



SHIRE OF WICKEPIN

ANNUAL REPORT

2010/2011



Contents

Council Overview	3
Council Staff.....	4
President's Report	5
2010-11 Major Achievements	5
Chief Executive Officer's Report	8
Staff	8
2012 Budget Highlights.....	8
General Operations	9
National Competition Policy	9
Competitive Neutrality.....	9
State Records Act 2000.....	11
Disclosure of Annual Salaries.....	11
Plan for the Future of the District	11



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 corporate body 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:

			Elected	Retires October
Cr Steven Martin	9888 6062	President	2001	2013
Cr Julie Russell	9888 1097	Deputy President	2005	2015
Cr Kevin Coxon	9888 7066		1999	2013
Cr Ross Easton	9883 2002		2005	2013
Cr Dave Astbury	9888 1274		1997	2013
Cr Gerri Hinkley	9883 2062		2007	2015
Cr Fran Allan	9888 7071		2008	2015
Cr Allan Lansdell	9888 1449		2011	2015

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

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

Natalie Manton
Peter Vlahov
Gillian Spargo
Bronwyn Dew
Lou Leeson
Allan Ramsay
Natalie Manton

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

**Leading Hand Maintenance
Leading Hand Construction
Mechanic
Grader Drivers
Plant Operators
Refuse & Recycling
Head Gardener
Gardener
Recycling Depot
Swimming Pool Manager
Cleaners**

Peter Bransby
Bob Read
Phil Watson
Bob Read, Colin Plumb
Trevor Tapping, Ian Roberts, Justin Smith, James Matthews
Peter Marsh
Mike Fradsham
Tanya Parker
Janet Thorley
Tom Sands
Janet Thorley, Kathy Desmond

Auditor

Byfields Certified Practising Accountants
14 Resolution Drive
Ascot 6104

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
Wickepin Telecentre
Facey Group
Wickepin Health Centre**

9888 1252
9888 1015
9888 1089
9888 1125
9888 1500
9888 1223
9888 2222

President's Report

It gives me great pleasure to present my President's report on the Wickepin Shire Council's activities for the 2010/11 financial year.

The 2010/11 year was highlighted by a considerable 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 investment into the infrastructure required for a sustainable community.

2010-11 Major Achievements

Plant Purchase

Trade Cat Skid Steer (changeover)	\$30,000
Trade 8 wheeler tipping truck (changeover)	\$100,000

Furniture and Equipment

New computer server	\$15,000
---------------------	----------

Buildings

Telecentre floor upgrade	\$25,000
Storage container shire depot	\$5,000
Fire extinguisher upgrade shire depot	\$10,000
Curtains, trestles Wickepin Community Centre	\$20,000

Roads, Plant and Infrastructure

Once again Council made a deliberate decision to focus on the ongoing maintenance and upgrade of the road network during the 2010/11 financial year. Council is very conscious of the need to maintain the shire's road network to a high standard and Manager of Works, Peter Vlahov, as well as the works staff should be commended on their achievements this year.

Council undertook the following road and footpath program in 2010-11

Road Program

Wickepin Harrismith Rd—resealing	\$129,000
Wickepin Harrismith Rd—reconstruct	\$132,000
Wickepin Harrismith Road—Floodway repair	\$56,500
Tree pruning—various roads	\$71,000
Gillimanning Rd—gravel sheeting	\$54,260
Tincurrin Sth Rd—reseal	\$36,240
Wickepin Corrigin Rd—reconstruct	\$105,400
86 Gate Road—gravel sheeting	\$23,000
Curlew Way—new subdivision rd	\$25,500
Tincurrin Nth Rd—gravel sheeting	\$22,000
Heffernan Rd—gravel sheeting	\$11,000
Ward Rd—gravel sheeting	\$46,500
Hughes Road—gravel sheeting	\$15,000
Wedin Sth Road—reduce crest	\$30,000
Leeson Road—gravel sheeting	\$21,500
Fox Road—gravel sheeting	\$18,500
Toolibin Nth Road—gravel sheeting	\$23,500
Congreve & Sewell St—drainage	\$11,470
Harrismith Main St—Widen culvert, kerb & footpath	\$22,500
Line Road—Improve curve alignment	\$32,500

Footpath Program

\$45,000

Johnston Street (between Campbell & Collins Streets)

Johnston Street (between Henry & Wickepin Streets)

Wogolin Road (Small section cnr Wogolin Rd & Collins Streets)

In other developments the Wickepin Shire resolved to take part in the an Regional Transition Group with neighbouring councils including the Shires of Cuballing and Narrogin as well as the Town of Narrogin. By signing an RTG Agreement, participating councils gave a commitment to participate in the preparation of a Regional Business Plan to analyse the current local government services and propose a plan for common systems and services in future.

The Regional Business Planning process was undertaken by KPMG, on behalf of the Cuballing Narrogin Wickepin Regional Transition Group, and examined the high level costs and benefits of an amalgamation and compared it to how each of the four local governments are currently operating.

The Regional Business Plan was finalised in March 2012 and local councils will decide whether or not to proceed with an amalgamation.

The following key messages were noted in the Regional Business Plan:

Key Messages from the Current State Analysis

- All four local governments are similar in demographics and community aspirations.
- All RTG member local governments face a very difficult financial position with a history of operating deficits and a high reliance on grant funding.
- Rates levied by the current local governments have not kept pace with costs.
- Regardless of amalgamation, rates will need to increase to narrow the gap between the cost of delivering services and the revenue required to maintain operations.
- Each local government has ageing infrastructure, a lack of asset management planning, and insufficient funds to maintain, upgrade or replace assets including the road network to required standards. If not managed now, this will be a significant financial burden for the next generation.
- Most local governments deliver a high level of service at a relatively low cost; however there is a lack of resources to plan and fund expanded services into the future.
- All local governments experience difficulties in attracting appropriately skilled new staff.

Key Messages from the Amalgamated State

- Whilst the new local government would inherit the challenges faced by the existing local governments, it would have greater capacity to address these issues.
- Eliminating existing duplication, the new local government could redirect savings to address current weaknesses in road construction and maintenance, asset management, planning, grants, human resources, and financial management.
- The new local government would have a specialised works crew to better manage roads and important community assets; dedicated staff to build the local economy and officers focused on securing grants for business and community.
- The new local government would have the staff available to monitor and report on the long term financial impacts of its decisions.
- The new local government would phase in a rating system over five years that would fairly and appropriately distribute rates across rural, residential and commercial/industrial land.
- Whilst an administration centre could be located in Narrogin, local hubs will ensure you can still contact local government staff; submit applications; pay your rates; licences and make other general enquiries.
- A larger local government could leverage off its size to partner with State and Commonwealth Governments and lobby for improved community services.
- Permanent staff would be guaranteed a job for at least 2 years in the new amalgamated local government.
- The State Government will contribute funding to transition to a new single local government.

On behalf of Wickepin Shire community I would like to thank CEO Alan Leeson, for his exceptional work as CEO at the Shire of Wickepin during his employment over the past 8 years. The Shire of Wickepin appreciates the contribution Alan and his family made to the community and wish them well as Alan takes up a new position as CEO of the Shire of Moora.

I would also like to thank the Councillors and their families as well as the shire staff. Your support is crucial to the smooth running of the Wickepin Shire.

Thank You

Cr Steven Martin
Shire President J.P

Chief Executive Officer's Report

I have much pleasure in presenting the Chief Executive Officers Report for the year ending June 2011.

