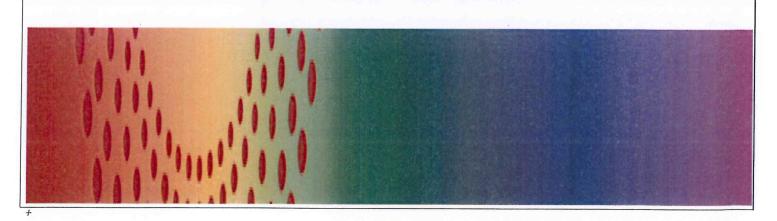


Annual Beport 2011/2012



SHIRE OF WILUNA

Annual Report for the period of 1 July 2011 to 30 July 2012 October 2012

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Our Vision

A proud, green, go-ahead and healthy Wiluna

Our Mission

Working together to enhance our future through good governance

TABLE OF CONTENTS

Presidents Report	4
Acting Chief Executive's Report	6
Executive Services	8
Administration/Finance Services	9
Statutory Reports	10
Financial Reports	14

SHIRE PRESIDENT'S REPORT



The past financial year 2011/12 has been one of many changes within the Shire of Wiluna. I was elected as President and Cr Jim Quadrio Deputy President in November 2011 following the biannual elections which resulted in several new Councillors being elected. I would like to take the opportunity to welcome two new Councillors Bernie Weller and Kim Ovens. I am sure they will find their time on the Council rewarding. In March the Council appointed Tony Doust to the position of Acting Chief Executive Officer for a period up to (1) year. Mr Doust agreed to

fill this position on this basis allowing Council plenty of time to advertise and fill the position in accordance with the statutory requirements now applicable to the appointment of Chief Executive Officers.

A number of Councillors attended local government week in Perth earlier in the year and at the same time took the opportunity to participate in training conducted specially for elected members of Local Government. I found this rewarding and I know the others that also attended gained knowledge of Local Government operations from the opportunity.

The Council has made some headway with the continuing effort to have the Meekatharra road (Goldfields Highway) sealed, with the announcement early this year about the allocation of funds through the Midwest Development Commission and Main Roads to jointly fund several additional bitumen passing sections.

The Council has also been involved with partnering with other Shires in the Goldfields Esperance and Murchison region to develop opportunities for the benefit all of the Shires. Wiluna has given their support towards the repairs to the Vermin Fence in the Murchison area and also partnered the Shire of Meekatharra with the development of the road between Meekatharra - Gascoyne – Carnarvon. Whilst the fence has no direct benefit to Wiluna this was seen by the other participating Shires as a very worthy gesture on our part. Wiluna will have an opportunity in the future to have a project that the other Shires will support similarly. The Shire of Wiluna is very involved with the Goldfields Voluntary Region Council and is looking at opportunities to see how we might be able to undertake operational activities on a collective basis.

There are several wider community issues that the Council has had some involvement, including assisting Ngangganawili Aboriginal Health Service obtain adequate funding to complete the new Medical Centre. The building commenced in June 2011and whilst the major building work has been completed there are a number of essential items that need to be completed, including, equipment, furnishings, additional outbuildings and landscaping, to ensure this much needed improved facility is available to the community and the quality is not compromised. Recent uncalled for comments from the State Minister for Health about the integrity of the NAHS are of concern and not helping to bring this matter to a satisfactory conclusion.

On behalf of the Council the Acting Chief Executive Officer and I have been working on the alternatives for improved RPT (Flights) for Wiluna. This is not a simple issue given the requirements of the Civil

Aviation Safety Authority and State Department of Transport, together with the use of Charter Services by Mining Companies at the Wiluna Aerodrome. This is an on going issue and it is our intention to work with the Mining companies and the Department of Transport with the view to improving this service. I would like to take the opportunity to thank the Acting Chief Executive Officer and Staff for their dedication and hard work to bring about the aspirations of the Community through your Councils decisions. I also want to thank the Councillors for their support and contribution and the time they put into serving the Community of Wiluna.

In concluding I would like to thank the community of Wiluna for the support you have given Council in its endeavours to improve the services and facilities for all of us, both indigenous and non-indigenous. I am sure that if we all work together with will make Wiluna a strong and healthy community and one we can all be proud of.

Graham Harris

Shire President

CHIEF EXECUTIVE OFFICER'S REPORT



The year 2011/12 has been one that has included a number of changes in the Executive Management of the Shire of Wiluna. In early August 2011 the Chief Executive Officer Samantha Tarling went on Long Service Leave and Tony Doust was appointed as Acting Chief Executive Officer until mid October 2012. In March 2012 Ms Tarling and the Council reached an agreement and Tony Doust was again appointed as Acting Chief Executive Officer for a period of twelve months. The position of Chief Executive Officer has recently been advertised and an appointment is expected shortly. The position of Shire President also changed following the October

2011 biannual local government elections. Cr Graham Harris was elected as President taking over from Cr John Kyanga after (4) years in this position. Cr Jim Quadrio was elected as Deputy President.

When reviewing the year's activities it is evident from the outcomes that changes in a number of senior staff positions, some of these positions were vacant for long periods, impacted significantly on the result when comparing the achievements to budget and strategic plan objectives. The carrying forward of a large surplus on 1st July 2012 was mainly due to the projects in the budget not being completed and in some instances not commenced. The position with senior staff and appointments has now stabilised and operation of the Shire is functioning as it should. Most of the uncompleted or projects not commenced have been reprogrammed for the year 2012/13.

The highest priority after staff appointments has been to progress the requirements for the Integrated Planning introduced by the State Government, requiring all local Governments in Western Australia to have this in place on 1st July 2013. This requirement includes the following:

- Strategic Community Plan for a minimum of 10 years
- Corporate Business Plan
- Asset Management Plan
- (4) year Long Term Financial Plan

Workforce Plan

The Shire of Wiluna previously to the above requirement had developed and adopted a Strategic Plan for the period 2009-2014. This plan was compiled after significant community consultation and as the new plan was required for a longer period Council considered that only a review was necessary. It was obvious from an assessment of the achievements to date from the objectives in the Strategic Plan that the time frame for a number of the projects needed to be extended. Council conducted a review, including public consultation, with a revised plan for the period 2012-23 being adopted at the Council meeting on the 27th June 2012.

The Shire of Wiluna joined together with nine other Local Governments in the Goldfields Esperance Region and formed the "Goldfields Esperance Regional Collaborative Group". This organisation was then successful in obtaining funding from the Department of Local Government to assist with the cost of

development the Integrated Planning requirements for each Local Government as well as a concept to progress the prospect of combining as a group to provided services etc. on a collective basis. Significant progress has been made with the development of the Integrated Planning requirements and it is proposed that these will be completed well before the 1st July 2013. One of the outcomes that will arise from this process will be the ability for the Council and others to assess the long term viability of the Shire and a much clearer position on the status and maintenance of assets. Existing and future activities may need to be reviewed to ensure the Shire is viable and operating within the level of resources available.

The major projects completed during the year included further re gravelling and preservation works on a section of the Wongawol and Sandstone Wiluna roads and progress with the new Shire staff housing units.

Further progress has been made with the provision of a Local Planning Strategy and Town Planning Scheme No 2. It is envisaged that these will be completed either towards the end of 2012/13 or early in the year 2013/14.

During the time I have been Acting Chief Executive Officer, I have been concerned about the adequacy of the Accounting System to cope with the increasing accountability for financial management and also the effectiveness for easy understanding and operation by staff. The Shire did make a decision about three years ago to change; however this did not turn out to be effective. Council accepted my recommendation in April 2012 to change to a programme known as "Synergy". This has now progressed and it is anticipated that the implementation will be completed and operating effectively by the 30th June 2013.

I would like to take the opportunity to thank all the staff for their support and cooperation during the time I have been in Wiluna. The Shire has a very good staff and is now functioning very well as a Team. There are a number of new faces within the Shire Workforce and these people along with the existing staff are making significant contributions towards the betterment of Wiluna.

Finally I would like to thank the President and Councillors for the support they have provided to me during the time I have been Acting Chief Executive Officer and for the contribution they all make to improve the facilities and services provide by the Shire for the Wiluna Community.

Tony Doust

Acting Chief Executive Officer

EXECUTIVE SERVICES

The Shire Executive Services is responsible for managing the following key areas:

- Elected Members
- Emergency Services
- Strategic Planning
- Human Services
- Environment Health
- Governance
- Major Projects
- Continuous development and improvement

The Local Government Reform Program has been legislated and come into effect on 1 July 2013. The Program focuses on Integrated Planning and Reporting. Its framework consists of Strategic Community Plan, Corporate Business Plan, Annual Budget, and other strategies such as long term financial plan, work force plan, asset management and community services and specific strategies.

