



2013-14 ANNUAL REPORT



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SHIRE OF WYALKATCHEM

Annual Report

The Year Ended 30 June 2014

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ABOUT THIS REPORT

Council is required, under Section 5.53 of the *Local Government Act 1995* (as amended) to prepare an Annual Report containing information on the following.

- A report from the President;
- A report from the Chief Executive Officer;
- An overview of the Plan for the Future of the District made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year;
- The Financial Report for the financial year;
- Such information as may be prescribed in relation to the payments made to employees;
- The Auditor's Report for the financial year;
- A matter on which a report must be made under section 29(2) of the *Disability Services Act 1993*;
- Details of entries made under section 5.121 during the financial year in the register of complaints, including —
 - (i) the number of complaints recorded in the register of complaints; and
 - (ii) how the recorded complaints were dealt with; and
 - (iii) any other details that the regulations may require;
- And such other information as may be prescribed.
- Further information on the details supplied in this report can be obtained from the Shire Office, corner Honour Avenue and Flint Street, Wyalkatchem, or via our website www.wyalkatchem.wa.gov.au.

THE COUNCIL

Council meets on the third Thursday of every month, except January to discuss local and regional issues of importance to the community.

The Council is made up of seven Councillors representing the District. The Ward system was replaced in May 2005.

Council elections are held on the third Saturday in October every two years with the next election in October 2015.

President

Cr Quentin Davies

Deputy President

Cr David Holdsworth

	Elected Members	Telephone	Total Years of Service	Term Expires
	Cr Quentin DAVIES	9638 1077	8	2015
	Cr David HOLDSWORTH	9681 1217	6	2015
	Cr Dennis PEASE	9634 2031	2	2015
	Cr Owen GARNER (October 2013 to June 2014)	9682 5061	1	2017
	Cr Lynsey GAWLEY (October 2013 to June 2014)	9681 1500	1	2017
	Cr Campbell JONES (October 2013 to June 2014)	9681 5007	1	2017
	Cr Russell WELLS (October 2013 to June 2014)	9681 4042	1	2017
	Cr Susan BRUSE (July 2013 to October 2013)	9681 1390	11	N/A

	Cr Max WARD (July 2013 to October 2013)	9681 1039	25	N/A
	Cr Eddie GARNER (July 2013 to October 2013)	9681 4052	16	N/A
	Cr Eric ANDERSON (July 2013 to October 2013)	9681 1307	11	N/A

MEETING ATTENDANCE

Elected Members	Number of Ordinary and Special Meetings of Council held 2013/14	Number of Ordinary and Special Meetings of Council attended 2013/14
Cr Quentin DAVIES	15	12
Cr David HOLDSWORTH	15	14
Cr Dennis PEASE	15	15
Cr Susan BRUSE (July 2013 to October 2013)	6	5
Cr Eric ANDERSON (July 2013 to October 2013)	6	6
Cr Max WARD (July 2013 to October 2013)	6	6
Cr Eddie GARNER (July 2013 to October 2013)	6	4
Cr Owen GARNER (October 2013 to June 2014)	9	9
Cr Lynsey GAWLEY (October 2013 to June 2014)	9	7
Cr Campbell JONES (October 2013 to June 2014)	9	9
Cr Russell WELLS (October 2013 to June 2014)	9	9

Our Mission

We exist to deliver sustainable quality services that meet the needs of Wyalkatchem today and into the future.

Our Vision

That the Shire of Wyalkatchem is a local government that has the capacity and capability required to be productive, sustainable and inclusive in meeting the needs of our community.

SHIRE OF WYALKATCHEM STAFF as at 30 June 2014

Chief Executive Officer	Ian McCabe
Principal Environmental Health Officer	Julian Goldacre
Senior Finance Officer	Claire Green
Rates and Finance Officer	Shauna Webb
Community Project Officer	Jan Trenorden
Customer Service Officer	Robyn Ovens
Administration Officer	Rachel Nightingale
Natural Resource Management Officer	Claire Baker
Manager of Works	Trevor Webb
Leading Hand	Ashley Sutherland
General Plant Operator	Brett Reid
General Plant Operator	Michael Gibbs
General Hand (Town Duties)	Paul King
General Hand (Town Duties)	Ben Enkelman
Head Cleaner	Kathleen Guthrie

SHIRE PROFILE

HISTORY OF WYALKATCHEM

The town of Wyalkatchem is situated on the Goomalling - Merredin Road 186 km North East of Perth and 116 km from Merredin. The economy of the Shire is reliant on agriculture, predominantly in the form of wheat and wool production. However, this is now changing with a focus on long term sustainability and identifying diversified industry.

The Shire's focus is to provide a framework that will see Wyalkatchem become a sustainable community. The Shire is doing this through encouraging the development of tourism and business opportunities and at the same time providing infrastructure including roads to support the farms in the district. Examples of this include the expansion to the CBH Museum and the successful establishment of a recreational flying school (Sport Aviation Academy). The Shire is also developing the social fabric of the community by ensuring that there are adequate health services available. Along the way the Shire is also promoting key environmental practices amongst the community and local agricultural industry which has included significant tree planting.

The above approach so far has seen the Town of Wyalkatchem receive the 2003 national award for Tidiest Town in Australia and also the community pride award. The origins of such an approach to community development can be seen through its history.

The Shire of Wyalkatchem was first settled in 1904 and wheat was being produced by 1907. The townsite of Wyalkatchem was declared in the following year. The Shire covers an area of 1,743 km² bounded by the Shires of Koorda, Dowerin, Cunderdin, Tammin, Kellerberrin, Trayning and Mt Marshall. The Shire was the cradle of bulk handling of grain with the first bulk delivery and lifting by rail of bulk wheat in the State taking place in the Shire in 1931. In that period the industry supported towns at Korrelocking and Benjaberring but with the advent of improvements to the motor vehicle these towns declined and are now only localities.

The recent trend is for retirees and young families, seeking a more secure lifestyle, to settle in the town. To cater for the retirees there is a frail aged lodge and aged housing available in the town. In the last six years, six new two-bedroom aged units have been constructed. The Senior Citizens community is now seeking to build additional units.

The Shire provides a wide range of sporting facilities in the town including grassed oval, turf cricket wickets, netball, basketball, tennis courts, golf course, swimming pool, recreation and leisure centre. Other recreation facilities are provided by the community.



The Shire is an active member of the North Eastern Wheatbelt Regional Organization of Councils (NEWROC), a voluntary regional council set up to foster regional and community development; resource sharing and coordination of lobbying for regional issues.

SHIRE OF WYALKATCHEM STATISTICS

Localities

Benjaberring, Cowcowing, Korrelocking and Wyalkatchem

Significant Local Events

Australia Day, Racewars, Aglime Invitational Cricket Cup

Ordinary Council Meeting

Council meets on the third Thursday of every month, except January

Tourist Attractions

Wyalkatchem CBH Agricultural Museum
Wyalkatchem School House Museum
Walk-A-Wyal Trail
Town Heritage Walk
Part of the Granite Loop Trail and Pioneer Pathway
Wheatbelt Way

Local Industries

Wheat, other grains, wool, livestock, recreational flying, transport and cartage.

Shire Statistics

Distance from Perth:	192 km
Shire Area:	1,743 km ²
Length of Roads:	782.3 km
Population:	523
Number of Electors:	402
Number of Dwellings:	332
Total Rates Levied:	\$968,434
Total Revenue:	\$3,722,932
Number of Employees:	15 full time equivalents (FTE's)



PRESIDENT'S REPORT

The *Local Government Act* 1995 requires that an annual report be prepared and that it include a report from the Shire President and the Chief Executive Officer. That is the formal reason for this short report to the community but the informal reason is that I wanted to share some information with you about some important things for an important community.

As President, I lead a council of seven councillors. Your council meets formally about twelve times a year to discuss and vote on agenda items (council also meets at least another twelve times a year informally to research and discuss agenda topics) – some of these could seem unimportant but in other cases are dealing with matters that are very important to everyday life. Your Council considers subjects as broad as health, rubbish collections, planning and building approvals, roads, community development, visitor services, business, education, the natural environment and heritage – just to name a few.

Often, council is working toward decisions that will have a positive effect in the future. This means that your elected representatives draw on their experience in this community and in life generally to represent you, your children and the long term community to the best of their ability when they make decisions. Sometimes, this might be a difficult decision to make when you don't know what the State and Federal governments will do or how the economy will behave.

What is gratifying is that your Council is making good decisions about today and the future. In consultation with the community, your Council will approve a Strategic Community Plan that describes the vision for the next ten years. The contributions of the public to the community survey will provide council with evidence of what is important and what should be prioritised. I look forward to the results of the 2014 Shire of Wyalkatchem Community Survey and working with Council to turn these results into plans and outcomes.

It's pleasing to see that four new councillors began work this year and all are delivering with commitment on your behalf. Councillor Lynsey Gawley is perhaps the youngest member of council in many years; likewise, I welcome Councillors Campbell Jones, Owen Garner and Russell Wells and wish them well for the term ahead. The contested election of October 2013 generated a lot of interest with five candidates and a voter turnout of 46% (an increase of 8% over the previous election).

I'll take this opportunity to thank my deputy President, Councillor David Holdsworth and councillor Dennis Pease for their continued service and all councillors for the contribution in the last year. In particular, I acknowledge and thank former councillors, including President Susan Bruse and councillors Eric Anderson, Max Ward and Eddie Garner, all of whom served the community for extended periods.

When speaking of lengthy contributions and commitment to a community, it's timely to remember the passing of a staff member who spent eleven years on staff and sadly passed away in June 2014. Mrs Caroline Pattinson took ill early in the year and passed away after a short illness – at the time of her passing she was the Shire's longest serving member of staff, a valued community member, a good friend and she will be missed by everyone who knew her.

Significantly, 2013/14 brought some major milestones and initiatives for the Shire of Wyalkatchem: Ian McCabe started his role as CEO with the Shire of Wyalkatchem in October 2013. I would like to thank Ian for his continued hard work, attention to detail and his leadership and support to elected members and staff. Ian and Jenny's voluntary work around the Shire has not gone unnoticed and their support of the Wyalkatchem sports teams is great to see.

The Bushel opened in March 2014 and is proving to be a well-utilised facility. The Community Resource Centre is based at The Bushel and delivers driver and vehicle licenses, the library service and visitors centre, as well as being a vital community link. The name of the centre has proved a topic of conversation for locals and visitors alike and was chosen by community and Shire representatives from many public submissions (the others will be used to name rooms at The Bushel).

The district's Emergency Management Arrangements were approved by the local, district and state emergency management committees and provide a comprehensive plan for managing emergency situations.

The Australia Day celebrations were highlighted by recognition of three active citizenship awards – Susan Bruse as citizen of the year and the volunteer Saint John Ambulance brigade recognised as group of the year – both worthy recipients and both held in high regard in this community – and Mr Peter Wood received a national Australia Day award, the Ambulance Service Medal – a great achievement and recognition for many years of service.

The Shire achieved compliance with the Intergrated Planning requirements of the *Local Government Act* when the Corporate Business Plan was endorsed by Council in June. This was one part of a marathon of work by staff that saw the 2014/15 budget, business plans, law and heritage reviews and policies all approved in one meeting.

I take the opportunity here to acknowledge the work of Shire staff to deliver services to the community. This small team delivers a large amount of work to improving performance, maintaining services, sourcing funds, supporting community groups and delivering on the expectations of the community. My thanks to all Shire workers, administration and works crew for your efforts over the last year.

I would like to conclude with a vision for the year ahead. A lot of work has been happening to improve on what the Shire delivers – support for community, support for business, delivering quality services and delivering what is expected by ratepayers. To achieve this, it is important that the community engage with the Council – please contribute to surveys, write letters, participate in events and contribute to making this an even better community to live in. In the year ahead, these contributions will help shape our future as we revise the Strategic Community Plan and set course for the decade ahead.

Cr Quentin Davies
Shire President

CHIEF EXECUTIVE OFFICER'S REPORT

The *Local Government Act 1995* requires that the Shire of Wyalkatchem publish an annual financial report and that this includes a report by the Shire President and the Chief Executive Officer of the Shire.

There are a number of legislative reasons for preparing financial statements and including audit reports and the like but there are good business reasons for sharing this important information. Ratepayers, residents, suppliers and staff are all stakeholders in the performance and future of this local government. Each of these stakeholders want this organisation to succeed, to do a good job and deliver the services required by the public and to do so at a standard that is acceptable and of good value. The annual report is one of the ways to demonstrate and measure if the organisation is successful in these regards.

