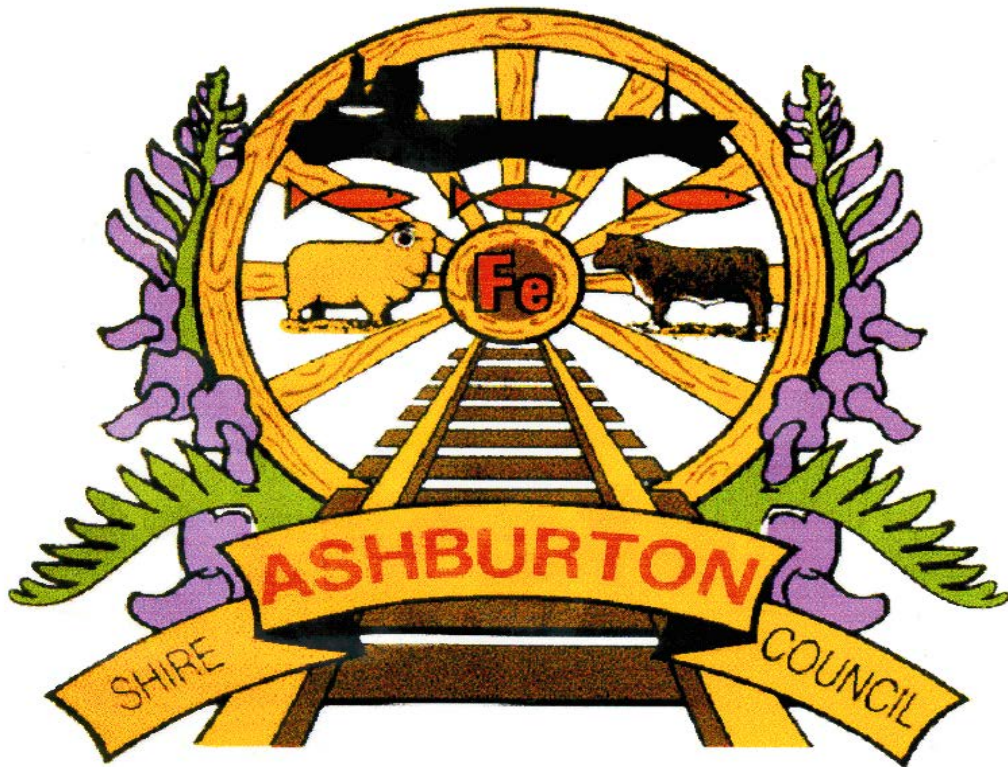


# Shire of Ashburton



## Annual Budget

FOR THE YEAR ENDED 30 JUNE 2014

**SHIRE OF ASHBURTON**  
**BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

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**SHIRE OF ASHBURTON**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

	NOTE	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
<b>REVENUE</b>				
Rates	8	15,217,825	12,734,977	13,309,415
Operating Grants, Subsidies and Contributions		6,018,737	6,465,464	6,599,975
Fees and Charges	11	21,489,505	17,728,813	21,487,700
Interest Earnings	2(a)	471,240	525,328	720,700
Other Revenue		626,135	431,278	350,900
		<u>43,823,442</u>	<u>37,885,860</u>	<u>42,468,690</u>
<b>EXPENSES</b>				
Employee Costs		(12,804,291)	(10,275,762)	(13,967,429)
Materials and Contracts		(20,291,436)	(16,642,848)	(20,660,536)
Utility Charges		(518,718)	(532,253)	(643,000)
Depreciation	2(a)	(7,887,069)	(7,492,446)	(6,663,700)
Interest Expenses	2(a)	(202,946)	(227,303)	(223,888)
Insurance Expenses		(1,198,131)	(1,106,093)	(1,149,946)
Other Expenditure		(578,991)	(218,266)	(270,300)
		<u>(43,481,582)</u>	<u>(36,494,971)</u>	<u>(43,578,799)</u>
		341,860	1,390,889	(1,110,109)
Non-Operating Grants, Subsidies and Contributions		23,995,254	26,548,008	42,169,782
Profit on Asset Disposals	4	4,740,586	6,580,014	0
Loss on Asset Disposals	4	<u>(43,460)</u>	<u>(78,826)</u>	<u>0</u>
<b>NET RESULT</b>		<b>29,034,240</b>	<b>34,440,085</b>	<b>41,059,673</b>
<b>Other Comprehensive Income</b>				
Nil		<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b><u>29,034,240</u></b>	<b><u>34,440,085</u></b>	<b><u>41,059,673</u></b>

**Notes:**

All fair value adjustments relating to re-measurement of financial assets at fair value through profit or loss and (if any) changes on revaluation of non-current assets in accordance with the mandating of fair value measurement through Other Comprehensive Income, is impacted upon by external forces and is not able to be reliably estimated at the time of budget adoption.

Fair value adjustments relating to the re-measurement of financial assets at fair value through profit or loss will be assessed at the time they occur, with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes in revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

Fair value adjustments will be assessed at the time they occur with compensating budget amendments made as necessary.

**SHIRE OF ASHBURTON**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

NOTE	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
<b>REVENUE (Refer Notes 1,2,8 to 13)</b>			
Governance	1,045,748	739,394	1,054,700
General Purpose Funding	17,995,218	17,520,461	15,959,215
Law, Order, Public Safety	113,650	103,519	122,570
Health	238,006	171,509	234,000
Education and Welfare	336,000	190,307	805,000
Housing	249,971	295,967	42,400
Community Amenities	4,655,766	4,832,541	5,303,880
Recreation and Culture	955,453	(385,889)	1,157,760
Transport	3,463,504	3,332,950	1,924,325
Economic Services	2,961,353	2,401,421	2,446,500
Other Property and Services	11,808,775	8,683,680	13,418,340
	<u>43,823,444</u>	<u>37,885,860</u>	<u>42,468,690</u>
<b>EXPENSES EXCLUDING</b>			
<b>FINANCE COSTS (Refer Notes 1,2 &amp; 14)</b>			
Governance	(4,419,043)	(4,238,167)	(4,453,953)
General Purpose Funding	(148,180)	(176,026)	(156,140)
Law, Order, Public Safety	(919,149)	(891,211)	(919,234)
Health	(797,405)	(738,966)	(818,136)
Education and Welfare	(611,386)	(541,387)	(743,081)
Housing	(448,130)	(421,426)	(261,399)
Community Amenities	(6,471,142)	(5,287,296)	(6,395,939)
Recreation & Culture	(6,517,017)	(5,469,465)	(6,099,471)
Transport	(9,916,459)	(8,538,100)	(7,875,523)
Economic Services	(2,426,657)	(2,131,408)	(2,309,423)
Other Property and Services	(10,604,068)	(7,834,216)	(13,322,612)
	<u>(43,278,636)</u>	<u>(36,267,668)</u>	<u>(43,354,911)</u>
<b>FINANCE COSTS (Refer Notes 2 &amp; 5)</b>			
Law, Order, Public Safety	(1,749)	(1,227)	(3,968)
Housing	(158,780)	(182,028)	(172,106)
Recreation and Culture	(13,255)	(12,463)	(14,685)
Transport	(29,162)	(31,585)	(33,129)
Other Property and Services	0	0	0
	<u>(202,946)</u>	<u>(227,303)</u>	<u>(223,888)</u>
<b>NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS</b>			
Governance	0	0	0
General Purpose Funding	0	0	0
Law, Order, Public Safety	0	0	0
Health	0	0	0
Education and Welfare	1,500,000	0	0
Housing	0	0	0
Community Amenities	415,000	1,197,566	1,567,100
Recreation & Culture	4,804,800	2,131,500	5,920,332
Transport	17,255,454	23,218,942	34,682,350
Economic Services	20,000	0	0
Other Property and Services	0	0	0
	<u>23,995,254</u>	<u>26,548,008</u>	<u>42,169,782</u>

