



2012/2013
Annual Report



CONTENTS

GENERAL

Shire at a Glance	3
Presidents Report	4
Councillors of the Shire	5-6
Councillors Meeting Dates and Training Attendances	7
Chief Executive Officer's Report	8
Deputy Chief Executive Officer's Report	9-10
Manager Building Services	11-13
Manager Works & Services Report	14-16
Community Development Report	17-19
Statutory Reports	20-26
Organisational Structure	27

ATTACHMENTS

Financial

2012-2013 Financial Statements	1-59
Independent Audit Report	60-64

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
 Website: 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

Michael Godfrey, David Armstrong, Alfreda Lyon
 Tracey deGrussa, Sandra Hartley, Richard Morgan, Peter Macnamara, Brad West

Senior Staff

Chief Executive Officer
 Manager Building Services
 Works Coordinator

Stuart Taylor
 Len deGrussa
 Karl Mickle

Deputy Chief Executive Officer
 Manager Community Services

David Taylor
 Tanya Greenwood

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	2,391,106
Total Revenue	8,413,766
Number of Employees	37

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



PRESIDENT'S REPORT 2012/2013

Shire President
Cr Peter Macnamara

Freeman of the Shire

During the year Council awarded its third Freeman of the Shire award. David Hood was our much deserved recipient, having served the Shire as President and Councillor for some 27 years. David also served the community by being very active in the Bush Fire Brigade and various other community groups, in and around Ballidu and Wongan Hills. Well done David; a fine example for the rest of us to follow.

Citizen of the Year

Our Citizen of the Year was also another worthy winner, being Clive Rees.

Clive may not have been in Wongan Hills a long time but has made a big impact especially with the aged. Clive's caring and ability to put himself out for others is great to see.

Congratulations to all of the other award winners.

Community Resource Centre

Unfortunately our new railway precinct has a major hurdle with Buildplan our builders going broke. This has left a huge hole in our finances, which we are currently working through.

Although a large time gap has occurred, Council is exhausting all avenues of funding and the project will be completed. Rest assured, the whole community will be very proud once this has taken place.

Thank You

To our very valued staff members – a massive thank you.

A lot of work goes into making our Shire one of the premier country Shires in this State. So to

the gardeners, the road crews, building maintenance staff, the swimming pool manager and to all the inside staff – very well done.

Volunteers

Finally our Shire is renowned for its volunteers. If we didn't have you the cost to the community would be huge.

Thank you to all volunteers for giving your time and putting in the hard work. The rewards of volunteering are well worth while for all involved.

A handwritten signature in black ink that reads "Peter Macnamara".

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 month of January and December



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

Tel: (08)9632 2018
Retiring: October 2015
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 2015
Occupation: Farmer
Email: bradwest10@bigpond.com.au



Cr Michael Godfrey
20 Wilson Street
Wongan Hills WA 6603

Tel: 9671 1612
Retiring: October 2015
Occupation: Business Owner
Email: drmdjs@westnet.com.au



Cr David Armstrong
560 Ballidu Bindi-Bindi Road
PO Box 30
Ballidu 6606

Tel: (08) 9674 1036
Fax: (08) 9674 1217
Retiring: October 2015
Occupation: Business Owner
Email: darmy@westnet.com.au



Cr Alfreda Lyon
4 Wilson Street
Wongan Hills WA 6603

Tel: (08) 9671 1900
Retiring: October 2015
Occupation: Office Manager
Email: alfredalyon@bigpond.com



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 2015
Occupation: Farmer
Email: hughbl@bordnet.com.au

Councillors of the Shire



Cr Tracey deGrussa
30 Wallis Street
PO Box 75
Ballidu 6606

Tel: (08) 9674 1320
Retiring: October 2015
Occupation: Home Engineer
Email: bluebird13@westnet.com.au



Cr Sandra Hartley
Stickland Street
Wongan Hills 6603

Tel: (08)96711148
Retiring: October 2015
Occupation: Home Engineer
Email: butons82@bigpons.com



Cr Richard Morgan
1 Ackland Street
Wongan Hills 6603

Tel: 9671 1822
Retiring: October 2015
Occupation: Retired Dentist
Email: richardmorganaustralia@hotmail.com

Councillors of the Shire

COUNCILLORS MEETING ATTENDANCE 2012/2013

Council	Special			General Purposes			Works			Finance			Health Building & Planning		
	Eligible	Attended	%	Eligible	Attended	%	Eligible	Attended	%	Eligible	Attended	%	Eligible	Attended	%
Cr M Brennan	11	10	91	3	3	100							2	1	50
Cr Barrett-Lennard	11	10	91	3	3	100				8	8	100	9	8	89
Cr B West	8	8	100	2	1	50				4	3	75	7	6	86
Cr T deGrussa	8	7	88	2	2	100				4	4	100			
Cr D Brown	8	7	88	2	2	100							7	7	100
Cr A Lyon	11	10	91	3	2	67				8	7	88			
Cr M Godfrey	11	10	91	3	2	67				8	6	75	2	2	100
Cr N Walton	10	9	90	3	2	67				5	4	80	6	6	100
Cr D Armstrong	11	11	100	3	3	100							9	8	89
Cr P Macnamara	3	2	67	1	1	100				3	2	67			

COUNCILLOR TRAINING UNDERTAKEN DURING 2012/2013

Name of Councillor Training Course	Councillor(s) Attending

Chief Executive Officer's Report



Stuart Taylor
Chief Executive Officer

This year was a year influenced predominately by outside influences impacting on what was to be achieved this year.

Community Resource Centre

Firstly there was the Community Resource Centre project, the project commenced in this financial year and was proceeding well within budget and on time with the expected completion date to be the end of the May 2013.

Unfortunately the builders went into voluntary administration and abandoning the project. This left the project in a state of flux as the Shire worked through the implications of this to finance and complete the project.

This together with the State Governments decision to delay adopting the State Budget in May 2013 to August 2013 meant the review of Country Local Government Fund would not be known until the next financial year impacting on any proposal to fund the completion through outside sources.

Cat Legislation

The final stages of implementing the new cat legislation were completed so that we could meet the November 2013 deadline. This included new software, training, and review of pound facilities and also an understanding of the requirement of the Act. The management of cats is over time going to impact further on Shires resources as the Act and Regulations come into full effect.

Local Government Reform

Local Government reform was placed back on the agenda with the Premier implementing the metropolitan local government review with the outcome being amalgamation or boundary realignment of Metropolitan Local Governments being completed by 2017. This will be followed by a review of Regional and Rural Local Governments. This possibly means that Country Local Governments will go through a similar review process over the next couple of years.

Strategic Planning

The state government introduced legislation to implement a new Strategic Planning Framework for local governments to be implemented by 30 June 2013.

The new integrated planning and reporting framework consists of a 10 year Community Strategic Plan and 4 year Corporate Business Plan, a 10 year Long Term Financial Plan, a Workforce Plan and Asset Management Plan.

The purpose of this new framework is to link community aspirations into local Government planning and to assist the community and local government in realising agreed goals that are within the resources of the local government.

Further legislation changes include the introduction of fair value valuations of the Shire assets, to be implemented over three years commencing 2012-2015. Starting with plant, minor plant and equipment and furniture and equipment the assets will be valued and brought to reflect what they are worth at the time they were valued if they were to be sold. Each year a revaluation of an asset class

- (1) Plant, Furniture and Equipment
- (2) Land and Building
- (3) Infrastructure;

will be required to be undertaken.

Staff

Again this year saw changes in staff but it was a very sad occasion with the loss of Dennis Coates, this had a huge impact on the organisation it was a very difficult time for family and staff, he is sadly missed.

Managers have provided the following reports related to this area of responsibility to give you more information on our achievements over the 2012-2013 financial year.

Thank You

Thank you to all the staff for their efforts throughout this year in achieving the outcomes and services that we are required to deliver, it is not always an easy task managing and dealing with the various interests of individuals and groups, the competing interests certainly make life challenging, you are to be congratulated for the professionalism in which you have served the community.

Stuart A Taylor
CHIEF EXECUTIVE OFFICER

Deputy Chief Executive Officer's Report

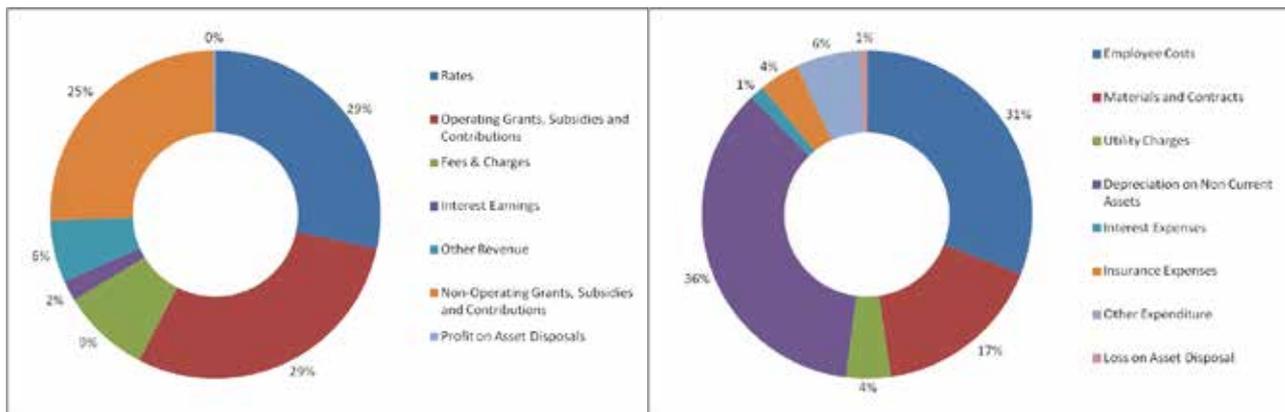
Shire of Wongan-Ballidu Financial Report 2012/13



David Taylor
Deputy Chief Executive Officer

The 2012-13 audited accounts are shown attached and this page highlights pertinent information.

The **Statement of Comprehensive Income** shows the Shire of Wongan-Ballidu total revenue for this financial year was \$9.545m and expenses were \$6.587m resulting in a net surplus of \$1.846m. The composition of these revenues and expenses are illustrated in the charts below. \$144,463 of retained surplus is made up of tied grants primarily in relation to unspent road funding (refer to Note 2(c)). Another \$1.111m of retained surplus is in relation to the changes in fair value of Council's non-current asset classes of furniture & equipment and plant & equipment.



The chart on the left shows that the three main components of revenue were as follows; rates of \$2.391m (28%), operating grants of \$2.469m (30%) and non-operating grants of \$2.138m (25%). The remaining \$1.436m (17%) has come from other sources of revenue such as fees and charges, interest earnings, other revenue and profit on sale of assets. The chart on the right shows that our employee costs were \$2.037m (31%), materials and contracts were \$1.104m (17%) and depreciation was \$2.347m (36%). The remaining \$1.100m (16%) is in relation to other forms of expenditure such as utility charges, interest, insurance and other expenditure.

The **Statement of Financial Position** shows that our net assets has increased by \$2.958m. This is a result of an increase in property, plant and equipment of \$3.408m after recognition of fair value, along with an increase of \$356,667 in receivables and \$335,183 in infrastructure assets. This is offset by a decrease of \$1.095m in cash assets due to restricted grants in relation to the new Community Resource Centre being spent (refer to Note 2(c)). Current loan 145 fell due for repayment during the year and was refinanced into Loan 145B and 145C (both non-current) resulting in a net decrease of \$82,116 in borrowings (refer to Note 21(a) and 21(b)).

The **Statement of Cashflow** combines details from the above statements to give an explanation of what changed the cash position from \$3.671m to \$2.576m, a movement of \$1.095. Operating income activities compared to previous years decreased by \$601,312 with the largest decrease being in operating grants. Rates and fees increased by \$374,957 whilst all other revenue increased by \$60,546. Expenses in relation to employee costs, materials and contracts, utilities, interest and insurance increased by \$570,080. In comparison to previous years, \$1.772m extra was spent on investment activities directly related to the new Community Resource Centre and borrowing expenses reduced by \$47,406.

Deputy Chief Executive Officer's Report

Shire of Wongan-Ballidu Financial Report 2012/13

A major undertaking during the 2012-13 financial year was to perform fair value assessments of Council's non-current asset classes of furniture & equipment, plant & equipment and motor vehicles. As of the 30th of June 2013, all local governments are required to commence the process of recognising all of its assets at fair value in accordance with Regulation 17A of the Local Government (Financial Management) Regulations 1996. The following table indicates the timeframe in which particular asset classes are required to undergo an assessment of fair value.

