



SHIRE OF WAROONA

Annual Report

2012 - 2013

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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 2012 to 30 June 2013

<u>NAME</u>	<u>COMMENCEMENT</u>	<u>EXPIRY OF TERM</u>
Shire President - Cr Noel Dew	1999	2013
Deputy Shire President - Cr Larry Scott	2007	2013
Cr Christine Germain	1992	2013
Cr Trish Witney	2005	2013
Cr John Salerian	2007	2015
Cr Craig Wright	2007	2015
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

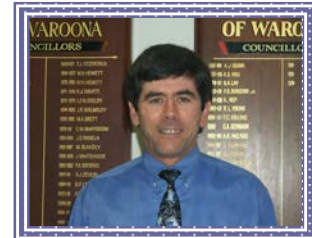
2012/2013

COUNCILLOR	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Cr Noel Dew	11	10
Cr Christine Germain	11	8
Cr Trish Witney	11	10
Cr John Salerian	11	10
Cr Craig Wright	11	9
Cr Larry Scott	11	8
Cr John Mason	11	9
Cr Lina Look	11	7

STAFF



Ian Curley Dip LG (C) MLGMA
Chief Executive Officer



Laurie Tilbrook
Deputy Chief Executive Officer/
Director Corporate Services

Steve Cleaver - Director Community Services
Andrew Bruce - Director Technical Services

NAME	POSITION	COMMENCEMENT DATE
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
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 Services	2005
Mr Trevor Pitcher	Environmental Health/Building Officer	2006
Miss Kathy Simpson	Administration Officer	2007
Miss Rikki Bellairs	Customer Service Officer	2007 (resigned Oct 2012)
Mr Ron Thomas	Centre Manager – Recreation/Aquatic Centre	2008
Ms Tamara Olsson	Manager Financial Services	2009 (resigned Jan 2013)
Mr Louis Fouche	Director Planning Services	2010
Mr Greg Delahunty	Town Planner	2010
Mr Anthony Sayer	Labourer	2010
Mr Chris Dunlop	Town Planner	2011 (resigned May 2012)
Mr Steve Barnes	Co-ordinator Parks & Gardens	2011
Mr Murry Bracknell	Manager Works & Services	2011
Ms Donna Wetnall	Plant Operator/Labourer	2011
Mr Roger Cumbers	Works Supervisor	2012
Ms Kate McInerney	Recreation Centre Duty Manager	2012
Mrs Karen Oborn	Coordinator Corporate Planning	2012 (resigned Jan 2013)
Ms Moya Bazzo	Parks & Gardens General Hand	2012 (resigned Oct 2012)
Mr Jason Robertson	Mgr Environmental Health & Building Services	2012
Miss Tori Davis	Customer Service Officer	2012
Mrs Sian Gair	Community Development Officer	2012
Ms Sarah Cope	Ranger	2012
Mr Robert Buzzard	Parks & Gardens General Hand	2012
Miss Ashleigh Nuttall	Manager Financial Services	2013
Mrs Lucy Lyster	Town Planner	2013

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 Visitor Centre & Gallery	1999
Mrs Kerry Shore	Licensing Officer	2000
Mrs Jean Johnston	Depot Administration Assistant	2001 (retired July 2013)
Mr Gino Chiera	Gardener	2001
Miss Nikki Colgan	Administration Officer	2002 (Maternity Leave)
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 Ronnell Capp	Library Officer	2011
Ms Naomi Purcell	Community Development Officer	2011
Mrs Maria Harris	Depot Admin Officer	2012
Miss Rikki Bellairs	Depot Admin Officer	2012
Mrs Dinah DelaTorre	Cleaner Part Time	2012
Ms Tayla Kirkham	Trainee Pool Attendant – Part Time	2013
Mr Barry Scoffern	Ranger Part Time	2013

PRESIDENT'S REPORT 2012 - 2013



It is with much pleasure that I present my first annual report as Shire President reflecting on many of the highlights of the 2012-2013 financial year.

Councillors

I would like to congratulate all Councillors for the dedication and support they have shown to their Council duties during the year. Local Government presents a challenging environment and requires Councillors to demonstrate vision and have clear goals. All Councillors have demonstrated their desire to achieve these objectives and deserve to be congratulated on their efforts. I thank the families of Councillors who have provided their valuable support throughout the year.

Staff

Our highly dedicated and committed staff, capably led by CEO, Ian Curley, have ably supported the Council throughout the year. It is imperative that we acknowledge and recognise the importance of the role of our staff in ensuring that, together, we achieve our aim of providing excellence in governance and service to the community we represent.

The integration of the State Government's Planning and Reporting Framework into Council's operations presented many challenges throughout 2012/13 and will require significant work in 2013/14. As a result the Council, will in March 2014, conduct a review of its Community Strategic Plan to ensure that it best represents the Communities views and can support the long term viability of the Council.

Community

I was pleased to attend the 2013 Australia Day Breakfast at the Memorial Hall and would like to congratulate the winners of the Australia Day and Meritorious Awards.

Elaine Platell - Australia Day Award
Matthew Vitale - Australia Day Award - under 25years
Just Cruizin Street Machiners Club - Australia Day Group Award

Community Service Awards were presented to Andrew Templeman Twells; Sheila Panton and Diana Schupp.

I would also like to congratulate Waroona Lions Club, Preston Beach and Lake Clifton Progress Associations for assisting in events in all areas of the Shire to celebrate Australia Day.

The Shire is committed to supporting the many volunteers in the community and every year we enjoy the opportunity to thank Emergency Services' Volunteers, Police and their families who provide a valuable service to our communities.

This shire has a strong culture of volunteering and this is demonstrated by a large number of the community, of all ages and abilities, who give of their time to help other people. The Shire acknowledges their commitment and understands the value this adds to ensuring Waroona, Preston Beach and Lake Clifton are great places to live. During Volunteer Week a Volunteer Breakfast is held to thank all volunteers for their contribution to the community and, traditionally, Councillors and Staff serve the breakfast.

The Coastal area of the Shire is very important and coastal dune erosion can have a significant impact on the coast line. In light of this the Preston Beach Progress Association partnered with the Shire to provide a free community workshop on coastal rehabilitation techniques and volunteers, with support from the Shire, held a community planting day and successfully planted a thousand seedlings throughout the coastal dunes.

Lake Clifton, once again, hosted their annual Art6215 display. This has become an important feature for the area sponsored by the Summer Events Series.

The Sea to Scarp Summer Events Series is a partnership with ALCOA to provide community events throughout the summer months at a low or no cost to the community. The events have contributed to the positive community spirit by providing an opportunity for people with diverse interest to come together. These events have been extremely well attended by a wide range of the community.

In conclusion, I would like to wish all the residents of the Shire - Waroona, Preston Beach, Lake Clifton and Hamel, a successful year ahead.

CHRISTINE GERMAIN
SHIRE PRESIDENT

Community Strategic Plan

The Council adopted its Community Strategic Plan in April 2012 following several months of community engagement and consultation.

This plan now underpins the Council's strategic direction and is the basis by which the organisation will operate and is divided into 6 categories being:

1. Managing Future Growth
2. Protecting Rural Land
3. Strong Sense of Community Wellbeing Activities
4. Environment Conservation
5. Dynamic Local Economy
6. Active Civic Leadership, Good Governance and Excellence in Management

Several other plans support the Community Strategic Plan and are now a statutory requirements in order to comply with the "Integrated Planning and Reporting Framework" (IP & RF).

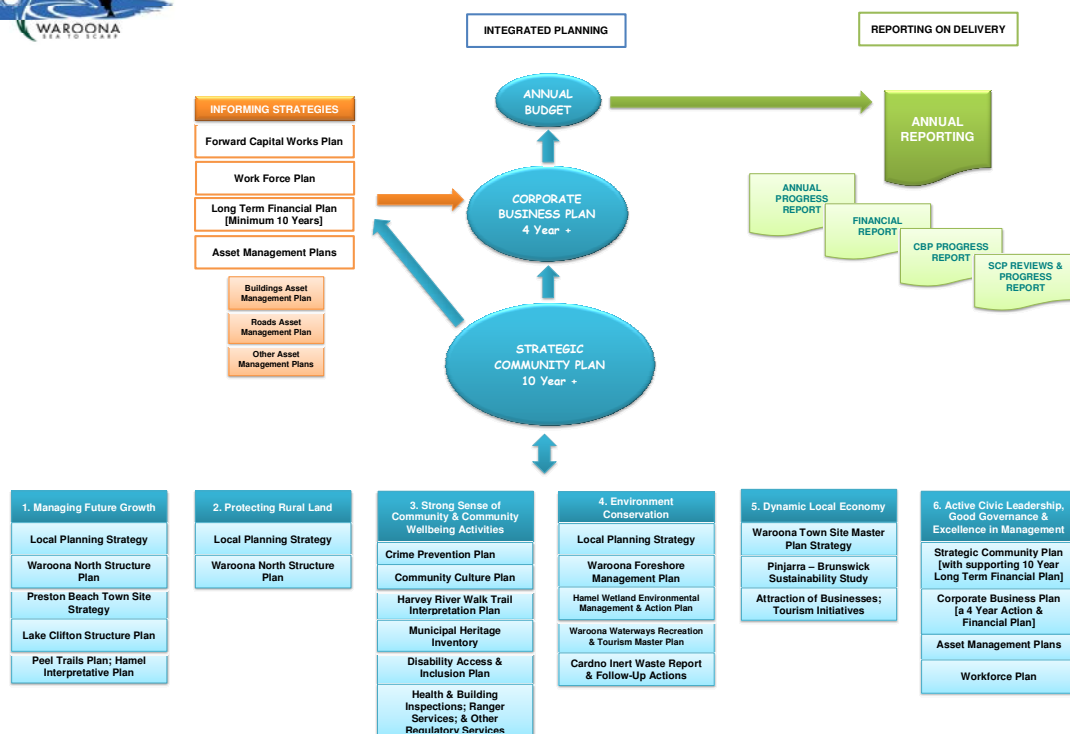
These include:

- A 4 Year Corporate Business Plan
- A 10 Year Long Term Financial Plan
- A Workforce Plan
- A Building Asset Management Plan
- A Road and Drainage Asset Management Plan
- Various other Infrastructure Asset Management Plans

Full implementation of all plans will take effect in 2013/14 and future Annual Reports will provide results and key achievements of the Community Strategic Plan progress.



INTEGRATED PLANNING & REPORTING FRAMEWORK



CHIEF EXECUTIVE OFFICER'S REPORT

Introduction

2012/13 has been a very busy year for the Shire of Waroona. A late June 2012 storm affected large sections of the shire and resulted in works staff being directed away from their normal duties, however, these tasks were able to be rescheduled and completed during the remainder of the year.

Overall growth in the district has remained static throughout the year, and there are no significant indicators for change in this area. The long-awaited Preston Beach Townsite strategy, which commenced in 2005, has now been completed and our Town Planning staff are busy analysing the documents. It is likely the strategy will be presented to the Council for consideration towards the middle of 2014.

The State Government implemented the *Integrated Planning Framework* for local governments and I am pleased to report that the Shire of Waroona was able to complete the requirements of the framework by the 30 June 2013 deadline.

Staff turnover during the year has been relatively low, and where vacancies occurred, we have been successful in attracting suitable replacements. At this point, there are no indicators which would suggest any significant increase in staff in any of the areas.

The Royalties for Regions Country Local Government Fund continued this year with direct funding to the Council of \$466,000. The Council has allocated the total amount to improving the drainage in the Hesse/Thatcher Street catchment area. Work on this large project is expected to commence in 2014.

Other projects to be completed during the year include - \$70,000 for refurbishment of the Preston Beach car-park toilets and change-rooms, \$41,000 for car-parking and landscaping at the Library and Shire Office and \$105,000 to build a new niche wall at the Drakesbrook Cemetery.

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 -

- Hosting the inaugural Vintage Machinery Show event
- Volunteer thankyou breakfasts in Waroona and Preston Beach
- Emergency Services thankyou dinner

- The Premier's Australia Day Active Citizenship Awards and Meritorious Community Service Awards and BBQ breakfast
- Sea to Art Waroona
- Art6215 Lake Clifton
- Movie under the Stars
- Just Cruizin streetlight tour
- Youth Advisory Council & Youth contributing to community award
- Youth Action Day
- Administration of the Kidsport program
- Various school holiday activities throughout the year
- Carols by Candlelight in Waroona and by Torchlight in Preston Beach
- Easter Blessing of the Roads
- Waroona Interagency group
- Assistance with organising the 2013 Waroona ANZAC service
- Youth Forum in Pinjarra for career guidance and support services
- Youth Action Day



Some of the old cars on display at the Vintage Machinery Show

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.

4 Directorates operate within our organisation, managed by-

- Laurie Tilbrook, Deputy CEO/Director of Corporate Services who has control of administration, finance and licensing.
- Steve Cleaver, Director Community Services who has control of building, health, recreation centre and community development.
- Louis Fouche, Director of Planning who has control of planning, library and tourist centre.
- Andrew Bruce, who replaced Patrick Steinbacher who left in early 2013, has control of the works depot and staff, road construction and maintenance, parks and reserves maintenance.



The current staff are very experienced local government officers who display a high level of professionalism and commitment to their duties.

Set out below, on bands of \$10,000, is the number of employees of the Shire of Waroona entitled to an annual salary of \$100,000 or more. The publishing of this information is a requirement of the Local Government Act 1995.

Salary Range - \$		2013	2012
100,000	109,999	0	2
110,000	119,999	2	0
120,000	129,999	1	1
130,000	139,000	0	0
140,000	149,999	1	0

Financial Management and Control

Council's finances continue to remain well protected with a prudent 2012/2013 budget set in August 2012. All major road construction projects for 2012/13 were completed by the end of March 2013 and other significant projects in this year's budget are either underway or have been contracted and are awaiting construction.

Council's Reserve funds consistently remain at a high level. The total Reserve Fund balance at 30 June 2013 was \$2,106,102 placing Council in a good position to deliver future projects.

The outstanding Loan principal continues to reduce with the outstanding principal amount reducing to \$274,000 at 30/6/12, which includes \$35,000 outstanding principal in self-supporting loans. This is an extremely modest loan portfolio leaving Council in an excellent position to take up loans for future projects, if required. No new loans were taking out during the year.

