



A Fortunate Place



Shire of Wickepin

Annual Report

2014-2015

14/15



Contents

Council Overview	3
Council Meetings.....	3
Elections.....	3
Council Staff	4
President's Report	5
Financial Assistance Grants.....	5
2014-2015 Major Achievements.....	5
Roads, Plant and Infrastructure.....	5
Council.....	7
Staff.....	7
Chief Executive Officer's Report	8
Staff.....	8
Wickepin War Memorial.....	8
Loans.....	8
National Competition Policy.....	10
Competitive Neutrality.....	10
Disability Service Plan Statement.....	10
State Records Act 2000.....	11
Fruit fly Baits.....	11
Chemical Containers.....	11
Economic Regulation Authority.....	11
Public Interest Disclosure Act.....	12
Social Media.....	12
Register of Complaints.....	12
Freedom of Information.....	12
Waste Disposal.....	13
Integrated Planning.....	14
Disclosure of Annual Salaries.....	14
Thank You.....	15
Community Development Officer's Report 2014 - 2015	16
Movie Night.....	16
Swimming Pool Upgrade.....	16
Anzac Day.....	16
Dryandra Country Art, Food & Wine.....	17
Cemetery Upgrade.....	17
Facey Carriage Drive.....	17
Wickepin Heritage Walk Trail.....	18
Townscape Projects.....	18
Tourism, Marketing and Promotion.....	18
Kidsport.....	19
Triathlon.....	19
Old Railway Station Building.....	19
Butler Settineri Management Report for the Year Ended 30 June 2015	20



77 Wogolin Road, Wickepin 6370
 PO Box 19, Wickepin 6370
 Tel: 9888 1005 Fax: 9888 1074

Email: admin@wickepin.wa.gov.au
www.wickepin.wa.gov.au

Office hours: 8.30am – 4.30pm
 Monday to Friday



Council Overview

The Shire of Wickepin is a local government consisting of eight elected councillors. The council members elect the President and Deputy President every two years.

The current members of the Shire of Wickepin are:

			<i>Elected</i>	<i>Retires October</i>
Cr Julie Russell	9888 1097	President	2005	2019
Cr Wes Astbury	9883 1021	Deputy President	2013	2017
Cr Grayden Lang	9888 4001		2013	2017
Cr Ross Easton	9883 2002		2005	2017
Cr Steven Martin	9888 6062		2001	2017
Cr Gerri Hinkley	9883 2062		2007	2019
Cr Fran Allan	9888 7071		2008	2019
Cr Allan Lansdell	9888 1449		2011	2019

Council Meetings

Full council meetings are held on the third Wednesday of the month commencing at 3.30pm. By resolution no meeting is held in January.

Residents are reminded that 15 minutes public question time is held at the beginning of each meeting where questions may be asked with or without notice or an issue considered relevant to the operation of council. In some cases prior notification of a proposed question is considered prudent, particularly if the matter requires some research. Residents are also permitted to attend the whole council meeting if desired, however are not permitted to speak (unless directed by the President) or take part in debate on any agenda item.

Elections

Elections are normally every two years. Voting at council elections is not compulsory; however participation by residents in elections is vital to the effectiveness of local government. Residents not included on the State Electoral Roll should contact the Australian Electoral Commission.

If you are a non-resident owner or occupier of rateable property in your local government area and are on the State Electoral Roll you are eligible to enrol to vote and should make an enrolment application to the local government.

Council Staff

Chief Executive Officer
Manager Works & Services
Executive Support Officer
Finance Manager
Administration Officer
EHO/Building Surveyor
Community Development Officer

Mark Hook
 Peter Vlahov
 Leah Pearson
 Natalie Manton
 Amanda Bullock
 Allan Ramsay
 Lee Parker

ceo@wickepin.wa.gov.au
works@wickepin.wa.gov.au
eso@wickepin.wa.gov.au
finance@wickepin.wa.gov.au
admin@wickepin.wa.gov.au
eho@wickepin.wa.gov.au
cdo@wickepin.wa.gov.au

Works Foreman
Leading Hand Construction
Mechanic
Grader Drivers
Plant Operators

Peter Bransby
 Peter Arnol
 Cameron Charles
 Peter Arnol, Colin Plumb
 Trevor Tapping, Matt Pockran,
 Justin Smith, Bob Read



Refuse & Recycling

Gardener
Gardener
Swimming Pool Manager
Cleaners

Peter Marsh
 Graeme Wilson
 Allan Hemley
 James Matthews
 Janet Thorley, Kelly Cochrane,
 Maureen Preedy



Contractors
Swimming Pool Manager
Payroll Officer

James Matthews
 Michelle Miller



Auditor

Butler Settineri
 Unit 16, First Floor
 Spectrum Offices
 100 Railway Road
 SUBIACO WA 6008

Town Planner

Landvision
 Land Planning & Mapping Consultants
 Suite 5, 16 Nicholson Road
 Subiaco 6008



Bank

ANZ
 Bintamilling Arcade
 Narrogin 6312



Services

Council Depot
Wickepin Swimming Pool
Wickepin Caravan Park
Wickepin Community Centre
Yealering Caravan Park
Harrismith Caravan Park

9888 1252
 9888 1015
 9888 1089
 9888 1125
 9888 7014
 9883 1010



President's Report

It gives me great pleasure to present my President's report on the Wickepin Shire Council's activities for the 2014/2015 financial year.

Council has made a significant investment in maintaining and improving community assets throughout the Shire of Wickepin. State and Federal grant funds and Council's own rate income allowed the Wickepin Shire to invest in the infrastructure required for a sustainable community.

The Shire of Wickepin had a rate increase of 6% for 2014/2015, which is necessary to keep pace with the general CPI and to allow for further improvements along with an increased level of services and infrastructure.

Financial Assistance Grants

The Shire of Wickepin Acknowledges the importance of its Federal Grants through the Financial Assistance Grants program for the continued delivery of Council's services and infrastructure. The Shire of Wickepin wishes to acknowledge that Council received \$ 2,198,336 in 2014/2015 under the Financial Assistance Grants Scheme. The 2014/2015 Financial Assistance Grants in 2014/2015 also includes a 50% advance allocation of the 2015/2016 Financial Assistance Grants of \$ 744,089.

2014-2015 Major Achievements

1. New Server for Administration Centre	\$ 14,682
2. Upgrade Wickepin War Memorial	\$ 33,805
3. Wickepin Community Centre Car Park Upgrade	\$ 182,781
4. New Hakomatic B45CL - Floor Cleaner	\$ 12,000
5. New 2.4 Rural Tanker Truck Yealering	\$ 315,287
6. Regional Waste Stations CLGF Regional	\$ 103,089



New Wickepin War Memorial



Tincurrin Waste Transfer Station

Roads, Plant and Infrastructure

Council has continued its significant contribution to the ongoing maintenance and upgrade of the Shire road network during the 2014/2015 financial year and undertook a \$ 1,403,470 road program this year. Council's dedicated staff were able to complete the whole budgeted road task with the exception of gravel sheeting, widening, reduction of vegetation & signs on Wogolin South Road. This has been carried forward into the 2015/2016 financial year road program.

Council undertook the following road and footpath program in 2014/2015

Road Name	Works Description	Actual Total
Wickepin / Corrigin	Pavement Repairs upgrade of signs guide posts and line markings Final Seal	\$ 174,081
Wickepin / Pingelly	Final Seal	\$ 160,476
Hemley	Gravel sheeting various section	\$ 38,357
84 Gate	Gravel sheeting, widening and Clearing	\$ 78,802
Fox	Gravel sheeting, widening and Clearing	\$ 23,231
Yarling Brook	Gravel sheeting, widening and Clearing	\$ 47,214
Toolibin South	Gravel sheeting, widening, reduction of veg & signs	\$ 50,388
Rose	Gravel sheeting, widening and Clearing	\$ 21,961
Johnston Street	Reseal from Collins St to Campbell St	\$ 16,861
Drainage and headwalls	Cleaning and upgrading culverts & drainage structures	\$ 34,648
Wogolin South	Gravel sheeting, widening, reduction of veg & signs	\$ 1,470
Footpath Construction	Harrismith	\$ 8,136
Tree Lopping	contract lopping	\$ 69,840
Annual Maintenance Program	Maintenance Grading Kerbing Plover St	\$ 359,121
Lomos Road	Culvert Headwall Contractor	\$ 10,288
Wickepin / Pingelly	Redesign and reconstruct the curve on Pingelly-Wickepin Road, widen all approaches, upgrade signs, line marking and guide posts.	\$ 71,737
Wickepin North	Widen and upgrade the road surface, install concrete headwalls and upgrade culvert structure. And upgrade signs and guideposts.	\$ 142,766

The Federal Governments Roads to Recovery Program continued in 2014/15. The objective of the Roads to Recovery program is to contribute to the Infrastructure Investment Programme through supporting maintenance of the nation's local road infrastructure asset, which facilitates greater access for Australians and improved safety, economic and social outcomes. From 2014-15 to 2018-19 the Government will provide \$3.2 billion under the Roads to Recovery programme, to be distributed to Australia's local councils, state and territory Governments responsible for local roads in the unincorporated areas (where there are no councils) and the Indian Ocean Territories. The Roads to Recovery allocations for the councils in each jurisdiction (except the ACT as it is a unitary jurisdiction) have been determined on the basis of the recommendations of the Local Government Grants Commissions in each state and the Northern Territory for the roads component of the Financial Assistance Grants. This is the same methodology as was used for this purpose in previous Roads to Recovery programmes. As announced on 23 June 2015, Councils across Australia will receive an extra \$1.105 billion over the next two years. Local governments will receive an extra \$300 million in 2015-16 under Roads to Recovery, on top of the \$700 million they are already receiving – a \$1 billion cash injection in local roads over the next 12 months. In 2016-17, local government will receive an extra \$805 million in addition to the \$350 million they were already scheduled to receive under Roads to Recovery – \$1.155 billion next financial year.

The Shire of Wickepin allocation under the Roads to Recovery Program is:

Original Life of Programme Funding	New Funding from Fuel Excise Change	New Life of Programme Funding	New 15-16 Allocation Up To	New 16-17 Allocation Up To	17-18 Allocation Up To	18-19 Allocation Up To
\$1,415,572	\$745,343	\$2,160,915	\$674,212	\$778,917	\$235,929	\$235,929

Council is very conscious of the need to maintain the shire's road network to a high standard and the Manager of Works, Mr Peter Vlahov, as well as the works staff should be commended on their achievements once again this year.

Council

Council operates under a bi-annual election system with election being held every two years with the last election being held on the 17th October 2015.

This Election saw the re-election of Cr Julie Russell, Cr Gerri Hinkley, Cr Fran Allan and Cr Allan Lansdell.

Congratulations on all the current Councillors being re-elected unopposed for a further four year term to 2019.

Staff

On behalf of Wickepin Shire community I would like to thank CEO Mark Hook and his team for an outstanding effort over the past year.

I would also like to thank Natalie Manton for her efforts over the year as the Shire of Wickepin Finance Manager.

Council strives to achieve the best outcomes for all our communities, and continues to endeavour to secure additional services, as well as ensuring the road network and infrastructure programs benefit all the communities in the Shire of Wickepin.

I would also like to thank the Deputy Shire President Cr Julie Russell for her support and all the councillors for their contribution and personal support over the 2014/2015 Financial Year.

Thank You

Cr Steven Martin
Shire President J.P

Chief Executive Officer's Report

It is with much pleasure that I present my Chief Executive Officers Report to the Shire of Wickepin and the Community for the year ending June 2015.

Staff

The Shire Administration staff has been static this year and I would like to thank all the staff for their hard work and dedication during the 2014/2015 financial year.

