



SHIRE OF WAROONA

Annual Report

2013 - 2014

CONTENTS

OUR MISSION, VALUES & STRATEGIC OBJECTIVES	3
COUNCILLORS.....	4
ORDINARY/SPECIAL COUNCIL MEETING ATTENDANCE 2013/2014	4
STAFF	5
PRESIDENT'S REPORT 2013 - 2014.....	6
CHIEF EXECUTIVE OFFICER'S REPORT.....	8
CORPORATE SERVICES	11
COMMUNITY SERVICES.....	14
PLANNING SERVICES	25
TECHNICAL SERVICES	32
STRATEGIC COMMUNITY PLAN OVERVIEW.....	35
CORPORATE BUSINESS PLAN, BUDGET ITEMS & ACTUAL RESULTS - COMPARISONS	38
FINANCIAL REPORT - SEE SECTION B	39
AUDITOR'S REPORT - SEE SECTION C.....	40

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

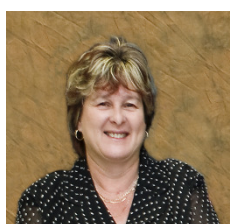
Asset Management and Financial Sustainability: Provision of functional Assets to support services, involving built/acquired assets and infrastructure; Financial proficiency and Sustainability

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

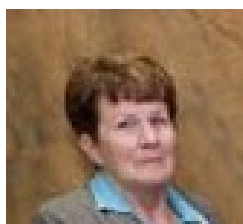
COUNCILLORS

1 July 2013 to 30 June 2014

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



Cr Christine (Chris) Germain
Shire President



Cr Trish Witney
Deputy Shire President



Cr Noel Dew



Cr Larry Scott



Cr John Salerian



Cr Craig Wright



Cr John Mason



Cr Lina Look

ORDINARY/SPECIAL COUNCIL MEETING ATTENDANCE 2013/2014

COUNCILLOR	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Cr Christine Germain	13	12
Cr Trish Witney	13	11
Cr Noel Dew	13	11
Cr John Salerian	13	13
Cr Craig Wright	13	8
Cr Larry Scott	13	10
Cr John Mason	13	8
Cr Lina Look	13	11

STAFF



Ian Curley Dip LG (C) MLGMA
Chief Executive Officer



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

Steve Cleaver - Director Community Services
Louis Fouche – Director Planning Services
Andrew Bruce - Director Technical Services

<u>NAME</u>	<u>POSITION</u>	<u>COMMENCEMENT DATE</u>
Mr William Rafferty	Shire Mechanic	1990
Mr Dave Rose	Plant Operator	1990
Mr Laurie Tilbrook	Deputy Chief Executive Officer/Director Corporate Services	1994
Mr Mark Wake	Town Maintenance Labourer	1995
Ms Bronwyn Cooke	Pool Attendant	1999
Mr Craig Birch	Leading Hand/Plant Operator	2001
Mr Ian Curley	Chief Executive Officer	2004
Mrs Annette Mason	Administration Officer	2005
Mr Joe Dineley	Senior Finance Officer	2005
Mr Steve Cleaver	Director Community Services	2005
Mr Trevor Pitcher	Environmental Health/Building Officer	2006
Miss Kathy Simpson	Administration Officer	2007
Mr Ron Thomas	Centre Manager – Recreation/Aquatic Centre	2008
Mr Louis Fouche	Director Planning Services	2010
Mr Greg Delahunty	Town Planner	2010 (resigned Feb 2014)
Mr Anthony Sayer	Labourer	2010
Mr Steve Barnes	Co-ordinator Parks & Gardens	2011 (resigned Jan 2014)
Mr Murry Bracknell	Manager Works & Services	2011
Ms Donna Wetnall	Plant Operator/Labourer	2011
Mr Roger Cumbers	Works Supervisor	2012
Ms Kate McInerney	Recreation Centre Duty Manager	2012 (resigned Dec 2013)
Mr Jason Robertson	Mgr Environmental Health & Building Services	2012
Miss Tori Davis	Community Development Officer	2012
Mrs Sian Gair	Community Development Officer	2012 (resigned Feb 2014)
Ms Sarah Cope	Ranger	2012
Mr Robert Buzzard	Parks & Gardens General Hand	2012
Miss Rikki Bellairs	Depot Admin Officer	2012
Miss Ashleigh Nuttall	Manager Financial Services	2013
Mrs Lucy Lyster	Town Planner	2013
Mr John Crothers	Coordinator Corporate Planning	2013
Mr Chris Dunlop	Town Planner	2014
Miss Nicole Shore	Customer Service Officer	2014
Mr Daniel Cools	Pool Manager	2014

EMPLOYEES - PERMANENT PART-TIME

Mrs Kirsty Ferraro	Senior Rates Officer	1996
Ms Lorraine McIntosh	Licensing Officer	1997
Mrs Pauline Bonner	Library Officer	1999
Mrs Tracy Goldsworthy	Manager Waroona Visitor Centre & Gallery	1999
Mrs Kerry Shore	Licensing Officer	2000
Mr Gino Chiera	Gardener	2001
Miss Nikki Colgan	Planning Administration Officer	2002
Mrs Sarah Dineley	Cleaner	2006
Ms Jennifer Kidman	Cleaner – Rec Centre	2007
Mrs Lissy Oliver	Library Assistant	2009
Mrs Sue Cicolari	Executive Support Officer	2010
Ms Ronnell Capp	Library Officer	2011
Ms Naomi Purcell	Community Development Officer	2011
Mrs Maria Harris	Depot Admin Officer	2012 (resigned April 2014)
Mrs Dinah Dela Torre	Cleaner	2012
Ms Tayla Kirkham	Pool Attendant	2013
Mr Barry Scoffern	Ranger	2013
Kelly Nottle	Trainee – Pool Attendant	2014

PRESIDENT'S REPORT 2013 - 2014



It is with much pleasure that I present this 2013-2014 Annual Report reflecting on the highlights and challenges of the 2013-2014 financial year. This year we have seen amalgamations being prepared for in the Perth Metropolitan area and stretching into the edge of the Peel Region.

While the Minister for Local Government has said at this stage a hold will be put on country amalgamations as the Perth Metro has not been finalised. We remain committed to resource sharing within the Peel Region, with more formalised arrangements in the next financial year.

During the past year we have seen little growth within the Shire with no significant subdivisions released to the property market. Preston Beach developments still wait in abeyance after many years of talk of subdivision and growth.

Financial responsibility remains a strong focus of the Council with Councillors and Staff being well aware of the need for financial constraint in considering their Annual Budget. In this area Council is well advised by the Deputy CEO Laurie Tilbrook, supported by the Manager Financial Services, Ashleigh Nuttall.

Councillors

I would like to thank all Councillors for the dedication and support they have shown to their Council duties during the year. It is vital for all councillors to work hard to ensure that they represent the interests of the whole of the Shire while keeping financial constraints foremost in their mind. Local Government presents a challenging environment and requires Councillors to demonstrate vision and have clear goals. All Councillors have demonstrated their desire to achieve these objectives and deserve to be congratulated on their efforts. I take this opportunity to thank the families of Councillors who have provided their valuable support throughout the year.

Staff

Once again I would like to recognise our highly dedicated and committed staff, capably led by CEO, Ian Curley, who have ably supported the Council throughout the year. It is imperative that we acknowledge and recognise the importance of the role of our staff in ensuring that, together, we achieve our aim of providing excellence in governance and service to the community we represent. Also, it is important we acknowledge the valuable contribution of so many other employees who work in many different areas of our operation.

The integration of the State Government's Planning and Reporting Framework into Council's operations has meant significant work during 2013/14. In March 2014 Council conducted a review of its Community Strategic Plan to ensure that it best represents the Community's views and can support the long term viability of the Council.

Community

I was pleased to attend the 2014 Australia Day Breakfast at the Memorial Hall and would like to congratulate the winners of the Australia Day and Meritorious Awards.

Awards recipients included:

Premiers Australia Day Active Citizenship Award—
Eric Walmsley

Premiers Australia Day Active Citizenship Award
(Community Group)—

Waroona Agricultural Society

Shire of Waroona Meritorious Community Service

Award recipients:

Philip Turner

Kevin O'Brien

Robert Jardine

John Marchetti

Bradley, Fedele and Nikolas Franco

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

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

This shire has a strong culture of volunteering and this is demonstrated by a large number of the community, of all ages and abilities, who give their time to help other people. The Shire acknowledges their commitment and understands the value this adds to ensuring Waroona, Preston Beach and Lake Clifton are great places to live.

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

Lake Clifton, once again, hosted their annual Fete, and even though the weather was not kind to them they had a good array of stalls. This has become an important feature for the area sponsored by the Summer Events Series.

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

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

CHRISTINE GERMAIN
SHIRE PRESIDENT

CHIEF EXECUTIVE OFFICER'S REPORT

Introduction

2013/14 has been another productive year throughout the Shire of Waroona. The Shire has been focussed in recent years on the additional compliance requirements implemented by the State Government, including the *Integrated Planning Framework, Fair Value Accounting* and, for this year, the *Risk Audit of risk management, internal control and legislative compliance*. Each of these new inclusions will require continual updating on a 1 – 4 year basis.

Overall growth in the district is steady with a number of new houses being built in Waroona during the year; however, there are no significant indicators to suggest any significant change in this area. The long-awaited Preston Beach Townsite Strategy, which commenced in 2005, has now been completed and is still being considered by the Western Australian Planning Commission. We have no firm date as to when the Council will be required to consider the plans.

The Royalties for Regions Country Local Government Fund has now ceased, however, there are 2 projects still to be completed by this Shire. Reconstruction of a portion of Hesse St Waroona, complete with improved drainage at \$466,000, will be commenced in early 2014/15 and the widening of the Coronation Road Bridge is still to be undertaken. Our Technical Services division is currently negotiating with Main Roads WA and Water Corporation (the owners of the bridge) to have a new wider bridge installed. Council has received \$557,000 from the Royalties for Regions Peel Region allocation towards this work.

Functions and Events

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

- Hosting the Vintage Machinery Rally in September.
- Volunteer thankyou breakfasts in Waroona and Preston Beach in December, cooked and served by the Councillors and Staff of the Shire.
- Emergency Services thankyou dinner in November.
- The Premier's Australia Day Active Citizenship Awards and Meritorious Community Service Awards and BBQ breakfast in January.
- Sea to Art Waroona in October.
- Lake Clifton Festival in November.
- Business Sundowner Waroona in April.

- Community Cultural Day at the Recreation Centre in September.
- South West Indigenous Basketball Carnival at the Recreation Centre in April.
- Movie under the Stars in March.
- Just Cruizin streetlight tour in December.
- Return of the All Australian Car day to Waroona in April.
- Youth Advisory Council & Youth Contributing to Community award.
- Youth Action Day in April.
- Administration of the Kidsport program.
- Various school holiday activities throughout the year.
- Carols by Candlelight in Waroona and by Torchlight in Preston Beach in December.
- Easter Blessing of the Roads in March.
- Waroona Interagency group.

Our Staff

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

4 Directorates operate within our organisation, managed by-

- Laurie Tilbrook, Deputy CEO/Director of Corporate Services who has control of administration, finance and licensing.
- Steve Cleaver, Director Community Services who has control of building, health, recreation centre and community development.
- Louis Fouche, Director of Planning who has control of planning, library and tourist centre.
- Patrick Steinbacher, who replaced Andrew Bruce who left in mid 2014, has control of the works depot and staff, road construction and maintenance, parks and reserves maintenance.

We are very fortunate to have a very experienced workforce of local government employees who display a high level of professionalism and commitment to their duties.



Shire Administration

Financial Management and Control

Council's finances continue to remain well protected with a balanced 2013/2014 budget set in August 2013. All major road construction projects for 2013/14 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 2014 increased to \$2,538,213 (up from 2,106,102 at 30 June 2013) placing Council in an excellent position to deliver future projects.

The outstanding Loan principal continues at a modest \$419,346 at 30/6/14, which includes raising of a new loan for \$200,000 taken out during the year to facilitate the upgrade of the Recreation Centre gymnasium and reroofing of the pool area.

Alcoa Waroona Sustainability Fund

A new committee comprising 2 Alcoa representatives, 2 Council representatives (Shire President + CEO) and 2 community representatives has been elected in accordance with the fund deed and the first meeting of the full committee was held in November 2013 at which time I was elected as Chairperson.

As part of the function of the committee it advertised calling for expressions of interest from local groups and organisations to identify important activities or projects being considered in the community. Using this information the Committee called for applications for funding for projects from the original Wagerup Sustainability Fund. The Committee administers 2 separate funds – the (original) Wagerup Sustainability Fund held by The Trust Company and the (newer) Alcoa Waroona Sustainability Fund held in trust by the Shire. In March 2014 the 2 funds, combined, totalled \$1.493m.

After the 1st round of funding \$325,000 in grants was distributed to various community organisations.

Some projects and commitments undertaken in 2013/14 -

- Purchase a new Volunteer Rangers vehicle for Preston Beach
- \$25,000 upgrade to Waroona's CCTV surveillance equipment
- Upgrade of the Preston Beach toilet and change room facility
- Install new toilet cisterns at the town hall and upgrade toilet block near the Walmsley Pavilion
- Supply and install new air conditioner at the Library
- Provide a contribution towards new carpet at the Lake Clifton Community Centre
- Install a security system at the Waroona Library
- New Fire truck for Preston Beach Bushfire Brigade
- Town centre lighting of the War Memorial and palm tree
- Continued funding to the Waroona Community Centre Board to provide receptionist services at the Waroona Health & Community Resource Centre.

What's happening in 2014/15?

- Hosting of a *Wildcats* basketball exhibition match at the Recreation Centre.
- Finalising of the Waroona Recreation Centre gymnasium extensions.
- Hesse Street Drainage project (\$466,000) funded by Royalties for Regions.
- Transferring of the Transport Licencing service from the Waroona Police Station to the Shire Office.
- Funds have been set aside towards appropriately marking the ANZAC Day 100th Anniversary in 2015.
- Undertaking a review of the appropriateness and effectiveness of the Council's systems and procedures in relation to – risk management, internal control and legislative compliance as requirement by the Local Government (Audit) Regulations 1996.
- Lake Preston walk trail

Conclusion

Thank you must go to the many volunteers that give many hours to help the local community. The emergency services – Bush Fire Service, Ambulance Service and SES play a vital role in keeping our community safe. Other volunteers help keep community groups and organisations moving forward which is very important in small communities.

I also would like to thank the Shire President Cr Christine Germain, Deputy President Cr Trish Witney and all Councillors for their continued valuable contribution to the management of the Shire. I also thank the Directors, Managers and Staff of the Shire who work tirelessly and with dedication to provide the many services on offer throughout the Waroona district.

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 2013/2014 year no complaints have been entered into the register.

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

Salary Range - \$	2014	2013
100,000 - 109,999	-	0
110,000 - 119,999	2	2
120,000 - 129,999	1	1
130,000 - 139,999	-	0
140,000 - 149,999	-	1
150,000 - 159,000	1	0

**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, 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.

2013/14 Rating

A general rate revenue increase of 7.95% applied for the 2013/14 financial year with rate revenue totalling \$3,480,984. Minimum rates for GRV rated properties increased from \$750 to \$800 and from \$730 to \$800 for UV rated properties.

A general revaluation of unimproved valuations resulted in an average decrease of 3% which is the fourth consecutive decrease in unimproved values.

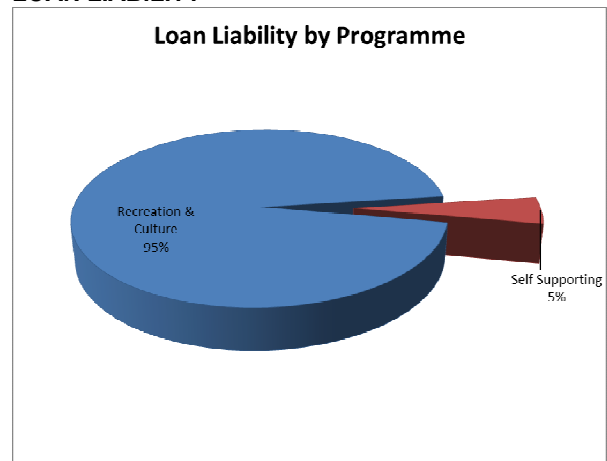
Financial Performance

As reported the Council's audit for 2013/14 has been highly successful. The Council's debt liability remains well within manageable levels and rating income continues to reflect the steady growth of the Shire.