**SHIRE OF ASHBURTON  
STATEMENT OF COMPREHENSIVE INCOME  
BY PROGRAM  
FOR THE YEAR ENDED 30TH JUNE 2014**

NOTE	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
<b>PROFIT/(LOSS) ON DISPOSAL OF ASSETS (Refer Note 4)</b>			
Law, Order, Public Safety	0	(1,044)	0
Housing	521,394	0	0
Community Amenities	0	708,862	0
Recreation and Culture	0	(30,408)	0
Transport	60,564	103,232	0
Transport	(43,460)	(47,374)	0
Economic Services	4,158,628	0	0
Other Property and Services	0	5,767,920	0
	<u>4,697,126</u>	<u>6,501,188</u>	<u>0</u>
<b>NET RESULT</b>	<b><u>29,034,242</u></b>	<b><u>34,440,085</u></b>	<b><u>41,059,673</u></b>
<b>Other Comprehensive Income</b>			
Nil	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b><u><u>29,034,242</u></u></b>	<b><u><u>34,440,085</u></u></b>	<b><u><u>41,059,673</u></u></b>

**Notes:**

All fair value adjustments relating to re-measurement of financial assets at fair value through profit or loss and (if any) changes on revaluation of non-current assets in accordance with the mandating of fair value measurement through Other Comprehensive Income, is impacted upon by external forces and is not able to be reliably estimated at the time of budget adoption.

Fair value adjustments relating to the re-measurement of financial assets at fair value through profit or loss will be assessed at the time they occur, with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes in revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

Fair value adjustments will be assessed at the time they occur with compensating budget amendments made as necessary.

**SHIRE OF ASHBURTON  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2014**

	NOTE	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		15,229,830	12,591,702	13,321,420
Operating Grants, Subsidies and Contributions		6,973,962	6,897,839	7,555,200
Fees and Charges		22,747,505	10,868,594	22,745,700
Service Charges		0	0	0
Interest Earnings		471,240	525,328	720,700
Goods and Services Tax		315,000	2,216,436	315,000
Other		626,135	344,252	350,900
		<u>46,363,672</u>	<u>33,444,151</u>	<u>45,008,920</u>
<b>Payments</b>				
Employee Costs		(12,841,991)	(10,379,645)	(14,159,829)
Materials and Contracts		(20,384,291)	(9,657,145)	(20,758,391)
Utility Charges		(559,923)	(532,253)	(684,205)
Insurance Expenses		(1,198,131)	(1,106,093)	(1,149,946)
Interest Expenses		(203,146)	(158,496)	(224,088)
Goods and Services Tax		(275,000)	(2,633,669)	(275,000)
Other		(578,991)	(218,266)	(270,300)
		<u>(36,041,473)</u>	<u>(24,685,567)</u>	<u>(37,521,759)</u>
<b>Net Cash Provided By Operating Activities</b>	15(b)	<u>10,322,199</u>	<u>8,758,584</u>	<u>7,487,161</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Development of Land Held for Resale	3	(1,818,500)	(298,316)	(1,990,000)
Payments for Purchase of Property, Plant & Equipment	3	(10,639,064)	(11,306,835)	(14,751,362)
Payments for Construction of Infrastructure	3	(25,655,609)	(32,232,543)	(47,091,995)
Advances to Community Groups		0	0	0
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		23,995,254	26,548,008	42,169,782
Proceeds from Sale of Plant & Equipment	4	5,396,000	8,460,521	11,078,100
Proceeds from Advances		0	0	0
<b>Net Cash Used in Investing Activities</b>		<u>(8,721,919)</u>	<u>(8,829,165)</u>	<u>(10,585,475)</u>
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures	5	(1,556,916)	(952,127)	(368,892)
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		0	0	0
Proceeds from New Debentures	5	0	3,496,184	0
<b>Net Cash Provided By (Used In) Financing Activities</b>		<u>(1,556,916)</u>	<u>2,544,057</u>	<u>(368,892)</u>
<b>Net Increase (Decrease) in Cash Held</b>		43,364	2,473,476	(3,467,206)
Cash at Beginning of Year		13,488,979	11,015,503	11,015,503
<b>Cash and Cash Equivalents at the End of the Year</b>	15(a)	<u><u>13,532,343</u></u>	<u><u>13,488,979</u></u>	<u><u>7,548,297</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 2014**

