



<b>INTRODUCTION .....</b>	<b>2</b>
Our Vision.....	2
Our Mission .....	2
Our Values.....	2
<b>OUR SHIRE .....</b>	<b>3</b>
<b>SHIRE OF BRUCE ROCK STATISTICS .....</b>	<b>3</b>
<b>THE COUNCIL.....</b>	<b>6</b>
<b>SHIRE OF BRUCE ROCK CONTACT NUMBERS.....</b>	<b>7</b>
<b>STAFF .....</b>	<b>9</b>
<b>PRESIDENT'S REPORT .....</b>	<b>10</b>
<b>CHIEF EXECUTIVE OFFICER'S REPORT .....</b>	<b>13</b>
CORPORATE AND COMMUNITY.....	13
FINANCE.....	13
REGULATORY .....	14
WORKS AND SERVICES.....	15
THE YEAR AHEAD.....	15
<b>DISABILITIES SERVICE PLAN.....</b>	<b>18</b>
<b>NATIONAL COMPETITION POLICY .....</b>	<b>21</b>
<b>STATE RECORDKEEPING ACT.....</b>	<b>21</b>
<b>FREEDOM OF INFORMATION .....</b>	<b>22</b>
<b>EMPLOYEE PAYMENTS.....</b>	<b>22</b>
<b>REGISTER OF CERTAIN.....</b>	<b>23</b>
<b>COMPLAINTS FOR MINOR BREACHES.....</b>	<b>23</b>
<b>PART 2 – ANNUAL FINANCIAL REPORT .....</b>	<b>24</b>

# INTRODUCTION

## OUR VISION

Leads the Way

## OUR MISSION

We will achieve our vision by maintain and enhancing the Bruce Rock lifestyle, increase business and employment opportunities and achieve population growth in an environmentally sustainable way.

## OUR VALUES

We will conduct our business with:

### Respect

- Value people and places and the contribution they make to the Shire
- Develop an environment of respect for different cultures
- Be appreciative of the aspirations of the community and what it does for itself

### Inclusiveness

- Be receptive, proactive and responsive as an organization
- Foster the community that has the ability to capacity build
- Demonstrate leadership by promoting Council and community teamwork

### Fairness and equity

- Maintain a 'whole of Shire' outlook, but recognise that each community is unique and likely to have variations on their needs
- Provide services for a variety of ages and needs
- Respond to the community in a fair and equal way depending on need

### Communication

- Create opportunities for consultation with the broad community
- Ensure appropriate, accessible information will be made available to the community



## OUR SHIRE

The Shire of Bruce Rock covers an area of 2,772 km<sup>2</sup> in the Wheatbelt of Western Australia and has a population of approximately 974 (ABS, Census, 2011). The Shire comprises of five town sites, Ardath, Babakin, Bruce Rock, Kwolyn and Shackleton.

## SHIRE OF BRUCE ROCK STATISTICS

### Localities

Ardath; Babakin; Belka; Bruce Rock; Shackleton

### Significant Local Events

Bruce Rock Agricultural Show – October 2013

Back to the Bush Reunion – 1<sup>st</sup> Weekend November

Bruce Rock Centenary Celebrations – 2013 (*main celebrations April*)

Wheatbelt Women's Day – every August

Rural Youth Cultivators Ball - every February

Art Exhibitions

### Ordinary Council Meeting

Meets third Thursday of each month except January



### **Tourist Attractions**

Kokerbin Rock  
Kwolyin Camping Grounds  
Shackleton's World's Smallest Bank  
Steve's Art Shackleton  
Mosaic and Centenary Path  
Babakin underground orchid  
Wildflowers  
Bruce's Rock  
Bruce Rock Museum  
Ardath Hotel  
Railway Dam  
Ardath Lake  
Scenic Rural Vistas  
Old Club – Art Gallery  
Federation Amphitheatre and Sculpture Park



### **Local Industries**

Wheat and other cereals, steel fabrication, livestock and agricultural support industries.



**Council Statistics (2012-13)**

Distance from Perth (km)	245
Area (sq km)	2,772
Length of Sealed Roads (km)	496.1
Length of Unsealed Roads (km)	762.6
Population	1,100
Number of Electors	702
Number of Dwellings	561
Total Rates Levied	\$1,039,077
Total Revenue	\$4,478,275
Number of Employees	43



## THE COUNCIL

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

The Council is made up of ten Councillors representing the Bruce Rock District. Council will be made up of nine after October 2013.

Council elections are held on the third Saturday in October. Council's next Ordinary election will be held on 19<sup>th</sup> October 2013.

### President

Cr SA Strange

### Deputy President

Cr IS Dolton

<b>Councillors</b>	<b>Telephone</b>	<b>Years of Service</b>	<b>Term Expires</b>
Cr Leslie Keith BULLER	9061 1026	26	2013
Cr Bruce Michael CURRIE	9061 1660	1	2015
Cr Ian Stephen DOLTON	9062 3010	13	2013
Cr Margaret Mary FOSS	9061 1747	17	2015
Cr Jennifer Jean GMEINER	9064 1190	13	2015
Cr Donald Alan HEASMAN	9061 1450	9	2013
Cr Merredith Kym THORNTON	9061 1307	1	2015
Cr Ramesh RAJAGOPALAN	9061 1575	3	2013
Cr Stephen Arthur STRANGE	9061 1324	23	2015
Cr Michael John VERHOOGT	9061 1385	9	2013

## SHIRE OF BRUCE ROCK CONTACT NUMBERS

### Office Hours

8.30am to 4.30pm

Shire Office	9061 1377
Shire Office Fax	9061 1340
Workshop / Fax	9061 1030
Recreation Centre	9061 1169
Swimming Pool	9061 1278
Harvest Ban Information ( <i>Recorded Message Only</i> )	9061 1600

### After Hours

Chief Executive Officer	Darren Mollenoyux	0428 611 377
Deputy Chief Executive Officer	Tamara Olsson	0408 383 530
Manager of Finance	Jennifer Bow	0427 611 229
Manager of Works and Services	David Holland	0418 745 217
Works Foreman	Colin Brownley	0428 611 297
Town Foreman	Peter Elliot	0427 211 104
Workshop Mechanic	Gary Waight	0427 611 061

### Contact

Phone 08 9061 1377  
Fax 08 9061 1340  
Email [admin@brucerock.wa.gov.au](mailto:admin@brucerock.wa.gov.au)

54 Johnson Street  
Bruce Rock WA 6418

PO Box 113  
Bruce Rock WA 6418

[www.brucerock.wa.gov.au](http://www.brucerock.wa.gov.au)





**Fire Contact Numbers**

Emergency	000
Harvest Ban Information (Recorded Message Only)	9061 1600

**Emergency Numbers**

Ambulance/Police/Fire	000
Police Station	9061 1035
Hospital	9061 0222
Doctor's Surgery	9061 1166
Dental Surgery	9061 1954
Physiotherapist	9041 1500
Water Corporation	13 13 75
Synergy	13 13 53



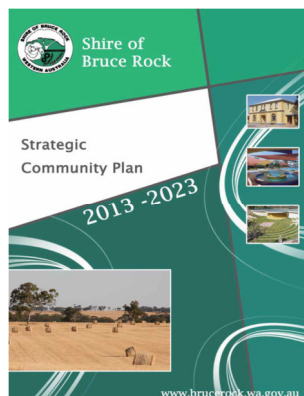
## STAFF

<b>Chief Executive Officer</b>	Darren Mollenoyux
<b>Deputy Chief Executive Officer</b>	Tamara Olsson
<b>Manager of Finance</b>	Jennifer Bow
<b>Manager of Works and Services</b>	David Holland
<b>Environmental Health Officer</b>	John Mitchell
<b>Senior Finance Officer</b>	Mandy Butler
<b>Executive Support Officer</b>	Ashleigh Waight
<b>Administration Officer</b>	Kayla Creedon
<b>Customer Services Officer</b>	Jenette Payne
<b>Be-Active Coordinator</b>	Rodney Thornton
<b>Natural Resource Management Officer</b>	Stephen Fry
<b>Swimming Pool Manager</b>	Rodena Lightbody
<b>Federation Amphitheatre Manager</b>	Phil Skipsey
<b>Medical Centre Practice Manager</b>	Sam Aurisch
<b>Medical Centre Receptionist</b>	Trudy Butler & Natalie Barrett-Lennard
<b>Construction Foreman</b>	Colin Brownley
<b>Leading Hand Grader Driver</b>	Ron Yeats
<b>Truck Driver</b>	Glyn Corby
<b>Dozer Driver</b>	Brian Mellet
<b>Loader Driver</b>	Danny Orchard
<b>Truck Driver</b>	Mark Black
<b>Truck Driver</b>	Phil Cumming
<b>Plant Operator</b>	Nathan Hayden
<b>Plant Operator</b>	Clint Houston
<b>Town Foreman</b>	Peter Elliot
<b>Leading Hand</b>	Max Fuchsbichler
<b>Labourer</b>	Des Houston
<b>Labourer</b>	Stephen Leek
<b>Apprentice</b>	Emanuel Dumitrache
<b>Carpenter</b>	Troy Fazey
<b>Trade Assistant</b>	Jack Andrews
<b>Workshop Manager</b>	Gary Waight
<b>Apprentice Mechanic</b>	Jamie Houston
<b>Recreation Centre Manager</b>	Damien Bow
<b>Gardener</b>	John Houston
<b>Gardener</b>	Kaley McGregor
<b>Gardener</b>	Nola Demuth
<b>Cleaner</b>	Robyn Brownley
<b>Cleaners (Part -Time)</b>	Denise Houston & Laurel Windell

## PRESIDENT'S REPORT



I am pleased to provide this report on the activities of the Shire of Bruce Rock for the 12 month period ending 30 June 2013. The year has been one of celebration and planning, with the town celebrating its 100<sup>th</sup> year and the creation of the Shire's Strategic Community Plan 2013 – 2023 as part of our requirements of the State Government's Integrated Planning and Reporting Framework.



In July 2012 we officially opened the upgraded Bruce Rock Recreation Centre with a ceremony to mark the occasion. The Recreation Centre has now been in full use for a year and is a testament to Bruce Rock.

In April 2013 we celebrated Bruce Rock's 100<sup>th</sup> birthday with the Centenary Weekend. Many people who live, have previously lived or have had some connection to Bruce Rock came to help us celebrate with market stalls, sports events and entertainment.



As part of Bruce Rock's Centenary Celebrations several initiatives had been created, one being the Mosaic Pathway where residents of Bruce Rock were able to contribute a mosaic paver, this has created a wonderful pathway down our main street and is a monument that residents and visitors alike can view for many years to come.



On a regional level, Councillors and staff have spent considerable time on the following areas that are significant to Bruce Rock and the region:

- Grain Freight Network – As a member of the Rail Retention Alliance Council is working hard to retain Tier 3 rail and/or receive adequate time and funding to bring roads on the grain freight network up to a standard.
- Aged Care – Council has identified the importance of aged care services within the shire and is currently working towards a strategic direction that will meet the needs of our community. Part of this strategy has seen Council join the Central East Aged Care Alliance to investigate the best options for addressing aged care in our region.

Council has started its implementation of Integrated Strategic Planning, by adopting the Shire of Bruce Rock's Strategic Community Plan 2013 - 2023, along with its Informing Strategies - Corporate Business Plan, Long Term Financial Plan, Asset Management Plan and Workforce Plan.

Councillors have been kept busy attending many meetings and workshops over the past year. In addition to regular monthly Council meetings Councillors and staff have attended or participated in the following;

- Wheatbelt East Regional Organisation of Council's (WEROC) meetings
- WA Local Government Association (WALGA) Zone meetings
- WA Local Government Association Annual Conference
- Regional Road Group meetings
- Local and Regional Health meetings
- Local and District Fire Advisory meetings
- Local Emergency Management meetings
- Structural Reform and Strategic Planning
- Grain Freight Network Meetings
- Central East Aged Care Alliance meetings
- Local community and recreation group meetings

Council continues to provide its community with the infrastructure that supports development of the district and the provision of services that make Bruce Rock an attractive place in which to live, work, invest and play.