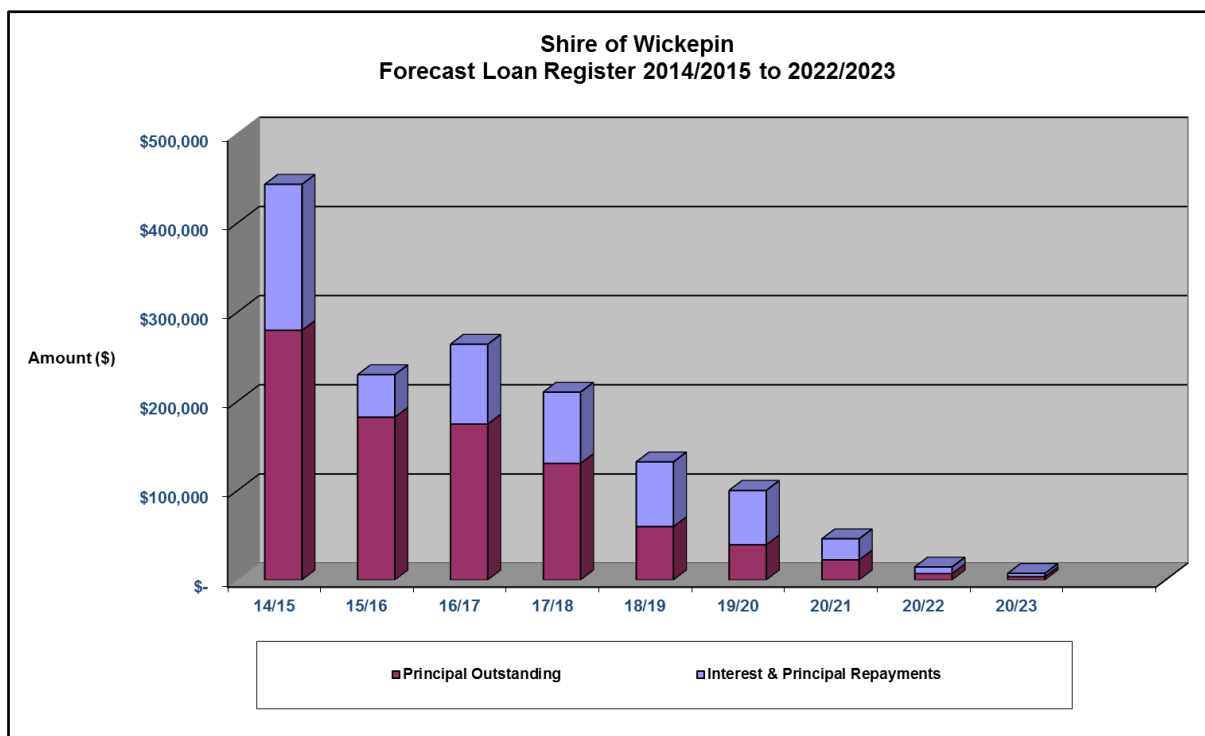
An increasingly large road construction and maintenance program was accomplished during the year by a very capable Works staff, led by Peter Vlahov. Thank you to all the outside staff for their dedication and high work levels to the Shire of Wickepin.

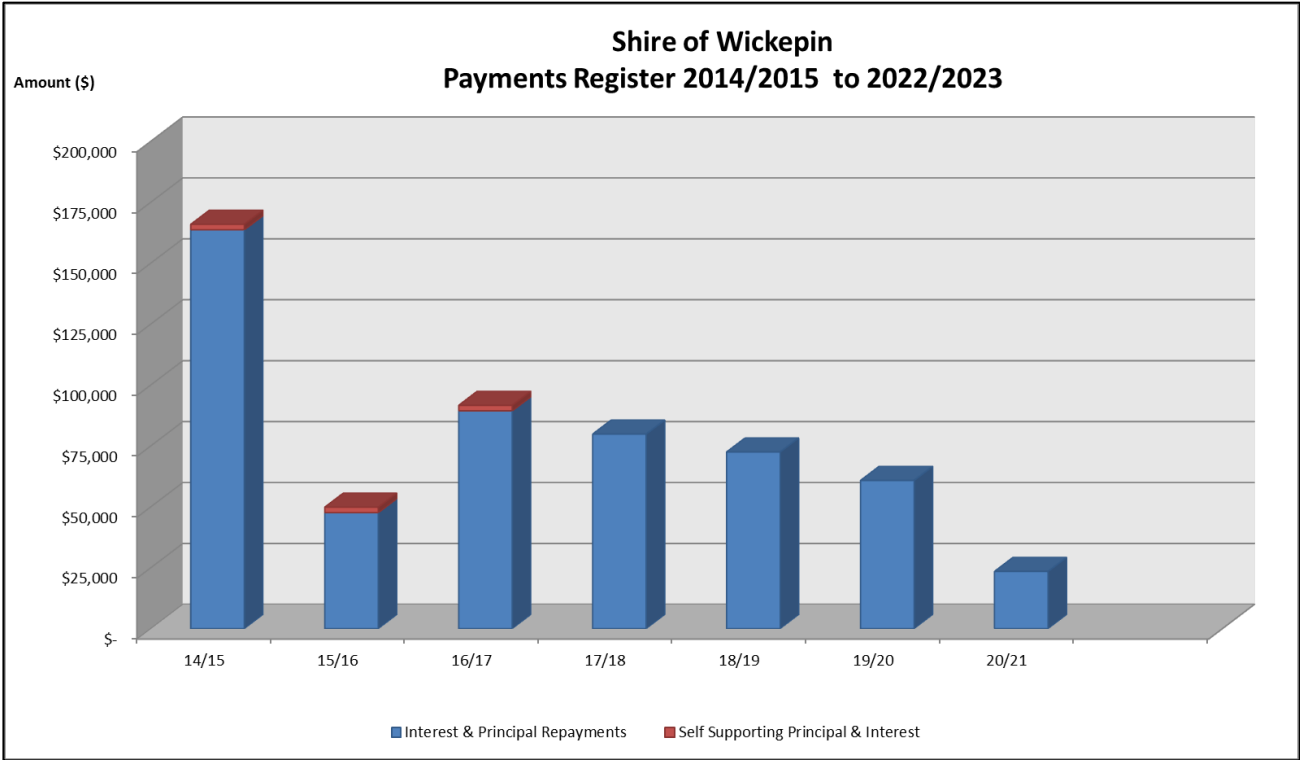
Wickepin War Memorial



Loans

Council generally has a no Loan Policy other than for Self Supporting Loans to support Wickepin Community Groups. No Loans were raised in 2014/2015.





National Competition Policy

The Clause 7 Statement on the application of National Competition Policy to local government requires certain information to be provided in the Annual Report.

Competitive Neutrality

Council has reviewed all areas of operations to determine the existence or otherwise of significant business activities.

A significant business activity is defined as an activity with an income in excess of \$200,000 pa, which is not a regulatory service (community service obligation) and which is not already contracted out.

Accordingly, it has been determined that Council has no significant business activity for the purposes of competitive neutrality as it relates to the National Competition Policy Clause 7 Statement.

Disability Service Plan Statement

The Disability Services Amendment Act 1999 requires local governments to report annually on their Disability Service Plan achievements. The achievements for the year ended 30 June 2012 are listed below and grouped into the outcome areas addressed in the Shire of Wickepin Disability Service Plan.

Outcome 1:

People with disabilities have the same opportunities as other people to access the services of, and any events organised by the Shire of Wickepin.

Council is responsive to the needs of the community to ensure equality is maintained with respect to access to council services and events.

Outcome 2:

People with disabilities have the same opportunities as other people to access the buildings and other facilities by the Shire of Wickepin.

Any new public council buildings meet required minimum standards with respect to access. Council will be working with local businesses with a view to encouraging improved access as necessary.

Outcome 3:

People with disabilities receive information from a public authority in a format that will enable them to access the information, as readily as other people are able to access it.

Information about the functions, facilities and services provided by the Shire is prepared using clear and concise language. If necessary, this information can be made in alternative formats i.e. large print, verbal etc. on request. During the year no such requests were received.

Outcome 4:

People with disabilities receive the same level and quality of services from the staff of the Shire of Wickepin as other people receive from the staff of the Shire.

Outcome 5:

People with disabilities have the same opportunities as other people to make complaints to the Shire of Wickepin.

Council and staff treat any complaints received equally and without bias. No official complaints were received during the year.

Outcome 6:

People with disabilities have the same opportunities as other people to participate in any public consultation by the Shire of Wickepin.

Venues which are utilised for community participation in Council process are selected with the objective of ensuring access for all members of the community.

State Records Act 2000

The State Records Act 2000 requires that the Shire maintains and disposes of all records in the prescribed manner. Minimum compliance requirements:

The record keeping plan is to provide evidence to adduce that:

1. The efficiency and effectiveness of the organisations record keeping system is evaluated not less than once every 5 years;
2. The organisation conducts a record keeping training program;
3. The efficiency and effectiveness of the record keeping training program is reviewed from time to time;
4. The organisations induction program addresses employee roles and responsibilities in regard to their compliance with the organisations record keeping plan.

The Shire of Wickepin complied with items 1 to 4.

Fruit fly Baits

Council has continued with its program of supplying fruit fly baits and any ratepayer or elector can receive free fruit fly bait each year.

To receive your free fruit fly bait please go to Ewen Rural Supplies and ask for your free fruit fly bait.

Mosquito Spraying

Council also continues its annual mosquito spraying program to control the level of mosquitos around the towns of Wickepin, Yealering, Harrismith and Tincurrin.

Chemical Containers

Council continues to be involved in the DrumMuster program. The DrumMuster collections are notified through the Watershed News and collections are generally between the hours of 8.00am & 4.30pm by appointment only.

Bookings are essential so please contact the shire office for appointment advising of number of drums for disposal. Please note - If you have more than 50 drums, please make a morning booking.



Economic Regulation Authority

Approval of Outstanding Financial Hardship Policies

The Water Services Code of Conduct (Customer Service Standards) 2013 (Code), which commenced on 18 November 2013, requires certain water licensees to have a financial hardship policy (Policy) approved by the Economic Regulation Authority (Authority).

The Authority approved the Shire of Wickepin Hardship Policy on the 16th May 2014.



Economic Regulation Authority

Public Interest Disclosure Act

The Shire of Wickepin is committed to the aims and objectives of the *Public Interest Disclosure Act 2003*. It recognises the value and importance of contributions of staff to enhance administrative and management practices and strongly supports disclosures being made by staff regarding corrupt or other improper conduct. The Shire of Wickepin takes all reasonable steps to provide protection to staff who make such disclosures from any detrimental action in reprisal for the making of a disclosure. The Shire of Wickepin does not tolerate any of its officers, employees or contractors engaging in acts of victimisation or reprisal against those who make public interest disclosures. These acts should be reported immediately to the Public Interest Disclosure Officer or the Chief Executive Officer.

The Shire of Wickepin is required under the Public Interest Disclosure Act to report on the extent to which the Chief Executive Officer has complied with the obligations of the Act. The Chief Executive Office Mr Mark John Hook has been appointed as Council's Public Interest Disclosure Officer.

No Public Interest Disclosures were received by the Shire of Wickepin during 2014/2015.

Social Media

The Shire of Wickepin is on Facebook, Instagram and Pinterest. It is a great way to keep the community updated with news and happenings around the Shire.



Community members who have 'liked' or 'followed' our pages are able to keep up-to-date with what the Shire of Wickepin is doing, from our comments and pictures, and are able to write questions/comments.



So far, Social Media proved to be successful and is constantly growing.

Register of Complaints

The Local Government Act 1995 Section 5.121 requires the complaints officer of the local government to maintain a register of complaints which records all complaints that result in an action under the Local Government Act 1995 Section 5.110 (6)(b) or (c). For the purposes of Section 5.53(2) (hb) of the Local Government Act 1995 it is advised that the Shire of Wickepin received Zero (0) complaints during the 2014/2015 financial year.

Freedom of Information

In accordance with Section 96 and 97 of the Freedom of Information Act 1992, the Shire is required to publish an information statement which details the process for applying for information under the Act, as well as information that the Shire provides outside the Act.

This document is available from the Shire's Administration Office or the website www.wickepin.wa.gov.au.

During 2014/2015 the Shire received one (1) Freedom of Information applications, and 0 (0) referrals for third party consultation. The Act requires that all applications are responded to within 45 days.

Waste Disposal

Council engages the services of Great Southern Waste Disposal to collect the kerbside waste every Monday morning. The Wickepin tip site is open 24 hours 7 days a week.

Yealering, Harrismith and Tincurrin have been converted to waste transfer stations and are open 24 hours 7 days a week.



Patrons are encouraged to separate all recyclable material from general household waste.

Asbestos, liquid salvage and bulk waste are accepted by prior arrangement. Steel, timber, tyres, batteries and waste oil is also accepted please drop off in the signed areas. Green waste must also be separated and dropped off in the signed areas.

Great Southern Waste collects fortnightly recycling in the town of Yealering, Wickepin, Harrismith and Tincurrin. The recycling program is working well with great community support. Recycling Bins are collected every 2nd Monday and people can only place the following items into the bins:

- Glass: Clean Bottles and Jars (lids removed)
- Plastic: Empty bottles and containers with 1,2 or 3 printed on the bottom (lids removed)
- Paper: Clean, untied newspapers, papers, Magazines, Telephone books, envelopes
- Cardboard: Clean, flattened boxes and cartons
- Aluminium & Steel: Cans, tins, clean foil, aerosol cans
- Liquid Paperboard: Milk, juice & laundry detergent cartons

All recycling must be placed loose in your recycling bin. Please do not place any plastic bags in your bin.