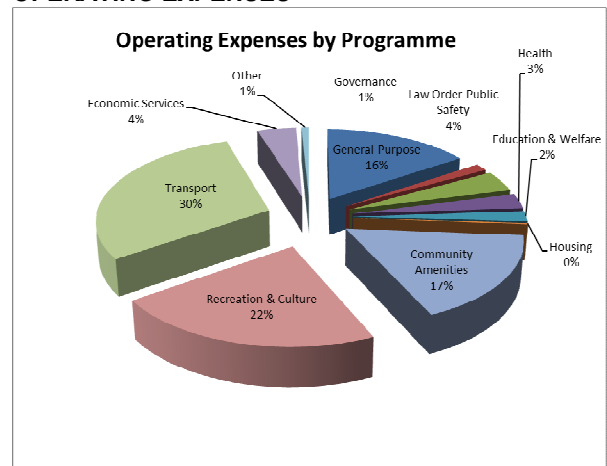
The Council does, however, face a substantial challenge in subsequent years to maintain its financial viability as State and Federal Government funding continues to be reviewed. Declining grant funding places pressure on the Council to maintain its existing services by sourcing income from other means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

Amendments to the Local Government Financial Management Regulations resulted in the second phase of the revaluation of Council assets by the "Fair Value" method to be introduced over a 3 year period. 2013/14 saw the revaluation of all land and buildings which is to be followed by roads and infrastructure in 2014/15.

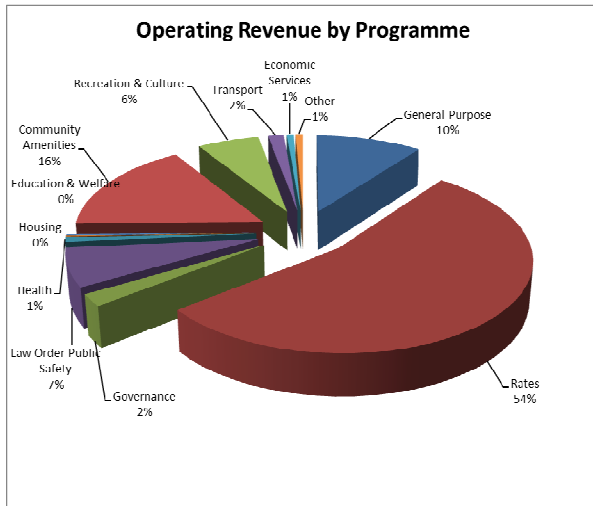
LOAN LIABILITY



OPERATING EXPENSES



OPERATING REVENUE



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

Integrated Planning & Reporting

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

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

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

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

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

It is expected that all of the items will be further refined over the next year, and more details will be shown in the Annual Report for the 2014/15 year.

"Fair Value" Asset Accounting

The Council is required by legislation to ensure that its assets are recorded in the books of account at "Fair

Value". This method of reporting is considered essential to provide a more accurate measure of the value of community assets than the previous method of "historical cost".

Implementation is being phased in over a three year period as follows:

- 2012/13 Plant & Equipment (complete)
- 2013/14 Land & Buildings (complete)
- 2014/15 Infrastructure – Including Roads

Risk Management & Compliance

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

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

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

During the 2013/14 year Council staff updated and documented many internal controls, as well as develop new systems to ensure adequate compliance with numerous items of specific legislation.

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

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

Resource Sharing Initiatives

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

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

This link now provides back up and disaster recovery options for both the Shires of Murray and Waroona.

Other options for resource sharing initiatives with the Shire of Murray are currently under investigation including the provision of a graphical information system (GIS) and health services.

Vehicle Licensing

The Council continues to provide a vehicle (and drivers) licensing function on behalf of the State Government Department of Transport.

The service which has operated from the Waroona Police Station since 2001 will be relocated to the Council Administration Centre.

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 2013/14 financial year that have required competitive neutrality testing.

Legislative Review

The Council is required to assess each of its Local Laws to ensure there are no negative impacts on competition and to determine how any restrictive practices might be overcome.

During 2013/14 the Council underwent a statutory review of its local laws.

This review has resulted in the Council resolving as follows:

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

Currently the above new local laws have been considered by the Council in draft form and are currently before the Department of Local Government for final acceptance.

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

State Records Act

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

The following information with respect to the plan is noted:

- The Council has adopted its own internal procedural policy with respect to the plan;
- Efficiency and Effectiveness of the plan is monitored on an ongoing basis by the use of report tracking methods incorporating management software;
- Staff training is conducted on an ongoing basis by providing information services at staff meetings and one on one meetings with new staff;
- Software training in the Council's recording tracking system is also carried out as required; and
- Offsite storage procedures have been introduced and subsequently reviewed. The Council conducted its first destruction of records during 2013/14.

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 2013/14.

Laurie Tilbrook
DEPUTY CHIEF EXECUTIVE OFFICER / DIRECTOR
CORPORATE SERVICES

COMMUNITY SERVICES

COMMUNITY DEVELOPMENT

STAFF

In early March 2014 Sian Gair left her position as Community Development Officer (CDO) to work abroad for the Australian organisation See Beyond Borders. Tori Davis was employed as full time CDO on 6 March 2014 and Naomi Purcell continues as part-time Community Development Officer.

YOUTH

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

Waroona Youth Advisory Committee (YAC)

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

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

Movie Under The Stars

Approximately 400 people gathered on 21 March 2014 for the popular annual community event and to enjoy watching a movie in an outdoor setting. The movie Frozen appeared to be a hit across the board.

Action Event- National Youth Week

The Youth Action Event proved once again to be a very successful night; families with children of all ages came to the Waroona Skate Park on 10 April 2014 for a fun filled night. There was so much positive feedback from operators, parents and children who all attended. The event was free to attend and provided Freestyle Skate / BMX / Scooter demonstrations and displays and there were up to 70 kids competing, supporting and encouraging each other in the skate park. The Nifty Nook provided a place for children to be creative and make their own bunny hampers, filled with eggs to get in to the spirit of Easter. The Climbing Wall and Bouncy Castle were as popular as ever and this year also saw Bucking Billy Bull and GP Down South returning for their second year. GP Down South provided the kids with lots of information and giveaways which was a

great way to get youth involved in positive health promotion. They even gave the kids a chance to put on the red gloves and work up a sweat.

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



The popular climbing wall at the Youth Action Event

St Joseph's School Partnership

On 11 of April 2014, the Waroona QR Code Tour was officially launched. The tour, a collaborative project between the Shire of Waroona, St Joseph's School Waroona, the Waroona Historical Society and ALCOA, with the support of the Waroona Visitor Centre, is the very first of its kind in the Shire.

Special guests such as Mrs Gabrielle Doyle, Director of Teaching and Learning and Mrs Louise Cimetta, Digital Learning Co-ordinator from the Catholic Education Office of WA, Debra Tyler, President of the Waroona Historical Society and committee members Maree Ellis and Gleneyce Walmsley and Fr Jayan Johnson, Parish Priest of St Patrick's Parish Waroona were amongst the past project winners and community members who attended the much anticipated unveiling.

The ceremonial launch held at St. Joseph's School Waroona was followed by an interactive tour. The tour featured sites such as St. Patricks Church, the Drakesbrook Road Board Office building and Memorial Hall. With such a successful unveiling it is very exciting to see Waroona be put on the map with people coming from all over to learn about our rich history.



Students from St Joseph's Primary School at the QR Code Tour

Waroona District School Partnership

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

- Planting day at Preston Beach dunes
- Planting day at Lake Preston

The Shire of Waroona attended the regional youth forum that was held at Mandurah Aquatic Centre on 25 June 2014. Community Development shared an information stall with the Family Support Group. Over forty community services organisations participated in the Expo and high schools students from Waroona, Murray, Serpentine Jarrahdale and Mandurah attended. Over 600 young people were able to talk to a number of employment and community services providers whose role it is to support young people with all issues during this difficult transitional period of adolescents.

EVENTS

Volunteer Emergency Services & Police Dinner

On 1 November 2013 the Shire had the opportunity to thank the volunteers and staff from Waroona St John's Ambulance, Preston Beach Volunteer Rangers, Waroona Volunteer Fire Services Brigade, Lake Clifton Volunteer Bush Fire Brigade, Waroona Police, Preston Beach Volunteer Bush Fire Brigade, Waroona State Emergency Service and Waroona West Volunteer Bush Fire Brigade for their continued services to the community and a thank you for the often dangerous work they do. Shire President Christine Germain supported by Shire Councillors and staff officially thanked the many volunteers and Police and wished them a safe summer season.

Thank A Volunteer Day Breakfast

In December 2013, to thank the large number of volunteers who consistently give their support to the community, breakfast was provided and cooked by the Councillors and management staff at Waroona Football Club and Preston Beach Community Centre. The large numbers of residents who volunteer their time at community groups, sporting organisations, schools and service groups were acknowledged for their contribution for building the capacity of the community. Over eighty people attended the two breakfasts.

Australia Day Celebrations 2014

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



Eric Walsmley and Shire President Christine Germain

COMMUNITY

Waroona Vintage Machinery Rally

The Old Machinery Club of WA, Waroona Lions Club and the Shire of Waroona partnered to host the annual 2013 Waroona Vintage Machinery Rally on 8 September 2013. The lovingly restored engines were a demonstration of the skills that still exist today in our community. The display of old engines was complimented by a large contingent of vintage cars, tractors and motorbike displays as well as antiques, old tools and chainsaw demonstrations. The Memorial Hall held a large variety of arts, crafts, antiques and spinning demonstrations. Community Development

assisted with the administration for the event. The officers also secured a \$15,000 LotteryWest Grant and a partnership with Alcoa for \$5000 a year for three years.

Cultural Day

The Waroona Recreation Centre hosted the Community Cultural Day on 29 August 2013 in response to requests from local residents. The day was an opportunity to celebrate Waroona's diverse multicultural community and meet some new and old friends. The event was attended by two hundred primary school children from Waroona District High School and St Joseph's Primary school, residents from Pam Corker, Quambie Park and the wider community.

The entertainment commenced with a song and dance from St Joseph's Primary School followed by a comedy show from Commedia Academy, an interactive Italian comedy. The finale was local ballroom dancers Sue and Les demonstrating the fox trot and tango - Sue in a beautiful dress and Les in coat and tails. After the performance the audience stayed for a traditional Italian cooked lunch prepared by St Joseph's and Quambie Park with Italian music in the background.

The event was a partnership between the Shire of Waroona, St Joseph's Catholic Primary School, Quambie Park, Waroona Community Resource Centre and Waroona District High School and Alcoa.



Ballroom dancers Sue and Les

Lake Preston Trail

As a continuation of the 2012 Preston Trail Upgrade project, the Preston Beach Progress Association and Shire of Waroona, in partnership with the Waroona District High School Bushrangers planted three hundred native plants at Lake Preston on 11 June 2014. Waroona District High School Bush Rangers received certificates from the Shire of Waroona at their school assembly to thank them for contributing to the community.

Dune Restoration

On 24 May and 6 June 2014, members from the Preston Beach community and Waroona District High School Bushrangers volunteered their time to aid in a joint costal rehabilitation project between the Preston Beach Progress Association, the Shire of Waroona and the South West Catchment Council as well as a day dedicated to revegetating the Lake Preston Trail.

With seedlings from the Leschenault Community Nursery, the two days spent restoring the dunes saw over 1100 seedlings put in the ground to revegetate the dunes and replace seedlings which had not survived from last year's planting day.

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

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 YAC events.

Community Group Support

Community Development supported Just Cruizin Christmas Lights tour and the newly returned All Australian Car Day, Carols in the Park, Preston Beach Association Events, Lake Clifton Community Fair, Sea to Art, Youth Centre events, Vintage Machinery Day, Waroona Aboriginal Basketball Carnival, ANZAC Day, Hamel Eco-Historic Precinct committee.

Hamel Nursery

The Shire of Waroona in partnership with Peel Development Commission, the National Trust, supported by the Department of Parks and Wildlife have been working to find a new use for the Old Hamel Nursery site in a bid to protect and conserve this unique environment. A total of \$362,500 was granted through the Royalties for Regions Scheme and these funds along with other contributions to the value of \$44,000 have been used to re-establish the site as a potential Eco Historic Park. Walk Trails are now in place which will allow public access to the many unique plants including a Camellia Grove, 100 year old Cork Trees and many other exotic species still thriving.



Rehabilitation at the Old Hamel Nursery

Waroona Interagency Network

Over forty community service agencies attend the bi-monthly Waroona Interagency Network meetings. Many networks have been made through these meetings providing greater outreach services to the Waroona area. From these meetings we now network closely with Peel Medical Health Service meetings, Metropolitan Public Health Unit, Early Childhood Learning and Development, Peel Development Commission Conference and more.

Suicide Action Group

As part of the Community Suicide Action response the committee have met regularly to develop a Suicide Action Plan.

Community Development Grants 2013

Under this program, organisations from within the Shire of Waroona can apply for funds of up to \$800 towards projects. The grants round was well subscribed and successful recipients in 2013 were:

Waroona Senior Football Club	\$800
Waroona Lions Club	\$800
Waroona Junior Amateur Basketball Ass.	\$800
Waroona Youth Centre	\$750
Waroona Community Resource Centre	\$750
Preston Beach Progress Association	\$800
Preston Beach Golf Club	\$800
Just Cruizin Street Machiners Inc.	\$300
Family Support Services	\$480
Total funds applied for	\$6,280

Business Sundowner

On 2 April 2014, the Shire of Waroona hosted a Local Business Sundowner at the Memorial Hall, with invitations extended to local businesses, small, large and inclusive of those operating in the agricultural and farming sector. The Business Sundowner recognises business operators servicing our community.



Attendees at the Business Sundowner

Department of Sport and Recreation

Regular meetings were held to support CDO's throughout the region. These meetings are held in Mandurah and the regional coordinator visited the Waroona offices bi-monthly. KidSport funding continued to provide eligible children within the Shire financial assistance to participate in community sporting activities.

Youth Contributing To Community

These awards are coordinated by the Community Development team and recognise youth within our community who are contributing in a positive way through volunteering or commitment to events and activities. Awards are presented at associated youth activities.

Partnership With Youth Centre And Little Youthy

An open night was held on 30 May 2014 at the Youth Centre for family and new attendees to experience what services are provided. The Community Development team attended and provided interagency service information.

The Waroona YAC members are encouraged to support and assist with the running of the Youth Centre and the Little Youthy groups.

**TORI DAVIS & NAOMI PURCELL
COMMUNITY DEVELOPMENT OFFICERS**

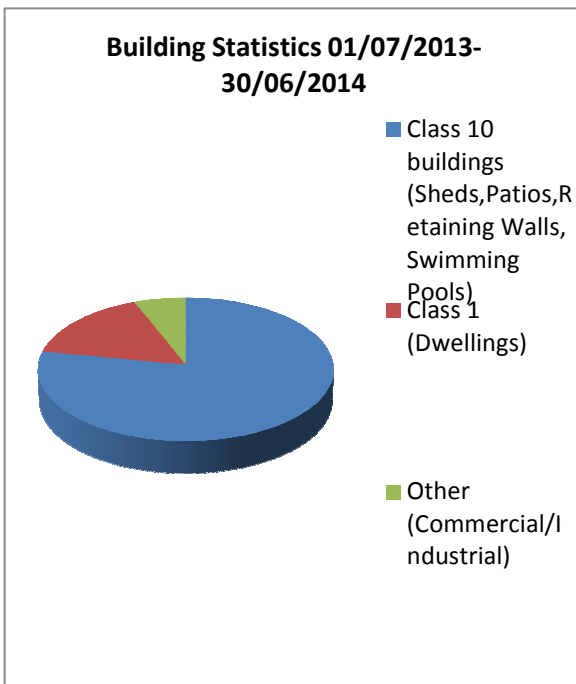
BUILDING SERVICES

2014 continued to be a year seeing steady building activity in the Shire.

Recent Building legislation changes have resulted in faster approval times for building applications; and more stringent controls on builders for compliance with approvals. The new legislation has been developed to allow a greater level of accountability and responsibility for all stakeholders in the building and construction sectors. This includes more stringent statutory timeframes for local authorities to process building applications and increased responsibility for building industry personnel to provide all information at the time of lodging applications.

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

Building statistics for the Shire show continued, steady activity. For the financial year, 100 building applications have been received, which is consistent with the past few years.



Class 10 buildings – 78
Class 1 buildings – 16
Other – 6

Total: 100

RANGER SERVICES



The Shire's Ranger vehicles

The Cat Act 2011 has now been in full operation since November 2013, with the State government phasing the legislation over the two year period. Shire Rangers have proactively engaged with wildlife agencies, animal welfare organisations and the Waroona community to assist in the acceptance and effective implementation of this legislation.

Changes to the Dog Act 1976 saw increased measures for dealing with dangerous dogs. Shire Rangers continued to promote responsible dog ownership and work with key agencies to ensure best practise dog control measures are in place.

Shire Rangers continued to engage with the Department of Fire and Emergency Services (DFES) and Volunteer Services in addition to attending various workshops including Bushfire Protection Zones, allowing the Shire to make informed decisions for its role in bushfire control mitigation.