Once again Councillors and staff have worked hard to provide for the needs of the community whilst continuing to plan for the long term viability of the shire and its residents and believes that it is well placed both financially and strategically to be sustainable for many years to come.

Council staff have all worked hard over the past twelve months completing works such as road construction and maintenance, building works including the recreation Centre upgrade, town scaping and gardens, the upkeep of facilities like the aquatic centre, civic buildings and medical centre just to name a few.

In February 2013 the Shire of Bruce Rock's CEO Steven O'Halloran, retired after 10 years of service with us. I would like to take this opportunity to thank Steve for all of his hard work and contribution towards making Bruce Rock the place it is. Darren Mollenoyux has taken on the role of Shire CEO and I would like to congratulate Darren on his appointment in the role.

I thank the staff and community members who have contributed tirelessly to ensure

that the Shire of Bruce Rock is the place that we all love and admire.

Finally, I would like to thank my fellow Councilors for their ongoing contribution towards the future of Council. Their commitment and dedication to the role has been outstanding and I thank them for their support in my role as the Shire President.



Cr Stephen Strange

PRESIDENT



## CHIEF EXECUTIVE OFFICER'S REPORT



I am very pleased to present the 2012-13 Annual Report for the Shire of Bruce Rock. The 2012-13 financial year has been an

extremely busy and rewarding year for the staff and Councillors of the Shire of Bruce Rock, with many being heavily involved in the Strategic and Future Directions of the Shire, whilst ensuring that all day to day operations are conducted in an efficient, professional manner.

### CORPORATE AND COMMUNITY

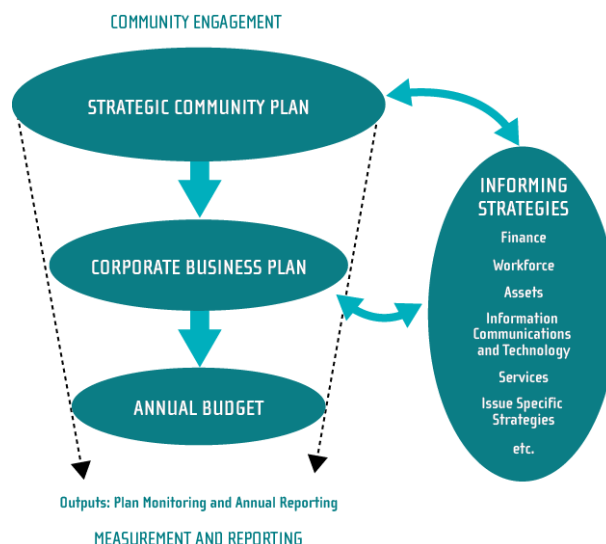
The Corporate and Community Directorate of the Shire of Bruce Rock is responsible for the following areas:

- Administration and Office Support
- IT
- Records Management
- Compliance
- Emergency Management
- Integrated Planning
- NRM
- Be Active
- Library
- Bruce Rock Aquatic Centre
- Bruce Rock Medical Centre

The 2012/13 Financial Year for the Corporate and Community directorate has been one of change, consolidation and implementation.

Our main challenge in the 2012-13 year was the creation of the Integrated Planning and Reporting Framework. In conjunction with the Community, Council,

Staff, Consultants and other key stakeholders, the Shire of Bruce Rocks Integrated Planning and Reporting Framework was adopted in time to meet the Department of Local Governments 30th June 2013 deadline.



The following live documents are now part of the Shire of Bruce Rock's procedures, and will be reviewed, reported and improved over the coming years to ensure compliance and reflecting the Community's vision of Bruce Rock.

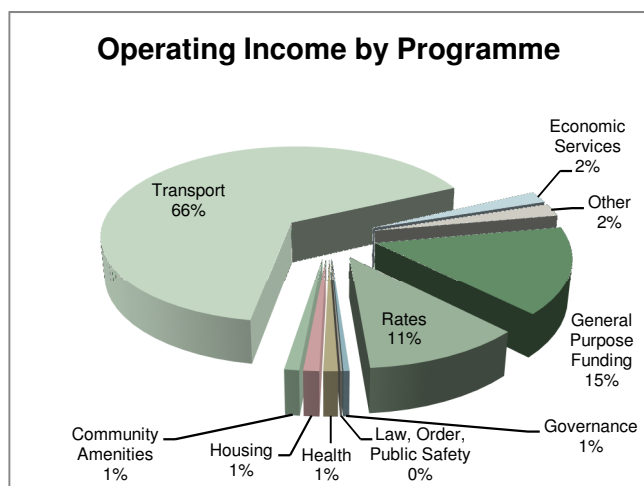
- Strategic Community Plan
- Asset Management Framework
- Workforce Plan
- Long Term Financial Plan
- Corporate Business Plan

### FINANCE

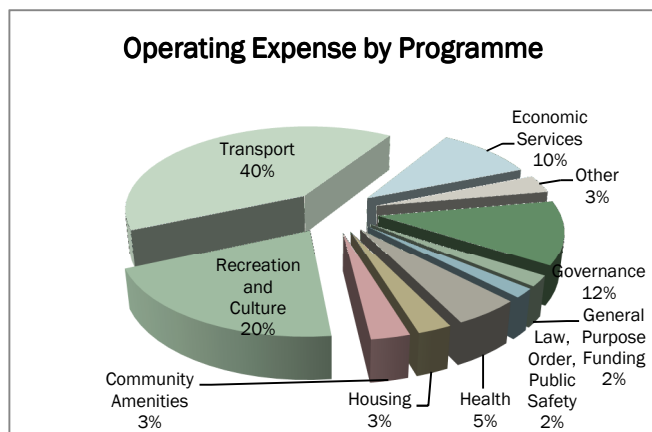
The Finance department is responsible for the sound financial management of the Shire. The department maintains accurate accounting records and produces to Council each month financial reports. The department is also responsible for the preparation and presentation of the Shire's Annual Financial Reports, Annual Budgets and Long Term Financial Plans.

Council completed 2012/13 with a positive net operating result of \$3,965,720. This reflected a total operating revenue of \$9,352,876 and total operating expenditure of \$5,387,156.

**Operating Income by Programme**



**Operating Expense by Programme**



Council also undertook an extensive capital works program totaling \$5,641,880. This expenditure consisted of \$579,711 in land and buildings, \$1,190,590 in plant acquisition, \$64,465 in furniture and equipment, \$3,798,114 in roads and other infrastructure development.

#### Debt Management

Through a conservative approach to financial management Council has been able to retain its loan indebtedness to nil, allowing Council in the future access to

loan funds for large projects. Most projects are funded by operating income or the use of reserve funds. However, careful use of loan borrowings is considered to be an effective way to fund large projects and spread the cost burden over a number of did not enter into any loans.

## **REGULATORY**

The Regulatory Services department is responsible for the following areas:

- Waste Management, public health and food hygiene
- Disability services
- Occupational Safety and Health Compliance
- Ranger and environmental management
- Local Laws and Law Enforcement
- Building

The Regulatory Services Department completed the following in relation to Building, Health and Waste Management:

13 applications total value <1M with a new residence and a reroof of a dwelling, one x class 7b storage room and the balance of applications for patios, pergolas and small outbuildings.

Health – Two major orders issued, one premise closed voluntarily during year, all premise inspected in accordance with the COP Food Premise – Bruce Rock;

One major application for planning – minor applications for storage rooms and the like;

Council has placed required signage in halls and public buildings as required by OSH and new symbols – and upgraded the Fire requirements;

Landfill site improvements are complete; subdivision for residential land is with WAPC for final consent and during the year the industrial land development was brought to construction ready for the 13/14 year

## WORKS AND SERVICES

The Works and Services Department is responsible for:

- Roads Construction and Maintenance
- Town Maintenance
- Private Works
- Plant and Equipment Management

### Construction Crew

In the 2012/13 year the construction crew worked on the following projects:

- Grain Freight – Old Beverley Road
- Regional Road Group - Bruce Rock Narembeen Road
- Roads to Recovery
  - Shepherd Road
  - Totadgin Road
  - McCarthy Road
  - Liebeck Road
  - Eujinyin North Road

### Town Crew

The Town Crew in the 2012/13 year worked on the following projects:

- Footpath – Bath Street
- Centenary Path
- Centenary Wall
- Entrance to the Bruce Rock Recreation Centre
- Private Works
- General Maintenance and Gardening around the townsites

### Workshop

The following Plant and Equipment were purchased throughout the 2012/13 year:

- Ford Ranger – Workshop Ute
- Fuso – Small Truck (5t)
- New Holland Tractor

- Ford Territory – DCEO Vehicle
- Ford Ranger – EHO Vehicle
- Multi Roller – BK11
- Mitsubishi 15t Truck
- Holden Caprice – CEO Vehicle
- Ford Ranger – Manager of Works Vehicle
- Ford Ranger – Carpenter Vehicle
- Ford Ranger – Recreation Centre Manager
- Ford Ranger – Town Crew Vehicle
- Ford XR6 – Beactive
- Holden Commodore – Doctor Vehicle
- Ford Ranger - Landcare

## THE YEAR AHEAD

The major sources of funding for the 2013/14 budget are;

- \$1.11 million from Annual Federal Government Funding
- \$1,098,000 from Council Rates
- \$683,980 from the Royalties for Regions' Country Local Government Fund for 2011/12 & 2012/13 towards the construction of 2 residential properties
- \$401,369 from the Federal Government's Roads to Recovery Program
- \$456,840 in State Government Road Funding
- \$1.7 million from the State Government's Grain Freight Network Program
- \$118,000 from the Federal Government through the Regional Australia Development Fund for upgrades at the Bruce Rock Caravan Park

Council's total operating expenditure will be \$5.5 million for the 2013/14 financial year. In addition to this, Council will have

significant expenditure on capital works and purchases of \$6.4 million.

The 2013/14 budget will see improvement in many areas of the shire. Council will continue to fund the maintenance of many of its buildings and community facilities, however the following is an overview of expenditure on new projects and improvements;

#### **Administration and Governance**

- Engage an architect to design concept plans for the future expansion of the Administration Building due to lack of office and storage space.
- Continue to upgrade desktop computers to improve efficiency of staff.

#### **Law, Order and Public Safety**

- Install CCTV in accordance with a grant from the State Government's Community Safety Fund.

#### **Health Services**

- \$40,000 to construct a storage and records room at the rear of the Medical Centre.
- Install new hot water system into the Medical Centre as funded by a grant under the Local Government Energy Efficiency Program
- Install new compact filing system and filing cabinets at the Medical Centre.

#### **Education and Welfare**

- Install new hot water systems at the Bruce Rock Kindy Building and Bruce Rock Day Care Centre as also funded under the Local Government Energy Efficiency Program at a cost of \$7,500.

#### **Housing**

- \$401,250 towards the completion of construction of a three by two residence at 60 Dampier Street. This is funded under the State Government's Royalties for Regions' Country Local Government Fund for 2011/12 which will increase the rental stock available for professionals and workers in town.
- Also included is another \$399,257 from Royalties for Regions' Country Local Government Fund for 2012/13 for another residence.

#### **Community Amenities**

- Budget provision of \$90,000 to complete the upgrade of Bruce Rock Refuse Site. Works will be undertaken to meet Environmental Protection Regulations and to improve the overall appearance of the site.
- Construct the access road into the new residential subdivision so that Landcorp can continue with the development of the lots for sale. This is an important project as it will provide opportunity for housing development and growth of the community.

#### **Recreation & Culture**

- Works at the Shire Hall including installation of a roller shutter and split systems in the Shire Hall Supper Room to improve safety, comfort and appearance and RCD's into the Shire Hall in compliance with Occupational Health and Safety.
- A provision for the installation of Fire Fighting Facilities at the Bruce Rock Recreation Centre to make it compliant with DFES requirements.

- Major upgrades at the Bruce Rock Aquatic Centre totaling \$130,000 including replacement of shade sails, drainage grates on the pool deck and safety improvements to the Water Slide.
- Complete the upgrade of Apex Park Playground with installation of more playground equipment to make it more appealing to all age groups.

