governance		247,743	141,450	138,839
General Purpose Funding		2,566,197	1,469,713	1,217,022
Law, Order, Public Safety		151,279	138,268	206,200
Health		45,205	50,200	52,349
Education and Welfare		28,263	12,110	40,467
Housing		13,520	13,620	13,520
Community Amenities		1,094,495	847,183	884,729
Recreation and Culture		382,298	364,565	739,416
Transport		660,413	655,235	542,539
Economic Services		39,769	89,010	110,987
Other Property and Services		41,038	36,135	204,633
		<u>5,270,220</u>	<u>3,817,489</u>	<u>4,150,701</u>
Expenses				
Governance		(1,043,318)	(1,123,902)	(834,696)
General Purpose Funding		(100,267)	(105,459)	(97,286)
Law, Order, Public Safety		(253,598)	(218,148)	(234,737)
Health		(266,921)	(286,020)	(271,264)
Education and Welfare		(153,405)	(170,625)	(104,212)
Housing		(25,017)	(26,243)	(26,453)
Community Amenities		(1,472,815)	(1,337,967)	(1,221,810)
Recreation and Culture		(1,416,381)	(1,469,617)	(1,342,981)
Transport		(2,324,420)	(2,027,533)	(2,094,822)
Economic Services		(344,471)	(381,422)	(349,774)
Other Property and Services		(92,275)	(17,285)	(131,447)
		<u>(7,492,888)</u>	<u>(7,164,221)</u>	<u>(6,709,482)</u>
Net Result Excluding Rates		(2,222,668)	(3,346,732)	(2,558,781)
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
(Profit)/Loss on Asset Disposals	20	(33,308)	(21,441)	39,383
Movement in Employee Benefit Provisions		34,547	9,951	(85,454)
Depreciation and Amortisation on Assets	2(a)	2,179,717	2,138,230	2,063,738
Capital Expenditure and Revenue				
Purchase Land Held for Resale		0	0	0
Purchase Land and Buildings		(376,869)	(510,565)	(923,845)
Purchase Infrastructure Assets - Roads		(888,036)	(1,008,436)	(642,389)
Purchase Plant and Equipment		(608,922)	(514,455)	(743,262)
Purchase Furniture and Equipment		(600,502)	(581,808)	(469,489)
Purchase of Investments		(58,579)	(60,890)	(76,494)
Proceeds from Disposal of Assets	20	270,202	249,500	193,682
Repayment of Debentures	21(a)	(47,920)	(47,920)	(55,144)
Proceeds from New Debentures	21	0	0	0
Advances to Community Groups		0	0	0
Low Interest Principal Income		5,000	5,000	5,000
Self-Supporting Loan Principal Income		13,731	13,732	12,897
Unspent Grants July B/fwd		62,560	62,560	108,000
Unspent Grants June C/fwd		(560,650)	0	(62,560)
Transfers to Reserves (Restricted Assets)	11	(136,983)	(46,660)	(146,211)
Transfers from Reserves (Restricted Assets)	11	272,757	248,126	754,949
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	22(b)	441,721	441,752	257,298
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	22(b)	736,019	0	441,752
Amount Required to be Raised from Rates	22(a)	<u>(2,990,221)</u>	<u>(2,970,056)</u>	<u>(2,770,434)</u>

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



Notes to and forming part of the financial report

FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Preparation

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

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

Critical Accounting Estimates

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

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

(b) The Local Government Reporting Entity

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

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

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

(c) Goods and Services Tax

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

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

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

Notes to and forming part of the financial report

FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES

(d) Cash and Cash Equivalents

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

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

(e) Trade and Other Receivables

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

(f) Inventories

General

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

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

Land Held for Resale

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

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

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

(g) Fixed Assets

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

Initial Recognition

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

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

Notes to and forming part of the financial report

FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(g) Fixed Assets (Continued)

Revaluation

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

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

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

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

Land under Roads

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

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

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

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

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

Depreciation of Non-Current Assets

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

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

Notes to and forming part of the financial report

FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES

(g) Fixed Assets (Continued)

Depreciation of Non-Current Assets (Continued)

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

Buildings	50 Years
Furniture and Equipment	5 Years
Plant and Equipment	8 Years
Office Furniture & Equipment	5 Years
Seats & Benches	10 Years
Water supply piping	75 Years

Sealed Roads & Streets

Construction	45 Years
Bituminous seals	15 Years
Asphalt seals	20 Years

Unsealed Roads

Formed	10 Years
Gravel	12 Years

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

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

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

Capitalisation Threshold

Expenditure on items of equipment under \$1,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

(h) Financial Instruments

Initial Recognition and Measurement

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

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

Notes to and forming part of the financial report

FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(h) Financial Instruments (Continued)

Classification and Subsequent Measurement

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

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

Amortised cost is calculated as:

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

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

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

Notes to and forming part of the financial report

FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES

(h) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

Impairment

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

Derecognition

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

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

Notes to and forming part of the financial report

FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES

(i) Impairment

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

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

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

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

(j) Trade and Other Payables

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

The amounts are unsecured and are usually paid within 30 days of recognition.

(k) Employee Benefits

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

(l) Borrowing Costs

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

(m) Provisions

Provisions are recognised when:

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

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

Notes to and forming part of the financial report

FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES

(n) Leases

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

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

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

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

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

(p) Rates, Grants, Donations and Other Contributions

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

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

(a) Superannuation

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

(r) Current and Non-Current Classification

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

(s) Rounding Off Figures

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

(t) Comparative Figures

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

(u) Budget Comparative Figures

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



Notes to and forming part of the financial report FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Title and Topic	Issued	Applicable (*)	Impact
(i) AASB 9 – Financial Instruments	December 2009	01 January 2013	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii) AASB 1053 - Application of Tiers of Australian Accounting Standards	June 2010	01 July 2013	Nil – Due to its nature and statutory requirements the Council will be deemed a Tier 1 entity and will continue to prepare general purpose financial statements.
(iii) AASB 2009– 11 Amendments to Australian Accounting Standards arising from AASB 9	December 2009	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).

[AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]

Notes to and forming part of the financial report FOR THE YEAR ENDED 30TH JUNE 2012



1. SIGNIFICANT ACCOUNTING POLICIES

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

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





Notes to and forming part of the financial report FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES

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

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

Notes to and forming part of the financial report FOR THE YEAR ENDED 30TH JUNE 2012



1. SIGNIFICANT ACCOUNTING POLICIES

AASB 2011 - 6 Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation - Reduced Disclosure Requirements [AASB 127, 128 & 131]	July 2011	01 July 2013
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Notes to and forming part of the financial report

FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES

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

Title and Topic	Issued	Applicable (*)	Impact
(viii) AASB 10 - Consolidated Financial Statements, AASB 11 - Joint Arrangements, AASB 12 - Disclosure of Interests in Other Entities, AASB 127 - Separate Financial Statements, AASB 128 - Investments in Associates and Joint Ventures, AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards	August 2011	01 January 2013	Nil - None of these, except for AASB 128, are expected to have significant application to the operations of the Council. With respect to AASB 128, where the Council has an interest in a Joint Venture, the requirements of AASB 128 supercede those of the current Joint Venture Standard AASB 131. The new standard more clearly defines the accounting treatment and disclosure in relation to it. Due to the nature of the Joint Venture, it is not expected to have a significant impact on the Council.

[AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]

Notes to and forming part of the financial report FOR THE YEAR ENDED 30TH JUNE 2012



1. SIGNIFICANT ACCOUNTING POLICIES

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

Title and Topic	Issued	Applicable (*)	Impact
(ix) AASB 13 - Fair Value Measurements, AASB 2011 - 8 Amendments to Australian Accounting Standards arising from AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	September 2011	01 January 2013	AASB 13 defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements. AASB 13 requires inputs to all fair value measurements to be categorised in accordance with fair value hierarchy. AASB 13 also requires enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value. AASB 13 will have particular relevance to the process of the Council adopting fair value methodology in relation to its fixed assets as mandated from 1 July 2012. Apart from the changes in value in relation to assets to be revalued (which are mandated by legislation and not changes to the standard) it is not expected to significantly impact the Council as the framework embodied in AASB 13 does not differ significantly from that which is present in existing standards. The amendments to the legislation requires the phasing in of fair value in relation to fixed assets over the three years from 1 July 2012. It is not possible to estimate the likely amount of any revaluations.

(x) AASB 2011 - 9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]

September 2011 01 July 2013

The main change embodied in this standard is the requirement to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. It effects presentation only and is not expected to significantly impact the Council.





Notes to and forming part of the financial report FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES

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

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

Notes:

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

Notes to and forming part of the financial report FOR THE YEAR ENDED 30TH JUNE 2012



1. SIGNIFICANT ACCOUNTING POLICIES

(w) Adoption of New and Revised Accounting Standards

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

These new and revised standards were:

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

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

Notes to and forming part of the financial report

FOR THE YEAR ENDED 30TH JUNE 2012

2. REVENUE AND EXPENSES

(a) Net Result

The Net Result includes:

(i) Charging as an Expense:

Significant Expense

General Purpose Funding

2012
\$

2011
\$

0

0

Auditors Remuneration

- Audit

9,400

8,980

- Other Services (Including Financial Management Services Review)

5,280

860

Depreciation

Buildings

251,784

218,320

Furniture and Equipment

52,364

50,634

Plant and Equipment

250,581

216,681

Infrastructure - Roads

1,369,689

1,334,168

Infrastructure - Other

255,299

243,935

2,179,717

2,063,738

Interest Expenses (Finance Costs)

Finance Lease Charges

0

0

Debentures (refer Note 21(a))

23,168

26,604

23,168

26,604

Rental Charges

- Operating Leases

42,055

0

(ii) Crediting as Revenue:

2012
\$

2012
Budget
\$

2011
\$

Interest Earnings

Investments

- Reserve Funds

90,585

77,720

106,092

- Other Funds

68,826

36,500

34,574

Other Interest Revenue (refer note 26)

28,988

0

24,947

188,399

114,220

165,613

Notes to and forming part of the financial report

FOR THE YEAR ENDED 30TH JUNE 2012

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

The Shire of Waroona is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

GOVERNANCE

Members of Council, civic receptions and functions, public relations, administration costs associated with Governance.

GENERAL PURPOSE FUNDING

Rates and general purpose government grants. Expenses relating to these items.

LAW, ORDER, PUBLIC SAFETY

Fire prevention and animal control by the supervision of various by-laws, public security and civil emergency services.

HEALTH

Food control, operation of the Child Health Clinic and general health services. Operation of Waroona Community and Resource Centre.

EDUCATION AND WELFARE

Operation of Pre-school facilities and Senior Citizens Centre and Community Development Officer.

HOUSING

Rental of Council owned house at 1 Eastcott Street, Waroona.

COMMUNITY AMENITIES

Rubbish and recycling collection service, maintenance and improvement of stormwater drainage, upkeep of cemetery, litter control, town planning control and public conveniences.

RECREATION AND CULTURE

Maintenance of halls and pavilions, ovals, parks and gardens, public library and Waroona Recreation and Aquatic Centre.

TRANSPORT

Construction and maintenance of roads, drainage, footpaths, parking facilities, traffic signs, street cleaning and vehicle licensing function.

ECONOMIC SERVICES

Tourism, pest control services, implementation of building controls, operation of Landcare premises and regional development.

OTHER PROPERTY AND SERVICES

Private works, public works overheads (ie - engineering, leave, public holidays), plant operation (ie - repairs, wages, insurance), stock and materials.



