



Annual Report 2014/2015



SHIRE OF WILUNA

Annual Report for the period of 1 July 2014 to 30 June 2015

Prepared by:

Shire of Wiluna 28 Scotia Street WILUNA WA 6646

Telephone: 08 9981 8000

Fax:

08 9981 7110

Email:

reception@wiluna.wa.gov.au

Web:

www.wiluna.gov.au

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	
Chief Executive's Report	E
Elected Members	7
Statutory Repots	
Fin ancial Pe rforma nce	12
Audited Financial Reports/Audit Reports	

PRESIDENT'S REPORT

Yet another year has come and gone so quickly. It has certainly not been without its challenges. First and foremost I would like to thank Pascoe Durtanovich who was Acting CEO until March 2015 and guided Council through a difficult period. Council have just this week negotiated a settlement of contract after the previous CEO resigned. Dean Taylor who was CEO of Katanning has been Acting CEO and Project Manager since August. My and Councils thanks go to all staff who have put in a great effort under duress and kept the Shire operating. Once again, thanks to all.

There are numerous positions still vacant in the Shire's organisation, of which some are Deputy CEO, CEO and Works Manager. Filling these positions with suitable applicants will prove a challenge for Council moving forward, as numerous Local Governments are facing the same challenges. I believe this is a serious challenge for the Department of Local Government in general, of which recruiting, ethics and capabilities are issues that somehow need addressing. LGMA and LGIS need to review their standard and procedures in dealing with members and industry matters if it is to be sustainable and credible into the future.

Council had four vacancies at the October election, of which there were seven candidates. I welcome Cr Petterson back on board as well as three new faces, being Caroline Thomas, Norma Ward and Regina Newland. I trust all will have the best interests of the Wiluna Shire at heart, and will collectively help to move it forward in a positive direction.

I believe Council and the Wiluna Shire is now at the cross roads where the bar has been lifted and standards are at a new level, which I hope sets the standard for the whole Community in relation to services delivered re Local Government, Health, Education and Law and Order. The attitude of "out of sight, out of mind", low standard of delivery of services and poor governance and accountability cannot no longer be accepted as the norm for Wiluna, and that all members of Council and the Shire organisation aspire to a standard which will maintain and deliver real, measurable outcomes and be second to none. There is certainly a lot happening, which as put enormous pressure on staff as well as myself and the Deputy President. I would like to thank Cr Harris for his time and efforts in representing Wiluna.

The CEO and myself went to Canberra in June, of which we took opportunity to meet with Melissa Price, member for Durack, and other WA politicians. The main focus being lobbying for the sealing of the remainder of the Goldfields Highway (Wiluna to Meekatharra). I also had the privilege of meeting informally with General John Sanderson over a coffee, of which many things were discussed about Wiluna, including indigenous affairs and rural/remote Australia and it's challenges. Throughout the year there has been numerous meetings with State Cabinet Ministers as well as attending Uranium and National Roads Transport Congresses.

Progress is underway on the new Shire Admin Building as well as the CSR/GBH Interpretive Centre. Early 2016 should see tenders being let to progress these projects. Streetscape is still a work in progress but 2016 should also see some major transformation to the main street.

Flood damage works on the Shire roads under the WANDRAA scheme, which was budgeted at \$12M should be completed early 2016 under budget and under time. The unfortunate outcome of all this expenditure is that very little will stay within the Shire Community, which could have supported and nurtured many local businesses and provided employment and training.

At the end of September Wiluna had the privilege of having Mr Keith Payne (AM; VC) and his daughter Michelle visit and stay a few days. Keith has a distinguished military career and is the last of the Imperial VC's awarded to an Australian. He is a strong supporter and advocate in Canberra of Rural, Regional and Remote Australia and Indigenous capacity building and development.

A Water for Food study programme (a State Government initiative) is being undertaking to redevelop the Desert Farm precinct and identify the scale of potential regarding water etc. Hopefully markets and industries will be identified and investors attracted to redevelop the area into long term, sustainable production and create business, employment and training opportunities for locals.

Dean Taylor, the Acting CEO and myself recently went to Exmouth (following on from a meeting in Perth in August) and attended several meetings, of which there is a focus on six shires (Wiluna / Meeka / Upper Gascoyne / Carnarvon / Shark Bay and Exmouth) lobbying to be officially included in the Northern Australia boundary. The north has always been recognised as starting at the 26° parallel, and should be treated as such politically. It would potentially open up investment and infrastructure opportunity. An alliance of six shires can hopefully be formed to lobby collectively for sealing of the highway from Wiluna, via Meekatharra to Gascoyne Junction which will then provide a sealed connective conduit through the Goldfields, Midwest, Murchison Gascoyne regions of Central WA.

Last year the Shire commissioned a report on mining in the Shire of Wiluna for the year 2012/13. The Shire of Wiluna produced\$2.4B GDP, mainly from four operating mines. Royalties paid were estimated at \$70M, although this figure is probably much higher. Comparatively Gascoyne Development Commission produced \$800M and Kimberley \$3.4B. These figures highlight the inequity of FIFO and what is actually being returned to the Community particularly by mining. Carnarvon horticulture industry of \$100M supports a thriving town of Carnarvon! Whilst Wiluna is very supportive of mining, there needs to be a greater focus on mining companies earning their "Social Licence" to operate in the Local Government area and delivering long lasting and meaningful benefits, e.g. housing employees in town, supporting local business, nurturing real employment and training outcomes and cooperating with other shared services, i.e. air services and RPT service versus charter! Council will certainly be focusing on these issues moving forward.

This is a brief overview of some of what has been happening over the past year and will be ongoing. It has been very busy but hopefully will deliver benefits for the Community and make living in Wiluna more equitable and enjoyable.

A merry Christmas to all and a safe and prosperous New Year.

Jim Quadrio Shire President

CHIEF EXECUTIVE OFFICER'S REPORT

During the year under review administration Ms Andrea Nunan was the Chief Executive Officer for the shire with Mr Pascoe Durtanovich stepping into the position for a three month period between November 2014 and March 2015. Both officers worked closely with elected members and the community to deliver services to the residents of the Shire.

Overall the year was a one of significant difficulty and disruption as a result of staff leaving the organisation and the difficulty in recruiting replacement staff. Unfortunately there are a number of projects and activities which did not get completed as planned but are now being progressed during the 2015-16 financial year.

Nevertheless, even though there has been significant disruption the remaining staff of the shire have performed above expectation particularly in trying circumstances. I would like to thanks the staff for their forbearance and dedication to the shire and with a promise that things will get better in the new financial year.

During the year the difficult task of applying for the Western Australian Natural Disaster Relief and Recovery Arrangements (WANDRRA) funding to repair the shires roads that occurred as a result of storm damage. The WANDRRA funding will see over \$12 million spent on council's road network. This work was commenced during the year and will continue and is expected to be completed in the 2015-16 financial year.

As part of the State Governments Integrated Planning and Reporting Framework administration finalised the development of Long Term Financial Plans, Corporate Business Plan and Strategic Community Plan. These Plans have now been reviewed and will assist council in setting a clear direction for capital works and service delivery into the future.

Council continues to be a significant supporter of the Goldfield Nullarbor Rangelands Biosecurity Association (GNRBA) Aerial Cull of Large Herbivores – the April 2015 project resulted 259 Feral Camels, 872 Feral Horses and 115 Feral Donkeys culled. This projects success is extremely important to the ongoing viability of the Pastoral Industry in Wiluna.

The Wiluna South Structure Plan and the Main Street Revitalisation plans have been significantly progressed during the year and council has received a number of reports and recommendations from the Consultant Town Planners. Both of these projects are vital to the future of Wiluna and will continue to be progressed during 2015-16 financial year.

The new Administration Centre and the Gunbarrel Highway and Canning Stock Route Heritage and Interpretive Centre Plans were adopted as a concept plan during the year – the challenge now is to convert these "concepts" into construction plans.

There have been a number of successful community events again this year with the annual Blessing of the Highway Fun Run and the Australia Day Bbq both proving to be very popular and where everyone enjoyed. Council appreciates Wiluna Traders for their continuing support for the Australia Day bbq. There was a very rewarding turn-out for this year's Anzac Day service. It was great to see so many station owners and townspeople at the Dawn Service on the 100th Anniversary.

I would like to acknowledge and thank the government agencies, local groups and organisation, mining companies and various external groups that assisted Shire staff in its activities.

Overall the Shire's financial position is sound and Council is confident that this can be maintained into the future, provided the level of Federal and State Government funding is maintained. A more detailed explanation of the Shire of Wiluna's financial performance for the year is included further in this report.

Dean Taylor

Acting Chief Executive Officer

ELECTIVE MEMBERS

The Shire of Wiluna is comprised of 7 elected members. Each member has a term of 4 years. Of these elected members, three are going to expire in 2017 and four in 2019.

Elected members until 2017:

Cr. Jim Quadrio (President)

Cr. Graham Harris (Deputy President)

Cr. Chris Webb

Elected members until 2019:

Cr Norma Ward

Cr Stacey Petterson

Cr Caroline Thomas

Cr Regina Newland

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.