### **Road and Transport**

- Council will continue road works on the Bruce Rock Narembeen Road with 4km being reconstructed at a cost of \$487,500 with 2/3 being funded through the State Government Regional Road Group Funding.
- \$149,000 will be spent on replacing the bridge on Vietch Road, Ardath to remove the Main Roads weight restriction and is funded by the Federal Government.
- Over \$600,000 on construction and sealing of Mitchell Street and Collier Street, widening and reconstruction of Bruce Rock East Road, gravel re-sheeting Perkins Road and resealing Shepherd Road.
- Over \$650,000 has been committed to ongoing road maintenance and road grading.
- \$49,500 has been allocated for new footpaths along Dampier Street, as well as additional funds for ongoing maintenance and improvements.
- To ensure effective asset management of Council's plant and equipment Council has allocated funds for new equipment and changeover of plant. Some of these include a new grader, cement truck and prime mover.

- \$400,000 on construction of various drainage works throughout the Bruce Rock town site as funded by the Royalties for Regions' Country Local Government Fund for 2012/13.

### **Economic Services**

- Upgrade of the Caravan Park including construction of short stay accommodation units jointly funded by Regional Australia Development Fund and the Shire.
- Changeover the Community Bus with wheelchair access, partly funded by Lotterywest.
- An allowance of \$150,000 to complete the Industrial Land Subdivision
- To increase effectiveness of water harvesting from the rock near the Golf Club, \$50,000 to replace the pipe work down to the Old Water Corp Dam.
- \$130,000 to complete the camping and day facilities for the Granite Way project also funded through Royalties for Regions' Country Local Government Fund.



## DISABILITIES SERVICE PLAN

Council reviews provision of facilities and services on a regular basis to identify barriers that may prevent the effective delivery of the services to people with a disability.

As Council continues to build new facilities and improve others it is always mindful of improving access for people with disabilities. A draft 2012 – 2017 Access and Inclusion plan has been prepared and will be advertised shortly for public comment and review.

Recent initiatives to support people with disabilities within Bruce Rock include:

- Disabled access to ablutions and viewing areas at the upgraded Recreation Centre;
- Automatic opening and closing doors at the District Club;
- Wheelchair accessibility at the Bruce Rock Men's Shed;
- Footpath improvements to Railway Parade and to connect the recreational facilities of the Aquatic Centre, Caravan Park and Recreation centre to the town centre.

### DISABILITY ACCESS AND INCLUSION PLAN

The Disability Services Act 1993 was amended in December 2003, creating a requirement for public authorities to develop and implement Disability Access and Inclusion Plans (DAIPs). These plans replace and build on the achievements of the Disability Services Plans (DSPs).

The Disability Services Commission requires Local Governments to report on the six outcomes relating to DAIPs to the public annually.

### Outcome 1: Services and Events

Council is continually adapting our existing services to give people with disabilities the same opportunities as other people to access the services of, and any events organised by the Shire.

Council ensures people with disabilities are given access to all Shire events and to access the services of the Shire. Events such as the Veteran's Week progress because the Council ensures that adequate and proper facilities are provided. These facilities include level ground for caravan parking, new footpaths to the town centre from temporary overflow facilities and new access to the heated pool facilities.

### Outcome 2: Buildings and Other Facilities

Council also continues with improvements to buildings and footpath infrastructure to assist with both wheelchair and gopher access.

Council has reconstructed the footpath along the Main Street which gives people with disabilities greater access to shops and facilities. Council has also included disability access to all parts of the redeveloped Recreation Centre and ensured that there is disabled access to all parts of the new Bruce Rock Men's Shed, including the ablutions.

### Outcome 3: Information

Wherever possible people with disabilities can receive information from the Shire in a format that will enable them to access the information readily as other people are able to access it.

People with disabilities can access information produced by the Shire of Bruce Rock in different formats. Anyone requiring a different format are encouraged to contact the Shire Office.

Council also has a website which enables ease of access to public documents, information and other Council related data.

#### **Outcome 4: Level and Quality of Service**

The staff is always encouraged to be aware of the needs of people with disabilities to ensure they receive the same level and quality of service as other people receive.

Staff at the Shire of Bruce Rock are made aware that people with disabilities may have different needs. Staff are encouraged to ensure that people with disabilities receive the same level and quality of service as other people receive.

#### **Outcome 5: Complaints Process**

People with disabilities have the same opportunities as other people to make complaints to staff, and can be via written letters, email, SMS or verbally.

People with disabilities are able to make complaints and can do this via written letters, email, SMS or verbally.

#### **Outcome 6: Public Consultation Process**

Council provides many ways for people to participate in public consultation and we are more than happy to discuss any grievances community members may have regarding the services available to the disabled.

Council has made the DAIP available on the website for the community to access. The community was also given the opportunity to comment on the DAIP prior to it being adopted by Council. The proposed draft 2012 – 2017 DAIP is also available on the website for public comment.

## **PLAN FOR THE FUTURE OF THE DISTRICT**

The changes to the *Local Government Act 1995* have replaced the need for the Principal Activities Plan with the requirement for a Plan for the Future of the District. Further, as at 01 July 2013 the Local Government Act has been amended to ensure that Local Governments produce plans that are in line with the Integrated Strategic Planning and Reporting Framework.

In September 2009 Council adopted its new "Plan for the Future" 2010 – 2014. This plan builds on the innovations and achievements of Bruce Rock – our success in attracting new businesses and residents to the Shire, the quality of our facilities and lifestyle, the financial sustainability of the Shire Council, and most importantly, the strengths, energy and commitment of our community.

#### **Key highlights for the community that will be delivered by the Plan for the Future 2010 - 2014 are:**

- Increased availability of land, including the development of an industrial park and new residential subdivision, to encourage growth of existing businesses, attract new businesses and residents and increase employment opportunities.
- Further expansion of the recreation centre as a hub of community activity with completion of the bowling green, indoor court and change rooms, introduction of a Sports Council and development of programs for local, regional and State events.

- The continued high standard of community facilities together with better roads.
- Ongoing support for community groups and the wide range of community events that bring people together and profile Bruce Rock.
- Taking a key role in the Voluntary Regional Organisation of Councils (VROC) to bring benefits to our community including Royalties for Regions funding and implementation of economic development, tourism and natural resource management initiatives.
- Celebration of the Bruce Rock Centenary in 2013 – recognising our past, looking to the future and promoting the distinctiveness of the Bruce Rock identity and lifestyle.

**Council identified four priority areas, these being;**

1. Leadership, Innovation and Identity
2. Lifestyle
3. Infrastructure
4. Organisational Management

**Major Initiatives proposed or continuing during 2012/13 are;**

- The completion and official opening of stage 3 of the Bruce Rock Recreation Centre.
- Finalisation of the Town Planning Scheme.
- Development of the residential subdivision north of the recreation ground.
- Implementation of waste management strategies including refuse site upgrade and expansion.
- Commencement and implementation of improved strategic

planning, asset management and intergraded planning.

- Work towards solutions on the current shortage of long and short term accommodation within Bruce Rock.
- Continue to investigate options regarding the demand and requirements to further develop facilities for retirees, aged and frail aged.
- Review of elected members saw Councillors reduce from 11 to 10 in October 2011 and will reduce to 9 in October 2013.

As at 30 June 2013 the Shire of Bruce Rock had adopted the following documents which will replace the Plan for the Future from 1 July 2013 onwards.

Strategic Community Plan

Corporate Business Plan

Copies of these plans are available from the Shire Office or can be downloaded from Council's website at [www.brucerock.wa.gov.au](http://www.brucerock.wa.gov.au)

**Forward Capital Works Plan**

As part of the requirements of the Royalties for Regions Country Local Government Fund Council has also developed a Forward Capital Works Plan, which currently compliments our Plan for the Future of the District. This Plan was adopted in 2010/11 and has been reviewed during the 12 month period ending 30 June 2013.

## NATIONAL COMPETITION POLICY

National Competition Policy (NCP) is designed to enhance the efficiency and effectiveness of public sector agencies and lead to more efficient use of all economic resources. There are a number of specific requirements placed on Local Government in the areas of competitive neutrality, legislation review and structural reform. Each Local Government is required to report its progress in achieving NCP reforms in its annual report.

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

- No business enterprise of the Shire has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or a Public Financial Enterprise.
- Competitive neutrality has not been applied to any activities undertaken by the Shire in this reporting period.
- No allegations of non-compliance with the competitive neutrality principles have been made by any private enterprise.
- The principles of competitive neutrality will be implemented in respect of any relevant activities undertaken during the 2011/12 year.

A further requirement of the National Competition Policy is that all Council Local Laws are reviewed every 8 years to determine whether they are in conflict with competitive neutrality and comply with the Local Government Act 1995.

A review of Council's Local Laws commenced during the 2011/12 financial year.

During the reporting period Council amended the Cemetery Local Laws to reflect the new fees and charges that had been adopted.

## STATE RECORDKEEPING ACT

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

The Shire of Bruce Rock carried out a review of its Record Keeping Plan in November 2009 with amendments finalised in November 2010.

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

Rationale:

*An organisation and its employees must comply with the organisation's record keeping plan. Organisations should develop and implement strategies for ensuring that each employee is aware of the compliance responsibilities.*

Minimum Compliance Requirements:

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

1. The efficiency and effectiveness of the organisation's record keeping system is evaluated not less than once every 5 years.
2. The organisation conducts a record keeping training program.

3. The efficiency and effectiveness of the record keeping training program is reviewed from time to time.

4. The organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's record keeping plan.

The Shire of Bruce Rock has complied with items 1-4.

PUBLIC INTEREST DISCLOSURES

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

The Chief Executive Officer has complied with the obligation under the Act, including:

- Appointing the Deputy Chief Executive Officer as the PID Officer for the Shire of Bruce Rock and publishing an internal procedure manual relating to the Shire's obligations.
- Providing protection from detrimental action or the threat of detrimental action for any employee of the Shire who makes an appropriate disclosure of public interest information.

The Shire of Bruce Rock had no Public Interest Disclosures during the reporting period 2012/13.

FREEDOM OF INFORMATION

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

The Shire of Bruce Rock has developed an Information Statement which can be inspected via Council's website or by contacting the Shire Office. This Information Statement was adopted in 2007 and reviewed in 2010.

The Shire of Bruce Rock did not receive any applications under the *Freedom of Information Act 1992*.

EMPLOYEE PAYMENTS

For the purpose of Regulation 19B of the *Local Government (Administration) Regulations 1996* the following is required to be contained in Council's Annual Report;

1. The number of employees of the Local Government entitled to an annual salary of \$100,000 or more, and
2. The number of those employees with an annual salary entitlement that fall within each band of \$10,000 over \$100,000.

The Shire of Bruce Rock has the following employees entitled to an annual salary more than \$100,000:

Salary Range	2013	2012
\$110,000 - \$119,000	1	
\$120,000 – \$129,999		1



**REGISTER OF CERTAIN  
COMPLAINTS FOR MINOR  
BREACHES**

For the purpose of Section 5.121 of the *Local Government Act 1995* Council must report entries recorded in the Register of Complaints during the financial year. Council did not receive any complaints during the 2012/13 financial year.

**PART 2 – ANNUAL FINANCIAL REPORT**

**SHIRE OF BRUCE ROCK**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**TABLE OF CONTENTS**

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4 & 5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Rate Setting Statement	9
Notes to and Forming Part of the Financial Report	10 to 58
Independent Audit Report	59 to 61
Supplementary Ratio Information	62

**SHIRE OF BRUCE ROCK**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2013**

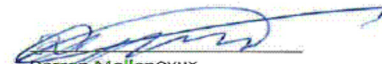
**LOCAL GOVERNMENT ACT 1995**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Shire of Bruce Rock being the annual financial report and other information for the financial year ended 30th June 2013 are in my opinion properly drawn up to present fairly the financial position of the Shire of Bruce Rock at 30th June 2013 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the 11th day of March, 2014.