	NOTE	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
<b>REVENUES</b>	1,2			
Governance		1,045,748	739,394	1,054,700
General Purpose Funding		2,778,890	4,747,547	2,649,800
Law, Order, Public Safety		113,650	103,519	122,570
Health		238,006	171,509	234,000
Education and Welfare		1,836,000	190,307	805,000
Housing		771,365	295,967	42,400
Community Amenities		5,070,766	6,738,969	6,870,980
Recreation and Culture		5,760,253	1,745,611	7,078,092
Transport		20,779,522	26,655,124	36,606,675
Economic Services		7,139,981	2,401,421	2,446,500
Other Property and Services		11,808,775	14,451,600	13,418,340
		<u>57,342,956</u>	<u>58,240,968</u>	<u>71,329,057</u>
<b>EXPENSES</b>	1,2			
Governance		(4,419,043)	(4,238,167)	(4,453,953)
General Purpose Funding		(148,180)	(176,026)	(156,140)
Law, Order, Public Safety		(920,898)	(893,482)	(923,202)
Health		(797,405)	(738,966)	(818,136)
Education and Welfare		(611,386)	(541,387)	(743,081)
Housing		(606,910)	(603,454)	(433,505)
Community Amenities		(6,471,142)	(5,287,296)	(6,395,939)
Recreation & Culture		(6,530,272)	(5,512,336)	(6,114,156)
Transport		(9,989,081)	(8,617,059)	(7,908,652)
Economic Services		(2,426,657)	(2,131,408)	(2,309,423)
Other Property and Services		(10,604,068)	(7,834,216)	(13,322,612)
		<u>(43,525,042)</u>	<u>(36,573,797)</u>	<u>(43,578,799)</u>
<b>Net Operating Result Excluding Rates</b>		13,817,914	21,667,171	27,750,258
<b>Adjustments for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure and Revenue</b>				
(Profit)/Loss on Asset Disposals	4	(4,697,126)	(6,501,188)	0
Movement in Deferred Pensioner Rates (non-current)		0	0	0
Movement in Employee Benefit Provisions (non-current)		0	0	0
Movement in Leave Reserve/Provisions (Added Back)		0	155,551	0
Rounding		0	2	0
Depreciation on Assets	2(a)	7,887,069	7,492,446	6,663,700
<b>Capital Expenditure and Revenue</b>				
Purchase Land Held for Resale	3	(1,818,500)	(298,316)	(1,990,000)
Purchase Land and Buildings	3	(8,654,385)	(8,060,459)	(10,342,140)
Purchase Furniture and Equipment	3	(515,451)	(497,269)	(789,500)
Purchase Plant and Equipment	3	(1,469,228)	(2,749,107)	(3,619,722)
Purchase Infrastructure Assets - Roads	3	(3,937,592)	(2,639,885)	(3,114,500)
Purchase Infrastructure Assets - Footpaths	3	(1,162,770)	0	(1,162,770)
Purchase Infrastructure Assets - Drainage	3	(670,000)	(251,812)	(860,000)
Purchase Infrastructure Assets - Parks & Ovals	3	(812,500)	(908,721)	(1,586,500)
Purchase Infrastructure Assets - Airports	3	(15,226,121)	(26,549,433)	(31,915,225)
Purchase Infrastructure Assets - Other	3	(3,846,626)	(1,882,692)	(8,453,000)
Proceeds from Disposal of Assets	4	5,396,000	8,460,521	11,078,100
Repayment of Debentures	5	(1,556,916)	(952,127)	(368,892)
Proceeds from New Debentures	5	0	3,496,184	0
Self-Supporting Loan Principal Income		0	0	0
Transfers to Reserves (Restricted Assets)	6	(5,934,000)	(7,412,229)	(6,161,158)
Transfers from Reserves (Restricted Assets)	6	4,924,038	5,531,086	9,239,000
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	7	3,039,866	2,167,229	2,322,934
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	7	(20,000)	3,039,866	0
<b>Total Amount Raised from General Rates</b>	8	<u>(15,216,328)</u>	<u>(12,772,914)</u>	<u>(13,309,415)</u>

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

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Basis of Accounting**

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government 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 budget has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

**(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 budget.

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 16 to this budget document.

**(c) 2012/13 Actual Balances**

Balances shown in this budget as 2012/13 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

**(d) Rounding Off Figures**

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

**(e) 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.

**(f) Goods and Services Tax**

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.

**(g) 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.



**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(h) 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 on the statement of financial position.

**(i) 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.

**(j) 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 BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(k) 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.

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

***Land Under Control***

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

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

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

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

***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.

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(k) Fixed Assets (Continued)**

***Revaluation***

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

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

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

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

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

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

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

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

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

***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.

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(k) Fixed Assets (Continued)**

***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).

***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 AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

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

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

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

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

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

**Depreciation of Non-Current Assets**

All non-current assets having a limited useful life are 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	<i>Straight Line</i>	2-3%	30 to 50 Years
Furniture & Fittings	<i>Straight Line</i>	10-25%	4 to 10 Years
Computer Equipment	<i>Straight Line</i>	33.33%	3 Years
Office Equipment	<i>Straight Line</i>	20%	5 Years
Plant & Equipment	<i>Straight Line</i>	6-20%	5 to 15 Years
Motor Vehicles	<i>Straight Line</i>	10%	10 Years
Infrastructure - Other	<i>Straight Line</i>	2.5%	40 Years
Water Supply Piping & Drainage systems	<i>Straight Line</i>	1.3%	75 Years
Sewerage Piping	<i>Straight Line</i>	1%	100 Years
Footpaths	<i>Straight Line</i>	2.5%	40 Years
<i>Gravel Roads</i>			
Construction/Road Base	<i>Straight Line</i>	2%	50 Years
Gravel Sheet	<i>Straight Line</i>	8.3%	12 Years
<i>Formed roads (Unsealed)</i>			30 Years
Construction /Road Base	<i>Straight Line</i>	2%	50 Years
<i>Sealed Roads &amp; Streets</i>			
Construction/Road Base	<i>Straight Line</i>	2%	50 Years
Major re-surfacing Bituminous Seals	<i>Straight Line</i>	5%	20 Years
Asphalt Surfaces	<i>Straight Line</i>	8.3%	12 Years

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

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

Gains and losses on disposals are determined by comparing proceeds with with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

**Capitalisation Threshold**

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 BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

**(l) 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
- (b) less any reduction for impairment.

The effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that 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.

*(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.

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(l) Financial Instruments (Continued)**

**Classification and Subsequent Measurement (Continued)**

*(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.

**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.

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(m) 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.

**(n) 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.

**(o) 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.

**(p) 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.

**(q) 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.



**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

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

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

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

**(s) Comparative Figures**

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

**(t) Budget Comparative Figures**

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

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
<b>2. REVENUES AND EXPENSES</b>			
<b>(a) Net Result from Ordinary Activities was arrived at after:</b>			
 (i) Charging as Expenses:			
<b>Auditors Remuneration</b>			
Audit Services	32,500	16,284	25,000
 <b>Depreciation</b>			
<b><u>By Program</u></b>			
Governance	238,452	225,276	63,700
General Purpose Funding	0	0	0
Law, Order, Public Safety	25,218	23,751	23,600
Health	9,037	8,537	8,500
Education and Welfare	7,204	6,817	7,700
Housing	170,860	161,040	99,200
Community Amenities	262,300	249,828	215,100
Recreation and Culture	614,139	579,342	530,900
Transport	5,725,244	5,423,167	4,993,500
Economic Services	48,939	46,261	45,000
Other Property and Services	785,676	768,427	676,500
	<u>7,887,069</u>	<u>7,492,446</u>	<u>6,663,700</u>
 <b><u>By Class</u></b>			
Land and Buildings	764,083	725,853	602,613
Furniture and Equipment	240,921	228,867	193,909
Plant and Equipment	874,547	830,790	722,719
Roads	5,148,959	4,891,334	4,591,677
Footpaths	77,709	73,821	68,534
Drainage	169,002	160,546	150,844
Parks	97,402	92,529	84,321
Other	514,446	488,706	249,083
	<u>7,887,069</u>	<u>7,492,446</u>	<u>6,663,700</u>
 <b>Borrowing Costs (Interest)</b>			
- Debentures ( <i>refer note 5(a)</i> )	202,946	227,303	223,888
	<u>202,946</u>	<u>227,303</u>	<u>223,888</u>
 (ii) Crediting as Revenues:			
<b>Interest Earnings</b>	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
Investments			
- Reserve Funds	200,000	239,476	600,000
- Other Funds	230,000	245,669	80,000
Other Interest Revenue ( <i>refer note 13</i> )	41,240	40,183	40,700
	<u>471,240</u>	<u>525,328</u>	<u>720,700</u>

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(b) Statement of Objective**

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

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

**GENERAL PURPOSE FUNDING**

Objective: To collect revenue to allow for the provision of services

Activities: Rates, general purpose government grants and interest revenue

**GOVERNANCE**

Objective: To provide a decision making process for the efficient allocation of 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

**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 and operation of child health clinic, analytical testing and Environmental Health Administration.