Equally, a report of this kind also provides an indicator of whether the organisation is making progress – what has been achieved, is there a trend and how does this year fit into the long term vision for the organisation and the district. It is important to compare what is said in the Strategic Community Plan and other documents to what is reported in the annual report. In this respect, it is my expectation that this relationship between documents will be strengthened over time and stakeholders will readily see the relationship between what is planned and what is reported.

Within the 2013/14 financial year, I must acknowledge (at least) four major events: my commencement as Chief Executive Officer on 18 October 2013, the election of Council the next day, the passing of my colleague Caroline Pattinson on 13 June 2014 and the ordinary meeting of Council on 26 June 2014. It is not ideal planning to have two major transitions in the same week and it is a testament to the professionalism and resilience of the Shire's administration that an election was held and work continued while integrating new leadership and new administration. This was proven later in the year when our esteemed colleague Caroline was lost to us and the community. As our longest serving staff member, Caroline Pattinson had worked in a number of administrative roles and this meant she had a broad corporate knowledge of 'why, when, what, how and whom' and this was invaluable to me on my commencement. I am grateful for the six months that Caroline was able to support me in my work and miss her professionalism and good humour.

There have been some significant challenges to address in a short period of time: the Shire must deliver services; it must do this within a significant legislative framework; it must do this within significant financial constraint; it must do this in an environment of change and uncertainty; on occasion, it must do this without access to the level and type of resources that might be needed to do the job; and importantly, it must do all of this with an eye to the future.

This meant that the Shire's administration made some difficult decisions about costs and did so without compromising services – it did this by removing or lowering executive staff benefits; it managed to lower average staff costs while approving increased pay to the lowest paid staff; in addition, there has been incremental improvement in financial efficiency with targeted savings made on an ongoing basis (by automating work, re-organising work, reassessing all costs). The staff structure within administration has been flattened so that more emphasis is placed on service delivery, rather than management and this has contributed to a lower cost base.

Secondly, council staff are subject to a significant legislative and regulatory burden that requires the Shire to comply with hundreds of acts and subordinate pieces of legislation. This is an expected part of any business and ensures that all of those who interact with the organisation are afforded protection and can rely on what it does. It also adds to the cost of delivering services. Importantly, this team of 17 persons do their work as efficiently and effectively as councils with much larger teams. It also does this within a significant financial constraint as the Shire addresses what is termed the 'asset replacement gap.' This is the gap between the cost of replacing significant assets such as the swimming pool or the recreation centre and the amount of funds saved into reserves for such a purpose. This gap could be equivalent to millions of dollars and will require a lot of consultation and thought as this community prioritises the services and facilities it needs Council to deliver. For example, Council might decide to spend smaller amounts of money on repairs rather than building a new facility. An important part of the

decision making process will be the 2014 Shire of Wyalkatchem Community Survey. Another important part of addressing this issue is to prudently manage funds and consistently place amounts into reserves. For example, in 2013/14, \$33,435 was placed into reserves for future projects while \$356,649 is budgeted in 2014/15. The placing of substantial amounts into reserves will become the norm to better position the Shire for the replacement of significant assets.

Another major issue for Council and the work of the Shire is that much of it is done within an environment of uncertainty. Close to 80% of funds received by the Shire is a State or Federal grant – only 20% of the funds needed for all services are generated by rates. This reliance on external funds could mean that decisions affecting this community are made by others. This fact was demonstrated by the Federal Government May budget when the federal assistance grants to all local governments were frozen for three years – a decision that will impact this community by \$200,000 over the three year period, an amount that will compound into the future.

To insulate the community from uncertainty, it is important to balance the level of rates, the provision of services, the construction of facilities and the management of debt. Just as home and business owners must live within their means, this local government has to balance income, expenditure and future capital works. Debt as of 30 June 2014 was \$660,082, an increase of \$119,938 over the previous year, wholly due to the construction of The Bushel. To manage debt, an appropriate indicator such as debt as a proportion of income or assets will be used to commence a programme of debt reduction in 2015/16.

This leads me to the final significant date in 2013/14: at the council meeting on 26 June 2014, the 2014/15 budget was approved as well as the Corporate Business Plan for the Shire of Wyalkatchem. The budget limited the rate increase to seven per cent, achieved an operational surplus which will go to reserves for asset replacement, includes provision for the replacement of major vehicle assets for the works team, a pay rise for lower paid staff who had not received a pay increase for some time and some initiatives to support business and community, including the business incentive which could see \$150 paid to those businesses that improved the external appearance of their office or shop. The other document, the Corporate Business Plan, ensured this local government was compliant with the requirements of the legislated Integrated Planning and Reporting Framework. This framework is designed to provide for consultation with the community which Council use as the basis for making plans for the future. The resulting Strategic Community Plan drives all other plans of the Shire – asset plans, workforce plans and long term financial plan – a process which means Council's plans will be more relevant and understandable, while providing useful business tools to the Shire to ensure delivery of Council's objectives.

The 2014 Shire of Wyalkatchem Community survey is one of the mechanisms that will provide information for the setting of these plans and business objectives. The survey will be conducted in late 2014, with information assisting with the revision of the Strategic Community Plan and then included in the process for setting the 2014/15 budget (assisting council in determining staff and other important resource levels, for example). Importantly, asset plans and other components of the Integrated Planning and Reporting Framework will also be revised as Council makes plans for the coming decade. In this way, all ratepayers and residents have the opportunity to contribute to providing feedback to Council about the services and facilities they see as important. This is a major influence on real plans and real projects for the future.

A significant body of work has been delivered in 2013/14. This has been achieved by your Council and your staff working together with the community in mind. I'd like to offer my personal thanks to the entire staff of the Shire of Wyalkatchem. Many of this team have worked unpaid hours and been involved in numerous community projects, always with the wider community in mind. I am looking forward to the period ahead and appreciate the support of my colleagues. I would also like to thank our Council for their leadership, feedback and support - I appreciate the discussions that led to the delivery of 190 decisions in meetings in 2013/14 and I look forward to the work ahead.

I also extend my thanks to the Shire's auditor, Paul Gilbert of Macleod Corporation for providing audit services and valuable assurance advice.



Finally and not least, my thanks to the community of Wyalkatchem for your support of Council, local business and our institutions – your support of our school, community groups and clubs and businesses will determine the longer term future of our nature and quality of life.

Ian McCabe
Chief Executive Officer

MANAGER OF WORKS - INFRASTRUCTURE SERVICES REPORT

The Shire Technical Services Team has six full time employees, one part time cleaner, two contract gardeners/green-keepers and two staff shared with other Shires on a part-time basis. External contractors assist the team in completing engineering assessments and works. Team members are:

- Ashley Sutherland – F/T Grader Operator – Leading Hand – Ranger
- Brett Reid – F/T Machinery Operator
- Michael Gibbs – F/T Machinery Operator
- Paul King – F/T General Hand – Town Gardener – Ranger
- Ben Enkelman – F/T General Hand
- Kathleen Guthrie – P/T Cleaner
- Shauna and Russell Wells - Contract Gardening/Green-Keepers
- Julian Goldacre – Principle Environmental Health Officer/Building Surveyor (NEWHealth resource)
- Claire Baker – Natural Resource Management Officer (NEWROC resource)
- Trevor Webb – F/T Works Manager

Road Maintenance:

Using a hired 140H grader to support our 120m, road maintenance finished in late September 2013. Several areas had sustained damage during harvest with Goldfields, Elsegood, Cowcoving, Davies, Wallambin, de Pierres and McNee roads being the worst affected and requiring extra maintenance with some sheeting. The 2014 start to winter meant several unscheduled road maintenance runs due to school bus routes being damaged by trucks and machinery. The 2013 programme covered 570km of unsealed roads and was completed in 365hrs.

Roadworks Projects:

Our 2013/14 Roads Projects included Roads to Recovery, Regional Roads Group and Municipal Roads projects with various funding sources. All grant funds were expended as per guidelines and a total of nearly 20,000 m³ of gravel was pushed up and used along with the remainder of the Eaton stockpile; once again we were fortunate to be able to access the material in close proximity to our road-works projects. Several major projects were completed, including:

- Wilson / Riches Street reconstruction with concrete crossovers and the reinstatement of verge gravel carried out;
- Cemetery Road widening and shoulder reconditioning with drainage upgrade and repairs;
- Turner Road had a 700m section cleared and sheeted to 200mm with repairs to a large box culvert and associated drainage;
- Nembudding South Road: 7.2m width primerseal finished with a 10mm cutback bitumen seal coat (Nembudding Bin End); 2km shoulders cleared of vegetation, the road widened, table drains reformed with the shoulders bomagged and sealed to achieve a new Minimum carriageway width 9.5m and seal width 7m; 80 metres of the concrete Floodway reconstructed to achieve a safe trafficable surface with further changes to the road surface to meet the new profile.
- Tammin / Wyalkatchem Road removal of verge vegetation as required, widened and reformed table drains and shoulders and sealed pavement to achieve a new minimum carriageway width 9.5m and seal width 7m;
- Goldfields Road: removal of verge vegetation as required, widen and reform table drains and shoulders then gravel sheeted the surface to achieve a minimum 8m wide carriageway. The program required 3.24 km however 5km was completed due to the proximity of the road-base material.

Machinery:

Machinery costs have been high due mainly to the age of the fleet. This is an issue that will be addressed by the 2014/15 and forthcoming budgets, as well as the asset management plan that will be released in 2015. Servicing has been maintained to a high standard and our staff have continued with their vigilant pre-start routine.

Town Maintenance Program:

- Thanks to Shauna and Russell for maintenance of town gardens, oval, parks and tennis club; several setbacks were overcome including reticulation vandalism, a lightning strike to the pump power supply pole and a sustained lack of rain;
- Kathleen has carried out the cleaning on all shire infrastructure to a high standard;
- Town drainage works are ongoing with many culverts and drainage channels cleaned during the year with additional installations near the hospital, top of Riches Street and the CBH;
- The Barracks and caravan park walkway had 500 natives planted by staff and school children; 1500 native shrubs and trees planted elsewhere by volunteer staff and community members;
- Streetscape work included removing redundant power poles, wire and posts from the railway reserve and site preparations at Pioneer Park for the 2014 ANZAC Day celebrations, as well as readying the airport for Racewars;
- Shire supported projects included St John's Ambulance, the School, the Hospital, Aged Care, Church and Sporting Clubs and volunteers carried out painting, tree planting, clean up and streetscape work to the townscape;
- Vandalism increased work for our employees but the public toilets have had vandal proof lights installed, windows have been replaced, plumbing and structural damage repaired and several sites cleaned up – hoons also caused some damage to roads and the aerodrome;
- The Information Bay area was completed with signage and fittings and further plantings; improved seating is awaiting installation;
- Works team employees have carried out the garden maintenance to six shire properties;
- The Shire is partnering the Friends of the Cemetery to improve the appearance and feel of the cemetery; works included moving of the Rose Arbour, repair and relocation of a damaged gazebo, the Niche Wall area was concreted, a footpath paved and the ablutions area screened. New plantings are underway with plans for further construction and reticulation works in the new financial year.



Town Building Maintenance:

- Works at The Bushel project included machinery relocation, drainage, fencing, signage and construction assistance with the sewer installation, brick-paving, feature wall, fire system and furniture fit-out;
- All shire buildings had necessary spider and insect treatments;
- Lady Novar had the north wing restumped with flooring and joists replaced; Shire staff assisted with some phases of this Heritage Project and carried out landscaping and installation of subsoil drainage;
- The shire office received extensive remodelling with added walls and windows, a switchboard, wiring and electrical upgrade to meet safety standards;
- Restoration work replacing timbers and plasterboard to the Railway Station room occupied by the vet;
- With public assistance and Julian's commitment to the cause, we have been able to document a risk assessment on asbestos in public buildings and remove a large amount of it from the community;
- Sections of the south wall on the Town Hall have had the brick work tuck pointed to prevent further damage to the building;

Aerodrome:

- Landscaping maintained with continued weed maintenance and the planting of further native shrubs at the terminal;
- Power was supplied to the site at the rear of the terminal (2 x 50kva) with plans to reticulate to hangar lease sites once funding is sourced;
- The old aircraft hangar was removed from the site behind the terminal;
- The old Agricultural Department shed and compound were removed and the site was cleaned up;

- Drainage at the aerodrome received extensive upgrades with culverts installed and taxiways re-sheeted;
- The runways, being a flexible pavement, have been rolled to maintain the seals elasticity to remove high spots and reduce the incidence of cracking;
- Gates and fencing were constructed at entry points and also around parking areas;
- Plumbing was installed from the Airport Terminal building to the public area and punch key access to the rear terminal door was fitted.