Some projects undertaken in 2012/13 include -

- Completion of the Preston Beach fire shed
- Purchase of an all-terrain vehicle for Volunteer Ranger's use on Preston Beach.
- Installation of new Waroona Town Oval lighting and new seating around the perimeter of the oval.
- Construction of a new Town Oval loading ramp.
- New townsite entry sign at Preston Beach.
- Bitumen reseals on Newnham, Fawcett and McNeil Roads.
- Gravel resheeting of sections of Tallathalla, Peel and Meredith Roads.
- Widening of Dorsett Road near the Forrest Highway intersection and Coronation Road near Fawcett Road intersection.
- Reconstruction of a section of Coronation Road between Brockman and Somers Road (Stage 1).
- Installation of kerbing and drainage on Mitchell Rd and improve drainage on Waterway Road and Lakeside Terrace in Preston Beach.
- Upgrade of the Lake Preston walk trail.
- 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.

Some projects proposed for 2013/2014

- The construction to widen the Coronation Road single lane bridge, funded from Royalties for Regions Regional Council's allocation.
- Extensions to the Waroona Recreation Centre gymnasium.
- Hesse Street Drainage project (\$466,000) funded by Royalties for Regions.
- Implementation of the Cat Act requirements, effective November 2013.

Conclusion

The Councillors and Staff have worked hard throughout the year in delivering a vast array of projects and services to the community. The workload and responsibility for both Councillors and Staff continues to increase, with compliance and accountability being at the forefront.



In March 2013 Council was awarded a *Silver Certificate in Safety Award* following an Occupational Health & Safety Audit undertaken by the Local Government Insurance Services during 2012. This award acknowledges the continuation of implementing safety initiatives across the various areas of the organisation, in particular at the Depot and Recreation Centre. The challenge of improving health and safety has been enthusiastically met by all staff.

The culmination of eight years of work has resulted in the lodgement of the Draft Preston Beach Townsite Strategy documents. The proposed Peel Region Scheme and Local Scheme Amendment applications are due to be assessed in 2014. The steering committee was disbanded in late 2012 after committing 8 years to this project.

Another significant milestone celebrated during the year was the signing-off of the new Alcoa Waroona Sustainability Fund. A new committee will be formed in 2013/14 and will administer the fund which has a balance of \$635,000 and is held in the Shire's Trust fund as well as administering the original Wagerup Sustainability Fund which has a balance of \$610,000 and is held by The Trust Company.

I congratulate and thank all Councillors and Staff for their continued commitment to the Council and community during the past year.

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 2012/2013 year no complaints have been entered into the register.

**IAN CURLEY Dip LG (clerk) MLGMA
CHIEF EXECUTIVE OFFICER**

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.



*From L to R – Joe Dineley, Tori Davis, Annette Mason, Laurie Tilbrook, Kirsty Ferraro, Ashleigh Nuttall and Kathy Simpson
Absent: John Crothers*

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.

2012/13 Rating

A general rate revenue increase of 7.2% applied for the 2012/13 financial year with rate revenue totalling \$3,205,060. Minimum rates for GRV properties increased from \$700 to \$750 and from \$680 to \$730 for UV rated properties.

A general revaluation of unimproved valuations resulted in an average decrease of 6.93% which is the third consecutive decrease in unimproved values with the previous decrease in 2002/03.

Financial Performance

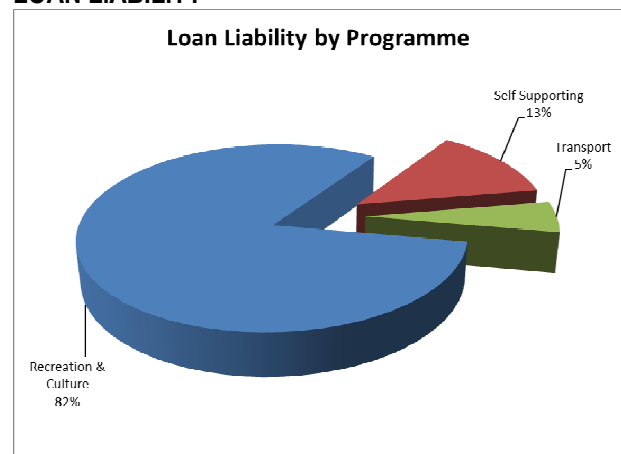
As reported the Council's audit for 2012/13 has been reported by the Council's auditor as being highly successful. The Council's debt level remains well within manageable levels and rating income continues to reflect the steady growth of the Shire.

In addition, amendments to the Local Government Financial Management Regulations resulted in the commencement of the revaluation of Council assets by the "Fair Value" method to be introduced over a 3 year period. 2012/13 saw the revaluation of all plant and equipment which is to be followed by land and buildings in 2013/14.

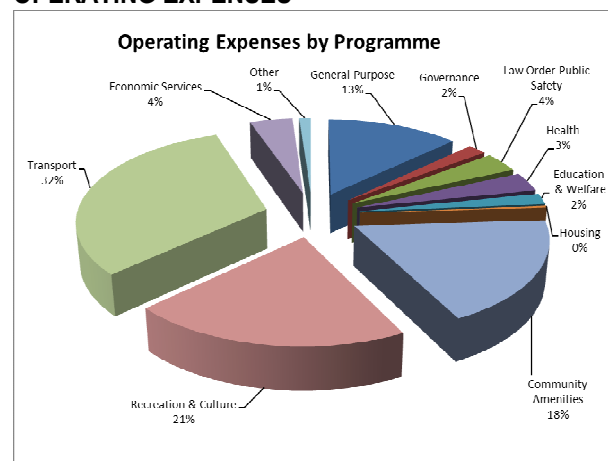
Excellent quality financial reports are presented to the Council with easy to understand charts and graphs making the statements more user friendly.

The following graphs provide an overview of the Council's financial transactions for 2012/13.

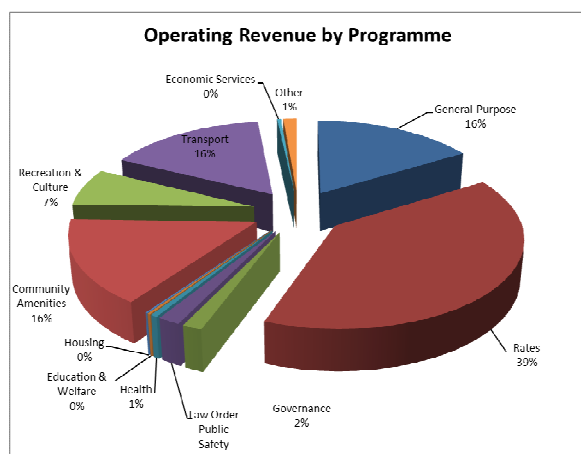
LOAN LIABILITY



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

Each Council is now required to develop and adopt an "Integrated Planning Process" which incorporates a pre-eminent 10 year, Strategic Community Plan, which involves community consultation and input. Such a plan was developed in 2011-12, consultations occurred in early 2012, and the final plan was adopted on 24 April, 2012.

Other supporting documents are also required to be prepared, including:

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

with most items having been considered and adopted by Council during the 2012/13 year.

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

Simplified versions of the financial projections were put before Council on 25 June 2013. The figures have since been further refined and summarised into a new Financial Model, which meets the requirements of the Department of Local Government [DLG], which includes the new Regulations. Council adopted revised versions on 24 September, 2013.

The requirements expect Councils to consider and cater for existing Assets and for them to be given high priority before consideration of the establishment of any new 'extra' Assets.

It is expected that all of the items will be further refined over the next year, and more details will be shown in the Annual Report for the 2013/14 year.

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
- Construct new niche wall – Drakesbrook Cemetery
- Upgrade Preston Beach Ablution block
- Library Carpark landscaping

"Fair Value" Asset Accounting

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

Implementation will be phased in over a three year period as follows:

2012/13 Plant & Equipment (complete)

2013/14 Land & Buildings

2014/15 Infrastructure – Including Roads

Library

The Library continues to achieve high membership with around 2000 members sharing in over 10,000 items including books, DVD's, story books etc.

In addition, other member services include public computer use and training, adult book club, children's book club and Wi-Fi availability.

The Council continues to support a book exchange 6 times per year by enabling staff to travel to the State Library, although the system of book stock distribution is currently being reviewed at State Government level.

Over the past year the Library has continued to provide many worthwhile activities including:

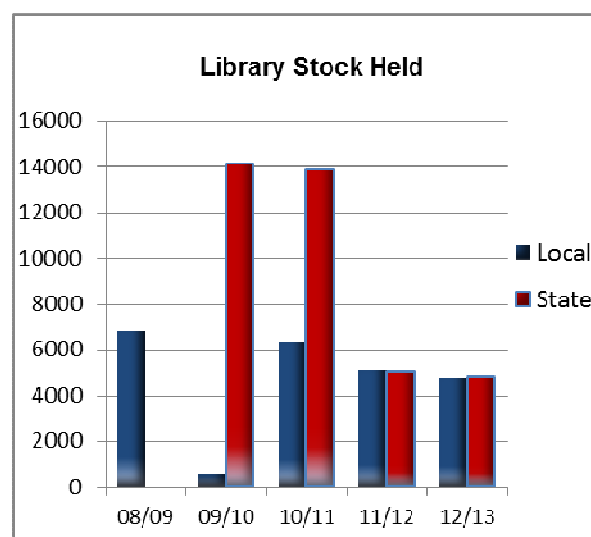
- Better Beginnings involving both local schools.
- Conducting a series of visits to both local schools to promote the library to younger children.
- Broadband for Seniors – introducing older members of the community to internet technology.
- Several “displays and themes” with assistance and artwork from members of the Children's Book Club.



Ronnell Capp presented the 'Waroona Circus' to the Children's Book Club

The Library continues to participate on a regional basis under the guidance of the South West Regional Library administered by the City of Bunbury which provides staff with networking opportunities and to keep abreast of future developments.

Two staff have recently completed a course on the program Ancestry (Genealogy). This has enabled valuable information to support members who may be involved in research of their family history.



Waroona Visitor Centre & Gallery

The Waroona Visitor Centre & Gallery operates under direct control of the Council capably managed by Centre Manager Tracy Goldsworthy assisted by twelve dedicated volunteers.

The Centre's main functions are:

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



Volunteers Christine Farrell & Barb Bennett assisting a visitor

The Centre has been involved in a number of major events and initiatives during the year including:

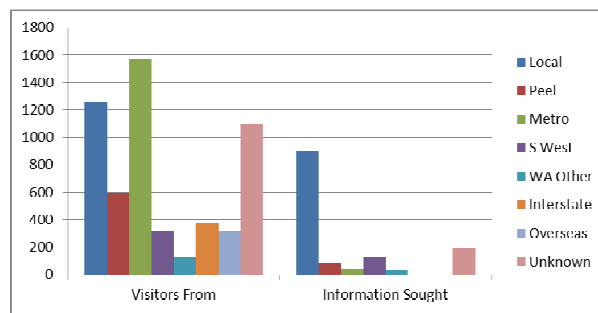
- Sea to Art Exhibition – now in its fifth year, the exhibition provided 39 local artists with the opportunity to promote their work.
- Various advertising and editorial promotions
- Perth Caravan and Camping Show – assisting with promotion of the local area.
- Visitor statistics and demographics
- Website and social media promotions
- Gotta Go WA – participation in a statewide promotion and competition.
- QR Code project – continuation of this marketing initiative in conjunction with St Joseph's Primary School Waroona.

Visitor statistics continue to show significant enquiries from metropolitan Perth followed by local and Peel area enquiries. Requests for information on local attractions and accommodation/dining continue to be significant.

Further information on initiatives being conducted or being considered can be found on the Visitor Centre & Gallery Facebook page.



Exhibitor Emma Mitchell with *Midnight's Flight*, joint winner of the People's Choice Award at the Sea to Art Exhibition 2012



Waroona Visitor Centre – Visitor Statistics

Resource Sharing Initiatives

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

Since the initial installation of computer hardware equipment, the service has expanded to include a full wireless microwave link to the Shire of Murray from a new communication tower at the Shire Depot.



This link now provides back up and disaster recovery options for both Councils with other possible services eg, internet currently under investigation.

Other options for resource sharing initiatives with neighbouring Councils is also being considered.

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 2012/13 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 2012/13; 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 2012/13 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

Currently an amended Local Government Property Local Law has been drafted for final consideration by the Council in the latter half of 2013.

The Council has also subsequently resolved to carry out further investigation into the possible repeal of its Fencing and Tennis Court Floodlighting Local Law.

It is expected that the repealed Bush Fire Brigades Local Law will be replaced by an operational policy.

State Records Act

The Council's Record Keeping Plan submitted in accordance with the above Act was subject to review and subsequently approved for a 5 year period which commenced in November 2011.

The following information with respect to the plan is noted:

- The Council has adopted its own internal procedural policy with respect to the plan;
- Efficiency and Effectiveness of the plan is monitored on an ongoing basis by the use of report tracking methods incorporating management software;
- 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 December 2013.

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 2012/13.

LAURIE TILBROOK
DEPUTY CHIEF EXECUTIVE OFFICER/
DIRECTOR OF CORPORATE SERVICES

COMMUNITY SERVICES

COMMUNITY SERVICES

The Community Services directorate comprises of Health and Building, Recreation and Community Development. In 2012 the Shire farewelled Mrs Maree Ellis and welcomed Mrs Sian Gair as Community Development Officer. Mr Jason Robertson also replaced Mr Grayson Hindmarsh as the Manager of Health and Building Services.

The directorate is also responsible for many major capital works projects that attract grant funds from State and Federal Governments.

Some of the major projects were:

Oval Lighting Upgrade

In 2012 the Shire constructed oval lighting to allow night AFL play on the town oval. The lighting also involved a \$45,000 power upgrade to Parnell Street that feeds power to the site. The site is now able to provide additional power to events that utilise the reserve.

This \$300,000 project was funded by a \$160,000 Federal Government Safer Suburbs grant and a \$57,000 State Government community sport and recreation facilities fund grant as well as funding from the Shire and oval user groups.



Niche Wall Project

In 2013 a new niche wall was constructed at the Waroona cemetery. The niche wall can accommodate larger ashes boxes and has capacity for several years. The \$100,000 project was funded under the Royalties for Regions program.



Preston Beach Fire Shed

After several years and numerous grants the Shire completed internal fit out of the Preston Beach Fire Shed and it was opened by the Federal Member for Canning Mr Don Randall and Mr Murray Cowper MLA Member for Murray Wellington. The new shed was built to house a new fire appliance that is expected for the 2013/2014 fire season.



