



shire of Ashburton
reef to range

Annual Report 2012/2013

Tom Price | Onslow | Paraburdoo | Pannawonnica

Photographic Contributions

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Welcome to the Shire of Ashburton

The Shire of Ashburton is situated in the Pilbara region of Western Australia – a vast ancient landscape literally billions of years old. It comprises four established town sites: Onslow, Pannawonica, Paraburdoo and Tom Price and the remote Indigenous communities of Bellary, Wakathuni, Youngaleena, Ngurawaana, Bindi Bindi and Peedamulla.

For people across Australia, and the world, this 105,647km² Shire generates enormous wealth. Some of the world's oldest open cut mines and the largest exporters of natural resources can be found in the Shire of Ashburton and Barrow Island, off the coast of Onslow.

The Shire has a resident population of 10,001 people (Australian Bureau of Statistics Census, 2011) and with the continual growth in the resources industry the residential and fly-in fly-out population in the Shire of Ashburton is rapidly becoming larger and more diverse.

The enormity of the landscape sets the scene for adventurous experiences, including the unforgettable

Karijini National Park. From the awe-inspiring gorges to mine tours, four wheel driving, fishing, boating and island exploring - Ashburton is in a league of its own.

The Shire is currently thriving with growth and diversity, as industries such as iron ore mining, oil and gas, pastoral activities, fishing, salt processing and tourism continue to flourish from high demand. Towns are expanding along with it, developing into vibrant communities that offer sport and recreation, environmental health, tourism, waste management, libraries and ranger services.

This growth has helped establish enviable lifestyle living, something that local residents embrace wholeheartedly. Mining, oil and gas, cattle, fishing and tourism, along with the supporting infrastructure provide numerous employment opportunities.

As the Shire grows in stature, diversity continues to be embraced by Ashburton, echoing the contrasting nature of the tropical-arid landscape itself.

Our Towns

Tom Price

Hidden in the Hamersley Ranges below the beautiful Mt Nameless is Tom Price. It is a charming town, named after an American geologist who played an important role in identifying the region's enormous mineral wealth, and at 747 metres above sea level it is Western Australia's highest town.

Tom Price is the perfect place to base yourself while you explore the natural wonders of Karijini National Park. Tours depart most days and there are many well-maintained, picturesque campgrounds for a small fee. The town itself is modern and fully-serviced with a supermarket, bank, doctor, hospital, fuel outlets, library, primary schools, a secondary school, TAFE and several motels and restaurants.

Tom Price is home to around 4500 permanent residents and more than 1000 Fly-in/Fly-out workers who enjoy a rich sporting lifestyle, with three large ovals, tennis, netball, basketball and squash courts as well as a lawn bowls green, an indoor cricket centre, an eighteen hole golf course and an Olympic size swimming pool.

As you approach Tom Price you will be rewarded with some of the best scenery in the state. The rich Pilbara colours of fiery reds, golds and the most brilliant blue skies will never leave you. There is a well-maintained private road that follows the railway line from Tom Price to Karratha. Visitors may use this road, however a permit is required which may be obtained at the Tom Price Visitor Centre.



Onslow

Onslow is a picturesque coastal town with an ideal climate, particularly April-September, making it an ideal holiday destination. It is the Shire of Ashburton's oldest town, with an interesting history that pays to explore, including pearl lugging and devastation by cyclone and Japanese bombing in World War II. The recently refurbished ruins of the Old Onslow town-site, the cemetery and remains of the jetty that served the sailing vessels are well worth a visit, as is the mighty Ashburton River.

Beaches surround Onslow with their unique beauty, and Onslow is one of a very few places in the world where you can witness the sun both rise and set over the ocean. Visit the lookouts, walk the Heritage Trail and Ian Blair Memorial Walkway and take in the stunning view of the islands. The fishing is also spectacular, with many great local spots as well as fishing charters available.

Onslow is also one of the best places in Western Australia to view 'Staircase to the Moon' - a beautiful optical illusion phenomenon over exposed mudflats that must be seen. Other 'must do' activities include mud crabbing, snorkelling and shell collecting.



Paraburdoo

Paraburdoo is a 40-year-old purpose built mining town approximately 530km inland of Coral Bay and Exmouth on the outskirts of the Hamersley Ranges. It is named after the nearby 'Pirraburdoo' lease, an Aboriginal name for the white 'Little Corella' which lives in the area. Nestled in some of the most scenic landscape in Western Australia, it has earned a reputation for its wildlife diversity and fascinating short history which includes UFO sightings, the discovery of 200-year-old bones and royal visits.

Paraburdoo is a close-knit community and offers a safe and friendly environment, ideal for young families. Twice recognised as WA's tidiest town, it has a population of around 2000 people including residential and fly-in, fly-out personnel. Like Tom Price, Paraburdoo has a strong sporting community with many outstanding facilities including an Olympic-sized pool.

The town has many facilities including a supermarket, newsagency, bottle shop, pharmacy, gift shop and Centrelink agency as well as services such as a police station, Royal Flying Doctor Service, library, shire office, post office, credit union, primary school, child health clinic, medical centre and Anglican and Catholic Churches. The airport, which services both Paraburdoo and Tom Price, is located only 15 minutes from Paraburdoo with Qantas flights daily to Perth.



Pannawonica

Pannawonica's name derives from the Aboriginal meaning for 'the hill that came from the sea', which is in reference to Pannawonica Hill. According to legend, a fight over ownership resulted in the sea spirit dragging the hill inland, gouging the land and forming the Robe River.

Pannawonica is a purpose built mining town and houses more than 1000 miners. Built in 1970 and gazetted as a town site in 1972, Pannawonica is a 'closed town', meaning its facilities are mainly reserved for staff and contractors.

There are many striking attractions, including well-shaded swimming holes at Robe River, and beautiful, world-class Aboriginal rock art. The Robe River Rodeo is a must see event that doubles the town's population over the weekend and attracts interstate competitors, with fun and competitions for all ages. Don't forget to visit the free drive-in cinema in the dry months.



Shire President's Report

The 2012/2013 financial year saw the Shire of Ashburton focused on service delivery and project development.

Major construction commenced in Onslow with the Aerodrome Project. This project is an example of a resource company investment that will benefit the entire community. Chevron committed \$30 million to the construction which will initially service the Wheatstone Project. It is expected that the Onslow Aerodrome Project will also provide regular transport services to Onslow residents in the fullness of time.

Construction of the Clem Thompson Oval and Sports Pavilion in Tom Price has progressed throughout the year "on time and on budget". Stage 2 of the project commenced in June 2013 with awarding the tender to conduct a complete overhaul of the ground facilities including flood lighting, fencing, goal posts and the installation of a full sized playing surface.

Sadly the community of Onslow suffered a major loss in January of this year when our offices, hall and library were destroyed by fire. The community rallied to support our staff and our organization and we quickly relocated our service centre to the Onslow Multi-purpose Centre. Planning to replace our loss has commenced and will progress in 2014.

The Community Infrastructure and Services Partnership was formally agreed between the Shire of Ashburton and Rio Tinto and aims to revitalize existing services and facilities in Tom Price, Paraburdoo and Pannawonica. It will also strive to develop new civic, sporting and community facilities and programs, providing vibrant, healthy and active communities that contribute to the attraction and retention of individuals and families to live and work in the Pilbara.

For a period of six months during the financial year, Mayor Ron Yuryevich (City of Kalgoorlie) was appointed Commissioner for Ashburton. Whilst there was a 'break' in the manner in which Councillors could service the Ashburton communities, all remained committed to their responsibilities and this helped to ensure that the work of the Council and the organisation was able to progress.

Council continues to be open to opportunities to that can benefit our communities through this exciting and extended period of growth in the Pilbara. Thank you to council staff for providing quality services and facilities to the residents of Ashburton and to my fellow Councillors for their ongoing support and dedication to the Shire.

Kerry White
Shire President



Major Projects 2012-2013

	Total Cost
Onslow Aerodrome Project (due for completion mid/late 2014)	\$41 million
Clem Thompson Oval Redevelopment (due for completion in November 2013)	\$6.4 million
Weano/Banjima Drive Karijini National Park – 10km of seal	\$2.4 million
Skate Park Tom Price	\$2.5 million
Refurbishment of Tom Price Basketball/Netball Courts	\$371,000
Completion of Phase 1 of Tom Price Town Centre Revitalisation	\$228,000
Commencement of Four Mile Creek Upgrade, Onslow	\$218,000
Upgrade to Ashburton Hall, Paraburdoo and Tom Price Civic Centre	\$181,000
Planning for Onslow Aerodrome LIA Subdivision	\$189,000
Upgrade of Satellite TV Services Onslow	\$107,000

Following extensive community consultation, a Strategic Community plan was developed.

The Shire of Ashburton 10 Year Community Strategic Plan (2012-2022) provides focus, direction and represents the hopes and aspirations of the Shire.



OUR VISION

The Shire of Ashburton will be a vibrant and prosperous place for work, leisure and living.

OUR MISSION

Working together, enhancing lifestyle and economic vitality.

FUTURE FOCUS

The next four years will see a strong focus on:

1. Community inclusion and participation
2. Provision of infrastructure that enables economic and social vitality
3. Economic strength
4. Organisation stability
5. Staying ahead of the game
6. Development of our governance



Chief Executive Officer's Report

The 2012/13 financial year saw a further period of major investments in our Towns.

Significant projects were commenced and others were completed during the financial year.

I must acknowledge that while I was not present during the financial year, I have joined the Shire of Ashburton at a pivotal time. I bring with me a determination to see Ashburton at a place where the Council, the community and the organization has a strong common understanding and agreement of the strategic direction for our Shire.

It is my experience that, when this level of understanding is in place, a great deal of positive progress can be made quickly.

I understand that 2012/13 has been a difficult year for our Councillors and for our staff. There is no doubt that major upheaval has taken place within the organization over the course of the financial year. What I see, with fresh eyes, is a fantastic organization of committed Councillors and enthusiastic staff that will become stronger and move forward with confidence.

No Local Government will ever have enough resources to do everything. This is especially true for Ashburton, which is a Shire with a land mass of almost half the size of the State of Victoria! This means it is even more important that we balance our efforts in a way that satisfies the most people possible within all of our communities. To that end, we value community feedback, whether it be talking to your local Councillor when you see them down the street, writing us a letter or email or just visiting one of our Administration Centres to pass on your views.

Our Councillors and staff are always happy to receive comments about how well we are performing (and we do get these from time to time) but we also greatly appreciate constructive comments about how we can do better.

In conclusion, while there is much written in the Annual Report about our achievements in 2012/13, which is this documents purpose, I believe it is to the future we must turn our minds to.

In some 36 years' experience, I know Local Government to be a dynamic arena, and I believe the nature and culture of local government inherently attracts people who are enthusiastic, fair, and caring.

Local Governments do make a difference and I would like to help make Ashburton into a place whereby it is loved by those who live here ... and envied by those that don't.

Neil Hartley
CEO



Our Councillors

The Shire is governed by nine Councillors elected by the local community. Councillors seek to understand local aspirations and concerns and lead the Shire to ensure the effective delivery of strategic plans.

The Ashburton Shire Council consists of nine Councillors representing six wards. These comprise of two pastoral wards (Ashburton and Tableland) and four town-site wards (Onslow, Pannawonica, Paraburdoo and Tom Price).

Each Councillor is elected to serve a four-year term and there are no restrictions on the number of terms Councillors may serve. The Councillors elect the President and Deputy Shire President every two years in October.

The function of the Council is to provide good government for residents in the district, which includes the provision of works and services to ensure the health, safety and fulfilment of the local community.

Five fundamental aims of Council can easily be identified:

- to direct and uphold the affairs of Council
- to be responsible for the performance of Council's functions
- to oversee the allocation of Council's finances and resources
- to determine policies
- to provide for the good government of persons in the district

The ways in which these aims are interpreted and the range and nature of the responsibilities to which they are applied undergo continuing transformation. There is a need to constantly re-examine tasks, to ensure they are the ones most suited to the scale of decision-making and services required.

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Cr Kerry White
Shire President



Cr Linton Rumble
JP, Deputy Shire President
Paraburdoo Ward



Cr Anne Eyre
Ashburton Ward



Cr Lisa Shields
Tom Price Ward



Cr Peter Foster
Tom Price Ward



Cr Cecilia Fernandez
Tom Price Ward



Cr Dennis Wright
Pannawonica Ward



Cr Lorraine Thomas
Tableland Ward



Cr Ivan Dias
JP, Paraburdoo Ward



Our Executive Team and what they do

Chief Executive Officer & Executive Managers
as at 30 June 2013

Frank Ludovico

Acting Chief Executive
Officer

- Human Resources
- Occupational Safety
- Council Support
- Media
- Business Improvement

Lisa Hannagan

Corporate Services

- Financial services and reporting
- Budget Preparation, Dissemination and Training
- Administration
- Information Technology
- Financial
- Planning
- Grants

Keith Pearson

Technical Services

- Asset Management
- Contract Management
- Design
- Project Management
- Geographical Information Systems
- Planning, Building & Health
- Waste
- Ranger Services
- Emergency Services

Amanda O'Halloran

Strategic &
Economic Development

- Project Initiation and Coordination
- Economic Development
- Integrated Planning Framework
- Community Strategic Plan
- Visitor Centre

Deb Wilkes

Community Development
& Services

- Library and Cultural Activities
- Natural Resource Management
- Early Childhood Youth/Seniors
- Public Art
- Community Reference and Advisory Groups
- Support for Community Groups
- Resource Sector Community Plans
- Voluntaryism

Fiona Keneally

Operations

- In House Works
- Private Works
- Construction & Design
- Fleet

2012/13 Highlights



July 2012

ENTRY STATEMENT

Smith Sculptors visited the Shire of Ashburton to consult with local youth on designing the new entry statements in Tom Price, Paraburdoo and Onslow.

