



**2015/2016**  
**Annual Report**



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# Shire at a Glance



Shire of Wongan-Ballidu Administration Centre  
 Cnr Quinlan St & Elphin Crescent (PO Box 84)  
 WONGAN HILLS WA 6603  
 Tel: (08) 9671 1011 Fax: (08) 9671 1230  
 Email: [shire@wongan.wa.gov.au](mailto:shire@wongan.wa.gov.au)  
 Website: [www.wongan.wa.gov.au](http://www.wongan.wa.gov.au)  
 Office Hours: 8.30am – 4.30pm Mon, Tues, Thurs & Fri  
 Wednesday 9.00am – 4.30pm

## Councillors

*President:* Peter Macnamara

*Deputy President:* Brad West

Alfreda Lyon; Richard Morgan; Hugh Barrett-Leonard;  
 Norma Walton; Jon Hasson

## Senior Staff

Chief Executive Officer      Stuart Taylor  
 Building Services Coordinator      Melissa Marcon  
 Manager Community Services      Joanne Guest

Deputy Chief Executive Officer      David Taylor  
 Manager Works & Services      Karl Mickle

## Shire Statistics

Distance from Perth (km)	184
Area (sq km)	3,368
Length of Sealed Roads (km)	342.8
Length of Unsealed Roads (km)	980.6
Population	1,440
Number of Electors	1010
Number of Dwellings	874
Total Rates Levied	2,666,648
Total Revenue	8,476,346
Number of Employees	36

## Shire Attractions

Christmas Rock Bushwalk; Pioneer Museum; Wildflower & Heritage Trails; Lake Ninan; Dingo Rock; Gathercole Reserve; Mt O'Brien Scenic Lookout; Picnic Areas; Mt Matilda Walk Trail; Reynoldson Flora Reserve; Rare Flora Garden; Mallee Walk Trail; Historic Rail Precinct; Water Tower & Murals; Wongan Hills & Ballidu Caravan Parks; Excellent Sport & Recreation Facilities/Activities; Cinema (monthly).

## Local Industries

Mixed Farming; Sheet Metal Works; Stock Feed Mill; Manufacturing – Agricultural Machinery; Heavy Transport; Co-operative Bulk Handling; Agricultural Research Station.

## Significant Annual Events

Biennial Art Exhibition- Wongan Hills, Art Exhibitions – Ballidu; Bike it to Ballidu; Wongan; Town Party; Australia Day Ceremonies – Wongan Hills & Ballidu, Reynoldson Reserve Festival

## Suburbs & Localities

Wongan Hills, Mocardy, Ballidu, West Ballidu, East Ballidu, Lake Hinds, Lake Ninan, Cadoux, Burakin & Kondut.

## Full Council Meeting

Full Council meets on the fourth Wednesday of each month at 3.00pm except January and December.

# President's Report

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## PRESIDENT'S REPORT 2015/2016

*Cr Peter Macnamara*  
**Shire President**

This year was very significant due to the fact that we held our local Councillor Elections and Council went from 9 Councillors to 7. We are always sad to lose people who have given so much service to Council. We sincerely thank Michael Brennan, Michael Godfrey, Tracey DeGrussa and Sandra Hartley for their wonderful effort and commitment. We welcome Norma Walton and Jon Hasson as new Councillors and welcome back Alfreda Lyon, Richard Morgan, Hugh Barrett-Lennard and Brad West. I would like to assure all rate payers that we will continue to do our best for you and for the future of our Shire.

It is with a great deal of pleasure that I get to inform you of the Shire's sound financial position; we are virtually debt-free and have healthy reserve accounts. In regards to this, a lot of credit must go to our Chief Executive Officer, Stuart Taylor, and his very capable staff. While on the subject of staff, a huge thank you to all of the Shire employees. Without your dedication our Shire would not run anywhere near as well as it does. The work you put in each day is very much appreciated.

The major focus this year was on the swimming pool refurbishment and roadworks. The pool had a major facelift which we hope will hold us in good stead for many years to come. The roadworks program is always huge but the past year saw the added pressure of widening the bitumen from 3.6m to 7m, the upgrade of the 22 km of the Wongan-Cadoux Rd, as well as improvements to the Dowerin-Kalannie Rd, Waddington Rd and Hospital Rd. It is an understatement to say the staff were stretched. But as usual the end result was commendable. The Shire have been placing importance on widening roads out to the 7m to make it safer for all concerned. I'm of the opinion we can now see real progress, although recognising that we have a long way to go.



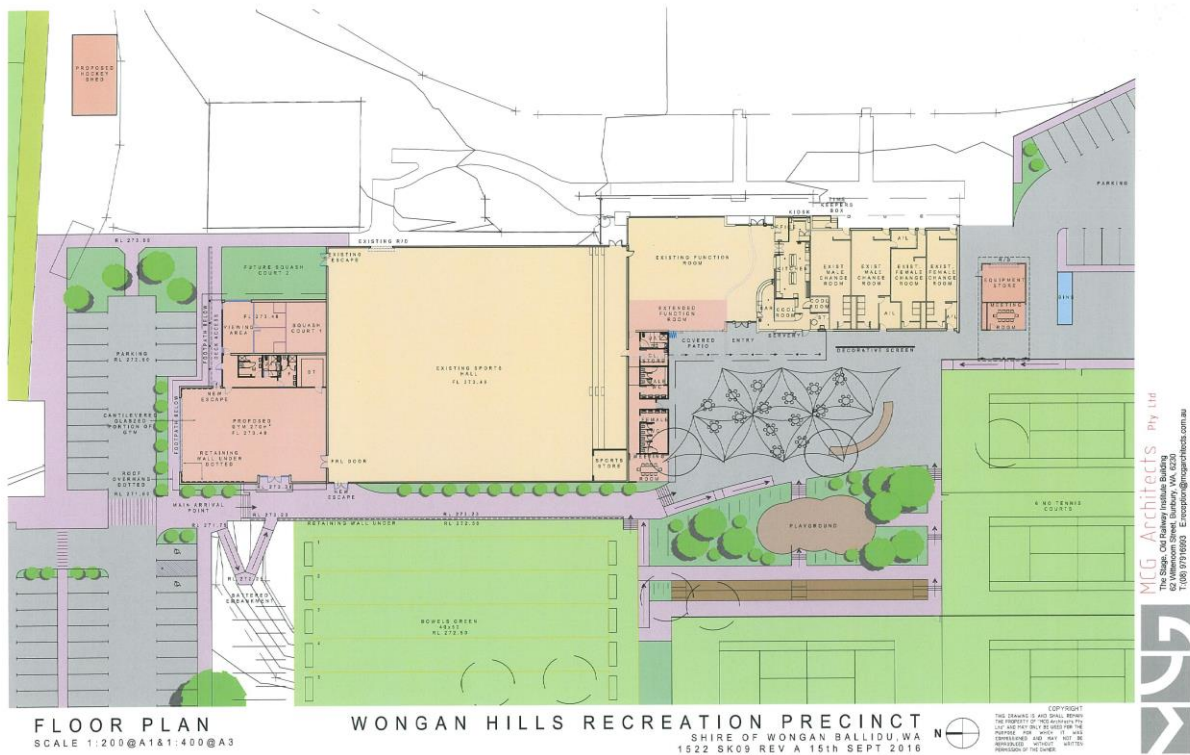
*Before*



*After*

# President's Report

We have started our next project with the formation of a sports co-location committee in Wongan Hills. Our thanks go out to Don Sadler, Megan Pawsey, Jeff Brennan, Matt Sewell and Stuart Taylor for accepting the responsibility and we look forward to their results.



To all the volunteers, whoever you are in whatever capacity: the Shire are very grateful for all your work. The volunteers in the Shire of Wongan-Ballidu are well known for “getting on and doing it.” The achievements in the Shire are once again outstanding and this all due to your hard work and commitment. We thank you greatly.

I would like to thank all of the councillors for your dedication and making the hard decisions, in particular to my deputy Brad who is of great help.

Thank you,

**Cr Peter Macnamara**  
**PRESIDENT**

# Councillors of the Shire

## Your Council

*Residents can contact Members with issues that they wish to be addressed and brought to the attention of Council.*

*Council meets on the fourth Wednesday of each month except for the months of January and December*



Cr Peter Macnamara  
Cadoux South Road  
PO Box 15  
Cadoux WA 6466

Tel: (08) 9632 2018  
Retiring: October 2019  
Occupation: Farmer



Cr Brad West  
Loc 26590 Sewell Road  
PO Box 233  
Wongan Hills WA 6603

Tel: (08) 9672 1041  
Fax: (08) 9672 1035  
Retiring: October 2019  
Occupation: Farmer  
Email: [bradwest10@bigpond.com.au](mailto:bradwest10@bigpond.com.au)



Cr Hugh Barrett-Lennard  
1792 Kondut West Road  
PO Box 189  
Lake Hinds WA 6603

Tel: (08) 9654 2045  
Fax: (08) 9654 2050  
Retiring: October 2019  
Occupation: Farmer  
Email: [hughbl@bordnet.com.au](mailto:hughbl@bordnet.com.au)



Cr Alfreda Lyon  
4 Wilson Street  
Wongan Hills WA 6603

Tel: 0418 915 517  
Retiring: October 2017  
Occupation: Office Manager  
Email: [alfreda@lyonsden.com.au](mailto:alfreda@lyonsden.com.au)

# Councillors of the Shire

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Cr Norma Walton  
PO Box 116  
WONGAN HILLS WA 6603

Tel: (08) 9671-1185  
Retiring: October 2017  
Occupation: Retired  
Email: [wonganwaldo@hotmail.com](mailto:wonganwaldo@hotmail.com)



Cr Richard Morgan  
1 Ackland Street  
Wongan Hills 6603

Tel: 9671 1822  
Retiring: October 2017  
Occupation: Retired Dentist  
Email: [richardmorganaustralia@hotmail.com](mailto:richardmorganaustralia@hotmail.com)



Cr Jon Hasson  
1097 Sheoak Road West  
PO Box 68  
BALLIDU WA 6606

Tel: 04 27 542 984  
Retiring: October 2019  
Occupation: Farmer  
Email: [j.hasson@bigpond.com](mailto:j.hasson@bigpond.com)

# Councillors of the Shire

## COUNCILLORS MEETING ATTENDANCE 2015/2016

	COUNCIL			SPECIAL			AUDIT		
	Eligible	Attended	%	Eligible	Attended	%	Eligible	Attended	%
Cr P Macnamara	11	11	100	1	1	100	1	1	100
Cr B West	11	11	100	1	-	-	1	-	-
Cr H Barrett-Lennard	11	9	82	1	1	100	1	1	100
Cr R Morgan	11	9	82	1	1	100	1	1	100
Cr A Lyon	11	11	100	1	1	100	1	1	100
Cr N Walton	8	8	100	1	1	100	1	1	100
Cr Jon Hasson	8	8	100	1	1	100	1	1	100

## COUNCILLOR TRAINING UNDERTAKEN DURING 2015/2016

NIL



# Chief Executive Officer's Report



Mr Stuart Taylor  
**Chief Executive Officer**

2015/2016 has been a very successful year for the Shire of Wongan Ballidu.

## PROJECTS

The projects that were included in the budget as outlined in the following Managers' reports, have been completed with the majority, if not all being completed within budget and by the end of the financial year.

The Shire finished in a strong financial position at the end of this financial year, with significant reserve funds for future projects.

## INITIATIVES

The Shire of Wongan Ballidu, along with its neighbours, including the Shires of Dalwallinu and Moora, are building a Strategic Alliance to investigate and implement opportunities in each Shire and the Region to improve our operational efficiencies and our future sustainability.

The initiative model is a first in Western Australia and may set the trend for many rural and regional Councils to provide improved services with less costs, and provide the opportunity to tap into Regional Funding Sources that are not currently available to small individual local governments.

The Shire Council's major project is the co-location of sports facilities to the sports ground. This project has been put forward a number of times over the last 10 years without much success. A committee independent of the Shire, Sports Council and sporting clubs and groups was formed and given the challenging task of developing a plan and management strategy and to undertake the engagement process with a view to co-locating our sporting facilities.



# Chief Executive Officer's Report

This project is one that will take time to plan and develop. So far meetings with all the groups have taken place to gauge support and find out the needs and wants of all the groups. The Shire has committed funds to assist with the design and planning and has created a reserve account for the Shire financial contribution to the project. The Concept Plans have been developed and widely circulated for comment and approval.

Significant engagement, consultation and interaction between the Committee, Sports Association and Community has assisted in developing an outcome that will provide significant improvement of the facilities available to our community.

Currently the Planning has moved to the design stage with Plans being developed that will enable the Committee to review the overall design and fitout and present back to the Sporting Associations.

Grant applications will be submitted over the coming few months to seek funding to complete the project, including the CSRFF Grant that closes in October 2016.



## LOCAL GOVERNMENT REFORM

Over the last two years there have been significant moves by the State to reform Local Government. The recent proposal for amalgamations and boundary changes incorporating a group of Councils was not successful, thus putting the reduction of the number of Local Governments on hold for the immediate future.

The State is reviewing current legislation and it is understood that a number of legislative changes will be introduced that will introduce significant changes to the accountability model that is currently in place including the requirement for all elected Members to undertake training and the Audit process of each Local Government to be undertaken by the Auditor General rather than private sector Auditors.

# Chief Executive Officer's Report

## STAFF

The staff changes within the organisation have been kept to a minimum, and things seem to be settling down, in particular the outside work force. There has been a significant change with the structure of our workforce in the office. We have changed our structure to accommodate working mothers and to coincide with school hours. This seems to be working extremely well.

We thank those members of our community who write and phone in to thank our staff for the job that they are doing. We receive many praises for the outside crew, in partnership with parks and gardens, and while we do make mistakes and sometimes things can go wrong, it is pleasing that most of the community acknowledges and thanks our staff for the work and effort that they put in under sometimes very hard and difficult circumstances.

## THANK YOU

I would like to take this opportunity to thank the Councillors who really do work hard to attain that balance of strong financial management, delivery of services and support of community initiatives. The support given to the staff to implement and fund programs and to explore new ideas and initiatives is greatly appreciated.

Thank you to all the staff for your contribution throughout the year, we have delivered what we have been asked to do and along the way we have been able to help and facilitate other programs and initiatives of our own and that of the community. You are to be congratulated on your achievements and professionalism.



**Stuart A. Taylor**  
**CHIEF EXECUTIVE OFFICER**

# Chief Executive Officer's Report

## Administration and Financial Services



Mr David Taylor  
*Deputy Chief Executive Officer*

The 2015-16 audited financial statements are shown attached and this page highlights pertinent information.

The **Statement of Comprehensive Income** shows the Shire of Wongan-Ballidu's total revenue for this financial year was \$7.327m and expenses were \$7.544m, there was an additional \$0.121m in loss on sale of assets and \$1.149m gained through the revaluation of non-current plant and equipment assets. This resulted in a total comprehensive income of \$0.810m. The composition of these revenues and expenses are illustrated in the range of charts following.