Classification	Initial Revaluation	Subsequent Revaluation
Plant & Equipment	30 June 2013	30 June 2016
Land and buildings	30 June 2014	30 June 2017
Infrastructure assets and all other classes of assets	30 June 2015	30 June 2018

The reason that local governments are required to undertake fair value assessments is to align them with the Australian Accounting Standards. Fair Value is "the amount for which an asset could be exchanged (sold) or a liability settled in an orderly transaction between market participants". Fair value is considered to be the best estimate of the price reasonably obtainable in the market at the date of the valuation. The use of fair value to be used in the local governments financial statements is essential to provide a more accurate measure of community assets and liabilities rather than at 'historical cost' (the cost in which was paid for that asset). Having assets recorded at fair value is also essential for good asset management practices and robust long term financial planning for a local government to report the value of assets and their associated maintenance, renewal or replacements costs at fair value so that the long term sustainability of that local government can be addressed.

The first year of implementation for fair value has been a learning curve for all the staff at the Shire of Wongan-Ballidu and has required a great deal of time and effort to get everything in order and implement the changes required. Going forward into phase two the team will performing valuations of all Land and Building assets and implementing the necessary changes.

It has been a pleasure to be able to join the team at the Shire of Wongan-Ballidu and I look forward to the year ahead.

David Taylor
Deputy Chief Executive Officer

Manager Building Services



Len deGrussa
Manager Building Services

Responsibilities:

Planning	Building Permits	Demolition Permits
Building Maintenance	Capital Projects	Cleaning
Environmental Health	Medical Centre	DrumMuster
Swimming Pool	Public Buildings	Playgrounds
Management Leases	Rental Properties	Waste Management

Building Maintenance:

Ongoing maintenance and repairs are constantly carried out on all Shire buildings and infrastructure in an effort to keep all in good repair.

Should a member of the public become aware of any building maintenance issues please report them to the Shire as soon as possible.

Capital Projects:

The following projects were undertaken during the year-

Patterson Street -	Installation of temporary public facilities and septic system
Wongan Hills Oval -	New roof on oval watering tank
7 Wandoo Crescent -	Retaining wall to western boundary
Ballidu Hall -	New stage curtains
Wongan Hills Tip -	Various infrastructures
Swimming Pool -	Concrete hardstand to south shelter and club rooms
Ballidu Sports Pavilion -	Upgrade sewer and installation of new septic system

Cleaning:

Shire building assets are cleaned by both staff and contractors. Please report any cleaning issues to the office.

Waste Management:

The Wongan Hills Waste Management site is now manned by a contractor with fees applying to patrons without passes.

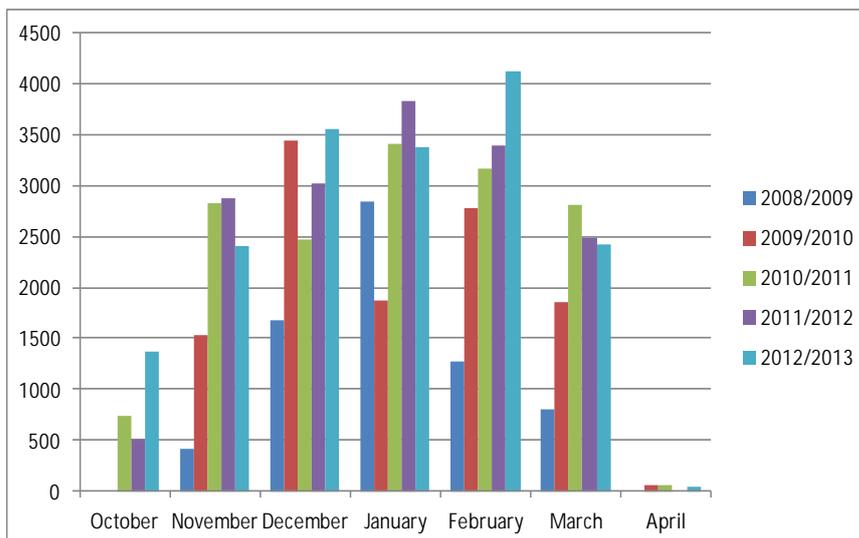
Tip opening hours:	Thursday	8.30am to 4.30pm
	Friday	8.30am to 4.30pm
	Saturday	8.30am to 4.30pm
	Sunday	8.30am to 4.30pm

Although the Shire operates landfill sites at Ballidu and Cadoux please note that asbestos and septage can only be taken at Wongan Hills.

The Wongan Hills Swimming Pool

The Wongan Hills Memorial Swimming Pool had another successful season. The total patronage for the 2012/2013 season year was 16752, this is an additional 573 visits/users on last season's patronage of 17325, demonstrating a 3% increase in usage this season.

This is on top of the 4% increase on the 2011/2012, 25% increase on the 2010/2011 season and 40% increase 2009/2010 my first season.



Manager Building Services

Break down of swimming pool entrance income-

2008/2009-	\$14,066.34
2009/2010-	\$18,175.13
2010/2011-	\$26,733.67
2011/2012-	\$29,506.00
2012/2013-	\$34,088.00

Break down of Swimming pool operating cost:

2008/2009-	\$102,681.00
2009/2010-	\$120,736.00
2010/2011-	\$144,449.00
2011/2012-	\$161,909.00
2012/2013-	\$162,636.00

This year we were very lucky to have the SunSmart Country Pennants 2013 at our Wongan Hills Memorial Swimming Pool. None of the stats from this event are included in the report.

It was a huge undertaking with 780 competitors, 60 accredited officials and 1500 people on pool deck both days.

Competitors came from as far afield as Karratha, Kalgoorlie and Albany to join local teams from Wagin, Katanning Narrogin and Wongan Hills locals.

There was plenty of positive feedback from the competitors on our high standards of service and how our grounds and pools were exemplary and, importantly, how friendly and helpful our community was.

BUILDING SERVICES EXPENDITURE 2012/2013	
Building Maintenance	\$210,128
Building Capital Expenses	\$82,735
Cleaning	\$79,652
Swimming Pool Operating Costs	\$149,909
Utilities and Insurance to Council Buildings	\$237,938
Waste Collection	\$94,284
DrumMuster Costs	\$1,616

BUILDING APPROVAL STATISTICS			
Summary 2012/2013			
Type of Permit Issued For	Number	Value of Work	Fees Received
Carport, Patio, Pergola, Verandah	2	\$59,905	\$186
Domestic Outbuilding	2	\$20,000	\$180
Domestic Outbuilding Alterations	1	\$3,600	\$90
New Dwelling	1	\$180,000	\$576
Dwelling Alterations	1	\$38,079	\$121.85
Swimming Pool	1	\$24,000	\$76.80
Mast	2	\$262,500	\$823
Septic	3		\$329
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	\$8374
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
Total 2001/2002	18	\$4,121,150	\$9,041

Manager Building Services

PLANNING APPROVALS ISSUED		
Summary 2012/2013		
Number of Approvals Issued	Value of Development	Fees Received
4	\$320,360	\$1,302.00

DEMOLITION LICENSES ISSUED	
Summary 2012/2013	
Number of Licenses Issued	Fees received
1	\$90.00

Environmental Health:

Health issues are dealt with by both myself and our Environmental Health Officer, Miss Debbie Fortuin, who is based at the Shire of Dalwallinu. Debbie carries out regular inspections of food premises, shops, hotels, lodging houses, caravan parks and all of the Shires public food preparation areas such as sporting facilities, halls, etc.

EHO report on Food Premises Inspections

Currently the Shire has a total of 22 registered food premises. Four of these premises are assessed as being low risk, 7 are medium risk and 11 are identified as exempt.

A premises receives a low, risk or high risk classification depending on the type and quantity of food they produce for example, a business which sells only pre-packaged food will be classified as a low risk. In terms of exempt premises, these are premises that provide food for the public, but generally are a defined public group such as club members for the various sports clubs which are not required to be registered but are required to meet the requirements of the Food Act 2008.

Generally premises are inspected on an annual basis, and 21 of the 22 premises have been inspected this year. Most of the premises inspected were operating at an acceptable standard. A number of premises that were inspected last year had not attended to the matters raised at that time, which was evident from the follow up inspection undertaken this year. This was very disappointing and my disappointment has been expressed in letters to these business owners, with the intent of firmer action to be undertaken in the future if progress is not being made by my next visit.

Four new food businesses opened this year and two closed down. One of the new businesses began selling food prior to my inspection and the issuing of a registration certificate. This business operator was given a verbal warning concerning this matter, given that he could have been fined \$10,000 for not complying with the requirements of the Food Act 2008. A second business, more recently, was found to be operating without a food registration license since 1995. This is an offence that attracts a \$50,000 fine under the Food Act 2008. Steps have been taken to register this business and a stern letter outlining the business owner's responsibilities under the law has been sent to this business owner. Council is encouraged to consider adopting an enforcement policy which would provide some guidance as to Council's expectations when non-compliance is encountered in these situations.

Any enforcement action undertaken by myself on behalf of Council, may result in ending up in court should any of my actions be challenged by the business operator. This would incur costs to council for legal counsel and fees.

It is for this reason that a cautious approach is taken when it comes to enforcement. However, should a business owner be defiant and reckless in such a matter as to put public safety at risk, I would not hesitate to enforce the law.

It has been a pleasure to be of assistance in my role as the EHO for the Wongan-Ballidu Shire over the past year and I hope to be able to continue to be of assistance for the coming year.

LEN deGRUSSA
MANAGER BUILDING SERVICES

Manager Works & Services Report

Karl Mickle
Works Coordinator

2012/2013

During the year under review, Council once again committed in excess of \$2.69 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.

PROJECT	EXPENDITURE
Roads – Construction (excluding footpaths)	\$1,743,885
Roads – Maintenance	\$ 731,975
Street Lighting and maintenance	\$ 33,521
Street sweeping and cleaning	\$ 28,435
Footpath Construction / Maintenance	\$ 111,739
Street Tree Maintenance	\$ 26,437
Traffic Management Signage	\$ 11,820

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 \$1,515,922 in direct funding and other fees and charges. The break-down of the funding was as follows:

· WA Local Government Grants Commission	\$ 539,613
· MRWA (Direct Grant)	\$ 120,454
· MRWA (Project Specific)	\$ 468,747
· Federal Government (Roads to Recovery)	\$ 382,513
· Street Light Subsidy	\$ 4,595

Some of the road construction projects undertaken for the year included:

LOCATION	DESCRIPTION
Dowerin-Kalannie Rd	Widen to 7.00 + 10.0 formation SLK 28.20 - 30.60 (2.4Km)
Dowerin-Kalannie Rd	Widen to 7.00 + 10.0 formation SLK 26.20 - 28.20 (2Km)
Waddington Rd	Realign curve and widen to 7.0m bitumen SLK 12.00-13.75 (1.75Km)
Wongan-Cadoux Road	Shoulder Work Various 4km
Yerecion South East Rd	Repair Sub-base failure SLK 7.0-7.20 200m
Hospital road	Shoulder Work & clearing Various 4km
Old Ballidu	Gravel resheeting clearing 2 Km
Yerecion South East Rd	Shoulder Work 1.3Km
Kalguddering East Rd	Gravel Resheet-Clearing- Headwalls SLK 4.20-7.50 3.3Km
Ballidu Bindi Bindi Rd	Shoulders work & clearing SLK 3.0-4.0 (1 km)
Kondut West Road	Gravel resheet-Clearing-SLK12.70-15.70 3Km
White Wells Road	Gravel Resheet-Clearing 4Km Various
Sermon Road	Upgrade Culvert-Shoulder SLK 1.20-2.20 1Km
Moonijni West Road	Commence redesign on "S" bends 300m New road
Gabalong East Road	Gravel Resheet-Clearing SLK 1.90-3.00 & 4.50-5.80 2.4Km
Barrow Road	Gravel Resheeting & Clearing Slk 5.90-8.90 3Km

Manager Works & Services Report

RESEAL WORK	JOB LOCATION
Dowerin-Kalannie Rd	14mm reseal
Wongan Hills-Waddington Rd	10mm reseal
Kondut East Rd	Enrichment
Yerecion South East Rd	10mm reseal
Yerecion South East Rd	10mm reseal
Yerecion South East Rd	10mm reseal
Oliver Rd Intersection	10mm reseal
Dowerin-Kalannie Rd	14mm primer seal
Dowerin-Kalannie Rd	14mm primer seal
Wongan-Waddington Rd	14mm primer seal

Construction crew

The Shire construction crew, under the leadership of Lawrence Walker has been very busy working on the Dowerin-Kalannie Road widening shoulders and bringing them up to pre-seal status. This work will be sealed in December.