Smith Sculptors encouraged the local youth to think about what their town means to them and what is important to their town. The Smiths had concept plans of different entry statements for each town which were well received by the local youth representatives.

ONSLow EARLY LEARNING CENTRE OPENS ITS DOORS

Long awaited child care services returned to Onslow with the opening of the Onslow Early Learning Centre at the Multi-purpose Centre in McGrath Avenue, Onslow

LAND RELEASE IN TOM PRICE

The first of three land subdivisions undertaken by the Shire of Ashburton was completed. Thirteen residential lots at Warara Street, including several duplex and triplex lots, have been fully serviced and issued with separate titles.

The subdivisions were pre-sold at auction in Tom Price earlier in the year. The lots are fully serviced including power, water, sewer and (residential) Telstra connections.

The developments were undertaken by the Shire of Ashburton in recognition of the shortage of accommodation and opportunities available in Tom Price for residents and local businesses.

This land is the first major land release in Tom Price for some 28 years and is a reflection of the unprecedented growth experienced in the town over the past four years.



Council believes the annual tourists are extremely important to the fabric of the town and will continue to support this.

August 2012

THE ONSLOW CEMETERY

New gates have been installed at the Onslow Cemetery representing the “Tree of Life”. The design is highly fitting for the final resting place for the people of Onslow. The new gates are situated between the old and new cemeteries and were designed by Smith Sculptors, who are well known for their work including the ANZAC Memorial in Onslow.

The focal point of the “Tree of Life” design is the Axis Mundi tree. It represents the centre of the world rooted deep in the earth and in contact with the waters. The tree is said to grow into the “World of Time” with its branches reaching the heavens and eternity. It represents life itself and the joining of heaven, earth and water.

The pillars supporting the gates are also symbolic. Their vertical axis both hold apart and join together heaven and earth. Symbolically the pillars are the support of heaven and “Heaven’s Gate”. It is said that passing through two pillars represents entry into a new life and a new world.

The gates are surrounded by a niche wall and future plans include an upgrade to landscaping in both the old and new areas of the Cemetery that will transform the area into a pleasant place to sit and reflect.

SHIRE TAKES OVER ONSLOW’S OCEAN VIEW CARAVAN PARK

The Shire of Ashburton will manage to Onslow Ocean View Caravan Park after the request from the lessee to terminate his lease.

Local Governments have successfully managed Caravan Parks in other locations and the Shire intends to develop and build on this valuable asset.

Business for the park will continue as usual while plans for redevelopment and upgrade are in progress.

Council believes the annual tourists are extremely important to the fabric and diversity of the town and will continue to encourage and support this.

NAMELESS FESTIVAL IN TOM PRICE

Now in its 41st year, the annual festival was held from Saturday 4th August to Sun 12th August. Opening the festival on Saturday 4th August was the “Go for Gold” ball; Party-goers were entertained by the popular group Stone Circle.

From Friday 10th August to Sunday 12th August, the festival stepped it up a notch with Clem Thompson oval being transformed into a sideshow alley with rides, games, stalls and show bags for all ages. The weekend was rounded off with concerts from Johnny Ruffo, Justice Crew and Adam Brand.

The Festival was organized by the Nameless Festival Committee and a dedicated team of volunteers. The Festival was funded by Rio Tinto and the Shire of Ashburton.

40TH ANNIVERSARIES CELEBRATED IN PANNAWONICA AND PARABURDOO

Both Pannawonica and Paraburdoo celebrated 40 year anniversaries in 2012.

In Pannawonica a Family Fun Day was held to commemorate the town’s 40th birthday. An estimated 2,000 people attended. The town oval was turned into a fair ground and sideshow alley. A petting zoo, giant slides and food and market stalls also took up residence.

Magic, fire and acrobatic shows entertained the crowd and the sound of children’s laughter could be



heard across the entire town. When the sun went down, iconic Australian band the “Hoodoo Gurus” kicked the crowd into a dancing frenzy.

The Family Fun Day was sponsored by a number of local businesses and organisations including Rio Tinto and the Shire of Ashburton.

In Paraburdoo residents attended a commemorative morning tea to share memories and stories and sign a commemorative book.

September 2012

TOM PRICE DOG PARK OFFICIALLY OPENED

The Tom Price Dog Park was officially opened in September 2012. The Dog Park was the result of a petition to Council to provide a dog exercise area.

Local *Saving Animals from Euthanasia (SAFE)* volunteers were also on hand with merchandise. Shire staff and Rangers were on hand to remind people of the importance of registering their dogs, ensuring responsible dog ownership and, importantly, picking up after their dog. There were doggy treat bags and refreshments for both dogs and owners!

Both Pannawonica and Paraburdoo celebrated 40 year anniversaries in 2012.

Magic, fire and acrobatic shows entertained the crowd and the sound of children’s laughter could be heard across the entire town.

BENCHMARK CUSTOMER SATISFACTION SURVEY

The Shire conducted a benchmark Community Satisfaction Survey.

The Survey was available online and in print and was developed to measure views, ideas and suggestions of community members across the whole of the Shire.

The objectives of the Community Survey are to:

- Provide the community with the opportunity to communicate openly and candidly with the Council;
- Identify issues for Shire of Ashburton residents;
- Measure performance across key areas of Shire services; and
- Use the information from the survey to build stronger and more satisfied communities.

October/ November 2012

COMMUNITY CELEBRATES NEW SKATE PARK

More than 200 youths and residents from Paraburdoo and Tom Price celebrated the official opening of the redeveloped skate park in Tom Price.

The opening was kicked off with demonstrations from Skateboarding Australia, children of all levels and ages participated.

The skate park was designed by Convic, who engaged professional skaters, landscape designers along with consultations with the local community to create this unique facility in Tom Price. The park was designed to cater to all ages and skill levels with shallow elements for the younger or beginners to the deeper, mini-ramps and cantilever banks for the more advanced.

The park was also designed to work with the natural landscape so that it is an integrated space working within the trees, orienting the park to the sun, having visible elements from the road and sidelines and maximizing the views for visibility, safety and security.

The facility is now regarded as one of the best skate parks in WA by Stakeboarding Australia.

The facility was funded by Lotterywest, Rio Tinto and the Shire of Ashburton.

WORK COMMENCES FOR CLEM THOMPSON OVAL & SPORTS PAVILION

The Tom Price Clem Thompson Oval and Sports Pavilion redevelopment is now one step closer with the official "Sod Turning" ceremony conducted by the Honourable Vincent Catania MLC.

NEW PLAYGROUND AT THE VIC HAYTON MEMORIAL POOL IN TOM PRICE

A new playground was unveiled at the Vic Hayton Pool in Tom Price in time for the start of summer.

The playground is positioned close to the babies pool to create an exciting play area in which the kids can transition with minimum fuss between the pool and the playground.

The type of play equipment was carefully chosen to offer a variety of equipment for children aged 2-10. The playground is securely fenced and covered by shade sails.

December 2012

MINISTER BRENDON GRYLLE OFFICIALLY OPENED STAGE 1 OF THE TOM PRICE TOWN CENTRE REVITALISATION.

The Shire of Ashburton delivered the project with \$10 million of funding provided by the State Government's Royalties for Regions initiative, through the Pilbara Cities Community Development.

Stage 1 works have included an upgrade of utilities, redevelopment of the town mall, new street-scaping, improved public open spaces and community facilities and additional amenities for tourists.

January 2013

ONSLOW ADMINISTRATION CENTRE DESTROYED IN AN ARSON ATTACK

On 13 January 2013 the Onslow Hall, Offices and Library on Second Avenue were destroyed by fire.

Onslow Shire staff and locals were devastated by the fire. Shire staff relocated to the Onslow Multi-purpose Centre (MPC) and have successfully managed to continue servicing Onslow residents from this location. Two other Shire buildings are being converted to office space so that staff can return to functional work areas and the MPC can return to its regular uses.



More than 200 youths and residents from Paraburdoo and Tom Price celebrated the official opening of the redeveloped skate park in Tom Price.

Our communities are embracing “green habits”, saving tonnes of reusable material from being dumped as landfill.

March/ April 2013

CONSTRUCTION IN FULL FLIGHT AT NEW ONSLOW AERODROME

Earthworks and construction continued to progress well at the site of the new Onslow Aerodrome. Funded by the Onslow Social Infrastructure Fund to around \$30 million, the benefits will eventually extend well outside the resource industry to local businesses, residents and tourists alike.

Apart from the new runway, other upgrades and additions include a new taxiway, new and upgraded runway and apron lighting, new radio and navigational aids, refuelling and firefighting facilities (CASA requirements) and establishment of a new terminal, by mid/late 2014.

May/ June 2013

CLEM THOMPSON OVAL AND SPORTS PAVILION

Construction of the Clem Thompson Oval and Sports Pavilion in Tom Price has progressed throughout the year “on time and on budget”. Stage 2 of the project commenced in June with Earthcare Landscapes being awarded the tender to conduct a complete overhaul of the ground facilities including flood lighting, fencing, goal posts and the installation of a full sized playing surface.

Funding for construction of these projects has included \$4.375 million from Royalties for Regions, \$3.65 million from Rio Tinto, \$1.025m from the Shire of Ashburton and \$850,000 from the Department of Sport and Recreation.

The entire project is on track to be completed by November 2013.

SHIRE OF ASHBURTON AND RIO TINTO – COMMUNITY INFRASTRUCTURE AND SERVICES PARTNERSHIP

The Community Infrastructure and Services Partnership aims to revitalize existing services and facilities in Tom Price, Paraburdoo and Pannawonica. It will also strive to develop new civic, sporting and community facilities and programs, providing vibrant, healthy and active communities that contribute to the attraction and retention of individuals and families to live and work in the Pilbara.

Projects proposed under the partnership include town revitalization and beautification works, upgrades to sporting clubs and community facilities, improved tourist amenities and additional support to carry out community development activities through the employment of dedicated professionals.

RECYCLING INITIATIVES CONTINUE TO ENHANCE ASHBURTON

The Shire continues to advance our long term recycling and waste management program and our communities are embracing “green habits”, saving tonnes of reusable material from being dumped as landfill. During the year the Shire purchased a 28 tonne Landfill Compactor at a cost of \$630,000. This equipment will extend the Tom Price landfill’s life-span by 10 years.

The Shire continues to explore innovative ways to educate people in our towns to consider recycling by providing facilities, encouragement and support with the aim of making recycling a natural part of our lives.



LOCAL LAWS REVIEW

The Shire completed a review of their Local Laws. Our Local Laws are designed to protect the community and local environment from health and safety concerns and make living in the Shire of Ashburton pleasant for all residents.

Local Laws help you understand your rights and responsibilities, promote understanding and co-operation. All municipalities have a set of rules known as Local Laws, which are enforced by Rangers and other Local Law officers.

The Shire's Local Laws can be found on our website at www.ashburton.wa.gov.au

The Community Infrastructure and Services Partnership aims to develop new civic, sporting and community facilities and programs.

In turn providing vibrant, healthy and active communities in the Pilbara.

Statutory Reporting



Record Keeping Plan and Systems

The State Records Act 2000 requires the Shire to develop and maintain a Record Keeping Plan to ensure the capture, retention and ease of retrieval of all Shire records.

In 2010 the Plan was submitted to the State Records Commission and was approved for the maximum period of 5 years. Review of the current Record Keeping Plan will take place in 2014.

The Shire of Ashburton has increased staff training program in relation to Record management, including induction for all new staff members and refresher training for existing employees.

The Shire's electronic records management system is upgraded from time to time and staff are kept informed of new and improved record management tools and their responsibilities in relation to record keeping.

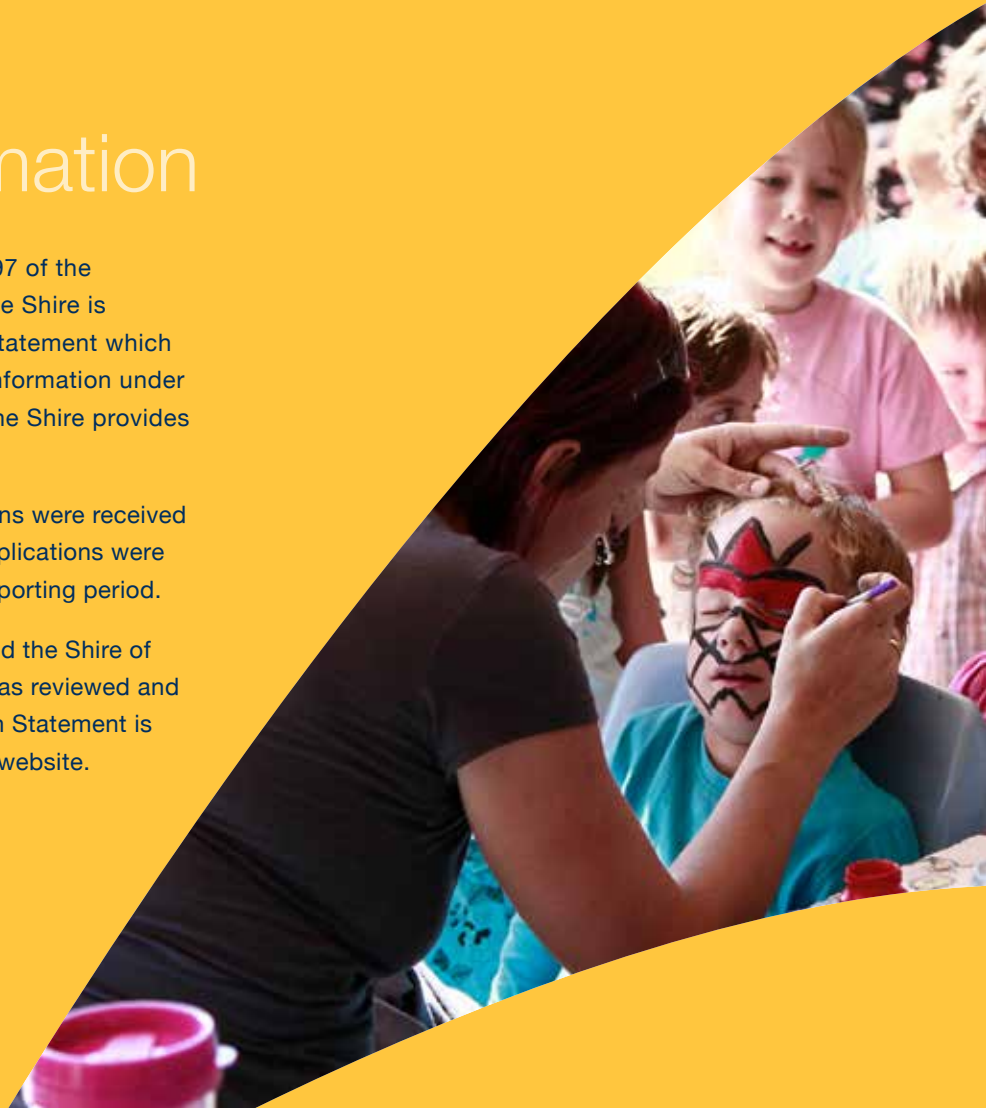
During the financial year this report relates to, the Shire of Ashburton implemented an Intranet system that will greatly benefit staff in their management of information.