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

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

Shire Rangers also continued to work with the community in addressing isolated cases of littering, with the objective of keeping public areas tidy. A key aspect has been in surveillance, with advances in technology assisting in monitoring and identifying litter offenders.

Off road vehicle (ORV) activity has in the past been a considerable problem for the community and State Government agencies. This year, Ranger Services through increased patrols and surveillance has seen the lowest incident record complaints regarding ORV use.

Ranger Compliance Statistics

For the year, Ranger Services has dealt with the following compliance issues:

- Dog Wander/Bark Complaints/Other: 353
- Dog Attacks: 25
- Impounded dogs: 31
- Cats: 41
- Cattle: 95
- Animal Welfare: 24
- Off Road Vehicles: 34
- Litter: 44
- Wildlife: 33
- Firebreaks: 86
- Other: 142

EMERGENCY MANAGEMENT



A banner displaying a fire safety message

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

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

Emergency management data is constantly being updated and reviewed so that delivery of a safer future for all Waroona residents can be maintained. As an example, data collection on volunteer Ranger

operational and non-operational hours, training needs and vehicle and equipment resources is included to make informed decisions.

Building Maintenance and Construction



Memorial Hall

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

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

- Improved lighting (including security) to various Council buildings
- New plumbing fixtures and fittings to public ablutions

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

WASTE SERVICES

Officers continue to actively monitor the performance of the Buller Road Landfill site and participate in the Rivers Regional Council forum. The Rivers Regional Council plays a vital role in ensuring Waste Management responsibilities of member Councils are maintained, working together to deliver good outcomes for their communities, aligning with the State Governments primary body; Waste Authority of Western Australia.

The Liquid Waste Stabilisation Ponds have presented some challenges throughout the year, however officers have taken appropriate steps to understand the finer points of their operation; in an effort to bring them up to a level where they will consistently operate at the

highest level possible. Other local authorities with liquid waste ponds have experienced similar issues.

An independent survey and data project was undertaken to assist the Shire in its long term planning for the landfill site. This project is of major significance, allowing Council to make informed decisions for the continued operations and expansion of the facility, to ensure the Waroona community has an efficient waste collection and management facility for the future.



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

ENVIRONMENTAL HEALTH SERVICES

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

Food Safety

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

Food Premises Assessments

Food premises (including food vans and home kitchens) are regularly assessed to ensure that they are maintained according to regulatory standards, and that food-handling practices are consistent with those that are required. Education in the requirements of the national food legislation is incorporated into all facets of this key activity.

Currently, there are 31 food premises in the Shire.

For the 2013/14 year, the following food premises assessments were undertaken:

Activity	Number of Premises	Average Number of Inspections
Inspection of High Risk Class 1 Food Premises	17	6 inspections
Inspection of Medium Risk Class 2 Food Premises	1	3 inspections
Inspection of Low Risk Class 3 Food Premises	4	6 inspections
Inspection of Very Low Risk Class 4 Food Premises	9	3 inspections
Total Food Premises	31	

Based on those inspections, 5 notices requiring various sundry works to be undertaken were issued and all notices were complied with.

Food Quality Control

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

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

Food complaints

No food complaints were received during the reporting period.

Notifiable Diseases

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

Effluent Disposal

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

systems and subsequent environmental/health concerns. The management of these apparatus involves:

- Assessment of all installation applications against regulatory requirements;
- Issue of permits for constructing an apparatus;
- Assigning relevant conditions;
- Issue of permits to use an apparatus; and
- Inspection and/or testing as appropriate of all installations upon completion and before use.

During the reporting period, 25 approvals to construct or install apparatus for the treatment of sewage were issued and an average of at least 2 inspections occurred for most of those installations.



Water Surveillance

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

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

Public Swimming Pool Assessments

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

the fencing and other infrastructure are well maintained and in compliance).

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

HEALTH CONTROLS – BUILDINGS

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

Where required, buildings with specific health conditions underwent a final health inspection to ensure compliance with health related legislation.

Public Buildings

To ensure that all public buildings within the Shire are constructed, maintained and operated in a manner which is consistent with legislative requirements, with public safety being the prime consideration, inspections were carried out on these facilities during the year. No deficiencies were recorded for the reporting period.

Public Accommodation

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

Vector & Pest Control

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

Advice is provided to residents of the prone coastal areas on biting prevention strategies during this period. No occurrences of Ross River Virus or other mosquito borne

disease were recorded for any Shire resident during the reporting period.

HEALTH LOCAL LAWS

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

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

Neighbourhood Noise

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

DISABILITY ACCESS AND INCLUSION PLAN

Universal Access

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

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

Ensuring Continued Progress

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

The Disability Services Commission advised the Shire that its Disability and Access Inclusion Plan is compliant with the requirements of the Disability Services Act 1993.

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

**JASON ROBERTSON
MANAGER ENVIRONMENTAL HEALTH AND
BUILDING SERVICES**

RECREATION SERVICES

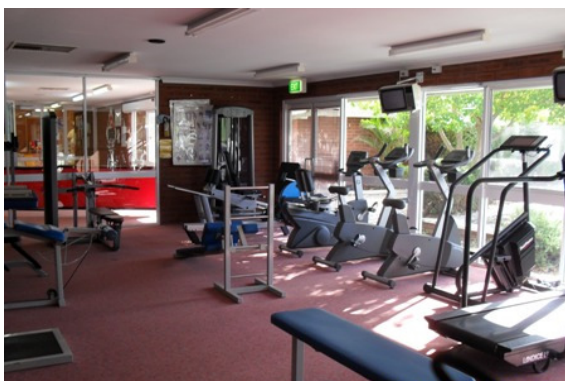


The Waroona Indoor swimming pool

The last year at the Waroona Recreation and Aquatic Centre has been a very exciting time with the extension of our gymnasium. During the year construction commenced on the gymnasium and the building is expected to be completed in the next reporting year. Although the project has taken quite a bit longer than anticipated, the end result will be fantastic for all staff and patrons alike.

The Recreation Centre has received new roof replacements for the split and worn roof above the pool and new blower pumps will be installed.

All programs were running at around the same number of customers as in previous years and hopefully we can improve these numbers in the future. Programs and activities run at the centre include Basketball, Netball, Group Fitness, Swim School, Gymnasium, Kindy gym, Badminton, Tennis, Crèche, Mixed Netball, Swim Squad, Aqua aerobics, Special needs swimming, Adult swimming, Daffodil Ball, Battle of the Sausage night



The old gymnasium which will be replaced in the new centre extension

STAFF

The staff at the centre during the year were:

- Ron Thomas, Centre Manager
- Bronwyn Cooke, Assistant Manager

- Daniel Cools, Duty Manager
- Kelly Nottle, Trainee
- Stephanie Miles, Casual Duty Manager
- Emma Bateup, Swim Teacher
- Paula Birch, Swim Teacher
- Kaye Durbridge, Swim Teacher / Group Fitness Instructor
- Tracy McFie, Group Fitness Instructor
- Angela De Wahl, Group Fitness Instructor
- Debbie Pisconeri, Group Fitness Instructor
- Lee Davis, Crèche
- Sarah Dineley, Cleaner
- Jenny Kidman, Cleaner

The Recreation Centre has been fortunate with a very small staff turnover this year. Daniel Cools has become our new Duty Manager and Kelly Nottle our new Trainee and their progress is commended.

Staff Promotions 2013/14



Daniel Cools, Duty Manager



Kelly Nottle, Adult Trainee

MAINTENANCE

- All air-conditioners were maintained throughout the year.
- The pool floor was kept in a nonslip state.
- Plumbing and roof maintenance were conducted as needed.
- Basketball courts were kept in first class condition to prevent accidents occurring.
- The pump room was cleaned at an appropriate standard to prevent chemical hazards.
- Electrical cords were tagged to standard.
- Filters in plant room cleaned regularly to maximise water quality.
- All lights checked regularly and replaced where possible.
- Monthly white ant checks around Recreation Centre.
- Personal protective equipment checked on a regular basis.
- First aid kit restocked when needed.
- Defibrillator and oxy-viva overhauled.

- Maintenance to gym equipment checked.
- All maintenance problems reported to management by staff and contractors notified.

MAJOR EVENTS 2013/14

The following major events were hosted by the Waroona Recreation Centre:

- Indigenous weekend of Basketball (600 players) on 12 – 13 April 2014.
- Karate weekend (500 participants) on 29 June 2014.
- St Joseph's School Swimming Carnival on 14 March 2014.
- Waroona High School Swimming Carnival on 28 March 2014.
- Waroona Primary School Swimming Carnival on 28 March 2014.
- Junior Soccer Club windup on 22 September 2013.
- Waroona Live Lighter Cyclo Sportif event (600 participants on 8 July 2013).
- Daffodil Ball in October 2013.
- Battle of the sausage in October 2013.
- Life Cycle Canteen ride on 9 March 2014.



The Life Cycle Canteen ride

**RON THOMAS
RECREATION CENTRE MANAGER**

PLANNING SERVICES

PLANNING SERVICES

Introduction

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



Louis Fouché, Lucy Lyster, Nikki Colgan and Chris Dunlop

Town Planning Staff

Town Planner Lucy Lyster commenced on 26 June 2013, following Chris Dunlop's departure on 31 May 2013. Town Planner Chris Dunlop returned on 22 April 2014, following Greg Delahunty's departure on 10 April 2014. Administration Officer Nikki Colgan was re-assigned from Community Services to Planning Services on 13 May 2014.

State Administrative Tribunal (SAT) Reviews

In *Scolaro v Shire of Waroona*, Judge Parry determined in March 2014 in favour of the Shire. The application relates to an application for park homes at Lot 21 Old Coast Road, Lake Clifton, lodged in 2008.

Following extended timeframes wherein changes to the application were made, the applicant used the Deemed Refusal provisions in the Town Planning Scheme to apply to for a review to SAT to have the 28 day time period for a review application extended to almost five years. This application was however dismissed by the SAT.

Peel Joint Development Assessment Panel (DAP)

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

Town Planning Scheme Review

Work on the review of Town Planning Scheme No. 7 text continued and the draft Scheme Amendment documents are nearing completion.

Planning Policies

The development of the following policies was completed this year:

- Bed and Breakfast Local Planning Policy
- Advertising Signage Local Planning Policy

The above policies were adopted for advertising by Council in March and April 2014 respectively.

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

Preston Beach Townsite Strategy

In February 2014 the Chair of the WAPC wrote to Council indicating that it is considered appropriate that the WAPC reconsiders the key land use implications of the Townsite Strategy in light of its previous policy position on Preston Beach in 2008.

Tourism Strategy

A Request for Quotation to develop a Local Tourism Strategy for the Shire of Waroona closed on 24 April 2014. The Strategy is proposed to be conducted in three stages:

- Stage 1 - Data and SWOT Analysis
- Stage 2 - Draft Tourism Development Strategy.
- Stage 3 - Tourism Planning Policy.

Subject to available funding, Stage 1 and 2 are proposed to be completed in 2014/2015 and Stage 3 in 2015/2016.

Geographic Information System (GIS)

Intramaps GIS was installed in November 2013. The GIS currently consist of three layers:

- General Data
- Town Planning Data
- Aerial Photography

The GIS is proposed to be further improved according to individual user requirements as prioritised by the organisation.

Continued Improvements

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

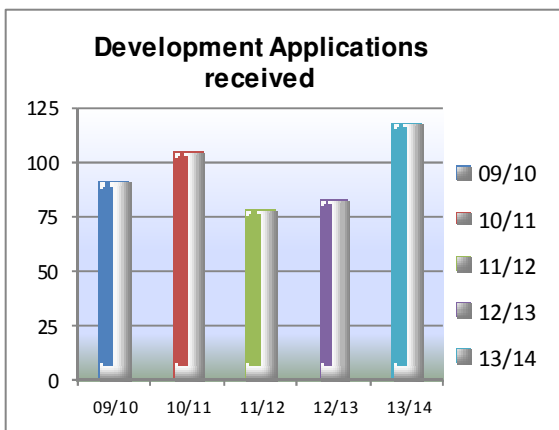
There is also an emphasis on assisting applicants to provide adequate information to enable them to lodge applications that will meet the Shire’s requirements. Applications received are vetted to ensure all required information is included to minimise processing delays.

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

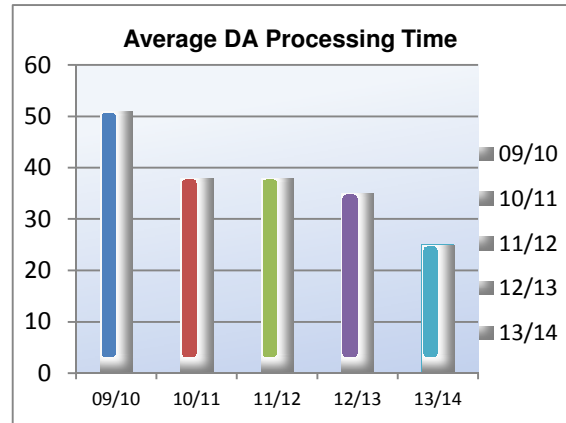
Planning staff attended relevant training and conferences to keep up to date with latest development in the industry.

Development Applications (All Categories)

Development applications total 118 applications, which is significantly higher than the 83 applications received the previous year as well as the highest previous total of 105 in 2010/2011. The annual increase in development applications is 42% for the year.

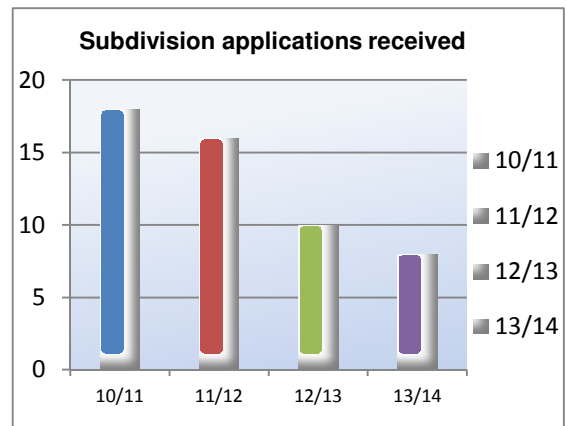


Over the last three years Development Applications numbers have steadily increased. While in the previous two years the Shire has received a number of larger infrastructure applications, this has not been the case in the current financial year.



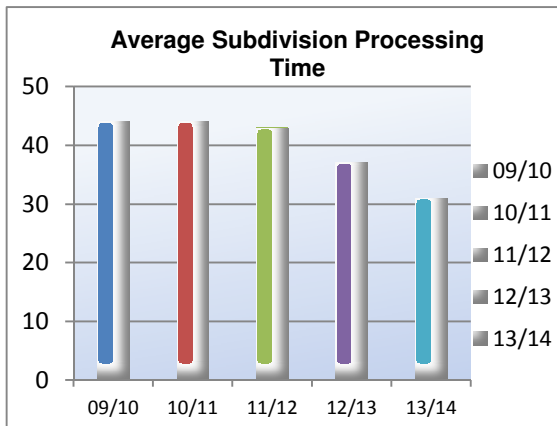
The average time to process a development application was 24.7 days, which is 10 days less than the previous year (reflecting a 29% improvement). The graph above indicates a general downward trend in application processing times, currently at half the processing times in 2009 / 2010.

Subdivision Applications



A total of 7 subdivision applications were received, which is 12.5% down from the previous year. Statistics reflect a general downward trend in subdivision applications received over the last 5 years.

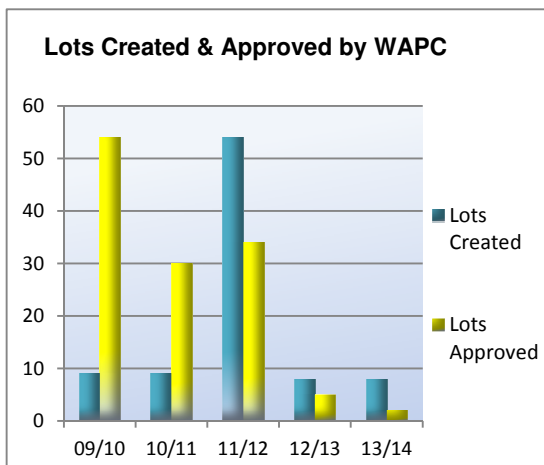




The average time to process a subdivision application was 31 days, which is 7 days less than the 38 days the previous year (an improvement of 18%).