Darren Mollenoyux  
Chief Executive Officer

**SHIRE OF BRUCE ROCK**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	2013 \$	2013 Budget \$	2012 \$
<b>Revenue</b>				
Rates	22	1,048,339	1,046,864	996,967
Operating Grants, Subsidies and Contributions	28	2,309,491	1,144,518	2,708,728
Fees and Charges	27	5,825,321	648,244	589,553
Service Charges	24	0	0	0
Interest Earnings	2(a)	80,985	39,922	59,630
Other Revenue		88,740	19,000	81,289
		<u>9,352,876</u>	<u>2,898,548</u>	<u>4,436,167</u>
<b>Expenses</b>				
Employee Costs		(1,699,001)	(1,598,922)	(1,404,794)
Materials and Contracts		(1,288,622)	(1,346,068)	(1,097,017)
Utility Charges		(289,981)	(253,950)	(268,070)
Depreciation on Non-Current Assets	2(a)	(1,823,054)	(1,973,447)	(1,991,744)
Interest Expenses		0	(7,160)	0
Insurance Expenses		(237,076)	(223,770)	(236,871)
Other Expenditure		(49,422)	(2,100)	(13,655)
		<u>(5,387,156)</u>	<u>(5,405,417)</u>	<u>(5,012,151)</u>
		3,965,720	(2,506,869)	(575,984)
 Non-Operating Grants, Subsidies and Contributions				
	28	1,824,761	4,046,387	2,061,029
Profit on Asset Disposals	20	101,482	563,800	27,054
Loss on Asset Disposal	20	<u>(402,580)</u>	<u>(100,800)</u>	<u>(139,704)</u>
<b>Net Result</b>		<b>5,489,383</b>	<b>2,002,518</b>	<b>1,372,395</b>
<b>Other Comprehensive Income</b>				
Changes on revaluation of non-current assets	12	628,111	0	0
<b>Total Other Comprehensive Income</b>		<u><b>628,111</b></u>	<u><b>0</b></u>	<u><b>0</b></u>
<b>Total Comprehensive Income</b>		<u><u><b>6,117,494</b></u></u>	<u><u><b>2,002,518</b></u></u>	<u><u><b>1,372,395</b></u></u>

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



**SHIRE OF BRUCE ROCK**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	2013 \$	2013 Budget \$	2012 \$
<b>Revenue</b>				
Governance		39,629	40,437	41,682
General Purpose Funding		2,470,506	1,642,446	2,552,545
Law, Order, Public Safety		13,280	13,873	18,442
Health		94,959	95,428	85,774
Education and Welfare		7,731	6,598	1,904
Housing		103,288	110,172	99,568
Community Amenities		97,008	79,495	64,901
Recreation and Culture		76,988	50,647	65,083
Transport		6,079,541	514,490	1,108,639
Economic Services		187,294	129,460	210,965
Other Property and Services		182,653	215,502	228,772
	2(a)	<u>9,352,877</u>	<u>2,898,548</u>	<u>4,478,275</u>
<b>Expenses</b>				
Governance		(626,435)	(695,462)	(521,052)
General Purpose Funding		(104,843)	(57,102)	(127,332)
Law, Order, Public Safety		(89,519)	(97,836)	(80,674)
Health		(261,448)	(281,224)	(226,960)
Education and Welfare		(56,434)	(59,837)	(39,038)
Housing		(132,851)	(115,723)	(142,796)
Community Amenities		(152,196)	(173,431)	(120,470)
Recreation and Culture		(1,066,645)	(967,102)	(879,862)
Transport		(2,133,670)	(2,274,012)	(2,252,724)
Economic Services		(531,069)	(554,259)	(449,739)
Other Property and Services		(232,047)	(122,269)	(213,613)
	2(a)	<u>(5,387,157)</u>	<u>(5,398,257)</u>	<u>(5,054,260)</u>
<b>Finance Costs</b>				
Community Amenities		0	(6,160)	0
Economic Services		0	(1,000)	0
	2(a)	<u>0</u>	<u>(7,160)</u>	<u>0</u>
<b>Non-Operating Grants, Subsidies and Contributions</b>				
General Purpose Funding		689,757	1,006,180	897,268
Law, Order & Public Safety		305,523	28,350	0
Education and Welfare		0	10,000	0
Housing		55,575	0	0
Recreation & Culture		0	80,000	370,000
Transport		773,906	2,856,857	793,761
Economic Services		0	65,000	0
		<u>1,824,761</u>	<u>4,046,387</u>	<u>2,061,029</u>
<b>Profit/(Loss) on Disposal of Assets</b>				
Governance		(80,651)	(5,500)	(5,521)
Health		(27,783)	(10,400)	(291)
Community Amenities		0	150,000	0
Recreation & Culture		(11,873)	(4,200)	(110,132)
Transport		(253,829)	5,100	(9,205)
Economic Services		73,038	328,000	12,500
		<u>(301,098)</u>	<u>463,000</u>	<u>(112,649)</u>
<b>Net Result</b>		<b>5,489,383</b>	<b>2,002,518</b>	<b>1,372,395</b>

**SHIRE OF BRUCE ROCK**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	2013 \$	2013 Budget \$	2012 \$
<b>Other Comprehensive Income</b>				
Changes on revaluation of non-current assets	12	<u>628,111</u>	<u>0</u>	<u>0</u>
<b>Total Other Comprehensive Income</b>		<b><u>628,111</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>Total Comprehensive Income</b>		<b><u><u>6,117,494</u></u></b>	<b><u><u>2,002,518</u></u></b>	<b><u><u>1,372,395</u></u></b>

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

**SHIRE OF BRUCE ROCK  
STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2013**

	NOTE	2013 \$	2012 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	3	3,934,420	1,912,681
Trade and Other Receivables	4	517,293	134,017
Inventories	5	32,744	23,715
<b>TOTAL CURRENT ASSETS</b>		<u>4,484,457</u>	<u>2,070,413</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	6	14,543,851	13,429,821
Infrastructure	7	20,890,100	18,278,322
<b>TOTAL NON-CURRENT ASSETS</b>		<u>35,433,951</u>	<u>31,708,143</u>
<b>TOTAL ASSETS</b>		<u>39,918,408</u>	<u>33,778,556</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	8	433,354	373,392
Provisions	10	233,520	275,046
<b>TOTAL CURRENT LIABILITIES</b>		<u>666,874</u>	<u>648,438</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	10	25,545	21,623
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>25,545</u>	<u>21,623</u>
<b>TOTAL LIABILITIES</b>		<u>692,419</u>	<u>670,061</u>
<b>NET ASSETS</b>		<u>39,225,989</u>	<u>33,108,495</u>
<b>EQUITY</b>			
Retained Surplus		38,300,832	32,690,405
Reserves - Cash Backed	11	297,046	418,090
Revaluation Surplus	12	628,111	0
<b>TOTAL EQUITY</b>		<u>39,225,989</u>	<u>33,108,495</u>

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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2013**

		RETAINED SURPLUS \$	RESERVES CASH/ INVESTMENT BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
	NOTE				
Balance as at 1 July 2011		31,084,713	651,387	0	31,736,100
Comprehensive Income					
Net Result		1,372,395	0	0	1,372,395
Changes on Revaluation of Non-Current Assets	12	0	0	0	0
Total Comprehensive Income		1,372,395	0	0	1,372,395
Reserve Transfers		233,297	(233,297)	0	0
<b>Balance as at 30 June 2012</b>		<b>32,690,405</b>	<b>418,090</b>	<b>0</b>	<b>33,108,495</b>
Comprehensive Income					
Net Result		5,489,383	0	0	5,489,383
Changes on Revaluation of Non-Current Assets	12	0	0	628,111	628,111
Total Other Comprehensive Income		5,489,383	0	628,111	6,117,494
Reserve Transfers		121,044	(121,044)	0	0
<b>Balance as at 30 June 2013</b>		<b>38,300,832</b>	<b>297,046</b>	<b>628,111</b>	<b>39,225,989</b>

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

**SHIRE OF BRUCE ROCK  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	2013 \$	2013 Budget \$	2012 \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		1,033,221	1,112,847	988,323
Operating Grants, Subsidies and Contributions		2,309,491	1,144,518	2,708,728
Fees and Charges		5,457,163	648,244	612,279
Interest Earnings		80,985	39,922	59,630
Goods and Services Tax		0	50,000	35,000
Other Revenue		88,740	19,000	81,289
		<u>8,969,600</u>	<u>3,014,531</u>	<u>4,485,249</u>
<b>Payments</b>				
Employee Costs		(1,734,727)	(1,598,922)	(1,336,184)
Materials and Contracts		(1,239,568)	(1,813,293)	(867,773)
Utility Charges		(289,981)	(253,950)	(268,070)
Insurance Expenses		(237,076)	(7,160)	(236,871)
Interest expenses		0	(223,770)	0
Goods and Services Tax		0	(88,922)	0
Other Expenditure		(49,418)	(2,100)	(13,655)
		<u>(3,550,770)</u>	<u>(3,988,117)</u>	<u>(2,722,553)</u>
<b>Net Cash Provided By (Used In) Operating Activities</b>	13(b)	<u>5,418,830</u>	<u>(973,586)</u>	<u>1,762,696</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Development of Land Held for Resale		0	(616,000)	0
Payments for Purchase of Property, Plant & Equipment		(1,843,768)	(2,027,185)	(2,147,179)
Payments for Construction of Infrastructure		(3,798,114)	(3,689,513)	(1,246,696)
Non-Operating Grants, Subsidies and Contributions		1,824,761	4,046,387	2,061,029
Proceeds from Sale of Plant & Equipment		420,030	959,300	90,473
<b>Net Cash Provided By (Used In) Investing Activities</b>		<u>(3,397,091)</u>	<u>(1,327,011)</u>	<u>(1,242,373)</u>
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures		0	(17,143)	0
Proceeds from New Debentures		0	716,000	0
<b>Net Cash Provided By (Used In) Financing Activities</b>		<u>0</u>	<u>698,857</u>	<u>0</u>
<b>Net Increase (Decrease) in Cash Held</b>		2,021,739	(1,601,740)	520,323
Cash at Beginning of Year		1,912,681	1,912,681	1,392,358
<b>Cash and Cash Equivalents at the End of the Year</b>	13(a)	<u><u>3,934,420</u></u>	<u><u>310,941</u></u>	<u><u>1,912,681</u></u>

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

**SHIRE OF BRUCE ROCK  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	2013 Actual \$	2013 Budget \$	2012 Actual \$
<b>Revenue</b>				
Governance		39,629	40,437	43,237
General Purpose Funding		2,155,438	1,601,762	2,410,747
Law, Order, Public Safety		318,802	42,223	18,442
Health		94,959	95,428	85,774
Education and Welfare		7,731	16,598	1,904
Housing		158,863	110,172	99,568
Community Amenities		97,008	229,495	64,901
Recreation and Culture		76,988	130,647	435,083
Transport		6,881,758	3,457,147	1,915,400
Economic Services		260,466	522,460	223,465
Other Property and Services		182,653	215,502	228,772
		<u>10,274,295</u>	<u>6,461,871</u>	<u>5,527,293</u>
<b>Expenses</b>				
Governance		(707,086)	(700,962)	(528,127)
General Purpose Funding		(148,363)	(57,102)	(85,222)
Law, Order, Public Safety		(89,519)	(97,836)	(80,674)
Health		(289,230)	(291,624)	(227,251)
Education and Welfare		(56,434)	(59,837)	(39,038)
Housing		(132,851)	(115,723)	(142,796)
Community Amenities		(152,196)	(179,591)	(120,470)
Recreation and Culture		(1,078,518)	(971,302)	(989,994)
Transport		(2,415,809)	(2,354,712)	(2,274,929)
Economic Services		(531,203)	(555,259)	(449,739)
Other Property and Services		(232,047)	(122,269)	(213,613)
		<u>(5,833,256)</u>	<u>(5,506,217)</u>	<u>(5,151,853)</u>
<b>Net Result Excluding Rates</b>		4,441,039	955,654	375,440
<b>Adjustments for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure and Revenue</b>				
(Profit)/Loss on Asset Disposals	20	301,101	(463,000)	112,649
Movement in Employee Benefit Provisions (Non-Current)		3,926	0	3,149
Depreciation and Amortisation on Assets	2(a)	1,823,054	1,973,447	1,991,744
<b>Capital Expenditure and Revenue</b>				
Purchase Land Held for Resale		0	(616,000)	0
Purchase Land and Buildings		(579,711)	(841,455)	(1,869,150)
Purchase Infrastructure Assets - Roads		(3,798,114)	(3,689,513)	(1,246,696)
Purchase Plant and Equipment		(1,199,590)	(1,168,030)	(245,768)
Purchase Furniture and Equipment		(64,465)	(17,700)	(32,261)
Proceeds from Disposal of Assets	20	420,030	959,300	90,471
Repayment of Debentures	21	0	(17,143)	0
Proceeds from New Debentures	21	0	716,000	0
Transfers to Reserves (Restricted Assets)	11	(16,270)	(16,072)	(31,631)
Transfers from Reserves (Restricted Assets)	11	137,315	137,944	264,927
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	22(b)	1,003,884	1,054,425	594,043
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	22(b)	3,520,538	14,721	1,003,884
<b>Total Amount Raised from General Rate</b>	22(a)	<u>(1,048,339)</u>	<u>(1,046,864)</u>	<u>(996,967)</u>

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

**(a) Basis of Preparation**

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

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

**Critical Accounting Estimates**

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

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

**(b) The Local Government Reporting Entity**

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

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

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

**(c) Goods and Services Tax (GST)**

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

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to the ATO, is included with receivables or payables in the statement of financial position.