Waste Management:

- Late in 2013, Hills Scrap Metal removed scrap metal from the top area of the waste management facility and Wren Oil emptied the Oil Recycling facility and some farmer storage containers;
- In line with future requirements Reserve 29600, which is for the purpose of a rubbish disposal site, has been amended to now comprise Lots 502 and 503 on Deposited Plan 54924 and Lot 500 has been dedicated as a road - it is not expected to be needed for many years;
- The Shire's plan for changes to the waste management facility layout will move toward best practice and legislative guidelines to increase pit life, reduce flies and vermin, improve signage and make for a safer environment. We have surveyed the current site, consulted with older residents and staff and carried out random digs to identify old waste burials. A visit by Ian Watkins (consultant carrying out waste management audit for NEWROC Shires) showed a few flaws in the plan that have now been updated;
- The new Avon Waste 6 x 4.5m³ recycling bins delivered late 2013 have been located at the school, recycling shed, behind Museum House and behind the Town Hall. The bins have been heavily utilised by the general public and the business community. Wyalkatchem was commended by the contractors on the minimal contamination of recyclable materials collected from here;
- The waste management site was set alight on a few occasions during the 2013/14 financial year and we have endeavoured to educate the public on its illegality and the damage it does to our water aquifers with the introduction of leachates to the soil. Also, while the team attempts to remove volatile waste from the tip face, 4.5kg gas bottles and even oxy acetylene bottles are a danger to our staff and clients.



Swimming Pool:

- Off season pool maintenance in 2012-13 by Contract Aquatic Services proved effective and they assisted shire staff in preparing the facility for the 2013-14 season. Pool Manager Steve O'Hare came up with several new entertainment initiatives for the kids and even brought his artist father up to do murals at the pool and redefine the murals around town;
- Water quality tests and safety inspections showed an extremely good result for the shire throughout the year. There were some plumbing maintenance issues to the balance tank during January and an inline meter was installed at the tank to monitor excessive water usage which is being addressed;
- Contract Aquatic Services had the Bouncy Castle and rocket there to entertain on opening day, 1 November.



Ranger Services:

- The introduction of the Cat Act and an amended Dog Act brought increased administration and Ranger responsibilities. Three shire staff were trained in micro-chipping but require a further supervised session with a vet before using Shire equipment;
- Several staff are accredited in snake handling and handling equipment has been purchased with increased use in 2013/14;
- The Ranger trailer has been visible as time has permitted, staff have dealt with pet owners not using leashes and doggy poo bags;
- There have been a few instances of locals being reprimanded for parking in inappropriate locations;
- A rabbit baiting program was carried out at the Recreation Centre in May 2014 to reduce damage to the oval.

Trevor Webb
Manager of Works

ENVIRONMENTAL HEALTH AND BUILDING SERVICES

NEWHealth

The Shire participates in NEWHealth, a Group Share Scheme for the provision of health services. The Scheme involves five Shires being Wyalkatchem, Koorda, Trayning, Mukinbudin and Mount Marshall contributing to the employment of a Principal Environmental Health Officer/Building Surveyor to manage the health, building, compliance and various levels of town planning functions. There has been discussion within the NEWHealth scheme to include Nungarin in the scheme should additional resources be acquired.

Building

The number of building licences issued for 2013/14 was 14. Total building fees collected were \$2,500 made up of:

- Shire Building Permit Fee of \$1,810;
- Building Services Levy (BSL) of \$567 and;
- Building Construction Industry Training Fund (BCITF) of \$123

The new *Building Act* 2011 has added considerably to the permit requirements and the Building Surveyor encourages and welcomes people intending to build to come into the Shire office in order to find out what is now required. This has worked well to put everything on the right track and to expedite the building certification and permit process.

Health

Food recalls are co-ordinated through the Shire of Trayning and delivered to food premises via fax. Routine food premises inspections have been conducted with good results and will continue to be conducted. Swimming pool start up and routine water testing during the open season have been good with water samples for bacteria and amoeba being negative. Public building inspections continue with minor works required otherwise the buildings are fit for public use. The Department of Health food inspection report has been submitted for the period of 2013/14.

The Shire's Water Re-Use scheme was audited by the Water Corporation on behalf of the Department of Health in light of the new Code of Practice for water re-use. The Shire received a good report. There will be a need to review the agreement in the new financial year.

Residents are reminded that the Shire health local laws require all water tanks to be protected from mosquitoes entering; this is an easy fix and will keep mosquitoes to a minimum and reduce the risk of mosquito-borne disease. Recent complaints of mosquito numbers were found to be caused by unsealed rainwater tanks.

Department of Health Media Statements are advertised when received and the most recent highlights the prevalence of mosquitoes on the South West so people travelling South in the next few months are advised to cover-up and use repellents; the rains in the South West has created a very good environment for mosquito breeding, flies also are prolific so a fly net will be an excellent investment. Ross River and Barmah viruses are carried by mosquitoes and prevention from mosquito bites is the only cure.

Planning

The Principal Environmental Health Officer working with the Shires Planning consultant has resulted in the gazetting of the Shire of Wyalkatchem Local Planning Scheme N°4 which is now law. This scheme is available for viewing at the Shire office or the Western Australian Planning Commission website. The Shire will now progress the Planning Policies which will be conducted with full public consultation.

Two planning policies were approved by Council in 2013/14 to address outbuilding sizes on residential blocks (sheds) and moveable buildings, which includes sea containers.

Recycling & Waste

The Shire continues to recycle scrap steel for collection and waste oil removal by Wren Oil. The Shire through NEWROC is participating in a review of landfill operations looking at present and future options for improvements and efficiencies to keep ahead of the new State Government Waste Strategy. Recycling bins are now provided at key locations in the townsite of Wyalkatchem for use by the public.

Heritage

The new State Heritage Office has created an online Shire specific webpage where the Shire's local history can be viewed. Go to the website at the State Heritage Office here <http://inherit.stateheritage.wa.gov.au/Public/> and type in 'Wyalkatchem' in the Search Heritage Places 'suburb of town contains' part. This will show you all the heritage places registered with the Heritage Office; an important part of this listing is its dynamic function, meaning if you have a story, information and photos you wish to have listed, this can be added by contacting the Heritage Office or the Shire.

Diseases

One report of Ross River virus was received by the Principal Environmental Health Officer for the Wyalkatchem Shire. That said, as previously mentioned above under 'Health', mosquitoes continue will spread Ross River and Barmah virus with prevention the only cure, for more information seek the information on this link:

http://www.public.health.wa.gov.au/cproot/836/2/Ross_River_Virus_and_Barmah_Forest_Virus_in_WA.pdf

Housing

The Shire monitors substandard housing accordance with the Health Act. Owners are encouraged to repair these houses to the standards set out under the Health Local Laws created under the *Health Act 1911*. People are reminded of the following:

- A swimming pool as well as spas with a water depth of 300mm or greater is required to have a pool safety fence erected or an approved 1200mm high non climbable sides (temporary pools seldom meet this requirement) Do note a fence can be any barrier so long as it meets the minimal requirements. Any queries regarding this can be directed to the Principal Environmental Health Officer for clarification and available options, Furthermore the Shire is continuing the inspection of swimming pool fencing for compliance as required every four years.

DISABILITY SERVICES PLAN

Disability Access & Inclusion Plan 2012-2017

The Shire has reviewed and has Disability Services Commission approval of the Shire of Wyalkatchem Disability Access and Inclusion Plan 2012-2017 which is available for public viewing on the Shire's website or available at the Shire office. The DAIP concerns local government buildings and assets although funding is available for private operations wishing to improve access to buildings. Should anyone have suggestions on how to improve access and inclusion for people with disabilities, please contact the shire office during office hours. The annual reporting for the DAIP 2012-2017 has been completed and sent to the Disability Commission and meets their reporting requirement.

Access policy statement for people with disabilities, their families and carers

The Shire of Wyalkatchem is committed to conducting an on-going review of its services to ensure that where practicable services are accessible to people with disabilities, their families and carers. The Shire of Wyalkatchem believes that people with disabilities, their families and carers who live in country areas should be supported to remain in the community of their choice. The Shire is committed to consulting with people with disabilities, their families and carers and where required, disability organisations to ensure that barriers to access are addressed appropriately.

Outcome 1:

Existing functions, facilities and services are adapted to meet the needs of people with disabilities.

Council will endeavour to be adaptable in responding to the barriers experienced by people with various disabilities, including people with physical, sensory, cognitive and psychiatric disabilities.

Council will ensure that all policies and practices that govern the operation of council facilities, functions and services are consistent with council's policy on access.

Outcome 2:

The Shire has improved access to the retail precinct and visitors centre/museum by constructing disabled ramps. Initial priority will be given to persons with ambulant disabilities, given that they form the greatest number of persons with disabilities.

Council will undertake to incorporate the priorities regarding access for people with disabilities, identified during the consultations, into its submission for its capital works improvement program. Modifications will commence as funds are made available.

Council will undertake to liaise with developers to increase their awareness of the access requirements of people with disabilities.

Outcome 3:

Information where practicable about functions, facilities, and services is provided in formats which meet the communication requirements of people with disabilities.

Council will produce all of its information on council facilities, functions and services using clear and concise language.

Council will advise the community that, upon request, information about council functions, facilities and services can be made available in alternative formats, such as large print and audio cassette.

Outcome 4:

Staff awareness of the needs of people with disabilities and skills in delivering advice and services are improved.

Council will undertake to ensure that staff is aware of the key access needs of residents with disabilities and people with disabilities who visit the local government area in relation to the provision of all services. Where required, Council will seek advice from the disability field on how to meet the access needs of people with disabilities.

Outcome 5:

Opportunities for people with disabilities to participate in public consultations, grievance mechanisms and decision making processes are provided.

Council will ensure that information is available in clear and concise language on how residents can participate in decision making processes, public consultations and grievance mechanisms.

Council will advise the community that this information can be made available in alternative formats upon request, if such is practicable. Council will also undertake to support people with disabilities to attend meetings of council.

Outcome 6:

People with disability have the same opportunities' as other people to participate in any public consultation.

Council is making active changes to create consultation opportunities' for the disabled. Participation in the 2014 Community Survey will provide Council with information about the type and number and location of disabled persons, as well as gather information about needs and opportunities to improve access and participation.

There will be modifications to the website and other mechanisms for consultation to increase the level of practical participation by those with a disability.

Outcome 7:

People with disability have the same opportunities as other people to obtain and maintain employment with a public authority.

There are no barriers to employment with the Shire of Wyalkatchem for those persons who have a disability; the Shire is prepared to make any practical arrangements for alternative work practices or formats where applicable to facilitate work by those persons employed by the Shire who live with a disability.

Each year as plans are reviewed and if required amended and both staff and the community will be advised of the availability of updated plans.

**IAN MCCABE per JULIAN GOLDACRE
PRINCIPAL ENVIRONMENTAL HEALTH OFFICER/BUILDING SURVEYOR**

NATIONAL COMPETITION POLICY

In respect to Council's responsibilities in relation to National Competition Policy the Shire reports as follows:

- No business enterprise of the Shire has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or a Public Financial Enterprise.
- Competitive neutrality has not applied to any activities undertaken by the Shire in this reporting period.
- No allegations of non-compliance with the competitive neutrality principles have been made by any private entity.
- The principles of competitive neutrality will be implemented in respect of any relevant activity undertaken during the 2013/14 financial year.

A further requirement of the National Competition Policy is that all Council Local Laws are reviewed every eight years to determine whether they are in conflict with competitive neutrality and comply with the *Local Government Act 1995*. No local laws were amended during the period.

RECORD KEEPING PLAN

The *State Records Act 2000* requires that the Shire maintains and disposes of all records in the prescribed manner.

Standard 2, Principle 6 Compliance: Government organisations ensure their employees comply with the record keeping plan.

The Rationale:

An organisation and its employees must comply with the organisation's record keeping plan.

Organisations should develop and implement strategies for ensuring that each employee is aware of the compliance responsibilities.