Staff

The Shire administration staff has been relatively stable for the past year with only minor changes, mostly in the Executive Support Officer role. Gillian Spargo took on the role of Executive Support Officer following the departure of Amanda Fradsham and Lou Leeson joined the Shire as Administration Officer. I would like to thank the staff for their hard work and dedication during the past year.

An increasingly large road construction and maintenance program was accomplished during the year by a very capable Works staff, led by Peter Vlahov.

2012 Budget Highlights

Plant and Equipment

Changeover eight wheeler truck	\$102,000
Portable traffic lights –road construction	\$ 33,000
Standpipe controller – card system	\$ 10,000

Royalties for Regions

Wickepin Fuel Facility	\$ 80,000
Water Tanks – Wickepin Community Centre	\$ 40,000
Shire Office refurbishment	\$ 75,000
Community Agriculture Centre (old Bank)	\$ 76,000
Yealering Cemetery – niche wall/gazebo	\$ 50,000
Yealering hall / lakeside amenities	\$ 75,000

Buildings –General

Wickepin Community Centre –water heaters/ovens	\$ 8,000
Shire Office – remove tiled roof / replace with colorbond	\$ 40,000
Yealering hall – New trestles	\$ 5,000
Cottage Homes – Carport	\$ 6,500

Road - Works Program

Wickepin Corrigin Rd – Reconstruct/seal	\$120,000
Wickepin Pingelly Rd – Reconstruct/seal	\$130,000
Tincurrin South – resealing	\$ 46,000
Kirk Rock Rd – gravel sheeting	\$ 30,000
Brooks Rd – gravel sheeting	\$ 30,000
Sparks Road – gravel sheeting	\$ 40,000
Sprigg Road – gravel sheeting	\$ 20,000
Wedin North Rd – gravel sheeting	\$ 29,500
Wogolin Sth Rd – gravel sheeting	\$ 32,000
Harrismith South (town intersection upgrade)	\$ 40,000
Old Cemetery Rd – seal/kerb	\$ 40,690
Headwalls/drainage/pruning	\$ 81,000
Emergency Services Area – WCC Carpark	\$ 60,000
Blackspot – Fence Rd Widening	\$ 61,500
Blackspot – Wickepin Harrismith Rd – corner works	\$ 62,500

General Operations

The 2010/11 financial year has been a busy one with the Shire of Wickepin managing six Royalties for Regions Projects to improve the facilities within the Shire.

24 Hour Fuel Facility

The fuel facility will be located opposite Ewen Rural Supplies. Site plans have been developed and we are awaiting the arrival of fuel tanks. When the project is completed it will provide 24 hour access to fuel using a credit or debit card with a PIN.

Community Ag Centre Refurbishment

Work has been completed on addressing the rising damp in the building. A new kitchen and blinds have been installed and a refurbishment of the bathroom, new floor coverings and paint are still to come.

Shire Office Refurbishment

Visitors to the shire office would have noticed the new front counter, carpet and paint. A new roof has recently been completed and render done in the main entrance.

Yealering Cemetery

The revised niche wall and landscaping design has received broad support from relatives of family members. Quotes are being obtained from builders to construct the new niche wall, shade structure, pathways and seating. Upon completion of the building work, the area will be landscaped.

Yealering Hall and Lake Toilets Refurbishment

Quotes have been obtained to paint the hall, foyer, kitchen, toilets and backstage areas. Work will commence in April/May 2012. New carpet in foyer and general maintenance issues will be addressed. Lake toilets will receive an upgrade with paint, new toilets, hand basin and splash backs.

Water Tanks

Design and quotes have been obtained to upgrade the old reticulation system at Wickepin oval and install water tanks to capture water from the Community Centre roof. An improved system of pumping water to oval from dam and more effluent watering system will be installed during 2012.

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 2011 are listed below and grouped into the outcome areas addressed in the Shire of Wickepin's 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.

All shire staff are aware of the need to treat all people and customers equally.

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 Wickpin complied with items 1 to 4.

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 2009/2010 the Shire of Wickpin had one employee with a salary exceeding \$100,000 in the \$100,000 to \$110,000 band.

Plan for the Future of the District

The broad scope of the Plan for the Future is to identify significant capital items and activities that may be included in future budgets. Council approved the Plan for the Future on the 18 June 2009.

The Forward Capital Works Plan is also used in conjunction with the Strategic Plan to plan for future expenditure of council and grant funds.

A copy of the plan is available at the Shire office or for public viewing by visiting www.wickpin.wa.gov.au

I wish to take this opportunity of thanking all shire staff for their continued efforts in the 2010/11 financial year as well as Council for their support, in particular Shire President Cr Steven Martin and Deputy Shire President Cr Julie Russell.

NA Manton
Acting Chief Executive Officer

SHIRE OF WICKEPIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

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 to 52
Independent Audit Report	53 & 54

SHIRE OF WICKEPIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Wickepin being the annual financial report and other information for the financial year ended 30th June 2011 are in my opinion properly drawn up to present fairly the financial position of the Shire of Wickepin at 30th June 2011 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed on the day of 20 2012



Natalie Manton
Acting Chief Executive Officer

SHIRE OF WICKEPIN
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2011

	NOTE	2011 \$	2011 Budget \$	2010 \$
REVENUE				
Rates	22	1,088,828	1,090,029	1,046,283
Operating Grants, Subsidies and Contributions	28	1,262,592	1,250,625	1,222,209
Fees and Charges	27	517,916	262,075	616,306
Service Charges	24	0	0	0
Interest Earnings	2(a)	38,283	23,000	43,309
Other Revenue		0	0	0
		<u>2,907,619</u>	<u>2,625,729</u>	<u>2,928,107</u>
EXPENSES				
Employee Costs		(843,817)	(830,349)	(821,135)
Materials and Contracts		(951,132)	(855,968)	(1,041,512)
Utility Charges		(146,369)	(136,720)	(121,045)
Depreciation on Non-Current Assets	2(a)	(1,069,078)	(899,578)	(1,033,694)
Interest Expenses	2(a)	(36,935)	(37,841)	(31,372)
Insurance Expenses		(126,606)	(117,822)	(113,789)
Other Expenditure		0	0	0
		<u>(3,173,937)</u>	<u>(2,878,278)</u>	<u>(3,162,547)</u>
		(266,318)	(252,549)	(234,440)
Non-Operating Grants, Subsidies and Contributions	28	870,187	444,253	1,017,705
Fair value adjustments to financial assets at fair value through profit or loss	2(a)	0	0	0
Profit on Asset Disposals	20	20,307	26,286	162,363
Loss on Asset Disposal	20	<u>(309,002)</u>	<u>(47,466)</u>	<u>(21,659)</u>
NET RESULT		315,174	170,524	923,969
Other Comprehensive Income				
Total Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u><u>315,174</u></u>	<u><u>170,524</u></u>	<u><u>923,969</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 2011