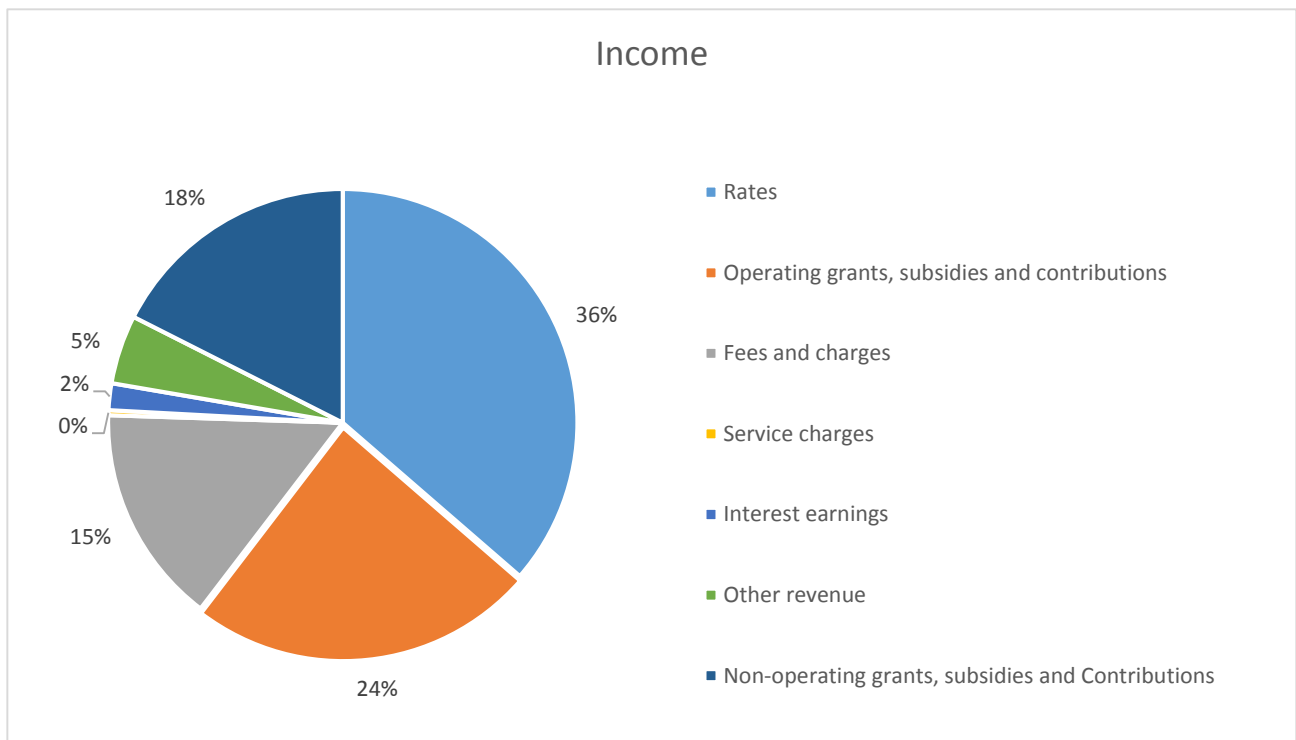


Fig. 1

# Chief Executive Officer's Report

## Administration and Financial Services

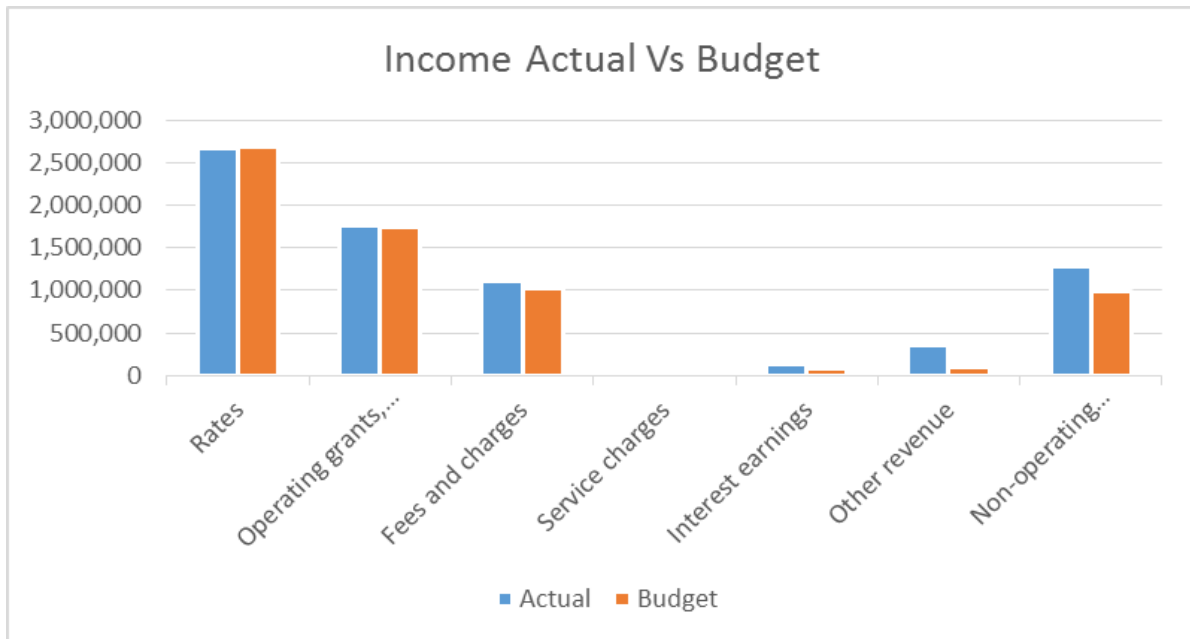


Fig. 2

Figures 1 and 2 above shows the three main components of revenue were as follows; rates \$2.667m (36%), operating and non-operating grants \$3.040m (41%) and fees and charges \$1.110m (15%). The remaining \$0.511m (8%) has come from other sources of revenue such as service charges, interest charges and other revenue.

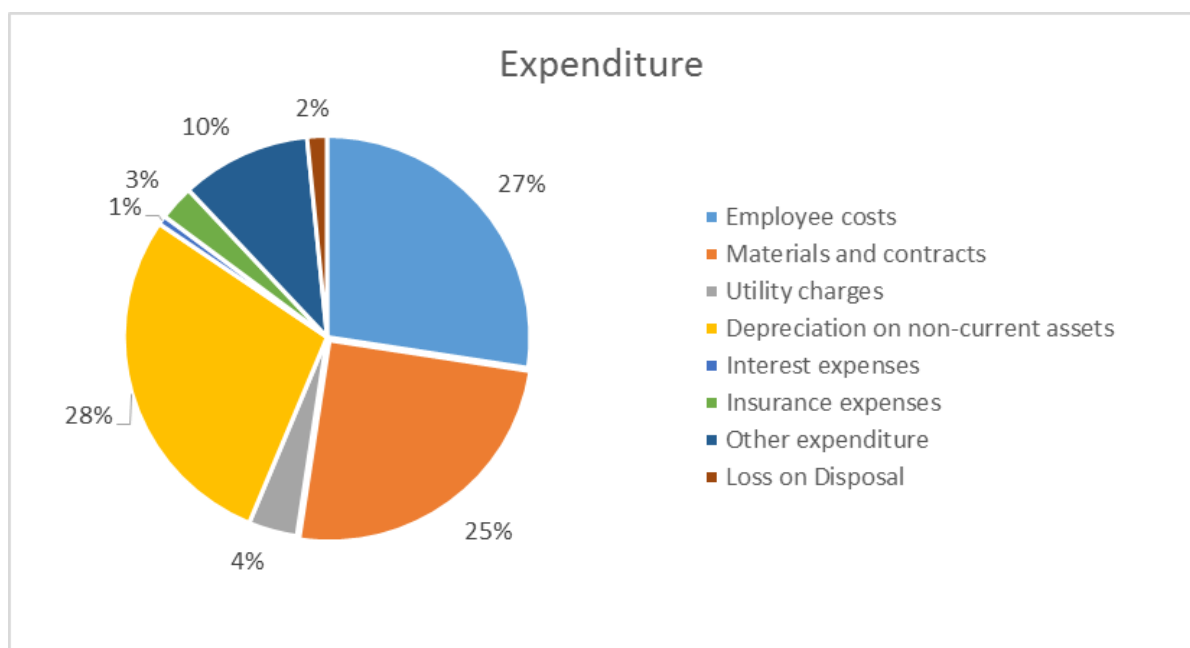


Fig. 3

# Chief Executive Officer's Report

## Administration and Financial Services

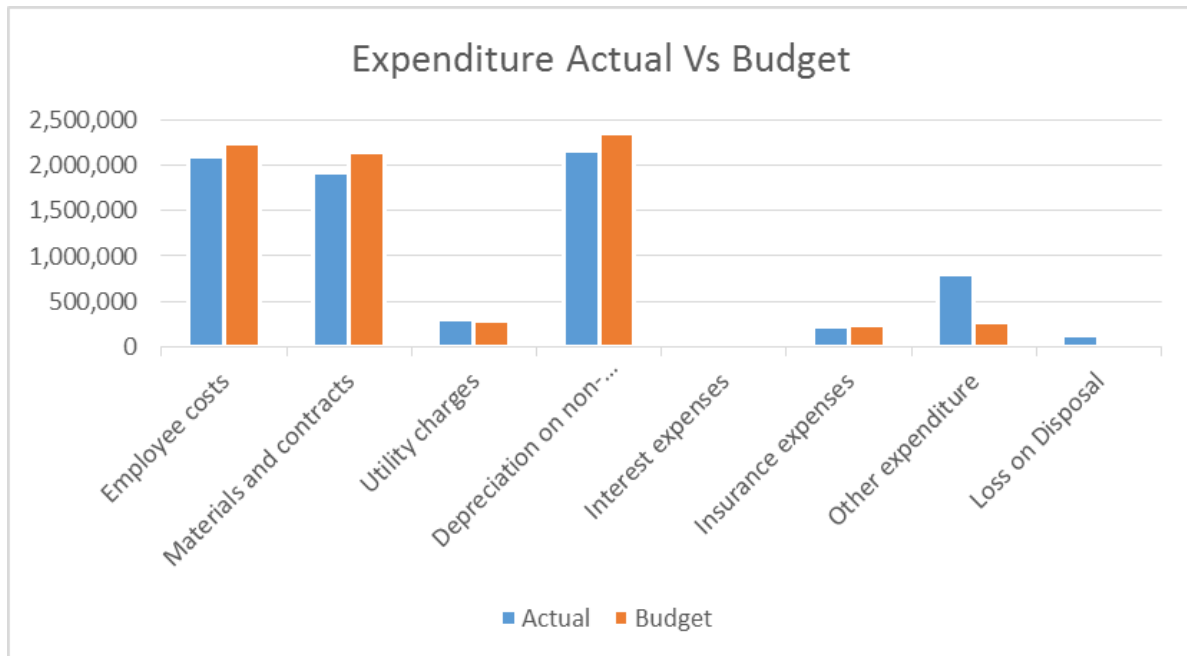


Fig. 4

Figures 3 and 4 show the three main components of expenditure was made up of \$2.14m (27%) in employee costs, \$1.912m (25%) of materials and contracts, \$2.166m (28%) in depreciation with the remaining \$1.484m (19%) being made up of utility charges, interest expenses, insurance expenses, other expenditure and loss on disposal of assets.

# Chief Executive Officer's Report

## Administration and Financial Services

The **Statement of Financial Position** shows our net assets has increased by \$0.810m. This is a result of an increase of \$1.292m in property, plant and equipment due to revaluation, a decrease of \$1.162m in cash and cash equivalents and an increase of \$0.609m in infrastructure.

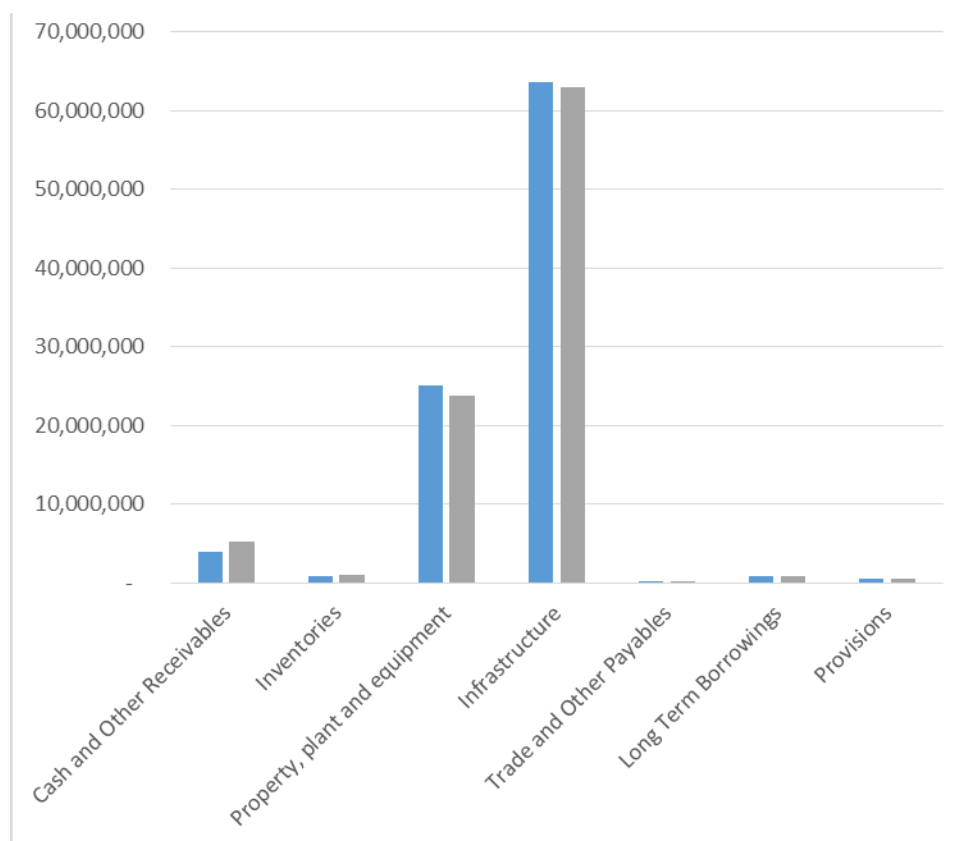


Fig. 5

The **Statement of Cashflow** combines details from the above statements to give an explanation on what changed the cash position from \$3.944m to \$3.314m, a movement of \$0.630m. Operating activities decreased by \$3.071m. This is due to a significant private works project that was undertaken in the previous financial year; another contributor was also the advance payment of Financial Assistance Grants being made during 2014/15 and not repeated in 2015/16. An additional \$0.357m was spent on investing activities in the form of infrastructure assets and a reduction of \$0.493m in investing activities.


# *Chief Executive Officer's Report*

## *Administration and Financial Services*

### **FAIR VALUATIONS**

The Shire of Wongan-Ballidu has now entered into the second cycle of performing fair value assessments on infrastructure assets. Fair value assessments were completed for Plant & Equipment as apt of the commencement of the second cycle. This assessment resulted in an increase in value of \$1.149m (Note 6(b)) for Plant & Equipment.

It has been a pleasure to work with such as focused and dedicated team at the Shire of Wongan-Ballidu and I look forward to the year ahead.



**David Taylor**  
**DEPUTY CHIEF EXECUTIVE OFFICER**



# Chief Executive Officer's Report

## Building Services



Melissa Marcon  
**Building Services Coordinator**

### RESPONSIBILITIES

Planning	Building Permits
Demolition Permits	Building Maintenance
Capital Projects	Cleaning of Public Buildings
Environmental Health	Medical Centre Building
Drum Muster	Swimming Pool
Public Buildings	Play Ground Equipment
Waste Management	Rental Management Agreements and Leases

### BUILDING MAINTENANCE

Ongoing maintenance and repairs are constantly carried out on all Shire buildings and infrastructure by both Shire staff and contractors in an effort to keep infrastructure in the best condition possible with the available resources and to agreed level of service.

### CAPITAL PROJECTS

The following capital projects were completed during the year –

1. Major refurbishment works to the bowls of both the 50m swimming pool and the smaller pool.
2. New dish for the TV/Radio transmission tower.
3. Electrical service connected to the goods shed.
4. New goal posts installed at the sports oval.

### CLEANING

Cleaning of Shire facilities is carried out by Shire staff and employees. Please report any cleaning issues to the Shire admin office.

### WASTE MANAGEMENT

The Wongan Hills Waste Management Facility is controlled by contractors.

# Chief Executive Officer's Report

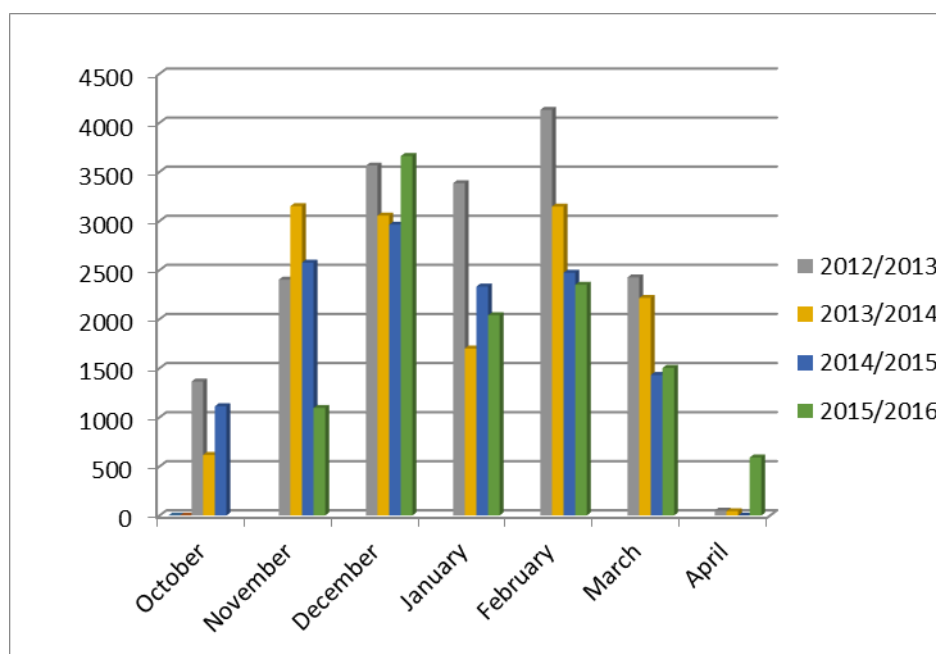
## Building Services

Opening hours are Thursday to Sunday 8.30 am to 4.30 pm. The Waste facility is closed Christmas Day and Good Friday.

Although the Shire operates landfill facilities in Ballidu and Cadoux please note that asbestos and septic waste can only be received at Wongan Hills.