Non-Recyclable Materials: Do **NOT** place the following in your recycling bin:

- Green Waste Lawn Clippings Plastic Bags
- Food Scraps Liquids Nappies / Sanitary Items
- Polystyrene Glossy Magazines Appliances
- Toys Clothing Tools



Integrated Planning

In accordance with the Local Government (Administration) Regulations 1996 the Shire has adopted the new Integrated Planning and Reporting (IPR) framework. Integrated planning ensures that Councils Strategic Plans reflect the community aspirations, visions and priorities of the district.

The Shire consulted with the community to produce the Strategic Community Plan. The themes formed from the community engagement process include:

(1) To Develop and Maintain Quality Services and Infrastructure:

A sustainable and extensive transport system that allows for efficient travel within the local government and to other rural and metropolitan areas

(2) To Ensure the Protection and Improvement of the Environment

A protected and enhanced environment that is aesthetically beautiful and provides benefits for generations to come

(3) To Promote the Development of a Viable and Diversified Local Economy:

A strong, diversified economic and industrial base that provides new and varied employment opportunities for all age groups

(4) To Provide and Encourage the use of a Variety of Recreational, Educational and Cultural Facilities:

A healthy, strong and connected community that is actively engaged and involved

(5) To Provide Efficient, Effective and Accountable Governance.

Availability of council services, personal development opportunities and adequate resident and staff accommodation to attract and retain quality resources.

(6) To Promote the Shire as a Focal Point in the Development of the Greater Region

A council actively involved in promoting regional facilities and activities to its community and neighbouring regions.

Council's Corporate Business Plan is still being developed but will align with its Strategic Community Plan and will contain Council's affordable priorities, actions and responsibilities over the next four years to progress the community's priorities.

As part of the IPR framework, Council has also developed a number of informing strategies including:

- Long Term Financial Plan,
- Asset Management Plan
- Workforce Plan

Copies of these plans along with the Strategic Community Plan 2012/2022 are available from our website www.wickepin.wa.gov.au

Disclosure of Annual Salaries

Local governments are required to include in their annual report the number of employees of the local government entitled to an annual salary of \$100,000 or more, and the number of employees with an annual salary entitlement that falls within each band of \$10,000 over \$100,000.

For the year 2014/2015 the Shire of Wickepin had one employee with a salary exceeding \$100,000 in the \$110,000 to \$120,000 band.

Thank You

I would like to take this opportunity to thank all the staff for their continued efforts in the 2014/2015 financial year as well as Council for their support, in particular Shire President Cr Steven Martin and Deputy Shire President Cr Julie Russell.

Mark J Hook
Chief Executive Officer

Community Development Officer's Report 2014 - 2015

The following report highlights the range of community projects undertaken by the Community Development Officer at the Shire of Wickepin during the 2014-15 year.



Movie Night

A movie night was held at the Yealering Oval in February 2015. A crowd of approximately 60 people enjoyed a beautiful, though breezy, evening watching the film 'The Secret Life of Walter Mitty'. Hamburgers prepared by the Wickepin Volunteer Resource Centre were made possible with funding from a Thank a Volunteer grant.

Swimming Pool Upgrade

Funding from the Community Pool Revitalisation Program, Department of Sport and Recreation enabled Shire to employ a mural artist, Jerome Davenport, to create a sea theme on the pump house wall and to paint the toilet entry in graphic his/her statements. Workshops were also run for interested shire children in spray painting – they all got to take home their own 'street art' skateboards. A group also painted, under direction from the artis, a wall with sea creatures.



Department of
Sport and Recreation

Anzac Day

Wickepin celebrated the centenary of the Anzacs on Anzac Day by opening the extension to the War Memorial. The WW1 Commemorative tribute was possible through funding from the Department of Veteran Affairs - Anzac Centenary Local Grants Program and Rick Wilson, MP.



Stefie Green did a monumental task in collating the names and stories of the soldiers from our district. The display and extension to the War Memorial would not have been possible without her absolute attention to detail. Members of the community brought in their family memorabilia and a moving power point with music by Kelly Newton Wordsworth finished off the display at the Hall.

Hon Jim Chown MLC addressed the community. Reverend Lynda Myres lead the Prayer of Remembrance and blessed the tribute to the fallen of WW1. Shire President, Cr Steven Martin, lead the proceedings. Colin Plumb, Vietnam Veteran and Murray Lang, Freeman of the Shire, were part of the service. David Koppers, grandson of Dave and Charlotte Astbury, was the musician for the Last Post and Reveille. The community choir provided the music for the day. The Wickpein Primary School created 150 poppies for the public to install around the WW1 tribute and lawns.



Australian Government
Department of Veterans' Affairs

A shared community morning tea was enjoyed by a crowd of over 200 people. The morning was a great success with many community members praising the shire for the work on the memorial.

Dryandra Country Art, Food & Wine

The Shire of Wickepin was involved with in-kind support for the 2015 Festival in May. The Community Resource centre organised a Market Day for the weekend in the main street near the Albert Facey Homestead. The Community Resource Centre, Wickepin Nursery and Newsagency also supported the event with new displays and products especially for the day.

Over 200 people visited the Market Day from the local Wickepin area and from far and wide such as Kulin, Lake Grace, Bunbury, Perth, Narrogin and many more. The feedback from the stall holders and visitors to Wickepin has been positive and the shire will be playing a greater role, in conjunction with the Dryandra Country Art Food and Wine committee, in growing this weekend.



Well done to the shire staff for helping to make sure the town looked its best for the event and assisting in promoting the event.

Cemetery Upgrade

Following the completion of the Yealering cemetery upgrade work commenced on an upgrade to the Wickepin cemetery and niche wall. Feedback and comments were received during 2013/14 and plans were finalised during 2014 prior to a period of consultation with family and community members. The upgrade of the Wickepin cemetery is due to be completed early 2016. This includes improvements to the niche wall and driveway. The cemetery upgrade has also provided an opportunity to update the burial records and cemetery processes.

Facey Carriage Drive

What a ride the shire had over the weekend of the 29th to 31st August 2015. Our little but oh-so fabulous town was inundated with horses, sulkies, buggies, vintage vehicles, tourists, markets and a lot of period costume.



The Avon and Hills Carriage driving club invited three other clubs (Albany Club, Murray & Districts Club and the West Australian Harness Society) to join them in Wickepin for a weekend of pleasure driving. They had a brilliant time from the minute they arrived - camping at the saleyards at night, to parades through town and long pleasure drives out to InkiePinkie School for lunch.



The shire had visitors and drivers from Esperance, Augusta, Dwellingup, South of Margaret River, Northam, Beverley, Swan Valley, Lesmurdie, Albany among others. The carriage drivers dressed up in period costume for the parade through town on Saturday morning. This delighted the onlookers. They then joined the crowd at the bustling markets for lunch before bridling up again for a drive out through the Lewisdale property. Ray and Helen Lewis put on a great show and talk about the wool industry. A fabulous meal at the pub with entertainment and speeches followed by a big night around the campfire at the saleyards finished off the day.

On Sunday they headed out for a drive to InkiePinkie school site where a number of locals joined them for a packed lunch. Hazel Green gave them some insight into the history of the school.

They joined the Albert Facey Homestead Management group in celebrating Bert's Birthday later in the afternoon. He turned 121. A brilliant high tea was had in style. Well done to Linley Rose and her committee. Period costume was the go and a number of our loyal locals joined in the fun. Descendants of Albert Facey, McCall, Spackman and the Rintel/Shultz families travelled from far and wide to help celebrate the birthday fun.



A big thank you to Peter Vlahov, Graeme Wilson and Allan Hemley for having the town looking so wonderful for the weekend. And to Peter Marsh for all the extra effort he went to in helping the carriage drivers feel so welcome. A special thank you goes to Leah Pearson for her fantastic work on the event flyers and for promoting the events on the new shire website and Facebook page.

Masses of appreciation goes out to all those involved for welcoming the clubs to our town so wonderfully.

We have been assured by the organisers, Marilyn Piper and Sue Tighe, that they would like to have this as an annual event. Next October they will be back – bigger and better.

Wickepin Heritage Walk Trail

The Shire of Wickepin was successful in receiving funding from Lotterywest to start work on upgrading the Wickepin heritage walk trail signage. The funding enabled the Shire of Wickepin to engage consultants from TPG to create signs for the walk trail focussing on the heritage sites and points of interest. Jason Signs has been engaged to manufacture the signs and they will be placed along the trail within the next couple of months.



Townscape Projects

Townscape projects undertaken during the 2014-15 year included:

- Wickepin Art Prize in October 2014
- Wickepin War Memorial extension to acknowledge service men and women who were killed in action during WW1
- Event signs (4) were ordered and have been used for all Shire events
- Gates reinstated on the Railway goods yard
- Skate park upgrade – mural artist spray painted the large ramp and surround to make the park more attractive. New ramp installed. Rocks and logs placed around for interest and activity. Lights installed.

Tourism, Marketing and Promotion

The Shire brochure has been printed and is being distributed. Thank you to Leah Pearson for her professional help with the layout and formatting.

A professional photographer was contracted to visit the shire over a weekend in August. He has provided the shire with 7 mini-videos and 60 images. These videos are being released on Facebook, youtube, Vimeo and Instagram. Shire is targeting the younger tourist (18-30) who heads out for a road trip for a day/weekend. There has been active interest around the videos and images.



Tying in with this, the Shire Instagram account was opened and is gathering followers. The images the shire has been provided with are being posted and are proving to be effective in promoting what the shire has to offer.



During the Facey Carriage Drive, Regional ABC did a 35 minute segment on Wickepin, Albert Facey and the carriage drivers. This was immense advertising for the shire and one of the main tourist attractions, Albert Facey Homestead. CDO has been active in pursuing and building on the Albert Facey story, A Fortunate Life, as this was one of the main ideas raised by the public during the Tourism Think Tank workshop held in May 2014 in Wickepin.

Shire has had numerous newspaper/media articles regarding wildflowers, Facey Carriage Drive and the Wickepin swimming pool mural. All this has raised the shire profile. The Shire of Wickepin will continue to work with the community to focus our efforts on attracting more visitors to the towns in the shire and boost the profitability of local businesses.

Kidsport

The Shire of Wickepin continued to support the Department of Sport and Recreation and local sporting groups to implement the Kidsport program. The Kidsport program involves the distribution of vouchers by local governments to children to assist them to play organised sport. During 2014/15 the Shire of Wickepin processed vouchers worth over \$3000 for 58 local children to play six different sports with netball, hockey and football being most popular. This is an increase in take-up over the past year.



Kidsport is now run solely through the Shire and not through the Narrogin Hub. The Shire applies to The Department of Sport and Recreation for a grant for the monies required and then pays individual clubs.



Triathlon

The Shire of Wickepin supported a triathlon in Wickepin on Saturday 14th February 2014. The event was well attended with many individual and group competitors.

Old Railway Station Building

Funding was received from Lotterywest in 2014 to refurbish the Old Railway Station building. The Old Railway Station is the last of the buildings in the Wickepin Heritage Precinct to be refurbished. Work is underway on the building. The roof has been replaced with galvanised roof sheets and the brickwork has been cleaned and repaired around the base of the building. Work will be finished on the exterior shortly. It is anticipated that the former goods yard will be able to be used to showcase machinery to enhance the heritage walk trail.



Lee Parker

Community Development Officer

Butler Settineri Management Report for the Year Ended 30 June 2015

BUTLER SETTINERI

MvdM : XN
WICK01

11 February 2016

Mr Mark Hook
Chief Executive Officer
The Shire of Wickepin
PO Box 19
WICKEPIN WA 6370

Dear Sir

SHIRE OF WICKEPIN

We wish to advise that we have recently completed the audit of the above mentioned Council for the year ended 30 June 2015.

The Australian Auditing and Assurance Standards Board encourages auditors to issue a management letter on completion of each audit as a means of advising Council of any matters noted during the course of the audit.

Our audit involves the review of only those systems and controls adopted by the Council upon which we wish to rely for the purposes of determining our audit procedures. Furthermore, our audit should not be relied upon to disclose defalcations or other similar irregularities, although their disclosure, if they exist, may well result from the procedures we undertake. While we have considered the control environment in accordance with Australian Auditing Standards, we have not tested controls and hence do not comment on whether systems and controls are operating effectively.