Minimum Compliance Requirements:

The record keeping plan is to provide evidence that:

1. The efficiency and effectiveness of the organisation's record keeping system is evaluated not less than once every five years. The Shire is presently reviewing its Record Keeping Plan.
2. The organisation conducts a record training program.
3. The efficiency and effectiveness of the record keeping training program is reviewed from time to time.
4. The organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's record keeping plan.

The Shire of Wyalkatchem has complied with items 1 - 4. During 2013/14 the Shire continued to utilise the Keywords for Councils Record Management System.

FREEDOM OF INFORMATION STATEMENT

Part 5 of the *Freedom of Information Act 1992* requires an agency such as a local government to prepare and publish an information statement.

The Shire of Wyalkatchem has developed an Information Statement which can be inspected on the Shire's website or by contacting the Shire Office.

The Shire of Wyalkatchem received one application under the *Freedom of Information Act 1992* relating to mining activities in the Shire.

PUBLIC INTEREST DISCLOSURES

The *Public Interest Disclosure Act 2003* facilitates the disclosure of public interest information, and provides for the protection of those making such disclosure and those who are subject of the disclosures. The Act provides a system for the matters disclosed to be investigated and for the appropriate action to be taken.

The requirements of the *Public Interest Disclosure Act 2003* were adopted 19 July 2007 and have yet to be reported against. The Administration Officer is the PID Officer under this process. **A copy of the Shire's Public Interest Disclosures procedures is on the Shire's website: www.wyalkatchem.wa.gov.au.**

PLAN FOR THE FUTURE OF THE DISTRICT

Under Section 5.56 of the *Local Government Act 1995* local governments are required to plan for the future of the district. The information to be contained in the Plan for the Future is governed by Regulations 19 (c) and 19 (d) of the Local Government (Administration) Regulations 1996.

Section 5.56 (2) of the *Local Government Act 1995* is being amended to provide the following minimum requirements for local governments:

1. Development of a Strategic Community Plan
2. Development of a Corporate Business Plan

The Shire has a Forward Capital Works Plan which will be revised in 2015 to include an asset management plan and long term financial plan.

An update on the above planning framework is provided as follows:

1. Plan for the Future – the Shire's Plan for the Future 2008-2028 has been reviewed internally. This Plan has been replaced with the introduction of the integrated planning framework;
2. Strategic Community Plan – version one of the plan was finalised and sent to the Department of Local Government and distributed to ratepayers; the plan will be revised early in 2015 following a community survey;
3. Corporate Business Plan – this was approved by Council in June 2014; some inputs such as required asset revaluations have been completed and a comprehensive asset management plan and long term financial plan will be prepared in early 2015 based on the revised Strategic Community Plan;
4. Forward Capital Works Plan – this plan provides for expenditure on asset renewals, expansions and upgrades and any new assets over the next five years. The Plan was reviewed twice in recent years and will be being reviewed for inclusion in integrated planning;

5. Community Engagement – the Shire has continued strong engagement in 2013/14 with representation and liaison to community committees and the distribution of publications and surveys. This included increased publicity through the independent Wyalkatchem Weekly, a survey on CCTV, the fortnightly CEO radio spot and seeking feedback. The intention for 2014/15 is to complete and analyse the community survey and prepare a complete set of comprehensive plans for the future.

EMPLOYEES REMUNERATION

Local Government (Administration) Regulation 1996 19B requires the annual report to contain details of the number of employees of the local government entitled to an annual salary of \$100,000 or more in bands of \$10,000 for each such band over \$100,000.

Disclosure is provided as follows:

Salary Range	2014	2013
120,000 – 129,999	1	0
130,000 – 139,999	1	1

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

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

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Wyalkatchem being the annual financial report and other information for the financial year ended 30 June 2014 are in my opinion properly drawn up to present fairly the financial position of the Shire of Wyalkatchem at 30th June 2014 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the 12th day of October 2014



Ian McCabe
Chief Executive Officer

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

	NOTE	2014 \$	2014 Budget \$	2013 \$
Revenue				
Rates	23	968,434	961,229	907,164
Operating Grants, Subsidies and Contributions	29	1,033,100	1,012,490	1,554,046
Fees and Charges	28	290,375	260,990	285,587
Interest Earnings	2(a)	18,663	23,163	38,017
Other Revenue		0	0	40,700
		<u>2,310,572</u>	<u>2,257,872</u>	<u>2,825,514</u>
Expenses				
Employee Costs		(1,025,713)	(1,094,847)	(1,068,769)
Materials and Contracts		(954,156)	(1,069,361)	(1,007,063)
Utility Charges		(135,216)	(119,082)	(111,307)
Depreciation on Non-Current Assets	2(a)	(838,664)	(794,355)	(801,401)
Interest Expenses	2(a)	(32,332)	(30,431)	(34,096)
Insurance Expenses		(144,229)	(143,863)	(122,578)
		<u>(3,130,310)</u>	<u>(3,251,939)</u>	<u>(3,145,214)</u>
		(819,738)	(994,067)	(319,700)
Non-Operating Grants, Subsidies and Contributions	29	1,395,399	1,066,510	1,129,545
Loss on Revaluation of Fixed Assets	2(a)	0	0	(12,575)
Profit on Asset Disposals	21	16,961	38,000	0
Loss on Asset Disposals	21	(19,339)	(12,191)	(37,637)
NET RESULT		573,283	98,252	759,633
Other Comprehensive Income				
Changes on Revaluation of Non-Current Assets	13	3,941,911	0	375,354
Total Other Comprehensive Income		<u>3,941,911</u>	<u>0</u>	<u>375,354</u>
Total Comprehensive Income		<u><u>4,515,194</u></u>	<u><u>98,252</u></u>	<u><u>1,134,987</u></u>

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

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

	NOTE	2014 \$	2014 Budget \$	2013 \$
Revenue				
Governance		23,856	8,670	63,542
General Purpose Funding		1,497,689	1,491,279	1,816,471
Law, Order, Public Safety		27,918	24,257	25,064
Health		180,165	172,506	114,464
Housing		122,355	120,492	137,145
Community Amenities		82,987	95,623	84,681
Recreation and Culture		32,167	41,169	63,482
Transport		292,542	284,990	488,681
Economic Services		6,476	6,136	7,848
Other Property and Services		44,417	12,750	24,136
	2(a)	2,310,572	2,257,872	2,825,514
Expenses				
Governance		(74,676)	(331,145)	(308,734)
General Purpose Funding		(289,195)	(81,810)	(93,550)
Law, Order, Public Safety		(89,436)	(93,512)	(82,478)
Health		(352,093)	(344,891)	(332,435)
Education and Welfare		(6,710)	(6,710)	(1,710)
Housing		(262,703)	(244,973)	(235,330)
Community Amenities		(212,697)	(245,727)	(208,065)
Recreation & Culture		(404,671)	(450,798)	(431,228)
Transport		(1,278,099)	(1,323,190)	(1,220,876)
Economic Services		(100,386)	(98,252)	(175,048)
Other Property and Services		(27,312)	(500)	(34,239)
	2(a)	(3,097,978)	(3,221,508)	(3,123,693)
Financial Costs				
Governance		(3)	0	(56)
Law, Order, Public Safety		0	0	(31)
Housing		(30,098)	(26,095)	(34,009)
Recreation & Culture		(2,231)	(4,336)	0
	2(a)	(32,332)	(30,431)	(34,096)
Non-Operating Grants, Subsidies and Contributions				
General Purpose Funding		282,324	282,324	548,176
Law, Order, Public Safety		413,344	0	0
Recreation & Culture		58,767	178,767	0
Transport		509,738	605,419	581,369
Other Property and Services		131,226	0	0
		1,395,399	1,066,510	1,129,545
Profit/(Loss) on Disposal of Assets				
Governance		0	(5,220)	(8,604)
Law, Order, Public Safety		0	0	(91)
Health		0	(6,971)	(3,949)
Housing		0	0	(464)
Recreation & Culture		0	0	(16,932)
Other Property and Services		(2,378)	38,000	(7,597)
		(2,378)	25,809	(37,637)
Net Result		573,283	98,252	759,633
Other Comprehensive Income				
Changes on revaluation of non-current assets	13	3,941,911	0	375,354
Total Other Comprehensive Income		3,941,911	0	375,354
Total Comprehensive Income		4,515,194	98,252	1,134,987

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

SHIRE OF WYALKATCHEM
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2014

	NOTE	2014 \$	2013 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	339,904	1,100,028
Trade and Other Receivables	5	235,420	110,750
Inventories	6	61,340	73,003
TOTAL CURRENT ASSETS		<u>636,664</u>	<u>1,283,781</u>
NON-CURRENT ASSETS			
Investments	4	131,226	0
Other Receivables	5	51,292	61,816
Property, Plant and Equipment	7	9,426,601	4,827,689
Infrastructure	8	38,240,285	37,817,151
TOTAL NON-CURRENT ASSETS		<u>47,849,404</u>	<u>42,706,656</u>
TOTAL ASSETS		<u>48,486,068</u>	<u>43,990,437</u>
CURRENT LIABILITIES			
Trade and Other Payables	9	104,178	211,648
Current Portion of Long Term Borrowings	10	97,385	80,062
Provisions	11	90,357	112,301
TOTAL CURRENT LIABILITIES		<u>291,920</u>	<u>404,011</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	10	562,697	460,082
Provisions	11	8,536	18,623
TOTAL NON-CURRENT LIABILITIES		<u>571,233</u>	<u>478,705</u>
TOTAL LIABILITIES		<u>863,153</u>	<u>882,716</u>
		<u>47,622,915</u>	<u>43,107,721</u>
EQUITY			
Retained Surplus		21,967,491	21,040,433
Reserves - Cash Backed	12	216,797	570,572
Revaluation Surplus	13	25,438,627	21,496,716
TOTAL EQUITY		<u>47,622,915</u>	<u>43,107,721</u>

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

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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2012		19,915,914	935,458	21,121,362	41,972,734
Comprehensive Income					
Net Result		759,633	0	0	759,633
Changes on Revaluation of Non-Current Assets	13	<u>0</u>	<u>0</u>	<u>375,354</u>	<u>375,354</u>
Total Comprehensive Income		759,633	0	375,354	1,134,987
Transfers from/(to) Reserves		364,886	(364,886)	0	0
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance as at 30 June 2013		21,040,433	570,572	21,496,716	43,107,721
Comprehensive Income					
Net Result		573,283	0	0	573,283
Changes on Revaluation of Non-Current Assets	13	<u>0</u>	<u>0</u>	<u>3,941,911</u>	<u>3,941,911</u>
Total Comprehensive Income		573,283	0	3,941,911	4,515,194
Transfers from/(to) Reserves		353,775	(353,775)	0	0
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance as at 30 June 2014		<u>21,967,491</u>	<u>216,797</u>	<u>25,438,627</u>	<u>47,622,915</u>

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

**SHIRE OF WYALKATCHEM
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2014**

	NOTE	2014 \$	2014 Budget \$	2013 \$
Cash Flows From Operating Activities				
Receipts				
Rates		956,547	961,229	919,120
Operating Grants, Subsidies and Contributions		901,124	1,012,490	1,554,046
Fees and Charges		290,375	317,024	241,902
Interest Earnings		18,663	23,163	38,017
Goods and Services Tax		19,931	0	116,942
Other Revenue		0	0	0
		<u>2,186,640</u>	<u>2,313,906</u>	<u>2,870,027</u>
Payments				
Employee Costs		(1,058,832)	(1,094,847)	(1,055,420)
Materials and Contracts		(1,050,754)	(1,192,328)	(852,206)
Utility Charges		(135,216)	(119,082)	(111,307)
Interest Expenses		(30,453)	(30,431)	(34,096)
Insurance Expenses		(144,229)	(143,863)	(122,578)
Goods and Services Tax		0	0	(136,875)
		<u>(2,419,484)</u>	<u>(2,580,551)</u>	<u>(2,312,482)</u>
Net Cash Provided By (Used In) Operating Activities	14(b)	<u>(232,844)</u>	<u>(266,645)</u>	<u>557,545</u>
Cash Flows from Investing Activities				
Payments for Purchase of Property, Plant & Equipment		(1,294,537)	(1,098,539)	(823,215)
Payments for Construction of Infrastructure		(660,095)	(868,313)	(1,062,017)
Non-Operating Grants, Subsidies and Contributions		1,264,173	1,066,510	1,129,545
Proceeds from Sale of Fixed Assets		33,455	85,000	61,817
Net Cash Provided by (Used in) Investment Activities		<u>(657,004)</u>	<u>(815,342)</u>	<u>(693,870)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(80,062)	(88,139)	(84,310)
Proceeds from Self Supporting Loans		9,786	9,785	9,099
Proceeds from New Debentures		200,000	265,000	0
Net Cash Provided By (Used In) Financing Activities		<u>129,724</u>	<u>186,646</u>	<u>(75,211)</u>
Net Increase (Decrease) in Cash Held		<u>(760,124)</u>	<u>(895,341)</u>	<u>(211,536)</u>
Cash at Beginning of Year		1,100,028	1,099,872	1,311,564
Cash and Cash Equivalents at the End of the Year	14(a)	<u><u>339,904</u></u>	<u><u>204,531</u></u>	<u><u>1,100,028</u></u>