On 27 June 2012, the Council approved the amended Strategic Community Plan 2012-2013 in accordance with Local Government Act. This plan includes the capacity of the Shire's current and future resources, the strategic performance indicators and its measurements and the demographic trends.

Other plans such as Long term financial planning and asset management plans are on progress. It is anticipated that all plans be completed within stipulated time.

Elected Members

The Shire of Wiluna is comprised of 7 elected members. Each member has a term of 3 years. Of these elected members, three is going to expire on 2013, three on 2015, and one position is vacant. The council approved not to hold a special election to replace the vacancy but wait for next election on October 2013.

Elected members until 2013:

Cr. Graham Harris

Cr. Jim Quadrio

Cr. Chris Webb

Elected members until 2015:

Cr Stacey Petterson

Cr Bernie Weller

Cr Kim Ovens

Vacant position

The Council meets in the afternoon of the fourth Wednesday of the each month and is open to the general public. Special council meetings are advertised in advance. Agendas and Minutes of the Council meeting are made available to the members of public at the Shire's Administration office.

Delegations

An extensive review of the delegations has been undertaken based on "Local Government Operational Guidelines Delegations". The council adopted the completed manual of delegations on 27 June 2012 Council meeting. The delegation is vital and is required in order to ensure an effective and efficient management of the Shire.

ADMINISTRATION/FINANCE SERVICES

The Shire's Administration/Finance is responsible for administering the following areas:

- Financial Management and Reporting
- Information Technology
- Administration and Customer Services
- Library Services
- Records Management

The legislation on Local Government Reform Program brought changes and improvement in the financial management and reporting. It emphasizes on issues in addressing the sustainability of the council.

The council and the staff are progressively working through the new legislative framework to ensure compliance is achieved at a required time.

Information Technology

In the 2011/2012 adopted budget, the Council has allotted fund for the upgrade of the accounting system that would continue to deliver more operational benefits and efficiencies.

The new system, IT Synergy, went live on October 2012 and be completed during the next financial year.

STATUTORY REPORTS

National Competition Policy

In 1995, the Council of Australian Government entered into a number of agreements collectively known as the National Competition Policy. The policy is a whole of Government approach to bring about reform in the public sector to encourage Government to become more competitive. Local Government will mainly be affected where it operates significant business activities (apply to activities that generate a user pays income of over \$200,000 per annum, unless it can be shown it is not in the public interest) which compete with private sector business. Local Government will also be impacted where its local laws unnecessarily affect competition.

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

The Shire of Wiluna has incorporated the principles and assessment of National Competition Policy into its practices and activities, and does not believe to have undertaken activities that have been anticompetitive in nature.

Disability Services Act

Section 5.53 of the Local Government Act 1995 and section 29 of the Disability Services Act 1993 require the Shire to include a report in its Annual Report about the implementation of its Disability Access and Inclusion Plan (DAIP). The Shire of Wiluna submitted its DAIP to the Disability Services Commission in July 2007.

Schedule 3 of the Disability Services Regulations 2004 specifies six desired outcomes of DAIPs.

- 1. People with disabilities have the same opportunities as other people to access the services of, and any events organised by, a public authority.
- 2. People with disabilities have the same opportunities as other people to access the buildings and other facilities of a public authority.
- 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.
- 4. People with disabilities receive the same level and quality of service from the staff of a public authority as other people receive from the staff of the public authority.
- 5. People with disabilities have the same opportunities as other people to make complaints to a public authority.
- 6. People with disabilities have the same opportunities as other people to participate in any public consultation by a public authority.

The Shire of Wiluna remains committed to the above outcomes and therefore welcome feedback from the community regarding access issues. The DAIP 2011/2012 progress report was submitted to the Disability Services Commission this year with the feedback from Commissioner that the information provided has been verified as accurate. The Shire of Wiluna ensures that activities undertaken are conducted in a manner consistent with the provision requirements of the Act. Staff awareness and communication facilities are available when requested.

The Shire of Wiluna's DAIP 2012-2017 has been completed in draft form and has been submitted to the Aboriginal Medical Services (AMS) as a peak body within town of Wiluna to gain feedback, from there the plan will be placed on public display for comment. Following which the revised 2012-2017 DAIP will be referred to the Commission for ratification.

Records Management and State Records Act 2000

In accordance with the provisions of the State Records Act 2000 and the compliance requirements, the Shire of Wiluna reports on:

- 1. The efficiency and effectiveness of the organisation's recordkeeping system.
 - The Shire continued to progress its initiatives in record keeping.
- 2. The nature and extent of the organisation's recordkeeping training program.
 - To ensure that recordkeeping requirements are complied with, the Recordkeeping awareness training for new staff is included as part of the Shire's induction program.
- 3. The efficiency and effectiveness of the recordkeeping training program.
 - The Shire's recordkeeping training program includes Recordkeeping Awareness Training, promulgation of the Records and Information Management Policies and Procedures Manual to all staff.

Plan for the Future

In accordance with section 5.53(2)(e) of the Local Government Act 1995, the Shire of Wiluna is including an overview of the plan for the future of the district in its Annual Report including major initiatives that are proposed to be commenced or to continue in the next financial year.

The following major projects were completed in 2011/2012:

- Capital road works on Wongawol Road and Sandstone/Wiluna Road-\$379,120.
- Completion of new housing units including connection to power and water mains \$210,400

The following major initiatives that are proposed to continue or commence for the year 2012/2013:

 Other infrastructural projects – Swimming Pool Bar B Queue and Shelter, Streetscape program -\$190,000

- Purchase (Changeover) of plant and equipment \$1,158,000
- Extending sewer main to connect to new existing housing units-\$295,000
- Upgrade IT software and hardware \$100,000
- Upgrade & refurbish of Shire Administration Centre \$1,100,000
- Construction of Change rooms, Toilets and Kiosk in the Recreation ground \$700,000
- Construction of Wiluna Heritage/Interpretative Centre- \$2,700,000
- Capital road works on Wongawol Road, Wiluna-North Road, Yeelirie-Sandstone Road,
 Trenton/Jones Street, Scotia Street, Wotton Street, Wiluna Town streets \$2,605,450

The Shire is underway with its Integrated Planning and Reporting Framework as required by the Local Government forth financial year 2013/2014. The framework is consists of two key local government planning processes - Strategic Community Plan and Community Business Plan.

Employee Remuneration Information

Local Government Act 1995, Section 5.53 and Administration Regulations 1996 – Reg. 19B require local governments to disclose in their annual report the number of employees entitled to annual salary of \$100,000 or more, and the number of employees with an annual salary with entitlement that falls within each band of \$10,000 over \$100,000.

For the reporting period, the Shire of Wiluna had one employee with an annual salary exceeding \$100,000 and within the \$160,000 and \$170,000 band.

Freedom of Information Statement

In accordance with section 96 of the Freedom of Information Act 1992, the Shire of Wiluna is required to publish its Freedom of Information (FOI) Statement in its Annual Report.

It is the aim of the Shire of Wiluna to make information available promptly and at the least possible cost, and whenever possible documents will be provided outside the FOI process. If information is not routinely available, the Freedom of Information Act 1992 provides the right to apply for documents held by the Shire of Wiluna and to enable the public to ensure that personal information in documents is accurate, complete, up to date and not misleading. Routine information which does not require an FOI application include documents that are available to the public for purchase or free distribution (e.g. agenda/minutes), documents available for public inspection, State archives to which a person has a right to be given access under Part 6 of the State Records Act 2000, publicly available library material for reference purposes or a document made or acquired by an art gallery, museum or library and preserved for public reference or exhibition purposes.

Freedom of Information Applications

Access applications have to:

- Be in writing and addressed to the Chief Executive Officer of the Shire of Wiluna, PO Box 38, Wiluna WA 6646. No special forms are required.
- Give enough information so that the documents requested can be specifically identified and does not involve unreasonable time and resource to the Shire, otherwise, your application may be refused.
- Give an Australian address to which notices can be sent and if possible, provide your telephone, fax numbers and email address to help hasten the process.
- Be lodged at the Shire of Wiluna with any application fee payable (fees are set by the Freedom of Information Regulations 1993 Schedule 1, and can be advised by the Shire).

Applications will be acknowledged in writing and you will be notified of the decision within 45 days.

No Freedom of Information application has been received by the Shire of Wiluna in the year 2011/12.

Complaints Register

In accordance with section 5.53(2) (hb) no complaints have been registered in the 2011/12 year.

FINANCIAL REPORTS

ANNUAL FINANCIAL REPORT SUMMARY

The Shire of Wiluna has finished the financial year 2011/2012 in a strong financial position.

The Financial Report and Audit Report for the year ending 30 June 2011 follow later in detail.