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(d) Cash and Cash Equivalents**

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

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

**(e) Trade and Other Receivables**

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.

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

**(f) Inventories**

***General***

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

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

***Land Held for Resale***

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

Gains and losses are recognised in the statement of comprehensive income 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 resale is classified as current except where it is held as non-current based on Council's intention to release for sale.



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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Fixed Assets**

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

***Mandatory Requirement to Revalue Non-Current Assets***

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

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

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

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

Council has commenced the process of adopting Fair Value in accordance with the Regulations.

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

***Land Under Control***

In accordance with local Government (Financial Management) Regulation 16 (a), the Council is 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 other policies detailed in this Note.

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

Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings at 30 June 2013.

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Fixed Assets (Continued)**

***Initial Recognition***

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

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

***Revaluation***

Revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date.

Revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date.

For land and buildings, fair value will be determined based on the nature of the asset class. For land and non-specialised buildings, fair value is determined on the basis of observable open market values of similar assets, adjusted for conditions and comparability at their highest and best use (Level 2 inputs in the fair value hierarchy).

With regards to specialised buildings, fair value is determined having regard for current replacement cost and both observable and unobservable costs. These include construction costs based on recent contract prices, current condition (observable Level 2 inputs in the fair value hierarchy), residual values and remaining useful life assessments (unobservable Level 3 inputs in the fair value hierarchy).

For infrastructure and other asset classes, fair value is determined to be the current replacement cost of an asset (Level 2 inputs in the fair value hierarchy) less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset (Level 3 inputs in the fair value hierarchy).

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

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

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

In addition, the amendments to the Financial Management Regulations mandating the use of Fair Value, imposes a further minimum of 3 years revaluation requirement. As a minimum, all assets carried at a revalued amount, will be revalued at least every 3 years.

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Fixed Assets (Continued)**

***Transitional Arrangement***

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

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

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

***Early Adoption of AASB 13 - Fair Value Measurement***

Whilst the new accounting standard in relation to fair value, *AASB 13 - Fair Value Measurement* does not become applicable until the end of the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology for this reporting period, the Council chose to early adopt AASB 13 (as allowed for in the standard).

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

Due to the nature and timing of the adoption (driven by legislation), the adoption of this standard has had no effect on previous reporting periods.

***Land under Roads***

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

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

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

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

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Fixed Assets (Continued)**

***Depreciation of Non-Current Assets***

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

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

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

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

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount.

These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Fixed Assets (Continued)**

***Capitalisation Threshold***

**(i) Valuation of Non-Current Assets**

Property, plant and equipment are brought to account at cost, or if acquired other than by purchase, as valued by the Chief Executive Officer, less where applicable any accumulated depreciation or amortisation.

Property, plant, equipment and infrastructure is capitalised if the cost or valuation exceeds:

· Land	Nil
· Buildings	Nil
· Plant and Equipment	\$1,000
· Furniture and Equipment	\$500

Assets which, at the time of acquisition, there are reasonable expectations that they may last for more than one accounting period, yet because their cost is below the declared thresholds for capitalisation, are recorded in quantitative terms to ensure a record of ownership and location exists.

**(ii) Infrastructure Assets**

Infrastructure assets are the amenities, structures or facilities which assist Local Government in providing services to the community and may have the following characteristics:

- a long life
- require substantial capital outlays
- does not necessarily have a realisable value
- usually a fixture - sometimes not readily visible/noticable
- consists of a number of components of an overall system
- provides public facilities or deliver services

Council will capitalise Infrastructure Assets with a threshold value of \$5,000.

Property, plant and equipment and infrastructure assets are brought to account at cost or independent or management valuation less, where applicable, any accumulated depreciation, amortisation or impairment losses.

The value of all infrastructure assets (other than land under roads) has been recorded in the Statement of Financial Position.

**(h) Intangible Assets**

**Easements**

Due to legislative changes, Easements are required to be recognised as assets.

If significant, they are initially recognised at cost and have an indefinite useful life.

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(i) Financial Instruments**

***Initial Recognition and Measurement***

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

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

***Classification and Subsequent Measurement***

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

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

Amortised cost is calculated as:

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

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

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current. They are subsequently measured at fair value with changes to carrying amount being included in profit or loss.

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(i) Financial Instruments (Continued)**

***Classification and Subsequent Measurement (Continued)***

***(ii) Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. 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 and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

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

***(iv) Available-for-sale financial assets***

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

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

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

***Impairment***

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired.

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 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 instruments, 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 into profit or loss at this point.

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(i) Financial Instruments (Continued)**

***Derecognition***

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

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

**(j) Impairment**

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

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

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

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

**(k) Trade and Other Payables**

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

**(l) Employee Benefits**

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

**(m) Borrowing Costs**

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



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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(n) Provisions**

Provisions are recognised when:

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

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

**(o) Rates, Grants, Donations and Other Contributions**

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

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

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

**(p) Superannuation**

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

**(q) Current and Non-Current Classification**

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

**(r) Rounding Off Figures**

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(s) Comparative Figures**

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

When the Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, a statement of financial position as at the beginning of the earliest period will be disclosed.

**(t) Budget Comparative Figures**

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

	<b>Title and Topic</b>	<b>Issued</b>	<b>Applicable (*)</b>	<b>Impact</b>
(i)	AASB 9 – Financial Instruments	December 2009	01 January 2013	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
	AASB 2012 – 6 Amendments to Australian Accounting Standards – Mandatory effective date of AASB 9 and Transition Disclosures	September 2012	Deferred AASB 9 until 1 January 2015	
(ii)	AASB 2009 – 11 Amendments to Australian Accounting Standards arising from AASB 9	December 2009	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
	[AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12)			

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Title and Topic	Issued	Applicable (*)	Impact
(iii) 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]	December 2010	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(iv) AASB 10 - Consolidated Financial Statements, AASB 11 - Joint Arrangements, AASB 12 - Disclosure of Interests in Other Entities, AASB 127 -Separate Financial Statements, AASB 128 - Investments in Associates and Joint Ventures, AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards  [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	August 2011	01 January 2013	Nil - None of these, except for AASB 128 , are expected to have significant application to the operations of the Council. With respect to AASB 128, where the Council has an interest in a Joint Venture, the requirements of AASB 128 supercede those of the current Joint Venture Standard AASB 131. The new standard more clearly defines the accounting treatment and disclosure in relation to it. Due to the nature of the Joint Venture, it is not expected to have a significant impact on the Council.

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

	<b>Title and Topic</b>	<b>Issued</b>	<b>Applicable (*)</b>	<b>Impact</b>
(v)	AASB 2011 - 9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income  [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	September 2011	01 July 2013	The main change embodied in this standard is the requirement to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently.  It effects presentation only and is not expected to significantly impact the Council.
(vi)	AASB 119 - Employee Benefits, AASB 2011 - 10 Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, 8, 101, 124, 134, 1049 & 2012-8 and Interpretation 14]	September 2011	01 January 2013	The changes in relation to defined benefit plans contained in this standard are not expected to significantly impact the Council nor are the changes to AASBs in relation to termination benefits.
(vii)	AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 32]	June 2012	01 January 2013	Principally amends AASB 7: Financial Instruments: Disclosures to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.  This Standard is not expected to significantly impact on the Council's financial statements.

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Title and Topic	Issued	Applicable (*)	Impact
(viii) AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]	June 2012	01 January 2014	<p>This Standard adds application guidance to AASB 132: <i>Financial Instruments: Presentation</i> to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.</p> <p>This Standard is not expected to significantly impact on the Council’s financial statements.</p>
(ix) AASB 2012-5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASB 1, 101, 116, 132, 134 and Interpretation 2]	June 2012	01 January 2013	<p>Outlines changes to the various standards and interpretations as listed. These topics are not currently relevant to Council, nor are they expected to be in the future. As a consequence, this Standard is not expected to significantly impact on the Council’s financial statements.</p>
(x) AASB 2012-10: Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments.  [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Interpretation 12]	December 2012	01 January 2013	<p>Mainly consequential changes relating to transition guidance. It is not expected to have a significant impact on Council.</p>

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(v) Adoption of New and Revised Accounting Standards**

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

These new and revised standards were:

AASB 2010 – 8	Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets [AABS 112]
AASB 2011 - 3	Amendments to Australian Accounting Standards - Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments [AASB 1049]
AASB 2011 - 13	Amendments to Australian Accounting Standards - Improvements to AASB 1049

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

The Council also chose to early adopt *AASB 13 – Fair Value Measurement* as allowed for in the standard. For further details with respect to this early adoption, refer to Note 1(g).

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

<b>2. REVENUE AND EXPENSES</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Net Result</b>		
The Net Result includes:		
(i) Charging as an Expense:		
<b>Auditors Remuneration</b>		
- Audit of the financial report	8,316	15,091
- Other services	3,241	0
<b>Depreciation</b>		
Buildings	225,127	179,444
Furniture and Equipment	34,330	35,575
Plant and Equipment	346,065	343,432
Roads	1,217,532	1,433,293
	<u>1,823,054</u>	<u>1,991,744</u>
(ii) Crediting as Revenue:		
<b>Significant Income</b>		
Transport	<u>5,209,910</u>	<u>0</u>

This significant income relates to the revenue received for the construction of the Grain Freight Network Upgrade project funded by the State Government of Western Australia due to the closure of the Tier 3 Railway Network and the decision to transport grain on road rather than rail.

	<b>2013</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
<b>Interest Earnings</b>			
Investments			
- Reserve Funds	18,183	16,072	31,630
- Other Funds	56,698	21,000	24,454
Other Interest Revenue ( <i>refer note 26</i> )	6,104	2,850	3,546
	<u>80,985</u>	<u>39,922</u>	<u>59,630</u>



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

**2. REVENUE AND EXPENSES (Continued)**

**(b) Statement of Objective**

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

**SHIRE MISSION STATEMENT**

*Bruce Rock Leads the Way*

**SHIRE VISION**

*To maintain and enhance the Bruce Rock Lifestyle, increase business and employment opportunities and achieve population growth.*

Council operations as disclosed in this budget encompass the following service orientated activities/programs:

**GOVERNANCE**

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

**GENERAL PURPOSE FUNDING**

Rates, general purpose government grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

Assistance to the Shire's Bush Fire Services, fire prevention, animal control, crime prevention and community safety and the supervision of various by-laws.

**HEALTH**

Food quality and pest control, operation of medical centre and the provision of accommodation office and other services to the doctor, dentist, counsellor, infant health nurse and other visiting practitioners.

**EDUCATION AND WELFARE**

Provision of facilities for local playgroup, senior citizen association, daycare and men's shed.

**HOUSING**

Maintenance of the shire aged, single and community, and other houses.

**COMMUNITY AMENITIES**

Rubbish collection services, operation of refuse site, recycling centre, bulk litter drives and Drummuster and maintenance of cemetery.

**RECREATION AND CULTURE**

Maintenance and operation of amphitheatre, halls and the recreation centre, the swimming pool, various courts, cricket pitches and oval. Maintenance of Council's parks and gardens and various reserves. Operation and control of Library and Museum and heritage inventory.