Freedom of Information

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

During 2012/2013 two FOI applications were received by the Shire of Ashburton. These applications were successfully processed during the reporting period.

During the 2012/2013 reporting period the Shire of Ashburton Freedom of Information was reviewed and updated. The Freedom of Information Statement is published on the Shire of Ashburton website.



Future Strategic Plan

The Local Government (Administration) Regulations 1996 have been amended to require each local government to adopt an Integrated Strategic Plan by July 2013.

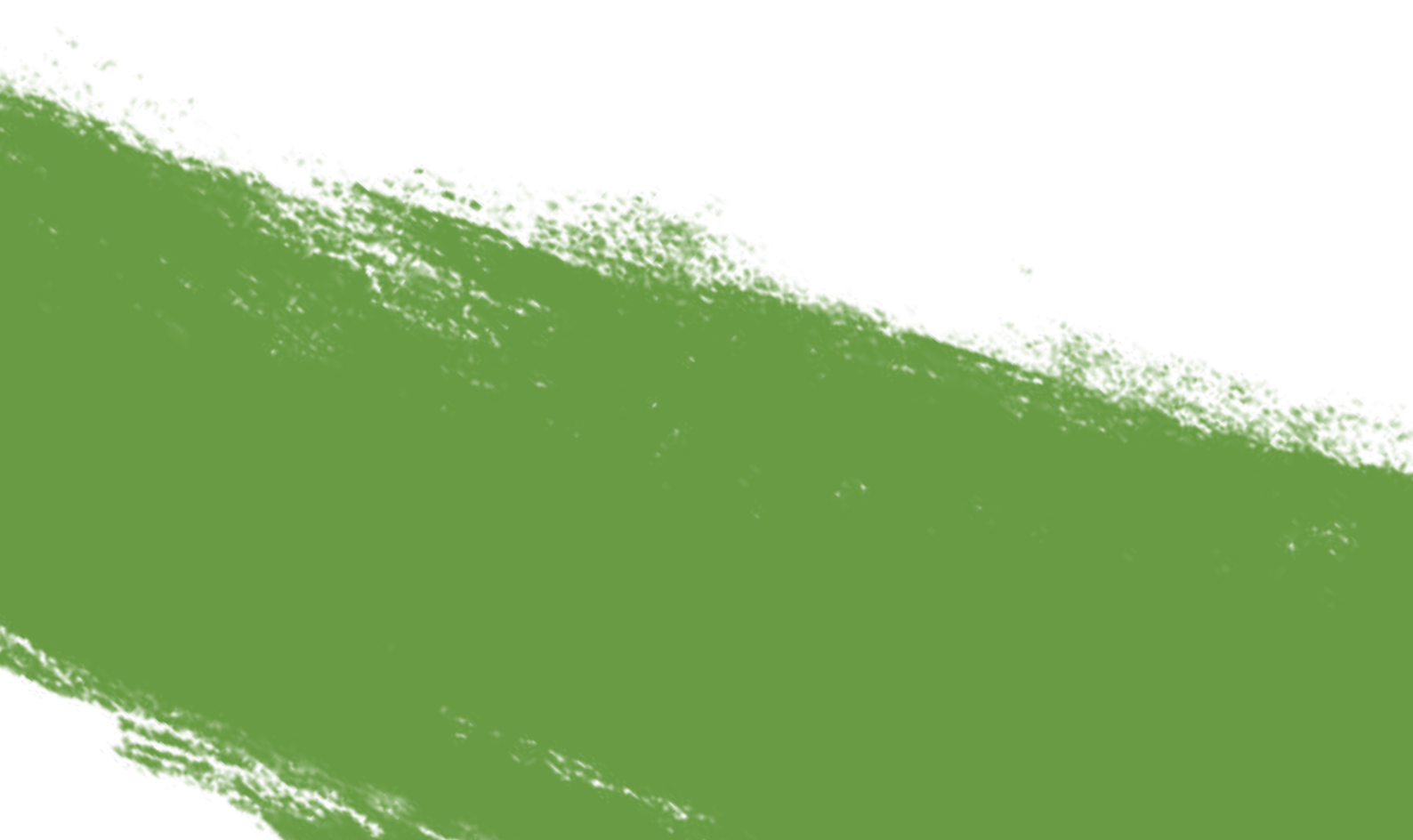
The Shire of Ashburton was granted an extension to August 2013 and successfully met this deadline.

During the 2012/13 Financial Year, the Shire of Ashburton staff undertook detailed planning for the Integrated Strategic Plan.

In line with new legislation, our plan includes:

- The Strategic Community Plan; and
- A Corporate Business Plan

These plans are supported by:

- Asset Management Plan;
 - Long Term Financial Plan; and
 - Workforce Plan
- 

Annual Salaries

The Local Government Act 1995 requires Council to provide the number of employees who are entitled to an annual salary of \$100,000 or more and to break those employees into salary bands of \$10,000.

For the period under review, the Shire of Ashburton had 9 employees whose salary exceeded \$100,000 - of these employees:

- 1 employee had a salary of between \$110,000 and \$120,000,
- 2 employees had a salary of between \$120,000 and \$130,000,
- 2 employees had a salary of between \$130,000 and \$140,000,
- 3 employees had a salary of between \$140,000 and \$150,000, and
- 1 employee had a salary of between \$230,000 and \$240,000.



Shire of Ashburton's DIAP

The Disability Services Act 1993 was amended in November 2003, creating a requirement for public authorities to develop and implement Disability Access and Inclusions Plans (DIAPs).

The Disability Services Commission accepted the Shire of Ashburton's DIAP on 27 September 2006. Council is required to report on the six outcomes relating to DAIPs annually.

Outcome 1 - Service and Events

- People with disabilities have the same opportunities as other people to access the services of, and any event organised by, the public authority.
- Council ensures people with disabilities are provided with access to all Shire events and to access the services of the Shire.

Outcome 2 – Buildings and other Facilities

- People with disabilities have the same opportunities as other people to access the buildings and facilities of a public authority.
- As part of the Shire of Ashburton's ongoing service delivery, the Shire has provided ramp access from "road pavement to footpath" in all new path construction throughout the Shire. It has also resurfaced uneven paths through the towns. This is an ongoing project in upgrading pathways around town centres.
- During the 2012/2013 year, the Shire of Ashburton replaced entrance doors into three of our community facilities. The new automatic sliding doors allow easier access for both users with disabilities as well as families with prams/ strollers. The facilities are Ashburton Hall in Paraburdoo, Tom Price Community Centre and Tom Price Civic Centre.
- Construction of the Tom Price Sports Pavilion commenced in 2012. Input was sought from the Local Area Coordinator to ensure all aspects of disability access were considered in the design of this building.
- A new accessible toilet was installed in the Meeka Park (Paraburdoo) and the accessible toilet located in the Paraburdoo town shopping centre (which already met standards) was refurbished.

Outcome 3 – Information

- People with disabilities receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it.
- All people requiring a different format are encouraged to contact any of our Shire offices where staff will be more than willing to assist in providing the information in a suitable format.

Outcome 4 – Level and Quality of Service

- People with disabilities receive the same level and quality of service from staff of a public authority as other people receive from staff of that public authority.
- Employees of the Shire of Ashburton 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 a public authority.
- People with disabilities are able to make complaints and can do this via written letters, email or verbally to a Shire Officer.

Outcome 6 – Public Consultation Process

- People with disabilities have the same opportunities as other people to participate in any public consultation by a public authority.
- Community Consultations are made available to people with disabilities by holding them in places that are readily and easily accessible. Feedback from community consultation process is received and accepted in a variety of formats, including via the website, email, in written and verbal formats.
- During the 2012/13 financial year, review of the DAIP has commenced with an aim to having a fully reviewed and updated DAIP during the 2013/14 financial year.



National Competition Policy

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

- The Shire of Ashburton has assessed its operations and considers that it has no business activity that would be classed as significant under the current guidelines. Also, the Shire of Ashburton does not operate a business enterprise that has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or Public Financial Enterprise.
- The Shire of Ashburton is not classified as a natural monopoly, nor does it conduct any business activities that could be classified as public monopolies. Therefore, the principle of structural monopolies does not apply to the Shire of Ashburton.

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 full review of all the Shire of Ashburton Local Laws took place during 2012/13.

All Local Laws for the Shire of Ashburton were reviewed, approved by Council and gazetted during 2013.



2012/13
Financial
Reports



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SHIRE OF ASHBURTON
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 Ashburton 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 Ashburton 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 5 day of February 2014.



Neil Hartley
Chief Executive Officer

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

	NOTE	2013 \$	2013 Budget \$	2012 \$
Revenue				
Rates	22	12,764,341	13,309,415	10,669,261
Operating Grants, Subsidies and Contributions	28	6,260,718	6,599,975	7,858,655
Fees and Charges	27	17,769,707	21,487,700	11,344,255
Interest Earnings	2(a)	525,328	720,700	589,693
Other Revenue		2,541,411	350,900	359,800
		<u>39,861,505</u>	<u>42,468,690</u>	<u>30,821,664</u>
Expenses				
Employee Costs		(10,522,106)	(13,967,429)	(9,151,328)
Materials and Contracts		(16,357,615)	(20,660,536)	(11,856,839)
Utility Charges		(545,466)	(643,000)	(552,562)
Depreciation on Non-Current Assets	2(a)	(7,811,928)	(6,663,700)	(6,802,091)
Interest Expenses	2(a)	(227,337)	(223,888)	(244,053)
Insurance Expenses		(1,106,093)	(1,149,946)	(866,096)
Other Expenditure		(259,144)	(270,300)	(186,831)
		<u>(36,829,689)</u>	<u>(43,578,799)</u>	<u>(29,659,800)</u>
		3,031,816	(1,110,109)	1,161,864
Non-Operating Grants, Subsidies and Contributions				
	28	24,155,702	42,169,782	4,405,086
Profit on Asset Disposals	20	5,598,100	0	1,576,410
Loss on Asset Disposal	20	<u>(789,421)</u>	<u>0</u>	<u>(17,991)</u>
Net Result		31,996,197	41,059,673	7,125,369
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	681,905	0	0
Total Other Comprehensive Income		<u>681,905</u>	<u>0</u>	<u>0</u>
Total Comprehensive Income		<u><u>32,678,102</u></u>	<u><u>41,059,673</u></u>	<u><u>7,125,369</u></u>

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

SHIRE OF ASHBURTON
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2013

	NOTE	2013 \$	2013 Budget \$	2012 \$
Revenue				
Governance		806,793	1,054,700	304,692
General Purpose Funding		17,549,824	15,959,215	17,309,992
Law, Order, Public Safety		103,519	122,570	143,466
Health		175,209	234,000	237,375
Education and Welfare		231,400	805,000	257,955
Housing		311,642	42,400	58,424
Community Amenities		4,832,541	5,303,880	4,707,620
Recreation and Culture		2,525,751	1,157,760	457,261
Transport		2,212,470	1,924,325	687,182
Economic Services		2,428,676	2,446,500	1,398,485
Other Property and Services		8,683,680	13,418,340	5,259,212
	2(a)	<u>39,861,505</u>	<u>42,468,690</u>	<u>30,821,664</u>
Expenses				
Governance		(4,397,287)	(4,453,953)	(3,437,109)
General Purpose Funding		(150,700)	(156,140)	(461,519)
Law, Order, Public Safety		(875,254)	(919,234)	(676,560)
Health		(729,226)	(818,136)	(512,295)
Education and Welfare		(544,084)	(743,081)	(551,897)
Housing		(434,780)	(261,399)	(492,219)
Community Amenities		(5,284,687)	(6,395,939)	(3,753,021)
Recreation and Culture		(5,723,499)	(6,099,471)	(5,483,055)
Transport		(8,534,150)	(7,875,523)	(7,618,192)
Economic Services		(2,030,125)	(2,309,423)	(1,277,537)
Other Property and Services		(7,898,560)	(13,322,612)	(5,152,343)
	2(a)	<u>(36,602,352)</u>	<u>(43,354,911)</u>	<u>(29,415,747)</u>
Finance Costs				
Law, Order, Public Safety		(2,900)	(3,968)	(5,050)
Housing		(176,902)	(172,106)	(186,136)
Recreation & Culture		(14,669)	(14,685)	(16,272)
Transport		(32,866)	(33,129)	(36,595)
	2(a)	<u>(227,337)</u>	<u>(223,888)</u>	<u>(244,053)</u>
Non-Operating Grants, Subsidies and Contributions				
Community Amenities		1,197,566	1,567,100	137,727
Recreation & Culture		997,169	5,920,332	785,147
Transport		21,960,967	34,682,350	3,482,212
		<u>24,155,702</u>	<u>42,169,782</u>	<u>4,405,086</u>
Profit/(Loss) on Disposal of Assets				
Governance		(184,167)	0	0
Law, Order, Public Safety		(6,364)	0	0
Housing		(1,640)	0	0
Community Amenities		708,862	0	0
Recreation & Culture		(370,074)	0	0
Transport		103,231	0	45,623
Transport		(219,473)	0	(17,991)
Other Property and Services		4,786,007	0	1,530,787
Other Property and Services		(7,703)	0	0
		<u>4,808,679</u>	<u>0</u>	<u>1,558,419</u>
Net Result		31,996,197	41,059,673	7,125,369
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	681,905	0	0
Total Other Comprehensive Income		681,905	0	0
Total Comprehensive Income		<u>32,678,102</u>	<u>41,059,673</u>	<u>7,125,369</u>