We advise that we have not encountered any other matters during the course of our audit that we believe should be brought to your attention other than the following:

Segregation of Duties

We appreciate that due to the nature and size of the Shire, management overseas all the functions within the Shire, however there is an inherent risk of lack of segregation of duties within the general financial administrative process and we recommend that this should be continually considered by the management in designing compensating controls

Provisions for Annual leave

As part of our review of the provision for annual leave entitlements, we noted that some employees included within the provision have accrued more than four weeks of leave.

Unit 16, First Floor
Spectrum Offices
100 Railway Road
(Cnr Hay Street)
Subiaco WA 6008

Tel : (08) 6389 5222
Fax : (08) 6389 5255
mail@butlersettineri.com.au
www.butlersettineri.com.au

Locked Bag 18
Subiaco WA 6904
Australia

Butler Settineri (Audit) Pty Ltd
RCA No. 289109 ABN 61 112 942 373
Liability limited by a scheme approved under Professional Standards Legislation

Proactive ▾ Quality ▾ Supportive

While we appreciate that there will be key members of staff within the Shire, we suggest that employees are encouraged to use their annual leave entitlements, both as an internal control procedure and to minimise the Shire's liabilities.

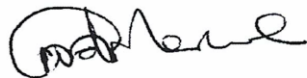
Operating Surplus Ratio

Under Note 18 of the financial report, we note the above mentioned ratio does not meet the benchmark of greater than 0.01 set out by the Department of Local Government.

We would like to remind you of the compliance requirements to meet the above ratios. Regular monitoring of the above ratio is recommended.

Should you have any questions please do not hesitate to contact me.

Yours faithfully
BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE CA
Director

BUTLER SETTINERI

INDEPENDENT AUDITOR'S REPORT TO THE SHIRE OF WICKEPIN

Report on the Financial Report

We have audited the accompanying financial report of Shire of Wickepin, which comprises the statement of financial position as at 30 June 2015 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by chief executive officer.

Council's Responsibility for the Financial Report

Council is responsible for the preparation of the financial report which gives a true and fair view in accordance with Australian Accounting Standards (including Australia Accounting Interpretations), the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) and for such internal control as the Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those 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 judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Shire's preparation of the financial report which gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Shire's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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 complied with the independence requirements of the Australian professional accounting bodies.

Auditor's Opinion

In our opinion, the financial report of Shire of Wickepin is in accordance with the underlying records of the Council, including:

- a) giving a true and fair view of the Shire's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australia Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

Unit 16, First Floor
Spectrum Offices
100 Railway Road
(Cnr Hay Street)
Subiaco WA 6008

Tel : (08) 6389 5222
Fax : (08) 6389 5255
mail@butlersettineri.com.au
www.butlersettineri.com.au

Locked Bag 18
Subiaco WA 6904
Australia

Butler Settineri (Audit) Pty Ltd
RCA No. 289109 ABN 61 112 942 373
Liability limited by a scheme approved under Professional Standards Legislation

Proactive ▸ Quality ▸ Supportive

Emphasis of Matter

Without modifying our opinion, we draw attention to page 60 of the financial report "Supplementary Ratio Information", which describes certain ratio information relating to the financial report. Management's calculation of these ratios includes assumptions about future capital expenditure and hence falls outside our audit scope. We do not therefore express an opinion on these ratios.

However, we have reviewed the calculations as presented and in our opinion these are based on verifiable information and appear reasonable.

Reporting on Other Legal and Regulatory Requirements

We did not, during the course of our audit, become aware of any instances where the Shire did not comply with the statutory requirements of the Local Government Act (1995) (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

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

- a) There are no material matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) The Shire substantially complied with Part 6 of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).
- c) All information and explanations required were obtained by us.
- d) All audit procedures were satisfactorily completed in conducting our audit.

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE CA
Director
Date: 11 February 2016

SHIRE OF WICKEPIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

TABLE OF CONTENTS

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Notes to and Forming Part of the Financial Report	9
Independent Audit Report	58
Supplementary Ratio Information	60
Principal place of business: 77 Wogolin Road Wickepin	

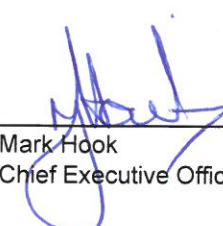
SHIRE OF WICKEPIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire being the annual financial report and other information for the financial year ended 30 June 2015 are in my opinion properly drawn up to present fairly the financial position of the Shire at 30th June 2015 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 11TH day of FEBRUARY 2016



Mark Hook
Chief Executive Officer

SHIRE OF WICKEPIN
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2015

	NOTE	2015 \$	2015 Budget \$	2014 \$
Revenue				
Rates	22	1,312,758	1,312,450	1,248,418
Operating grants, subsidies and contributions	28	2,352,530	1,596,774	937,721
Fees and charges	27	423,716	311,379	317,412
Interest earnings	2(a)	47,317	58,865	44,002
		<u>4,136,321</u>	<u>3,279,468</u>	<u>2,547,553</u>
Expenses				
Employee costs		(739,492)	(910,498)	(733,202)
Materials and contracts		(1,198,288)	(1,321,814)	(952,364)
Utility charges		(151,450)	(174,747)	(166,497)
Depreciation on non-current assets	2(a)	(1,954,982)	(1,867,000)	(1,856,237)
Interest expenses	2(a)	(13,868)	(43,159)	(21,855)
Insurance expenses		(183,680)	(185,416)	(173,685)
		<u>(4,241,760)</u>	<u>(4,502,634)</u>	<u>(3,903,840)</u>
		(105,439)	(1,223,166)	(1,356,287)
Non-operating grants, subsidies and contributions	28	1,033,160	1,032,730	1,337,428
Fair value adjustments to financial assets at fair value through profit or loss		0	0	0
Loss on revaluation of fixed assets		(133,291)	0	0
Profit on asset disposals	20	11,046	17,576	14,243
Loss on asset disposals	20	(89,708)	(15,822)	(50,754)
		<u>(89,708)</u>	<u>(15,822)</u>	<u>(50,754)</u>
Net result		715,768	(188,682)	(55,370)
Other comprehensive income				
Changes on revaluation of non-current assets	12	76,961,419	0	11,528,784
Total other comprehensive income		<u>76,961,419</u>	<u>0</u>	<u>11,528,784</u>
Total comprehensive income		<u><u>77,677,187</u></u>	<u><u>(188,682)</u></u>	<u><u>11,473,414</u></u>

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

SHIRE OF WICKEPIN
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2015

	NOTE	2015 \$	2015 Budget \$	2014 \$
Revenue	2(a)			
Governance		12,637	7,700	5,934
General purpose funding		3,531,854	2,772,961	1,957,044
Law, order, public safety		65,844	65,150	70,307
Health		45	225	226
Education and welfare		882	1,050	609
Housing		73,313	62,450	70,308
Community amenities		172,522	138,649	164,672
Recreation and culture		51,726	18,928	36,687
Transport		138,704	136,100	160,218
Economic services		49,857	35,255	47,796
Other property and services		38,937	41,000	33,752
		<u>4,136,321</u>	<u>3,279,468</u>	<u>2,547,553</u>
Expenses	2(a)			
Governance		(370,964)	(392,323)	(381,158)
General purpose funding		(93,503)	(81,701)	(59,925)
Law, order, public safety		(151,870)	(121,531)	(92,519)
Health		(41,925)	(44,690)	(41,165)
Education and welfare		(9,167)	(9,219)	(6,262)
Housing		(159,342)	(175,002)	(154,846)
Community amenities		(338,785)	(366,203)	(312,710)
Recreation and culture		(1,125,588)	(1,163,444)	(1,118,559)
Transport		(1,635,758)	(1,735,444)	(1,346,858)
Economic services		(223,861)	(289,092)	(227,858)
Other property and services		(77,129)	(80,826)	(140,125)
		<u>(4,227,892)</u>	<u>(4,459,475)</u>	<u>(3,881,985)</u>
Finance costs	2(a)			
Housing		(7,998)	(36,598)	(13,171)
Community amenities		(1,183)	(1,187)	(1,831)
Recreation and culture		(4,687)	(5,374)	(6,853)
		<u>(13,868)</u>	<u>(43,159)</u>	<u>(21,855)</u>
Fair value adjustments to financial assets at fair value through profit or loss	2(a)			
Transport		(133,291)	0	0
		<u>(133,291)</u>	<u>0</u>	<u>0</u>
Non-operating grants, subsidies and contributions				
Law, order, public safety		315,287	334,270	328,822
Housing		51,260	0	0
Community amenities		30,000	0	60,000
Recreation and culture		21,500	70,000	244,658
Transport		615,113	628,460	703,948
	28	<u>1,033,160</u>	<u>1,032,730</u>	<u>1,337,428</u>
Profit/(Loss) on disposal of assets				
Governance		2,911	8,814	(2,827)
Law, order, public safety		(29,495)	0	(27,501)
Community amenities		(3,681)	0	539
Recreation and culture		(36,924)	0	0
Transport		(11,473)	(7,060)	(6,722)
	20	<u>(78,662)</u>	<u>1,754</u>	<u>(36,511)</u>
Net result		715,768	(188,682)	(55,370)
Other comprehensive income				
Changes on revaluation of non-current assets	12	76,961,419	0	11,528,784
Total other comprehensive income		<u>76,961,419</u>	<u>0</u>	<u>11,528,784</u>
Total comprehensive income		<u><u>77,677,187</u></u>	<u><u>(188,682)</u></u>	<u><u>11,473,414</u></u>

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

**SHIRE OF WICKEPIN
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2015**

	NOTE	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	3	2,603,468	1,757,323
Trade and other receivables	4	<u>137,254</u>	<u>106,344</u>
TOTAL CURRENT ASSETS		<u>2,740,722</u>	<u>1,863,667</u>
NON-CURRENT ASSETS			
Other receivables	4	46,574	54,047
Property, plant and equipment	6	19,444,665	19,669,063
Infrastructure	7	<u>102,988,080</u>	<u>26,034,290</u>
TOTAL NON-CURRENT ASSETS		<u>122,479,319</u>	<u>45,757,400</u>
TOTAL ASSETS		<u>125,220,041</u>	<u>47,621,067</u>
CURRENT LIABILITIES			
Trade and other payables	8	109,907	107,839
Current portion of long term borrowings	9	49,628	93,789
Provisions	10	<u>121,904</u>	<u>126,122</u>
TOTAL CURRENT LIABILITIES		<u>281,439</u>	<u>327,750</u>
NON-CURRENT LIABILITIES			
Long term borrowings	9	137,218	186,846
Provisions	10	<u>89,624</u>	<u>71,897</u>
TOTAL NON-CURRENT LIABILITIES		<u>226,842</u>	<u>258,743</u>
TOTAL LIABILITIES		<u>508,281</u>	<u>586,493</u>
NET ASSETS		<u>124,711,760</u>	<u>47,034,574</u>
EQUITY			
Retained surplus		21,235,080	20,680,835
Reserves - cash/investment backed	11	1,058,936	897,414
Revaluation surplus	12	<u>102,417,744</u>	<u>25,456,325</u>
TOTAL EQUITY		<u>124,711,760</u>	<u>47,034,574</u>

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

**SHIRE OF WICKEPIN
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/INVESTMENT BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2013		20,835,970	797,649	13,927,541	35,561,160
Comprehensive income					
Net result		(55,370)	0	0	(55,370)
Changes on revaluation of non-current assets	12	<u>0</u>	<u>0</u>	<u>11,528,784</u>	<u>11,528,784</u>
Total comprehensive income		(55,370)	0	11,528,784	11,473,414
Transfers from/(to) reserves		(99,765)	99,765	0	0
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance as at 30 June 2014		20,680,835	897,414	25,456,325	47,034,574
Comprehensive income					
Net result		715,767	0	0	715,767
Changes on revaluation of non-current assets	12	<u>0</u>	<u>0</u>	<u>76,961,419</u>	<u>76,961,419</u>
Total comprehensive income		715,767	0	76,961,419	77,677,186
Transfers from/(to) reserves		(161,522)	161,522	0	0
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance as at 30 June 2015		<u>21,235,080</u>	<u>1,058,936</u>	<u>102,417,744</u>	<u>124,711,760</u>