Notes to and forming part of the financial report FOR THE YEAR ENDED 30TH JUNE 2012

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening Balance (*) 1-Jul-10 \$	Received (+) 2010/11 \$	Expended (#) 2010/11 \$	Closing Balance (*) 30-Jun-11 \$	Received (+) 2011/12 \$	Expended (#) 2011/12 \$	Closing Balance 30-Jun-12 \$
2009-10 Royalties For Regions	CLGF	28,000	0	(10,155)	17,845	0	(17,845)	0
South West Catchment Council	Hamel Weed Spraying	0	7,500	0	7,500	0	(7,500)	0
Office of Crime Prevention Westpac	CCTV Lake Clifton Fire Tanks	0 0	20,000 15,000	0 (10,000)	20,000 5,000	0 0	(20,000) (5,000)	0 0
Peel Development Commission	Drakesbrook Weir Upgrade	0	12,215	0	12,215	0	(12,215)	0
Department Sport and Recreation	Kidsports	0	0	0	0	16,000	(3,851)	12,149
2010 - 11 Roads to Recovery		0	0	0	0	186,644	(120,977)	65,667
2010 -11 Royalties for Regions	CLGF	0	0	0	0	530,658	(514,299)	16,359
2011-12 Royalties for Regions	CLGF	0	0	0	0	466,475	0	466,475
Total		28,000	54,715	(20,155)	62,560	1,199,777	(701,687)	560,650

Notes:

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

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

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

Notes to and forming part of the financial report

FOR THE YEAR ENDED 30TH JUNE 2012



	2012 \$	2011 \$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	788,936	361,482
Restricted	1,928,923	1,566,606
	<u>2,717,859</u>	<u>1,928,088</u>
<i>The following restrictions have been imposed by regulations or other externally imposed requirements:</i>		
Sporting Reserve	81,122	70,950
Building Asset Maintenance Reserve	48,989	46,206
Drakesbrook Weir Redevelopment Reserve	0	60,317
Rec Centre Building Maintenance Reserve	89,376	84,300
Emergency Reserve	14,605	13,775
Industrial Land Reserve	192,105	181,193
Information Technology Reserve	22,482	21,206
Plant Reserve	480,083	452,811
Long Service Leave Reserve	89,263	84,192
Town Centre Development Reserve	0	0
Waste Management Reserve	202,807	172,422
Admin Centre Reserve	0	182,811
Hamel Hall Amenities Reserve	38,633	36,438
Preston Volunteer Rangers Reserve	24,614	27,447
Footpath Construction Reserve	24,902	23,487
Works Depot Redevelopment	38,087	26,491
Strategic Planning Reserve	21,205	20,000
Unspent Grants	560,650	62,560
	<u>1,928,923</u>	<u>1,566,606</u>
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	77,182	106,961
Sundry Debtors	181,519	188,994
GST Receivable	0	0
Accrued Income	853	1,100
Pre Payments	12,155	0
Loans - Self Supporting	14,621	13,732
Loans - Low Interest	5,000	5,000
	<u>291,330</u>	<u>315,787</u>
Non-Current		
Deferred Pensioner	1,562	0
Loans - Self Supporting	35,428	50,048
Loans - Low Interest	8,000	13,000
	<u>44,990</u>	<u>63,048</u>
5. INVENTORIES		
Current		
Fuel and Materials	6,377	6,384
Kiosk	4,980	4,468
	<u>11,357</u>	<u>10,852</u>
Non-Current		
Fuel and Materials	0	0
Kiosk	0	0
	<u>0</u>	<u>0</u>

Notes to and forming part of the financial report
FOR THE YEAR ENDED 30TH JUNE 2012



	2012 \$	2011 \$
6. PROPERTY, PLANT AND EQUIPMENT		
Land - Valuation AVP (2010)	12,558,365	12,558,365
Buildings - Valuation AVP (2010)	12,595,581	12,218,712
Less Accumulated Depreciation	(470,104)	(218,320)
	<u>24,683,842</u>	<u>24,558,757</u>
 Furniture and Equipment - Cost	 553,783	 495,204
Less Accumulated Depreciation	(348,455)	(297,030)
	<u>205,328</u>	<u>198,174</u>
 Plant and Equipment - Cost	 2,856,394	 2,650,599
Less Accumulated Depreciation	(1,544,849)	(1,450,474)
	<u>1,311,545</u>	<u>1,200,125</u>
 Tools	 4,122	 3,454
Less Accumulated Depreciation	(113)	(113)
	<u>4,009</u>	<u>3,341</u>
	<u><u>26,204,724</u></u>	<u><u>25,960,397</u></u>



Notes to and forming part of the financial report FOR THE YEAR ENDED 30TH JUNE 2012

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

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

	Land \$	Buildings \$	Furniture & Equipment \$	Plant & Equipment \$	Tools \$	Total \$
Balance as at 01 July 2011	12,558,365	12,000,392	198,172	1,200,125	3,341	25,960,395
Additions	0	376,869	58,579	599,834	668	1,035,950
(Disposals)	0	0	0	(394,040)		(394,040)
Revaluation - Increments	0	0	0			0
- (Decrements)	0	0	0			0
Impairment - (Losses)	0	0	0			0
- Reversals	0	0	0			0
Depreciation (Expense)	0	(251,784)	(51,424)	(94,375)	0	(397,583)
Carrying amount at the end of year	<u>12,558,365</u>	<u>12,125,477</u>	<u>205,327</u>	<u>1,311,544</u>	<u>4,009</u>	<u>26,204,722</u>



Notes to and forming part of the financial report

FOR THE YEAR ENDED 30TH JUNE 2012

	2012 \$	2011 \$
7. INFRASTRUCTURE		
Infrastructure (Roads) - Fair Value	89,129,295	88,241,259
Less Accumulated Depreciation	<u>(34,583,518)</u>	<u>(33,213,829)</u>
	54,545,777	55,027,430
 Infrastructure (Other) - Fair Value	11,469,982	10,861,061
Less Accumulated Depreciation	<u>(499,235)</u>	<u>(243,936)</u>
	10,970,747	10,617,125
	<u>65,516,524</u>	<u>65,644,555</u>

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

This policy also accords with AASB 116.



