



SHIRE OF WAROONA Annual Report 2014 - 2015

CONTENTS

OUR MISSION, VALUES & STRATEGIC OBJECTIVES	3
COUNCILLORS	4
ORDINARY/SPECIAL COUNCIL MEETING ATTENDANCE 2014/2015	4
STAFF	5
PRESIDENT'S REPORT 2014 - 2015	6
CHIEF EXECUTIVE OFFICER'S REPORT	9
CORPORATE SERVICES.....	12
DEVELOPMENT SERVICES	18
TECHNICAL SERVICES	34
STRATEGIC COMMUNITY PLAN OVERVIEW	38
CORPORATE BUSINESS PLAN, BUDGET ITEMS & ACTUAL RESULTS - COMPARISONS	41
FINANCIAL REPORT - SEE SECTION B	42
AUDITOR'S REPORT - SEE SECTION C.....	43

OUR MISSION, VALUES & STRATEGIC OBJECTIVES

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

Vision Statement

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

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

Mission Statement

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

Aspirations & Objectives

Local Economy: Managing our future growth

Environment: Conserving our unique Environment

Land Use: Responsible Land Use Planning, and Protecting Rural Land

Society: A Strong sense of Community, addressing Social Issues, and Effective Community Wellbeing

Asset Management and Financial Sustainability: Provision of functional Assets to support services, involving built/acquired assets and infrastructure; Financial proficiency and Sustainability

Good Governance: Active and Responsible Civic Leadership, and Excellence in Management

COUNCILLORS

1 July 2014 to 30 June 2015

NAME	COMMENCEMENT	EXPIRY OF TERM
Shire President - Cr Christine Germain	1992	2017
Deputy Shire President - Cr Trish Witney	2005	2017
Cr Noel Dew	1999	2017
Cr Larry Scott	2007	2017
Cr John Salerian	2007	2015
Cr Craig Wright	2007	2015
Cr John Mason	2011	2015
Cr Lina Look	2011	2015



Cr Christine (Chris) Germain
Shire President



Cr Trish Witney
Deputy Shire President



Cr Noel Dew



Cr Larry Scott



Cr Craig Wright



Cr John Salerian



Cr John Mason



Cr Lina Look

ORDINARY/SPECIAL COUNCIL MEETING ATTENDANCE 2014/2015

COUNCILLOR	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Cr Christine Germain	13	12
Cr Trish Witney	13	12
Cr Noel Dew	13	11
Cr John Salerian	13	13
Cr Craig Wright	13	11
Cr Larry Scott	13	12
Cr John Mason	13	10
Cr Lina Look	13	11

STAFF



Ian Curley Dip LG (C) MLGMA
Chief Executive Officer



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

Louis Fouche – Director Development Services Patrick Steinbacher – Director Technical Services

<u>NAME</u>	<u>POSITION</u>	<u>COMMENCEMENT DATE</u>
Mr William Rafferty	Shire Mechanic	1990
Mr Dave Rose	Plant Operator	1990
Mr Laurie Tilbrook	Deputy Chief Executive Officer/Director Corporate Services	1994
Mr Mark Wake	Town Maintenance Labourer	1995
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 (Resigned Sept 2014)
Miss Kathy Simpson	Administration Officer	2007
Mr Ron Thomas	Centre Manager – Recreation/Aquatic Centre	2008
Mr Louis Fouche	Director Planning Services	2010
Mr Anthony Sayer	Labourer	2010
Mr Murry Bracknell	Manager Works & Services	2011
Ms Donna Wetnall	Plant Operator/Labourer	2011 (Resigned March 2015)
Mr Roger Cumbers	Works Supervisor	2012
Mr Jason Robertson	Mgr Environmental Health & Building Services	2012
Miss Tori Davis	Community Development Officer	2012
Ms Sarah Cope	Ranger	2012 (Resigned June 2015)
Mr Robert Buzzard	Parks & Gardens General Hand	2012
Miss Rikki Bellairs	Depot Admin Officer	2012
Miss Ashleigh Nuttall	Manager Financial Services	2013
Mrs Lucy Lyster	Town Planner	2013
Mr John Crothers	Coordinator Corporate Planning	2013
Mr Chris Dunlop	Town Planner	2014
Miss Nicole Shore	Customer Service Officer	2014
Mr Daniel Cools	Pool Manager	2014
Mr Patrick Steinbacher	Director Technical Services	2014
Ms Lynley Young	Gardens Maintenance Person	2015
Mr Jeremy Durston	Town Planner	2015

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
Mr Gino Chiera	Gardener	2001
Miss Nikki Colgan	Planning Administration Officer	2002
Mrs Sarah Dineley	Cleaner	2006
Ms Jennifer Kidman	Cleaner – Rec Centre	2007
Mrs Lissy Oliver	Library Assistant	2009
Mrs Sue Cicolari	Executive Support Officer	2010
Ms Ronnell Capp	Library Officer	2011
Ms Naomi Purcell	Community Development Officer	2011
Mrs Dinah DelaTorre	Cleaner	2012
Ms Tayla Kirkham	Pool Attendant	2013 (Resigned Nov 2014)
Mr Barry Scoffern	Ranger	2013
Kelly Nottle	Trainee – Pool Attendant	2012
Ingetje Simpson	Cleaner – Preston Beach	2015

PRESIDENT'S REPORT 2014 - 2015



It is with much pleasure that I present my first annual report having been returned as Shire President. Firstly I would like to sincerely thank previous Shire President Cr Christine Germain who has served diligently for the past two years, not only on the Council but on various committees both locally and regionally.

Obviously, in order for us to reach our objectives and provide a strong quality service for our ratepayers it is vital that we promote a culture of community identity and consultation to assist us to reach our goals. To that end the Council undertook a review of its Strategic Community Plan which provided a long term view that incorporates the community's main priorities and expectations for the future and to then re-examine the ways and methods required to achieve these goals and visions. These priorities are integrated into several documents including a Long Term Financial Plan, Corporate Business Plan and Workforce Plan which are updated annually and available to the Community

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

We are fortunate that we continue to be strongly supported in our efforts to meet our strategic goals with excellent support from our dedicated staff under leadership of our Chief Executive Officer, Ian Curley. Solid management practices are in place that ensure accountability and outcomes, all underpinned by the efficient use of resources.

Waroona Fire January 2015

In late January we once again have seen those wonderful volunteers from the Fire Brigades risk their lives to help save the town of Waroona. We are so lucky to have such well-trained and dedicated group of people. Our Brigades had been out of town helping fight fires in neighbouring towns only to get the call that

our town now needed their services. As the wind changed directions and became stronger Firefighters came from all over the State.



At first we thought we'd be looking after displaced residents at the Town Hall but as the east wind continued to increase it was decided that they would need to be relocated to Harvey. It was then we took on the task for feeding those wonderful firefighters that were out on the line. I'd like to thank all those that contributed in any way to helping feed the 200 people that came in for breakfast, lunch and dinner.

To the businesses in Waroona and surrounding areas we can't thank you enough. Many people offering help, in some way or other just goes to show what a wonderful community we have.

I will take this opportunity to also thank the Shire staff who worked with DFES personnel who set up an Incident Control Centre in the Council Chambers. The Centre was manned for the duration of the fire. The work that happens in this area is also unbelievable, you can see how hard it is to keep the website up-dated, especially with our fire that kept changing directions.

I must also acknowledge the wives and families of the fire fighters I can only imagine what it's like thinking about your loved ones out in such life threatening circumstances. It would be fair to say that I don't think many people had much sleep during that weekend.

Subsequent to the fire the Council assisted with rubbish removal, building licences and water supplies. In May the Council in conjunction with Alcoa and the Bendigo Bank hosted a 'Thank You' function at the Town Hall.



Australia Day

Another successful Australia Day was held on 26th January 2015. I would like to congratulate Brad Vitale on receiving the Premier's Under 25 years Australia Day Award for his ongoing commitment to Waroona Basketball Association. The Anglican Op Shop for their invaluable service to the community. Congratulations to the winners of the Meritorious Community Service Awards, Gloria Johnson, John Watson and Michael Walmsley. My appreciation also goes to the staff and Councillors involved in the preparation and conduct of the day.

War Memorial Rededication

It is pleasing to announce that on 17th April 2015 the War Memorial was rededicated following cleaning and the installation of an additional black granite stone. The rededication was led by Tracey Fickling, President of the Waroona RSL Sub Branch who spoke of the importance of memorials and how they serve as a reminder to the community of the sacrifice of local men and women. The monument itself represents the young men and women who have come from the local area, who have gone to war and never returned. Their names recorded forever in stone. Clerics from both the local Catholic and Anglican parishes conducted the blessing with assistance from students of Waroona District High School and Mr George Wally who closed the rededication.

Gymnasium Re-Opening

Friday 17th April 2015 saw the official opening of the new gymnasium at the Waroona Recreation & Aquatic Centre. The opening conducted by Murray Cowper MLA was followed by the launch of programs that featured members discounts and appraisals.



Former Shire President Cr Christine Germain and Mr Murray Cowper MLA opening the new gymnasium extension.

Events

VINTAGE MACHINERY SHOW

Even though it rained on the Vintage Machinery Show day, there was a good crowd enjoying all the displays and exhibits. The Committee should be congratulated for an excellent event and the Committee are busy planning for next year's Vintage Machinery Show.

WAROONA SHOW

I would like to take this opportunity to congratulate the Waroona Agricultural Society committee and their volunteer helpers for all the hard work they put in to make the Waroona Show one of, if not the best show in the South West. An event like this takes 12 months to organise. Well done everyone who volunteered their time before or on show day.

SEA TO ART

Hopefully residents were able attend the Sea to ART exhibition, which has been running for seven years. The "Sea to ART" exhibition showcases talented local Waroona and district artists. This year there were 120 pieces of work on display, from 36 local artists ranging in various ages. The Shire is fortunate to have so many talented people within our district, some families having more than one member exhibiting. The range of works included paintings, sculptures, pottery, fine woodwork, glass, mixed media and textiles. The two-and-half metre scale model of the HMS Surprise was definitely one of the main attractions. The builder spent approximately two years building this model which is down to every last detail. Well done to the Artists, Tracy Goldsworthy and the volunteers at the Visitor Centre.

SUMMER EVENTS

The Sea to Scarp Summer Events Series is a partnership with Alcoa to provide community events throughout the summer months at a low cost or no cost

to the community. The events have contributed to the positive community spirit by providing an opportunity for people with diverse interests to come together. These events have been extremely well attended by a wide range of the community. Lake Clifton once again hosted their annual Fete and even though the weather was not kind they had a good array of stalls. This has become an important feature for the area sponsored by the Summer Events Series.

Resource Sharing

I am pleased to announce the confirmation of another resource sharing agreement with neighbouring Council, Shire of Murray involving the provision of Ranger Services. Combining resources between Local Governments can strengthen services and reduce costs with a 7 day per week service to be provided. Joint operations are expected to strengthen services across both district in areas of fire prevention, compliance and community programs. Other joint resource sharing initiatives currently in operation include Information Technology, Environmental Health and Club Development.

Financial

Each year we are required to have strong financial management plans in place to cater for, not only the short term, but also to ensure long term financial viability. Community expectations are always an integral consideration when preparing our annual budget, however it is important that we are extremely vigilant and especially realistic in order to provide a balanced budget. Our financial compliance is audited annually by AMD Chartered Accountants and I am pleased to report that once again we have received a very positive report. In addition the Auditors indicated the audit result was a credit to our Deputy Chief Executive Officer Laurie Tilbrook, Manager Financial Services Ashleigh Nuttall and the entire finance and administration team. Well done to all involved.

2014/15 Grants

As a Council we will continue to work diligently to source State and Federal funding in order to progress large capital projects. Listed below are some of our successful grants confirmed in 2014/15;

\$100,000 – Commodity Funding
\$188,000 – Roads to Recovery Funding
\$178,000 – Regional Road Group Funding
\$76,900 – Main Roads Direct Grant Funding
\$30,000 – Community Pools Revitalisation Grant
\$20,000 – Peel Development Commission Waste Study
\$20,000 – Peel Development Commission Economic Study

\$80,000 – Peel Development Commission (Royalties for Regions) Town Hall Upgrade
\$1,247,000 – Coronation Road Bridge Funding from Royalties for Regions regional funding, Water Corporation co-contributions and Roads to Recovery funding.

All funding for the replacement of the Coronation Road bridge has been secured and tenders are expected to be called shortly. This project is a significant infrastructure investment for the district and is the culmination of many hours of lobbying and preparing funding submissions.

Community Volunteers

The Shire is committed to supporting the many volunteers in the community and we took the opportunity to thank Emergency Services Volunteers, Police and their families who provided a dedicated and valuable service to our communities. It is pleasing to see that the services have grown their volunteer numbers over the past twelve months.

The 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 their time to helping others. The Shire acknowledges their commitment and understands the value this adds to ensuring Waroona, Preston Beach and Lake Clifton are great places to live.

The coastal area of the Shire is very important and dune erosion can have significant impacts on the coast line. The Volunteer Rangers are being called on more and more and doing a wonderful job looking after our coastal area.

NOEL DEW
SHIRE PRESIDENT

CHIEF EXECUTIVE OFFICER'S REPORT

Introduction

2014/15 has been another productive year for the Shire of Waroona. The Council has been focussed throughout the year on cost cutting measures, both in staff and programs, to continue to put downward pressure on rates. Council's Auditors have reviewed the books of account for the year and have reported to the Council that no issues of non-compliance have been identified. This is a great result for the organisation which transacted business of over \$8m over the course of the year.

The year has been dominated by yet another large fire affecting the Shire. In 2011 a serious fire ravaged parts of Lake Clifton and claimed 11 houses. This year it was Waroona under siege and, sadly, 1 house was lost. The community rallied together and gave great support to all the affected areas. Many residents in the hills area were without running water for a period of time as their rainwater tanks had been burnt, however, donations of bottled water were dispensed for a number of weeks following the fire. The LEMC Co-ordinator and Chairperson visited each affected property, on behalf of the Shire, to inspect the damage first-hand and provide assistance from the Shire where possible.

Some of the highlights during the year included the opening of the new gymnasium at the Recreation Centre. The new \$450,000 facility was finally opened at the beginning of 2015. The reconstruction and installation of drainage to Hesse St was a major works project. The \$545,000 project was completed this year and will greatly improve the flooding issues often sustained in the area.



Successful negotiations have also been held with the Water Corporation, which has agreed to provide a financial contribution towards the replacement of the Coronation Road single lane bridge. The existing bridge was initially programmed to be widened, however, after detailed investigation, it was decided that a full replacement would be the better outcome. This long awaited project will now go ahead in early 2016.

With the cessation of the Royalties for Regions Country Local Government Fund, an increased focus on cost saving was implemented. Several staff positions across the organisation were not replaced during the year and it was decided to increase our inter-Council resource sharing programs. Council had already successfully outsourced its Information Technology service to the Shire of Murray and negotiations are in place to resource share the positions of Environmental Health Officer and all Ranger services. The EHO scheme has already commenced and the new Ranger service is due to commence in July 2015.

Some projects and commitments undertaken in 2014/15 -

- Finalising of the Waroona Recreation Centre gymnasium extensions.
- Hesse Street Drainage project funded by Royalties for Regions.
- Construction work on Somers Road and McClure Road
- Transferring of the Transport Licencing service from the Waroona Police Station to the Shire Office.
- Continued administration of the Kidsport program.
- Installation of a new plinth at the War Memorial to appropriately mark the ANZAC Day 100th anniversary and upgrade of flagpoles.
- Fair valuing of all Council plant, equipment, land, building and infrastructure assets

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 3rd annual Vintage Machinery Rally in September.
- Emergency Services thankyou dinner in November.
- The Premier's Australia Day Active Citizenship Awards and Meritorious Community Service Awards and BBQ breakfast in January.
- Sea to Art Waroona in October.
- Lake Clifton Community Fair in November.
- A thankyou sundowner for the Volunteer Firefighters held in May.
- South West Indigenous Basketball Carnival at the Recreation Centre in April.
- Movie under the Stars
- Tree planting day at the Preston Beach dunes
- RUOK Day – Freestyle Skate, Suicide Awareness, Education and Prevention programs
- NAIDOC week celebration at the Town Hall

- Monthly meetings of the Youth Advisory Council
- Valentine's Day dressage event on the Town Oval
- Just Cruizin streetlight tour in December.
- The All Australian Car day to Waroona in April.
- Youth Advisory Council & Youth contributing to community award.
- Youth Action Day in April 2015
- Various school holiday activities throughout the year.
- Carols by Candlelight in Waroona and by Torchlight in Preston Beach in December.
- Waroona Interagency group.
- Hosting of a *Wildcats* basketball exhibition match at the Recreation Centre.

Our Staff

During the year we have had some staff changes and it was decided to reduce our staff by reducing the number of Directors from 4 to 3 following the resignation of the Director Community Services, Steve Cleaver. An EHO position was also not replaced. As part of this arrangement the Rangers service was planned for expansion by contracting a service from the Shire of Murray. Because of economies of scale, combining both Ranger services costs will be lower and both Shires will have access to a larger pool of Rangers to cover the combined districts.

3 Directorates now operate within our organisation and are managed by-

- Laurie Tilbrook, Deputy CEO/Director of Corporate Services who has control of administration, finance, ranger services, library, tourist centre and licensing.
- Louis Fouche, Director of Development Services who has control of planning, building, health, recreation centre and community development.
- Patrick Steinbacher, Director Technical Services, has control of the works depot and staff, road construction and maintenance, parks and reserves maintenance and the refuse site.

We are extremely fortunate to have a very experienced workforce of qualified employees 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 (Administration) Regulations 1996 Clause 19B.

Salary Range - \$		2014	2015
100,000	109,999	0	1
110,000	119,999	2	1
120,000	129,999	1	1

130,000	139,999	0	1
140,000	149,999	0	0
150,000	159,000	1	0
160,000	169,999	0	1

Financial Management and Control

Council's finances continue to remain well protected with a balanced 2014/2015 budget set in August 2014. All major road construction projects for 2014/15 were completed during the year and other significant projects in this year's budget were completed or underway.

Council's Reserve funds remain consistently at a high level. The total Reserve Fund balance at 30 June 2015 was \$2,077m. Council is in a good position to deliver outcomes identified in its forward planning.

The outstanding Loan principal continues to reduce and was at a modest level of \$365,041 at 30/6/15.

To support the management of the Shire, the Council's long term plans are continually monitored and kept up to date.

Alcoa Waroona Sustainability Fund

The AWSF Advisory Committee has been very active over the past 2 years with 2 grant rounds from the Wagerup Sustainability Fund being issued and the first round of funding from the Alcoa Waroona Sustainability Fund to be dispersed early 2015/16.