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

**SHIRE OF WICKEPIN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	2015 \$	2015 Budget \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,318,675	1,312,450	1,242,008
Operating grants, subsidies and contributions		2,352,530	1,596,774	937,721
Fees and charges		405,705	296,379	312,437
Interest earnings		47,317	58,865	44,002
Goods and services tax		39,308	0	149,625
		<u>4,163,535</u>	<u>3,264,468</u>	<u>2,685,793</u>
Payments				
Employee costs		(720,966)	(905,498)	(664,671)
Materials and contracts		(1,192,982)	(1,311,814)	(1,146,470)
Utility charges		(159,116)	(174,747)	(160,554)
Interest expenses		(14,457)	(43,159)	(22,387)
Insurance expenses		(183,680)	(185,416)	(173,685)
Goods and services tax		(39,635)	0	(169,864)
		<u>(2,310,836)</u>	<u>(2,620,634)</u>	<u>(2,337,631)</u>
Net cash provided by (used in) operating activities	13(b)	<u>1,852,699</u>	<u>643,834</u>	<u>348,162</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for development of Land held for resale		0	(50,000)	0
Payments for purchase of property, plant & equipment		(1,189,724)	(2,686,577)	(1,358,673)
Payments for construction of infrastructure		(978,066)	(987,064)	(1,363,400)
Advances to community groups		0	(25,000)	0
Non-operating grants, Subsidies and contributions		1,011,271	1,032,730	1,337,428
Proceeds from sale of fixed assets		232,881	221,054	181,811
Net cash provided by (used in) investment activities		<u>(923,638)</u>	<u>(2,494,857)</u>	<u>(1,202,834)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures		(93,789)	(113,335)	(101,697)
Proceeds from self supporting loans		10,873	8,228	3,226
Proceeds from new debentures		0	1,225,000	0
Net cash provided by (used in) financing activities		<u>(82,916)</u>	<u>1,119,893</u>	<u>(98,471)</u>
Net increase (decrease) in cash held		846,145	(731,130)	(953,143)
Cash at beginning of year		1,757,323	1,757,323	2,710,466
Cash and cash equivalents at the end of the year	13(a)	<u><u>2,603,468</u></u>	<u><u>1,026,193</u></u>	<u><u>1,757,323</u></u>

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

**SHIRE OF WICKEPIN
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	2015 Actual \$	2015 Budget \$	2014 Actual \$
Revenue				
Governance		15,548	16,514	5,934
General purpose funding		2,267,009	1,506,639	753,317
Law, order, public safety		381,131	399,420	399,129
Health		45	225	226
Education and welfare		882	1,050	609
Housing		124,573	62,450	70,308
Community amenities		202,522	138,649	230,322
Recreation and culture		73,226	88,928	281,345
Transport		761,952	773,322	872,759
Economic services		49,857	35,255	47,796
Other property and services		38,937	41,000	33,752
		<u>3,915,682</u>	<u>3,063,452</u>	<u>2,695,497</u>
Expenses				
Governance		(370,964)	(392,323)	(383,985)
General purpose funding		(226,794)	(81,701)	(59,925)
Law, order, public safety		(181,365)	(121,531)	(120,020)
Health		(41,925)	(44,690)	(41,165)
Education and welfare		(9,167)	(9,219)	(6,262)
Housing		(167,340)	(211,600)	(168,017)
Community amenities		(343,649)	(367,390)	(319,652)
Recreation and culture		(1,167,199)	(1,168,817)	(1,125,412)
Transport		(1,655,366)	(1,751,266)	(1,362,173)
Economic services		(223,861)	(289,092)	(227,858)
Other property and services		(77,129)	(80,826)	(140,125)
		<u>(4,464,759)</u>	<u>(4,518,455)</u>	<u>(3,954,594)</u>
Net result excluding rates		(549,077)	(1,455,003)	(1,259,097)
Adjustments for cash budget requirements:				
Non-cash expenditure and revenue				
Fair Value Adjustments to assets via profit & loss		133,291		
(Profit)/Loss on asset disposals	20	78,662	(1,754)	36,511
Movement in employee benefit provisions (non-current)		17,727	0	(17,449)
Depreciation and amortisation on assets	2(a)	1,954,982	1,867,000	1,856,237
Capital Expenditure and Revenue				
Purchase land held for resale		0	(50,000)	0
Purchase of land and buildings	6(b)	(288,842)	(1,728,000)	(498,222)
Purchase furniture and equipment	6(b)	(14,682)	(17,820)	(8,491)
Purchase plant and equipment	6(b)	(886,200)	(940,758)	(851,960)
Purchase roads	7(b)	(915,446)	(886,199)	(1,286,492)
Purchase footpaths	7(b)	(8,136)	(7,000)	(41,324)
Purchase parks and ovals	7(b)	(54,484)	(93,865)	(35,584)
Advances to community groups		0	(25,000)	0
Proceeds from disposal of fixed assets	20	232,881	221,054	181,811
Repayment of debentures	21(a)	(93,789)	(113,335)	(101,697)
Proceeds from new debentures	21(a)	0	1,225,000	0
Proceeds from self supporting loans		10,873	8,228	3,226
Transfers to reserves (restricted assets)	11	(180,576)	(70,732)	(484,894)
Transfers from reserves (restricted assets)	11	19,054	478,852	700,352
ADD Estimated surplus/(deficit) July 1 b/fwd	22(b)	721,419	346,527	949,882
LESS Estimated surplus/(deficit) June 30 c/fwd	22(b)	1,442,502	23,517	346,536
Total amount raised from general rate	22(a)	<u>(1,264,845)</u>	<u>(1,266,322)</u>	<u>(1,203,727)</u>

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

The financial report is presented in Australian dollars.

Critical accounting estimates

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

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

The local government reporting entity

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

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

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

(b) Goods and Services Tax (GST)

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

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

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

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

(c) Cash and Cash Equivalents

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

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Trade and Other Receivables

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

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

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

(e) Inventories

General

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

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

Land held for sale

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

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

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

(f) Fixed Assets

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

Mandatory requirement to revalue non-current assets

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

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, the Shire 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.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Land under control

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

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

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

Land under roads

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

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

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

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

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Depreciation

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

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

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

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

Buildings	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
Formed roads (unsealed)	
formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years

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

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

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

Capitalisation threshold

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities

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

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

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

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

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

Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Income approach

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

Cost approach

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

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

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

(h) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

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

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and subsequent measurement (continued)

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

Held-to-maturity investments are included in 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 WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Impairment

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

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

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

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

Derecognition

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

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

(i) Impairment of Assets

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

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

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

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

(j) Trade and Other Payables

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Employee Benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

(l) Borrowing Costs

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

(m) Provisions

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

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

(n) Leases

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

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

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

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

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Investment in Associates

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

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

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

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

(p) Interests in Joint Arrangements

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

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

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

(q) Rates, Grants, Donations and Other Contributions

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

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

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

(r) Superannuation

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Current and Non-Current Classification

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

(t) Rounding Off Figures

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

(u) Comparative Figures

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

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

(v) Budget Comparative Figures

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

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect.
(ii) AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	September 2012	1 January 2018	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 Shire (refer (i) above).
(iii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2017	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(iv)	AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments [Operative date: Part C Financial Instruments - 1 January 2015]	December 2013	Refer title column	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. As the bulk of changes relate either to editorial or reference changes it is not expected to have a significant impact on the Shire.
(v)	AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	August 2014	1 January 2016	This Standard amends AASB 11: <i>Joint Arrangements</i> to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: <i>Business Combinations</i> , to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations. Since adoption of this Standard would impact only acquisitions of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the Shire's financial statements.
(vi)	AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]	August 2014	1 January 2016	This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. Given the Shire currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(vii) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	December 2014	1 January 2017	<p>Consequential changes to various Standards arising from the issuance of AASB 15.</p> <p>It will require changes to reflect the impact of AASB 15.</p>
(viii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]	January 2015	1 January 2016	<p>This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements.</p> <p>This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column.</p> <p>It is not anticipated it will have any significant impact on disclosures.</p>
(ix) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality	January 2015	1 July 2015	<p>This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing it to be completely withdrawn.</p> <p>It is not anticipated it will have a significant impact as the principles of materiality remain largely unchanged.</p>

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(x) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]	March 2015	1 July 2016	The objective of this Standard is to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities. The Standard is expected to have a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.

Notes:

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

(x) Adoption of New and Revised Accounting Standards

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

These new and revised Standards were:

- AASB 2011-7
- AASB 2012-3
- AASB 2013-3
- AASB 2013-8
- AASB 2013-9 Parts A & B

Most of the Standards adopted had a minimal effect on the accounting and reporting practices of the Shire 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 WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

2. REVENUE AND EXPENSES	2015	2014
	\$	\$
(a) Net Result		
The Net result includes:		
(i) Charging as an expense:		
Auditors remuneration		
- Audit of the annual financial report	12,900	13,585
- Other services	1,140	0
Depreciation		
Non-specialised buildings	134,948	133,981
Specialised buildings	689,208	687,628
Furniture and Equipment	29,156	25,975
Plant and Equipment	288,766	208,683
Roads	761,098	749,266
Footpaths	10,807	10,390
Drainage	15,348	15,348
Parks and Ovals	13,416	12,731
Main Street Development	12,235	12,235
	<u>1,954,982</u>	<u>1,856,237</u>
Interest expenses (finance costs)		
Debentures (refer Note 21 (a))	<u>13,868</u>	<u>21,855</u>
	<u>13,868</u>	<u>21,855</u>
(ii) Crediting as revenue:		

	2015	2015	2014
	Actual	Budget	Actual
	\$	\$	\$
Interest earnings			
- Reserve funds	19,155	34,360	18,286
- Other funds	24,118	20,453	20,746
Other interest revenue (refer note 26)	4,044	4,052	4,970
	<u>47,317</u>	<u>58,865</u>	<u>44,002</u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

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

A Fortunate Place

Wickepin offers a safe, pleasant, healthy lifestyle, with a community that has strong sporting and social networks.

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

GOVERNANCE

Objective:

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

Activities:

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

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objective:

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

Activities:

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

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

Inspection of food outlets and their control, immunisation services, mosquito control and operation of medical centre.

EDUCATION AND WELFARE

Objective:

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

Activities:

Support for childcare, development of services for the aged and rural counselling support.

HOUSING

Objective:

To provide and maintain staff and other housing.

Activities:

Provision and maintenance of staff and other housing.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

Rubbish collection services, operation of tip, noise control, support for waste recycling, litter control, administration of the town planning scheme, strategic planning, maintenance of cemetery, public conveniences and town drainage maintenance.

RECREATION AND CULTURE

Objective:

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

Activities:

Maintenance of halls, swimming facilities, recreation centres and various reserves, operation of library, maintenance of cultural heritage assets.

TRANSPORT

Objective:

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

Activities:

Construction and maintenance of streets, roads, footpaths, drainage works, parking facilities, cleaning, lighting of streets, depot maintenance and airstrip maintenance.

ECONOMIC SERVICES

Objective:

To help promote the shire and its economic wellbeing.

Activities:

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

OTHER PROPERTY AND SERVICES

Objective:

To monitor and control council's overheads operating accounts.