Notes to and forming part of the financial report FOR THE YEAR ENDED 30TH JUNE 2012

7. INFRASTRUCTURE (Continued)

Movements in Carrying Amounts

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

	Infrastructure - Roads \$	Infrastructure - Other \$	Total \$
Balance as at 01 July 2011	55,027,430	10,617,124	65,644,554
Additions	888,036	608,922	1,496,958
(Disposals)	0	0	0
Revaluation - Increments	0	0	0
- (Decrements)	0	0	0
Impairment - (Losses)	0	0	0
- Reversals	0	0	0
Depreciation (Expense)	(1,369,689)	(255,299)	(1,624,988)
Carrying amount at the end of year	54,545,777	10,970,747	65,516,524

Notes to and forming part of the financial report

FOR THE YEAR ENDED 30TH JUNE 2012



	2012 \$	2011 \$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	324,508	194,735
Accrued Interest on Debentures	3,318	3,941
GST Income	0	0
Accrued Expense - Materials/Contracts	15,056	19,813
Accrued Salaries and Wages	20,084	9,149
	<u>362,966</u>	<u>227,638</u>
9. LONG-TERM BORROWINGS		
Current		
Secured by Floating Charge Debentures	<u>51,106</u>	<u>47,920</u>
	<u>51,106</u>	<u>47,920</u>
Non-Current		
Secured by Floating Charge Debentures	<u>273,852</u>	<u>324,958</u>
	<u>273,852</u>	<u>324,958</u>
Additional detail on borrowings is provided in Note 21.		
10. PROVISIONS		
Current		
Provision for Annual Leave	243,226	231,876
Provision for Long Service Leave	211,313	197,614
	<u>454,539</u>	<u>429,490</u>
Non-Current		
Provision for Long Service Leave	<u>40,439</u>	<u>56,391</u>
	<u>40,439</u>	<u>56,391</u>

Notes to and forming part of the financial report

FOR THE YEAR ENDED 30TH JUNE 2012



	2012 \$	2012 Budget \$	2011 \$
11. RESERVES - CASH BACKED			
(a) Sporting Reserve			
Opening Balance	70,950	70,950	57,871
Amount Set Aside / Transfer to Reserve	10,172	5,800	13,079
Amount Used / Transfer from Reserve	0	0	0
	<u>81,122</u>	<u>76,750</u>	<u>70,950</u>
(b) Building Asset Maintenance			
Opening Balance	46,206	46,206	43,605
Amount Set Aside / Transfer to Reserve	2,783	0	2,601
Amount Used / Transfer from Reserve	0	0	0
	<u>48,989</u>	<u>46,206</u>	<u>46,206</u>
(c) Drakesbrook Weir Development			
Opening Balance	60,316	60,316	203,136
Amount Set Aside / Transfer to Reserve	3,633	0	10,664
Amount Used / Transfer from Reserve	(63,949)	(60,316)	(153,483)
	<u>0</u>	<u>0</u>	<u>60,317</u>
(d) Rec Centre Building Reserve			
Opening Balance	84,299	84,300	79,555
Amount Set Aside / Transfer to Reserve	5,077	0	4,745
Amount Used / Transfer from Reserve	0	0	0
	<u>89,376</u>	<u>84,300</u>	<u>84,300</u>
(e) Emergency Reserve			
Opening Balance	13,775	13,775	13,000
Amount Set Aside / Transfer to Reserve	830	0	775
Amount Used / Transfer from Reserve	0	0	0
	<u>14,605</u>	<u>13,775</u>	<u>13,775</u>
(f) Preston Volunteer Rangers			
Opening Balance	27,447	27,447	27,323
Amount Set Aside / Transfer to Reserve	12,154	10,860	12,124
Amount Used / Transfer from Reserve	(14,987)	0	(12,000)
	<u>24,614</u>	<u>38,307</u>	<u>27,447</u>
(g) Industrial Land Development			
Opening Balance	181,192	181,193	170,994
Amount Set Aside / Transfer to Reserve	10,913	0	10,199
Amount Used / Transfer from Reserve	0	0	0
	<u>192,105</u>	<u>181,193</u>	<u>181,193</u>
(h) Information Technology			
Opening Balance	21,206	21,206	20,012
Amount Set Aside / Transfer to Reserve	1,277	0	1,194
Amount Used / Transfer from Reserve	0	0	0
	<u>22,483</u>	<u>21,206</u>	<u>21,206</u>

Notes to and forming part of the financial report

FOR THE YEAR ENDED 30TH JUNE 2012



	2012 \$	2012 Budget \$	2011 \$
11. RESERVES - CASH BACKED (Continued)			
(i) Plant			
Opening Balance	452,812	452,811	502,960
Amount Set Aside / Transfer to Reserve	27,271	0	28,851
Amount Used / Transfer from Reserve	0	0	(79,000)
	<u>480,083</u>	<u>452,811</u>	<u>452,811</u>
(j) Long Service Leave			
Opening Balance	84,192	84,192	79,453
Amount Set Aside / Transfer to Reserve	5,071	0	4,739
Amount Used / Transfer from Reserve	0	0	0
	<u>89,263</u>	<u>84,192</u>	<u>84,192</u>
(k) Town Centre Redevelopment			
Opening Balance	0	0	8,041
Amount Set Aside / Transfer to Reserve	0	0	480
Amount Used / Transfer from Reserve	0	0	(8,521)
	<u>0</u>	<u>0</u>	<u>0</u>
(l) Waste Management			
Opening Balance	172,422	172,422	162,717
Amount Set Aside / Transfer to Reserve	30,384	20,000	9,705
Amount Used / Transfer from Reserve	0	0	0
	<u>202,806</u>	<u>192,422</u>	<u>172,422</u>
(m) Administration Centre Extensions			
Opening Balance	182,811	182,810	639,915
Amount Set Aside / Transfer to Reserve	11,009	0	20,841
Amount Used / Transfer from Reserve	(193,820)	(182,810)	(477,945)
	<u>0</u>	<u>0</u>	<u>182,811</u>
(n) Hamel Hall Amenities			
Opening Balance	36,439	36,438	57,036
Amount Set Aside / Transfer to Reserve	2,195	0	3,402
Amount Used / Transfer from Reserve	0	(5,000)	(24,000)
	<u>38,634</u>	<u>31,438</u>	<u>36,438</u>
(o) Footpath Construction			
Opening Balance	23,488	23,487	22,165
Amount Set Aside / Transfer to Reserve	1,415	0	1,322
Amount Used / Transfer from Reserve	0	0	0
	<u>24,903</u>	<u>23,487</u>	<u>23,487</u>
(p) Works Depot Redevelopment Reserve			
Opening Balance	26,491	26,491	25,000
Amount Set Aside / Transfer to Reserve	11,595	10,000	1,491
Amount Used / Transfer from Reserve	0	0	0
	<u>38,086</u>	<u>36,491</u>	<u>26,491</u>

