

# ANNUAL REPORT 2015-2016



**SHIRE  
OF  
WAROONA**

[www.waroona.wa.gov.au](http://www.waroona.wa.gov.au)

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## **OUR MISSION, VALUES & STRATEGIC OBJECTIVES**

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

### Vision Statement

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

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

### Mission Statement

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

### Aspirations & Objectives

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

## COUNCILLORS

**1 July 2015 to 30 June 2016**

NAME	COMMENCEMENT	EXPIRY OF TERM
<b>Shire President - Cr Noel Dew</b>	1999	2017
<b>Deputy Shire President - Cr Larry Scott</b>	2007	2017
Cr Christine Germain	1992	2017
Cr Trish Witney	2005	2017
Cr John Salerian	2007	2019
Cr Craig Wright	2007	2019
Cr John Mason	2011	2019
Cr Laurie Snell	2015	2019
Cr Lina Look	2011	2015



Cr Noel Dew  
Shire President



Cr Larry Scott  
Deputy Shire President



Cr Christine (Chris)  
Germain



Cr Trish Witney



Cr Craig Wright



Cr John Salerian



Cr John Mason



Cr Laurie Snell

## ORDINARY/SPECIAL COUNCIL MEETING ATTENDANCE 2015/2016

COUNCILLOR	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Cr Noel Dew	14	14
Cr Larry Scott	14	11
Cr Christine Germain	14	13
Cr Trish Witney	14	11
Cr John Salerian	14	14
Cr Craig Wright	14	13
Cr John Mason	14	11
Cr Lina Look	4	4
Cr Laurie Snell	10	10

## **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

<b><u>NAME</u></b>	<b><u>POSITION</u></b>	<b><u>COMMENCEMENT DATE</u></b>
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	Assistant Manager	1999
Mrs Tracy Goldsworthy	Manager Waroona Visitor Centre	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
Miss Kathy Simpson	Finance Officer	2007
Mr Louis Fouche	Director Development Services	2010
Mr Anthony Sayer	Plant Operator	2010
Mr Murry Bracknell	Manager Works & Services	2011
Mr Roger Cumbers	Works Supervisor	2012
Mr Jason Robertson	Mgr Environmental Health & Building Services	2012 (Resigned 15/12/15)
Miss Tori Davis	Community Development Officer	2012 (Resigned 16/3/16)
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	Senior Town Planner	2014
Miss Nicole Shore	Customer Service Officer	2014
Mr Daniel Cools	Duty Manager	2014
Mr Patrick Steinbacher	Director Technical Services	2014
Ms Lynley Young	Parks & Gardens General Hand	2015
Mr Jeremy Durston	Town Planner	2015 (resigned 12/1/16)
Mr Leonard Long	Manager Development Services	2016

### **EMPLOYEES - PERMANENT PART-TIME**

Mrs Kirsty Ferraro	Senior Rates Officer	1996
Ms Lorraine McIntosh	Licensing Officer	1997
Mrs Pauline Bonner	Library Officer	1999
Mrs Kerry Shore	Licensing Officer	2000
Mr Gino Chiera	Gardener	2001 (Resigned 27/1/16)
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
Kelly Nottle	Casual Duty Manager	2012
Ingetje Simpson	Cleaner – Preston Beach	2015
Ms Sarah Park	Town Planner	2016
Mr Paul Sportel	Building Surveyor	2016





## **PRESIDENT'S REPORT 2015 - 2016**



It is with pleasure that I, once again, have the privilege to present the Annual Presidents Report highlighting our achievements and of course the significant challenges that confronted our Shire during this period. In the ongoing quest to ensure we can provide excellence in governance, whilst at the same time

ensuring sustainability, it is vital to make sure we are well prepared and have the appropriate planning in order to achieve our objectives. I have no doubt that we were on track, despite being confronted with some significant challenges, to reach the goals we had set out to attain in the 2015-2016 period. Sadly, the horrendous and tragic event that rapidly unfolded in front of us on Wednesday 6<sup>th</sup> January and went on to wreak so much devastation across our Shire in the days to follow, ensured this was not to be!

The consequences, as we all know were tragic and devastating, lives lost, houses destroyed, along with farming properties, livestock and well established and respected tourist ventures. The harsh reality is, of course, it could have been far worse except for the often heroic and outstanding efforts of the fire fighters, men and women, career and volunteers, facing what must have been hellish conditions, before eventually subduing this monster. And of course we must not forget the amazing people who offered support to the Firies in so many different ways ....Police, SES, St. John Ambulance, Shire personnel, and all those who **worked hard to keep everyone fed and watered. Let's** not forget also, a wonderful community who came together to aid and assist where needed.



Long before the smoke had settled, the next phase had already commenced — the Recovery Phase. The Recovery Committee, comprising CEO Ian Curley, Director Development Services, Louis Fouche, chaired by Cr Christine Germain commenced what was to be a long and arduous process of assisting where possible, those in need of help and support on the long road to recovery. In addition, the Shire appointed Dave Gossage AFSM to the role of part time fire recovery coordinator in order to support the efforts of the Recovery Committee. I would like to acknowledge the dedication and commitment of these people in dealing with what were delicate and highly emotive issues. This recovery phase is expected to continue for many months to come.

The harsh reality is, of course, that in addition to dealing with the recovery efforts, we still have to attempt to carry on business as usual, with our core functions still requiring attention. Dealing with this has not been easy and has placed enormous pressure on our management and staff and their response has been nothing short of inspiring. Not one word of complaint, **rather, an attitude of "well, let's get on with it" and they did!** An impressive performance by any standard.....well done!

The fiscal fallout, as a result of these fires, is still unknown, but is expected to be quite significant, thus making the challenge of setting a responsible budget even more difficult than ever. And the reality is, we expect the financial effects of this terrible event could possibly extend for at least the next 12 to 24 months. As a result there are going to be many valid reasons for us, as a Council, to exercise constraint, with many residents facing hardship, not only as a result of the fires but for a raft of other reasons as well. Then of course, we have the challenge of balancing all of this against community expectations, which generally are always, in excess of what Council can reasonably provide.

It is vital we remain positive and take that wonderful **"can do"** attitude that is so prevalent in our community, on our journey into the future.

### Resource Sharing

Resource sharing is now entrenched within the **Councils' operations with the Shire of Murray extending** Ranger Services to our community. This provides Council with expertise and staffing which would normally be beyond our capabilities without significant additional expense. Other resource sharing initiatives

which continue to operate successfully include Information Technology and Health Services.

### Councillors and Staff

As a result of council elections held in October 2015, we welcomed Laurie Snell back to our Council, as well as **Cr's John Mason, John Salerian and Craig Wright**. Lina Look who had been a councillor for a period of four years had decided not to renominate. Lina worked extremely hard to best represent the interests of the ratepayers and community of Waroona and we sincerely thank her for the outstanding efforts during her time on Council.

Councillors are responsible and ultimately accountable for the many and varied decisions they are required to undertake as part of their normal duties. The decision making process is often challenging and at times stressful, requiring an open mind and the subject matter well researched and quite often with one very important element.....courage. As Shire President, I have the pleasure of sitting with a group of Councillors who work hard at achieving these objectives and I congratulate them for their efforts to effectively represent our community. Importantly, it is essential that we as Councillors have strong support if we are to meet our goals. The reality is, we have that and more; we have loyal, dedicated and diligent staff who work hard to ensure they achieve the best outcome for not only the Council but also the community they serve. I would also like to acknowledge our CEO, Ian Curley, once again, for his strong leadership, and again, also, to Deputy CEO, Laurie Tilbrook (ably supported by Ashleigh Nuttall) for their outstanding efforts in ensuring our finances are effectively managed.

### Special Events

Once again the community of Waroona have been afforded another year of special events.

#### *All Australia Car Day*

A large crowd, in excess of 3000, attended the All Australian Car Day on Sunday 10<sup>th</sup> April. This event **run by the Just Cruisin' Street Machiners** was considered an overall success with 350 display cars scattered around the oval. The organisers consider that next year will be bigger and better with the oval back on track.

#### *Vintage Machinery Rally*

During September we were once again treated to another display of old machinery which included vintage stationary engines, motor cycles and tractors. The Waroona Vintage Machinery Rally Club is to be

congratulated for their outstanding effort in planning and organising such a wonderful event. Well done to everyone who contributed to the success of this great family day.



#### *The Waroona Show*

The Waroona Agricultural Society Committee and their hard working volunteers ensured that we were presented with another exciting show with something for everyone. The planning for an event of this size is a massive task and everyone involved should be congratulated for their fine effort.

#### *The Sea to Art Exhibition*

The Annual Sea to Art Exhibition once again highlights the wonderful talented artists we have in Waroona and given that this was the eighth occasion of the event, in itself is a great endorsement of this exhibition. Congratulations to Tracy Goldsworthy and her dedicated volunteers who banded together to provide a superb event. Well done also to her band of merry knitters for initiating the unusual but highly delightful **"Yarn Bombing" of the Waroona townsite and surrounds.**

#### *Australia Day*

Given the traumatic events prior to Australia Day, celebrating this important day was always going to be a challenge for many of us here in Waroona but as we all know, the Australian way is, when facing tough times, we will all come together and confront that challenge. This very special day provides us with an opportunity to acknowledge the achievements of those who helped make us what we are today, whilst at the same time considering our present and looking positively to the future. Australia Day 2016, here in Waroona at our Recreation Centre, you could not help but be inspired

by the large number of people of all ages who turned up to ensure this was a truly memorable event, whilst at the same time, coming together as one to acknowledge the outstanding efforts and achievements of individuals who contribute so much to our community.

As is always the case, the hard working members of the Waroona Lions Club provided a sumptuous breakfast for all to enjoy and I would like to take this opportunity to thank this group for their outstanding efforts, demonstrating their wonderful community spirit. Our MC for the day was Cr John Mason and once again we were well entertained by the very popular Rod Drummond who also sang the Australian Anthem with the Waroona Girl Guides raising the flag. Following this I then had the honour and privilege of delivering the Australia Day Address which was followed by the presentation of the Meritorious Community Services Awards. These prestigious awards are presented to residents of the Shire who are considered to be excellent role models and are people who demonstrate that wonderful Australian spirit of looking after your mates.



The recipients of this year's Meritorious Community Service Awards for an Individual were Kerry Shore, Belinda Parry, Barry Pitman and Peter Reynolds whilst the Meritorious Community Service Award for a Group/Event went to the Waroona Vintage Machinery Rally Inc. Well done to everyone for your outstanding contributions and commitment to our local community. In conclusion I would like to take the opportunity to thank Tori Davis and Naomi Purcell for the hard work and commitment they provided to ensure the success of this day.

#### *New Waroona Police Station*

On Wednesday 30<sup>th</sup> March, approximately 70 people attended the official opening of the new \$2.5 million

police station that has been recently built in Waroona. The official opening was undertaken by the Deputy Premier, Liza Harvey. Also in attendance was Police Commissioner Karl O'Callaghan APM, along with other notable dignitaries from various community organisations including St John, Fire Brigade, local J.P's and representatives from the Shire. Mr Bruce Jetta provided the Welcome to Country.

This exciting new facility has been built to ensure that local police are well equipped with all the resources they require in order to continue their excellent role of law enforcement in the Waroona Shire and surrounding areas. The building was built to replace the original Waroona Police Station which was constructed in 1960 and has been designed with an eye to future growth in the region.

#### *Preston Beach and Lake Clifton*

I would like to thank both the Lake Clifton and Preston Beach Progress Associations for their outstanding efforts to represent the interests of their respective communities which enables them to have the ability to air the concerns and/or aspirations of their residents. Preston Beach Progress Association have shown wonderful initiative in seeking funding to enable them to have a highly effective CCTV system installed in their town which is already having positive results.



Plans for a new fire shed at Lake Clifton are well underway and the building is expected to be completed late 2016.

NOEL DEW  
SHIRE PRESIDENT



## **CHIEF EXECUTIVE OFFICER'S REPORT**

### Introduction

To say 2015/16 has been a difficult year for the Shire; Councillors, Staff and the whole Community is an understatement. We have suffered through another **bushfire that burnt through around 50% of the shire's** land mass and affected all areas of the shire. Waroona, Hamel, Preston Beach and Lake Clifton all suffered damage and the fire progressed into the neighbouring Shire of Harvey. The bushfire was managed under an emergency declaration, which remained in place until 30 June. The effect were devastating and will be felt throughout the community for a considerable time forward.



This fire was almost exactly 12 months from the previous serious fire that claimed 1 house and significant damage in the Waroona hills area.

Despite a balanced budget being adopted by the Council in August 2015, a number of projects were suspended as a result of the January fire. The funds from these projects were redirected to pay for any uninsurable or otherwise unclaimable damage. The impact of the fire also meant that a number of staff were diverted from their normal duties and did not have the time during the last half of the year to complete various works.

A major impact for the Shire from the fire was the total devastation of the town sportsground oval, which suffered from a complete lack of water whilst it was used as the incident control centre. Despite being assured it would be reinstated, this took an unexpected amount of time and effort to elicit funding from various government agencies, as a result of the hard work of the CEO and staff of the Western Australian Local Government Association. Despite this funding the community was still left with a shortfall of \$51,140 and the Shire elected to pay an additional \$84,300 to place a 100mm sandpad under the new turf to significantly increase the longevity of the new build.

I am pleased to say the oval restoration was completed in time for it to be used for the latter part of the football season.



In March we welcomed Dave Gossage AFSM who took over the role of Fire Recovery Co-ordinator from myself. Dave has been instrumental in getting out to the affected people and working with them through their recovery process.



Our highlight projects for the year was the construction of the new Coronation Road bridge at a cost of \$1,199,154, upgrade of the Town Hall kitchen and supper room \$90,905 and the reconstruction of the Waroona Town Oval \$379,500.

### Some projects and commitments undertaken in 2015/16 -

- Upgrade of Town Hall kitchen and supper room
- Construction of a new bridge on Coronation Rd
- History book update due to be printed late 2016
- Reroofing of the pool at the Waroona Aquatic & Recreation Centre
- Upgrade portion of Millar St outside near the School
- Starting to realign Dorsett Rd to take out some of the bends
- Widen and construct part of Buller Road

- Funding received to build a new Lake Clifton Bushfire Brigade Shed
- Refurbish of the Waroona oval after the 2016 fire
- Various verge clean-ups after fire

### 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 –

- Waroona Agricultural Show in October
- Rodeo held at the cricket oval in March
- Hosting the 5<sup>th</sup> annual Vintage Machinery Rally in September.
- **The Premier's Australia Day Active Citizenship Awards and Meritorious Community Service Awards and BBQ breakfast in January.**
- Sea to Art Waroona in October.
- A thankyou dinner for the Volunteer Firefighters and Emergency Services held in May.
- South West Indigenous Basketball Carnival at the Recreation Centre in April.
- Movie under the Stars
- NAIDOC week celebration at the Memorial Hall
- Monthly meetings of the Youth Advisory Council
- **Valentine's Day dressage event on the Town Oval**
- Just Cruizin Christmas lights 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 2016
- Various school holiday activities throughout the year.
- Carols by Candlelight in Waroona and by Torchlight in Preston Beach in December.
- Waroona Interagency group.



### Our Staff

Since 2014 we have operated on a reduced three (3) Directorate basis and this has proved very successful. Those Directorates are managed by-

- Laurie Tilbrook, Deputy CEO/Director Corporate Services who has control of administration, finance, ranger services, library, visitor centre and licensing and is assisted by Ashleigh Nuttall, Manager Financial Services.
- Louis Fouche, Director Development Services who has control of planning, building, health, recreation centre and community development and is assisted by Leonard Long, Manager Development Services.
- 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 and is assisted by Murry Bracknell, Manager Works & Services.

It is a pleasure having such an experienced workforce, with a very low turnover, who carry out their duties with a high level of professionalism and commitment.

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

Salary Range - \$		2016	2015
100,000	109,999	2	1
110,000	119,999	0	1
120,000	129,999	2	1
130,000	139,999	1	1
140,000	149,999	0	0
150,000	159,000	0	0
160,000	169,000	0	1
170,000	179,000	1	0

### Financial Management and Control

**Council's finances continue to remain well** protected with a balanced 2015/2016 budget set in August 2015. All major road construction projects for 2015/16 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 2016

was \$1.647m leaving Council in a good position to deliver on its forward planned projects.

The outstanding Loan principal continues to reduce and was at a modest level of \$312,000 at 30/6/16 which is \$52,000 less than at the same time last year.

### Alcoa Waroona Sustainability Fund

The AWSF Advisory Committee continued to be active this year with the first round of funding from Alcoa Waroona Sustainability Fund dispersed early in 2016 to:

- Waroona Bowling & Social Club - \$50,000 – Synthetic Bowling Green
- Waroona Playgroup - \$10,000 – Permanent Shade Structure
- St Joseph's School Waroona - \$25,000 – Shade Areas
- Waroona Agricultural Society - \$10,000 – Stud Cattle Shed Upgrade
- Quambie Park Waroona Inc - \$20,000 – Install LED lighting and non-slip flooring

At 30 June 2016 the fund had a balance of \$1.311m.

The previous Wagerup Sustainability Fund has now been fully dispersed and closed with a number of projects benefitting from the proceeds.