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

**2. REVENUE AND EXPENSES (Continued)**

**(b) Statement of Objective**

**TRANSPORT**

Construction and maintenance of streets, roads, drainage works, lighting of streets, depot maintenance and airstrip maintenance. Vehicle inspections are conducted on behalf of Department of Transport.

**ECONOMIC SERVICES**

Provision of tourism promotion through caravan park and camping ground, provision of community bus, assistance with Vietnam Veterans Back to the Bush Reunion, building surveyor, saleyards and water standpipes. Operation of Bruce Rock Natural Resource Management and various landcare projects.

**OTHER PROPERTY & SERVICES**

Private works operations, public works overheads, plant repairs and operation costs.

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

**2. REVENUE AND EXPENSES (Continued)**

**(c) Conditions Over Grants/Contributions**

Grant/Contribution	Function/ Activity	Opening Balance (*) 1-Jul-11 \$	Received (+) 2011/12 \$	Expended (#) 2011/12 \$	Closing Balance (*) 30-Jun-12 \$	Received (+) 2012/13 \$	Expended (#) 2012/13 \$	Closing Balance 30-Jun-13 \$
WA Grants Commission	Gen Pur Rev	0	1,412,742	(1,412,742)	0	1,298,435	(1,298,435)	0
R 4 R - CLGF (09-10)	Gen Pur Rev	16,656	0	0	16,656	0	(16,656)	0
R 4 R - CLGF (11-12)	Gen Pur Rev	0	417,959	(325,814)	92,145	0	(92,145)	0
R 4 R - CLGF (12-13)	Gen Pur Rev	0	0	0	0	419,757	(18,230)	401,527
R 4 R - Reg CLGF (10-11)	Gen Pur Rev	0	0	0	0	20,000	(18,872)	1,128
R 4 R - Reg CLGF (11-12)	Gen Pur Rev	0	0	0	0	250,000	(88,552)	161,448
FESA - ESL for BFB	Law, Or & PS	0	10,203	(10,203)	0	7,173	(7,173)	0
FESA - Capital ESL	Law, Or & PS	0	0	0	0	28,350	(28,350)	0
FESA - Capital ESL	Law, Or & PS	0	0	0	0	268,090	(268,090)	0
Natural Disaster Mitigation Scheme	Law, Or & PS	0	0	0	0	309	(309)	0
Community Safety Fund	Law, Or & PS	0	0	0	0	9,082	0	9,082
Office of Crime Prevention	Law, Or & PS	6,376	0	(6,376)	0	0	0	0
R 4 R - Reg CLGF (11-12)	Housing	0	0	0	0	55,575	(55,575)	0
DSR - Rec Centre	Rec & Culture	0	370,000	(370,000)	0	0	0	0
State Rev Office - Pool Sub	Rec & Cult	0	3,000	(3,000)	0	3,000	(3,000)	0
Regional Road Group	Transport	0	240,000	(240,000)	0	325,000	(325,000)	0
FAGS Roads	Transport	0	937,560	(937,560)	0	694,940	(694,940)	0
Main Roads - Direct Grant	Transport	0	119,002	(119,002)	0	128,726	(128,726)	0
Roads to Recovery	Transport	0	453,761	(453,761)	63,326	448,907	(524,766)	(12,533)
Main Roads - St Light Subsidy	Transport	0	2,205	(2,205)	0	4,464	(4,464)	0
Main Roads - Grain Freight Network	Transport	0	100,000	(100,000)	0	0	0	0
Healthway - Vets	Ec Services	0	3,000	(3,000)	0	3,000	(3,000)	0
Hollywood Hospital - Vets	Ec Services	0	14,978	(14,978)	0	4545	-4545	0
Lotterywest - Vets	Ec Services	0	0	0	0	7,686	(7,686)	0
WE-ROC Rec Plan	Ec Services	0	0	0	0	6,667	(6,667)	0
Dept of Ag - Skeleton Weed	Ec Services	5,305	0	(5,305)	0	0	0	0
Indigeneous Grant	Ec Services	7,036	0	(7,036)	0	0	0	0
Dry Season Assistance	Ec Services	14,450	0	(14,450)	0	10,000	0	10,000
<b>Total</b>		<b>49,823</b>	<b>4,084,410</b>	<b>(4,025,432)</b>	<b>172,127</b>	<b>3,993,706</b>	<b>(3,595,181)</b>	<b>570,652</b>

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

**2. REVENUE AND EXPENSES (Continued)**

**(c) Conditions Over Grants/Contributions**

**Notes:**

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

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

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

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

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>3. CASH AND CASH EQUIVALENTS</b>		
Unrestricted	3,021,723	1,322,464
Restricted	912,697	590,217
	<u>3,934,420</u>	<u>1,912,681</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Long Service Leave Reserve	95,280	90,061
Be-Active Long Service Leave Reserve	8,130	7,684
Plant Reserve	5,195	4,911
Housing Reserve	188,440	178,119
Council Housing Reserve	0	137,315
Unspent Grants	570,652	172,127
Deposit for Sale of Factory Unit	45,000	0
	<u>912,697</u>	<u>590,217</u>
<b>4. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Rates Outstanding	55,012	39,893
Sundry Debtors	462,281	94,124
	<u>517,293</u>	<u>134,017</u>
<b>5. INVENTORIES</b>		
<b>Current</b>		
Fuel and Materials	32,744	23,715
	<u>32,744</u>	<u>23,715</u>

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

	2013 \$	2012 \$
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
Land		
Freehold Land at:		
- Cost	163,046	94,822
	<u>163,046</u>	<u>94,822</u>
Buildings at:		
- Cost	13,570,710	13,042,590
Less Accumulated Depreciation	<u>(2,702,145)</u>	<u>(2,462,548)</u>
Total Buildings	10,868,565	10,580,042
Total Land and Buildings	<u>11,031,611</u>	<u>10,674,864</u>
Furniture and Equipment at:		
- Cost	0	360,905
- Independent Valuation 2013	154,100	0
- Management Valuation 2013	690	0
Less Accumulated Depreciation	<u>0</u>	<u>(199,603)</u>
	154,790	161,302
Plant and Equipment at:		
- Cost	0	5,376,319
- Independent Valuation 2013	3,357,450	0
Less Accumulated Depreciation	<u>0</u>	<u>(2,782,664)</u>
	3,357,450	2,593,655
	<u>14,543,851</u>	<u>13,429,821</u>

**Furniture and Equipment:**

The Shire's furniture and equipment were valued at 30 June 2013 by independent valuers.

On item that is classed as a historical item, was valued as at 30 June 2013 by management valuation.

The assets were valued on level 3 inputs (may be observable or unobservable) which 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 significantly higher or lower fair value measurement.

The revaluation resulted in an overall revaluation surplus of \$31,242 in the net value of the Shire's furniture and equipment. All of this increase was credited to the revaluation surplus in the Shire's equity (refer to Note 12 for further details) and was recognised as changes on Revaluation of Non-current Assets in the Statement of Comprehensive Income.

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

**6. PROPERTY, PLANT AND EQUIPMENT (CONT.)**

**Plant and Equipment:**

The Shire's plant and equipment were valued at 30 June 2013 by independent valuers.

All of the mobile plant was valued on the basis of an open market of similar assets adjusted for condition and comparability (Level 2 inputs in the fair value hierarchy).

The remainder of the assets were valued on level 3 inputs (may be observable or unobservable) which 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 significantly higher or lower fair value measurement.

The revaluation resulted in an overall revaluation surplus of \$596,869 in the net value of the Shire's furniture and equipment. All of this increase was credited to the revaluation surplus in the Shire's equity (refer to Note 12 for further details) and was recognised as changes on Revaluation of Non-current Assets in the Statement of Comprehensive Income.

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

**6. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**Movements in Carrying Amounts**

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

	<b>Land Cost \$</b>	<b>Buildings Cost \$</b>	<b>Plant and Equipment Fair Value \$</b>	<b>Furniture and Equipment Fair Value \$</b>	<b>Total \$</b>
Balance as at the beginning of the year	94,822	10,580,042	2,593,654	161,302	<b>13,429,820</b>
Additions	77,533	502,178	1,199,590	64,465	<b>1,843,766</b>
(Disposals)	(9,309)	0	(643,932)	(67,890)	<b>(721,131)</b>
Revaluation - Increments/(Decrements)	0	0	596,869	31,242	<b>628,111</b>
Change of Classification of Asset	0	11,472	(42,668)	0	<b>(31,196)</b>
Depreciation (Expense)	0	(225,127)	(346,065)	(34,330)	<b>(605,522)</b>
<b>Carrying amount at the end of year</b>	<b><u>163,046</u></b>	<b><u>10,868,565</u></b>	<b><u>3,357,450</u></b>	<b><u>154,790</u></b>	<b><u>14,543,851</u></b>



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

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>INFRASTRUCTURE</b>		
Roads - Cost	50,325,956	46,237,143
Less Accumulated Depreciation	<u>(29,436,856)</u>	<u>(27,959,821)</u>
	20,889,100	18,277,322
 Quarry - Cost	 42,500	 42,500
Less Accumulated Depreciation	<u>(41,500)</u>	<u>(41,500)</u>
	1,000	1,000
	 <u>20,890,100</u>	 <u>18,278,322</u>

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

**7. INFRASTRUCTURE (Continued)**

**Movements in Carrying Amounts**

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

	<b>Roads</b> <b>\$</b>	<b>Quarry</b> <b>\$</b>	<b>Total</b> <b>\$</b>
Balance at the beginning of the year	18,277,322	1,000	18,278,322
Additions	3,798,114	0	3,798,114
(Disposals)	0	0	0
Change of Classification of Asset	31,196	0	31,196
Impairment - (Losses)	0	0	0
- Reversals	0	0	0
Depreciation (Expense)	(1,217,532)	0	(1,217,532)
<b>Carrying amount at the end of year</b>	<b>20,889,100</b>	<b>1,000</b>	<b>20,890,100</b>

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

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>8. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry Creditors	388,294	330,210
Accrued Salaries and Wages	45,060	43,182
	<u>433,354</u>	<u>373,392</u>
<b>9. LONG-TERM BORROWINGS</b>		
The Shire of Bruce Rock did not have any long term borrowings as at 30th June 2013.		
Additional detail on borrowings is provided in Note 21.		
<b>10. PROVISIONS</b>		
<b>Current</b>		
Provision for Annual Leave	95,808	90,044
Provision for Long Service Leave	137,712	185,002
	<u>233,520</u>	<u>275,046</u>
<b>Non-Current</b>		
Provision for Long Service Leave	25,545	21,623
	<u>25,545</u>	<u>21,623</u>
<b>TOTAL EMPLOYEE PROVISIONS</b>	<u><b>259,065</b></u>	<u><b>296,669</b></u>

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

	2013 \$	2013 Budget \$	2012 \$
<b>11. RESERVES - CASH BACKED</b>			
<b>(a) Long Service Leave Reserve</b>			
Opening Balance	90,062	90,062	84,983
Amount Set Aside / Transfer to Reserve	5,218	4,953	5,078
Amount Used / Transfer from Reserve	0	0	0
	<u>95,280</u>	<u>95,015</u>	<u>90,061</u>
<b>(b) Be-Active Long Service Leave Reserve</b>			
Opening Balance	7,685	7,685	7,251
Amount Set Aside / Transfer to Reserve	445	423	433
Amount Used / Transfer from Reserve	0	0	0
	<u>8,130</u>	<u>8,108</u>	<u>7,684</u>
<b>(c) Plant Reserve</b>			
Opening Balance	4,911	4,911	4,634
Amount Set Aside / Transfer to Reserve	284	270	277
Amount Used / Transfer from Reserve	0	0	0
	<u>5,195</u>	<u>5,181</u>	<u>4,911</u>
<b>(d) Housing Reserve</b>			
Opening Balance	178,119	178,119	168,075
Amount Set Aside / Transfer to Reserve	10,321	9,797	10,044
Amount Used / Transfer from Reserve	0	0	0
	<u>188,440</u>	<u>187,916</u>	<u>178,119</u>
<b>(e) Rec Centre Upgrade Reserve</b>			
Opening Balance	0	0	113,249
Amount Set Aside / Transfer to Reserve	0	0	1,678
Amount Used / Transfer from Reserve	0	0	(114,927)
	<u>0</u>	<u>0</u>	<u>0</u>
<b>(f) Council Housing Reserve</b>			
Opening Balance	137,315	137,315	273,195
Amount Set Aside / Transfer to Reserve	1,913	629	14,120
Amount Used / Transfer from Reserve	(139,228)	(137,944)	(150,000)
	<u>0</u>	<u>0</u>	<u>137,315</u>
<b>TOTAL CASH BACKED RESERVES</b>	<u>297,046</u>	<u>296,220</u>	<u>418,090</u>

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

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

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

Long Service Leave Reserve

- to be used to fund long service leave requirements.