Notes to and forming part of the financial report

FOR THE YEAR ENDED 30TH JUNE 2012



	2012 \$	2012 Budget \$	2011 \$
11. RESERVES - CASH BACKED (Continued)			
(a) Strategic Planning Reserve			
Opening Balance	20,000	20,000	0
Amount Set Aside / Transfer to Reserve	1,205	0	20,000
Amount Used / Transfer from Reserve	0	0	0
	<u>21,205</u>	<u>20,000</u>	<u>20,000</u>
Total Cash Backed Reserves	<u>1,368,274</u>	<u>1,302,578</u>	<u>1,504,047</u>

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

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

Sporting Reserve - to provide funds for sporting facilities and equipment as determined by Council together with low interest loans applications.

Building Maintenance Reserve - to provide funds for future maintenance.

Drakesbrook Weir Reserve - to provide funds to upgrade public facilities at Drakesbrook Weir.

Rec Centre Building Maintenance Reserve - to be used for future building asset maintenance items at the Recreation Centre, particularly plant.

Emergency Assistance Reserve - to provide funds to assist in emergency situations eg: major fire.

Preston Beach Volunteer Ranger Reserve - To provide funds to assist in the operations of the volunteer ranger functions including replacement of equipment.

Footpath Construction Reserve - To provide funds for future extension of Dual use path network.

Industrial Land Development Reserve - to provide funds for future establishment of a light industrial estate.

Information Technology Reserve - to be used to ensure that the network computer system is maintained including external site connections.

Plant Reserve - to be used for the purchase and replacement of major plant.

Long Service Leave Reserve - to be used to fund annual and long service leave requirements.

Town Centre Redevelopment Reserve - to provide funds for the upgrading of Waroona Town Centre.

Waste Management Reserve - to be used to maintain operations at Buller Road Refuse Site.

Administrative Centre Reserve - to provide funds for the extensions of the Shire of Waroona Administration Office.

Hamel Hall Amenities Reserve - to provide funds for the upgrading of the Hamel Hall Amenities and surrounds.

Works Depot Redevelopment Reserve - to provide funds for the provision of vehicle storage bays at Works Depot.

Strategic Planning Reserve - to provide funds for the future requirements of Council's Strategic Planning .



Notes to and forming part of the financial report

FOR THE YEAR ENDED 30TH JUNE 2012

12. RESERVES - ASSET REVALUATION

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

	2012 \$	2011 \$
(a) Land and Buildings		
Opening balance	15,795,282	15,795,282
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>15,795,282</u>	<u>15,795,282</u>
(b) Infrastructure (Other)		
Opening Balance	2,451,744	2,451,744
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>2,451,744</u>	<u>2,451,744</u>
(c) Infrastructure (Roads)		
Opening Balance	57,710,224	57,710,224
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>57,710,224</u>	<u>57,710,224</u>
 TOTAL ASSET REVALUATION RESERVES	 <u>75,957,250</u>	 <u>75,957,250</u>

Notes to and forming part of the financial report

FOR THE YEAR ENDED 30TH JUNE 2012

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2012 \$	2012 Budget \$	2011 \$
Cash and Cash Equivalents	<u>2,717,859</u>	<u>1,438,136</u>	<u>1,928,088</u>

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

Net Result	767,552	(376,676)	211,622
Depreciation	2,179,717	2,138,230	2,063,738
(Profit)/Loss on Sale of Asset	(33,308)	(22,617)	39,383
(Increase)/Decrease in Receivables	23,786	97,963	(89,315)
(Increase)/Decrease in Inventories	(505)	(1,224)	(497)
Increase/(Decrease) in Payables	135,327	120,263	(261,727)
Increase/(Decrease) in Employee Provisions	9,097	9,951	(85,454)
Grants/Contributions for the Development of Assets	(931,006)	(913,228)	(1,266,876)
Net Cash from Operating Activities	<u>2,150,660</u>	<u>1,052,662</u>	<u>610,874</u>

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank Overdraft limit	0	0
Bank Overdraft at Balance Date	0	0
Credit Card limit	20,000	20,000
Credit Card Balance at Balance Date	697	2,116
Total Amount of Credit Unused	<u>20,697</u>	<u>22,116</u>

Loan Facilities

Loan Facilities - Current	51,106	47,920
Loan Facilities - Non-Current	273,852	324,958
Total Facilities in Use at Balance Date	<u>324,958</u>	<u>372,878</u>

Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>
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Notes to and forming part of the financial report

FOR THE YEAR ENDED 30TH JUNE 2012

14. CONTINGENT LIABILITIES

The Shire of Waroona has one contingent liability as at 30 June 2012. This is in regards to legal proceedings initiated by a construction contractor on the Administration Centre Extension project. There are disputed variation to the contract. This is currently with Council's lawyers and is anticipated to be finalised within the 2012/13 year. As at the date of this report it is not practical to quantify amounts payable (if any) in respect to the outstanding item.