### WONGAN HILLS SWIMMING POOL

The Wongan Hills Memorial Swimming Pool had another successful season. The total patronage for the 2015/2016 season year was 11,048.



Total Patronage for Swimming Pool Season	
2012/2013	17,126
2013/2014	13,937
2014/2015	12,594
2015/2016	11,048

#### Break down of swimming pool entrance income-

2012/2013	\$34,088.00
2013/2014	\$32,881.84
2014/2015	\$28,716.40
2015/2016	\$29,248.87

#### Break down of Swimming pool operating cost:

2012/2013-	\$157,882.00
2013/2014-	\$176,938.34
2014/2015-	\$210,307.95
2015/2016-	\$184,696.77

Due to the refurbishment of the pools we didn't open until the end of November. The numbers are down for this season, however based on the figures above the income from the previous season we are up on which is good considering we opened a month late. The late opening has had an impact on the number of programs that were run last season.

# Chief Executive Officer's Report

## Building Services

If we were to work out the exact time we were open, against the year before we are actually up in numbers, this being remarkable as we didn't have the Wongan District High School swimming in term swimming lessons. From 24 November 2015 through to the end March 2016/2015, we had 11,048 patrons through the gates. Over the same period in the year before, we had 9,545 patrons. So based on the previous season figures we are up 1,100 people. Not having the Wongan District High School swimming lessons impacted the gate income.



### BUILDING SERVICES EXPENDITURE 2015/2016

Building Maintenance	\$256,896.00
Building Capital Expenses	\$296,399.00
Cleaning of Public Buildings	\$105,739.56
Swimming Pool Operating Costs	\$184,696.77
Utilities and Insurance to Council Buildings	\$90,586.00
Waste Collection	\$95,638.00
Drum Muster Costs	\$1,552.00

# Chief Executive Officer's Report

## Building Services

### BUILDING APPROVAL STATISTICS

#### Summary 2015/2016

Type of Permit Issued For	Number	Value of Work	Fees Received
Carport, Patio, Pergola, Verandah	10	\$84,081	\$855.00
Domestic Outbuilding	8	\$144,825	\$760.00
Dealership	1	\$3,500,000	\$2,965.86
New Dwelling	5	\$955,787	\$1,006.56
Swimming Pool	1	\$25,000	\$95.00
Hardstand	1	\$100,000	\$180.00
Alteration to existing building	5	\$71,010	\$475.00
Transportable	2	\$10,000	\$192.00
<b>TOTAL</b>	<b>33</b>	<b>\$4,890,703</b>	<b>\$6,529.42</b>
Total 2014/2015	34	\$3,897,796	\$6,451.25
Total 2013/2014	18	\$1,834,402	\$4,039.26
Total 2012/2013	13	\$588,084	\$2,382.65
Total 2011/2012	17	\$4,756,310	\$10,301
Total 2010/2011	26	\$1,981,003	\$5,708
Total 2009/2010	41	\$2,835,191	\$8,374
Total 2008/2009	28	\$1,723,265	\$11,689
Total 2007/2008	49	\$3,589,381	\$21,073
Total 2006/2007	50	\$2,745,394	\$15,681
Total 2005/2006	38	\$3,135,606	\$6,929
Total 2004/2005	34	\$2,599,178	\$6,369
Total 2003/2004	33	\$1,584,377	\$5,396
Total 2002/2003	27	\$690,323	\$3,929

### PLANNING APPROVALS ISSUED

#### Summary 2015/2016

Number of Approvals Issued	Value of Development	Fees Received
14	\$1,151,943.00	\$4,815.42

# Chief Executive Officer's Report

## Building Services

DEMOLITION PERMITS ISSUED	
Summary 2015/2016	
Number of Permits Issued	Fees received
0	\$0

### Environmental Health

Health issues are dealt with by myself and/or a contracted Environmental Health Officer as required.

### EHO Report on Food Premises Inspections

Currently the Shire has a total of 22 registered food premises.



**Melissa Marcon**  
**BUILDING SERVICES COORDINATOR**

# Chief Executive Officer's Report

## Works & Services



Karl Mickle  
**Manager Works & Services**

During the year under review, Council once again committed in excess of \$3.34 million towards the development and maintenance of its road infrastructure.

The table below illustrates some of the wide range of works that were completed during this period.

<u>PROJECT</u>	<u>EXPENDITURE</u>
Roads – Construction (excluding footpaths)	\$ 2,421,513
Roads – Maintenance	\$ 750,835
Street Lighting and maintenance	\$ 44,020
Street sweeping and cleaning	\$ 38,868
Footpath Construction / Maintenance	\$ 73,333
Street Tree Maintenance	\$ 14,398

Council is highly reliant on funds being made available from bodies such as the Federal Government, WA Local Government Grants Commission and Main Roads WA each year and this year was no different, with Council receiving over \$2,165,035 in direct funding and other fees and charges. The break-down of the funding was as follows:

• WA Local Government Grants Commission	\$ 351,299
• MRWA (Direct Grant)	\$ 168,100
• MRWA (Project Specific)	\$ 594,500
• Federal Government (Roads to Recovery)	\$ 1,046,365
• Street Light Subsidy	\$ 4,771

# Chief Executive Officer's Report

## Works & Services

Road construction projects for the financial year included:

### CAPITAL EXPENDITURE - 2015/2016 BUDGET

LOCATION	DESCRIPTION	TOTAL EXPENDITURE
Dowerin-Kalannie Rd	Final Seal (SLK 31.20-35.20 ) 4Km	\$ 165,439
Hospital Road	Widen to 7.00 + 10.0 formation SLK 51.20-53.20 (2Km)	\$ 189,215
Dowerin-Kalannie Rd	Widen to 7.00 + 10.0 formation SLK 37.65-39.65 (2)	\$ 199,040
Waddington Rd	Final Seal SLK 4.00-6.00 (2Km)	\$ 93,178
Waddington Rd	Realign curve and widen to 7.0m bitumen SLK 6.00-8.00 (2Km)	\$ 251,686
Kondut West Road	Tree Roots	\$ 26,371
Kondut South East Road	Reseal Slk 1.79-2.40	\$ 11,607
Wandoo Crescent	Between Johnson Street and Wilding Street, South side (lights)	\$ 31,129
Ballidu East Road	Shoulder work 4Km	\$ 54,197
Wongan Cadoux Road	Widen Shoulder & extend 22 Culverts & reseal to a 7meter new seal over all works Total 22.5km	\$ 1,046,365
Stickland Street	New Drain SLK 0.4-0.5	\$ 51,537
Manmanning Road	Cut & lift SLK 22.40-224.90 2.5Km	\$ 33,031
Ballidu Bindi Bindi Road	Sub-base Repair Reconstruct Slk 10.00-10.50	\$ 45,893
Hospital Road	Culvert Works over road SLK 51.09	\$ 13,475
Ballidu Bindi Bindi Road	Reseal SLK 16.10-18.00	\$ 56,849
Ballidu Bindi Bindi Road	2 Coat Seal SLK (20.70 - 20.80) -(22.05-22.80)-(23.70-24.20)	\$ 55,021
Rifle Range Road	Resheeting over rocks 4Km	\$ 61,515
Cr-Fairbank & Wallis Street	Light pole	\$ 8,000
Bunectch-Kulja Road	Clearing	\$ 9,873
Civic Centre	WDC Grant	\$ 21,132
Grant funding	New Paths and Gopher Access	\$ 47,850
<b>TOTAL</b>		<b>\$ 2,472,404</b>

#### 2015/16 Funding

RRG	594,499
R2R	1,046,365
WDC	68,982
Blackspot	-
<b>Total</b>	<b>1,709,846</b>

# Chief Executive Officer's Report

## Works & Services

### RESEAL WORK

Job No	Name of Works	Budget Qty.
Dowerin-Kalannie Rd	10mm reseal	28000
Dowerin-Kalannie Rd	Prime & 14mm primer seal	16000
Waddington Rd	10mm reseal	16000
Waddington Rd	14mm primer reseal	16000
Kondut South East Road	10mm reseal	1800
Wongan Cadoux Road	Two coat 14mm & 7mm	154000
Ballidu Bindi Bindi Road	10mm reseal	3100
Ballidu Bindi Bindi Road	Two coat 14mm & 7mm	6000
Ballidu Bindi Bindi Road	Two coat 14mm & 7mm	7000
Hospital Road	Two coat 14mm & 7mm	14000
Manmanning Road	10mm reseal	9700
Kondut West Road	Two coat 14mm & 7mm	1800
Stickland Street	Two coat 14mm & 7mm	1500

### CONSTRUCTION

Once again it's been a very busy year with four major projects that entailed Road Widening and Sealing.

1. Dowerin Kalannie Road - 2 km section that was widened to a 7m seal
2. Hospital Road - widened to 7 meters and sealed
3. Waddington Road - widened to 7 meters and sealed
4. The fourth major project was widening the Wongan Cadoux Road from start to finish, a total of 22.5km. This was a massive undertaking, and was completed in states:
  - a. Extending all 22 culverts
  - b. Widening shoulders to allow for the 7 meter seal. This involved carting in around 20,000 m<sup>3</sup> of gravel
  - c. Removing some tree roots on one section. This involved ripping up the whole surface and reinstating.
  - d. Cement stabilisation of a 2 km section that was salt affected and was in poor condition.

Overall the Wongan Cadoux Road project went smoothly with a fantastic end result.

Construction also completed around 10 km of gravel re-sheets on various roads around the Shire. The crew also completed 4 kilometres of shoulder repairs on Ballidu East Road, removed tree roots on a section on Kondut West Road, and around 4 km clearing on Bunkeetch Kulia Road. The crew also repaired and reconstructed a bitumen section on Ballidu Bindi Bindi Road.

I would also like to thank all farmers involved in assisting us to obtain gravel this year, without their assistance it would be difficult to maintain our roads to current standards.



# Chief Executive Officer's Report

## Works & Services

### FOOTPATH WORKS – GRANTED FUNDS BY WHEATBELT DEVELOPMENT COMMISSION

We were fortunate this year to receive some funding to improve some of our footpaths around the Shire. The main focus of this funding was to provide gopher access and disabled access. This involved linking existing footpaths to allow access to cross safely. We also modified access points at the Civic Centre for wheelchair access.



# Chief Executive Officer's Report

## Works & Services



# Chief Executive Officer's Report

## Works & Services

### PARKS & GARDENS

Once again the Parks and Gardens crew have done a fantastic job around the Shire with all town gardens look fantastic. We are constantly receiving letters from visitors passing through town, commending us on our beautiful town gardens.



### PLANT REPLACEMENT



# Chief Executive Officer's Report

## Works & Services



Council maintains and regularly reviews and updates a comprehensive 10 year "Plant Replacement Programme" that schedules the most cost effective replacement cycles for all of its plant.

This process achieves two (2) goals:

- (1) It ensures that the best returns are achieved on the sale of plant
- (2) It provides the most up-to-date and efficient machinery to undertake works.

As a result of this year's review Council purchased two Mack Trucks that were delivered in early January 2016.

We have also upgraded the Maintenance Backhoe.

A handwritten signature in black ink, appearing to read "Karl Mickle".

**Karl Mickle**  
**MANAGER WORKS & SERVICES**

# Chief Executive Officer's Report

## Community Services



Joanne Guest  
**Manager Community Services**

In the 2015-2016 financial year Council adopted into its budget \$145,369.64 in funding to be distributed to the community between its annual donations and Community Development Fund.

This fund provides a platform for the community to participate in cultural and social activities, allows for the development of local heritage and also provides opportunities for the development of facilities that meet community needs. It has addressed three of our strategic goals;

- Goal 1: A healthy, supportive and safe community
- Goal 3: A strong and sustainable local economy
- Goal 4: Shire infrastructure and built environment that supports growth of the community and economy

Figure 6 following illustrates the breakdown of this budgetary figure.

# Chief Executive Officer's Report

## Community Services

GROUP	Nett Amount
Wongan Seniors Christmas Function	1,000
Wongan Masters Football Carnival	1,000
Wongan Hills Tidy Towns	500
Citizenship Ceremonies	200
Council Plaques	200
Ballidu Tidy Towns	500
Cadoux Tidy Towns	200
WH Cricket Association	750
Appreciation of Volunteer Emergency Services members	500
Wongan Bushcare	300
Australia Day Function - Ballidu	200
School Chaplaincy	35,500
Cadoux Sports Council (as per lease)	8,279
WH Sports Council (as per lease)	8,279
Ballidu Sports Council (as per lease)	8,279
WH Museum - Gardening maintenance (as per lease)	2,500
Christmas Lights Competition	1,000
Bike it to Ballidu	300
Pre-school subsidies	1,000
P&C Pool Subsidies	2,040
WHSHS Scholarship	350
Ballidu Art Society	4,500
WH Art Society	5,500
WH Pharmacy Golf Day (WH Police)	250
WH Tourism Group	10,000
Tourism & Area Promotion**	12,895
Miscellaneous - To be used at discretion of Council and CEO	1,500
WH District High School	1,600
Cubbyhouse	18,000
WH Anglican Parish	2,000
Wongan Hills Aged Persons Homes	2,500
Wongan Hills & Districts Museum & Historical Society	5,083.92
Elizabeth Telfer Centre	2,663.72
Wongan Hills Progress Association- Harvest Festival	4,000
Wongan Hills Progress Association- Christmas Lights	2,000
<b>Total</b>	<b>\$145,369.64</b>

Fig. 6

# *Chief Executive Officer's Report*

## *Community Services*

The CRC is responsible for providing services across 3 delivery areas;

1. Government and Community Information
2. Economic and Business Development Services and
3. Social Development Services

These delivery areas are strongly aligned to the Royalties for Regions (RfR) dedication to economic, social and business development of regional Western Australia. RfR funding of any project or program must be made with these outcomes being both intended and realised. The CRC operations for the 2015/16 period were audited against our contract agreement with the Department of Regional Development and no non-compliance matters were noted.

The CRC continues to deliver a broad range of services, including the provision of Licensing and Human Services; TransWA; library services; room hire and provision of free office space to visiting Government Department officers.

Successful programs that have been held have included two free four week Food Sensations healthy cooking and budgeting courses, the Rural Inreach health and well-being program, the Better Beginnings library program for children, MC, HR and forklift courses, Business After Hours and a wide range of events and functions.

The rolling traineeship program at the Community Resource Centre has seen another graduate this year, who chose to stay with the CRC at the completion of her traineeship and undertake a further qualification. Funded through the Department of Regional Development & Lands, the traineeship program is designed to give the graduate skills and knowledge acquired through their training to gain full time employment.

Some of the projects and programs the CRC has driven this year include the Community Aged Friendly bus pilot project which trialled an affordable weekly bus service from the Shires of Victoria Plains and Wongan-Ballidu to Northam and return for people without private means of transport; the Kidsport program that gives children from families with limited means up to \$200 annually to enable them to participate in sports programs and the Catsnip program which assisted with the cost of sterilisation and micro chipping of domestic cats.

We also partnered with the Wongan Hills Therapy Group and Wongan Hills Community Care to complete the Nature Playground project which has led to a magnificent playground with opportunities for creative outdoor play for families and special access and sensory play equipment for children with disabilities.

# Chief Executive Officer's Report

## Community Services



*Nature Playground*

Leading Wheatbelt Women seminar held in December provided high quality presenters and gave local women in business the opportunity to learn how to keep pace with technology in order to maximise their business potential.

One very successful event in March was a partnership with the Wongan Hills Mens' Shed to host a Barbecue Bonanza workshop featuring celebrity butcher Vince Garreffa who gave a lamb butchering demonstration and hosted a sausage making competition. This event was sponsored by Local Drug Action Group, who aim to promote awareness of healthy lifestyles and the issues around the use of drugs and alcohol for youth, families and community.



*Barbecue Bonanza*



# Chief Executive Officer's Report

## Community Services

In December an Up, Up and Away Kitemaking workshop was held, involving Michael Albares from Kite Kinetics who brought some amazing large kites and engaged local families in a very well attended workshop. Again, this workshop was sponsored by LDAG with a goal of creating a safe and comfortable environment for children and teenagers to talk about issues relating to drugs and alcohol.



*Up, Up and Away*

The Wonga-Balli Boomer celebrated 20 years of publication in May and a celebratory morning tea was held to thank the many volunteers who have contributed throughout the years, and without whom the Boomer would not have been possible. These volunteers embody the spirit of community that makes the Shire of Wongan-Ballidu a vibrant, thriving and liveable region which goes against the trend of population decline in regional Western Australia to experience population growth (2006 and 2011 ABS census reports). Thanks go to all volunteers in the Shire who have contributed in many ways to make the Shire the wonderful community that it is.