Balance Sheet Position Comparison

	Balance Sheet po	sition				
(amount in million dollars)						
\$ millions	As at 30/06/2012	As at 30/06/2011	Change			
		2 <	30/06/2112 over			
		s .	30/06/2011			
Cash and Cash equivalents	6.27	4.06	2.21			
Trade & Other receivables	.41	1.19	78			
Inventories	.04	.03	.01			
Property, Plant &	7.09	7.18	09			
Equipment	And the					
Infrastructures	12.85	13.85	-1.00			
Total Assets	26.65	26.31	.34			
Trade & Other Payables	.20	.96	76			
Other Liabilities	.02	.01	.01			
Total Liabilities	.22	.97	75			
Net Assets/Total Equity	26.43	25.34	1.09			

Key Features of the comparative financial position:

- Increases in Cash and Cash equivalents are unspent grants for Roads to Recovery's road project, capital projects that were deferred and carried forward to next financial year 2013, and an advance payment from Grant Commission for 2012/2013 Financial Assistance Grant Scheme.
- Decreases in Trade and Other Receivables are due to an intensive debt collection of rates and sundry accounts, and the writing off of bad debts.

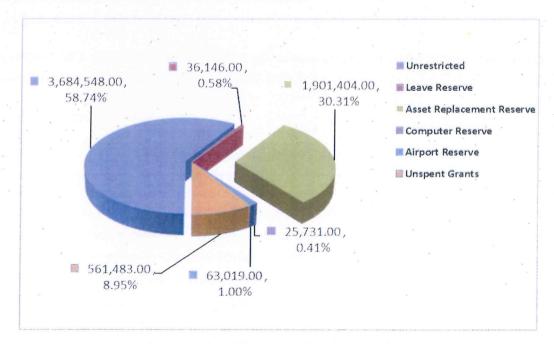
- Decreases in Property, Plant & Equipment and Infrastructures are due to allocation of depreciation and capital projects not completed, either deferred or carried forward to the next financial year 2013.
- Trade & Other Payables are the expenses as at financial year but were paid the next financial year.
- Net assets/Total equity increased by 4.30 percent.

Cash Assets

The year closes with \$6.272 million in cash flow. This amount comprised of cash held in four reserve accounts (32.31 percent) and operating accounts (67.69 percent). The 13.22 percent of the operating fund are unspent grants being carried forward to the next financial year 2012/2013.

The 92.44 percent of the operating fund was put into an investment account as fixed term deposits and call deposits. The municipal investments account were set aside to avail of the higher interest rates and backed up the unspent grants. As a result, the interest earnings increased by 40.02 percent and a favorable variance over the budget of 83.59 percent.

The graph below shows the Cash Assets as 30 June 2012



Reserve Accounts

The Reserve accounts were created for specific purpose to fund future projects. The Shire increases its reserve accounts through interest and operating surplus. It will continue to build up the reserves to address the future needs.

This year the reserve funds increased by 17.23 percent. The increase consists of a transfer of \$200,000 to asset replacement reserve from operating surplus and interest earnings of \$97,882.

Note 11, page 53 of the Annual Financial Report provides information on the movements and the purpose of the Reserve accounts.

Financial Year Income Comparison

Financial Year Income Comparison (amount in million dollars)					
AU\$ millions	FY 2011/2012	FY 2010/2011			
g (4)	0 4 0 4 ° 0				
Total Revenue	\$6.85	\$7.37			
Expenses	5.76	5.98			
Net Result before Non	.56	.23			
Operating income/expenses					
		# · · · · · · · · · · · · · · · · · · ·			
Net Result	\$1.095	\$1.38			

Key Features of the comparative financial result

- Decrease in revenue was drop on the capital grants.
- Expenditures for the year slightly drop by 3.67 percent.
- Net results decreased by 20.65 percent due to a decline in non operating revenue.

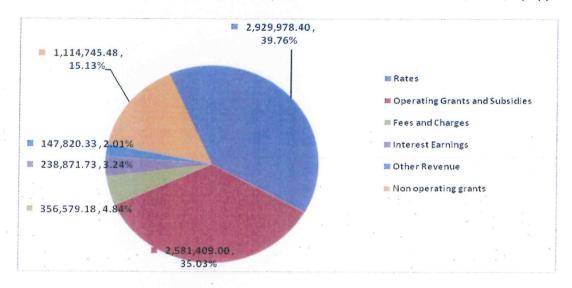
Operating Revenue

The main source of income is from rates and financial assistance grants for general purpose and road maintenance. Other income includes special grants for specific projects, fees and charges, and other unallocated receipts.

The report indicates that over the period the variation between the budgeted outcome and the actual outcome has increased by 19.24 percent, driven by high interest earnings from investment accounts and advance payment of 2012/2013 Financial Assistance Grants Scheme (FAGS).

The rates, and the fees and charges were reviewed to ensure a fair and equitable distribution of rating income over all sectors as well as ensuring that all residents and ratepayers make a reasonable contribution towards the cost of services/facilities provided by the Shire.

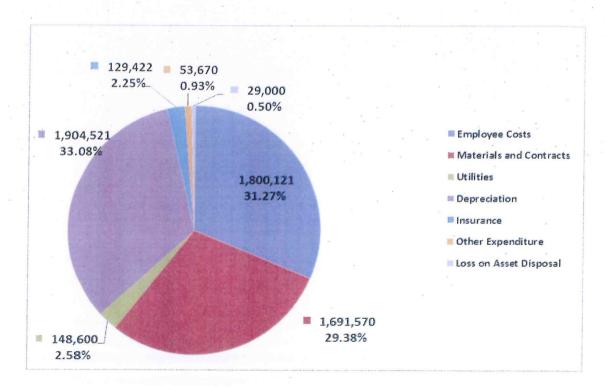
The following graph shows the income received by the Shire of Wiluna for 2011/2012, by type:



Operating Expenditure

The year 2012 ended with operating expenditure of 20.12 percent variance less than the budget as a result of tight cost control and staff turnover.

The following graph shows the expenditure by the Shire of Wiluna for 2011/2012, by type:



Capital Expenditure

Out of the \$2.75 million capital expenditure budget, 30.65 percent were spent; 61.86 percent were carried forward to the next financial year; 6.18 percent were cancelled; and 1.31 percent was cost savings from completed/partially completed projects.

During the year, the Shire invested \$379,120 for the roads rehabilitation, \$17,577 for other infrastructures, \$272,460 for buildings including the completion of four new staff housing units, \$146,079 for plant and vehicles, and \$45,366 for furniture and fixtures.

Loan

Council is able to raise funds for a specific project by way of borrowing. As at 30 June 2012, the Shire has no loan liability. Each project has been funded by grant from various agencies.

Budget Review

Local governments are required to conduct a budget review between six and nine months into a financial year. It establishes whether a government continues meeting its budget commitments. Council adopted the budget review on 24 April 2012. The review was based on eight months period operation from 1 July 2011 to 28 February 2012.

Financial Ratios

The financial ratio analysis is the most important tool of financial management. It simplifies the understanding of financial statements, helps in planning and forecasting, and helps in management decision making.

Financial ratios are shown on page 56 of the notes to the financial report. It shows a remarkable increase of current ratio from last year 2011 mainly because of the advance payment received from Financial Assistance Grants Scheme (FAGS) intended for financial 2012/2013 funding and unspent grants from roads to recovery road projects. Overall, the ratios indicate that the Shire of Wiluna as at 30 June 2012 was in a sound financial position.

Conclusion

The Shire of Wiluna delivered a healthy financial performance for year 2011/2012. It operated according to budget and managed to meet the growing demands and compliance requirements placed upon it.

We would like to thank the staff for their dedication and commitment. We are looking forward to a more progressive year and be of better service to the community.