	NOTE	2011 \$	2011 Budget \$	2010 \$
REVENUE				
Governance		48,546	12,522	26,789
General Purpose Funding		2,249,701	2,226,770	2,142,732
Law, Order, Public Safety		55,694	52,950	85,554
Health		440	50	636
Education and Welfare		0	0	0
Housing		75,307	74,440	229,949
Community Amenities		87,624	81,650	88,438
Recreation and Culture		485,550	12,703	21,660
Transport		555,952	537,387	1,082,928
Economic Services		50,044	26,010	120,426
Other Property and Services		189,255	45,500	309,064
	2 (a)	<u>3,798,113</u>	<u>3,069,982</u>	<u>4,108,176</u>
EXPENSES EXCLUDING FINANCE COSTS				
Governance		(296,856)	(285,360)	(293,001)
General Purpose Funding		(47,094)	(46,182)	(59,490)
Law, Order, Public Safety		(86,164)	(93,452)	(80,146)
Health		(38,805)	(48,797)	(40,593)
Education and Welfare		(5,071)	(5,754)	(3,729)
Housing		(382,708)	(101,400)	(104,383)
Community Amenities		(233,299)	(234,497)	(205,785)
Recreation & Culture		(553,190)	(505,491)	(490,411)
Transport		(1,383,184)	(1,371,424)	(1,678,470)
Economic Services		(160,643)	(157,429)	(190,851)
Other Property and Services		(258,990)	(11,831)	(5,976)
	2 (a)	<u>(3,446,004)</u>	<u>(2,861,617)</u>	<u>(3,152,835)</u>
FINANCE COSTS				
Housing		(17,209)	(17,493)	(7,495)
Community Amenities		(11,135)	(11,347)	(13,643)
Recreation and Culture		(6,803)	(7,041)	(7,797)
Transport		(1,788)	(1,960)	(2,437)
	2 (a)	<u>(36,935)</u>	<u>(37,841)</u>	<u>(31,372)</u>
NET RESULT		<u>315,174</u>	<u>170,524</u>	<u>923,969</u>
Other Comprehensive Income				
Total Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u><u>315,174</u></u>	<u><u>170,524</u></u>	<u><u>923,969</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 2011**

	NOTE	2011 \$	2010 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	1,230,984	1,361,230
Trade and Other Receivables	4	62,584	195,942
Inventories	5	9,828	11,828
TOTAL CURRENT ASSETS		<u>1,303,396</u>	<u>1,569,000</u>
NON-CURRENT ASSETS			
Other Receivables	4	0	0
Property, Plant and Equipment	6	6,995,395	7,130,856
Infrastructure	7	23,473,613	23,114,573
TOTAL NON-CURRENT ASSETS		<u>30,469,008</u>	<u>30,245,429</u>
TOTAL ASSETS		<u>31,772,404</u>	<u>31,814,429</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	69,390	338,635
Long Term Borrowings	9	112,604	106,163
Provisions	10	117,258	123,770
TOTAL CURRENT LIABILITIES		<u>299,252</u>	<u>568,568</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	433,625	546,229
Provisions	10	71,646	46,925
TOTAL NON-CURRENT LIABILITIES		<u>505,271</u>	<u>593,154</u>
TOTAL LIABILITIES		<u>804,523</u>	<u>1,161,722</u>
NET ASSETS		<u>30,967,881</u>	<u>30,652,707</u>
EQUITY			
Retained Surplus		16,729,398	16,286,215
Reserves - Cash Backed	11	544,706	672,715
Reserves - Asset Revaluation	12	13,693,777	13,693,777
TOTAL EQUITY		<u>30,967,881</u>	<u>30,652,707</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 2011

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/ INVESTMENT BACKED \$	ASSET REVALUATION RESERVE \$	TOTAL EQUITY \$
Balance as at 1 July 2009		15,438,615	596,346	13,693,777	29,728,738
Net Result		923,969	0	0	923,969
Total Other Comprehensive Income		0	0	0	0
Reserve Transfers		(76,369)	76,369	0	0
Balance as at 30 June 2010		16,286,215	672,715	13,693,777	30,652,707
Net Result		315,174	0	0	315,174
Total Other Comprehensive Income		0	0	0	0
Reserve Transfers		128,009	(128,009)	0	0
Balance as at 30 June 2011		16,729,398	544,706	13,693,777	30,967,881

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 2011**

	NOTE	2011 \$	2011 Budget \$	2010 \$
Cash Flows From Operating Activities				
Receipts				
Rates		1,072,726	1,085,971	1,040,802
Operating Grants, Subsidies and Contributions		1,262,592	1,250,625	1,222,209
Fees and Charges		567,066	252,075	579,731
Service Charges		0	0	0
Interest Earnings		38,283	23,000	43,309
Goods and Services Tax		322,472	100,000	154,959
Other Revenue		0	0	0
		<u>3,263,139</u>	<u>2,711,671</u>	<u>3,041,010</u>
Payments				
Employee Costs		(827,057)	(830,349)	(782,495)
Materials and Contracts		(1,185,992)	(1,208,365)	(915,198)
Utility Charges		(147,875)	(136,720)	(123,754)
Insurance Expenses		(126,606)	(117,822)	(113,789)
Interest expenses		(37,533)	(37,841)	(31,767)
Goods and Services Tax		(250,996)	(100,000)	(261,078)
Other Expenditure		0	0	0
		<u>(2,576,059)</u>	<u>(2,431,097)</u>	<u>(2,228,081)</u>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>687,080</u>	<u>280,574</u>	<u>812,929</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale		(116,873)	0	(11,300)
Payments for Purchase of Property, Plant & Equipment		(634,053)	(406,000)	(1,496,506)
Payments for Construction of Infrastructure		(1,061,644)	(1,047,870)	(1,388,588)
Advances to Community Groups		0	0	0
Payments for Purchase of Investments		0	0	0
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		870,187	444,253	1,017,705
Proceeds from Sale of Plant & Equipment		231,220	151,000	414,091
Proceeds from Advances		0	0	0
Proceeds from Sale of Investments		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
Net Cash Provided By (Used In) Investing Activities		<u>(711,163)</u>	<u>(858,617)</u>	<u>(1,464,598)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(106,163)	(104,772)	(86,342)
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		0	0	0
Proceeds from New Debentures		0	0	192,390
		<u>0</u>	<u>0</u>	<u>192,390</u>
Net Cash Provided By (Used In) Financing Activities		<u>(106,163)</u>	<u>(104,772)</u>	<u>106,048</u>
Net Increase (Decrease) in Cash Held		<u>(130,246)</u>	<u>(682,815)</u>	<u>(545,621)</u>
Cash at Beginning of Year		1,361,230	1,361,230	1,906,851
Cash and Cash Equivalents at the End of the Year	13(a)	<u><u>1,230,984</u></u>	<u><u>678,415</u></u>	<u><u>1,361,230</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 2011**

	NOTE	2011 \$	2011 Budget \$
REVENUE			
Governance		48,546	12,522
General Purpose Funding		1,192,919	1,164,741
Law, Order, Public Safety		55,694	52,950
Health		440	50
Education and Welfare		0	0
Housing		75,307	74,440
Community Amenities		55,578	53,650
Recreation and Culture		485,550	12,703
Transport		555,952	563,673
Economic Services		50,044	26,010
Other Property and Services		189,255	45,500
		<u>2,709,285</u>	<u>2,006,239</u>
EXPENSES			
Governance		(296,856)	(285,360)
General Purpose Funding		(47,094)	(46,182)
Law, Order, Public Safety		(86,164)	(93,452)
Health		(38,805)	(48,797)
Education and Welfare		(5,071)	(5,754)
Housing		(399,917)	(118,893)
Community Amenities		(244,434)	(245,844)
Recreation & Culture		(559,993)	(512,532)
Transport		(1,384,972)	(1,399,670)
Economic Services		(160,643)	(157,429)
Other Property and Services		(258,990)	(11,831)
		<u>(3,482,939)</u>	<u>(2,925,744)</u>
Net Operating Result Excluding Rates		(773,654)	(919,505)
Adjustments for Cash Budget Requirements:			
Non-Cash Expenditure and Revenue			
(Profit)/Loss on Asset Disposals		288,695	21,180
Movement in Employee Benefit Provisions		24,721	0
Depreciation and Amortisation on Assets		1,069,078	899,578
Capital Expenditure and Revenue			
Purchase Land Held for Resale		(116,873)	0
Purchase Land and Buildings		(148,477)	(65,000)
Purchase Infrastructure Assets - Roads		(1,022,136)	(1,002,870)
Purchase Infrastructure Assets - Footpaths		(39,508)	(45,000)
Purchase Infrastructure Assets - Parks		0	0
Purchase Plant and Equipment		(447,874)	(326,000)
Purchase Furniture and Equipment		(37,702)	(15,000)
Purchase of Investments		0	0
Proceeds from Disposal of Investments		0	0
Proceeds from Disposal of Assets		231,220	151,000
Repayment of Debentures		(106,163)	(104,772)
Proceeds from New Debentures		0	0
Self-Supporting Loan Principal Income		0	0
Transfers to Reserves (Restricted Assets)		(28,042)	(20,000)
Transfers from Reserves (Restricted Assets)		156,052	15,000
ADD Estimated Surplus/(Deficit) July 1 B/Fwd		433,877	290,000
LESS Estimated Surplus/(Deficit) June 30 C/Fwd		572,042	(31,360)
Amount Required to be Raised from Rates	22	<u>(1,088,828)</u>	<u>(1,090,029)</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 2011