ORDINARY COUNCIL MEETING DATES 2016

Date	Venue	Starting Time
January 2016	No Meeting	
24 February 2016	Council Chambers, Wiluna	1.00pm
23 March 2016	Council Chambers, Wiluna	1.00pm
27 April 2016	Council Chambers, Wiluna	1.00pm
25 May 2016	Council Chambers, Wiluna	1.00pm
22 June 2016	Council Chambers, Wiluna	1.00pm
27 July 2016	Council Chambers, Wiluna	1.00pm
24 August 2016	Council Chambers, Wiluna	1.00pm
28 September 2016	Council Chambers, Wiluna	1.00pm
26 October 2016	Council Chambers, Wiluna	1.00pm
23 November 2016	Council Chambers, Wiluna	1.00pm
14 December 2016	Council Chambers, Wiluna	1.00pm

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 anti-competitive 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. The review of the five year plan (2012-2017) was completed and submitted to the Commission in June 2013.

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

- 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.

As required by the Act, the Shire of Wiluna is required to review the progress of the DAIP, comparing proposed outcomes to achievements. The Shire remains committed to the above outcomes and ensures that activities undertaken are conducted in a manner consistent with the provision requirements of the Act. The DAIP 2014/2015 progress report was submitted to the Disability Service Commission on 25 June 2015.

Records Management and State Records Act 2000

The Shire of Wiluna Record Keeping Plan was approved in September 2010. Under the *State Records Act 2000* (the *Act*) the Plan must be reviewed within five years of the approval date and a report of the review submitted to the State Records Commission. This was done in September of 2015

In compliance with the act requirements outlined in State Records Commission Standard 2, the Shire of Wiluna reports on:

• The efficiency and effectiveness of the organisation's recordkeeping system.

Performance indicators are used to assess the adequacy of the records creation and capture and file management. Overall performance in recordkeeping processes has improved with ongoing implementation of the Shire's recordkeeping system.

The Shire also implemented the following activities this year to ensure continued compliance with its recordkeeping requirements:

- ♦ A new record keeping system was implemented and is nearing completion.
- ♦ New policies and procedures have been drawn up.
- The efficiency and effectiveness of the recordkeeping training program.

The Shire's recordkeeping training program includes recordkeeping awareness for staff and strategies to ensure full and meaningful compliance with the standard.

Plan for the Future

The Local Government Act requires Council to plan for the future of its district and that plans made "are in accordance with any regulations made about planning for the future".

The Shire has complied with the entire Integrated Planning and Reporting Framework requirement established by the Department of the Local Government.

It is also the requirement of the Act, that the Annual Report must include an overview of the Plan for the Future including the major initiatives that are proposed to continue or commence in the next financial year.

The following major projects that are proposed to continue or commence in 2015/2016:

- Main Street Revitalisation
- Construction of Shire Administration Centre
- Construction of Wiluna Gunbarrel Highway and Canning Stock Route Heritage and Interpretative Centre
- Capital road works- Rural Roads/Town Streets including the flood damage works repairs
- Purchase (Changeover) of plant and equipment including the new loader and self-bunded fuel tank
- Establish new town water supply
- Staff housing renovation and repairs
- Airport electrical renewal
- Outdoor Sports courts/Crickets Practice wickets
- Cemetery upgrade

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 is 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.

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

Application Charges

A scale of fees and charges set under the FOI Act Regulations are stated below.

 Personal information about the applicant 	No fee.
 Application fee (for non personal information) 	\$30.00
 Charge for time dealing with the application 	
(per hour, or pro rata)	\$30.00
 Access time supervised by staff 	
(per hour, or pro rata)	\$30.00
Photocopying staff time	
(per hour, or pro rata)	\$30.00
Per photocopy	.20
 Transcribing from tape, film or computer 	
(per hour, or pro rata)	\$30.00

Duplicating a tape, film or computer information
 Delivery, packaging and postage
 Actual Cost

Deposits

Advance deposit may be required of the estimated charges 25%

Further advance deposit may be required to meet the charges for dealing with the application.

For financially disadvantaged applicants or those issued with prescribed pensioner concession cards, the charge payable is reduced by 25%.

Access Arrangements

Access to documents can be granted by way of inspection, a copy of a document, a copy of an audio or video tape, a computer disk, a transcript of a recorded, shorthand or encoded document from which words can be reproduced.

Notice of Decision

As soon as possible but in any case within 45 days you will be provided with a notice of decision which will include details such as -

- the date on which the decision was made
- the name and the designation of the officer who made the decision
- if the document is an exempt document the reasons for classifying the matter exempt; or the fact that access is given to an edited document
- information on the right to review and the procedures to be followed to exercise those rights.

Refusal of Access

Applicants who are dissatisfied with a decision of the agency are entitled to ask for an **internal review** by the agency. Application should be made in writing within 30 days of receiving the notice of decision. You will be notified of the outcome of the review within 15 days.

If you disagree with the result you then can apply to the Information Commissioner for an external review, and details would be advised to applicants when the internal review decision is issued.

No Freedom of Information application has been received by the Shire of Wiluna in the year 2014/2015.

Complaints Register

Section 5.121 requires that a register of all complaints, made in relation to conduct of members, be disclosed in the Annual Report.

For the year ended 30 June 2015, the Shire of Wiluna had no complaints of this nature to disclose.

FINANCIAL PERFORMANCE

The Shire of Wiluna commenced the financial year 2015/2016 with a sound financial position. The financial year 2014/2015 closed with \$10.78million in cash flow, a significant increase of 48% from year 2013/2014 balance.

The Financial Report and Audit Report for the year ending 30 June 2015 follow later in detail.

Balance Sheet Position Comparison

	Balance Sheet po		
A ·II·	(amount in million o		
\$ millions	As at	As at	Change
	30/06/2015	30/06/2014	30/06/2015 over
			30/06/2014
Cash and Cash	10.78	7.24	3.55
equivalents			
Trade & Other receivables	1.40	.40	1.00
Inventories	.04	.01	.02
Property, Plant &	15.37	15.27	.99
Equipment			
Infrastructures	174.88	14.70	160.18
Total Assets	202.48	37.62	164.87
Trade & Other Payables	14.86	.18	12.98
Other Liabilities	.28	.22	.06
Total Liabilities	3.04	1.88	1.16
Net Assets/Total Equity	199.45	35.74	163.71

Key Features of the comparative financial position:

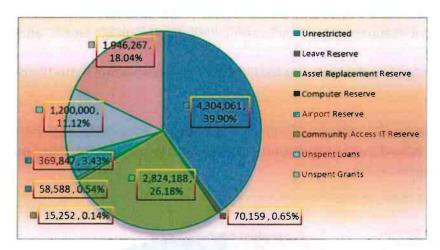
- An increase in cash was primarily due to "carried forward" projects from 2013/2014.
- An increase in receivables was mainly from recognising the grant flood damage project (WANNDRA) as income in this financial year. Funds were received at the following year.
- An increase in property, plant and equipment was contributed by purchase of vehicles and plant, \$849,389; and the revaluation increment of Furniture & Equipment, \$144,887. This was partly offset by depreciation of \$642,678 and disposals of \$252,215.
- An increase in infrastructure was contributed by capital road projects of \$533,979 and the revaluation increments of roads and airport infrastructures of \$161.22 million; and was partly offset by depreciation of \$1.57million and other infrastructures' revaluation decrement of \$976,524.

- The liabilities were invoices from road contractors for the flood damage works projects and payments were issued at the following year.
- A huge increase in net assets/equity was in line with the increase in fixed assets and receivables.

Cash

As mentioned earlier, the year closed with \$10.78million in cash flow. This amount was made up of cash held in four reserve accounts (31%), unspent loan (11%), unspent grants (18%) and unrestricted-general funds (40%).

The following graph shows the Cash Asset for 2014/2015:



Only 31% of the operating funds were in fixed term/call deposits accounts as funds were used to accommodate the flood damage road works projects whilst waiting for the funding from WANNDRA.

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.

The Shire's cash backed reserves at year end totalled to \$3,338,034. The transfer to reserves of \$1,668,820 (including interest earned) from operating surplus increased the total funds by 99.97% compared to last year's balance.

Note 11 of the Annual Financial Report in page 36, provides information on the movements and the purpose of the Reserve accounts.