**EDUCATION AND WELFARE**

Objective: To meet the needs of the community in these areas

Activities: Maintenance of pre-school facilities & donations to schools. Assistance to welfare groups and Youth Services

**HOUSING**

Objective: To manage housing

Activities: Maintenance of staff and rental housing

**COMMUNITY AMENITIES**

Objective: Provide services required by the community

Activities: Rubbish collections, refuse site operations, litter control, administration of the town planning scheme, cemetery operations, public toilet facilities and protection of the environment.

**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, swimming pools, sporting facilities, parks & associated facilities, provision of library services in Tom Price, Onslow, Pannawonica & Paraburdoo.

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(b) Statement of Objective (Continued)**

**TRANSPORT**

Objective: To provide effective and efficient transport services to the community

Activities: Construction and maintenance of streets, roads, bridges, footpaths; street lighting, traffic management and airport. Purchase and disposal of Council's Road Plant.

**ECONOMIC SERVICES**

Objective: To help promote the shire and improve its economic wellbeing

Activities: Building control, management of tourist bureau, tourism and area promotion and standpipes.

**OTHER PROPERTY & SERVICES**

Activities: Private works operations, plant repairs and operation costs, stock and materials, salaries and wages of council employees.

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

<b>3. ACQUISITION OF ASSETS</b>	<b>2013/14 Budget \$</b>
The following assets are budgeted to be acquired during the year:	
<b><u>By Program</u></b>	
<b>Governance</b>	775,235
<b>Law, Order, Public Safety</b>	190,400
<b>Education &amp; Welfare</b>	1,500,000
<b>Housing</b>	2,400,500
<b>Community Amenities</b>	2,756,576
<b>Recreation and Culture</b>	5,753,657
<b>Transport</b>	22,498,305
<b>Economic Services</b>	370,000
<b>Other Property and Services</b>	1,868,500
	<b><u>38,113,173</u></b>
 <b><u>By Class</u></b>	
Land Held for Resale	1,818,500
Land and Buildings	8,654,385
Plant and Equipment	1,469,228
Furniture and Equipment	515,451
Infrastructure Assets - Roads	3,937,592
Infrastructure assets - Footpaths	1,162,770
Infrastructure Assets - Drainage	670,000
Infrastructure Assets - Parks and Ovals	812,500
Infrastructure Assets - Airports	15,226,121
Infrastructure Assets - Other	3,846,626
	<b><u>38,113,173</u></b>

A detailed breakdown of acquisitions on an individual asset basis can be found in the supplementary information attached to this budget document as follows:  
Capital Expenditure Program

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

**4. DISPOSALS OF ASSETS**

The following assets are budgeted to be disposed of during the year.

<b><u>By Program</u></b>	Net Book Value	Sale Proceeds	Profit(Loss)
	2013/14 BUDGET \$	2013/14 BUDGET \$	2013/14 BUDGET \$
Housing (Profits)	28,606	550,000	521,394
Transport (Profits)	87,436	148,000	60,564
Transport (Losses)	241,460	198,000	(43,460)
Economic Services (Profits)	341,372	4,500,000	4,158,628
	698,874	5,396,000	4,697,126

<b><u>By Class</u></b>	Net Book Value	Sale Proceeds	Profit(Loss)
	2013/14 BUDGET \$	2013/14 BUDGET \$	2013/14 BUDGET \$
Motor Vehicles	238,030	246,000	7,970
Plant & Equipment	120,439	120,000	(439)
Land and Buildings	369,978	5,050,000	4,680,022
	728,447	5,416,000	4,687,553

**Summary**

	<b>2013/14 BUDGET \$</b>
Profit on Asset Disposals	4,740,586
Loss on Asset Disposals	(43,460)
	4,697,126

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

**5. INFORMATION ON BORROWINGS**

(a) Debenture Repayments

Particulars	Interest Rate %	Maturity Date	Principal 1 July 2013	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
					2013/14 Budget \$	2012/13 Actual \$	2013/14 Budget \$	2012/13 Actual \$	2013/14 Budget \$	2012/13 Actual \$
<b>Law, Order, Public Safety</b>										
Loan 112 Colocation Facility	5.97	4/01/2014	38,226	0	38,226	36,545	0	38,226	1,749	1,227
<b>Housing</b>										
Loan 117 Staff Housing Plan	5.45	3/06/2023	633,541	0	48,914	46,308	584,627	633,541	34,492	17,299
Loan 121 New Staff Housing	5.97	20/04/2021	2,110,251	0	212,760	200,605	1,897,491	2,110,251	124,288	164,729
<b>Recreation &amp; Culture</b>										
Loan 118 Recreation Centre Tom Price	5.82	1/11/2019	230,861	0	30,163	28,481	200,698	230,861	13,255	12,463
<b>Transport</b>										
Loan 116 Onslow Aerodrome	6.79	30/05/2017	219,497	0	49,430	46,193	170,067	219,497	14,287	16,023
Loan 119 Onslow Aerodrome Upgrade	6.36	30/06/2026	233,945	0	12,027	11,297	221,918	233,945	14,875	15,562
<b>Other Property &amp; Services</b>										
DSD Loan Onslow Aerodrome Temporary Camp	0.00	30/11/2015	2,913,486	0	1,165,396	582,698	1,748,090	2,913,486	0	0
			6,379,807	0	1,556,916	952,127	4,822,891	6,379,807	202,946	227,303

All loan repayments are financed by general purpose income.

**SHIRE OF ASHBURTON**

**NOTES TO AND FORMING PART OF THE BUDGET**

**FOR THE YEAR ENDED 30TH JUNE 2014**

**5. INFORMATION ON BORROWINGS (Continued)**

(b) New Debentures - 2013/14

Council does not intend on raising any new loans in 2013/14.

(c) Unspent Debentures

<b>Particulars/Purpose</b>	<b>Date Borrowed</b>	<b>Balance 1/07/2013</b>	<b>Borrowed During Year</b>	<b>Expended During Year</b>	<b>Balance 30/06/2014</b>
Loan 121 New Staff Housing	29/04/2011	1,516,777	0	1,516,777	0

(d) Overdraft

Council has not utilised an overdraft facility during the financial year although an overdraft facility of \$500,000 with the Westpac Bank does exist. This facility will be increased to \$2,000,000 during the 2013/14 financial year. It is expected that some of this facility will be utilised during 2013/14.