### What's happening in 2016/17?

- Construction of a new Bushfire Brigade shed at Lake Clifton
- Resealing of the showgrounds sealed areas (delayed due to the fire)
- Further work on realigning sections of Dorsett Road
- Installation of a permanent generator at the Admin Centre to ensure continuous power due to emergency situations
- The Shire will undergo an Occupational Safety and Health audit in November
- Work on the January 2016 fire recovery will continue and will focus later in the year on recruiting a Community Emergency Services Co-ordinator.

### Conclusion

I take this opportunity to, again, thank all the volunteers that ably assisted the community during the year through the January bushfire and the ongoing recovery process for the second year in a row. In particular, I acknowledge the services of BlazeAid, Waroona Lions Club and the Waroona Community Resource Centre, without this support the recovery process would have been far more difficult.

I thank the Shire Staff who, as a result of the January fires, have proved again that they can adapt and respond to any situation. Most staff experienced

significant interruption to their normal duties and many are still working in the bushfire recovery phase, and still managing to co-ordinate the essential components of their core responsibilities to enable the Shire to continue its day to day operations.

I also take this opportunity to congratulate the Shire President Cr Noel Dew, Deputy President Cr Larry Scott and all Councillors for continued commitment and contribution to the management of the Shire and I thank them for the excellent service provided to the community throughout 2015/16.

*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 2015/2016 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.

### 2015/16 Rating

A general rate revenue increase of 7.95% applied for the 2015/16 financial year with rate revenue totalling \$4,092,580. Minimum rates for both GRV and UV rated properties increased from \$880 to \$940.

A general revaluation of unimproved valuations resulted in an average decrease of 0.6% which is the sixth consecutive decrease in unimproved values.

The next revaluation of Gross Rental Valued (GRV) properties is scheduled for the latter half of 2016.

Unpaid rates at the 30<sup>th</sup> June 2016 totalled \$171,525 with 23% (\$39,494) of that amount relating to a single ratepayer. Subsequent to the end of the financial year this amount was collected enabling the Council to

maintain a strong record in relation to the collection of outstanding debts.

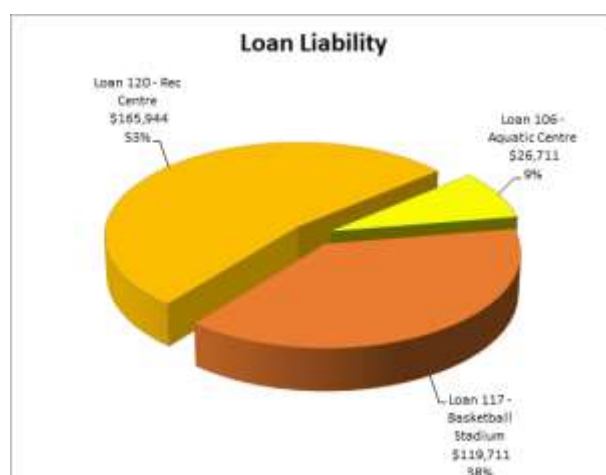
### Financial Performance

**As reported the Council's audit for 2015/16** has been highly successful with no issues of non-compliance having been identified by the Auditor. The Council's debt liability remains well within manageable levels.

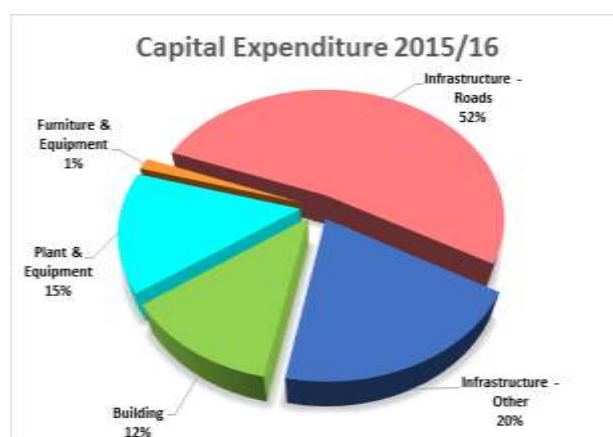
The Council continues to face substantial challenges in developing its Corporate Business Plan (CBP) and Long Term Financial Plan (LTFP). These plans provide an indication as to how it will maintain its long term financial obligation yet at the same time continue to deal with varying levels of State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

Any decrease in external funding places pressure on the Council to maintain its existing services by sourcing income from within its own means ie, rates, and fees and charges.

### LOAN LIABILITY

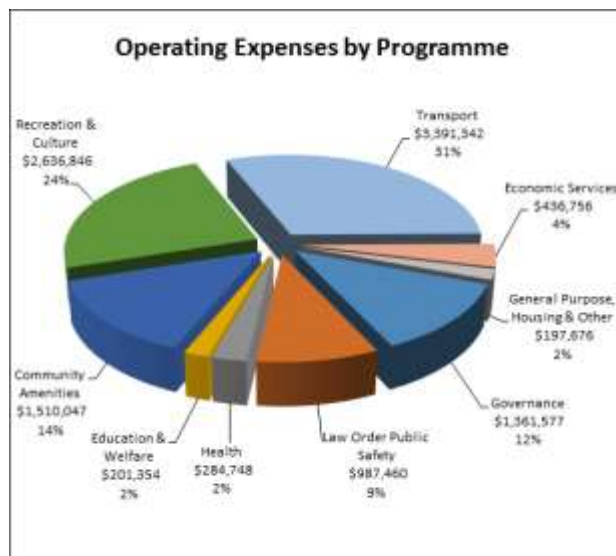


### CAPITAL EXPENDITURE





## OPERATING EXPENSES



## OPERATING REVENUE



A full copy of the Annual Financial Statements and Auditors report is located at the back 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 scheduled to be carried out in November 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 beginning with Plant & Equipment and Furniture & Equipment in 2012/13, Land & Buildings in 2013/14 and Roads and Infrastructure Other in 2014/15. The 2015/16 financial year saw the beginning of the cycle of the revaluation process with Plant & Equipment Furniture & Equipment.

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

The fair value revaluation process will continue in **2016/17 financial year with Council's land and building assets**.

### Vehicle Licensing

Council continues to provide Department of Transport vehicle and drivers licensing services by way of an agency. In February 2016 this service was relocated to a more central location in the main reception of the Administration Centre.

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

## Resource Sharing Initiative – Information Technology

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

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

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

During 2015/16 the **Council's** Geographical Information System (GIS) was extended to include digital data of recent fire footprints.

## Resource Sharing Initiative – Ranger Services

At the conclusion of 2015/16 the Council completed the first year of a major new service contract being the provision of ranger services by the Shire of Murray.

This initiative provides the Council with a complete ranger service catering for after-hours emergency, fire regulation compliance, dog control and traditional ranger functions.

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



## Financial Management Systems Review

In accordance with the Local Government Financial Management regulations the Council is required to undertake a review of its financial systems.

This review which is to be undertaken every four years is designed to address the appropriateness and

effectiveness of financial procedures which support actual accounting systems.

**The Council's auditor has reported a successful review** with minimal findings.

## Emergency Services Levy

For the 2015/16 financial year the Council on behalf of the State Government, collected \$190,140 in property levies associated with the Emergency Services Levy (ESL).

A small portion of these funds (\$30,000) were returned to the Council to assist in the annual operation of fire brigades.

Subject to acceptance of a grant submission the Council may also receive funding for capital purposes. Recently the Council received notification of its success in being allocated funds of \$151,100 to assist construction of a new fire facility at Lake Clifton.

## 2015 Local Government Elections

Biennial elections were held in October 2015 to fill four (4) vacancies on the Council.

The election was conducted by the WA Electoral Commission using the postal method. As **a result Cr's** John Mason, John Salerian and Craig Wright were re-elected for a further four year term. The Council welcomed Cr Laurie Snell also for a four year term. Cr Lina Look did not renominate for election.

The next ordinary Local Government Election will be held in October 2017.

## 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 2015/16 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 2015/16 the Council concluded a statutory review of its local laws.

As a result 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 2015/16.

## WAROONA PUBLIC LIBRARY

The Library membership numbers have increased by 108 new members in the last financial year. Local stock has increased by over 230 items after large cull of local stock to make room on the new shelving. Almost 10,000 items are now available for loan. 2015/16 has seen an increase in younger usage of the library with avid young readers. We have also seen a larger number in teenagers using the library and computers for study after school as there are quite a few students *that don't have* internet and printers available to them at home.



Staff are still travelling to the State Library to select new stock which are eagerly awaited for by our patrons, however procedural changes at the State Library can at times make selecting items difficult. New shelving in the non-fiction area looks fantastic and is much more user friendly and this has shown in the increase of non-fiction loans. The wheels on the shelves make it easier to move them around allowing more *space* for group gatherings. We look forward to being able to replace shelving in the fiction section to make the library feel more open.

Staff have two wonderful volunteers helping us with local history and the library. A local student has been helping one day a week on work experience.

The library has provided

- Adult and junior book clubs
- A place for tutoring
- A place for a knitting group
- Better Beginning Bags for Kindy groups
- Continuing of Broadband for Seniors training and computer access
- Public Wi-Fi, internet and printing.
- E-Books via Overdrive
- Access to Encyclopedia Britannica online.
- Borrow box – Audio books

The staff have been to regional meetings and training sessions held by the regional library. They have also

been to workshops on the new LMS (Library Management System).

### South West Library Consortium

The Shire of Waroona Library along with 10 other south west Local Governments have created a consortium, the **first of its kind in Western Australia to create a 'one card' library system**. This project has been years in the making and 2016/17 financial year will see this hard work pay off as the implementation begins. Under the joint initiative, library members, using their home library card, will be able to access resources from any of the participating local government libraries and then return items to any other within the group. The collaboration of these 11 local governments will provide their members with access to a larger more diverse library collection, along with generating savings with regards to the purchase of one shared management system.

### WAROONA VISITOR CENTRE

Waroona Visitor Centre, located at 37 South Western Highway, 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 eighteen volunteers, provide service seven days to visitors and locals and work on various projects. Ms Christine Farrell, Mrs Sarah Robertson and Ms Kathy Gurr are employed as Casual Relief to cover staff holidays. Ms Farrell and Ms Gurr serve also in a volunteer capacity and Mrs Robertson assists with the Sea to ART Exhibition and other exhibitions in a volunteer capacity.

#### **The Centre's three main functions are:**

- Visitor Servicing & Information – assisting both Shire of Waroona residents and visitors with enquiries
- Area Promotion – promoting the Shire as a visitor destination

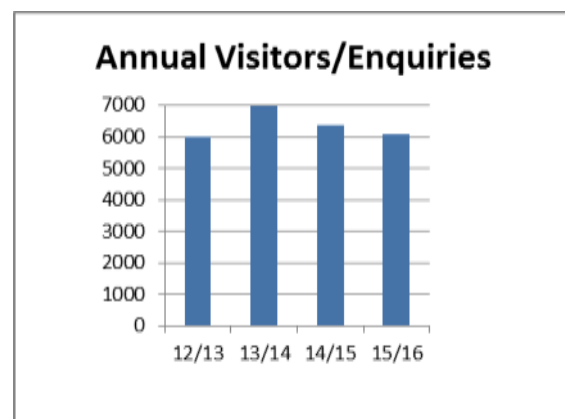
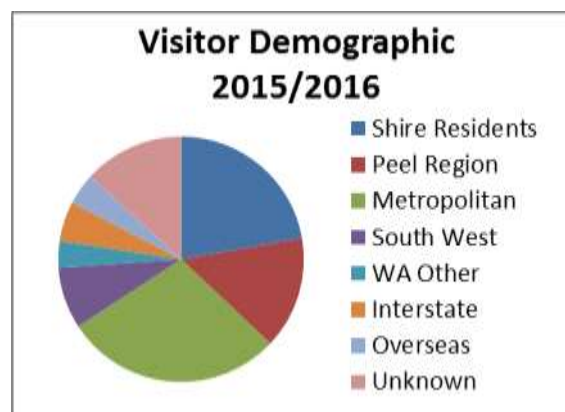
- Art & Craft Gallery – providing an outlet for, and promoting, local art and craft

Centre staff and volunteers welcomed over 6,000 visitors during 2015/16 and attended to around 400 visitor related telephone and email enquiries.

Visits, calls and emails of an administrative nature (not included in statistics) are handled by the Manager and number in excess of 2,500 per annum.

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

Over 80% 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 6% of all enquiries.



Over 250 different brochures, flyers and maps are available free 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.



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

Annual, regular and one-off advertisements, editorial and articles were created and written by the Visitor Centre Manager for the print media and appear in newspapers, planners, newsletters, magazines and maps.

**The Centre's Facebook page was created in September 2012** and 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.

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

This function provides a sales outlet for around 50 local contributors with stock including artworks, craft items, fine woodwork, sculptures, preserves, books and novels, textiles, candles, soap and pottery.

#### 2015/16 Highlights

Peel Chamber of Commerce – Alcoa Peel Business Excellence Awards 2015

Over 20 nominations and nine submissions were received from within the Shire of Waroona with all nine businesses becoming finalists. This resulted in two category winner and one runner up, with Forest Edge Recreational Camp going on to win the WA Regional Small Business of the Year Award in the category for 5-10 employees. The Visitor Centre Manager Mrs Tracy Goldsworthy was also the well-deserved recipient of the 2015 Individual Excellence Award.

Sea to ART Exhibition November 2015

The eighth annual Sea to ART Exhibition, hosted by the Waroona Visitor Centre was held November 2015, with 32 exhibiting artists and 124 pieces on display.



#### Yarn Bomb Waroona

Yarn Bomb Waroona captured the imaginations of travellers and the media resulting in numerous newspaper articles and a radio interview on ABC Drive WA.

**The “Sticky Streets” concept aims to attract the attention** of those who would normally just drive through and to then give them a reason to walk the CBD looking at the creative installations and visiting local businesses.



#### *The Heartfelt Project*

A Yarn Bomb Waroona initiative to create a mandala wall was behind this touching project dedicated to those in the January 2016 fire zones. It had become obvious that as life was returning to normal for the majority, this was not be the case for those who had suffered terrible losses



The blackened landscape was a constant reminder and many felt forgotten and were not coping. The idea of using the mandalas to bring colour to all the affected areas progressed quietly and the charred trees became a backdrop to the bright mandalas. The response to this project was overwhelmingly positive.

LAURIE TILBROOK  
DEPUTY CHIEF EXECUTIVE OFFICER / DIRECTOR  
CORPORATE SERVICES

## **DEVELOPMENT SERVICES**

### **OVERVIEW**

Development Services consists of the following service units:

- Planning Services
- Building Services
- Environmental Health Services
- Recreational Services and
- Building Maintenance.

Following the resignation of Jason Robertson in December 2015, Leonard Long commenced as Manager Development Services on 11 January 2016.

Nikki Colgan provides administrative support to the department.

### **PLANNING SERVICES**

#### **Introduction:**

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

#### **Staff:**

The unit consists of two (2) staff, Chris Dunlop (Senior Town Planner) and Sarah Park (Assistant / Student Town Planner) replaced Jeremy Durston to fill in for Lucy Lyster (Town Planner), who returned from maternity leave on 3 May 2016.

The Town Planner position is now a job share position between Lucy Lyster and Sarah Park.

#### **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 committed to facilitating the inclusion of people with disabilities through the improvement of access to its information, facilities and services.

The Shire reported on its DAIP to the Disability Services Commission during the year as required. With the addition of **"Outcome 7 – Employment" to the plan**, the Commission advised the Shire its Disability Access and Inclusion Plan is compliant with the requirements of the Disability Services Act 1993.

#### **State Administrative Tribunal Reviews:**

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

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

The threshold requiring development applications to be considered by the Mid-West / Wheatbelt (Central) Joint Development Assessment Panel has been increased this year from 7 million to 10 million. No development applications have been required to be determined by the Mid-West / Wheatbelt (Central) Joint Development Assessment Panel.

#### **Town Planning Scheme Review:**

Work on the review of Town Planning Scheme No. 7 text continued with the Scheme Amendment expected to be presented to the Western Australian Planning Commission by the Department of Planning by the end of the 2016/17 financial year.

#### **Regional Planning Policy:**

Planning staff played an integral part in a working group consisting of Local and State Government officers, in developing a Model Planning Policy for horticultural development in the Peel-Harvey catchment area.

Council initiated its own policy based on the Model Planning Policy in September 2016 and is expected to be finalised by the end of the 2016 / 17 financial year.

#### **Local Planning Policies:**

Planning staff continue to re-evaluate and update the Local Planning Policies to ensure they remain relevant



and operational to assist and guide development in the Shire in a proper and orderly manner.

The following policies have been adopted by Council this year:

- LPP 25 – Outbuildings
- LPP 7 – Ancillary Accommodation

The following policies have been initiated for review this year:

- LPP 11 - Home based business
- LPP 27 – Waroona East Hills Developments.

The Following policies have been re-evaluated and found to no longer be relevant and have been revoked by Council:

- LPP 2 – Lake Clifton Heron Local Structure Plan
- LPP 19 – Telecommunications
- LPP 20 – Subdivision Guide Plans

#### Geographic Information Systems:

A module indicating the extent of the January 2016 Waroona bushfire within the Shire boundary was developed and added to the Intramap system. The **Office of the Bushfire Risk Management's Bushfire Prone Areas Map** has been loaded as a separate module in the Intramap system to assist staff and the community to identify bushfire prone areas and to ensure appropriate planning and development of these areas.