*Boomer Volunteers Past and Present.*

# Chief Executive Officer's Report

## Community Services

CRC Income	Budget	ACTUAL
Large Format Printer	-\$500.00	-\$1,503.00
Library Income	-\$80.00	-\$53.35
CRC Trainee Support Grant	-\$3,000.00	-\$3,409.09
CRC Event Funding	-\$10,000.00	-\$19,246.22
CRC Boomer Sales	-\$20,000.00	-\$19,957.84
Government & Community Information Grant	-\$45,000.00	-\$44,906.52
Economic Business Development Grant	-\$45,000.00	-\$44,906.52
Social Development Grant	-\$20,000.00	-\$20,600.00
Hot Office Provision Grant	-\$3,000.00	-\$6,090.00
CRC Boomer Advertising Income	-\$15,000.00	-\$24,736.10
CRC Room Hire	-\$3,000.00	-\$3,802.73
CRC Function Room Hire	-\$1,500.00	-\$3,662.73
CRC Boardroom Hire	-\$500.00	-\$4,563.09
CRC Kitchen Hire	-\$100.00	-\$854.56
CRC Printing and Photocopying Services	-\$5,000.00	-\$9,712.64
CRC Internet Access	-\$400.00	-\$1,720.90
CRC Binding, Laminating, Email & Faxing Services	-\$50.00	-\$633.57
CRC Internal Services Contracted	-\$1,000.00	\$0.00
CRC External Services Contracted	-\$1,150.00	-\$5,356.01
CRC External Services Contracted	-\$15,000.00	\$0.00
CRC Centrelink Income	-\$4,170.75	-\$5,143.82
CRC TransWA Income	-\$2,000.00	-\$2,196.65
CRC TransWA Income	\$0.00	-\$359.55
CRC TAFE Training Income	\$0.00	-\$2.90
CRC Catering Income	-\$200.00	-\$1,938.18
CRC Reimbursements	-\$6,000.00	-\$608.73
CRC Licence Plate Income	-\$500.00	-\$727.29
CRC Training / Courses Income	-\$13,000.00	-\$15,365.81
<b>COMMUNITY RESOURCE CENTRE</b>	<b>-\$215,150.75</b>	<b>-\$242,057.80</b>

# Chief Executive Officer's Report

## Community Services

CRC Expenditure	Budget	ACTUAL
CRC Salaries & Wages	\$199,779.00	\$200,040.24
CRC Administration Expenses	\$18,550.00	\$11,595.38
CRC Event and Organised Training Exp.	\$23,023.55	\$29,767.81
Furniture and Fittings	\$2,500.00	\$1,529.57
CRC Superannuation	\$0.00	\$0.00
CRC Trainee Salaries and Wages	\$31,562.00	\$22,721.22
CRC Workers Comp Insurance	\$0.00	\$0.00
CRC Staff training	\$0.00	\$0.00
CRC Event Expenditure	\$0.00	\$0.00
CRC Organised Training Courses	\$0.00	\$0.00
CRC ICT Support and Development	\$0.00	\$0.00
CRC Telephone/Internet/Utilities	\$34,685.00	\$11,708.18
CRC Marketing and Promotion	\$0.00	\$0.00
Large Format Printer Expense	\$3,500.00	\$390.46
CRC Library Expenses	\$2,500.00	\$2,377.76
CRC Building Maintenance	\$0.00	\$0.00
CRC Repairs & Maintenance ( Non Building)	\$0.00	\$0.00
CRC Repairs Building Maintenance ( Not Shire)	\$0.00	\$0.00
CRC Stationery, Postage & Freight	\$0.00	\$6.35
CRC Refreshments, Cleaning	\$0.00	\$0.00
CRC Furniture & Equipment Maintenance	\$0.00	\$0.00
CRC TransWA Expenditure	\$1,850.00	\$1,886.23
CRC Boomer Consumables Expenditure	\$36,943.60	\$34,481.14
<b>COMMUNITY RESOURCE CENTRE</b>	<b>\$354,893.15</b>	<b>\$316,504.34</b>



**Joanne Guest**  
**MANAGER COMMUNITY SERVICES**

# *Chief Executive Officer's Report*

## *Community Services*

### **Freedom of Information Statement**

The Shire of Wongan-Ballidu is responsible for the good governance of the Shire and carries out functions as required including statutory compliance and provision of services and facilities.

The Council consists of nine elected members who meet each month, except January, to make decisions relating to the policy and direction of the Shire. All Council meetings are open to the public and the meeting dates and venues are advertised. Members of the public are able to ask questions during Public Question Time at the commencement of each meeting.

Council maintains records relating to each property within the Shire and also records relating to the function and administration of the Shire including Codes of Conduct, Minutes of Meetings, Register of Financial Interests, Register of Delegated Authority, Rate Book, Electoral Roll, Financial Statements, Local Laws and Town Planning Schemes.

These documents can be inspected free of charge at the Shire Administration Office, corner Quinlan Street and Elphin Crescent Wongan Hills, 8:30am to 4:30pm, Monday to Friday (except public holidays).

Changes to personal information should be made in writing.

Council had no requests for Freedom of Information during the year under review as Council has an active policy of providing access to information wherever possible and practical (where it does not contravene the privacy rights of individuals) free of charge. Note that a small administrative / copy charge may be incurred.

Requests for information under the Freedom of Information Act can be sent to:

Chief Executive Officer  
Shire of Wongan-Ballidu  
PO Box 84  
WONGAN HILLS WA 6603

### **Disability Services and Inclusiveness Plan**

Council continues to upgrade its buildings to incorporate access for the disabled.

All applications for building licences have the Building Code of Australia access requirements applied.

The Shire continues to improve access to written information and publications and increase awareness through public information and grievance mechanisms.

### **National Competition Policy**

In 1995 the Council of Australian Government entered into a number of agreements known as the *National Competition Policy*. The policy is a whole of Government approach to bring about reform in the public sector to encourage Government to become more competitive.

# Statutory Reports

Local Government will mainly be affected where it operates significant business activities that compete or could compete with private sector business. Local Government will also be impacted where its local laws unnecessarily affect competition.

The Shire of Wongan-Ballidu is required to comply with certain policies contained within the National Competition Policy statement and report on progress in connection with Competitive Neutrality Principles and review of Local Laws.

## **Competitive Neutrality**

The principle of competitive neutrality is that government businesses should not enjoy a competitive advantage, or suffer a disadvantage, simply as a result of their public sector ownership. Measures should be introduced to effectively neutralize any net competitive advantage flowing from government ownership.

Competitive neutrality should apply to all business activities that generate a user pays income of over \$200,000 per annum, unless it can be shown it is not in the public interest. A public benefit test is used to determine if competitive neutrality is in the public interest. This involves assessing the benefits of implementing competitive neutrality against the costs. If the benefits exceed the costs, competitive neutrality should be implemented.

*The Shire of Wongan-Ballidu does not control any business activity with a user pays income in excess of \$200,000.*

## **Public Interest Disclosure**

The Public Interest Disclosure Act was established by the Commissioner for Public Sector Standards under Section 20 of the Public Interest Disclosure Act 2003.

One of the principles of the new legislation is not just to provide protection to those who make disclosures (and those who are the subject of disclosures) but also encourages a system of transparency and accountability in the way government or government officials act and utilise public monies.

Matters that fall into the category of public interest include the following:

- Improper Conduct (irregular or unauthorised use of public resources)
- An offence under State Law including corruption (substantial unauthorised or irregular use of, or substantial mismanagement of, public resources).
- Administration matters generally (conduct involving a substantial risk of injury to public health, prejudice to public safety or harm to the environment)

Matters that relate to the Shire of Wongan-Ballidu should be referred to the Shire of Wongan-Ballidu's Public Interest Disclosure Officer. Disclosures to the Public Interest Disclosure Officer can be made not just about officers of a local authority but also its elected officials.

There is an obligation on the Public Interest Disclosure Officer in the Public Interest Disclosure Act to ensure that the disclosure is confidential and that the person making a disclosure is provided adequate protection from reprisals, civil and criminal liability, dismissal or breach of confidentiality.

The Shire of Wongan-Ballidu had no Public interest Disclosures during the reporting period.

# Statutory Reports

## **Recordkeeping Plan**

The State Records Act 2000 is an Act to provide for the keeping of State records and for related purposes. Section 19 of the Act requires that every government organization must have a recordkeeping plan (RKP) that has been approved by the State Records Commission.

A government organization's recordkeeping plan sets out the matters about which records are to be created by the organization and how it is to keep its records.

The recordkeeping plan comprises of a range of documents which, when assessed as a whole, provides an accurate reflection of the recordkeeping program within the organization. More specifically, documentation regarding the organization's recordkeeping system/s, disposal arrangements, policies, practices and processes are the essential components of the recordkeeping plan. The inclusion of such documentation will constitute evidence of compliance.

The Shire of Wongan-Ballidu reviewed the RKP in April 2011 and a revised RKP was submitted to the State Records Office (SRO) for Approval on the 5<sup>th</sup> August 2016.

The SRO Approved the Amended RKP effectively on the 5<sup>th</sup> August 2016.

The RKP reflects current situation and reports on compliance areas as per SRC Standard 2, Principle 6.

The RKP reports policies, procedures and activities which are or will be implemented by the Shire of Wongan-Ballidu to comply with the State Records Act 2000.

Staff members responsible for records management have been trained in the basic retention and disposal methods for Local Government and have attended Record Keeping Plan training at the Office of State Records.

In-house recordkeeping training sessions for staff are conducted on an as needs basis, for example, when an aspect of the recordkeeping systems changes, or if, responsibilities change.

The Induction/introduction clearly addresses employee roles and responsibilities in relation to recordkeeping and the program is run in accordance with the RKP.

Staffs are encouraged to attend training courses outside the organization whenever practicable.

Further training is programmed for new and existing staff in the following reporting period.

In accordance with section 28 of the State Records 2000, the plan for the Shire of Wongan-Ballidu is to be reviewed within (5) five years of its approval date.

A completion of this review will be submitted to the SRO on or before 05<sup>th</sup> August 2021.

# Statutory Reports

## **Information on Payments to Employees**

For the purposes of Section 5.53(2) (g) the Annual Report of a Local Government for a financial year, below in bands of \$10,000, is the number of employees of the Shire of Wongan-Ballidu entitled to an annual salary of \$100,000 or more.

Annual salary only includes the cash component of any remuneration.

Annual Salary Entitlements	Actual
<i>Employee entitled to an annual salary of \$100,000 to \$110,000</i>	1
<i>Employee entitled to an annual salary of \$150,000 to \$160,000</i>	1

## **Code of Conduct Breaches**

The Council's complaints officer has reviewed no complaints valid or otherwise against its adopted Code of Conduct of the State-wide Local Government (Rules of Conduct) Regulations during the financial year.

### **Conduct of Elected Members**

Pursuant to Section 5.110 and 5.121 of the Local Government Act 1995 the complaints officer for a local government is required to maintain a register of complaints which records all complaints that result in action under section 5.110(6)(b) or (c) of that Act.

The register of complaints is to include, for each recorded complaint —

- (a) the name of the council member about whom the complaint is made;
- (b) the name of the person who makes the complaint;
- (c) a description of the minor breach that the standards panel finds has occurred; and
- (d) details of the action taken under section 5.110(6)(b) or (c).

Noting the law only came into effect from October 2007; details of entries made under section 5.121 during the 2011/12 financial year in the register of complaints are;

- (i) the number of complaints recorded in the register of complaints; Nil.
- (ii) how the recorded complaints were dealt with; Not applicable.

Stuart Taylor  
Designated Complaints Officer  
Chief Executive Officer  
Shire of Wongan-Ballidu

## **Review of the Planning for the Future**

The Local Government Act 1995 states the necessity for the preparation and implementation for Planning for the Future.

The Plan will provide a structural medium for the Local Government to develop a process by which works and services can be delivered, not only efficiently, but also progressively.

This is not to say the Plan is set in concrete. The Plan may be reviewed on an annual basis, but must be updated each second year before budget adoption to ensure that community needs are continually amended and delivered.

# Statutory Reports

It is for this reason that Council urges the community to interact with Council in developing the Plan so as to guarantee open, fair and responsible government.

On behalf of the Shire of Wongan-Ballidu, I invite the community to take the opportunity to enter and develop a partnership that will take us into an exciting and fulfilling future.

*Section 5.56 is as follows:*

*5.56 Planning for the future*

- (1) A local government is to plan for the future of the district.*
- (2) A local government is to ensure that plans made under subsection (1) are in accordance with any regulations made about planning for the future of the district.*

*Section 19C is as follows:*

19C. Strategic community plans, requirements for (Act s. 5.56)

- (1) A local government is to ensure that a strategic community plan is made for its district in accordance with this regulation in respect of each financial year after the financial year ending 30 June 2013.
- (2) A strategic community plan for a district is to cover the period specified in the plan, which is to be at least 10 financial years.
- (3) A strategic community plan for a district is to set out the vision, aspirations and objectives of the community in the district.
- (4) A local government is to review the current strategic community plan for its district at least once every 4 years.
- (5) In making or reviewing a strategic community plan, a local government is to have regard to—
  - (a) the capacity of its current resources and the anticipated capacity of its future resources; and
  - (b) strategic performance indicators and the ways of measuring its strategic performance by the application of those indicators; and
  - (c) demographic trends.
- (6) Subject to subregulation (9), a local government may modify its strategic community plan, including extending the period the plan is made in respect of.
- (7) A council is to consider a strategic community plan, or modifications of such a plan, submitted to it and is to determine\* whether or not to adopt the plan or the modifications.

\*Absolute majority required.

- (8) If a strategic community plan is, or modifications of a strategic community plan are, adopted by the council, the plan or modified plan applies to the district for the period specified in the plan.
- (9) A local government is to ensure that the electors and ratepayers of its district are consulted during the development of a strategic community plan and when preparing modifications of a strategic community plan.
- (10) A strategic community plan for a district is to contain a description of the involvement of the electors and ratepayers of the district in the development of the plan or the preparation of modifications of the plan.



# *Statutory Reports*

## **Councils Preferred Agents**

### **AUDITORS**

*Moore Stephens (WA) Pty Ltd  
Chartered Accountants  
2 The Esplanade  
PERTH WA 6000*

### **SOLICITORS**

*McLeods Barristers & Solicitors  
Stirling Law Chambers  
220-222 Stirling Highway  
CLAREMONT WA 6010*

### **SETTLEMENT AGENTS**

*St James Conveyancing  
P O Box 912  
BALCATTWA WA 6914*

### **BANKING AGENTS**

*ANZ Bank  
Fenton Place  
WONGAN HILLS WA 6603*

### **DEBT COLLECTION AGENTS**

*Austral Mercantile Collections  
Level 2, 32 Kings Park Road  
WEST PERTH WA 6005*

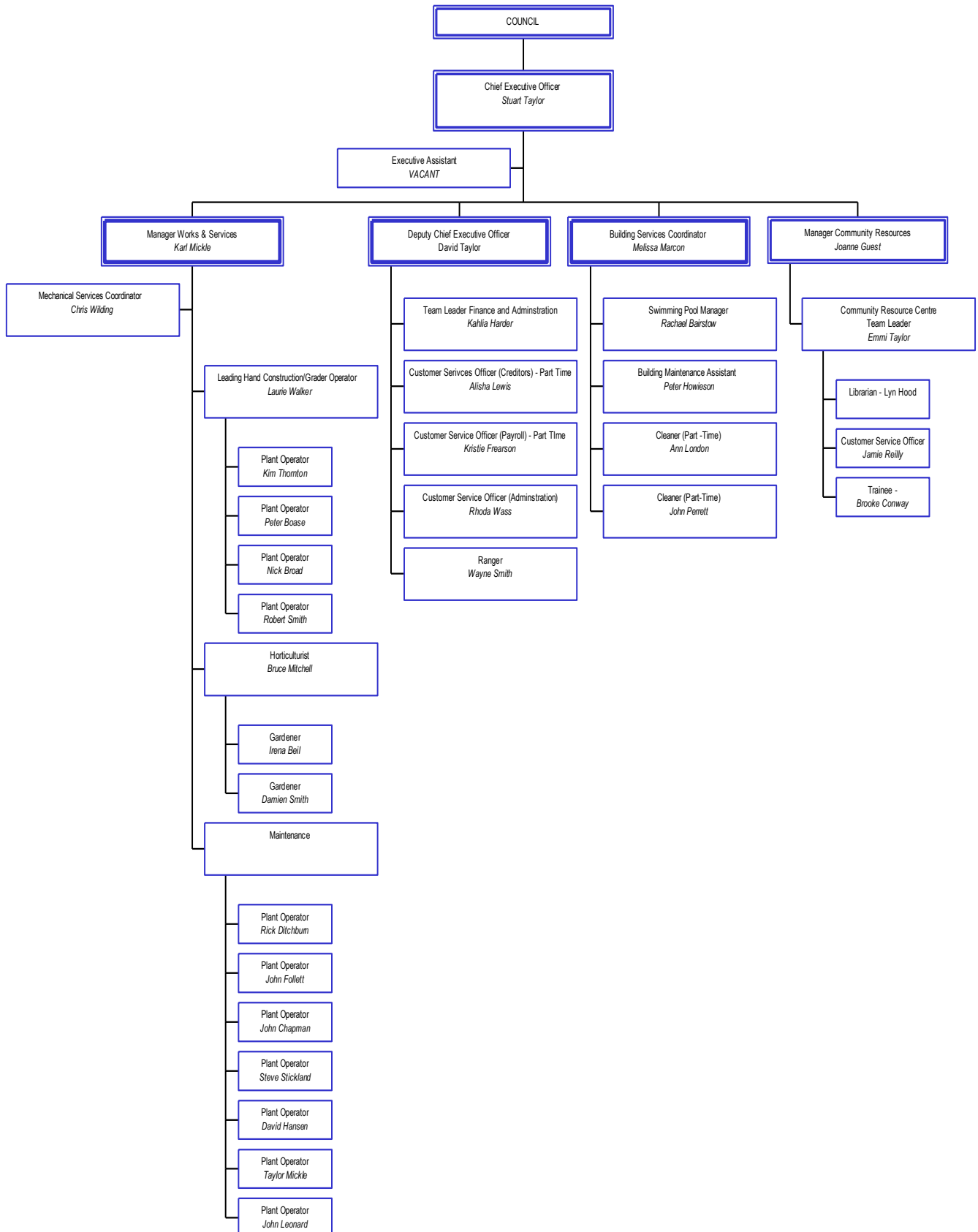
### **INSURANCE BROKERS**

*Local Government Insurance Services  
17 Altona Street  
WEST PERTH WA 6005*



# Organisation Chart

## As at 30 June 2016



**SHIRE OF WONGAN-BALLIDU**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

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Principal place of business:  
Cnr Elphin Crescent & Quinlan Street  
Wongan Hills WA 6603