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

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

	NOTE	2013 \$	2012 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	13,453,435	11,015,503
Trade and Other Receivables	4	9,360,773	4,833,318
Inventories	5	156,559	2,980,798
TOTAL CURRENT ASSETS		<u>22,970,767</u>	<u>18,829,619</u>
NON-CURRENT ASSETS			
Other Receivables	4	265	658
Inventories	5	232,513	7,785
Property, Plant and Equipment	6	47,251,403	36,834,205
Infrastructure	7	119,961,497	92,445,550
TOTAL NON-CURRENT ASSETS		<u>167,445,678</u>	<u>129,288,198</u>
TOTAL ASSETS		<u>190,416,445</u>	<u>148,117,817</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	12,303,721	4,913,600
Current Portion of Long Term Borrowings	9	1,556,916	368,891
Provisions	10	825,318	923,152
TOTAL CURRENT LIABILITIES		<u>14,685,955</u>	<u>6,205,643</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	4,597,892	3,466,322
Provisions	10	117,582	108,938
TOTAL NON-CURRENT LIABILITIES		<u>4,715,474</u>	<u>3,575,260</u>
TOTAL LIABILITIES		<u>19,401,429</u>	<u>9,780,903</u>
NET ASSETS		<u>171,015,016</u>	<u>138,336,914</u>
EQUITY			
Retained Surplus		160,336,716	130,221,662
Reserves - Cash Backed	11	9,996,395	8,115,252
Revaluation Surplus	12	681,905	0
TOTAL EQUITY		<u>171,015,016</u>	<u>138,336,914</u>

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

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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2011		119,178,961	11,591,222	441,362	131,211,545
Correction of Errors	34	441,362	0	(441,362)	0
Restated Balance		119,620,323	11,591,222	0	131,211,545
Comprehensive Income					
Net Result		7,125,369	0	0	7,125,369
Changes on Revaluation of Non-Current Assets	12	0	0	0	0
Total Comprehensive Income		7,125,369	0	0	7,125,369
Reserve Transfers		3,475,970	(3,475,970)	0	0
Balance as at 30 June 2012		130,221,662	8,115,252	0	138,336,914
Comprehensive Income					
Net Result		31,996,197	0	0	31,996,197
Changes on Revaluation of Non-Current Assets	12	0	0	681,905	681,905
Total Other Comprehensive Income		31,996,197	0	681,905	32,678,102
Reserve Transfers		(1,881,143)	1,881,143	0	0
Balance as at 30 June 2013		160,336,716	9,996,395	681,905	171,015,016

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

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

	NOTE	2013 \$	2013 Budget \$	2012 \$
Cash Flows From Operating Activities				
Receipts				
Rates		12,683,513	13,321,420	10,561,378
Operating Grants, Subsidies and Contributions		4,912,733	7,555,200	8,291,030
Fees and Charges		15,159,911	22,745,700	9,295,503
Interest Earnings		525,328	720,700	589,693
Goods and Services Tax		2,815,805	315,000	2,558,225
Other Revenue		635,608	350,900	360,935
		<u>36,732,898</u>	<u>45,008,920</u>	<u>31,656,764</u>
Payments				
Employee Costs		(10,530,570)	(14,159,829)	(8,919,793)
Materials and Contracts		(8,974,661)	(20,758,391)	(10,766,618)
Utility Charges		(545,466)	(684,205)	(552,562)
Insurance Expenses		(1,106,093)	(1,149,946)	(866,096)
Interest expenses		(231,219)	(224,088)	(291,173)
Goods and Services Tax		(3,318,865)	(275,000)	(2,694,972)
Other Expenditure		(259,144)	(270,300)	(186,831)
		<u>(24,966,018)</u>	<u>(37,521,759)</u>	<u>(24,278,045)</u>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>11,766,880</u>	<u>7,487,161</u>	<u>7,378,719</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale		(370,315)	(1,990,000)	(3,299,730)
Proceeds from Sale of Land held for Resale		7,362,259	0	0
Payments for Purchase of Property, Plant & Equipment		(4,617,469)	(14,751,362)	(5,399,382)
Payments for Construction of Infrastructure		(10,673,593)	(47,091,995)	(13,347,330)
Payments for Works in Progress		(28,603,387)	0	2,546,728
Non-Operating Grants, Subsidies and Contributions		24,155,702	42,169,782	4,405,086
Proceeds from Sale of Plant & Equipment		1,098,260	11,078,100	3,226,876
Net Cash Provided By (Used In) Investing Activities		<u>(11,648,543)</u>	<u>(10,585,475)</u>	<u>(11,867,752)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(951,589)	(368,892)	(347,575)
Proceeds from New Debentures		3,271,184	0	0
Net Cash Provided By (Used In) Financing Activities		<u>2,319,595</u>	<u>(368,892)</u>	<u>(347,575)</u>
Net Increase (Decrease) in Cash Held		2,437,932	(3,467,206)	(4,836,608)
Cash at Beginning of Year		11,015,503	11,015,503	15,852,111
Cash and Cash Equivalents at the End of the Year	13(a)	<u><u>13,453,435</u></u>	<u><u>7,548,297</u></u>	<u><u>11,015,503</u></u>

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

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

	NOTE	2013 Actual \$	2013 Budget \$	2012 Actual \$
Revenue				
Governance		806,793	1,054,700	304,692
General Purpose Funding		4,785,483	2,649,800	6,640,731
Law, Order, Public Safety		103,519	122,570	143,466
Health		175,209	234,000	237,375
Education and Welfare		231,400	805,000	257,955
Housing		311,642	42,400	58,424
Community Amenities		6,738,969	6,870,980	4,845,347
Recreation and Culture		3,522,920	7,078,092	1,242,408
Transport		24,276,668	36,606,675	4,215,017
Economic Services		2,428,676	2,446,500	1,398,485
Other Property and Services		13,469,687	13,418,340	6,789,999
		<u>56,850,966</u>	<u>71,329,057</u>	<u>26,133,899</u>
Expenses				
Governance		(4,581,454)	(4,453,953)	(3,437,109)
General Purpose Funding		(150,700)	(156,140)	(461,519)
Law, Order, Public Safety		(884,518)	(923,202)	(681,610)
Health		(729,226)	(818,136)	(512,295)
Education and Welfare		(544,084)	(743,081)	(551,897)
Housing		(613,322)	(433,505)	(678,355)
Community Amenities		(5,284,687)	(6,395,939)	(3,753,021)
Recreation and Culture		(6,108,242)	(6,114,156)	(5,499,327)
Transport		(8,786,489)	(7,908,652)	(7,672,778)
Economic Services		(2,030,125)	(2,309,423)	(1,277,537)
Other Property and Services		(7,906,263)	(13,322,612)	(5,152,343)
		<u>(37,619,110)</u>	<u>(43,578,799)</u>	<u>(29,677,791)</u>
Net Result Excluding Rates		19,231,856	27,750,258	(3,543,892)
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
Initial Recognition of Assets Due to Change to Regulations				
- Land and Structures Under Control of Council		(1,811,477)	0	0
(Profit)/Loss on Asset Disposals	20	(4,808,679)	0	(1,558,419)
Movement in Deferred Pensioner Rates (Non-Current)		393	0	(128)
Movement in Employee Benefit Provisions (Non-Current)		8,644	0	(13,485)
Movement in LSL Reserve (Added Back)		155,551	0	5,676
Depreciation and Amortisation on Assets	2(a)	7,811,928	6,663,700	6,802,091
Capital Expenditure and Revenue				
Purchase Land Held for Resale		(370,315)	(1,990,000)	(3,299,730)
Purchase Work in Progress		(28,603,387)	0	2,546,728
Purchase Land and Buildings		(1,644,262)	(10,342,140)	(3,759,931)
Purchase Plant and Equipment		(2,773,177)	(3,619,722)	(1,334,310)
Purchase Furniture and Equipment		(200,030)	(789,500)	(305,141)
Purchase Infrastructure Assets - Roads		(2,663,734)	(3,114,500)	(2,691,635)
Purchase Infrastructure Assets - Footpaths		0	(1,162,770)	(133,120)
Purchase Infrastructure Assets - Drainage		(864,132)	(860,000)	(547,577)
Purchase Infrastructure Assets - Parks & Ovals		(763,031)	(1,586,500)	(166,506)
Purchase Infrastructure Assets - Airports		(4,472,732)	(31,915,225)	0
Purchase Infrastructure Assets - Other		(1,909,964)	(8,453,000)	(9,808,492)
Proceeds from Disposal of Assets	20	8,460,519	11,078,100	3,226,876
Repayment of Debentures	21	(951,589)	(368,892)	(347,575)
Proceeds from New Debentures	21	3,271,184	0	0
Transfers to Reserves (Restricted Assets)	11	(7,412,229)	(6,161,158)	(498,280)
Transfers from Reserves (Restricted Assets)	11	5,531,086	9,239,000	3,974,250
ADD Surplus/(Deficit) July 1 B/Fwd	22(b)	2,167,231	2,322,934	2,950,570
LESS Surplus/(Deficit) June 30 C/Fwd	22(b)	153,995	0	2,167,231
Total Amount Raised from General Rate	22(a)	<u>(12,764,341)</u>	<u>(13,309,415)</u>	<u>(10,669,261)</u>

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

**SHIRE OF ASHBURTON
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 ASHBURTON
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 ASHBURTON
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.

**SHIRE OF ASHBURTON
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

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

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 (level 1 inputs in the fair value hierarchy).

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 ASHBURTON
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.

SHIRE OF ASHBURTON
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	
clearing and earthworks	not depreciated
construction/road base	50 years
original surfacing and	
major re-surfacing	
- bituminous seals	20 years
Gravel roads	
clearing and earthworks	not depreciated
construction/road base	50 years
gravel sheet	12 years
Formed roads (unsealed)	
clearing and earthworks	not depreciated
construction/road base	50 years
Bridges	
steel/concrete	80 years
Footpaths - slab	40 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.

Capitalisation Threshold

Expenditure under the thresholds listed below is not capitalised. Rather, it is recorded on an asset inventory listing.

- Land	Nil (All Land Capitalised)
- Buildings	2,000
- Plant & Equipment	2,000
- Furniture & Equipment	2,000
- Infrastructure	5,000

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

(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 ASHBURTON
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 ASHBURTON
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 ASHBURTON
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) Leases

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

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

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

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

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

(p) Investments in Associates

Associates are entities in which the Council has significant influence through holding, directly or indirectly, 20% or more of the voting power of the Council. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Council's share of net assets of the associate entity. In addition, Council's share of the profit or loss of the associate entity is included in the Council's profit or loss.

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Joint Venture

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

The Council's interest in joint venture entities are recorded using the equity method of accounting (refer to Note 1(p) for details) in the financial report.

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

(r) 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.

(s) 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.

(t) 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.

(u) 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 ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) 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.

(w) 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 ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) 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.

Title and Topic	Issued	Applicable (*)	Impact
(i) AASB 9 – Financial Instruments	December 2009	01 January 2013	Nil – The objective of this Standard is to improve and simplify the approach for classification and
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	measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii) AASB 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 ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) 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 ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(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 ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) 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 2013	01 January 2014	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.
(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	This Standard is not expected to significantly impact on the Council's financial statements. 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.
(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	Mainly consequential changes relating to transition guidance. It is not expected to have a significant impact on Council.

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) 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
AASB 2011 - 3
AASB 2011 - 13

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 ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

2. REVENUE AND EXPENSES	2013	2012
	\$	\$
(a) Net Result		
The Net Result includes:		
(i) Charging as an Expense:		
Auditors Remuneration		
During the year the following fees were paid or payable for services provided by the following auditors' of the Shire:		
<i>BDO Audit (WA) Pty Ltd</i>		
Audit and review of Financial Report	14,140	17,500
Acquittal Audit	1,000	0
<i>UHY Haines Norton</i>		
Audit and review of Financial Report	12,900	0
Financial Management Review	22,000	0
Depreciation		
Buildings	1,045,335	614,751
Furniture and Equipment	228,867	197,814
Plant and Equipment	830,790	737,274
Roads	4,891,334	4,687,451
Footpaths	73,821	69,914
Drainage	160,547	153,882
Parks & Ovals	92,528	86,020
Other	488,706	254,985
	<u>7,811,928</u>	<u>6,802,091</u>
Interest Expenses (Finance Costs)		
Debentures (refer Note 21(a))	<u>227,337</u>	<u>244,053</u>
Rental Charges		
- Operating Leases	<u>23,352</u>	<u>3,696</u>
(ii) Crediting as Revenue:		
Significant Revenue		
Recreation and Culture	<u>1,811,477</u>	<u>0</u>
	<u>1,811,477</u>	<u>0</u>

This significant revenue relates to the initial recognition of Land and Structures under the Shire's control in accordance with amendments to the Financial Management Regulations. The revenue has been classified as Other Revenue by Nature or Type.