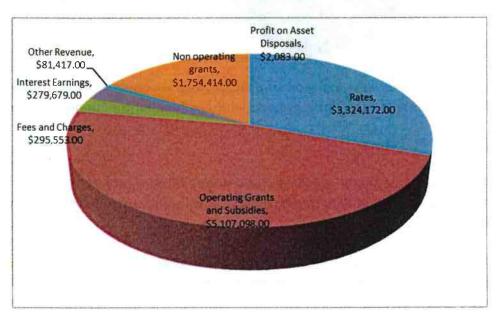
Financial Year Income/Expense Comparison

	Financial Year Income Comparisor (amount in million dollars)	1
AU\$ millions	FY 2014/2015	FY 2013/2014
Total Revenue	10.84	6.03
Expenses	9.47	5.61
Net Result	1.37	.41

Key Features of the comparative financial result

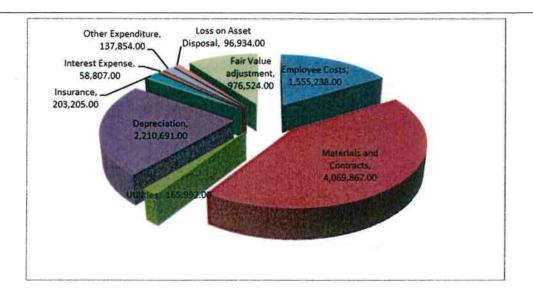
- An increase in revenue is contributed by receipt of funds from:
 - ➤ an advance payment for 2015-2016 Financial Assistance Grants of \$1.241,029
 - Country Local Government Funding (Royalties for Regions) for the construction of Wiluna Gunbarrel Hwy/Canning Stock Route Heritage and Interpretive Centre, \$1,000,000
 - ➤ Country Local Government Funding (Royalties for Regions) for the construction of Shire Administration Centre, \$417,416.
- The expense was increased by a decrement in fair value of Other Infrastructures, and the construction and maintenance of roads particularly flood damage works repairs funded by WANNDRA.
- The increase in net result was in line with the increase of revenue, both the operating and capital.

The graph below illustrates the sources of Council's revenue for 2014/2015. Operating grants and subsidies consisted of 47% of recurrent revenue whilst major own source revenue comes from rate at 31% and Fees and Charges at 3%.



The graph below illustrates Council's expenditure for 2014/2015. Materials and Contracts consisted of 43% of recurrent expenditure, with employee costs at 16% and depreciation at 23%. A total of \$2,829,701 has been spent on road/street construction and maintenance for the year. These funds were expended in the following areas:

Flood Damage – Roads	\$2	,265,613
Road Maintenance	\$	557,249
Footpath Maintenance	\$	6,839



Rates

The general rate revenue increase of 3% applied for the 2014/2015 financial year generated total rate revenue of \$3,324,172. The minimum rates increased from \$293 to \$300 for both GRV Mining and UV rated properties, and from \$293 to \$400 for GRV Wiluna Town sites. A collectable rate outstanding represents 5.7% of annual rates raised. Staffs have been working hard to find ways to reduce this debt.

Capital Expenditure

The Council budgeted \$7.29 million for capital expenditure. The Shire has invested \$849,389 in Property, Plant and Equipment, and \$533,979 in Infrastructures this year.

Road construction projects carried out this year:

- ➢ Wongawol Road
- Wiluna Sandstone Road
- ➢ Granite Peak Road

Road plant purchases for this year include:

- > Street Sweeper
- Skid Steer CAT
- Works vehicles
- > Traxcavator CAT 963
- > Minor equipment

A number of capital projects have been carried forward to the next financial year for completion bringing a substantial surplus at the end of the year.

Loans

Council is able to raise funds for a specific project by way of borrowing. As at 30 June 2015, the Shire has a loan liability of \$1,411,137. This loan was to fund the Recreation Change rooms, toilets and Kiosk building completed in 2013/2014, and the on going Wiluna Gunbarrel Hwy and Canning Stock Route Heritage and Interpretive Centre project.

Budget Review

Local governments are required to conduct a budget review between six and nine months into a financial year. It establishes whether a local government continues meeting its budget commitments. Council adopted the budget review on 25 February 2015. The review was based on seven months period operation from 1 July 2014 to 31 January 2015.

Audit

The audit for 2014/2015 was successfully completed in accordance with Local Government Act and Accounting Regulations. This demonstrates to the integrity of the financial control systems is in placed. Staff are pleased that the Shire has achieved another year of successful audit report.

Conclusion

The year 2014/2015 has been a healthy year for the Shire of Wiluna. The staff endeavours to commit in safeguarding Shire's finances, managed according to budget, and meet the compliance requirements.

I personally appreciate the staff for their willingness to devote their time, effort and commitment in their respective responsibilities. I am looking forward to a more fruitful year ahead.

Ms. Glenn Deocampo

Executive Manager, Corporate Services

ANNUAL FINANCIAL REPORT

FOR YEAR ENDED 30TH JUNE 2015



SHIRE OF WILUNA

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2015

TABLE OF CONTENTS

Statement by Giller Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Notes to and Forming Part of the Financial Report	9
Independent Audit Report	53-54
Supplementary Ratio Information	55
Principal place of business: 28 Scotia Stree Wiluna WA 6646	

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

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire being the annual financial report and other information for the financial year ended 30 June 2015 are in my opinion properly drawn up to present fairly the financial position of the Shire at 30th June 2015 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the

30

day of

November 201

Dean Taylor

Acting Chief Executive Officer

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

	NOTE	2015 \$	2015 Budget \$	2014 \$
Revenue Rates	22	3,324,172	3,285,004	3,152,438
Operating grants, subsidies and contributions Fees and charges	28 27	5,107,098 295,553	15,355,826 441,801	1,570,360 308,734
Service charges Interest earnings Other revenue	24 2(a) 2(a)	0 279,679 81,417	0 259,000 66,550	0 269,531 166,905
Expenses		9,087,919	19,408,181	5,467,968
Employee costs Materials and contracts Utility charges Depreciation on non-current assets Interest expenses Insurance expenses Other expenditure	2(a) 2(a)	(1,555,238) (4,069,867) (165,992) (2,210,691) (58,807) (203,205) (137,854) (8,401,654) 686,265	(2,355,560) (15,058,888) (170,924) (2,109,400) (60,269) (212,602) (122,710) (20,090,353) (682,172)	(1,436,874) (1,570,303) (169,858) (2,092,846) (65,120) (155,757) (122,200) (5,612,958) (144,990)
Non-operating grants, subsidies and contributions	28	1,754,414	2,247,916	558,148
Fair value adjustment to Fixed Assets through profit & loss (Loss on revaluation) Profit on asset disposals Loss on asset disposals	20 20	(976,524) 2,083 (96,934)	0 23,081 (49,925)	0 0 (219)
Net result	•	1,369,304	1,538,900	412,939
Other comprehensive income Items not reclassified subsequently to Profit & Loss Changes on revaluation of non-current assets	12	162,342,756	500,000	7,020,319
Total other comprehensive income	-	162,342,756	500,000	7,020,319
Total comprehensive income	=	163,712,060	2,038,900	7,433,258

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

	NOTE	2015 \$	2015 Budget \$	2014 \$
Revenue			Ψ	
Governance		1,218	700	2,114
General purpose funding		7,277,898	5,980,490	4,559,425
Law, order, public safety		11,961	16,560	19,815
Health Education and welfare		401 0	513 300	0
Housing		2,072	500 500	238
Community amenities		60,075	76,630	85,317
Recreation and culture		278,428	265,850	384,234
Transport		1,374,250	13,012,070	278,917
Economic services		25,877 55,740	26,000	24,982 112,926
Other property and services		9,087,920	28,568 19,408,181	5,467,968
		0,007,020	10,100,101	0, .0., ,000
Expenses Governance		(982,273)	(1,001,022)	(934,894)
General purpose funding		(227,367)	(260,368)	(137,304)
Law, order, public safety		(121,284)	(129,600)	(156,885)
Health		(78,328)	(109,244)	(73,117)
Education and welfare		(47,855)	(217,503)	(32,662)
Housing Community amenities		0 (577,454)	0 (577,971)	0 (286,372)
Recreation and culture		(1,318,795)	(1,752,724)	(1,128,667)
Transport		(4,719,788)	(15,452,608)	(2,634,323)
Economic services		(250,641)	(329,112)	(113,668)
Other property and services		(19,063)	(199,931) (20,030,083)	(49,946) (5 547 939)
		(8,342,848)	(20,030,063)	(5,547,838)
Finance costs		(45.005)	(47 707)	(40.450)
Recreation and culture		(17,295)	(17,727)	(19,153)
Economic services	2(a)	(41,512) (58,807)	(42,543) (60,270)	(45,967) (65,120)
	2(4)	(00,007)	(00,270)	(00,120)
Fair value adjustment to Fixed Assets through		(070 70 1)		
Profit & Loss (Loss on revaluation)		(976,524)	0	0
Non-operating grants, subsidies and				
contributions		_		_
Recreation and culture		0	146,500 684,000	0 558,148
Transport Economic services		336,998 1,000,000	1,000,000	0.00,140
Other property and services		417,416	417,416	0
Taran property and correct		1,754,414	2,247,916	558,148
Profit/(Loss) on disposal of assets				
Transport		(37,489)	(9,644)	(219)
Other property and services		(57,362)	(17,200)	0
	20	(94,851)	(26,844)	(219)
Net result		1,369,304	1,538,900	412,939
Other comprehensive income				
Items not reclassified subsequently to profit & loss				
Changes on revaluation of non-current assets	12	162,342,756	500,000	7,020,319
Total other comprehensive income		162,342,756	500,000	7,020,319
Total comprehensive income		163,712,060	2,038,900	7,433,258
The state of the s				