Be-Active Long Service Leave Reserve

- to be used to fund long service leave requirements.

Plant Reserve

- to be used for the purchase of major plant.

Housing Reserve

- to be used for the construction of new joint venture housing.

Recreation Centre Upgrade Reserve

- to be used for the upgrade of the Recreation Centre.

Council Housing Reserve

- to be used for the construction of new housing for Council.

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

The Council Housing Reserve was utilised in 2012/13.

**12. RESERVES - ASSET REVALUATION**

**2013**

**2012**

\$

\$

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

**(a) Furniture and Equipment**

Opening balance	0	0
Revaluation Increment	110,349	0
Revaluation Decrement	(79,107)	0
	<u>31,242</u>	<u>0</u>

**(b) Plant and Equipment**

Opening Balance	0	0
Revaluation Increment	1,180,478	0
Revaluation Decrement	(583,609)	0
	<u>596,869</u>	<u>0</u>

**TOTAL ASSET REVALUATION RESERVES**

<u>628,111</u>	<u>0</u>
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**SHIRE OF BRUCE ROCK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**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:

	<b>2013</b> \$	<b>2012</b> \$
Cash and Cash Equivalents	<u>3,934,420</u>	<u>1,912,681</u>

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

Net Result	5,489,383	1,372,395
Depreciation	1,823,054	1,991,744
(Profit)/Loss on Sale of Asset	301,102	112,649
(Increase)/Decrease in Receivables	(383,276)	49,082
(Increase)/Decrease in Inventories	(9,029)	(7,734)
Increase/(Decrease) in Payables	59,961	261,287
Increase/(Decrease) in Employee Provisions	(37,604)	44,302
Grants/Contributions for the Development of Assets	<u>(1,824,761)</u>	<u>(2,061,029)</u>
Net Cash from Operating Activities	<u>5,418,830</u>	<u>1,762,696</u>

**(c) Undrawn Borrowing Facilities**  
**Credit Standby Arrangements**

Credit Card limit	5,000	5,000
Credit Card Balance at Balance Date	<u>4</u>	<u>0</u>
<b>Total Amount of Credit Unused</b>	<u>5,004</u>	<u>5,000</u>

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

**14. CONTINGENT LIABILITIES**

The Shire of Bruce Rock does not have any contingent liabilities as at the 30th June 2013.

**15. CAPITAL AND LEASING COMMITMENTS**

**(a) Finance Lease Commitments**

This Shire of Bruce Rock does not have any finance lease commitments as at the 30th June 2013.

**(b) Operating Lease Commitments**

The Shire of Bruce Rock does not have any operating lease commitments as at the 30th June 2013.

**(c) Capital Expenditure Commitments**

The Shire of Bruce Rock does not have any capital expenditure commitments as at the 30th June 2013.

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

**16. JOINT VENTURE**

The Shire of Bruce Rock does not have any joint ventures as at the 30th June 2013.

**17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY**

Governance	39,866	101,814
Law, Order, Public Safety	241,367	285,283
Health	706,930	657,141
Education and Welfare	205,198	193,334
Housing	2,822,888	2,861,890
Community Amenities	154,990	64,722
Recreation and Culture	6,175,112	6,188,464
Transport	20,856,601	18,253,226
Economic Services	942,543	850,612
Other Property and Services	3,066,450	2,114,167
Unallocated	4,706,463	2,217,903
	<u>39,918,408</u>	<u>33,788,556</u>



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

	2013	2012	2011
<b>18. FINANCIAL RATIOS</b>			
Current Ratio	5.42	2.28	3.53
Asset Sustainability Ratio	N/A	N/A	N/A
Debt Service Cover Ratio	0.00	0.00	0.00
Operating Surplus Ratio	0.55	(1.44)	(0.55)
Own Source Revenue Coverage Ratio	1.29	0.35	0.36

The above ratios are calculated as follows:

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

**Notes:**

We are unable to calculate the Asset Sustainability Ratio, the Asset Consumption Ratio and the Asset Renewal Funding Ratio because as at the 30th June 2013, Council had not received valuations for its assets in order to calculate these ratios.

Information relating to the **Asset Consumption Ratio** and the **Asset Renewal Funding Ratio** can be found at Supplementary Ratio Information on Page 61 of this document.

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

**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-Jul-12 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-13 \$
Factory Unit & Housing Bonds	9,763	1,280	(2,540)	8,503
Cemetery Donations	973	0	(973)	0
Indigenous Womens Grant	(457)	0	0	(457)
Hydro Pool Key Deposit	550	0	(60)	490
Kwolyin Progress Assoc	671	0	0	671
Sale of Land Deposits	4,500	0	(500)	4,000
Bruce Rock Museum Funds	34	0	0	34
Overpayment of Rates	120	0	0	120
Community Rec Centre	25	0	0	25
Tidy Towns	1,512	0	0	1,512
Vietnam Veterans	14,124	2,790	(1,672)	15,242
Wind Up Committee	125	0	0	125
Wheatbelt Women	8,339	0	0	8,339
Unspent Grant Funding	5,305		(5,305)	0
	<u>45,585</u>			<u>38,605</u>

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

**20. DISPOSALS OF ASSETS - 2012/13 FINANCIAL YEAR**

The following assets were disposed of during the year.

**By Program**

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Governance</b>						
Various Assets Written Off						
Following Valuation for Fair Value	62,069	0	0	0	(62,069)	0
BK1 CEO Vehicle	41,201	41,200	36,471	38,000	(4,730)	(3,200)
BK2 DCEO Vehicle	39,306	39,300	25,454	37,000	(13,852)	(2,300)
<b>Health</b>						
Various Assets Written Off						
Following Valuation for Fair Value	584	0	0	0	(584)	0
BK117 EHO Vehicle	29,429	24,900	20,273	23,800	(9,156)	(1,100)
BK09 Doctor's Vehicle	24,053	24,000	19,090	21,000	(4,963)	(3,000)
BK51 Infant Health Nurse's Vehicle	23,080	24,300	10,000	18,000	(13,080)	(6,300)
<b>Recreation &amp; Culture</b>						
Various Assets Written Off						
Following Valuation for Fair Value	5,235	0	0	0	(5,235)	0
BK010 Be-Active Coordinator's Vehicle	19,365	22,200	12,727	18,000	(6,638)	(4,200)
<b>Transport</b>						
Various Assets Written Off						
Following Valuation for Fair Value	205,136	0	0	0	(205,136)	0
BK02 Construction Foreman's Vehicle	17,493	17,500	18,182	22,500	689	5,000
BK08 Town Foreman's Vehicle	16,878	16,900	18,182	22,500	1,304	5,600
BK3 Workshop Manager's Vehicle	24,137	24,000	15,909	18,000	(8,228)	(6,000)
BK398 Works Supervisor's Vehicle	16,954	17,000	19,091	22,500	2,137	5,500
BK04 Carpenter's Vehicle	11,440	13,400	11,818	12,000	378	(1,400)
BK05 Rec Centre Manager's Vehicle	9,692	10,600	10,909	12,000	1,217	1,400
BK794 Gardener's Vehicle	9,692	10,600	10,909	12,000	1,217	1,400
BK472 Workshop Vehicle	9,665	10,600	10,909	12,000	1,244	1,400
BK6519 Truck	94,316	102,900	36,364	40,000	(57,952)	(62,900)
BK638 Truck	0	0	7,580	20,000	7,580	20,000
BK011 Roller	35,825	40,400	25,000	30,000	(10,825)	(10,400)
BK1047 Tractor	0	0	7,000	10,000	7,000	10,000
BK020 4 Wheel Motorbike	0	1,500	0	2,000	0	500
BK1018 Crew Cab Truck	0	35,000	0	50,000	0	15,000
BK275 Ford Tractor	0	0	5,545	0	5,545	0
Surplus Plant	0	0	0	20,000	0	20,000

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

**20. DISPOSALS OF ASSETS - 2012/13 FINANCIAL YEAR (CONT.)**

The following assets were disposed of during the year.

**By Program**

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Economic Services</b>						
BK6299 Community Bus	0	0	0	7,000	0	7,000
Industrial Land	0	0	0	96,000	0	96,000
Factory Units on Swan St	0	0	0	220,000	0	220,000
Lot 29 Butcher St	134	0	0	0	(134)	0
Lot 30 Butcher St	100	0	12,195	0	12,095	0
Lot 31 Butcher St	110	0	12,195	0	12,085	0
Industrial Blocks on Strange St	8,965	0	48,500	0	39,535	0
BK123 NRMO Vehicle	16,272	20,000	25,727	25,000	9,455	5,000
	721,131	496,300	420,030	809,300	(301,101)	313,000

**By Class**

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Land	9,309	0	72,890	96,000	63,581	0
Buildings	0	0	0	220,000	0	0
Furniture & Equipment	67,889	0	0	0	(67,889)	0
Plant & Equipment	643,933	496,300	347,140	493,300	(296,793)	313,000
Infrastructure	0	0	0	0	0	0
	721,131	496,300	420,030	809,300	(301,101)	313,000

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

**21. INFORMATION ON BORROWINGS**

(a) Repayments - Debentures

The Shire of Bruce Rock did not have any debentures as at 30th June 2013.

(b) New Debentures - 2012/13

The Shire of Bruce Rock did not establish any new debentures during 2012/13.

(c) Unspent Debentures

The Shire of Bruce Rock did not have any unspent debentures as at 30th June 2013.

(d) Overdraft

The Shire of Bruce Rock did not have an overdraft as at 30th June 2013.

(e) Business Credit Card

The Shire of Bruce Rock has one Business Credit Card with a limit of \$5,000, that is issued to the Chief Executive Officer. The balance as at 30th June 2013 was \$4.00.