	2013	2013	2012
	\$	Budget	\$
		\$	
Interest Earnings			
Investments			
- Reserve Funds	239,476	600,000	442,699
- Other Funds	245,669	80,000	105,148
Other Interest Revenue (refer note 26)	40,183	40,700	41,846
	<u>525,328</u>	<u>720,700</u>	<u>589,693</u>

**SHIRE OF ASHBURTON
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 Nungarin is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

GOVERNANCE

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

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

GENERAL PURPOSE FUNDING

OBJECTIVE: To collect revenue to allow for the provision of services.

ACTIVITIES: Rates, general purpose Government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

OBJECTIVE: To provide services to help ensure a safer community.

ACTIVITIES: Supervision of various by-laws, fire prevention, emergency services and animal control.

HEALTH

OBJECTIVE: To provide an operational framework for good community health.

ACTIVITIES: Food quality and pest control, immunisation services, inspection of abattoir and operation of child health clinic.

EDUCATION AND WELFARE

OBJECTIVE: To provide appropriate care to the aged and disabled.

ACTIVITIES: Provision of Home and Community Care, maintenance to playgroup and telecentre buildings.

HOUSING

OBJECTIVE: To provide adequate staff and community housing.

ACTIVITIES: Maintenance of staff and community housing, collection of various rents.

COMMUNITY AMENITIES

OBJECTIVE: Provide services required by the community.

ACTIVITIES: Rubbish collection services, operation of tips, noise control, administration of the town planning scheme, maintenance of cemeteries, storm water drainage maintenance.

RECREATION AND CULTURE

OBJECTIVE: To establish and manage efficiently infrastructure and resources which will help the social well being of the community.

ACTIVITIES: Maintenance of halls, the aquatic centre, recreation centres and various reserves.

TRANSPORT

OBJECTIVE: To provide effective and efficient transport services to the community.

ACTIVITIES: Construction and maintenance of streets, roads, bridges, cleaning and lighting streets, depot maintenance and airstrip maintenance.

**SHIRE OF ASHBURTON
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 (Continued)

ECONOMIC SERVICES

OBJECTIVES: To help promote the Shire and improve its economic wellbeing.

ACTIVITIES: The regulation and provision of tourism, area promotion, building control, noxious weeds, vermin control and standpipes.

OTHER PROPERTY & SERVICES

ACTIVITIES: Private works operations, plant repairs and operation costs.

SHIRE OF ASHBURTON
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 \$
Grants for Aboriginal Environmental Health	Law, Order & Public Safety	(21,940)	167,432	(102,565)	42,927	145,545	(188,472)	0
Onslow Salt - Onslow Cemetery Niche Wall & Beautification	Community Amenities	20,000	0	(20,000)	0	0	0	0
Country Local Government Fund - Tom Price Town Centre Revitalisation	Community Amenities	4,965,675	0	(3,431,414)	1,534,261 (*)	0	(228,592)	1,305,669 (*)
Interest on Country Local Government Funding	Recreation & Culture	987,804	438,293	0	1,426,097 (*)	218,707	(569,515)	1,075,289 (*)
Dept of Regional Development - Tom Price Civic Centre Refurbishment	Recreation & Culture	110,153	0	(84,574)	25,579 (*)	0	(25,579)	0
Dept of Regional Development - Tom Price Sports Pavilion	Recreation & Culture	4,063,881	0	(138,130)	3,925,751 (*)	0	(3,925,751)	0
Dept of Regional Development - Tom Price Netball/Basketball Courts	Recreation & Culture	295,443	0	(8,795)	286,648 (*)	0	(286,648)	0
Chevron - Onslow Community Garden	Community Amenities	38,385	3,254	(27,193)	14,446	0	(11,418)	3,028
Dept of Regional Development - Financial Planning Capacity Building	Governance	30,000	0	(30,000)	0	0	0	0
Pilbara Iron - Pool Blanket/Reels - Paraburdoo Pool	Recreation & Culture	34,808	0	(34,808)	0	0	0	0
RLCIP Funding - Tom Price Sports Pavilion	Recreation & Culture	108,000	108,000	0	216,000	0	(216,000)	0

SHIRE OF ASHBURTON
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 (Continued)

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 \$
Dept of Agriculture & Food - Dry Seasons Grant	Economic Services	20,000	0	(20,000)	0	0	0	0
Various Contributions - Passion of the Pilbara	Recreation & Culture	1,812	71,606	(73,418)	0	0	0	0
NAIDOC - NAIDOC Week	Recreation & Culture	11,503	10,000	(21,503)	0	0	0	0
MRWA - Regional Road Group Funding	Recreation & Culture	20,271	508,000	0	528,271	1,134,331	(1,662,602)	0
DOTARS - Roads to Recovery Funding	Transport	0	300,663	(192,792)	107,871	499,337	(607,208)	0
Pilbara Iron - Paraburdoo Junior Area	Transport	0	104,546	0	104,546	10,454	0	115,000
Chevron - Onslow Visioning Project	Community Amenities	0	162,414	(144,294)	18,120	0	(18,120)	0
Pilbara Iron - Thermal Pool Blankets & Reels (Tom Price)	Community Amenities	0	56,000	0	56,000	0	(56,000)	0
Crime Prevention Grant - Graffiti Removal	Recreation & Culture	0	14,342	0	14,342	0	(14,342)	0
Chevron - Tennis Equipment	Recreation & Culture	0	1,000	(895)	105	0	(105)	0
Chevron - Storage Shed Town Hall	Recreation & Culture	0	5,000	(4,877)	123	0	(123)	0
Pilbara Iron - Tom Price Sporting Precinct	Recreation & Culture	0	600,000	0	600,000	0	(586,239)	13,761
Chevron - Onslow Goods Shed	Recreation & Culture	0	5,000	(3,091)	1,909	0	(1,909)	0
Chevron - Seniors Workshops	Recreation & Culture	0	5,000	(809)	4,191	0	(4,191)	0

SHIRE OF ASHBURTON
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 (Continued)

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 \$
Pilbara Iron - Paraburdoo Speed Check Signs	Transport	0	21,164	(14,737)	6,427	0	(6,427)	0
Pilbara Iron - Partnership Agreement	Governance	0	0	0	0	302,500	(271,415)	31,085
Dept. Of Transport - Onslow Coastal Protection	Community Amenities	0	0	0	0	50,000	(16,684)	33,316
Dept. Of Regional Development & Lands (CLGF) - Paraburdoo Revitalisation	Community Amenities	0	0	0	0	1,137,111	0	1,137,111
Dept. Of State Development - Four Mile Creek	Recreation & Culture	0	0	0	0	367,170	(286,897)	80,273
Total		10,685,795	2,581,714	(4,353,895)	8,913,614	3,865,155	(8,984,237)	3,794,532

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.

(*) - These unspent contributions were held in a reserve fund called Unspent Grants and Contributions at the end of June 2012 and at the end of June 2013.

Unspent Grants not transferred to reserve as at 30 June	2013	2012
Unspent Grants in reserves at 30 June	1,413,574	1,715,278
	2,380,958	7,198,336
	<u>3,794,532</u>	<u>8,913,614</u>

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

	2013	2012
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Cash on Hand - Unrestricted	5,490	3,970
Cash at Bank - Municipal	3,451,550	2,896,281
Restricted - Reserves	9,996,395	8,115,252
	<u>13,453,435</u>	<u>11,015,503</u>
 Cash at Bank - Municipal		
Unrestricted Cash	2,037,976	(341,739)
Restricted Cash - Unspent Grants (refer note 2 (c))	1,413,574	1,715,278
Restricted Cash - Unspent Loans (refer note 21 (c))	# 0	1,522,742
	<u>3,451,550</u>	<u>2,896,281</u>
 # - Unspent Loan Funds of \$1,518,933 have been transferred to the Housing Reserve as at 30 June 2013.		
 The following restrictions have been imposed by regulations or other externally imposed requirements:		
Employee Benefit Reserve	308,662	153,111
Plant Replacement Reserve	24,622	116,284
Infrastructure Reserve	1,725,137	206,493
Housing Reserve	1,970,400	357,441
Onslow Community Infrastructure Reserve	36,296	35,026
Property Development Reserve	3,550,320	48,560
Unspent Grants and Contributions Reserve	2,380,958	7,198,337
	<u>9,996,395</u>	<u>8,115,252</u>

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

	2013	2012
	\$	\$
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	237,496	156,275
Sundry Debtors	5,972,993	3,389,046
GST Receivable	734,944	231,884
Prepayments	53,978	72,185
Accrued Income	2,437,533	1,038,084
Provision for Doubtful Debts	(76,171)	(54,156)
	<u>9,360,773</u>	<u>4,833,318</u>
Non-Current		
Rates Outstanding - Pensioners	265	658
	<u>265</u>	<u>658</u>
5. INVENTORIES		
Current		
Fuel and Materials	29,434	12,644
Tourist Bureau Stock	127,125	104,659
Land Held for Resale - Cost		
Cost of Acquisition	0	207,123
Development Costs	0	2,656,372
	<u>156,559</u>	<u>2,980,798</u>
Non-Current		
Land Held for Resale - Cost		
Cost of Acquisition	22,970	0
Development Costs	209,543	7,785
	<u>232,513</u>	<u>7,785</u>

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

	2013	2012
	\$	\$
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
Freehold Land at:		
- Cost	393,730	327,701
Reserves Vested in and under the control of Council at:		
- Cost	975,413	0
Total Land	<u>1,369,143</u>	<u>327,701</u>
Buildings at:		
- Cost	37,775,959	36,041,968
Less Accumulated Depreciation	<u>(6,898,001)</u>	<u>(5,935,663)</u>
Total Buildings	30,877,958	30,106,305
Total Land and Buildings	<u>32,247,101</u>	<u>30,434,006</u>
Furniture and Equipment - Management Valuation 2013	827,938	0
Furniture and Equipment - Cost	0	1,762,907
Less Accumulated Depreciation	<u>0</u>	<u>(1,055,841)</u>
	827,938	707,066
Plant and Equipment - Management Valuation 2013	7,004,138	0
Plant and Equipment - Cost	0	9,555,744
Less Accumulated Depreciation	<u>0</u>	<u>(4,416,952)</u>
	7,004,138	5,138,792
Work in Progress	<u>7,172,226</u>	<u>554,341</u>
	<u><u>47,251,403</u></u>	<u><u>36,834,205</u></u>

Land Vested in and Under the control of Council:

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 recreation facility of State or regional significance. Under this regulation, Council has recognised the Golf Course as at 30 June 2013. Structures on this Crown Land have also been brought to account.

Under this regulation Crown Reserve 40965 being operated as the Tom Price Golf Course, has been recognised as Land Under Control as at 30 June 2013, in accordance with AASB 116 as at cost of \$975,413. Structures on this land have been recognised as follows:

- Buildings	774,709
- Infrastructure - Parks & Ovals	61,355
	<u>836,064</u>

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

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

Plant and Equipment:

The Shire's Plant and Equipment was revalued at 30 June 2013 by way of management valuation.

Some of the valuations were made having regard for their current replacement cost, condition assessment (Level 2 inputs in the fair value hierarchy), residual values and remaining estimated useful life (Level 3 inputs). Given the significance of the level 3 inputs into the overall fair value measurement, these assets are deemed to have been valued using Level 3 inputs.

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

The remaining valuations were made on the basis of open market values (Level 2 inputs in the Fair Value Hierarchy).

The revaluation resulted in an overall increase of \$365,354 in the net value of the Shire's plant and equipment. All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 12(a) for further details) and was recognised as changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

Furniture and Equipment:

The Shire's Furniture and Equipment was revalued at 30 June 2013 by way of management valuation. All of the valuations were made having regard for their current replacement cost, condition assessment (Level 2 inputs in the fair value hierarchy), residual values and remaining estimated useful life (Level 3 inputs).

Given the significance of the level 3 inputs into the overall fair value measurement, the assets are deemed to have been valued using Level 3 inputs.

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

The revaluation resulted in an overall increase of \$316,551 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 Note 12(b) for further details) and was recognised as changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

SHIRE OF ASHBURTON
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.