Glenn Deocampo

Manager, Finance & Administration

SHIRE OF WILUNA

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2012

TABLE OF CONTENTS

Statement by Acting Unier Executive Officer	20
Statement of Comprehensive Income by Nature or Type	21
Statement of Comprehensive Income by Program	22
Statement of Financial Position	23
Statement of Changes in Equity	24
Statement of Cash Flows	25
Rate Setting Statement	26
Notes to and Forming Part of the Financial Report	27
ndependent Audit Report	68

SHIRE OF WILUNA

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2012

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

STATEMENT BY ACTING CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Wiluna being the annual financial report and other information for the financial year ended 30th June 2012 are in my opinion properly drawn up to present fairly the financial position of the Shire of Wiluna at 30th June 2012 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

15th

day of October

2012

Anthony John Raymond Doust Acting Chief Executive Officer

SHIRE OF WILUNA STATEMENT OF COMPREHENSIVE INCOME BY NATURE OR TYPE FOR THE YEAR ENDED 30TH JUNE 2012

	NOTE	2012 \$	2012 Budget	2011 \$
Povenue			\$	
Revenue Rates Operating Grants, Subsidies and	21,	2,987,384	2,985,759	2,929,978
Contributions	28	2,622,988	1,726,714	2,581,409
Fees and Charges	27	291,794	337,426	356,579
Interest Earnings	2(a)	285,436	172,500	238,872
Other Revenue	()	105,131	54,574	110,487
		6,292,733	5,276,973	6,217,325
Expenses				
Employee Costs		(1,800,121)	(2,257,694)	(1,660,050)
Materials and Contracts		(1,691,570)	(2,669,792)	(2,054,802)
Utility Charges		(148,600)	(162,450)	(143,465)
Depreciation on Non-Current Assets	2(a)	(1,904,521)	(1,875,500)	(1,923,932)
Insurance Expenses		(129,422)	(116,951)	(157,811)
Other Expenditure	_	(53,670)	(109,376)	(45,951)
		(5,727,904)	(7,191,763)	(5,986,011)
Single State		564,829	(1,914,790)	231,315
Non-Operating Grants, Subsidies and				
Contributions	28	537,371	530,733	1,114,745
Profit on Asset Disposals	19	21,965	18,500	37,333
Loss on Asset Disposal	19 _	(29,000)	(15,000)	(7,295)
Net Result		1,095,166	(1,380,556)	1,376,098
Other Comprehensive Income				. = .
· ·				
Nil a sa		0	0	0
		0	0	0
Total Other Comprehensive Income	-	0	0	0
Total Comprehensive Income	_	1,095,166	(1,380,556)	1,376,098

SHIRE OF WILUNA STATEMENT OF COMPREHENSIVE INCOME BY PROGRAM FOR THE YEAR ENDED 30TH JUNE 2012

	NOTE	2012	2012 Budget \$	2011 \$
Revenue			Φ	
Governance		1,758	700	13,335
General Purpose Funding		5,696,229	4,554,491	5,026,966
Law, Order, Public Safety		6,437	11,249	7,468
Health		0	200	0
Education and Welfare		14,049	127,122	466,129
Housing		9,423	7,166	46,122
Community Amenities		63,049	39,700	231,849
Recreation and Culture		138,834	198,200	416,306
Transport		184,514	224,570	1,027,116
Economic Services		57,630	39,800	53,658
Other Property and Services		116,744	73,775	80,455
		6,288,667	5,276,973	7,369,404
Expenses			1	
Governance		(1,086,128)	(1,506,346)	(577,431)
General Purpose Funding		(124,792)	(154, 186)	(353,883)
Law, Order, Public Safety		(128, 235)	(147,219)	(109,513)
Health		(80,452)	(87,592)	(102,722)
Education and Welfare		(227,809)	(360,637)	(664,938)
Housing		(9,423)	(7,166)	(46, 122)
Community Amenities		(329,514)	(507,821)	(439,705)
Recreation and Culture		(903, 197)	(1,366,650)	(882,559)
Transport		(2,456,033)	(2,601,616)	(2,498,798)
Economic Services		(261,744)	(389,498)	(169,781)
Other Property and Services	2	(116,510)	(63,032)	(147,855)
		(5,723,838)	(7,191,763)	(5,993,307)
Finance Costs				_
		0	0	0
		. 0	0	0
Non-Operating Grants, Subsidies	2(a)	0	0	0
and Contributions				
Recreation & Culture		6,638	0	0
Transport		530,733	530,733	0
	-	537,371	530,733	0
Profit/(Loss) on Disposal of Assets				
Community Amenities		0	(5,000)	0
Transport			(10,000)	0
Other Property & Services		(7,035)	18,500	0
	-	(7,035)	3,500	0
Net Result		1,095,166	(1,380,557)	1,376,097
Other Comprehensive Income				
Nil		0	0	0
		0	0	0
Total Other Comprehensive Income	-	0	0	
				•
Total Comprehensive Income		1,095,166	(1,380,557)	1,376,097

SHIRE OF WILUNA STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2012

	NOTE	2012 \$	2011 \$
OUDDENT ADDETO			
CURRENT ASSETS		6 272 224	4.064.097
Cash and Cash Equivalents Trade and Other Receivables	3	6,272,331	4,064,987 1,186,029
Inventories	5	406,412 42,269	32,509
TOTAL CURRENT ASSETS	5	6,721,012	5,283,525
TOTAL GORRELAT AGGLTG		0,721,012	0,200,020
NON-CURRENT ASSETS			
Property, Plant and Equipment	6	7,085,998	7,177,034
Infrastructure	7	12,846,808	13,846,362
TOTAL NON-CURRENT ASSETS		19,932,806	21,023,396
TOTAL ASSETS		26,653,818	26,306,921
CURRENT LIABILITIES			
Trade and Other Payables	8	172,748	924,312
Provisions	10	28,178	35,853
TOTAL CURRENT LIABILITIES	10	200,926	960,165
		200,020	550,155
			* * * * * * * * * * * * * * * * * * * *
NON-CURRENT LIABILITIES			
Provisions	10	21,831	10,861
TOTAL NON-CURRENT LIABILITIES		21,831	10,861
TOTAL LIABILITIES		222,757	971,026
NET ASSETS		26,431,061	25,335,895
EQUITY			
Retained Surplus		24,404,761	23,607,477
Reserves - Cash Backed	11	2,026,300	1,728,418
TOTAL EQUITY		26,431,061	25,335,895

Page 24

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE 2012

	NOTE	RETAINED SURPLUS	RESERVES CASH BACKED \$	ASSET REVALUATION RESERVE	TOTAL EQUITY \$
Balance as at 1 July 2010		22,057,925	1,901,873	О 8 8	23,959,798
Net Result		1,376,097	0	0	1,376,097
Total Other Comprehensive Income		0	0	0	0
Reserve Transfers		173,455	(173,455)	0	0
Balance as at 30 June 2011	*	23,607,477	1,728,418	0	25,335,895
Net Result		1,095,166	, 0	0	1,095,166
Total Other Comprehensive Income		0	0	0	0
Reserve Transfers		(297,882)	297,882	0	0
Balance as at 30 June 2012		24,404,761	2,026,300	0	26,431,061

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

SHIRE OF WILUNA STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2012

	NOTE	2012	2012 Budget \$	2011 \$
Cash Flows From Operating Activities	6		*	
Receipts				
Rates		3,348,940	3,107,009	2,559,463
Operating Grants, Subsidies and		8		
Contributions		2,488,034	2,211,714	2,581,409
Fees and Charges		317,053	337,426	355,744
Interest Earnings		285,436	172,500	249,274
Goods and Services Tax		48,692	500,000	440,086
Other Revenue	_	108,642	54,575	90,002
		6,596,797	6,383,224	6,275,978
Payments				
Employee Costs		(1,805,816)	(2,257,694)	(1,662,752)
Materials and Contracts		(2,450,458)	(2,973,566)	(1,344,663)
Utility Charges		(148,600)	(162,450)	(143,465)
Insurance Expenses		(129,422)	(116,951)	(157,811)
Goods and Services Tax		(50,442)	(500,000)	(440,976)
Other Expenditure		(77,110)	(109,377)	(23,675)
		(4,661,848)	(6,120,038)	(3,773,342)
Net Cash Provided By (Used In)	_	(1,111)	(-,,,,	(-,-,-,-,-,-,
Operating Activities	12(b)	1,934,949	263,186	2,502,636
		-		
Cash Flows from Investing Activities				
Payments for Purchase of				
Property, Plant & Equipment		(463,905)	(1,008,500)	(1,070,301)
Payments for Construction of				
Infrastructure		(396,697)	(1,742,595)	(1,978,788)
Non-Operating Grants,		2		
Subsidies and Contributions		1,093,363	530,733	540,602
Proceeds from Sale of Plant & Equipmen	ıt	39,636	61,000	70,338
Net Cash Provided By (Used In)				
Investing Activities		272,395	(2,159,362)	(2,438,149)
				, 8
Net Increase (Decrease) in Cash Held	(8)	2,207,344	(1,896,176)	64,487
Cash at Beginning of Year		4,064,987	4,061,391	4,000,500
Cash and Cash Equivalents		.,,	.,001,001	.,000,000
	12(a) _	6,272,331	2,165,215	4,064,987
		-		The second designation of the second designa