The construction crew have completed gravel resheeting on Old Ballidu Rd, Kondut West Rd, White Wells Rd, for which we received great feedback from the community on the work done.

Maintenance of the Shire's urban and rural road network, which comprises 343.0km of bitumen roads and 972.0km of gravel roads, continues as a high priority and staff was able to complete the works within the scheduled timeframes.

The Parks and Gardens section continued their excellent work around the town sites, in particular the Fenton Street gardens, Shire administration gardens the Wongan Hills recreational facility and Ballidu's Alpha Park.

Plant Replacement

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 a new Komatsu GD555 grader and upgraded the Rangers vehicle and the new community bus will be delivered in early January 2014

Manager Works & Services Report



KARL MICKLE
WORKS COORDINATOR

Manager Community Services Report



Tanya Greenwood
Manager Community Services

As a small community we are reliant on external funding to upgrade facilities and bring programs and services, which are readily available in larger communities, to our town. With this in mind a substantial portion of the Community Services training budget was utilised to train staff in grant writing and community capacity building. Having additional staff educated in grant writing has allowed the Community Services division to assist more community organisations in their applications for funding as well as gain funding for the Shire to present extra programs, service and undertake facility upgrades.

This year saw the completion of the resurfacing of Ballidu Bowling Club's greens. The total cost of the project was \$230,226 with \$76,742 received in the form of a grant through the Department of Sport and Recreation's Community Sporting and Recreation Facilities Fund (CSRFF). As with the Shire's need for gaining external funding, it too, recognises the communities need for funding to support groups, projects and initiatives. Council adopted into the 2012/13 budget \$117,357.12 in funding to be distributed to the community between its annual donations and Community Development Fund.

Group	Amount \$
Anglican Parish of Wongan Hills - Dalwallinu	4,000.00
Appreciation of Volunteer Emergency Services members	500
Australia Day Function - Ballidu	200
Ballidu Art Society	4,500
Ballidu Sports Council (as per lease)	7,000
Ballidu Tidy Towns	500
Bike it to Ballidu	300
Cadoux Sports Council	1,000.00
Cadoux Sports Council (as per lease)	7,000
Cadoux Tidy Towns	200
Christmas Lights Competition	1,000
Citizenship Ceremonies	200
Constable Care	495
Council Plaques	200
Elizabeth Telfer Building Management Committee Inc.	2,695.00
Library Management	10,000
Miscellaneous - To be used at discretion of Council and CEO	3,500
Mount Matilda Tree Top Walk Feasibility Study	4,500.00
P&C Pool Subsidies	2,040
Pre-school subsidies	1,000
School Chaplaincy	35,500
Tourism & Area Promotion	1,375
Toy Box	1,920.30
WH Cricket Association	750
WH Main St Christmas Party	1,000
WH Museum - Gardening maintenance	2,500
WH Pharmacy Golf Day (WH Police)	250
WH Sports Council (as per lease)	7,000
WH Tourism Group	10,000

Manager Community Services Report

WHSHS Scholarship	350
Wongan Ballidu Community Fitness Club Inc.	454.55
Wongan Bushcare	300
Wongan Hills & Districts Museum & Historical Society	627.27
Wongan Hills Tidy Towns	500
YouthCare	4,000.00
Total	117,357.12

Rolling up sleeves and getting stuck in where it is needed it the reason our community has the volunteer ethos it does. With over 40% of the community being involved in volunteering, we felt it was important to assist in providing not only financial support but organisational development too. A series of workshops were delivered which focused on Volunteer Management and Volunteer Rights and Responsibilities by VolunteeringWA.

In addition the Department of Sport and Recreation delivered an interactive workshop entitled; Governance; how to run your club and managing your club people. These workshops educated the community on their responsibilities as a volunteer as well as the community group's responsibility to their volunteers and to increase the group's effectiveness by supporting their volunteer base. These workshops were well received by community organisations with 27 groups represented.

This financial year saw digital switch commence in regional areas. As digital rolled out in the metropolitan areas, this lead to the detritions of the commercial television provided analogue system, which resulted in a decline in quality television reception in Wongan Hills. In 2006 Council recognised the impact that this was having on the community, and in conjunction with the Wongan Ballidu Development Group, developed and built a television retransmission system for the town. The retransmission system dependably met the community's television needs until the digital switchover. Council realised, at that time, that there would be a requirement to upgrade the system to digital as and when it came our turn for the analogue transmission to be switched off. Through the outcome of public consultation council undertook to develop of a digital retransmission site. Engineers were appointed to carry out the upgrade to convert from analogue to digital in January 2013.

As with all new technology, some teething issues did arise, however the installing engineers were quick to recognise that upgrades in software were required to provide perfect service delivery. The upgrades occurred over a period of time which did interfere with the communities' quality of television experience. Work continues on the transmission site to provide quality viewing and a transmission station that will reliably carry the community's television needs forward.

The past twelve months has seen great growth in the Community Resource Centre (CRC) which was acknowledged by the Department of Regional Development and Lands by increasing their funding to the centre by an additional \$10 000 per financial year. The Shire was commended for the strong commitment the CRC has to delivering a broad range of services to the community. One of these services included the Rural in Reach health and wellbeing program. The program uses video conferencing to bring health services for women and children such as; free counselling and support, community workshops and professional training, access to Women's Health and Family Services programs, to our community. The program puts local community members in touch with highly trained staff who can assist with a diverse range of issues from specialist areas such as alcohol and other drug use, women's health and family and domestic violence to more general health and well-being concerns.

To strengthen the direction of the CRC, a strategic plan was developed which ties into the Shire's Strategic Community and Corporate Business plans. The rolling traineeship program at the Community Resource Centre has seen another graduate this year.

Manager Community Services Report

Funded through the Department of Regional Development & Lands the traineeship program is designed to give the candidate skills and knowledge acquired through their training to gain full time employment. In addition to the annual traineeship program the Shire participated in a workplace training program for people with disabilities. The aim of the workplace training was to provide the participants with the chance to gain skills in the workplace giving them the opportunity to gain wilful employment further down the track.



Discover Golden Horizons brand was officially launched at an event held in Moora on the 19th of October 2012. The launch coincided with the release of the newly developed Discover Golden Horizon tourism brochure as well as pull-up banners featuring the brand and a relevant photo depicting each of the council members.

The tourism group continues to promote our area in state and national publications included Caravanning Australia, Touring Australia, The Wanderer, Experience Perth Planner and Australia's Golden Outback Planner, the West Australian and Sunday Times Travel Magazines. The website discovergoldengorizons.com.au has been developed to give the brand online presence.

TANYA GREENWOOD
MANAGER COMMUNITY SERVICES

Statutory Reports

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 eleven 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, 8:00am 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.

Statutory Reports

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.

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:

- Ø Improper Conduct (irregular or unauthorised use of public resources)
- Ø An offence under State Law including corruption (substantial unauthorised or irregular use of, or substantial mismanagement of, public resources).
- Ø 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.

Statutory Reports

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.

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 5th August 2011.

The SRO Approved the Amended RKP effectively on the 5th August 2011.

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 05th August 2016.

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 \$135,000</i>	1

Code of Conduct Breaches

The Councils 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 2001/12 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 Plans for the Future

The Local Government Act 1995 states the necessity for the preparation and implementation of a Plan 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 for the Future 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.

In accordance with Local Government Act 1995 section 5.56 local governments are to adopt a "Plan for the Future" which must be at least two years in duration and must be available for public comment and consultation prior to adopting the budget.

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. Planning for the future — s. 5.56

- (1) *In this regulation and regulation 19D —
"plan for the future" means a plan made under section 5.56.*
- (2) *A local government is to make a plan for the future of its district in respect of the period specified in the plan (being at least two financial years).*
- (3) *A plan for the future of a district is to set out the broad objectives of the local government for the period specified in the plan.*
- (4) *A local government is to review its current plan for the future of its district every two years and may modify the plan, including extending the period the plan is made in respect of.*
- (5) *A council is to consider a plan, or modifications, submitted to it and is to determine* whether or not to adopt the plan, or the modifications, as is relevant.*

This plan has a strategic focus in that it provides a financial and non-financial direction for the Council as well as attaining a triple bottom line to sustainability. It is predominantly a plan of asset management that is linked to financial rigour.

The Plan reflects recommended funding solutions that are reflected in the draft budget.

The Plan for the Future is based around a long term view of the Councils expected objective to deliver its services to its community with the basis that these services are affordable, so therefore the plan for the future is prudent in financial terms. As a consequence the 10 year Plan for the Future has been undertaken determining the financial planning of Councils operating, capital and funding requirements.

As the most volatile item in the plan is that of capital projects these have been reviewed and set the scene as to the Council direction and how the assets are planned to be managed eg. roads, housing, buildings etc, so that over the longer period assets are not being left to deteriorate and that new assets are being created to replenish, preserve or enhance for the benefit of the community for future beneficiaries as well.

The creation and adoption of the plan creates an interactive partnership between the Council, community and staff and enhances the understanding of the financial, community and

Statutory Reports

environmental objectives for the future. It is emphasised that although legislation states the plan can be for a minimum of two years we have elected to apply a 10 year model so that there is a better strategic focus.

Statutory Reports

Councils Preferred Agents

AUDITORS

*UHY Haines Norton
Chartered Accountants
16 Lakeside Corporate
24 Parkland Road
OSBORNE PARK WA 6916*

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*

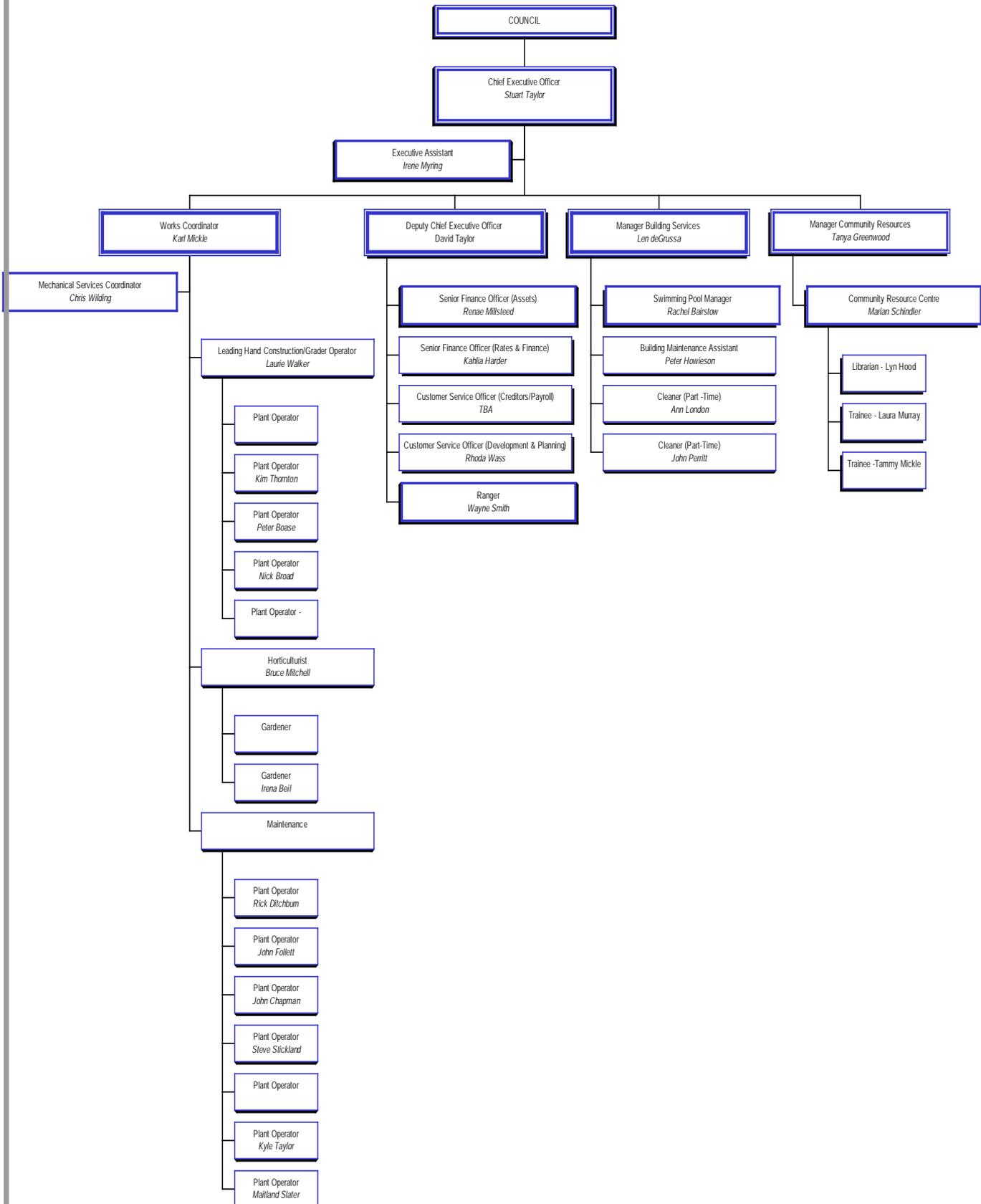
INSURANCE BROKERS

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



Organisation Chart

As at 2014



6 May 2014

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 30TH JUNE 2013**

We advise that we have completed the audit of your Shire for the year ended 30th June 2013 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 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

A handwritten signature in black ink, appearing to read 'Wen-Shien Chai', with a long horizontal stroke extending to the right.