The 1st round of funding saw \$325,000 dispersed to 7 community groups and the 2nd round of funding amounted to \$340,000 and was shared between 5 community groups.

The Wagerup Sustainability Fund has now been fully dispersed and closed, whilst the Alcoa Waroona Sustainability Fund had a balance of \$1.12m at 30 June.

What's happening in 2015/16?

- Construction of a new fire shed at Lake Clifton
- Lake Preston trail boardwalk and signage
- Upgrading of the Town Hall kitchen and Supper room ceiling
- Resealing of the showgrounds sealed areas
- Commencing realignment work on Dorsett Road to take out some of the sharp bends
- Plans to link new CCTV cameras at Preston Beach wirelessly back to Waroona for better Police surveillance
- Finalisation of the Shire's Economic Development Strategy

Conclusion

A special thank you must go to the many volunteers that rallied to the cause during the Waroona bushfire at the beginning of 2015, that threatened a number of homes in the Waroona townsite. Many people gave during this time to help the local community, in particular, those involved in the emergency services – Bush Fire Service, Ambulance Service and SES and also the numerous support services and individuals who played a vital role in helping keep our community safe. All our volunteers are valued and the community is richer for their contribution.

I would also like to thank the Shire President Cr Christine Germain, Deputy President Cr Trish Witney for their continued commitment and contribution to the management of the Shire and I congratulate and thank all Councillors and Staff for their continuing good governance and service towards pursuing the best possible outcomes for the community.

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 2014/2015 year no complaints have been entered into the register.

**IAN CURLEY Dip Local Government (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.



Rear L to R – Sue Cicolari, Nicole Shore, Annette Mason, Kerry Shore, Kirsty Ferraro, Kathy Simpson and Ashleigh Nuttall
Front L to R – Joe Dineley and Laurie Tilbrook
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, Information Technology, Agendas and Minutes, and general administration.

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

2014/15 Rating

A general rate revenue increase of 8.95% applied for the 2014/15 financial year with rate revenue totalling \$3,793,246. Minimum rates for both GRV and UV rated properties increased from \$800 to \$880.

A general revaluation of unimproved valuations resulted in an average decrease of 1.97% which is the fifth consecutive decrease in unimproved values.

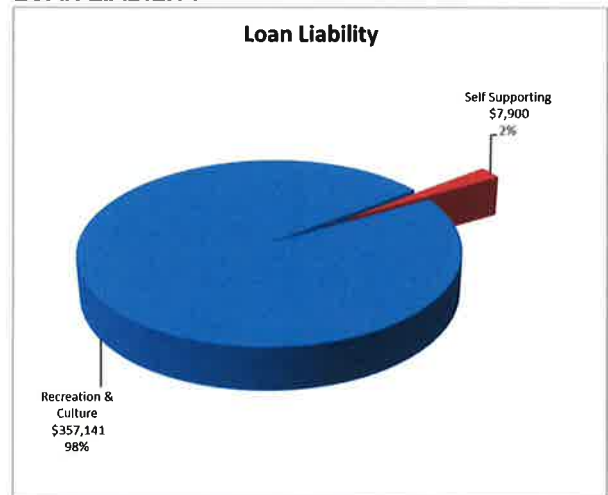
Financial Performance

As reported the Council's audit for 2014/15 has been highly successful with no issues of non-compliance having been identified. The Council's debt liability remains well within manageable levels even taking into account the raising of Loan 120 (\$200,000) to part fund construction of a gymnasium upgrade.

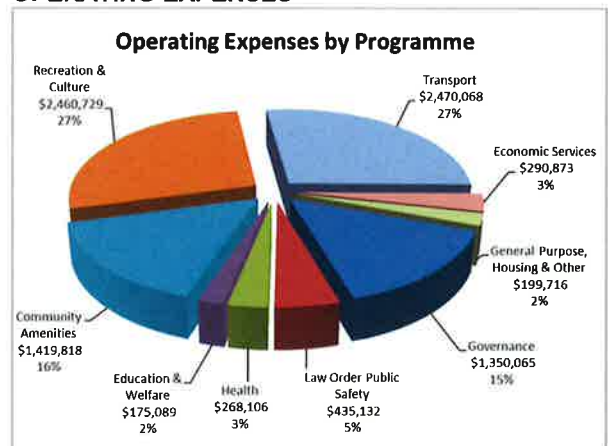
The Council does, however, face a substantial challenge in subsequent years to maintain its financial viability as State and Federal Government funding continues to be reviewed. Declining grant funding places pressure on the Council to maintain its existing services by sourcing income from other means which undoubtedly reflects in rating levels and user fees and charges.

Amendments to the Local Government Financial Management Regulations resulted in the third phase of the revaluation of Council assets by the "Fair Value" method to be introduced over a 3 year period. 2014/15 saw the revaluation of all infrastructure assets including roads.

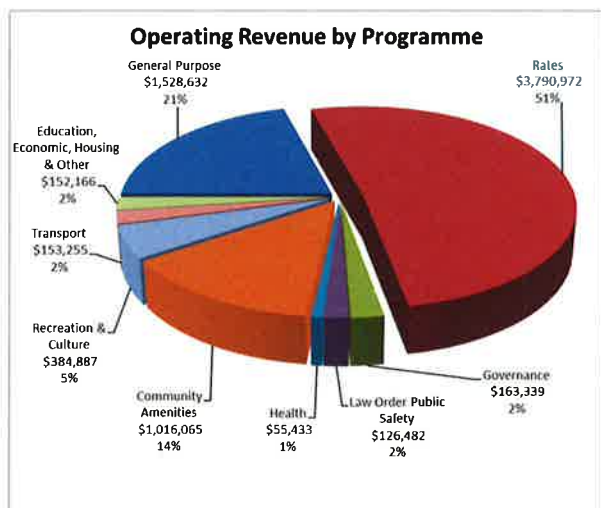
LOAN LIABILITY



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.

Integrated Planning & Reporting

Each Council is now required to develop and maintain an "Integrated Planning Process" which is underpinned by a "Strategic Community Plan". This plan was adopted by the Council in 2012 and subsequently reviewed in May 2014.

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

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

The aim of this new system of Integrated Planning and Reporting Framework (IP & RF) is to ensure that Council's activities 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.

A full review of the Community Strategic Plan is required to be carried out in 2016. This will involve a process of extensive community consultation and subsequent feedback.

"Fair Value" Asset Accounting

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 has been phased in over the last three years:

2012/13 Plant & Equipment and Furniture & Equipment (complete)

2013/14 Land & Buildings (complete)

2014/15 Roads and Infrastructure Other (completed)

The Fair Value measurement of Councils roads and other infrastructure assets was by far the most involved and time consuming asset class to be revalued. This was mainly due to their being no observable market for these assets, therefore the depreciated replacement cost was used. This process involved identifying all asset conditions even those underground, the cost to replace that asset with new, and then depreciating that cost by a calculated useful life of each individual item.

The revaluation process will now begin again starting with Plant & Equipment and Furniture & Equipment in 2015/16 financial year.

Vehicle Licensing

Council continues to provide Department of Transport vehicle and drivers licensing services by way of an agency. At the beginning of the 2014/15 financial year this service was relocated from the Waroona Police Station to the Council Chambers area of the Administration Centre.

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

Resource Sharing Initiatives – Information Technology

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

This includes wireless links to other Council buildings within the townsite together with a full wireless microwave link to the Shire of Murray Council offices.

System data backup and disaster recovery options are now provided for both the Shire of Murray and Waroona.

During 2014/15 the provision of a Geographical Information System (GIS) was added to this resource sharing initiative.

Resource Sharing Initiatives – Ranger Services

After several months of negotiations the Council was able to enter into a major new service contract being the provision of ranger services.

This initiative will provide the Council with a complete ranger service catering for after hours emergency, fire regulation compliance and traditional ranger functions.

The Council now has access to staff resources and expertise that may not have been available previously and allows officers from both Council's to share their knowledge and skills.

Risk Management & Compliance

The WA State Government has introduced new audit requirements, as follows:-

"The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to –

- a) risk management; and
- b) internal control; and
- c) legislative compliance."

During the 2014/15 year Council staff updated and documented many internal controls, as well as develop new systems to ensure adequate compliance with numerous items of specific legislation.

Risk Management is a new statutory area of emphasis. The Shire of Waroona is aware of specific areas of risk, and the Council has had systems and procedures to deal with a very wide variety of risk exposures. Over the past year these have also been reviewed and improved, and future enhancements will be an ongoing process.

These systems and procedures will be checked by Council's Auditor each year.

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 2014/15 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.

During 2013/14 the Council underwent a statutory review of its local laws which concluded in 2014/15.

This review has resulted in the Council resolving as follows:

- To repeal the Bush Fire Brigades Local Law
- To repeal the Fencing and Tennis Court Floodlighting Local Law
- To adopt a new Local Government Property Local Law
- To adopt a new Fencing Local Law.

Subsequently the above proposals were adopted by the Council and received formal gazettal in January 2015.

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

The following local laws are now valid:

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

State Records Act

The 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 conducted its first destruction of records and is currently preparing for its second.

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 2014/15.

LIBRARY

Library membership stands at around 1700 people with 216 new members signed up in 2014/15. Visitors who are not members also use the library for other purposes.

Lending stock is almost 8,000 items made up from items provided by the State Library and local purchases and donated items. Staff now concentrate on the quality of our books rather than the quantity and find that patrons are happier with the selection they have to choose from. Visiting patrons numbered around 7,000 in 2014/15 including the provision of a home visit service provided to members who are unable to physically visit the library.

The provision of public computers and Wi-Fi access is very popular especially with people travelling or backpackers who work at local farms.



A budget provision has allowed the purchase of several items of equipment for younger members including brightly coloured furniture which adds to the library décor.

In addition, two excellent volunteers are kept busy with our historical news files and other jobs in the library, together with a part-time trainee, courtesy of the Waroona Community Centre.



Also a South West Library Consortium has been formed to discuss the purchase of a new Library Management System (LMS) to enable libraries in the South-West to have access to each other's stock allowing members to borrow from other libraries so that the availability of items to members will grow substantially.

Member services included:

- Book Club for Adult Members
- Knitting Group – Charity Knitters
- Access to Encyclopaedia Britannica
- E-books – Overdrive
- E Magazines – Zinnio
- E Audio Books – Borrow Box
- Broadband for Seniors Computer Training
- Rhyme Time – Fortnightly
- Space provided to Tutors and Students

WAROONA VISITOR CENTRE



The Waroona Visitor Centre is located at 37 South Western Highway and operates under direct control of the Council. The Centre is open daily from 9:30am to 3:30pm excluding Good Friday, Christmas Day, Boxing Day and New Year's Day. Mrs Tracy Goldsworthy, employed as full-time manager, and fifteen volunteers, provide service seven days a week to visitors and locals.



Pictured are volunteers Kathy Gurr (standing) and L-R Barbara Bennett, Lorraine Evans & Judy Alexander

The three main functions of the Waroona Visitor Centre are:

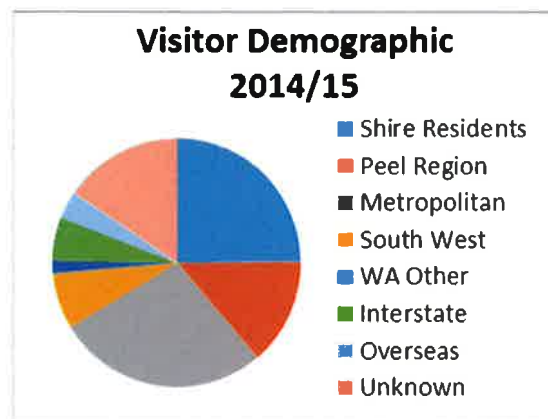
- Visitor Servicing & Information – assisting both Shire of Waroona residents and visitors with enquiries
- Area Promotion – promoting the Shire as a visitor destination
- Art & Craft Gallery – providing an outlet for, and promoting, local art and craft

Centre staff and volunteers welcomed over 6,000 visitors during 2014/15 and attended to around 400 visitor related telephone and email enquiries.

Wherever possible information is gathered on where visitors to the Centre reside and the area/s they are enquiring about. The graph below shows that the Centre's visitor demographic is led by metropolitan

travellers closely followed by local residents (includes telephone/email enquiries).

Just on 78% of visitor enquiries were for local information (things to see and do, places to visit, accommodation and dining, local businesses, community and interest groups, events, etc.). Enquiries on the South West were the next highest representing 7% of all enquiries.



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

Annual, regular and one-off advertisements, editorial and articles are created and written for the print media and appear in newspapers, planners, newsletters, magazines and maps. Examples include:

- Murray Mail, Harvey-Waroona Reporter (general news & Sea to Scarp)
- Mandurah & Peel Tourism Organization (MAPTO) Destination Guide
- Experience Perth/The West Australian Liftouts
- Beautiful South travel guide
- Shire Staff Information Bulletin
- Guide to Western Australia
- UBD Country Directory, Mandurah & Peel Regional Map
- Western Councillor magazine (WA Local Government Association)
- Drakesbrook Despatch articles, adverts and event spreads

The Visitors Centre webpage provides an excellent avenue for disseminating information on tourism, annual and community events, operators and the gallery.

Facebook provides an efficient and inexpensive opportunity for tourism bodies, tourism operators, business owners, event organizers and community and interest groups to exchange information and to cross-promote.

At the end of the financial year the page had been 'liked' by over 600 people (compared to 320 at the same time in the previous year) and by 50 business or interest groups.

ART & CRAFT GALLERY

In addition to visitor servicing, Waroona Visitor Centre maintains a country-style gallery creating interesting and attractive displays with a focus on local produce, art and craft.



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

- Sea to ART Exhibition – Now in its seventh year provided 36 local artists the opportunity to promote over 120 pieces of work
- Receiving RV Friendly Status for Waroona
- Hosted the Waroona leg of the MAPTO Destination Guide launch & Anytime Adventures roadshow
- Maintenance and restoration work on the heritage bush poles created in Lake Clifton and Preston Beach
- Support for the Valentine's Day Dance Extravaganza in conjunction with the Western Australian Masters Formation Team and part proceeds from the event went to assist those affected by the Waroona fires
- Took part in the 92.9 radio promotion "Heidi, Will & Woody's Ultimate Anytime Adventures", a MAPTO initiative

LAURIE TILBROOK
DEPUTY CHIEF EXECUTIVE OFFICER / DIRECTOR
CORPORATE SERVICES

DEVELOPMENT SERVICES

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.



Louis Fouché, Lucy Lyster, Nikki Colgan and Chris Dunlop

Town Planning Staff

Chris Dunlop was promoted from Town Planner to Senior Town Planner on 16 October 2014. Town Planning Assistant Jeremy Durston commenced on a short term contract with the Shire on 6 October 2014. Jeremy subsequently commenced in a Town Planner position on 8 April 2015 coinciding with Lucy Lyster taking Maternity Leave.

State Administrative Tribunal (SAT) Reviews

In the year to date no applications determined by Council or officers under delegation have been referred for review to the SAT.

Peel Joint Development Assessment Panel (DAP)

No development applications requiring determination by the Peel JDAP have been lodged.

Town Planning Scheme Review

Work on the review of Town Planning Scheme No. 7 text continued with the Scheme Amendment being advertised for public comment in April 2015. It is expected that the amendment will be finalised in the next financial year.

Preston Beach Townsite Strategy

In April 2015 the Chair of the WAPC wrote to Council advising that it could not support the rezoning of Rural land to Urban proposed in the Townsite Strategy in terms of the Peel Region Scheme. This advice follows the WAPC's decision of February 2014 to reconsider the key land use implications of the Townsite Strategy in light of its previous policy position on Preston Beach in 2008.

Planning Policy

Planning Staff are part of a working group of Local and State Government Officers developing a Model Planning Policy for Horticultural Development in the Peel-Harvey Catchment.

Economic Development Strategy

A Local Economic Development Strategy for the Shire of Waroona was commenced during the year. The Strategy is expected to be conducted in four stages and Stage 1 will be funded through a grant received from the Peel Development Commission.

Geographic Information System (GIS)

A further bushfire module, a firebreak layer and drainage layer have been added to the GIS to assist assessment of bushfire prone properties and review drainage requirements. Regular data updates from Landgate are also made through the SLIP gateway. The aerial photography layer has also been updated for 2015.

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.

Staff assist applicants by provide information to enable them to lodge applications that will meet the Shire's requirements. The Town Planning section on the website is also being updated to assist applicants. Applications received are vetted to ensure all required information is included to minimise processing delays.

In addition to the development of a series of application checklists, a Procedures Manual has been developed

to guide staff in a range of town planning processes. The manual guides officers through appropriate statutory, strategic and policy procedures required for individual town planning processes. The manual also assists in risk management of the organisation.

Focused staff training is also part of operational improvements and Planning staff attended relevant training and conferences to keep up to date with latest development in the industry.

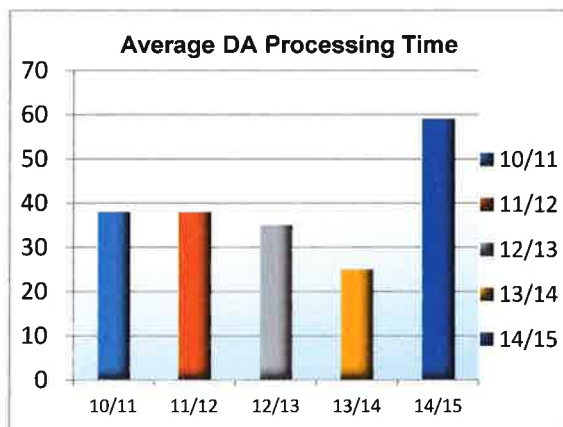
Municipal Heritage Inventory Review

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.

Development Applications (All Categories)

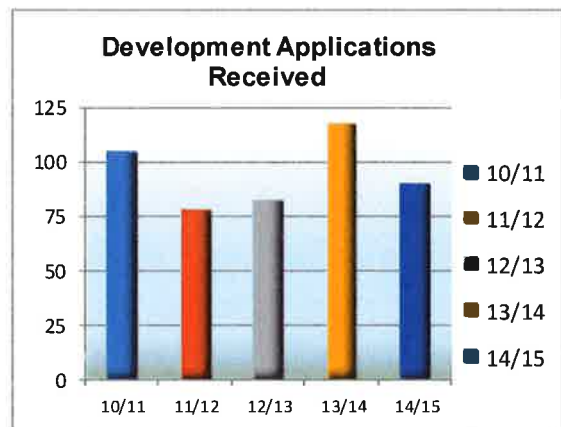
Development applications received total 90 applications for the year. This total is lower than the 118 in the previous year but still higher than 2012/2013. The annual decrease in development applications was 23% for the year.