SHIRE OF WILUNA RATE SETTING STATEMENT FOR THE YEAR ENDED 30TH JUNE 2012

		NOTE	2012 Actual \$	2012 Budget \$	2011 Actual \$
	Revenue		2 1 20		
	Governance		1,758	700	13,335
	General Purpose Funding		2,708,845	1,568,735	2,096,989
	Law, Order, Public Safety		6,437	11,249	7,468
	Health		0	200	0
	Education and Welfare		14,049	127,122	466,129
	Housing		9,423	7,166	46,122
	Community Amenities		63,049	39,700	231,849
	Recreation and Culture		145,472	198,200	416,306
	Transport		715,247	755,303	1,027,116
	Economic Services		57,630	39,800	53,658
	Other Property and Services		138,709	92,275	80,455
	Evnonces		3,860,619	2,840,450	4,439,427
	Expenses Governance		(1,086,128)	(1,506,346)	(577,431)
	General Purpose Funding		(1,086,128)	(154,186)	(353,883)
			(128,235)	(147,219)	(109,513)
	Law, Order, Public Safety Health		(80,452)	(87,592)	(102,722)
	Education and Welfare		(227,809)	(360,637)	(664,938)
	Housing		(9,423)	(7,166)	(46,122)
	Community Amenities		(329,514)	(507,821)	(439,705)
	Recreation and Culture		(903,197)	(1,366,651)	(882,559)
			(2,476,078)	(2,616,616)	(2,498,798)
	Transport Economic Services	te.			
			(261,744) (125,465)	(389,499)	(169,781)
	Other Property and Services			(63,032) (7,206,765)	(147,855)
			(5,752,837)	(7,200,703)	(5,993,307)
	Net Result Excluding Rates		(1,892,218)	(4,366,315)	(1,553,880)
	Adjustments for Cash Budget Requirements:				
	Non-Cash Expenditure and Revenue	10	7.025	(2 500)	(20.020)
	(Profit)/Loss on Asset Disposals	19	7,035	(3,500)	(30,038)
	Movement in Accruals	C	(102,003)	0	29,592
	Movement in Employee Benefit Provisions (Non-		10,970	· · · · · · · · · · · · · · · · · · ·	(1,707)
	Depreciation and Amortisation on Assets Capital Expenditure and Revenue	2(a)	1,904,521	1,875,500	1,923,932
	Purchase Land and Buildings		(272,460)	(525,000)	(796,851)
	Purchase Infrastructure Assets - Roads		(379, 120)	(1,507,595)	(1,173,587)
	Purchase Infrastructure Assets - Other		(17,577)	(235,000)	(805,201)
	Purchase Plant and Equipment		(146,079)	(290,000)	(152,849)
	Purchase Furniture and Equipment		(45,366)	(193,500)	(120,601)
	Proceeds from Disposal of Assets	19	39,636	61,000	70,338
	Transfers to Reserves (Restricted Assets)	11	(297,882)	(280,000)	(112, 197)
	Transfers from Reserves (Restricted Assets)	11	0	0	285,652
ADD	Estimated Surplus/(Deficit) July 1 B/Fwd	22	2,696,945	2,685,449	2,204,364
	Estimated Surplus/(Deficit) June 30 C/Fwd	22	4,493,786	206,797	2,696,945
	Amount Required to be Raised from Rates	21	(2,987,384)	(2,985,758)	(2,929,978)

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 authoratative pronouncements of the Australian Accounting Standards Board, the local Government Act 1995 and accompanying regulations.

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

Critical Accounting Estimates

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

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

(b) The Local Government Reporting Entity

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

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

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 17 to these financial statements.

(c) Goods and Services Tax

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 in 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.

(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 overheads.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Revaluation

Certain asset classes may be revalued on a regular basis such that the carying 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 surplus in equity. Decreases that offset previous increases in the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised as profit or loss.

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Depreciation of Non-Current Assets (Continued)

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

Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	•
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
gravel sheet	12 years
Formed roads	
formation	not depreciated
pavement	50 years
Footpaths - slab	40 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years

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

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

Gains and losses on disposals are determined by comparing proceeds with 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

Items of property, plant, furniture and equipment when acquired are only capitalised if the purchase cost or value of the item exceeds the following:

Buildings	\$5,000
Plant	\$5,000
Furniture	\$3,000
Equipment/Tools	\$3,000

Any items acquired that are below the above values are included as an operational cost and included in an asset inventory listing.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

(h) Financial Instruments (Continued)

Classification and Subsequent Measurement

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

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

Amortised cost is calculated as:

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(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.

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

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

(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 profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derecognition

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

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

(i) Impairment

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

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

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

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

(j) Trade and Other Payables

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

(k) Employee Benefits

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

(I) 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.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) 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; 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.

(n) Leases

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

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

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

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

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

(o) 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 14.

The Council's interest in joint venture entities are recorded using the equity method of accounting in the financial report.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) 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.

(q) Superannuation

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

(r) 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.

(s) Rounding Off Figures

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

(t) Comparative Figures

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

(u) 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.

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 Council will be deemed a Tier 1 entity and will continue financial assets of the Council, it is not anticipated the Nil - The objective of this Standard is to improve and Nil - Due to its nature and statutory requirements the requirements of AASB 139. Given the nature of the measurement of financial assets compared with the Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been to prepare general purpose financial statements. simplify the approach for classification and standard will have any material effect. FOR THE YEAR ENDED 30TH JUNE 2012 Council's assessment of these new and amended standards and interpretations is set out below: (v) New Accounting Standards and Interpretations for Application in Future Periods 01 January 2013 01 January 2013 Applicable (*) 01 July 2013 adopted by the Council for the annual reporting period ending 30 June 2012.

June 2010

Fiers of Australian Accounting

Standards

AASB 1053 - Application of

 \equiv

December 2009

Standards arising from AASB 9

1038 and Interpretations 10 & 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & AASB 1, 3, 4, 5, 7, 101, 102,

AASB 2009-11 Amendments

to Australian Accounting

Impact

December 2009

ssued

Title and Topic

AASB 9 - Financial

 \equiv

Instruments

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

SHIRE OF WILUNA

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Impact	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.	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).	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.
Applicable (*)	01 July 2013	01 January 2013	01 January 2012
Issued	June 2010	December 2010	December 2010
Title and Topic	(iv) 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]	(v) AASB 2010 – 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12,19 & 127]	(vi) AASB 2010 - 8 Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets [AASB 112]

Page 38

SHIRE OF WILUNA NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic Issued September Issued Application in Future Periods (Continued	rpretations for Applica Issued	ilon in Future Periods Applicable (*)	(Continued)
(vii) AASB 2010 - 10 Further Amendments to Australian Accounting Standards -	December 2010	01 January 2013	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.
First-time Adopters [AASB 2009 - 11 & 2010 - 7]			
AASB 2011 - 2 Amendments to Australian Accounting Standards - Arising from the	May 2011	01 July 2013	
rans-Tasman Consequence Project - Reduced Disclosure Requirements. [AASB 101 & 1054]			
AASB 2011 - 3 Amendments to Australian Accounting Standards - Orderly Adoption	May 2011	01 July 2012	
of Changes to Abs GFS manual and related Amendments. [AASB 1049]			
AASB 2011 - 6 Amendments to Australian Accounting Standards - Extending Relief	July 2011	01 July 2013	
from Consolidation, the Equity Method and Proportionate Consolidation - Reduced			
Disclosure Requirements [AASB 127,128 & 131]			

Pade 39

SHIRE OF WILUNA NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	/ 2013														9
	o i January zuis														
Ċ	D .											ē			
7	August 2011												6) (6)		
Letebilosaco - OT BASA (iiiv)	Financial Statements, AASB	B	12 - Disclosure of Interests in	Separate Financial	Statements, AASB 128 -	Investments in Associates and	Joint Ventures, AASB 2011 - 7	Amendments to Australian	Accounting Standards arising	from the Consolidation and		101, 107, 112, 118, 121, 124,		& 1038 and Interpretations 5,	

relation to it. Due to the nature of the Joint Venture, it is

not expected to have a significant impact on the

Council.

AASB 128 supercede those of the current Joint Venture

Standard AASB 131. The new standard more clearly defines the accounting treatment and disclosure in

Nil - None of these, except for AASB 128, are expected

Impact

Applicable (*)

ssued

Title and Topic

Council. With respect to AASB 128, where the Council has an interest in a Joint Venture, the requirements of

to have significant application to the operations of the

Page 40

SHIRE OF WILUNA NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Impact	AASB 13 defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements. AASB 13 requires inputs to all fair value measurements to be categorised in accordance with fair value hierarchy. AASB 13 also requires enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value. AASB 13 will have particular relevance to the process of the Council adopting fair value methodology in relation to its fixed assets as mandated from 1 July 2012. Apart from the changes in value in relation to assets to be revalued (which are mandated by legislation and not changes to the standard) it is not expected to significantly impact the Council as the framework embodied in AASB 13 does not differ significantly from that which is present in existing standards. The amendments to the legislation requires the phasing in of fair value in relation to fixed assets over the three years from 1 July 2012. It is not possible to estimate the likely amount of any revaluations.	The main change embodied in this standard is the requirement to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. It effects presentation only and is not expected to significantly impact the Council.
Applicable (*)	01 January 2013	01 July 2013
Issued	September 2011	September 2011
Title and Topic	(ix) AASB 13 - Fair Value Measurement, AASB 2011 - 8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	(x) AASB 2011 - 9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]

Page 41

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

Notes:

SHIRE OF WILUNA NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Impact	The changes in relation to defined benefit plans contained in this standard are not expected to significantly impact the Council nor are the changes to AASBs in relation to termination benefits.	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.		
Applicable (*)	01 January 2013	01 July 2013	01 January 2013	01 July 2012
Issued	September 2011	September 2011	November 2011	December 2011
Title and Topic	(xi) AASB 119 - Employee Benefits, AASB 2011 - 10 Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Interpretation 14]	(xii) AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	AASB 2011 – 12 Amendments to Australian Accounting Standards arising from Interpretation 20 [AASB 1]	AASB 2011 – 13 Amendments to Australian Accounting Standards – Improvements to AASB 1049

Pane 42

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2012 SHIRE OF WILUNA

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) 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 124

AASB 2009 - 12 AASB 1054

AASB 2009 - 14

AASB 2010 - 4

AASB 2010 - 5

AASB 2010 - 6 AASB 2010 - 9 AASB 2011 - 1

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.