SHIRE OF WILUNA STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2015

Y	NOTE	2015 \$	201 4 \$
CURRENT ASSETS			
Cash and cash equivalents	3	10,788,362	7,235,673
Trade and other receivables	4	1,400,065	396,297
Inventories	5	42,433	15,067
TOTAL CURRENT ASSETS		12,230,860	7,647,037
NON-CURRENT ASSETS			
Property, plant and equipment	6	15,370,280	15,270,899
Infrastructure	7	174,886,720	14,699,408
TOTAL NON-CURRENT ASSETS		190,257,000	29,970,307
TOTAL ASSETS		202,487,860	37,617,344
CURRENT LIABILITIES			
Trade and other payables	8	1,486,652	188,011
Current portion of long term borrowings	9	153,152	147,263
Provisions	10	127,574	77,379
TOTAL CURRENT LIABILITIES		1,767,378	412,653
NON-CURRENT LIABILITIES		4 057 005	
Long term borrowings Provisions	9	1,257,985	1,411,138
TOTAL NON-CURRENT LIABILITIES	10	12,092 1,270,077	55,208 1,466,346
TOTAL NON-CORRENT LIABILITIES		1,270,077	1,400,340
TOTAL LIABILITIES		3,037,455	1,878,999
NET ASSETS		199,450,405	35,738,345
EQUITY			
Retained surplus		26,520,022	26,819,538
Reserves - cash/investment backed	11	3,338,034	1,669,214
Revaluation surplus	12	169,592,349	7,249,593
TOTAL EQUITY		199,450,405	35,738,345

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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2013		26,944,432	1,131,381	229,275	28,305,087
Comprehensive income Net result		412,939	0	0	412,939
Changes on revaluation of non-current assets Total comprehensive income	12	412,939	0	7,020,319	7,020,319
Transfers from/(to) reserves	-	(537,833)	537,833	0	0
Balance as at 30 June 2014		26,819,538	1,669,214	7,249,593	35,738,345
Comprehensive income Net result		1,369,304	0	0	1,369,304
Changes on revaluation of non-current assets Total comprehensive income	12	1,369,304	0	162,342,756 162,342,756	162,342,756 163,712,060
Transfers from/(to) reserves	£	(1,668,820)	1,668,820	0	0
Balance as at 30 June 2015		26,520,022	3,338,034	169,592,349	199,450,405

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

	NOTE	2015 \$	2015 Budget	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES Receipts	5	¥	\$	
Rates Operating grants, subsidies and		3,359,784	3,300,004	3,176,191
contributions		4,095,430	15,535,826	1,428,542
Fees and charges		295,553	441,801	308,735
Interest earnings		294,814	259,000	233,296
Goods and services tax		(40,388)	110,000	11,629
Other revenue		81,417	66,550	166,905
Dovmente		8,086,610	19,713,181	5,325,298
Payments Employee costs		(1,538,570)	(2,345,560)	(1,369,920)
Materials and contracts		(2,805,406)	(14,936,917)	(1,682,944)
Utility charges		(165,992)	(170,924)	(169,858)
Interest expenses		(61,583)	(54,368)	(66,880)
Insurance expenses		(203,205)	(212,602)	(155,757)
Goods and services tax		(2,461)	(110,000)	0
Other expenditure		(137,853)	(122,710)	(126,220)
•	_	(4,915,070)	(17,953,080)	(3,571,579)
Net cash provided by (used in)				
operating activities	13(b)	3,171,540	1,760,101	1,753,719
CACH ELOWE EDOM INVECTING ACTIVITIES				
CASH FLOWS FROM INVESTING ACTIVITIES Payments for purchase of				
property, plant & equipment		(807,787)	(5,183,530)	(1,392,787)
Payments for construction of		(007,707)	(3,103,330)	(1,002,707)
infrastructure		(514,831)	(2,409,059)	(2,076,178)
Payments for Work in Process		(60,750)	(=,,)	(=,0,0,0)
Non-operating grants,		(,,		
Subsidies and contributions		1,754,414	2,247,916	558,148
Proceeds from sale of fixed assets		157,365	162,274	55,973
Net cash provided by (used in)	_			
investment activities		528,412	(5,182,399)	(2,854,844)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures		(147,263)	(147,263)	(141,599)
Net cash provided by (used In)		(147,200)	(147,200)	(141,000)
financing activities	_	(147,263)	(147,263)	(141,599)
3		(1000)	(, , , , , , , , , , , , , , , , , , ,	8,
Net increase (decrease) in cash held		3,552,689	(3,569,561)	(1,242,724)
Cash at beginning of year		7,235,673	7,235,673	8,478,397
Cash and cash equivalents				
at the end of the year	$^{13(a)} =$	10,788,362	3,666,112	7,235,673

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

2015 NOTE Actual \$	2015 Budget \$	2014 Actual \$
Revenue		
Governance 1,218	700	2,114
General purpose funding 3,953,726	2,695,486	1,406,987
Law, order, public safety 11,961	16,560	19,815
Health 401	513	0
Education and welfare 0	300	0
Housing 2,072	500	238
Community amenities 60,075	76,630	85,317
Recreation and culture 278,428	412,350 13,696,070	384,234 837,065
Transport 1,711,248 Economic services 1,025,877	1,026,000	24,982
Other property and services 473,156	445,984	112,926
7,518,162	18,371,093	2,873,678
Expenses	, ,	,
Governance (982,273)	(1,001,022)	(934,894)
General purpose funding (227,367)	(260,368)	(137,304)
Law, order, public safety (121,284)	(129,600)	(156,885)
Health (78,328)	(109,244)	(73,117)
Education and welfare (47,855)	(217,503)	(32,662)
Housing 0	0	(222.272)
Community amenities (577,454)	(577,971)	(286,372)
Recreation and culture (1,336,090)	(1,770,450)	(1,147,820)
Transport (4,757,275) Economic services (292,153)	(15,462,253) (3 71,655)	(2,634,542) (159,635)
Economic services (292,153) Other property and services (76,425)	(217,130)	(49,945)
(8,496,504)	(20,117,196)	(5,613,176)
Net result excluding rates (978,342)	(1,746,103)	(2,739,498)
Adjustments for cash budget requirements: Non-cash expenditure and revenue		
(Profit)/Loss on asset disposals 20 94,851	26,844	219
Movement in employee benefit provisions (non-current) (43,120)	(10,000)	25,402
Depreciation and amortisation on assets 2(a) 2,210,691	2,109,400	2,092,846
Capital Expenditure and Revenue	2,100,100	2,002,010
Purchase of land and buildings 6(b) (170,705)	(4,471,303)	(133,831)
Purchase plant and equipment 6(b) (606,580)	(570,227)	(404,725)
Purchase furniture and equipment 6(b) (30,502)	(142,000)	(12,036)
Purchase work in progress - building 6(b) (41,602)	0	(842,196)
	(1,696,500)	(2,018,555)
Purchase roads 7(b) (498,072) Purchase airport 0	(300,000)	(17,185)
Taronass amport		
Purchase other infrastructure 7(b) (16,759)	(412,559)	(24,148)
Purchase work in progress - infrastructure 7(b) (19,148)	0	(16,290)
Proceeds from disposal of fixed assets 20 157,365	162,274	55,973
Repayment of debentures 21(a) (147,263)	(147,263)	(141,599)
Transfer from Restricted Loan 1,200,000	1,200,000	0
Transfers to reserves (restricted assets) (1,808,821)	(1,800,000)	(537,833)
Transfers from reserves (restricted assets) 2 140,001	0	0
ADD Estimated surplus/(deficit) July 1 b/fwd 22(b) 4,512,433	4,512,432	6,073,450
LESS Estimated surplus/(deficit) June 30 c/twd 22(b) 7,278,600		,
	0	4,512,433

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

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.

Provision for impairment of receivable

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent revenue experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors financial position.

Provision for impairment of inventories

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent revenue experience, the ageing of inventories, and other factors that affect inventories obsolescence.

Estimation of useful lives of assets

The Council determines theestimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and infrastructure. The useful lives could change significantly as a result of technical innovations and some other events. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from reporting date are recognised and measured at present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimate of attrition rate and pay increases through promotion and inflation have been taken into account.

The local government reporting entity

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Goods and Services Tax (GST)

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

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

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

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

(c) Cash and Cash Equivalents

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

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

(d) Trade and Other Receivables

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

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

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

(e) Inventories

General

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

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

Land held for sale

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

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

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

(f) Fixed Assets

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

Mandatory requirement to revalue non-current assets

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

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

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

and

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

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

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

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

Land under control

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

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

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

Land under roads

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

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

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

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

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

Depreciation

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

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

Capitalisation threshold

Items of property, plant, furniture and equipment when acquired are only capitalised if the purchase cost or value of the item equals or 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 asset inventory listing.

(g) Fair Value of Assets and Liabilities

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

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

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

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

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

Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

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

(h) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and initially recognised and the maturity amount calculated using the effective interest rate method.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

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

Classification and subsequent measurement (continued)

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Impairment

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

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

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

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

Derecognition

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

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

(i) Impairment of Assets

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

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

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

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

(i) Trade and Other Payables

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Employee Benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

(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 until such time as the asset is substantially ready for its intended use or sale.

(m) Provisions

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

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

(n) Leases

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Investment in Associates

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

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

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

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

(p) Interests in Joint Arrangements

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

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

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

(g) Revenue

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 of non operating grants arises when the Shire can benefit from funds transferred to it and deny or regulate the access of others to those benefits. Therefore, control arises when the Shire can use funds granted or transferred to purchase goods and services or retain those funds for future purchases.