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this financial report are:

(a) Basis of Preparation

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

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

Critical Accounting Estimates

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

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

(b) The Local Government Reporting Entity

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

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

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

(c) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables in the statement of financial position are stated inclusive of applicable GST.

(d) Cash and Cash Equivalents

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

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

(e) Trade and Other Receivables

Collectibility 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.

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Inventories

General

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

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

Land Held for Resale

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

Revenue arising from the sale of property is recognised in the statement of comprehensive income as at the time of signing an unconditional contract of sale.

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

(g) Fixed Assets

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

Initial Recognition

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

Revaluation

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying

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

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Land under Roads

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

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

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

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

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

Depreciation of Non-Current Assets

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

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

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

Buildings	50 years
Furniture and Equipment (Electronic)	5 years
Furniture and Equipment (Other)	20 years
Plant and Equipment (Heavy)	14.3 years
Plant and Equipment (Other)	6.7 years
Sealed roads and streets	
clearing and earthworks	not depreciated
construction/road base	50 years
original surfacing and	
major re-surfacing	
- bituminous seals	25 years
Gravel roads	
clearing and earthworks	not depreciated
construction/road base	50 years
gravel sheet	12 years
Formed roads (unsealed)	
clearing and earthworks	not depreciated
construction/road base	50 years
Footpaths - slab	40 years
Sewerage Piping	100 years
Water Supply piping and drainage systems	75 years

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

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Depreciation of Non-Current Assets (Continued)

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

Capitalisation Threshold

Expenditure on items of equipment under \$1,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

(h) Financial Instruments

Initial Recognition and Measurement

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

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

Classification and Subsequent Measurement

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

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount
- (b) less any reduction for impairment.

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

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current 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.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period (classified as non-current assets).

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity.

Held-to-maturity financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period (classified as current assets).

If the Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

(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.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period (classified as current assets).

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

(i) Estimation of Fair Value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Council uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Impairment

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

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 '*Impairment of Assets*' and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

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

(k) Trade and Other Payables

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

(l) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the Council has a present obligation to pay resulting from employees services provided to reporting date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

(ii) Long Service Leave (Long-term Benefits)

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where the Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

(m) Borrowing Costs

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Provisions

Provisions are recognised when:

- a) the Council has a present legal or constructive obligation as a result of past events;
- b) for which it is probable that an outflow of economic benefits will result to settle the obligation; and
- c) 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.

Provisions are not recognised for future operating losses.

(o) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Council, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present

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

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

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

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

(p) Joint Venture

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

(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 operation for the current reporting period.

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Superannuation

The Council contributes to a number of superannuation funds on behalf of employees.

(s) Current and Non-Current Classification

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

(t) Rounding Off Figures

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

(u) Comparative Figures

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

(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 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2011.

Council's assessment of these new standards and interpretations is set out below:

Title and Topic	Issued	Applicable (*)	Impact
(i) AASB 9 – Financial Instruments	December 2009	01 January 2013	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii) AASB 124 – Related Party Disclosures	December 2009	01 January 2011	Nil – It is not anticipated the Council will have any related parties as defined by the Standard.
(iii) AASB 1053 – Application of Tiers of Australian Accounting Standards	June 2010	01 July 2013	Nil - Due to its nature and statutory requirements the Council will be deemed a Tier 1 entity and will continue to prepare general purpose financial statements.
(iv) AASB 2009 -12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	December 2009	01 January 2011	Nil – The revisions embodied in this standard relate to standards which do not apply to local government (ie AASB8) or are largely editorial in nature and will have minimal effect (if any) on the accounting practices of the Council.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(v) AASB 2009– 11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	December 2009	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(vi) AASB 2010 - 2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050, & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052]	June 2010	01 July 2013	Nil - None of these amendments will have any effect on the financial report as the standard does not apply in the case of general purpose financial statements.
(vii) AASB 2010 - 4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, 7, 101, 134, and Interpretation 13]	June 2010	01 January 2011	Nil - The revisions are part of the AASB's annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRSs. It is not anticipated these will have any effect on the Council.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(viii) AASB 2010 - 5 Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]	October 2010	01 January 2011	Nil - The revisions embodied in this standard are largely editorial in nature or relate to standards not applicable to the Council and will have minimal effect (if any) on the accounting practices of the Council.
(ix) AASB 2010 - 6 Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets [AASB 1 & 7]	November 2010	01 July 2011	Nil - The revisions embodied in this standard amend disclosures required on transfers of financial assets. The Council is not expected to have any qualifying transfers.
(x) 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, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	December 2010	01 January 2013	Nil - The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(xi) AASB 2010 - 8 Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets [AASB 1 & 7]	December 2010	01 January 2012	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(xi) (Continued)			
AASB 2010 - 9 Amendments to Australian Accounting Standards - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1]	December 2010	01 July 2011	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2009- 14 Amendments to Australian Interpretations - Prepayments of a Minimum Funding Requirement [AASB Interpretation 14]	December 2009	01 January 2011	
AASB 2010 - 10 Further Amendments to Australian Accounting Standards - Removal of Fixed Dates for First-time Adopters [AASB 2009 - 11 & 2010 - 7]	December 2010	01 January 2013	

Notes:

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Adoption of New and Revised Accounting Standards

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

These new and revised standards were:

AASB 2009 - 5
AASB 2009 - 8
AASB 2009 - 10
AASB 2009 - 13
AASB 2010 - 1
AASB 2010 - 3

Interpretation 19

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

2. REVENUE AND EXPENSES

2011
\$

2010
\$

(a) Net Result

The Net Result includes:

(i) Charging as an Expense:

Auditors Remuneration

- Audit

- Other Services

10,430

1,960

9,030

0

Depreciation

Buildings

Furniture and Equipment

Plant and Equipment

Roads

Footpaths

Main Street Development

Ovals and Parks

Drainage

121,836

23,625

221,013

663,508

7,954

12,235

3,560

15,347

1,069,078

102,696

15,923

230,564

648,044

6,806

12,235

2,079

15,347

1,033,694

Interest Expenses (Finance Costs)

Debentures (*refer Note 21(a)*)

36,935

36,935

31,372

31,372

(ii) Crediting as Revenue:

2011
\$

2011
Budget
\$

2010
\$

Interest Earnings

Investments

- Reserve Funds

- Other Funds

Other Interest Revenue (*refer note 26*)

28,043

5,458

4,782

38,283

0

20,000

3,000

23,000

39,351

898

3,060

43,309

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011**

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

The Shire of Wickepin is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

GOVERNANCE

Administration and operation of facilities and services to members of Council. Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council services.