Regular data updates are obtained from Landgate and **incorporated into the Shire's Intramap system.** The aerial photography has also been updated to reflect the latest data available from Landgate.

#### Bushfire Recovery Outreach:

Development Services staff assisted by staff from Corporate Services, the City of Mandurah as well as the Shires of Murray, Serpentine Jarrahdale and the Red Cross conducted community outreach visits between January and April 2016. During the visits site assessments were undertaken by officers to ascertain damaged caused to property.

#### Property Information Requests:

The number of property requests have increased marginally with 140 requests processed this year compared to the 137 last year, representing a 2% increase year on year.



#### Continued Improvements:

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

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

The application checklist and the procedures manual, which has been developed to guide officers in a range of planning processes, are reviewed and regularly updated to ensure best industry standards and practices are maintained. The procedure manual guides officers through appropriate statutory, strategic and policy procedures required for individual planning processes and also assists in risk management of the organisation.

Focused staff training is also part of operational improvements and planning officers attend relevant training and conferences to keep up to date with latest developments and innovations in the industry.

#### Municipal Heritage Inventory Review:

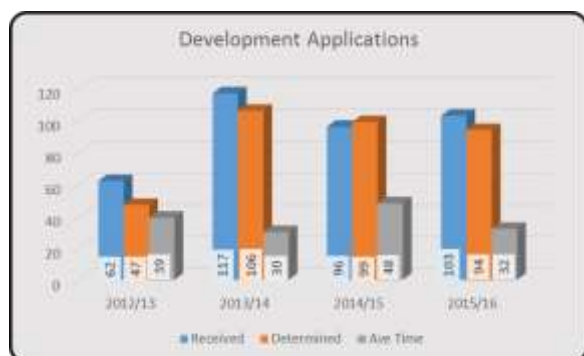
The review of the Shire of Waroona Municipal Heritage Inventory continued this year. The project includes a review of the heritage places on the current inventory, a review of potential new places are to be included on the

list and the updating of photographs of the heritage places. It is anticipated that the review will be completed in the 2016/17 financial year.

#### Development Applications:

A total of 103 Development Applications were received during the year, marginally up from **the previous year's** 96 Development Applications, representing an 8% increase year on year.

The average processing time for development applications of 32 days is a decrease to the previous **year's average of 48 days, representing a 33% improvement** year on year and is well within acceptable industry standards.



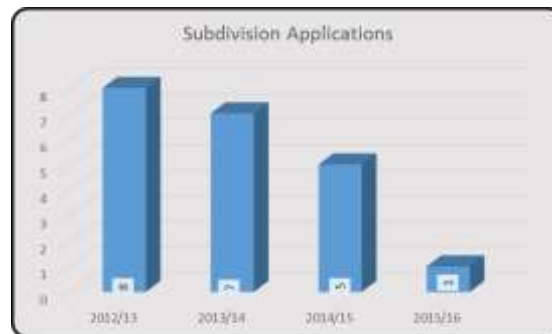
#### Development Value:

The total value of development projects this year has marginally decreased from \$5,635,694 to \$5,457,252, representing a 3% decrease year on year.



#### Subdivision Applications:

One (1) subdivision application has been received this year compared to the five (5) subdivision applications received in the previous year.



#### Lots Applied for and Approved by the Western Australian Planning Commission:

During this financial year two (2) new residential lots and two (2) non-residential lots have been approved by the Western Australian Planning Commission (WAPC). A total of 30 non-residential lots have been applied for with six (6) new lots created.

#### Development Application Revenue:

Revenue received from all planning application types totalled \$26,553 compared to \$31,338 the previous year, representing a 15% decrease year on year.



#### Scheme Amendments:

One scheme amendment was received during the year. The schedule below indicates the details of the scheme amendments continuing to be processed.

Scheme Amendments 2015/16			
No:	Property affected	Summary of Proposal	Status of Amendment
29	Lot 2 Old Coast Road, Lake Clifton.	Rezoning to Rural small Holdings.	Revised, yet to be adopted
32	Omnibus Text Amendment		With WAPC for endorsement
34	Lot 524 Look Road, Waroona	Additional use for 'Industry'	With EPA to approve advertising
35	Lot 500 Old Bunbury Road, Lake Clifton	Rezoning to Rural Residential	Resolved not to initiate
36	Lot 15 Haub Road, Lake Clifton	Rezoning to Rural Small Holdings	Adopted



## BUILDING SERVICES

### Introduction:

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

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

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

### Staff:

Paul Sportel was initially contracted to the Shire in November 2015 and accepted a permanent part-time position as the Shire Building Surveyor in March 2016.

### Certified Applications:

A total of 18 Certified Building Permits have been received this year compared to 40 Certified Permits the previous year, representing a 57% decrease year on year.

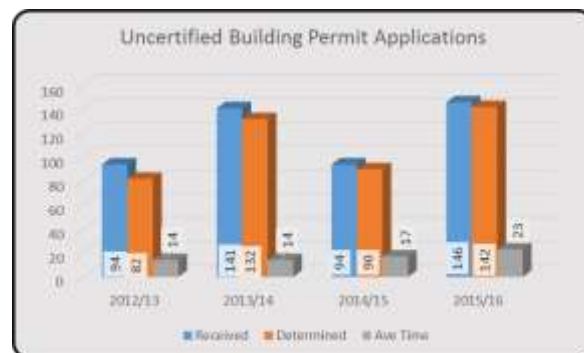
The statutory requirement for Certified applications to be processed is 10 days. The average timeframe to process applications was 19 days compared to 10 days last year.



### Uncertified Applications:

The number of Uncertified Building Permit applications has increased from 93 last year to 144 this financial year, representing a 35% increase year on year.

The statutory requirement for Uncertified applications to be assessed is 25 days. The average timeframe to process applications was 23 days compared to 17 days last year, representing a 35% increase year on year.



### Swimming Pools Enclosure Inspections:

The Shire has 155 swimming pools which in terms of the Building Regulations 2012, Regulation 53 are required to be inspected on a four (4) yearly basis.

Of the 155 swimming pools 135 have been inspected during 2014/15 and a further 9 during 2015/16.

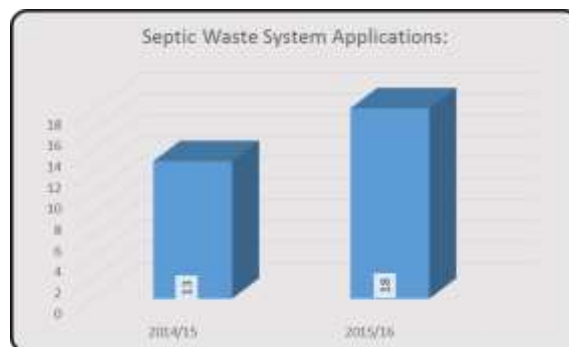
### Approved Building Values:

The value of approved building works this year is \$15,858,877, marginally higher compared to \$13,736,186 last year, representing a 15% increase year on year.



### Building Permit Application Revenue:

The revenue received through building permits (Certified & Uncertified) this year is \$30,429 which is marginally lower than the \$31,381 last year, the represent a 3% decrease in revenue year on year.



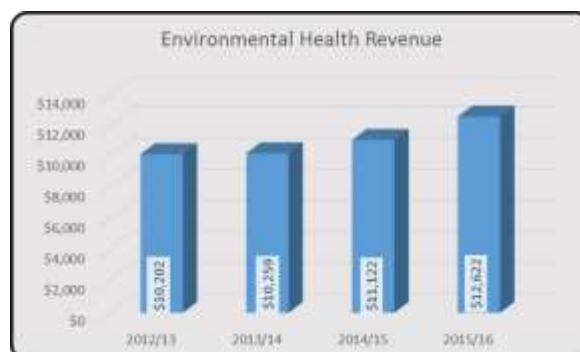
### Potable and Non-Potable Water Sampling:

The unit undertakes potable water sampling for seven (7) businesses within the Shire that are not connected to a scheme water system. The unit is working towards the preparation of a safe water program which will be implemented in the next financial year.

The Shire has four (4) non-potable water sources (public swimming pools) that need samples taken and prepared for laboratory testing.

### Environmental Health Revenue:

The revenue received through the various Environmental Health charges this year is \$12,622, **marginally higher than last year's \$11,122, representing a 13% increase year on year.**



## ENVIRONMENTAL HEALTH SERVICES

### Introduction:

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

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

The unit also undertakes site inspection relating from noise and odour complaints.

### Staff:

The Shire continued its contract with the Shire of Murray for the provision of an Environmental Health Officer in the Shire for two (2) days a week.

### Septic Waste System Applications:

The unit received 18 septic waste system applications compared to 13 last year, representing a 38% increase year on year.

## BUILDING MAINTENANCE:

### Introduction:

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

### Staff:

General maintenance is done by Mark Wake (Town Maintenance Labourer), while for specialised or significant maintenance suitably qualified contractors are used.

### Significant Works:

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

- Septic waste systems including leach drains have been replaced at the Preston Beach Ablutions.
- Septic waste systems including leach drains have been replaced at the Drakesbrook Weir Ablutions.
- The Memorial Hall kitchen has been revamped.
- Additional Storage space has been installed in the Administration Building, and
- An operable wall has been installed in the Council Chambers foyer.

## RECREATION SERVICES

### Introduction:

The Recreational unit is responsible for the general wellbeing of the community and to ensure the smooth **operation of the Shire's Recreation and Aquatic Facility.**

The unit oversees and offers a number of sporting and recreational activities i.e.:

- Basketball
- Volleyball
- Tennis
- Squash
- Gym
- Swimming Lessons
- Group Fitness Classes, etc.

### Staff:

The Recreation and Aquatic Centre is managed by Doug Macaulay, who was appointed as the Centre Manager in September 2015 following the retirement of Ron Thomas. Doug is assisted by the Deputy Centre Manager Bronwyn Cook and Duty Managers Daniel Cools and Kelly Nottle. Tracey Mcfie was appointed as the Fitness Coordinator in February 2016.

### Grants:

This financial year the centre applied for and received a \$5,000 grant as part of the State Government Pilot Activation Program. The grant was used to purchase **equipment for a kids fitness class 'Kindyfit'.** The class is generally held twice a week and has exceeded the predicted numbers with approximately 10 – 15 kids a week attending the class.



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

- Purchase of an Auto Vac Pool Cleaner
- Installation of Emergency Lighting
- Sand Filter Repairs
- Boiler Repairs

### Major Events Hosted at the Recreation Centre:

In October 2015 the Recreation Centre hosted the **Aged Person's Games with over 200 contestants** attending from all over the Peel Region.

The Southwest Indigenous Basketball Carnival was held in April 2016 hosting 33 teams aged between 6 and 60 years plus.



The Canteen Bike Ride held in March 2016 started in Bassendean and finished in Busselton. Over 200 bike riders stopped for refreshments at the Recreation Centre

### Recreation Centre Visitors:

Overall the centre has had a marginal decrease in visitors, having had 9882 visitors this year compared to the 11046 last year, representing a 10% decrease year on year. The decrease in visitors could be attributed to the centre being closed for a 13 week period due to maintenance as well as the January 2016 fire.



### Recreation Centre Revenue:

The revenue generated by the centre this year is **\$170,513 which is a decrease to last year's \$184,270**, representing a 7% decrease year on year. The decrease in revenue could be attributed to the same reasons as the decrease in visitor numbers.



### Major Recreation and Aquatic Centre Maintenance:

During the year the following major maintenance projects were undertaken at the centre:

- The aquatic centre roof had struts replaced
- Lateral Sand Filters replaced
- Water Slide has been repaired and
- Emergency lighting around the pool repaired.



## COMMUNITY DEVELOPMENT

In March 2016, Tori Davis resigned from her position as Community Development Officer. Jeanette Stampone provided short term relief until Brad Vitale was appointed as Full Time Community Development Officer on 20 April 2016. Naomi Purcell continues as Part Time Community Development Officer.

### Youth Advisory Council

The Waroona Youth Advisory Council (YAC) meets monthly at the Shire Administration Offices to develop the leadership skills, social skills, event management and volunteering of youth in the community. This year the Council consisted of 12 enthusiastic and productive members. Madelyn Walker was elected as Chairperson of the Council, and Phil Mendonca as Secretary. Throughout the year, YAC coordinated three major events, and assisted with other local events and activities:

### Movie Under The Stars

This year, YAC successfully delivered two Movie Under The Stars events which enabled members of the Waroona community and neighbouring communities to engage in watching a movie in an outdoor setting. On 6 November 2015 over 300 people came to the Waroona Cricket Club to watch the new release 'Pan'. Free face painting was on offer, and the Waroona Redbacks Basketball Association provided catering. The second event took place on 19 February 2016, also at the Waroona Cricket Club, this time with 'The Good Dinosaur' screening. The movie was very well received by the many young families attending for an entertaining night. The Pinjarra/Waroona Youth Care catered for this event.



## Youth Action Event - National Youth Week

On Friday 8 April 2016 the Youth Action Event held at the Waroona Skate Park proved once again to be a very successful night. Families with children of all ages came to for a free fun filled night. The event provided Freestyle Skate / BMX / Scooter demonstrations and displays and there were up to 50 kids competing, supporting and encouraging each other in the skate park. The Nifty Nook provided a place for children to be creative, decorating hearts as part of the Heartfelt Project - supporting the Waroona and Yarloop areas after the fires with hearts and mandalas, spreading colour and joy to affected areas. The Wrecking Ball was a new feature this year and the Bouncy Castle was as popular as ever while the Bucking Billy Bull is always a favourite.

GP Down South has become a regular feature and is well frequented, providing the local youth with positive health. Face painting was well received by all ages as the Waroona YAC members have developed their skills to a high level. The Waroona YAC cooked a sausage sizzle for all attendees and the event was supported by Louie Chiera, Lee Davis, Alcoa and the Department of Local Government and Communities.



### School Partnerships

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

### St Joseph's Primary School Partnership

This partnership continues to develop and strengthen with the Community Development team assisting the school with events, projects and grant applications. The planning for the NAIDOC Celebrations would not have been successful without the engagement with St Joseph's Primary school.

## Waroona District High School (WDHS) Partnership

This partnership has been developed and 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:

- RUOK Day - Freestyle Skate
- Suicide Awareness, Education and Prevention
- Mental Health Response Box - Brain Ambulance

In March 2016 students from WDHS were able to attend the Heath Black talk on The Importance of Physical and Mental Wellbeing, GP Down South and the 3 Tier Youth Mental Health Program at Mandurah. The Community Development team supported this event by providing funds for a bus to transport the students.

## COMMUNITY GROUPS

Community Development continued their support and engagement with a number of local community groups and organisations including:

Central Districts Axemen Association	Waroona Demons Junior Football Club
Just Cruizin Street Machiners	Waroona Demons Senior Football Club
Lake Clifton Herron Sporting and Progress Association	Waroona Girl Guides
Lake Clifton Volunteer Fire Brigade	Waroona Golf Club
Meals on Wheels	Waroona Historical Society
Mens Shed	Waroona Junior Netball Association
Preston Beach Golf Club	Waroona Karate Club
Preston Beach Progress Association	Waroona Leos Club
Preston Beach Volunteer Fire Brigade	Waroona Lions Club
Preston Beach Volunteer Rangers	Waroona Pensioners Social Club
Waroona Agricultural Society	Waroona Playgroup
Waroona Amateur Basketball Association – Juniors	Waroona-Hamel RSL
Waroona Amateur Basketball Association – Seniors	Waroona Soccer Club
Waroona Bowling & Social Club	Waroona Swimming Club
Waroona Creative Arts	Waroona Vintage Machinery Rally
Waroona Community Resource Centre	Waroona Volunteer Fire Brigade
Waroona Darts Club	Waroona West Volunteer Fire Brigade
	Waroona Youth Advisory Council

## Events

### Summer Series

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

### NAIDOC Week

On Friday 10 July 2015, Waroona hosted its NAIDOC celebrations at the Waroona Memorial Hall. The event included story time, didgeridoo playing, Aboriginal dances performed by Dudley Park Primary School and a football skills clinic hosted by former Essendon player Leroy Jetta with members from the Clontarf Academy. The event provided an opportunity for many agencies to network and for the local community to experience the Aboriginal culture. This event was a partnership between the Shire of Waroona, South Metro Public Health Unit, Strong Families, Streetnet and Nidjalla Waangan Mia.



### Sea to Art

Throughout the months of October and November 2015, the Community Development team assisted Waroona Visitor Centre with the eighth annual Sea to Art Exhibition. Despite the rain, over 100 people gathered on Friday 30 October 2015 to enjoy fine art and wine at the opening night. Shire President Cr Noel Dew officially opened the exhibition and praised the work of the artists. The exhibition involved over 70 artists, artisans, yarn bombers and volunteers, plus community groups and businesses. Sea to Art is seen as a significant and much anticipated collaboration between the Shire, Visitor Centre and community.