Activities:

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening	Received ⁽²⁾	Expended ⁽³⁾	Closing	Received ⁽²⁾	Expended ⁽³⁾	Closing
		Balance ⁽¹⁾ 1/07/13	2013/14	2013/14	Balance ⁽¹⁾ 30/06/14	2014/15	2014/15	Balance 30/06/15
		\$	\$	\$	\$	\$	\$	\$
CLGF Regional Waste Transfer Station	Comm Amen	206,758	0	(95,916)	110,842	0	(103,042)	7,800
Grain Freight Projects	Transport	483,349	0	(467,349)	16,000	0	(16,000)	0
Wickepin Cemetery	Comm Amen	0	60,000	(3,445)	56,555	0	(16,555)	40,000
Wickepin Comm Centre Carpark	Rec & Culture	0	174,658	0	174,658	0	(174,658)	0
Community Arts	Rec & Culture	0	9,350	0	9,350	0	(9,350)	0
FESA	Law,Order	0	6,635	0	6,635	0	(6,635)	0
Yealering Townsite Redevelopment	Rec & Culture	0	20,000	(19,156)	844	0	(844)	0
Creating Age Friendly Towns WDC	Housing	0	0	0	0	51,260	0	51,260
War Memorial Grant	Rec & Culture	0	0	0	0	17,150	(17,150)	0
FESA - Yealering Fire Truck	Law,Order	0	0	0	0	315,287	(315,287)	0
Lotterywest - Old Railway Station	Rec & Culture	0	0	0	0	4,350	0	4,350
Roads to Recovery	Transport	0	0	0	0	254,657	(254,657)	0
Federal Blackspot Funding	Transport	0	0	0	0	146,325	(146,325)	0
Regional Road Group MRWA	Transport	0	0	0	0	214,131	(214,131)	0
Shire of Wagin	Comm Amen	0	0	0	0	30,000	(30,000)	0
Total		690,107	270,643	(585,866)	374,884	1,033,160	(1,304,634)	103,410

Notes:

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

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

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	Note	2015 \$	2014 \$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		1,441,122	485,025
Restricted		<u>1,162,346</u>	<u>1,272,298</u>
		<u><u>2,603,468</u></u>	<u><u>1,757,323</u></u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Leave Reserve	11	63,028	61,376
Plant Reserve	11	115,912	93,398
Building Reserve	11	90,304	87,937
Fire Fighting Reserve	11	20,111	19,584
Cottage Homes Reserve	11	4,821	4,694
Special Events Reserve	11	4,682	7,458
Computer Reserve	11	24,058	37,725
Young Singles Accommodation Reserve	11	38,905	37,885
Saleyards Reserve	11	11,970	6,105
Sewerage Reserve	11	95,505	93,002
Refuse Reserve	11	111,113	36,140
Land Development Reserve	11	106,362	103,574
Townscape Reserve	11	0	1,446
Staff Housing Reserve	11	110,243	107,353
Aged Persons Accommodation Reserve	11	175,362	125,183
Swimming Pool Reserve	11	86,560	74,554
Unspent grants	2(c)	<u>103,410</u>	<u>374,884</u>
		<u><u>1,162,346</u></u>	<u><u>1,272,298</u></u>
4. TRADE AND OTHER RECEIVABLES			
Current			
Rates outstanding		24,553	30,470
Sundry debtors		47,756	7,856
GST receivable		57,472	57,145
Loans - clubs/institutions		<u>7,473</u>	<u>10,873</u>
		<u><u>137,254</u></u>	<u><u>106,344</u></u>
Non-current			
Loans - clubs/institutions		<u>46,574</u>	<u>54,047</u>
		<u><u>46,574</u></u>	<u><u>54,047</u></u>
5. INVENTORIES			
Current			
		<u>0</u>	<u>0</u>
Non-current			
Land held for resale - cost			
Cost of acquisition		0	0
Development costs		<u>0</u>	<u>0</u>
		<u><u>0</u></u>	<u><u>0</u></u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015 \$	2014 \$
6 (a). PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
Freehold land at:		
- Independent valuation 2014 - level 2	840,000	840,000
	<u>840,000</u>	<u>840,000</u>
	<u>840,000</u>	<u>840,000</u>
Non-specialised buildings at:		
- Independent valuation 2014 - level 2	2,620,500	2,620,500
- Additions after valuation - cost	21,953	19,748
Less: accumulated depreciation	<u>(268,929)</u>	<u>(133,981)</u>
	2,373,524	2,506,267
Specialised buildings at:		
- Independent valuation 2014 - level 3	14,197,204	14,197,204
- Additions after valuation - cost	771,839	482,130
Less: accumulated depreciation	<u>(1,377,818)</u>	<u>(687,628)</u>
	13,591,225	13,991,706
	<u>15,964,749</u>	<u>16,497,973</u>
Total land and buildings	<u>16,804,749</u>	<u>17,337,973</u>
Furniture and Equipment at:		
- Management valuation 2013 - level 3	155,066	155,066
- Additions after valuation - cost	23,173	8,491
Less accumulated depreciation	<u>(55,132)</u>	<u>(25,975)</u>
	123,107	137,582
Plant and Equipment at:		
- Management valuation 2013 - level 2	1,768,553	1,768,553
- Additions after valuation - cost	1,196,622	625,258
Less accumulated depreciation	<u>(448,366)</u>	<u>(200,303)</u>
	2,516,809	2,193,508
	<u>19,444,665</u>	<u>19,669,063</u>

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Freehold land	840,000	0	0	0	0	0	0	840,000
Total land	840,000	0	0	0	0	0	0	840,000
Non-specialised buildings	2,506,267	2,205	0	0	0	(134,948)	0	2,373,524
Specialised buildings	13,991,706	286,637	0	0	0	(689,208)	2,090	13,591,225
Total buildings	16,497,973	288,842	0	0	0	(824,156)	2,090	15,964,749
Total land and buildings	17,337,973	288,842	0	0	0	(824,156)	2,090	16,804,749
Furniture and Equipment	137,582	14,682	0	0	0	(29,157)	0	123,107
Plant and Equipment	2,193,508	886,200	(274,134)	0	0	(288,765)	0	2,516,809
Total property, plant and equipment	19,669,063	1,189,724	(274,134)	0	0	(1,142,078)	2,090	19,444,665

The transferred asset is a Gazebo that was previously classified as Parks and Ovals, but will be revalued as Land and Buildings in 2017

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Land and buildings					
Freehold land	2	Depreciated Replacement Cost	Independent	July 2013	Market value based on sales comparison approach, Gross Current Replacement Cost based on Cost and Estimated remaining useful life
Land vested in and under the control of Council		Depreciated Replacement Cost	Independent	July 2013	Market value based on sales comparison approach, Gross Current Replacement Cost based on Cost and Estimated remaining useful life
Non-specialised buildings	2	Depreciated Replacement Cost	Independent	July 2013	Market value based on sales comparison approach, Gross Current Replacement Cost based on Cost and Estimated remaining useful life
Specialised buildings	3	Depreciated Replacement Cost	Independent	July 2013	Market value based on sales comparison approach, Gross Current Replacement Cost based on Cost and Estimated remaining useful life
Furniture and Equipment	3	Depreciated Replacement Cost	Management	June 2013	Market value and Estimated remaining useful life
Plant and Equipment	2	Depreciated Replacement Cost	Management	June 2013	Market value and Estimated remaining useful life

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

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015 \$	2014 \$
7 (a). INFRASTRUCTURE		
Roads		
- Independent valuation 2015 - level 3	99,029,897	0
- Cost	0	40,341,037
Less accumulated depreciation	0	(15,955,394)
	99,029,897	24,385,643
 Footpaths		
- Independent valuation 2015 - level 3	567,124	0
- Cost	0	539,633
Less accumulated depreciation	0	(99,083)
	567,124	440,550
 Drainage		
- Independent valuation 2015 - level 3	1,522,817	0
- Cost	0	767,374
Less accumulated depreciation	0	(413,794)
	1,522,817	353,580
 Parks and Ovals		
- Management valuation 2015 - level 3	1,536,593	0
- Cost	0	421,844
Less accumulated depreciation	0	(44,502)
	1,536,593	377,342
 Main Street Development		
- Management valuation 2015 - level 3	331,649	0
- Cost	0	611,761
Less accumulated depreciation	0	(134,586)
	331,649	477,175
	102,988,080	26,034,290

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

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

7. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Balance as at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of the Year \$
Roads	24,385,643	915,446	0	74,489,906	0	(761,098)	0	99,029,897
Footpaths	440,550	8,136	0	129,245	0	(10,807)	0	567,124
Drainage	353,580	0	0	1,184,585	0	(15,348)	0	1,522,817
Parks and Ovals	377,342	54,484	(37,409)	1,157,683	0	(13,416)	(2,091)	1,536,593
Main Street Development	477,175	0	0	0	(133,291)	(12,235)	0	331,649
Total infrastructure	<u>26,034,290</u>	<u>978,066</u>	<u>(37,409)</u>	<u>76,961,419</u>	<u>(133,291)</u>	<u>(812,904)</u>	<u>(2,091)</u>	<u>102,988,080</u>

The revaluation of infrastructure assets resulted in an increase on revaluation of \$76,961,419 as above, making total of \$76,961,418 the net change to Asset Revaluation Reserves shown in note 13.

All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 12) and was recognised as Changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

The transfer of asset relates to a Gazebo that has been reclassified as Land and Buildings

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

7. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Roads	3	Depreciated Replacement Cost	Independent	June 2015	Valuation report from Talis based on total useful life
Footpaths	3	Depreciated Replacement Cost	Independent	June 2015	Valuation report from Talis based on total useful life
Drainage	3	Depreciated Replacement Cost	Independent	June 2015	Valuation report from
Parks and Ovals	3	Depreciated Replacement Cost	Management	June 2015	Current replacement cost and remaining useful life
Main Street Development	3	Depreciated Replacement Cost	Management	June 2015	Current replacement cost and remaining useful life

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

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015	2014
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry creditors	47,604	54,383
Accrued interest on debentures	1,182	1,771
ATO liabilities	61,121	51,685
	<u>109,907</u>	<u>107,839</u>
9. LONG-TERM BORROWINGS		
Current		
Secured by floating charge		
Debentures	49,628	93,789
	<u>49,628</u>	<u>93,789</u>
Non-current		
Secured by floating charge		
Debentures	137,218	186,846
	<u>137,218</u>	<u>186,846</u>

Additional detail on borrowings is provided in Note 21.

10. PROVISIONS

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2014			
Current Provisions	83,568	42,554	126,122
Non-current provisions	0	71,897	71,897
	<u>83,568</u>	<u>114,451</u>	<u>198,019</u>
Movement during the year	4,890	8,619	13,509
Balance at 30 June 2015	<u>88,458</u>	<u>123,070</u>	<u>211,528</u>
Comprises			
Current	88,458	33,446	121,904
Non-current	0	89,624	89,624
	<u>88,458</u>	<u>123,070</u>	<u>211,528</u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015 \$	2015 Budget \$	2014 \$
11. RESERVES - CASH/INVESTMENT BACKED			
(a) Leave Reserve			
Opening balance	61,376	61,376	59,992
Amount set aside / transfer to reserve	1,652	2,350	1,384
Amount used / transfer from reserve	0	0	0
	<u>63,028</u>	<u>63,726</u>	<u>61,376</u>
(b) Plant Reserve			
Opening balance	93,398	93,398	77,293
Amount set aside / transfer to reserve	22,514	13,576	16,105
Amount used / transfer from reserve	0	0	0
	<u>115,912</u>	<u>106,974</u>	<u>93,398</u>
(c) Building Reserve			
Opening balance	87,937	87,937	85,955
Amount set aside / transfer to reserve	2,367	3,367	1,982
Amount used / transfer from reserve	0	0	0
	<u>90,304</u>	<u>91,304</u>	<u>87,937</u>
(d) Fire Fighting Reserve			
Opening balance	19,584	19,584	19,142
Amount set aside / transfer to reserve	527	750	442
Amount used / transfer from reserve	0	0	0
	<u>20,111</u>	<u>20,334</u>	<u>19,584</u>
(e) Cottage Homes Reserve			
Opening balance	4,694	4,694	4,589
Amount set aside / transfer to reserve	127	180	105
Amount used / transfer from reserve	0	0	0
	<u>4,821</u>	<u>4,874</u>	<u>4,694</u>
(f) Special Events Reserve			
Opening balance	7,458	7,458	7,290
Amount set aside / transfer to reserve	124	285	168
Amount used / transfer from reserve	(2,900)	0	0
	<u>4,682</u>	<u>7,743</u>	<u>7,458</u>
(g) Computer Reserve			
Opening balance	37,725	37,725	22,212
Amount set aside / transfer to reserve	1,015	1,444	15,513
Amount used / transfer from reserve	(14,682)	(17,820)	0
	<u>24,058</u>	<u>21,349</u>	<u>37,725</u>
(h) Young Singles Accommodation Reserve			
Opening balance	37,885	37,885	37,031
Amount set aside / transfer to reserve	1,020	1,451	854
Amount used / transfer from reserve	0	0	0
	<u>38,905</u>	<u>39,336</u>	<u>37,885</u>
(i) Saleyards Reserve			
Opening balance	6,105	6,105	13,988
Amount set aside / transfer to reserve	5,865	2,386	2,362
Amount used / transfer from reserve	0	0	(10,245)
	<u>11,970</u>	<u>8,491</u>	<u>6,105</u>
(j) Sewerage Reserve			
Opening balance	93,002	93,002	83,819
Amount set aside / transfer to reserve	2,503	17,781	9,183
Amount used / transfer from reserve	0	0	0
	<u>95,505</u>	<u>110,783</u>	<u>93,002</u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015 \$	2015 Budget \$	2014 \$
11. RESERVES - CASH/INVESTMENT BACKED (CONTINUED)			
(k) Refuse Reserve			
Opening balance	36,140	36,140	35,325
Amount set aside / transfer to reserve	74,973	1,384	815
Amount used / transfer from reserve	0	(36,140)	0
	<u>111,113</u>	<u>1,384</u>	<u>36,140</u>
(l) Land Development Reserve			
Opening balance	103,574	103,574	98,306
Amount set aside / transfer to reserve	2,788	3,966	5,268
Amount used / transfer from reserve	0	(50,000)	0
	<u>106,362</u>	<u>57,540</u>	<u>103,574</u>
(m) Townscape Reserve			
Opening balance	1,446	1,446	1,413
Amount set aside / transfer to reserve	26	55	33
Amount used / transfer from reserve	(1,472)	0	0
	<u>0</u>	<u>1,501</u>	<u>1,446</u>
(n) Staff Housing Reserve			
Opening balance	107,353	107,353	104,933
Amount set aside / transfer to reserve	2,890	4,110	2,420
Amount used / transfer from reserve	0	0	0
	<u>110,243</u>	<u>111,463</u>	<u>107,353</u>
(o) Aged Persons Accommodation Reserve			
Opening balance	125,183	125,183	122,361
Amount set aside / transfer to reserve	50,179	4,793	2,822
Amount used / transfer from reserve	0	0	0
	<u>175,362</u>	<u>129,976</u>	<u>125,183</u>
(p) Swimming Pool Reserve			
Opening balance	74,554	74,554	24,000
Amount set aside / transfer to reserve	12,006	12,854	50,554
Amount used / transfer from reserve	0	0	0
	<u>86,560</u>	<u>87,408</u>	<u>74,554</u>
TOTAL RESERVES	<u>1,058,936</u>	<u>864,186</u>	<u>897,414</u>
Total Opening balance	897,414	897,414	797,649
Total Amount set aside / transfer to reserve	180,576	70,732	110,010
Total Amount used / transfer from reserve	(19,054)	(103,960)	(10,245)
TOTAL RESERVES	<u>1,058,936</u>	<u>864,186</u>	<u>897,414</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 WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