2.	REVENUE AND EXPENSES		2012 \$	2011 \$
(a)	Net Result			
	The Net Result includes:			
	(i) Charging as an Expense:			
	Significant Expense General Purpose Funding	*	0	0
	This significant expense in both years relates to			
	Amortisation Capitalised Leased Assets		0	0
	Auditors Remuneration - Audit		26,612	17,620
	- Other Services		0	0
	Depreciation Buildings Furniture and Equipment Plant and Equipment Roads Infrastructure-Airport Infrastructure-Other		175,601 90,881 236,769 1,224,669 133,490 43,111 1,904,521	158,420 111,612 304,646 1,189,427 131,715 28,112 1,923,932
	Interest Expenses (Finance Costs)			
	Finance Lease Charges Debentures (refer Note 20(a))		0 0	0 0
	Rental Charges - Operating Leases		0	0
	(ii) Crediting as Revenue:	2012 \$	2012 Budget \$	2011 \$
	Interest Earnings Investments		X.	
-	Reserve Funds - Other Funds Other Interest Revenue <i>(refer note 25)</i>	97,882 137,697 49,856 285,436	80,000 75,000 17,500 172,500	101,907 98,334 38,631 238,872

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

Community Vision

The Shire of Wiluna is dedicated to providing high quality services to the community through the various service orientated programs which it has established. We live in a diverse and dynamic region with outstanding opportunities for all.

GOVERNANCE

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

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

GENERAL PURPOSE FUNDING

To collect revenue to allow for the provision of services.

This includes rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

To provide an operational framework for environment and community health.

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

HEALTH

To provide an operational framework for environment and community health.

Inspection of food outlets and their control, provision of pest control services, and waste disposal compliance.

EDUCATION AND WELFARE

To provide opportunities for the community to develop their education and training and capacity.

Provision and development of community service programmes, including training and disabilities requirements

HOUSING

To provide and maintain housing for employees of the Shire.

Provision and maintenance of housing for employees of the Shire.

2. REVENUE AND EXPENSES (Continued)

COMMUNITY AMENITIES

To provide services and amenities required by the community.

Rubbish collection services, operation of rubbish disposal sites, litter control, protection of the environment and administration of town planning schemes, cemetery and public conveniences

RECREATION AND CULTURE

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

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

TRANSPORT

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

Construction and maintenance of roads, streets, footpaths, depots, cleaning of streets and maintenance of street trees, streetlighting etc.

ECONOMIC SERVICES

To help promote the shire and its economic wellbeing.

Tourism and area promotion, provision of rural services including weed control and vermin control. Building control and economic development/facilities.

OTHER PROPERTY AND SERVICES

To monitor and control council's overheads operating accounts.

Private works operation, administration overheads, plant repair/operation costs, and works overhead costs.

Page 46

SHIRE OF WILUNA NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2012

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions	butions	Opening		* .	Closing			Closina
Grant/Contribution	Function/ Activity	Balance (*) 1-Jul-10 \$	Received (+) 2010/11 \$	Expended (#) 2010/11 \$	Balance (*) 30-Jun-11 \$	Received (+) 2011/12 \$	Expended (#) 2011/12 \$	Balance 30-Jun-12 \$
FESA Operational Grant	Fire Prevention	3,026	6,741	(9,767)	0	6.230	(08.230)	C
FESA Operational Grant	SES Services	3,813	2,317	(2,063)	4.067		(4,067)	0 0
Wiluna Development Programme		195,598	435,000	(346,083)	284.515		(730,7)	52 753
Work for the DOLE	Work for the DOLE	16,173	0		16,173		(16,173)	30,100
Building Healthy community	Building Healthy Community	40.095	C	(35 505)) (o
O H A	Art Gallery)	(000,00)	, , ,	0	(4,500)	0
	Operations	14,994	0	ŗ	14.994	C	C	700 77
Royalties for Region-Country	Streetscape						0	1,00,1
Local Gov't Fund 2008/2009	Beautification	212,089	0	(212,089)	O	C		c
Royalties for Region-Country				(222(1.1)		o	o	0
Local Gov't Fund 2008/2009	Buisnou	474,848	0	(474,848)	C		C	c
Royalties for Region-Country	Streetscape)	O	•
Local Gov't Fund 2010/2011	Beautification	0	474,848	(332.219)	142.629	C	(10 939)	131 690
Royalties for Region-Country	Forward Capital			()	Î		(0)	200
Local Gov't Fund	Works Plan	35,000	0	(35,000)	0	0	C	C
DEWHA	National Jobs							
	Package	7,262	22,230	(24,858)	4,634	0	(4,634)	0
Dept of Agriculture & Food	Dry Season		(* (
	Assistation	0	20,000	(5,312)	14,688	0	(14,688)	0
WidWest Development Comm.	Wiluna Drive Trail	0	28,000	(19,944)	8,056	8,000	(16,056)	0
MidWest Development Comm.	Mining Needs Study	0	9,300	(6,800)	2,500	0	0	2,500
הפשנים שניים שנים שנ								
Services	Roads to Recovery	0	0	0	0	358,547	0	358,547
Total		1,002,898	998,436	(1,504,578)	496,756	372,777	(308,050)	561,483
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.

	2012	2011
3. CASH AND CASH EQUIVALENTS		
Unrestricted Restricted	3,684,548 2,587,783 6,272,331	1,839,813 2,225,174 4,064,987
The following restrictions have been imposed by regulations or other externally imposed requirements:		a a
Long service Leave Reserve Asset Replacement Acquisition &	36,146	34,315
Development Reserve	1,901,404	1,610,052
Computer Reserve Airport Reserve	25,731 63,019	24,428 59,623
Unspent Grants	<u>561,483</u> 2,587,783	<u>496,756</u> <u>2,225,174</u>
4. TRADE AND OTHER RECEIVABLES		a
Current		
Rates Outstanding Sundry Debtors	220,784 210,258	582,839 660,065
GST Receivable Less Provision for Doubtful debts	3,209 (27,839)	1,458 (58,333)
	406,412	1,186,029
5. INVENTORIES		
Current		
Fuel Cement	39,526 2,743	32,509
	42,269	32,509

			2012 \$	2011
6.	PROPERTY, PLANT AND EQUI	PMENT		
	Land and Buildings - Cost Less Accumulated Depreciation Furniture and Equipment - Cost Less Accumulated Depreciation		7,584,007 (1,444,221) 6,139,786 690,332 (486,782) 203,550	7,300,541 (1,262,246) 6,038,295 738,555 (480,535) 258,020
n E	Plant and Equipment - Cost Less Accumulated Depreciation		 2,709,474 (1,966,812) 742,662 7,085,998	2,856,554 (1,975,835) 880,719

6a. 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.