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

**22. RATING INFORMATION - 2012/13 FINANCIAL YEAR**

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
<b>Differential General Rate</b>											
GRV - Bruce Rock	5.4435	251	1,885,543	102,628	(33)	0	102,595	102,628	0	0	102,628
UV - Rural	0.8624	334	109,938,000	948,105	39	0	948,144	948,105	0	0	948,105
UV - Mining Tenanments	0.8624	1	46,024	397	215	0	612	397	0	0	397
<b>Sub-Totals</b>		586	111,869,567	1,051,130	221	0	1,051,351	1,051,130	0	0	1,051,130
<b>Minimum Rates</b>	<b>Minimum \$</b>										
GRV - Bruce Rock	275	103	239,577	28,325	0	0	28,325	28,050	0	0	28,050
UV - Rural	275	12	194,500	3,300	0	0	3,300	3,300	0	0	3,300
UV - Mining Tenanments	275	6	23,288	1,650	0	0	1,650	1,650	0	0	1,650
<b>Sub-Totals</b>		121	457,365	33,275	0	0	33,275	33,000	0	0	33,000
Ex-Gratia Rates							1,084,626				1,084,130
Discounts ( <i>refer note 25</i> )							7,234				7,234
							(43,521)				(44,500)
<b>Total Amount Raised from General Rate</b>							1,048,339				1,046,864
Specified Area Rate ( <i>refer note 23</i> )							0				0
<b>Total Rates</b>							1,048,339				1,046,864

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

**22. RATING INFORMATION - 2012/13 FINANCIAL YEAR (Continued)**

(b) Information on Surplus/(Deficit) Brought Forward	<b>2013</b> <b>(30 June 2013</b> <b>Carried</b> <b>Forward)</b> <b>\$</b>	<b>2013</b> <b>(1 July 2012</b> <b>Brought</b> <b>Forward)</b> <b>\$</b>	<b>2012</b> <b>(30 June 2012</b> <b>Carried</b> <b>Forward)</b> <b>\$</b>
<b>Surplus/(Deficit) - Rate Setting Statement</b>	<u>3,520,538</u>	<u>1,003,884</u>	<u>594,043</u>
<b><u>Comprises:</u></b>			
Cash - Unrestricted	3,637,375	1,339,120	691,148
Cash - Restricted	297,045	573,562	701,210
Investments - Restricted	0	0	0
Rates - Current	55,012	39,893	31,249
Sundry Debtors	462,281	94,124	116,850
GST Receivable	0	0	9,907
Inventories			
- Fuel and Materials	32,744	23,715	15,981
<b><u>Less:</u></b>			
Reserves - Restricted Cash			
- Long Service Leave Reserve	(95,280)	(90,062)	(84,983)
- Be-Active Long Service Leave Reserve	(8,130)	(7,685)	(7,251)
- Plant Reserve	(5,195)	(4,911)	(4,634)
- Housing Reserve	(188,440)	(178,119)	(168,075)
- Recreation Centre Upgrade Reserve	0	0	(113,249)
- Council Housing Reserve	0	(137,315)	(273,195)
Sundry Creditors	(388,294)	(330,210)	(93,234)
Accrued Interest on Debentures	0	0	0
Accrued Salaries and Wages	(45,060)	(43,182)	(18,874)
GST Payable	0	0	25,093
Current Employee Benefits Provision	(233,520)	(275,046)	(233,893)
Rounding	0	0	(7)
<b>Surplus/(Deficit)</b>	<u>3,520,538</u>	<u>1,003,884</u>	<u>594,043</u>

**Difference:**

There was no difference between the Surplus/(Deficit) 1 July 2012 Brought Forward position used in the 2013 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2012 audited financial report.

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

**23. SPECIFIED AREA RATE - 2012/13 FINANCIAL YEAR**

The Shire of Bruce Rock did not have any specified area rates for the 2012/13 financial year.

**24. SERVICE CHARGES - 2012/13 FINANCIAL YEAR**

The Shire of Bruce Rock did not have any service charges for the 2012/13 financial year.

**25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS**  
**- 2012/13 FINANCIAL YEAR**

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
Rates	Discount	5.00%	43,521	44,500
			43,521	44,500

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

**26. INTEREST CHARGES AND INSTALMENTS - 2012/13 FINANCIAL YEAR**

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11%		4,740	2,250
Interest on Instalments Plan	5.50%		1,060	550
Charges on Instalment Plan		24	864	550
			6,664	3,350

Ratepayers had the option of paying rates in four equal instalments, due on 17th September 2012, 19th November 2012, 21st January 2013 and 25th March 2013. Administration charges and interest applied for the final three instalments.



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

<b>27. FEES &amp; CHARGES</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Governance	4,742	5,049
General Purpose Funding	2,587	2,432
Law, Order, Public Safety	1,592	1,638
Health	71,761	83,271
Education and Welfare	7,731	1,832
Housing	94,741	92,532
Community Amenities	92,659	63,434
Recreation and Culture	38,082	49,770
Transport	5,240,408	26,035
Economic Services	117,112	105,679
Other Property and Services	153,906	157,881
	<u>5,825,321</u>	<u>589,553</u>

The following fees and charges were introduced after the adoption of the budget:

**Kerbside recycling**                      **At the February 2013 Ordinary Meeting of Council**

Details;

Annual Kerbside Recycling Collection	\$85.00
Annual Senior Kerbside Recycling Collection	\$63.75
Annual Pensioner Kerbside Recycling Collection	\$42.50

with the fee being charged on a pro-rata basis from the 23rd October 2012.

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

**28. GRANT REVENUE**

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

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>By Nature and Type:</b>		
Operating Grants, Subsidies and Contributions	2,309,491	2,708,728
Non-Operating Grants, Subsidies and Contributions	<u>1,824,761</u>	<u>2,061,029</u>
	<u><b>4,134,252</b></u>	<u><b>4,769,757</b></u>
<b>By Program:</b>		
Governance	34,270	36,635
General Purpose Funding	1,988,222	2,310,010
Law, Order, Public Safety	317,211	16,804
Health	19,892	0
Education and Welfare	0	72
Housing	64,121	7,036
Community Amenities	4,349	1,466
Recreation and Culture	38,906	385,313
Transport	1,613,040	1,876,365
Economic Services	42,434	81,996
Other Property and Services	<u>11,807</u>	<u>54,060</u>
	<u><b>4,134,252</b></u>	<u><b>4,769,757</b></u>

**29. ELECTED MEMBERS REMUNERATION**

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

	<b>2013</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
Meeting Fees	2,490	3,000	1,123
President's Allowance	11,000	11,000	10,908
Deputy President's Allowance	0	0	0
Travelling Expenses	1,044	2,000	0
Telecommunications Allowance	<u>0</u>	<u>0</u>	<u>0</u>
	<u><b>14,534</b></u>	<u><b>16,000</b></u>	<u><b>12,031</b></u>

**30. EMPLOYEE NUMBERS**

The number of full-time equivalent employees at balance date

<b>2013</b>	<b>2012</b>
<u><b>37</b></u>	<u><b>37</b></u>

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

**31. MAJOR LAND TRANSACTIONS**

Council did not participate in any major land transactions during the 2012/13 financial year.

**32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

Council did not participate in any trading undertakings or major trading undertakings during the 2012/13 financial year.

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

**33. FINANCIAL RISK MANAGEMENT**

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

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

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

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2013 \$	2012 \$	2013 \$	2012 \$
<b>Financial Assets</b>				
Cash and cash equivalents	3,934,420	1,912,681	3,934,420	1,912,681
Receivables	517,293	134,017	517,293	134,017
	<u>4,451,713</u>	<u>2,046,698</u>	<u>4,451,713</u>	<u>2,046,698</u>
<b>Financial Liabilities</b>				
Payables	433,354	373,392	433,354	373,392
	<u>433,354</u>	<u>373,392</u>	<u>433,354</u>	<u>373,392</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Investments – based on quoted market prices at the reporting date or at independent valuation.
- Borrowings – estimated future cash flows discounted by the current market interest rates

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

**33. FINANCIAL RISK MANAGEMENT (Continued)**

**(a) Cash and Cash Equivalents**

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

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

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

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

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

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Impact of a 10% (*) movement in interest rates on cash and investments:		
- Equity	393,442	191,268
- Statement of Comprehensive Income	393,442	191,268

**Notes:**

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

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

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

- Equity	39,344	19,127
- Statement of Comprehensive Income	39,344	19,127

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

**33. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Receivables**

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

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

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

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

	<b>2013</b>	<b>2012</b>
Percentage of Rates and Annual Charges		
- Current	28.33%	55.00%
- Overdue	71.67%	45.00%
Percentage of Other Receivables		
- Current	93.63%	42.00%
- Overdue	6.37%	58.00%

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

**33. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Payables**

**Borrowings**

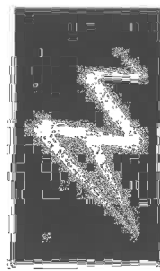
Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<b><u>2013</u></b>					
Payables	433,354	0	0	433,354	433,354
Provision for LSL	137,712	0	0	137,712	137,712
	<u>571,066</u>	<u>0</u>	<u>0</u>	<u>571,066</u>	<u>571,066</u>
<b><u>2012</u></b>					
Payables	373,392	0	0	373,392	373,392
Provision for LSL	185,002	0	0	185,002	185,002
	<u>558,394</u>	<u>0</u>	<u>0</u>	<u>558,394</u>	<u>558,394</u>

**(c) Payables**

**Borrowings (Continued)**

The Shire of Bruce Rock did not have any borrowings as at 30th June 2013.



## Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS

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*Liability limited by a scheme approved under Professional Standards Legislation*

### INDEPENDENT AUDIT REPORT TO THE ELECTORS OF THE SHIRE OF BRUCE ROCK

#### Scope

We have audited the financial report of Shire of Bruce Rock for the year ended 30 June 2013. The financial report comprises the Statement by Chief Executive Officer, Statements of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flow, Rate Setting Statement and accompanying notes to the financial statements.

The Council is responsible for the preparation of a financial report which provides a true and fair view of the financial performance and position of the council in accordance with the Local Government Act 1995, and Regulations. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error and for accounting policies and estimates inherent to the financial report.

#### Audit Approach

We conducted an independent audit of the financial report in order to express an opinion on it to the electors of the Shire of Bruce Rock. Our audit was conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control and the availability of persuasive rather than conclusive evidence. Therefore an audit cannot guarantee that all misstatements have been detected.

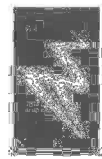
We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Local Government Act 1995, and Regulations, including compliance with Accounting Standards in Australia, and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Council's financial position, and of their performance which is represented by the results of operations and cash flows.

We formed our opinion on the basis of these procedures, which included:

- examining on a test basis, information to provide evidence, supporting the amounts and disclosures in the financial report,
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the directors.

Whilst we considered the effectiveness of managements internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.





We performed procedures to assess whether the substance of business transactions were accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the executive and management of the Shire of Bruce Rock.

### Independence

Anderson Munro & Wyllie are independent of the Shire of Bruce Rock, and have met the independence requirements of Australian professional ethical pronouncements and the Local Government Act 1995.

The audit opinion expressed in this report has been formed on the above basis.

### Audit Opinion

In our opinion, the financial statements of the Shire of Bruce Rock are properly drawn up:

- a) So as to give a true and fair view of the state of affairs of the Shire as at 30 June 2013 and the results of its operations and cash flows for the year then ended;
- b) In accordance with the requirements of the Local Government Act 1995; and
- c) In accordance with Applicable Australian Accounting Standards.

### Other Matters

During the course of our audit we noted the following matters in relation to compliance of the Local Government Act 1995:

1. We noted an instance where the returns from Mr Sedgewick, who ceased to be a person required to lodge annual returns, had not been removed from the register as soon as practicable under section 5.75 or 5.76, as required by *Local Government Act 1995 section 5.88(3)*.
2. The auditors' report for financial year 2012/2013 was not received by the local government on or before 31 December 2013 as is required by, *Local Government Act 1995 section 7.9(1)*.

### Statutory Compliance

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

- a) Except for the issues identified in the above 'Other Matters' paragraph, we did not during the course of the audit, become aware of any instance where the Council did not comply with the requirements of the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996.
- b) There were no material or significant adverse trends in financial position or financial management practices revealed during the course of our audit.
- c) We have obtained all necessary information and explanations in relation to our audit.
- d) Our audit procedures were all satisfactorily completed.



e) In relation to the Supplementary Ratio Information presented at page 61 of this report, we have reviewed the calculations as presented and in our opinion these are:

- i. Based on verifiable information; and
- ii. Reasonable assumptions.

Dated the 20th day of March 2014 in Perth, Western Australia

**BILLY-JOE THOMAS**  
Director

**ANDERSON MUNRO & WYLLIE**  
Chartered Accountants

**SHIRE OF BRUCE ROCK  
SUPPLEMENTARY RATIO INFORMATION  
FOR THE YEAR ENDED 30TH JUNE 2013**

**RATIO INFORMATION**

The following information relates to these 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.

	<b>2013</b>	<b>2012</b>	<b>2011</b>
Asset Consumption Ratio	<b>Unable to Calculate</b>	<b>N/A</b>	<b>N/A</b>
Asset Renewal Funding Ratio	<b>Unable to Calculate</b>	<b>N/A</b>	<b>N/A</b>

The above ratios are calculated as follows:

Asset Consumption Ratio	$\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciable assets}}$
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Asset Renewal Funding Ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
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The Shire of Bruce Rock as at 30th June 2013 had not been able to determine the depreciated replacement cost of assets or the current replacement cost of depreciable assets.

N/A -In keeping with amendments to Local Government (Financial Management) Regulation 50, comparatives for the two preceding years (being 2012 and 2011) have not been reported as financial information is not available.