GENERAL PURPOSE FUNDING

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Supervision of various bylaws, fire prevention, emergency services and animal control.

HEALTH

Food control, immunisation services, mosquito control and operation of medical centre.

EDUCATION AND WELFARE

Support for childcare, development of aged accommodation and rural counseling support.

HOUSING

Provision and maintenance of staff and other housing.

COMMUNITY AMENITIES

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

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

TRANSPORT

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

ECONOMIC SERVICES

Noxious weed control, tourism and area promotion, community development and coordination building control and services, medical locum and other economic services.

OTHER PROPERTY AND SERVICES

Private works operations, public works overheads, plant operation costs, gross salaries and wages.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening Balance (*) 01-Jul-09 \$	Received (+) 2009/10 \$	Expended (#) 2009/10 \$	Closing Balance (*) 30-Jun-10 \$	Received (+) 2010/11 \$	Expended (#) 2010/11 \$	Closing Balance 30-Jun-11 \$
Greening Australia	Comm Amen	14,280		(14,280)	0			0
Royalties for Regions Pool Upgrade	Rec & Culture	629,551		(629,551)	0	396,869	(396,869)	0
Planning & Infrastructure Pool Upgrade	Rec & Culture	100,000		(100,000)	0	30,000	(30,000)	0
Grants Commission Revenue Prepaid	Gen Purpose	272,472	290,421	(272,472)	290,421	302,810	(290,421)	302,810
Royalties for Regions Wogolin Road	Transport	0	50,000		50,000		(50,000)	0
Royalties for Regions Telecentre Floor	Economic Ser	0	25,000		25,000		(25,000)	0
Roads to Recovery	Transport					267,226	(267,226)	0
MIRWA Regional Road Funding	Transport					176,092	(176,092)	0
LotteryWest Summer Festival	Economic Ser					15,025	(15,025)	0
Total		1,016,303	365,421	(1,016,303)	365,421	1,188,022	(1,250,633)	302,810

Notes:

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

	2011 \$	2010 \$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	383,468	323,094
Restricted	847,516	1,038,136
	<u>1,230,984</u>	<u>1,361,230</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Leave Reserve	4,512	4,318
Plant Reserve	102,541	98,118
Building Reserve	61,510	58,858
Fire Fighter Reserve	17,303	16,555
Cottage Homes Reserve	4,147	3,969
Special Events Reserve	6,590	6,306
Computer Reserve	20,076	19,208
Young Singles Accommodation Reserve	33,471	37,902
Saleyards Reserve	12,437	11,900
Sewerage Reserve	79,579	76,137
Refuse Reserve	31,880	30,500
English Land Reserve	54,326	197,628
Townscape Reserve	1,276	1,222
Staff Housing Reserve	4,453	4,261
Aged Persons Accommodation Reserve	110,605	105,833
Unspent Grants	302,810	365,421
Unspent Loans	0	0
	<u>847,516</u>	<u>1,038,136</u>
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	31,574	15,471
Sundry Debtors	18,305	67,455
GST Receivable	10,811	111,739
Tax Credit Receivable	1,894	1,277
	<u>62,584</u>	<u>195,942</u>
5. INVENTORIES		
Current		
Fuel and Materials	9,828	11,828
	<u>9,828</u>	<u>11,828</u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

	2011 \$	2010 \$
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings - Cost	6,607,813	6,576,829
Less Accumulated Depreciation	<u>(1,284,349)</u>	<u>(1,178,402)</u>
	5,323,464	5,398,427
 Furniture and Equipment - Cost	 404,853	 367,151
Less Accumulated Depreciation	<u>(288,966)</u>	<u>(265,341)</u>
	115,887	101,810
 Plant and Equipment - Cost	 3,220,260	 3,181,093
Less Accumulated Depreciation	<u>(1,664,216)</u>	<u>(1,609,539)</u>
	1,556,044	1,571,554
 WIP Buildings	 0	 0
WIP Land	<u>0</u>	<u>59,065</u>
	0	59,065
	<u><u>6,995,395</u></u>	<u><u>7,130,856</u></u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

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

	Land & Buildings \$	Furniture & Equipment \$	Plant & Equipment \$	WIP Land \$	Total \$
Balance as at the beginning of the year	5,398,427	101,810	1,571,554	59,065	7,130,856
Additions	148,477	37,702	447,874	116,873	750,926
(Disposals)	(277,542)	0	(242,371)	0	(519,913)
Revaluation - Increments	0	0	0	0	0
- (Decrements)	0	0	0	0	0
Impairment - (losses)	0	0	0	0	0
- reversals	0	0	0	0	0
Depreciation (Expense)	(121,836)	(23,625)	(221,013)	0	(366,474)
Transfer to Fixed Asset	175,938			(175,938)	0
Carrying amount at the end of year	<u>5,323,464</u>	<u>115,887</u>	<u>1,556,044</u>	<u>0</u>	<u>6,995,395</u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

	2011 \$	2010 \$
7. INFRASTRUCTURE		
Roads - management valuation 2003	30,402,330	30,402,330
Roads - Cost since 2003	4,423,008	3,132,355
Roads - Cost	1,022,136	1,290,653
Less Accumulated Depreciation	<u>(13,825,707)</u>	<u>(13,162,199)</u>
	22,021,767	21,663,139
 Main Street Development	 611,761	 611,761
Less Accumulated Depreciation	<u>(97,881)</u>	<u>(85,646)</u>
	513,880	526,115
 Footpaths - management valuation 2004		
Footpaths - Cost	441,409	401,901
Less Accumulated Depreciation	<u>(71,142)</u>	<u>(63,188)</u>
	370,267	338,713
 Drainage - management valuation 2004	 739,204	 739,204
Drainage - Cost	28,170	28,170
Less Accumulated Depreciation	<u>(367,752)</u>	<u>(352,405)</u>
	399,622	414,969
 Parks & Ovals - Cost	 185,360	 185,360
Less Accumulated Depreciation	<u>(17,283)</u>	<u>(13,723)</u>
	168,077	171,637
	<u>23,473,613</u>	<u>23,114,573</u>

Council have adopted a policy of re-valuing roads annually to ensure the carrying amount of each road asset is fairly stated at reporting date.

This policy accords with the requirements of AASB 116.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

7. INFRASTRUCTURE (Continued)

Movements in Carrying Amounts

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

	Roads \$	Main Street Development \$	Footpaths \$	Drainage \$	Parks and Ovals \$	Total \$
Balance at the beginning of the year	21,663,139	526,115	338,713	414,969	171,637	23,114,573
Additions	1,022,136	0	39,508	0	0	1,061,644
(Disposals)	0	0	0	0	0	0
Revaluation - Increments	0	0	0	0	0	0
- (Decrements)	0	0	0	0	0	0
Impairment - (losses)	0	0	0	0	0	0
- reversals	0	0	0	0	0	0
Depreciation (Expense)	(663,508)	(12,235)	(7,954)	(15,347)	(3,560)	(702,604)
Carrying amount at the end of year	<u>22,021,767</u>	<u>513,880</u>	<u>370,267</u>	<u>399,622</u>	<u>168,077</u>	<u>23,473,613</u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

2011
\$

2010
\$

8. TRADE AND OTHER PAYABLES

Current

Sundry Creditors	37,864	277,677
Accrued Interest on Debentures	2,509	3,107
PAYG Payable	21,959	30,941
GST Payable	5,781	25,621
FBT Payable	1,277	1,289
	<u>69,390</u>	<u>338,635</u>

9. LONG-TERM BORROWINGS

Current

Secured by Floating Charge Debentures	112,604	106,163
	<u>112,604</u>	<u>106,163</u>

Non-Current

Secured by Floating Charge Debentures	433,625	546,229
	<u>433,625</u>	<u>546,229</u>

Additional detail on borrowings is provided in Note 21.