Total \$	7,177,034	463,906	(337,650)	(38,093)	(503,251)	324,054	7,085,998
Plant & & Equipment \$	880,719	146,079	(237,710)	(55,449)	(236,769)	245,793	742,663
Furniture & Equipment \$	258,020	45,366	(99,940)	6,350	(90,881)	84,635	203,550
Land & Buildings \$	6,038,295	272,460	0	11,006	(175,601)	(6,374)	6,139,786
	Balance as at the beginning of the year	Additions	(Disposals)	Transfer In (Out)	Depreciation (Expense)	Adjustment	Carrying amount at the end of year

7. INFRASTRUCTURE	2012 \$	2011 \$
Roads - Cost	39,016,579	38,637,459
Less Accumulated Depreciation	(28,862,284)	(27,637,615)
	10,154,295	10,999,844
Airport - cost	3,590,457	3,590,457
Less Accumulated Depreciation	(2,632,671)	(2,499,181)
	957,786	1,091,276
Infrastructure-Others	2,026,104	1,970,084
Less Accumulated Depreciation	(291,377)	(214,842)
	1,734,727	1,755,242
	12,846,808	13,846,362

7a. 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 \$	Infrastructure Airport \$	Infrastructure Other \$	Total \$
Balance at the beginning of the year	10,999,844	1,091,276	1,755,242	13,846,362
Additions	379,120		17,577	396,697
(Disposals)	. 0	0 .		, O
Transfer In (Out)	0		38,443	38,443
Depreciation (Expense)	(1,224,669)	(133,490)	(43,111)	(1,401,269)
Adjustment	0	0	(33,425)	(33,425)
Carrying amount at the end of year	10,154,295	957,786	1,734,726	12,846,808

		2012 \$	2011 \$
8.	TRADE AND OTHER PAYABLES		
	Current		
	Sundry Creditors Payroll Liabilities Rates with Credit Balances Accrued Salaries and Wages Accrued Other Expenses Bonds and Deposits	48,603 45,934 76,223 0 1,988 0 172,748	794,785 14,328 46,228 43,543 22,608 2,820 924,312
9.	LONG-TERM BORROWINGS		
	Current Nil	0	0
n *	Non-Current Nil	0	0
	Additional detail on borrowings is provided in Note 20.		
10.	PROVISIONS		
	Current Provision for Annual Leave Provision for Long Service Leave Non-Current	13,431 14,747 28,178	26,605 9,248 35,852
	Provision for Long Service Leave	21,831 21,831	10,861 10,861

		2012 \$	2012 Budget \$	2011 \$
11.	RESERVES - CASH BACKED			
(a)	Leave Reserve			
	Opening Balance	34,315	34,315	32,384
	Amount Set Aside / Transfer to Reserve	1,831	2,000	1,931
	Amount Used / Transfer from Reserve	0	0	0
		36,146	36,315	34,315
(b)	Asset Replacement Reserve			
(10)	Opening Balance	1,610,052	1,610,051	1,751,700
	Amount Set Aside / Transfer to Reserve	291,352	200,000	103,503
	Amount Used / Transfer from Reserve	0	73,000	(245, 152)
	, 4	1,901,404	1,883,051	1,610,051
				3 2
(c)	Computer Reserve		a a	
	Opening Balance	24,428	24,428	61,448
	Amount Set Aside / Transfer to Reserve	1,303	1,500	3,480
	Amount Used / Transfer from Reserve	0	0	(40,500)
		25,731	25,928	24,428
(d)	Airport Reserve			
	Opening Balance	59,623	59,624	56,341
	Amount Set Aside / Transfer to Reserve	3,396	3,500	3,283
	Amount Used / Transfer from Reserve	0	0	0
		63,019	63,124	59,624
	TOTAL CASH BACKED RESERVES	2,026,300	2,008,418	1,728,418

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

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

Leave Reserve

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

Asset Replacement Reserve

- to be used to provide and replace equipment, furniture, plant, buildings, infrastructure including roads, footpaths and recreation facilities

Computer Reserve

- to be used to ensure that the administration computer system is maintained Airport Reserve
- to be used to fund the longterm maintenance of the Wiluna Airstrip

The Leave, Asset Replacement, Computer and Airport Reserves are to used in accordance with the long term financial plans.

12. 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:

		2012 \$	2012 Budget \$	2011 \$
	Cash and Cash Equivalents	6,272,331	2,165,215	4,064,987
(b)	Reconciliation of Net Cash Provided By Operating Activities to Net Result			
	Net Result	1,095,166	(1,380,557)	1,376,097
	Depreciation (Profit)/Loss on Sale of Asset (Increase)/Decrease in Receivables (Increase)/Decrease in Inventories Increase/(Decrease) in Payables Increase/(Decrease) in Employee Provisions Grants/Contributions for the Development of Assets Net Cash from Operating Activities	1,904,521 7,035 779,617 (9,760) (751,564) 3,297 (1,093,364) 1,934,949	1,875,500 (3,500) 606,250 7,509 (311,283) 0 (530,733) 263,186	1,923,932 (30,038) (942,140) (14,657) 731,752 (1,707) (540,603) 2,502,636
(c)	Undrawn Borrowing Facilities Credit Standby Arrangements Bank Overdraft limit Bank Overdraft at Balance Date Credit Card limit Credit Card Balance at Balance Date Total Amount of Credit Unused	0 0 10,000 (883) 9,117		0 0 10,000 (3,884) 6,116
	Loan Facilities Nil	0		0
	Unused Loan Facilities at Balance Date	0		0

13. CONTINGENT LIABILITIES

The Shire of Wiluna has no contingent liabilities for financial year 2011/2012.

14. CAPITAL AND LEASING COMMITMENTS

The Shire of Wiluna has no capital and leasing commitments for financial year 2011/2012.

15. JOINT VENTURE

The Shire of Wiluna did not engaged in joint venture for financial year 2011/2012.

16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2012	2011
	\$	\$
Governance	8,426	147,755
General Purpose Funding	192,945	524,506
Law, Order, Public Safety	91,986	115,503
Health	0	. 0
Education and Welfare	0	96,435
Housing	2,951,978	2,793,500
Community Amenities	175,196	354,811
Recreation and Culture	3,376,897	3,666,201
Transport	11,852,876	12,691,510
Economic Services	378,089	244,642
Other Property and Services	1,353,094	1,607,069
Unallocated	6,272,331	4,064,987
	26,653,818	26,306,919
	H1-10-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-	Printed and the second

17	. FINANCIAL RATIOS	2012	2011	2010
	Current Ratio Untied Cash to Unpaid Trade Creditors Ratio Debt Ratio Debt Service Ratio Gross Debt to Revenue Ratio Gross Debt to	22.20 75.81 0.01 0.00 0.00	3.25 2.13 0.04 0.00 0.00	6.00 13.00 0.01 0.00 0.00
	Economically Realisable Assets Ratio Rate Coverage Ratio Outstanding Rates Ratio	0.00 0.54 0.06	0.00 0.39 0.20	0.00 0.37 0.10
	The above ratios are calculated as follows:			
	Current Ratio	current liabilitie	ets minus restric es minus liabilitie n restricted asse	s associated
	Untied Cash to Unpaid Trade Creditors Ratio	unp	untied cash aid trade credito	_ rs
	Debt Ratio		total liabilities total assets	
	Debt Service Ratio		ebt service cost le operating reve	enue
	Gross Debt to Revenue Ratio		gross debt total revenue	
	Gross Debt to Economically Realisable Assets Ratio	econom	gross debt cally realisable a	assets
	Rate Coverage Ratio		et rate revenue erating revenue	
	Outstanding Rates Ratio		tes outstanding ates collectable	

18. TRUST FUNDS

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

	** *** *** *** ***	· · · · · · · · · · · · · · · · · · ·	Balance 1-Jul-11 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-12 \$	
Deposit/Bonds			850	4,391	(1,274)	3,967	
Wiluna Telecentre			13,899	A [*]	(13,899)	0	
			14,749		:	3,967	

The Deposit/Bonds trust fund comprises the key gym deposit, hire bond and rental bonds. The Wiluna Telecentre has control over the fund and is therefore included in the financial statements.

19. DISPOSALS OF ASSETS - 2011/12 FINANCIAL YEAR

The following assets were disposed of during the year.

By Class

	Net Boo	k Value	Sale	Price	Profit ((Loss)
	Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$
Plant & Equipment						
11952 Streetsweeper 1CIE256	29,649	25,000	13,636	15,000	(16,013)	(10,000)
14194 Subaru 1CMR056	3,443	5,000	13,000	13,000	9,557	8,000
13254 Subaru CKE887	591	2,500	13,000	13,000	12,409	10,500
2008 Isuzu Rubbish Truck	0	25,000	0	20,000	0	(5,000)
Written Off						
Plant & Equipment	4,032	0	0	0	(4,032)	0
Furniture & Equipment	8,955	0	. 0	0	(8,955)	0
7			ē			
	46,670	57,500	39,636	61,000	(7,035)	3,500

Profit on Sale of Assets	21,965
Less: Loss on Sale of Assets	29,000
Net Profit (Loss) on Sale of Assets	(7,035)
	*

Pade 58

SHIRE OF WILUNA NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2012

20. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Council has no borrowings for the year ended 30 June 2012.

(b) New Debentures - 2011/12

Council has no borrowings for the year ended 30 June 2012.

(c) Unspent Debentures

Council has no borrowings for the year ended 30 June 2012.