WEN-SHIEN CHAI
PARTNER

**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 2013, 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 Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's 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 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.

AUDITOR'S 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 2013 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

During the course of the audit we became aware of the following instance where the Council did not comply with the Local Government (Financial Management) Regulations 1996 (as amended):

Accounts for Approval

The list of monthly payments presented to Council did not include payments made through the Trust Bank account from July 2012 to January 2013 as required by Financial Management Regulation 13(1).

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) Except as detailed above, no other matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law 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 calculation for the Asset Consumption Ratio as presented and nothing has come to our attention to suggest it is not:
 - i) reasonably calculated; and
 - ii) based on verifiable information

The Asset Renewal Funding Ratio was not calculated and hence no review was carried out.

- d) All necessary information and explanations were obtained by us.
- e) All audit procedures were satisfactorily completed in conducting our audit.

UHY HAINES NORTON
CHARTERED ACCOUNTANTS



WEN-SHIEN CHAI
PARTNER

Date: 6 May 2014
Perth, WA

SHIRE OF WONGAN-BALLIDU

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Notes to and Forming Part of the Financial Report	9 to 56
Independent Audit Report	57 & 58
Supplementary Ratio Information	59

SHIRE OF WONGAN-BALLIDU

FINANCIAL REPORT

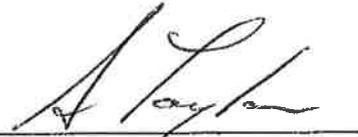
FOR THE YEAR ENDED 30 JUNE 2013

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Wongan-Ballidu being the annual financial report and other information for the financial year ended 30th June 2013 are in my opinion properly drawn up to present fairly the financial position of the Shire of Wongan-Ballidu at 30th June 2013 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 on the 6th day of May 2014



Stuart Taylor
Chief Executive Officer

SHIRE OF WONGAN-BALLIDU
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	2013 \$	2013 BUDGET \$	2012 \$
REVENUE				
Rates	22	2,391,106	2,353,206	2,231,359
Operating Grants, Subsidies and Contributions	28	2,468,970	1,412,210	2,479,542
Fees & Charges	27	728,349	506,493	533,938
Interest Earnings	2(a)	171,204	75,783	169,981
Other Revenue		<u>516,372</u>	<u>9,187</u>	<u>317,841</u>
		6,276,001	4,356,879	5,732,661
EXPENSES				
Employee Costs		(2,037,410)	(1,941,262)	(1,709,836)
Materials and Contracts		(1,103,531)	(896,702)	(1,024,077)
Utility Charges		(286,061)	(241,924)	(273,121)
Depreciation on Non Current Assets	2(a)	(2,346,685)	(2,365,973)	(2,376,158)
Interest Expenses	2(a)	(94,549)	(136,233)	(132,150)
Insurance Expenses		(258,599)	(230,853)	(188,418)
Other Expenditure		<u>(415,489)</u>	<u>(245,117)</u>	<u>(231,459)</u>
		(6,542,324)	(6,058,064)	(5,935,219)
		(266,323)	(1,701,185)	(202,558)
Non-Operating Grants, Subsidies and Contributions	28	2,137,765	2,923,148	1,627,043
Profit on Asset Disposals	20	19,807	62,393	12,043
Loss on Asset Disposal	20	<u>(44,920)</u>	<u>(29,836)</u>	<u>(318,260)</u>
NET RESULT		1,846,329	1,254,520	1,118,268
Other Comprehensive Income				
Changes on Revaluation of Non-Current Assets		1,111,404	0	0
Total Other Comprehensive Income		<u>1,111,404</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u><u>2,957,733</u></u>	<u><u>1,254,520</u></u>	<u><u>1,118,268</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 30 JUNE 2013

	NOTE	2013 \$	2013 BUDGET \$	2012 \$
REVENUE				
Governance		81,875	214,210	236,070
General Purpose Funding		4,249,432	3,312,345	4,443,877
Law, Order, Public Safety		29,012	39,487	36,882
Health		260,962	5,000	23,094
Education and Welfare		3,044	7,923	8,424
Housing		129,538	97,568	117,666
Community Amenities		159,564	177,798	166,718
Recreation & Culture		469,359	135,695	93,935
Transport		551,533	174,983	160,932
Economic Services		25,826	15,550	40,472
Other Property and Services		315,856	268,549	404,591
	2 (a)	<u>6,276,001</u>	<u>4,449,108</u>	<u>5,732,661</u>
EXPENSES EXCLUDING FINANCE COSTS				
Governance		(300,476)	(384,358)	(407,008)
General Purpose Funding		(116,514)	(95,502)	(104,303)
Law, Order, Public Safety		(80,185)	(106,631)	(99,934)
Health		(498,656)	(149,767)	(200,529)
Education and Welfare		(138,358)	(131,702)	(126,702)
Housing		(171,934)	(176,087)	(167,747)
Community Amenities		(376,779)	(366,964)	(334,418)
Recreation & Culture		(1,285,712)	(1,323,683)	(1,336,855)
Transport		(2,712,326)	(2,716,923)	(2,413,072)
Economic Services		(101,723)	(118,080)	(129,862)
Other Property and Services		(665,112)	(444,363)	(482,640)
	2 (a)	<u>(6,447,775)</u>	<u>(6,014,060)</u>	<u>(5,803,070)</u>
FINANCE COSTS				
Education and Welfare		(5,273)	0	(5,837)
Housing		(38,997)	(38,585)	(40,334)
Recreation & Culture		(1,743)	(1,950)	(6,142)
Other Property and Services		(48,536)	(95,698)	(79,837)
	2 (a)	<u>(94,549)</u>	<u>(136,233)</u>	<u>(132,150)</u>
NON OPERATING GRANTS, SUBSIDIES & CONTRIBUTIONS				
General Purpose Funding		393,365	786,730	765,783
Recreation & Culture		1,219,766	1,220,000	0
Transport		524,634	906,418	851,260
Other Property & Services		0	10,000	10,000
		<u>2,137,765</u>	<u>2,923,148</u>	<u>1,627,043</u>
PROFIT/LOSS ON DISPOSAL OF ASSETS				
Governance		(3,253)	0	0
General Purpose Funding		0	(3,168)	3,270
Housing		(40,335)	0	0
Law, Order & Public Safety		0	5,969	0
Recreation & Culture		4,117	0	(244,574)
Transport		14,358	0	0
Other Property & Services		0	29,756	(64,912)
		<u>(25,113)</u>	<u>32,557</u>	<u>(306,216)</u>
NET RESULT		1,846,329	1,254,520	1,118,268
Other Comprehensive Income				
Changes on Revaluation of Non-Current Assets	12	1,111,404	0	0
Total Other Comprehensive Income		1,111,404	0	0
TOTAL COMPREHENSIVE INCOME		<u>2,957,733</u>	<u>1,254,520</u>	<u>1,118,268</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 2013**

	NOTE	2013 \$	2012 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	2,576,332	3,670,912
Trade and Other Receivables	4	593,520	236,853
Inventories	5	20,237	15,085
TOTAL CURRENT ASSETS		3,190,089	3,922,850
NON-CURRENT ASSETS			
Other Receivables	4	816,220	867,507
Inventories	5	928,671	1,021,812
Property, Plant and Equipment	6	20,375,194	16,966,697
Infrastructure	7	43,755,089	43,419,906
TOTAL NON-CURRENT ASSETS		65,875,174	62,275,922
TOTAL ASSETS		69,065,263	66,198,772
CURRENT LIABILITIES			
Trade and Other Payables	8	319,785	387,270
Current Portion of Long Term Borrowings	9	87,126	1,082,167
Provisions	10	283,390	283,025
TOTAL CURRENT LIABILITIES		690,301	1,752,462
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	1,868,759	955,834
Provisions	10	78,747	20,753
TOTAL NON-CURRENT LIABILITIES		1,947,506	976,587
TOTAL LIABILITIES		2,637,807	2,729,049
NET ASSETS		66,427,456	63,469,723
EQUITY			
Retained Surplus		54,049,571	52,126,655
Reserves - Cash Backed	11	1,542,812	1,619,399
Revaluation Surplus	12	10,835,073	9,723,669
TOTAL EQUITY		66,427,456	63,469,723

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 30 JUNE 2013**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/ INVESTMENT BACKED \$	ASSET REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2011		50,871,067	1,756,720	9,723,669	62,351,456
Comprehensive Income					
Net Result		1,118,267	0	0	1,118,267
Total Comprehensive Income		1,118,267	0	0	1,118,267
Transfer From/(To) Reserves		137,321	(137,321)	0	0
Balance as at 30 June 2012		52,126,655	1,619,399	9,723,669	63,469,723
Comprehensive Income					
Net Result		1,846,329	0	0	1,846,329
Changes on Revaluation Of Non-Current Assets	12	0	0	1,111,404	1,111,404
Total Comprehensive Income		1,846,329	0	1,111,404	2,957,733
Transfer From/(To) Reserves		76,587	(76,587)	0	0
Balance as at 30 June 2013		54,049,571	1,542,812	10,835,073	66,427,456

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

**SHIRE OF WONGAN-BALLIDU
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013**

	NOTE	2013 \$	2013 Budget \$	2012 \$
Cash Flows From Operating Activities				
Receipts				
Rates		2,391,106	2,363,622	2,210,559
Operating Grants, Subsidies and Contributions		2,081,847	1,412,210	3,118,662
Fees and Service Charges		728,349	506,493	533,939
Interest Earnings		171,204	75,783	169,980
Goods and Services Tax		723,936	355,000	475,000
Other Revenue		132,120	106,084	321,734
		<u>6,228,562</u>	<u>4,819,192</u>	<u>6,829,874</u>
Payments				
Employee Costs		(1,979,051)	(1,941,262)	(1,727,068)
Materials and Contracts		(1,054,219)	(546,567)	(1,045,073)
Utility Charges		(286,061)	(241,924)	(273,121)
Insurance Expenses		(258,599)	(280,853)	(188,418)
Interest expenses		(94,549)	(136,233)	(110,329)
Goods and Services Tax		(670,133)	(355,000)	(516,706)
Other Expenditure		(319,641)	(195,117)	(231,458)
		<u>(4,662,253)</u>	<u>(3,696,956)</u>	<u>(4,092,173)</u>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>1,566,309</u>	<u>1,122,236</u>	<u>2,737,701</u>
Cash Flows from Investing Activities				
Payments for Purchase of Property, Plant & Equipment		(3,116,206)	(4,238,701)	(1,063,075)
Payments for Construction of Infrastructure		(1,838,538)	(2,219,446)	(1,845,316)
Advances to Community Groups		0	0	(50,000)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		2,137,765	2,923,148	1,627,043
Proceeds from Sale of Plant & Equipment		185,271	152,408	471,239
		<u>(2,631,708)</u>	<u>(3,382,591)</u>	<u>(860,109)</u>
Net Cash Provided By (Used In) Investing Activities		<u>(2,631,708)</u>	<u>(3,382,591)</u>	<u>(860,109)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(1,082,116)	(1,082,167)	(67,526)
Proceeds from Self Supporting Loans		52,935	52,986	35,751
Proceeds from New Debentures		1,000,000	1,000,000	50,000
		<u>(29,181)</u>	<u>(29,181)</u>	<u>18,225</u>
Net Cash Provided By (Used In) Financing Activities		<u>(29,181)</u>	<u>(29,181)</u>	<u>18,225</u>
Net Increase (Decrease) in Cash Held		(1,094,580)	(2,289,536)	1,895,817
Cash at Beginning of Year		3,670,912	3,398,618	1,775,095
Cash and Cash Equivalents at the End of the Year	13(a)	<u>2,576,332</u>	<u>1,109,082</u>	<u>3,670,912</u>