Rivers Regional Council

The Shire has participated in the Rivers Regional Council since 2009. The Regional Council has been investigating municipal waste disposal options for a population of 300,000 persons for seven Local Governments who are members. Crs Noel Dew and John Salerian are the Shire's representative Councillors.

STEVE CLEAVER
DIRECTOR COMMUNITY SERVICES

COMMUNITY DEVELOPMENT

Staff

This year long time employee Maree Ellis left her position as Community Development Officer in September to enjoy family and retirement. Sian Gair was employed as Full Time CDO in late October. Naomi Purcell was made Permanent Part Time Community Development Officer and an increase made to her hours.



Youth

Alcoa has again provided funding of \$10,000 for Youth activities. The funding will enable the Community Development team to work with young people in the community. The funding will ensure the continuation of KidSport administration, Youth Advisory Council (YAC), youth events and provide leadership opportunities for young people.

Waroona Youth Advisory Committee (YAC)

The Waroona Youth Advisory Council meets monthly at the Waroona Recreation & Aquatic Centre to develop leadership skill, social skills, event management and volunteering.

YAC coordinated three major events including:

Waroona's Got Talent

The 13 talented performers led us through an evening of song, dance and music at a Waroona talent competition. YAC members built their skills in sound and lighting for the event. YAC members also extended their heartfelt thanks and appreciation to Maree Ellis for her many years of mentoring, skill and leadership building, event management and amazing involvement with the youth of the Waroona Community and with the many members of the Waroona Youth Advisory Council over the years.

Movie Under The Stars

Approximately 300 people gathered on Friday night for the popular annual community event and to enjoy watching a movie in an outdoor setting. The evening was complemented by a local Mandurah band prior to the movie commencing. The movie Hotel Transylvania appeared to be a hit across the board.

Action Event- National Youth Week

To celebrate National Youth Week, a free Youth Action event was held at the Recreation Centre and Skate Park. There were a number of activities for young people to participate including skate, scooter and bike competitions at the 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 with the addition of a bucking bull, boxing, face painting and kite making. We were also fortunate to have the GP Down South bus in attendance providing health and wellbeing information to children. The Action Event was organised by the YAC and a free sausage sizzle was provided and cooked by them for the young people. There were number of competitions and prizes on the skate park. Everyone supported and encouraged each other to participate in all of the activities and enjoyed the evening.



Schools

St Joseph's Primary school and the Shire of Waroona worked together to develop a QR project. The project provides tourist with historical information of key areas by scanning the QR code at the historical sites in the Shire. The school children provided the information and Waroona Historical Society checked the facts.

Waroona District High School Partnership

Waroona District High school, through the interagency network, reported the lack of opportunities for the school to participate in community projects and regional collaboration for their students. In light of this the Community Development team, in partnership with Waroona District High School, has facilitated a number of projects throughout the year including:

- Waroona Bush Rangers, Hamel Wetlands Project – funded by Coast West.
- Waroona Primary school, Millennium Kids two day thrombolite science project - funded by City of Mandurah.
- Waroona Bush Rangers, Preston Trail Project – funded by South West Catchment Council.

Other School Involvement

The Shire of Waroona partnered with the Chamber of Commerce and Industry to deliver a regional youth expo that was held at Pinjarra Recreation Centre. The forum was initiated after discussions at the Waroona

Interagency meeting of the need for young people to have some understanding of the support organisations and employment services available to them in the region. The Shire of Murray, Disability Services Commission, Department of Education, Employment and Workplace Relations and Community Solutions Inc worked together on this project to deliver an opportunity for regional schools.

The Peel Regional Youth Forum was opened by Harry Nannup, Aboriginal Elder, the Honourable Tony Simpson, MLA, and Minister for Youth and a letter from PM Julia Gillard was read out. Over forty community services organisations participated in the Expo and high school students from Waroona, Murray, Serpentine Jarrahdale and Mandurah attended. Over 600 young people were able to talk to a number of employment and community services providers whose role it is to support young people with all issues during this difficult transitional period for adolescents.

Events

Volunteer Emergency Services & Police Dinner

The Shire had the opportunity to thank the volunteers and staff from St John's Ambulance, Waroona, Preston Beach Volunteer Rangers, Waroona Volunteer Fire Brigade, Lake Clifton Volunteer Bush Fire Brigade, Waroona Police, Preston Beach Volunteer Fire Brigade, Waroona State Emergency Service and Waroona West Volunteer Bush Fire Brigade for their continued services to the community and a thank you for the often dangerous work they do. Shire President Noel Dew supported by Shire Councillors and staff officially thanked the many volunteers and Police and wished them a safe summer season.

Thank A Volunteer Day Breakfast

This year to thank the large number of volunteers who consistently give their support to the community, breakfast was provided and cooked by the Shire of Waroona Councillors and Staff at the Waroona Football Club and Preston Beach Community Centre. The large numbers of residents who volunteer their time at community groups, sporting organisations, schools and service groups were acknowledged for their contribution for building the capacity of the community. Over eighty people attended the two breakfasts.

Australia Day Celebrations 2013

The Lions Club of Waroona once again provided a community breakfast to celebrate Australia Day. The crowd was entertained by Rod Drummond followed by a street parade. The day also included face painting, balloon twisting and the Meander Park Animal Farm. Shire president Noel Dew and Deputy Shire President Cr Larry Scott completed the official proceedings including a flag raising, Australia Day Address and awards presentation.

Awards recipients included:

Elaine Platell - Australia Day Award

Matthew Vitale – Australia Day Award – under 25years
Just Cruizin Street Machiners Club – Australia Day Group Award

Andrew Templeman Twells – Community Service Meritorious Award

Sheila Panton - Community Service Meritorious Award

Diana Schupp - Community Service Meritorious Award

In other areas of the Shire, Australia Day celebrations were held at Preston Beach and Lake Clifton organised by the Progress Associations giving local people an opportunity to get together



Community

Waroona Vintage Machinery Show

The Old Machinery Club of WA, Waroona Lions Club and the Shire of Waroona partnered to provide the community with the inaugural 2012 Waroona Vintage Machinery Show. The lovingly restored engines were a demonstration of the skills that still exist today in our community as many of these machines were destined for the tip before being saved from extinction. The display of old engines was complimented by a large contingent of vintage cars, tractors and motorbike displays as well as antiques, old tools and chainsaw demonstrations. The Memorial Hall held a large variety of arts, crafts, antiques and spinning demonstrations.



Lake Preston Trail

Preston Beach Progress Association and Shire of Waroona, in partnership with South West Catchment Council planted four thousands natives plants at Lake Preston as part of the Preston Trail Upgrade project. A number of volunteers from the Preston Beach Association give their time over four days of planting.

The Waroona District High School Bush Rangers assisted one day and PEDAC Aboriginal work crew worked hard for the entire project. The planting extended for the Preston Beach entry sign and along the edge of the golf course to the end of the walk trail. Waroona High school Bush Rangers received certificates from the Shire of Waroona at their school assembly to thank them for contributing to the community.

Summer Series

The Shire continues its partnership with Alcoa to provide a number of events during the summer supporting groups such as the Lake Clifton Progress Association, Preston Beach Progress Association and YAC events.

Coastcare

The South West Catchment Council, Shire of Waroona, Preston Beach Progress Association and Coastwest partnered to provide a free community workshop on coastal rehabilitation techniques. Nineteen people attended the workshop which included information on coastal processes and erosion controls as well as the best rehabilitation and revegetation methods.

Community Group Support

Community Development supported Just Cruzin Christmas Lights tour, Carols in the Park, Preston Beach Association Events, Lake Clifton Arts competition, Sea to Art, Youth Centre events, Swimming Club, ANZAC Day, and Hamel Eco-Historic Precinct committee.

Hamel Nursery

The Hamel Nursery working group have been advised that the Peel Farmers Market will not be pursuing a facility on the site as previously proposed.

Waroona Interagency Network

Over forty Community services agencies attend the bi monthly meetings.

Suicide Action Group

As part of the Community Suicide Action response a two day Mental Health First Aid training was held at the Waroona Resource Centre. GP Down South and One life provided the free workshops that were attended by twenty local residents. The aim of the workshops is to empower and strengthen the community so when individuals are experiencing difficulties an appropriate response can be initiated.

Community Development Grants 2012.

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 2012 were:

Really Free Markets	\$784.00
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Waroona Youth Centre	\$800.00
Waroona Community Resource Centre	\$260.00
Waroona St John Ambulance	\$556.60
Waroona Historical Society	\$567.00
St Joseph's School	\$800.00
Waroona Bowling & Social Club	\$800.00
Waroona Lions Club	\$800.00
Waroona Playgroup	\$800.00

Total funds applied for	\$5447.60
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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 townsite 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 five businesses.

CCTV Links Project

The Community Development team successfully obtained grant funding of \$23,825 from the Community Crime Prevention Fund for the Links Project. The Links project improved the existing CCTV network through the purchase of computers, software and infra red cameras to assist WA Police.

Regional Partnerships

Department of Sport and Recreation Network group and Peel Community Development Group (PCDG) facilitated a workshop to determine regional priority issues and develop strategies to address identified gaps for the community services sector. Over 40 professionals from a variety of agencies took part in the workshops focused on six issues identified in Peel Away the Mask 11. PCDG's intention is to correlate the information collected at the workshop and have targeted priorities to lobby State and Federal Governments through avenues such as the Peel Leadership Forum.

iPeel – Developed to take advantage of the early roll out of the NBN to enhance economic growth in the region. At iPeel's first conference it was acknowledged that part of Peel's potential is its agriculture, and local councils were urged to partner with technology magnate CSIRO to look to create a global market identity for Peel through the use of computerised farming systems. Peel Development Commission executive Mellisa Teede said "Peel needs to build skills and open opportunities, including employment opportunities and a plan for the collaboration was already underway. We are looking at the diversity of the economy here and we're looking at the agricultural sector for investment".

SIAN GAIR & NAOMI PURCELL
COMMUNITY DEVELOPMENT OFFICERS

BUILDING SERVICES

Building Services

A new Building Act and associated Regulations commenced operation in April of 2012, bringing a raft of changes to the building and construction industry.

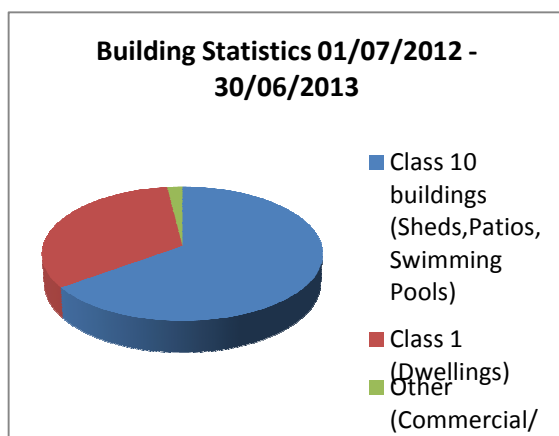
Notably, changes to the building approval process, allowed for faster turnaround times for building applications; and more stringent controls on builders for compliance with approvals. The new legislation has been developed to allow a greater level of accountability and responsibility for all stakeholders in the building and construction sectors.

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; helping represent the Western Australian Local Government Association(WALGA) on building industry and regulatory matters.

Since 2012, the Shire's Building Services Department has been 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, 103 building applications have been received, consistent with the past few years.

For the financial year 01/07/2012 – 30/06/2013



Class 10 buildings – 67
Class 1 buildings – 34
Other – 2
Total: 103

Ranger Services

This year has seen many challenges for the Shire with the most significant changes in the area of animal control. The financial year saw preparations for the final phasing in of the Cat Act and Regulations; and a multitude of changes to the Dog Act proposed.

With respect to the Cat Act, the legislation is aimed at promoting responsible ownership of cats and the Shire Rangers have 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. Throughout the year Ranger Services have been working with local animal industry bodies and individuals to see the objectives of the Cat Act are successful.

Shire Rangers undertook training with the Department of Fire and Emergency Services (DFES) in volunteer Bush Fire fighting in addition to attending 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, again, placed banners at various locations and information on the Shire Ranger vehicle to help spread the message of fire safety.

The Shire continued its emphasis on promoting fire safety messages by engaging with DFES for the community service announcement campaign, with helpful messages and alerts being broadcast over local radio stations throughout the fire season.

This year saw changes to other legislation Ranger Services deal with, including the Litter Act, with significantly increased penalties for various litter offences.

Shire Rangers have continued to work with the community in addressing isolated cases of littering, ensuring that public areas are kept tidy.

Off road vehicle (ORV) activity has been a considerable problem for the community and State Government agencies. While there are still spates of ORV activity, Ranger Services have, through increased patrols recorded a significant reduction in the number of complaints regarding ORV use.

Ranger Compliance Statistics



Ranger Services has dealt with the following compliance issues over the financial year:

- Dog Wander/Bark Complaints: 401
- Dog Attacks: 49
- Lost/found: 79
- Cats: 49
- Cattle: 105
- Animal Welfare: 48
- Off Road Vehicles: 20
- Litter: 35
- Wildlife: 25
- Abandoned Vehicles: 21
- Other: 99

Ranger Services continued to actively engage with the community, raising awareness on those issues that are important to them from a compliance perspective, including giving talks with seniors at the Community Health & Resource Centre.

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.

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.

Shire staff undertook training in regard to Emergency Management and Recovery Management, including AIIIM Awareness to continue building capacity within the organisation to ensure as best possible, the Shire is equipped to enable effective recovery management.

Building Maintenance & Construction

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:

- Skirting boards and new portioning to Community Health Centre
- New signage for Senior Citizen Centre
- New air-conditioning to Landcare building
- New Refrigeration unit for Memorial Hall Kitchen

The Shire continues to manage its built assets proactively, with its Asset Management planning. Shire buildings were inspected to assist in the short and long term financial planning for its built assets.

The Shire completed construction of the Preston Beach Ablution Facility upgrade, funded from a range of grant funds.

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.

The Liquid Waste Stabilisation Pond continued to be an outstanding success, a system that is at the forefront of being environmentally sustainable and benefiting the whole community.

Shire staff again 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.

Environmental Health Services



The Shire's Environmental Health Services is responsible for monitoring and regulating food businesses, lodging houses and caravan parks, hairdressing establishments, swimming pools, mosquito borne diseases, standards of dwellings, testing of private water supplies, liaison with Department of Environment and Conservation, and attending to health related nuisance complaints such as noise and odour.