SHIRE OF WONGAN-BALLIDU  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire being the annual financial report and other information for the financial year ended 30 June 2016 are in my opinion properly drawn up to present fairly the financial position of the Shire at 30th June 2016 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the 17<sup>th</sup> day of November 2016



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Mr Stuart Taylor  
Chief Executive Officer

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

	NOTE	2016 \$	2016 Budget \$	2015 \$
<b>Revenue</b>				
Rates	23	2,666,648	2,679,539	2,628,669
Operating grants, subsidies and contributions	30	1,756,364	1,751,517	3,284,428
Fees and charges	29	1,109,778	1,029,300	2,130,536
Service charges	26	25,400	25,400	25,500
Interest earnings	2(a)	135,707	75,234	114,790
Other revenue	2(a)	349,482	94,505	438,587
		<u>6,043,379</u>	<u>5,655,495</u>	<u>8,622,510</u>
<b>Expenses</b>				
Employee costs		(2,104,114)	(2,245,037)	(1,919,789)
Materials and contracts		(1,912,186)	(2,140,241)	(1,157,351)
Utility charges		(297,332)	(281,010)	(303,225)
Depreciation on non-current assets	2(a)	(2,166,090)	(2,351,410)	(3,134,678)
Interest expenses	2(a)	(55,360)	(36,935)	(64,196)
Insurance expenses		(215,621)	(236,157)	(251,418)
Other expenditure		(794,113)	(265,791)	(354,123)
		<u>(7,544,816)</u>	<u>(7,556,581)</u>	<u>(7,184,780)</u>
		(1,501,437)	(1,901,086)	1,437,730
Non-operating grants, subsidies and contributions	30	1,283,624	993,167	1,609,200
Profit on asset disposals	21	202	0	0
(Loss) on asset disposals	21	(121,590)	(47,304)	(256,917)
<b>Net result</b>		<u>(339,201)</u>	<u>(955,223)</u>	<u>2,790,013</u>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	1,149,141	0	19,555,718
<b>Total other comprehensive income</b>		<u>1,149,141</u>	<u>0</u>	<u>19,555,718</u>
<b>Total comprehensive income</b>		<u><u>809,940</u></u>	<u><u>(955,223)</u></u>	<u><u>22,345,731</u></u>

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

**SHIRE OF WONGAN-BALLIDU**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2016 \$	2016 Budget \$	2015 \$
<b>Revenue</b>	2(a)			
Governance		182,258	24,300	188,397
General purpose funding		3,729,406	3,732,581	5,626,871
Law, order, public safety		34,186	30,470	31,174
Health		71,778	5,150	23,371
Education and welfare		6,447	4,704	47,057
Housing		77,053	82,880	100,815
Community amenities		248,702	174,285	195,125
Recreation and culture		125,709	113,991	122,771
Transport		582,461	602,168	193,221
Economic services		35,560	14,950	71,210
Other property and services		949,819	870,016	2,022,498
		<u>6,043,379</u>	<u>5,655,495</u>	<u>8,622,510</u>
<b>Expenses</b>	2(a)			
Governance		(291,423)	(303,919)	(312,352)
General purpose funding		(109,471)	(113,322)	(104,494)
Law, order, public safety		(212,458)	(129,025)	(121,102)
Health		(283,448)	(114,127)	(112,143)
Education and welfare		(196,980)	(212,364)	(173,615)
Housing		(191,220)	(209,760)	(174,177)
Community amenities		(465,882)	(443,264)	(376,049)
Recreation and culture		(1,455,791)	(1,412,225)	(1,911,819)
Transport		(2,805,681)	(2,923,407)	(2,553,921)
Economic services		(212,845)	(137,053)	(147,519)
Other property and services		(1,264,257)	(1,521,180)	(1,133,393)
		<u>(7,489,456)</u>	<u>(7,519,646)</u>	<u>(7,120,584)</u>
<b>Finance costs</b>	2(a)			
Education and welfare		(6,886)	(4,204)	(4,417)
Housing		(14,583)	(10,280)	(32,141)
Recreation and culture		(4,448)	(3,954)	(6,114)
Other property and services		(29,443)	(18,497)	(21,524)
		<u>(55,360)</u>	<u>(36,935)</u>	<u>(64,196)</u>
		<u>(1,501,437)</u>	<u>(1,901,086)</u>	<u>1,437,730</u>
Non-operating grants, subsidies and contributions	30	1,283,624	993,167	1,609,200
Profit on disposal of assets	21	202	0	0
(Loss) on disposal of assets	21	(121,590)	(47,304)	(256,917)
<b>Net result</b>		<u>(339,201)</u>	<u>(955,223)</u>	<u>2,790,013</u>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	1,149,141	0	19,555,718
<b>Total other comprehensive income</b>		<u>1,149,141</u>	<u>0</u>	<u>19,555,718</u>
<b>Total comprehensive income</b>		<u><u>809,940</u></u>	<u><u>(955,223)</u></u>	<u><u>22,345,731</u></u>

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

**SHIRE OF WONGAN-BALLIDU**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH JUNE 2016**

	NOTE	2016 \$	2015 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	3,313,939	3,944,187
Trade and other receivables	4	462,968	942,919
Inventories	5	9,521	39,666
<b>TOTAL CURRENT ASSETS</b>		<b>3,786,428</b>	<b>4,926,772</b>
<b>NON-CURRENT ASSETS</b>			
Other receivables	4	209,143	261,842
Inventories	5	839,335	904,335
Property, plant and equipment	6	25,133,975	23,841,486
Infrastructure	7	63,621,238	63,012,540
<b>TOTAL NON-CURRENT ASSETS</b>		<b>89,803,691</b>	<b>88,020,203</b>
<b>TOTAL ASSETS</b>		<b>93,590,119</b>	<b>92,946,975</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	132,113	189,427
Current portion of long term borrowings	9	52,993	97,979
Provisions	10	392,162	414,224
<b>TOTAL CURRENT LIABILITIES</b>		<b>577,268</b>	<b>701,630</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	9	695,376	748,395
Provisions	10	69,507	58,923
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>764,883</b>	<b>807,318</b>
<b>TOTAL LIABILITIES</b>		<b>1,342,151</b>	<b>1,508,948</b>
<b>NET ASSETS</b>		<b>92,247,968</b>	<b>91,438,027</b>
<b>EQUITY</b>			
Retained surplus		54,579,338	56,339,708
Reserves - cash backed	12	2,643,507	1,222,338
Revaluation surplus	13	35,025,123	33,875,982
<b>TOTAL EQUITY</b>		<b>92,247,968</b>	<b>91,438,028</b>

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

**SHIRE OF WONGAN-BALLIDU**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2014</b>		53,261,020	1,511,012	14,320,264	69,092,297
Comprehensive income					
Net result		2,790,013	0	0	2,790,013
Changes on revaluation of assets		0	0	19,555,718	19,555,718
Total comprehensive income	13	<u>2,790,013</u>	<u>0</u>	<u>19,555,718</u>	<u>22,345,731</u>
Transfers from/(to) reserves		288,674	(288,674)	0	0
<b>Balance as at 30 June 2015</b>		<b>56,339,708</b>	<b>1,222,338</b>	<b>33,875,982</b>	<b>91,438,028</b>
Comprehensive income					
Net result		(339,201)	0	0	(339,201)
Changes on revaluation of assets		0	0	1,149,141	1,149,141
Total comprehensive income	13	<u>(339,201)</u>	<u>0</u>	<u>1,149,141</u>	<u>809,940</u>
Transfers from/(to) reserves		(1,421,169)	1,421,169	0	0
<b>Balance as at 30 June 2016</b>		<b>54,579,338</b>	<b>2,643,507</b>	<b>35,025,123</b>	<b>92,247,968</b>

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



**SHIRE OF WONGAN-BALLIDU  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2016 Actual \$	2016 Budget \$	2015 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		2,653,339	2,547,853	2,618,460
Operating grants, subsidies and contributions		2,296,565	1,751,517	4,027,289
Fees and charges		1,109,778	1,029,300	2,130,536
Service charges		25,400	25,400	25,500
Interest earnings		135,707	75,234	114,790
Goods and services tax		172,698	131,686	504,027
Other revenue		349,482	94,505	438,587
		<u>6,742,969</u>	<u>5,655,495</u>	<u>9,859,189</u>
<b>Payments</b>				
Employee costs		(2,112,998)	(2,230,037)	(1,853,834)
Materials and contracts		(1,954,246)	(1,557,225)	(1,768,200)
Utility charges		(297,332)	(281,010)	(303,225)
Interest expenses		(43,063)	(36,935)	(74,821)
Insurance expenses		(215,621)	(236,157)	(251,418)
Goods and services tax		(224,975)	0	(532,186)
Other expenditure		(242,629)	(265,279)	(352,338)
		<u>(5,090,864)</u>	<u>(4,606,643)</u>	<u>(5,136,022)</u>
<b>Net cash provided by (used in) operating activities</b>	14(b)	1,652,105	1,048,852	4,723,167
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment		(1,203,269)	(1,203,145)	(2,189,661)
Payments for construction of infrastructure		(2,537,112)	(2,253,745)	(1,521,110)
Adjustment to Infrastructure		1,419	0	0
Non-operating grants, subsidies and contributions		1,283,624	993,167	1,609,200
Proceeds from sale of Plant & Equipment		212,955	198,470	215,848
<b>Net cash provided by (used in) investment activities</b>		<u>(2,242,383)</u>	<u>(2,265,253)</u>	<u>(1,885,723)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of debentures		(98,005)	(97,979)	(1,022,801)
Advances to Community Groups		0	(400,000)	0
Proceeds from self supporting loans		58,035	62,778	489,980
Proceeds from new debentures		0	400,000	0
<b>Net cash provided by (used in) financing activities</b>		<u>(39,970)</u>	<u>(35,201)</u>	<u>(532,821)</u>
<b>Net increase (decrease) in cash held</b>		(630,248)	(1,251,602)	2,304,623
Cash at beginning of year		3,944,187	3,944,187	1,639,564
<b>Cash and cash equivalents at the end of the year</b>	14(a)	<u><u>3,313,939</u></u>	<u><u>2,692,585</u></u>	<u><u>3,944,187</u></u>

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

**SHIRE OF WONGAN-BALLIDU**  
**RATE SETTING STATEMENT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2016 Actual \$	2016 Budget \$	2015 Actual \$
<b>Net current assets at b/fwd - surplus/(deficit)</b>		3,102,634	3,078,622	651,340
		<u>3,102,634</u>	<u>3,078,622</u>	<u>651,340</u>
<b>Revenue from operating activities (excluding rates)</b>				
Governance		182,258	24,300	188,397
General purpose funding		1,062,758	1,053,042	1,782,367
Law, order, public safety		34,186	30,470	31,174
Health		71,778	5,150	23,371
Education and welfare		6,447	4,704	47,057
Housing		77,053	82,880	100,815
Community amenities		248,702	174,285	195,125
Recreation and culture		125,709	113,991	262,958
Transport		582,663	602,168	1,268,869
Economic services		35,560	14,950	71,210
Other property and services		949,819	870,016	2,022,498
		<u>3,376,933</u>	<u>2,975,956</u>	<u>5,993,841</u>
<b>Expenditure from operating activities</b>				
Governance		(306,122)	(315,918)	(314,551)
General purpose funding		(109,471)	(113,322)	(104,494)
Law, order, public safety		(212,458)	(129,025)	(121,102)
Health		(283,448)	(114,127)	(112,143)
Education and welfare		(203,866)	(216,568)	(178,032)
Housing		(205,803)	(220,040)	(206,318)
Community amenities		(465,882)	(443,264)	(376,049)
Recreation and culture		(1,460,239)	(1,416,179)	(1,917,933)
Transport		(2,908,812)	(2,953,482)	(2,808,639)
Economic services		(216,605)	(142,283)	(147,519)
Other property and services		(1,293,700)	(1,539,677)	(1,154,917)
		<u>(7,666,406)</u>	<u>(7,603,885)</u>	<u>(7,441,697)</u>
<b>Operating activities excluded from budget</b>				
(Profit) on disposal of assets	21	(202)	0	0
Loss on disposal of assets	21	121,590	47,304	256,917
Impairment of Infrastructure		551,484	0	0
Adjustment to Infrastructure		1,420	0	1,785
Movement in Long Service Leave Reserve		1,999	0	1,791
Movement in deferred pensioner rates (non-current)		0	0	6,466
Movement in employee benefit provisions (non-current)		10,584	0	(1,286)
Depreciation and amortisation on assets	2(a)	2,166,090	2,351,410	3,134,678
<b>Amount attributable to operating activities</b>		<u>1,666,126</u>	<u>849,407</u>	<u>2,603,835</u>
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		1,283,624	993,167	1,609,200
Proceeds from disposal of assets	21	212,955	198,470	215,848
Purchase of property, plant and equipment	6(b)	(1,203,269)	(1,203,145)	(712,190)
Purchase and construction of infrastructure	7(b)	(2,537,112)	(2,253,745)	(2,998,581)
<b>Amount attributable to investing activities</b>		<u>(2,243,802)</u>	<u>(2,265,253)</u>	<u>(1,885,723)</u>
<b>FINANCING ACTIVITIES</b>				
Advances to community groups		0	(400,000)	0
Repayment of debentures	22(a)	(98,005)	(97,979)	(1,022,801)
Proceeds from new debentures	22(a)	0	400,000	0
Proceeds from self supporting loans		58,035	62,778	489,980
Transfers to reserves (restricted assets)	12	(1,978,975)	(1,866,281)	(786,874)
Transfers from reserves (restricted assets)	12	557,806	440,000	1,075,548
<b>Amount attributable to financing activities</b>		<u>(1,461,139)</u>	<u>(1,461,482)</u>	<u>(244,147)</u>
<b>Surplus(deficiency) before general rates</b>		<u>(2,038,815)</u>	<u>(2,877,328)</u>	<u>473,965</u>
<b>Total amount raised from general rates</b>	23	<u>2,666,648</u>	<u>2,679,539</u>	<u>2,628,669</u>
<b>Net current assets at June 30 c/fwd - surplus/(deficit)</b>	24	<u><u>627,833</u></u>	<u><u>(197,789)</u></u>	<u><u>3,102,634</u></u>

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Preparation**

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

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

**Critical accounting estimates**

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

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

**The local government reporting entity**

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 20 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 WONGAN-BALLIDU**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

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

**(d) Trade and Other Receivables**

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

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

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

**(e) Inventories**

***General***

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

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

***Land held for sale***

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

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

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

**(f) Fixed Assets**

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

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

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

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

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

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

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

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

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

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

***Land under control***

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

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

***Initial recognition and measurement between mandatory revaluation dates***

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

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

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

***Revaluation***

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

***Land under roads***

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

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

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

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

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

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

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

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

***Depreciation***

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

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

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

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

Buildings	25 to 100 years
Furniture and equipment	4 to 10 years
Plant and equipment	1 to 15 years
Infrastructure - Drainage	70 years
Infrastructure - Footpaths	30 to 40 years
Infrastructure - Other	15 to 60 years
Infrastructure - Road Seals	27 years
Infrastructure - Road Subgrade	200 years
Infrastructure - Roads Unsealed	10 years

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

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

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

***Capitalisation threshold***

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

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

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

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

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

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

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

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

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

***Fair value hierarchy***

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

***Valuation techniques***

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

**Market approach**

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

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

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

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

***Valuation techniques (continued)***

**Income approach**

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

**Cost approach**

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

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

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

**(h) Financial Instruments**

***Initial recognition and measurement***

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

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

***Classification and subsequent measurement***

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

Amortised cost is calculated as:

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

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



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

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

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

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

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

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

*(ii) Loans and receivables*

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

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

*(iii) Held-to-maturity investments*

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

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

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

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

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

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

*(v) Financial liabilities*

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

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

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

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

***Impairment***

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

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

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

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

***Derecognition***

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

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

**(i) Impairment of Assets**

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

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

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

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

**(j) Trade and Other Payables**

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

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

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

**(k) Employee Benefits**

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

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

**(l) Borrowing Costs**

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

**(m) Provisions**

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

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

**(n) Leases**

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

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

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

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

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

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

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

**(o) Investment in Associates**

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

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

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

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

**(p) Interests in Joint Arrangements**

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

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

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 17.