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

**SHIRE OF WONGAN-BALLIDU
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013**

	NOTE	2013 \$	2013 Budget \$	2012 \$
REVENUE				
Governance		81,875	214,210	239,341
General Purpose Funding		2,251,691	1,742,701	2,976,869
Law, Order, Public Safety		29,012	39,847	36,882
Health		260,962	5,000	33,298
Education and Welfare		3,044	7,923	8,424
Housing		129,538	97,568	117,666
Community Amenities		159,564	177,798	166,718
Recreation and Culture		1,364,126	1,355,695	93,935
Transport		1,090,525	1,081,401	1,012,192
Economic Services		25,826	15,550	40,472
Other Property and Services		646,304	358,834	414,591
		<u>6,042,467</u>	<u>5,096,527</u>	<u>5,140,388</u>
EXPENSES				
Governance		(303,729)	(387,611)	(391,408)
General Purpose Funding		(116,514)	(95,502)	(104,303)
Law, Order, Public Safety		(80,185)	(106,631)	(99,934)
Health		(498,656)	(149,767)	(200,529)
Education and Welfare		(143,631)	(131,702)	(132,539)
Housing		(251,265)	(255,006)	(208,081)
Community Amenities		(376,779)	(366,964)	(334,418)
Recreation & Culture		(1,288,788)	(1,326,966)	(1,342,997)
Transport		(2,712,326)	(2,716,923)	(2,667,849)
Economic Services		(101,723)	(118,080)	(129,862)
Other Property and Services		(713,648)	(540,061)	(642,990)
		<u>(6,587,244)</u>	<u>(6,195,213)</u>	<u>(6,254,910)</u>
Net Operating Result Excluding Rates		(544,777)	(1,098,686)	(1,114,522)
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
(Profit)/Loss on Asset Disposals	20	25,113	(84,819)	306,217
Movement in Fixed Assets on revaluation (Motor Vehicles)		96,264	0	0
Initial Recognition of Assets due to Changes in Regulations		(330,449)	0	0
Impairment on Land Held for Resale		93,141	0	0
Correction of Error in Budget		0	277,339	0
Movement in Deferred Pensioner Rates (Non-Current)		(4,724)	0	(10,452)
Movement in Non Current Employee Entitlements		57,994	0	5,695
Depreciation and Amortisation on Assets		2,346,685	2,365,973	2,376,159
Capital Expenditure and Revenue				
Purchase Land and Buildings		(2,758,848)	(3,720,335)	0
Purchase Infrastructure Assets		(1,838,955)	(2,219,446)	(1,845,316)
Purchase Property, Plant and Equipment		(357,358)	(518,366)	(1,063,075)
Proceeds from Disposal of Assets		185,271	252,408	471,238
Repayment of Debentures		(1,082,116)	(1,082,167)	(67,526)
Proceeds from New Debentures		1,000,000	1,000,000	50,000
Advances to Community Groups		0	0	(50,000)
Self-Supporting Loan Principal Income		52,935	52,986	35,751
Transfers to Reserves (Restricted Assets)		(595,238)	(200,000)	(93,386)
Transfers from Reserves (Restricted Assets)		671,825	759,954	230,707
ADD Surplus/(Deficit) July 1 B/Fwd	22(b)	1,580,170	1,861,953	114,486
LESS Surplus/(Deficit) June 30 C/Fwd	22(b)	988,039	0	1,577,335
Amount Required to be Raised from Rates		<u>(2,391,106)</u>	<u>(2,353,206)</u>	<u>(2,231,359)</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 2013

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Preparation

The financial report is a general purpose financial statement which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations.

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

Critical Accounting Estimates

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

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

(b) The Local Government Reporting Entity

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

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

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

(c) Goods and Services Tax (GST)

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Cash and Cash Equivalents

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

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

(e) Trade and Other Receivables

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

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

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

(f) Inventories

General

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

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

Land Held for Resale

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets

Each class of fixed assets is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation or impairment losses.

Mandatory Requirement to Revalue Non-Current Assets

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

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

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

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

(i) that are plant and equipment; and

(ii) that are -

(I) land and buildings; or

(II) infrastructure;

and

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

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

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

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

Land Under Control

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

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Initial Recognition

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of comprehensive income in the period in which they are incurred.

Revaluation

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

Revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date (Level 1 input) in the fair value hierarchy.

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

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

For infrastructure and other asset classes, fair value is determined to be the current replacement cost of an asset (Level 2 inputs in the fair value hierarchy) less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset (Level 3 inputs in the fair value hierarchy).

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

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Transitional Arrangement

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

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

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

Early Adoption of AASB 13 - Fair Value Measurement

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

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

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

Land under Roads

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

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB1051 - Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Depreciation of Non-Current Assets

All non-current assets having a limited useful life (excluding freehold land) are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
clearing and earthworks	not depreciated
construction/road base	50 years
original surfacing and	
major resurfacing	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
clearing and earthworks	not depreciated
construction/road base	50 years
gravel sheet	12 years
Formed roads (unsealed)	
clearing and earthworks	not depreciated
construction/road base	50 years
Footpaths - slab	40 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 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. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

Capitalisation Threshold

Expenditure on items of equipment under \$2,000 is not capitalised with the exception of furniture and Equipment, for which the threshold is \$500. Rather, it is recorded on an asset inventory listing.

(h) Intangible Assets

Easements

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial Instruments

Initial Recognition and Measurement

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

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

Classification and Subsequent Measurement

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

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

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

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

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current. They are subsequently measured at fair value with changes to carrying amount being included in profit or loss.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

Impairment

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial Instruments (Continued)

Derecognition

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

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

(j) Impairment

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

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

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

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

(k) Trade and Other Payables

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

(l) Employee Benefits

Provision is made for the Council's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to the employee wage increases and the probability the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity matching the expected timing of cash flows.

(m) Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Provisions

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

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

(o) Leases

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

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

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

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

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

(p) Investments in Associates

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Joint Venture

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

The Council's interest in joint venture entities are recorded using the equity method of accounting (refer to Note 1(p) for details) in the financial report.

Where the Council contributes assets to the joint venture or if the Council purchases assets from the joint venture, only the portion of gain or loss not attributable to the Council's share of the joint venture shall be recognised. The Council recognises the full amount of any loss when the contribution results in a reduction in the net realisable value of current assets or an impairment loss.

(r) Rates, Grants, Donations and Other Contributions

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

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

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

(s) Superannuation

The Council contributes to a number of superannuation funds on behalf of employees. All funds to which the Council contributes are defined contribution plans.

(t) Current and Non-Current Classification

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

(u) Rounding Off Figures

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Comparative Figures

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

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

(w) Budget Comparative Figures

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

**SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

**SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(iii) AASB 2010 – 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	December 2010	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(iv) AASB 10 - Consolidated Financial Statements, AASB 11 - Joint Arrangements, AASB 12 - Disclosure of Interests in Other Entities, AASB 127 -Separate Financial Statements, AASB 128 - Investments in Associates and Joint Ventures, AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards. [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 131, 132, 133, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	August 2011	01 January 2013	Nil - None of these, except for AASB 128, are expected to have significant application to the operations of the Council. With respect to AASB 128, where the Council has an interest in a Joint Venture, the requirements of AASB 128 supersede those of the current Joint Venture Standard AASB 131. The new standard more clearly defines the accounting treatment and disclosure in relation to it. Due to the nature of the Joint Venture, it is not expected to have a significant impact on the Council.

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(v) AASB 2011 - 9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	September 2011	01 July 2013	The main change embodied in this standard is the requirement to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. It effects presentation only and is not expected to significantly impact the Council.
(vi) AASB 119 - Employee Benefits, AASB 2011 - 10 Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Interpretation 14]	September 2011	01 January 2013	The changes in relation to defined benefit plans contained in this standard are not expected to significantly impact the Council nor are the changes to AASBs in relation to termination benefits.
(vii) AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 32]	June 2012	01 January 2013	Principally amends AASB 7: Financial Instruments: Disclosures to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. This Standard is not expected to significantly impact on the Council's financial statements.

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Notes:

(*) 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 30 JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Adoption of New and Revised Accounting Standards

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

These new and revised standards were:

AASB 2010 – 8
AASB 2011 - 3
AASB 2011 - 13

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

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

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

2. REVENUE AND EXPENSES

(a) Net Result

The Net Result includes:

	2013	2012
	\$	\$
(i) Charging as an Expense:		
Auditors Remuneration		
- Audit of the financial report	18,359	27,407
- Financial Management Review	6,500	0
- Assistance With Annual Financial Report	900	23,155
- Other Services	18,803	0
	<u>44,562</u>	<u>50,562</u>
Depreciation		
Buildings	355,690	336,811
Furniture and Equipment	66,354	66,889
Plant and Equipment	316,265	355,163
Motor Vehicles	51,146	59,907
Roads	1,413,887	1,413,886
Other Infrastructure	143,343	143,502
	<u>2,346,685</u>	<u>2,376,158</u>
Interest Expenses (Finance Costs)		
Debentures (<i>refer Note 21</i>)	94,549	132,150
	<u>94,549</u>	<u>132,150</u>
(ii) Crediting as Revenue:		
Significant Revenue		
Recreation and Culture	330,449	0
	<u>330,449</u>	<u>0</u>

The significant revenue relate to the initial recognition of Land under the Shire's control and improvements in accordance with amendments to the Financial Management Regulations. They have been classified as Other Revenue by Nature or Type.

	2013	2013	2012
	\$	Budget	\$
		\$	
Interest Earnings			
Investments			
- Reserve Funds	68,590	49,635	93,386
- Other Funds	82,491	42,993	61,167
Other Interest Revenue (<i>refer note 26</i>)	20,123	13,456	15,428
	<u>171,204</u>	<u>106,084</u>	<u>169,981</u>

**SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

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.

Shire operations as disclosed in this budget encompass the following service orientated activities/programs:

GOVERNANCE

The objective of the Governance program is to provide an efficient decision making process for the efficient allocation of scarce resources. Activities to achieve this include administration and operation of facilities and services to members of Council and other costs associated with assisting elected members and ratepayers on matters not concerning specific Shire Services.

GENERAL PURPOSE FUNDING

The objective of this program is to generate general purpose funding to deliver a high quality of services to the community. It involves the raising of rates, maximization of general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

The objective of this program is to provide the highest standard of supervision of various local laws and statutory regulations with respect to animal control, fire prevention and emergency services to ensure a safer community.

HEALTH

The Shire's health program aims to provide an operational framework for good community health through a high level of supervision of food quality and pest control, provision of maternal and infant health and the provision of a doctor and dentist residence and surgery to the community.

EDUCATION AND WELFARE

Promotion and support of education for the youth of the community and care of the elderly through the operation of Lovegrove Lodge and maintenance of the Community Health Centre are the objectives of this program.

HOUSING

This programs aims to provide and maintain a high standard of quality of housing to the community and staff through management and maintenance of various rental residences throughout Wongan Hills.

COMMUNITY AMENITIES

The objective of this program is to provide and maintain a high quality of sanitation services to the community of the Shire of Wongan-Ballidu through refuse collection services and maintenance of refuse sites and the recycled sewerage scheme. Other objectives include provision of an appropriate town planning scheme allowing for development, maintenance of cemeteries for the community and support of Land care facilities for the benefit of the district.

**SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

RECREATION AND CULTURE

The areas of recreation and culture are of the highest importance to the community of the Shire of Wongan-Ballidu and as such Council's objective for this program is to provide, develop and maintain a superior level and Quality of recreation facilities and cultural activities. This includes maintenance of civic centres and halls, recreation centres, ovals , parks and gardens, swimming areas, museums and the library facilities.

TRANSPORT

Maintenance and development of the Shire's infrastructure and transport services is the objective of this program. Construction and maintenance of streets, roads, bridges and footpaths, cleaning and lighting of streets, depot maintenance and maintenance of aerodromes are all provided to the community through this program.

ECONOMIC SERVICES

This program aims to regulate and provide tourism and area promotion to generate interest in the Shire and therefore generate tourist dollars for the benefit of the community. This program also provides building control to ensure the towns residences and buildings conform to certain standards, control of noxious weeds and vermin and the provision and maintenance of standpipes. All of these sub-program aim to provide community satisfaction and well being.

OTHER PROPERTY & SERVICES

The objective of this program is to provide private works to the community upon request, maintain Council's plant to ensure its efficient operation and maintenance of government buildings including the Wongan Hills Telecentre. Support for the Business Enterprise Centre also falls under this program which aims to generate business opportunities for the district. The Shire also provides incentives for development within the municipality under this program.