### Vintage Machinery Rally



This year saw the Waroona Vintage Machinery Rally have its biggest and best year to date, with over 5000 vintage enthusiasts making their way down to the Waroona Showgrounds on Sunday 20 September 2015. In its fourth year the annual event showcased all things vintage, gathering a larger than expected crowd, delighting organisers with its popularity and continual growth. The event included exhibitors of engines, cars, tractors, trucks, motorbikes, tools, chainsaws, antiques and collectables. Families were provided with the **perfect day out, with children's entertainment such as** face painting and the Lions train ride. This event was supported by the Old Machinery Club, the Lions Club, **the Shire of Waroona, Shannon's Insurance and ALCOA.**

### Thank a Volunteer Breakfast

**On Saturday 5 December 2015 two 'Thank a Volunteer'** Breakfasts were held, one at the Waroona Football Club and the other at the Preston Beach Community Centre. These events enabled the Shire to thank the volunteers who consistently give their support to the community. The breakfasts, which were provided and cooked by the Shire of Waroona councillors and executive staff, hosted a large number of residents who volunteer their time at community groups, sporting organisations, schools and service groups, and acknowledged them for contributing to building the capacity of the community.

At the Waroona Community Breakfast **Bruce and Patricia Jetta were awarded the Shire of Waroona's** Community Service Award for their outstanding voluntary contribution to the local community for over twenty years in recognition of cultural, education and sporting influences.

The breakfasts were organised by the Shire of Waroona and sponsored by the Department Local

**Government and Communities' Thank a Volunteer Day** grant and ALCOA Summer Event Series with support from Preston Beach Progress Association, Lions Club of Waroona and the Waroona Demons Football Club.



### Australia Day Celebrations

Due to the January fires, the 2016 Australia Day Celebrations were held at the Waroona Recreation and Aquatic Centre. As they do every year, the Lions Club of Waroona excelled in providing a community breakfast to celebrate Australia Day. Throughout the breakfast the crowd were entertained by Rod Drummond. Children were entertained with face painting, the Meanda Park Animal Farm, **Just Cruizin Street Machiners' car display and the Waroona** Recreation and Aquatic Centre offering a free morning swim for all those who attended.

Rob Jetta welcomed attendees to country, whilst Shire President Cr Noel Dew and Cr John Mason carried out the official proceedings. The National Anthem was sung as the Waroona Girl Guides and Rick Jetta raised the Australian and Aboriginal Flags respectively.



Shire of Waroona Meritorious Community Service  
Award individual recipients:

Kerry Shore, Belinda Parry, Peter Reynolds and Barry Pittman

Shire of Waroona Meritorious Community Service  
Award group/event recipient:

Waroona Vintage Machinery Rally Inc.



Emergency Services Dinner

On Thursday 19 May 2016, the Shire of Waroona held an Emergency Services Dinner at the Waroona Bowling and Social Club. The event recognise and acknowledge the valued efforts of local volunteer emergency services and police. The event was well attended, with Shire Councillors and staff joining over sixty members and families representing Waroona Volunteer Fire & Emergency Services Brigade, Waroona West Volunteer Fire Brigade, Lake Clifton Volunteer Fire Brigade, Preston Beach Volunteer Fire Brigade, Waroona St John's Volunteer Ambulance, Preston Beach Volunteer Rangers and Waroona Police. Each service presented an overview of their organisation, with Dave Gossage providing an insight into his role as Fire Recovery Coordinator. The night concluded with Shire President Noel Dew and Shire of Waroona CEO Ian Curley thanking the emergency services and their families for the continuous effort and support they contribute to the community.

The dinner was organised by the Shire of Waroona, with the venue and catering provided by Waroona Bowling and Social Club.



Edicol Dye Workshop

A mixture of accomplished and budding artists gathered at the Memorial Hall on Saturday 14 May 2016 to **participate in Waroona's first edicol dye workshop.** Trudi Witcher, a Mandurah artist who is based at the Contemporary Art Spaces Mandurah, offered this workshop to share her love of edicol dye as an art medium, which she made complimentary after the January 2016 fires. Fourteen attendees of varied ages and abilities explored their artistic side, producing unique and colourful pieces, in a relaxing and social environment.



Supported Events

The Shire also supported a number of events coordinated by local community groups including:

- Agricultural Show
- Just Cruizin Candlelight Tour
- Carols By Candlelight
- Hearts and Horses
- Aboriginal Basketball Carnival
- All Australian Car Day
- ANZAC Day



## Projects

### Interagency

Over forty community service agencies attend the bi-monthly Waroona Interagency Group meetings. These meetings are a forum for agencies who deliver local community services to share knowledge and work collectively to address issues, generally around community safety, health and wellbeing. The forum provides the opportunity for members to network and access collegial support. Many networks have been made through these meetings providing greater **outreach services to the Waroona area. The group's objectives are:**

- To share information on the needs of the community in the Shire of Waroona
- To keep up to date with changes in community agencies and how this impacts on service delivery in Waroona
- To provide information to policy and decision makers to affect policies impacting on Waroona community agencies
- To provide opportunities to improve the quality, effectiveness and range of services offered to the Waroona community through broad networking
- To build the capacity of community agencies to meet the needs of the Waroona community

### Age-Friendly Community Strategy

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

With an estimated population of 3,637 in the Shire of Waroona, 22.8% or 828 residents are aged over 60 years - a number significantly higher than the state average. The value of the strategy is recognised in order to support the community with expected short and long term benefits.

Through the months of April and May 2016 Liz Stor of Storybox Consulting and the Community Services team engaged with providers who service the local area and consulted with the various communities within the two shires including Waroona, Hamel, Lake Clifton and Preston Beach. The working group behind this strategy is well represented by the Shire of Waroona community, including councillors, progress associations and local organisations such as Quambie Park and

Waroona Community Resource Centre. A final report will be presented to Council in September 2016.

### Peel Early Years Collective Strategy

Child Australia, in collaboration with the 5 local governments that constitute the Peel region, have formed the Peel Early Years Collective. This working group includes members from the Shire of Waroona, Shire of Murray, Shire of Boddington, Shire of Serpentine-Jarrahdale, City of Mandurah, early years networks, children services providers, local primary **schools and community groups. The group's objectives are to:**

- Identify common goals and alignment amongst organisations and groups supporting children in their early years
- Collectively focus on improving early and childhood development outcomes and aspirations
- Develop an effective and locally relevant model for working together to improve outcomes for children
- Support collaborative change in the Peel region to improve outcomes for our young children

Peel Early Years Collective is still in the early stages of collaboration, and will continue to investigate what is required to achieve their objectives.

### Trails

The Lake Preston Trail Project was completed in July 2015, with the observation platform being supplied and installed by local business Shift Engineering. This project was funded by the NRM and Lottery West to the value of \$45,000. This has been complemented with interpretive signage from the local FRAGYLE Group.

### Awards

#### Youth Contributing to Community

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



## Grants

### External

#### National Youth Week

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

#### One Life Suicide Small Grants and Training Funding

Last financial year, the Shire of Waroona successfully received funding from One Life for nearly \$15,000 from two separate grant applications - one was for small grants and the other to provide mental health training within our local community.

In August 2015, the funding obtained for training was used to hold a Youth Mental Health First Aid workshop at the Waroona Community Resource Centre. The two-day training was delivered by the Brain Ambulance to people working or living with adolescents, aged between 12 and 18 years. The community of Waroona was well represented with attendees from our local sporting groups, school staff, volunteers, those working with at risk youth and those who have a child suffering from a mental illness.

The remaining funding was utilised 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 and RUOK? Day which was held on 10 September 2015. 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.

#### Club Equipment Subsidy

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

## KidSport

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

Statistics for the Shire of Waroona for 2015/16 indicates that 149 KidSport vouchers were successfully funded to the value of \$17,890.00. This saw a 37% increase in funding from 2014/15 to assist 43 girls and 61 boys to participate in sporting activities associated with 14 different clubs.

### Internal

#### Community Development

Under this program, organisations from within the Shire of Waroona can apply for funds of up to \$800 towards projects. The grants round was opened for applications in March 2016 and was well subscribed. The successful recipients in the 2015/16 program were:

Waroona Lions Club	\$800
FRAGYLE	\$600
Waroona Karate Club	\$800
Waroona Agricultural Society	\$700
Hamel Eco Precinct Working Group	\$800
<b>St Joseph's Primary School P&amp;F</b>	\$800
Preston Beach Golf Club	\$646
<b>TOTAL</b>	<b>\$5,146</b>

### Partnerships

#### Summer Event Series

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

#### Youth Activities

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

## CLUB DEVELOPMENT OFFICER

### Executive summary:

2015/2016 is the second year of the Club Development program for the Shire of Waroona. The Club Development Officer position is funded through the Department of Sport and Recreation (DSR) and the Shire of Waroona. The resource allocation is approximately 6 hours per week.

The Club Development program in Waroona has adapted with workshops being held in Waroona for Waroona clubs for the first time. The Club Development Officer is also situated in the Shire Offices one day per week providing local clubs an opportunity to liaise with the officer if required.

Club Development is designed to focus on the following areas:

- Communication
- Education and Training
- Grants and Funding
- Recognition

### Waroona Bowling Club:

A Community Sport and Recreation Facility Funding (CSRFF) annual grant application for a complete Green Replacement was submitted to the Department of Sport and Recreation. The application was successful in providing 1/3 of the total project cost. The club has also been successful in gaining a \$50,000 grant from the Alcoa Waroona Sustainability Fund as well as fund raising the remaining funds themselves. The project is now complete ready for the summer corporate bowls round.

Further to this project a grant application has been submitted to the Peel Development Commission for perimeter fencing around the green and shade facilities. The application has been approved and works have been completed on the perimeter fencing with the shade facilities to commence shortly.

### Waroona Cricket Club:

In season 2015/16 the Cricket Club introduced a junior side into the Peel Junior Cricket Association and the 'In2CRICKET' program in the local high school. The club has also been able to maintain the 3 sides currently entered into the Peel Cricket Association.

The club is currently considering a number of projects as listed below;

- Upgrade to the nets and practice facilities
- Upgrade to the current change room and club house facilities
- Drainage works on the main oval.

### Waroona Football Club:

The Waroona Football Club is currently reviewing and redefining their strategic plan, particular areas like their mission, culture and values. Memberships and participation continue to increase.

The club has had changeover of committees and is currently setting out its direction for season 2016. Priority is currently on committee development as well as an extensive review on their current strategic plan.

### Waroona High School – High Performance Program:

The Club Development Officer has been liaising with the Waroona District High School regarding their Elite Sports Program. Information on grants and fundraising ideas have been provided to assist the program. **Twenty of the program's students were represented at the Peel Sports Forum 2016.**

### Peel Sports Forum – 19 February 2016

The Peel Sports Forum was highlighted this year by Ric Charlesworth who spoke to the 190 person strong crowd about the power of sport and self-belief.

The forum is a partnership between the Department of Sport and Recreation 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.



Shelley Taylor-Smith (Centre) with DSR staff and Mitchell Green (far right)

### 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, vision and identifying what those behaviours look like, at the end of the process the club should have developed 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 Shire of Waroona was held at the Waroona Community Resource Centre on 31 August 2015. The workshop focused on the use of Facebook and the Team App application and how these resources can assist clubs. The workshops are aimed at reducing the workload of volunteers at sporting clubs.

Eight clubs were represented on the evening, and all feedback received was very positive. Clubs in attendance were assisted to develop a social media policy and a Team App, ready to introduce to members. Clubs / Organisations in attendance:

- Lake Clifton Herron Sporting Association.
- Waroona Football Club (Junior & Senior)
- Waroona Girl Guides
- Waroona Basketball Association (Junior & Senior)
- Waroona Lions Club
- Waroona Historical Society



Attendees at the Club Talk Workshop

### Operational Planning Workshop:

Workshop presented by the JGC Group in partnership with the Department of Sport and Recreation was held on the 19 October 2015 at the Pinjarra Bowling Club.

Representatives from local clubs attended for training in Operational Planning and Goal Setting.

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

### Waroona Club Survey 2016:

The previous Sport and Recreation survey was sent out to local sport and recreation groups in the region during June 2015 and another surveys will be conducted in October/November 2016, The objective with the surveys is to capture important information which would enable the tracking of trends annually and provide the Shire with information regarding the areas local clubs may benefit from assistance.

### Club Development Officer Professional Development:

The Club Development Officer attended Professional Development Conferences in November 2015 and May 2016.

### Peel Volunteer of the Year Awards

The Department of Sport and Recreation received 4 nominations from local clubs and groups for their valued volunteers this year.

### 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

LOUIS FOUCHÉ  
DIRECTOR DEVELOPMENT SERVICES



## TECHNICAL SERVICES

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

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

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

### Notable Operational Achievements:

- Coronation Road bridge replacement
- Coronation Road land acquisition
- Dorsett Road realignment
- Heavy Haulage Contribution Scheme – adoption of the WALGA scheme and new Council Policy based on this.
- Continuous improvement to Waste Management including the drafting of a Post Closure Plan and operational improvements to the sillage ponds.
- Waroona/Yarloop Fire event – response during and immediately after the event, road verge vegetation works and Waroona oval turf replacement

### Construction Program – Actual Costs

#### *Roads to Recovery*

• Millar Street reconstruction	\$167,664
• Riley Road reseal	\$12,524
• Forrington Heights reseal	\$6,438
• Parnell Street reseal	\$3,771
• Whettem Road reseal	\$27,375
• Hainge Road unsealed upgrade	\$38,913
• McClure Road reseal	\$42,451
• McClure Road second coat seal	\$17,037

#### *Regional Road Group*

- Dorsett Road reconstruction/Realignment \$501,148
- Buller Road (Commodities funding) \$335,051

#### *Council Resources*

- Bradford Street extension \$9,461
- Somers Road second coat seal \$29,641
- Preston Beach kerbing replacement \$10,000
- Waroona kerbing replacement \$10,655
- Works Depot bitumen seal \$19,952

#### *Joint Resources*

- Coronation Road bridge replacement  
Funded by:
  - Royalties for Regions
  - Water Corporation
  - Roads to Recovery \$1,199,154

### Plant Replacement

#### *Plant Purchases*

- DTS Vehicle
- MWS Vehicle
- Trade Ford Courier Tray back WR150
- Trade Toyota Tray Top Ute WR105

Other notable plant related works included the manufacture of a suite of attachments for the Buller Road Refuse Facility loader:

- Stick rake with grabs
- Large capacity bucket for handling light waste material
- **Installation on the loader of a 'quick hitch'** arrangement to facilitate easy changing of attachments
- Conversion of the existing general purpose bucket to suit the quick hitch arrangement.

This has made the loader a much more flexible piece of equipment that has streamlined the operation of the site and will result in better utilisation of the landfill space and the general site as the material can be more easily handled and placed exactly where it is needed. The attachments also make the handling of green waste, power poles and scrap metal much more effective with less wear and tear on the machine.

## Major Plant Repairs

- Replace clutch in Isuzu Tip Truck

## Major Works Program

### Millar Street

The upper section of Millar Street adjacent to the Waroona District High School was fully reconstructed and resurfaced with asphalt. This section had been showing signs of major structural damage evidenced through severe cracking and pavement rutting. The existing pavement was topped up and reused via mechanical reconditioning by the use of specialised equipment and soil additives.



*Millar Street reconstructed*

### Dorsett Road

Construction commenced on the realignment of Dorsett Road that has seen a continuation of the widening of the road from the West and the commencement of the new section through what was private property. The realigned section has been constructed to sub base (top of the limestone layer) prior to the gravel base course and bitumen seal being applied next year.

Land resumption issues adjacent to the current section have been largely dealt with and are progressing to conclusion.

Landowners further to the East who will be impacted in 2017/18 initially withdrew their support for the original design, necessitating substantial design modifications. These landowners have been recently presented with a revised design and have indicated their approval. Detailed design and land matters have now commenced.



*Dorsett Road realignment to sub-base stage*

### Buller Road

Buller Road attracted funding from the Regional Road **Group's Commodities Route funding scheme** and a 1.2 kilometre section was reconstructed and widened to the West from the Somers Road intersection.

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



*Buller Road Reconstructed*

### Coronation Road Bridge Replacement

With funding assurance from Water Corporation received in 2014/15, the design was finalised and tenders called early in 2015/16. It was pleasing that local company Charles Hull Contracting won the tender. Works commenced in mid-January 2016 following a slight delay due to the fires earlier that month.

The tender price accepted was some \$145,000 more than the available funding from Water Corporation and Royalties for Regions, however Roads to Recovery announced late in 2014/15 that additional funding would be made available to Councils in 2015/16 and **Waroona's share was to be in the order of \$151,000.** Therefore it seemed logical to use these extra funds to cover the shortfall.

The project was not without its problems. Two major sources of variation have been encountered, one being various errors in the quantities drawn up by the design consultant and the other being unsuitable ground conditions being encountered during excavation of the site for the new culvert foundations. However, savings made in other areas of the works meant that the project was brought in on budget and no additional Council funding was required.



*Coronation Road over new culvert structure*



*New Culvert*

## Fire

Our response to the January fires began on the evening of **Wednesday 6 January**. **Technical Services'** involvement has centred mainly on the three areas of roads, waste and the Waroona oval.

### *Roads*

Reopening and assessing of Shire roads within the affected area began essentially while the fire event was still occurring with Shire personnel and plant providing assistance with keeping the main strategic routes open for firefighting access.