## SHIRE OF ASHBURTON

## NOTES TO AND FORMING PART OF THE BUDGET

## FOR THE YEAR ENDED 30TH JUNE 2014

	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
<b>6. RESERVES</b>			
<b>(a) Employee Entitlement Reserve</b>			
Opening Balance	308,662	153,111	153,111
Amount Set Aside / Transfer to Reserve	6,200	155,551	160,900
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>314,862</u>	<u>308,662</u>	<u>314,011</u>
<b>(b) Plant Replacement Reserve</b>			
Opening Balance	24,622	116,284	89,283
Amount Set Aside / Transfer to Reserve	500	403,338	406,300
Amount Used / Transfer from Reserve	<u>0</u>	<u>(495,000)</u>	<u>(480,000)</u>
	<u>25,122</u>	<u>24,622</u>	<u>15,583</u>
<b>(c) Infrastructure Reserve</b>			
Opening Balance	1,725,137	206,493	206,493
Amount Set Aside / Transfer to Reserve	718,500	1,518,644	1,525,858
Amount Used / Transfer from Reserve	<u>(972,538)</u>	<u>0</u>	<u>0</u>
	<u>1,471,099</u>	<u>1,725,137</u>	<u>1,732,351</u>
<b>(d) Housing Reserve</b>			
Opening Balance	1,970,400	357,441	357,441
Amount Set Aside / Transfer to Reserve	589,400	1,612,959	25,400
Amount Used / Transfer from Reserve	<u>(2,100,000)</u>	<u>0</u>	<u>(300,000)</u>
	<u>459,800</u>	<u>1,970,400</u>	<u>82,841</u>
<b>(e) Onslow Community Infrastructure Reserve</b>			
Opening Balance	36,296	35,026	35,026
Amount Set Aside / Transfer to Reserve	700	1,270	2,500
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>36,996</u>	<u>36,296</u>	<u>37,526</u>
<b>(f) Property Development Reserve</b>			
Opening Balance	3,550,320	48,560	48,560
Amount Set Aside / Transfer to Reserve	4,571,100	3,501,760	3,503,500
Amount Used / Transfer from Reserve	<u>(1,821,500)</u>	<u>0</u>	<u>(2,040,000)</u>
	<u>6,299,920</u>	<u>3,550,320</u>	<u>1,512,060</u>
<b>(g) Unspent Grants &amp; Contributions Reserve</b>			
Opening Balance	2,380,958	7,198,337	7,548,069
Amount Set Aside / Transfer to Reserve	47,600	218,707	536,700
Amount Used / Transfer from Reserve	<u>(30,000)</u>	<u>(5,036,086)</u>	<u>(6,419,000)</u>
	<u>2,398,558</u>	<u>2,380,958</u>	<u>1,665,769</u>
<b>Total Reserves</b>	<u>11,006,357</u>	<u>9,996,395</u>	<u>5,360,141</u>

All of the above reserve accounts are to be supported by money held in financial institutions.

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2014

6. RESERVES (Continued)	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
<b>Summary of Transfers To Cash Backed Reserves</b>			
<b>Transfers to Reserves</b>			
Employee Benefits Reserve	6,200	155,551	160,900
Plant Replacement Reserve	500	403,338	406,300
Infrastructure Reserve	718,500	1,518,644	1,525,858
Housing Reserve	589,400	1,612,959	25,400
Onslow Community Infrastructure Reserve	700	1,270	2,500
Property Development Reserve	4,571,100	3,501,760	3,503,500
Unspent Grants & Contributions Reserve	47,600	218,707	536,700
	<u>5,934,000</u>	<u>7,412,229</u>	<u>6,161,158</u>
<b>Transfers from Reserves</b>			
Employee Benefits Reserve	0	0	0
Plant Replacement Reserve	0	(495,000)	(480,000)
Infrastructure Reserve	(972,538)	0	0
Housing Reserve	(2,100,000)	0	(300,000)
Onslow Community Infrastructure Reserve	0	0	0
Property Development Reserve	(1,821,500)	0	(2,040,000)
Unspent Grants & Contributions Reserve	(30,000)	(5,036,086)	(6,419,000)
	<u>(4,924,038)</u>	<u>(5,531,086)</u>	<u>(9,239,000)</u>
<b>Total Transfer to/(from) Reserves</b>	<u>1,009,962</u>	<u>1,881,143</u>	<u>(3,077,842)</u>

## SHIRE OF ASHBURTON

### NOTES TO AND FORMING PART OF THE BUDGET

#### FOR THE YEAR ENDED 30TH JUNE 2014

#### 6. RESERVES (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.

##### **Property Development Reserve**

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

##### **Unspent Grants and Contributions Reserve**

- To preserve unspent Grant and ongoing Capital Works Funds

The reserves are not expected to be fully utilised 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 BUDGET**

**FOR THE YEAR ENDED 30TH JUNE 2014**

	<b>Note</b>	<b>2013/14 Budget \$</b>	<b>2012/13 Actual \$</b>
<b>7. NET CURRENT ASSETS</b>			
<b>Composition of Estimated Net Current Asset Position</b>			
<b>CURRENT ASSETS</b>			
Cash - Unrestricted	15(a)	2,375,988	33,252
Cash - Restricted Unspent Grants		150,000	1,942,555
Cash - Restricted Unspent Loans		0	1,516,777
Cash - Restricted Reserves	15(a)	11,006,357	9,996,395
Rates - Current		195,735	207,740
Sundry Debtors		4,651,659	6,234,884
Accrued Income		4,081,901	4,711,901
Payments in Advance		0	0
GST Receivable		700,933	715,933
Provision For Doubtful Debts		(54,157)	(54,157)
Inventories		115,253	117,303
		<u>23,223,669</u>	<u>25,422,583</u>
<b>LESS: CURRENT LIABILITIES</b>			
Sundry Creditors		(10,786,245)	(11,001,855)
Accrued Expenditure		(239,697)	(234,697)
PAYG Payable		(43,298)	(18,298)
Payroll Creditors		(36,612)	(36,612)
Withholding Tax Payable		(4,150)	(4,150)
GST Payable		(91,816)	(66,816)
Other Payables		(39,405)	(39,405)
Restricted Funds		0	0
Accrued Interest on Debentures		(29,800)	(30,000)
Accrued Salaries and Wages		(358,000)	(340,000)
Current Employee Benefits Provision		(923,151)	(923,151)
Current Loan Liability		(390,982)	(390,982)
		<u>(12,943,156)</u>	<u>(13,085,966)</u>
<b>NET CURRENT ASSET POSITION</b>		<b>10,280,513</b>	<b>12,336,617</b>
Less: Cash - Restricted Reserves	15(a)	(11,006,357)	(9,996,395)
Less: Cash - Unspent Grants - Fully Restricted		0	0
Adjustment for Trust Transactions Within Muni		0	0
Add Back : Liabilities Supported by Reserves			
- Lesser of Leave Provision and Leave Reserve		314,862	308,662
Add Back : Current Loan Liability		390,982	390,982
<b>ESTIMATED SURPLUS/(DEFICIENCY) C/FWD</b>		<u><u>(20,000)</u></u>	<u><u>3,039,866</u></u>

The estimated surplus/(deficiency) c/fwd in the 2012/13 actual column represents the surplus (deficit) brought forward as at 1 July 2013.

The estimated surplus/(deficiency) c/fwd in the 2013/14 budget column represents the surplus (deficit) carried forward as at 30 June 2014.