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

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

Control of non operating grants arises when the Shire can benefit from funds transferred to it and deny or regulate the access of others to those benefits. Therefore, control arises when the Shire can use funds granted or transferred to purchase goods and services or retain those funds for future purchases.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fees and charges

Revenue (other than service charge) from the use of facilities and charges made for local government services, sewerage rates, rentals, fee for services, photocopying charges, licenses, sale of goods or and administration fees.

Service charges

Services charges imposed under Division 6 of Part 6 of the Local Government Act 1995. Regulation 54 of Local Government (Financial Management) Regulations identifies the charges which can be raised. These are television and information, fines, penalties, radio broadcasting, underground electricity, property surveillance, and security and water services. Exclude rubbish removal and charges for the provision of waste services.

Interest earnings

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors

Other Revenue

Other revenue, which cannot be classified under the above headings, includes dividends, discounts, rebates, etc.

(r) Superannuation

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

(s) Current and Non-Current Classification

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

(t) Rounding Off Figures

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

(u) Comparative Figures

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

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

(v) Budget Comparative Figures

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

	up 2017 the Standard establishes principles for entitles to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising		ry 2018 Nil - The revisions embodied in this Standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Shire (refer (i) above).	ry 2018 Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect.	able ⁽¹⁾
AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8) 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] AASB 15 Revenue from Contracts with			ii.		
			September 201	December 201	Issued / Compi
	Customers	[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]	(ii) AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	Title

S

The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings

from a contract with a customer.

with. It may or may not be significant.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

ods (Continued)	Applicable (1)
Application in Future Peri	Issued / Compiled
ounting Standards and Interpretations for A	Title
(w) New Acco	

	Title	Issued / Compiled	Applicable (1)	Impact
(<u>i</u>	AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments	December 2013	Refer title column	Part C of this Standard makes consequential amendments to AASB 9 and numerous other Standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value.
	[Operative date: Part C Financial Instruments - 1 January 2015]			As the bulk of changes relate either to editorial or reference changes it is not expected to have a significant impact on the Shire.
3	(v) AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations	August 2014	1 January 2016	This Standard amends AASB 11: Joint Arrangements to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: Business Combinations, to apply all of the principles on business
	[AASB 1 & AASB 11]			combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with

Since adoption of this Standard would impact only acquisitions of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the Shire's financial statements.	This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.
	1 January 2016

August 2014

AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and

Ē

[AASB 116 & 138]

Amortisation

by AASB 3 and other Australian Accounting Standards for business

combinations.

the guidance in AASB 11; and disclose the information required

Given the Shire curently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

of materiality remain largely unchanged.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

(x) Adoption of New and Revised Accounting Standards

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

Notes:

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

These new and revised Standards were:

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

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

2. REVENUE AND EXPENSES		2015 \$	2014 \$
(a) Net Result		Φ	Ф
The Net result includes:			
(i) Charging as an expense:			
Auditors remuneration - Audit of the annual financial report - Acquittal audit - Financial Management Review		21,638 5,400 25,417 52,455	21,712 0 0 21,712
Depreciation Non-specialised buildings Plant and Equipment Furniture and Equipment Roads Airport Other Infrastructure Interest expenses (finance costs)		283,465 311,121 48,092 1,430,461 56,836 80,716 2,210,691	193,016 279,608 70,839 1,380,876 100,529 67,978 2,092,846
Debentures (refer Note 21 (a))		58,807 58,807	65,120 65,120
(ii) Crediting as revenue:Significant revenueOther revenueReimbursements and recoveriesOther		61,914 19,503 81,417	149,313 17,592 166,905
	2015 Actual \$	2015 Budget \$	2014 Actual \$
Interest earnings - Reserve funds - Other funds Other interest revenue (refer note 26)	76,118 169,772 33,789 279,679	50,000 190,000 19,000 259,000	34,832 195,309 39,390 269,531

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

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

COMMUNITY VISION

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

GOVERNANCE

Objective:

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

Activities:

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

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objective:

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

Activities:

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

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

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

EDUCATION AND WELFARE

Objective:

To provide opportunities for the community to develop their education and training and capacity **Activities:**

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

HOUSING

Objective:

To provide and maintain housing for the employees of the Shire

Activities:

Provision and maintenance housing for the employees of the Shire

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

COMMUNITY AMENITIES

Objective:

To provide services & amenities required by the community.

Activities:

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

Objective:

To establish and effectively manage infrastructure and resource which will help the social well being. **Activities:**

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

TRANSPORT

Objective:

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

Activities:

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

ECONOMIC SERVICES

Objective:

To help promote the shire and its economic wellbeing.

Activities:

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

OTHER PROPERTY AND SERVICES

Objective:

'To monitor and control Shire's overheads operating accounts.

Activities:

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

2. REVENUE AND EXPENSES (Continued)

Closing	30/06/15	32,172	0	0	0	0	18,000	18,000	982,458 *	16,118	810,773 *	14,994	53,752	•				1,946,267
Expended (3)	2014/15	(111,306)	(30,000)	(17,500)	(220,998)	(80,000)	0	0	(17,542)	(8,603)	(24,059)	0	0					(510,008)
Beceived (2)	2014/15	100,000	30,000	17,500	220,998	80,000	18,000	18,000	1,000,000	11,543	417,416	0	0					1,913,457
Closing Balance ⁽¹⁾	30/06/14	43,478	0	0	0	0	0	0	0	13,178	417,416	14,994	53,752	000	16,930	0	0	559,748
Expended ⁽³⁾	2013/14	(91,138)	0	0	0	0	0	0	0	(6,170)	0	0	0			(23,120)	(131,250)	(251,678)
Received (2)	2013/14 \$	105,000	0	0	0	0	0	0	0	19,348	0	0	0			23,120	131,250	278,718
Opening Balance ⁽¹⁾	1/07/13	29,616	0	0	0	0	0	0	0	0	417,416	14,994	53,752		16,930			532,708
utions	Function/ Activity	Art Gallery Operation Grant	Pool Revitalisation Program	Facilities Audit/Master Plan	Regional Road Group Grant	Roads to Recovery grant	Remote Communities- FAGS	Remote Aboriginal Communities	Gunbarrel Highway & Interpretive	Fire Prevention	New Admin Bldg	Art Gallery operation	Wiluna Development Programme		Community Safety	Old Hospital	Good Shed	
(c) Conditions Over Grants/Contributions	Grant/Contribution	DEWHA - OFTA	Dept of Sports &Recreation	Facilities Audit/Master Plan	Main Roads	Dept of Infrastructure & Regional Development	Government of WA	Main Roads	Dept of Local Government-CLGF	Dept of Fire and Emergency Services	Dept of Local Government-CLGF	AED	Wiluna Development Programme	WA Police Strategic Crime	Prevention	Lotteries- Conservation Plan	Lotteries- Conservation Plan	Total

Notes:

- (1) Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.
- (2) New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.
- (3) Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.
- * At 30 June 2015 the Shire had committed this funding for use in accordance with the funding agreement

	Note	2015 \$	2014 \$
3. CASH AND CASH EQUIVALENTS		*	Ť
Unrestricted Restricted		4,304,061 6,484,301 10,788,362	3,806,710 3,428,963 7,235,673
The following restrictions have been imposed by regulations or other externally imposed requirements	ents:		
Reserve - Leave Reserve - Asset Replacement Reserve - Airport Reserve - Computer Reserve - Wiluna Telecentre Unspent grants Unspent loans	11 11 11 11 11 2(c) 21(c)	70,159 2,824,188 369,847 58,588 15,252 1,946,267 1,200,000 6,484,301	38,829 1,519,880 68,116 27,642 14,747 559,749 1,200,000 3,428,963
4. TRADE AND OTHER RECEIVABLES		2015 \$	2014 \$
Current Rates outstanding Sundry debtors Provision for Doubtful accounts GST receivable Accrued Income		192,178 105,130 (54,854) 42,849 1,114,763 1,400,066	178,157 222,541 (40,636) 0 36,235 396,297
The ageing of the past due but not impaired rece follows:	ivables (Rates Outstandin	g and Sundry Deb	tors) are as
0 to 3 months overdue 3 to 6 months overdue Over 6 months overdue		17,997 0 154,507 172,504	17,109 10,017 218,793 245,919
5. INVENTORIES			
Current Fuel and materials		42,433 42,433	15,067 15,067

	2015 \$	2014 \$
6 (a). PROPERTY, PLANT AND EQUIPMENT		
Land and buildings Freehold land at: - Independent valuation 2014 - level 2	390,000	<u>390,000</u> 390,000
Non-specialised buildings at: - Management valuation 2014 - level 3 - Additions after valuation - cost Less: accumulated depreciation	12,189,057 867,935 (393,476) 12,663,516	12,189,057 0 (110,011) 12,079,046
Total land and buildings	13,053,516	12,469,046
Plant and Equipment at: - Management valuation 2013 - level 2 - Additions after valuation - cost Less accumulated depreciation Furniture and Equipment at:	1,488,000 940,105 (507,597) 1,920,508	1,754,500 333,525 (264,599) 1,823,426
 - Management valuation 2015 - level 2 - Additions after valuation - cost Less accumulated depreciation 	209,689 0 0 209,689	730,270 0 (594,039) 136,231
Work in Progress - Building at: - Cost	186,567 186,567	842,196 842,196
	15,370,280	15,270,899