Lots Created & Approved by WAPC

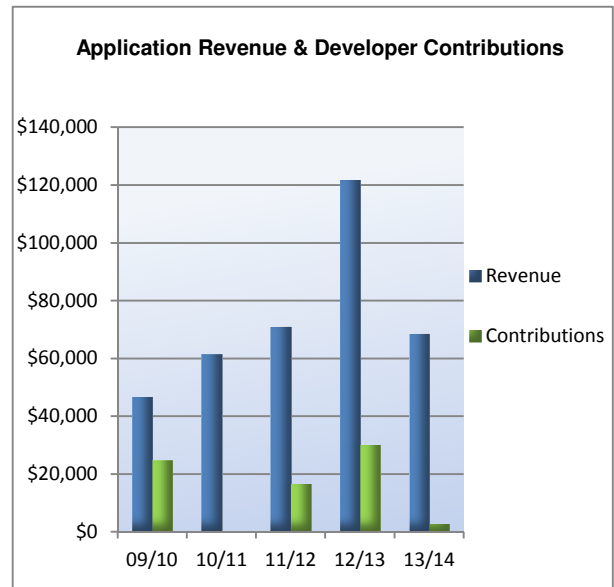
The following graph shows lot development trends in the Shire.



During the last year 2 lots were approved by the WAPC and 8 created with the approval of Deposited Plans in the Shire. The graph shows a downward trend in the number of lots approved and created over the last four years since 2009/2010.

Revenue

The total value of development projects reduced from \$28,794,665 in the previous year to \$8,838,229 in the last year. Although application numbers have trended upwards since 2010/2011, no high value applications were received during the year.



Revenue received from Planning Applications and Developer Contributions total \$68,448 and \$2,611 respectively, reflecting a significant downturn.

Scheme Amendments

The schedule below indicates the details of scheme amendments processed during 2013 / 2014:

Scheme Amendment/s Received			
Amendment Number	Property affected	Summary of Proposal	Associated Date
34	Lot 524 Look Road, Waroona	Adding additional use - Industrial	30 July 2013

Scheme Amendment/s Adopted			
Amendment Number	Property affected	Summary of Proposal	Associated Date
32	Shire of Waroona	Omnibus text amendment	27 August 2013

Scheme Amendment/s Gazetted			
Amendment Number	Property affected	Summary of Proposal	Associated Date
31	Lot 10 Invarell Road, Waroona	Rezoning to Hills Landscape Protection	4 April 2014

LOUIS FOUCHÉ
DIRECTOR PLANNING & DEVELOPMENT SERVICES



LIBRARY

Library membership continues to increase with more than 2000 members sharing in over 10,000 items including books, DVD's, story books etc.

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

Library staff travelled to the State Library for book exchanges 6 times per year.

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

- Better Beginnings involving both local schools.
- Conducting a series of visits to both local schools to promote the library to younger children.
- Broadband for Seniors – introducing older community members to internet technology.
- Junior and Adult Book Clubs
- Knitting Group
- Several "displays and themes" with assistance and artwork from members of the Children's Book Club (including ALCOA, Uthanda Doll, Nanga Brook Fire, St. Patrick's Day, International Women's Day, Breast Cancer Awareness etc.)



Library Officer Polly Bonner at the Book Club Christmas lunch

Regional Library Group

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

Improvements

Improvements made to the library include:

- Installation of a new security system
- New air conditioning installed
- Wi-Fi connected
- New Broadband for Seniors computer

- Installation of new printer and copier
- New visitor chairs, computer chairs and desks

Library Management System (LMS)

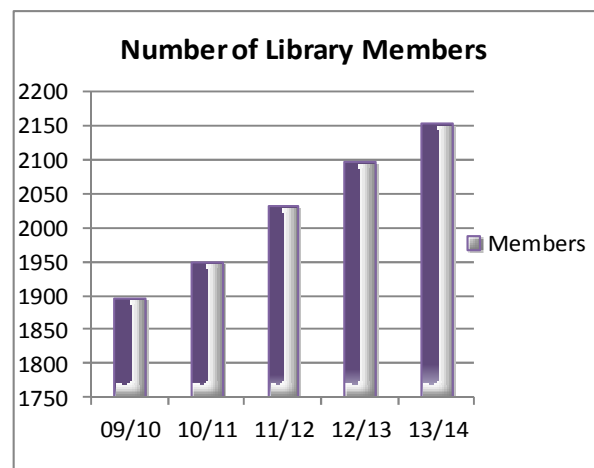
Staff are currently involved in the regional review of a LMS system that could replace the ageing AMLIB system.

Genealogy

Staff continue to assist the community to research their family history utilising the program Ancestry.

Membership and Visitation

Library membership kept trending up over the last five years. Total Library members grew to 2156 last year compared to 2100 the previous year. Visitor numbers to the library increased by almost 400 compared to the same period last year.



International visitors regularly use the Internet service provided in the library

POLLY BONNER, LISSY OLIVER, RONNELL CAPP LIBRARY SERVICES

WAROONA VISITOR CENTRE AND GALLERY

The Waroona Visitor Centre and Gallery is located at 37 South Western Highway and operates under direct control of the Council.



Mrs Tracy Goldsworthy, employed as full-time centre manager, and fourteen volunteers, provide service seven days to visitors and locals. Ms Christine Farrell is employed as casual Assistant Manager to cover staff holidays and also serves in a volunteer capacity.

The three main functions of the Waroona Visitor Centre and Gallery are:

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

Visitor Servicing and Information

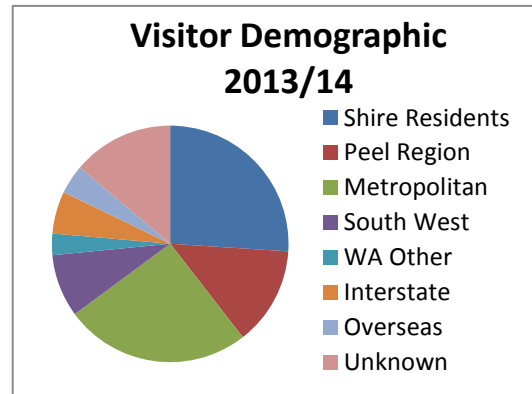
Visitor Centre staff and volunteers welcomed over 6,500 visitors during the 2013/14 financial year and attended to over 450 visitor related telephone and email enquiries.



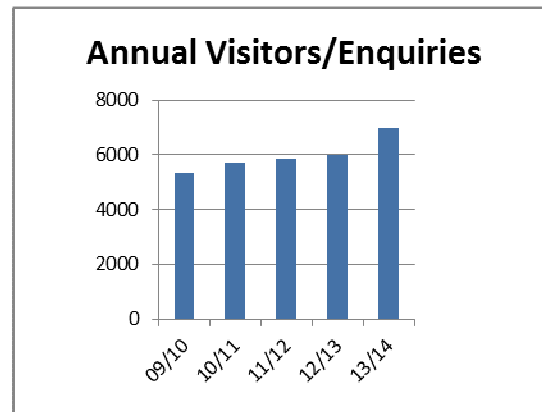
Volunteer Cheryl Newman assists an overseas visitor

Visitor Statistics

Wherever possible information is gathered on where visitors to the Centre reside and the area/s they are enquiring about. The graph below shows that the Centre's visitor demographic is led by metropolitan travellers closely followed by local residents (includes 468 telephone/email enquiries).



Over 72% 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 Peel Region were the next highest representing 10% of all enquiries.



Brochures and Information

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.

In addition, visitors can purchase maps and books relevant to areas within Western Australia.

Visitors arriving outside normal operating hours have taken around 550 brochures and maps from the after-

hours information stand. The Centre's noticeboard has information on matters of interest (events, services, etc.).

Area Promotion

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

Advertising and Editorial

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

Prize Donations

Prizes and gift certificates gain cost-effective exposure while providing support to local organizations and to regional tourism bodies. These have included donations to St Joseph's Primary School, Waroona Agricultural Society, Waroona Community Car and Perth Region Tourism Organization.

Websites and Social Media

The creation of a Facebook page in September 2012 provided a new avenue for disseminating information on tourism, annual and community events, operators and the Gallery. Facebook provides an efficient and inexpensive opportunity for tourism bodies, tourism operators, business owners, event organizers and community and interest groups to exchange information and to cross promote.

At the end of the financial year the Waroona Visitor Centre and Gallery page had been 'liked' by 320 people (compared to 150 at the same time in the previous year) and by 40 business or interest groups. Over 3,100 hits had been recorded during this period.

Trade Shows and Promotions

In September 2013, in response to a query from Regional Development Australia, a gift basket of local produce, craft, art and publications was donated by Waroona Visitor Centre and Gallery for use by the RDA in a prize draw at the Perth Royal Show.

In March 2014 the *Waroona Naturally* banner was again part of the Peel Tourism display at the Perth Caravan and Camping Show and Waroona promotional giveaways were provided.



The Peel Region display at the Perth Caravan and Camping Show

General

Assistance on varying levels was again given to various organizations including Peel Tourism, MAPTO, Waroona Districts Chamber of Commerce, Harvey River Restoration Trust, Highway 20, St Joseph's School QR Code Project and Wikipedia.

ART and CRAFT GALLERY and EVENTS

In addition to visitor servicing, Waroona Visitor Centre maintains a country style gallery creating interesting and attractive displays with a focus on local produce, art and craft. A reputation for quality has seen the Centre's reputation continue to grow with visitors and customers from all over the region returning time and again.

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.



Sea to ART Exhibition 2013

The sixth annual Sea to ART Exhibition, hosted by the Waroona Visitor Centre, was held over ten days in October 2013.

With 120 pieces on show there was again a wide variety of works such as acrylic, oil and mixed media paintings, fine woodwork and textile art in silk, felt and wool were complemented by more unusual pieces such as sculptures in cold porcelain and Paverpol, New Found Art, bonsai and glass mosaics. Of the 36 exhibiting artists, 14 were new exhibitors and ten were new to their craft. The hotly contested People's Choice Award went to Waroona Jacaranda by Evelyn Sturges.

The official opening on Friday 25th October was attended by over 100 artists, guests and Shire representatives. During the speeches the opportunity was taken to present awards to Waroona Visitor Centre and Gallery volunteers – Christine Hyde was presented with an award for Outstanding Contribution for over twenty years of service to tourism and the arts in Waroona; and volunteers Barb Bennett and Jan Burne were honoured for their fifteen and ten years of service respectively.

The Sea to ART Exhibition is a Sea to Scarp Summer Event supported by Shire of Waroona, Alcoa Australia and Waroona Visitor Centre and Gallery.



Wikipedia Takes Waroona 2013

On Saturday November 23rd over 50 photographers of all ages turned up to the Waroona Visitor Centre and Gallery's photographic event, Wikipedia Takes Waroona. The day was a great success, the teams had fun and over 2000 photos were taken all over the Shire.

Assisting with the event was Wikimedia Australia Vice President, Gideon Digby who stated that the Waroona event saw the largest number of participants so far in a Wikipedia Takes event in Australia and as a professional photographer he was very impressed with the high standard. Mr Digby enlisted the expertise of Master Photographer Bob Litchfield to judge the top three photographs.

Google Photo Shoot

In December 2013 the Visitor Centre and Gallery was the subject of a Google shoot with a professional photographer providing stills and a Google tour. These were uploaded to Google Maps and internet users are able to take an online tour of the Gallery.

A Hanging on the Highway 2014

From April 16 through to May 5, 2014 the quilting exhibition, A Hanging on the Highway, was held and over the course of the event nearly 1000 people viewed the 84 pieces being exhibited by 27 local quilters. In addition to the quilts the display included related antiques, collectables and memorabilia.

The official opening catered to over 100 guests and a morning tea the following week was attended by around 50 quilters and community members including many from Quambie Park. The response to the exhibition in terms of visitors and interest on social media was very high.



Opening of A Hanging on the Highway

**TRACY GOLDSWORTHY
MANAGER VISITOR CENTRE**

TECHNICAL SERVICES

The Technical Services Department of the Shire of Waroona encompasses Works and Services, Parks and Gardens, Works Depot Administration and Workshop and is responsible for the management, maintenance, renewal and construction of various assets including:

- Roads & Bridges
- Drainage
- Paths
- Parks & Gardens
- Plant & Machinery
- Council owned Carparks
- Asset Management of the above

Even for a relatively small Shire these present a challenging and complex set of tasks each year and every year seems to bring added challenges. As much as possible we continually seek ways to improve our practices by implementing strategies whereby we recognise and anticipate those tasks which regularly repeat and by being as prepared as we can for those which are less regular or one off. We recognise the importance of process, planning and systems and the evidence of the efficacy of this is all around us in the improvements to both physical outputs as well as less tangible outputs. These improvements have been encouraging and will be built upon and continued in 2014/15 and in the years after.

Notable Operational Achievements:

The ongoing preparation and rollout of standard drawings and specifications that deal with regular and repeating issues such as crossovers, footpaths, kerbing, drainage items etc. The intent behind the standardisation of such items is to achieve consistency in both the information the Shire provides and what is being constructed on the ground.

Preparation of standard documents such as Requests for Tender (RFT) and Requests for Quote (RFQ). Again, the intent is to standardise our output with a readily recognisable and consistent format and to reduce administration effort through removing the need to 'reinvent the wheel' each time an RFT or RFQ process is required.

Completion of all commenced funded projects with no carryovers. In this climate of ever diminishing sources of funds, funding bodies generally do not favour carryovers and it is a very positive outcome that these did not occur. Overall, the works program and the maintenance program were completed and expenditure across both programs was nearly exactly in line with the budget.

Staff Training and Development

Metro Count training was completed to assist with the installation and report process of the traffic counters.

Over 50% of the works crew completed/ renewed their First Aid training to comply with Worksafe requirements.

Four (4) Staff members completed a Basic Chainsaw training and another five (5) staff members completed Basic Felling Training.

Traffic Management Training and Renewal courses were carried out in May.

Construction Program – Actual Costs (Ex GST)

Roads to Recovery

• Trotter Road gravel resheeting	\$53,805
• Bowles Road gravel resheeting	\$53,700
• McLarty Street bitumen reseal	\$26,496
• Hawksley Drive bitumen reseal	\$19,285

Regional Road Group

• Coronation Road reconstruction	\$241,452
• Dorsett Road reconstruction	\$191,530
• Johnson Road shoulder works	\$ 61,680
• Old Bunbury Road reconstruction	\$ 85,168
• Bristol Road reconstruction (Commodities funding)	\$181,453

Council Resources

• Mayfield Road shoulder works	\$104,364
• Armstrong Court reseal	\$ 5,932
• Folkstone Court reseal	\$ 3,906
• Birch Street reseal	\$ 13,178
• Alexander Drive reseal	\$ 10,997
• Mitchell Road shoulder works	\$ 4,545
• Armstrong Court kerbing replacement	\$ 5,757
• Storey Road drainage improvements	\$ 6,853
• Hawksley Drive drainage improvements	\$ 10,075
• Alexander Drive drainage improvements	\$34,977
• Hill Street footpath	\$ 6,574

Plant Replacement (Ex GST)

Plant purchases for 2013/14

• Maintenance Utility	\$ 22,672
• Isuzu Tip Truck	\$107,230
• Sedan (Holden Captiva)	\$ 28,575
• Mower Trailer	\$ 9,310

Works Depot

• Purchase Variable Message Sign Trailer	\$31,185
• Repairs to Cricket Oval Tanks	\$12,420
• Purchase Traffic Counter	\$ 4,502



The new Isuzu works truck replaces the very old seven tonne truck and offers much greater flexibility, being equipped with a crane, three way tipper (end tips as well as to either side), and various storage compartments and racks



A new vehicle for the maintenance officer features a more user friendly rear compartment that will be retained for use on future replacement vehicles

Works Program

The majority of the major projects under the works program such as the Regional Road Group funded projects, were completed by the end of March 2014 which is a very pleasing result given the nature of the projects.



Coronation Road

The widening of Dorsett Road was completed therefore a minimum seal width of six metres is consistent from Coronation Road to the Forrest Highway. Coronation Road saw reconstruction of some 900 metres of the failed section east of Somers Road. The reconstruction was carried out using methods that recycled much of the existing pavement which resulted in savings in material costs, particularly gravel, which is a high cost component of road construction in and around Waroona. Old Bunbury Road was reconstructed to improve some failed areas and Johnson Road works consisted of the rehabilitation and widening of shoulders.

Bristol Road was funded under the relatively new Commodities Routes funding program and a failed section was reconstructed. This section was particularly challenging as it was in a wet area and previous construction techniques had not adequately dealt with the conditions which presented an increased complexity of works.



Bristol Road

The remaining major construction project was Mayfield Road which saw drainage improvements and strategic seal widening to improve problem sections.

Various bitumen reseals were applied which assisted in some way to catching up with requirements of the reseal program however a major backlog of resealing works remain.

Drainage

Capital drainage works included works to improve problem areas in Hawksley Drive and Alexander Drive. These two locations were flagged as having the potential to cause property damage in large rainfall events therefore the works focussed on improving flow capacity away from the problem areas and introducing temporary storage capacity to reduce the impact of high rainfall events.