	2012	2011
	\$	\$
15. CAPITAL AND LEASING COMMITMENTS		
(a) Finance Lease Commitments		
The Shire of Waroona has no finance lease commitments as at 30 June 2012.		
(b) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	5,561	5,468
- later than one year but not later than five years	5,561	11,122
- later than five years		0
	<u>11,122</u>	<u>16,590</u>

(c) Capital Expenditure Commitments

The Shire of Waroona does not have any capital expenditure commitments as at 30 June 2012.

16. JOINT VENTURE

The Shire of Waroona does not have any joint venture commitments as at 30 June 2012.

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

Governance	2,863,302	2,631,747
General Purpose Funding	2,809,611	2,035,049
Law, Order, Public Safety	695,547	613,372
Health	1,381,000	1,409,000
Education and Welfare	369,600	377,300
Housing	245,175	240,090
Community Amenities	6,412,655	6,026,739
Recreation and Culture	1,922,528	19,181,563
Transport	57,811,239	58,351,191
Economic Services	1,043,155	1,042,978
Other Property and Services	109,981	1,127,287
Unallocated	82,991	847,435
	<u>75,746,784</u>	<u>93,883,751</u>



Notes to and forming part of the financial report

FOR THE YEAR ENDED 30TH JUNE 2012

18. FINANCIAL RATIOS

	2012	2011	2010
Current Ratio	1.904	1.108	0.772
Untied Cash to Unpaid Trade Creditors Ratio	2.431	1.856	1.164
Debt Ratio	0.012	0.012	0.016
Debt Service Ratio	0.008	0.013	0.015
Gross Debt to Revenue Ratio	0.010	0.090	0.078
Gross Debt to Economically Realisable Assets Ratio	0.044	0.008	0.015
Rate Coverage Ratio	0.367	0.677	0.415
Outstanding Rates Ratio	0.026	0.037	0.023

The above ratios are calculated as follows:

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

Notes to and forming part of the financial report

FOR THE YEAR ENDED 30TH JUNE 2012



19. TRUST FUNDS

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

	Balance 1-Jul-11 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-12 \$
BCITF LEVY	0	14,967	(14,967)	0
BUILDERS REGISTRATION BOARD	0	6,173	(6,173)	0
HALL DEPOSITS	3,325	1,975	(1,825)	3,475
LANDCARE EOY	41,713	0	(41,713)	0
NOMINATION DEPOSITS	0	560	(560)	0
RETENTIONS	57,770	0	(31,092)	26,678
ROADWORK/FOOTPATH BONDS	7,925	0	0	7,925
SUBDIVISION BONDS	70,087	6,104	(2,177)	74,014
SUNDRY ITEMS	139,562	292,332	(33,124)	398,770
VEHICLE LICENSE PLATES	0	155	(155)	0
EXTRACTIVE INDUSTRIES	23,730	0	0	23,730
PUBLIC OPEN SPACE	43,022	0	0	43,022
	<u>387,134</u>			<u>577,614</u>

20. DISPOSALS OF ASSETS - 2011/12 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
PLANT & EQUIPMENT						
<u>Governance</u>						
Holden Caprice Sedan	39,012	39,206	42,534	38,000	3,522	(1,206)
Holden Caprice Sedan	43,296	0	43,636	0	340	0
Holden Commodore SV6	31,852	34,134	24,909	27,000	(6,943)	(7,134)
<u>Law Order & Public Safety</u>						
Ford Ranger	24,038	24,038	23,182	22,500	(856)	(1,538)
<u>Community Amenities</u>						
Subaru Forester	26,893	28,819	23,637	25,000	(3,256)	(3,819)
<u>Transport</u>						
Komatsu Front End Loader	0	0	50,000	40,000	50,000	40,000
Commodore Omega	0	30,059	0	23,000	0	(7,059)
Toyota Traytop (Gardeners)	9,940	9,941	7,391	11,000	(2,549)	1,059
Ford Falcon Utility	14,756	14,757	12,823	15,500	(1,933)	743
<u>Economic Services</u>						
Kia Grand Carnival	25,778	25,776	25,727	27,000	(51)	1,224
Toyota Camry Sedan	21,330	21,329	16,364	20,500	(4,966)	(829)
	<u>236,895</u>	<u>228,059</u>	<u>270,203</u>	<u>249,500</u>	<u>33,308</u>	<u>21,441</u>

Notes to and forming part of the financial report FOR THE YEAR ENDED 30TH JUNE 2012

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1-Jul-11 \$	New Loans \$	Principal Repayments		Principal 30-Jun-12		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Recreation & Culture								
Aquatic Centre	98,446		12,469	12,469	85,977	85,977	6,581	6,581
Basketball Stadium	168,491		8,536	8,536	159,955	159,955	10,949	10,949
Preston Beach Golf Club *	28,121		7,328	7,328	20,793	20,793	1,921	1,921
Waroona Bowling Club *	35,659		6,404	6,404	29,255	29,255	1,813	1,813
Transport								
Depot Construction	42,161		13,183	13,183	28,978	28,978	2,471	2,471
	372,878	0	47,920	47,920	324,958	324,958	23,735	23,735

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

All other loan repayments were financed by general purpose revenue.

(b) New Debentures - 2011/12

The Shire of Waroona had no new debentures for the 2011/12 financial year.

(c) Unspent Debentures

The Shire of Waroona has no unspent debentures as at 30 June 2012.

(d) Overdraft

The Shire of Waroona has no unspent overdraft facility as at 30 June 2012.

(e) Business Credit Cards

The Shire of Waroona have two Business Access Visa accounts with a combined credit limit of \$20,000. The balance as at 30 June 2012 was \$697.