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

**8. RATING INFORMATION - 2013/14 FINANCIAL YEAR**

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	2013/14 Budgeted Rate Revenue \$	2013/14 Budgeted Interim Rates \$	2013/14 Budgeted Back Rates \$	2013/14 Budgeted Total Revenue \$	2012/13 Actual \$
<b>Differential General Rate</b>								
GRV - Residential	3.6637	2,338	95,193,850	3,487,615	0	0	3,487,615	3,513,803
GRV - Commercial Civic	4.5788	64	16,224,684	742,896	0	0	742,896	830,481
GRV - Tourism	4.5788	5	901,600	41,282	0	0	41,282	33,356
GRV - Community	3.6637	16	569,360	20,860	0	0	20,860	14,101
GRV - Industrial	4.5788	82	4,952,790	226,778	0	0	226,778	73,810
UV - Rural/Pastoral	3.0655	32	7,212,744	221,107	0	0	221,107	206,691
UV - Rural/Industrial	33.7570	44	13,439,270	4,536,694	0	0	4,536,694	3,249,523
UV - Mining Leases	33.7570	728	15,777,186	5,325,905	238,000	7,900	5,571,805	4,483,112
UV - Tourism	14.8670	4	345,000	51,291	0	0	51,291	47,937
<b>Sub-Totals</b>		3,313	154,616,484	14,654,428	238,000	7,900	14,900,328	12,452,814
<b>Minimum Rates</b>								
	<b>Minimum \$</b>							
GRV - Residential	550	127	632,224	69,850	0	0	69,850	66,550
GRV - Commercial Civic	550	11	32,150	6,050	0	0	6,050	9,350
GRV - Community	550	5	47,000	2,750	0	0	2,750	1,650
GRV - Industrial	550	26	112,035	14,300	0	0	14,300	20,900
UV - Rural/Pastoral	550	9	68,451	4,950	0	0	4,950	4,950
UV - Rural/Industrial	550	27	6,720	14,850	0	0	14,850	12,650
UV - Mining Lease	550	360	248,543	198,000	0	0	198,000	199,100
<b>Sub-Totals</b>		565	1,147,123	310,750	0	0	310,750	315,150
		3,878					15,211,078	12,767,964
Ex-Gratia Rates							5,250	4,950
Discounts							0	0
<b>Amount Raised from General Rates</b>							<b>15,216,328</b>	<b>12,772,914</b>
Movement in Excess Rates							5,247	(27,102)
Specified Area Rates (Note 9)							0	0
Rates Written Off							(3,750)	(10,835)
<b>Total Rates</b>							<b>15,217,825</b>	<b>12,734,977</b>

All land except exempt land in the Shire of Ashburton is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the Shire.

The general rates detailed above for the 2013/14 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of the Local Government services/facilities.

**Note: Change in rate in the \$ and minimums for all rating classes under GRV & UV**

Council resolved at the 5 June 2013 Council meeting to impose differential ratings for 13/14 budget Council.

In August Council became aware of some substantial revaluations and if applied at the advertised differential rates unacceptable increases in rates income would occur.

Council resolved at the 21 August Council meeting to reduce differential rates and has proposed the following changes to ensure equity between different rating classes.

Council proposed to accompany the rate notices with a special notation explaining the rate reduction.

Rate code	Advertised Rate in the \$	Reduced Rate in the \$
GRV Residential	0.037000	0.036637
GRV Commercial	0.046250	0.045788
GRV Tourism	0.046250	0.045788
GRV Community	0.037000	0.036637
GRV Industrial	0.046250	0.045788
GRV Workers	0.046250	0.045788
Accommodation Facilities		
UV Pastoral	0.039374	0.030655
UV Commercial	0.393744	0.337570
UV Industrial	0.393744	0.337570
UV Tourism	0.196872	0.148670
UV Mining Leases	0.393744	0.337570
Minimum	600.00	550.00

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

**9. SPECIFIED AREA RATE - 2013/14 FINANCIAL YEAR**

No specified area rate is levied by Council.

**10. SERVICE CHARGES - 2013/14 FINANCIAL YEAR**

The Shire has no service charges in operation

<b>11. FEES &amp; CHARGES REVENUE</b>	<b>2013/14 Budget \$</b>	<b>2012/13 Actual \$</b>
General Purpose Funding	9,505	9,715
Governance	35,151	39,400
Law, Order, Public Safety	63,880	53,449
Health	118,006	84,479
Education and Welfare	10,000	6,089
Housing	155,400	262,041
Community Amenities	4,189,876	4,792,041
Recreation & Culture	134,730	334,243
Transport	2,671,836	1,880,745
Economic Services	2,682,651	2,157,073
Other Property & Services	11,418,470	8,109,538
	<u>21,489,505</u>	<u>17,728,813</u>

**12. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS  
- 2013/14 FINANCIAL YEAR**

No discount scheme is offered to ratepayers.

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

**13. INTEREST CHARGES AND INSTALMENTS - 2013/14 FINANCIAL YEAR**

The cost of the instalment plans will comprise of simple interest of 5.5% p.a. calculated from the date the first instalment is due, together with an administration fee of \$10 for each instalment notice (i.e. \$30 for option 3)

The total revenue from the imposition of the interest and administration charge under this option is estimated at \$10,447.

	Interest Rate %	Admin Charge \$	Budgeted Revenue \$	Actual Revenue \$
Interest on Unpaid Rates	11		35,000	34,209
Interest on Instalments Plan	5.5		5,440	4,976
Interest on ESL	11		800	998
Charges on Instalment Plan		10	5,003	3,980
			46,243	44,163

An interest rate of 11% will be charged on all rate payments which are late. It is estimated this will generate income of \$35,000. Three separate option plans will be available to ratepayers for payment of their rates.

**Option 1**

Full amount of rates and charges including arrears to be paid on or before 35 days after the date of service appearing on the rate notice. See Note 12 for discount provisions under this option.

**Option 2 (2 Instalments)**

First instalment to be received on or before 35 days after the date of service appearing on the rate notice including all arrears and half of the current rates and charges. Second instalments to be made four months thereafter.

**Option 3 (4 Instalments)**

First instalment to be received on or before 35 days after the date of service appearing on the rate notice including all arrears a quarter of the current rates and charges. Second, third and fourth instalments to be at two month intervals thereafter.