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

Re-Sheeting

Trotter and Bowles Roads were the main focus for unsealed road works for 2013/14. Trotter Road was resheeted with limestone while Bowles received a gravel resheet.



Trotter Road Re-sheeting

Parks and Gardens

The changeover in Parks and Gardens Team Leaders in 2013/14 saw some level of 'lag' while the position was vacant and while the new incumbent settled into the role, however with this period behind us the Parks and Gardens section is continuing to improve.

Main Ovals

Oval maintenance has seen continued improvement building upon the programs and strategies introduced in 2012/13.

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

Verge Mowing and Spraying

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

Preston Beach

Continued increased effort at Preston Beach saw the level of service maintained and improved.

Hamel

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

Contract Areas

Contract areas remain the Main Street Gardens, Shire Office, Community Centre, Tourist Information Centre and Recreation Centre. Council's Parks and Gardens Supervisor continues to work with the contractor's staff to ensure compliance to a high standard of work, and to

ensure that both shire and contractor staff are well aware of each other's area boundaries so that double ups are eliminated.

Cemetery

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

Staff

The period saw an approximately 23% staff turnover. This level staff turnover would be expected for this industry. The level of turnover is manageable which was reflected in good work output and team development.

Departures

- Steve Barnes (Team Leader Parks)
 - Resigned January 2014
- Maria Harris (Depot Administration)
 - Resigned April 2014
- Jean Johnston (Depot Administration)
 - Resigned July 2013

Commencement

- Maria Harris (Depot Administration)
 - Commenced July 2013
- Ian Roberts (Plant Operator/ Labourer)
 - Commenced July 2013
- Trevor Hornby (Team Leader Parks)
 - Commenced March 2014

Casual employees

- Neville Smith
- Charlie Eatts
- Juanita Musgrave

Vacancies

- Nil

The staff turnover was more or less the same as 2012/13. It is pleasing to be able to retain the majority of staff which results in consistency and assists in team building.

Conclusion

All in all it is felt that the 2013/14 financial year was very positive for the Works department of the Shire of Waroona. With some key management and supervisory staff now in place, the improvement in all areas is very evident and it is especially pleasing to note that these improvements were occurring in all aspects of the department's operations.

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

MURRY BRACKNELL
MANAGER OF WORKS AND SERVICES

PATRICK STEINBACHER
DIRECTOR TECHNICAL SERVICES

STRATEGIC COMMUNITY PLAN OVERVIEW

PLAN FOR THE FUTURE - OVERVIEW

Integrated Planning and Reporting Framework (IP&RF)

Annual Report - 2013/14 Year

New "Plan for the Future" requirements were introduced by the WA State Government, applicable from 1st July 2013. These involve a detailed Integrated Planning process, and various items were prepared in earlier years as part of the preparation work. Further enhancements were made during the 2013/14 year, and this report provides brief details on such changes.

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



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

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

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

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

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

While a number of extra sub-items were added to the SCP in June 2014, performance details on these latter changes are not included here, but are planned to be included in the Annual Report for the 2014/15 year.

Corporate Business Plan (CBP) – This is a ‘specific actions’ plan, and covers a minimum of 4 years, and the 1st of these was adopted in June 2013, with this being reviewed again in September 2013. Comparisons of the specific items contained in the Corporate Business Plan (CBP) for the 2013/14 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 2013/14 year. After the Corporate Business Plan was adopted for the 2013/14 year, no community consultation occurred, as there is no statutory requirement to do so.

In the Corporate Business Plan applicable to the 2013/14 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 2013/14 year was that of “Excellence in Management”, and “Asset Management”, and these were for specific Capital works, as stated below.

The major specific initiatives adopted for the 2013/14 year were – Extensions to the Gymnasium at the Waroona Recreation Centre; proposed Coronation Road Bridge replacement; proposed Hesse Street Drainage/Road reconstruction work; reconstruction and resealing of a number of rural roads [see report by Director of Technical Services].

Of the above, 3 items were not completed in the 2013/14 year, being - The extensions to the Gymnasium at the Waroona Recreation Centre – These were only about 85% completed, with the rest to be completed in the 2014/15 year; The Coronation Road Bridge replacement – This work had to be deferred due to extensive negotiations with the WA Government owned authority WA Water Corporation; The Drainage/Road reconstruction works in Hesse Street, Waroona – These required greater investigations and additional design works and are also now planned for the 2014/15 year.

The improvements to the Town Hall did not proceed, due to the withdrawal of federal government grant funding when there was a change of government at the Federal level. This also applied to the proposed additions to the Animal Pound. These works are now planned for the 2014/15 year. Upgrades to the Town Hall may occur, should new grant funding be allocated to Council. Additions and upgrades to the Animal Pound are to be funded by Council.

Other 'supporting' documents – See below - These had also been prepared in the 2013/14 year:

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

Assets Management Plans, were prepared or updated during the 2013/14 year. All were adopted by Council, with the exceptions being a detailed Plant Replacement Plan, and an in-depth Waste Site Management and Improvement Plan. Both of these are now planned for the 2014/15 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. It is hoped that large financial grant assistance can be obtained.

A detailed Workforce Plan was presented to Council in June 2013, and significantly updated in June 2014. On both occasions the Council accepted the plans, and adopted the proposals.

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

Better Planning

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

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

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

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

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

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

As already indicated, the projections are that Council's finances will be very tight over the next 5 years, and that the minimum standards for many of the Statutory Ratios/Performance Indicators will not be able to be met in the short term, but are possible in the longer term.

Important preparatory work and plans were completed in the 2013/14 year, and these will need to be improved upon in the 2014/15 year.

CORPORATE BUSINESS PLAN, BUDGET ITEMS & ACTUAL RESULTS - COMPARISONS

CORPORATE BUSINESS PLAN, BUDGET ITEMS, & ACTUAL RESULTS - COMPARISONS							2013/14 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		
SER. No.	PROJECT No.	NEW WORKS AND SERVICES	CBP COST	FUNDING SOURCE	Funding Totals	BUDGET PROVISION	ACTUAL COSTS	BRIEF NOTES	
Program 4 Governance/Administration									
5.08.01	5.03.01	Admin Building	Alterations/Partitioning-Small Meeting/Committee room	25,000	Council Revenue	25,000	25,000	17,819 Completed	
Program 5 Law, Order, & Public Safety									
5.08.01	5.03.01	Animal Pound	Pound Extensions - including new section for Cats	25,000	Federal Govt Grant	25,000	0	Did not occur. Fed Govt Grant withdrawn	
Program 10 Community Amenities									
5.08.05	5.03.05	Drainage & Rd works	Hesse St - Reconstruction	466,475	Royalties for Regions-Regional funds	466,475	0	Did not occur. Design issues. Planned for 14/15	
5.08.05	5.03.05	Drainage - Investigations & Designs	Engagement of Consultants - Investigations/Designs	30,000	Council Revenue	30,000	7,000	6,236 Part of Design works done; rest in later years	
5.08.05	5.03.05	Drainage - Urban Stormwater	Hawley St; Alexander Dve; 5th Preston Beach	120,000	Council Revenue	120,000	50,000	0 Did not occur. Insufficient Funds	
				616,475		616,475	57,000	6,236	
Program 11 Recreational & Cultural									
5.08.07	5.03.07	Parks/Other	Football Oval	12,000	Council Revenue	12,000	12,000	0 Deferred. Money used for Water Tank liners	
5.08.01	5.03.01	Town Hall	Replace Ceiling; Upgrade Kitchen	60,000	Council Revenue	13,409	0	0 Did not occur. Works were dependant on Fed Grant	
					Federal Govt Grant	46,591	46,591	0 Did not occur. Fed Govt Grant withdrawn	
5.08.01	5.03.01	Recreation Centre - Upgrade	Extensions & Gym Refurbishments	375,000	Council Revenue	0	36,980	251,425 Extra Costs funded by new Council Loan	
					State Govt Grant-Sport & Rec	125,000	93,750	0 Not all work completed. Not all of Grant received	
					State Govt Grant - Royalties 4 Regions	250,000	200,000	200,000 All Grant funds fully expended	
5.08.01	5.03.01	Library	Air Conditioning	40,000	Council Revenue	20,000	0	30,621 Completed. Funded from Council's own funds	
					Federal Govt Grant	20,000	0	0 Grant funds withdrawn	
				487,000		487,000	420,571	676,796	
Program 12 Transport - Roads									
5.08.04	5.03.04	Roads	Reconstruction Works	534,000	Regional Road Group State funds	534,000	531,000	679,931 Johnson, Dorsett, Coronation & Old Bunbury Rds	
5.08.04	5.03.04	Roads	Reconstruction Works	70,773	Direct Road Grant-State Funds	70,773	70,773	70,773 Used on Road reconstruction works	
5.08.04	5.03.04	Roads	Reconstruction Works	146,000	Roads to Recovery Federal Grant	146,000	144,000	153,286 Gravel Resheeting works & Reseal works	
5.08.04	5.03.04	Roads	Reconstruct Roads with high 'Commodities' transportation	149,000	Commodities Routes-special Funding	149,000	149,000	181,453 Reconstruct Bristol road (a 'Forestry' road)	
5.08.04	5.03.04	Roads	Reconstruction Works	125,227	Council Revenue	125,227	123,227	124,812 Mainly Resealing of various Roads	
5.08.04	5.03.04	Roads	Coronation Road Bridge	557,000	Royalties for Regions-Regional funds	557,000	557,000	0 Hold-ups during Yr. Now planned for 2014/15	
				1,582,000		1,582,000	1,578,000	1,110,189	
Program 12 Transport - Plant Replacements									
5.08.02	5.03.02	Plant Replacement	Replace various Plant & Works Equipment Items	555,400	Trade-Ins.	252,000	223,400	248,016 Charges/overs occurred as planned	
					Council Revenue	303,400	177,500	593,604 Extras purchased-Tip Loader, Large Truck	
					Transfer from Reserve	0	80,000	80,000	
				555,400		555,400	480,900	911,620	
Program 12 Transport - Other									
5.08.08	5.03.08	Footpaths - Extensions Investigations	Consultants - Investigations - Hill Street	5,000	Council Revenue	5,000	0	0 Did not occur. Insufficient Funds	
				\$3,295,875		\$3,295,875	\$2,586,471	\$2,621,626	
NOTE 1: All items adopted in the CBP for the 2013/14 year were included in the 2013/14 budget									



FINANCIAL REPORT - SEE SECTION B

AUDITOR'S REPORT - SEE SECTION C



SHIRE OF WAROONA
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

TABLE OF CONTENTS

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Notes to and Forming Part of the Financial Report	9
Supplementary Ratio Information	51
Independent Audit Report	52

Shire of Waroona
52 Hesse Street
WAROONA WA 6215

**SHIRE OF WAROONA
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Waroona being the annual financial report and other information for the financial year ended 30 June 2014 are in my opinion properly drawn up to present fairly the financial position of the Shire of Waroona at 30th June 2014 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 *22nd* day of *October* 2014


IAN CURLEY
Chief Executive Officer

SHIRE OF WAROONA
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2014

	NOTE	2014 \$	2014 Budget \$	2013 \$
Revenue				
Rates	22	3,481,640	3,480,982	3,224,670
Operating Grants, Subsidies and Contributions	28	1,083,697	1,305,144	1,651,599
Fees and Charges	27	1,260,164	1,360,433	1,452,506
Service Charges	24	0	0	0
Interest Earnings	2(a)	142,317	117,100	105,826
Other Revenue		<u>96,458</u>	<u>89,760</u>	<u>90,559</u>
		<u>6,064,276</u>	<u>6,353,419</u>	<u>6,525,160</u>
Expenses				
Employee Costs		(3,253,037)	(3,145,740)	(3,065,895)
Materials and Contracts		(2,142,974)	(2,128,155)	(1,980,527)
Utility Charges		(454,271)	(389,600)	(374,651)
Depreciation on Non-Current Assets	2(a)	(2,169,283)	(2,288,138)	(2,323,805)
Interest Expenses	2(a)	(16,643)	(16,492)	(19,931)
Insurance Expenses		(209,588)	(223,509)	(187,790)
Other Expenditure		<u>(200,343)</u>	<u>(220,570)</u>	<u>(183,913)</u>
		<u>(8,446,138)</u>	<u>(8,412,204)</u>	<u>(8,136,511)</u>
		<u>(2,381,863)</u>	<u>(2,058,785)</u>	<u>(1,611,351)</u>
Non-Operating Grants, Subsidies and Contributions				
Contributions	28	1,326,443	1,427,545	1,597,548
Non-cash Contribution		364,000	0	0
Profit on Asset Disposals	20	3,402	18,898	54,939
Loss on Asset Disposals	20	<u>(47,881)</u>	<u>(28,711)</u>	<u>(35,236)</u>
NET RESULT		(735,899)	(641,053)	5,900
Other Comprehensive Income				
Changes on Revaluation of Non-Current Assets	12	7,968,719	0	491,228
Total Other Comprehensive Income		<u>7,968,719</u>	<u>0</u>	<u>491,228</u>
Total Comprehensive Income		<u><u>7,232,820</u></u>	<u><u>(641,053)</u></u>	<u><u>497,128</u></u>

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

SHIRE OF WAROONA
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2014

	NOTE	2014 \$	2014 Budget \$	2013 \$
Revenue				
Governance		141,609	139,560	123,582
General Purpose Funding		4,140,621	4,129,904	4,197,984
Law, Order, Public Safety		445,541	66,966	56,364
Health		53,467	49,350	43,106
Education and Welfare		9,973	11,510	19,004
Housing		13,520	13,520	13,520
Community Amenities		1,049,464	1,330,199	1,270,937
Recreation and Culture		386,515	461,540	505,544
Transport		97,137	73,100	160,635
Economic Services		45,958	39,809	32,510
Other Property and Services		44,471	47,450	110,672
	2(a)	<u>6,428,276</u>	<u>6,362,908</u>	<u>6,533,857</u>
Expenses				
Governance		(1,308,088)	(1,247,615)	(1,057,466)
General Purpose Funding		(120,042)	(99,152)	(141,913)
Law, Order, Public Safety		(343,261)	(337,567)	(286,775)
Health		(242,815)	(229,962)	(277,177)
Education and Welfare		(170,452)	(168,478)	(161,871)
Housing		(22,461)	(23,523)	(27,873)
Community Amenities		(1,439,433)	(1,667,193)	(1,502,967)
Recreation & Culture		(1,860,774)	(1,788,736)	(1,661,380)
Transport		(2,513,082)	(2,433,610)	(2,582,633)
Economic Services		(344,634)	(390,914)	(333,671)
Other Property and Services		(64,454)	(18,450)	(91,553)
	2(a)	<u>(8,429,496)</u>	<u>(8,405,200)</u>	<u>(8,125,278)</u>
Financial Costs				
Recreation & Culture		(16,252)	(16,101)	(18,621)
Transport		(390)	(390)	(1,310)
	2(a)	<u>(16,642)</u>	<u>(16,491)</u>	<u>(19,931)</u>
Non-Operating Grants, Subsidies and Contributions				
General Purpose Funding		645,233	646,181	359,861
Law, Order, Public Safety		0	20,000	82,725
Recreation & Culture		0	66,591	57,400
Transport		681,210	694,773	1,097,562
		<u>1,326,443</u>	<u>1,427,545</u>	<u>1,597,548</u>
Profit/(Loss) on Disposal of Assets				
Governance		(16,616)	(5,929)	(10,036)
Law, Order, Public Safety		(3,591)	(13,295)	(1,397)
Community Amenities		(4,264)	(3,548)	(6,313)
Transport		(6,577)	18,898	46,241
Economic Services		(13,433)	(5,939)	(8,793)
		<u>(44,480)</u>	<u>(9,813)</u>	<u>19,703</u>
Net Result		(735,899)	(641,051)	5,900
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	7,968,719	0	491,228
Total Other Comprehensive Income		<u>7,968,719</u>	<u>0</u>	<u>491,228</u>
Total Comprehensive Income		<u><u>7,232,820</u></u>	<u><u>(641,051)</u></u>	<u><u>497,128</u></u>