	Land \$	Non- Specialised Buildings \$	Specialised Buildings \$	Total Buildings \$	Total Land and Buildings \$	Plant and Equipment (Level 2) \$	Plant and Equipment (Level 3) \$	Total Plant and Equipment \$	Furniture and Equipment (Level 3) \$	Work in Progress \$	Total \$
Balance as at the beginning of the year	327,701	9,808,911	20,297,394	30,106,305	30,434,006	312,832	4,825,960	5,138,792	707,066	554,341	36,834,205
Additions	0	835,230	809,032	1,644,262	1,644,262	2,773,177	0	2,773,177	200,030	6,701,382	11,318,851
(Disposals)	0	(136,220)	(229,371)	(365,591)	(365,591)	0	(442,395)	(442,395)	(140,914)	0	(948,900)
Historical Cost Transfers :											
- from Work in Progress	0	33,648	49,849	83,497	83,497	0	0	0	0	(83,497)	0
- to Infrastructure - Drainage	0	0	(352,462)	(352,462)	(352,462)	0	0	0	0	0	(352,462)
- from Infrastructure - Other	0	74,537	0	74,537	74,537	0	0	0	0	0	74,537
- to Land	66,029	0	(66,029)	(66,029)	0	0	0	0	0	0	0
- from Furniture & Equipment	0	71,046	14,217	85,263	85,263	0	0	0	(85,263)	0	0
Accumulated Depreciation Transfers :											
- from Infrastructure - Other	0	(1,863)	0	(1,863)	(1,863)	0	0	0	0	0	(1,863)
- from Furniture & Equipment	0	(53,174)	(6,161)	(59,335)	(59,335)	0	0	0	59,335	0	0
Revaluation - Increments	0	0	0	0	0	(39,012)	404,366	365,354	316,551	0	681,905
Initial Recognition of assets											
Due to Changes to Regulations	975,413	774,709	0	774,709	1,750,122	0	0	0	0	0	1,750,122
Depreciation (Expense)	0	(572,246)	(473,089)	(1,045,335)	(1,045,335)	(132,320)	(698,470)	(830,790)	(228,867)	0	(2,104,992)
Carrying amount at the end of year	1,369,143	10,834,578	20,043,380	30,877,958	32,247,101	2,914,677	4,089,461	7,004,138	827,938	7,172,226	47,251,403

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

	2013	2012
	\$	\$
7. INFRASTRUCTURE		
Roads - Cost	112,869,431	109,918,097
Less Accumulated Depreciation	<u>(54,347,385)</u>	<u>(49,456,051)</u>
	58,522,046	60,462,046
 Footpaths - Cost	 2,964,175	 2,964,175
Less Accumulated Depreciation	<u>(1,300,701)</u>	<u>(1,226,880)</u>
	1,663,474	1,737,295
 Drainage - Cost	 13,090,035	 11,658,737
Less Accumulated Depreciation	<u>(3,597,464)</u>	<u>(3,436,917)</u>
	9,492,571	8,221,820
 Parks & Ovals - Cost	 5,072,509	 4,428,184
Less Accumulated Depreciation	<u>(2,387,726)</u>	<u>(2,419,890)</u>
	2,684,783	2,008,294
 Airports - Cost	 1,132,181	 0
Less Accumulated Depreciation	<u>0</u>	<u>0</u>
	1,132,181	0
 Other Infrastructure - Cost	 23,807,609	 18,156,199
Less Accumulated Depreciation	<u>(1,616,903)</u>	<u>(1,130,060)</u>
	22,190,706	17,026,139
 Work in Progress	 <u>24,275,736</u>	 <u>2,989,956</u>
	<u><u>119,961,497</u></u>	<u><u>92,445,550</u></u>

SHIRE OF ASHBURTON
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.

	Roads \$	Footpaths \$	Drainage \$	Parks and Ovals \$	Airports \$	Other \$	Work in Progress \$	Total \$
Balance at the beginning of the year	60,462,046	1,737,295	8,221,820	2,008,294	0	17,026,139	2,989,956	92,445,550
Additions	2,663,734	0	864,132	763,031	4,472,732	1,909,964	21,902,005	32,575,598
(Disposals)	0	0	0	(126,687)	0	0	0	(126,687)
Historical Cost Transfers :								
- from Work in Progress	0	0	69,475	8,627	394,934	143,189	(616,225)	0
- to Work in Progress	0	0	0	0	0	0	0	0
- from Land Held For Resale	287,600	0	145,229	0	0	0	0	432,829
- to Non-Specialised Buildings	0	0	0	0	0	(74,537)	0	(74,537)
- from Specialised Buildings	0	0	352,462	0	0	0	0	352,462
- to Other	0	0	0	0	(3,735,485)	3,735,485	0	0
- from Parks & Ovals	0	0	0	62,691	0	(62,691)	0	0
Accumulated Depreciation Transfers :								
- to Non-Specialised Buildings	0	0	0	0	0	1,863	0	1,863
Initial Recognition of assets								
Due to Changes to Regulations	0	0	0	61,355	0	0	0	61,355
Depreciation (Expense)	(4,891,334)	(73,821)	(160,547)	(92,528)	0	(488,706)	0	(5,706,936)
Carrying amount at the end of year	58,522,046	1,663,474	9,492,571	2,684,783	1,132,181	22,190,706	24,275,736	119,961,497

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

	2013	2012
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	11,074,647	3,809,985
PAYG Payable	248,845	165,327
Income Received in Advance	37,800	125,000
ESL Liability	(2,095)	1,431
FBT Liability	23,645	23,725
Accrued Expenses	590,448	451,107
Accrued Interest on Loans	29,496	33,378
Accrued Salaries and Wages	300,935	303,647
	<u>12,303,721</u>	<u>4,913,600</u>

9. LONG-TERM BORROWINGS

Current		
Secured by Floating Charge		
Debentures	1,556,916	368,891
	<u>1,556,916</u>	<u>368,891</u>
Non-Current		
Secured by Floating Charge		
Debentures	4,597,892	3,466,322
	<u>4,597,892</u>	<u>3,466,322</u>

Additional detail on borrowings is provided in Note 21.

10. PROVISIONS

Analysis of Total Provisions

Current	825,318	923,152
Non-Current	117,582	108,938
	<u>942,900</u>	<u>1,032,090</u>

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance as at 1 July 2012	663,551	368,539	1,032,090
Additional provisions	0	2,667	2,667
Amounts used	(91,857)	0	(91,857)
Balance at 30 June 2013	<u>571,694</u>	<u>371,206</u>	<u>942,900</u>

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

	2013 \$	2013 Budget \$	2012 \$
11. RESERVES - CASH BACKED			
(a) Employee Benefits Reserve			
Opening Balance	153,111	153,111	147,435
Amount Set Aside / Transfer to Reserve	155,551	160,900	5,676
Amount Used / Transfer from Reserve	0	0	0
	<u>308,662</u>	<u>314,011</u>	<u>153,111</u>
(b) Plant Replacement Reserve			
Opening Balance	116,284	89,283	85,974
Amount Set Aside / Transfer to Reserve	403,338	406,300	30,310
Amount Used / Transfer from Reserve	(495,000)	(480,000)	0
	<u>24,622</u>	<u>15,583</u>	<u>116,284</u>
(c) Infrastructure Reserve			
Opening Balance	206,493	206,493	198,839
Amount Set Aside / Transfer to Reserve	1,518,644	1,525,858	7,654
Amount Used / Transfer from Reserve	0	0	0
	<u>1,725,137</u>	<u>1,732,351</u>	<u>206,493</u>
(d) Housing Reserve			
Opening Balance	357,441	357,441	344,192
Amount Set Aside / Transfer to Reserve	1,612,959	25,400	13,249
Amount Used / Transfer from Reserve	0	(300,000)	0
	<u>1,970,400</u>	<u>82,841</u>	<u>357,441</u>
(e) Onslow Community Infrastructure Reserve			
Opening Balance	35,026	35,026	33,728
Amount Set Aside / Transfer to Reserve	1,270	2,500	1,298
Amount Used / Transfer from Reserve	0	0	0
	<u>36,296</u>	<u>37,526</u>	<u>35,026</u>
(f) Onslow Emergency Evacuation Building Reserve			
Opening Balance	0	0	235,428
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	(235,428)
	<u>0</u>	<u>0</u>	<u>0</u>
(g) Property Development Reserve			
Opening Balance	48,560	48,560	46,760
Amount Set Aside / Transfer to Reserve	3,501,760	3,503,500	1,800
Amount Used / Transfer from Reserve	0	(2,040,000)	0
	<u>3,550,320</u>	<u>1,512,060</u>	<u>48,560</u>

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

	2013 \$	2013 Budget \$	2012 \$
11. RESERVES - CASH BACKED (Continued)			
(h) Town Centre Redevelopment Reserve			
Opening Balance	0	0	43,180
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	(43,180)
	<u>0</u>	<u>0</u>	<u>0</u>
(i) Onslow Aerodrome Reserve			
Opening Balance	0	0	12,730
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	(12,730)
	<u>0</u>	<u>0</u>	<u>0</u>
(j) Unspent Grants and Contributions Reserve			
Opening Balance	7,198,337	7,548,069	10,442,956
Amount Set Aside / Transfer to Reserve	218,707	536,700	438,293
Amount Used / Transfer from Reserve	(5,036,086)	(6,419,000)	(3,682,912)
	<u>2,380,958</u>	<u>1,665,769</u>	<u>7,198,337</u>
 TOTAL CASH BACKED RESERVES	 <u>9,996,395</u>	 <u>5,360,141</u>	 <u>8,115,252</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 ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

11. RESERVES - CASH BACKED (Continued)

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

Employee Benefits Reserve

- To contribute towards funding the Council's liability for payments of employee benefits owing to staff and taken either as leave or paid upon termination of their employment.

Plant Replacement Reserve

- To provide an optimum level of cash reserves for funding the Council heavy machinery replacement program on a five year rolling basis.

Infrastructure Reserve

- To provide funds for provision and maintenance of new and existing infrastructure assets throughout the Shire.

Housing Reserve

- To provide funds to assist the Council to maintain and improve Council housing stock in accordance with the Housing Asset Management Plan.

Onslow Community Infrastructure Reserve

- To provide funds for the development of community facilities in Onslow.

Onslow Emergency Evacuation Building Reserve

- To provide for the construction and fitting out of an emergency evacuation facility for the joint use by the emergency services in Onslow.

Property Development Reserve

- To provide funds to assist the Council in purchasing, developing and selling property to stimulate economic development.

Town Centre Redevelopment Reserve

- To provide funds to develop and implement a plan to redevelop the Tom Price town centre.

Onslow Aerodrome Reserve

- To provide funds for the upgrading and modifications to the Onslow aerodrome.

Unspent Grants and Contributions Reserve

- To preserve unspent Grant and ongoing Capital Works Funds

The Onslow Emergency Evacuation Building Reserve, Town Centre Redevelopment Reserve and the Onslow Aerodrome Reserve have been fully depleted in 2011 and are not expected to be used in the future. All other Reserves are not expected to be used within a set period as further transfers to the reserve accounts are expected as funds are utilised.

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

12. REVALUATION SURPLUS

2013
\$

2012
\$

Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:

(a) Plant and Equipment

Opening balance	0	0
Revaluation Increment	365,354	0
Revaluation Decrement	0	0
	<u>365,354</u>	<u>0</u>

(b) Furniture and Equipment

Opening balance	0	0
Revaluation Increment	316,551	0
Revaluation Decrement	0	0
	<u>316,551</u>	<u>0</u>

TOTAL ASSET REVALUATION SURPLUS

<u>681,905</u>	<u>0</u>
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SHIRE OF ASHBURTON
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:

	2013 \$	2013 Budget \$	2012 \$
Cash and Cash Equivalents	<u>13,453,435</u>	<u>7,548,297</u>	<u>11,015,503</u>

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

Net Result	31,996,197	41,059,673	7,125,369
Depreciation	7,811,928	6,663,700	6,802,091
(Profit)/Loss on Sale of Asset	(4,808,679)	0	(1,558,419)
(Increase)/Decrease in Receivables	(4,527,062)	2,240,230	(1,905,290)
(Increase)/Decrease in Inventories	(39,256)	2,050	36,762
Increase/(Decrease) in Payables	7,390,121	(153,810)	1,114,310
Increase/(Decrease) in Employee Provisions	(89,190)	(154,900)	168,982
Grants/Contributions for the Development of Assets	(24,155,702)	(42,169,782)	(4,405,086)
Non-Current Assets recognised due to changes in legislative requirements	(1,811,477)	0	0
Net Cash from Operating Activities	<u>11,766,880</u>	<u>7,487,161</u>	<u>7,378,719</u>

(c) Undrawn Borrowing Facilities
Credit Standby Arrangements

Bank Overdraft limit	500,000	500,000
Bank Overdraft at Balance Date	0	0
Credit Card limit	65,000	65,000
Credit Card Balance at Balance Date	(23,668)	(31,794)
Total Amount of Credit Unused	<u>541,332</u>	<u>533,206</u>

Loan Facilities

Loan Facilities - Current	1,556,916	368,891
Loan Facilities - Non-Current	4,597,892	3,466,322
Total Facilities in Use at Balance Date	<u>6,154,808</u>	<u>3,835,213</u>

Unused Loan Facilities at Balance Date	<u>1,518,933</u>	<u>1,522,742</u>
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**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

14. CONTINGENT LIABILITIES

(a) Wittenoom Asbestos

Wittenoom asbestos claims are being made against a number of defendants including the Shire by former miners, residents and visitors to Wittenoom for potential damages incurred as a result of suffering from asbestos related diseases.

The present outlook for the Shire in relation to Wittenoom litigation is being carefully monitored by the Council members and the Executive on a monthly basis. The amount of potential claims and the Shire's potential contribution to the settlement of these has increased substantially over the current period.

Total future potential claims in respect of Wittenoom are not reliably quantifiable; however, the changing nature of damages claims and their defence means that individual cases now place the Shire at a greater financial risk.

Council is having ongoing discussions with the State Government seeking indemnity for the Shire and possible shut down of the town of Wittenoom. All cases to date have been settled out of court with a number of parties contributing to the settlement process. Out of court settlements result in no judgement being reached by the court.

The amount of on-going claims and the manner in which they were concluded have not been disclosed as this may prejudice the Shire's position in an individual case.

In the event that a number of cases brought against the Shire and additional defendants are ruled in favour of the plaintiff, the financial impact on the Shire may result in significant losses being incurred which have the potential for a large reduction in services provided to ratepayers.

(b) Boonderoo Rd Subdivision

A claim for damages relating to a lot of land which was sold without being drained properly has been brought against the Council. The Council is in negotiations with the plaintiff to determine an agreeable outcome.