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

**SHIRE OF WYALKATCHEM
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2014**

	NOTE	2014 Actual \$	2014 Budget \$	2013 Actual \$
Revenue				
Governance		23,856	8,670	63,542
General Purpose Funding		811,579	812,374	1,457,483
Law, Order, Public Safety		441,262	24,257	25,064
Health		180,165	172,506	114,464
Education and Welfare		0	0	0
Housing		122,355	120,492	137,145
Community Amenities		82,987	95,623	84,681
Recreation and Culture		90,934	219,936	63,482
Transport		802,280	890,409	1,070,050
Economic Services		6,476	6,136	7,848
Other Property and Services		192,604	50,750	24,136
		<u>2,754,498</u>	<u>2,401,153</u>	<u>3,047,895</u>
Expenses				
Governance		(74,679)	(336,365)	(317,394)
General Purpose Funding		(289,195)	(81,810)	(93,550)
Law, Order, Public Safety		(89,436)	(93,512)	(82,600)
Health		(352,093)	(351,862)	(336,384)
Education and Welfare		(6,710)	(6,710)	(1,710)
Housing		(292,801)	(271,068)	(269,803)
Community Amenities		(212,697)	(245,727)	(208,065)
Recreation and Culture		(406,902)	(455,134)	(448,160)
Transport		(1,278,099)	(1,323,190)	(1,220,876)
Economic Services		(100,386)	(98,252)	(175,048)
Other Property and Services		(46,651)	(500)	(41,836)
		<u>(3,149,649)</u>	<u>(3,264,130)</u>	<u>(3,195,426)</u>
Net Result Excluding Rates		(395,151)	(862,977)	(147,531)
Adjustments for Cash Budget Requirements:				
Initial Recognition of Assets Due to Change to Regulations				
- Land		0	0	(36,506)
- Investments		(131,226)	0	0
(Profit)/Loss on Asset Disposals	21	2,378	(25,809)	37,637
Movement in Deferred Pensioner Rates (Non-Current)		0	0	(1,498)
Movement in Employee Benefit Provisions (Non-current)		(10,087)	0	(560)
Fair value adjustments to Furniture and Equipment		0	0	12,575
Depreciation and Amortisation on Assets	2(a)	838,664	794,355	801,401
Adjustments to prior year depreciation		0	0	(4,194)
Capital Expenditure and Revenue				
Purchase Land and Buildings	7(a)	(769,219)	(837,415)	(708,286)
Purchase Plant and Equipment	7(a)	(525,318)	(261,124)	(114,929)
Purchase Roads	8(a)	(650,042)	(665,228)	(903,752)
Purchase Other Infrastructure	8(a)	(10,053)	(50,000)	0
Purchase Airfields Runways	8(a)	0	(153,085)	(158,265)
Proceeds from Disposal of Fixed Assets	21	33,455	85,000	61,817
Repayment of Debentures	22(a)	(80,062)	(88,139)	(84,310)
Proceeds from New Debentures	22(a)	200,000	265,000	0
Proceeds from Self Supporting Loans		9,786	9,785	9,099
Transfers to Reserves (Restricted Assets)	12	(33,435)	(134,043)	(1,259,220)
Transfers from Reserves (Restricted Assets)	12	387,210	531,335	1,624,106
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	23(b)	379,475	431,116	344,727
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	23(b)	214,809	0	379,475
Total Amount Raised from General Rate	23(a)	<u>(968,434)</u>	<u>(961,229)</u>	<u>(907,164)</u>

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

Critical Accounting Estimates

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

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

The Local Government Reporting Entity

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 21 to these financial statements.

(b) Goods and Services Tax (GST)

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Cash and Cash Equivalents

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

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

(d) Trade and Other Receivables

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

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

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

(e) Inventories

General

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

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

Land Held for Sale

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets

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

Mandatory Requirement to Revalue Non-Current Assets

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

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

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

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

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

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

Land Under Control

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Initial Recognition and Measurement between Mandatory Revaluation Dates

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

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

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

Revaluation

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

Transitional Arrangements

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

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

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

Early Adoption of AASB 13 - Fair Value Measurement

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Land Under Roads

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Depreciation

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

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

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

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

Land	not depreciated
Buildings	50 years
Furniture	3 years
Computers	2.5 years
Vehicles	5 years
Graders	8 years
Other Plant & Equipment	3 years
Roads, Streets & Footpaths Formation	not depreciated
Pavement	50 years
Seal	15 years
Kerbing	30 years
Footpaths	25 years
Airstrip Runways	50 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 disposed of, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

Capitalisation Threshold

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities

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

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

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

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

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

Fair Value Hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Income approach

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

Cost approach

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

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

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

(h) Financial Instruments

Initial Recognition and Measurement

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

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

Classification and Subsequent Measurement

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

Amortised cost is calculated as:

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Impairment

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

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

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

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

Derecognition

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

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

(i) Impairment of Assets

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

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

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

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

(j) Trade and Other Payables

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Employee Benefits

Short-Term Employee Benefits

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

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

Other Long-Term Employee Benefits

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

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

(l) Borrowing Costs

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Provisions

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

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

(n) Leases

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

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

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

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

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

(o) Investment in Associates

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Interests in Joint Arrangements

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

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

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

(q) Rates, Grants, Donations and Other Contributions

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

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

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

(r) Superannuation

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

(s) Current and Non-Current Classification

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

(t) Rounding Off Figures

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

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

1. SUMMARY SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Comparative Figures

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

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

(v) Budget Comparative Figures

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(i) AASB 9 – Financial Instruments	December 2013	1 January 2017	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii) AASB 2010 -7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	December 2013	1 January 2017	Nil - The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
[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]			

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
<p>(iii) AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [Not-For-Profit entities]</p> <p>[AASB 1, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 131, 132, 133, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]</p>	December 2012	1 January 2014	<p>Consequential changes to various standards arising from the issuance of AASB 10, 11, 12, 127 and 128.</p> <p>It is not expected to have a significant impact on Council.</p>
<p>(iv) AASB 2012-3: Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities</p> <p>[AASB 132]</p>	June 2012	1 January 2014	<p>This Standard adds application guidance to AASB 132: Financial Instruments: Presentation to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.</p> <p>This Standard is not expected to significantly impact the Council’s financial statements.</p>

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(v) AASB 2013 - 3: Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets	June 2013	1 January 2014	<p>This standard makes amendments to AASB 136 and includes requirements to disclose additional information when present value techniques are used to measure the recoverable amount of impaired assets.</p> <p>It is not expected to have a significant impact on Council.</p>
(vi) AASB 2013-8: Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities [AASB 10, 12 & 1049]	October 2013	1 January 2014	<p>This standard adds Appendix E to AASB 10 to provide implementation guidance for Not-for-Profit entities regarding control criteria from the perspective of not-for-profit entities.</p> <p>It is not expected to have a significant impact on Council.</p>
(vii) AASB 2013-9: Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments [Operative dates: Part A Conceptual Framework – 20 December 2013; Part B Materiality – 1 January 2014; Part C Financial Instruments – 1 January 2015]	December 2013	Refer Title column	<p>Part A of this standard makes various editorial corrections to Australian Accounting Standards.</p> <p>Part B of this standard deletes references to AASB 1031 in various Australian Accounting Standards in advance of the withdrawal of AASB 1031.</p> <p>Part C of this standard makes consequential amendments to AASB 9 and numerous other standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value.</p> <p>As the bulk of changes related either to editorial or reference changes it is not expected to have a significant impact on Council.</p>

Notes:

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Adoption of New and Revised Accounting Standards

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

These new and revised standards were:

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

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

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

2. REVENUE AND EXPENSES	2014	2013	
	\$	\$	
(a) Net Result			
The Net Result includes:			
(i) Charging as an Expense:			
Auditors Remuneration			
- Audit of the annual financial report	14,300	19,180	
- Assistance with the finalisation of the annual financial report	4,975	0	
- Other Services	8,860	5,988	
Depreciation			
Buildings	83,262	80,394	
Furniture and Equipment	2,625	17,765	
Plant and Equipment	118,809	125,265	
Roads	547,463	497,975	
Footpaths	10,069	9,548	
Drainage	301	300	
Parks & Ovals	4,163	4,236	
Other Infrastructure	7,054	0	
Roads Kerbing	7,286	7,287	
Airfields Runways	57,632	58,618	
Items under \$2000	0	13	
	<u>838,664</u>	<u>801,401</u>	
Interest Expenses (Finance Costs)			
Debentures (<i>refer Note 21.(a)</i>)	32,329	34,040	
Bank and other Interest	3	56	
	<u>32,332</u>	<u>34,096</u>	
(ii) Crediting as Revenue:			
	2014	2014	2013
	Actual	Budget	Actual
	\$	\$	\$
Interest Earnings			
- Reserve Funds	6,973	15,000	26,056
- Other Funds	3,558	1,800	1,988
Other Interest Revenue (<i>refer note 26</i>)	8,132	6,363	9,973
	<u>18,663</u>	<u>23,163</u>	<u>38,017</u>

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

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

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

COMMUNITY VISION

In 2023 Wyalkatchem will be sustainable with growth in population supporting businesses, services and infrastructure; residents will be healthy, safe and caring, surrounded by welcoming public places and a valued natural and built environment.

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

GOVERNANCE

Members of Council

This is the administration and operation of facilities and services to members of Council. Includes fees, expenses and allowances paid to elected and committee members, election costs, insurance, subscriptions, conference expenses, Chamber expenses, members' entertainment, support staff (secretarial, receptionists etc.), printing, telephones, faxes, delivery expenses.

Other Governance

Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services. Including civic receptions, refreshments, receptions, naturalisation and citizenship ceremonies, polls, referendums, public relations, Freedom of Information requests, research, development and preparation of policy documents, development of local laws, strategic planning, principal activity plans, annual budgets, annual financial reports, audit fees and the annual report.

GENERAL PURPOSE FUNDING

Rates

Rates levied under Division 6 of Part 6 of the Local Government Act 1995. Revenue from a general rate, differential rates, minimum rates, interest and fees on instalment arrangements, interest on arrears, government subsidy for rates deferred by entitled pensioners, less discounts and/or concessions relating to rates levied. Expenditures incurred in administration and maintaining rate records, rating valuations, servicing notices, postage, stationery, advertising, doubtful debt expenses, debt collection, printing, indirect administration costs etc.

Other General Purpose Funding (GPF)

Amounts receivable from the Western Australian Grants Commission and any other Government Grant of a general purpose nature and generally referred to as untied grants. Interest earnings from deposits and investments, including reserve accounts. General overdraft expenses on the Municipal Fund.

LAW, ORDER, PUBLIC SAFETY

Fire Prevention

Administration and operations on fire prevention services, including volunteer bush fire brigades, outlays on roadside clearing operations (slashing, clearing, mowing verges, standpipes, insurance) and other protective burning. Revenues include the sale of local laws, maps, materials relating to fire prevention, fines and penalties imposed under relevant Acts and fines, fees or charges for clearing fire breaks.

Animal Control

Administration, enforcement and operations relating to the control of animals. Includes costs of impounding, destroying and disposal of stray animals. Revenues include dog registration fees, fines and penalties relating to straying dogs, cats, cattle and other livestock and impounding and destruction fees.

Public Safety

Administration, promotion, support and operation of services relating to public order and safety that cannot be assigned to one of the preceding sub-programs. Enforcement of Local Government Laws and impounding vehicles.

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

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

HEALTH

Preventive Services

Administration, inspection and operations of programs concerned with the general health of the community. Includes the costs and revenues derived from the inspection of eating houses, itinerant food vendors, stall holders, offensive trade etc. Also includes providing the services of an Environmental Health Officer, in the regional health scheme, and any other outlays concerned with general health inspection and administration services provided by the council.

Other Health

Administration and operation of health facilities, including contributions, subsidies, donations toward the provision of medical services such as the local doctor.