Once the fire had been controlled, the assessment and clean-up commenced:

- i. An initial 'sweep' occurred whereby any fallen trees and other debris were moved off the carriageway onto the verge
- ii. Each affected road was walked and all trees that were fire damaged were assessed to ascertain the need for removal or pruning
- iii. Contractors were sourced to push over the trees that posed an imminent threat due to the damage they had sustained
- iv. A second wave of contractors followed, collecting the downed trees for removal, or pushing them into stockpiles in adjacent property for later burning
- v. A final treatment was via pruning contractors who carried out the final clean-up and cut back any dead vegetation that may have otherwise impacted the safe use of the road.



*Assessing verge trees post fire*

### *Waste*

The Buller Road Refuse Facility was put on notice soon after the fire event and instructed to keep close records of all fire related waste coming into the facility so as to facilitate any future claims for funding. This has been ongoing although the funding has so far proved elusive.

The fire has generated waste volumes above and beyond the normal levels although it has not proved to be onerous as yet.

The facility itself was impacted by the fire in that the greenwaste and Western Power power pole stockpiles were both burnt, which is beneficial to the operation of the site as it realised more space. The waste cell itself was not affected, nor were any of the onsite buildings. The liquid waste facility experienced some minor damage through the melting of one of the pond liners.

### *Waroona Oval*

The Waroona oval was used as part of the fire Incident Control Point and due to the duration and complexity of the fire, the ICP remained in place for approximately fourteen days and in this time the oval surface experienced repeated use by heavy mobile plant as well as static plant items, and was not watered for the duration when the temperature was in the high 30s.

This essentially destroyed the turf and compacted the soil such that two independent turf contractors confirmed separately that the oval was damaged beyond repair.

The Department of Parks and Wildlife initially assured the Shire that they would meet the full cost of the restoration of the oval surface but reneged when presented with two estimates each in the order of \$250,000.

With the assistance of WALGA an agreement was reached with the Department of Parks and Wildlife, Department of Fire and Emergency Services, Department of Local Government and Department of Sport and Recreation to joint fund a total of \$230,000.

Following a tender process which awarded the work to Total Eden, a final cost of \$365,440 was determined which included additional works in replacing some 70mm of sand prior to the laying of the new turf – which was seen as essential to give the new turf the best chance of long term health. The extra funds were sourced by Council via the deferment of some other areas of expenditure.



*Oval use during fire response*

### Parks and Gardens

The Parks & Gardens department have continued to perform well in a year that presented some major challenges such as the destruction of the town oval during the fire and the introduction of a new reticulation control system to the town oval. With a small team to cover a lot of work, the commitment of the Parks staff should be noted.

### *Main Ovals*

Apart from the fire related damage as outlined above, the main works with regards to the ovals was the installation of a new reticulation control system which will improve the reliability of the reticulation system as well as allow full remote controllability from the depot office and via 'smart' devices such as tablets.

The Waroona Cricket Club held a Rodeo on the lower cricket oval which was a successful event with much learned about how the oval copes with such use.

### *Verge Mowing and Spraying*

Verge maintenance works have benefited from a more rigorous spraying schedule and more targeted slashing and mowing regimes.

### *Preston Beach*

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

### *Hamel*

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

### *Contract Areas*

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

### Waste Management

Waste Management continues to mount its challenges however is performing fairly well. A Post Closure Management Plan has been completed by our waste consultant, ASK, which will both guide the operation the landfill in that it provides a plan to work towards, and set out the final configuration of the cell when landfilling is complete. Staff are working closely with the site management contractor to ensure the landfill is being utilised in the most efficient methods possible.

There are no outstanding compliance issues and DER have remarked positively about the improvements to the site.

Planning for a transfer station set up has commenced. The goal is to remove the public from the active waste cell which is a concern in terms of safety and liability. Instead, the public will be able to deposit their waste at a clean, sealed area away from the operation of the landfill and the waste will be periodically removed to the landfill by the contractor. The transfer station will be



**'future proofed' in that it will be able to be converted to** a non-landfill scenario when the landfill is eventually decommissioned.

Understanding of the liquid waste facility has improved as staff have had over a full year to analyse how it performs throughout the seasons and specifically how rain fall and evaporation affects its performance. In an effort to increase evaporation, sprinklers have been installed in some of the ponds and the waste water is circulated through them. Input into the system is carefully controlled with the cooperation of the local septic operators. The effect of the sprinklers is yet to be fully quantified.

### Staff

Staff movements have been fairly minor for the year to date. Gino Chiera resigned his position in the Parks and Gardens department and was replaced by a casual employee, Amanda Turner, and Luke Fair joined the construction crew as a casual.

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

Craig Birch, Dave Rose, Tony Sayer, Lynley Young and Robert Buzzard completed the qualification of Certificate 3 in Rural Operations focusing on either Construction or Horticulture aspect depending on their position. Their work in completing this training is very pleasing.

### Asset Management

With most of the major asset management tasks completed in preceding years, there were no major undertakings in 2015/16. The main focus was to update the road asset management program with the new road works completed during the year.

### Conclusion

Had the fires of January 2016 not occurred, 2015/16 would have still been an incredibly busy year given the workload presented by the construction period in particular but also the myriad of tasks, projects and maintenance tasks that make up our year.

The fires added a massive amount of additional work for inside and outside staff alike through the tasks mentioned above and also the application for recovery funding. As Director I am incredibly proud and appreciative of the way my staff responded in a time of great stress and in some cases, personal property losses. They are to be commended.

Despite the added pressures presented by the fires, the Technical Services Department performed very well with major projects completed on budget and virtually all grant funds expended and maintenance practices continue to be improved and carried out to a high standard despite operating with a small crew and limited resources.

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

PATRICK STEINBACHER  
DIRECTOR TECHNICAL SERVICES

## STRATEGIC COMMUNITY PLAN OVERVIEW

### PLAN FOR THE FUTURE - OVERVIEW

#### Integrated Planning and Reporting Framework [IP&RF]

#### Annual Report - 2015/16 Year

The WA State Government introduced new reporting “Plan for the Future” requirements, applicable from 1<sup>st</sup> 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 and 2015/16 years, and this report provides brief details on such changes.

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



#### Elements of Integrated Planning and Reporting Framework

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	Active Civic Leadership, Good Governance, & Excellence in Management	Good Governance, Active & Responsible Civic Leadership, & Excellence in Management

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

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

A full review of the SCP is planned to be undertaken in October 2016, with Community Consultations planned for that time. A report is to then go before the December 2016 Council meeting.

Corporate Business Plan [CBP] – This is a ‘specific actions’ plan, and covers a minimum of 4 years, and the 1<sup>st</sup> 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 past financial 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 past year no community consultation occurred, as there was/is no statutory requirement to do so, and the CBP has followed on from previous investigations and plans.

For the Corporate Business Plan applicable to the past 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 2015/16 year was that of “Asset Management”, and these were for specific Capital** works, as stated below.

The major specific initiatives adopted & completed for the 2015/16 year were –Upgrades to the Waroona Town Hall; major repairs and renewals to parts of the Recreation Centre; new Boardwalks and extra Signage for the Lake Preston area; Coronation Road Bridge replacement; proposed Dorsett Road realignment and reconstruction works; reconstruction and resealing and gravel re-sheeting of a number of rural roads [see report by Director of Technical Services].

**Other ‘supporting’ documents** – See below - These had also been prepared during the past financial 5 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 1<sup>st</sup> 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 Workforce Plan has been presented to Council in the months of June/July each year.

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

New statutory requirements have been introduced to encourage Councils 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 aim to **show how the community's aspirations will be turned into reality by prioritising them in line with known funding options, which seem to change from year to year**

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 – Drainage; Parks and Recreation; Footpaths; Waste Disposal Services; and the replacement of Plant and Equipment.

Government Grants have been decreasing over the past few years, and this trend is expected to continue. However, there is a strong possibility that over the next 4-5 years that the Shire of Waroona may be eligible for some special grants for – Additions and Extensions to the Preston Beach Community Centre, as well as to the Waroona Community Resource/Medical Centre. Such proposals will **not significantly add to Council's operational costs, as they are mainly be related to upgrading of existing assets.**

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

In the 2014/15 budget there was no allocated expenditure for urban areas fire costs. This was also the case in the following 2015/16 year, but the fire in that year caused the Council to incur extra costs of almost \$62,000. However, for the 2016/17 year, with the fires of January 2016, the Council incurred extra costs of over \$463,000, which were **'extra ordinary' operational costs. Such occurrences significantly impact on what can spent in other areas.**

The primary emphasis of our forward planning has been on viewing specific Asset proposals over a 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. On current trends it is obvious that this Council will be unable to finance any significant works from its own funds in the short term [IE next 1-5 years], but much of the backlog could be afforded in the later 5 years. The reduction in government grants has also had significant adverse effects.

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

In pursuing long term financial sustainability, Council has consciously restricted its Loan borrowings, with its Debt Servicing costs now being less than 1% of its standard operating revenue. This ratio is not the latest statutory one, but is the same as what is used by state treasury, and what is used by the private sector, and seems more practical.

There has also been a large emphasis on striving to reach Financial Sustainability, as defined by the Department of Local Government, and this seems attainable over the longer term, which seems beyond some of the other, large, regional Councils. The Operating Surplus Ratio is the main item of concern, which may take even longer to get to the **Department of Local Government's 'Break-Even' point. This ratio is adversely affected by the mandatory revaluation of assets, which makes it that much more difficult to attain the surplus position..**



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

		CORPORATE BUSINESS PLAN, BUDGET ITEMS, & ACTUAL RESULTS - COMPARISONS							2015/16 YEAR	
In accordance with the statutory requirements, items in Council's Corporate Business Plan are herein compared to items included in the Budget allocations for the subject year.									ANNUAL OUTCOMES	
SOP No.	CBP PROJECT NO.	NEW WORKS AND SERVICES			CBP COST	FUNDING SOURCES	Funding Totals	BUDGET PROVISION	ACTUAL COSTS	BRIEF NOTES
		Program	10	<b>Community Amenities</b>						
5.03.01	1	Waroonna Town Hall		Refurbish Kitchen; Replace ceiling in Smaller Hall	90,378	Royalties for Regions Council Revenue	80,000 10,378	80,000 10,378	80,000 11,966	Works completed as planned Some minor extras also completed
5.03.01	2	Waroonna Town Hall		External Repaint	56,000	Council Revenue	56,000	78,000	78,000	Deferred, due to Bushfire Costs
5.03.01	111	Public Toilets-D/brook Weir; P/Beach		Remedial/Repairs Work	11,500	Council Revenue	11,500	12,000	12,775	Part Deferred, due to Bushfire Costs
5.03.08		Waste Disposal Site		Major Repairs-Loader	104,167	Council Revenue/Reserves	104,167	183,900	88,900	Loader Repairs; Some Deferred, due to Bushfire Costs
				Remedial Work-Sullage Ponds; Security System; Trf Station		Council Revenue		26,750	26,750	Sullage Ponds Wks deferred; Sprinkler/Pumps installed
					352,423		342,045	444,278	351,641	
		Program	11	<b>Recreational &amp; Cultural</b>						
2.07.01	2.07.01	Walk Trails		Lake Preston	34,440	Grant - Lotterieswest	34,440	34,440	26,420	New Platform completed; Other Wk in next Yr
5.03.07	5.03.07	Parks/Other	Football Oval	Reticulation Works/Replace Pump	5,000	Council Revenue	5,000	0	0	Insufficient Funds. Deferred to 2016/17 Yr
5.03.01	5.03.01	Recreation Centre		Rectify Roof Problems	30,000	State Govt Grant	30,000	30,000	162,085	Roof failed & needed immediate remedial work
					69,440		69,440	64,440	188,505	
		Program	12	<b>Transport - Roads</b>						
5.03.04	5.03.04	Roads		Reconstruction Works	711,500	Regional Road Group State funds	711,500	711,500	531,500	Dorsett, Buller, & Coronation Rds; Millar St
5.03.04	5.03.04	Roads		Reconstruction Works	356,219	Roads to Recovery Federal Grant	356,219	356,219	356,219	Gravel Resheeting; Reseals; Various-On-Going
5.03.04	5.03.04	Roads		Reconstruct Roads with high 'Commodities' transportation	180,000	Commodities Routes-special Funding	180,000	180,000	180,000	Reconstruct 'Commodities-Forestry roads
5.03.04	5.03.04	Roads		Reconstruct Roads	161,100	Council Revenue	161,100	114,000	212,567	Gravel Resheeting; Reseals; Various
5.03.04	5.03.04	Roads		Repair Footpaths-S/W Highway; Preston Beach	20,000	Council Revenue	20,000	33,000	26,419	Projects completed
5.03.04	5.03.04	Roads		Coronation Road Bridge	803,000	Royalties for Regions; Water Corporation	803,000	800,000	1,198,905	Project completed; extra costsfor Rd approaches
					2,231,819		2,231,819	2,194,719	2,505,610	
		Program	12	<b>Transport - Plant Replacements</b>						
5.03.02	5.03.02	Plant Replacement		Replace various Plant & Works Equipment Items	450,300	Trade-In: Council Revenue	272,000 178,300	435,300	158,733 196,354	Purchases occurred as planned
					450,300		450,300	435,300	355,087	
					\$2,841,937		\$2,831,559	\$2,774,459	\$3,129,202	



**FINANCIAL REPORT - SEE SECTION B**

**AUDITOR'S REPORT - SEE SECTION C**

**SHIRE OF WAROONA**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

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Principal place of business:

Shire of Waroona  
52 Hesse Street  
WAROONA WA 6215



**SHIRE OF WAROONA  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**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 2016 are in my opinion properly drawn up to present fairly the financial position of the Shire at 30th June 2016 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 **20<sup>TH</sup>** day of **OCTOBER** 2016

  
Ian Curley  
Chief Executive Officer

**SHIRE OF WAROONA**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2016 \$	2016 Budget \$	2015 \$
<b>Revenue</b>				
Rates	22	4,105,583	4,092,581	3,790,972
Operating grants, subsidies and contributions	29	2,044,031	1,490,505	2,042,001
Fees and charges	28	1,288,418	1,331,899	1,314,698
Service charges	25	0	0	0
Interest earnings	2(a)	104,764	94,320	105,687
Other revenue	2(a)	108,397	97,100	117,872
		<u>7,651,194</u>	<u>7,106,404</u>	<u>7,371,231</u>
<b>Expenses</b>				
Employee costs		(3,206,270)	(2,913,911)	(3,116,263)
Materials and contracts		(4,163,384)	(3,714,312)	(2,312,812)
Utility charges		(374,832)	(405,070)	(401,456)
Depreciation on non-current assets	2(a)	(2,838,686)	(2,708,501)	(2,793,919)
Interest expenses	2(a)	(18,997)	(19,635)	(23,359)
Insurance expenses		(194,802)	(202,126)	(223,331)
Other expenditure		(229,832)	(250,540)	(221,816)
		<u>(11,026,802)</u>	<u>(10,214,096)</u>	<u>(9,092,955)</u>
		<u>(3,375,608)</u>	<u>(3,107,692)</u>	<u>(1,721,724)</u>
Non-operating grants, subsidies and contributions	29	1,361,092	1,163,024	1,164,889
Profit on asset disposals	20	9,778	16,626	11,213
(Loss) on asset disposals	20	(21,409)	(12,796)	(27,052)
Loss on Revaluation of Current Assets	2(a)	0	0	(1,983,107)
<b>Net result</b>		<u>(2,026,148)</u>	<u>(1,940,838)</u>	<u>(2,555,781)</u>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets	12	186,233	0	30,809,289
<b>Total other comprehensive income</b>		<u>186,233</u>	<u>0</u>	<u>30,809,289</u>
<b>Total comprehensive income</b>		<u>(1,839,915)</u>	<u>(1,940,838)</u>	<u>28,253,508</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 2016**

	NOTE	2016 \$	2016 Budget \$	2015 \$
<b>Revenue</b>	2(a)			
Governance		162,180	154,140	163,339
General purpose funding		4,715,599	4,688,800	5,319,604
Law, order, public safety		463,054	60,714	126,482
Health		49,943	49,850	55,433
Education and welfare		19,135	36,465	35,418
Housing		14,300	14,300	14,300
Community amenities		998,876	1,049,937	1,016,065
Recreation and culture		527,403	401,563	384,887
Transport		603,259	595,730	153,255
Economic services		42,274	36,105	36,258
Other property and services		55,169	18,800	66,190
		<u>7,651,193</u>	<u>7,106,404</u>	<u>7,371,231</u>
<b>Expenses</b>	2(a)			
Governance		(1,361,577)	(1,369,853)	(1,350,065)
General purpose funding		(106,809)	(110,737)	(107,215)
Law, order, public safety		(987,460)	(506,184)	(435,132)
Health		(284,748)	(301,046)	(268,106)
Education and welfare		(201,354)	(202,650)	(175,089)
Housing		(15,509)	(18,940)	(18,648)
Community amenities		(1,510,047)	(1,591,184)	(1,419,818)
Recreation and culture		(2,636,846)	(2,434,340)	(2,460,729)
Transport		(3,391,342)	(3,190,950)	(2,470,068)
Economic services		(436,756)	(407,293)	(290,873)
Other property and services		(75,358)	(61,282)	(73,853)
		<u>(11,007,805)</u>	<u>(10,194,459)</u>	<u>(9,069,596)</u>
<b>Finance costs</b>	2(a)			
General purpose funding		0	(1,200)	(2,192)
Recreation and culture		(18,997)	(18,436)	(21,167)
		<u>(18,997)</u>	<u>(19,636)</u>	<u>(23,359)</u>
		<u>(3,375,609)</u>	<u>(3,107,691)</u>	<u>(1,721,724)</u>
<b>Fair value adjustments to financial assets at fair value through profit or loss</b>	6(a)	0	0	(1,983,107)
<b>Non-operating grants, subsidies and contributions</b>	29	1,361,092	1,163,024	1,164,889
<b>Profit on disposal of assets</b>	20	9,778	16,626	11,213
<b>(Loss) on disposal of assets</b>	20	(21,409)	(12,796)	(27,052)
<b>Net result</b>		<u>(2,026,148)</u>	<u>(1,940,838)</u>	<u>(2,555,781)</u>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	12	186,233	0	30,809,289
<b>Total other comprehensive income</b>		<u>186,233</u>	<u>0</u>	<u>30,809,289</u>
<b>Total comprehensive income</b>		<u>(1,839,915)</u>	<u>(1,940,838)</u>	<u>28,253,508</u>