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

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

Carrying Amount at the End of Year	000,000	390,000	1 12,663,516	12,663,516	13,053,516	0 1,920,508	0 209,689	186,567	15,370,280
Transfers			697,231	697,231	697,231		83	(697,231)	0)
Depreciation (Expense)	0	0	(283,465)	(283,465)	(283,465)	(311,121)	(48,092)	0	(642,678)
Impairment (Losses)/ Reversals	0	0	0	0	0	0	0	0	0
Revaluation Increments/ (Decrements)	0	0	0	0	0	0	144,887	0	144,887
(Disposals)	0	0	0	0	0	(198,377)	(53,838)	0	(252,215)
Additions	0	0	170,705	170,705	170,705	606,580	30,502	41,602	849,389
Balance at the Beginning of the Year	000'068	390,000	12,079,046	12,079,046	12,469,046	1,823,426	136,231	842,196	15,270,899
	Freehold land	Total land	Non-specialised buildings	Total buildings	Total land and buildings	Plant and Equipment	Furniture and Equipment	Work in Progress - Building	Total property, plant and equipment

The revaluation of Furniture & Equipment resulted in an increase on revaluation of \$144,887 in the net value of property, plant and equipment.
All increase was credited to the revaluation surplus in the Shire's equity (refer Note 12) and was recognised as Changes on Revaluation of non-current, assets in the Statement of Comprehensive Income.

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

) Fair Value Measurements					
Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Land and buildings					
Freehold land	Level 2	Sales Comparison Approach/Cost Approach	Market Value	May 2014	Market sales evidence available at the date of valuation; specific valuation comments
Non-specialised buildings	Level 3	Sales Comparison Approach/Cost Approach (Net Valuation Approach)	Fair Value	May 2014	Market sales evidence available at the date of valuation; specific valuation comments
Plant and Equipment	Level 2	Market approach (Net Valuation Approach)	Market Value	June 2013	Open market value of similar assets; comparison with market value of similar assets
Furniture and Equipment	Level 2	Market approach (Net Valuation Approach)	Market Value	June 2015	Comparison with similar market value of similar assets

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

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

7 (a). INFRASTRUCTURE	2015 \$	2014 \$
Roads - Independent valuation 2015 - Level 2 - Cost Less accumulated depreciation	217,884,131 0 (47,551,008) 170,333,123	0 42,537,932 (31,511,474) 11,026,458
Airport - Independent valuation 2015 - Level 2 - Independent valuation 2014 - Level 2 Less accumulated depreciation	3,279,750 0 0 3,279,750	0 1,533,943 (156,173) 1,377,770
Other Infrastructure - Independent valuation 2015 - Level 2 Less accumulated depreciation	1,242,850 0 1,242,850	2,726,769 (447,879) 2,278,890
Work in Progress - Infrastructure - Cost Less accumulated depreciation	30,997 0 30,997	16,290 0 16,290
	174,886,720	14,699,408

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

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

The Shire's Airport and Other infrastructure were revalued at 30 June 2015 by Griffin Valuation Advisory. The Roads Infrastructure were revalued at 30 June 2015 by Talis Delivering Solutions

7. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Balance as at the Beginning of the Year	Additions \$	(Disposals)	Revaluation Increments/ (Decrements)	Impairment (Losses)/ Reversals	Depreciation (Expense) \$	Transfers	Carrying Amount at the End of the Year
Roads	11,026,458	498,072	0	160,237,455	0	(1,430,461)	1,599	170,333,123
Airport	1,377,770	0		1,960,414	0	(56,836)	(1,599)	3,279,749
Other Infrastructure	2,278,890	16,759		(976,524)	0	(80,716)	4,441	1,242,850
Work in Progress - Infrastructure	16,290	19,148	0	0	0	0	(4,441)	30,997
Total infrastructure	14,699,408	533,979	0	161,221,345	0	(1,568,012)	0	174,886,720

The revaluation of infrastructure assets resulted in an increase on revaluation of \$161,221,345 in the net value of infrastructure.
An increase of \$162,197,869 was credited to the revaluation surplus in the Shire's equity (refer Note 12) and was recognised as Changes on Revaluation of non-current, assets and decrement of \$976,524 was recognised as loss on revaluation through profit & loss in the Statement of Comprehensive Income.

7. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Inputs used	Conditioned based valuation; Valuation generated using the RAMM (Roman II) module	Market sales evidence available at the date of valuation; specific valuation comments	Market sales evidence available at the date of valuation; specific valuation comments
Date of last Valuation	June 2015	June 2015	June 2015
Basis of valuation	Conditioned based valuation	Fair Value	Fair Value
Valuation Technique	Cost Approach (Gross Revaluation Method)	Cost Approach (Net Revaluation Method)	Cost Approach (Net Revaluation Method)
Fair Value Hierarchy	Level 3	Level 2	Level 2
Asset Class	Roads	Airport	Other Infrastructure

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

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

	2015 \$	2014 \$
8. TRADE AND OTHER PAYABLES		
Current Sundry creditors Accrued interest on debentures Accrued salaries and wages ATO liabilities Accrued Expenses Rates with credit balances	1,406,202 21,457 7,129 2,467 4,484 44,913 1,486,652	103,694 24,233 0 22,564 9,681 27,840 188,012
9. LONG-TERM BORROWINGS		
Current Secured by floating charge Debentures	153,152 153,152	147,263 147,263
Non-current Secured by floating charge Debentures	1,257,985 1,257,985	1,411,137 1,411,137

Additional detail on borrowings is provided in Note 21.

The Shire did not have any long term borrowings at the reporting date.

10. PROVISIONS

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2014 Non-current provisions	62,632	14,748	77,380
	0	55,208	55,208
	62,632	69,956	132,588
Movement in provision Balance at 30 June 2015	(10,084)	17,162	7,078
	52,548	87,118	139,666
Comprises Current Non-current	52,548	75,026	127,574
	0	12,092	12,092
	52,548	87,118	139,666

	2015 \$	2015 Budget \$	2014 \$
11. RESERVES - CASH BACKED		•	
(a) Leave Reserve Opening balance Amount set aside / transfer to reserve Amount used / transfer from reserve	38,829	38,829	37,760
	31,330	31,500	1,069
	0	0	0
	70,159	70,329	38,829
(b) Reserve - Asset Replacement Opening balance Amount set aside / transfer to reserve Amount used / transfer from reserve	1,519,880	1,519,880	986,571
	1,444,309	1,433,100	533,309
	(140,001)	0	0
	2,824,188	2,952,980	1,519,880
(c) Reserve - Airport Opening balance Amount set aside / transfer to reserve Amount used / transfer from reserve	68,116	68,116	65,830
	301,731	303,200	2,286
	0	0	0
	369,847	371,316	68,116
(d) Reserve - Computer Opening balance Amount set aside / transfer to reserve Amount used / transfer from reserve	27,642	27,642	26,880
	30,946	31,300	762
	0	0	0
	58,588	58,942	27,642
(e) Reserve - Wiluna Telecentre Opening balance Amount set aside / transfer to reserve Amount used / transfer from reserve	14,747	14,747	14,340
	505	900	407
	0	0	0
	15,252	15,647	14,747
TOTAL RESERVES	3,338,034	3,469,214	1,669,214
Total Opening balance Total Amount set aside / transfer to reserve Total Amount used / transfer from reserve TOTAL RESERVES	1,669,214	1,669,214	1,131,381
	1,808,821	1,800,000	537,833
	(140,001)	0	0
	3,338,034	3,469,214	1,669,214

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

11. RESERVES - CASH BACKED

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

- (a) Leave Reserve
 - to be used to fund annual and long service leave requirements.
- (b) Reserve Asset Replacement
 - to be used for the purchase and replacement of equipment, furniture, plant, buildings, infrastructure, including roads, footpaths, and recreation facilities
- (c) Reserve Airport
 - to be used to fund the long term maintenance and upgrading of the Wiluna Airstrip
- (d) Reserve Computer
 - to be used to ensure that the administration computer system is maintained.
- (e) Reserve Wiluna Telecentre
 - to be used to fund the replacement and upgrading of the IT Equipment provided for use by the communmity

These Reserves are not expected to be used within a set period and further transfer to the to the reserves accounts are expected as funds are utilised.