Over the last two years Development Application numbers have increased to levels experienced in 2010/2011.

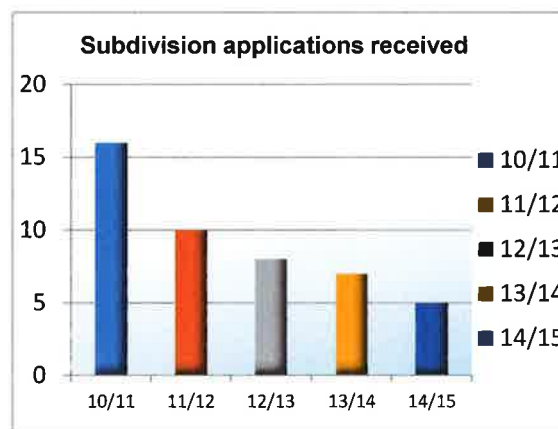


The average time to process a development application was 59 days, which is double the time in the previous year. Processing times have primarily been affected by new bushfire policy and regulation requiring referral of applications in bushfire prone areas to the Department of Fire and Emergency Services.

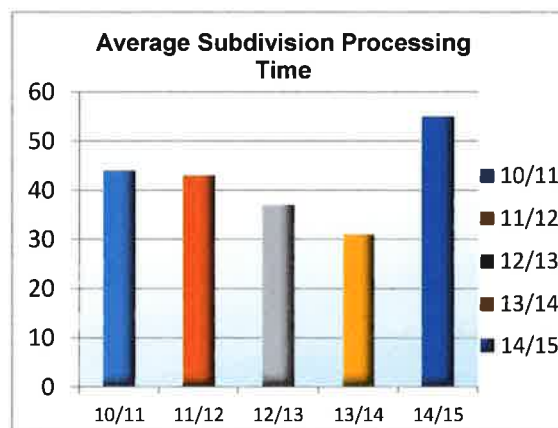
The graph above indicates a general downward trend in application processing times until last year. Efficiency gains made in previous years have been affected by new regulation in the current year.



Subdivision Applications



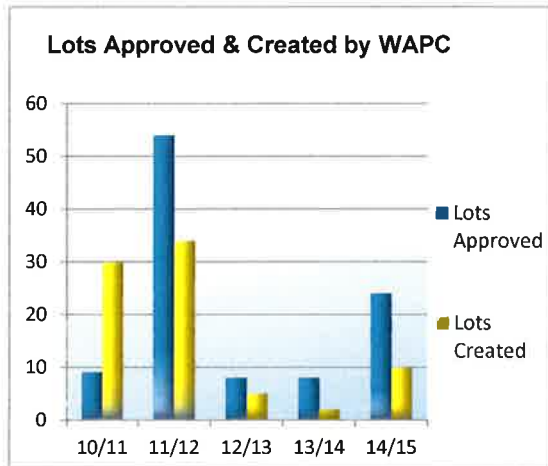
A total of 5 subdivision applications were received, which is 2 lower than the previous year. Statistics reflect a general downward trend in subdivision applications received over the last 5 years.



The average time to process a subdivision application was 55 days, which is 24 days more than the 31 days the previous year (an increase of 77%).

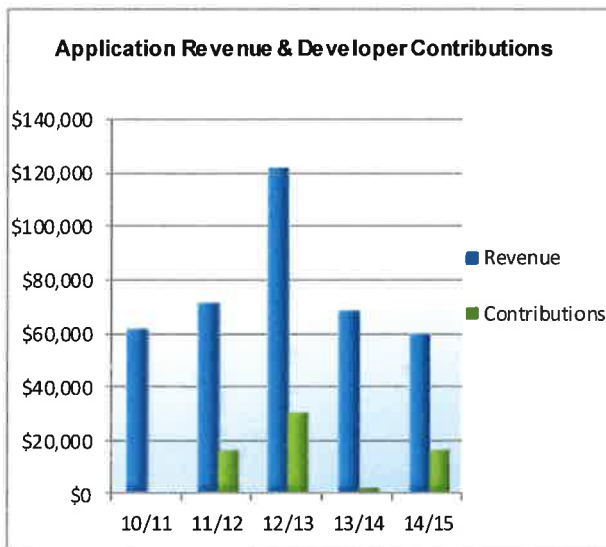
Lots Approved and Created by WAPC

The following graph shows lot development trends in the Shire.



During the last year 24 lots were approved by the WAPC and 10 created with the approval of Deposited Plans in the Shire. The graph shows a substantial improvement in the number of lots approved and created over the previous two years.

Revenue and Application Values



Revenue received from Planning Applications and Developer Contributions total \$60,337 and \$16,340 respectively, reflecting a decrease in application revenue and an increase in the value of developer contributions.

Application Values

The total value of development projects increased from \$5,162,128 in the previous year to \$6,373,844 in the last year. Although application numbers have trended

upwards since 2010/2011, no high value applications were received during the year.

Scheme Amendments

The schedule below indicates the details of scheme amendments processed during 2014 / 2015:

Scheme Amendment/s Received			
Amendment Number	Property affected	Summary of Proposal	Associated Date
36	Lot 15 Haub Road, Lake Clifton.	Rezoning to Rural mail Holdings.	12 August 2014

Scheme Amendment/s Advertised			
Amendment Number	Property affected	Summary of Proposal	Associated Date
32	Shire of Waroona.	Omnibus text amendment.	7 April 2015

Property Information Requests

A total of 136 Property Information Requests have been received which is 13% lower than the 157 of the previous year.

LOUIS FOUCHÉ
DIRECTOR DEVELOPMENT SERVICES

COMMUNITY DEVELOPMENT

YOUTH

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

Waroona Youth Advisory Committee (YAC)

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

YAC coordinated two major events and assisted with other local events and activities:

Movie Under the Stars

Approximately 400 people gathered on Friday the 20th February 2015 for the popular annual community event and to enjoy watching a movie in an outdoor setting. The movie *Paddington* and the Bourbon Street band were well received by the attendees.

Youth Action Event - National Youth Week

The Youth Action Event proved once again to be a very successful night; families with children of all ages came to the Waroona Skate Park on Thursday 16th April 2015 for a fun filled night. There was so much positive feedback from operators, parents and children who all attended. The event was free to attend and provided Freestyle Skate / BMX / Scooter demonstrations and displays and there were up to 70 kids competing, supporting and encouraging each other in the skate park. The Nifty Nook provided a place for children to be creative in designing the new banner for the YAC. The Climbing Wall and Bouncy Castle were as popular as ever and the Bucking Billy Bull is always a favourite. GP Down South have become a regular feature and is well frequented, providing the kids with lots of information and giveaways which was a great way to get youth involved in positive health promotion.

The Waroona YAC cooked a sausage sizzle for all attendees and the event was supported by Louie Chiera, Alcoa and the Department for Communities.



Waroona District School Partnership

A strong partnership and support network has been developed with the Waroona District High School (WDHS) – this has been strengthened through the interagency network. The Community Development team, in partnership with Waroona District High School has facilitated a number of projects throughout the year including:

- Planting day at Preston Beach dunes
- RUOK Day – Freestyle Skate
- Suicide Awareness, Education and Prevention

On 18 March 2015 students from WDHS attended the Heath Black talk on The Importance of Physical and Mental Wellbeing at the Mandurah Baptist College in Lakelands. The Community Development team supported this event by providing funds for a bus to transport the students.

EVENTS

Volunteer Emergency Services and Police Dinner

On the 7th of November 2014 the Shire had the opportunity to thank the volunteers and staff from St John's Ambulance Waroona, Preston Beach Volunteer Rangers, Waroona Volunteer Fire Services 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 Christine Germain supported by Shire Councillors and staff officially thanked the many volunteers and Police and wished them a safe summer season.

Australia Day Celebrations 2015

The Lions Club of Waroona once again provided a community breakfast to celebrate Australia Day. Crowd entertainment was provided by a band, followed by a street parade. The day also included face painting and

the Meander Park Animal Farm. Shire President Christine Germain completed the official proceedings including the Australian and Aboriginal flag raising, Australia Day Address and awards presentation.



Official Reopening Of Gymnasium Extension

The Gym extension received funding from the Shire of Waroona, the Department of Regional Development's Royalties for Regions scheme and the Department of Sport and Recreation's Community Sporting and Recreational Facilities Fund (CSRFF). The opening was attended by Mr. Murray Cowper MLA, Department of Sport and Recreation staff, Waroona Recreation Advisory Committee, Councillors and Shire of Waroona executive and recreation staff.

It is expected that the new gymnasium extension will contribute to the promotion of health, well-being and fitness of residents and to provide improved recreational pursuits for residents.

Rededication of the Waroona Anzac Memorial

The rededication of the Waroona ANZAC Memorial took place on Friday 17th April at ANZAC Place. The monument features a new stone base with the inscription "Dedicated to all who served" along the base. It was a project by the Shire of Waroona after consultation with the Waroona RSL Sub Branch. For the project the Shire received a Saluting Our Services grant to the value of \$3,636.00.



FIRE RECOGNITION SUNDOWNER

During National Volunteer week in May 2015, the Shire of Waroona in conjunction with ALCOA and Bendigo Bank took the opportunity to recognise all who assisted with the January 2015 fires. The sundowner provided all who were affected with the opportunity to thank those who assisted the community during this time. As unfortunate as the circumstances were with the fire, the sense of community and morale shown is a credit to all involved. The sundowner itself was attended by the local fire brigades, emergency service groups and local authorities in addition to affected residents.

CULTURE

Regional Development Authority (RDA) - The Art of Working Together

On the 9th June the Waroona Visitor Centre hosted one of a series of drop-in consultations on regional art and culture by the Regional Development Authority (Peel). The meeting was well attended with more than a dozen local artists and craftspeople together with the Shire of Waroona Visitor Centre Manager and Community Development Officers. The consultations will form the basis of a cohesive strategy for the Peel that will assist those in the region to develop the growth area of cultural tourism. A strong theme was the development of art and cultural activities in conjunction with the environment which aligns with Waroona's natural attractions and strengths.

Artist Lance Chad

The Shire of Waroona supported the opportunity for an internationally renowned Aboriginal artist to hold a series of workshops in Waroona, these workshops ran from the 27th April until the 17th June and were open to all indigenous community members.

COMMUNITY

Waroona Vintage Machinery Rally

The Old Machinery Club of Western Australia, Waroona Lions Club and the Shire of Waroona partnered to host the annual 2014 Waroona Vintage Machinery Rally on 7 September 2014. The lovingly restored engines were a demonstration of the skills that still exist today in our community. 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. Community Development assisted with the administration for the event. The previously secured three year funding from event Partners Alcoa continued with this event.

Dune Restoration

On the 17th and 21st June 2015, members from the Preston Beach community, Waroona District High School Bushrangers and Mandurah Baptist College volunteered their time to aid in a joint coastal rehabilitation project between the Preston Beach Progress Association, the Shire of Waroona and the South West Catchment Council.

With seedlings from the Leschenault Community Nursery, the two days spent restoring the dunes saw over 500 seedlings planted to revegetate the dunes and replace seedlings which had not survived from last year's planting day.

With hands on support from coastal facilitator Jenny Mitchell, of the South West Catchment Council, President John Watson, of the Preston Beach Progress Association, committee members, and the Shire of Waroona's Community Development Officers, the planting days and dune restoration proved to be very successful.



Community Group Support

Community Development supported the Just Cruizin Christmas Lights Tour and the newly returned All Australian Car Day, Carols in the Park, Preston Beach Association Events, Lake Clifton Community Fair, Sea to Art, Vintage Machinery Day, Valentine's Day Dressage, Valentine's Day Dance, Waroona Aboriginal Basketball Carnival, ANZAC Day, and the Hamel Eco-Historic Precinct Committee.



Waroona Interagency Network

Over forty Community service agencies attend the bi-monthly Waroona Interagency Network meetings. Many networks have been made through these meetings providing greater outreach services to the Waroona area. From these meetings closer networks are developed with agencies and service providers such as Peel Medical Health Service, Metropolitan Public Health Unit, Early Childhood Learning and Development, Peel Development Commission and more.

One Life Suicide Small Grants And Training Funding

The Shire of Waroona has successfully received funding from One Life for nearly \$15,000 from two separate grant applications.

The funding will be used to undertake a collaborative project with the Shire of Waroona and the Waroona District High School to deliver essential training programs to youth in the local community. Programs include Teen Mental Health First Aid and Ground Shock workshops and to Deliver Youth Mental Health First Aid in the Waroona community which includes sporting groups, school staff, volunteers, those who are working with at risk youth and those who have a child suffering from a mental illness.

The Shire of Waroona is one of only two local governments to successfully receive funding for their projects and the only one to receive a grant in both areas offered.

Trails

The Lake Preston Trail Project is nearing completion with the observation platform being built by a local business. This project has been funded by the NRM and Lotteries to the value of \$45,000.

Risk Management

The Community Development Department has been involved in updating their risk management plans as well as attending a LGIS Event Management workshop in Pinjarra on the 24th June.

Community Development Grants 2014

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 2014 were:

Community Group Name

	<u>Amount:</u>
Waroona Junior Amateur Basketball Assn	\$308
Waroona Anglican Opportunity Shop	\$800
Waroona Community Centre Community Kitchen	\$648
Family Support Service Youth Centre Wage	\$800
Waroona Football Club	\$800
South West Aboriginal Basketball	\$800
Waroona Historical Society	\$800
Really Really Free Markets for a 2 year period	\$648
Waroona Playgroup	\$550
Waroona CRC Community Cuppa	\$246
TOTAL COST	\$6,400

LGMA Community Development Conference 2014

In September 2014, Community Development Officers Naomi Purcell and Tori Davis attended the Local Government Managers Australia conference in Fremantle. The conference had community development officers attending from across the state and featured guest speakers such as Paddy Creevey, Graham Mabury, Simon Oxenham and Robyn Moore.

Kidsport Program

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

This initiative is funded by the Department of Sport and Recreation and administered by the Shire of Waroona. Below are the 2014 statistics for Waroona, where KidSport vouchers were successfully funded to the value of \$13,081.00. In total Kidsport enabled 33 girls and 45 boys to participate in sporting / club activities.

Top 10 sports or activities:		
Basketball	72	92.3%
Football (AFL)	29	37.2%
Netball	17	21.8%
Football (Soccer)	3	3.8%
Girl Guides	1	1.3%

TORI DAVIS & NAOMI PURCELL
COMMUNITY DEVELOPMENT OFFICERS

RECREATION SERVICES



The new gymnasium extension

SUMMARY

The Recreation and Aquatic Centre staff have in the past year worked very hard at trying to improve the patronage throughout all parts of our organisation with a more professional approach to programs and customer service throughout the Recreation Centre with success in both areas. Programs provided by the Recreation and Aquatic Centre are well attended.

One of the main areas for improvement was the Gymnasium with the Council investing in community infrastructure for the future. Numbers attending the Gymnasium are very encouraging and are expected to increase substantially over the next 12 months and beyond.

An improvement has been made in Swim School numbers compared to the previous year.

Basketball and Netball (Junior, Senior and Mixed) are all doing well and this is expected to be the case for years to come. A mixed Basketball competition will be run throughout the winter months.

Group fitness programs have once again been very successful with fitness instructors presenting very professional classes (run through the Les Mills program).

STAFF

- Ron Thomas finished June 2015. Douglas Macaulay from September 2015 (Centre Manager)
- Bronwyn Cooke (Assistant Manager)
- Daniel Cools (Duty Manager)
- Stephanie Miles (Casual Duty Manager)
- Kelly Nottle (Trainee)
- Debbie Pisconeri (Group Fitness Instructor)
- Tracy McFie (Group Fitness Instructor)
- Kaye Durbridge (Group Fitness Instructor / Swim Teacher)

- Gypsie Thomas (Group Fitness Instructor)
- Harrena Platell (Swim Teacher)
- Paula Birch (Swim Teacher)
- Emma Bateup (Swim Teacher)
- Lee Davis (Creche Assistant)
- Sarah Dineley (Cleaner)
- Jenny Kidman (Cleaner)

The Recreation and Aquatic Centre has had a very small staff turnover during the past 12 months, which reflects well on the Recreation Centre environment.

GROUP FITNESS

Class numbers have increased at the start of the year with a new advertising campaign over summer and the running of an eight week challenge the main contributors.

SWIM SCHOOL

The Recreation Centre Swim School has 69 participants which is 15 up on last season. This rise can also be contributed to an advertising campaign by staff enthusiastically handing out pamphlets.

PROGRAMS AND EVENTS

- 4 Big kids (Holiday program) - 9 April 2015
- Basketball (senior & juniors) Grand final - 21 March 2015
- South West Jets netball training - 3 February - 19 May 2015 (Tuesdays)
- In term swimming - 12 February – 5 March 2015
- Canteen bike ride - 8 March 2015
- Teenfit (Tuesday and Thursday nights)
- Swim carnivals -
 - St Joseph's Primary School - 20 March 2015
 - Waroona District High School (WDHS) - 24 March 2015
 - Assumption College - 6th March 2015
- Interschool swim carnival - WDHS, St Joseph's Primary School and Carcoola - 31 March 2015
- Indigenous basketball weekend (700) players 30th May - 1st June 2015
- Peel Netball League (several weekends throughout the year) starting 14th June 2015
- Clan meeting 18th June 2015

GYMNASIUM

The new gymnasium was completed this year and officially opened on 18 April 2015. The gymnasium and new equipment has been a huge success with a number of new memberships this term and some waiting for the new 5 am opening time which will be available on 1st June 2015.



The interior of the new gymnasium.

MAINTENANCE

A range of maintenance programs were undertaken during the year including:

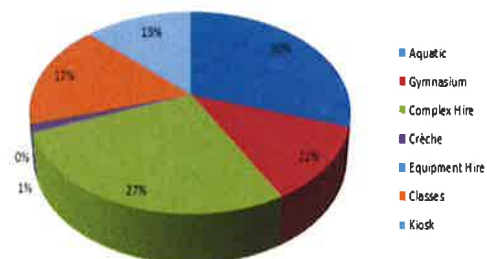
- New main pump for pool installed.
- New boiler pump installed.
- Removal and replacement of flues with new AGA approved flues on pool heaters.
- Repairs carried out on 4 air cooling/heating units.
- Repair to pool lighting.
- Repair to solar pump seal.
- Repair to plant room door.

STATISTICS AND FINANCIALS

The information below indicates the Aquatic area has been the area generating the highest level of income, followed by complex hire, the kiosk, fitness classes and the gymnasium.