15. CAPITAL AND LEASING COMMITMENTS

2013
\$

2012
\$

(a) Finance Lease Commitments

There are no finance lease commitments at 30 June 2013.

(b) Operating Lease Commitments

Non-cancellable operating leases
contracted for but not capitalised in
the accounts.

Payable:

- not later than one year

- later than one year but not later than five years

23,352	23,352
70,056	93,408
<u>93,408</u>	<u>116,760</u>

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

15. CAPITAL AND LEASING COMMITMENTS (continued)	2013	2012
	\$	\$
(c) Capital Expenditure Commitments		
Contracted for:		
- Capital Expenditure Projects		
- Tom Price Revitalisation Construction/Landscaping	0	210,193
- Tom Price Skate Park Construction	0	700,000
- Tom Price Sports Pavilion Construction	876,410	0
- Tom Price Clem Thompson Oval Construction	1,833,556	0
- Onslow Airport Terminal Construction	4,365,172	0
- Onslow Aerodrome Asphaltting	4,720,534	0
- Onslow Aerodrome Water Main Diversion	160,796	0
	<u>11,956,468</u>	<u>910,193</u>
Payable:		
- not later than one year	<u>11,956,468</u>	<u>910,193</u>

16. JOINT VENTURE

Recreation Centre - Tom Price Senior High School

The Minister of Education and the Shire of Ashburton jointly funded the construction of the School and Community Recreation Centre during 2004/05. The Recreation Centre was built on land vested in the Ministry of Education, which has granted the Shire a twenty one year licence to use the facilities for recreational purposes. Utilities and maintenance expenses are to be shared on a basis as determined and set out in the lease agreement. Council's share of these assets is included in the Statement of Financial Position and at Note 6 as follows:

	2013	2012
	\$	\$
Non-Current Assets		
Buildings	1,998,052	1,998,052
Less: Accumulated Depreciation	(335,546)	(295,585)
	<u>1,662,506</u>	<u>1,702,467</u>

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

Governance	2,109,218	1,339,636
General Purpose Funding	237,761	156,933
Law, Order, Public Safety	988,452	763,765
Health	22,107	97,804
Education and Welfare	208,972	215,789
Housing	8,810,123	8,466,220
Community Amenities	14,254,501	11,902,810
Recreation and Culture	31,863,351	27,955,106
Transport	108,752,615	82,857,262
Economic Services	1,325,164	1,729,974
Other Property and Services	10,313,188	7,802,364
Unallocated	11,530,993	4,830,154
	<u>190,416,445</u>	<u>148,117,817</u>

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

	2013	2012	2011
18. FINANCIAL RATIOS			
Current Ratio	0.80	1.24	1.18
Asset Sustainability Ratio	1.05	1.25	1.71
Debt Service Cover Ratio	13.47	16.51	17.47
Operating Surplus Ratio	0.21	0.11	(0.08)
Own Source Revenue Coverage Ratio	1.00	0.83	0.73

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:

Information relating to the **Asset Consumption Ratio** and **Asset Renewal Funding Ratio** can be found at Supplementary Ratio Information on Page 67 of this document.

Two of the 2013 ratios disclosed above are distorted by an item of revenue totalling \$1,811,477 relating to the initial recognition of Land and Structures under the Shire's control in accordance with amendments to the Financial Management Regulations (refer Notes 1(g) and Note 2(a)(ii) for further details.

This item forms part of operating revenue and has been included in the calculations above.

This item of revenue is considered to be a "one-off" and is non-cash in nature and, if it was ignored, the calculations disclosed in the 2013 column above would be as follows:

	2013
Debt Service Cover Ratio	11.93
Operating Surplus Ratio	0.16

SHIRE OF ASHBURTON
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 \$
Public Open Space	225,500	0	0	225,500
Cleaning and Key Deposits	3,475	12,965	(12,785)	3,655
Other Trust Monies	34,829	17,845	(3,085)	49,589
Bonds and Guarantees	143,289	13,410	(129,391)	27,308
Nomination Deposit	80	160	(160)	80
Unclaimed Monies	6,446	245	0	6,691
BCITF Levy	78,874	643,327	(577,726)	144,475
BRB Levy	34,245	35,944	0	70,189
Consignment Stock	3,364	15,754	(18,161)	957
Tour Sales	51,513	174,453	(171,331)	54,635
	<u>581,615</u>			<u>583,079</u>

SHIRE OF ASHBURTON
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.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Governance	184,167	0	0	0	(184,167)	0
Law, Order & Public Safety	6,364	30,100	0	30,100	(6,364)	0
Housing	1,640	1,500,000	0	1,500,000	(1,640)	0
Community Amenities	67,632	720,000	776,494	720,000	708,862	0
Recreation & Culture	370,074	0	0	0	(370,074)	0
Transport	438,010	808,000	321,768	808,000	(116,242)	0
Other Property & Services	2,583,953	8,020,000	7,362,257	8,020,000	4,778,304	0
	3,651,840	11,078,100	8,460,519	11,078,100	4,808,679	0

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

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1-Jul-12 \$	New Loans		Principal Repayments		Principal 30-Jun-13		Interest Repayments	
		Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Law, Order & Public Safety									
Loan 112 - Collocation Facility	74,234	0	0	36,008	36,008	38,226	21,520	2,900	3,968
Housing									
Loan 117 - Housing Manager	679,849	0	0	46,308	46,308	633,541	633,541	19,893	37,098
Loan 121 New Staff Housing	2,310,856	0	0	200,604	200,605	2,110,252	2,110,251	157,009	135,008
Recreation & Culture									
Loan 118 - Community Rec Centre	259,342	0	0	28,481	28,481	230,861	230,861	14,669	14,685
Transport									
Loan 116 - Onslow Aerodrome	265,690	0	0	46,193	46,193	219,497	219,497	17,263	17,524
Loan 119 - Onslow Aerodrome	245,242	0	0	11,297	11,297	233,945	233,945	15,603	15,605
Other Property & Services									
DSD Loan - Onslow Aerodrome Temporary Camp	0	3,271,184	0	582,698	0	2,688,486	0	0	0
	3,835,213	3,271,184	0	951,589	368,892	6,154,808	3,449,615	227,337	223,888

All debenture repayments are to be financed by general purpose revenue.
The interest component of Loan 112 is reimbursable by FESA.

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

21. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2012/13

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
DSD Loan - Onslow Aerodrome Temporary Camp	3,271,184	0	Dept. Of State Development	Debenture	3	0	N/A	3,271,184	0	0

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 1-Jul-12 \$	Borrowed During Year \$	Expended During Year \$	Balance 30-Jun-12 \$	#
Loan 121 New Staff Housing	29/04/2011	1,522,742	0	3,809	1,518,933	
		1,522,742	0	3,809	1,518,933	

- The unspent loan funds have been transferred to the Shire's Housing Reserve as at 30 June 2013.

(d) Overdraft

Council has an overdraft facility of \$500,000 with Westpac bank to assist with short term liquidity requirements. The physical balance of the bank overdraft at the bank as at 1 July 2012 and 30 June 2013 was \$Nil.

SHIRE OF ASHBURTON
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 \$
Differential General Rate											
GRV - Residential	0.034369	2,319	95,018,770	3,265,700	26,563	1,988	3,294,251	3,265,699	0	0	3,265,699
GRV - Residential Development	0.039650	0	0	0	0	0	0	0	0	0	0
GRV - Commercial Civic	0.048045	105	17,285,474	830,481	3,458	(2,073)	831,866	830,481	0	0	830,481
GRV - Tourism	0.060868	3	548,000	33,356	0	0	33,356	33,356	0	0	33,356
GRV - Community	0.040300	10	349,900	14,101	0	0	14,101	14,101	0	0	14,101
GRV - Industrial	0.020950	33	2,718,670	56,956	7,668	8,372	72,996	56,956	0	0	56,956
UV - Rural/Pastoral	0.028650	32	7,214,360	206,691	(46)	(17,087)	189,558	206,692	0	0	206,692
UV - Rural/Commercial	0.315500	7	53,421	16,854	0	0	16,854	16,854	0	0	16,854
UV - Rural/Industrial	0.315500	37	10,299,599	3,249,523	153	2,190	3,251,866	3,249,523	0	0	3,249,523
UV - Mining Leases	0.315500	625	14,209,548	4,483,112	205,777	11,140	4,700,029	4,453,516	30,000	800,000	5,283,516
UV - Tourism	0.138948	4	345,000	47,937	0	0	47,937	47,937	0	0	47,937
Sub-Totals		3,175	148,042,742	12,204,711	243,573	4,530	12,452,814	12,175,115	30,000	800,000	13,005,115
Minimum Rates	Minimum \$										
GRV - Residential	550	121	643,744	66,550	0	0	66,550	67,100	0	0	67,100
GRV - Residential Development	550	0	0	0	0	0	0	0	0	0	0
GRV - Commercial Civic	550	17	78,190	9,350	0	0	9,350	9,350	0	0	9,350
GRV - Tourism	550	0	0	0	0	0	0	0	0	0	0
GRV - Community	550	3	20,000	1,650	0	0	1,650	1,650	0	0	1,650
GRV - Industrial	550	34	310,385	18,700	0	0	18,700	18,150	0	0	18,150
UV - Rural/Pastoral	550	9	68,451	4,950	0	0	4,950	4,950	0	0	4,950
UV - Rural/Commercial	550	4	1,702	2,200	0	0	2,200	2,200	0	0	2,200
UV - Rural/Industrial	550	23	5,018	12,650	0	0	12,650	12,650	0	0	12,650
UV - Mining Lease	550	362	279,656	199,100	0	0	199,100	184,250	0	0	184,250
Sub-Totals		573	1,407,146	315,150	0	0	315,150	300,300	0	0	300,300
Ex-Gratia Rates							12,767,964				13,305,415
Discounts (refer note 25)							4,950				5,000
Rates Written Off							0				0
Movement in Excess Rates							(10,835)				(5,000)
Total Amount Raised from General Rate/							2,262				4,000
Total Rates							12,764,341				13,309,415

SHIRE OF ASHBURTON
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	2013 (30 June 2013 Carried Forward) \$	2013 (1 July 2012 Brought Forward) \$	2012 (30 June 2012 Carried Forward) \$
Surplus/(Deficit) - Rate Setting Statement	<u>153,995</u>	<u>2,167,231</u>	<u>2,167,231</u>
<u>Comprises:</u>			
Cash - Unrestricted	2,043,466	(337,769)	(337,769)
Cash - Restricted Unspent Grants	1,413,574	1,715,278	1,715,278
Cash - Restricted Unspent Loans	0	1,522,742	1,522,742
Cash - Restricted Reserves	9,996,395	8,115,252	8,115,252
Rates Outstanding	237,496	156,275	156,275
Sundry Debtors	5,972,993	3,389,046	3,389,046
GST Receivable	734,944	231,884	231,884
Prepayments	53,978	72,185	72,185
Accrued Income	2,437,533	1,038,084	1,038,084
Less: Provision for Doubtful Debts	(76,171)	(54,156)	(54,156)
Inventories			
- Fuel and Materials	29,434	12,644	12,644
- Tourist Bureau Stock	127,125	104,659	104,659
Less:			
Reserves - Restricted Cash			
- Employee Benefit Reserve	(308,662)	(153,111)	(153,111)
- Plant Replacement Reserve	(24,622)	(116,284)	(116,284)
- Infrastructure Reserve	(1,725,137)	(206,493)	(206,493)
- Housing Reserve	(1,970,400)	(357,441)	(357,441)
- Onslow Community Infrastructure Reserve	(36,296)	(35,026)	(35,026)
- Property Development Reserve	(3,550,320)	(48,560)	(48,560)
- Unspent Grants and Contributions Reserve	(2,380,958)	(7,198,337)	(7,198,337)
Sundry Creditors	(11,074,647)	(3,809,985)	(3,809,985)
PAYG Payable	(248,845)	(165,327)	(165,327)
Income Received in Advance	(37,800)	(125,000)	(125,000)
ESL Liability	2,095	(1,431)	(1,431)
FBT Liability	(23,645)	(23,725)	(23,725)
Accrued Expenses	(590,448)	(451,107)	(451,107)
Accrued Interest on Loans	(29,496)	(33,378)	(33,378)
Accrued Salaries and Wages	(300,935)	(303,647)	(303,647)
Current Employee Benefits Provision	(825,318)	(923,152)	(923,152)
Current Loan Liability	(1,556,916)	(368,891)	(368,891)
Add Back : Component of Leave Liability not Required to be Funded	308,662	153,111	153,111
Add Back : Current Loan Liability	1,556,916	368,891	368,891
Surplus/(Deficit)	<u>153,995</u>	<u>2,167,231</u>	<u>2,167,231</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 ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

23. SPECIFIED AREA RATE - 2012/13 FINANCIAL YEAR

No specified area rates were levied in the 2012/13 financial year.

24. SERVICE CHARGES - 2012/13 FINANCIAL YEAR

No Service Charges were imposed in the 2012/13 financial year.

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

No discount for early payment applied to rates in the 2012/13 year.

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

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%	N/A	34,209	35,000
Interest on Instalments Plan	5.50%	N/A	4,976	5,000
Interest on ESL	11.00%	N/A	998	700
Charges on Instalment Plan	N/A	10	3,980	3,000
			44,163	43,700

Ratepayers had the option of paying rates in four equal instalments, due on 28th September 2012, 28th November 2012, 29th January 2013 and 28th March 2013. Administration charges and interest applied for the final three instalments.