**(q) Rates, Grants, Donations and Other Contributions**

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

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

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

**(r) Superannuation**

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

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

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

**(s) Current and Non-Current Classification**

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

**(t) Rounding Off Figures**

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

**(u) Comparative Figures**

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

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

**(v) Budget Comparative Figures**

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

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

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

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

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

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

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect.
(ii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2018	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.  The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.
(iii) AASB 16 Leases	February 2016	1 January 2019	Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted.  Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Shire, the impact is not expected to be significant.

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

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

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

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(iv) AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	August 2014	1 January 2016	This Standard amends AASB 11: <i>Joint Arrangements</i> to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: <i>Business Combinations</i> , to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.  Since adoption of this Standard would impact only acquisitions of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the Shire's financial statements.
(v) AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]	August 2014	1 January 2016	This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.  Given the Shire currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.
(vi) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	December 2014	1 January 2017	Consequential changes to various Standards arising from the issuance of AASB 15.  It will require changes to reflect the impact of AASB 15.

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

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

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

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(vii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101  [AASB 7, 101, 134 & 1049]	January 2015	1 January 2016	This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements.  This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column.
(viii) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities  [AASB 10, 124 & 1049]	March 2015	1 July 2016	It is not anticipated it will have any significant impact on disclosures as they currently exist and any changes will relate to presentation.  The objective of this Standard is to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities.  The Standard is expected to have a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.

Notes:

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



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

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

**(x) Adoption of New and Revised Accounting Standards**

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

These new and revised standards were as follows:

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



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

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

**(b) Statement of Objective**

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

**COMMUNITY VISION**

The Shire will endeavour to provide the community service and facilities to meet the needs of the members of the community and enable them to enjoy a pleasant and healthy way of life.

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

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

**GOVERNANCE**

**Objective:**

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

**Activities:**

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

**GENERAL PURPOSE FUNDING**

**Objective:**

To collect revenue to allow for the provision of services.

**Activities:**

Rates, general purpose government grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

**Objective:**

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

**Activities:**

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

**HEALTH**

**Objective:**

To provide an operational framework for environmental and community health.

**Activities:**

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

**EDUCATION AND WELFARE**

**Objective:**

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

**Activities:**

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

**HOUSING**

**Objective:**

To provide and maintain elderly residents housing.

**Activities:**

Provision and maintenance of elderly residents housing.

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

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

**(b) Statement of Objective (Continued)**

**COMMUNITY AMENITIES**

**Objective:**

To provide services required by the community.

**Activities:**

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

**RECREATION AND CULTURE**

**Objective:**

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

**Activities:**

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

**TRANSPORT**

**Objective:**

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

**Activities:**

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

**ECONOMIC SERVICES**

**Objective:**

To help promote the shire and its economic wellbeing.

**Activities:**

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

**OTHER PROPERTY AND SERVICES**

**Objective:**

To monitor and control Shire's overheads operating accounts.

**Activities:**

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

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

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

(c) Conditions Over Grants/Contributions	Grant/Contribution	Function/ Activity	Opening		Expended <sup>(3)</sup>		Closing		Expended <sup>(3)</sup> 2015/16	Received <sup>(2)</sup> 2015/16	Expended <sup>(3)</sup> 2015/16	Closing Balance 30/06/16
			Balance <sup>(1)</sup> 1/07/14	Received <sup>(2)</sup> 2014/15	Expended <sup>(3)</sup> 2014/15	Balance <sup>(1)</sup> 30/06/15	Received <sup>(2)</sup> 2015/16	Expended <sup>(3)</sup> 2015/16				
			\$	\$	\$	\$	\$	\$	\$	\$	\$	
	Dept Local Govt. (Stat Comm Ping)	Governance	13,548	0	0	13,548	0	0	0	0	(13,548)	0
	Dept Local Govt. (Workforce Ping)	Governance	25,000	0	0	25,000	0	0	0	0	(25,000)	0
	CRC Community Res Network	Comm. Amenities	1,780	0	0	1,780	0	0	0	0	1,780	1,780
	Department of Local Government	Law, Order, Publ. Safety	3,691	0	(718)	2,973	0	0	0	0	2,973	2,973
	CRC RDL (Fitout Grant)	Comm. Amenities	25,094	0	(25,094)	0	0	0	0	0	0	0
	Aged Care Footpath	Education & Welfare	0	40,000	0	40,000	0	0	0	0	(40,000)	0
	Nature Playground Grant	Comm. Amenities	0	4,000	0	4,000	0	0	0	0	(4,000)	0
	<b>Total</b>		<b>69,113</b>	<b>44,000</b>	<b>(25,812)</b>	<b>87,301</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(82,548)</b>	<b>4,753</b>

**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 WONGAN-BALLIDU**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

	Note	2016 \$	2015 \$
<b>3. CASH AND CASH EQUIVALENTS</b>			
Unrestricted		665,679	2,634,548
Restricted		2,648,260	1,309,639
		<u>3,313,939</u>	<u>3,944,187</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Depot Improvement Reserve	12	6,027	5,870
Plant Reserve	12	570,994	586,188
Loan Repayments Reserve	12	500,121	0
Housing Reserve	12	1,728	95,101
WH CRC Reserve	12	12,613	12,283
LSL Reserve	12	76,444	74,445
Swimming Pool Reserve	12	100,274	142,205
Historical Reserve	12	6,597	6,425
Medical Facilities & Royalties for Regions Special Pt	12	400,097	0
Waste Management Reserve	12	22,863	17,395
Housing JV Stickland Street Reserve	12	30,481	24,813
Housing JV Quinlan Street Reserve	12	32,257	29,775
Housing JV Patterson Street Reserve	12	21,929	22,578
Sporting Co-Location Reserve	12	861,082	205,260
Unspent grants	2(c)	4,753	87,301
		<u>2,648,260</u>	<u>1,309,639</u>
<b>4. TRADE AND OTHER RECEIVABLES</b>			
<b>Current</b>			
Rates Outstanding		124,048	110,739
Sundry Debtors		219,385	674,083
GST Receivable		52,277	0
Loans Receivable - Clubs/Institutions		67,258	72,594
Other Debtors		0	85,503
		<u>462,968</u>	<u>942,919</u>
<b>Non-current</b>			
Rates Outstanding - Deferred Pensioners		13,447	13,447
Loans Receivable - Clubs/Institutions		195,696	248,395
		<u>209,143</u>	<u>261,842</u>
<b>5. INVENTORIES</b>			
<b>Current</b>			
Fuel and Materials		9,521	39,666
		<u>9,521</u>	<u>39,666</u>
<b>Non-current</b>			
Land held for resale - Cost			
Cost of Acquisition		100,000	100,000
Development Costs		739,335	804,335
		<u>839,335</u>	<u>904,335</u>

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

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>6 (a). PROPERTY, PLANT AND EQUIPMENT</b>		
Land and buildings		
Land - Freehold at:		
- Independent Valuation 2014 - Level 2	1,918,630	1,918,630
	<u>1,918,630</u>	<u>1,918,630</u>
Land - Vested in and under the control of Council at:		
- Management Valuation 2014 - Level 3	266,887	266,887
	<u>266,887</u>	<u>266,887</u>
	<u>2,185,517</u>	<u>2,185,517</u>
Buildings - Non-Specialised at:		
- Independent Valuation 2014 - Level 2	2,525,977	2,525,977
- Additions after Valuation - Cost	1,324,286	1,324,286
Less: Accumulated Depreciation	<u>(239,519)</u>	<u>(175,161)</u>
	3,610,744	3,675,102
Buildings - Specialised at:		
- Independent Valuation 2014 - Level 3	15,913,976	15,901,166
- Additions after Valuation - Cost	309,795	0
Less: Accumulated Depreciation	<u>(1,223,981)</u>	<u>(869,997)</u>
	14,999,790	15,031,169
	<u>18,610,534</u>	<u>18,706,271</u>
Total land and buildings	<u>20,796,051</u>	<u>20,891,788</u>
Furniture and Equipment at:		
- Independent Valuation 2016 - Level 3	198,354	0
- Management Valuation 2013 - Level 3	0	52,169
- Additions after Valuation - Cost	0	28,966
Less Accumulated Depreciation	<u>0</u>	<u>(10,961)</u>
	198,354	70,174
Plant and Equipment at:		
- Independent Valuation 2016 - Level 2	3,818,570	0
- Management Valuation 2013 - Level 2	0	1,907,939
- Additions after Valuation - Cost	0	1,245,143
Less Accumulated Depreciation	<u>0</u>	<u>(529,394)</u>
	3,818,570	2,623,688
Motor Vehicles at:		
- Independent Valuation 2016 - Level 2	321,000	0
- Management Valuation 2013 - Level 2	0	62,371
- Additions after Valuation - Cost	0	251,343
Less Accumulated Depreciation	<u>0</u>	<u>(57,878)</u>
	321,000	255,836
	<u>25,133,975</u>	<u>23,841,486</u>

The fair value of property, plant and equipment is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires property, plant and equipment to be shown at fair value.

SHIRE OF WONGAN-BALLIDU  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Balance at the Beginning of the Year	Additions	(Disposals)	Revaluation Increments/(Decrements) Transferred to Revaluation	Revaluation (Losses)/Reversals Through Profit or Loss	Impairment (Losses)/Reversals	Depreciation (Expense)	Transfers	Carrying Amount at the End of Year
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - Freehold	1,918,630	0	0	0	0	0	0	0	1,918,630
Land - Vested in and under the control of Council	266,887	0	0	0	0	0	0	0	266,887
<b>Total land</b>	<b>2,185,517</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,185,517</b>
Buildings - Non-Specialised	3,675,102	0	0	0	0	0	(64,358)	0	3,610,744
Buildings - Specialised	15,031,169	309,796	0	0	0	0	(351,863)	10,688	14,999,790
<b>Total buildings</b>	<b>18,706,271</b>	<b>309,796</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(416,221)</b>	<b>10,688</b>	<b>18,610,534</b>
<b>Total land and buildings</b>	<b>20,891,788</b>	<b>309,796</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(416,221)</b>	<b>10,688</b>	<b>20,796,051</b>
Furniture and Equipment	70,174	7,385	0	148,097	0	0	(16,614)	(10,688)	198,354
Plant and Equipment	2,623,688	750,730	(200,429)	986,365	0	0	(274,286)	(67,498)	3,818,570
Motor Vehicles	255,836	135,358	(68,914)	14,679	0	0	(25,508)	9,549	321,000
<b>Total property, plant and equipment</b>	<b>23,841,486</b>	<b>1,203,269</b>	<b>(269,343)</b>	<b>1,149,141</b>	<b>0</b>	<b>0</b>	<b>(732,629)</b>	<b>(57,949)</b>	<b>25,133,975</b>



**SHIRE OF WONGAN-BALLIDU  
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FOR THE YEAR ENDED 30TH JUNE 2016**

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

(c) Fair Value Measurements	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
<b>Land and buildings</b>						
	Freehold Land	Level 2	Observable open market values of similar assets, adjusted for condition and comparability, at their highest and best use	Independent Valuation	June 2014	Available market information
	Land - Vested in and under the control of Council	Level 3	Improvements to land using cost approach using depreciated replacement cost	Management Valuation	June 2014	Improvements to land using construction costs and current condition (Level 2 ), residual values and remaining useful life assessments (Level 3) inputs
	Buildings - Non-Specialised	Level 2	Observable open market values of similar assets, adjusted for condition and comparability, at their highest and best use	Independent Valuation	June 2014	Available market information
	Buildings - Specialised	Level 3	Current replacement cost	Independent Valuation	June 2014	Utilising both observable and unobservable inputs being construction costs based on recent contract prices,current condition (Level 2 inputs), residual values and remaining useful life assessments (Level 3 inputs)
	<b>Furniture and Equipment</b>	Level 3	Cost approach using depreciated replacement cost	Independent Valuation	June 2016	Unobservable based on assumptions with regards to future values and patterns of consumption utilising current information.
	<b>Plant and Equipment</b>	Level 3	Cost approach using depreciated replacement cost	Independent Valuation	June 2016	Unobservable based on assumptions with regards to future values and patterns of consumption utilising current information.
	<b>Plant and Equipment</b>	Level 2	Market approach using recent observable data for similar plant items	Independent Valuation	June 2016	Available market information
	<b>Motor Vehicles</b>	Level 2	Market approach using recent observable data for similar motor vehicles	Independent Valuation	June 2016	Available market information

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied , they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

**SHIRE OF WONGAN-BALLIDU**  
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	2016	2015
	\$	\$
<b>7 (a). INFRASTRUCTURE</b>		
Infrastructure - Roads		
- Management Valuation 2015 - Level 3	45,931,655	45,933,073
- Additions after Valuation - Cost	1,985,628	0
Less accumulated Depreciation	<u>(919,984)</u>	<u>0</u>
	46,997,299	45,933,073
Infrastructure - Footpaths		
- Management Valuation 2015 - Level 3	1,354,000	1,354,000
Less Accumulated Depreciation	<u>(45,088)</u>	<u>0</u>
	1,308,912	1,354,000
Infrastructure - Drainage		
- Management Valuation 2015 - Level 3	6,132,000	6,132,000
Less Accumulated Depreciation	<u>(87,600)</u>	<u>0</u>
	6,044,400	6,132,000
Infrastructure - Parks and Ovals		
- Management Valuation 2015 - Level 3	7,144,500	7,086,551
Less Accumulated Depreciation	<u>(247,059)</u>	<u>0</u>
	6,897,441	7,086,551
Infrastructure - Other		
- Management Valuation 2015 - Level 3	2,009,394	2,009,394
Less accumulated depreciation	<u>(117,163)</u>	<u>0</u>
	1,892,231	2,009,394
Signs		
- Management Valuation 2015 - Level 3	497,522	497,522
Less accumulated depreciation	<u>(16,567)</u>	<u>0</u>
	480,955	497,522
	<u>63,621,238</u>	<u>63,012,540</u>

The fair value of infrastructure is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost. Given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and, where appropriate, the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires infrastructure to be shown at fair value.

SHIRE OF WONGAN-BALLIDU  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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7. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Balance as at the Beginning of the Year	Additions	(Disposals)	Revaluation Increments/ (Decrements) Transferred to Revaluation	Revaluation (Loss)/ Reversal Transferred to Profit or Loss	Other Adjustments	Impairment (Losses)/ Reversals	Depreciation (Expense)	Transfers	Carrying Amount at the End of the Year
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Infrastructure - Roads	45,933,073	2,537,112	0	0	0	(1,418)	(551,484)	(919,984)	0	46,997,299
Infrastructure - Footpaths	1,354,000	0	0	0	0	0	0	(45,088)	0	1,308,912
Infrastructure - Drainage	6,132,000	0	0	0	0	0	0	(87,600)	0	6,044,400
Infrastructure - Parks and Ovals	7,086,551	0	0	0	0	0	0	(247,059)	57,949	6,897,441
Infrastructure - Other	2,009,394	0	0	0	0	0	0	(117,163)	0	1,892,231
Signs	497,522	0	0	0	0	0	0	(16,567)	0	480,955
<b>Total infrastructure</b>	<b>63,012,540</b>	<b>2,537,112</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,418)</b>	<b>(551,484)</b>	<b>(1,433,461)</b>	<b>57,949</b>	<b>63,621,238</b>

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

**7. INFRASTRUCTURE (Continued)**

**(c) Fair Value Measurements**

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Infrastructure - Roads	Level 3	Depreciated Replacement Cost	Management Valuation	June 2015	Unobservable based on assumptions with regards to future values and patterns of consumption using current information.
Infrastructure - Footpaths	Level 3	Depreciated Replacement Cost	Management Valuation	June 2015	Unobservable based on assumptions with regards to future values and patterns of consumption using current information.
Infrastructure - Drainage	Level 3	Depreciated Replacement Cost	Management Valuation	June 2015	Unobservable based on assumptions with regards to future values and patterns of consumption using current information.
Infrastructure - Parks and Ovals	Level 3	Depreciated Replacement Cost	Management Valuation	June 2015	Unobservable based on assumptions with regards to future values and patterns of consumption using current information.
Infrastructure - Other	Level 3	Depreciated Replacement Cost	Management Valuation	June 2015	Unobservable based on assumptions with regards to future values and patterns of consumption using current information.
Signs	Level 3	Depreciated Replacement Cost	Management Valuation	June 2015	Unobservable based on assumptions with regards to future values and patterns of consumption using current information.