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

**SHIRE OF WAROONA
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2014**

	NOTE	2014 \$	2013 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	2,853,075	3,517,444
Trade and Other Receivables	4	194,555	226,243
Inventories	5	9,505	8,086
TOTAL CURRENT ASSETS		<u>3,057,134</u>	<u>3,751,773</u>
NON-CURRENT ASSETS			
Other Receivables	4	12,419	26,796
Property, Plant and Equipment	6	35,239,848	26,518,884
Infrastructure	7	64,744,024	65,197,770
TOTAL NON-CURRENT ASSETS		<u>99,996,292</u>	<u>91,743,451</u>
TOTAL ASSETS		<u>103,053,426</u>	<u>95,495,224</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	601,414	549,245
Current Portion of Long Term Borrowings	9	54,506	54,503
Provisions	10	620,491	526,640
TOTAL CURRENT LIABILITIES		<u>1,276,411</u>	<u>1,130,388</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	364,839	219,349
Provisions	10	78,347	44,477
TOTAL NON-CURRENT LIABILITIES		<u>443,187</u>	<u>263,826</u>
TOTAL LIABILITIES		<u>1,719,598</u>	<u>1,394,214</u>
		<u>101,333,828</u>	<u>94,101,010</u>
EQUITY			
Retained Surplus		14,378,419	15,546,429
Reserves - Cash Backed	11	2,538,213	2,106,102
Revaluation Surplus	12	84,417,198	76,448,479
TOTAL EQUITY		<u>101,333,828</u>	<u>94,101,010</u>

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

**SHIRE OF WAROONA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2014**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2012		16,278,358	1,368,273	75,957,251	93,603,882
Comprehensive Income		5,900	0	0	5,900
Net Result		5,900	0	0	5,900
Changes on Revaluation of Non-Current Assets	12	0	0	491,228	491,228
Total Comprehensive Income		5,900	0	491,228	497,128
Transfers from/(to) Reserves		(737,829)	737,829	0	0
Balance as at 30 June 2013		15,546,429	2,106,102	76,448,479	94,101,010
Comprehensive Income		(735,899)	0	0	(735,899)
Net Result		(735,899)	0	0	(735,899)
Changes on Revaluation of Non-Current Assets	12	0	0	7,968,719	7,968,719
Total Comprehensive Income		(735,899)	0	7,968,719	7,232,820
Transfers from/(to) Reserves		(432,111)	432,111	0	(0)
Balance as at 30 June 2014		14,378,419	2,538,213	84,417,198	101,333,828

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 2014**

	NOTE	2014 \$	2014 Budget \$	2013 \$
Cash Flows From Operating Activities				
Receipts				
Rates		3,478,620	3,472,044	3,221,076
Operating Grants, Subsidies and Contributions		1,083,697	1,305,144	1,651,599
Fees and Charges		1,288,680	1,157,594	1,508,953
Interest Earnings		142,317	117,100	105,826
Other Revenue		96,458	89,760	101,365
		<u>6,089,772</u>	<u>6,141,642</u>	<u>6,588,819</u>
Payments				
Employee Costs		(3,117,916)	(3,060,670)	(2,990,717)
Materials and Contracts		(2,099,062)	(2,293,549)	(1,789,343)
Utility Charges		(454,271)	(374,651)	(374,651)
Interest Expenses		(17,205)	(187,790)	(187,790)
Insurance Expenses		(209,588)	(19,930)	(20,604)
Other Expenditure		(200,343)	(189,336)	(183,913)
		<u>(6,098,385)</u>	<u>(6,125,926)</u>	<u>(5,547,018)</u>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>(8,613)</u>	<u>15,716</u>	<u>1,041,801</u>
Cash Flows from Investing Activities				
Payments for Purchase of Property, Plant & Equipment		(1,163,146)	(1,135,214)	(724,554)
Payments for Construction of Infrastructure		(1,233,132)	(1,905,664)	(1,337,307)
Non-Operating Grants, Subsidies and Contributions		1,326,443	1,427,545	1,597,548
Proceeds from Sale of Fixed Assets		248,016	223,400	253,581
Net Cash Provided by (Used in) Investment Activities		<u>(821,820)</u>	<u>(1,389,933)</u>	<u>(210,732)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(54,506)	(54,506)	(51,106)
Proceeds from Self Supporting Loans		15,570	15,570	14,621
Proceeds from Low Interest Loans		5,000	5,000	5,000
Proceeds from New Debentures		200,000	0	0
Net Cash Provided By (Used In) Financing Activities		<u>166,064</u>	<u>(33,936)</u>	<u>(31,485)</u>
Net Increase (Decrease) in Cash Held		<u>(664,369)</u>	<u>(1,408,153)</u>	<u>799,584</u>
Cash at Beginning of Year		3,517,444	3,517,650	2,717,859
Cash and Cash Equivalents at the End of the Year	13(a)	<u><u>2,853,075</u></u>	<u><u>2,109,497</u></u>	<u><u>3,517,444</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 2014**

	NOTE	2014 Actual \$	2014 Budget \$	2013 Actual \$
Revenue				
Governance		141,609	139,560	123,582
General Purpose Funding		1,304,214	1,295,103	1,333,176
Law, Order, Public Safety		447,541	86,966	139,089
Health		53,467	49,350	43,106
Education and Welfare		9,973	11,510	19,004
Housing		13,520	13,520	13,520
Community Amenities		1,049,464	1,326,651	1,270,937
Recreation and Culture		386,515	528,131	562,944
Transport		779,749	787,873	1,304,438
Economic Services		45,958	33,870	32,510
Other Property and Services		44,501	47,450	110,672
		<u>4,276,511</u>	<u>4,319,984</u>	<u>4,952,978</u>
Expenses				
Governance		(1,324,704)	(1,253,544)	(1,067,502)
General Purpose Funding		(120,042)	(99,152)	(141,913)
Law, Order, Public Safety		(348,852)	(350,862)	(288,172)
Health		(242,815)	(229,962)	(277,177)
Education and Welfare		(170,452)	(168,478)	(161,871)
Housing		(22,461)	(23,523)	(27,873)
Community Amenities		(1,443,697)	(1,667,193)	(1,509,280)
Recreation and Culture		(1,877,026)	(1,804,837)	(1,680,001)
Transport		(2,521,451)	(2,435,102)	(2,583,943)
Economic Services		(358,067)	(390,914)	(342,464)
Other Property and Services		(64,454)	(18,450)	(91,553)
		<u>(8,494,021)</u>	<u>(8,442,017)</u>	<u>(8,171,749)</u>
Net Result Excluding Rates		(4,217,510)	(4,122,033)	(3,218,771)
Adjustments for Cash Budget Requirements:				
(Profit)/Loss on Asset Disposals	20	44,480	9,813	(19,703)
Movement in Employee Benefit Provisions		127,722	(5,225)	76,139
Depreciation and Amortisation on Assets	2(a)	2,169,283	2,288,138	2,323,805
Non-cash Contribution from DEFS	6(a)	(364,000)	0	0
Capital Expenditure and Revenue				
Purchase Land and Buildings	6(a)	(530,065)	(581,474)	(151,667)
Purchase Furniture and Equipment	6(a)	(72,059)	(72,840)	(20,305)
Purchase Plant and Equipment	6(a)	(561,023)	(480,900)	(552,582)
Purchase Infrastructure - Roads	7(a)	(1,110,155)	(1,580,000)	(856,374)
Purchase Infrastructure - Other	7(a)	(122,977)	(325,664)	(480,933)
Proceeds from Disposal of Fixed Assets	20	248,016	223,400	253,581
Repayment of Debentures	21(a)	(54,506)	(54,506)	(51,106)
Proceeds from New Debentures	21(a)	200,000	0	0
Proceeds from Self Supporting Loans		15,570	15,570	14,621
Proceeds from Low Interest Loan		5,000	5,000	5,000
Unspent Grants July B/Fwd		343,283	342,652	560,650
Unspent Grants June B/Cfw		(105,333)	0	(343,283)
Transfers to Reserves (Restricted Assets)	11	(613,786)	(522,395)	(854,503)
Transfers from Reserves (Restricted Assets)	11	181,675	669,000	116,673
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	22(b)	736,481	710,484	710,568
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	22(b)	(198,263)	0	736,481
Total Amount Raised from General Rate	22(a)	<u>(3,481,640)</u>	<u>(3,480,980)</u>	<u>(3,224,670)</u>

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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

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

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

All monies held in the Trust Fund are excluded from the financial statements. 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 2014

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 Council's intentions to release for sale.

(f) Fixed Assets

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

Mandatory Requirement to Revalue Non-Current Assets

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

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

- (a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and
 - (b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -
 - (i) that are plant and equipment; and
 - (ii) that are -
 - (I) land and buildings; or-
 - (II) Infrastructure;
- and
- (c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

**SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

In 2013, Council commenced the process of adopting Fair Value in accordance with the Regulations.

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

Land Under Control

In accordance with Local Government (Financial Management) Regulation 16(a), the Council 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.

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

Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings at 30 June 2014.

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 Council 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.

Transitional Arrangements

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

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

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

Early Adoption of AASB 13 - Fair Value Measurement

Whilst the new accounting standard in relation to Fair Value, AASB 13 – Fair Value Measurement only become applicable for the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology in the previous reporting period (year ended 30 June 2013) the Council chose to early adopt AASB 13

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

**SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

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 Council.

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 rates used for each class of depreciable asset are in accordance with Council policy 3.1.4 - Depreciation of Non-current Asset which states the following

Depreciation for all Council assets shall be applied on a straight-line basis where practical, using the rates applicable to the South West region of WA, as listed in the Local Government Accounting manual, as advised by the Department of Local Government

Major Depreciation Periods are:

Buildings	40-60 years
Furniture & Equipment	3-20 years
Plant & Equipment	5-20 years
Seats & 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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

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.

When revalued assets are disposed of, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

Capitalisation Threshold

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

(g) Fair Value of Assets and Liabilities

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

Fair Value is the price that Council 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. 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 (i.e. the market with the greatest volume and level of activity for the asset 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.

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

(g) Fair Value of Assets and Liabilities Continued

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 Council 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 Council 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.

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 and are considered observable. When selecting a valuation technique, the Council 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 and considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

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

(h) Financial Instruments

Initial Recognition and Measurement

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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

(h) Financial Instruments Continued

- (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.

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 Council has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

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).

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

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 Council 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 Council's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

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

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (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 Council prior to the end of the financial year that are unpaid and arise when the Council becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

(k) Employee Benefits

Short-Term Employee Benefits

Provision is made for the Council'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.

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Council'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 Council'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 Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Council 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 Council 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 Council, are classified as finance leases.

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

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

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

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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Investment in Associates

An associate is an entity over which the Council 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 Council's share of net assets of the associate. In addition, the Council's share of the profit or loss of the associate is included in the Council's profit or loss.

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

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

When the Council's share of losses in an associate equals or exceeds its interest in the associate, the Council 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 Council 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 Council'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 Council contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Council contributes are defined contribution plans.

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

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 Council's operational cycle. In the case of liabilities where the Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for sale where it is held as non-current based on the Council'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 Council 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 2014

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 Council.

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(i) AASB 9 – Financial Instruments	December 2013	1 January 2017	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii) AASB 2010 – 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	December 2013	1 January 2017	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(iii) AASB 2011 – 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [Not-For-Profit entities] [AASB 1, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 131, 132, 133, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	December 2012	1 January 2014	Consequential changes to various standards arising from the issuance of AASB 10, 11, 12, 127 and 128. It is not expected to have a significant impact on Council.

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(iv) AASB 2012-3: Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	June 2012	1 January 2014	This Standard adds application guidance to AASB 132: Financial Instruments: Presentation to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. This Standard is not expected to significantly impact the Council's financial statements.
(v) AASB 2013 - 3: Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets	June 2013	1 January 2014	This standard makes amendments to AASB 136 and includes requirements to disclose additional information when present value techniques are used to measure the recoverable amount of impaired assets. It is not expected to have a significant impact on Council.
(vi) AASB 2013-8: Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities [AASB 10, 12 & 1049]	October 2013	1 January 2014	This standard adds Appendix E to AASB 10 to provide implementation guidance for Not-for-Profit entities regarding control criteria from the perspective of not-for-profit entities. It is not expected to have a significant impact on Council.
(vii) AASB 2013-9: Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments [Operative dates: Part A Conceptual Framework – 20 December 2013; Part B Materiality – 1 January 2014; Part C Financial Instruments – 1 January 2015]	December 2013	Refer Title column	Part A of this standard makes various editorial corrections to Australian Accounting Standards. Part B of this standard deletes references to AASB 1031 in various Australian Accounting Standards in advance of the withdrawal of AASB 1031. Part C of this standard makes consequential amendments to AASB 9 and numerous other standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value.

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
			As the bulk of changes related either to editorial or reference changes it is not expected to have a significant impact on Council.

Notes:

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

(x) Adoption of New and Revised Accounting Standards

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

These new and revised standards were:

AASB 10	AASB 128	AASB 2012 - 2
AASB 11	AASB 2011 - 7	AASB 2012 - 3
AASB 12	AASB 2011 - 9	AASB 2012 - 5
AASB 119	AASB 2011 - 10	AASB 2012 - 10
AASB 127		

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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

2. REVENUE AND EXPENSES	2014	2013	
	\$	\$	
(a) Net Result			
The Net Result includes:			
(i) Charging as an Expense:			
Auditors Remuneration			
- Audit of the annual financial report	6,650	7,200	
- Interim Audit	3,400	3,300	
- Other Services	2,070	2,360	
Depreciation			
Buildings	253,013	253,946	
Furniture and Equipment	26,367	97,152	
Plant and Equipment	203,025	306,333	
Infrastructure - Roads	1,424,937	1,403,131	
Infrastructure - Other	261,941	263,243	
	<u>2,169,283</u>	<u>2,323,805</u>	
Interest Expenses (Finance Costs)			
Debentures (<i>refer Note 21.(a)</i>)	16,643	19,931	
	<u>16,643</u>	<u>19,931</u>	
Rental Charges			
- Operating Leases	44,175	38,479	
	<u>44,175</u>	<u>38,479</u>	
(ii) Crediting as Revenue:			
Other Revenue			
Other	96,458	90,559	
	<u>96,458</u>	<u>90,559</u>	
	2014	2014	2013
	Actual	Budget	Actual
	\$	\$	\$
Interest Earnings			
- Reserve Fund	91,405	75,000	66,708
- Municipal Fund	50,912	42,100	39,118
	<u>142,317</u>	<u>117,100</u>	<u>105,826</u>
Other Interest Revenue (<i>refer note 26</i>)	28,398	27,260	27,431
	<u>170,715</u>	<u>144,360</u>	<u>133,257</u>

**SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

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
Council 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:

Members of Council, civic reception and function, public relations administration costs associated with governance.

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services

Activities:

Rates and general purpose Government Grants. Expenses relating to these items.

LAW, ORDER, PUBLIC SAFETY

Objective:

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

Activities:

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

HEALTH

Objective:

To provide an operational framework for environmental and community health

Activities:

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

EDUCATION AND WELFARE

Objective:

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

Activities:

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

HOUSING

Objective:

To provide and maintain council owned residential housing

Activities:

Council owned building 1 Eastcott Street Waroona

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

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 o

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 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 traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

ECONOMIC SERVICES

Objective:

To help promote the shire and its economic wellbeing.

Activities:

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

OTHER PROPERTY AND SERVICES

Objective:

To monitor and control council's overheads operating accounts.