Two Instalment Option

1st Instalment Due 28 October 2013

2nd Instalment Due 6 March 2014

Four Instalment Option

1st Instalment Due 28 October 2013

2nd Instalment Due 6 January 2014

3rd Instalment Due 6 March 2014

4th Instalment Due 6 May 2014

**14. ELECTED MEMBERS REMUNERATION**

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

	2013/14 Budget \$	2012/13 Actual \$
Meeting Fees	176,000	56,000
President's Attendance Fees	29,500	15,000
Commissioners Remuneration	0	14,000
President's Allowance	60,000	10,000
Deputy President's Allowance	15,000	3,125
Travelling Expenses	70,000	71,955
Telecommunications Expenses	4,500	2,700
	355,000	172,780

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

**15. 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. Estimated cash at the end of the reporting period is as follows:

	<b>2013/14 Budget \$</b>	<b>2012/13 Actual \$</b>	<b>2012/13 Budget \$</b>
Cash - Unrestricted	2,375,988	33,252	2,038,156
Cash - Restricted	11,156,357	13,455,727	5,510,141
	<u>13,532,345</u>	<u>13,488,979</u>	<u>7,548,297</u>

The following restrictions have been imposed by regulation or other externally imposed requirements:

Employee Benefits Reserve	314,862	308,662	314,011
Plant Replacement Reserve	25,122	24,622	15,583
Infrastructure Reserve	1,471,099	1,725,137	1,732,351
Housing Reserve	459,800	1,970,400	82,841
Onslow Community Infrastructure Reserve	36,996	36,296	37,526
Property Development Reserve	6,299,920	3,550,320	1,512,060
Unspent Grants & Contributions Reserve	2,398,558	2,380,958	1,665,769
Unspent Grants	150,000	1,942,555	150,000
Unspent Loans	0	1,516,777	0
	<u>11,156,357</u>	<u>13,455,727</u>	<u>5,510,141</u>

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

	<b>2013/14 Budget \$</b>	<b>2012/13 Actual \$</b>	<b>2012/13 Budget \$</b>
Net Result	29,034,242	34,440,085	41,059,673
Depreciation	7,887,069	7,492,446	6,663,700
(Profit)/Loss on Sale of Asset	(4,697,126)	(6,501,188)	0
(Increase)/Decrease in Receivables	2,240,230	(6,982,983)	2,240,230
(Increase)/Decrease in Inventories	2,050	0	2,050
Increase/(Decrease) in Payables	(148,810)	6,858,232	(153,810)
Increase/(Decrease) in Employee Provisions	(200)	0	(154,900)
Grants/Contributions for the Development of Assets	(23,995,254)	(26,548,008)	(42,169,782)
<b>Net Cash from Operating Activities</b>	<u>10,322,201</u>	<u>8,758,584</u>	<u>7,487,161</u>

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

Bank Overdraft limit	2,000,000	500,000	1,500,000
Bank Overdraft at Balance Date	0	0	0
Credit Card limit	65,000	65,000	55,000
Credit Card Balance at Balance Date	0	(2,303)	0
<b>Total Amount of Credit Unused</b>	<u>2,065,000</u>	<u>562,697</u>	<u>1,555,000</u>

**Loan Facilities**

Loan Facilities in use at Balance Date	<u>4,822,891</u>	<u>6,379,807</u>	<u>3,449,615</u>
Unused Loan Facilities at Balance Date	<u>0</u>	<u>1,516,777</u>	<u>0</u>



**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

**16. TRUST FUNDS**

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

<b>Detail</b>	<b>Balance 1-Jul-13 \$</b>	<b>Amounts Received \$</b>	<b>Amounts Paid (\$)</b>	<b>Balance 30-Jun-14 \$</b>
Public Open Space	225,500	0	0	225,500
Cleaning and Key Deposits	3,655	5,305	(4,300)	4,660
Other Trust Monies	49,589	30,554	(827)	79,316
Bonds & Guarantees	27,308	158,847	(138,742)	47,413
Nomination Deposit	80	800	(800)	80
Unclaimed Monies	6,691	1,257	0	7,948
BCITF Levy	144,475	929,051	(920,000)	153,526
BRB Levy	70,189	32,192	(32,000)	70,381
Consignment Stock	957	23,211	(20,944)	3,224
Tour Sales	54,635	174,077	(163,402)	65,310
	<u>583,079</u>			<u>657,358</u>

SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014

17. MAJOR LAND TRANSACTIONS

**Onslow other Land Development**

*(a) Details*

*In 2013/14 financial Council will undertake a major land transaction as denifed under the Local Government Act 1995.*

*In 2008/09 Council purchased reserved land at Lot 555 and Lot 556, Beadon Creek Rd, Onslow. Council sought to dispose the Lots in 13/14 to support economic development and meet demand for short-term accommodation in Onslow.*

*The proceeds from the sale of Lot 555 and 556 Beadon Creek Road, Onslow will be transferred to reserves for future use on land/property development in Onslow.*

*(b) Current Year Transactions*

	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
<b>OPERATING EXPENDITURE</b>			
Land Transfer Expenditure	(6,675)	0	0
Advertising	(3,142)	0	0
Demolition Expenses	0	0	0
Settlement Fees	(3,533)	0	0
	<u>(13,350)</u>	<u>0</u>	<u>0</u>
<b>Operating Surplus/(Deficit)</b>	<b>(13,350)</b>	<b>0</b>	<b>0</b>
<b>CAPITAL INCOME</b>			
Land Sales	4,500,000	0	0
Transfer from Reserve	0	0	0
	<u>4,500,000</u>	<u>0</u>	<u>0</u>
<b>CAPITAL EXPENDITURE</b>			
Building Construction			
Lot 394 Third Ave Onslow	0	0	0
Transfer to Reserve	(4,500,000)	0	0
	<u>(4,500,000)</u>	<u>0</u>	<u>0</u>
<b>NET RESULTS</b>	<u><u>(13,350)</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

*(c) Expected Future Cash Flows*

	2013/14	2014/15	2015/16	2017/18	Total
<b>Cash Inflows</b>					
Land Sales	4,500,000	0	0	0	4,500,000
Transfers from Reserves	0	0	0	0	0
	<u>4,500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,500,000</u>
<b>Cash Outflows</b>					
Land Transfer Expenditure	(13,350)	0	0	0	(13,350)
Building Construction	0	0	0	0	0
Transfer to Reserve	(4,500,000)	0	0	0	(4,500,000)
	<u>(4,513,350)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(4,513,350)</u>

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

**17. MAJOR LAND TRANSACTIONS (Continued)**

**Onslow Industrial Development (Airport)**

*(a) Details*

*During the 2011/12 financial year Council intends to continue a major land transaction as defined under the Local Government Act, 1995.*

*Council own, 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 with the intent of selling all these lots.*

*(b) Current Year Transactions*

	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
<b>OPERATING INCOME</b>			
Nil	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<b>OPERATING EXPENDITURE</b>			
Land Transfer Expenditure	(30,000)	0	0
	<u>(30,000)</u>	<u>0</u>	<u>0</u>
<b>Operating Surplus/(Deficit)</b>	<b>(30,000)</b>	<b>0</b>	<b>0</b>
<b>CAPITAL INCOME</b>			
Transfer from Reserve	240,000	0	240,000
	<u>240,000</u>	<u>0</u>	<u>240,000</u>
<b>CAPITAL EXPENDITURE</b>			
Services Installation	(140,000)	0	0
Subdivision, Survey, Plan	0	(39,707)	(100,000)
Design & Planning	(147,000)	(77,271)	(140,000)
	<u>(287,000)</u>	<u>(116,978)</u>	<u>(240,000)</u>
<b>NET RESULTS</b>	<u><u>(77,000)</u></u>	<u><u>(116,978)</u></u>	<u><u>0</u></u>