A total of 34 food businesses are currently registered within the Shire, as follows

- Restaurants – 2
- Hotels - 3
- Resorts - 1
- Commercial Canteen – 1
- School Canteens - 2
- Takeaway/cafés - 3
- Bakery/cafés – 2
- Holiday accommodation - 2
- Confectionary only - 2
- Commercial Caterer - 1
- Wholesale Supplier - 3
- Bed and Breakfast - 2
- Supermarket / Liquor – 1
- General Store / Liquor – 1
- Roadhouses – 1
- Private catering – 2
- Temporary food stalls – 5

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 remained high as in 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

Universal 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.

Ensuring 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 (D.A.I.P) in 1995 to address the access barriers within the community.

Since the adoption of the initial D.A.I.P, 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 (including recently upgrading access to the Library and Administration Office).
- 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.

Earlier in the year, as is required, the Shire reported on its Inclusion Plan to the Disability Services Commission. The Commission advised the Shire its DAIP is compliant with the requirements of the Disability Services Act.

JASON ROBERTSON
MANAGER ENVIRONMENTAL HEALTH & BUILDING SERVICES

RECREATION CENTRE

Staff

Ron Thomas, Centre Manager
Bronwyn Cooke, Assistant Manager
Kate McInerney, Duty Manager
Tayla Kirkham, Trainee/Casual Group Fitness Instructor
Daniel Cools, Casual Customer Service Officer
Kelly Nottle, Casual Customer Service Officer
Tracy McFie, Group Fitness instructor
Debbie Pisconeri, Group Fitness instructor
Rowan Beales, Swim Teacher
Emma Bateup, Swim Teacher
Paula Birch, Swim Teacher
Sarah Humphries, Creche Attendant
Sarah Dineley, Cleaner
Jennie Kidman, Cleaner

The 2012/13 year at the Waroona Recreation Centre continues to challenge the Shire staff to provide high quality facilities and programs for the community. The construction of a new aquatic facility at Pinjarra has had an impact on our Centre, with our Swim School having reduced numbers of children from Pinjarra and surrounding compared to previous years. In addition to this a 24 hour gymnasium opened in Pinjarra competing with our gymnasium facility.

With construction of extensions to the Hill Street facility planned for 2014 it is envisaged that this trend can be reversed. The Recreation Advisory Committee has worked tirelessly in order to produce a design that will dramatically improve the design and functionality of the centre by doubling the floor space of the gymnasium and using available technology to develop a 24 hour gymnasium. This \$450,000 project will be funded by a Department of Sport and Recreation grant and from the Royalties for Regions Country Local Government Fund as well as loan borrowings.

The centre once again hosted the Cyclo Sportif series conducted by Bicycling WA. Some 600 cyclists annually now commence a gruelling 100 kilometre ride starting and finishing at the recreation centre. This event has become a signatory event for the series and continues to grow each year.

In 2013/2014 Councils Recreation Advisory Committee will be working on plans to rebrand the facility and increase consultation with the community to improve service delivery.

Maintenance

The Recreation Centre must continue to present our Centre at a high level for swimmers and keep the

cleanliness up to expected standards. Some of the major maintenance undertaken includes:

- Basketball courts one and two, squash courts one and two plus multi- purpose room have been sanded and resurfaced.
- Air-conditioners throughout the Recreation Centre have been maintained and repaired where required.
- Water leak in plant-room repaired and ballast tank resurfaced to stop erosion.
- New boiler fitted and second boiler repaired.

Traineeships

The Shire continues to be a leader in the Recreation and Aquatics industry offering apprenticeship's to local people who seek to be qualified as Pool Managers. This year is no exception with the employment of Ms Tayla Kirkham. Tayla replaces Mr Daniel Cools who has attained his Pool Managers certificate and is now employed as a Casual Pool Manager whilst undertaking University studies.

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.

The Statutory and Strategic Planning functions of the Directorate are directly focused towards achieving the following strategies in the Strategic Community Plan:

- Strategy 1: Manage the Shire of Waroona's future growth.
- Strategy 2: Protect rural land use.
- Strategy 4: Conserve sensitive environmental assets.
- Strategy 5: Encourage a dynamic local economy.



Greg Delahunty, Louis Fouché and Chris Dunlop

Town Planning Staff

Chris Dunlop resigned from his Town Planner position departing 31 May 2013. Lucy Shell commenced in this position on 26 June 2013.

State Administrative Tribunal (SAT) Reviews

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. The applicants formally withdrew from the review through orders made by SAT on 4 July 2012.

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. The review was allowed in SAT orders made on 27 August 2012.

No reviews of development applications dealt with by the Shire have been lodged this financial year.

Peel Joint Development Assessment Panel (DAP)

An application for a Planning Consent by the National Broadband Network Company to develop a \$12 Million Satellite Earth Station on Lots 1 and 259 South Western Highway, Wagerup was approved by the Peel Joint Development Assessment Panel on 5 February 2013.

An application for Planning Consent for a Volatile Organic Compound Emission Reduction Project at Lot 700 Willowdale Road, Hamel was lodged in March 2013 by Alcoa. This \$9.6 Million project was approved by the DAP on 31 May 2013.

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 Amendment documents were finalised and adopted for advertising by Council in November 2012. The approval to advertise from the Western Australian Planning Commission is awaited.

Planning Policies

The development of the Waroona East Hills Development Policy was completed this year. Council adopted the policy on 26 March 2013.

A draft Town Reserve Masterplan Framework was completed. The purpose of the Framework is to expand on the Town Centre Strategy 2003 in relation to Drakesbrook Place and provide guidance for the further development of facilities on the reserve.

The review of all existing Shire Planning Policies also commenced this year with assistance from Edge Planning consultants.

Municipal Heritage Inventory Review

The review of the Shire of Waroona Municipal Heritage Inventory continued this 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 prepare the Preston Beach Townsite Strategy has continued in 2012/2013. 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 continued 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. Meetings of the Technical Advisory Group and the Steering Committee concluded in April and August 2012 respectively.

The draft District Structure Plan documents were lodged with the Shire in October 2012. An application to the Western Australian Planning Commission to amend the Peel Region Scheme was lodged concurrently with the Department of Planning. An application to amend the Local Planning Scheme was lodged with the Shire in March 2013. Shire and State Government officers in conjunction with Shire consultants are currently reviewing the respective documents.

Continued Improvements

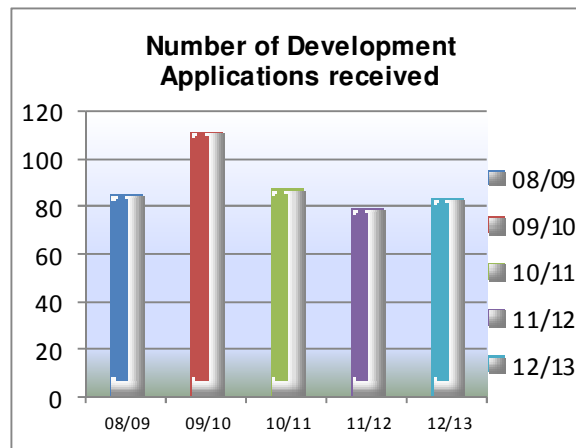
Weekly Development Control Unit (DCU) meetings and arranged pre-lodgement meetings continue to make the development control process more efficient and coordinate the development assessment function of technical departments.

There is also an emphasis on providing adequate information and assistance to applicants in order to enable them to lodge an application that will meet the Shire's requirements. Applications received are vetted to ensure all necessary information is received early in order to minimise delays in the processing of applications.

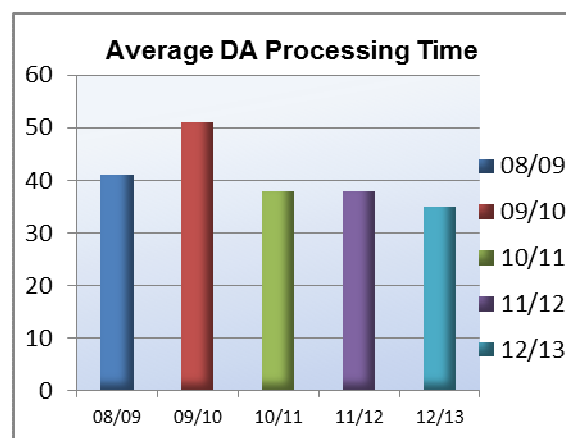
Focused staff training is also part of operational improvements and in general this contributes to the improvement in application processing times as can be noted in the following statistics and graphs.

Progress has been made on the updating of site photographs and rewriting the statements of significance in the existing inventory.

Development Applications

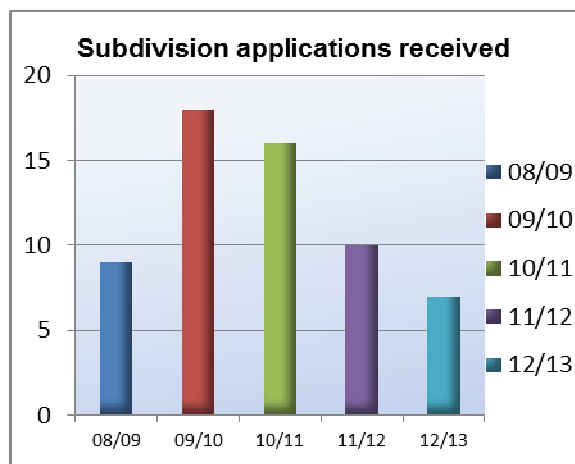


Development applications received total 83 applications, which is reasonably consistent with the 79 applications received the previous year (5% increase). The total is still down from the number received during the 2009/2010 financial year and the graph above reflects the lingering effects of the Global Financial Crisis. Over the last two years, the Shire has received a number of larger infrastructure applications, reflecting positive signs from government and larger industry in the region to prepare for future growth.

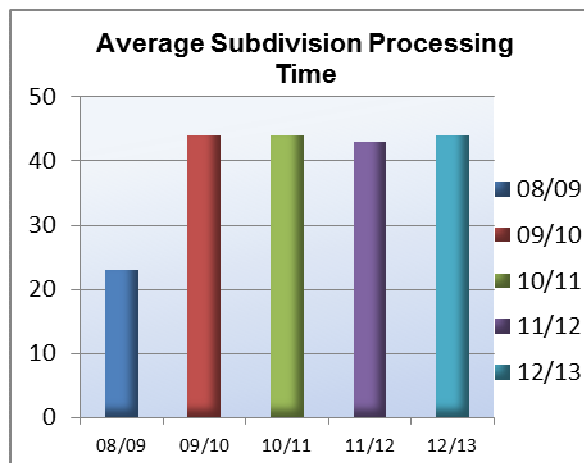


The average time to process a development application was 35 days, which is 3 days less than the previous year (reflecting an 8% improvement). The graph above indicates a general downward trend in application processing times.

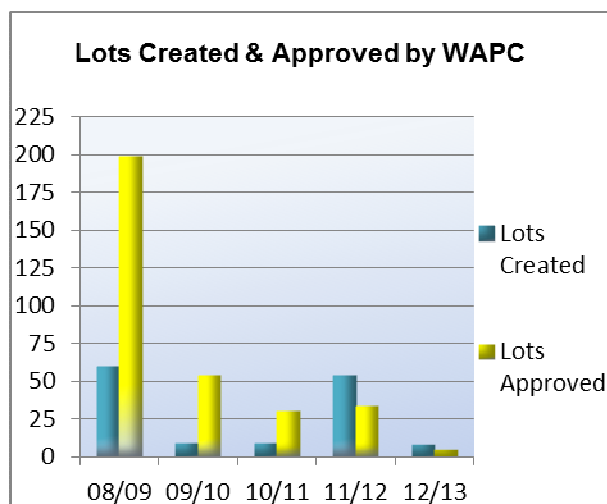
Subdivision Applications



In total 8 subdivision applications were received during the year, which is 20% down from the previous year. The graph above also reflects a general downward trend in subdivision applications received over the last 4 years.

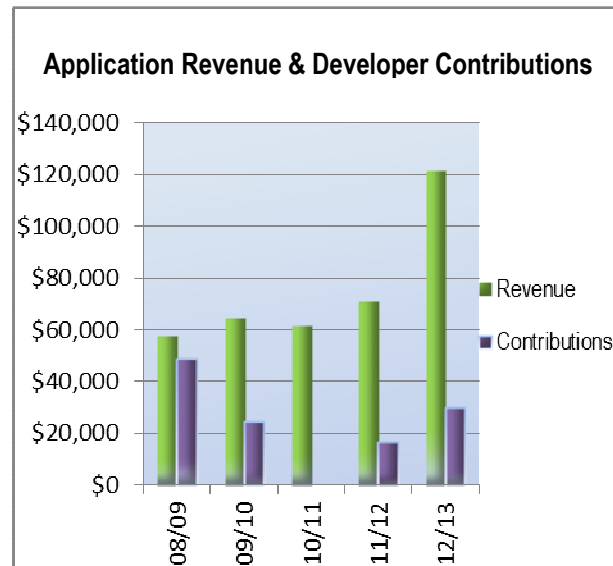


The average time to process a subdivision application was 44 days, which is 1 day more than the 43 days the previous year, reflecting a 2% increase.



During the last year 5 lots were approved by the WAPC and 8 created with the approval of Deposited Plans in the Shire. The graph shows a downward trend in the number of lots approved and created over the last four years since 2008/2009.

Revenue



Revenue received from Planning Applications and Developer Contributions total \$121,475 and \$29,909 respectively, reflecting growth of 71% and 83% respectively on last year. Although application numbers have generally trended downwards since 2009/2010, high value applications resulted in the increase in total application fees received. A substantial component to both areas relate to the Preston Beach Townsite expansion project.

Scheme Amendments

The schedule below indicates the details of scheme amendments received and initiated during 2012-2013:

Scheme Amendment/s Received			
Amendment Number	Particulars of affected property	Summary of Proposal	Associated Date
32	Shire of Waroona.	Omnibus text amendment.	Commenced 2012
33	Preston Beach Townsite Expansion area.	Rezoning to Urban Development Zone.	Received March 2013

Scheme Amendment/s Initiated			
Amendment Number	Particulars of affected property	Summary of Proposal	Associated Date
32	Shire of Waroona.	Omnibus text amendment.	27 November 2012

LOUIS FOUCHÉ
DIRECTOR PLANNING 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. The development of the Works and Services operations has continued with the implementation of new systems.

Notable operational achievements

The development and implementation of a 4 level Occupation Health & Safety management and induction system is delivering greater risk management outcomes for the organisation.