Activities:

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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions		Opening Balance⁽¹⁾ 1/07/12	Received⁽²⁾ 2012/13	Expended⁽³⁾ 2012/13	Closing Balance⁽¹⁾ 30/06/13	Received⁽²⁾ 2013/14	Expended⁽³⁾ 2013/14	Closing Balance 30/06/14
Grant/Contribution		\$	\$	\$	\$	\$	\$	\$
	Function/ Activity							
Dept Sport & Recreation	Recreation & Culture	12,149	0	(8,772)	3,377	0	(3,377)	0
Royalties for Regions 2010-11	Transport	65,667	0	(65,667)	0	0	0	0
Royalties for Regions 2010-11	Various	16,359	0	(16,359)	0	0	0	0
Royalties for Regions 2011-12	Various	466,475	0	(179,617)	286,858	0	(278,245)	8,613
Lake Preston Trail	Recreation & Culture	0	59,428	(39,428)	20,000	0	0	20,000
Oval Lighting	Recreation & Culture	0	258,308	(253,308)	5,000	0	(5,000)	0
WA Police CCTV Project	Law Order & Public Safety	0	23,825	0	23,825	0	(23,825)	0
Cat Act Grant	Law Order & Public Safety	0	2,535	0	2,535	0	(2,535)	0
Alcoa Youth Activities	Education & Welfare	0	10,000	(8,312)	1,688	10,000	(6,688)	5,000
Cat Act Grant - Sterilisation Prog.	Law Order & Public Safety	0	0	0	0	5,000	(100)	4,900
Kids Sport Grant	Recreation & Culture	0	16,000	(16,000)	0	9,000	(7,460)	1,540
Dept Fire & Emergency Services	Law Order & Public Safety	0	0	0	0	23,401	(19,887)	3,514
		560,650	370,096	(587,463)	343,283	47,401	(347,117)	43,567
FUNDS IN RESERVES								
Royalties for Regions 2012-13	Transport	0	557,000	0	557,000	1,404	0	558,404
Royalties for Regions Regional	Transport	0	0	0	0	470,028	0	470,028
		0	557,000	0	557,000	471,432	0	1,028,432
Total		560,650	927,096	(587,463)	900,283	518,833	(347,117)	1,071,999

Notes:

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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

	Note	2014 \$	2013 \$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		209,530	1,068,059
Restricted		2,643,545	2,449,385
		<u>2,853,075</u>	<u>3,517,444</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Emergency Assistance Reserve	11	15,902	15,306
Sports Reserve	11	60,556	53,082
Staff Leave Reserve	11	112,185	93,545
Waste Management Reserve	11	256,786	237,536
Rec Centre Building Reserve	11	97,308	93,664
Hamel Hall Reserve	11	32,869	35,487
Plant Replacement Reserve	11	419,645	508,114
Depot Redevelopment Reserve	11	51,856	49,914
Building Asset Maintenance Reserve	11	47,057	51,339
Strategic Planning Reserve	11	23,086	22,222
Industrial Land Development Reserve	11	209,153	201,320
Preston Beach Volunteer Reserve	11	23,695	31,945
Information Technology Reserve	11	17,477	23,561
Footpath construction Reserve	11	27,112	26,097
Asset Management Reserve	11	104,899	100,971
History Book Reprint Reserve	11	10,195	5,000
Coronation Road Bridge Reserve	11	558,403	557,000
Hesse Street Redevelopment Reserve	11	470,028	0
Unspent Grants	2(c)	43,567	343,283
Unspent Loans	21(c)	61,765	0
		<u>2,643,545</u>	<u>2,449,385</u>
4. TRADE AND OTHER RECEIVABLES			
Current			
Rates Outstanding		80,839	79,348
Sundry Debtors		97,494	125,072
GST Receivable		0	0
Loans - Self Supporting		11,957	14,621
Prepayments		0	1,213
Accrued Income		1,264	988
Loans - Low Interest		3,000	5,000
		<u>194,555</u>	<u>226,243</u>
Non-Current			
Rates Outstanding - Pensioners		4,519	2,990
Loans - Self Supporting		7,900	20,806
Loans - Low Interest		0	3,000
		<u>12,419</u>	<u>26,796</u>
5. INVENTORIES			
Current			
Fuel and Materials		5,896	4,833
Kiosk		3,609	3,253
		<u>9,505</u>	<u>8,086</u>
Non-Current			
Land Held for Resale - Cost			
Cost of Acquisition		0	0
Development Costs		0	0
		<u>0</u>	<u>0</u>

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

	2014	2013
	\$	\$
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
Freehold Land at:		
- Independent Valuation 2014	14,498,500	0
- Cost	<u>0</u>	<u>12,558,365</u>
	14,498,500	12,558,365
 Total Land	 <u>14,498,500</u>	 <u>12,558,365</u>
 Buildings at:		
- Independent Valuation 2014	17,894,361	0
- Cost		12,741,519
Additions after Valuation	530,065	
Less: Accumulated Depreciation	<u>(101,951)</u>	<u>(724,681)</u>
	18,322,474	12,016,838
 Total Buildings	 <u>18,322,474</u>	 <u>12,016,838</u>
 Total Land and Buildings	 <u>32,820,974</u>	 <u>24,575,203</u>
 Furniture and Equipment at:		
- Management Valuation 2013	146,700	316,896
- Additions after Valuations	72,059	0
Less Accumulated Depreciation	<u>(26,367)</u>	<u>(170,197)</u>
	192,392	146,700
 Plant and Equipment at:		
- Management Valuation 2013	1,796,981	3,127,601
- Adjustments made at 1 July 2013	(292,496)	
- Additions after Valuations	925,023	0
Less Accumulated Depreciation	<u>(203,025)</u>	<u>(1,330,620)</u>
	2,226,483	1,796,981
	<u>35,239,848</u>	<u>26,518,884</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.

Furniture and Equipment

Plant and Equipment:

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

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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Movements in Carrying Amounts

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Gifted Assets \$	Carrying Amount at the End of Year \$
Freehold Land	12,558,365	0	0	1,940,135	0	0	0	14,498,500
Total Land	12,558,365	0	0	1,940,135	0	0	0	14,498,500
Buildings	12,016,838	530,065	0	5,152,841	875,742	(253,013)	0	18,322,474
Total Buildings	12,016,838	530,065	0	5,152,841	875,742	(253,013)	0	18,322,474
Total Land and Buildings	24,575,203	530,065	0	7,092,976	875,742	(253,013)	0	32,820,973
Furniture and Equipment	146,700	72,059	0	0	0	(26,367)	0	192,392
Plant and Equipment	1,796,981	561,023	(292,496)		0	(203,025)	364,000	2,226,483
Total Property, Plant and Equipment	26,518,884	1,163,146	(292,496)	7,092,976	875,742	(482,405)	364,000	35,239,848

**SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

	2014	2013
	\$	\$
7. INFRASTRUCTURE		
Infrastructure - Roads		
- Cost	91,095,825	89,985,669
Less Accumulated Depreciation	<u>(37,411,586)</u>	<u>(35,986,649)</u>
	<u>53,684,239</u>	<u>53,999,020</u>
Infrastructure - Other		
- Cost	12,060,914	11,937,937
Less Accumulated Depreciation	<u>(1,001,128)</u>	<u>(739,187)</u>
	<u>11,059,786</u>	<u>11,198,750</u>
	 <u>64,744,024</u>	 <u>65,197,770</u>

Roads:

All infrastructure assets are due to be independently valued at fair value throughout the 2014/15 year this will be reflected in the following year annual financial report

**SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

7. INFRASTRUCTURE (Continued)

Movements in Carrying Amounts

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

	Balance as at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Carrying Amount at the End of Year \$
Infrastructure - Roads	53,999,020	1,110,155	0	0	0	(1,424,937)	53,684,239
Infrastructure - Other	11,198,750	122,977	0	0	0	(261,941)	11,059,786
Total	65,197,770	1,233,132	0	0	0	(1,686,878)	64,744,024

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

	2014	2013
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	572,808	527,477
Accrued Expenses	28,606	21,768
	<u>601,414</u>	<u>549,245</u>

9. LONG-TERM BORROWINGS

Current		
Debentures	54,506	54,503
	<u>54,506</u>	<u>54,503</u>
Non-Current		
Debentures	364,839	219,349
	<u>364,839</u>	<u>219,349</u>

Additional detail on borrowings is provided in Note 21.

10. PROVISIONS

Analysis of Total Provisions

Current	620,491	526,640
Non-Current	78,347	44,477
	<u>698,838</u>	<u>571,117</u>

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2013	256,353	314,764	571,117
Additional provision	27,429	120,163	147,592
Amounts used	(18,817)	(1,054)	(19,871)
Balance at 30 June 2014	<u>264,965</u>	<u>433,873</u>	<u>698,839</u>

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

	2014 \$	2014 Budget \$	2013 \$
11. RESERVES - CASH BACKED			
(a) Emergency Assistance Reserve			
Opening Balance	15,306	15,306	14,606
Amount Set Aside / Transfer to Reserve	596	0	700
Amount Used / Transfer from Reserve	0	0	
	<u>15,902</u>	<u>15,306</u>	<u>15,306</u>
(b) Sports Reserve			
Opening Balance	53,082	53,082	81,122
Amount Set Aside / Transfer to Reserve	7,474	5,400	9,542
Amount Used / Transfer from Reserve	0	0	(37,582)
	<u>60,556</u>	<u>58,482</u>	<u>53,082</u>
(c) Staff Leave Reserve			
Opening Balance	93,545	93,545	89,263
Amount Set Aside / Transfer to Reserve	18,640	15,000	4,282
Amount Used / Transfer from Reserve		0	0
	<u>112,185</u>	<u>108,545</u>	<u>93,545</u>
(d) Waste Management Reserve			
Opening Balance	237,536	237,536	202,807
Amount Set Aside / Transfer to Reserve	19,250	10,000	69,729
Amount Used / Transfer from Reserve		0	(35,000)
	<u>256,786</u>	<u>247,536</u>	<u>237,536</u>
(e) Rec Centre Building Reserve			
Opening Balance	93,664	93,664	89,376
Amount Set Aside / Transfer to Reserve	3,644	0	4,288
Amount Used / Transfer from Reserve		0	
	<u>97,308</u>	<u>93,664</u>	<u>93,664</u>
(f) Hamel Hall Reserve			
Opening Balance	35,486	35,486	38,633
Amount Set Aside / Transfer to Reserve	1,384	0	1,853
Amount Used / Transfer from Reserve	(4,000)	(5,000)	(5,000)
	<u>32,869</u>	<u>30,486</u>	<u>35,486</u>
(g) Plant Replacement Reserve			
Opening Balance	508,114	508,114	480,083
Amount Set Aside / Transfer to Reserve	29,481	10,000	63,031
Amount Used / Transfer from Reserve	(117,950)	(80,000)	(35,000)
	<u>419,645</u>	<u>438,114</u>	<u>508,114</u>
(h) Depot Redevelopment Reserve			
Opening Balance	49,914	49,914	38,087
Amount Set Aside / Transfer to Reserve	1,942	0	11,827
Amount Used / Transfer from Reserve		0	
	<u>51,856</u>	<u>49,914</u>	<u>49,914</u>
(i) Building Asset Maintenance Reserve			
Opening Balance	51,339	51,339	48,989
Amount Set Aside / Transfer to Reserve	1,998	0	2,350
Amount Used / Transfer from Reserve	(6,280)	0	
	<u>47,057</u>	<u>51,339</u>	<u>51,339</u>
(j) Strategic Planning Reserve			
Opening Balance	22,222	22,222	21,205
Amount Set Aside / Transfer to Reserve	864	0	1,017
Amount Used / Transfer from Reserve		0	
	<u>23,086</u>	<u>22,222</u>	<u>22,222</u>

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

	2014 \$	2014 Budget \$	2013 \$
11. RESERVES - CASH BACKED (continued)			
(k) Industrial Land Development Reserve			
Opening Balance	201,320	201,320	192,105
Amount Set Aside / Transfer to Reserve	7,833	0	9,215
Amount Used / Transfer from Reserve	0	0	0
	<u>209,153</u>	<u>201,320</u>	<u>201,320</u>
(l) Preston Beach Volunteer Reserve			
Opening Balance	31,945	31,945	24,613
Amount Set Aside / Transfer to Reserve	11,750	10,520	11,423
Amount Used / Transfer from Reserve	(20,000)	(20,000)	(4,091)
	<u>23,695</u>	<u>22,465</u>	<u>31,945</u>
(m) Information Technology Reserve			
Opening Balance	23,561	23,561	22,482
Amount Set Aside / Transfer to Reserve	916	0	1,079
Amount Used / Transfer from Reserve	(7,000)	(7,000)	0
	<u>17,477</u>	<u>16,561</u>	<u>23,561</u>
(n) Footpath construction Reserve			
Opening Balance	26,097	26,097	24,902
Amount Set Aside / Transfer to Reserve	1,015	0	1,195
Amount Used / Transfer from Reserve	0	0	0
	<u>27,112</u>	<u>26,097</u>	<u>26,097</u>
(o) Asset Management Reserve			
Opening Balance	100,971	100,971	0
Amount Set Aside / Transfer to Reserve	3,928	0	100,971
Amount Used / Transfer from Reserve	0	0	0
	<u>104,899</u>	<u>100,971</u>	<u>100,971</u>
(p) History Book Reprint Reserve			
Opening Balance	5,000	5,000	0
Amount Set Aside / Transfer to Reserve	5,195	5,000	5,000
Amount Used / Transfer from Reserve	0	0	0
	<u>10,195</u>	<u>10,000</u>	<u>5,000</u>
(q) Coronation Road Bridge Reserve			
Opening Balance	557,000	557,000	0
Amount Set Aside / Transfer to Reserve	21,672	0	557,000
Amount Used / Transfer from Reserve	(20,269)	(557,000)	0
	<u>558,403</u>	<u>0</u>	<u>557,000</u>
(r) Hesse Street Redevelopment Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	476,204	466,475	0
Amount Used / Transfer from Reserve	(6,176)	0	0
	<u>470,028</u>	<u>466,475</u>	<u>0</u>
TOTAL RESERVES	<u>2,538,213</u>	<u>1,959,497</u>	<u>2,106,102</u>
Total Opening Balance	2,106,102	2,106,102	1,368,273
Total Amount Set Aside / Transfer to Reserve	613,786	522,395	854,502
Total Amount Used / Transfer from Reserve	(181,675)	(669,000)	(116,673)
TOTAL RESERVES	<u>2,538,213</u>	<u>1,959,497</u>	<u>2,106,102</u>

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

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

11. RESERVES - CASH BACKED (continued)

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

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

All reserves except two are not expected to be used within a set period as further transfers to the reserve accounts are expected as funds are utilised. Coronation Road Bridge and Hesse Street redevelopment are due to be fully spent in 14/15 and 15/16

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

12. REVALUATION SURPLUS	2014	2013
	\$	\$
Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:		
Asset Revaluation Surplus		
Opening Balance	76,448,479	75,957,251
Revaluation Increment	11,142,266	491,228
Revaluation Decrement	(3,173,547)	
	<u>84,079,198</u>	<u>76,448,479</u>
(a) Land		
Opening Balance	0	0
Revaluation Increment	3,199,200	0
Revaluation Decrement	(1,259,065)	0
	<u>1,940,135</u>	<u>0</u>
(b) Building		
Opening Balance	0	0
Revaluation Increment	6,505,420	0
Revaluation Decrement	(476,836)	0
	<u>6,028,584</u>	<u>0</u>
(c) Plant & Equipment		
Opening Balance	477,210	0
Revaluation Increment	1,289,864	536,001
Revaluation Decrement	(1,260,415)	(58,791)
	<u>506,659</u>	<u>477,210</u>
(d) Furniture & Equipment		
Opening Balance	14,019	0
Revaluation Increment	147,782	42,670
Revaluation Decrement	(177,231)	(28,651)
	<u>(15,431)</u>	<u>14,019</u>
 TOTAL ASSET REVALUATION SURPLUS	 <u><u>84,417,198</u></u>	 <u><u>76,448,479</u></u>

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

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:

	2014 \$	2014 Budget \$	2013 \$
Cash and Cash Equivalents	<u>2,853,075</u>	<u>2,109,497</u>	<u>3,517,444</u>

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

Net Result	(735,899)	(641,053)	5,900
Depreciation	2,169,283	2,288,138	2,323,805
(Profit)/Loss on Sale of Asset	44,479	(9,813)	(19,703)
(Increase)/Decrease in Receivables	25,496	(25,750)	63,659
(Increase)/Decrease in Inventories	(1,418)	(3,914)	3,271
Increase/(Decrease) in Payables	52,169	(159,124)	186,279
Increase/(Decrease) in Employee Provisions	127,722	(5,225)	76,139
Grants Contributions for the Development of Assets	(1,326,443)	(1,427,545)	(1,597,548)
Non-cash Contribution	(364,000)	0	0
Loss on Revaluation of Fixed Assets	0		
Non-Current Assets recognised due to changes in legislative requirements	0	0	0
Net Cash from Operating Activities	<u>(8,613)</u>	<u>15,714</u>	<u>1,041,801</u>

(c) Undrawn Borrowing Facilities

	2014 \$	2013 \$
Credit Standby Arrangements		
Bank Overdraft limit	0	0
Bank Overdraft at Balance Date	0	0
Credit Card limit	20,000	20,000
Credit Card Balance at Balance Date	0	(699)
Total Amount of Credit Unused	<u>20,000</u>	<u>19,301</u>

Loan Facilities

Loan Facilities - Current	54,506	54,503
Loan Facilities - Non-Current		219,349
Total Facilities in Use at Balance Date	<u>54,506</u>	<u>273,852</u>

Unused Loan Facilities at Balance Date	<u>NIL</u>	<u>NIL</u>
---	------------	------------

**SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

14. CONTINGENT LIABILITIES

As at 30 June 2014 Council has no contingent liabilities

15. CAPITAL AND LEASING COMMITMENTS	2014	2013
	\$	\$
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	44,167	5,339
- later than one year but not later than five years	50,804	0
- later than five years	0	0
	<u>94,971</u>	<u>5,339</u>

(b) Capital Expenditure Commitments

Contracted for:		
- capital expenditure projects	70,378	0
- plant & equipment purchases	0	0
Payable:		
- not later than one year	70,378	0

The capital expenditure project outstanding at the end of the current reporting period represents the construction of the new recreation centre gym, and completion of the Royalties for Regions projects relating to the Drakesbrook Cemetery and Preston Beach ablution block

16. JOINT VENTURE ARRANGEMENTS

The Shire is not involved in any joint venture arrangements.