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

**SHIRE OF WAROONA  
STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2016**

	NOTE	2016 \$	2015 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	2,435,687	3,566,560
Trade and other receivables	4	697,371	220,444
Inventories	5	10,511	13,212
<b>TOTAL CURRENT ASSETS</b>		<b>3,143,569</b>	<b>3,800,216</b>
<b>NON-CURRENT ASSETS</b>			
Other receivables	4	30,500	0
Property, plant and equipment	6	34,009,709	34,408,661
Infrastructure	7	92,972,429	92,952,568
<b>TOTAL NON-CURRENT ASSETS</b>		<b>127,012,638</b>	<b>127,361,228</b>
<b>TOTAL ASSETS</b>		<b>130,156,207</b>	<b>131,161,444</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	1,267,186	453,348
Current portion of long term borrowings	9	47,349	52,673
Provisions	10	785,089	712,262
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,099,624</b>	<b>1,218,283</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	9	265,037	312,367
Provisions	10	44,124	43,459
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>309,161</b>	<b>355,826</b>
<b>TOTAL LIABILITIES</b>		<b>2,408,785</b>	<b>1,574,108</b>
<b>NET ASSETS</b>		<b>127,747,422</b>	<b>129,587,335</b>
<b>EQUITY</b>			
Retained surplus		10,687,185	12,284,146
Reserves - cash backed	11	1,647,517	2,076,704
Revaluation surplus	12	115,412,719	115,226,487
<b>TOTAL EQUITY</b>		<b>127,747,422</b>	<b>129,587,336</b>

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 2016**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/INVESTMENT BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2014</b>		<b>14,378,419</b>	<b>2,538,212</b>	<b>84,417,198</b>	<b>101,333,828</b>
Comprehensive income					
Net result		(2,555,781)	0	0	(2,555,781)
Changes on revaluation of assets		0	0	30,809,289	30,809,289
Total comprehensive income	12	(2,555,781)	0	30,809,289	28,253,508
Transfers from/(to) reserves		461,507	(461,507)	0	0
<b>Balance as at 30 June 2015</b>		<b>12,284,146</b>	<b>2,076,704</b>	<b>115,226,487</b>	<b>129,587,336</b>
Comprehensive income					
Net result		(2,026,148)	0	0	(2,026,148)
Changes on revaluation of assets				186,233	186,233
Total comprehensive income	12	(2,026,148)	0	186,233	(1,839,915)
Transfers from/(to) reserves		429,187	(429,187)	0	0
<b>Balance as at 30 June 2016</b>		<b>10,687,185</b>	<b>1,647,517</b>	<b>115,412,719</b>	<b>127,747,422</b>

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 2016**

	NOTE	2016 Actual \$	2016 Budget \$	2015 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		4,102,986	4,081,624	3,753,843
Operating grants, subsidies and contributions		1,531,301	1,502,117	2,050,703
Fees and charges		1,288,418	1,331,899	1,314,698
Service charges		0	0	0
Interest earnings		104,764	94,320	105,687
Goods and services tax		0	0	0
Other revenue		108,397	97,100	117,872
		<u>7,135,866</u>	<u>7,107,060</u>	<u>7,342,803</u>
<b>Payments</b>				
Employee costs		(3,132,778)	(2,894,102)	(3,059,380)
Materials and contracts		(3,374,004)	(3,687,626)	(2,491,911)
Utility charges		(374,832)	(405,070)	(401,456)
Interest expenses		8,162	(20,062)	3,966
Insurance expenses		(194,802)	(202,126)	(223,331)
Goods and services tax		0	0	0
Other expenditure		(229,832)	(249,552)	(221,816)
		<u>(7,298,086)</u>	<u>(7,458,538)</u>	<u>(6,393,928)</u>
<b>Net cash provided by (used in) operating activities</b>	13(b)	<u>(162,219)</u>	<u>(351,478)</u>	<u>948,875</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for development of Land held for resale		0	0	0
Payments for purchase of property, plant & equipment		(682,219)	(692,028)	(426,301)
Payments for construction of infrastructure		(1,761,507)	(1,723,859)	(1,162,298)
Non-operating grants, subsidies and contributions		1,361,092	1,163,024	1,164,889
Proceeds from sale of fixed assets		158,733	272,000	227,666
<b>Net cash provided by (used in) investment activities</b>		<u>(923,901)</u>	<u>(980,863)</u>	<u>(196,044)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of debentures		(52,654)	(52,674)	(54,307)
Proceeds from self supporting loans		7,900	7,900	11,958
Proceeds from low interest loans		0	0	3,000
<b>Net cash provided by (used in) financing activities</b>		<u>(44,754)</u>	<u>(44,774)</u>	<u>(39,349)</u>
<b>Net increase (decrease) in cash held</b>		(1,130,873)	(1,377,115)	713,482
Cash at beginning of year		3,566,560	3,566,530	2,853,075
<b>Cash and cash equivalents at the end of the year</b>	13(a)	<u><u>2,435,687</u></u>	<u><u>2,189,414</u></u>	<u><u>3,566,560</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 2016**

	NOTE	2016 Actual \$	2016 Budget \$	2015 Actual \$
<b>Net current assets at start of financial year - surplus/(deficit)</b>		<u>1,146,405</u> 1,146,405	<u>1,146,376</u> 1,146,376	<u>(198,263)</u> (198,263)
<b>Revenue from operating activities (excluding rates)</b>				
Governance		162,180	154,140	165,218
General purpose funding		610,016	596,220	1,528,632
Law, order, public safety		463,054	69,420	126,482
Health		49,943	49,850	55,433
Education and welfare		19,135	36,465	35,418
Housing		14,300	14,300	14,300
Community amenities		998,876	1,049,937	1,016,065
Recreation and culture		527,403	401,563	384,887
Transport		613,037	603,650	159,046
Economic services		42,274	36,105	39,801
Other property and services		55,169	18,800	66,190
		<u>3,555,388</u>	<u>3,030,450</u>	<u>3,591,472</u>
<b>Expenditure from operating activities</b>				
Governance		(1,370,485)	(1,374,567)	(1,366,448)
General purpose funding		(106,809)	(111,937)	(2,092,514)
Law, order, public safety		(987,460)	(508,690)	(435,132)
Health		(284,748)	(301,046)	(268,106)
Education and welfare		(201,354)	(202,650)	(175,089)
Housing		(17,573)	(18,940)	(18,648)
Community amenities		(1,510,047)	(1,592,017)	(1,422,405)
Recreation and culture		(2,655,842)	(2,452,776)	(2,481,896)
Transport		(3,400,004)	(3,194,858)	(2,473,415)
Economic services		(438,532)	(408,129)	(295,608)
Other property and services		(75,358)	(61,161)	(73,853)
		<u>(11,048,211)</u>	<u>(10,226,771)</u>	<u>(11,103,114)</u>
<b>Operating activities excluded from budget</b>				
(Profit) on disposal of assets	20	(9,778)	(16,626)	(11,213)
Loss on disposal of assets	20	21,409	12,796	27,052
Movement in employee benefit provisions		73,493	30,085	56,882
Depreciation and amortisation on assets	2(a)	2,838,686	2,708,501	2,793,919
<b>Amount attributable to operating activities</b>		<u>(3,422,609)</u>	<u>(3,315,189)</u>	<u>(4,843,265)</u>
<b>INVESTING ACTIVITIES</b>				
Loss on revaluation of fixed assets				1,983,107
Non-operating grants, subsidies and contributions		1,361,092	1,163,024	1,164,889
Proceeds from disposal of assets	20	158,733	272,000	227,666
Purchase of land held for resale		0	0	0
Purchase of property, plant and equipment	6(b)	(682,219)	(692,028)	(426,301)
Purchase and construction of infrastructure	7(b)	(1,761,507)	(1,723,859)	(1,162,298)
<b>Amount attributable to investing activities</b>		<u>(923,901)</u>	<u>(980,863)</u>	<u>1,787,063</u>
<b>FINANCING ACTIVITIES</b>				
Advances to community groups		(39,000)	0	0
Repayment of debentures	21(a)	(52,654)	(52,674)	(54,307)
Proceeds from new debentures	21(a)	0	0	0
Proceeds from self supporting loans		7,900	7,900	11,958
Proceeds from low interest loans		0	0	3,000
Unspent grants July B/Fwd		115,858	115,858	105,333
Unspent grants June C/Fwd		(8,848)	0	(115,858)
Transfers to reserves (restricted assets)	11	(232,151)	(335,150)	(164,970)
Transfers from reserves (restricted assets)	11	661,338	467,538	626,478
<b>Amount attributable to financing activities</b>		<u>452,444</u>	<u>203,472</u>	<u>411,633</u>
<b>Surplus(deficiency) before general rates</b>		<u>(3,894,065)</u>	<u>(4,092,580)</u>	<u>(2,644,567)</u>
<b>Total amount raised from general rates</b>	22	<u>4,105,583</u>	<u>4,092,580</u>	<u>3,790,972</u>
<b>Net current assets at June 30 c/fwd - surplus/(deficit)</b>	23	<u>211,518</u>	<u>0</u>	<u>1,146,405</u>

**SHIRE OF WAROONA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**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 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(d) Trade and Other Receivables**

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

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

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

**(e) Inventories**

**General**

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

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

**Land held for sale**

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

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

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

**(f) Fixed Assets**

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

**Mandatory requirement to revalue non-current assets**

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

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

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

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

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

**SHIRE OF WAROONA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**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 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(f) Fixed Assets (Continued)**

***Depreciation***

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

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

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

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

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

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

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

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

***Capitalisation threshold***

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

**SHIRE OF WAROONA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**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 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Income approach**

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

**Cost approach**

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

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

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

**(h) Financial Instruments**

***Initial recognition and measurement***

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

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

***Classification and subsequent measurement***

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

Amortised cost is calculated as:

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

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

**SHIRE OF WAROONA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(h) Financial Instruments (Continued)**

***Classification and subsequent measurement (continued)***

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

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

***(ii) Loans and receivables***

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

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

***(iii) Held-to-maturity investments***

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

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

***(iv) Available-for-sale financial assets***

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

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

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

***(v) Financial liabilities***

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

**SHIRE OF WAROONA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**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 2016**

**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 2016**

**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 2016**

**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 2016**

**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:

<b>Title</b>	<b>Issued / Compiled</b>	<b>Applicable <sup>(1)</sup></b>	<b>Impact</b>
(i) AASB 9 Financial Instruments (Incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect.
(ii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 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.
(iii) AASB 16 Leases	February 2016	1 January 2019	Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted.  Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Shire, the impact is not expected to be significant.

**SHIRE OF WAROONA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

<b>Title</b>	<b>Issued / Compiled</b>	<b>Applicable <sup>(1)</sup></b>	<b>Impact</b>
(iv) 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	<p>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.</p> <p>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.</p>
(v) AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]	August 2014	1 January 2016	<p>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.</p> <p>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.</p>
(vi) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	December 2014	1 January 2017	<p>Consequential changes to various Standards arising from the issuance of AASB 15.</p> <p>It will require changes to reflect the impact of AASB 15.</p>

**SHIRE OF WAROONA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(vii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]	January 2015	1 January 2016	<p>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.</p> <p>This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column.</p> <p>It is not anticipated it will have any significant impact on disclosures as they currently exist and any changes will relate to presentation.</p>
(viii) 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	<p>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.</p> <p>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.</p>

Notes:

<sup>(1)</sup> Applicable to reporting periods commencing on or after the given date.

**SHIRE OF WAROONA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(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 as follows:

- (i) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality
- (ii) AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities



**SHIRE OF WAROONA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

2. REVENUE AND EXPENSES		2016	2015
		\$	\$
(a) Net Result			
The Net result includes:			
(i) Charging as an expense:			
<b>Significant expense and revenue</b>			
Loss on revaluation of non-current assets - Infrastructure Other			(1,983,107)
January 2016 Waroona Bushfire		(475,517)	
Bushfire Reimbursements (WANDRRA & Insurance)		346,373	0
<b>Auditors remuneration</b>			
- Audit of the Annual Financial Report		8,020	7,000
- Interim Audit		3,800	3,600
- Other Services		5,640	2,250
<b>Depreciation</b>			
Buildings		827,788	771,452
Furniture and equipment		35,300	29,999
Plant and equipment		197,407	176,814
Infrastructure - Roads		1,284,958	1,424,937
Infrastructure - Other		493,233	390,717
		2,838,686	2,793,919
<b>Interest expenses (finance costs)</b>			
Debentures (refer Note 21 (a))		18,997	21,167
Interest on Overdraft		0	2,192
		18,997	23,359
<b>Rental charges</b>			
- Operating leases		97,217	46,676
		97,217	46,676
(ii) Crediting as revenue:			
<b>Other revenue</b>			
Other		108,397	117,872
		108,397	117,872
	2016	2016	2015
	Actual	Budget	Actual
	\$	\$	\$
<b>Interest earnings</b>			
- Reserve Funds	63,179	37,870	72,968
- Municipal Funds	41,585	56,450	32,719
	104,764	94,320	105,687
Other interest revenue (refer note 27)	60,431	30,860	32,657
	165,195	125,180	138,344

**SHIRE OF WAROONA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**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 2016**

**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 the Shire's overhead operating accounts.

**Activities:**

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

**SHIRE OF WAROONA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**2. REVENUE AND EXPENSES (Continued)**

**(c) Conditions Over Grants/Contributions**

Grant/Contribution	Function/ Activity	Opening Balance <sup>(1)</sup> 1/07/14 \$	Received <sup>(2)</sup> 2014/15 \$	Expended <sup>(3)</sup> 2014/15 \$	Closing Balance <sup>(1)</sup> 30/06/15 \$	Received <sup>(2)</sup> 2015/16 \$	Expended <sup>(3)</sup> 2015/16 \$	Closing Balance 30/06/16 \$
Royalties for Regions 2011-12	Various	8,613	0	(8,613)	0	0	0	0
Lake Preston Trail	Recreation & Culture	20,000	0	(10,560)	9,440	20,491	(29,931)	0
Alcoa Youth Activities	Education & Welfare	5,000	10,000	(10,000)	5,000	10,000	(10,000)	5,000
Cat Act Grant - Sterilisation Prog.	Law Order & Public Safety	4,900	0	(4,900)	0	0	0	0
Kids Sport Grant	Recreation & Culture	1,540	18,000	(16,296)	3,244	9,000	(12,244)	0
Dept Fire & Emergency Services 15/16	Law Order & Public Safety	3,514	24,189	(26,027)	1,676	22,620	(24,296)	0
Royalties - Economic Study	Economic Services	0	20,000	(5,940)	14,060	0	(14,060)	0
Royalties - Waste Study	Community Amenities	0	20,000	(4,057)	15,943	0	(15,943)	0
Suicide Prevention Grant	Education & Welfare	0	14,155	0	14,155	0	(14,155)	0
South Metro Pop Health - NAIDOC	Community Amenities	0	500	0	500	0	(500)	0
Royalties - Hall Upgrade Grant	Recreation & Culture	0	50,000	0	50,000	30,000	(80,000)	0
Strong Families - NAIDOC	Recreation & Culture	0	100	0	100	0	(100)	0
Alcoa RSL Waroona/Hamel	Recreation & Culture	0	1,740	0	1,740	0	(1,740)	0
Dept Fire & Emergency Services 16/17	Law Order & Public Safety	0	0	0	0	3,848	0	3,848
<b>Total</b>		<b>43,567</b>	<b>158,684</b>	<b>(86,393)</b>	<b>115,858</b>	<b>95,959</b>	<b>(202,969)</b>	<b>8,848</b>

**Funds In Reserves**

Royalties for Regions - Regional	Transport	558,403	18,833	(70,250)	506,986	0	(506,986)	0
Royalties for Regions - 2012/2013	Transport	470,028	3,209	(473,237)	0	0	0	0
<b>Notes:</b>		<b>1,028,431</b>	<b>22,042</b>	<b>(543,487)</b>	<b>506,986</b>	<b>0</b>	<b>(506,986)</b>	<b>0</b>