*(c) Expected Future Cash Flows*

	2013/14	2014/15	2015/16	2017/18	Total
<b>Cash Inflows</b>					
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			16,000,000
	<u>240,000</u>	<u>54,000,000</u>	<u>0</u>	<u>0</u>	<u>54,240,000</u>
<b>Cash Outflows</b>					
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>

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

**17. MAJOR LAND TRANSACTIONS (Continued)**

**Tom Price Residential Development - Lot 500 Pilkena/Yaruga St, Tom Price**

**(a) Details**

*During the 2013/14 financial year Council intends to continue a major land transaction as defined under the Local Government Act, 1995.*

*In 2009/2010 Council purchased unallocated crown land at Super Lot 500, Pilkena St/Yaruga St, Tom Price and will subdivide this land into 24 separate lots for on sale. In 2013/14 expenditure on footpath infrastructure will be finalise this lot.*

*In 2013/14 the Council will acquire land through the "Lazy Land" process administered by the Department of Region Development and Land. This land will be used for to satisfy housing and business requirement.*

**(b) Current Year Transactions**

	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
<b>OPERATING INCOME</b>			
Profit on Sale of Land	0	3,156,526	0
Miscellaneous Income	0	3,545	0
	<b>0</b>	<b>3,160,071</b>	<b>0</b>
<b>OPERATING EXPENDITURE</b>			
Land Transfer Expenditure	0	0	0
Administration Costs Allocated	(41,370)	(35,885)	(28,180)
	<b>(41,370)</b>	<b>(35,885)</b>	<b>(28,180)</b>
<b>Operating Surplus/(Deficit)</b>	<b>(41,370)</b>	<b>3,124,186</b>	<b>(28,180)</b>
<b>CAPITAL INCOME</b>			
Land Sales	0	4,750,864	5,210,000
Transfer from Reserves	650,000	0	650,000
	<b>650,000</b>	<b>4,750,864</b>	<b>5,860,000</b>
<b>CAPITAL EXPENDITURE</b>			
Services Installation	(600,000)	(42,903)	(600,000)
Future land acquisition	(50,000)	(2,890)	(50,000)
	<b>(650,000)</b>	<b>(45,793)</b>	<b>(650,000)</b>
<b>NET RESULTS</b>	<b>(41,370)</b>	<b>7,829,257</b>	<b>5,181,820</b>

**(c) Expected Future Cash Flows**

	2013/14	2014/15	2015/16	2017/18	Total
<b>Cash Inflows</b>					
Land Sales	0	0	0	0	0
Transfers from Reserves	650,000	0	0	0	650,000
	<b>650,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>650,000</b>
<b>Cash Outflows</b>					
Administration Costs Allocated	(41,370)	0	0	0	(41,370)
Land Transfer Expenditure	0	0	0	0	0
Services Installation	(600,000)	0	0	0	(600,000)
Future land acquisition	(50,000)	0	0	0	(50,000)
	<b>(691,370)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(691,370)</b>

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

**17. MAJOR LAND TRANSACTIONS (Continued)**

**Tom Price Industrial Development - Lot 308 Boonderoo Rd, Tom Price**

**(a) Details**

*Council owns, freehold, Lot 308 Boonderoo Rd, Tom Price. Council intends to develop 7 lots on this land with the intent of selling 7.*

*In 2011/12 the Council installed services to the 7 lots in order for titles to be issued and settlement of sales to purchasers to take place.*

*In 2012/13 Council completed the Lot 308 Boonderoo Rd Tom Price subdivision.*

**(b) Current Year Transactions**

	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
<b>OPERATING EXPENDITURE</b>			
Land Transfer Expenditure	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<b>Operating Surplus/(Deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CAPITAL INCOME</b>			
Land Sales	0	2,611,394	2,810,000
Transfer from Reserves	0	0	0
	<u>0</u>	<u>2,611,394</u>	<u>2,810,000</u>
<b>CAPITAL EXPENDITURE</b>			
Services Installation	0	(125,654)	0
	<u>0</u>	<u>(125,654)</u>	<u>0</u>
<b>NET RESULTS</b>	<u><u>0</u></u>	<u><u>2,485,740</u></u>	<u><u>2,810,000</u></u>

**(c) Expected Future Cash Flows**

	2013/14	2014/15	2015/16	2017/18	Total
<b>Cash Inflows</b>					
Land Sales	0	0	0	0	0
Transfers from Reserves	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Cash Outflows</b>					
Land Transfer Expenditure	0	0	0	0	0
Services Installation	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

**17. MAJOR LAND TRANSACTIONS (Continued)**

**Tom Price Industrial Development - Lot 350 Boonderoo Rd, Tom Price**

**(a) Details**

*During the 2013/14 financial year Council intends to continue a major land transaction as defined under the Local Government Act, 1995.*

*Council owns, freehold, Lot 350 Boonderoo Rd, Tom Price. Council intends to develop 10 lots on this land with the intent of selling 10.*

*In 2012/13 the Council commenced subdivision survey works for the 10 lots.*

*In 2013/14 Council intends to complete the Lot 350 Boonderoo Rd Tom Price subdivison.*

**(b) Current Year Transactions**

	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
<b>OPERATING EXPENDITURE</b>			
Land Transfer Expenditure	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<b>Operating Surplus/(Deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CAPITAL INCOME</b>			
Land Sales	0	0	0
Transfer from Reserves	931,500	0	1,150,000
	<u>931,500</u>	<u>0</u>	<u>1,150,000</u>
<b>CAPITAL EXPENDITURE</b>			
Services Installation	(800,000)	0	(1,150,000)
Land Purchase	0	0	0
Subdivision, Survey, Plan	(31,500)	(12,779)	0
Design & Planning	(100,000)	0	0
	<u>(931,500)</u>	<u>(12,779)</u>	<u>(1,150,000)</u>
<b>NET RESULTS</b>	<u><u>0</u></u>	<u><u>(12,779)</u></u>	<u><u>0</u></u>

**(c) Expected Future Cash Flows**

	2013/14	2014/15	2015/16	2017/18	Total
<b>Cash Inflows</b>					
Land Sales	0	2,000,000	0	0	2,000,000
Transfers from Reserves	931,500	0	0	0	931,500
	<u>931,500</u>	<u>2,000,000</u>	<u>0</u>	<u>0</u>	<u>2,931,500</u>
<b>Cash Outflows</b>					
Land Transfer Expenditure	0	(10,000)	0	0	(10,000)
Services Installation	(800,000)	0	0	0	(800,000)
Subdivision, Survey, Plan	(31,500)	0	0	0	(31,500)
Design & Planning	(100,000)	0	0	0	(100,000)
	<u>(931,500)</u>	<u>(10,000)</u>	<u>0</u>	<u>0</u>	<u>(941,500)</u>

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE BUDGET  
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**18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

It is not anticipated any trading undertakings or major trading undertakings will occur in 2013/14.