12. REVALUATION SURPLUS Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:	2015 \$	2014 \$
(a) Land and buildings Opening balance Revaluation increment Revaluation decrement	6,347,852 0 0 6,347,852	0 6,347,852 0 6,347,852
(b) Plant and Equipment Opening balance Revaluation increment Revaluation decrement	229,274 0 0 229,274	229,274 0 0 229,274
(c) Furniture and Equipment Opening balance Revaluation increment Revaluation decrement	0 144,887 0 144,887	0 0 0 0
(d) Airport Opening balance Revaluation increment Revaluation decrement	672,467 1,960,414 0 2,632,881	0 672,467 0 672,467
(e) Roads Opening balance Revaluation increment Revaluation decrement	0 160,237,455 0 160,237,455	0 0 0 0
TOTAL ASSET REVALUATION SURPLUS	169,592,349	7,249,593
Total Opening Balance Revaluation Increment Revaluation Decrement Total Closing Balance	7,249,593 162,342,756 0 169,592,349	229,274 7,020,319 0 7,249,593

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

		2015 \$	2015 Budget \$	2014 \$
	Cash and cash equivalents	10,788,362	3,666,112	7,235,673
(b)	Reconciliation of Net Cash Provided By Operating Activities to Net Result			
	Net result	1,369,304	1,538,901	412,939
	Non-cash flows in Net result: Depreciation (Profit)/Loss on sale of asset Loss on revaluation of fixed assets Changes in assets and liabilities:	2,210,691 94,851 976,524	2,109,400 26,844 0	2,092,846 219 0
	(Increase)/Decrease in receivables (Increase)/Decrease in inventories	(1,003,769) (27,366)	195,000 5,000	(142,671) 11,388
	Increase/(Decrease) in payables Increase/(Decrease) in provisions	1,298,641 7,078	142,872 (10,000)	(122,719) 59,8 65
	Grants contributions for the development of assets Net cash from operating activities	(1,754,414) 3,171,540	(2,247,916) 1,760,101	(558,148) 1,753,719
(c)	Undrawn Borrowing Facilities Credit Standby Arrangements	2015 \$		2014 \$
	Bank overdraft limit Bank overdraft at balance date	0		0
	Credit card limit	50,000		50,000
	Credit card balance at balance date Total amount of credit unused	(13,621) 36,379		(7,069) 42,931
	Loan facilities Loan facilities - current Loan facilities - non-current Total facilities in use at balance date	153,152 1,257,985 1,411,137		147,263 1,411,137 1,558,400
	Unused loan facilities at balance date	NIL		NIL

14. CONTINGENT LIABILITIES

The Shire of Wiluna has in compliance with the Contaminated Sites Act 2003 section 11 listed sites to be possible sources of contamination:

Former Power Station, Cnr Lennon and Wells St, Wiluna

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk and agree with the DER the need and criteria for remediation, the Shire is unable to accurately quantify its clean-up liabilities for potentially contaminated sites. The Shire is continuing to monitor the sites and will progressively undertake site investigations and remediation on a risk based approach. This approach is consistent with the DER guidelines.

15. CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments

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

(b) Capital Expenditure Commitments

The Shire did not have any future capital expenditure commitments at the reporting date except for the restrictions imposed by regulations or other externally imposed requirement disclosed in Note 3.

16. JOINT VENTURE ARRANGEMENTS

The Shire is not involved in any joint venture arrangements.

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2015	2014
	\$	\$
Governance	10,200	2,091
General purpose funding	142,545	178,157
Law, order, public safety	177,195	182,723
Education and welfare	4,000	0
Housing	5,964,417	5,936,662
Community amenities	427,509	474,819
Recreation and culture	5,381,061	5,712,286
Transport	174,290,748	13,330,928
Economic services	542,391	835,763
Other property and services	5,149,432	3,728,241
Unallocated	10,398,362	7,235,673
	202,487,860	37,617,343

18. FINANCIAL RATIOS	2015	2014	2013
Current ratio Asset sustainability ratio Debt service cover ratio Operating surplus ratio Own source revenue coverage ratio The above ratios are calculated as follows:	3.39 0.17 13.88 0.15 0.47	11.28 1.80 9.74 (0.04) 0.69	12.88 0.47 97.40 0.15 0.69
Current ratio	current liabilities	s minus restricted minus liabilities a restricted assets	
Asset sustainability ratio	_ capital renewal a Depre	nd replacement e ciation expenses	
Debt service cover ratio	annual operating surplu	us before interest ipal and interest	and depreciation
Operating surplus ratio	operating revenue	e minus operating ce operating reve	
Own source revenue coverage ratio		ce operating reverating expenses	nue

Notes:

Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Supplementary Ratio Information on Page 55 of this document.

19. TRUST FUNDS

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

	Balance 1 July 2014 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30 June 2015 \$	
Gym Keys Deposit/Housing Bond	10,632 10,632	6,513	(6,841)	10,304 10,304	

20. DISPOSALS OF ASSETS - 2014/15 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Bo	ok Value	Sale	Price	Profit	(Loss)
Ī	Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$
Plant and Equipment				_		
Transport		1				
Nissan Patrol Ute (P51)	16,778	17,117	16,364	21,817	(414)	
Toyota Hi Lux 2012 - Gardener	19,089	31,263	20,455	29,091	1,366	
Toyota Hi Lux 2012 - Works Ma	29,479	20,256	29,091	20,455	(388)	199
2007 Caterpillar 226 B2AC (P2	19,560	0	16,000	18,182	(3,560)	
Tennant Road Sweeper (P73)	51,258	53,280	20,000	22,727	(31,258)	(30,553)
Other property and services						
Nissan Patrol ST 2009 (P37)	21,101	22,503	21,818	16,364		1 ' ' ' ' '
Nissan Patrol ST WU1 (P74)	31,639	34,672	27,273	27,273	, , ,	
Ford Territory (P39)	9,474	10,026	6,364	6,364	\ ' '	1 1
Various - Furnitures/Equipment	53,838	0	0	0	(53,838)	
	198,378	189,117	157,365	162,273	(94,851)	(26,844)

Profit	2,083	23,081
Loss	(96,934)	(49,925)
	(94,851)	(26,844)

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

	Principal		Princ	Principal	Prin	Principal	Inte	Interest
	1 July	New	Repay	Repayments	30 Jun	30 June 2015	Repay	Repayments
	2014	Loans	Actual	Budget	Actual	Budget	Actual	Budget
Particulars	€9	\$	8	\$	69	↔	↔	(
Recreation and culture Wiluna Recreation Ground Change rooms, Toilets& Kiosk	458,353	0	43,313	43,313	415,040	415,040	415,040 17,295	17,726
Economic services Canning Stock Stock Gunbarrel Highway Interpretive Centre	1,100,047	0	103,950	103,950	996,097	996,097	41,512	42,543
	1,558,400	0	147,263	147,263	1,411,137	1,411,137	58,807	60,269

All other loan repayments were financed by general purpose revenue.

(b) New Debentures - 2014/15
The Shire did not take up any new debentures during the year ended 30 June 2015.

(c) Unspent Debentures

	Date	Balance	Borrowed	Balance Borrowed Expended Balance	Balance
	Borrowed	Borrowed 1 July 14 During	During	During	30 June 15
		₩	Year	Year	€9
Particulars			↔	()	
Economic Services		0	0	0	0
Heritage and Interpretive Centre		1,200,000	0	0	1,200,000
		1,200,000	0	0	1,200,000

(d) Overdraft The Council has no overdraft facility and no overdraft has been ulitilised at 30 June 2015

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

22. RATING INFORMATION - 2014/15 FINANCIAL YEAR

(a) Rates	Rate in	Number of Properties	Rateable Value	Rate Revenue	Interim Rates	Back Rates	Total Revenue	Budget Rate Bevenue	Budget Interim Rate	Budget Back Bate	Budget Total Revenue
ВАТЕ ТУРЕ		2	•	-	.	+		69	69	49	€9
Differential general rate / general rate											
Gross rental value valuations	ر 1 1	y y	690 352	79.597	C	O	79.597	79.598	0	0	79,598
Wildrig Townsiles	0.1255	ς ω	8,289,760	1,040,365	0	0	1,040,365	1,040,365	0	0	1,040,365
Unimproved value valuations	000	7.0	1 0/0 211	108 308	c	C	126 308	126 998	C	C	126 998
Hural/Pastoral Mining	0.1407	199	11,415,778	1,606,200	4,016	0	1,610,216	1,601,853	0	0	1,601,853
Exploration & Prospecting Pastoral	0.1369	136	2,679,194	366,782	(14,020)	(22)	352,686	317,889	0	0	317,889
Sub-Totals		434	24,924,395	3,219,252	(10,004)	(22)	3,209,172	3,166,704	0	0	3,166,704
	Minimum							V			
Minimum payment	÷										
-											
Gross rental value valuations Willing Townsites	400	25	14,609	10,000	0	0	10,000	10,000	0	0	10,000
Mining	300	ო	290	900		0	006	006		0	
Unimproved value valuations											
Rural/Pastoral	300	2	2,690	009		0	009				
Mining	300	195	146,704	58,500		0	58,500				
Exploration & Prospecting Pastoral	300	150	260,112	45,000			45,000				
Sub-Totals		375	375,385	115,000	0	Э	000,611	008,811	5	0	4
Ex-oratia rates							3,324,172				3,285,004
Discounts Total amount raised from general rate							3,324,172				3,285,004
1							C				c
Specified Area Hate Totals							3,324,172				3,285,004