(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 2016**

	Note	2016 \$	2015 \$
<b>3. CASH AND CASH EQUIVALENTS</b>			
Unrestricted		779,322	1,373,997
Restricted - Reserves		1,656,365	2,192,562
		<u>2,435,687</u>	<u>3,566,560</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Emergency Assistance Reserve	11	16,938	16,438
Sports Reserve	11	28,746	65,748
Staff Leave Reserve	11	119,492	115,968
Waste Management Reserve	11	372,522	298,453
Rec Centre Building Reserve	11	15,151	80,589
Hamel Hall Reserve	11	28,832	27,978
Plant Replacement Reserve	11	486,089	403,799
Depot Redevelopment Reserve	11	55,233	53,604
Building Asset Maintenance Reserve	11	50,123	48,645
Strategic Planning Reserve	11	24,590	23,865
Council Building Construction Reserve	11	222,776	216,206
Preston Beach Volunteer Reserve	11	30,404	35,357
Information Technology Reserve	11	18,617	18,068
Footpath construction Reserve	11	28,878	28,026
Asset Management Reserve	11	111,732	108,436
History Book Reprint Reserve	11	18,859	10,538
Coronation Road Bridge Reserve	11	0	506,986
Risk & Insurance Reserve	11	18,537	18,000
Unspent grants	2(c)	8,848	115,858
		<u>1,656,365</u>	<u>2,192,562</u>
<b>4 TRADE AND OTHER RECEIVABLES</b>			
<b>Current</b>			
Rates outstanding		125,085	122,488
Sundry debtors		475,791	89,068
Loans - Self Supporting		0	7,900
Loans - Low Interest		8,500	0
Accrued Income		87,995	988
		<u>697,371</u>	<u>220,444</u>
<b>Non-current</b>			
Loans - Low Interest		30,500	0
		<u>30,500</u>	<u>0</u>
<b>5. INVENTORIES</b>			
<b>Current</b>			
Fuel and materials		8,567	10,185
Kiosk		1,944	3,027
		<u>10,511</u>	<u>13,212</u>
<b>Non-current</b>			
Land held for resale - cost			
Cost of acquisition		0	0
Development costs		0	0
		<u>0</u>	<u>0</u>

**SHIRE OF WAROONA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

	2016 \$	2015 \$
<b>6 (a). PROPERTY, PLANT AND EQUIPMENT</b>		
Land and buildings		
Land - freehold 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	18,424,425
- Additions after valuation - cost	352,267	60,143
- Amendments	0	(631)
Less: accumulated depreciation	<u>(1,700,243)</u>	<u>(872,773)</u>
	17,076,449	17,611,165
Total land and buildings	<u>31,574,949</u>	<u>32,109,665</u>
Furniture and equipment at:		
- Management valuation 2013	0	218,759
- Management valuation 2016	213,920	0
- Additions after valuation - cost	0	15,332
Less accumulated depreciation	<u>0</u>	<u>(56,569)</u>
	213,920	177,521
Plant and equipment at:		
- Management valuation 2013	0	2,165,449
- Management valuation 2016	2,220,840	0
- Additions after valuation - cost	0	350,826
Less accumulated depreciation	<u>0</u>	<u>(394,800)</u>
	2,220,840	2,121,475
	<u>34,009,709</u>	<u>34,408,661</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 & Equipment and Furniture & Equipment**

Both Furniture and Equipment and Plant and Equipment were revalued in 2016

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

The revaluation of these assets resulted in an overall increase of \$186,233 in the value of the plant and equipment and furniture and equipment assets. \$148,911 was added to the plant and equipment revaluation surplus and \$37,322 was added to the furniture and equipment revaluation surplus.

The full amount of \$186,233 is reflected at Changes on revaluation of non-current assets in the Statement of Comprehensive Income

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



**SHIRE OF WAROONA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**6. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(b) Movements in Carrying Amounts**

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) Transferred to Revaluation \$	Revaluation (Losses)/ Reversals Through to Profit or Loss \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers & Correction \$	Carrying Amount at the End of Year \$
Land - freehold	14,498,500	0	0	0	0	0	0	0	14,498,500
<b>Total land</b>	<b>14,498,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,498,500</b>
Buildings	17,611,165	292,754	0	0	0	318	(827,789)		17,076,449
<b>Total buildings</b>	<b>17,611,165</b>	<b>292,754</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>318</b>	<b>(827,789)</b>	<b>0</b>	<b>17,076,449</b>
<b>Total land and buildings</b>	<b>32,109,665</b>	<b>292,754</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>318</b>	<b>(827,789)</b>	<b>0</b>	<b>31,574,949</b>
Furniture and equipment	177,521	34,377	(0)	37,321,79			(35,300)		213,920
Plant and equipment	2,121,475	355,087	(207,227)	148,911.31			(197,407)		2,220,840
<b>Total property, plant and equipment</b>	<b>34,408,661</b>	<b>682,219</b>	<b>(207,227)</b>	<b>186,233.10</b>	<b>0</b>	<b>318</b>	<b>(1,060,495)</b>	<b>0</b>	<b>34,009,709</b>

**SHIRE OF WAROONA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

	2016 \$	2015 \$
<b>7 (a). INFRASTRUCTURE</b>		
Infrastructure - Roads		
- Independant valuation 2015	84,191,051	84,191,051
- Additions after valuation - cost	1,280,286	0
Less accumulated depreciation	<u>(1,284,958)</u>	<u>0</u>
	84,186,380	84,191,051
Infrastructure - Other		
- Independant valuation 2015	940,198	940,198
- Cost	0	0
Less accumulated depreciation	<u>(64,155)</u>	<u>0</u>
	876,042	940,198
Infrastructure - Bridges		
- Independant valuation 2015	875,000	875,000
- Cost	0	0
Less accumulated depreciation	<u>(58,362)</u>	<u>0</u>
	816,638	875,000
Infrastructure - Parks and Ovals		
- Independant valuation 2015	2,161,646	2,161,646
- Additions after valuation - cost	0	0
- Cost	454,802	0
Less accumulated depreciation	<u>(182,353)</u>	<u>0</u>
	2,434,095	2,161,646
Infrastructure - Drainage		
- Independant valuation 2015	3,147,816	3,147,816
- Additions after valuation - cost	0	0
Less accumulated depreciation	<u>(78,149)</u>	<u>0</u>
	3,069,667	3,147,816
Infrastructure - Footpaths		
- Independant valuation 2015	1,636,857	1,636,857
- Additions after valuation - cost	26,419	0
Less accumulated depreciation	<u>(73,669)</u>	<u>0</u>
	1,589,607	1,636,857
	<u>92,972,429</u>	<u>92,952,568</u>

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

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

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

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

**SHIRE OF WAROONA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**7. INFRASTRUCTURE (Continued)**

**(b) Movements in Carrying Amounts**

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

	Balance as at the Beginning of the Year	Additions	(Disposals)	Revaluation Increments/ (Decrements) Transferred to Revaluation	Revaluation (Loss)/ Reversal Transferred to Profit or Loss	Impairment (Losses)/ Reversals	Depreciation (Expense)	Corrections & Transfers	Carrying Amount at the End of the Year
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Infrastructure - Roads	84,191,051	1,280,286	0	0	0	0	(1,284,958)	0	84,186,380
Infrastructure - Other	940,198	0	0	0	0	0	(64,155)	0	876,043
Infrastructure - Bridges	875,000	0	0	0	0	0	(58,362)	0	816,638
Infrastructure - Parks and Ovals	2,161,646	454,802	0	0	0	0	(182,352)	0	2,434,096
Infrastructure - Drainage	3,147,816	0	0	0	0	0	(78,149)	0	3,069,666
Infrastructure - Footpaths	1,636,857	26,419	0	0	0	0	(73,669)	0	1,589,607
<b>Total infrastructure</b>	<b>92,952,568</b>	<b>1,761,507</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,741,645)</b>	<b>0</b>	<b>92,972,429</b>

**SHIRE OF WAROONA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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	2016 \$	2015 \$
<b>8. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry creditors	1,184,096	397,417
Accrued Expenses	83,090	55,931
	<u>1,267,186</u>	<u>453,348</u>

**9. LONG-TERM BORROWINGS**

<b>Current</b>		
Secured by floating charge		
Debentures	47,349	52,673
	<u>47,349</u>	<u>52,673</u>
<b>Non-current</b>		
Secured by floating charge		
Debentures	265,037	312,367
	<u>265,037</u>	<u>312,367</u>

Additional detail on borrowings is provided in Note 21.

The Shire did not have any long term borrowings at the reporting date.

**10. PROVISIONS**

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
<b>Opening balance at 1 July 2015</b>			
Current provisions	293,981	418,281	712,262
Non-current provisions	0	43,459	43,459
	<u>293,981</u>	<u>461,740</u>	<u>755,721</u>
 Additional provision	 24,064	 69,718	 93,782
Amounts used	(16,653)	(3,637)	(20,290)
<b>Balance at 30 June 2016</b>	<u>301,392</u>	<u>527,821</u>	<u>829,213</u>
 <b>Comprises</b>			
Current	301,392	483,697	785,089
Non-current	0	44,124	44,124
	<u>301,392</u>	<u>527,821</u>	<u>829,213</u>

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**11. RESERVES - CASH BACKED**

	Actual 2016 Opening Balance	Actual 2016 Transfer to	Actual 2016 Transfer (from)	Actual 2016 Closing Balance	Budget 2016 Opening Balance	Budget 2016 Transfer to	Budget 2016 Transfer (from)	Budget 2016 Closing Balance	Actual 2015 Opening Balance	Actual 2015 Transfer to	Actual 2015 Transfer (from)	Actual 2015 Closing Balance
Emergency Assistance Reserve	16,438	500	0	16,938	16,438	0	0	16,438	15,902	536	0	16,438
Sports Reserve	65,748	1,998	(39,000)	28,746	65,748	0	0	65,748	60,556	5,192	0	65,748
Staff Leave Reserve	115,968	3,524	0	119,492	115,968	47,000	0	162,968	112,185	3,783	0	115,968
Waste Management Reserve	298,453	74,069	0	372,522	298,453	65,000	0	363,453	256,786	68,659	(26,992)	298,453
Rec Centre Building Reserve	80,589	17,462	(82,900)	15,151	80,589	15,000	0	95,589	97,308	3,281	(20,000)	80,589
Hamel Hall Reserve	27,978	854	0	28,832	27,978	0	0	27,978	32,869	1,109	(6,000)	27,978
Plant Replacement Reserve	403,799	82,290	0	486,089	403,799	70,000	0	473,799	419,645	14,154	(30,000)	403,799
Depot Redevelopment Reserve	53,604	1,629	0	55,233	53,604	22,000	0	75,604	51,856	1,749	0	53,604
Building Asset Maintenance Reserve	48,645	1,478	0	50,123	48,645	54,000	0	102,645	47,057	1,588	0	48,645
Strategic Planning Reserve	23,865	725	0	24,590	23,865	0	0	23,865	23,086	778	0	23,865
Council Building Construction Reserve	216,206	6,570	0	222,776	216,206	0	0	216,206	209,153	7,052	0	216,206
Preston Beach Volunteer Reserve	35,357	12,047	(17,000)	30,404	35,357	11,150	0	46,507	23,695	11,662	0	35,357
Information Technology Reserve	18,068	549	0	18,617	18,068	8,000	0	26,068	17,477	591	0	18,068
Footpath construction Reserve	28,027	852	0	28,879	28,027	0	0	28,027	27,112	914	0	28,027
Asset Management Reserve	108,436	3,295	0	111,732	108,436	8,000	0	108,436	104,899	3,537	0	108,436
History Book Reprint Reserve	10,538	8,320	0	18,859	10,538	0	(10,538)	8,000	10,195	344	0	10,538
Coronation Road Bridge Reserve	506,986	15,452	(522,438)	0	506,986	0	(457,000)	49,986	558,403	18,833	(70,250)	506,986
Hesse Street Reserve	0	0	0	0	0	0	0	0	470,028	3,209	(473,237)	0
Risk & Insurance Reserve	18,000	537	0	18,537	18,000	0	0	18,000	0	18,000	0	18,000
Vehicle Licensing Reserve	0	0	0	0	0	35,000	0	35,000	0	0	0	0
	2,076,704	232,151	(661,338)	1,647,517	2,076,704	335,150	(467,538)	1,944,316	2,538,212	164,970	(626,478)	2,076,704

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

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

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

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**12. REVALUATION SURPLUS**

	2016 Opening Balance \$	2016 Revaluation Increment \$	2016 Revaluation Decrement \$	2016 Total Movement on Revaluation \$	2016 Closing Balance \$	2015 Opening Balance \$	2015 Revaluation Increment \$	2015 Revaluation Decrement \$	2015 Total Movement on Revaluation \$	2015 Closing Balance \$
Land & Building	23,764,001	0	0	0	23,764,001	23,764,001	0	0	0	23,764,001
Furniture and equipment	0	90,420	(53,098)	37,322	37,322	0	0	0	0	0
Plant and equipment	506,659	556,009	(407,098)	148,911	655,570	506,659	0	0	0	506,659
Infrastructure - Roads	88,504,082	0	0	0	88,504,082	57,694,794	39,024,947	(8,215,658)	30,809,289	88,504,082
Infrastructure - Other	2,451,744	0	0	0	2,451,744	2,451,744	2,937,580	(2,937,580)	0	2,451,744
<b>Asset Revaluation Surplus</b>	<b>115,226,486</b>	<b>646,429</b>	<b>(460,196)</b>	<b>186,233</b>	<b>115,412,719</b>	<b>84,417,198</b>	<b>41,962,527</b>	<b>(11,153,238)</b>	<b>30,809,289</b>	<b>115,226,486</b>

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



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**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:

	<b>2016</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	<u>2,435,687</u>	<u>2,189,414</u>	<u>3,566,560</u>
<b>(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	(2,026,148)	(1,940,839)	(2,555,781)
Non-cash flows in Net result:			
Depreciation	2,838,686	2,708,501	2,793,919
(Profit)/Loss on sale of asset	11,631	(3,829)	15,839
Fair value adjustments to fixed assets at fair value through profit or loss	0	0	1,983,108
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	(515,327)	1,644	(28,428)
(Increase)/Decrease in inventories	2,701	4,212	(3,707)
Increase/(Decrease) in payables	813,838	(6,765)	(148,069)
Increase/(Decrease) in provisions	73,492	48,621	56,882
Grants contributions for the development of assets	(1,361,092)	(1,163,024)	(1,164,889)
Net cash from operating activities	<u>(162,219)</u>	<u>(351,479)</u>	<u>948,875</u>
<b>(c) Undrawn Borrowing Facilities</b>	<b>2016</b>		<b>2015</b>
<b>Credit Standby Arrangements</b>	<b>\$</b>		<b>\$</b>
Bank overdraft limit	500,000		500,000
Bank overdraft at balance date	0		0
Credit card limit	20,000		20,000
Credit card balance at balance date	0		0
<b>Total amount of credit unused</b>	<u>520,000</u>		<u>520,000</u>
<b>Loan facilities</b>			
Loan facilities - current	47,349		54,305
Loan facilities - non-current	265,037		310,735
<b>Total facilities in use at balance date</b>	<u>312,386</u>		<u>365,040</u>
<b>Unused loan facilities at balance date</b>	<u>NIL</u>		<u>NIL</u>

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**14. CONTINGENT LIABILITIES**

As at 30 June 2016 Council has no contingent liabilities

<b>15. CAPITAL AND LEASING COMMITMENTS</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	97,217	46,676
- later than one year but not later than five years	259,952	313,710
- later than five years	0	33,976
	<u>357,169</u>	<u>394,362</u>

**(b) Capital Expenditure Commitments**

Contracted for:		
- capital expenditure projects	138,836	50,000
- plant & equipment purchases	0	0
Payable:		
- not later than one year	138,836	50,000

The capital expenditure project outstanding at the end of the current reporting period represents the grant funds provided to Council for the capital upgrade of the Lake Clifton Bush Fire Brigade shed. These funds have been provided by DFES and will be fully spent throughout the 2016/17 year

**16. JOINT VENTURE ARRANGEMENTS**

The Shire is not involved in any joint venture arrangements.

**17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Governance	2,951,753	2,982,056
General purpose funding	2,610,889	3,690,036
Law, order, public safety	1,214,230	1,160,708
Health	1,788,846	1,837,299
Education and welfare	296,548	358,765
Housing	178,995	178,995
Community amenities	4,734,768	4,672,648
Recreation and culture	25,524,327	25,585,857
Transport	88,002,272	87,766,855
Economic services	965,598	1,015,014
Other property and services	1,062,980	1,088,212
Unallocated	825,000	825,000
	<u>130,156,207</u>	<u>131,161,445</u>

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	2016	2015	2014
<b>18. FINANCIAL RATIOS</b>			
Current ratio	0.7510	1.4584	0.3552
Asset sustainability ratio	0.6780	0.4483	(0.1370)
Debt service cover ratio	(7.3910)	14.3059	1.7370
Operating surplus ratio	(0.6150)	(0.3327)	1.5627
Own source revenue coverage ratio	0.4990	0.5726	(4.0530)

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.