11. RESERVES - CASH/INVESTMENT 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) Plant Reserve**
 - to be used for the purchase of road plant, machinery and equipment
- (c) Building Reserve**
 - to be used for the construction of new buildings, predominantly staff housing
- (d) Fire Fighting Reserve**
 - to be used to fund the provision of bushfire equipment for brigades
- (e) Cottage Homes Reserve**
 - to be used for the future maintenance and construction of new Cottage Home Units
- (f) Special Events Reserve**
 - to be used to fund special events and celebrations
- (g) Computer Reserve**
 - purchase, upgrade or replacement of hardware as necessary
- (h) Young Singles Accommodation Reserve**
 - additional income over expenditure held for future repairs or improvements
- (i) Saleyards Reserve**
 - additional income over expenditure held for future repairs or improvements
- (j) Sewerage Reserve**
 - additional income over expenditure held for future repairs or improvements
- (k) Refuse Reserve**
 - additional income over expenditure held for the future creation or maintenance of the refuse
- (l) Land Development Reserve**
 - income received from the sale of the English House held for future development of the English Land
- (m) Townscape Reserve**
 - to be used to fund townscape improvements
- (n) Staff Housing Reserve**
 - to be used to fund the construction or upgrade of new housing for staff
- (o) Aged Persons Accommodation Reserve**
 - to be used for the construction and future maintenance requirements for Aged Person Accommodation.
- (p) Swimming Pool Reserve**
 - to be used to fund major repairs or improvements at the Wickepin Swimming Pool

All of the 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 WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

12. REVALUATION SURPLUS	2015	2014
Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:		
(a) Land and buildings		
Opening balance	11,528,784	0
Revaluation increment	0	11,528,784
Revaluation decrement	0	0
	<u>11,528,784</u>	<u>11,528,784</u>
(b) Plant and Equipment		
Opening balance	233,764	0
Revaluation increment	0	233,764
Revaluation decrement	0	0
	<u>233,764</u>	<u>233,764</u>
(c) Roads		
Opening balance	13,693,777	0
Revaluation increment	74,489,906	13,693,777
Revaluation decrement	0	0
	<u>88,183,683</u>	<u>13,693,777</u>
(d) Footpaths		
Opening balance	0	0
Revaluation increment	129,245	0
Revaluation decrement	0	0
	<u>129,245</u>	<u>0</u>
(e) Drainage		
Opening balance	0	0
Revaluation increment	1,184,585	0
Revaluation decrement	0	0
	<u>1,184,585</u>	<u>0</u>
(f) Parks and Ovals		
Opening balance	0	0
Revaluation increment	1,157,683	0
Revaluation decrement	0	0
	<u>1,157,683</u>	<u>0</u>
(g) Main Street Development		
Opening balance	0	0
Revaluation increment	0	0
Revaluation decrement	0	0
	<u>0</u>	<u>0</u>
TOTAL ASSET REVALUATION SURPLUS	<u><u>102,417,744</u></u>	<u><u>25,456,325</u></u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2015 \$	2015 Budget \$	2014 \$
Cash and cash equivalents	<u>2,603,468</u>	<u>1,026,193</u>	<u>1,757,323</u>
(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	715,768	(188,682)	(55,370)
Non-cash flows in Net result:			
Depreciation	1,954,982	1,867,000	1,856,237
(Profit)/Loss on sale of asset	78,662	(1,754)	36,511
Loss on revaluation of fixed assets	133,291	0	0
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	(34,310)	(15,000)	(31,624)
(Increase)/Decrease in inventories	0	0	460
Increase/(Decrease) in payables	2,068	10,000	(151,768)
Increase/(Decrease) in provisions	13,509	5,000	31,144
Grants contributions for the development of assets	<u>(1,011,271)</u>	<u>(1,032,730)</u>	<u>(1,337,428)</u>
Net cash from operating activities	<u>1,852,699</u>	<u>643,834</u>	<u>348,162</u>

	2015 \$	2014 \$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	10,000	10,000
Credit card balance at balance date	0	244
Total amount of credit unused	<u>10,000</u>	<u>10,244</u>
Loan facilities		
Loan facilities - current	49,628	93,789
Loan facilities - non-current	137,218	186,846
Total facilities in use at balance date	<u>186,846</u>	<u>280,635</u>
Unused loan facilities at balance date	<u>NIL</u>	<u>NIL</u>

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

14. CONTINGENT LIABILITIES

The Shire of Wickepin did not have any contingent liabilities at the 30 June 2015.

15. CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments

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

(b) Capital Expenditure Commitments

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

16. JOINT VENTURE ARRANGEMENTS

The Shire of Wickepin, together with the Shires of Pingelly and Cuballing purchased a digital outdoor movie screen and projector. The Shire of Wickepin and Cuballing purchased a speed display trailer.

These assets are included in Property, Plant & Equipment as follows:

	2015 \$	2014 \$
Non-current assets		
Plant and machinery	19,155	29,959
Less: accumulated depreciation	(5,401)	(3,781)
	<u>13,754</u>	<u>26,178</u>

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2015 \$	2014 \$
Governance	525,716	555,775
General purpose funding	21,616	24,326
Law, order, public safety	696,031	475,875
Health	0	353,579
Housing	2,101,786	2,117,173
Community amenities	2,895,696	1,517,484
Recreation and culture	13,080,909	12,430,648
Transport	101,872,069	27,195,167
Economic services	1,046,869	1,133,048
Other property and services	545,397	550,979
Unallocated	2,433,952	1,267,013
	<u>125,220,041</u>	<u>47,621,067</u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015	2014	2013
18. FINANCIAL RATIOS			
Current ratio	7.23	2.22	3.39
Asset sustainability ratio	1.06	1.47	2.49
Debt service cover ratio	15.34	3.93	12.82
Operating surplus ratio	(0.18)	(0.86)	0.06
Own source revenue coverage ratio	0.41	0.41	0.59

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.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

19. TRUST FUNDS

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

	Balance 1 July 2014 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30 June 2015 \$
Housing Bonds	4,700	5,960	(10,660)	0
BCITF	105	247	(352)	0
Key Deposits	400	0	(400)	0
Tidy Towns	392	0	(392)	0
Miscellaneous Trust	21,110	12,782	(26,347)	7,545
WDSC Bowling Green Replacement	22,500	15,464	0	37,964
Cat/Dog Trap Hire	0	100	(100)	0
	<u>49,207</u>			<u>45,509</u>

20. DISPOSALS OF ASSETS - 2014/15 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Plant and Equipment						
Governance						
Holden Caprice	40,463	42,000	42,188	46,407	1,725	4,407
Holden Caprice	39,197	42,000	40,383	46,407	1,186	4,407
Law, order, public safety						
Yealering Fire Truck	29,495	0	0	0	(29,495)	0
Transport						
Komatsu Loader	79,459	80,000	85,000	85,000	5,541	5,000
Gardeners Hino Truck	14,131	14,000	4,546	5,000	(9,585)	(9,000)
Ford Courier 4x4 Utility	8,830	8,500	6,220	6,842	(2,610)	(1,658)
Mitsubishi Triton 4x4 Utility	3,372	2,800	5,966	6,562	2,594	3,762
Nissan Navara	33,413	30,000	26,000	24,836	(7,413)	(5,164)
Facey Group Navara	25,774	0	22,578	0	(3,196)	0
Infrastructure - Parks and Ovals						
Niche Wall Wickepin Cemetery	485	0	0	0	(485)	0
Water Catchment	13,851	0	0	0	(13,851)	0
Yealering Swimming Hole	23,073	0	0	0	(23,073)	0
	<u>311,543</u>	<u>219,300</u>	<u>232,881</u>	<u>221,054</u>	<u>(78,662)</u>	<u>1,754</u>

Profit	11,046	17,576
Loss	(89,708)	(15,822)
	<u>(78,662)</u>	<u>1,754</u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1 July 2014 \$	New Loans \$	Principal Repayments		Principal 30 June 2015		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Housing								
90 - Residence Moss Parade	19,006	0	19,006	19,006	0	0	663	1,061
97 - Wogolin Road Cottage	2,534	0	2,534	2,534	0	0	118	119
100 - CEO Residence	128,599	0	18,422	18,423	110,177	110,176	7,217	7,165
104 - Aged Accommodation				18,505				28,253
Community amenities								
98- English Land Subdivision	25,343	0	25,343	25,343	0	0	1,183	1,187
Recreation and culture								
99- Wickepin Community Centre Ext	43,919	0	21,297	21,297	22,622	22,622	2,282	2,471
101 - WDS Club Tractor SS*	6,222		1,997	1,997	4,225	4,225	234	243
102 WDS Club Greens SS*	55,012	0	5,190	5,189	49,822	49,823	2,171	2,183
103 - Yealering Bowling Club SS*				1,041				477
	280,635	0	93,789	113,335	186,846	186,846	13,868	43,159

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

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

21. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2014/15

The Shire did not take up any new debentures during the year ended 30 June 2015.

(c) Unspent Debentures

The Shire did not have any unspent debentures as at 30 June 2015.