EDUCATION AND WELFARE

Senior Citizens

Administration, support and operation of welfare services for senior citizen.

HOUSING

Community Housing

Administration and management of residential housing for members of the community.

COMMUNITY AMENITIES

Sanitation – Household

Administration and operation of general refuse collection and disposal services. These include the collection of general, recyclable and green waste, and its delivery to a disposal site. Provision and maintenance of the rubbish disposal site.

Protection of Environment

Administration, inspection and operation of flood mitigation work removal of dead animals, derelict and abandoned vehicles. Includes the development, monitoring and operation of pollution and noise control, soil erosion.

Town Planning

Administration, inspection and operation of a town planning service. This includes planning control, the preparation of town planning development schemes, zoning and rezoning. Includes costs associated with the purchase and resumption of land for public open space, community facilities etc. for the expansion or development of this program.

Other Amenities

Includes outlays on public conveniences, drinking fountains, cemetery, rest centres, street seats and other street furniture.

RECREATION AND CULTURE

Public Buildings

Administration, provision and operation of multipurpose venues such as the Town Hall.

Swimming Pool

Administration and operation of public swimming pool.

Other Recreation

Administration, provision and maintenance of other recreational facilities and services, including indoor and outdoor sporting complexes and facilities such as football and cricket grounds, tennis courts, basketball and netball courts and other recreational areas such as parks and gardens, ovals, playgrounds, barbecue areas, cycleways and dual use paths.

Library

Administration, provision and operation of the local library, including books, tapes, records, audio-visual aids, and other services.

Tidy Towns

The Shire will continue to work with the Care for Wylie Committee in their program for the improvement of the townscape.

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

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

RECREATION AND CULTURE (Continued)

Community Grants

The Shire will continue to fund activities undertaken by community based organisations, where it can be shown that the money will benefit members of the community.

TRANSPORT

Public Works

Administration, regulation and operation relating to the provision of streets and roads, under the control of the Shire and the Commissioner of Main Roads. It also includes drainage works, kerbing, road verges, median strips, footpaths, private streets, crossovers and approaches, road signs and names, street crossings, line marking, street lighting, street trees and street cleaning.

Airstrip

Administration, provision and operation of the airstrip and other associated facilities.

ECONOMIC SERVICES

Tourism

The development, promotion, support, research, operation etc. of tourism and area promotion to attract tourists, promotion to attract tourist development such as brochures, contributions to tourist promotion schemes.

Building Control

Administration, inspection and operations concerned with application of the building standards. It

OTHER PROPERTY AND SERVICES

Private Works

Administration, inspection, and operation of work carried out on property or services not under the care, control and management of the local government. These include road works on private property, commissions for agencies and fees or service (i.e Transport Licensing).

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

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions		Opening	Received	Expended	Closing	Received	Expended	Closing
Grant/Contribution	Function/ Activity	Balance⁽¹⁾ 1/07/12	2012/13	2012/13	Balance⁽¹⁾ 30/06/13	2013/14	2013/14	Balance 30/06/14
		\$	\$	\$	\$	\$	\$	\$
Regional Grants Scheme		93,859	26,514	(120,373)	0	0	0	0
Medicare Local Grant		20,000	522	(20,522)	0	0	0	0
Royalty for Regions CLGF 2011/12		281,802	8,080	(285,753)	4,129	0	(4,129)	0
FAGS Grant 2012/13 (Road Portion)		226,576	0	(226,576)	0	0	0	0
Royalty for Regions CLGF 2012/13		0	345,067	(186,424)	158,643	346	(158,989)	0
FAGS Grant 2013/14 (Road Portion)		0	228,567	0	228,567	498	(229,065)	0
Youth Friendly Communities Grant		0	0	0	0	10,000	0	10,000
Total		622,237	608,750	(839,648)	391,339	10,844	(392,183)	10,000

Notes:

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

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

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

The above conditions over Grants/Contributions are represented by:

	2014	2013
	\$	\$
Municipal Funds - Restricted	10,000	4,129
Unspent Grants Reserve	0	387,210
	<u>10,000</u>	<u>391,339</u>

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

	Note	2014 \$	2013 \$
3. CASH AND CASH EQUIVALENTS			
Municipal Funds - Unrestricted		113,107	525,327
Municipal Funds - Restricted		<u>10,000</u>	<u>4,129</u>
		123,107	529,456
Restricted		<u>216,797</u>	<u>570,572</u>
		<u><u>339,904</u></u>	<u><u>1,100,028</u></u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Rubbish Tip Reserve	11	5,000	0
Plant Reserve	11	135,823	131,429
Community Bus Reserve	11	70,974	51,933
Unspent Grants Reserve	11	0	387,210
Community Resource and Visitor Centre Building Reserve	11	5,000	0
Unspent Grants (in Municipal Funds)	2(c)	<u>10,000</u>	<u>4,129</u>
		<u><u>226,797</u></u>	<u><u>574,701</u></u>
4. INVESTMENTS			
Financial assets at fair value through profit or loss			
Initial recognition		<u>131,226</u>	<u>0</u>
At end of year		<u><u>131,226</u></u>	<u><u>0</u></u>
5. TRADE AND OTHER RECEIVABLES			
Current			
Rates Outstanding		32,478	20,591
Sundry Debtors		192,419	60,443
GST Receivable		0	19,931
Loans - Clubs/Institutions		<u>10,523</u>	<u>9,785</u>
		<u><u>235,420</u></u>	<u><u>110,750</u></u>
Non-Current			
Rates Outstanding - Pensioners		7,811	7,811
Loans - Clubs/Institutions		<u>43,481</u>	<u>54,005</u>
		<u><u>51,292</u></u>	<u><u>61,816</u></u>
6. INVENTORIES			
Current			
Fuel and Materials		<u>61,340</u>	<u>73,003</u>
		<u><u>61,340</u></u>	<u><u>73,003</u></u>

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

	2014	2013
	\$	\$
7. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
Freehold Land at:		
- Independent Valuation 2014	528,600	0
- Cost	<u>0</u>	<u>326,227</u>
	528,600	326,227
Land Vested In and Under the Control of Council at:		
- Independent Valuation 2014	0	0
- Cost	<u>36,506</u>	<u>36,506</u>
	36,506	36,506
Total Land	<u><u>565,106</u></u>	<u><u>362,733</u></u>
Buildings at:		
- Independent Valuation 2014	7,726,396	0
- Cost	0	4,638,563
Less: Accumulated Depreciation	<u>0</u>	<u>(937,316)</u>
	7,726,396	3,701,247
Total Land and Buildings	<u><u>8,291,502</u></u>	<u><u>4,063,980</u></u>
Furniture and Equipment at:		
- Management Valuation 2013	7,000	7,000
Less Accumulated Depreciation	<u>(2,625)</u>	<u>0</u>
	4,375	7,000
Plant and Equipment at:		
- Management Valuation 2013	723,800	756,709
- Additions after Valuation - Cost	525,318	0
Less Accumulated Depreciation	<u>(118,394)</u>	<u>0</u>
	1,130,724	756,709
	<u><u>9,426,601</u></u>	<u><u>4,827,689</u></u>

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

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Land and Buildings:

The Shire's Land and Buildings were revalued at 30 June 2014 by independent valuation. All of the valuations were made on the basis of open market values of similar assets adjusted for condition and comparability (Level 2 inputs in the fair value hierarchy).

The revaluation resulted in an overall increase of \$3,952,531 in the net value of the Shire's Land and Buildings. All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 12(b) for further details and was recognised as changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

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

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Movements in Carrying Amounts

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

		Balance at the Beginning of the Year	Additions	(Disposals)	Reclassification Adjustments	Revaluation Increments/ (Decrements)	Impairment (Losses)/ Reversals	Depreciation (Expense)	Carrying Amount at the End of Year
		\$	\$	\$	\$	\$	\$	\$	\$
Freehold Land	(Level 2)	326,227	0	(10,367)	(53,292)	266,032	0	0	528,600
Land Vested In and Under the Control of Council	(Level 3)	36,506	0	0	0	0	0	0	36,506
Total Land		362,733	0	(10,367)	(53,292)	266,032	0	0	565,106
Buildings	(Level 2)	3,701,247	769,219	(3,591)	(343,715)	3,686,498	0	(83,262)	7,726,396
Total Land and Buildings		4,063,980	769,219	(13,958)	(397,007)	3,952,530	0	(83,262)	8,291,502
Furniture and Equipment	(Level 3)	7,000	0	0	0	0	0	(2,625)	4,375
Plant and Equipment	(Level 2)	756,709	525,318	(32,494)	0	0	0	(118,809)	1,130,724
Total Property, Plant and Equipment		4,827,689	1,294,537	(46,452)	(397,007)	3,952,530	0	(204,696)	9,426,601

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

	2014 \$	2013 \$
8. INFRASTRUCTURE		
Roads		
- Management Valuation 2008	38,275,559	38,275,559
- Additions after Valuation - Cost	2,628,928	1,978,886
Less Accumulated Depreciation	<u>(6,515,274)</u>	<u>(5,967,811)</u>
	34,389,213	34,286,634
Footpaths		
- Cost	264,745	238,693
Less Accumulated Depreciation	<u>(80,611)</u>	<u>(70,542)</u>
	184,134	168,151
Drainage		
- Cost	15,032	15,032
Less Accumulated Depreciation	<u>(2,857)</u>	<u>(2,556)</u>
	12,175	12,476
Parks & Ovals		
- Cost	246,937	236,499
Less Accumulated Depreciation	<u>(110,837)</u>	<u>(96,236)</u>
	136,100	140,263
Other Infrastructure		
- Cost	460,311	0
Less Accumulated Depreciation	<u>(86,357)</u>	<u>0</u>
	373,954	0
Roads Kerbing		
- Cost	218,820	218,820
Less Accumulated Depreciation	<u>(96,290)</u>	<u>(89,004)</u>
	122,530	129,816
Airfields Runways		
- Cost	3,277,602	3,277,602
Less Accumulated Depreciation	<u>(255,423)</u>	<u>(197,791)</u>
	3,022,179	3,079,811
	<u>38,240,285</u>	<u>37,817,151</u>

Roads:

The above Management Valuation in relation to Road Infrastructure was performed in 2008 and was not subject to the current requirements of Local Government (Financial Management) Regulations 17A. It was performed in accordance with AASB 116. In accordance with the new regulation, all infrastructure assets are due for revaluation by 30 June 2015 (if not performed prior) and will be subject to the requirements of AASB 13 upon revaluation.

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

8. INFRASTRUCTURE (Continued)

Movements in Carrying Amounts

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

	Balance as at the Beginning of the Year \$	Additions \$	(Disposals) \$	Reclassification Adjustments \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Carrying Amount at the End of Year \$
Roads	34,286,634	650,042	0	0	0	0	(547,463)	34,389,213
Footpaths	168,151	0	0	26,052	0	0	(10,069)	184,134
Drainage	12,476	0	0	0	0	0	(301)	12,175
Parks & Ovals	140,263	0	0	0	0	0	(4,163)	136,100
Other Infrastructure	0	10,053	0	370,955	0	0	(7,054)	373,954
Roads Kerbing	129,816	0	0	0	0	0	(7,286)	122,530
Airfields Runways	3,079,811	0	0	0	0	0	(57,632)	3,022,179
Total	<u>37,817,151</u>	<u>660,095</u>	<u>0</u>	<u>397,007</u>	<u>0</u>	<u>0</u>	<u>(633,968)</u>	<u>38,240,285</u>

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

	2014 \$	2013 \$
9. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	68,764	161,768
Accrued Interest on Debentures	7,643	5,764
Accrued Salaries and Wages	27,771	28,859
Other Payables	0	15,257
	104,178	211,648

10. LONG-TERM BORROWINGS

Current		
Secured by Floating Charge Debentures	97,385	80,062
	97,385	80,062
Non-Current		
Secured by Floating Charge Debentures	562,697	460,082
	562,697	460,082

Additional detail on borrowings is provided in Note 22.