<u>2014/15 Income</u>	<u>Function</u>
\$ 52,091.00	Aquatic
\$ 20,814.50	Gymnasium
\$ 46,881.50	Complex Hire
\$ 2,410.00	Crèche
\$ 93.50	Equipment Hire
\$ 29,094.50	Classes
\$ 22,269.00	Kiosk
\$ 173,654.00	Total

2014/15 Income



DOUG MACAULAY
RECREATION CENTRE MANAGER

CLUB DEVELOPMENT OFFICER

2014/15 has seen the introduction of a new resource for the sport and recreation environment for Shire of Waroona. The Club Development Officer was appointed in August 2014 to build the capacity, sustainability, and profile of sport and recreation clubs in Waroona. The Club Development position is funded through the Department of Sport and Recreation and the Shire of Waroona. The resource allocation is approximately 1 day per week.

The Club Development program has started with positive outcomes along with informative and beneficial Department of Sport and Recreation (DSR) events that has provided clubs with the resources necessary to develop.

SPORTING CLUBS

Club Health Checks:

The club health check is a tool to establish the "health" of a club, it asks a series of questions around a clubs governance, volunteers, finances and management which then identifies the priority areas for assessment and assistance.

The following clubs have completed the club health check;

Waroona Bowling Club

From the results of the club health check it was identified that strategic planning and member retention and attraction were the priorities for the Club. Since then a strategic plan was commenced along with developing roles and responsibility for individual committee members. The Club is also working on restructuring their membership packages and services to encourage younger members to join.

Waroona Cricket Club

The Waroona Cricket Club has identified governance, finances and membership as priority areas for the club to work on. The Club is currently going through a restructure of its committee.

Waroona Bowling Club:

A grant application for a Green Replacement Project has been completed and submitted to the Peel Development Commission.

The Grant Application to the Department of Sport and Recreation commenced in June 2015. The Club continues to fundraise and remain on track for their part of the project cost. Alternative sources of funding will be monitored in the future.

Waroona Cricket Club:

The Cricket Club intends seeking funding for the replacement of cricket nets in the future. The club also intends to address drainage issues experienced on the cricket ovals.

Waroona Football Club:

The Football Club is currently working on redeveloping their strategic plan and club culture and values. The Club Development Officer has been in discussions with the Club and has provided information on mission statements and strategic plans.

Waroona High School – High Performance Program:

The Club Development Officer has been liaising with the Waroona District High School regarding their new Elite Sports Program for gifted and talented Physical Education students. The program aims to extend the students' knowledge and development in a variety of sports through the help of professional athletes and excursions.

Information on grants and fundraising ideas has been provided to assist in their inaugural year of this program.

Department of Sport and Recreation (DSR):

Peel Sports Forum – 20 February 2015

The forum included a high calibre list of speakers, providing information on a variety of topics including developing leadership, injury management, and time management for athletes and creating positive behaviours for parents.

The forum is a partnership between DSR and the Local Governments in the Peel Region with the aim of supporting the development of sporting clubs and athletes to help achieve their goals. The forum was aimed primarily at coaches, officials, administrators and athletes that have a strong passion and / or talent in sport.

Kim Mickle, former Mandurah student and now Commonwealth Games gold medallist and WAIS athlete of the year, gave an inspiring talk about her successful sporting career.



Kim Mickle (centre) with DSR staff and Mitchell Green (far left)

Top Club Planning Tool:

The Top Club Planning Tool is an initiative of WA Sports Federation and will be provided to clubs by their State sporting associations with the assistance of the Shire of Waroona Club Development Officer.

The tool is designed to engage club members in developing their values and vision. The club benefits from a direct action plan with which to work on and assign responsibilities to committee members or members within the club.

Club Talk Workshop:

The first club talk workshop for the Shires of Murray and Waroona was held at the Murray Leisure Centre on 26 November 2014. The workshop focused on the use of electronic media and how these resources can assist clubs. The workshops were aimed at reducing the workload of volunteers at sporting clubs.



Attendees at the Club Talk Workshop

Regional Advocacy Tour - Power of Sport Club Culture Forum – John Worsfold Night:

The Mandurah Offshore Fishing and Sailing Club hosted the Club Culture forum on Thursday 27 November 2014 with former West Coast Eagles Coach and Captain John Worsfold delivering the message of the power of sport and its ability to influence everyone in the community to become better people.



John Worsfold (centre) with Shire staff and club representatives

Waroona Club Survey 2015:

The recently developed Annual Sport and Recreation survey has been sent out to local sport and recreation

groups in the region. These surveys will provide important information which will allow trends to be captured annually and will provide the Shire with information regarding the areas local clubs may benefit from assistance. The surveys also provide much needed feedback to the Shire.

Wildcats Visit:

This event held at the Waroona Recreation Centre on Friday 26 September 2014 was a huge success with 550 spectators enjoying the night. The Wildcats have expressed their interest in returning next year. As part of the Wildcats tour they performed two school clinics which were very well received and provided excellent opportunities and excitement for the youth of Waroona.

Club Development Officer Professional Development Conference:

The Club Development Officer attended Professional Development Conferences in November 2014 and May 2015.

Peel Volunteer of the Year Awards

The Department of Sport and Recreation received 4 nominations from local sport and recreation clubs for their valued volunteers.

Representation

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

List of Organisations:

- Peel Cricket Board
- Peel Hockey Association
- Mandurah Basketball Association
- Peel Regional Football Council (Soccer)
- Mandurah Netball Association

MITCHELL GREEN
CLUB DEVELOPMENT OFFICER

BUILDING SERVICES

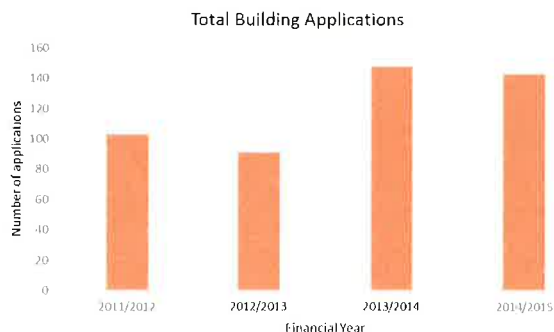
This year continued with steady building activity in the Shire.

Recent Building Legislation changes have resulted in faster approval 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. This includes more stringent statutory timeframes for local authorities to process building applications and increased responsibility for building industry personnel to provide all information at the time of lodging applications.

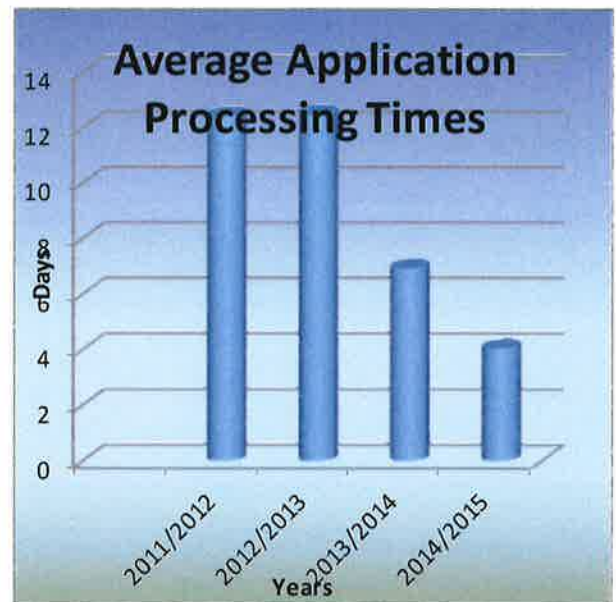
The Building Services Department is committed to providing the best possible level of service to residents and the building industry through continuing to actively participate at the highest level; helping represent the Western Australian Local Government Association (WALGA) on building industry and regulatory matters.

Building statistics for the Shire show continued, steady activity, as noted in the graphs below:

Building Department Statistics



143 building applications were received during this period, compared to 148 the previous year.



Building Services, in line with the State legislative changes for building approvals, has through implementing an ethos of continuous improvement; focused on reducing its processing times for applications.

For this reporting period, the average processing time per application was 5.11 days. Comparing to the previous year, processing time for an application was 6.90 days. This reflects an improvement of 26%.

The graph above shows a marked decrease in processing times, from 11.5 days per application in 2012/2013. The current processing times are less than half of that for the period from 2012-2013.

Building Compliance

Building Services undertakes routine compliance investigations for various matters, to ensure compliance with the Building Act and Building Regulations. One key area is in respect to private swimming pool inspections. State Government Regulations require private swimming pools, including safety barriers, to be inspected at least once in every 4 year period. The Shire currently has registered 156 private swimming pools.

This year, over 350 inspections to date have been undertaken. On average, current data shows around 2 inspections, on average, per private swimming pool.

EMERGENCY MANAGEMENT



Waroona Fire

In January of this year, the Waroona Community experienced another bushfire with an incident occurring over the course of several days. The fire started on Thursday 29th January, with Emergency Services personnel active through until Monday 2nd February.

Some statistics from the bushfire:

- Over 100 individuals evacuated/relocated
- 1 residence destroyed
- Multiple outbuildings partially destroyed
- Over 70 Fire Fighting Vehicles were deployed
- Over 200 Career and Volunteer Fire Fighters were actively engaged

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

BUILDING MAINTENANCE AND CONSTRUCTION

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

As part of its commitment to a high level of proactive maintenance, works including new energy efficient air-conditioning units have been installed in some Council buildings, ongoing CCTV maintenance including upgrades to camera equipment and resealing the external timber façade to the Waroona Visitor Centre.

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.

ENVIRONMENTAL HEALTH SERVICES

The Shire's Environmental Health Services (EHS) is responsible for delivering best practice environmental health management to the community. This work is conducted by the Environmental Health Officer (EHO) and entails undertaking a range of preventative programs incorporated into the following key activity areas:

Food Safety

Food for sale to the public must meet the prescribed composition standard and should be sold and prepared in a manner and in premises that complies with the controlling legislation.

Food Premises Assessments

Food premises (including food vans and home kitchens) are regularly assessed to ensure that they are maintained according to regulatory standards, and that food-handling practices are consistent with those that are required. Education in the requirements of the national food legislation is incorporated into all facets of this key activity. The Shire is promoting all food business proprietors to enrol and undertake nationally recognised Food Safety Awareness programs for maintaining and enhancing the skill sets of personnel within the food industry.

Currently, there are 36 food premises in the Shire.

For the 2014/15 year, the following food premises assessments were undertaken:

Activity	Num ber of Prem ises	Average Number of Inspections
Inspection of High Risk Class 1 Food Premises	2	2 inspections
Inspection of Medium Risk Class 2 Food Premises	2	1 inspections
Inspection of Low Risk Class 3 Food Premises	7	1 inspections

Based on those inspections, 2 notices requiring various sundry works to be undertaken were issued and all notices were complied with.

Food Quality Control

During the reporting year, the EHO proactively participated in voluntary food monitoring surveys coordinated by the Health Department of WA (HDWA). All samples met the guidelines.

In addition, the EHO has a responsibility to ensure that food is withdrawn from sale when it is considered unfit for human consumption and the Shire participated in 4 product recalls. No food was required to be removed from shelves during or as a result of any routine inspections.

Food Complaints

The Shire received only 1 food complaint during the reporting period. The Shire EHO investigated the matter and it was addressed within the scope of legislation enforceable.

Disease Control

The incidence of preventable, communicable disease in the community should be minimised. The Shire works closely with key community groups, including the Community Resource Centre medical personnel and education personnel to help promote State initiatives and programs dedicated to minimising preventable, communicable diseases.

Notifiable Diseases

The EHO is notified of cases of infectious diseases for investigation via the HDWA. These are primarily food or water-borne diseases such as Salmonellosis, Giardiasis or vector-borne diseases such as Ross River Virus. The role of the EHO is to determine the potential sources of disease and to eliminate those sources where possible. No notifications were received during the reporting period.

Second hand Clothing

Hygiene standards for cleaning of used clothing and bedding, for sale, are specified by Regulation. To ensure that the public is not exposed to the risk of infectious disease or parasites through exposure to causative organisms or vectors that may be harboured in second hand clothing or bedding, inspections are conducted on a regular basis of the two "Op Shop" outlets. Both premises complied.

Hairdressing and Skin Penetration

Regular inspections of these premises are required to ensure high public health standards are maintained. An increase in the diseases found to be transmitted by blood and skin penetration has necessitated more stringent standards for hygiene at hairdressers, tattooists and similar establishments.

The three such premises in Waroona were inspected during the reporting period and while the hygiene standards were adequate, some general building maintenance issues were addressed in 2014/15.

Wastewater Management

The risk to health and the environment posed by wastewater disposal is minimised via correct design, approval, installation and operation of apparatus for this purpose.

Effluent Disposal

The majority of the district relies on on-site effluent disposal. Clay soils, site gradients, water bodies, seasonal perched water tables and designated surface water catchment throughout much of the shire place considerable constraints upon the location and design of effluent disposal systems. The EHS offers a high level of service in this program to prevent failure of systems and subsequent environmental/health concerns.

During the reporting period, 18 approvals to construct or install apparatus for the treatment of sewage were issued and an average of at least 2 inspections occurred for most of those installations.

Liquid waste

Monitoring of liquid waste collection vehicles operating within the Shire was conducted to ensure health and odour problems did not occur. Investigations of liquid waste disposals were also carried out with the assistance of the Department of Environmental Regulation to ensure that all loads were disposed of correctly at approved facilities.

Water Quality

All water that is used for drinking and recreation is monitored to ensure that it is safe.

Water Surveillance

The EHO conducted a range of water sampling activities during the reporting period. The major activity was the testing of public and semi-public swimming pools for chemical levels (e.g. disinfectant agent, pH, stabiliser) and bacteria and amoebae levels. There are three such pools within the Shire and no incidences of non-compliance occurred.

Other activities include testing of non-scheme drinking water supplies in recreation camps, industry, monitoring bores, food premises and individual households upon request. One positive sample from a recreation camp drinking water source was received, however the cause was identified and the source was retested and passed. No other negative samples were returned from the monthly tests.

Public Swimming Pool Assessments

Public swimming pools have the potential to spread disease or cause injury if not maintained in a hygienic and safe condition. Regular assessments were conducted, in addition to checking the relevant chemical and microbial parameters, to ensure a high standard of public health was maintained. (e.g. checking that pool chemicals such as chlorine gas are stored safely and that the fencing and other infrastructure are well maintained and in compliance).

All three public pools (including the Waroona Recreation Centre Pool) were compliant during the reporting period.

Health Controls – Buildings

All applications for a building permit were, where relevant, assessed by the EHO for compliance with the provisions of the Health Act 1911 and subsidiary legislation, with appropriate conditions of licences being applied. The EHO participated in Development Control Unit meetings to ensure that the relevant environmental health requirements were applied to applications before that Unit.

Public Buildings

To ensure that all public buildings within the Shire are constructed, maintained and operated in a manner which is consistent with legislative requirements, with public safety being the prime consideration, inspections were carried out on these facilities during the year.

No deficiencies were recorded for the reporting period.

Public Accommodation

Accommodation facilities such as dwellings, caravan parks, lodging houses and workplaces are required to have adequate standards of hygiene and safety. Regular inspections of these facilities were conducted to ensure that they met the relevant legislative standards and safety requirements.

There were no reported cases of non-compliance in the Shire's 2 caravan parks, the 2 lodging houses or the one short stay facility (guest house).

Large Public Events

Temporary facilities and structures, which are inherent with large public events, coupled with high patronage can lead to numerous potential public safety and health issues.

Events requiring temporary public buildings/events approvals had inspections undertaken by the EHO to ensure compliance with relevant Health legislation.

Vector & Pest Control

Effective pest control demands widespread community co-operation. The EHO provides advice on the control and management of pests and vectors of disease including rodents and insects. The Shire participates in the programmes implemented by the Health Department and is the recipient of fortnightly trapping results conducted by the Department during the lead up and height of the mosquito season. This includes the Shire having membership with the Peel Mosquito Management Group, a regional and State partnership between the City of Mandurah, Shire of Murray, City of Rockingham, Shire of Waroona and the Department of Health and is also supported by the University of Western Australia.

No occurrences of Ross River Virus or other mosquito borne disease were recorded for any Shire resident during the reporting period.

Pesticide Safety

The EHO monitors the storage, use and disposal of pesticides. Inspections of pesticide firms and vehicles were conducted to ensure the safe application of pesticides.

No new licences requiring inspection by the EHO of pest control equipment housed in the Shire were received by the Health Department during the reporting period.

Health Local Laws

A significant role of the EHO is to administer the provisions of the Health Local Laws. A considerable proportion of the EHS resource was spent addressing and managing community requests relating to issues including, but not limited to:

- Neglected dwellings
- Rubbish and waste on property
- Keeping of animals
- Asbestos

The time spent addressing these complaints and requests ranged from one hour in time to several months depending on the complexity of the issue.

Neighbourhood Noise

Noise can be one of the most persistent and annoying impacts on the amenity of any community. The major control of these issues is delegated to the EHO under the provisions of the Environmental Protection Act 1986.

Of the 6 noise complaints received during the reporting period, the majority pertained to short-term instances of chainsaws, roosters, parties and unsocial behaviour and vehicle noise. Most were resolved immediately after

involvement of the EHO and no prosecutions were required to be undertaken.

There were no unresolved noise complaints at the end of the reporting period.

DISABILITY ACCESS AND INCLUSION PLAN

Universal Access

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

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

Earlier in the year, the Shire reported on its Inclusion Plan to the Disability Services Commission as required. The Commission advised the Shire its Disability and Access Inclusion Plan is compliant with the requirements of the Disability Services Act 1993.

The Shire continues to liaise with community groups and government agencies to ensure it is kept up to date with legislative changes and best practise for universal access inclusion.

JASON ROBERTSON
MANAGER ENVIRONMENTAL HEALTH AND
BUILDING 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
- Waste Management
- Plant & Machinery

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

Notable Operational Achievements:

The major operational change to Technical Services was the taking on of Waste Management following the restructure triggered by the departure of Steve Cleaver in September 2014. This has been a particularly steep learning curve for Officers.

Another major achievement was the gaining of agreement from Water Corporation to fund 50% of the cost of culvert construction to replace the narrow bridge on Coronation Road – which it owns - despite being advised that Water Corporation would not be interested in contributing to such a project. Following this, the design and tender work could commence in earnest and did so in the second half of 2014/15.

Drafting of the first Enterprise Bargaining Agreement covering the outside crew was well advanced during the course of 2014/15, progressing towards finalisation in early 2015/16.

A major reconstruction of Hesse Street was completed to a high standard despite being a relatively complex project.