Notes to and forming part of the financial report FOR THE YEAR ENDED 30TH JUNE 2012

22. RATING INFORMATION - 2011/12 FINANCIAL YEAR

(a) Rates

RATE TYPE		Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential General Rate	Waroona GRV	8.2933	705	9,363,404	776,535	20,830		797,365	776,535			776,535
	Hamel GRV	8.2933	23	251,784	20,881	22		20,903	20,881			20,881
	Preston Beach GRV	8.2933	283	2,943,262	244,094	-199		243,895	244,094			244,094
	Prescribed Town GRV	8.2933	14	207,890	17,241	613		17,854	17,241			17,241
	Lake Clifton GRV	8.2933	186	2,274,552	188,635	772		189,407	188,635			188,635
	Non Rateable GRV		237	1,357,682								0
	Waroona UV	0.4164	431	233,352,000	971,678	-1,874		969,804	971,678			971,678
	Prescribed UV	0.4164	82	24,710,000	102,892			102,892	102,892			102,892
	Sub-Totals		1,961	274,460,574	2,321,956	20,164	0	2,342,120	2,321,956	0	0	2,321,956
	Minimum Rates											
Minimum Rates	Waroona GRV	700	463	2,660,916	324,100			324,100	324,100			324,100
	Hamel GRV	700	14	85,944	9,800			9,800	9,800			9,800
	Preston Beach GRV	700	265	1,865,320	185,500			185,500	185,500			185,500
	Prescribed Town GRV	700	11	73,152	7,700			7,700	7,700			7,700
	Lake Clifton GRV	700	66	495,750	46,200			46,200	46,200			46,200
	Waroona UV	680	51	4,775,651	34,680			34,680	34,680			34,680
	Prescribed UV	680	44	6,170,500	29,920			29,920	29,920			29,920
	Mining	680	15	179,746	10,200			10,200	10,200			10,200
	Sub-Totals		929	16,306,979	648,100	0	0	648,100	648,100	0	0	648,100
	Ex-Gratia Rates											
Specified Area Rate (refer note 23)								2,990,220				2,970,056
								2,990,220				2,970,056
Discounts (refer note 25)												
Totals												



Notes to and forming part of the financial report FOR THE YEAR ENDED 30TH JUNE 2012

22. RATING INFORMATION - 2011/12 FINANCIAL YEAR

(b) Information on Surplus/(Deficit) Brought Forward

	2012 (1 July 2011 Brought Forward) \$	2011 (30 June 2011 Carried Forward) \$
Surplus/(Deficit) 1 July 2011 Brought Forward	441,722	441,752
<u>Comprises:</u>		
Cash - Unrestricted	361,452	361,482
Cash - Restricted Municipal	62,560	62,560
Cash - Restricted Reserves	1,504,046	1,504,046
Receivables	297,056	297,056
Inventories	10,852	10,852
Less:		
Cash - Restricted Municipal	(62,560)	(62,560)
Cash - Restricted Reserves	(1,504,046)	(1,504,046)
Payables and Provisions	(227,638)	(227,638)
Surplus/(Deficit)	441,722	441,752

Difference:

There was a minor difference between the Surplus/(Deficit) 1 July 2011 Brought Forward position used in the 2012 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2011 audited financial report of \$30.

Notes to and forming part of the financial report

FOR THE YEAR ENDED 30TH JUNE 2012

23. SPECIFIED AREA RATE - 2011/12 FINANCIAL YEAR

The Shire of Waroona did not have any Specified Area Rates in the 2011/12 financial year.

24. SERVICE CHARGES - 2011/12 FINANCIAL YEAR

The Shire of Waroona did not have any Service Charges in the 2011/12 financial year.

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

The Shire of Waroona contributes \$650 cash incentive prize draw for prompt payment of rates as per Council Policy 3.11.

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

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		16,171	14,500
Interest on Instalments Plan	5.50%		11,393	9,300
Charges on Instalment Plan		9.00	16,693	14,700
			44,257	38,500

Ratepayers had the option of paying rates in four equal instalments, due on 23 September 2011, 23 November 2011, 23 January 2012 and 23 March 2012.

	2012 \$	2011 \$
27. FEES & CHARGES		
Governance	23,629	24,768
General Purpose Funding	20,090	6,887
Law, Order, Public Safety	15,424	23,714
Health	41,742	35,092
Education and Welfare	91	100
Housing	13,520	13,520
Community Amenities	732,836	639,753
Recreation and Culture	279,301	307,070
Transport	30	120
Economic Services	37,184	46,742
Other Property and Services	18,598	27,876
	<u>1,182,445</u>	<u>1,125,642</u>

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

Notes to and forming part of the financial report

FOR THE YEAR ENDED 30TH JUNE 2012

28. GRANT REVENUE

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

	2012	2011
	\$	\$
By Nature and Type:		
Operating Grants, Subsidies and Contributions	2,831,865	1,488,740
Non-Operating Grants, Subsidies and Contributions	931,006	1,166,524
Non-Operating Grants, Subsidies and Contributions - Non Cash	0	100,352
	<u>3,762,871</u>	<u>2,755,616</u>
By Program:		
Governance	216,592	110,072
General Purpose Funding	2,357,707	1,036,174
Law, Order, Public Safety	135,856	182,486
Health	3,463	17,257
Education and Welfare	28,172	40,367
Housing	0	0
Community Amenities	358,659	241,976
Recreation and Culture	101,955	432,345
Transport	535,393	453,967
Economic Services	2,635	64,215
Other Property and Services	22,439	176,758
	<u>3,762,871</u>	<u>2,755,617</u>

29. ELECTED MEMBERS REMUNERATION

2012	2012	2011
\$	Budget	\$
	\$	

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

Meeting Fees	43,023	43,000	43,000
President's Allowance	4,004	4,000	4,000
Deputy President's Allowance	1,000	1,000	1,000
Travelling Expenses	1,994	2,350	1,070
Telecommunications Allowance	6,800	6,800	6,000
	<u>56,821</u>	<u>57,150</u>	<u>55,070</u>

30. EMPLOYEE NUMBERS

2012	2011
------	------

The number of full-time equivalent employees at balance date

<u>42</u>	<u>39</u>
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31. EMPLOYEE SALARIES

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.