11. PROVISIONS

Analysis of Total Provisions

Current	90,357	112,301
Non-Current	8,536	18,623
	98,893	130,924

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2013	79,442	51,482	130,924
Additional provision	20,440	9,841	30,281
Amounts used	(48,043)	(14,269)	(62,312)
Balance at 30 June 2014	51,839	47,054	98,893

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

	2014 \$	2014 Budget \$	2013 \$
12. RESERVES - CASH BACKED			
(a) Leave Reserve			
Opening Balance	0	0	64,620
Amount Set Aside / Transfer to Reserve	0	0	1,046
Amount Used / Transfer from Reserve	0	0	(65,666)
	<u>0</u>	<u>0</u>	<u>0</u>
(b) Building Reserve			
Opening Balance	0	0	50,358
Amount Set Aside / Transfer to Reserve	0	0	1,321
Amount Used / Transfer from Reserve	0	0	(51,679)
	<u>0</u>	<u>0</u>	<u>0</u>
(c) Swimming Pool Reserve			
Opening Balance	0	0	50,358
Amount Set Aside / Transfer to Reserve	0	0	1,321
Amount Used / Transfer from Reserve	0	0	(51,679)
	<u>0</u>	<u>0</u>	<u>0</u>
(d) Rubbish Tip Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	5,000	5,000	0
Amount Used / Transfer from Reserve	0	0	0
	<u>5,000</u>	<u>5,000</u>	<u>0</u>
(e) Plant Reserve			
Opening Balance	131,429	131,429	97,526
Amount Set Aside / Transfer to Reserve	4,394	105,002	37,903
Amount Used / Transfer from Reserve	0	(73,150)	(4,000)
	<u>135,823</u>	<u>163,281</u>	<u>131,429</u>
(f) Community Bus Reserve			
Opening Balance	51,933	51,933	50,359
Amount Set Aside / Transfer to Reserve	19,041	19,041	1,574
Amount Used / Transfer from Reserve	0	(70,974)	0
	<u>70,974</u>	<u>0</u>	<u>51,933</u>
(g) Unspent Grants Reserve			
Opening Balance	387,210	158,644	622,237
Amount Set Aside / Transfer to Reserve	0	0	573,635
Amount Used / Transfer from Reserve	(387,210)	(158,644)	(808,662)
	<u>0</u>	<u>0</u>	<u>387,210</u>
(h) Regional Grants Scheme Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	95,374
Amount Used / Transfer from Reserve	0	0	(95,374)
	<u>0</u>	<u>0</u>	<u>0</u>
(i) Medicare Local Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	20,522
Amount Used / Transfer from Reserve	0	0	(20,522)
	<u>0</u>	<u>0</u>	<u>0</u>

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

	2014 \$	2014 Budget \$	2013 \$
12. RESERVES - CASH BACKED (continued)			
(j) 2011/12 CLGF Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	289,881
Amount Used / Transfer from Reserve	0	0	(289,881)
	<u>0</u>	<u>0</u>	<u>0</u>
(k) Gravel Reimbursement Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	4,125
Amount Used / Transfer from Reserve	0	0	(4,125)
	<u>0</u>	<u>0</u>	<u>0</u>
(l) Road Reserve			
Opening Balance	0	228,567	0
Amount Set Aside / Transfer to Reserve	0	0	232,518
Amount Used / Transfer from Reserve	0	(228,567)	(232,518)
	<u>0</u>	<u>0</u>	<u>0</u>
(m) Community Resource and Visitor Centre Building Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	5,000	5,000	0
Amount Used / Transfer from Reserve	0	0	0
	<u>5,000</u>	<u>5,000</u>	<u>0</u>
TOTAL RESERVES	<u><u>216,797</u></u>	<u><u>173,281</u></u>	<u><u>570,572</u></u>
Total Opening Balance	570,572	570,573	935,458
Total Amount Set Aside / Transfer to Reserve	33,435	134,043	1,259,220
Total Amount Used / Transfer from Reserve	(387,210)	(531,335)	(1,624,106)
TOTAL RESERVES	<u><u>216,797</u></u>	<u><u>173,281</u></u>	<u><u>570,572</u></u>

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

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

12. RESERVES - CASH BACKED (continued)

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

- (a) Leave Reserve**
 - to be used to fund annual and long service leave requirements
- (b) Building Reserve**
 - to be used for the acquisition, disposal, maintenance and funding of Shire properties.
- (c) Swimming Pool Reserve**
 - to be used for the acquisition, disposal, maintenance and funding of the swimming pool and equipment.
- (d) Rubbish Tip Reserve**
 - to be used for the acquisition, disposal, maintenance and funding of the community rubbish tip.
- (e) Plant Reserve**
 - to be used for the acquisition, disposal, maintenance and funding of shire plant and equipment.
- (f) Community Bus Reserve**
 - to be used for the acquisition, disposal, maintenance and funding of the community bus.
- (g) Unspent Grants Reserve**
 - to be used for the purpose of containing funds that are derived from unspent or prepaid grants and contributions from external parties.
- (h) Regional Grants Scheme Reserve**
 - to be used for the purpose of the grant received from Wheatbelt Development Commission in accordance with the Shire's Grant Agreement.
- (i) Medicare Local Reserve**
 - to be used for the purpose of the grant received from Medicare Local in accordance with the Shire's Grant Agreement.
- (j) 2011/12 CLGF Reserve**
 - to be used for the purpose of the grant received from the Department of Regional Development in accordance with the Shire's Grant Agreement.
- (k) Gravel Reimbursement Reserve**
 - to be used for the purpose of recovering the cost of gravel utilised from the 'Eaton Stockpile'.
- (l) Road Reserve**
 - to be used for the purpose of quarantining the prepayment of the Shire's Financial Assistance Grant (Road Portion) to be applied against road expenditure in the current budget year.
- (m) Community Resource and Visitor Centre Building Reserve**
 - to be used in accordance with the Service Agreement with the Community Resource Centre to provide for maintenance and/or capital renewal.

The Plant Reserves are not expected to be used within a set period as further transfers to the reserve accounts are expected as funds are utilised.

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

13. REVALUATION SURPLUS	2014	2013
	\$	\$
Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:		
(a) Land & Buildings		
Opening Balance	0	0
Revaluation Increment	3,952,531	0
Revaluation Decrement	0	0
	<u>3,952,531</u>	<u>0</u>
(b) Plant & Equipment		
Opening Balance	375,354	0
Revaluation Increment	0	375,354
Revaluation Decrement	(10,620)	0
	<u>364,734</u>	<u>375,354</u>
(c) Roads		
Opening Balance	21,121,362	21,121,362
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>21,121,362</u>	<u>21,121,362</u>
 TOTAL ASSET REVALUATION SURPLUS	 <u>25,438,627</u>	 <u>21,496,716</u>

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

14. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	2014 \$	2014 Budget \$	2013 \$
Cash and Cash Equivalents	<u>339,904</u>	<u>204,531</u>	<u>1,100,028</u>

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

Net Result	573,283	98,252	759,633
Depreciation	838,664	794,355	801,401
(Profit)/Loss on Sale of Asset	2,378	(25,809)	37,637
Adjustments to prior year depreciation	0	0	(4,194)
(Increase)/Decrease in Receivables	(123,932)	56,034	(51,660)
(Increase)/Decrease in Inventories	11,663	35,523	100,496
Increase/(Decrease) in Payables	(107,470)	(158,490)	54,360
Increase/(Decrease) in Employee Provisions	(32,031)	0	13,348
Grants Contributions for the Development of Assets	(1,395,399)	(1,066,510)	(1,129,545)
Loss on Revaluation of Fixed Assets	0	0	12,575
Non-Current Assets recognised due to changes in legislative requirements	0	0	(36,506)
Net Cash from Operating Activities	<u>(232,844)</u>	<u>(266,645)</u>	<u>557,545</u>

	2014 \$	2013 \$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank Overdraft limit	250,000	250,000
Bank Overdraft at Balance Date	0	0
Credit Card limit	5,000	5,000
Credit Card Balance at Balance Date	(908)	(1,711)
Total Amount of Credit Unused	<u>254,092</u>	<u>253,289</u>
Loan Facilities		
Loan Facilities - Current	97,385	80,062
Loan Facilities - Non-Current	562,697	460,082
Total Facilities in Use at Balance Date	<u>660,082</u>	<u>540,144</u>
Unused Loan Facilities at Balance Date	<u>NIL</u>	<u>NIL</u>

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

15. CONTINGENT LIABILITIES

There are no contingent liabilities to disclose.

16. CAPITAL AND LEASING COMMITMENTS	2014	2013
	\$	\$
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	0	29,972
- later than one year but not later than five years	0	0
- later than five years	0	0
	0	29,972

(b) Capital Expenditure Commitments

The Shire did not have any future capital expenditure commitments as at 30 June 2014.

17. JOINT VENTURE ARRANGEMENTS

The Shire together with the other NEWROC Shires have a joint venture arrangement with regard to the provision of an Environmental Health and Building Surveying Service. The only assets are a motor vehicle and miscellaneous equipment. The Shire of Koorda records the income and expenditure for this scheme and no assets are recording in Council's asset register.

The Shire together with the Shires of Koorda and Mukinbudin have a joint venture arrangement with regard to the provision of a Natural Resource Management Service. The only assets are a motor vehicle and miscellaneous equipment. The Shire of Koorda records income and expenditure for this scheme and no assets are recorded in Council's asset register.

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2014	2013
	\$	\$
Governance	195,632	171,347
General Purpose Funding	94,293	97,695
Law, Order, Public Safety	414,344	5,204
Health	588,226	646,582
Education and Welfare	71,496	64,972
Housing	3,506,773	1,635,369
Community Amenities	358,410	290,181
Recreation and Culture	3,037,802	1,168,291
Transport	38,625,694	34,921,789
Economic Services	717,726	3,157,041
Other Property and Services	629,339	337,632
Unallocated	115,107	1,494,334
	48,354,842	43,990,437

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

	2014	2013	2012
19. FINANCIAL RATIOS			
Current Ratio	1.44	1.77	2.21
Asset Sustainability Ratio	0.85	1.47	1.07
Debt Service Cover Ratio	0.43	4.20	2.97
Operating Surplus Ratio	(0.54)	(0.26)	0.17
Own Source Revenue Coverage Ratio	0.48	0.45	0.55

The above ratios are calculated as follows:

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

Notes:

Information relating to the **Asset Consumption Ratio** and the **Asset Renewal Funding Ratio** can be found at Supplementary Ratio Information on Page 60 of this document.

Two of the 2013 ratios disclosed above are distorted by items of revenue totalling \$36,506 relating to the initial recognition of Land 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 furniture and equipment of \$12,575 (refer Note 6 for further details).

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

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

	2013
Debt Service Cover Ratio	3.73
Operating Surplus Ratio	(0.28)

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

20. TRUST FUNDS

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

	Balance 1 July 2013 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30 June 2014 \$
Infant Health Clinic	46,554	1,628	(48,182)	0
Department of Housing	4,640			4,640
Wyalkatchem District Hospital	1,400			1,400
Ahrens, Dorothy	500			500
Kocian, Peter	250		(250)	0
Reid, Brett	200			200
Green, Claire	200			200
Chapman, Wendy	490			490
McConnell, Peter	265		(265)	0
Webb, Trevor	315			315
Enkelman, Ben	215			215
Contract Aquatic	300			300
McCabe, Ian	0	265		265
Masacote, Marlenie	0	500		500
Gym Monies	126			126
Key Deposit	150	45	(30)	165
Wyalkatchem Bush Fire Brigade	9,289			9,289
Tidy Towns Memorial Wall	529		(529)	0
Regional Pool Equipment	483		(483)	0
Aerodrome Lighting	426		(426)	0
Interest	2			2
Ambulance Station Donations	113		(113)	0
Cleaning Bond	300	920	(620)	600
Porsche Festival - Hells Bells	29		(29)	0
Councillor Nominations	0	400	(400)	0
Senior Citizens Rent	248	44,469	(44,201)	516
Medical Centre Account	500			500
Police (DPI) Licensing Account	0	251,782	(251,782)	0
	<u>67,524</u>			<u>20,223</u>

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

21. DISPOSALS OF ASSETS - 2013/14 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Fair Value Adjustment		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Governance								
CEO Vehicle	0	31,220	0	26,000	0	0	0	(5,220)
Health								
Doctor WM014 Peugeot 308 Active Diesel 2011	16,909	27,971	16,909	21,000	(5,380)	0	(5,380)	(6,971)
Housing								
Residential Subdivision	420	0	0	0	0	0	(420)	0
Community Amenities								
Cemetery	5,776	0	0	0	0	0	(5,776)	0
Recreation and Culture								
Golf Club Pavilion	433	0	0	0	0	0	(433)	0
Community Centre	771	0	0	0	0	0	(771)	0
Other Property and Services								
Toyota 22 seat bus	0	0	0	28,000	0	0	0	28,000
Dual Cab Mini Truck 3T WM003	15,585	0	14,546	10,000	16,000	0	14,961	10,000
Slocum St - Heritage Survey	6,559	0	0	0	0	0	(6,559)	0
35 Flint St	0	0	2,000	0	0	0	2,000	0
	46,453	59,191	33,455	85,000	10,620	0	(2,378)	25,809

Profit	16,961	38,000
Loss	(19,339)	(12,191)
	<u>(2,378)</u>	<u>25,809</u>

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

22. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1 July 2013 \$	New Loans \$	Principal Repayments		Principal 30 June 2014		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Housing								
Loan 68 - 43 & 45 Wilson St	232,242	0	14,705	14,705	217,537	217,537	15,404	10,145
Loan 71b - GEHA 51 & 55 Flint St	190,130	0	45,060	45,061	145,070	145,070	6,468	6,412
Loan 72 - GEHA 51 & 55 Flint St	117,772	0	20,297	20,297	97,475	97,475	8,226	9,538
Recreation and Culture								
Loan 73 - CRC Building	0	200,000	0	8,076	200,000 0	191,924	2,231	4,336
Transport								
Loan 74 - Purchase of Airport Reserve	0	0	0	0	0	65,000	0	0
	540,144	200,000	80,062	88,139	660,082	717,006	32,329	30,431

All other loan repayments were financed by general purpose revenue.