Staff Training and Development

Over the 2014/15 financial year the focus for training was to update any certificates that were due to expire and to enforce a high safety standard throughout the workplace. The following training courses were completed.

ChemCert Training (Refresher and New)
Basic Tree Felling
Pole Saw/ Street Tree Pruning Safety Training
Safety and Health Representatives Training
Qualified Tree Risk Assessment
Dogging Certificate (High Risk Training)

Load Restraint Training - Aimed to inform staff of the changes made to the law for carrying loads on vehicles.
Fire Equipment Familiarisation

Construction Program – Actual Costs

Roads to Recovery

- McClure Road \$117,614

Regional Road Group

- Coronation Road 2nd seal \$52,873
- Dorsett Road 2nd seal & forward design \$137,084
- Old Bunbury Road 2nd seal \$15,928
- Somers Road (Commodities funding) \$260,377*

*(also included Roads to Recovery funds and \$50,000 restitution contribution from Water Corporation)

Council Resources

- Hesse Street reconstruction \$538,535
- Preston Beach kerbing replacement \$10,040
- Waroona kerbing replacement \$9,827

Major Plant Repairs

- Plant Preservation – 12G Grader \$31,946
- Rebuild Waste Compactor engine (ex-budget) \$26,991

Works Program

Hesse Street

The Hesse Street project is 100% complete and is a credit to the efforts of the Manager Works, Works Supervisor, the Shire outside works crew, and the various contractors. The works were completed to a high standard with very few concerns or complaints given the complexity and disruptive nature of the works.

The new drainage components are designed to work with the existing downstream drainage to allow storage onsite, both within underground drainage structures as well as on the street surface itself, in order that stormwater has somewhere to sit while the undersized downstream drainage has time to drain the water away, rather than overtop the kerb and flood adjacent private properties.

This storage solution was seen as more advantageous than the alternative treatment which would have involved upgrading the sizes and therefore capacity of the downstream drainage which is located in narrow easements and would have presented a huge and expensive challenge.



Hesse Street Reconstructed

McClure Road

An 800 metre section of McClure Road was fully reconstructed and widened to 6.2 metres seal width. This was a joint funded project between Roads to Recovery and Council. Consultation took place before commencement with a local agriculture operation to ascertain which section of the road would be most advantageous to their operations as they are a major user of the road and had raised concerns a number of times in the past. It was pleasing to have their input which assisted in the decision making process.



McClure Road Reconstructed

Dorsett Road

No physical construction works took place on Dorsett Road in 2014/15 although the lengths subject to the previous three years' reconstruction and widening were resealed with a second coat seal.

Negotiations commenced with the adjacent landowners affected by the realignment with in principle agreement reached which has allowed the detailed design process to proceed. Officers instigated land valuations which

will assist in the setting of compensation levels for the current landowners. Other landowners will be dealt with in later years.

The design process commenced and is well advanced.

Dorsett Road will remain as Council's sole Regional Road Group funded project until such time as the project is completed, an approach supported by Main Roads.

Coronation & Old Bunbury Road

Both of these Regional Road Group projects were resealed with a second coat seal.

Somers Road

The intersection of Somers Road and Buller Road was reconstructed and upgraded as well as a 980 metre section of Somers to the North of the intersection.

The intersection saw drainage improvements, kerbing and an asphalt seal was applied to better cope with the turning movements of trucks turning into Buller Road to access Council's and the private refuse site on Buller Road. The section of Somers Road was failing and was remedied with additional pavement material and improvements to drainage.



Somers/Buller Road Intersection Upgrade

Private Works

The works crew carried out approximately 4.5 days of gravel resheeting for the Shire of Murray on a road in Coolup.

Parks and Gardens

Parks and Gardens continues to provide very sound performance despite a small crew and a lot to do. Its workload was increased with the taking on of additional areas following the decision by a local mowing contractor to move out of the area. The team now look after the Shire office precinct mowing and garden maintenance and have taken this extra work on with no increase in staffing levels.

Main Ovals

Investigation into improving the automated reticulation systems commenced in late 2014/15 with a view to moving to some form of remotely operated system. The specialised turf equipment purchased in 2013/14 has been in use and the operation of the various machines monitored to ensure the best result possible.

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. A spate of sprinkler head theft at the Preston Beach carpark has had an impact on turf conditions at that location.

Hamel

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

Contract Areas

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

Waste Management

Waste Management can be broken down into three main tasks – Buller Road Refuse and Disposal Site, waste bin collection, and Rivers Regional Council affairs.

Prior to the takeover the Technical Services department had had relatively little to do with the waste management operations, other than assistance from time to time with specific items either on site or as advice to the then Director of Community Services, etc. Therefore upon taking waste over the department faced a steep learning curve.

An immediate decision was taken to defer the advertising of a new Tender for the management of the Buller Road site as it was felt that it would be prudent to extend the contract of the current contractor for three months to give the Technical Services department time to gain a better understanding, and in case changes to the way the site was to operate were made as a better understanding was gained.

The bin collection tender was also due to expire at June 30 2014 therefore work to prepare and award a new tender has been underway with the goal for the contract to be awarded in time for commencement as of July 1 2014. In conjunction with this process, a bin audit was also carried out so as to provide a cross reference between the numbers of bins in the current contract and those actually on the ground.

Underway at the time of the waste management handover was the process to withdraw from membership of the Rivers Regional Council following concerns about Council's liability in the face of the pending Waste to Energy agreement. Officers have been working towards a withdrawal date to coincide with the local government elections in October 2015.

The liquid waste facility was not operating at the time of takeover and was not accepting any liquid waste. Investigations into its operations have commenced with a view to having the facility operating at full capacity as soon as possible.

The steep learning curve, together with the need to prepare two tenders, start a review process, the withdrawal from the RRC, as well as the actual operation of the day to day waste management tasks has created a huge increase in workload for the Technical Services department. This will taper off to some extent as operations move from a learning and establishment phase to a more operations phase but in reality it will take at least 24 months of operation before a full understanding of the waste management operations is gained and everything 'shakes down', assuming no major amendments are required.



Old Landfill Area Cleaned Up

Staff

Staff movements have been fairly minor for the year to date. Ian Roberts, Juanita Musgrave and Donna Wetnall are the departures with Lynley Young coming on board initially as a casual and then made permanent in the Parks and Gardens area.

Mychelle Jeffery commenced employment in January as an Environmental Technical Officer and has proved in this short period to be of great assistance particularly during our learning period with regards to waste management.

The largest staff related aspect of this year has been the preparation of the Enterprise Bargaining Agreement.

The decision was taken for the new EBA to completely supersede the award therefore the EBA itself is a complete document. It also provides a framework for a new system of levels and encourages training in order that employees may be able to seek a higher level and therefore enjoy greater benefits, while Council benefits from a more motivated and skilled workforce.

Asset Management

Asset Management has presented another large set of tasks this year as the push to continue the compilation of the various assets under the control of the Technical Services department continues, as well as the requirements from the Finance department in terms of asset valuations and associated information.

The last few months have seen somewhat of a culmination of the efforts of the previous two years or so as data gathered in that time has been centralised and standardised both in house and by consultants so that a) a definitive list of what assets are out there can be known and b) the various dollar values required by the Finance department can be determined.

Officers now have accurate data on virtually all asset areas, from Parks (reticulation, turf, paved areas, furniture) to drainage (pipe size and length, pit sizes, locations etc) to roads, paths and car parks. The last few gaps in the knowledge base have been closed recently and at the time of writing values are being placed against the assets that will satisfy the requirements of the Finance department.

Conclusion

As previously stated, this year has been a very busy one for all involved in Technical Services. While there have been a number of additional tasks to deal with, sound progress has been made with all of them and in

at least one, i.e. waste management, it's generally felt that progress has been more rapid than first anticipated.

Therefore it has been a successful year overall despite the difficult financial times, with all projects completed and all grant money expended, which is one measure of a successful year. Difficult decisions with perhaps quantum changes resulting from them lay ahead; particularly with regards to how to structure our construction crew and how to deal with areas such as plant replacement. The Technical Services Department does feel that the difficult times have forced a better understanding of the operations and where it might be possible to work more efficiently, which in the long term will prove beneficial.

PATRICK STEINBACHER
DIRECTOR TECHNICAL SERVICES

STRATEGIC COMMUNITY PLAN OVERVIEW

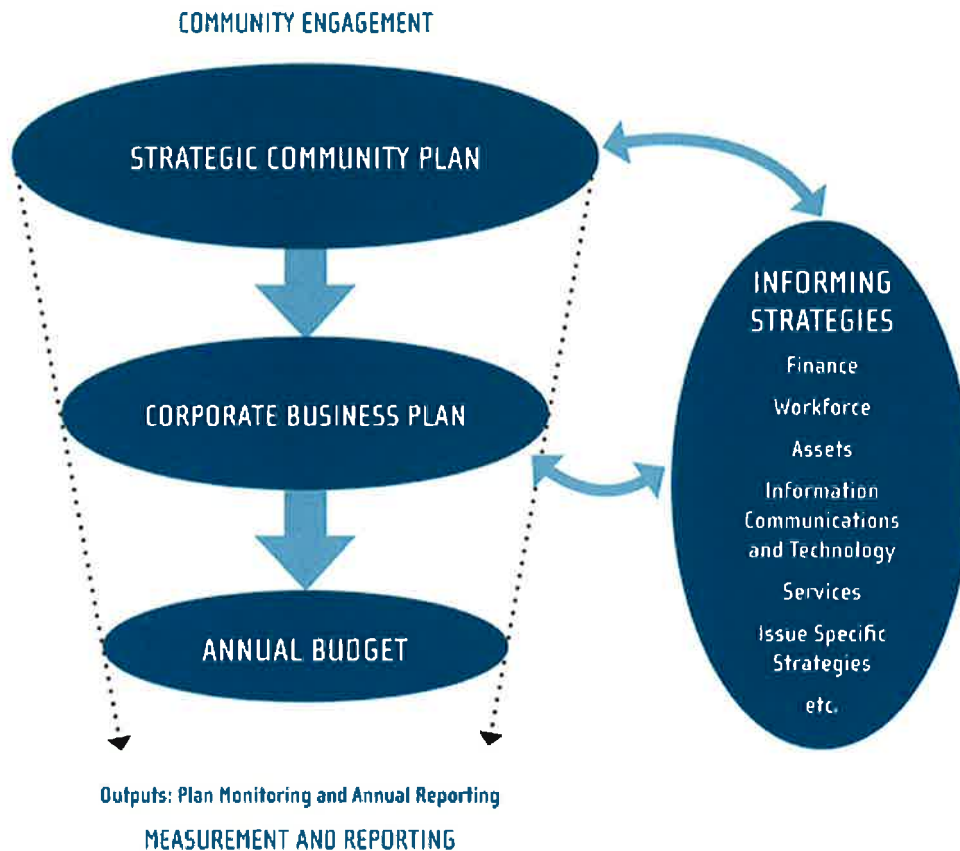
PLAN FOR THE FUTURE - OVERVIEW

Integrated Planning and Reporting Framework [IP&RF]

Annual Report - 2014/15 Year

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

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



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

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

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

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

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

While a number of extra sub-items were added to the SCP in June 2014, performance details on these latter changes are not included here, but are planned to be included in Reports in the 2016 year.

Corporate Business Plan [CBP] – This is a 'specific actions' plan, and covers a minimum of 4 years, and the 1st of these was adopted in June 2013. Basic comparisons of the specific items of the past year, which were contained in the Corporate Business Plan [CBP] for the 2014/15 year, are shown on an appraisal spreadsheet attachment to this report.

The Strategic Community Plan and the Corporate Business Plan are the main 'core' parts of what makes up a "Plan for the Future" and no major modifications or changes were made to these for the past year. After the Corporate Business Plan was adopted for the 2014/15 year, no community consultation occurred, as there is no statutory requirement to do so, and followed on from previously plans.

In the Corporate Business Plan applicable to the 2014/15 year, specific actions were adopted, and these items were then carried forward into the budget for that year, where financially possible. Attached to this report is a dissection comparing the CBP items to those included in the budget, and also comparing those to the actual outcomes for the past year.

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

The major action area for the 2014/15 year was that of "Asset Management", and these were for specific Capital works, as stated below.

The major specific initiatives adopted for the 2014/15 year were – Finalisation of the extensions to the Gymnasium at the Waroona Recreation Centre; proposed Coronation Road Bridge replacement; proposed Hesse Street Drainage/Road reconstruction work completion; reconstruction and resealing of a number of rural roads [see report by Director of Technical Services].

Of the above, only 2 major items were not completed in the past year, being - The Coronation Road Bridge replacement – This work had to be deferred due to extensive negotiations with the WA Government owned authority WA Water Corporation, with the funding having now been secured, and the work is planned to occur during the 2015/16 year. The other major work item was some rural road gravel re-sheeting and re-sealing which were also not completed, and these have also been deferred to the following year.

Important restoration works and improvements to the Town Hall considered for the 2013/14 year are now planned for the 2015/16 year. We have been successful in obtaining some Royalties for Regions monies, and Council funds

have also been allocated. These works involve renovations to the kitchen; replacement of the ceiling in the minor hall at the rear; and internal painting.

Other 'supporting' documents – See below - These had also been prepared in the 2014/15 year:

A 10 year Long Term Financial Plan [which provides capacity assessments as to how much could be afforded and prudently spent over the next 10 years, as well as other financial information]. The 1st of the LTFP was presented to Council in September 2013.

Assets Management Plans, were prepared or updated during the past year. All were adopted by Council, with the exceptions being a detailed Plant Replacement Plan, and an in-depth Waste Disposal Site Management and Improvement Plan. Both of these are now planned for the next year. Significant changes are envisaged for the Buller Road Waste Disposal Site, and further consulting specialists are to be engaged to assist in identifying and costing the new proposals.

A detailed Workforce Plan has been presented to Council in June each year. During the 2014/15 year there was a restructuring of the internal operations of the organisation, as well as reductions in the numbers of staff.

These supporting documents provided data as "Informing Strategies" to the higher level plans. As time progresses these will all become more effectively inter-linked.

Better Planning

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

Further, the requirements expect Councils to consider existing Assets initially before any new items, as the Council has limited finances, and not all items may be able to be afforded. Existing Assets are normally given a higher priority before consideration of any 'extra' Assets, with replacement of older Assets being viewed as good management. Further, there should also be an examination of the On-Going effects of any new 'extra' Assets [via a "Whole-Of-Life" approach of such extra Assets] as such items could add to a Council's future operational costs.

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

As can be expected, the main capital items needing to be addressed, and requiring funding, are Buildings and Roads. There are also other items needing to be addressed over the next 5-10 years as well, being – Waste Disposal Services; Drainage; Parks and Recreation; Footpaths; and the replacement of Plant and Equipment.

The initial emphasis is on viewing specific Asset proposals over a shorter period of 4-5 years [IE: Via a CBP], as well as any longer term [10+ years] effects, which is the main objective of a LTFP. It is obvious that this Council will be unable to finance any significant works from its own funds in the short term, but much of the backlog could be afforded in the later years.

There is a strong possibility that over the next 4 years that the Shire of Waroona may be eligible for some significant grants for - Bridge works, and improvements to the Community/Resource/Medical Centre. Such proposals will not significantly add to Council's operational costs, as they are mainly upgrading of existing assets.

As already indicated, the projections are that Council's finances will be very tight over the next 5 years, and that the minimum standards for many of the Statutory Ratios/Performance Indicators will be met in the longer term.

Important preparatory work and plans were completed in the past year, and these will need to be improved upon into the future.

2014/15 YEAR

NOTE 1 : All items adopted in the CBP for the past year were included in the budget for that year

SHIRE OF WAROONA
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

TABLE OF CONTENTS

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Notes to and Forming Part of the Financial Report	9
Independent Audit Report	53
Supplementary Ratio Information	55
Principal place of business: Shire of Waroona 52 Hesse Street WAROONA WA 6215	

**SHIRE OF WAROONA
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire being the annual financial report and other information for the financial year ended 30 June 2015 are in my opinion properly drawn up to present fairly the financial position of the Shire at 30th June 2015 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the 15th day of OCTOBER 2015


Ian Curley
Chief Executive Officer

SHIRE OF WAROONA
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2015

	NOTE	2015 \$	2015 Budget \$	2014 \$
Revenue				
Rates	22	3,790,972	3,793,246	3,481,640
Operating grants, subsidies and contributions	28	2,042,001	1,606,693	1,083,697
Fees and charges	27	1,314,698	1,436,126	1,260,164
Service charges	24	0	0	0
Interest earnings	2(a)	105,687	109,157	142,317
Other revenue		<u>117,872</u>	<u>92,680</u>	<u>96,458</u>
		7,371,231	7,037,902	6,064,276
Expenses				
Employee costs		(3,116,263)	(3,437,767)	(3,253,037)
Materials and contracts		(2,312,812)	(2,411,079)	(2,142,974)
Utility charges		(401,456)	(407,390)	(454,271)
Depreciation on non-current assets	2(a)	(2,793,919)	(2,139,280)	7,530,649
Interest expenses	2(a)	(23,359)	(24,838)	(16,643)
Insurance expenses		(223,331)	(235,285)	(209,588)
Other expenditure		<u>(221,816)</u>	<u>(220,650)</u>	<u>(200,343)</u>
		(9,092,955)	(8,876,289)	1,253,794
		(1,721,724)	(1,838,387)	7,318,070
Non-operating grants, subsidies and contributions	28	1,164,889	989,062	1,326,443
Non-cash Contribution		0	0	364,000
Loss on revaluation of non-current assets	2(a)	(1,983,107)	0	0
Profit on asset disposals	20	11,213	1,192	3,402
Loss on asset disposals	20	<u>(27,052)</u>	<u>(5,897)</u>	<u>(47,881)</u>
Net result		(2,555,781)	(854,030)	8,964,033
Other comprehensive income				
Gain on revaluation of non-current assets	12	30,809,289	0	7,968,719
Total other comprehensive income		30,809,289	0	7,968,719
Total comprehensive income		<u>28,253,508</u>	<u>(854,030)</u>	<u>16,932,752</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 2015