10. PROVISIONS

Current

Provision for Annual Leave	83,194	83,584
Provision for Long Service Leave	34,064	40,186
	<u>117,258</u>	<u>123,770</u>

Non-Current

Provision for Long Service Leave	71,646	46,925
	<u>71,646</u>	<u>46,925</u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

	2011 \$	2011 Budget \$	2010 \$
11. RESERVES - CASH BACKED			
(a) Leave Reserve			
Opening Balance	4,318	4,318	4,067
Amount Set Aside / Transfer to Reserve	194	20,000	251
Amount Used / Transfer from Reserve	0	0	0
	<u>4,512</u>	<u>24,318</u>	<u>4,318</u>
(b) Plant Reserve			
Opening Balance	98,118	98,118	91,422
Amount Set Aside / Transfer to Reserve	4,423	0	6,696
Amount Used / Transfer from Reserve	0	0	0
	<u>102,541</u>	<u>98,118</u>	<u>98,118</u>
(c) Building Reserve			
Opening Balance	58,858	58,858	55,409
Amount Set Aside / Transfer to Reserve	2,652	0	3,449
Amount Used / Transfer from Reserve	0	0	0
	<u>61,510</u>	<u>58,858</u>	<u>58,858</u>
(d) Fire Fighter Reserve			
Opening Balance	16,555	16,555	15,595
Amount Set Aside / Transfer to Reserve	748	0	960
Amount Used / Transfer from Reserve	0	0	0
	<u>17,303</u>	<u>16,555</u>	<u>16,555</u>
(e) Cottage Homes Reserve			
Opening Balance	3,969	3,969	3,735
Amount Set Aside / Transfer to Reserve	178	0	234
Amount Used / Transfer from Reserve	0	0	0
	<u>4,147</u>	<u>3,969</u>	<u>3,969</u>
(f) Special Events Reserve			
Opening Balance	6,306	6,306	5,936
Amount Set Aside / Transfer to Reserve	284	0	370
Amount Used / Transfer from Reserve	0	0	0
	<u>6,590</u>	<u>6,306</u>	<u>6,306</u>
(g) Computer Reserve			
Opening Balance	19,208	19,208	18,081
Amount Set Aside / Transfer to Reserve	868	0	1,127
Amount Used / Transfer from Reserve	0	(15,000)	0
	<u>20,076</u>	<u>4,208</u>	<u>19,208</u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

	2011 \$	2011 Budget \$	2010 \$
11 Cash Backed Reserves			
(h) Young Singles Accommodation Reserve			
Opening Balance	37,902	37,902	27,393
Amount Set Aside / Transfer to Reserve	1,621	0	10,509
Amount Used / Transfer from Reserve	(6,052)	0	0
	<u>33,471</u>	<u>37,902</u>	<u>37,902</u>
(l) Saleyards Reserve			
Opening Balance	11,900	11,900	0
Amount Set Aside / Transfer to Reserve	537	0	11,900
Amount Used / Transfer from Reserve	0	0	0
	<u>12,437</u>	<u>11,900</u>	<u>11,900</u>
(j) Sewerage Reserve			
Opening Balance	76,137	76,137	56,355
Amount Set Aside / Transfer to Reserve	3,442	0	19,782
Amount Used / Transfer from Reserve	0	0	0
	<u>79,579</u>	<u>76,137</u>	<u>76,137</u>
(k) Refuse Site Reserve			
Opening Balance	30,500	30,500	28,726
Amount Set Aside / Transfer to Reserve	1,380	0	1,774
Amount Used / Transfer from Reserve	0	0	0
	<u>31,880</u>	<u>30,500</u>	<u>30,500</u>
(l) English land development reserve			
Opening Balance	197,628	197,628	186,043
Amount Set Aside / Transfer to Reserve	6,698	0	11,585
Amount Used / Transfer from Reserve	(150,000)	0	0
	<u>54,326</u>	<u>197,628</u>	<u>197,628</u>
(m) Townscape			
Opening Balance	1,222	1,222	1,151
Amount Set Aside / Transfer to Reserve	54	0	71
Amount Used / Transfer from Reserve	0	0	0
	<u>1,276</u>	<u>1,222</u>	<u>1,222</u>
(n) Staff Housing Reserve			
Opening Balance	4,262	4,261	2,795
Amount Set Aside / Transfer to Reserve	191	0	1,466
Amount Used / Transfer from Reserve	0	0	0
	<u>4,453</u>	<u>4,261</u>	<u>4,261</u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

	2011 \$	2011 Budget \$	2010 \$
11 Cash Backed Reserves			
(o) Aged Persons Accom Reserve			
Opening Balance	105,833	105,833	99,638
Amount Set Aside / Transfer to Reserve	4,772	0	6,195
Amount Used / Transfer from Reserve	0	0	0
	<u>110,605</u>	<u>105,833</u>	<u>105,833</u>
 TOTAL CASH BACKED RESERVES	 <u>544,706</u>	 <u>677,715</u>	 <u>672,715</u>

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

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

Leave Reserve

- to be used to fund annual and long service leave requirements

Plant Reserve

- to be used for the purchase of road plant, machinery and equipment

Building Reserve

- to be used for the construction of new buildings, predominantly staff housing

Fire Fighter Reserve

- to be used to fund the provision of bushfire equipment for brigades

Cottage Homes Reserve

- to be used for the future maintenance and construction of new Cottage Home Units

Special Events Reserve

- to be used to fund special events and celebrations

Computer Reserve

- purchase, upgrade or replacement of hardware as necessary

Young Singles Accommodation Reserve

- additional income over expenditure held for future repairs or improvements

Saleyards Reserve

- additional income over expenditure held for future repairs or improvements

Sewerage Reserve

- additional income over expenditure held for future repairs or improvements

Refuse Site Reserve

- additional income over expenditure held for the future creation or maintenance of the refuse site.

English Land Reserve

- income received from the sale of the English House held for future development of the English land.

Townscape Reserve

- to be used to fund townscape improvements

Staff Housing Reserve

- to be used to fund the construction or upgrade of new housing for staff.

Seasonal Accommodation Reserve

- to be used to fund the construction of seasonal accommodation.