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

2. REVENUE AND EXPENSES (Continued)

Conditions Over Grants/Contributions		Opening Balance (*) 1-Jul-11 \$	Received (+) 2011/12 \$	Expended (#) 2011/12 \$	Closing Balance (*) 30-Jun-12 \$	Received (+) 2012/13 \$	Expended (#) 2012/13 \$	Closing Balance 30-Jun-13 \$
Grant/Contribution	Function/ Activity							
Dept Local Govt. (Strat Comm P/ing)	Governance	0	45,000	(10,681)	34,319		(20,771)	13,548
Dept Local Govt. (Financial P/ing)	Governance	0	25,000	(25,000)	0			0
Dept Local Govt. (Workforce P/ing)	Governance	0			0	25,000		25,000
Roads to Recovery	Transport	0			0	382,520	(278,165)	104,355
Royalties for Regions	Health	0			0			0
Department Sport & Rec. - Bowling	Rec. & Culture	0			0	69,766	(69,766)	0
Ballidu Bowling Club	Rec. & Culture	0			0	63,424	(63,424)	0
Regional Partnership	Health	0			0			0
RCLIP	Transport	27,273	0	(27,273)	0			0
Department of Agriculture	Transport	50,000	0	(50,000)	0			0
CRC Community Res Network	Comm. Amenities	0	80,000	(78,220)	1,780			1,780
CRC - CRN Funding	Comm. Amenities	0			0	250,000	(250,000)	0
CRC Lotterywest	Comm. Amenities	0			0	750,000	(750,000)	0
CRC Wheatbelt Dev. Corp.	Comm. Amenities	0	300,000	0	300,000	150,000	(450,000)	0
CRC RDL (CLGF Regional)	Comm. Amenities	0	465,783	(115,748)	350,035		(350,035)	0
CRC RDL (CLGF Local)	Comm. Amenities	0	447,489	(101,269)	346,220	0	(346,220)	0
Total		77,273	1,363,272	(408,191)	1,032,354	1,690,710	(2,578,381)	144,683

Notes:

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

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

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

**SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

	2013	2012
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	888,837	1,019,159
Restricted	<u>1,687,495</u>	<u>2,651,753</u>
	<u><u>2,576,332</u></u>	<u><u>3,670,912</u></u>

The following restrictions have been imposed by regulations or other externally imposed requirements:

Centenary Celebrations Reserve	0	51,918
Depot Improvement Reserve	5,564	5,392
Historical Publications Reserve	6,074	5,885
Housing JV Patterson St Reserve	11,918	6,704
Housing JV Quinlan Street Reserve	18,719	13,293
Housing JV Stickland Street Reserve	14,025	8,744
Housing Reserve	89,889	87,096
Land & Buildings Reserve	0	128,859
Loan Repayments Reserve	292,060	89,763
Long Service Leave Reserve	70,379	68,192
Medical Facilities & Royalties for Regions Special Projects Reserve	302,663	555,841
Plant Reserve	687,287	530,734
Swimming Pool Reserve	6,833	1,776
Waste Management Facilities Reserve	25,779	44,357
WH CRC Reserve	11,622	11,261
Industrial & LIA Park Reserve	0	9,584
Unspent Grants - Note 2 (c)	<u>144,683</u>	<u>1,032,354</u>
	<u><u>1,687,495</u></u>	<u><u>2,651,753</u></u>

4. TRADE AND OTHER RECEIVABLES

Current		
Rates Outstanding	75,345	59,846
Sundry Debtors	401,778	60,973
GST Receivable	24,995	33,240
Other Debtors	35,340	29,808
Loans - Self Supporting	<u>56,062</u>	<u>52,986</u>
	<u><u>593,520</u></u>	<u><u>236,853</u></u>
Non-Current		
Rates Outstanding - Pensioners	15,729	11,005
Loans - Clubs/Institutions	<u>800,491</u>	<u>856,502</u>
	<u><u>816,220</u></u>	<u><u>867,507</u></u>

**SHIRE OF WONGAN-BALLIDU
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

	2013 \$	2012 \$
5. INVENTORIES		
Current		
Fuel and Materials	20,237	15,085
	<u>20,237</u>	<u>15,085</u>
Non-Current		
Land Held for Resale - Cost		
Cost of Acquisition	234,629	234,629
Development Costs	694,042	787,183
	<u>928,671</u>	<u>1,021,812</u>
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
Land - Vested in and under the Control of Council - at Cost		
	266,887	0
Freehold Land at Cost	1,368,565	1,300,140
Total Land	<u>1,635,452</u>	<u>1,300,140</u>
Buildings - At Valuation 2007	13,635,309	13,635,309
Buildings - At Cost	5,364,300	2,856,865
Less Accumulated Depreciation	<u>(3,379,867)</u>	<u>(3,057,051)</u>
Total Buildings	<u>15,619,742</u>	<u>13,435,123</u>
Total Land and Buildings	<u>17,255,194</u>	<u>14,735,263</u>
Furniture and Equipment - at Valuation		
	259,840	0
Furniture and Equipment - At Cost	0	680,724
Less Accumulated Depreciation	<u>0</u>	<u>(382,366)</u>
	<u>259,840</u>	<u>298,358</u>
Plant and Equipment - at Valuation		
	2,692,160	0
Plant and Equipment - At Cost	0	3,773,708
Less Accumulated Depreciation	<u>0</u>	<u>(2,158,442)</u>
	<u>2,692,160</u>	<u>1,615,266</u>
Motor Vehicles - Revalued		
	168,000	0
Motor Vehicles - At Cost	0	598,031
Less Accumulated Depreciation	<u>0</u>	<u>(280,221)</u>
	<u>168,000</u>	<u>317,810</u>
	<u>20,375,194</u>	<u>16,966,697</u>

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

Under this regulation Crown Reserve 16588 being operated as the Wongan Hills Golf Course has been recognised as Land Under Control as at 30 June 2013.

**SHIRE OF WONGAN-BALLIDU
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

Furniture and Equipment

The Shire's Furniture and Equipment was revalued at 30th June 2013 by independent valuers. All of the valuations were made having regard for their current replacement cost, condition assessment (Level 2 inputs in the fair value hierarchy), residual values and remaining estimated useful life (Level 3 inputs in the fair value hierarchy).

Given the significance of the level 3 inputs into the overall fair value measurements, the assets are deemed to have been valued using level 3 inputs. These level 3 inputs are based on assumptions with regard 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.

The revaluation of Furniture and Equipment resulted in an overall increment of \$15,450 in the net value of the Shire's Furniture and Equipment. All of this increase was credited to the revaluation surplus in the Shire's equity (Refer note 12 (b) for further details) and was recognised as Changes on Revaluation of Non-Current Assets in the Statement of Comprehensive Income.

Plant and Equipment

The Shire's Plant and Equipment was revalued at 30th June 2013 by independent valuers. All of the valuations were made on the basis of open market values or similar assets adjusted for condition and comparability (level 2 inputs in the fair value hierarchy).

The revaluation of Plant and Equipment resulted in an overall increment of \$1,095,954 in the net value of the Shire's Plant and Equipment. All of this increase was credited to the revaluation surplus in the Shire's equity (Refer note 12 (c) for further details) and was recognised as Changes on Revaluation of Non-Current Assets in the Statement of Comprehensive Income.

Motor Vehicles

The Shire's Motor Vehicles were revalued at 30th June 2013 by independent valuers. All of the valuations were made on the basis of open market values or similar assets adjusted for condition and comparability (level 2 inputs in the fair value hierarchy).

The revaluation resulted in an overall decrement of \$96,264 in the net value of the Shire's Motor Vehicles. All of these decrements were recognised in the net result in the Statement of Comprehensive as Other Expenditure in Other Property and Services.

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Movements in Carrying Amounts

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

	Land & Buildings \$	Furniture & Equipment \$ (Level 3)	Plant & Equipment \$ (Level 2)	Motor Vehicles \$ (Level 2)	Total \$
Balance as 1st July 2013	14,735,263	298,358	1,615,266	317,810	16,966,697
Additions	2,758,848	23,212	222,059	112,087	3,116,206
(Disposals)	(140,334)	0	(2,333)	(67,718)	(210,385)
Depreciation (Expense)	(355,690)	(66,354)	(316,265)	(51,146)	(789,455)
Transfers	(9,780)	(10,826)	77,479	(46,769)	10,104
Initial Recognition of Assets - Golf Course	266,887	0	0	0	266,887
Revaluation Increments	0	15,450	1,095,954	0	1,111,404
Revaluation Decrements	0	0	0	(96,264)	(96,264)
Balance as 30th June 2013	17,255,194	259,840	2,692,160	168,000	20,375,194

Note: A reclassification from "Land and Buildings, Plant and Equipment, Furniture and Equipment, Motor Vehicles and Other Infrastructure" resulted in a net transfer from "Other Infrastructure" of \$10,104.

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

	2013	2012
	\$	\$
7 INFRASTRUCTURE		
Roads - Cost	76,064,862	74,450,034
Less Accumulated Depreciation	<u>(34,888,347)</u>	<u>(33,474,460)</u>
	41,176,515	40,975,574
Footpaths - Cost	655,496	622,443
Less Accumulated Depreciation	<u>(363,850)</u>	<u>(345,927)</u>
	291,646	276,516
Drainage - Cost	1,511,561	1,511,561
Less Accumulated Depreciation	<u>(1,300,164)</u>	<u>(1,250,307)</u>
	211,397	261,254
Other Infrastructure (Parks, Oval, Dams etc) - Cost	2,966,903	2,785,933
Car Park on Land Vested in and under the control of Council	63,562	0
Less Accumulated Depreciation	<u>(1,007,814)</u>	<u>(936,501)</u>
	2,022,651	1,849,432
Signs - Cost	127,625	127,625
Less Accumulated Depreciation	<u>(74,745)</u>	<u>(70,495)</u>
	52,880	57,130
	<u>43,755,089</u>	<u>43,419,906</u>

In accordance with Local Government Financial Management Regulation 16(b), Council is required to include as an asset, any structure or improvements on Crown Land recognised under Financial Management Regulation 16(a).

Under this regulation Golf Course Car Park has been recognised as at 30 June 2013 and classified to Other Infrastructure.

SHIRE OF WONGAN-BALLIDU
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2013

7 INFRASTRUCTURE (Continued)

(a) Movements in Carrying Amounts

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

	Roads \$	Footpaths \$	Drainage \$	Other Infrastructure \$	Signs \$	Total \$
Balance as 1st July 2013	40,975,574	276,516	261,254	1,849,432	57,130	43,419,906
Additions	1,614,828	33,053	0	191,074	0	1,838,955
(Disposals)	0	0	0	0	0	0
Depreciation (Expense)	(1,413,887)	(17,923)	(49,857)	(71,313)	(4,250)	(1,557,230)
Initial Recognition of Assets - Golf Course Car Park	0	0	0	63,562	0	63,562
Transfers	0	0	0	(10,104)	0	(10,104)
Balance as 30th June 2013	41,176,515	291,646	211,397	2,022,651	52,880	43,755,089

Note: A reclassification from "Land and Buildings, Plant and Equipment, Furniture and Equipment, Motor Vehicles and Other Infrastructure" resulted in a net transfer from "Other Infrastructure" of \$10,104.