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

22. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2013/14

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
CRC Building Project	200,000	200,000	WATC	Debenture	10	50,854	4	200,000	200,000	0
Purchase of Airport Reserve	0	65,000	WATC	Debenture	5	0	0	0	65,000	0
	200,000	265,000				50,854		200,000	265,000	0

(c) Unspent Debentures

The Shire did not have any unspent debentures as at 30 June 2013.

(d) Overdraft

An overdraft of \$250,000 exists with NAB for the Municipal Fund. The balance of the bank overdraft at 1 July 2013 and 30 June 2014 was \$Nil.

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

23. RATING INFORMATION - 2013/14 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											
UV - Rural	0.0139	203	60,359,000	839,594	725		840,319	839,594			839,594
GRV - Townsite	0.0700	177	1,363,316	95,391	763		96,154	95,391			95,391
Sub-Totals		380	61,722,316	934,985	1,488	0	936,473	934,985	0	0	934,985
Minimum Payment \$											
UV - Rural	500	14	331,100	7,000			7,000	7,000			7,000
UV - Mining	500	9	18,895	4,500			4,500	4,500			4,500
GRV - Townsite	400	69	157,102	27,600			27,600	27,600			27,600
GRV - Other Townsite	400	4	14,546	1,600			1,600	1,600			1,600
Sub-Totals		96	521,643	40,700	0	0	40,700	40,700	0	0	40,700
Pre-paid Rates							977,173				975,685
Ex-Gratia Rates							4,501				0
Discounts (refer note 26.)							6336				5858
Concessions							(18,985)				(19,514)
Write Offs							(400)				(300)
							(191)				(500)
Total Amount Raised From General Rate							968,434				961,229

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

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

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

	2014 (30 June 2014 Carried Forward)	2014 (1 July 2013 Brought Forward)	2013 (30 June 2013 Carried Forward)
	\$	\$	\$
Surplus/(Deficit) 1 July 13 Brought Forward	<u>214,809</u>	<u>379,475</u>	<u>379,475</u>
<u>Comprises:</u>			
Cash and Cash Equivalents			
Municipal Funds - Unrestricted	113,107	525,327	525,327
Restricted	226,797	574,701	574,701
Receivables			
Rates Outstanding	32,478	20,591	20,591
Sundry Debtors	192,419	60,443	60,443
GST Receivable	0	19,931	19,931
Loans - Clubs/Institutions	10,523	9,785	9,785
Inventories			
Fuel and Materials	61,340	73,003	73,003
<u>Less:</u>			
Trade and other Payables			
Sundry Creditors	(68,764)	(161,768)	(161,768)
Accrued Interest on Debentures	(7,643)	(5,764)	(5,764)
Accrued Salaries and Wages	(27,771)	(28,859)	(28,859)
ATO Liabilities	0	0	0
Other Payables	0	(15,257)	(15,257)
Current Portion of Long Term Borrowings			
Secured by Floating Charge Debentures	(97,385)	(80,062)	(80,062)
Provisions			
Provision for Annual Leave	(51,839)	(79,442)	(79,442)
Provision for Long Service Leave	(38,518)	(32,859)	(32,859)
<u>Net Current Assets</u>	<u>344,744</u>	<u>879,770</u>	<u>879,770</u>
Less:			
Reserves - Restricted Cash	(216,797)	(570,572)	(570,572)
Loans - Clubs/Institutions	(10,523)	(9,785)	(9,785)
Add:			
Secured by Floating Charge Debentures	97,385	80,062	80,062
Surplus/(Deficit)	<u>214,809</u>	<u>379,475</u>	<u>379,475</u>

Difference

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

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

24. SPECIFIED AREA RATE - 2013/14 FINANCIAL YEAR

The Shire did not impose any Specified Area Rates.

25. GENERAL HEALTH LEVY - 2013/14 FINANCIAL YEAR

	Amount of Charge \$	Revenue Raised \$	Budget Revenue \$
Rural General Health Levy	\$41	9,389	9,266
		9,389	9,266

The Rural General Health Levy has been imposed on all rural properties and is raised to ensure the rural landowners contribute to waste management of the Shire.

The proceeds of the levy are applied in full to costs of providing waste management services and surplus funds are transferred to a Reserve account for this purpose.

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

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Discount	2.50%	(18,247)	(18,776)
Minimum Rate	Discount	2.50%	(738)	(738)
Rate Assessment - RSL	Concession		(400)	(300)
Write Offs	Write Off		(191)	(500)
			(19,576)	(20,314)
Pensioner Rubbish Concession	Concession	\$80	(5,520)	(5,520)

A 2.5% discount on rates is granted to all who pay their rates in full within 35 days of the date of issue appearing on the rate notice. A \$80 pensioner rubbish concession is available.

The Returned Services League were eligible for a Rate Concession in 2013/14.

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

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		3,804	1,600
District Club Loan Interest	7.25%		4,328	4,328
DFES ESL Interest			0	435
<i>(Refer Note 2(a))</i>			8,132	6,363
Charges on Instalment Plan		\$15	3,405	1,140
			11,537	7,503

Ratepayers had the option of paying rates in four equal instalments, due on 27 September 2013, 29 November 2013, 31 January 2014 and 04 April 2014. Administration charges and interest applied for the final three instalments.

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

28. FEES & CHARGES	2014	2013
	\$	\$
Governance	513	147
General Purpose Funding	7,783	16,694
Law, Order, Public Safety	7,181	4,779
Housing	122,355	137,145
Community Amenities	82,987	80,062
Recreation and Culture	21,922	18,643
Transport	14,606	13,476
Economic Services	6,476	7,848
Other Property and Services	26,552	6,793
	<u>290,375</u>	<u>285,587</u>

A fee was adopted by Council for the hire of dog collars and cat traps, other than this there were no changes during the year to the amount of the fees or charges detailed in the original budget.

29. GRANT REVENUE

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

By Nature or Type:	2014	2013
	\$	\$
Operating Grants, Subsidies and Contributions	1,033,100	1,554,046
Non-Operating Grants, Subsidies and Contributions	1,395,399	1,129,545
	<u>2,428,499</u>	<u>2,683,591</u>
By Program:		
Governance	23,343	63,395
General Purpose Funding	785,133	1,402,772
Law, Order, Public Safety	434,081	20,285
Health	180,165	114,464
Community Amenities	0	4,619
Recreation and Culture	69,012	8,333
Transport	787,674	1,056,574
Other Property and Services	149,091	13,149
	<u>2,428,499</u>	<u>2,683,591</u>

30. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

<u>13</u>	<u>15</u>
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31. ELECTED MEMBERS REMUNERATION

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

	2014	2014	2013
	\$	Budget	\$
		\$	
Meeting Fees	24,500	24,500	16,800
President's Allowance	6,000	6,000	6,000
Deputy President's Allowance	1,500	1,500	1,500
Travelling Expenses	1,435	4,000	3,030
Telecommunications Allowance	3,500	3,500	2,800
	<u>36,935</u>	<u>39,500</u>	<u>30,130</u>

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

32. MAJOR LAND TRANSACTIONS

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

33. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

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

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

34. FINANCIAL RISK MANAGEMENT

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

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

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

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2014	2013	2014	2013
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	339,904	1,100,028	339,624	1,100,028
Receivables	286,712	172,566	286,712	172,566
	<u>626,616</u>	<u>1,272,594</u>	<u>626,336</u>	<u>1,272,594</u>
Financial Liabilities				
Payables	104,178	211,648	103,898	211,648
Borrowings	660,082	540,144	640,256	501,587
	<u>764,260</u>	<u>751,792</u>	<u>744,154</u>	<u>713,235</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables - estimated to the carrying value which approximates net market value.
- Borrowings, Held to Maturity Investments, estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

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

34. 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.

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

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

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

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

	2014	2013
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	7,198	12,058
- Statement of Comprehensive Income	7,198	12,058 ^(*)

Notes:

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

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

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

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

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

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

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

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

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

	2014	2013
Percentage of Rates and Annual Charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of Other Receivables		
- Current	98%	90%
- Overdue	2%	10%

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

34. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

Borrowings

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

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2014</u>					
Payables	94,419	0	0	94,419	104,178
Borrowings	141,597	434,814	307,746	884,157	660,082
	<u>236,016</u>	<u>434,814</u>	<u>307,746</u>	<u>978,576</u>	<u>764,260</u>
<u>2013</u>					
Payables	211,648	0	0	211,648	211,648
Borrowings	110,381	390,126	182,786	683,293	540,144
	<u>322,029</u>	<u>390,126</u>	<u>182,786</u>	<u>894,941</u>	<u>751,792</u>

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

34. FINANCIAL RISK MANAGEMENT (Continued)

**(c) Payables
Borrowings (Continued)**

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

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

	<u><1 year</u>	<u>>1<2 years</u>	<u>>2<3 years</u>	<u>>3<4 years</u>	<u>>4<5 years</u>	<u>>5 years</u>	<u>Total</u>	<u>Weighted Average Effective Interest Rate</u>
	\$	\$	\$	\$	\$	\$	\$	%
<u>Year Ended 30 June 2014</u>								
Borrowings								
Fixed Rate								
Debentures	0	0	145,070	97,475	0	417,537	660,082	5.46%
Weighted Average Effective Interest Rate	0.00%	0.00%	3.54%	7.25%	0.00%	5.71%		
<u>Year Ended 30 June 2013</u>								
Borrowings								
Fixed Rate								
Debentures	0	0	0	190,130	117,772	232,242	540,144	5.79%
Weighted Average Effective Interest Rate	0.00%	0.00%	0.00%	3.54%	7.25%	6.89%		

**INDEPENDENT AUDITOR'S REPORT
TO THE RATEPAYERS OF THE SHIRE OF WYALKATCHEM**



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Report on the Financial Report

We have audited the accompanying financial report of the Shire of Wyalkatchem, which comprises the Statement of Financial Position as at 30 June 2014, 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, 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 and 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 whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks 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 entity's preparation and fair presentation of the financial report 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 entity'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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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



**INDEPENDENT AUDITOR'S REPORT
TO THE RATEPAYERS OF THE SHIRE OF WYALKATCHEM**

Auditor's Opinion

In our opinion the financial report of the Shire of Wyalkatchem 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 2014 and of its operating results for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

Other Matters

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

- (a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- (b) No matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- (c) All necessary information and explanations were obtained by us.
- (d) All audit procedures were satisfactorily completed in conducting our audit.
- (e) In relation to the Supplementary Ratio Information presented at page 59 of this report, we have reviewed the calculations as presented and in our opinion these are:
 - i) Based on verifiable information; and
 - ii) Reasonable assumptions.



Paul Gilbert, Director
Macleod Corporation Pty Ltd
Dated this 24th day of October 2014

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

RATIO INFORMATION

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

	2014	2013	2012
Asset Consumption Ratio	0.67	0.65	N/A
Asset Renewal Funding Ratio	0.80	0.85	N/A

The above ratios are calculated as follows:

Asset Consumption Ratio	$\frac{\text{depreciated replacement costs of assets}}{\text{current replacement cost of depreciable assets}}$
Asset Renewal Funding Ratio	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

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