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

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

	2015 (30 June 2015 Carried Forward) \$	2015 (1 July 2014 Brought Forward) \$	2014 (30 June 2014 Carried Forward)
Surplus/(Deficit) 1 July 14 brought forward	7,278,600	4,512,433	4,512,433
Comprises:			
Cash and cash equivalents			
Unrestricted	4,304,061	3,806,710	3,806,710
Restricted	6,484,301	3,428,962	3,428,962
Receivables			
Rates outstanding	142,545	178,157	178,157
Sundry debtors	99,908	222,542	222,542
GST receivable	42,849	0	0
Provision for Bad Debts		(40,636)	(40,636)
Accrued Income	1,114,763	36,235	36,235
Inventories			
Fuel and materials	42,433	15,067	15,067
Less:			
Trade and other payables			
Sundry creditors	(1,406,201)	(103,694)	(103,694)
Accrued interest on debentures	(21,457)	(24,233)	(24,233)
Accrued salaries and wages	(7,129)	0	0
ATO liabilities	(2,467)	(22,564)	(22,564)
Other Current Liabilities/Accrued Expenses	(4,484)	(9,681)	(9,681)
Rates with credit balances	(44,914)	(27,840)	(27,840)
Current portion of long term borrowings			
Secured by floating charge	(153,152)	(147,263)	(147,263)
Provisions			
Provision for annual leave	(52,548)	(62,632)	(62,632)
Provision for long service leave	(75,026)	(14,747)	(14,747)
Net current assets	10,463,482	7,234,383	7,234,383
Less:			
Reserves - restricted cash	(3,338,034)	(1,669,213)	(1,669,213)
Restricted - Municipal Loan		(1,200,000)	(1,200,000)
Add:			
Secured by floating charge	153,152	147,263	147,263
Surplus/(deficit)	7,278,600	4,512,433	4,512,433

Difference

There was no difference between the surplus/(deficit) 1 July 2014 brought forward position used in the 2015 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2014 audited financial report.

23. SPECIFIED AREA RATE - 2014/15 FINANCIAL YEAR

The Shire did not impose any Specified Area Rates.

24. SERVICE CHARGES - 2014/15 FINANCIAL YEAR

The Shire did not impose any service charges.

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

No discount on rates is available.

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

	Interest	Admin.	Revenue	Budgeted
	Rate	Charge	\$	Revenue
	%	\$		\$
Interest on unpaid rates	11.00%	0	31,150	0
Interest on instalments plan	5.50%	0	2,639	0
Charges on instalment plan		4,000	0	0
Pensioner deferred rate interest		0	0	0
	in		33,789	0

Ratepayers had the option of paying rates in four equal instalments, due on 20 October 2014, 22 December 2014, 23 February 2015 and 20 April 2015. Administration charges and interest applied for the final three instalments.

	2015	2014
27. FEES & CHARGES	\$	\$
Governance	-2	5
General purpose funding	136	2,627
Law, order, public safety	418	468
Health	401	0
Community amenities	60,075	85,317
Recreation and culture	75,083	65,986
Transport	123,804	118,202
Economic services	25,877	24,982
Other property and services	9,762	11,149
	295,553	308,736

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

28. GRANT REVENUE

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

By Nature or Type: Operating grants, subsidies and contributions Non-operating grants, subsidies and contributions By Program: General purpose funding Law, order, public safety Recreation and culture Transport Economic services Other property and services	2015 \$ 5,107,098 1,754,414 6,861,512 3,667,365 11,543 177,925 1,587,263 1,000,000 417,416 6,861,512		2014 \$ 1,570,360 558,148 2,128,508 1,123,237 19,348 283,699 702,224 0 0 2,128,508
29. EMPLOYEE NUMBERS	0,001,312	=	2,120,300
The number of full-time equivalent employees at balance date	21	=	24
30. ELECTED MEMBERS REMUNERATION	2015 \$	2015 Budget \$	2014 \$
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees President's allowance Deputy President's allowance Travelling expenses Telecommunications allowance	59,905 11,330 3,090 16,853 7,968 99,146	60,360 12,360 3,090 6,000 6,300 88,110	39,375 11,542 2,885 8,329 6,075 68,206

31. MAJOR LAND TRANSACTIONS

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

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

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

33. EVENTS OCCURRING AFTER REPORTING DATE

Events that occur between the end of the reporting period (ending 30 June 2015 and the date when the financial statements are "authorised for issue") have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' report as the applicable "authorised for issue" relating to these General Purpose Financial Statements.

Events that occurred after the reporting date represents in two types:

i. Events that provide evidence of conditions that existed at the Reporting Period

These financial statements (and figures therein) incorporates all the "adjusting events" that provided evidence of conditions that existed at 30 June 2015.

ii. Events that provide evidence of conditions that arose after the Reporting Period

That Council is not aware of any material or significant "non adjusting events" that should be disclosed.

34 FINANCIAL RISK MANAGEMENT

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

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

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

The Shire held the following financial instruments at balance date:

	Carryin	g Value	Fair \	/alue
	2015	2014	2015	2014
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	10,788,362	7,235,673	10,788,362	7,235,673
Receivables	1,400,065	396,297	1,400,065	396,297
	12,188,427	7,631,970	12,188,427	7,631,970
Financial liabilities				
Payables	1,486,652	188,011	1,486,652	188,011
Borrowings	1,411,137	1,558,401	1,411,137	1,558,401
	2,897,789	1,746,412	2,897,789	1,746,412

Fair value is determined as follows:

- Cash and cash equivalents, receivables, payables estimated to the carrying value which approximates net market value.
- Borrowings, held to maturity investments, estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.
- Financial assets at fair value through profit and loss, available for sale financial assets based on quoted market prices at the reporting date or independent valuation.

34 FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

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

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

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

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

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

	2015 \$	2014 \$	
Impact of a 1% $^{(1)}$ movement in interest rates on cash			
- Equity - Statement of Comprehensive Income	107,884 107,884	72,356 72,356	

Notes:

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

34 FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

	2015	2014
Percentage of rates and annual charges		
- Current - Overdue	4.32% 95.68%	2.18% 97.82%
Percentage of other receivables		
- Current - Overdue	83.66% 16.34%	87.81% 12.19%

34 FINANCIAL RISK MANAGEMENT (Continued) (c) Payables

Borrowings

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

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

T	85 80 83 83 83 83 83 83 83 83 83 83 83 83 83		5 8 6 M
Carrying values \$	1,486,653 1,411,137 2,897,790		188,012 1,558,400 1,746,412
Total contractual cash flows	1,486,652 1,660,254 3,146,906		188,012 1,867,786 2,055,798
Due after 5 years \$	0 622,595 622,595		0 830,127 830,127
Due between 1 & 5 years \$	830,127 830,127		0 830,127 830,127
Due within 1 year \$	1,486,652 207,532 1,694,184		188,012 207,532 395,544
2015	Payables Borrowings	2014	Payables Borrowings
	Payables Borrowing		Payables Borrowing

34 FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables Borrowings (continued)

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

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

Weighted Average Effective Interest Rate				%96 8				3.96%	
	Total	·		1 411 137				1,558,400	
sed to interest rate risk:	>5 years			1,411,137	3.96%			1,558,400	3.96%
	>4<5 years			C	0.00%			0	0.00%
instruments exp	>3<4 years			C	0.00%			0	0.00%
The following tables set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:	>2<3 years			0	0.00%			0	0:00%
	>1<2 years			O	0.00%			0	0.00%
	<1 year			0	0.00%			0	0.00%
The following tables set out the		Year ended 30 June 2015	Borrowings	Fixed rate Debentures	Weighted average Effective interest rate	Year ended 30 June 2014	Borrowings	Fixed rate Debentures	Weighted average Effective interest rate



RSM Australia Pty Ltd

8 St Georges TerracePerth WA 6000 GPO Box R1253Perth WA 6844

> T +61(0) 8 9261 9100 F +61(0) 8 9261 9111

> > www.rsm.com.au

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, which comprises the statement of financial position as at 30 June 2015 and the statement of comprehensive income, statement of changes in equity, statement of cash flows and rate setting statement for the year ended on that date, the summary of significant accounting policies and other explanatory notes and the statement by the Chief Executive Officer.

Chief Executive Officer's Responsibility for the Financial Report

The Chief Executive Officer 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 Chief Executive Officer, 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, the Regulations under that Act and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Shire of Wiluna'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:

- (i) gives a true and fair view of the financial position of the Shire of Wiluna as at 30 June 2015 and of its financial performance for the year ended on that date;
- (ii) complies with the *Local Government Act 1995* Part 6 and the Regulations under that Act and Australian Accounting Standards (including the Australian Accounting Interpretations); and
- (iii) in relation to the Supplementary Ratio Information presented in the financial report, we have reviewed the calculations as presented and in our opinion these are based on verifiable information and reasonable assumptions.

Report on Statutory Compliance

We did not during the course of our audit become aware of any instances where the Shire of Wiluna 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.

RSM

RSM AUSTRALIA PTY LTD

In ILLU

Perth, WA

Dated: 2 December 2015

D WALL Director

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

RATIO INFORMATION

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

	2015	2014	2013	
Asset consumption ratio Asset renewal funding ratio	0.797 0.858	0.73 0.86	0.17 0.73	
The above ratios are calculated as follows:				
Asset consumption ratio	depreciated replacement costs of assets current replacement cost of depreciable assets			
Asset renewal funding ratio	NPV of planning capital renewal over 10 years NPV of required capital expenditure over 10 years			