Maintenance operations have been restructured from a job based system to a task oriented system which integrates task schedules into a maintenance works program. The works program incorporates financial reports and forecast predations of expenditure.

It is essential to be able to simulate changes in operations and predict financial outcomes when reacting to the ever changing demands within maintenance operations.

Staff Training and development

Dogging and rigging training has been completed to comply with relevant occupation health & safety requirements for high risk work areas.

HR/ MR Truck licence - Two staff completed their truck licence assessment which will add to operational flexibility.

Renewal training was completed for Basic Traffic Management.

Construction Program – Actual Costs (* Not fully invoiced)

Roads to Recovery

- Tallathalla Rd (1.2 Km Gravel Sheet) \$ 63,914
- Peel Rd West (1.2 Km Gravel Sheet) \$ 49,650
- Meredith Rd (1 Km Gravel Sheet) \$ 45,186
- McNeill Road (Second coat seal 1.5 Km)\$ 47,510

Regional Road Group

- Coronation Rd (reconstruct 800m) \$164,811
- Dorsett Rd (widen narrow seal 1.8 Km) \$319,376

Own Resources

- Fawcett Rd (Second coat seal 0.5 Km) \$18,948
- Johnson Rd (Reconstruct shoulders) \$34,094
- Mitchell Rd (Install kerbing and drainage) \$59,214
- Waterway Rd/Lakeside Tce (Install drainage) \$49,908
- Construct new Loading Ramp Show Grounds \$10,910
- Supply and Install New Chemical Shed (Depot) \$8,861
- South West H/way(Brick paving) \$23,723

Plant Replacement

Plant purchases for 2012/13.

- Work Shop Utility \$18,600
- Spray Unit Utility \$25,608
- Sedan (Holden Captiva) \$25,608
- Ground master 360 Verge mower \$45,227
- Reel master 3100D Oval Mower \$18,181
- Peruzzo Panther 1800 (Flail verti mower) \$17,636

Works Depot

- Replace ULP Fuel Bowser \$5,880
- New Chemical Shed \$8,588



Works Program

The program of major works was completed March 2013 with administration car park and court yard works outstanding which will be completed in May 2013. The major capital projects were reconstruction works on Coronation Rd. Completed as part of refurbishment works. Dorsett Rd reconstruction and widening completed, with one remaining section to achieve minimum seal width of 6 metres through Dorsett Rd.

Second coat seals were applied to sections of McNeill Rd and Fawcett Rd.

Comments - Tender prices higher than expected: The most significant price increases this year have been in the supply of gravel and spray seal.

The supply of gravel price has increased significantly over recent years with a further 3% price increase this year. The cost of importing gravel for construction

works has impacted by reducing the quantity of works that can be achieved for a given budget.

The increase in the gravel price has made other methods of road construction and reconstruction more viable. The reconstruction works on Coronation Rd and Dorsett Rd were carried out this year using a construction method not previously used by this Council. These methods have delivered an estimated 12% increase in reconstructed road when compared to traditional reconstruction methods.

The 40% increase in the contract price of resealing of roads forced changes in the scope of works to meet the sealing budget. The scheduled lengths to be sealed were completed but with reduced funds a compromise was needed. McNeill Rd which received a second coat seal was reduced from a ten millimetre to a seven millimetre chip seal.

An increase in material costs was the contract company's explanation for the increase in the contract price.

Aggregate (sealing metal) cost increased by 5.5 %.

Drainage

Capital drainage works consisted of installation of underground drainage, kerbing, driveway and verge works on Mitchell Rd and Waterway Rd/Lakeside Terrace, Preston Beach. These works were to better manage storm water and to reduce the risk of the inundation of properties during storm events.

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 1800 metres of the remaining narrow section of Dorsett Road was reconstructed and widened to reflect the increased traffic this road receives as a result of the construction of the Forrest Highway.

Coronation Road - Approximately 800 metres completed as part of refurbishment works planned for the section between Somers Rd and Brockman Rd.



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.

The introduction of the new mowing and turf renovation plant has delivered greater opportunities and flexibility to the oval turf management. The Parks and Gardens team have received positive comments from the community on the presentation of the ovals which was appreciated.

Verge Mowing and Spraying

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 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.

Cemetery - The cemetery garden maintenance is now the responsibility of the internal Parks and Gardens team. Some minor works have been completed to improve drainage through the cemetery.

Staff

The period saw a 27% staff turnover. This level of staff turnover would be expected for this industry. The level of turnover is manageable which was reflected in good work output and team development.

Departures

- Moya Bazzo Resigned Oct 2012
- Maria Harris Resigned Dec 2012
- Steven Clark Resigned March 2013

Commencement

- Steven Clark Commenced Oct 2012
- Rikki Bellairs Transferred Dec 2012
- Robert Buzzard Commenced Dec 2012

Casual employees

- Tristan Rogers
- Neville Smith
- Charlie Eatts
- Juanita Musgrave

Vacancies

- Plant Operator/Labourer (Steven Clark)

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.

The financial year ended with long term employee Jean Johnston retiring from her position as Admin Officer at the Waroona Depot after some 15 years of service. Her contribution to the Shire in various roles was acknowledged in a farewell function.



Conclusion

All in all it is felt that the 2012/13 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.

Murry Bracknell
Manager of Works and Services

ANDREW BRUCE
DIRECTOR TECHNICAL SERVICES

FINANCIAL REPORT - SEE SECTION B

AUDITOR'S REPORT - SEE SECTION C

SHIRE OF WAROONA
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

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

Ian Curley
Chief Executive Officer

SHIRE OF WAROONA
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2013

	NOTE	2013 \$	2013 Budget \$	2012 \$
Revenue				
Rates	22a	3,224,670	3,205,060	2,990,220
Operating Grants, Subsidies and Contributions	28	1,651,599	1,543,271	2,831,865
Fees and Charges	27	1,452,507	1,326,997	1,182,445
Service Charges	24	0	0	0
Interest Earnings	2(a)	133,257	143,800	188,399
Other Revenue		<u>63,128</u>	<u>90,350</u>	<u>85,582</u>
		6,525,160	6,309,478	7,278,511
Expenses				
Employee Costs		(3,065,895)	(2,974,833)	(2,794,322)
Materials and Contracts		(1,980,527)	(2,116,672)	(1,812,785)
Utility Charges		(374,651)	(351,788)	(336,382)
Depreciation on Non-Current Assets	2(a)	(2,323,805)	(2,222,110)	(2,179,717)
Interest Expenses	2(a)	(19,931)	(19,930)	(23,168)
Insurance Expenses		(187,790)	(207,674)	(158,776)
Other Expenditure		<u>(183,913)</u>	<u>(203,710)</u>	<u>(170,123)</u>
		<u>(8,136,511)</u>	<u>(8,096,717)</u>	<u>(7,475,273)</u>
		(1,611,351)	(1,787,239)	(196,762)
Non-Operating Grants, Subsidies and Contributions	28	1,597,548	1,384,942	931,006
Fair value adjustments to financial assets at fair value through profit or loss	2(a)		0	0
Profit on Asset Disposals	20	54,939	24,804	50,923
Loss on Asset Disposal	20	<u>(35,236)</u>	<u>(33,617)</u>	<u>(17,615)</u>
Net Result		5,900	(411,110)	767,552
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	491,228	0	0
Total Other Comprehensive Income		<u>491,228</u>	<u>0</u>	<u>0</u>
Total Comprehensive Income		<u><u>497,128</u></u>	<u><u>(411,110)</u></u>	<u><u>767,552</u></u>

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

SHIRE OF WAROONA
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2013

	NOTE	2013 \$	2013 Budget \$	2012 \$
Revenue				
Governance		123,582	146,954	244,220
General Purpose Funding		4,197,984	3,835,383	5,102,531
Law, Order, Public Safety		56,364	53,562	88,009
Health		43,106	53,870	45,205
Education and Welfare		19,004	20,560	28,263
Housing		13,520	13,620	13,520
Community Amenities		1,270,937	1,273,958	1,094,495
Recreation and Culture		505,544	715,526	382,298
Transport		160,635	90,450	201,748
Economic Services		32,510	42,095	37,184
Other Property and Services		110,672	51,500	41,037
	2(a)	<u>6,533,857</u>	<u>6,297,478</u>	<u>7,278,510</u>
Expenses				
Governance		(1,057,466)	(1,047,010)	(1,036,715)
General Purpose Funding		(141,913)	(118,492)	(100,267)
Law, Order, Public Safety		(286,775)	(271,850)	(252,742)
Health		(277,177)	(281,320)	(266,921)
Education and Welfare		(161,871)	(184,621)	(153,405)
Housing		(27,873)	(29,253)	(25,017)
Community Amenities		(1,502,967)	(1,684,652)	(1,469,558)
Recreation and Culture		(1,661,380)	(1,784,975)	(1,393,469)
Transport		(2,582,633)	(2,292,081)	(2,317,216)
Economic Services		(333,671)	(355,948)	(344,471)
Other Property and Services		(91,553)	(26,585)	(92,272)
	2(a)	<u>(8,125,278)</u>	<u>(8,076,787)</u>	<u>(7,452,053)</u>
Finance Costs				
Recreation and Culture		(18,621)	(18,620)	(20,979)
Transport		(1,310)	(1,310)	(2,189)
	2(a)	<u>(19,931)</u>	<u>(19,930)</u>	<u>(23,168)</u>
Fair Value Adjustments to Financial Assets at Fair Value through Profit or Loss				
General Purpose Funding		0	0	0
Non-Operating Grants, Subsidies and Contributions				
General Purpose Funding		359,861	174,107	453,887
Law, Order & Public Safety		82,725	55,900	63,270
Community Amenities		0	12,000	0
Recreation & Culture		57,400	57,400	0
Transport		1,097,562	1,097,535	411,214
Economic Services		0	0	2,635
		<u>1,597,548</u>	<u>1,396,942</u>	<u>931,006</u>
Profit/(Loss) on Disposal of Assets				
Governance		(10,036)	(14,321)	(3,081)
Law, Order & Public Safety		(1,397)	804	(856)
Community Amenities		(6,313)	(3,131)	(3,257)
Transport		46,241	12,865	45,517
Economic Service		(8,793)	(5,030)	(5,066)
		<u>19,703</u>	<u>(8,813)</u>	<u>33,257</u>
Net Result		<u>5,900</u>	<u>(411,110)</u>	<u>767,552</u>
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	491,228	0	0
Total Other Comprehensive Income		<u>491,228</u>	<u>0</u>	<u>0</u>
Total Comprehensive Income		<u><u>497,128</u></u>	<u><u>(411,110)</u></u>	<u><u>767,552</u></u>

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

SHIRE OF WAROONA
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2013

	NOTE	2013 \$	2012 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	3,517,444	2,717,859
Trade and Other Receivables	4	226,243	291,330
Inventories	5	8,086	11,357
TOTAL CURRENT ASSETS		3,751,773	3,020,546
NON-CURRENT ASSETS			
Other Receivables	4	26,796	44,990
Inventories	5	0	0
Property, Plant and Equipment	6	26,518,884	26,204,724
Infrastructure	7	65,197,770	65,516,524
TOTAL NON-CURRENT ASSETS		91,743,451	91,766,238
TOTAL ASSETS		95,495,224	94,786,784
CURRENT LIABILITIES			
Trade and Other Payables	8	549,245	362,966
Long Term Borrowings	9	54,503	51,106
Provisions	10	526,640	454,539
TOTAL CURRENT LIABILITIES		1,130,388	868,611
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	219,349	273,852
Provisions	10	44,477	40,439
TOTAL NON-CURRENT LIABILITIES		263,826	314,291
TOTAL LIABILITIES		1,394,214	1,182,902
NET ASSETS		94,101,010	93,603,882
EQUITY			
Retained Surplus		15,546,431	16,278,361
Reserves - Cash Backed	11	2,106,102	1,368,273
Revaluation Surplus	12	76,448,476	75,957,248
TOTAL EQUITY		94,101,010	93,603,882

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

**SHIRE OF WAROONA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/ INVESTMENT BACKED \$	REVALUATION RESERVE \$	TOTAL EQUITY \$
Balance as at 1 July 2011		15,375,035	1,504,047	75,957,248	92,836,330
Changes in Accounting Policy					0
Correction of Errors					0
Restated Balance		15,375,035	1,504,047	75,957,248	92,836,330
Comprehensive Income					
Net Result		767,552	0	0	767,552
Changes on Revaluation of Non-Current Assets	12	0	0	0	0
Total Comprehensive Income		767,552	0	0	767,552
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
Comprehensive Income					
Net Result		5,900	0	0	5,900
Changes on Revaluation of Non-Current Assets	12	0	0	491,228	491,228
Total Other Comprehensive Income		5,900	0	491,228	497,128
Reserve Transfers		(737,829)	737,829	0	0
Balance as at 30 June 2013		15,546,431	2,106,102	76,448,476	94,101,010

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

**SHIRE OF WAROONA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	2013 \$	2013 Budget \$	2012 \$
Cash Flows From Operating Activities				
Receipts				
Rates		3,221,076	3,210,060	3,018,439
Operating Grants, Subsidies and Contributions		1,651,599	1,543,271	2,831,865
Fees and Charges		1,508,953	1,321,556	1,206,340
Service Charges		0	0	0
Interest Earnings		105,826	143,800	160,836
Goods and Services Tax		0	0	135,000
Other Revenue		101,365	90,350	96,943
		<u>6,588,819</u>	<u>6,309,037</u>	<u>7,449,423</u>
Payments				
Employee Costs		(2,990,717)	(2,967,075)	(2,785,225)
Materials and Contracts		(1,789,343)	(2,242,987)	(1,690,148)
Utility Charges		(374,651)	(351,788)	(336,383)
Insurance Expenses		(187,790)	(207,674)	(158,776)
Interest expenses		(20,604)	(19,930)	(23,168)
Goods and Services Tax		0	0	(135,000)
Other Expenditure		(183,913)	(230,710)	(170,123)
		<u>(5,547,018)</u>	<u>(6,020,164)</u>	<u>(5,298,823)</u>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>1,041,801</u>	<u>288,873</u>	<u>2,150,600</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale		0	0	0
Payments for Purchase of Property, Plant & Equipment		(724,554)	(615,879)	(1,035,950)
Payments for Construction of Infrastructure		(1,337,307)	(2,015,234)	(1,496,958)
Advances to Community Groups		0	0	0
Payments for Purchase of Investments		0	0	0
Non-Operating Grants, Subsidies and Contributions		1,597,548	1,396,942	931,006
Proceeds from Sale of Plant & Equipment		253,581	226,000	270,202
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>(210,732)</u>	<u>(1,008,171)</u>	<u>(1,331,700)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(51,106)	(51,106)	(47,920)
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		14,621	19,621	13,731
Proceeds from Low Interest Loans		5,000	0	5,000
		<u>5,000</u>	<u>19,621</u>	<u>13,731</u>
Net Cash Provided By (Used In) Financing Activities		<u>(31,485)</u>	<u>(31,485)</u>	<u>(29,189)</u>
Net Increase (Decrease) in Cash Held		799,584	(750,783)	789,711
Cash at Beginning of Year		2,717,859	2,717,769	1,928,148
Cash and Cash Equivalents at the End of the Year	13(a)	<u><u>3,517,444</u></u>	<u><u>1,966,986</u></u>	<u><u>2,717,859</u></u>