Salary Range		2012	2011
\$	\$		
100,000	109,999	2	2
110,000	119,999	0	0
120,000	129,999	1	1
130,000	139,999	<u>0</u>	<u>0</u>

Notes to and forming part of the financial report

FOR THE YEAR ENDED 30TH JUNE 2012

32. MAJOR LAND TRANSACTIONS

The Shire of Waroona did not participate in any major land transactions during the 2011/12 financial year.

33. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire of Waroona did not participate in any trading undertakings and major transactions during 2011/12 financial year.

Notes to and forming part of the financial report

FOR THE YEAR ENDED 30TH JUNE 2012

34. FINANCIAL RISK MANAGEMENT

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

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

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

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2012 \$	2011 \$	2012 \$	2011 \$
Financial Assets				
Cash and cash equivalents	2,717,859	1,928,088	2,717,859	1,928,088
Receivables	292,892	315,787	292,892	315,787
	<u>3,010,751</u>	<u>2,243,875</u>	<u>3,010,751</u>	<u>2,243,875</u>
Financial Liabilities				
Payables	362,966	227,638	362,966	227,638
Borrowings	324,958	372,870	324,958	372,870
	<u>687,924</u>	<u>600,508</u>	<u>687,924</u>	<u>600,508</u>

Fair value is determined as follows:

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

Notes to and forming part of the financial report

FOR THE YEAR ENDED 30TH JUNE 2012

34. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

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

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

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

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

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. Council also seeks advice from independent advisers (where applicable) before placing any cash and investments.

	2012 \$	2011 \$
Impact of a 10% (*) movement in interest rates on cash and investments:		
- Equity	2,718	1,928
- Statement of Comprehensive Income	2,718	1,928

Notes:

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

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

Impact of a 1% (*) movement in interest rates on cash and investments:

- Equity
- Statement of Comprehensive Income

Notes to and forming part of the financial report

FOR THE YEAR ENDED 30TH JUNE 2012

34. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

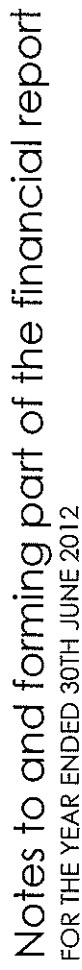
The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

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

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

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

	2012	2011
Percentage of Rates and Annual Charges		
- Current	98.00%	97.00%
- Overdue	2.00%	3.00%
Percentage of Other Receivables		
- Current	95.00%	90.00%
- Overdue	5.00%	10.00%



(c) Payables

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2012					
Payables	362,966			362,966	362,966
Borrowings	51,106	156,738	117,114	324,958	324,958
	<u>414,072</u>	<u>156,738</u>	<u>117,114</u>	<u>687,924</u>	<u>687,924</u>
2011					
Payables	227,638			227,638	227,638
Borrowings	47,919	178,533	146,418	372,870	372,870
	<u>275,557</u>	<u>178,533</u>	<u>146,418</u>	<u>600,508</u>	<u>600,508</u>



Notes to and forming part of the financial report FOR THE YEAR ENDED 30TH JUNE 2012

34. FINANCIAL RISK MANAGEMENT (Continued)

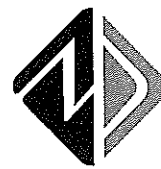
(c) Payables Borrowings (Continued)

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

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

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 2012									
Fixed Rate									
Debentures	51,106	54,505	37,607	35,323	29,303	117,114	324,958		6.58%
Weighted Average	6.54%	6.55%	6.54%	6.54%	6.77%	6.61%			
Effective Interest Rate									
Year Ended 30 June 2011									
Fixed Rate									
Debentures	47,920	51,107	54,504	37,606	35,315	146,418	372,870		6.57%
Weighted Average	6.54%	6.54%	6.55%	6.54%	6.45%	6.64%			
Effective Interest Rate									

AUDITOR'S REPORT - SEE SECTION C



AMD
CHARTERED ACCOUNTANTS

PARTNERS

Clifton M Anderson FCA, JP	Stuart Fricker CPA, GAICD
Stephen FJ Down CA	Tim Partridge FCA
Shaun G O'Callaghan CA	Maria Cavallo CA
Peter Manolas CPA, CTA (Master of Taxation Law)	

ASSOCIATES

Steven Cluning CA	Shane Kaurin CPA
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INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial report of the Shire of Waroona, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity, the rate setting statement, and the statement of cash flows for the year ended 30 June 2012, a summary of significant accounting policies and other explanatory notes, and the Chief Executive Officer's statement.

Council's responsibility for the financial report

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

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks and material misstatements of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of accounting policies used and the reasonableness of accounting estimates made by Council, as well as evaluation of the overall presentation of the financial report.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Local Government Act 1995 Part 6 and Australian Accounting Standards so as to present a view which is consistent with our understanding of the Shire of Waroona's financial position, the results of its operations, its changes in equity and its cash flows.



**Chartered
Accountants**

Independent Member of
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INTERNATIONAL

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Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Opinion

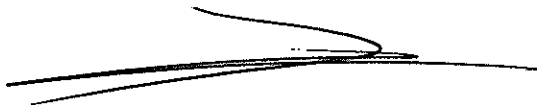
In our opinion, the financial report of the Shire of Waroona

- i. gives a true and fair view of the Shire of Waroona's financial position as at 30 June 2012 and of its performance for the financial year ended 30 June 2012; and
- ii. complies with Australian Accounting Standards (including the Australian Accounting Interpretations); and
- iii. are prepared in accordance with the requirements of the Local Government Act 1995 Part 6 (as amended) and Regulations under that Act.

Statutory Compliance

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

- I. There are no material matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire 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 were noted during the course of our audit.
- III. All necessary information and explanations were obtained by us.
- IV. All audit procedures were satisfactorily completed during our audit.

AMD Chartered Accountants

TIM PARTRIDGE
Partner

Bunbury, Western Australia

Dated this 15th day of October 2012