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	221,322	277,631
Accrued Interest on Debentures	44,079	60,889
Accrued Salaries and Wages	19,650	11,121
PAYG Liability	26,811	29,706
FBT Payable	7,923	7,923
	319,785	387,270
9. LONG-TERM BORROWINGS		
Current		
Debentures - Shire Purposes	31,064	1,029,181
Debentures - Self Supporting Loans	56,062	52,986
	87,126	1,082,167
Non-Current		
Debentures - Shire Purposes	1,068,268	99,332
Debentures - Self Supporting Loans	800,491	856,502
	1,868,759	955,834

Additional detail on borrowings is provided in Note 21

10. PROVISIONS

Analysis of Total Provisions

Current

Provision for Annual Leave	184,640	171,694
Provision for Long Service Leave	85,304	100,766
Provision for RDOs	13,446	10,565
	283,390	283,025

Non-Current

Provision for Long Service Leave	78,747	20,753
	78,747	20,753

	Annual Leave \$	Long Service Leave \$	Total \$
Opening balance as at 1 July 2012	171,694	121,519	293,213
Additional provisions	166,773	98,187	264,960
Amounts used	(88,377)	(6,381)	(94,758)
Used amounts reversed	(65,450)	(49,273)	(114,723)
Balance at 30 June 2013	184,640	164,052	348,692

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2013 Budget \$	2012 \$
11. RESERVES - CASH BACKED			
(a) Depot Improvement Reserve			
Opening Balance	5,392	5,392	5,157
Interest Received	172	156	235
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>5,564</u>	<u>5,548</u>	<u>5,392</u>
(b) Plant Reserve			
Opening Balance	530,734	530,734	723,060
Interest Received	17,017	15,391	38,381
Amount Set Aside / Transfer to Reserve	180,000	180,000	0
Amount Used / Transfer from Reserve	(40,464)	(169,109)	(230,707)
	<u>687,287</u>	<u>557,016</u>	<u>530,734</u>
(c) Loan Repayments Reserve			
Opening Balance	89,763	89,763	85,234
Interest Received	11,936	10,796	4,529
Amount Set Aside / Transfer to Reserve	190,361	190,361	0
Amount Used / Transfer from Reserve	0	0	0
	<u>292,060</u>	<u>290,920</u>	<u>89,763</u>
(d) Housing Reserve			
Opening Balance	87,096	87,096	82,706
Interest Received	2,793	2,526	4,390
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>89,889</u>	<u>89,622</u>	<u>87,096</u>
(e) WH CRC Reserve			
Opening Balance	11,261	11,261	10,699
Interest Received	361	327	562
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>11,622</u>	<u>11,588</u>	<u>11,261</u>
(f) Land & Buildings Reserve			
Opening Balance	128,859	128,859	122,322
Interest Received	0	0	6,537
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	(128,859)	(128,859)	0
	<u>0</u>	<u>0</u>	<u>128,859</u>

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2013 Budget \$	2012 \$
11. RESERVES - CASH BACKED (Continued)			
(g) Long Service Leave Reserve			
Opening Balance	68,192	68,192	64,737
Interest Received	2,187	1,978	3,455
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>70,379</u>	<u>70,170</u>	<u>68,192</u>
(h) Swimming Pool Reserve			
Opening Balance	1,776	1,776	1,685
Interest Received	57	52	91
Amount Set Aside / Transfer to Reserve	5,000	5,000	0
Amount Used / Transfer from Reserve	0	0	0
	<u>6,833</u>	<u>6,828</u>	<u>1,776</u>
(i) Historical Publications Reserve			
Opening Balance	5,885	5,885	5,605
Interest Received	189	171	280
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>6,074</u>	<u>6,056</u>	<u>5,885</u>
(j) Medical Facilities & Royalties for Regions Special Projects Reserve			
Opening Balance	555,841	555,841	527,640
Interest Received	17,822	16,119	28,201
Amount Set Aside / Transfer to Reserve	150,000	0	0
Amount Used / Transfer from Reserve	(421,000)	(560,845)	0
	<u>302,663</u>	<u>11,115</u>	<u>555,841</u>
(k) Waste Management Facilities Reserve			
Opening Balance	44,357	44,357	42,116
Interest Received	1,422	1,286	2,241
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	(20,000)	(30,000)	0
	<u>25,779</u>	<u>15,643</u>	<u>44,357</u>
(l) Centenary Celebrations Reserve			
Opening Balance	51,918	51,918	49,303
Interest Received	0	0	2,615
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	(51,918)	(51,918)	0
	<u>0</u>	<u>0</u>	<u>51,918</u>

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2013 Budget \$	2012 \$
11. RESERVES - CASH BACKED (Continued)			
(m) Industrial & LIA Park Reserve			
Opening Balance	9,584	9,584	9,117
Interest Received	0	0	467
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	(9,584)	(9,584)	0
	<u>0</u>	<u>0</u>	<u>9,584</u>
(n) Housing JV Stickland Street Reserve			
Opening Balance	8,744	8,744	8,323
Interest Received	281	254	421
Amount Set Aside / Transfer to Reserve	5,000	5,000	0
Amount Used / Transfer from Reserve	0	0	0
	<u>14,025</u>	<u>13,998</u>	<u>8,744</u>
(o) Housing JV Quinlan Street Reserve			
Opening Balance	13,293	13,293	12,639
Interest Received	426	372	654
Amount Set Aside / Transfer to Reserve	5,000	5,000	0
Amount Used / Transfer from Reserve	0	0	0
	<u>18,719</u>	<u>18,665</u>	<u>13,293</u>
(p) Housing JV Patterson St Reserve			
Opening Balance	6,704	6,704	6,377
Interest Received	214	194	327
Amount Set Aside / Transfer to Reserve	5,000	5,000	0
Amount Used / Transfer from Reserve	0	0	0
	<u>11,918</u>	<u>11,898</u>	<u>6,704</u>
ALL RESERVES			
Opening Balance	1,619,399	1,619,399	1,756,720
Interest Received	54,877	49,622	93,386
Amount Set Aside / Transfer to Reserve	540,361	390,361	0
Amount Used / Transfer from Reserve	(671,825)	(950,315)	(230,707)
	<u>1,542,812</u>	<u>1,109,067</u>	<u>1,619,399</u>

**SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

11. RESERVES - CASH BACKED (Continued)

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

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

Depot Improvement Reserve - To be used to fund capital improvements and maintenance works at the Shire of Wongan-Ballidu Depot.

Plant Reserve - To be used for the purchase of major plant.

Loan Repayments Reserve - To be used to fund loan repayments for land and housing development in the Shields Cr and Danubin Rise areas.

Housing Reserve - To be used for the development of housing within the Shire.

WH CRC Reserve - To be used to transfer funds from the Community Resource Centre operations for the future purchase of capital furniture and equipment.

Land & Building Reserve - To be used for purchase of land and the construction and maintenance of Council's building assets.

Long Service Leave Reserve - To be used for Council's current and non-current long service leave liability.

Swimming Pool Reserve - To be used to fund capital and maintenance works at the Wongan Hills Memorial Swimming Pool.

Historical Publications Reserve - To be used to fund historical publications and projects of the Shire.

Industrial & LIA Park Reserve - To be used to fund the development and operating costs of Wongan Hills Industrial & 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 - To be used to fund the capital and operating costs of the Housing joint venture in Stickland Street.

Housing JV Quinlan Street Reserve - To be used to fund the capital and operating costs of the Housing joint venture in Quinlan Street.

Housing JV Patterson Street Reserve - To be used to fund the capital and operating costs of the Housing joint venture in Patterson Street.

Medical Facilities & Royalties for Regions Special Projects Reserve - 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 Facilities Reserve - To be used to fund the future waste management facility needs of the Shire.

Centenary Celebrations Reserve - 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.

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

11. RESERVES - CASH BACKED (Continued)

The reserves are expected to be utilised as follows:

The Waste Management Facilities Reserve and Medical Facilities & Royalties for Regions Special Projects Reserve are expected to be utilised on completion of their respective projects.

All other reserves will not be utilised as further contributions will be made to make provision for the purposes of the reserves.

12. REVALUATION SURPLUS

2013
\$

2012
\$

Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:

(a) Land and Buildings

Opening balance	9,723,669	9,723,669
Revaluation Increment	0	0
Revaluation Decrement	0	0
	9,723,669	9,723,669

(b) Furniture & Equipment

Opening Balance	0	0
Revaluation Increment	15,450	0
Revaluation Decrement	0	0
	15,450	0

(c) Plant & Equipment

Opening Balance	0	0
Revaluation Increment	1,095,954	0
Revaluation Decrement	0	0
	1,095,954	0

TOTAL REVALUATION SURPLUS

	10,835,073	9,723,669
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SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the statement of financial position as follows:

	2013 \$	2013 Budget \$	2012 \$
Cash and Cash Equivalents	<u>2,576,332</u>	<u>1,109,082</u>	<u>3,670,912</u>

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

Net Result	1,846,329	1,254,520	1,118,268
Decrease in Fair Value of Motor Vehicles	96,264	0	0
Initial Recognition of Assets due to Changes in Regulations	(330,449)	0	0
Asset Transfers	(417)	0	0
Depreciation	2,346,685	2,312,469	2,376,158
(Profit)/Loss on Sale of Asset	25,113	(32,557)	306,217
(Increase)/Decrease in Receivables	(358,315)	587,268	594,240
(Increase)/Decrease in Inventories	87,989	360	18,393
Increase/(Decrease) in Payables	(67,485)	(76,676)	(17,240)
Increase/(Decrease) in Employee Provisions	58,360	0	(31,292)
Grants/Contributions for the Development of Assets	<u>(2,137,765)</u>	<u>(2,923,148)</u>	<u>(1,627,043)</u>
Net Cash from Operating Activities	<u>1,566,309</u>	<u>1,122,236</u>	<u>2,737,701</u>

**(c) Undrawn Borrowing Facilities
Credit Standby Arrangements**

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	<u>(1,275)</u>	<u>(2,014)</u>
Total Amount of Credit Unused	<u>106,225</u>	<u>105,486</u>

Loan Facilities

Loan Facilities - Current	87,126	1,082,167
Loan Facilities - Non-Current	1,868,760	955,834
Total Facilities in Use at Balance Date	<u>1,955,886</u>	<u>2,038,001</u>

Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>
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14. CONTINGENT LIABILITIES

There were no known contingent liabilities at 30 June 2013

15. CAPITAL AND LEASING COMMITMENTS

There were no outstanding capital or leasing commitments at 30 June 2013 with the exception that a vehicle ordered on the 1st May 2013 is not to be delivered until about September 2013 (Value \$24,000).

**SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

16. JOINT VENTURE

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.

		2013 \$	2012 \$
	%	Valuation	Shire Share
Strickland Street	11	240,000	26,928
Quinlan Street	9	730,000	67,160
Patterson Street	12	290,000	35,757
		<u>1,260,000</u>	<u>129,845</u>

Non-Current Assets

Land (at Cost)	57,637	57,637
2007 Revaluation Increment At Revaluation	<u>82,363</u>	<u>82,363</u>
	<u>140,000</u>	<u>140,000</u>
Buildings (Shire Equity Share)	129,845	129,845
Less: Accumulated Depreciation	<u>(20,607)</u>	<u>(16,284)</u>
	<u>109,238</u>	<u>113,561</u>

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

Governance	1,088,822	1,461,884
General Purpose Funding	0	10,451
Law, Order, Public Safety	61,972	138,724
Health	408,751	1,242,185
Education and Welfare	798,277	885,701
Housing	1,485,100	2,459,038
Community Amenities	387,818	1,566,466
Recreation and Culture	13,913,424	11,533,085
Transport	42,336,266	40,472,403
Economic Services	326,398	636,029
Other Property and Services	2,397,720	2,034,166
Unallocated	<u>5,860,715</u>	<u>3,758,640</u>
	<u>69,065,263</u>	<u>66,198,772</u>

**SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

18. FINANCIAL RATIOS	2013	2012	2011
Current Ratio	2.657	0.755	1.752
Asset Sustainability Ratio	0.965	1.066	0.930
Debt Service Cover Ratio	1.827	10.014	7.608
Operating Surplus Ratio	(0.074)	(0.137)	(0.273)
Own Source Revenue Coverage Ratio	0.597	0.594	0.591

The above ratios are calculated as follows:

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

Notes: Information relating to the **Asset Consumption Ratio** and the **Asset Renewal Funding Ratio** can be found at Supplementary Ratio Information on Page 59 of this document.

Two of the 2013 ratios above are distorted by items of revenue totalling \$330,449 relating to the initial recognition of Land and Improvement under the Shire's control in accordance with amendments to the Financial Management Regulations (refer to Notes 1(g), 1(h) and 2(a)(ii) for further details) and an item of expense in relation to the fair value decrement of motor vehicles of \$96,264 (refer Note 6 for further details).

These items form part of operating revenue and operating expenses and have been included in the calculations above.

These items of revenue and expense are considered to be "one-off" and are non-cash in nature and if they are ignored, the calculations disclosed in the 2013 column above would be as follows:

	2013
Debt Service Cover Ratio	1.628
Operating Surplus Ratio	(0.134)

Furthermore, the Debt Service Ratio is abnormally low due to a large principal repayment for Loan 145 - Land Development and this loan was refinanced by Loan 145B and Loan 145C.

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

19. TRUST FUNDS

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

	Balance 1-Jul-12 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-13 \$
Mocardy BFB	6,703	0	0	6,703
Housing (Tenancy Bonds)	4,852	1,300	(2,976)	3,176
Lake Ninan/Hinds BFB	429	0	(70)	359
Department of Transport Monies Cadoux/Manmanning BFB	12,232	138,240	(144,097)	6,375
- Glenvar donation	250	0	0	250
	<u>24,466</u>			<u>16,863</u>

20. DISPOSALS OF ASSETS - 2012/13 FINANCIAL YEAR

The following assets were disposed of during the year.