(d) Overdraft

Council has not utilised an overdraft facility during the financial year ended 30 June 2015.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

22. RATING INFORMATION - 2014/15 FINANCIAL YEAR

(a) Rates	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
RATE TYPE											
Differential general rate / general rate											
Gross rental value valuations											
GRV	0.0798	195	1,474,234	117,586	612	1,210	119,408	117,586	0	0	117,586
Unimproved value valuations											
UV	0.0102	276	105,779,127	1,236,695	915	0	1,237,610	1,236,558	256	(50)	1,236,764
Sub-Totals		471	107,253,361	1,354,281	1,527	1,210	1,357,018	1,354,144	256	(50)	1,354,350
Minimum payment	Minimum \$										
Gross rental value valuations											
GRV	350	58	63,916	20,300	0	0	20,300	20,300	0	0	20,300
Unimproved value valuations											
UV	350	11	16,008,682	3,850	0	0	3,850	3,850	0	0	3,850
Sub-Totals		69	16,072,598	24,150	0	0	24,150	24,150	0	0	24,150
Ex-gratia rates							1,381,168				1,378,500
Discounts/concessions (refer note 25)							5789				5500
Total amount raised from general rate							(122,112)				(117,678)
Specified Area Rate (refer note 23)							1,264,845				1,266,322
Totals							47,913				46,128
							1,312,758				1,312,450

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

22. RATING INFORMATION - 2014/15 FINANCIAL YEAR (Continued)

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

	2015 (30 June 2015 Carried Forward) \$	2015 (1 July 2014 Brought Forward) \$	2014 (30 June 2014 Carried Forward) \$
Surplus/(Deficit) 1 July 14 brought forward	<u>1,442,502</u>	<u>721,419</u>	<u>346,536</u>
Comprises:			
Cash and cash equivalents			
Unrestricted	1,441,122	485,025	485,025
Restricted	1,162,346	1,272,298	1,272,298
Receivables			
Rates outstanding	24,553	30,470	30,470
Sundry debtors	47,756	7,856	7,856
GST receivable	57,472	57,145	57,145
Loans - clubs/institutions	7,473	10,873	10,873
Less:			
Trade and other payables			
Sundry creditors	(47,604)	(54,383)	(54,383)
Accrued interest on debentures	(1,182)	(1,771)	(1,771)
ATO liabilities	(61,121)	(51,685)	(51,685)
Current portion of long term borrowings			
Secured by floating charge	(49,628)	(93,789)	(93,789)
Provisions			
Provision for annual leave	(88,458)	(83,568)	(83,568)
Provision for long service leave	(33,446)	(42,554)	(42,554)
Net current assets	<u>2,459,283</u>	<u>1,535,917</u>	<u>1,535,917</u>
Less:			
Reserves - restricted cash	(1,058,936)	(897,414)	(897,414)
Loans - Clubs/Institutions	(7,473)	(10,873)	(10,873)
Restricted Cash	0	0	(374,883)
Add:			
Secured by floating charge	49,628	93,789	93,789
Surplus/(deficit)	<u>1,442,502</u>	<u>721,419</u>	<u>346,536</u>

Difference

The difference between the surplus/(deficit) 1 July 2014 brought forward position used in the 2015 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2014 audited financial report was due to recognising a restricted grant in the annual financial report

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

23. SPECIFIED AREA RATE - 2014/15 FINANCIAL YEAR

	Rate in \$	Basis of Rate	Rateable Value \$	Rate Revenue \$	Budget Rate Revenue \$	Applied to Costs \$	Budget Applied to Costs \$
Community Amenities							
- Sewerage Scheme	0.0471	GRV	1,104,893	47,913	46,128	59,216	46,128
				47,913	46,128	59,216	46,128

The specified area rate is for the maintenance and future upgrades of the Wickepin Sewerage Scheme.

The proceeds of the rate are applied to the cost of the Wickepin Sewerage Scheme.

24. SERVICE CHARGES - 2014/15 FINANCIAL YEAR

The Shire did not impose any service charges.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2014/15 FINANCIAL YEAR

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Discount	10.00%	122,112	117,678
			122,112	117,678

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

26. INTEREST CHARGES AND INSTALMENTS - 2014/15 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on unpaid rates	11.00%	0	4,044	4,052
			4,044	4,052

Ratepayers have the option of paying rates in four equal instalments, due on 26th September 2014, 21st November 2014, 23rd January 2015 and 27th March 2015. Interest applied for the final three instalments.

27. FEES & CHARGES	2015 \$	2014 \$
Governance	21,355	5,935
General purpose funding	15,548	9,644
Law, order, public safety	41,251	38,553
Health	45	226
Education and welfare	882	610
Housing	73,313	70,308
Community amenities	124,608	75,770
Recreation and culture	21,727	18,336
Transport	36,193	16,483
Economic services	49,857	47,795
Other property and services	38,937	33,752
	<u>423,716</u>	<u>317,412</u>

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

28. GRANT REVENUE

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

	2015	2014
	\$	\$
By Nature or Type:		
Operating grants, subsidies and contributions	2,352,530	937,721
Non-operating grants, subsidies and contributions	1,033,160	1,337,428
	<u>3,385,690</u>	<u>2,275,149</u>
By Program:		
Governance	2,198,336	0
General purpose funding	0	699,670
Law, order, public safety	339,881	360,577
Housing	51,260	0
Community amenities	30,000	104,210
Recreation and culture	51,500	263,008
Transport	714,713	847,684
	<u>3,385,690</u>	<u>2,275,149</u>

29. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

<u>18</u>	<u>19</u>
-----------	-----------

30. ELECTED MEMBERS REMUNERATION

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

	2015	2015	2014
	\$	Budget	\$
		\$	
Meeting Fees	12,270	10,000	9,816
President's allowance	3,000	1,500	1,500
Travelling expenses	7,517	5,500	5,325
Telecommunications allowance	4,205	4,000	3,898
	<u>26,992</u>	<u>21,000</u>	<u>20,539</u>

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

31. MAJOR LAND TRANSACTIONS

The Shire did not participate in any major land transactions during the 2014/15 financial year.

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire did not participate in any trading undertakings or major trading undertakings during the 2014/15 financial year.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

33. FINANCIAL RISK MANAGEMENT

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

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

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

The Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2015	2014	2015	2014
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	2,603,468	1,757,323	2,603,468	1,757,323
Receivables	183,828	160,391	183,828	160,392
	<u>2,787,296</u>	<u>1,917,714</u>	<u>2,787,296</u>	<u>1,917,715</u>
Financial liabilities				
Payables	109,907	107,839	109,907	107,839
Borrowings	186,846	280,635	186,846	280,635
	<u>296,753</u>	<u>388,474</u>	<u>296,753</u>	<u>388,474</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 WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

33. FINANCIAL RISK MANAGEMENT (Continued)
(a) Cash and Cash Equivalents

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

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

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

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

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

	2015	2014
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	26,035	17,573
- Statement of Comprehensive Income	26,035	17,573

Notes:

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

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

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

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

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

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

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

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

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

	2015	2014
Percentage of rates and annual charges		
- Current	35%	48%
- Overdue	65%	52%
Percentage of other receivables		
- Current	99%	90%
- Overdue	1%	10%

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
Borrowings

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

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2015</u>					
Payables	109,907	0	0	109,907	109,907
Borrowings	58,827	133,516	22,017	214,360	186,846
	<u>168,734</u>	<u>133,516</u>	<u>22,017</u>	<u>324,267</u>	<u>296,753</u>
<u>2014</u>					
Payables	107,839	0	0	107,839	107,839
Borrowings	108,218	160,084	47,703	316,005	280,635
	<u>216,057</u>	<u>160,084</u>	<u>47,703</u>	<u>423,844</u>	<u>388,474</u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
Borrowings (continued)

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

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

	<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 2015</u>								
Borrowings								
Fixed rate								
Debentures	(22,622)	0	0	0	(114,402)	(49,822)	(186,846)	5.42%
Weighted average Effective interest rate	6.13%	0.00%	0.00%	0.00%	5.90%	4.00%		
<u>Year ended 30 June 2014</u>								
Borrowings								
Fixed rate								
Debentures	(46,884)	(43,918)	(6,222)	0	0	(183,611)	(280,635)	5.58%
Weighted average Effective interest rate	6.34%	6.13%	3.80%	0.00%	0.00%	5.31%		

**SHIRE OF WICKEPIN
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2015**

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

	2015	2014	2013
Asset consumption ratio	0.983	4.9	4.9
Asset renewal funding ratio	1.044	1.4	1.4

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

**SHIRE OF WICKEPIN
BALANCE SHEET
AS AT 30TH JUNE 2015**

**CASHFLOW WORKINGS
APPENDIX I**

	NOTE	2015 \$	2014 \$	MOVEMENT \$	DESCRIPTION	INVESTING	FINANCING	OPERATING	ELIMINATIONS	TOTAL
ASSETS										
Cash and cash equivalents	3	2,603,468	1,757,323	(846,145)	Increase in Cash					
Investments		0	0	0	Proceeds on disposal of investments Fair value adjustments to investments	0		0		
Trade and other receivables Non current	4	137,254 46,574	106,344 54,047	(23,437)	Proceeds from self supporting loans Increase in GST receivable Increase in rates Decrease in debtors User defined 1 User defined 2 User defined 3		10,873	(327) 5,917 (39,900) 0 0 0		(23,437)
Inventories - Materials etc.	5	0	0	0	Decrease in inventories			0		
- Land held for resale	5	0	0	0	Payments for development of land held for resale	0				0
Property, plant and equipment	6	19,444,665	19,669,063	224,398	Payments for purchase of property, plant and equip Proceeds from sale of plant and equip Loss on revaluation of plant and equipment Impairment of plant and equipment Depreciation (Profit) Loss on disposal	(1,189,724) 232,881		0 1,142,078 78,662	0	263,897
Infrastructure	7	102,988,080	26,034,290	(76,953,790)	Payments for construction of infrastructure Impairment of infrastructure Depreciation Revaluation adjustment	(978,066)		133,291 812,904	(76,961,419)	(76,993,290)
TOTAL ASSETS		<u>125,220,041</u>	<u>47,621,067</u>							

KEY: Increase in asset/decrease in liability - outflow of funds (recorded in brackets)
Decrease in asset/increase in liability - inflow of funds

SHIRE OF WICKEPIN
BALANCE SHEET
AS AT 30TH JUNE 2015

APPENDIX I (Cont'd)

	NOTE	2015 \$	2014 \$	MOVEMENT \$	DESCRIPTION		TOTAL
LIABILITIES							
Trade and other payables	8	109,907	107,839	2,068	Increase in sundry creditors	(6,779)	
					Increase in accrued interest	(589)	
					Increase in ATO liabilities	9,436	
					Increase in accrued wages	0	
					Increase in user defined	0	
					Increase in user defined	0	2,068
Long-term borrowings	9.	49,628	93,789	(93,789)	Repayment of debentures	(93,789)	
Non current		137,218	186,846		Proceeds from new borrowings	0	
					Advances to community groups	0	
					Proceeds on repayment of advances	0	(93,789)
Provisions	10	121,904	126,122	13,509	Decrease in employee provisions	13,509	13,509
Non current		89,624	71,897				
TOTAL LIABILITIES		508,281	586,493				
NET ASSETS		<u>124,711,760</u>	<u>47,034,574</u>				
EQUITY							
Accumulated surplus		21,235,080	20,680,835				
Reserves - cash backed	11	1,058,936	897,414				
Reserves - asset revaluation	12	102,417,744	25,456,325				
		<u>124,711,760</u>	<u>47,034,574</u>	77,677,186	Change in net assets from operations	715,768	
					Rounding adjustment	0	
					Revaluation adjustment		76,961,419
							77,677,187
				<u>0</u>			
					Government grants - non-operating	1,011,271	(1,011,271)
						<u>(923,638)</u>	<u>1,852,699</u>

KEY: Increase in asset/decrease in liability - outflow of funds (recorded in brackets)
Decrease in asset/increase in liability - inflow of funds

SHIRE OF WICKEPIN
FOR THE YEAR ENDED 30TH JUNE 2015
CASHFLOW WORKINGS
APPENDIX II

Cash Flows from Operations by Nature or Type

	Totals per N & T	Increase in GST	Increase in Debtors	Decrease in Rates	Increase in Inventories	Increase in Land Held for Resale	Fair value adjustments to investments	Loss on Revaluation Fixed Assets	Impairment Property, Plant & Equip	Impairment Property, Infrastructure	Depreciation Property, Plant & Equip	Profit (Loss) on Disposal	Depreciation on Infrastructure	Increase in Creditors	Increase in Interest	Increase in ATO Liabilities	Increase in Wages	Decrease in Provisions	Adjustments		Totals for Cash Flow	
																			Non-Op Grants etc.	Effect of GST		
Rates	1,312,758		0	5,917																		1,318,675
Operating grants, subsidies and conts.	2,352,530		0																			2,352,530
Non-operating grants, subsidies and conts.	1,033,160		(21,889)																	(1,011,271)		0
Profit on asset disposals	11,046		0								(11,046)											0
Fees and charges	423,716		(18,011)																			405,705
Service charges	0		0																			0
Interest earnings	47,317		0																			47,317
Goods and services tax	0	(327)	0																		39,635	39,308
Other revenue	0		0																			0
	<u>5,180,527</u>																					<u>4,163,535</u>
Employee costs	(739,492)													(4,419)		9,436	0	13,509				(720,966)
Materials and contracts	(1,198,288)				0	0								5,306								(1,192,982)
Utility charges	(151,450)													(7,666)								(159,116)
Insurance	(183,680)													0								(183,680)
Loss on asset disposals	(89,708)										89,708			0								0
Loss on revaluation of assets	(133,291)						133,291							0								0
Depn. on non-curr. assets	(1,954,982)										1,142,078		812,904	0								0
Interest	(13,868)													0	(589)							(14,457)
Goods and services tax	0													0							(39,635)	(39,635)
Other	0									0				0								0
	<u>(4,464,759)</u>																					<u>(2,310,836)</u>
TOTALS	715,768	(327)	(39,900)	5,917	0	0	133,291	0	0	0	1,142,078	78,662	812,904	(6,779)	(589)	9,436	0	13,509	(1,011,271)	0	1,852,699	
																					Checksum	1,852,699
																					Unallocated operating movements	0