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

The early payment of the grant increased operating revenue in 2015 and decreased operating revenue in 2016 by \$664,376

The early payment was considered to be "one-off" and if recognised in the year to which the allocation related the calculations in the 2016 and 2015 columns above would be as follows:

The Shire of Waroona sustained significant expenditure in 2016 due to the Waroona Bush Fire. Some of these expenses were covered by WANDRRA funding though a deficit of \$216,358 still need to be covered by the Shire Waroona - If this incident had not have happened the 2016 ratios would be as follows;

	2016	2015
Debt service cover ratio	3.6798	5.5031
Operating surplus ratio	(0.4709)	(0.4599)

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**19. TRUST FUNDS**

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

	1 July 2015	Amounts Received	Amounts Paid	30 June 2016
	\$	\$	(\$)	\$
BCITF Levy	0	15,596	(15,596)	0
Builders Registration Board	0	19,939	(19,939)	0
Hall Deposits	3,775	1,275	(975)	4,075
Landcare EOY Balance	64,948	58,915	(64,948)	58,915
Nomination Deposits	0	400	(400)	0
Retentions	17,019	28,703	(11,081)	34,641
Roadworks/Footpath Bonds	7,925	840	(840)	7,925
Subdivision Bonds	64,910	0	0	64,910
Sundry Items	211,883	123,678	(92,713)	242,848
Vehicle Licensing Plates	0	1,000	(1,000)	0
Extractive Industries	48,730	0	0	48,730
Public Open Space	43,022	0	0	43,022
Alcoa Waroona Sustainability	1,122,028	303,976	(115,000)	1,311,004
	<u>1,584,239</u>			<u>1,816,070</u>

**20. DISPOSALS OF ASSETS - 2015/16 FINANCIAL YEAR**

The following assets were disposed of during the year.

	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Plant and Equipment</b>								
<u>Governance</u>								
Holden Caprice - CEO	0	0			40,191	38,000	0	(2,191)
Ford Falcon - DCEO	30,825	25,549	0	(5,275)	30,064	28,000	0	(2,064)
Holden Captiva - MFS	19,996	16,364	0	(3,633)	20,458	20,000	0	(458)
<u>Law, order, public safety</u>								
Holden Colorado - Ranger	0	0			29,881	28,000	0	(1,881)
Holden Colorado - Ranger	0	0			20,294	29,000	8,706	0
Nissan Navara	0	0			4,625	4,000	0	(625)
<u>Community amenities</u>								
Subaru Outback - DDS	27,745	25,682	0	(2,064)	27,833	27,000	0	(833)
<u>Transport</u>								
Holden Colorado - DTS	36,338	34,593	0	(1,745)	30,528	30,000	0	(528)
Holden Captiva - MWS	25,099	18,182	0	(6,917)	25,023	24,000	0	(1,023)
Ford Ranger Cab - 106 WR	6,040	15,000	8,960	0	5,190	4,000	0	(1,190)
Toyota Hilux Traytop - 105 WR	6,000	6,818	818	0	5,167	4,000	0	(1,167)
Koboata Tractor	0	0			10,080	18,000	7,920	0
<u>Economic services</u>								
Toyota Camry - MDS	18,322	16,545	0	(1,776)	18,836	18,000	0	(836)
	<u>170,364</u>	<u>158,733</u>	<u>9,778</u>	<u>(21,409)</u>	<u>268,170</u>	<u>272,000</u>	<u>16,626</u>	<u>(12,796)</u>

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**21. INFORMATION ON BORROWINGS**

**(a) Repayments - Debentures**

Particulars	Principal 1 July 2015 \$	New Loans \$	Principal Repayments		Principal 30 June 2016		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Recreation and culture</b>								
Loan 106 - Aquatic Centre	43,068		16,356	16,356	26,711	26,712	2,459	2,694
Loan 117 - Basketball Stadium	130,771		11,059	11,059	119,711	119,712	8,688	8,425
Loan 120 - Rec Centre Upgrade	183,302		17,358	17,358	165,944	165,944	7,595	6,999
	357,140	0	44,773	44,773	312,367	312,367	18,742	18,118
<b>Self Supporting Loans</b>								
<b>Recreation and culture</b>								
Loan 119 - Waroona Bowling Club	7,900		7,882	7,900	18	0	254	317
	7,900	0	7,882	7,900	18	0	254	317
	365,040	0	52,655	52,673	312,385	312,367	18,997	18,435

Self supporting loan financed by payments from third parties.

All other loan repayments were financed by general purpose revenue.

**(b) New Debentures - 2015/16**

The Shire did not take up any new debentures during the year ended 30 June 2016.

**(c) Unspent Debentures**

The Shire did not have any unspent debentures as at 30 June 2016.

**(d) Overdraft**

Council has an established overdraft facility of \$500,000. The balance of this facility was nil at 30 June 2016

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**22. RATING INFORMATION - 2015/16 FINANCIAL YEAR**

<b>RATE TYPE</b>	<b>Differential general rate / general rate</b>	<b>Rate in \$</b>	<b>Number of Properties</b>	<b>Rateable Value \$</b>	<b>Rate Revenue \$</b>	<b>Interim Rates \$</b>	<b>Back Rates \$</b>	<b>Total Revenue \$</b>	<b>Budget Rate Revenue \$</b>	<b>Budget Interim Rate \$</b>	<b>Budget Back Rate \$</b>	<b>Budget Total Revenue \$</b>
<b>Gross rental value valuations</b>												
1 Waroona GRV		0.0972	797	11,497,264	1,117,661	13,614	0	1,131,275	1,132,902	0	0	1,132,902
3 Hamel GRV		0.0972	26	313,872	30,512	0	0	30,512	30,512	0	0	30,512
4 Preston GRV		0.0972	311	3,539,536	344,082	(858)	0	343,224	372,769	0	0	372,769
5 Prescribed GRV		0.0972	17	456,886	44,414	0	0	44,414	46,431	0	0	46,431
8 Lake Clifton GRV		0.0972	153	2,603,780	253,116	4,589	0	257,705	263,928	0	0	263,928
10 Footprints GRV		0.0972	2	50,000	4,861	0	0	4,861	0	0	0	0
11 Waroona Vacant GRV		0.0972	9	157,890	15,349	(597)	0	14,752	0	0	0	0
31 Hamel Vacant GRV		0.0972	0	0	0	0	0	0	0	0	0	0
41 Preston Vacant GRV		0.0972	15	245,100	23,826	0	0	23,826	0	0	0	0
51 Prescribed Vacant GRV		0.0972	1	20,750	2,017	0	0	2,017	0	0	0	0
81 Lake Clifton GRV		0.0972	9	111,220	10,812	786	0	11,598	0	0	0	0
<b>Unimproved value valuations</b>												
2 Waroona UV		0.0065	453	203,621,000	1,319,871	(2,518)	0	1,317,353	1,319,871	0	0	1,319,871
6 Prescribed UV		0.0065	100	24,839,000	161,006	(1,284)	0	159,722	161,006	0	0	161,006
7 Mining UV		0.0065	0	0	0	(835)	0	(835)	0	0	0	0
<b>Sub-Total</b>			<b>1,893</b>	<b>247,456,298</b>	<b>3,327,527</b>	<b>12,896</b>	<b>0</b>	<b>3,340,423</b>	<b>3,327,419</b>	<b>0</b>	<b>0</b>	<b>3,327,419</b>
<b>Minimum payment</b>												
		<b>Minimum \$</b>										
<b>Gross rental value valuations</b>												
1 Waroona GRV		940	200	1,711,692	188,000	0	0	188,000	360,020	0	0	360,020
3 Hamel GRV		940	8	66,056	7,520	0	0	7,520	10,340	0	0	10,340
4 Preston GRV		940	47	398,896	44,180	0	0	44,180	206,800	0	0	206,800
5 Prescribed GRV		940	4	34,216	3,760	0	0	3,760	9,400	0	0	9,400
8 Lake Clifton GRV		940	7	50,250	6,580	0	0	6,580	96,820	0	0	96,820
10 Footprints GRV		940	77	535,340	72,380	0	0	72,380	0	0	0	0
11 Waroona Vacant GRV		940	183	640,030	172,020	0	0	172,020	0	0	0	0
31 Hamel Vacant GRV		940	3	6,300	2,820	0	0	2,820	0	0	0	0
41 Preston Vacant GRV		940	96	506,480	90,240	0	0	90,240	0	0	0	0
51 Prescribed Vacant GRV		940	6	46,610	5,640	0	0	5,640	0	0	0	0
81 Lake Clifton GRV		940	96	624,630	90,240	0	0	90,240	0	0	0	0
<b>Unimproved value valuations</b>												
2 Waroona UV		940	48	3,898,151	45,120	0	0	45,120	45,120	0	0	45,120
6 Prescribed UV		940	24	3,061,000	22,560	0	0	22,560	22,560	0	0	22,560
7 Mining UV		940	15	211,671	14,100	0	0	14,100	14,100	0	0	14,100
<b>Sub-Total</b>			<b>814</b>	<b>11,791,322</b>	<b>765,160</b>	<b>0</b>	<b>0</b>	<b>765,160</b>	<b>765,160</b>	<b>0</b>	<b>0</b>	<b>765,160</b>
<b>Totals</b>			<b>2,707</b>	<b>259,247,620</b>	<b>4,092,687</b>	<b>12,896</b>	<b>0</b>	<b>4,105,583</b>	<b>4,092,579</b>	<b>0</b>	<b>0</b>	<b>4,092,580</b>



**SHIRE OF WAROONA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**23. NET CURRENT ASSETS**

Composition of net current assets

	2016 (30 June 2016 Carried Forward) \$	2016 (1 July 2015 Brought Forward) \$	2015 (30 June 2015 Carried Forward) \$
<b>Surplus/(Deficit) 1 July 15 brought forward</b>	<u>211,518</u>	<u>1,146,405</u>	<u>1,146,405</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents			
Unrestricted	779,322	1,373,997	1,373,997
Restricted - Reserves	1,647,517	2,076,704	2,076,704
Restricted - Cash	8,848	115,858	115,858
Receivables			
Rates outstanding	125,085	122,488	122,488
Sundry debtors	475,791	89,068	89,068
Accrued Income	87,995	988	988
Inventories			
Fuel and materials	8,567	10,185	10,185
Kiosk	1,944	3,027	3,027
<b>LESS: CURRENT LIABILITIES</b>			
Trade and other payables			
Sundry creditors	(1,184,096)	(397,417)	(397,417)
Accrued Expenses	(83,090)	(55,931)	(55,931)
<b>Unadjusted net current assets</b>	<u>1,867,883</u>	<u>3,338,967</u>	<u>3,338,967</u>
<b>Adjustments</b>			
Less: Restricted - Reserves	(1,647,517)	(2,076,704)	(2,076,704)
Less: Restricted - Cash	(8,848)	(115,858)	(115,858)
<b>Adjusted net current assets - surplus/(deficit)</b>	<u>211,518</u>	<u>1,146,405</u>	<u>1,146,405</u>

**Difference**

There was no difference between the surplus/(deficit) 1 July 2015 brought forward position used in the 2016 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2015 audited financial report.

**SHIRE OF WAROONA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**24. SPECIFIED AREA RATE - 2015/16 FINANCIAL YEAR**

The Shire of Waroona did not have any specified area rates in 2015/16 financial year

**25. SERVICE CHARGES - 2015/16 FINANCIAL YEAR**

The Shire of Waroona did not have any service charges in 2015/16 financial year

**26. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS  
- 2015/16 FINANCIAL YEAR**

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

**27. INTEREST CHARGES AND INSTALMENTS - 2015/16 FINANCIAL YEAR**

	<b>Date Due</b>	<b>Instalment Plan Admin Charge \$</b>	<b>Instalment Plan Interest Rate %</b>	<b>Unpaid Rates Interest Rate %</b>
<b>Instalment Options</b>				
<b>Option One</b>				
Single full payment	18-Sep-15			11.00%
<b>Option Two</b>				
First Instalment	18-Sep-15			11.00%
Second Instalment	18-Jan-16	10	5.50%	11.00%
<b>Option Three</b>				
First Instalment	18-Sep-15			11.00%
Second Instalment	18-Nov-15	10	5.50%	11.00%
Third Instalment	18-Jan-16	10	5.50%	11.00%
Fourth Instalment	18-Mar-16	10	5.50%	11.00%
			<b>Revenue</b>	<b>Budgeted Revenue</b>
			<b>\$</b>	<b>\$</b>
Interest on unpaid rates			25,064	18,140
Interest on instalment plan			15,507	12,720
Charges on instalment plan			19,860	16,840
			<u>60,431</u>	<u>47,700</u>

<b>28. FEES &amp; CHARGES</b>	<b>2016 \$</b>	<b>2015 \$</b>
Governance	31,936	26,085
General purpose funding	36,071	28,847
Law, order, public safety	33,338	33,418
Health	47,173	52,280
Education and welfare	330	410
Housing	14,300	14,300
Community amenities	795,432	777,226
Recreation and culture	279,351	295,286
Transport	60	3,177
Economic services	36,940	36,258
Other property and services	13,487	47,411
	<u>1,288,418</u>	<u>1,314,698</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 2016**

**29. GRANT REVENUE**

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

<b>By Nature or Type:</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Operating grants, subsidies and contributions</b>		
Governance	126,244	133,254
General purpose funding	451,583	1,379,480
Law, order, public safety	429,715	93,064
Health	2,771	3,153
Education and welfare	18,805	35,008
Community amenities	200,342	235,339
Recreation and culture	247,555	88,651
Transport	520,000	55,273
Economic services	5,334	0
Other property and services	41,682	18,779
	<u>2,044,031</u>	<u>2,042,001</u>
<b>Non-operating grants, subsidies and contributions</b>		
General purpose funding	175,526	590,084
Recreation and culture	105,000	64,886
Transport	1,080,566	509,919
	<u>1,361,092</u>	<u>1,164,889</u>
	<u>3,405,123</u>	<u>3,206,890</u>

**30. EMPLOYEE NUMBERS**

The number of full-time equivalent employees at balance date

<u>41</u>	<u>44</u>
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**31. ELECTED MEMBERS REMUNERATION**

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

	<b>2016</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
Meeting Fees	68,000	68,000	68,000
President's allowance	9,000	9,000	9,000
Deputy President's allowance	2,000	2,000	2,000
Travelling expenses	1,462	3,000	1,164
IT allowance	4,000	4,000	4,000
Telecommunication allowance	6,800	6,850	6,800
	<u>91,262</u>	<u>92,850</u>	<u>90,964</u>

**32. MAJOR LAND TRANSACTIONS**

The Shire did not participate in any major land transactions during the 2015/16 financial year.

**33. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

The Shire did not participate in any trading undertakings or major trading undertakings during the 2015/16 financial year

**SHIRE OF WAROONA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**34. 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:*

	<b>Carrying Value</b>		<b>Fair Value</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>				
Cash and cash equivalents	2,435,687	3,566,560	2,435,687	3,566,560
Receivables	697,371	220,444	697,371	220,444
	<u>3,133,058</u>	<u>3,787,004</u>	<u>3,133,058</u>	<u>3,787,004</u>
<b>Financial liabilities</b>				
Payables	1,267,186	453,348	1,267,186	453,348
Borrowings	312,386	365,040	312,386	365,040
	<u>1,579,572</u>	<u>818,388</u>	<u>1,579,572</u>	<u>818,388</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 2016**

**34. FINANCIAL RISK MANAGEMENT (Continued)**

**(a) Cash and Cash Equivalents**

The Shire's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash 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.

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Impact of a 10% <sup>(1)</sup> movement in price of investments		
- Equity	243,569	356,656
- Statement of Comprehensive Income	243,569	356,656
Impact of a 1% <sup>(1)</sup> movement in interest rates on cash		
- Equity	24,357	35,666
- Statement of Comprehensive Income	24,357	35,666

**Notes:**

<sup>(1)</sup> 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 2016**

**34. 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:

	<b>2016</b>	<b>2015</b>
<b>Percentage of rates and annual charges</b>		
- Current	97.67%	96.84%
- Overdue	2.33%	3.16%
<b>Percentage of other receivables</b>		
- Current	90.72%	41.18%
- Overdue	9.28%	58.82%



**SHIRE OF WAROONA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**34. 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:

**2016**

Payables	1,267,186	0	0	1,267,186	1,267,186
Borrowings	47,346	144,423	120,616	312,385	312,385
	<u>1,314,532</u>	<u>144,423</u>	<u>120,616</u>	<u>1,579,571</u>	<u>1,579,571</u>

**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>

**SHIRE OF WAROONA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**34. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Payables**  
**Borrowings (continued)**

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. 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 2016**

**Borrowings**

<b>Fixed rate</b>								
Debentures	(47,346)	(40,551)	(32,926)	(34,594)	(36,352)	(120,616)	(312,385)	5.19%
Weighted average Effective interest rate	5.68%	5.42%	5.00%	5.02%	5.03%	5.07%		

**Year ended 30 June 2015**

**Borrowings**

<b>Fixed rate</b>								
Debentures	(52,673)	(47,346)	(40,551)	(32,926)	(34,594)	(156,945)	(365,035)	5.25%
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 2016**

**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

	2016	2015	2014
Asset consumption ratio	0.6980	0.6998	0.7441
Asset renewal funding ratio	1.1730	1.1574	1.2435

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 2016, 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 2016, 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 2016 and of its performance for the financial year ended 30 June 2016;
- 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 20<sup>th</sup> day of October 2016