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

**SHIRE OF WAROONA
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	2013 Actual \$	2013 Budget \$	2012 Actual \$
Revenue				
Governance		123,582	146,954	247,743
General Purpose Funding		1,333,176	804,430	2,566,197
Law, Order, Public Safety		139,089	110,266	151,279
Health		43,106	53,870	45,205
Education and Welfare		19,004	20,560	28,263
Housing		13,520	13,620	13,520
Community Amenities		1,270,937	1,285,958	1,094,495
Recreation and Culture		562,944	772,926	382,298
Transport		1,304,438	1,211,985	660,413
Economic Services		32,510	42,095	39,769
Other Property and Services		110,672	51,500	41,038
		<u>4,952,977</u>	<u>4,514,164</u>	<u>5,270,220</u>
Expenses				
Governance		(1,067,502)	(1,061,331)	(1,043,318)
General Purpose Funding		(141,913)	(118,492)	(100,267)
Law, Order, Public Safety		(288,172)	(271,850)	(253,598)
Health		(277,177)	(281,320)	(266,921)
Education and Welfare		(161,871)	(184,621)	(153,405)
Housing		(27,873)	(29,253)	(25,017)
Community Amenities		(1,509,280)	(1,687,783)	(1,472,815)
Recreation and Culture		(1,680,001)	(1,803,595)	(1,416,381)
Transport		(2,583,943)	(2,304,526)	(2,324,420)
Economic Services		(342,463)	(360,978)	(344,471)
Other Property and Services		(91,553)	(26,585)	(92,275)
		<u>(8,171,747)</u>	<u>(8,130,334)</u>	<u>(7,492,888)</u>
Net Result Excluding Rates		(3,218,770)	(3,616,170)	(2,222,668)
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
Initial Recognition of Assets Due to Change to Regulations				
- Land		0	0	0
(Profit)/Loss on Asset Disposals	20	(19,703)	8,813	(33,308)
Movement in Employee Benefit Provisions (Non-Current)		76,139	(67,898)	34,547
Depreciation and Amortisation on Assets	2(a)	2,323,805	2,222,110	2,179,717
Capital Expenditure and Revenue				
Purchase Land Held for Resale		0	0	0
Purchase Land and Buildings		(151,667)	(183,154)	(376,869)
Purchase Infrastructure Assets - Roads		(856,374)	(835,821)	(888,036)
Purchase Infrastructure Assets - Other		(480,933)	(1,179,413)	(608,922)
Purchase Plant and Equipment		(552,582)	(400,100)	(600,502)
Purchase Furniture and Equipment		(20,305)	(30,625)	(58,579)
Proceeds from Disposal of Assets	20	253,581	226,000	270,202
Repayment of Debentures	21	(51,106)	(51,106)	(47,920)
Proceeds from New Debentures	21	0	0	0
Low Interest Loan Principal		5,000	5,000	5,000
Self-Supporting Loan Principal Income		14,621	14,621	13,731
Unspent Grants July 1 B/Fwd		560,650	560,570	62,560
Unspent Grants June 30 C/Fwd		(343,283)	(325,000)	(560,650)
Transfers to Reserves (Restricted Assets)	11	(854,503)	(131,314)	(136,983)
Transfers from Reserves (Restricted Assets)	11	116,673	15,000	272,757
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	22(b)	710,568	736,099	441,721
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	22(b)	736,481	0	736,019
Total Amount Raised from General Rate	22(a)	<u>(3,224,670)</u>	<u>(3,205,060)</u>	<u>(2,990,221)</u>

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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

(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 (GST)

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

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

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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand 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

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

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

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

(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 completion of development. Finance costs and holding charges incurred after development is completed are expensed.

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

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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

Mandatory Requirement to Revalue Non-Current Assets

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

The amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

(a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and

(b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -

(i) that are plant and equipment; and

(ii) that are -

(I) land and buildings; or

(II) infrastructure;

and

(c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, in accordance with the regulations, each asset class must be revalued at least every 3 years.

Council has commenced the process of adopting Fair Value in accordance with the Regulations.

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

Land Under Control

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

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

Whilst they were initially recorded at cost, fair value at the date of acquisition was deemed cost as per AASB 116.

Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings at 30 June 2013.

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

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.

Revaluation

Revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date.

Revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date.

For land and buildings, fair value will be determined based on the nature of the asset class. For land and non-specialised buildings, fair value is determined on the basis of observable open market values of similar assets, adjusted for conditions and comparability at their highest and best use (Level 2 inputs in the fair value hierarchy).

With regards to specialised buildings, fair value is determined having regard for current replacement cost and both observable and unobservable costs. These include construction costs based on recent contract prices, current condition (observable Level 2 inputs in the fair value hierarchy), residual values and remaining useful life assessments (unobservable Level 3 inputs in the fair value hierarchy).

For infrastructure and other asset classes, fair value is determined to be the current replacement cost of an asset (Level 2 inputs in the fair value hierarchy) 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 (Level 3 inputs in the fair value hierarchy).

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.

In addition, the amendments to the Financial Management Regulations mandating the use of Fair Value, imposes a further minimum of 3 years revaluation requirement. As a minimum, all assets carried at a revalued amount, will be revalued at least every 3 years.

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Transitional Arrangement

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes.

Those assets carried at cost will be carried in accordance with the policy detailed in the ***Initial Recognition*** section as detailed above.

Those assets carried at fair value will be carried in accordance with the ***Revaluation*** methodology section as detailed above.

Early Adoption of AASB 13 - Fair Value Measurement

Whilst the new accounting standard in relation to fair value, *AASB 13 - Fair Value Measurement* does not become applicable until the end of the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology for this reporting period, the Council chose to early adopt AASB 13 (as allowed for in the standard).

As a consequence, the principles embodied in *AASB 13 - Fair Value Measurement* have been applied to this reporting period (year ended 30 June 2013).

Due to the nature and timing of the adoption (driven by legislation), the adoption of this standard has had no effect on previous reporting periods.

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.

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

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.

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
Seats & Benches	10 years
Water supply piping	75 years
Sealed Roads and 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 surplus.

Capitalisation Threshold

Expenditure on items of equipment under \$2,000 is not capitalised.

(h) Intangible Assets

Easements

Due to legislative changes, Easements are required to be recognised as assets.

If significant, they are initially recognised at cost and have an indefinite useful life.

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) 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.

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. They are subsequently measured at fair value with changes to carrying amount being included in profit or loss.

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments 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. Gains or losses are recognised in profit or loss.

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

(iv) Available-for-sale financial assets

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

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 available-for-sale financial assets are classified as non-current.

(v) Financial liabilities

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

Impairment

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired.

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

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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial Instruments (Continued)

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.

(j) 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.

(k) Trade and Other Payables

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

(l) Employee Benefits

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 those 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.

(m) 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.

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) 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.

(o) 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) Investments in Associates

Associates are entities in which the Council has significant influence through holding, directly or indirectly, 20% or more of the voting power of the Council. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Council's share of net assets of the associate entity. In addition, Council's share of the profit or loss of the associate entity is included in the Council's profit or loss.

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

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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Joint Venture

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

At 30 June 2013 Council had no interest in any joint ventures

(r) 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

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.

(s) 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.

(t) 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.

(u) Rounding Off Figures

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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Comparative Figures

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

When the Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, a statement of financial position as at the beginning of the earliest period will be disclosed.

(w) Budget Comparative Figures

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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Title and Topic	Issued	Applicable (*)	Impact
(i) AASB 9 – Financial Instruments AASB 2012 – 6 Amendments to Australian Accounting Standards – Mandatory effective date of AASB 9 and Transition Disclosures	December 2009 September 2012	01 January 2013 Deferred AASB 9 until 1 January 2015	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 2009 – 11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12)	December 2009	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(iii) 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).
(iv) AASB 10 - Consolidated Financial Statements, AASB 11 - Joint Arrangements, AASB 12 - Disclosure of Interests in Other Entities, AASB 127 - Separate Financial Statements, AASB 128 - Investments in Associates and Joint Ventures, AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	August 2011	01 January 2013	Nil - None of these, except for AASB 128 , are expected to have significant application to the operations of the Council. With respect to AASB 128, where the Council has an interest in a Joint Venture, the requirements of AASB 128 supersede 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.

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(v) 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	<p>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.</p> <p>It effects presentation only and is not expected to significantly impact the Council.</p>
(vi) AASB 119 - Employee Benefits, AASB 2011 - 10 Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, 8, 101, 124, 134, 1049 & 2012-8 and Interpretation 14]	September 2011	01 January 2013	<p>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.</p>
(vii) AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 32]	June 2012	01 January 2013	<p>Principally amends AASB 7: Financial Instruments: Disclosures to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.</p> <p>This Standard is not expected to significantly impact on the Council's financial statements.</p>

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(viii) AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]	June 2012	01 January 2014	<p>This Standard adds application guidance to AASB 132: <i>Financial Instruments: Presentation</i> to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.</p> <p>This Standard is not expected to significantly impact on the Council’s financial statements.</p>
(ix) AASB 2012-5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASB 1, 101, 116, 132, 134 and Interpretation 2]	June 2012	01 January 2013	<p>Outlines changes to the various standards and interpretations as listed. These topics are not currently relevant to Council, nor are they expected to be in the future. As a consequence, this Standard is not expected to significantly impact on the Council’s financial statements.</p>
(x) AASB 2012-10: Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments. [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Interpretation 12]	December 2012	01 January 2013	<p>Mainly consequential changes relating to transition guidance. It is not expected to have a significant impact on Council.</p>

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

**SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) 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 2010 – 8
AASB 2011 - 3
AASB 2011 - 13

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.

The Council also chose to early adopt *AASB 13 – Fair Value Measurement* as allowed for in the standard. For further details with respect to this early adoption, refer to Note 1(g).

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

2. REVENUE AND EXPENSES	2013	2012
	\$	\$
(a) Net Result		
The Net Result includes:		
(i) Charging as an Expense:		
Significant Expense		
General Purpose Funding	0	0
Auditors Remuneration		
- Audit	10,500	9,400
- Other Services	2,360	5,280
Depreciation		
Buildings	253,946	251,784
Furniture and Equipment	97,152	52,364
Plant and Equipment	306,333	250,581
Infrastructure Roads	1,403,131	1,369,689
Infrastructure Other	263,243	255,299
	<u>2,323,805</u>	<u>2,179,717</u>
Interest Expenses (Finance Costs)		
Finance Lease Charges	0	0
Debentures (<i>refer Note 21(a)</i>)	19,931	23,168
	<u>19,931</u>	<u>23,168</u>
Rental Charges		
- Operating Leases	38,479	42,055
(ii) Crediting as Revenue:		
Significant Revenue		
General Purpose Funding	0	0
	<u>0</u>	<u>0</u>
	2013	2013
	\$	Budget
		\$
Interest Earnings		
Investments		
- Reserve Funds	66,708	79,000
- Other Funds	39,118	64,800
Other Interest Revenue (<i>refer note 26</i>)	27,431	0
	<u>133,257</u>	<u>143,800</u>
		<u>188,399</u>

**SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

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 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 services, 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 libraries and Waroona Recreation and Aquatic Centre

TRANSPORT

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

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 operations (ie - repairs, wages, insurance), stock and materials

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions		Opening Balance (*) 1-Jul-11 \$	Received (+) 2011/12 \$	Expended (#) 2011/12 \$	Closing Balance (*) 30-Jun-12 \$	Received (+) 2012/13 \$	Expended (#) 2012/13 \$	Closing Balance 30-Jun-13 \$
Grant/Contribution	Function/ Activity							
Dept Sport & Recreation	Rec & Culture	16,000	0	(3,851)	12,149	0	(8,772)	3,377
2010-11 Roads to Recovery	Transport	186,644	0	(120,977)	65,667		(65,667)	0
2010-11 Royalties for Regions	Various	530,658	0	(514,299)	16,359	0	(16,359)	0
2011-12 Royalties for Regions	Various	466,475	0	0	466,475	0	(179,617)	286,858
Lake Preston Trail	Rec & Culture	0	0	0	0	59,428	(39,428)	20,000
Oval Lighting	Rec & Culture	0	0	0	0	258,308	(253,308)	5,000
WA Police CCTV Project	Law Order & PS	0	0	0	0	23,825	0	23,825
Cat Act Grant	Law Order & PS	0	0	0	0	2,535		2,535
Alcoa Youth Activities	Education & Welfare	0	0	0	0	10,000	(8,312)	1,688
Total		<u>1,199,777</u>	<u>0</u>	<u>(639,127)</u>	<u>560,650</u>	<u>354,096</u>	<u>(571,463)</u>	<u>343,283</u>

Notes:

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

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

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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013 \$	2012 \$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	1,068,058	788,937
Restricted	2,449,385	1,928,923
	<u>3,517,444</u>	<u>2,717,859</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Emergency Assistance Reserve	15,306	14,606
Sporting Reserve	53,082	81,122
Staff Leave Reserve	93,545	89,263
Waste Management Reserve	237,536	202,807
Rec Centre Building Maintenance Reserve	93,664	89,376
Hamel Hall Amenities Reserve	35,487	38,633
Plant Replacement Reserve	508,114	480,083
Depot Redevelopment Reserve	49,914	38,087
Building Asset Maintenance Reserve	51,339	48,989
Strategic Planning Reserve	22,222	21,205
Industrial Land Development Reserve	201,320	192,105
Preston Volunteer Rangers Reserve	31,945	24,613
Information Technology Reserve	23,561	22,482
Footpath Construction Reserve	26,097	24,902
Asset Management Reserve	100,971	0
History Book Reprint Reserve	5,000	0
Coronation Road Bridge Reserve	557,000	0
Unspent Grants	343,283	560,650
	<u>2,449,385</u>	<u>1,928,923</u>
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	79,348	77,182
Sundry Debtors	125,072	181,519
GST Receivable	0	0
Accrued Income	988	853
Pre Payments	1,213	12,155
Loans - Self Supporting	14,621	14,621
Loans - Low Interest	5,000	5,000
	<u>226,243</u>	<u>291,330</u>
Non-Current		
Rates Outstanding - Deferred Pensioners	2,990	1,562
Loans - Self Supporting	20,806	35,428
Loans - Low Interest	3,000	8,000
	<u>26,796</u>	<u>44,990</u>
5. INVENTORIES		
Current		
Fuel and Materials	4,834	6,377
Kiosk	3,253	4,980
	<u>8,086</u>	<u>11,357</u>
Non-Current		
Land Held for Resale - Cost		
Cost of Acquisition	0	0
Development Costs	0	0
	<u>0</u>	<u>0</u>