	NOTE	2015 \$	2015 Budget \$	2014 \$
Revenue	2(a)			
Governance		163,339	148,560	141,609
General purpose funding		5,319,604	4,854,570	4,140,621
Law, order, public safety		126,482	70,398	445,541
Health		55,433	64,590	53,467
Education and welfare		35,418	18,570	9,973
Housing		14,300	14,300	13,520
Community amenities		1,016,065	1,338,594	1,049,464
Recreation and culture		384,887	322,565	386,515
Transport		153,255	145,215	97,137
Economic services		36,258	43,840	45,958
Other property and services		66,190	16,700	44,471
		<u>7,371,231</u>	<u>7,037,902</u>	<u>6,428,276</u>
Expenses	2(a)			
Governance		(1,350,065)	(1,296,747)	(1,308,088)
General purpose funding		(107,215)	(119,183)	(120,042)
Law, order, public safety		(435,132)	(361,312)	(343,261)
Health		(268,106)	(253,773)	(242,815)
Education and welfare		(175,089)	(159,439)	(170,452)
Housing		(18,648)	(25,452)	(22,461)
Community amenities		(1,419,818)	(1,730,993)	(1,439,433)
Recreation and culture		(2,460,729)	(2,014,764)	(1,860,774)
Transport		(2,470,068)	(2,463,871)	(2,513,082)
Economic services		(290,873)	(371,226)	(344,634)
Other property and services		(73,853)	(54,691)	(64,454)
		<u>(9,069,596)</u>	<u>(8,851,451)</u>	<u>(8,429,496)</u>
Finance costs	2(a)			
General purpose funding		(2,192)	(3,300)	0
Recreation and culture		(21,167)	(21,538)	(16,252)
Transport		0	0	(390)
		<u>(23,359)</u>	<u>(24,838)</u>	<u>(16,642)</u>
Fair value adjustments to financial assets at fair value through profit or loss				
General purpose funding		(1,983,107)	0	0
		<u>(1,983,107)</u>	<u>0</u>	<u>0</u>
Non-operating grants, subsidies and contributions				
General purpose funding		590,084	381,912	645,233
Recreation and culture		64,886	64,250	0
Transport		509,919	542,900	681,210
	28	<u>1,164,889</u>	<u>989,062</u>	<u>1,326,443</u>
Profit/(Loss) on disposal of assets				
Governance		(14,504)	(3,597)	(16,616)
Law, order, public safety		0	1,192	(3,591)
Community amenities		(2,587)	(1,607)	(4,264)
Transport		2,444	0	(6,577)
Economic services		(1,192)	(693)	(13,433)
	20	<u>(15,839)</u>	<u>(4,705)</u>	<u>(44,480)</u>
Net result		<u>(2,555,781)</u>	<u>(854,030)</u>	<u>(735,899)</u>
Other comprehensive income				
Changes on revaluation of non-current assets	12	30,809,289	0	7,968,719
Total other comprehensive income		<u>30,809,289</u>	<u>0</u>	<u>7,968,719</u>
Total comprehensive income		<u><u>28,253,508</u></u>	<u><u>(854,030)</u></u>	<u><u>7,232,820</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 2015**

	NOTE	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	3	3,566,560	2,853,075
Trade and other receivables	4	220,444	194,555
Inventories	5	13,212	9,505
TOTAL CURRENT ASSETS		3,800,216	3,057,134
NON-CURRENT ASSETS			
Other receivables	4	0	12,419
Property, plant and equipment	6	34,408,661	35,239,848
Infrastructure	7	92,952,568	64,744,025
TOTAL NON-CURRENT ASSETS		127,361,229	99,996,293
TOTAL ASSETS		131,161,445	103,053,427
CURRENT LIABILITIES			
Trade and other payables	8	453,348	601,414
Current portion of long term borrowings	9	52,673	54,506
Provisions	10	712,261	620,491
TOTAL CURRENT LIABILITIES		1,218,282	1,276,411
NON-CURRENT LIABILITIES			
Long term borrowings	9	312,367	364,839
Provisions	10	43,459	78,347
TOTAL NON-CURRENT LIABILITIES		355,826	443,187
TOTAL LIABILITIES		1,574,108	1,719,598
NET ASSETS		129,587,336	101,333,829
EQUITY			
Retained surplus		12,284,146	14,378,419
Reserves - cash/investment backed	11	2,076,704	2,538,213
Revaluation surplus	12	115,226,487	84,417,198
TOTAL EQUITY		129,587,336	101,333,828

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 2015**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/INVESTMENT BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2013		15,546,429	2,106,102	76,448,479	94,101,010
Comprehensive income					
Net result		(735,899)	0	0	(735,899)
Changes on revaluation of non-current assets	12	0	0	7,968,719	7,968,719
Total comprehensive income		(735,899)	0	7,968,719	7,232,820
Transfers from/(to) reserves		(432,111)	432,111	0	0
Balance as at 30 June 2014		14,378,419	2,538,213	84,417,198	101,333,828
Comprehensive income					
Net result		(2,555,781)	0	0	(2,555,781)
Changes on revaluation of non-current assets	12	0	0	30,809,289	30,809,289
Total comprehensive income		(2,555,781)	0	30,809,289	28,253,508
Transfers from/(to) reserves		461,508	(461,508)	0	0
Balance as at 30 June 2015		12,284,146	2,076,704	115,226,487	129,587,336

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 2015**

	NOTE	2015 \$	2015 Budget \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		3,753,843	3,789,604	3,478,620
Operating grants, subsidies and contributions		2,050,703	1,606,693	1,083,697
Fees and charges		1,314,698	1,473,635	1,288,680
Interest earnings		105,687	109,157	142,317
Other revenue		117,872	92,929	96,458
		<u>7,342,803</u>	<u>7,072,018</u>	<u>6,089,772</u>
Payments				
Employee costs		(3,059,380)	(3,425,773)	(3,117,916)
Materials and contracts		(2,491,911)	(2,762,825)	(2,099,062)
Utility charges		(401,456)	(407,390)	(454,271)
Interest expenses		3,966	(25,252)	(17,205)
Insurance expenses		(223,331)	(235,285)	(209,588)
Other expenditure		(221,816)	(220,650)	(200,343)
		<u>(6,393,928)</u>	<u>(7,077,175)</u>	<u>(6,098,385)</u>
Net cash provided by (used in) operating activities	13(b)	<u>948,875</u>	<u>(5,157)</u>	<u>(8,613)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(426,301)	(477,215)	(1,163,146)
Payments for construction of infrastructure		(1,162,298)	(1,865,372)	(1,233,132)
Non-operating grants, Subsidies and contributions		1,164,889	989,062	1,326,443
Proceeds from sale of fixed assets		227,666	223,400	248,016
Net cash provided by (used in) investment activities		<u>(196,044)</u>	<u>(1,130,125)</u>	<u>(821,820)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures		(54,307)	(54,303)	(54,506)
Proceeds from self supporting loans		11,958	11,956	15,570
Proceeds from low Interest loans		3,000	3,000	5,000
Proceeds from new debentures		0	0	200,000
Net cash provided by (used In) financing activities		<u>(39,349)</u>	<u>(39,347)</u>	<u>166,064</u>
Net increase (decrease) in cash held		713,482	(1,174,629)	(664,369)
Cash at beginning of year		2,853,075	2,853,045	3,517,444
Cash and cash equivalents at the end of the year	13(a)	<u><u>3,566,560</u></u>	<u><u>1,678,416</u></u>	<u><u>2,853,075</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 2015**

	NOTE	2015 Actual \$	2015 Budget \$	2014 Actual \$
Revenue				
Governance		165,218	148,560	141,609
General purpose funding		2,118,716	1,443,236	1,304,214
Law, order, public safety		126,482	71,590	447,541
Health		55,433	64,590	53,467
Education and welfare		35,418	18,570	9,973
Housing		14,300	14,300	13,520
Community amenities		1,016,065	1,338,598	1,049,464
Recreation and culture		449,773	386,815	386,515
Transport		668,965	688,115	779,749
Economic services		39,801	43,840	45,958
Other property and services		66,190	16,695	44,501
		<u>4,756,361</u>	<u>4,234,909</u>	<u>4,276,511</u>
Expenses				
Governance		(1,366,448)	(1,300,344)	(1,324,704)
General purpose funding		(2,092,514)	(122,483)	(120,042)
Law, order, public safety		(435,132)	(361,312)	(348,852)
Health		(268,106)	(253,773)	(242,815)
Education and welfare		(175,089)	(159,439)	(170,452)
Housing		(18,648)	(25,452)	(22,461)
Community amenities		(1,422,405)	(1,732,600)	(1,443,697)
Recreation and culture		(2,481,896)	(2,036,302)	(1,877,026)
Transport		(2,473,415)	(2,463,871)	(2,521,451)
Economic services		(295,608)	(371,919)	(358,067)
Other property and services		(73,853)	(54,691)	(64,454)
		<u>(11,103,114)</u>	<u>(8,882,186)</u>	<u>(8,494,021)</u>
Net result excluding rates		(6,346,753)	(4,647,277)	(4,217,510)
Adjustments for cash budget requirements:				
Non-cash expenditure and revenue				
Loss on revaluation of fixed asset		1,983,107	0	0
(Profit)/Loss on asset disposals	20	15,839	4,705	44,480
Movement in employee benefit provisions		56,882	17,079	127,722
Depreciation and amortisation on assets	2(a)	2,793,919	2,139,280	(7,530,649)
Non-cash contribution from DFES		0	0	(364,000)
Capital Expenditure and Revenue				
Purchase land held for resale		0	0	0
Purchase of land and buildings	6(b)	(60,143)	(101,050)	(530,065)
Purchase of furniture and equipment	6(b)	(15,332)	(8,835)	(72,059)
Purchase of plant and equipment	6(b)	(350,826)	(367,330)	(561,023)
Purchase infrastructure roads	7(b)	(1,122,461)	(1,224,500)	(1,110,155)
Purchase infrastructure other	7(b)	(39,837)	(640,872)	(122,977)
Proceeds from disposal of fixed assets	20	227,666	223,400	248,016
Repayment of debentures	21(a)	(54,307)	(54,303)	(54,506)
Proceeds from new debentures	21(a)	0	0	200,000
Proceeds from self supporting loans		11,958	11,956	15,570
Proceeds from low interest loans		3,000	3,000	5,000
Unspent grants July B/Fwd		105,333	105,333	343,283
Unspent grants June C/Fwd		(115,858)	0	(105,333)
Transfers to reserves (restricted assets)	11	(164,970)	(73,970)	(613,786)
Transfers from reserves (restricted assets)	11	626,478	1,088,267	181,675
ADD Estimated surplus/(deficit) July 1 b/fwd	22(b)	(198,263)	(268,128)	736,481
LESS Estimated surplus/(deficit) June 30 c/fwd	22(b)	1,146,405	0	(198,263)
Total amount raised from general rate	22(a)	<u>(3,790,972)</u>	<u>(3,793,246)</u>	<u>(13,181,572)</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 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

Critical accounting estimates

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

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

The local government reporting entity

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

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

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

(b) Goods and Services Tax (GST)

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

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

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

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

(c) Cash and Cash Equivalents

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

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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Trade and Other Receivables

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

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

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

(e) Inventories

General

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

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

Land held for sale

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

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

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

(f) Fixed Assets

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

Mandatory requirement to revalue non-current assets

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

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.

In 2013, the Shire 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.

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Land under control

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

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

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

Land under roads

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

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

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

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

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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Depreciation

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

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

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

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

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

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

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

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

Capitalisation threshold

Expenditure on items of equipment under \$5,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities

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

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

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

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

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

Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Income approach

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

Cost approach

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

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

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

(h) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

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

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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and subsequent measurement (continued)

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Impairment

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

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

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

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

Derecognition

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

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

(i) Impairment of Assets

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

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

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

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

(j) Trade and Other Payables

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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Employee Benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

(l) Borrowing Costs

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

(m) Provisions

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

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

(n) Leases

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

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

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

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

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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Investment in Associates

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

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

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

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

(p) Interests in Joint Arrangements

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

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

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 16.

(q) Rates, Grants, Donations and Other Contributions

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

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

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

(r) Superannuation

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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Current and Non-Current Classification

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

(t) Rounding Off Figures

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

(u) Comparative Figures

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

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

(v) Budget Comparative Figures

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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect.
(ii) AASB 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]	September 2012	1 January 2018	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 Shire (refer (i) above).
(iii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2017	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(iv)	AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments [Operative date: Part C Financial Instruments - 1 January 2015]	December 2013	Refer title column	Part C of this Standard makes consequential amendments to AASB 9 and numerous other Standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value. As the bulk of changes relate either to editorial or reference changes it is not expected to have a significant impact on the Shire.
(v)	AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	August 2014	1 January 2016	This Standard amends AASB 11: <i>Joint Arrangements</i> to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: <i>Business Combinations</i> , to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations. Since adoption of this Standard would impact only acquisitions of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the Shire's financial statements.
(vi)	AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]	August 2014	1 January 2016	This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. Given the Shire currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(vii) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	December 2014	1 January 2017	Consequential changes to various Standards arising from the issuance of AASB 15. It will require changes to reflect the impact of AASB 15.
(viii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]	January 2015	1 January 2016	This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column. It is not anticipated it will have any significant impact on disclosures.
(ix) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality	January 2015	1 July 2015	This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing it to be completely withdrawn. It is not anticipated it will have a significant impact as the principles of materiality remain largely unchanged.

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(x) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]	March 2015	1 July 2016	The objective of this Standard is to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities. The Standard is expected to have a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.

Notes:

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

(x) Adoption of New and Revised Accounting Standards

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

These new and revised Standards were:

AASB 2011-7
AASB 2012-3
AASB 2013-3
AASB 2013-8
AASB 2013-9 Parts A & B

Most of the Standards adopted had a minimal effect on the accounting and reporting practices of the Shire as they did not have a significant impact on the accounting or reporting practices or were either not applicable, largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

2. REVENUE AND EXPENSES

	2015	2014
	\$	\$
(a) Net Result		
The Net result includes:		
(i) Charging as an expense:		
Significant expense and revenue		
Loss on revaluation of non-current assets - Infrastructure Other	<u>(1,983,107)</u>	<u>0</u>
Auditors remuneration		
- Audit of the annual financial report	7,000	6,650
- Interim Audit	3,600	3,400
- Other services	2,250	2,070
Depreciation		
Building	771,452	253,013
Furniture & Equipment	29,999	26,367
Plant & Equipment	176,814	203,025
Infrastructure Roads	1,424,937	1,424,937
Infrastructure Other	390,717	261,941
	<u>2,793,919</u>	<u>(7,530,649)</u>
Interest expenses (finance costs)		
Debentures (refer Note 21 (a))	21,167	16,643
Interest on Overdraft	2,192	0
	<u>23,359</u>	<u>16,643</u>
Rental charges		
- Operating leases	46,676	44,175
	<u>46,676</u>	<u>44,175</u>
(ii) Crediting as revenue:		
Other revenue		
Other	117,872	96,458
	<u>117,872</u>	<u>96,458</u>
	2015 Actual	2015 Budget
	\$	\$
Interest earnings		
- Reserve Fund	72,968	71,700
- Municipal Fund	32,719	37,457
	<u>105,687</u>	<u>109,157</u>
Other interest revenue (refer note 26)	32,657	27,980
	<u>138,344</u>	<u>137,137</u>
	2014 Actual	2014 Actual
	\$	\$
	<u>142,317</u>	<u>170,715</u>

**SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

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

COMMUNITY VISION

We value our coast and country and care for our community

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

GOVERNANCE

Objective:

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

Activities:

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

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objective:

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

Activities:

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

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

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

EDUCATION AND WELFARE

Objective:

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

Activities:

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

HOUSING

Objective:

To provide and maintain elderly residents housing.

Activities:

Provision and maintenance of elderly residents housing.

**SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

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

RECREATION AND CULTURE

Objective:

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

Activities:

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

TRANSPORT

Objective:

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

Activities:

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

ECONOMIC SERVICES

Objective:

To help promote the shire and its economic wellbeing.

Activities:

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

OTHER PROPERTY AND SERVICES

Objective:

To monitor and control Shire's overheads operating accounts.

Activities:

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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening Balance ⁽¹⁾ 1/07/13 \$	Received ⁽²⁾ 2013/14 \$	Expended ⁽³⁾ 2013/14 \$	Closing Balance ⁽¹⁾ 30/06/14 \$	Received ⁽²⁾ 2014/15 \$	Expended ⁽³⁾ 2014/15 \$	Closing Balance 30/06/15 \$
Dept Sport & Recreation	Recreation & Culture	3,377	0	3,377	0	0	0	0
Royalties for Regions 2011-12	Various	286,858	0	278,245	8,613	0	8,613	0
Lake Preston Trail	Recreation & Culture	20,000	0	0	20,000	0	10,560	9,440
Oval Lighting	Recreation & Culture	5,000	0	5,000	0	0	0	0
WA Police CCTV Project	Law Order & Public Safety	23,825	0	23,825	0	0	0	0
Cat Act Grant	Law Order & Public Safety	2,535	0	2,535	0	0	0	0
Alcoa Youth Activities	Education & Welfare	1,688	10,000	6,688	5,000	10,000	10,000	5,000
Cat Act Grant - Sterilisation Prog.	Law Order & Public Safety	0	5,000	100	4,900	0	4,900	0
Kids Sport Grant	Recreation & Culture	0	9,000	7,460	1,540	18,000	16,296	3,244
Dept Fire & Emergency Services	Law Order & Public Safety	0	23,401	19,887	3,514	24,189	26,027	1,676
Royalties - Economic Study	Economic Services	0	0	0	0	20,000	5,940	14,060
Royalties - Waste Study	Community Amenities	0	0	0	0	20,000	4,057	15,943
Suicide Prevention Grant	Education & Welfare	0	0	0	0	14,155	0	14,155
South Metro Pop Heath - NAIDOC	Community Amenities	0	0	0	0	500	0	500
Royalties - Hall Upgrade Grant	Recreation & Culture	0	0	0	0	50,000	0	50,000
Strong Families - NAIDOC	Recreation & Culture	0	0	0	0	100	0	100
Alcoa RSL Waroona/Hamel	Recreation & Culture	0	0	0	0	1,740	0	1,740
Total		343,283	47,401	347,117	43,567	158,684	86,393	115,858

Funds In Reserves

Royalties for Regions 2012-13	Transport	557,000	1,403	0	558,403	18,833	70,250	506,986
Royalties for Regions - Regional	Transport	0	470,028	0	470,028	3,209	473,237	0
		557,000	471,431	0	1,028,431	22,042	543,487	506,986

Notes:

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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	Note	2015 \$	2014 \$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		1,373,997	209,530
Restricted - Reserves		<u>2,192,562</u>	<u>2,643,545</u>
		<u>3,566,560</u>	<u>2,853,075</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Emergency Assistance Reserve	11	16,438	15,902
Sports Reserve	11	65,748	60,556
Staff Leave Reserve	11	115,968	112,185
Waste Management Reserve	11	298,453	256,786
Rec Centre Building Reserve	11	80,589	97,308
Hamel Hall Reserve	11	27,978	32,869
Plant Replacement Reserve	11	403,799	419,645
Depot Redevelopment Reserve	11	53,604	51,856
Building Asset Maintenance Reserve	11	48,645	47,057
Strategic Planning Reserve	11	23,865	23,086
Industrial Land Development Reserve	11	216,206	209,153
Preston Beach Volunteer Reserve	11	35,357	23,695
Information Technology Reserve	11	18,068	17,477
Footpath construction Reserve	11	28,026	27,112
Asset Management Reserve	11	108,436	104,899
History Book Reprint Reserve	11	10,538	10,195
Coronation Road Bridge Reserve	11	506,986	558,404
Hesse Street Redevelopment Reserve	11	0	470,028
Risk & Insurance Reserve	11	18,000	0
Unspent grants	2(c)	115,858	43,567
Unspent Loans		<u>0</u>	<u>61,765</u>
		<u>2,192,562</u>	<u>2,643,545</u>
4 TRADE AND OTHER RECEIVABLES			
Current			
Rates outstanding		122,488	80,839
Sundry debtors		89,068	97,494
Loans - Self Supporting		7,900	11,957
Accrued Income		988	1,264
Loans - Low Interest		0	3,000
		<u>220,444</u>	<u>194,555</u>
Non-current			
Rates outstanding - pensioners		0	4,519
Loans - Self Supporting		0	7,900
Loans - Low Interest		<u>0</u>	<u>0</u>
		<u>0</u>	<u>12,419</u>
5. INVENTORIES			
Current			
Fuel & Materials		10,185	5,896
Kiosk		<u>3,027</u>	<u>3,609</u>
		<u>13,212</u>	<u>9,505</u>
Non-current			
Land held for resale - cost			
Cost of acquisition		0	0
Development costs		<u>0</u>	<u>0</u>
		<u>0</u>	<u>0</u>

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015 \$	2014 \$
6 (a). PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
Land at:		
- Independent valuation 2014	14,498,500	14,498,500
	<u>14,498,500</u>	<u>14,498,500</u>
	<u>14,498,500</u>	<u>14,498,500</u>
Buildings at:		
- Independent valuation 2014	18,424,425	17,894,361
- Additions after valuation - cost	60,143	530,065
Less: accumulated depreciation	(873,403)	(101,951)
	<u>17,611,165</u>	<u>18,322,474</u>
	<u>17,611,165</u>	<u>18,322,474</u>
Total Property, Plant & Equipment	<u>32,109,665</u>	<u>32,820,974</u>
Furniture and Equipment at:		
- Management valuation 2013	218,759	146,700
- Additions after valuation - cost	15,332	72,059
- User defined	0	0
Less accumulated depreciation	(56,569)	(26,367)
	<u>177,521</u>	<u>192,392</u>
Plant and Equipment at:		
- Management valuation 2013	2,165,449	1,796,981
- Additions after valuation - cost	350,826	925,023
- Additions made at 1 July 2013	0	(292,496)
Less accumulated depreciation	(394,800)	(203,025)
	<u>2,121,475</u>	<u>2,226,483</u>
	<u>34,408,661</u>	<u>35,239,848</u>

Land and Buildings:

The Shire's land and buildings were revalued throughout the 2013/14 financial year at Fair value by an independent valuer.

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

The revaluation of these assets resulted in an overall increase of 7,228,980 in the net value of the Shire's land and buildings. All of this increase was credited to the revaluation surplus in the Shire's equity and was recognised as 'Changes on Revaluation of Non-Current Assets' in the Statement of Comprehensive Income.

Plant and Equipment & Furniture and Equipment

Both Furniture and Equipment and Plant and Equipment were revalued in 2013 as a part of the mandatory requirements embodied in Local Government (Financial Management) Regulation 17A. Since then any additional assets that have been purchased are shown at cost value. It is Councils opinion that these items that have been recently purchased and have had depreciation applied to them have a written down value which approximates to fair value. Therefore according to Local Government (Financial Management) Regulation 17A (2) these assets are being shown at Fair Value

Assets under the Furniture and Equipment and Plant and Equipment class will be revalued during the year ending 30 June 2016 in accordance with the mandatory asset measurement framework detailed at Note 1(f)

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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers/ Corrections \$	Carrying Amount at the End of Year \$
Land	14,498,500	0	0	0	0	0	0	14,498,500
Total land	14,498,500	0	0	0	0	0	0	14,498,500
Buildings	18,322,474	60,143	0	0	0	(771,452)	0	17,611,165
Total buildings	18,322,474	60,143	0	0	0	(771,452)	0	17,611,165
Total land and buildings	32,820,974	60,143	0	0	0	(771,452)	0	32,109,665
Furniture and Equipment	192,392	15,332	0	0		(29,999)	(203)	177,521
Plant and Equipment	2,226,483	350,826	(295,787)	0		(176,814)	16,767	2,121,476
Total property, plant and equipment	35,239,848	426,301	(295,787)	0	0	(978,265)	16,563	34,408,662

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015 \$	2014 \$
7 (a). INFRASTRUCTURE		
Infrastructure Roads		
- At Valuation	0	91,095,825
- Fair Value	84,191,051	0
Less accumulated depreciation	0	(37,411,586)
	<u>84,191,051</u>	<u>53,684,239</u>
Infrastructure Other		
- Cost	0	12,060,914
- Fair Value	940,198	0
- Additions after valuation - cost	0	0
Less accumulated depreciation	0	(1,001,128)
	<u>940,198</u>	<u>11,059,786</u>
Infrastructure Bridges		
- Fair Value	875,000	0
- Additions after valuation at cost	0	0
Less accumulated depreciation	0	0
	<u>875,000</u>	<u>0</u>
Infrastructure Parks & Ovals		
- Fair Value	2,161,646	0
- Additions after valuation at cost	0	0
Less accumulated depreciation	0	0
	<u>2,161,646</u>	<u>0</u>
Infrastructure Drainage		
- Fair Value	3,147,816	0
- Additions after valuation at cost	0	0
Less accumulated depreciation	0	0
	<u>3,147,816</u>	<u>0</u>
Infrastructure Footpaths		
- Fair Value	1,636,857	0
- Additions after valuation at cost	0	0
Less accumulated depreciation	0	0
	<u>1,636,857</u>	<u>0</u>
	<u>92,952,568</u>	<u>64,744,025</u>

The fair value of infrastructure is determined at least every three years in accordance with legislative requirements. Additions since the date of valuation are shown as cost. Given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and, where appropriate, the fair value is updated to reflect current market conditions.

This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires infrastructure to be shown at fair value.

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

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

For the year ending 30 June 2014 and prior years infrastructure other was not categorised on the same basis as the were at 30 June 2015. The write down of infrastructure assets classes other than roads totalling \$4,920,687 has been applied against 'other infrastructure revaluation reserve' \$2,937,580 per note 12(g) with the balance expenses of (\$1,983,107) within the statement of comprehensive income as stated in note 2(a).

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

7. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Balance as at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers/ Corrections \$	Carrying Amount at the End of the Year \$
Infrastructure Roads	53,684,239	1,122,461	0	30,809,289		(1,424,937)	0	84,191,051
Infrastructure Other	11,059,786	39,837		(104,494)		(390,717)	(9,664,214)	940,198
Infrastructure Bridges				2,500			872,500	875,000
Infrastructure Parks & Ovals				169,572			1,992,074	2,161,646
Infrastructure Drainage				(1,973,235)			5,121,051	3,147,816
Infrastructure Footpaths				(77,450)			1,714,307	1,636,857
Total infrastructure	64,744,025	1,162,298	0	28,826,182	0	(1,815,654)	35,718	92,952,568

The revaluation of infrastructure assets resulted in an increase on revaluation of \$28,826,182 in the net value of infrastructure.

All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 12) and was recognised as Changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015 \$	2014 \$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry creditors	397,417	572,808
Accrued Expenses	55,931	28,606
	<u>453,348</u>	<u>601,414</u>

9. LONG-TERM BORROWINGS

Current		
Secured by floating charge		
Debentures	52,673	54,506
	<u>52,673</u>	<u>54,506</u>
Non-current		
Secured by floating charge		
Debentures	312,367	364,839
	<u>312,367</u>	<u>364,839</u>

Additional detail on borrowings is provided in Note 21.

10. PROVISIONS

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2014	264,965	355,526	620,491
Non-current provisions	0	78,347	78,347
	<u>264,965</u>	<u>433,873</u>	<u>698,838</u>
Additional provision	52,681	45,997	98,679
Amounts used	(23,665)	(18,131)	(41,796)
Balance at 30 June 2015	<u>293,981</u>	<u>461,740</u>	<u>755,720</u>
Comprises			
Current	293,981	418,281	712,261
Non-current	0	43,459	43,459
	<u>293,981</u>	<u>461,740</u>	<u>755,720</u>

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015 \$	2015 Budget \$	2014 \$
11. RESERVES - CASH/INVESTMENT BACKED			
(a) Emergency Assistance Reserve			
Opening balance	15,902	15,902	15,306
Amount set aside / transfer to reserve	536	0	596
Amount used / transfer from reserve	0	0	0
	<u>16,438</u>	<u>15,902</u>	<u>15,902</u>
(b) Sports Reserve			
Opening balance	60,556	60,556	53,082
Amount set aside / transfer to reserve	5,192	3,150	7,474
Amount used / transfer from reserve	0	0	0
	<u>65,748</u>	<u>63,706</u>	<u>60,556</u>
(c) Staff Leave Reserve			
Opening balance	112,185	112,185	93,545
Amount set aside / transfer to reserve	3,783	0	18,640
Amount used / transfer from reserve	0	0	0
	<u>115,968</u>	<u>112,185</u>	<u>112,185</u>
(d) Waste Management Reserve			
Opening balance	256,786	256,786	237,536
Amount set aside / transfer to reserve	68,659	60,000	19,250
Amount used / transfer from reserve	(26,992)	0	0
	<u>298,453</u>	<u>316,786</u>	<u>256,786</u>
(e) Rec Centre Building Reserve			
Opening balance	97,308	97,308	93,664
Amount set aside / transfer to reserve	3,281	0	3,644
Amount used / transfer from reserve	(20,000)	(20,000)	0
	<u>80,589</u>	<u>77,308</u>	<u>97,308</u>
(f) Hamel Hall Reserve			
Opening balance	32,869	32,869	35,486
Amount set aside / transfer to reserve	1,109	0	1,384
Amount used / transfer from reserve	(6,000)	(6,000)	(4,000)
	<u>27,978</u>	<u>26,869</u>	<u>32,869</u>
(g) Plant Replacement Reserve			
Opening balance	419,645	419,645	508,114
Amount set aside / transfer to reserve	14,154	0	29,481
Amount used / transfer from reserve	(30,000)	(30,000)	(117,950)
	<u>403,799</u>	<u>389,645</u>	<u>419,645</u>
(h) Depot Redevelopment Reserve			
Opening balance	51,856	51,856	49,914
Amount set aside / transfer to reserve	1,748	0	1,942
Amount used / transfer from reserve	0	0	0
	<u>53,604</u>	<u>51,856</u>	<u>51,856</u>
(i) Building Asset Maintenance Reserve			
Opening balance	47,057	47,057	51,339
Amount set aside / transfer to reserve	1,588	0	1,998
Amount used / transfer from reserve	0	0	(6,280)
	<u>48,645</u>	<u>47,057</u>	<u>47,057</u>
(j) Strategic Planning Reserve			
Opening balance	23,086	23,086	22,222
Amount set aside / transfer to reserve	779	0	864
Amount used / transfer from reserve	0	0	0
	<u>23,865</u>	<u>23,086</u>	<u>23,086</u>

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015 \$	2015 Budget \$	2014 \$
11. RESERVES - CASH/INVESTMENT BACKED (CONTINUED)			
(k) Industrial Land Development Reserve			
Opening balance	209,153	209,153	201,320
Amount set aside / transfer to reserve	7,053	0	7,833
Amount used / transfer from reserve	0	0	0
	<u>216,206</u>	<u>209,153</u>	<u>209,153</u>
(l) Preston Beach Volunteer Reserve			
Opening balance	23,695	23,695	31,945
Amount set aside / transfer to reserve	11,662	10,820	11,750
Amount used / transfer from reserve	0	0	(20,000)
	<u>35,357</u>	<u>34,515</u>	<u>23,695</u>
(m) Information Technology Reserve			
Opening balance	17,477	17,477	23,561
Amount set aside / transfer to reserve	591	0	916
Amount used / transfer from reserve	0	(3,835)	(7,000)
	<u>18,068</u>	<u>13,642</u>	<u>17,477</u>
(n) Footpath construction Reserve			
Opening balance	27,112	27,112	26,097
Amount set aside / transfer to reserve	914	0	1,015
Amount used / transfer from reserve	0	0	0
	<u>28,026</u>	<u>27,112</u>	<u>27,112</u>
(o) Asset Management Reserve			
Opening balance	104,899	104,899	100,971
Amount set aside / transfer to reserve	3,537	0	3,928
Amount used / transfer from reserve	0	0	0
	<u>108,436</u>	<u>104,899</u>	<u>104,899</u>
(p) History Book Reprint Reserve			
Opening balance	10,195	10,195	5,000
Amount set aside / transfer to reserve	343	0	5,195
Amount used / transfer from reserve	0	0	0
	<u>10,538</u>	<u>10,195</u>	<u>10,195</u>
(q) Coronation Road Bridge Reserve			
Opening balance	558,403	558,403	557,000
Amount set aside / transfer to reserve	18,832	0	21,671
Amount used / transfer from reserve	(70,249)	(558,404)	(20,269)
	<u>506,986</u>	<u>(1)</u>	<u>558,403</u>
(r) Hesse Street Redevelopment Reserve			
Opening balance	470,028	470,028	0
Amount set aside / transfer to reserve	3,209	0	476,204
Amount used / transfer from reserve	(473,237)	(470,028)	(6,176)
	<u>0</u>	<u>0</u>	<u>470,028</u>
(s) Risk & Insurance Reserve			
Opening balance	0	0	0
Amount set aside / transfer to reserve	18,000	0	0
Amount used / transfer from reserve	0	0	0
	<u>18,000</u>	<u>0</u>	<u>0</u>
TOTAL RESERVES	<u>2,076,704</u>	<u>1,523,915</u>	<u>2,538,213</u>
Total Opening balance	2,538,212	2,538,212	2,106,102
Total Amount set aside / transfer to reserve	164,970	73,970	613,786
Total Amount used / transfer from reserve	(626,478)	(1,088,267)	(181,675)
TOTAL RESERVES	<u>2,076,704</u>	<u>1,523,915</u>	<u>2,538,213</u>

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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

11. RESERVES - CASH/INVESTMENT BACKED (CONTINUED)

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

- (a) Emergency Assistance Reserve
to be used to provide funds to assist in emergency situations eg: major fire.
- (b) Sports Reserve
to be used to provide funds for sporting facilities and equipment as determined by Council together with low interest loans applications.
- (c) Staff Leave Reserve
to be used to fund annual and long service leave requirements.
- (d) Waste Management Reserve
to be used to maintain operations at Buller Road refuse site
- (e) Rec Centre Building Reserve
to be used for future building asset maintenance items at the Recreation Centre particularly plant
- (f) Hamel Hall Reserve
to be used to provide funds for the upgrading of the Hamel Hall and surrounding area
- (g) Plant Replacement Reserve
to be used for the purchase and replacement of major plant
- (h) Depot Redevelopment Reserve
to be used to provide funds for the provision of vehicle storage bays at Works Depot.
- (i) Building Asset Maintenance Reserve
to be used to provide funds for future maintenance.
- (j) Strategic Planning Reserve
to be used to provide funds for the future requirements of Council's Strategic Planning.
- (k) Industrial Land Development Reserve
to be used to provide funds for future establishment of a light industrial estate.
- (l) Preston Beach Volunteer Reserve
to be used to provide funds to assist in the operations of the volunteer ranger functions including replacement of equipment.
- (m) Information Technology Reserve
to be used to be used to ensure that the network computer system is maintained including external site connections.
- (n) Footpath construction Reserve
to be used to provide funds for future extension of Dual use path network.
- (o) Asset Management Reserve
to be used to fund the renewal of existing Council assets in accordance with the adopted Asset Management Plan
- (p) History Book Reprint Reserve
to be used to fund the update reprint of the 'Drakesbrook days and Waroona years' historical book
- (q) Coronation Road Bridge Reserve
to be used to fund the upgrade of the Coronation road Bridge
- (r) Hesse Street Redevelopment Reserve
to be used to fund the Hesse street redevelopment including extensive road drainage
- (s) Risk & Insurance Reserve
to be used for expenses associated with risk assessments and insurance adjustments or Unforseen expenses

All reserves apart from Coronation Road Bridge reserve are not expected to be spent due to further allocation anticipated in future years. Coronation Road Bridget reserve is expected to be fully spent in 2015/16

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

12. REVALUATION SURPLUS	2015	2014
	\$	\$
Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:		
(a) Asset Revaluation Surplus		
Opening balance	84,417,198	76,448,479
Revaluation increment	41,962,527	11,142,266
Revaluation decrement	(11,153,238)	(3,173,547)
	<u>115,226,487</u>	<u>84,417,198</u>
(b) Land		
Opening balance	1,940,135	0
Revaluation increment		3,199,200
Revaluation decrement	0	(1,259,065)
	<u>1,940,135</u>	<u>1,940,135</u>
(c) Building		
Opening balance	6,028,584	0
Revaluation increment	0	6,505,420
Revaluation decrement	0	(476,836)
	<u>6,028,584</u>	<u>6,028,584</u>
(d) Plant & Equipment		
Opening balance	506,659	477,210
Revaluation increment	0	1,289,864
Revaluation decrement	0	(1,275,846)
	<u>506,659</u>	<u>506,659</u>
(e) Furniture & Equipment		
Opening balance	0	14,019
Revaluation increment	0	147,782
Revaluation decrement	0	(161,801)
	<u>0</u>	<u>0</u>
(f) Infrastructure Roads		
Opening balance	0	0
Revaluation increment	39,024,947	0
Revaluation decrement	(8,215,658)	0
	<u>30,809,289</u>	<u>0</u>
(g) Infrastructure Other		
Opening balance	0	0
Revaluation increment	2,937,580	0
Revaluation decrement	(2,937,580)	0
	<u>0</u>	<u>0</u>
TOTAL ASSET REVALUATION SURPLUS	<u><u>115,226,487</u></u>	<u><u>84,417,198</u></u>

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

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:

	2015 \$	2015 Budget \$	2014 \$
Cash and cash equivalents	<u>3,566,560</u>	<u>1,678,416</u>	<u>2,853,075</u>

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

Net result	(2,555,781)	(854,030)	8,964,033
Non-cash flows in Net result:			
Depreciation	2,793,919	2,139,280	(7,530,649)
(Profit)/Loss on sale of asset	15,839	4,705	44,479
Fair value adjustments to financial assets at fair value through profit or loss	1,983,108	0	0
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	(28,428)	34,116	25,496
(Increase)/Decrease in inventories	(3,707)	(545)	(1,418)
Increase/(Decrease) in payables	(148,069)	(356,700)	52,169
Increase/(Decrease) in provisions	56,882	17,079	127,722
Grants contributions for the development of assets	(1,164,889)	(989,062)	(1,326,443)
Non-cash contribution	<u>0</u>	<u>0</u>	<u>(364,000)</u>
Net cash from operating activities	<u>948,875</u>	<u>(5,157)</u>	<u>(8,613)</u>

(c) Undrawn Borrowing Facilities
Credit Standby Arrangements

	2015 \$	2014 \$
Bank overdraft limit	500,000	0
Bank overdraft at balance date	0	0
Credit card limit	20,000	20,000
Credit card balance at balance date	<u>0</u>	<u>0</u>
Total amount of credit unused	<u>520,000</u>	<u>20,000</u>

Loan facilities

Loan facilities - current	52,673	54,506
Loan facilities - non-current	312,367	364,840
Total facilities in use at balance date	<u>365,040</u>	<u>419,346</u>

Unused loan facilities at balance date	<u>NIL</u>	<u>NIL</u>
---	------------	------------

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

14. CONTINGENT LIABILITIES

As at 30 June 2015 Council has no contingent liabilities

15. CAPITAL AND LEASING COMMITMENTS

2015 **2014**
\$ **\$**

(a) Operating Lease Commitments

Non-cancellable operating leases contracted for but

Payable:

- not later than one year	46,676	44,167
- later than one year but not later than five years	313,710	50,804
- later than five years	33,976	0
	<u>394,362</u>	<u>94,971</u>

(b) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects	50,000	70,378
- plant & equipment purchases	0	0

Payable:

- not later than one year	50,000	70,378
---------------------------	--------	--------

The capital expenditure project outstanding at the end of the current reporting period represents the grant funds provided to Council for the capital upgrade of the town hall. These funds have been provided through Royalties for Regions funding and will be fully spent throughout the 2015/16 year

16. JOINT VENTURE ARRANGEMENTS

The Shire is not involved in any joint venture arrangements.