27. FEES & CHARGES	2013 \$	2012 \$
Governance	40,243	50,751
General Purpose Funding	9,715	7,990
Law, Order, Public Safety	53,289	58,467
Health	88,179	69,943
Education and Welfare	6,089	1,634
Housing	266,942	49,353
Community Amenities	4,792,041	4,299,481
Recreation and Culture	338,598	286,355
Transport	1,880,745	362,975
Economic Services	2,184,327	1,160,757
Other Property and Services	8,109,539	4,996,549
	17,769,707	11,344,255

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

SHIRE OF ASHBURTON
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:

	2013	2012
	\$	\$
By Nature and Type:		
Operating Grants, Subsidies and Contributions	6,260,718	7,858,655
Non-Operating Grants, Subsidies and Contributions	24,155,702	4,405,086
	<u>30,416,420</u>	<u>12,263,741</u>
By Program:		
Governance	729,228	230,348
General Purpose Funding	4,245,860	6,038,947
Law, Order, Public Safety	50,230	84,999
Health	87,030	167,432
Education and Welfare	225,311	256,321
Housing	44,700	9,071
Community Amenities	1,238,066	545,866
Recreation and Culture	1,360,513	947,733
Transport	22,292,692	1,178,870
Economic Services	17,513	2,640,131
Other Property and Services	125,277	164,023
	<u>30,416,420</u>	<u>12,263,741</u>

29. ELECTED MEMBERS REMUNERATION

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

	2013	2013	2012
	\$	Budget	\$
		\$	
Meeting Fees	28,000	56,000	56,000
President's Attendance Fee	7,000	0	14,000
President's Allowance	10,000	20,000	10,000
Deputy President's Allowance	3,125	5,000	1,875
Travelling Expenses	51,586	80,000	81,938
Child Care Allowance	0	0	40
Telecommunications Allowance	2,700	3,000	9,405
	<u>102,411</u>	<u>164,000</u>	<u>173,258</u>

30. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

2013	2012
<u>152</u>	<u>122</u>

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

31. MAJOR LAND TRANSACTIONS

Tom Price Residential Development

(a) Details and Outcomes

In 2009/10 Council purchased unallocated crown land at Super Lot 500, Pilkena St/Yaruga St, Tom Price. Final costs associated with subdividing this land into 24 separate lots was completed in 2012/13. These lots were all sold in 2012/13.

In 2009/10 Council also purchased unallocated crown land at Lots 501 and 502, Warara St, Tom Price. Final costs associated with subdividing this land into 13 separate lots was completed in 2011/12. These lots were all sold in 2011/12.

The development and subsequent sale of these lots has enabled the construction of much needed new residential premises to be carried out as expected in the business plan. Council has isolated funds from the sale of these lots for future development works in its Property Development Reserve.

(b) Total Income and Expenditure

	2013
	\$
OPERATING INCOME	
Profit on Sale of Asset	4,687,313
Miscellaneous Income	4,425
	<u>4,691,738</u>
 OPERATING EXPENDITURE	
Land Transfer Expenditure	(300)
	<u>(300)</u>
 Operating Surplus/(Deficit)	 4,691,438
 CAPITAL INCOME	
Sale Proceeds from Assets	7,721,541
	<u>7,721,541</u>
 CAPITAL EXPENDITURE	
Land Acquisition	(310,684)
Services Installation	(2,027,161)
	<u>(2,337,845)</u>
 NET RESULTS	 <u><u>10,075,134</u></u>

There are no liabilities in relation to this land transaction as at 30 June 2013.

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

31. MAJOR LAND TRANSACTIONS (Continued)

Onslow Industrial Development

(a) Details

Council owns, freehold, Lot 16 Onslow Rd, Onslow, and in order to meet demand for commercial/industrial land resulting from major resource projects, Council intends to develop up to 62 lots on this land for sale.

(b) Current Year Transactions

	2013	2013	2012
	\$	Budget	\$
		\$	
OPERATING EXPENDITURE			
Land Transfer Expenditure	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
Operating Surplus/(Deficit)	0	0	0
CAPITAL INCOME			
Sale Proceeds from Assets	0	0	0
Transfer from Reserves	0	240,000	0
	<u>0</u>	<u>240,000</u>	<u>0</u>
CAPITAL EXPENDITURE			
Services Installation	0	0	0
Subdivision, Survey, Plan	(39,708)	(100,000)	(6,725)
Design & Planning	(149,271)	(140,000)	(1,060)
	<u>(188,979)</u>	<u>(240,000)</u>	<u>(7,785)</u>
NET RESULTS	<u><u>(188,979)</u></u>	<u><u>0</u></u>	<u><u>(7,785)</u></u>

The above capital expenditure is included in Land Held For Resale (refer Note 5 to this financial report).
There are no liabilities in relation to this land transaction as at 30 June 2013.

(c) Expected Future Cash Flows

	2013/14	2014/15	2015/16	2017/18	Total
Cash Inflows					
Land Sales	0	38,000,000	0	0	38,000,000
Transfers from Reserves	240,000	0	0	0	240,000
Borrowings - Short Term	0	16,000,000	0	0	16,000,000
	<u>240,000</u>	<u>54,000,000</u>	<u>0</u>	<u>0</u>	<u>54,240,000</u>
Cash Outflows					
Land Transfer Expenditure	(30,000)	0	0	0	(30,000)
Services Installation	(140,000)	(17,000,000)	(100,000)	0	(17,240,000)
Design & Planning	(147,000)	0	0	0	(147,000)
Loan Repayment	0	(16,000,000)	0	0	(16,000,000)
Interest Charge	0	(35,000)	0	0	(35,000)
	<u>(317,000)</u>	<u>(33,035,000)</u>	<u>(100,000)</u>	<u>0</u>	<u>(33,452,000)</u>
Net Cash Flows	<u><u>(77,000)</u></u>	<u><u>20,965,000</u></u>	<u><u>(100,000)</u></u>	<u><u>0</u></u>	<u><u>20,788,000</u></u>

The net cash flows to 30 June 2013 in relation to this development is an outflow (or cost) of \$196,764.
The net cash flows of the entire land transaction is expected to result in an inflow/income of \$20,591,236.

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

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 ASHBURTON
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
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	13,453,435	11,015,503	13,453,435	11,015,503
Receivables	9,361,038	4,833,976	9,361,038	4,833,976
	<u>22,814,473</u>	<u>15,849,479</u>	<u>22,814,473</u>	<u>15,849,479</u>
Financial Liabilities				
Payables	12,303,721	4,913,600	12,303,721	4,913,600
Borrowings	6,154,808	3,835,213	5,532,646	3,754,356
	<u>18,458,529</u>	<u>8,748,813</u>	<u>17,836,367</u>	<u>8,667,956</u>

Fair value is determined as follows:

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

SHIRE OF ASHBURTON
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 whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash 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.

Cash is subject to interest rate risk – the risk that movements in interest rates could affect returns.

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

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

	2013	2012
	\$	\$
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	180,331	138,522
- Statement of Comprehensive Income	180,331	138,522

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.

**SHIRE OF ASHBURTON
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.

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

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

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

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

	2013	2012
Percentage of Rates and Annual Charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of Other Receivables		
- Current	91.26%	99.63%
- Overdue	8.74%	0.37%
Percentage of Deferred Rates Receivables		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%

SHIRE OF ASHBURTON
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.

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

	<u>2013</u>				
	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
Payables	12,303,721	0	0	12,303,721	12,303,721
Borrowings	1,759,860	3,677,330	1,708,515	7,145,705	6,154,808
	<u>14,063,581</u>	<u>3,677,330</u>	<u>1,708,515</u>	<u>19,449,426</u>	<u>18,458,529</u>
	<u>2012</u>				
Payables	4,913,600	0	0	4,913,600	4,913,600
Borrowings	594,464	2,257,932	2,199,287	5,051,683	3,835,213
	<u>5,508,064</u>	<u>2,257,932</u>	<u>2,199,287</u>	<u>9,965,283</u>	<u>8,748,813</u>

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

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
Borrowings (Continued)

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

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

	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate %
	\$	\$	\$	\$	\$	\$	\$	
Year Ended 30 June 2013								
Borrowings								
Fixed Rate								
Debentures	38,226	0	2,688,486	219,497	0	3,208,599	6,154,808	3.35%
Weighted Average Effective Interest Rate	5.97%		0.00%	6.79%		5.89%		
Year Ended 30 June 2012								
Borrowings								
Fixed Rate								
Debentures	0	74,234	0	0	265,690	3,495,289	3,835,213	5.95%
Weighted Average Effective Interest Rate		5.97%			6.79%	5.89%		

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

34. SUMMARY OF ADJUSTMENTS TO COMPARATIVE AMOUNTS

The following adjustments have been made to comparative amounts in the 30 June 2013 Financial Report to bring to account financial activity that was either omitted or incorrectly stated in 2011/12. Details of this activity is listed below:-

- 1) In 2012 (and previous years), the Revaluation Surplus for Roads contained a balance of \$441,362 despite Council resolving to revert to deemed cost in accordance with the transition to IFRS effective from 1 July 2004. At the time of reverting to deemed cost the \$441,362 should have been transferred to Retained Surplus.
- 2) Capital expenditure of \$608,789 relating to the construction of the Nameless Valley Camp was expensed in error. This expenditure now appears under Other Infrastructure.

	Refer Notes Above	Financial Report 2012 \$	Corrected Comparative 2012 \$	Adjustment \$
STATEMENT OF COMPREHENSIVE INCOME				
<i>BY NATURE OR TYPE:-</i>				
Expenses - Materials & Contracts	2	(12,465,628)	608,789	(11,856,839)
Net Result/Total Comprehensive Income	2	6,516,580	608,789	7,125,369
<i>BY PROGRAM:-</i>				
Expenses - Other Property & Services	2	(5,761,132)	608,789	(5,152,343)
Net Result/Total Comprehensive Income	2	6,516,580	608,789	7,125,369
STATEMENT OF FINANCIAL POSITION				
Infrastructure	1	91,836,761	92,445,550	608,789
Retained Surplus	1,2	129,171,511	130,221,662	1,050,151
Revaluation Surplus	1	441,362	0	(441,362)
STATEMENT OF CHANGES IN EQUITY				
<i>Retained Surplus:-</i>				
Balance at 30 June 2012	1,2	129,171,511	130,221,662	1,050,151
<i>Revaluation Surplus:-</i>				
Balance at 30 June 2012	1	441,362	0	(441,362)
NOTE 7 - INFRASTRUCTURE				
Other Infrastructure - Cost	2	17,547,410	18,156,199	608,789
NOTE 7 - INFRASTRUCTURE (Continued)				
<i>Movements in Carrying Amounts:-</i>				
Balance at the beginning of the year - Other	2	16,417,350	17,026,139	608,789
NOTE 12 - REVALUATION SURPLUS				
(b) Roads				
Opening balance	1	441,362	0	(441,362)
TOTAL ASSET REVALUATION SURPLUS	1	441,362	0	(441,362)
NOTE 18 - TOTAL ASSETS				
Economic Services	2	1,121,185	1,729,974	608,789

5 February 2014

Mr N Hartley
Chief Executive Officer
Shire of Ashburton
PO Box 567
TOM PRICE WA 6751



Dear Neil

**AUDIT OF SHIRE OF ASHBURTON
FOR THE YEAR ENDED 30TH JUNE 2013**

We advise that we have completed the audit of your Shire for the year ended 30th June 2013 and enclose our Audit Report and a copy of the Management Report.

A copy of the Audit Report and Management Report has also been sent directly to the President as is required by the Act.

We would like to take this opportunity to thank you and your staff for the assistance provided during the audit.

Please contact us if you have any queries.

Yours sincerely

WEN-SHIEN CHAI
PARTNER

INDEPENDENT AUDITOR'S REPORT TO THE ELECTORS OF THE SHIRE OF ASHBURTON

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of the Shire of Ashburton, which comprises the statement of financial position as at 30 June 2013, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and the rate setting statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Chief Executive Officer.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL REPORT

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

AUDITOR'S RESPONSIBILITY

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

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

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

AUDITOR'S OPINION

In our opinion, the financial report of the Shire of Ashburton is in accordance with the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended), including:

- a. giving a true and fair view of the Shire's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

**INDEPENDENT AUDITOR'S REPORT
TO THE ELECTORS OF THE SHIRE OF ASHBURTON (CONTINUED)**

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

During the course of the audit we became aware of the following instances where the Council did not comply with the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996 (as amended):

Power to Borrow

Whilst the unbudgeted loan for the development of Onslow Aerodrome Temporary Camp was approved with absolute majority by the Council, one month's local public notice of this proposal to borrow was not given as required by Section 6.20(2)(a) of the Local Government Act.

Budget Review

A copy of the budget review was not submitted to the Department within 30 days of its adoption as required by Local Government (Financial Management) Regulation 33A(4).


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

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) Except as detailed above, no matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- c) In relation to the Supplementary Ratio Information presented at page 67 of this report, we have reviewed the calculation for the Asset Consumption Ratio as presented and nothing has come to our attention to suggest it is not:
 - i) reasonably calculated; and
 - ii) based on verifiable information

The Asset Renewal Funding Ratio was not calculated and hence no review was carried out.

- d) All necessary information and explanations were obtained by us.
- e) All audit procedures were satisfactorily completed in conducting our audit.

Date: 5 February 2014
Perth, WA

UHY HAINES NORTON
CHARTERED ACCOUNTANTS

WEN-SHIEN CHAI
PARTNER

**SHIRE OF ASHBURTON
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.

	2013	2012	2011
Asset Consumption Ratio	0.501	N/A	N/A
Asset Renewal Funding Ratio (NOTE 1)	N/A	N/A	N/A

The above ratios are calculated as follows:

Asset Consumption Ratio	$\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciable assets}}$
Asset Renewal Funding Ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

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.

NOTE 1 - The Shire has not yet adopted its Asset Management Plans and Long Term Financial Plan at 30 June 2013 so this ratio has not been calculated.