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

**SHIRE OF WONGAN-BALLIDU**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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	2016 \$	2015 \$
<b>8. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry Creditors	120	104,027
Accrued Interest on Debentures	27,780	15,483
Accrued Salaries and Wages	25,899	28,633
ATO Liabilities	12,033	6,705
PAYG Payable	56,693	144
FBT Payable	9,588	34,435
	132,113	189,427
<b>9. LONG-TERM BORROWINGS</b>		
<b>Current</b>		
Secured by floating charge		
Debentures - Shire Purposes	0	35,201
Debentures - Self Supporting Loans	52,993	62,778
	52,993	97,979
<b>Non-current</b>		
Secured by floating charge		
Debentures - Shire Purposes	500,000	500,000
Debentures - Self Supporting Loans	195,376	248,395
	695,376	748,395

Additional detail on borrowings is provided in Note 22.

**10. PROVISIONS**

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
<b>Opening balance at 1 July 2015</b>			
Current provisions	200,946	213,278	414,224
Non-current provisions	0	58,923	58,923
	200,946	272,201	473,147
Additional provision	(44,610)	25,111	(19,499)
<b>Balance at 30 June 2016</b>	156,336	297,312	453,648
<b>Comprises</b>			
Current	164,357	227,805	392,162
Non-current	0	69,507	69,507
	164,357	297,312	461,669

SHIRE OF WONGAN-BALLIDU  
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12. RESERVES - CASH BACKED

	Actual 2016 Opening Balance \$	Actual 2016 Transfer to \$	Actual 2016 Transfer (from) \$	Actual 2016 Closing Balance \$	Budget 2016 Opening Balance \$	Budget 2016 Transfer to \$	Budget 2016 Transfer (from) \$	Budget 2016 Closing Balance \$	Actual 2015 Opening Balance \$	Actual 2015 Transfer to \$	Actual 2015 Transfer (from) \$	Actual 2015 Closing Balance \$
Depot Improvement Reserve	5,870	158.00	0.00	6,028.00	5,870.00	117.00	0.00	5,987.00	5,736.00	134.00	0.00	5,870.00
Plant Reserve	586,188	284,806.00	(300,000.00)	570,994.00	586,188.00	285,712.00	(300,000.00)	571,900.00	608,706.00	217,482.00	(240,000.00)	586,188.00
Loan Repayments Reserve	0	500,121.00	0.00	500,121.00	0.00	500,000.00	0.00	500,000.00	314,046.00	200,000.00	(514,046.00)	0.00
Housing Reserve	95,101	1,627.00	(95,000.00)	1,728.00	95,100.00	58.00	(95,000.00)	158.00	92,801.00	2,300.00	0.00	95,101.00
WH CRC Reserve	12,283	330.00	0.00	12,613.00	12,283.00	245.00	0.00	12,528.00	11,992.00	291.00	0.00	12,283.00
LSL Reserve	74,445	1,999.00	0.00	76,444.00	74,445.00	1,488.00	0.00	75,933.00	72,654.00	1,791.00	0.00	74,445.00
Swimming Pool Reserve	142,205	3,068.00	(45,000.00)	100,273.00	142,205.00	2,844.00	(45,000.00)	100,049.00	12,027.00	130,178.00	0.00	142,205.00
Historical Reserve	6,425	172.00	0.00	6,597.00	6,425.00	128.00	0.00	6,553.00	6,273.00	152.00	0.00	6,425.00
Medical Facilities & Royalties for Regions Special Projects Reserve	0	400,097.00	0.00	400,097.00	0.00	400,000.00	0.00	400,000.00	314,020.00	7,482.00	(321,502.00)	0.00
Waste Management Reserve	17,395	5,468.00	0.00	22,863.00	17,395.00	5,347.00	0.00	22,742.00	11,732.00	5,663.00	0.00	17,395.00
Housing JV Stickland Street Reserve	24,813	5,668.00	0.00	30,481.00	24,813.00	5,496.00	0.00	30,309.00	19,453.00	5,360.00	0.00	24,813.00
Housing JV Quinlan Street Reserve	29,775	5,800.00	(3,318.00)	32,257.00	29,775.00	5,595.00	0.00	35,370.00	24,297.00	5,478.00	0.00	29,775.00
Housing JV Patterson Street Reserve	22,578	5,606.00	(6,255.00)	21,929.00	22,578.00	5,451.00	0.00	28,029.00	17,275.00	5,303.00	0.00	22,578.00
Sporting Co-Location Reserve	205,260	764,055.00	(108,233.00)	861,082.00	205,260.00	653,800.00	0.00	859,060.00	205,260.00	766,874	(1,075,548)	205,260.00
	1,222,338	1,978,975	(557,806)	2,643,507	1,222,337	1,866,281	(440,000)	2,648,618	1,511,012	766,874	(1,075,548)	1,222,338

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 WONGAN-BALLIDU**  
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**12. RESERVES - CASH BACKED**

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
Depot Improvement Reserve	Unknown	- To be used to fund capital improvements and maintenance works at the Shire of Wongan-Ballidu.
Plant Reserve	Unknown	- To be used for the purchase of major plant.
Loan Repayments Reserve	Unknown	- To be used to fund loan repayments for land an housing development in the Shields
Housing Reserve	Unknown	- To be used for the development of housing within the Shire.
WH CRC Reserve	Unknown	- To be used to transfer funds from the Community Resource Centre operations for the future purchase of capita, furniture and equipment.
Land and Buildings Reserve	Unknown	- To be used for purchase of land and the construction and maintenance of Council assets.
LSL Reserve	Unknown	- To be used for Council's current and non-current long service leave liability.
Swimming Pool Reserve	Unknown	- To be used to fund capital and maintenance works at the Wongan Hills Memorial Swimming Pool.
Historical Reserve	Unknown	- To be used to fund historical publications and projects of the Shire.
Medical Facilities & Royalties for Regions Special Projects Reserve	Unknown	- To be used to fund the refurbishment of a multi-purpose medical facility in Wongan Hills to house the doctor, dentist and other medical services and to fund projects identified for the Royalties for Regions programme.
Waste Management Reserve	Unknown	- To be used to fund the future waste management facility needs of the Shire.
Centenary Celebrations Reserve	Unknown	- To be used to fund community groups and Council events to commemorate the Centenary and other historic activities as determined by the Shire of Wongan-Ballidu.
Industrial & LIA Park Reserve	Unknown	- To be used to fund the development and operating costs of Wongan Hills Industrial and LIA Park. To be used as the facility to record all of the project costs and revenues with the balance after completion of the project to be transferred to the Municipal Fund.
Housing JV Stickland Street Reserve	Unknown	- To be used to fund the capital and operating costs of the Housing joint venture in Stickland Street.
Housing JV Quinlan Street Reserve	Unknown	- To be used to fund the capital and operating costs of the Housing joint venture in Quinlan Street.
Housing JV Patterson Street Reserve	Unknown	- To be used to fund the capital and operating costs of the Housing joint venture in Quinlan Street.
Sporting Co-Location Reserve	Unknown	- To be used to fund the implementation of the co-location of sports facilities within the Shire of Wongan-Ballidu.

SHIRE OF WONGAN-BALLIDU  
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13. REVALUATION SURPLUS

	2016				2016				2015					
	Opening Balance	Revaluation Increment	Revaluation Decrement	Total Movement on Revaluation	Closing Balance	Opening Balance	Revaluation Increment	Revaluation Decrement	Total Movement on Revaluation	Closing Balance	Opening Balance	Revaluation Increment	Revaluation Decrement	Total Movement on Revaluation
Land and Buildings	13,106,168	0	0	0	13,106,168	13,208,860	0	(102,692)	(102,692)	13,106,168	15,450	0	0	15,450
Furniture and Equipment	15,450	148,097	0	148,097	163,547	15,450	0	0	0	163,547	1,095,954	0	0	1,095,954
Plant and Equipment	1,095,954	986,365	0	986,365	2,082,319	1,095,954	0	0	0	2,082,319	0	0	0	0
Motor Vehicles	0	14,679	0	14,679	14,679	0	0	0	0	14,679	0	0	0	0
Infrastructure - Roads	4,694,211	0	0	0	4,694,211	0	4,694,211	0	4,694,211	4,694,211	0	0	0	0
Infrastructure - Footpaths	1,100,452	0	0	0	1,100,452	0	1,100,452	0	1,100,452	1,100,452	0	0	0	0
Infrastructure - Drainage	6,020,318	0	0	0	6,020,318	0	6,020,318	0	6,020,318	6,020,318	0	0	0	0
Infrastructure - Parks and Ovals	6,415,851	0	0	0	6,415,851	0	5,873,829	542,022	6,415,851	6,415,851	0	0	0	0
Infrastructure - Other	978,767	0	0	0	978,767	0	1,418,097	(439,330)	978,767	978,767	0	0	0	0
Signs	448,811	0	0	0	448,811	0	448,811	0	448,811	448,811	0	0	0	0
	<u>33,875,982</u>	<u>1,149,141</u>	<u>0</u>	<u>1,149,141</u>	<u>35,025,123</u>	<u>14,320,264</u>	<u>19,555,718</u>	<u>0</u>	<u>19,555,718</u>	<u>33,875,982</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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



**SHIRE OF WONGAN-BALLIDU**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**14. 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:

	2016 \$	2016 Budget \$	2015 \$
Cash and cash equivalents	<u>3,313,939</u>	<u>2,692,585</u>	<u>3,944,187</u>

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

Net result	(339,201)	(955,223)	2,790,013
Non-cash flows in Net result:			
Depreciation	2,166,090	2,351,410	3,134,678
(Profit)/Loss on sale of asset	121,388	47,304	256,917
Impairment of Infrastructure	551,484	0	0
Adjustments to Infrastructure	0	0	1,785
(Increase)/Decrease in receivables	474,615	(1,488)	732,652
(Increase)/Decrease in inventories	30,145	(11,032)	(21,848)
Increase/(Decrease) in payables	(57,314)	611,048	(639,151)
Increase/(Decrease) in provisions	(11,478)	0	77,321
Grants contributions for the development of assets	<u>(1,283,624)</u>	<u>(993,167)</u>	<u>(1,609,200)</u>
Net cash from operating activities	<u>1,652,105</u>	<u>1,048,852</u>	<u>4,723,167</u>

	2016 \$	2015 \$
<b>(c) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank overdraft limit	100,000	100,000
Bank overdraft at balance date	0	0
Credit card limit	7,500	7,500
Credit card balance at balance date	0	0
<b>Total amount of credit unused</b>	<u>107,500</u>	<u>107,500</u>
<b>Loan facilities</b>		
Loan facilities - current	52,993	97,979
Loan facilities - non-current	695,376	748,395
<b>Total facilities in use at balance date</b>	<u>748,369</u>	<u>846,374</u>
<b>Unused loan facilities at balance date</b>	<u>NIL</u>	<u>NIL</u>

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

**15. CONTINGENT LIABILITIES**

There were no contingent liabilities as at 30 June 2016.

**16. CAPITAL AND LEASING COMMITMENTS**

**(a) Operating Lease Commitments**

The Shire did not have any future operating lease commitments at the reporting date.

**(b) Capital Expenditure Commitments**

The Shire did not have any future capital expenditure commitments at the reporting date.

**SHIRE OF WONGAN-BALLIDU**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**17. JOINT VENTURE ARRANGEMENTS**

The Shire of Wongan-Ballidu together with Homeswest have a joint venture arrangement with regard to the ownership of four housing units in Quinlan Street, three housing units in Stickland Street and two housing units in Patterson Street in Wongan Hills.

			2016 \$	2015 \$
	%	Valuation	Shire Share	Shire Share
Stickland Street	11	258,000	27,354	28,376
Quinlan Street	9	820,000	145,889	146,900
Patterson Street	12	290,000	63,235	66,357
			<u>236,478</u>	<u>241,633</u>
<b>Non-current assets</b>				
Land and buildings				
Independant Valuation 2014				
			<u>120,000</u>	<u>120,000</u>
			<u>120,000</u>	<u>120,000</u>
Building (Shire Equit Share) - at:				
Independant Valuation 2014				
			127,028	127,028
Less: accumulated depreciation				
			<u>(10,550)</u>	<u>(5,395)</u>
			<u>116,478</u>	<u>121,633</u>

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

	2016 \$	2015 \$
Governance	1,409,111	1,247,807
Law, order, public safety	349,662	947,976
Health	1,740,003	1,761,912
Education and welfare	939,125	963,122
Housing	1,088,831	1,626,191
Community amenities	867,756	319,738
Recreation and culture	16,608,492	22,371,626
Transport	56,715,850	54,526,238
Economic services	5,801,254	1,515,876
Other property and services	4,048,163	2,437,969
Unallocated	4,021,872	5,228,520
	<u>93,590,119</u>	<u>92,946,975</u>

**SHIRE OF WONGAN-BALLIDU  
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	2016	2015	2014
<b>19. FINANCIAL RATIOS</b>			
Current ratio	2.27	5.77	1.03
Asset sustainability ratio	1.63	0.52	0.87
Debt service cover ratio	3.90	7.33	6.49
Operating surplus ratio	(0.38)	0.23	(0.37)
Own source revenue coverage ratio	0.56	0.70	0.61

The above ratios are calculated as follows:

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

**Notes:**

(a) Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Supplementary Ratio Information on Page 59 of this document.

(i) 2016

The Debt Service Cover and Operating Surplus ratios disclosed above are distorted by the early receipt of half of the allocation of the 2015-16 Financial Assistance Grant on 30 June 2015.

The early payment of the grant increased operating revenue in 2015 and decreased operating revenue in 2016 by \$985,342.

(ii) 2015

The Current, Debt Service Cover and Operating Surplus ratios disclosed above are distorted by the early receipt of half of the allocation of the 2015-16 Financial Assistance Grant on 30 June 2015 as mentioned in (i).

(iii) 2014

The Current, Debt Service Cover and Operating Surplus ratios disclosed above, were distorted by the change to the payment of FAGs during the year ended 30 June 2014 which saw the advance payment for the following year cease. This created a timing difference which which resulted in an amount of some \$918,091 less revenue for the year.

These are considered "one-off timing/non-cash" in nature and if they were ignored, the calculations disclosed in the columns above for affected ratios would be as follows:

	2016	2015	2014
Current Ratio	No Adjustment	4.20	1.46
Debt service cover ratio	10.33	5.68	14.09
Operating surplus ratio	(0.15)	0.04	(0.16)

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

**20. TRUST FUNDS**

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

	1 July 2015 \$	Amounts Received \$	Amounts Paid (\$)	30 June 2016 \$
Lake Ninan/Hinds Fire Brigade	359	4,462	0	4,821
Mocardy Bushfire Brigade	6,453	1,478	0	7,931
Bushfire Donations (Glenvar)	250	250	0	500
Housing Tenancy Bonds	3,736	1,010	0	4,746
Transport Payments	15,805	801,968	(805,560)	12,213
CRC Office Bond	0	500	0	500
	<u>26,603</u>			<u>30,711</u>

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

The following assets were disposed of during the year.

	Actual Net Book Value \$	Actual Sale Proceeds \$	Actual Profit \$	Actual Loss \$	Budget Net Book Value \$	Budget Sale Proceeds \$	Budget Profit \$	Budget Loss \$
<b>Plant and Equipment</b>								
<u>Governance</u>								
2014 Holden Caprice	35,843	29,773	0	(6,070)	36,422	34,000	0	(2,422)
2012 Ford Falcon G6E	16,356	7,727	0	(8,629)	16,577	7,000	0	(9,577)
<u>Transport</u>								
2003 Volvo 6x4 Tip Truck	103,131	30,000	0	(73,131)	72,496	55,000	0	(17,496)
2005 Scania 6x4 Tip Truck	60,000	30,000	0	(30,000)	62,249	55,000	0	(7,249)
2008 CAT 432E Backhoe	37,298	37,500	202	0	35,000	29,670	0	(5,330)
<u>Economic services</u>								
2013 Ford Falcon XR6	16,715	12,955	0	(3,760)	8,738	5,000	0	(3,738)
<u>Other property and services</u>								
10 Shields Crescent	65,000	65,000	0	0	0	0	0	0
2001 Toyota hiluz Dual Cab	0	0	0	0	14,292	12,800	0	(1,492)
	<u>334,343</u>	<u>212,955</u>	<u>202</u>	<u>(121,590)</u>	<u>245,774</u>	<u>198,470</u>	<u>0</u>	<u>(47,304)</u>

**SHIRE OF WONGAN-BALLIDU  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**22. INFORMATION ON BORROWINGS**

(a) Repayments - Debentures

Particulars	Principal 1 July 2015 \$	New Loans \$	Principal Repayments		Principal 30 June 2016		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Other property and services</b>								
143 - Land Purchase and Developmen	35,201		35,201	35,201	0	0	1,670	1,397
145C - Land Purchase and Developme	500,000		0	0	500,000	500,000	27,773	17,100
	535,201	0	35,201	35,201	500,000	500,000	29,443	18,497
<b>Self Supporting Loans</b>								
<b>Housing</b>								
142 - Community Association *	175,035		30,931	30,906	144,104	144,129	14,583	10,280
<b>Recreation and culture</b>								
149 - Wongan Hills Bowling Club *	60,443		12,037	12,037	48,406	48,406	3,932	3,438
150 - Wongan Hills Sports Council *	13,226		13,226	13,226	0	0	516	516
147 - Construction of Aged Comple *	62,469		6,610	6,609	55,859	55,860	6,886	4,204
	311,173	0	62,804	62,778	248,369	248,395	25,917	18,438
	846,374	0	98,005	97,979	748,369	748,395	55,360	36,935

\*Self supporting loan financed by payments from third parties.