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2014	2013
	\$	\$
Governance	3,172,488	2,816,617
General Purpose Funding	2,976,109	3,599,782
Law, Order, Public Safety	1,224,816	856,269
Health	1,886,378	1,362,558
Education and Welfare	366,940	361,900
Housing	178,995	240,071
Community Amenities	6,529,974	6,340,161
Recreation and Culture	26,276,234	19,595,102
Transport	57,199,403	57,503,439
Economic Services	1,097,057	1,036,701
Other Property and Services	1,113,416	977,070
Unallocated	1,031,617	805,554
	<u>103,053,426</u>	<u>95,495,224</u>

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

	2014	2013	2012
18. FINANCIAL RATIOS			
Current Ratio	0.3552	1.2561	1.4007
Asset Sustainability Ratio	0.4757	0.5640	1.1620
Debt Service Cover Ratio	1.7370	10.5873	28.4618
Operating Surplus Ratio	(0.4220)	(0.3290)	(0.0370)
Own Source Revenue Coverage Ratio	0.5754	0.5920	0.5888

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	$\frac{\text{annual operating surplus before interest and deprecia}}{\text{principal and interest}}$
Operating Surplus Ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own Source Revenue Coverage Ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

Notes:

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

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

19. TRUST FUNDS

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

	Balance 1 July 2013 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30 June 2014 \$
BCITF Levy	0	43,806	(43,806)	0
Builders Registration Board	0	23,630	(23,630)	0
Hall Deposits	3,275	1,525	(1,375)	3,425
Landcare EOY Balance	0	75,390	(75,390)	0
Nomination Deposits	0	320	(320)	0
Retentions	26,678	28,101	0	54,778
Roadworks/Footpath Bonds	7,925	0	0	7,925
Subdivision Bonds	85,842	0	(20,932)	64,910
Sundry Items	429,511	41,630	(232,448)	238,692
Vehicle Licensing Plates	0	1,046	(1,046)	0
Extractive Industries	23,730	25,000	0	48,730
Public Open Space	43,022	0	0	43,022
Alcoa Waroona Sustainability	635,731	245,698	0	881,429
	<u>1,255,713</u>			<u>1,342,911</u>

20. DISPOSALS OF ASSETS - 2013/14 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Plant and Equipment						
Governance						
Holden Caprice - CEO	40,200	37,297	35,455	36,400	(4,745)	(897)
Holden Calais - DCEO	30,300	33,255	24,684	29,000	(5,616)	(4,255)
Holden Captiva - MFS	19,300	21,777	17,136	21,000	(2,164)	(777)
Holden Caprice - CEO	43,371	0	39,280	0	(4,091)	0
Law, Order, Public Safety						
Holden Colorado - Ranger	31,500	35,295	25,909	22,000	(5,591)	(13,295)
Polaris Quad & Trailer	3,000	0	5,000	0	2,000	0
Community Amenities						
Subaru Forester - DPS	27,900	27,548	23,636	24,000	(4,264)	(3,548)
Transport						
Holden Captiva - MWS	19,300	21,777	16,364	21,000	(2,936)	(777)
Toyota Hilux - Maintenance	11,325	6,325	12,727	6,000	1,402	(325)
Isuzu Tip Truck	15,000	0	9,957	20,000	(5,043)	20,000
Economic Services						
KIA Carnival - DCS	31,300	29,095	21,958	26,000	(9,342)	(3,095)
Toyota Camry - MEHBS	20,000	20,844	15,909	18,000	(4,091)	(2,844)
	<u>292,496</u>	<u>233,213</u>	<u>248,016</u>	<u>223,400</u>	<u>(44,480)</u>	<u>(9,813)</u>

Profit	3,402	18,898
Loss	(47,882)	(28,711)
	<u>(44,480)</u>	<u>(9,813)</u>

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1 July 2013 \$	New Loans \$	Principal Repayments		Principal 30 June 2014		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Recreation and Culture								
Aquatic Centre	72,632		14,281	14,281	58,351	58,351	4,564	4,564
Basketball Stadium	150,848		9,716	9,716	141,132	141,132	9,709	9,709
Preston Beach Golf Club *	12,920		8,458	8,458	4,462	4,462	798	798
Waroona Bowling Club *	22,508		7,112	7,112	15,396	15,396	1,030	1,030
Rec Centre Upgrade	0	200,000	0	0	200,000	0	150	0
Transport								
Depot Construction	14,944		14,939	14,939	5	5	390	390
	273,852	200,000	54,506	54,506	419,346	219,345	16,643	16,492

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

(b) New Debentures - 2013/14

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
Rec Centre Upgrade	200,000	200,000	WATC	Debenture	10	44,680	3.91	138,235	200,000	61,765
	200,000	200,000				44,680		138,235	200,000	61,765

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 1 July 13 \$	Borrowed During Year \$	Expended During Year \$	Balance 30 June 14 \$
Rec Centre Upgrade	June 2014	0	200,000	138,235	61,765
		0	200,000	138,235	61,765

(d) Overdraft

Council established an overdraft facility of \$500,000 in 2014 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2013 and 30 June 2014 was nil.

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

22. RATING INFORMATION - 2013/14 FINANCIAL YEAR

(a) Rates		Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
RATE TYPE												
Differential General Rate / General Rate												
01	Waroona GRV	8.3555	768	10,951,752	915,074	(6,619)		908,454	915,074			915,074
03	Hamel GRV	8.3555	26	313,612	26,204	14		26,218	26,204			26,203
04	Preston GRV	8.3555	306	3,457,948	288,929	1,105		289,033	288,929			288,929
05	Prescribed GRV	8.3555	17	659,786	55,128	981		56,110	55,128			55,128
08	Lake Clifton GRV	8.3555	138	2,335,320	195,128	4,021		199,149	195,128			195,128
10	Footprints	8.3555	2	50,000	4,178	0		4,178	4,178			4,178
11	Waroona Vacant GRV	8.3555	9	157,890	13,193	(797)		12,396	13,193			13,193
31	Hamel Vacant GRV	8.3555	0	0	0	0		0	0			0
41	Preston Vacant GRV	8.3555	17	264,300	22,084	0		22,084	22,084			22,084
51	Prescribed Vacant GRV	8.3555	1	20,750	1,734	0		1,734	1,734			1,734
81	Lake Clifton Vacant GRV	8.3555	14	178,070	14,879	0		14,879	14,879			14,879
Unimproved Value Valuations												
02	Waroona UV	0.5445	438	207,635,000	1,130,574	1,151		1,131,724	1,130,574			1,130,572
06	Prescribed UV	0.5445	77	20,915,000	113,882	0		113,882	113,882			113,882
07	Mining UV	0.5445	0	0	0	800		800	0			0
Sub-Totals			1,813	246,939,428	2,780,985	656	0	2,781,640	2,780,985	0	0	2,780,982
Minimum Payment		Minimum \$										
Differential General Rate / General Rate												
01	Waroona GRV	800.00	203	1,732,042	162,400			162,400	162,400			162,400
03	Hamel GRV	800.00	8	66,056	6,400			6,400	6,400			6,400
04	Preston GRV	800.00	47	398,896	37,600			37,600	37,600			37,600
05	Prescribed GRV	800.00	5	38,896	4,000			4,000	4,000			4,000
08	Lake Clifton GRV	800.00	7	50,820	5,600			5,600	5,600			5,600
10	Footprints	800.00	77	535,340	61,600			61,600	61,600			61,600
11	Waroona Vacant GRV	800.00	206	728,770	164,800			164,800	164,800			164,800
31	Hamel Vacant GRV	800.00	3	6,300	2,400			2,400	2,400			2,400
41	Preston Vacant GRV	800.00	99	512,270	79,200			79,200	79,200			79,200
51	Prescribed Vacant GRV	800.00	6	46,610	4,800			4,800	4,800			4,800
81	Lake Clifton Vacant GRV	800.00	104	666,660	83,200			83,200	83,200			83,200
Unimproved Value Valuations												
02	Waroona UV	800.00	49	4,052,151	39,200			39,200	39,200			39,200
06	Prescribed UV	800.00	45	5,606,500	36,000			36,000	36,000			36,000
07	Mining UV	800.00	16	176,935	12,800			12,800	12,800			12,800
Sub-Totals			875	14,618,246	700,000	0	0	700,000	700,000	0	0	700,000
Ex-Gratia Rates								3,481,640				3,480,982
Discounts (refer note 25.)								0				0
Total Amount Raised From General Rate Specified Area Rate (refer note 23.)								3,481,640				3,480,982
Totals								3,481,640				3,480,982

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

22. RATING INFORMATION - 2013/14 FINANCIAL YEAR (Continued)

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

	2014 (30 June 2014 Carried Forward) \$	2014 (1 July 2013 Brought Forward) \$	2013 (30 June 2013 Carried Forward) \$
Surplus/(Deficit) 1 July 13 Brought Forward	<u>(198,263)</u>	<u>736,481</u>	<u>710,484</u>
Comprises:			
Cash and Cash Equivalents			
Unrestricted	209,530	1,068,028	1,068,660
Reserves - Restricted Cash	2,538,213	2,106,102	2,106,102
Restricted Cash - Grants & Contributions	105,333	343,283	342,652
Receivables			
Rates	85,359	82,338	82,338
Debtors	97,494	125,072	125,072
Prepayments	0	1,213	102
Accrued Income	1,264	988	988
Inventories	9,505	8,086	8,086
	<u>3,046,697</u>	<u>3,735,111</u>	<u>3,734,000</u>
Less:			
Trade and other Payables			
Sundry Creditors	(572,808)	(527,477)	(552,993)
Accrued Interest on Debentures	(2,083)	(2,645)	(2,645)
Accrued Salaries and Wages	(26,523)	(19,123)	(19,123)
Net Current Assets	<u>(601,414)</u>	<u>(549,245)</u>	<u>(574,761)</u>
Less:			
Reserves - Restricted Cash	(2,538,213)	(2,106,102)	(2,106,102)
Restricted Cash - Grants & Contributions	(105,333)	(343,283)	(342,653)
Surplus/(Deficit)	<u>(198,263)</u>	<u>736,481</u>	<u>710,484</u>

Difference

There was no difference between the Surplus/(Deficit) 1 July 2013 Brought Forward position used in the 2014 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2013 audited financial report.

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

23. SPECIFIED AREA RATE - 2013/14 FINANCIAL YEAR

The Shire of Waroona did not have any specified area rates in 2013/14 financial year.

24. SERVICE CHARGES - 2013/14 FINANCIAL YEAR

The Shire of Waroona did not have any service charges in 2013/14 financial year.

**25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2013/14 FINANCIAL YEAR**

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

26. INTEREST CHARGES AND INSTALMENTS - 2013/14 FINANCIAL YEAR

	Interest Rate %	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%	16,064	17,600
Interest on Instalments Plan	5.50%	12,334	9,660
		28,398	27,260

	Admin Fee \$	Revenue \$	Budgeted Revenue \$
Charges on Instalment Plan	\$ 9.00	15,305	14,550
		15,305	14,550

Ratepayers had the option of paying rates in one of the following three options; one full payment due on 2 October 2013; two equal instalments due 2 October 2013 and 3 February 2014 or in four equal instalments, due on 2 October 2013, 2 December 2013, 3 February 2014 and 3 April 2014. Administration charges and interest applied for the final three instalments.

27. FEES & CHARGES	2014 \$	2013 \$
Governance	26,480	23,132
General Purpose Funding	25,185	26,231
Law, Order, Public Safety	21,271	17,969
Health	49,856	39,790
Education and Welfare	100	109
Housing	13,520	13,520
Community Amenities	799,669	938,844
Recreation and Culture	263,113	271,171
Transport	90	153
Economic Services	45,958	32,510
Other Property and Services	14,920	89,079
	<u>1,260,164</u>	<u>1,452,507</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 2014

28. GRANT REVENUE

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

	2014	2013
	\$	\$
By Nature or Type:		
Operating Grants, Subsidies and Contributions	1,083,697	1,651,599
Non-Operating Grants, Subsidies and Contributions	<u>1,326,443</u>	<u>1,597,548</u>
	<u>2,410,140</u>	<u>3,249,147</u>
By Program:		
Governance	111,128	94,814
General Purpose Funding	1,124,378	1,191,363
Law, Order, Public Safety	60,269	120,771
Health	3,611	3,316
Education and Welfare	9,873	18,895
Housing	0	0
Community Amenities	246,795	329,366
Recreation and Culture	122,392	290,900
Transport	702,142	1,178,130
Economic Services	0	0
Other Property and Services	<u>29,551</u>	<u>21,593</u>
	<u>2,410,140</u>	<u>3,249,147</u>

29. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

<u>45</u>	<u>43</u>
-----------	-----------

30. ELECTED MEMBERS REMUNERATION

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

	2014	2014	2013
	\$	Budget	\$
		\$	
Meeting Fees	60,000	60,000	51,000
President's Allowance	8,000	8,000	5,000
Deputy President's Allowance	1,500	1,500	1,500
Travelling Expenses	1,850	4,000	3,512
IT Allowance	4,000	4,000	4,000
Telecommunications Allowance	<u>6,800</u>	<u>6,800</u>	<u>6,800</u>
	<u>82,150</u>	<u>84,300</u>	<u>71,812</u>

31. MAJOR LAND TRANSACTIONS

Council did not participate in any major land transactions during the 2013/14.

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2013/14 financial year.

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

33. FINANCIAL RISK MANAGEMENT

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

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

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

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2014 \$	2013 \$	2014 \$	2013 \$
Financial Assets				
Cash and cash equivalents	2,853,075	3,517,444	2,853,075	3,517,444
Receivables	206,974	253,039	206,974	253,039
	<u>3,060,049</u>	<u>3,770,483</u>	<u>3,060,049</u>	<u>3,770,483</u>
Financial Liabilities				
Payables	601,414	549,245	601,414	549,245
Borrowings	419,346	273,852	419,345	273,852
	<u>1,020,759</u>	<u>823,097</u>	<u>1,020,759</u>	<u>823,097</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 2014

33. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Financial assets at fair value through profit and loss

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

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

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

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

Council manages these risks by diversifying its portfolio and only investing in registered commercial banks. Council also seeks advice from independent advisers (where applicable) before placing any cash and investments.

	2014	2013
	\$	\$
Impact of a 10% ⁽¹⁾ movement in interest rates on cash		
- Equity	285,307	351,744
- Statement of Comprehensive Income	285,307 ⁽²⁾	351,744 ^(*)

Notes:

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

⁽²⁾ Maximum impact.

**SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

33. FINANCIAL RISK MANAGEMENT (Continued)
(b) Receivables

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

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

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

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

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

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

	2014	2013
Percentage of Rates and Annual Charges		
- Current	97.50%	97.88%
- Overdue	2.50%	2.12%
Percentage of Other Receivables		
- Current	76.27%	65.89%
- Overdue	23.73%	34.11%

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

33. FINANCIAL RISK MANAGEMENT (Continued)

**(c) Payables
 Borrowings**

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

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2014</u>					
Payables	601,414			601,414	601,414
Borrowings	54,305	173,496	191,544	419,345	419,346
	<u>655,719</u>	<u>173,496</u>	<u>191,544</u>	<u>1,020,759</u>	<u>1,020,760</u>
<u>2013</u>					
Payables	549,245			549,245	549,245
Borrowings	54,506	124,021	95,319	273,846	273,852
	<u>603,751</u>	<u>124,021</u>	<u>95,319</u>	<u>823,091</u>	<u>823,097</u>

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
Borrowings (Continued)

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

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

	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate %
	\$	\$	\$	\$	\$	\$	\$	
Year Ended 30 June 2014								
Borrowings								
Fixed Rate Debentures	54,305	52,673	47,346	40,551	32,926	191,544	419,345	5.31%
Weighted Average Effective Interest Rate	5.73%	5.61%	5.68%	5.42%	5.00%	5.05%		
Year Ended 30 June 2013								
Borrowings								
Fixed Rate Debentures	54,506	37,607	35,315	29,303	21,796	95,319	273,846	6.58%
Weighted Average Effective Interest Rate	6.55%	6.54%	6.45%	6.77%	6.72%	6.58%		

**SHIRE OF WAROONA
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2014**

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

	2014	2013	2012
Asset Consumption Ratio	0.7441	0.6694	N/A
Asset Renewal Funding Ratio	1.2435	0.6159	N/A

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

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



**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 2014, 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 2014, 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.



Bunbury Office

Mandurah Office

Geraldton Office

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 2014 and of its performance for the financial year ended 30 June 2014;
- 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 22nd day of October 2014

Certification of Deferred Pensioners

I certify that the amount of \$4,519.45 represents rates of \$4,464.45 and Emergency Services Levy of \$55.00 deferred as at 30 June 2014, with respect to registrations under the Rates and Charges (Rebates and Deferments Act) as detailed in the attached schedule.



Auditor



Ian Curley

Tim Partridge

Partner

AMD

Chartered Accountants

Chief Executive Officer

Shire of Waroona

Dated: *22 October 2014*