Aged Persons Accom Reserve

- to be used to fund the construction or upgrade of aged person accommodation

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

12. RESERVES - ASSET REVALUATION

2011

2010

\$

\$

Asset revaluation reserves have arisen on revaluation
of the following classes of non-current assets:

Roads

Opening Balance

13,693,777

13,693,777

Revaluation Increment

0

0

Revaluation Decrement

0

0

TOTAL ASSET REVALUATION RESERVES

13,693,777

13,693,777

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

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:

	2011 \$	2011 Budget \$	2010 \$
Cash and Cash Equivalents	<u>1,230,984</u>	<u>678,415</u>	<u>1,361,230</u>

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

Net Result	315,174	170,524	923,969
Depreciation	1,069,078	899,578	1,033,694
(Profit)/Loss on Sale of Asset	288,695	21,180	(140,704)
(Increase)/Decrease in Receivables	33,048	(14,058)	(73,955)
(Increase)/Decrease in Inventories	2,000	(3,172)	8,239
Increase/(Decrease) in Payables	(168,937)	(349,225)	54,468
Increase/(Decrease) in Employee Provisions	18,209	0	24,923
Grants/Contributions for the Development of Assets	<u>(870,187)</u>	<u>(444,253)</u>	<u>(1,017,705)</u>
Net Cash from Operating Activities	<u>687,080</u>	<u>280,574</u>	<u>812,929</u>

(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	<u>0</u>	<u>0</u>
Total Amount of Credit Unused	<u>10,000</u>	<u>10,000</u>

Loan Facilities

Loan Facilities - Current	112,604	106,163
Loan Facilities - Non-Current	<u>433,625</u>	<u>546,229</u>
Total Facilities in Use at Balance Date	<u>546,229</u>	<u>652,392</u>

Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>
---	----------	----------

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011**

14. CONTINGENT LIABILITIES

The Shire of Wickepin does not have any contingent liabilities at 30 June 2011.

15. CAPITAL AND LEASING COMMITMENTS

(a) Finance Lease Commitments

The Shire of Wickepin did not have any finance leasing commitments at 30 June 2011.

(b) Operating Lease Commitments

The Shire of Wickepin did not have any operating lease commitments at 30 June 2011.

(c) Capital Expenditure Commitments

The Shire of Wickepin did not have any capital expenditure commitments at 30 June 2011.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

16. JOINT VENTURE

The Shire of Wickepin, together with the Shires of Lake Grace, Dumbleyung, Kondinin and Corrigin have a joint venture arrangement with regard to the provision of a Regional Sport and Recreation Co-ordinator. The joint venture does not control any assets. All revenues and expenses relating to the joint venture have been incorporated in the consolidated accounts.

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

Governance	160,564	146,875
General Purpose Funding	26,176	290,421
Law, Order, Public Safety	55,180	60,101
Health	399,622	414,969
Education and Welfare	0	0
Housing	1,386,499	1,746,462
Community Amenities	455,128	482,167
Recreation and Culture	3,134,809	3,146,450
Transport	24,450,334	24,163,159
Economic Services	589,806	544,970
Other Property and Services	137,231	133,898
Unallocated	977,055	684,957
	<u>31,772,404</u>	<u>31,814,429</u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

	2011	2010	2009
18. FINANCIAL RATIOS			
Current Ratio	1.55	1.19	1.03
Untied Cash to Unpaid Trade Creditors Ratio	5.73	0.96	1.05
Debt Ratio	0.03	0.04	0.03
Debt Service Ratio	0.05	0.04	0.04
Gross Debt to Revenue Ratio	0.14	0.24	0.21
Gross Debt to			
Economically Realisable Assets Ratio	0.07	0.12	0.10
Rate Coverage Ratio	0.29	0.34	0.35
Outstanding Rates Ratio	0.03	0.01	0.01

The large movement in the Untied Cash to Unpaid Trade Creditors ratio is due to the reduction in unspent grant funding at 30 June 2011 compared to 2010 and a substantial decrease in trade creditors at 30 June 2011. There were a number of 'one off' creditors for capital items at the 30 June 2010, which was not the case at 30 June 2011.

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Untied Cash to Unpaid Trade Creditors Ratio	$\frac{\text{untied cash}}{\text{unpaid trade creditors}}$
Debt Ratio	$\frac{\text{total liabilities}}{\text{total assets}}$
Debt Service Ratio	$\frac{\text{debt service cost}}{\text{available operating revenue}}$
Gross Debt to Revenue Ratio	$\frac{\text{gross debt}}{\text{total revenue}}$
Gross Debt to	
Economically Realisable Assets Ratio	$\frac{\text{gross debt}}{\text{economically realisable assets}}$
Rate Coverage Ratio	$\frac{\text{net rate revenue}}{\text{operating revenue}}$
Outstanding Rates Ratio	$\frac{\text{rates outstanding}}{\text{rates collectable}}$

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

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 01-Jul-10 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-11 \$
Housing Bonds	3,944	2,902	(3,158)	3,688
Special Plates	0			0
BCITF	283	727	(1,010)	0
Key Deposits	1,450	800	(700)	1,550
Tidy Towns	392			392
Miscellaneous Trust	1,097	14,654	(11,051)	4,700
Nomination Deposits	0			0
Cat/Dog Trap Hire	0	200	(150)	50
	<u>7,166</u>			<u>10,380</u>

20. DISPOSALS OF ASSETS - 2010/11 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Buildings						
Goode House	165,342	0	0	0	(165,342)	0
Williamson House	112,201	0	0	0	(112,201)	0
Plant & Equipment						
Kia Carnival	34,254	0	26,487	0	(7,767)	0
Holden Caprice	42,105	0	42,545	0	440	0
Nissan Navara	33,613	34,115	26,364	23,000	(7,249)	(11,115)
Cherry Picker	0	0	910	0	910	0
Mitsubishi Ute	9,563	3,388	12,914	17,000	3,351	13,612
Fuso Truck	116,443	126,351	100,000	90,000	(16,443)	(36,351)
Cat Skid Loader	6,394	8,326	22,000	21,000	15,606	12,674
	<u>519,915</u>	<u>172,180</u>	<u>231,220</u>	<u>151,000</u>	<u>(288,695)</u>	<u>(21,180)</u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 01-Jul-10 \$	New Loans \$	Principal Repayments		Principal 30-Jun-11		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Housing								
90 - Residence Moss Parade	82,611		14,212	14212	68,399	68,399	5,610	5,858
97 - Wogolin Road Cottage	11,312		2,046	2030	9,266	9,282	623	623
100 - CEO Residence	192,390		14,582	14469	177,808	177,921	10,976	11,012
Community Amenities								
87 - Purchase English Land	99,811		26,614	26614	73,197	73,197	5,064	5,120
98 - English Land Subdivision	113,120		20,456	20304	92,664	92,816	6,071	6,227
Recreation and Culture								
99 - Wickepin Community Centre Ext	116,887		16,857	15,747	100,030	101,140	6,803	7,041
Transport								
94 - Upgrade Wogolin Road	36,261		11,396	11,396	24,865	24,865	1,788	1,960
	652,392	0	106,163	104,772	546,229	547,620	36,935	37,841

All loan repayments were financed by general purpose revenue.

(b) New Debentures - 2010/11

The Shire of Wickepin did not raise any new debentures for the year ended 30 June 2011.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

21. INFORMATION ON BORROWINGS (Continued)

(c) Unspent Debentures

There are no unspent debentures at 30 June 2011.