All other loan repayments were financed by general purpose revenue.

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

**SHIRE OF WONGAN-BALLIDU**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**23. RATING INFORMATION - 2015/16 FINANCIAL YEAR**

<b>RATE TYPE</b>	<b>Rate in \$</b>	<b>Number of Properties</b>	<b>Rateable Value \$</b>	<b>Rate Revenue \$</b>	<b>Interim Rates \$</b>	<b>Back Rates \$</b>	<b>Total Revenue \$</b>	<b>Budget Rate Revenue \$</b>	<b>Budget Interim Rate \$</b>	<b>Budget Back Rate \$</b>	<b>Budget Total Revenue \$</b>	
<b>Differential general rate / general rate</b>												
<b>Gross rental value valuations</b>												
General Rates GRV - Wongan Hills	0.104309	448	4,805,127	501,218	2,116		503,334.00	511,983	3,500	0	515,483	
General Rates GRV - Ballidu & Cadoux	0.104309	62	350,816	36,593			36,593.00	36,593			36,593	
<b>Unimproved value valuations</b>												
General Rates UV - Rural	0.015741	247	154,135,827	2,426,252	12,979	0	2,439,231.00	2,082,101	0	0	2,082,101	
General Rates UV - Mining	0.015741	2	94,149	1,482		0	1,482.00	2,091	(300)	0	1,791	
<b>Sub-Total</b>		759	159,385,919	2,965,545	15,095	0	2,980,640.00	2,632,768	3,200	0	2,635,968	
<b>Minimum payment</b>												
<b>Gross rental value valuations</b>												
General Rates GRV - Wongan Hills	592.00	63	163,514	37,312	0	0	37,312.00	37,312	0	0	37,312	
General Rates GRV - Ballidu & Cadou	309.00	28	20,780	8,652	0	0	8,652.00	8,652	0	0	8,652	
<b>Unimproved value valuations</b>												
General Rates UV - Rural	309.00	18	51,210	5,562	0	0	5,562.00	2,163	0	0	2,163	
General Rates UV - Mining	309.00	16	40,146	4,944	0	0	4,944.00	4,944	0	0	4,944	
<b>Sub-Total</b>		125	275,650	56,470	0	0	56,470.00	53,071	0	0	53,071	
<b>Totals</b>												
Discounts/concessions (refer note 27)												
<b>Total amount raised from general rate</b>		<b>884</b>	<b>159,661,569</b>	<b>3,022,015</b>	<b>15,095</b>	<b>0</b>	<b>3,037,110.00</b>	<b>2,685,839</b>	<b>3,200</b>	<b>0</b>	<b>2,689,039</b>	
Ex-gratia rates							(387,426.00)				(25,000)	
<b>Totals</b>							<b>2,649,684.00</b>				<b>2,664,039</b>	
							16,964.00				15,500	
							<u>2,666,648.00</u>				<u>2,679,539</u>	
											0.00	

**SHIRE OF WONGAN-BALLIDU**  
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**24. NET CURRENT ASSETS**

Composition of net current assets

	2016 (30 June 2016 Carried Forward) \$	2016 (1 July 2015 Brought Forward) \$	2015 (30 June 2015 Carried Forward) \$
<b>Surplus/(Deficit)</b>	<u>627,833</u>	<u>3,102,634</u>	<u>3,102,634</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents			
Unrestricted	670,432	2,634,548	2,634,548
Restricted	2,643,507	1,309,639	1,309,639
Receivables			
Rates Outstanding	124,048	110,739	110,739
Sundry Debtors	219,385	674,083	674,083
GST Receivable	52,277	0	0
Loans Receivable - Clubs/Institutions	67,258	72,594	72,594
Other Debtors	0	85,503	85,503
Inventories			
Fuel and Materials	9,521	39,666	39,666
<b>LESS: CURRENT LIABILITIES</b>			
Trade and other payables			
Sundry Creditors	(120)	(104,027)	(104,027)
Accrued Interest on Debentures	(27,780)	(15,483)	(15,483)
Accrued Salaries and Wages	(25,899)	(28,633)	(28,633)
ATO Liabilities	(12,033)	(6,705)	(6,705)
PAYG Payable	(56,693)	(144)	(144)
FBT Payable	(9,588)	(34,435)	(34,435)
Current portion of long term borrowings			
Secured by floating charge	0	(35,201)	(35,201)
Debentures - Self Supporting Loans	(52,993)	(62,778)	(62,778)
Provisions			
Provision for Annual Leave	(164,356)	(200,946)	(200,946)
Provision for Long Service Leave	(227,805)	(213,278)	(213,278)
<b>Unadjusted net current assets</b>	<u><b>3,209,161</b></u>	<u><b>4,225,142</b></u>	<u><b>4,225,142</b></u>
<b>Adjustments</b>			
Less: Reserves - restricted cash	(2,643,507)	(1,222,338)	(1,222,338)
Less: Loans Receivable - Clubs/Institutions	(67,258)	(72,594)	(72,594)
Add: Secured by floating charge	0	35,201	35,201
Debentures - Self Supporting loans	52,993	62,778	62,778
Leave Reserve	76,444	74,445	74,445
<b>Adjusted net current assets - surplus/(deficit)</b>	<u><u><b>627,833</b></u></u>	<u><u><b>3,102,634</b></u></u>	<u><u><b>3,102,634</b></u></u>

**Difference**

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



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

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

There were no Specified Area Rates in the 2015/16 financial year.

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

	Amount of Charge \$	Revenue Raised \$	Budget Revenue \$	Charges Applied to Costs \$	Charges Set Aside to Reserve \$	Reserve Applied to Costs \$	Budget Charges Applied to Costs \$	Budget Charges Set Aside to Reserve \$	Budget Reserve Applied to Costs \$
Service Charges	50	25,400	25,400	25,400	0	0	25,400	0	0
Radio / TV Transmission		25,400	25,400	25,400	0	0	25,400	0	0

A service charge of \$50.00 per year for radio and television retransmission was first imposed in 2012/2013 and will continue for four years. The charge is levied on all properties in the Wongan Hills townsite as a contribution towards upgrading the local television and radio rebroadcasting tower.

**SHIRE OF WONGAN-BALLIDU**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**27. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS**  
**- 2015/16 FINANCIAL YEAR**

**Rates Discounts**

<b>Rate or Fee Discount Granted</b>	<b>Discount % or \$</b>	<b>Actual \$</b>	<b>Budget \$</b>	<b>Circumstances in which Discount is Granted</b>
General Rates	2.00%	32,197	25,000	A discount on rates is granted to all who pay their rates in full within 35 days of the service appearing
Minimum Rates	2.00%	0	0	on the rates notice.
		<u>32,197</u>	<u>25,000</u>	

**Waivers or Concessions**

<b>Rate or Fee and Charge to which the Waiver or Concession is Granted</b>	<b>Discount % or \$</b>	<b>Actual \$</b>	<b>Budget \$</b>
General Rates UV - Rural	355,229	355,229	0
		<u>355,229</u>	<u>0</u>

<b>Rate or Fee and Charge to which the Waiver or Concession is Granted</b>	<b>Circumstances in which the Waiver or Concession is Granted and to whom it was available</b>	<b>Objects of the Waiver or Concession</b>	<b>Reasons for the Waiver or Concession</b>
General Rates UV - Rural	All Rural UV rated properties.	Correct error in rates in the \$	Correct error in rates in the \$

**SHIRE OF WONGAN-BALLIDU**  
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**28. INTEREST CHARGES AND INSTALMENTS - 2015/16 FINANCIAL YEAR**

	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %	
<b>Instalment Options</b>					
<b>Option One</b>					
Single full payment	28-Aug-15	10.00	5.50%	11.00%	
<b>Option Three</b>					
First Instalment	28-Aug-15	2.50	5.50%	11.00%	
Second Instalment	27-Oct-15	2.50	5.50%	11.00%	
Third Instalment	28-Dec-15	2.50	5.50%	11.00%	
Fourth Instalment	26-Feb-16	2.50	5.50%	11.00%	
					<b>Budgeted Revenue</b>
Interest on unpaid rates					<b>Revenue</b>
Interest on instalment plan					\$
Charges on instalment plan					14,686
					12,429
					7,190
					10,500
					7,000
					5,200
					<u>34,305</u>
					<u>22,700</u>

**SHIRE OF WONGAN-BALLIDU**  
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<b>29. FEES &amp; CHARGES</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Governance	4,791	4,742
General purpose funding	9,427	7,907
Law, order, public safety	10,538	9,178
Health	48,847	9,271
Education and welfare	264	511
Housing	61,915	68,102
Community amenities	186,227	185,093
Recreation and culture	38,883	37,649
Transport	52,350	33,968
Economic services	19,074	45,747
Other property and services	677,462	1,728,368
	<u>1,109,778</u>	<u>2,130,536</u>

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

**30. GRANT REVENUE**

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

<b>By Nature or Type:</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Operating grants, subsidies and contributions</b>		
General purpose funding	931,972	2,903,403
Law, order, public safety	23,571	21,996
Health	15,000	0
Education and welfare		40,000
Community amenities	62,475	9,598
Recreation and culture	46,577	33,000
Transport	530,111	159,096
Economic services	7,500	0
Other property and services	139,158	117,335
	<u>1,756,364</u>	<u>3,284,428</u>
<b>Non-operating grants, subsidies and contributions</b>		
General purpose funding	0	393,365
Recreation and culture	0	140,187
Transport	1,283,624	1,075,648
	<u>1,283,624</u>	<u>1,609,200</u>

**31. EMPLOYEE NUMBERS**

The number of full-time equivalent employees at balance date

<u>36</u>	<u>34</u>
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**32. ELECTED MEMBERS REMUNERATION**

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

	<b>2016</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
Meeting Fees	8,700	10,608	9,724
President's allowance	1,000	1,000	1,000
Deputy President's allowance	250	250	250
Travelling expenses	2,445	5,000	6,245
Telecommunications allowance	7,500	8,000	9,290
	<u>19,895</u>	<u>24,858</u>	<u>26,509</u>

**SHIRE OF WONGAN-BALLIDU  
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**33. MAJOR LAND TRANSACTIONS**

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

**34. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

The Shire of Wongan-Ballidu did not participate in any trading undertakings or major trading undertakings during the 2015/16 financial year.

**SHIRE OF WONGAN-BALLIDU**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**35. FINANCIAL RISK MANAGEMENT**

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

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

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

*The Shire held the following financial instruments at balance date:*

	Carrying Value		Fair Value	
	2016 \$	2015 \$	2016 \$	2015 \$
<b>Financial assets</b>				
Cash and cash equivalents	3,313,939	3,944,187	3,313,939	3,944,187
Receivables	672,111	1,204,761	672,111	1,204,761
	<u>3,986,050</u>	<u>5,148,948</u>	<u>3,986,050</u>	<u>5,148,948</u>
<b>Financial liabilities</b>				
Payables	132,113	189,427	132,113	189,427
Borrowings	748,369	846,374	780,585	846,374
	<u>880,482</u>	<u>1,035,801</u>	<u>912,698</u>	<u>1,035,801</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 WONGAN-BALLIDU**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**35. FINANCIAL RISK MANAGEMENT (Continued)**

**(a) Cash and Cash Equivalents**

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

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

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

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

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% <sup>(1)</sup> movement in interest rates on cash		
- Equity	33,139	39,442
- Statement of Comprehensive Income	33,139	39,442

*Notes:*

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

**SHIRE OF WONGAN-BALLIDU**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**35. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Receivables**

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

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

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

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

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

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

	<b>2016</b>	<b>2015</b>
Percentage of rates and annual charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of other receivables		
- Current	96%	96%
- Overdue	4%	4%



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

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

**(c) Payables  
 Borrowings**

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

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2016</u>					
Payables	132,113	0	0	132,113	132,113
Borrowings	84,573	714,044	16,220	814,837	748,369
	<u>216,686</u>	<u>714,044</u>	<u>16,220</u>	<u>946,950</u>	<u>880,482</u>
<u>2015</u>					
Payables	189,427	0	0	189,427	189,427
Borrowings	134,913	787,804	27,033	949,750	846,374
	<u>324,340</u>	<u>787,804</u>	<u>27,033</u>	<u>1,139,177</u>	<u>1,035,801</u>

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

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

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

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

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

	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
<b>Year ended 30 June 2016</b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Debtentures	0	500,000	0	248,370	0	0	748,370	4.55%
Weighted average Effective interest rate		3.42%		6.46%				
<b>Year ended 30 June 2015</b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Debtentures	48,427	0	500,000	0	297,947	0	846,374	4.62%
Weighted average Effective interest rate	5.64%		3.42%	6.46%				

**SHIRE OF WONGAN-BALLIDU  
SUPPLEMENTARY RATIO INFORMATION  
FOR THE YEAR ENDED 30TH JUNE 2016**

**RATIO INFORMATION**

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

	<b>2016</b>	<b>2015</b>	<b>2014</b>
Asset consumption ratio	0.97	0.46	0.47
Asset renewal funding ratio	0.97	* Unknown	* Unknown

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

\* the Shire did not adopt its Asset Management Plan until August 2016 therefore could not calculate the ratios for these financial years.

21 November 2016

Level 15, Exchange Tower,  
2 The Esplanade, Perth, WA 6000

PO Box 5785, St Georges Terrace, WA 6831

T +61(0)8 9225 5355

F +61(0)8 9225 6181

[www.moorestephenswa.com.au](http://www.moorestephenswa.com.au)

Mr S Taylor  
Chief Executive Officer  
Shire of Wongan-Ballidu  
PO Box 84  
WONGAN HILLS WA 6603

Dear Stuart

**AUDIT OF SHIRE OF WONGAN-BALLIDU  
FOR THE YEAR ENDED 30 JUNE 2016**

We advise that we have completed the audit of your Shire for the year ended 30 June 2016 and enclose our Audit Report and a copy of the Management Report.

A copy of the Audit Report and Management Report has also been sent directly to the President, Cr Peter Macnamara as is required by the Act.

We would like to take this opportunity to thank you and your staff for the assistance provided during the audit.

Please contact us if you have any queries.

Yours sincerely



Wen-Shien Chai  
Partner  
[Moore Stephens](#)

Encl.

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## **INDEPENDENT AUDITOR'S REPORT TO THE ELECTORS OF THE SHIRE OF WONGAN-BALLIDU**

### **REPORT ON THE FINANCIAL REPORT**

We have audited the accompanying financial report of the Shire of Wongan-Ballidu, which comprises the statement of financial position as at 30 June 2016, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and the rate setting statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Chief Executive Officer.

#### **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 is 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 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 judgement, including the assessment of the risks of material misstatement 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 and fair presentation 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 control. 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.

#### **Opinion**

In our opinion, the financial report of the Shire of Wongan-Ballidu is in accordance with the *Local Government Act 1995* (as amended) and the *Local Government (Financial Management) Regulations 1996* (as amended), including:

- a) giving a true and fair view of the Shire's financial position as at 30 June 2016 and of its financial performance and its cash flows for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australian Accounting Interpretations).

**INDEPENDENT AUDITOR'S REPORT  
TO THE ELECTORS OF THE SHIRE OF WONGAN-BALLIDU (CONTINUED)**

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

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

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) No matters indicating non-compliance with Part 6 of the *Local Government Act 1995* (as amended), the *Local Government (Financial Management) Regulations 1996* (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- c) In relation to the Supplementary Ratio Information presented at page 59 of this report, we have reviewed the calculations as presented and nothing has come to our attention to suggest it is not:
  - i. reasonably calculated; and
  - ii. based on verifiable information.
- d) All necessary information and explanations were obtained by us.
- e) All audit procedures were satisfactorily completed in conducting our audit.

MOORE STEPHENS  
CHARTERED ACCOUNTANTS



WEN-SHIEN CHAI  
PARTNER

Date: 21 November 2016  
Perth, WA