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013	2012
	\$	\$
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
Freehold Land at:		
- Independent Valuation 2010	12,558,365	12,558,365
- Cost	<u>0</u>	<u>0</u>
	12,558,365	12,558,365
Land Under Control at:		
- Independent Valuation 2013	0	0
Total Land	<u>12,558,365</u>	<u>12,558,365</u>
Buildings at:		
- Independent Valuation 2010	12,741,519	12,595,581
- Cost	<u>0</u>	<u>0</u>
Less Accumulated Depreciation	<u>(724,681)</u>	<u>(470,104)</u>
Total Buildings	12,016,838	12,125,477
Total Land and Buildings	<u>24,575,204</u>	<u>24,683,842</u>
Furniture and Equipment - Fair Value 2013	316,896	553,782
Less Accumulated Depreciation	<u>(170,197)</u>	<u>(348,455)</u>
	146,700	205,328
Plant and Equipment - Fair Value 2013	3,127,601	2,856,394
Less Accumulated Depreciation	<u>(1,330,620)</u>	<u>(1,544,849)</u>
	1,796,981	1,311,545
Tools - Management Valuation 2013	0	4,122
Less Accumulated Depreciation	<u>0</u>	<u>(113)</u>
	0	4,009
	<u>26,518,884</u>	<u>26,204,724</u>

Land and Buildings:

The Shire's Land & Building will be revalued at Fair Value within the 2013/14 financial year

Plant and Equipment:

Major Plant and Equipment items were valued at 30 June 2013 by an independent valuer, with the balance of the Plant and Equipment items subject to management valuation. All of the valuations were made on the basis of open market values of similar assets adjusted for condition and comparability (level 2 inputs in the fair value hierarchy)

Furniture and Equipment:

The Shire's Furniture and Equipment were valued at 30 June 2013 by management valuations having regard for their current replacement cost, condition assessment (Level 2 inputs in the fair value hierarchy)

Tools

The Shire no longer maintains an asset class for tools, these items have either been transferred to another class or disposed of due to the asset not meeting requirements

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) 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 (Level 2) \$	Non- Specialised Buildings (Level 2) \$	Specialised Buildings (Level 3) \$	Total Buildings \$	Total Land and Buildings \$	Plant and Equipment (Level 2) \$	Furniture and Equipment (Level 3) \$	Tools \$	Total \$
Balance as at the beginning of the year	12,558,365		12,125,477	12,125,477	24,683,842	1,311,545	205,328	4,009	26,204,724
Additions			151,667	151,667	151,667	552,582	20,305	0	724,554
(Disposals)			(5,728)	(5,728)	(5,728)	(758,585)	(271,210)	(4,122)	(1,039,644)
Revaluation - Increments				0	0	536,001	42,670		578,671
- (Decrements)				0	0	(58,791)	(28,651)		(87,442)
Impairment - (Losses)				0	0				0
- Reversals				0	0				0
Initial Recognition of assets Due to Changes to Regulations				0	0				0
Depreciation (Expense)	0	0	(254,577)	(254,577)	(254,577)	214,229	178,258	113	138,023
Carrying amount at the end of year	<u>12,558,365</u>	<u>0</u>	<u>12,016,838</u>	<u>12,016,838</u>	<u>24,575,203</u>	<u>1,796,981</u>	<u>146,700</u>	<u>(0)</u>	<u>26,518,884</u>

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013	2012
	\$	\$
7. INFRASTRUCTURE		
Infrastructure - Roads	89,985,669	89,129,295
Less Accumulated Depreciation	<u>(35,986,649)</u>	<u>(34,583,518)</u>
	53,999,020	54,545,777
 Infrastructure - Other	 11,937,938	 11,469,982
Less Accumulated Depreciation	<u>(739,187)</u>	<u>(499,235)</u>
	11,198,750	10,970,747
	 <u>65,197,770</u>	 <u>65,516,524</u>

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

7. INFRASTRUCTURE (Continued)

(a) 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 at the beginning of the year	54,545,777	10,970,747	65,516,524
Additions	856,374	480,933	1,337,307
(Disposals)		(12,978)	(12,978)
Revaluation - Increments			0
- (Decrements)			0
Impairment - (Losses)			0
- Reversals			0
Depreciation (Expense)	(1,403,131)	(239,953)	(1,643,084)
Carrying amount at the end of year	53,999,020	11,198,750	65,197,770

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013 \$	2012 \$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	527,477	324,508
Accrued Interest on Debentures	2,645	3,318
GST Payments	0	0
Accrued Expenses - Materials/Contracts		15,056
Accrued Salaries and Wages	19,123	20,084
	<u>549,245</u>	<u>362,966</u>

9. LONG-TERM BORROWINGS

Current

Secured by Floating Charge		
Debentures	54,503	51,106
Lease Liability		
	<u>54,503</u>	<u>51,106</u>

Non-Current

Secured by Floating Charge		
Debentures	219,349	273,852
Lease Liability		
	<u>219,349</u>	<u>273,852</u>

Additional detail on borrowings is provided in Note 21.

10. PROVISIONS

Analysis of Total Provisions

Current	526,640	454,539
Non-Current	44,477	40,439
	<u>571,117</u>	<u>494,978</u>

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance as at 1 July 2012	243,226	251,753	494,978
Additional provisions	36,908	65,419	102,327
Amounts used	(23,781)	(2,407)	(26,188)
Used amounts reversed			0
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate			0
Balance at 30 June 2013	<u>256,353</u>	<u>314,764</u>	<u>571,117</u>

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013 \$	2013 Budget \$	2012 \$
11. RESERVES - CASH BACKED			
(a) Emergency Assistance Reserve			
Opening Balance	14,606	14,605	13,776
Amount Set Aside / Transfer to Reserve	701	0	830
Amount Used / Transfer from Reserve	0	0	0
	<u>15,306</u>	<u>14,605</u>	<u>14,606</u>
(b) Sporting Reserve			
Opening Balance	81,122	81,122	70,949
Amount Set Aside / Transfer to Reserve	9,542	5,550	10,173
Amount Used / Transfer from Reserve	(37,582)	0	0
	<u>53,082</u>	<u>86,672</u>	<u>81,122</u>
Staff Leave Reserve			
(c) Opening Balance	89,263	89,263	84,192
Amount Set Aside / Transfer to Reserve	4,282	0	5,071
Amount Used / Transfer from Reserve	0	0	0
	<u>93,545</u>	<u>89,263</u>	<u>89,263</u>
(d) Waste Management Reserve			
Opening Balance	202,807	202,807	172,422
Amount Set Aside / Transfer to Reserve	69,729	60,000	30,384
Amount Used / Transfer from Reserve	(35,000)	0	0
	<u>237,536</u>	<u>262,807</u>	<u>202,807</u>
(e) Rec Centre Building Maintenance Reserve			
Opening Balance	89,376	89,376	84,299
Amount Set Aside / Transfer to Reserve	4,288	0	5,077
Amount Used / Transfer from Reserve	0	0	0
	<u>93,664</u>	<u>89,376</u>	<u>89,376</u>
(f) Admin Centre Extension Reserve			
Opening Balance	0	0	182,811
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	(182,811)
	<u>0</u>	<u>0</u>	<u>0</u>
(g) Hamel Hall Amenities Reserve			
Opening Balance	38,633	38,633	36,439
Amount Set Aside / Transfer to Reserve	1,853	0	2,195
Amount Used / Transfer from Reserve	(5,000)	(5,000)	0
	<u>35,486</u>	<u>33,633</u>	<u>38,633</u>
(h) Plant Replacement Reserve			
Opening Balance	480,083	480,083	452,812
Amount Set Aside / Transfer to Reserve	63,031	40,000	27,271
Amount Used / Transfer from Reserve	(35,000)	0	0
	<u>508,114</u>	<u>520,083</u>	<u>480,083</u>

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013 \$	2013 Budget \$	2012 \$
11. RESERVES - CASH BACKED - Continued			
(i) Depot Redevelopment Reserve			
Opening Balance	38,087	38,087	26,491
Amount Set Aside / Transfer to Reserve	11,827	10,000	11,595
Amount Used / Transfer from Reserve	0	0	0
	<u>49,914</u>	<u>48,087</u>	<u>38,087</u>
(j) Building Asset Maintenance Reserve			
Opening Balance	48,989	48,989	46,206
Amount Set Aside / Transfer to Reserve	2,350	0	2,783
Amount Used / Transfer from Reserve	0	0	0
	<u>51,339</u>	<u>48,989</u>	<u>48,989</u>
(k) Strategic Planning Reserve			
Opening Balance	21,205	21,205	20,000
Amount Set Aside / Transfer to Reserve	1,017	0	1,205
Amount Used / Transfer from Reserve	0	0	0
	<u>22,222</u>	<u>21,205</u>	<u>21,205</u>
(l) Industrial Land Development Reserve			
Opening Balance	192,105	192,105	181,192
Amount Set Aside / Transfer to Reserve	9,216	0	10,912
Amount Used / Transfer from Reserve	0	0	0
	<u>201,320</u>	<u>192,105</u>	<u>192,105</u>
(m) Drakesbrook Weir Redevelopment Reserve			
Opening Balance	0	0	60,316
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	(60,316)
	<u>0</u>	<u>0</u>	<u>0</u>
(n) Preston Volunteer Rangers Reserve			
Opening Balance	24,613	24,614	27,447
Amount Set Aside / Transfer to Reserve	11,423	11,423	0
Amount Used / Transfer from Reserve	(4,091)	0	(2,834)
	<u>31,945</u>	<u>36,037</u>	<u>24,613</u>
(o) Information Technology Reserve			
Opening Balance	22,482	22,482	21,205
Amount Set Aside / Transfer to Reserve	1,079	0	1,277
Amount Used / Transfer from Reserve	0	(10,000)	0
	<u>23,561</u>	<u>12,482</u>	<u>22,482</u>
(p) Footpath Construction Reserve			
Opening Balance	24,902	24,902	23,488
Amount Set Aside / Transfer to Reserve	1,195	0	1,415
Amount Used / Transfer from Reserve	0	0	0
	<u>26,097</u>	<u>24,902</u>	<u>24,902</u>

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013 \$	2013 Budget \$	2012 \$
11. RESERVES - CASH BACKED - Continued			
(q) Asset Management Renewal Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	100,971	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>100,971</u>	<u>0</u>	<u>0</u>
(r) History Book Reprint Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	5,000	5,000	0
Amount Used / Transfer from Reserve	0	0	0
	<u>5,000</u>	<u>5,000</u>	<u>0</u>
(s) Coronation Road Bridge Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	557,000	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>557,000</u>	<u>0</u>	<u>0</u>
TOTAL CASH BACKED RESERVES	<u>2,106,102</u>	<u>1,485,246</u>	<u>1,368,272</u>

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

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

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

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

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

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

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

Admin Centre Extension 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.

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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

11. RESERVES - CASH BACKED - Continued

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

Building Asset Maintenance Reserve - to provide funds for future maintenance.

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

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

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

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

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

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

Asset Management Reserve - funds to be used to renew existing Council assets in accordance with the adopted Asset Management Plan

History Book Reprint Reserve - to be used to fund the update and reprint of the 'Drakesbrook days and Waroona years' historical book

Coronation Road Bridge Reserve - to be used to fund the upgrade of the Coronation road bridge

12. RESERVES - ASSET REVALUATION

2013
\$

2012
\$

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

OPENING BALANCE REVALUATION SURPLUS

75,957,251

75,957,251

(a) Furniture & Equipment

Opening balance	0	0
Revaluation Increment	42,670	0
Revaluation Decrement	(28,651)	0
	<u>14,018</u>	<u>0</u>

(b) Plant and Equipment

Opening Balance	0	0
Revaluation Increment	536,001	0
Revaluation Decrement	(58,791)	0
	<u>477,210</u>	<u>0</u>

TOTAL REVALUATION INCREMENTS

578,671

0

TOTAL REVALUATION DECREMENTS

(87,442)

0

491,228

0

TOTAL ASSET REVALUATION RESERVES

76,448,479

75,957,251

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

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:

	2013 \$	2013 Budget \$	2012 \$
Cash and Cash Equivalents	<u>3,517,444</u>	<u>1,966,986</u>	<u>2,717,859</u>

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

Net Result	5,900	(411,110)	767,552
Amortisation	0	0	0
Depreciation	2,323,805	2,222,110	2,179,717
(Profit)/Loss on Sale of Asset	(19,703)	8,813	(33,308)
(Increase)/Decrease in Receivables	63,659	69,690	23,786
(Increase)/Decrease in Inventories	3,271	(2,243)	(505)
Increase/(Decrease) in Payables	186,279	(133,547)	135,327
Increase/(Decrease) in Employee Provisions	76,139	(67,898)	9,097
Grants/Contributions for the Development of Assets	(1,597,548)	(1,396,942)	(931,006)
Non-Current Assets recognised due to changes in legislative requirements	0	0	0
Net Cash from Operating Activities	<u>1,041,801</u>	<u>288,873</u>	<u>2,150,660</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	(699)	697
Total Amount of Credit Unused	<u>19,301</u>	<u>20,697</u>

Loan Facilities

Loan Facilities - Current	54,503	51,106
Loan Facilities - Non-Current	219,349	273,852
Total Facilities in Use at Balance Date	<u>273,852</u>	<u>324,958</u>

Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>
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SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

14. CONTINGENT LIABILITIES

As at 30 June 2013 Council has not contingent liabilities

15. CAPITAL AND LEASING COMMITMENTS

(a) Finance Lease Commitments

As at 30 June 2013 Council has no finance lease commitments

	2013	2012
	\$	\$
(b) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	5,339	5,561
- later than one year but not later than five years	0	5,561
- later than five years	0	0
	<u>5,339</u>	<u>11,122</u>

(c) Capital Expenditure Commitments

As at 30 June 2013 Council had no capital expenditure commitments

16. JOINT VENTURE

As at 30 June 2013 Council did not have any joint venture commitments

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

Governance	2,816,617	2,863,302
General Purpose Funding	3,599,782	2,809,611
Law, Order, Public Safety	856,269	695,547
Health	1,362,558	1,381,000
Education and Welfare	361,900	369,600
Housing	240,071	245,175
Community Amenities	6,340,161	6,412,655
Recreation and Culture	19,595,102	1,922,528
Transport	57,503,439	57,811,239
Economic Services	1,036,701	1,043,155
Other Property and Services	977,070	109,981
Unallocated	805,554	82,991
	<u>95,495,224</u>	<u>75,746,784</u>

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013	2012	2011
18. FINANCIAL RATIOS			
Current Ratio	1.256	1.401	1.108
Asset Sustainability Ratio	0.564	1.162	1.384
Debt Service Cover Ratio	10.587	28.462	12.823
Operating Surplus Ratio	(0.323)	(0.036)	(0.253)
Own Source Revenue Coverage Ratio	0.603	0.600	0.621

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset Sustainability Ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expense}}$
Debt Service Cover Ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating Surplus Ratio	$\frac{\text{operating revenue minus operating expense}}{\text{own source operating revenue}}$
Own Source Revenue Coverage Ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

Notes:

Information relating to the **Asset Consumption Ratio** and the **Asset Renewal Funding Ratio** can be found at Supplementary Ratio Information on Page 55 of this document.