(d) Overdraft

Council does not have overdraft for the year ended 30 June 2012

21. RATING INFORMATION - 2011/12 FINANCIAL YEAR

(a) Rates

	Rate in	Number	Rateable	Revenue	Interim	Back	Total	Budget	Budget	Budget	Budget
RATE TYPE		Properties	69	<i>₩</i>	₩	8	\$	Revenue	Rate	Rate	Revenue
Differential General Rate								9	9	Ð	A
Gross Rental Value	0.1064	99	678.288	72.170	2 700	C	74 870	72 314	0 800	C	7 0 7 7
Gross Rental Value - Mining	0.1064	ω	8,289,760	882,030	0		882,030	887,030	7,000	0 0	4,014
Unimproved Value - Rural	0.0631	27	1,855,331	117,071	0	0	117,071	116.792	0 0	0 0	116,792
Unimproved Value - Mining	0.1260	465	15,230,079	1,918,990	(123,827)	0	1,795,163	1,704,522	72,750	0	1,777,272
Sub-Totals	3	564	26,053,458	2,990,262	(121,127)	0	2.869.134	2.775.658	85 250	C	2 860 908
	Minimum							0000000000	001	D.	2,000,1
Minimum Rates	₩.	3									
Gross Rental Value	275	30	8,542	8,250	0	0	8,250	8.250	0	C	8 250
Gross Rental Value - Mining	275	m	290	825	0	0	825	825	0	0 0	825
Unimproved Value - Rural	275	ო	4,090	825	0	0	825	825	0	0 0	825
Unimproved Value - Mining	275	394	353,159	108,350	0	0	108,350	114,950	0	0	114,950
Sub-Totals		430	366,081	118,250	0	0	118,250	124,850	0	0	124,850
							2,987,384				2,985,759
Ex-Gratta Kates Specified Area Rate (refer note 23)	ž.						0 0				00
							2,987,384				2,985,759
Discounts (refer note 24) Totals							0 004 004				0 0 0
	7						7,807,304				2,885,759

22. RATING INFORMATION - 2011/12 FINANCIAL YEAR	2012	2011
(b) Information on Surplus/(Deficit) Brought Forward	(30 June Carried	(30 June 2011 Carried
	Forward)	Forward)
		(1 July 2011
		Brought Forward)
	\$	\$
Surplus/(Deficit) 1 July Brought Forward	2,696,945	2,204,364
Comprises:		
Cook Upractists		
Cash Unrestricted	2,672,597	1,355,365
Cash - Unrestricted (FAGS) Cash - Restricted	1,011,951	484,448
Rates - Current	2,587,783	2,225,174
Sundry Debtors	220,784	582,839
Less Provision for Doubtful debts	210,258	660,065
GST Receivable	(27,839)	(58,333)
Inventories	3,209	1,458
- Fuel		
-Cement	39,526	32,509
-Cement	2,743	0
Less:		
Less.		
Reserves - Restricted Cash	ti.	
- Leave Reserve		
- Asset Replace Replacement	(36,146)	(34,315)
- Computer Reserve	(1,901,404)	(1,610,051)
- Airport Reserve	(25,731)	(24,428)
- All port Neserve	(63,019)	(59,624)
Sundry Creditors	(48,603)	(794,785)
Payroll Liabilities	(45,934)	(14,328)
Rates with Credit Balances	(76,223)	(46,228)
Accrued Other Expenses	(1,988)	(40,228)
Provision for Annual Leave	(13,431)	0
Provision for Long Service Leave (current)	(14,747)	0
Bonds and Deposits	0	(2,820)
Surplus/(Deficit)	4 400 700	
=	4,493,786	2,696,945

Difference:

There was no difference between the Surplus/(Deficit) 1 July 2011 Brought Forward position used in the 2012 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2011 audited financial report.

An advance payment from Financial Assistance Grant Scheme (FAGS) for financial year 2012/2013 of \$1,011,951 was received and forms part of the surplus.

23. SPECIFIED AREA RATE - 2011/12 FINANCIAL YEAR

Council does not maintain Specified area rate for the financial year 2011/2012.

24. SERVICE CHARGES - 2011/12 FINANCIAL YEAR

Council does not have service charges for the financial year 2011/2012.

25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS - 2011/12 FINANCIAL YEAR

	Туре	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates Minimum Rate	Discount Discount	Nil	0	0
			0	0
Photocopy Charge	Waiver	Nil	0	0
Rate Assessment	Write-Off	0	50,052	20,000

26. INTEREST CHARGES AND INSTALMENTS - 2011/12 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		49,856	15,000
Interest on Instalments Plan	5.50%		. 0	2,500
Charges on Instalment Plan	0	6	510	1,500
		.0	50,366	19,000

Ratepayers had the option of paying rates in four equal instalments, due on 14th October 2011, 4th December 2011, 14th February 2012 and 14th April 2012. Administration charges and interest applied for the final three instalments.

27. FEES & CHARGES		2012 \$	2011 \$
Governance		.0	0
General Purpose Funding		660	1,319
Law, Order, Public Safety		208	727
Health		0	. 0
Education and Welfare		150	3,015
Housing		. 0	24,476
Community Amenities		63,049	47,001
Recreation and Culture		61,681	100,203
Transport		83,303	113,404
Economic Services		49,630	16,358
Other Property and Services		33,113	50,076
	·	291,794	356,579
	:		

28. GRANT REVENUE

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

By Nature and Type: Operating Grants, Subsidies and Contributions Non-Operating Grants, Subsidies and Contributions	2012 \$ 2,622,988 		2011 \$ 2,581,409 1,114,745 3,696,154
By Program:			
Governance	. 0		8,000
General Purpose Funding	2,409,877		1,851,156
Law, Order, Public Safety	10,296	a a	6,741
Health	0		0,7,71
Education and Welfare	13,899		455,000
Housing	0		0
Community Amenities	. 0		184,848
Recreation and Culture	64,544		276,730
Transport	653,743		876,379
Economic Services	8,000		37,300
Other Property and Services	0		0
	3,160,359		3,696,154

29. ELECTED MEMBERS REMUNERATION	2012 \$	2012 Budget \$	2011 \$
The following fees, expenses and allowances were paid to council members and/or the president.		Ψ	
Meeting Fees	17,748	25,000	6,840
President's Allowance	5,843	6,000	3,750
Deputy President's Allowance	1,460	1,500	1,250
Travelling Expenses	3,900	5,000	4,411
Telecommunications Allowance	5,535	5,880	2,880
	34,486	43,380	19,131
			10,101
30. EMPLOYEE NUMBERS	2012		2011
The number of full-time equivalent			
employees at balance date	16		26

31. MAJOR LAND TRANSACTIONS

Council had no major land transactions as at 30 June 2012.

32 TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the financial year 2011/12.

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 \	/alue
	2012	2011	2012	2011
	\$	\$	\$	\$
Financial Assets				*
Cash and cash equivalents	6,272,331	4,064,987	6,272,331	4,064,987
Receivables	406,412	1,186,029	406,412	1,186,029
	6,678,743	5,251,016	6,678,743	5,251,016
Financial Liabilities				
Payables	172,748	924,312	172,748	924,312
Borrowings	0	0	0	0
	172,748	924,312	172,748	924,312

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.

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.

Impact of a 1% (*) movement in interest rates on cash and investments:	2012 \$	2011 \$
- Equity - Statement of Comprehensive Income	62,723 62,723	40,650 40,650

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.

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:

	2012	2011
Percentage of Rates and Annual Charges		
- Current - Overdue	39.55% 60.45%	14.56% 85.44%
Percentage of Other Receivables	* *	
- Current - Overdue	90.53% 9.47%	96.59% 3.41%

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:

2012	Due within 1 year	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows	Carrying values	
Payables Borrowings	172,748 0 172,748	0 0 0	000	172,748 0 172,748	172,748 0 172,748	
2011						
Payables Borrowings	924,312 0 924,312	0 0 0	0 0 0	924,312 0 924,312	924,312 0 924,312	



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INDEPENDENT AUDITOR'S REPORT

TO THE RATEPAYERS OF THE SHIRE OF WILUNA

Report on the Financial Report

We have audited the financial report of the Shire of Wiluna (the Shire), which comprises the statement of financial position as at 30 June 2012 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and a summary of significant accounting policies and other explanatory notes and the statement by the Chief Executive Officer.

Shire's Responsibility for the Financial Report

The Shire is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. Our audit has been conducted in accordance with Australian Auditing Standards. Those standards require that we comply with the relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Local Government Act 1995 Part 6* and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Shire's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Independence

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

Auditor's opinion on the Financial Report

In our opinion, the financial report of the Shire of Wiluna:

- gives a true and fair view of the financial position of the Shire of Wiluna as at 30 June 2012 and of its (i) financial performance for the year ended on that date: and
- complies with the Local Government Act 1995 Part 6 and the Regulations under that Act and Australian (ii) Accounting Standards (including the Australian Accounting Interpretations).

Statutory Compliance

We did not during the course of our audit become aware of any instances where the Shire did not comply with the requirements of the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996 as they relate to the financial report.

Director

Perth, WA Dated: 15 October 2012