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

2015 **2014**
\$ **\$**

Governance	2,982,056	3,172,488
General purpose funding	3,690,036	2,976,109
Law, order, public safety	1,160,708	1,224,816
Health	1,837,299	1,886,378
Education and welfare	358,765	366,940
Housing	178,995	178,995
Community amenities	4,672,648	6,529,974
Recreation and culture	25,585,857	26,276,234
Transport	87,766,855	57,199,403
Economic services	1,015,014	1,097,057
Other property and services	1,088,212	1,113,416
Unallocated	825,000	1,031,617
	<u>131,161,445</u>	<u>103,053,426</u>

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015	2014	2013
18. FINANCIAL RATIOS			
Current ratio	1.4580	0.3552	1.2561
Asset sustainability ratio	0.4480	(0.1370)	0.5640
Debt service cover ratio	14.3060	1.7370	10.5873
Operating surplus ratio	(0.3330)	1.5627	(0.3290)
Own source revenue coverage ratio	0.5730	(4.0530)	0.5920

The above ratios are calculated as follows:

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

Notes:

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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

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 July 2014 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30 June 2015 \$
BCITF Levy	0	19,615	(19,615)	0
Builders Registration Board	0	12,857	(12,857)	0
Hall Deposits	3,425	1,300	(950)	3,775
Landcare EOY Balance	0	141,453	(76,505)	64,948
Nomination Deposits	0	0	0	0
Retentions	54,778	0	(37,759)	17,019
Roadworks/Footpath Bonds	7,925	0	0	7,925
Subdivision Bonds	64,910	0	0	64,910
Sundry Items	238,692	56,310	(83,119)	211,883
Vehicle Licensing Plates	0	1,200	(1,200)	0
Extractive Industries	48,730	0	0	48,730
Public Open Space	43,022	0	0	43,022
Alcoa Waroona Sustainability	881,429	240,599	0	1,122,028
	<u>1,342,911</u>			<u>1,584,239</u>

20. DISPOSALS OF ASSETS - 2014/15 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 and Equipment						
<u>Governance</u>						
Holden Caprice - CEO	38,232	38,724	40,112	36,400	1,880	(2,324)
Holden Calais - DCEO	27,724	30,273	23,364	29,000	(4,360)	(1,273)
Holden Captiva - MFS	21,496	21,000	18,831	21,000	(2,665)	0
<u>Law, order, public safety</u>						
Holden Colorado - Ranger	0	20,808	0	22,000	0	1,192
Courier Crewcab (SES)	9,358	0	0	0	(9,358)	0
<u>Community Amenities</u>						
Subaru Forester - DPS	28,042	25,607	25,455	24,000	(2,587)	(1,607)
<u>Transport</u>						
Holden Colorado - DTS	28,562	26,000	30,505	26,000	1,943	0
Holden Captiva - MWS	23,553	21,000	24,687	21,000	1,134	0
Mulching Mower	9,347	0	6,000	0	(3,347)	0
Toro Reel Master Mower	13,287		16,000		2,713	
<u>Economic services</u>						
Holden Colorado - DCS	25,533	26,693	29,076	26,000	3,543	(693)
Toyota Camry - MEHBS	18,371	18,000	13,636	18,000	(4,735)	0
	<u>243,505</u>	<u>228,105</u>	<u>227,666</u>	<u>223,400</u>	<u>(15,839)</u>	<u>(4,705)</u>

Profit	11,213	1,192
Loss	(27,052)	(5,897)
	<u>(15,839)</u>	<u>(4,705)</u>

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1 July 2014 \$	New Loans \$	Principal Repayments		Principal 30 June 2015		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Recreation and culture								
Loan 106 - Aquatic Centre	58,351	0	15,283	15,283	43,068	43,068	3,547	3,767
Loan 117 - Basketball Stadium	141,137		10,366	10,366	130,771	130,771	9,055	9,119
Loan 118 - Preston Beach Golf Club *	4,462		4,462	4,461	0	1	166	163
Loan 119 - Waroona Bowling Club *	15,396		7,496	7,495	7,900	7,901	642	720
Loan 120 - Rec Centre Upgrade	200,000		16,698	16,698	183,302	183,302	7,757	7,770
	419,346	0	54,306	54,303	365,041	365,043	21,167	21,539

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

(b) New Debentures - 2014/15

The Shire did not take up any new debentures during the year ended 30 June 2015.

(c) Unspent Debentures

The Shire did not have any unspent debentures as at 30 June 2015.

(d) Overdraft

Council has established an overdraft facility of \$500,000. The balance of this facility was nil at 30 June 2015

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

22. RATING INFORMATION - 2014/15 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 / general rate											
Gross rental value valuations											
01 Waroona GRV	0.090273	767	11,122,968	1,004,104	500	0	1,004,604	1,018,372	0	0	1,018,372
03 Hamel GRV	0.090273	26	313,872	28,334	0	0	28,334	28,334	0	0	28,334
04 Preston GRV	0.090273	303	3,445,988	311,080	743	0	311,823	337,719	0	0	337,719
05 Prescribed GRV	0.090273	16	447,214	40,371	0	0	40,371	42,245	0	0	42,245
08 Lake Clifton GRV	0.090273	151	2,547,220	229,945	1,937	0	231,882	242,190	0	0	242,190
10 Footprints	0.090273	2	50,000	4,514	0	0	4,514	0	0	0	0
11 Waroona Vacant GRV	0.090273	9	157,890	14,253	430	0	14,683	0	0	0	0
31 Hamel Vacant GRV	0.090273	0	0	0	0	0	0	0	0	0	0
41 Preston Vacant GRV	0.090273	15	245,100	22,126	0	0	22,126	0	0	0	0
51 Prescribed Vacant GRV	0.090273	1	20,750	1,873	0	0	1,873	0	0	0	0
81 Lake Clifton Vacant GRV	0.090273	11	135,640	12,245	569	0	12,814	0	0	0	0
Unimproved value valuations											
02 Waroona UV	0.006017	452	205,049,000	1,233,780	(5,589)	0	1,228,191	1,233,780	0	0	1,233,780
06 Prescribed UV	0.006017	95	23,408,000	140,846	(848)	0	139,998	140,846	0	0	140,846
07 Mining UV	0.006017	0	0	0	0	0	0	0	0	0	0
Sub-Totals		1,848	246,943,642	3,043,471	(2,258)	0	3,041,212	3,043,486	0	0	3,043,486
Minimum payment	Minimum \$										
Gross rental value valuations											
01 Waroona GRV	880.00	218	1,882,068	191,840	0	0	191,840	361,680	0	0	361,680
03 Hamel GRV	880.00	8	66,056	7,040	0	0	7,040	9,680	0	0	9,680
04 Preston GRV	880.00	51	437,584	44,880	0	0	44,880	200,640	0	0	200,640
05 Prescribed GRV	880.00	5	43,888	4,400	0	0	4,400	9,680	0	0	9,680
08 Lake Clifton GRV	880.00	7	50,250	6,160	0	0	6,160	88,880	0	0	88,880
10 Footprints	880.00	77	535,340	67,760	0	0	67,760	0	0	0	0
11 Waroona Vacant GRV	880.00	193	670,960	169,840	0	0	169,840	0	0	0	0
31 Hamel Vacant GRV	880.00	3	6,300	2,640	0	0	2,640	0	0	0	0
41 Preston Vacant GRV	880.00	100	524,420	88,000	0	0	88,000	0	0	0	0
51 Prescribed Vacant GRV	880.00	6	46,610	5,280	0	0	5,280	0	0	0	0
81 Lake Clifton Vacant GRV	880.00	94	604,770	82,720	0	0	82,720	0	0	0	0
Unimproved value valuations											
02 Waroona UV	880.00	46	3,649,151	40,480	0	0	40,480	40,480	0	0	40,480
06 Prescribed UV	880.00	29	3,590,500	25,520	0	0	25,520	25,520	0	0	25,520
07 Mining UV	880.00	15	182,318	13,200	0	0	13,200	13,200	0	0	13,200
Sub-Totals		852	12,290,215	749,760	0	0	749,760	749,760	0	0	749,760
Ex-gratia rates							3,790,972				3,793,246
Discounts/concessions (refer note 25)							0				0
Total amount raised from general rate							3,790,972				3,793,246
Specified Area Rate (refer note 23)							0				0
Totals							3,790,972				3,793,246

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

22. RATING INFORMATION - 2014/15 FINANCIAL YEAR (Continued)

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

	2015 (30 June 2015 Carried Forward) \$	2015 (1 July 2014 Brought Forward) \$	2014 (30 June 2014 Carried Forward) \$
Surplus/(Deficit) 1 July 14 brought forward	<u>1,146,405</u>	<u>(198,263)</u>	<u>(198,263)</u>
<u>Comprises:</u>			
Cash and cash equivalents			
Unrestricted	1,373,997	209,530	209,530
Restricted - Reserves	2,076,704	2,538,213	2,538,213
Restricted - Cash	115,858	105,333	105,333
Receivables			
Rates outstanding	122,488	85,359	85,359
Sundry debtors	89,068	97,494	97,494
Accrued Income	988	1,264	1,264
Inventories			
Fuel & Materials	10,185	5,896	5,896
Kiosk	3,027	3,609	3,609
<u>Less:</u>			
Trade and other payables			
Sundry creditors	(397,417)	(572,808)	(572,808)
Accrued Interest on Debentures	(55,931)	(28,606)	(28,606)
Accrued Salaries & Wages			
Net current assets	<u>3,338,967</u>	<u>2,445,284</u>	<u>2,445,284</u>
<u>Less:</u>			
Restricted - Reserves	(2,076,704)	(2,538,213)	(2,538,213)
Restricted - Cash	(115,858)	(105,333)	(105,333)
Surplus/(deficit)	<u>1,146,405</u>	<u>(198,263)</u>	<u>(198,263)</u>

Difference

There was no difference between the surplus/(deficit) 1 July 2014 brought forward position used in the 2015 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2014 audited financial report.

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

23. SPECIFIED AREA RATE - 2014/15 FINANCIAL YEAR

The Shire of Waroona did not have any specified area rates in 2014/15 financial year

24. SERVICE CHARGES - 2014/15 FINANCIAL YEAR

The Shire of Waroona did not have any service charges in 2014/15 financial year

**25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2014/15 FINANCIAL YEAR**

The Shire of Waroona contributes a \$700 cash incentive prize for prompt payment of rates as per Council Policy 3.11

26. INTEREST CHARGES AND INSTALMENTS - 2014/15 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on unpaid rates	11.00%		19,082	17,760
Interest on instalments plan	5.50%		13,575	10,220
Charges on instalment plan		\$ 9.00	17,126	14,800
			49,783	42,780

Rate payers had the option of paying rates in one of the following three options; one full payment due on 8th October 2014; two equal instalment due 8th October 2014 and 9th February 2015 or four instalments due 8th October 2014, 8th December 2014, 9th February 2015 and 9th April 2015. Administration charges and interest applied for the final three instalments

27. FEES & CHARGES	2015 \$	2014 \$
Governance	26,085	26,480
General purpose funding	28,847	25,185
Law, order, public safety	33,418	21,271
Health	52,280	49,856
Education and welfare	410	100
Housing	14,300	13,520
Community amenities	777,226	799,669
Recreation and culture	295,286	263,113
Transport	3,177	90
Economic services	36,258	45,958
Other property and services	47,411	14,920
	<u>1,314,698</u>	<u>1,260,164</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 2015

28. GRANT REVENUE

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

	2015	2014
	\$	\$
By Nature or Type:		
Operating grants, subsidies and contributions	2,042,001	1,083,697
Non-operating grants, subsidies and contributions	1,164,889	1,326,443
	<u>3,206,890</u>	<u>2,410,140</u>
By Program:		
Governance	133,254	111,128
General purpose funding	1,969,564	1,124,378
Law, order, public safety	93,064	60,269
Health	3,153	3,611
Education and welfare	35,008	9,873
Housing	0	0
Community amenities	235,339	246,795
Recreation and culture	153,537	122,392
Transport	565,192	702,142
Economic services	0	0
Other property and services	18,779	29,551
	<u>3,206,890</u>	<u>2,410,140</u>

29. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

0		
	<u>44</u>	<u>45</u>

30. ELECTED MEMBERS REMUNERATION

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

	2015	2015	2014
	\$	Budget	\$
		\$	
Meeting Fees	68,000	68,000	60,000
President's allowance	9,000	9,000	8,000
Deputy President's allowance	2,000	2,000	1,500
Travelling expenses	1,164	4,000	1,850
IT Allowance	4,000	4,000	4,000
Telecommunications allowance	6,800	6,850	6,800
	<u>90,964</u>	<u>93,850</u>	<u>82,150</u>

31. MAJOR LAND TRANSACTIONS

Council did not participate in any major land transactions during the 2014/15 financial year

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2014/15 financial year

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

33. FINANCIAL RISK MANAGEMENT

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

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

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

The Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2015 \$	2014 \$	2015 \$	2014 \$
Financial assets				
Cash and cash equivalents	3,566,560	2,853,075	3,566,560	2,853,075
Receivables	220,444	206,974	220,444	206,974
	<u>3,787,004</u>	<u>3,060,049</u>	<u>3,787,004</u>	<u>3,060,049</u>
Financial liabilities				
Payables	453,348	601,414	453,348	601,414
Borrowings	365,040	419,345	365,040	419,345
	<u>818,388</u>	<u>1,020,758</u>	<u>818,388</u>	<u>1,020,759</u>

Fair value is determined as follows:

- Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.
- Borrowings, held to maturity investments, estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

33. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Financial assets at fair value through profit and loss

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

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

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

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

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

	2015	2014
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	35,666	28,531
- Statement of Comprehensive Income	35,666	28,531

Notes:

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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

33. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

	2015	2014
Percentage of rates and annual charges		
- Current	96.84%	97.50%
- Overdue	3.16%	2.50%
Percentage of other receivables		
- Current	41.18%	76.27%
- Overdue	58.82%	23.73%

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

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

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

2015

Payables	453,348	0	0	453,348	453,348
Borrowings	52,673	155,422	156,945	365,040	365,040
	<u>506,021</u>	<u>155,422</u>	<u>156,945</u>	<u>818,388</u>	<u>818,388</u>

2014

Payables	601,414	0	0	601,414	601,416
Borrowings	54,305	173,496	191,544	419,345	419,346
	<u>655,719</u>	<u>173,496</u>	<u>191,544</u>	<u>1,020,759</u>	<u>1,020,762</u>

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

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

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

	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
Year ended 30 June 2015								
Borrowings								
Fixed rate								
Debentures	(52,673)	(47,346)	(40,551)	(32,926)	(34,594)	(156,945)	(365,035)	5.25%
Weighted average Effective interest rate	5.61%	5.68%	5.42%	5.00%	5.02%	5.06%		
Year ended 30 June 2014								
Borrowings								
Fixed rate								
Debentures	(54,305)	(52,673)	(47,346)	(40,551)	(32,926)	(191,544)	(419,345)	5.31%
Weighted average Effective interest rate	5.73%	5.61%	5.68%	5.42%	5.00%	5.05%		

**SHIRE OF WAROONA
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2015**

RATIO INFORMATION

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

	2015	2014	2013
Asset consumption ratio	0.7000	0.7441	0.6694
Asset renewal funding ratio	1.1570	1.2435	0.6159

The above ratios are calculated as follows:

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

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

Report on the Financial Report

We have audited the accompanying financial report of the Shire of Waroona, which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity, the rate setting statement, and the statement of cash flows for the year ended 30 June 2015, a summary of significant accounting policies and other explanatory notes, and the Chief Executive Officer's statement.

Management's responsibility for the financial report

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

Auditor's responsibility

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

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

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

Independence

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

Opinion

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

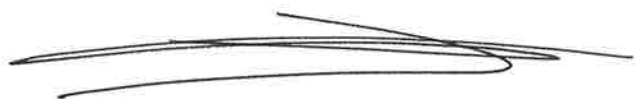
- i. gives a true and fair view of the Shire of Waroona's financial position as at 30 June 2015 and of its performance for the financial year ended 30 June 2015;
- ii. complies with Australian Accounting Standards; and
- iii. is prepared in accordance with the requirements of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

Statutory Compliance

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

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

AMD Chartered Accountants



TIM PARTRIDGE

Partner

Bunbury, Western Australia

Dated this 15th day of October 2015