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

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-12 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-13 \$
BCITF Levy	0	15,716	(15,716)	0
Builders Registration Board	0	10,337	(10,337)	0
Hall Deposits	3,475	1,725	(1,925)	3,275
Landcare EOY Balance	0	58,795	(58,795)	0
Nomination Deposits	0	0	0	0
Retentions	26,678	0	0	26,678
Roadwork/Footpath Bonds	7,925	0	0	7,925
Subdivision Bonds	71,013	20,932	(6,104)	85,842
Sundry Items	401,770	61,127	(33,386)	429,511
Vehicle License Plates	0	660	(660)	0
Extractive Industries	23,730	0	0	23,730
Public Open Space	43,022	0	0	43,022
Alcoa Waroona Sustainability Fund	0	635,731	0	635,731
	<u>577,613</u>			<u>1,255,713</u>

20. DISPOSALS OF ASSETS - 2012/13 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>					0	0
Holden Caprice CEO	40,678	42,086	42,313	36,000	1,635	(6,086)
Holden Commodore DCEO	31,668	31,668	24,545	26,000	(7,123)	(5,668)
Holden Omega MFS	21,067	21,067	16,518	18,500	(4,548)	(2,567)
<u>Law Order & Public Safety</u>						
Ford Ranger	24,196	24,196	24,545	25,000	349	804
Polaris ATV	14,741	0	12,994	0	(1,746)	0
OKA Fire Tender - DFES	0	0	0	0	0	0
<u>Community Amenities</u>						
Subaru Forester	26,131	26,131	19,818	23,000	(6,313)	(3,131)
<u>Transport</u>						
Holden Captiva MWS	22,210	22,210	17,427	20,000	(4,783)	(2,210)
Toyota 4WD Tray	0	0	12,727	15,000	12,727	15,000
Toyota Hilux	0	0	10,000	9,000	10,000	9,000
New Holland Mower	4,658	6,517	2,727	5,000	(1,930)	(1,517)
Ford Ride on Front Deck Mower	0	12,408	0	5,000	0	(7,408)
Volvo Loader	0	0	30,000	0	30,000	0
Pingelly Road Broom	0	0	227	0	227	0
<u>Economic Services</u>						
Kia Grand Carnival	27,883	27,883	22,237	25,000	(5,646)	(2,883)
Toyota Camry Sedan	20,647	20,647	17,500	18,500	(3,147)	(2,147)
	<u>233,878</u>	<u>234,813</u>	<u>253,581</u>	<u>226,000</u>	<u>19,703</u>	<u>(8,813)</u>

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1-Jul-12 \$	New Loans \$	Principal Repayments		Principal 30-Jun-13		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Recreation & Culture								
Aquatic Centre	85,977		13,344	13,344	72,633	72,632	5,514	5,706
Basketball Stadium	159,955		9,107	9,107	150,848	150,848	10,322	10,378
Preston Beach Golf Club *	20,793		7,873	7,873	12,920	12,920	1,385	1,377
Waroona Bowling Club *	29,255		6,748	6,748	22,507	22,508	1,399	1,468
Transport								
Depot Contraction	28,978		14,034	14,034	14,944	14,939	1,310	1,620
	324,958	0	51,106	51,106	273,852	273,847	19,931	20,549

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

(b) New Debentures - 2012/13

As at 30 June 2013 Council has no new debentures

(c) Unspent Debentures

As at 30 June 2013 Council has no unspent debentures

(d) Overdraft

As at 30 June 2013 Council has no unspent overdraft facilities

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

22. RATING INFORMATION - 2012/13 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	8.8116	734	9,801,536	863,673	5,844		869,517	863,673			863,673
Hamel GRV	8.8116	23	252,044	22,209	64		22,273	22,209			22,209
Preston Beach GRV	8.8116	286	2,978,804	262,480	46		262,526	262,480			262,480
Prescribed Town GRV	8.8116	14	222,762	19,629	0		19,629	19,629			19,629
Lake Clifton GRV	8.8116	189	2,317,332	204,194	11,402		215,596	204,194			204,194
Non Rateable		232	1,421,990	0	0		0	0			0
Waroona UV	0.4798	436	217,219,000	1,042,217	825		1,043,041	1,042,217			1,042,235
Prescribed UV	0.4798	82	22,993,000	110,320	716		111,037	110,320			110,320
Mining UV	0.4798	82	0		730		730				0
Sub-Totals		2,078	257,206,468	2,524,723	19,627	0	2,544,350	2,524,722	0	0	2,524,740
Minimum Rates	Minimum \$										
Waroona GRV	750.00	451	2,594,160	338,250			338,250	338,250			338,250
Hamel GRV	750.00	14	85,944	10,500			10,500	10,500			10,500
Preston Beach GRV	750.00	262	1,845,312	196,500			196,500	196,500			196,500
Prescribed Town GRV	750.00	11	73,152	8,250			8,250	8,250			8,250
Lake Clifton GRV	750.00	63	473,850	47,250			47,250	47,250			47,250
Non Rateable		0	0	0			0	0			0
Waroona UV	730.00	50	4,334,651	36,500			36,500	36,500			36,500
Prescribed UV	730.00	44	5,746,000	32,120			32,120	32,120			32,120
Mining UV	730.00	15	173,517	10,950			10,950	10,950			10,950
Sub-Totals		910	15,326,586	680,320	0	0	680,320	680,320	0	0	680,320
Discounts (refer note 25)							3,224,670				3,205,060
Total Amount Raised from General Rate							3,224,670				3,205,060
Specified Area Rate (refer note 23)											
Total Rates							3,224,670				3,205,060

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

22. RATING INFORMATION - 2012/13 FINANCIAL YEAR (Continued)

(b) Information on Surplus/(Deficit) Brought Forward	2013 (30 June 2013 Carried Forward) \$	2013 (1 July 2012 Brought Forward) \$	2012 (30 June 2012 Carried Forward) \$
Surplus/(Deficit) - Rate Setting Statement	<u>736,481</u>	<u>710,568</u>	<u>736,019</u>
<u>Comprises:</u>			
Cash - Unrestricted	1,068,028	788,907	788,907
Cash - Restricted	343,283	560,650	560,650
Cash - Restricted Reserves	2,106,102	1,368,272	1,368,272
Receivables	209,612	273,270	260,263
Inventories	8,086	11,357	11,357
Less:			
Cash - Restricted Municipal	(343,283)	(560,650)	(560,650)
Cash - Restricted Reserves	(2,106,102)	(1,368,272)	(1,368,272)
Payables & Provisions	(549,245)	(362,966)	(324,508)
Surplus/(Deficit)	<u>736,481</u>	<u>710,568</u>	<u>736,019</u>

Difference:

There was a difference between the Surplus/(Deficit) 1 July 2012 Brought Forward position used in the 2013 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2012 audited financial report. This difference is due to changes in the receivables and payables calculations at year end. This discrepancy in the brought forward figure was amended at the budget review at the February 2013 ordinary Council meeting OCM13/2/012

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

23. SPECIFIED AREA RATE - 2012/13 FINANCIAL YEAR

The Shire of Waroona did not have any Specified Area Rates in the 2012/13 financial year has occurred.

24. SERVICE CHARGES - 2012/13 FINANCIAL YEAR

The Shire of Waroona did not have any Service Charges in the 2012/13 financial year

**25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2012/13 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 - 2012/13 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		17,868	16,800
Interest on Instalments Plan	5.50%		9,562	11,550
Charges on Instalment Plan		9.00	14,291	17,200
			41,722	45,550

Ratepayers had the option of paying rates in four equal instalments, due on 26th September 2012, 26th November 2012, 25th January 2013 and 26th March 2013. Administration charges and interest applied for the final three instalments.

27. FEES & CHARGES	2013 \$	2012 \$
Governance	23,132	23,629
General Purpose Funding	26,231	20,090
Law, Order, Public Safety	17,969	15,424
Health	39,790	41,742
Education and Welfare	109	91
Housing	13,520	13,520
Community Amenities	938,844	732,836
Recreation and Culture	271,171	279,301
Transport	153	30
Economic Services	32,510	37,184
Other Property and Services	89,079	18,599
	<u>1,452,507</u>	<u>1,182,445</u>

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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

28. GRANT REVENUE

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

	2013	2012
	\$	\$
By Nature and Type:		
Operating Grants, Subsidies and Contributions	1,651,599	2,831,865
Non-Operating Grants, Subsidies and Contributions	1,597,548	931,006
	<u>3,249,147</u>	<u>3,762,871</u>
By Program:		
Governance	94,814	216,592
General Purpose Funding	1,191,363	2,357,707
Law, Order, Public Safety	120,771	135,856
Health	3,316	3,463
Education and Welfare	18,895	28,172
Housing	0	0
Community Amenities	329,366	358,659
Recreation and Culture	290,900	101,955
Transport	1,178,130	535,393
Economic Services	0	2,635
Other Property and Services	21,593	22,439
	<u>3,249,147</u>	<u>3,762,871</u>

29. ELECTED MEMBERS REMUNERATION

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

	2013	2013	2012
	\$	Budget	\$
		\$	
Meeting Fees	51,000	51,000	43,023
President's Allowance	5,000	5,000	4,004
Deputy President's Allowance	1,500	1,500	1,000
Travelling Expenses	3,512	5,000	1,994
IT Allowance	4,000	4,000	0
Telecommunications Allowance	6,800	6,800	6,800
	<u>71,812</u>	<u>73,300</u>	<u>56,821</u>

30. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

2013	2012
<u>43</u>	<u>42</u>

31. MAJOR LAND TRANSACTIONS

As at 30 June 2013 Council did not participate in any major land transactions

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

As at 30 June 2013 Council did not participate in any trading undertakings or major trading undertakings

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

33. FINANCIAL RISK MANAGEMENT

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

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

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

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2013	2012	2013	2012
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	3,517,444	2,717,859	3,517,444	2,717,859
Receivables	253,039	336,320	253,039	336,320
Investments	0	0	0	0
	<u>3,770,483</u>	<u>3,054,179</u>	<u>3,770,483</u>	<u>3,054,179</u>
Financial Liabilities				
Payables	549,245	362,966	549,245	362,966
Borrowings	273,852	324,958	273,852	324,958
	<u>823,097</u>	<u>687,924</u>	<u>823,097</u>	<u>687,924</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Investments – based on quoted market prices at the reporting date or at independent valuation.
- Borrowings – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

33. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The 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.

	2013	2012
	\$	\$
Impact of a 10% (*) movement in interest rates on cash and investments:		
- Equity	175,872	135,893
- Statement of Comprehensive Income	175,872	135,893

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: These boxes were left blank last year...

	2013	2012
	\$	\$
- Equity	35,174	27,179
- Statement of Comprehensive Income	35,174	27,179

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

33. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

	2013	2012
Percentage of Rates and Annual Charges		
- Current	97.88%	98.00%
- Overdue	2.12%	2.00%
Percentage of Other Receivables		
- Current	65.89%	95.00%
- Overdue	34.11%	5.00%

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

Borrowings

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

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

	Due within 1 year \$ 13/14	Due between 1 & 5 years \$ 14/15-18/19	Due after 5 years \$ 19/20+	Total contractual cash flows \$	Carrying values \$
<u>2013</u>					
Payables	549,245			549,245	549,245
Borrowings	54,506	124,021	95,319	273,846	273,846
	<u>603,751</u>	<u>124,021</u>	<u>95,319</u>	<u>823,091</u>	<u>823,091</u>
<u>2012</u>					
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>

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
Borrowings (Continued)

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

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

	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
<u>Year Ended 30 June 2013</u>								
Payables								
Borrowings								
Fixed Rate								
Debentures	54,506	37,607	35,315	29,303	21,796	95,319	273,846	6.58%
Weighted Average Effective Interest Rate	6.55%	6.54%	6.45%	6.77%	6.72%	6.58%		
<u>Year Ended 30 June 2012</u>								
Payables								
Borrowings								
Fixed Rate								
Debentures	51,106	54,505	37,607	35,323	29,303	117,114	324,958	6.58%
Weighted Average Effective Interest Rate	6.54%	6.55%	6.54%	6.54%	6.77%	6.61%		

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The Independent Audit Report will be Provided by your Auditor

**SHIRE OF WAROONA
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2013**

RATIO INFORMATION

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

	2013	2012	2011
Asset Consumption Ratio	0.669	N/A	N/A
Asset Renewal Funding Ratio	0.616	N/A	N/A

The above ratios are calculated as follows:

Asset Consumption Ratio	$\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciable assets}}$
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Asset Renewal Funding Ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
-----------------------------	--

N/A -In keeping with amendments to Local Government (Financial Management) Regulation 50, comparatives for the two preceding years (being 2012 and 2011) have not been reported as financial information is not available.