(d) Overdraft

The Shire of Wickepin does not have a bank overdraft facility at 30 June 2011.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

22. RATING INFORMATION - 2010/11 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential General Rate											
GRV Rural	5.6223	173	1,356,744	76,270	0	0	76,270	76,270	0	0	76,270
UV Rural	0.8451	266	123,886,104	1,046,959	4,089	(62)	1,050,986	1,046,959	500	(500)	1,046,959
Sub-Totals		439	125,242,848	1,123,229	4,089	(62)	1,127,256	1,123,229	500	(500)	1,123,229
Minimum Rates	Minimum \$										
GRV Rural	300	83	188,510	24,900	0	0	24,900	24,900	0	0	24,900
UV Rural	300	14	145,179	4,200	0	0	4,200	4,200	0	0	4,200
Sub-Totals		97	333,689	29,100	0	0	29,100	29,100	0	0	29,100
Ex-Gratia Rates							1,156,356				1,152,329
Specified Area Rate (refer note 23)							4,929				4,700
							32,046				28,000
Discounts (refer note 25)							1,193,331				1,185,029
Totals							(104,503)				(95,000)
							1,088,828				1,090,029

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

23. SPECIFIED AREA RATE - 2010/11 FINANCIAL YEAR

	Rate in \$	Basis of Rate	Rateable Value \$	Rate Revenue \$	Budget Rate Revenue \$	Applied to Costs \$	Budget Applied to Costs \$
Community Amenities							
- Rate	0.0303	GRV	1,545,081	32,046	28,000	32,046	28,000
				32,046	28,000	32,046	28,000

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 - 2010/11 FINANCIAL YEAR

The Shire of Wickepin did not impose any service charges in the 2010/2011 year.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2010/11 FINANCIAL YEAR

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Discount	10.00%	104,503	95,000
			104,503	95,000

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 - 2010/11 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		4,782	3,000
Interest on Instalments Plan	5.50%			
			4,782	3,000

Ratepayers had the option of paying rates in four equal instalments, due on 3rd September 2010, 3rd November 2010, 7th January 2011 and 7th March 2011. Interest applied for the final three instalments.

27. FEES & CHARGES

	2011 \$	2010 \$
Governance	48,546	26,789
General Purpose Funding	6,113	5,463
Law, Order, Public Safety	30,784	23,904
Health	440	636
Education and Welfare	0	0
Housing	75,307	72,090
Community Amenities	55,579	60,409
Recreation and Culture	58,681	15,137
Transport	18,194	18,330
Economic Services	35,019	84,484
Other Property and Services	189,253	309,064
	<u>517,916</u>	<u>616,306</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 2011

28. GRANT REVENUE

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

	2011	2010
	\$	\$
By Nature and Type:		
Operating Grants, Subsidies and Contributions	1,262,592	1,222,209
Non-Operating Grants, Subsidies and Contributions	870,187	1,017,705
	<u>2,132,779</u>	<u>2,239,914</u>
By Program:		
Governance	0	0
General Purpose Funding	1,148,523	1,075,705
Law, Order, Public Safety	24,910	61,650
Health	0	0
Education and Welfare	0	0
Housing	0	0
Community Amenities	0	0
Recreation and Culture	426,869	6,522
Transport	517,452	1,060,094
Economic Services	15,025	35,943
Other Property and Services	0	0
	<u>2,132,779</u>	<u>2,239,914</u>

29. ELECTED MEMBERS REMUNERATION

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

	2011	2011	2010
	\$	Budget	\$
		\$	
Meeting Fees	7,710	7,500	8,450
President's Allowance	1,500	1,500	3,000
Deputy President's Allowance	0	0	0
Travelling Expenses	3,475	4,500	3,605
Telecommunications Allowance	3,679	3,100	3,547
	<u>16,364</u>	<u>16,600</u>	<u>18,602</u>

30. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

	2011	2010
	<u>18</u>	<u>19</u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

31. MAJOR LAND TRANSACTIONS

Land Adjacent to the Wickepin Townsite (purchased in 1998/99)

(a) Details

Council purchased a portion of Williams location 1626 being lot 1 on diagram 50740, 2.0589 hectares and portion of lot 2 on diagram 57530, 99.5969 hectares. It is intended to subdivide the land for future sale to interested parties, for a range of uses, as an encouragement to retain and attract population to the town.

The cost of acquisition in 1998/99, which includes a residence was \$306,188. A loan of \$321,500 was raised for the acquisition and a town planning scheme amendment has been prepared for the land.

A further loan of \$200,000 was raised to undertake further works relating to the subdivision with Council contributing a further \$97,390 from the reserve fund.

	2011 \$	2011 Budget \$	2010 \$
(b) Current year transactions			
Operating Revenue			
- Profit on sale	0	0	0
Capital Revenue			
- Sale Proceeds	0	0	0
Capital Expenditure			
- Purchase of Land	0	0	0
- Development Costs	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>

The above capital expenditure is included in land held for resale (refer to this financial report).

There are no liabilities in relation to this land transaction as at 30 June 2011.

(c) Expected Future Cash Flows

	2012 \$	2013 \$	2014 \$	2015 \$	2016 \$	Total \$
Cash Outflows						
- Development Costs	0	0	0	0	0	0
- Loan Repayments	(58,263)	(58,263)	(42,397)	(26,531)	0	(185,454)
	<u>(58,263)</u>	<u>(58,263)</u>	<u>(42,397)</u>	<u>(26,531)</u>	<u>0</u>	<u>(185,454)</u>
Cash Inflows						
- Loan Proceeds	0	0	0	0	0	0
- Sale Proceeds	0	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Cash Flows	<u>(58,263)</u>	<u>(58,263)</u>	<u>(42,397)</u>	<u>(26,531)</u>	<u>0</u>	<u>(185,454)</u>

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2010/11 financial year.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

33. FINANCIAL RISK MANAGEMENT

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

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

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

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2011	2010	2011	2010
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	1,230,984	1,361,230	1,230,984	1,361,230
Receivables	62,584	195,942	62,584	195,942
	<u>1,293,568</u>	<u>1,557,172</u>	<u>1,293,568</u>	<u>1,557,172</u>
Financial Liabilities				
Payables	69,390	338,635	69,390	338,635
Borrowings	546,229	652,392	546,229	652,392
	<u>615,619</u>	<u>991,027</u>	<u>615,619</u>	<u>991,027</u>

Fair value is determined as follows:

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

33. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

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

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

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. Council also seeks advice from independent advisers (where applicable) before placing any cash and investments.

	2011	2010
	\$	\$
Impact of a 10% (*) movement in interest rates on cash and investments:		
- Equity	123,098	136,123
- Statement of Comprehensive Income	123,098	136,123

Notes:

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

Recent market volatility has seen large market movements for certain types of investments.

Impact of a 1% (*) movement in interest rates on cash and investments:

- Equity	12,310	13,612
- Statement of Comprehensive Income	12,310	13,612

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

33. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

	2011	2010
Percentage of Rates and Annual Charges		
- Current	61.60%	53.97%
- Overdue	38.40%	46.03%
Percentage of Other Receivables		
- Current	32.10%	73.28%
- Overdue	67.90%	26.72%

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

Borrowings

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

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

2011

Payables					
Borrowings					
	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
	69,390	0	0	69,390	69,390
	0	421,886	229,381	651,267	546,228
	<u>69,390</u>	<u>421,886</u>	<u>229,381</u>	<u>720,657</u>	<u>615,618</u>

2010

Payables					
Borrowings					
	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
	335,528	0	0	335,528	335,528
	0	395,734	396,113	791,847	652,392
	<u>335,528</u>	<u>395,734</u>	<u>396,113</u>	<u>1,127,375</u>	<u>987,920</u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
Borrowings (Continued)

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

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

The following tables set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:								
	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate %
	\$	\$	\$	\$	\$	\$	\$	
Year Ended 30 June 2011								
Payables								
Borrowings								
Fixed Rate								
Debentures	0	24,865	73,197	170,328	100,030	177,808	546,228	6.01%
Weighted Average Effective Interest Rate	0.00%	5.86%	5.49%	6.33%	6.13%	5.87%		
Year Ended 30 June 2010								
Payables								
Borrowings								
Fixed Rate								
Debentures	0	0	0	36,261	99,811	516,320	652,392	6.00%
Weighted Average Effective Interest Rate	0.00%	0.00%	0.00%	5.86%	5.49%	6.11%		