		Net Book Value		Sale Price		Profit (Loss)	
		Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Governance							
Holden Caprice	MV0067	36,398	41,168	33,145	38,000	(3,253)	(3,168)
Recreation & Culture							
Toyota Hilux	MV0052	2,277	345	7,727	10,000	5,450	9,655
Vertimower - John Deere	E0173	2,333	0	1,000	5,000	(1,333)	5,000
Transport							
Isuzu NPR400 Tip Truck	E0089	0	41,163	14,100	15,000	14,100	(26,163)
Toyota Hilux Dual Cab	MV0065	29,043	29,686	29,300	29,181	257	(505)
Housing							
1 Ackland St Wongan Hills	L0032	140,333	0	99,999	100,000	(40,334)	100,000
		<u>210,384</u>	<u>112,362</u>	<u>185,271</u>	<u>197,181</u>	<u>(25,113)</u>	<u>84,819</u>

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

The Shire has a number of loans and self supporting loans (shown with an *), which are detailed in the table below. These were sourced from the Country Housing Authority or the W.A. Treasury Corporation.

Particulars	Principal 1-Jul-12 \$	New Loans \$	Principal Repayments		Principal Outstanding 30-Jun-13		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Education & Welfare								
Loan 147 WATC*								
Construction of Aged Persons Complex	79,803	0	5,390	5,390	74,413	74,413	5,273	5,423
Housing								
Loan 140 Country Housing Development Group	429,945	0	0	0	429,945	430,000	23,875	23,177
Loan 142 WATC*								
Community Association	257,289	0	25,778	25,778	231,511	231,511	15,122	15,408
Sports Pavillion Loan150 * W.H. Sports Council	50,000	0	11,792	11,792	38,208	38,208	1,743	1,950
Other Property & Services								
Loan 143 WATC Land Purchase and Development	128,514	0	29,181	29,181	99,333	99,333	7,558	7,416
Loan 145 WATC Land Development	1,000,000	0	1,000,000	1,000,000	0	0	4,797	60,439
Loan 145B WATC Land Development	0	500,000	0	0	500,000	500,000	14,722	8,161
Loan 145C WATC Land Development	0	500,000	0	0	500,000	500,000	15,968	8,800
Loan 149 WATC* Land Purchase & Development	92,451	0	10,026	10,026	82,425	82,425	5,491	5,449
	2,038,002	1,000,000	1,082,167	1,082,167	1,955,835	1,955,890	94,549	136,223

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

21. INFORMATION ON BORROWINGS (continued)

(b) New Debentures - 2012/13

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
Refinance Loan 145	500,000	500,000	WATC	Debenture	2	unknown	3.13	500,000	500,000	0
Refinance Loan 145	500,000	500,000	WATC	Debenture	4	unknown	3.42	500,000	500,000	0

(c) Unspent Debentures

There were no unspent debentures at 30 June 2013.

(d) Overdraft

Council maintains an overdraft facility of \$100,000 with the ANZ Bank to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2012 and 30 June 2013 was Nil.

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

22. RATING INFORMATION - 2012/13 FINANCIAL YEAR

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
General Rate											
GRV - Cad/Ball	9.1875	89	335,192	37,045	0	0	37,045	30,748	0	0	30,748
GRV - Wongan	9.1875	507	4,735,541	435,835	31,209	0	467,044	436,201	9,428	0	445,629
UV - Rural	1.0526	297	172,618,500	1,839,689	33,550	0	1,873,239	1,850,634	0	0	1,850,634
UV - Mining	1.0526	20	26,072	274	(274)	0	0	275	0	0	275
Sub-Totals		913	177,715,305	2,312,843	64,485	0	2,377,328	2,317,858	9,428	0	2,327,286
Minimum Rates	Minimum \$										
GRV - Cad/Ball	250	25	12,252	3,127	0	0	3,127	6,250	0	0	6,250
GRV - Wongan	520	71	196,891	20,407	0	0	20,407	36,920	0	0	36,920
UV - Rural	250	10	3,239,900	2,250	0	0	2,250	2,500	0	0	2,500
UV - Mining	250	21	97,033	5,250	0	7,244	12,494	5,250	300	0	5,250
Sub-Totals		127	3,546,076	31,034	0	7,244	38,278	50,920	300	0	50,920
Discounts (refer note 26)											
Total Amount Raised from General Rates							(24,500)				(25,000)
							2,391,106				2,353,206

**SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

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

(b) Information on Surplus/(Deficit)	2013 (30 June 2013 Carried Forward) \$	2013 (1 July 2012 Brought Forward) \$	2012 (30 June 2012 Carried Forward) \$
Surplus/(Deficit) - Rate Setting Statement	<u>988,039</u>	<u>1,580,170</u>	<u>1,577,335</u>
<u>Comprises:</u>			
Cash - Unrestricted	888,837	1,019,159	1,019,159
Cash - Restricted	144,683	1,032,354	1,032,354
Investments - Restricted	1,542,812	1,619,399	1,619,399
Rates - Current	75,345	59,846	59,846
Sundry Debtors	401,778	60,973	60,973
GST Receivable	53,803	33,240	30,400 *
Other Debtors	35,339	29,808	29,808
Inventories - Fuel and Materials	20,237	15,085	15,085
<u>Less:</u>			
Reserves - Restricted Investments	(1,542,812)	(1,619,399)	(1,619,399)
Sundry Creditors	(221,322)	(277,631)	(277,631)
Accrued Interest on Debentures	(44,079)	(60,889)	(60,889)
Accrued Salaries and Wages	(19,650)	(11,121)	(11,121)
Current Employee Benefits Provision	(283,390)	(283,025)	(283,025)
Other	(63,542)	(37,629)	(37,624)
Surplus/(Deficit)	<u>988,039</u>	<u>1,580,170</u>	<u>1,577,335</u>

Difference:

There was a difference of \$2,835 between the Surplus/(Deficit) 1 July 2012 Brought Forward position used in the 2013 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2012 audited financial report.

The difference is due to incorrect GST receivable amount considered in the calculation.

An asterisk (*) has been placed adjacent to the item that has been changed from the previous year.

**SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

23. SPECIFIED AREA RATE - 2012/13 FINANCIAL YEAR

No specified area rate has been levied in this financial year.

24. SERVICE CHARGES - 2012/13 FINANCIAL YEAR

	Amount of Charge \$	Revenue Raised \$	Budget Revenue \$	Applied to Service Costs \$	Budget Applied to Costs \$
Radio/Television retransmission	50	24,900	24,900	24,900	24,900

A service charge of \$50.00 per year for radio and television retransmission was first imposed in 2012/13 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. The proceeds of the service charge are applied in full to the costs of maintenance and operation.

No transfer to or from a related reserve account has additionally occurred.

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

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Discount	4.00%	24,500	25,000

A discount on rates is granted to all who pay their rates in full within 35 days of the date of service

26. INTEREST CHARGES AND INSTALMENTS - 2012/13 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11%	N/A	13,123	4,960
Interest on Deferred Rates	3.3%	N/A	0	197
Interest on Instalments Plan	5.5%	N/A	7,000	5,370
Charges on Instalment Plan	N/A	10	5,220	2,250
			25,343	12,777

Ratepayers had the option of paying rates in four equal instalments, due on 3rd September 2012, 2nd November 2012, 1st January 2013 and 2nd March 2013. Administration charges and interest applied for the final three instalments.

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

27. FEES & CHARGES	2013	2012
	\$	\$
Governance	5,190	5,691
General Purpose Funding	6,966	3,748
Law, Order, Public Safety	4,620	3,753
Health	248,277	20,998
Education and Welfare	348	1,202
Housing	63,550	54,559
Community Amenities	156,101	152,612
Recreation and Culture	67,184	42,256
Transport	33,088	35,882
Economic Services	15,312	14,990
Other Property and Services	127,713	198,247
	<u>728,349</u>	<u>533,938</u>

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

28. GRANT REVENUE

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

	2013	2012
	\$	\$
By Nature and Type:		
Operating Grants, Subsidies and Contributions	2,468,970	2,479,542
Non-Operating Grants, Subsidies and Contributions	2,137,765	1,627,043
	<u>4,606,735</u>	<u>4,106,585</u>
By Program:		
Governance	25,000	150,000
General Purpose Funding	2,112,552	2,804,459
Law, Order, Public Safety	24,393	33,129
Community Amenities	3,283	1,372
Recreation and Culture	1,290,110	11,909
Transport	1,043,337	976,309
Economic Services	0	3,323
Other Property and Services	108,060	126,084
	<u>4,606,735</u>	<u>4,106,585</u>

29. ELECTED MEMBERS REMUNERATION

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

	2013	2013	2012
	\$	BUDGET	\$
		\$	
Meeting Fees	8,130	16,900	8,640
President's Allowance	3,720	3,720	2,790
Deputy President's Allowance	0	930	930
Travelling Expenses	5,590	8,000	4,944
Telecommunications Allowance	8,500	11,000	11,000
	<u>25,940</u>	<u>40,550</u>	<u>28,304</u>

30. EMPLOYEE NUMBERS

The total number of full time equivalent employees at balance date

2013	2012
<u>37</u>	<u>37</u>

31. MAJOR LAND TRANSACTIONS

No major land transactions have occurred during the 2012/13 financial year.

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2012/13 financial year.

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

33. FINANCIAL RISK MANAGEMENT

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

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 Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2013	2012	2013	2012
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	2,576,332	3,670,912	2,576,332	3,670,912
Receivables	1,409,740	1,104,360	1,409,740	1,104,360
	<u>3,986,072</u>	<u>4,775,272</u>	<u>3,986,072</u>	<u>4,775,272</u>
Financial Liabilities				
Payables	319,785	387,270	319,785	387,270
Borrowings	1,955,886	2,038,001	1,742,409	1,868,394
	<u>2,275,671</u>	<u>2,425,271</u>	<u>2,062,194</u>	<u>2,255,664</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Borrowings – 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
FOR THE YEAR ENDED 30 JUNE 2013**

33. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

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

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

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

Council manages these risks by investing its funds with recognised Australian Banks.

	2013	2012
	\$	\$
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	30,312	32,087
- Statement of Comprehensive Income	30,312	32,087

**SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

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

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

Credit risk on rates and annual charges is minimised by the ability of local government 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.

Provision is made as required to provide for doubtful receivables. Credit checks are carried out on most non-rate debtors.

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

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

	2013	2012
	\$	\$
Percentage of Rates and Annual Charges		
- Current	0%	0.00%
- Overdue	100.00%	100.00%
Percentage of Other Receivables		
- Current	78.00%	67.00%
- Overdue	22.00%	33.00%

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

33. FINANCIAL RISK MANAGEMENT (Continued)
(c) Payables
Borrowings

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

The contractual undiscounted cash flows of 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 \$
Year Ended 30/06/12					
Payables	387,270	0	0	387,270	387,270
Borrowings	1,113,967	877,703	222,917	2,214,587	2,038,001
	<u>1,501,237</u>	<u>877,703</u>	<u>222,917</u>	<u>2,601,857</u>	<u>2,425,271</u>
Year Ended 30/06/13					
Payables	319,785	0	0	319,785	319,785
Borrowings	1,208,490	1,862,736	154,242	3,225,468	1,955,836
	<u>1,528,275</u>	<u>1,862,736</u>	<u>154,242</u>	<u>3,545,253</u>	<u>2,275,621</u>

SHIRE OF WONGAN-BALLIDU
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2013

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
 Borrowings (Continued)

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

	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate %
	\$	\$	\$	\$	\$	\$	\$	%
Year Ended 30 June 2012								
Borrowings								
Fixed Rate								
Debtentures	1,000,000	0	430,000	50,000	128,458	429,543	2,038,001	6.36%
Weighted Average Effective Interest Rate	6.95%		5.39%	3.90%	6.30%	6.28%		
Year Ended 30 June 2013								
Borrowings								
Fixed Rate								
Debtentures	0	929,996	137,540	0	500,000	388,300	1,955,836	4.50%
Weighted Average Effective Interest Rate	0.00%	4.17%	5.63%		3.42%	6.29%		

**SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

RATIO INFORMATION

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

	2013	2012	2011
Asset Consumption Ratio	0.604	N/A	N/A
Asset Renewal Funding Ratio (Note 1)	Unknown	N/A	N/A

The above ratios are calculated as follows:

Asset Renewal Funding Ratio	$\frac{\text{NPV Planned Capital Renewal(10yrs)}}{\text{NPV of Required Capital Exp (10yrs)}}$
Asset Consumption Ratio	$\frac{\text{deprec replacement cost of deprec assets}}{\text{current replacement cost of deprec assets}}$

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

Note 1 - The Shire has not yet adopted its Asset Management Plan at 30 June 2013 so this ratio has not been calculated.