



# Annual Report 2013/2014



shire of Ashburton  
reef to range

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# Table of Contents

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Shire President's report	3
Our Councillors	5
Our Executive team	7
CEO's report	9
Strategic community plan	11
Corporate business plan	13
Highlights	32
Statutory Reports	37
Financials	41

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# Shire President's Report

The Shire has made great progress in 2013-14 in delivering good governance and key projects to the community.

The organisation has gone from strength-to-strength during this period of stability. The Council was reinstated in July and at the same meeting, Council was very pleased to appoint our new CEO, Neil Hartley, which coincided with the Council's first meeting after being reinstated by the Local Government Minister. Neil physically joined the Shire in October and has 'hit the ground running' and has since that time, settled the organisation and been able to complete or substantially progress the Shire's major projects and initiatives.

One of those key projects is the Onslow airport, the largest project ever undertaken by the Shire of Ashburton. Chevron has been using the runway to transport its considerable fleet of workers for the Wheatstone project for some time (noting that in March, there were four planes positioned at the airport all at the one time – something never seen before in Onslow!). A Skippers Airline regular passenger transport service has now commenced for use by the general public from temporary terminal facilities and we are busily working towards the completion of the official passenger terminal as

our next major target (due to be completed in the first half of 2015).

Another important achievement in 2014 was the opening of the Clem Thompson Memorial Oval and Pavilion in Tom Price in February. The \$10 million community facilities project was possible thanks to funding from Royalties for Regions, Rio Tinto, Department of Sport and Recreation and the Shire of Ashburton, and close collaboration between all key partners.

These state-of-the-art facilities have enhanced the town's sporting culture and will assist in strengthening community connection and participation. In addition to sport, the project has also provided much-needed facilities for social, business and community groups.

Community consultation on skate parks is underway in Paraburdoo and Onslow as part of the ground work that needs to occur before skate parks are built in each town, which will occur in 2014/2015.

Paraburdoo is also set to receive a \$1million car park upgrade out the front of the shops, along with shade shelters. We are planning to have this completed by the end of 2014.

Reflecting the Shire's commitment to enhancing tourism in Ashburton, the first stage of the road sealing works on Banjima Drive to Karijini National Park has commenced, with the remaining section to follow and be finished in the latter half of 2014. The upgrade will improve public accessibility and safety for park users.

The local government elections were held in October and I congratulate the newly elected councillors and thank Lisa Shields, who retired from Council, for her contribution. Cr Dennis Wright was re-elected unopposed to the

Pannawonica Ward; in Paraburdoo Cr Ivan Dias was re-elected and in Tom Price, Cr Tony Bloem and Cr Cecilia Fernandez were elected unopposed.

I would like to acknowledge the great work of both the councillors and staff, who have worked closely together to bring the community some outstanding results this year. It has been my privilege to lead the Council once again as Shire President, along with the Deputy, Cr Linton Rumble, and I look forward to the entire Shire of Ashburton team building on the great progress that has been made this year, into 2014/2015.

Kerry White  
Shire President

These state-of-the-art facilities have enhanced the town's sporting culture

## Major Projects 2013/2014

**Paraburdoo Child Care Centre Building**  
(design and construction of a purpose-built child care facility including after-school care)

**Tom Price Sporting Pavilion**  
(and \$100,000 towards Club Facility Development)

**Four Mile Creek Revitalisation**  
(revitalisation and upgrade of this amenity and beach access)

**Paraburdoo Town Centre Revitalisation**

**Ian Blair Memorial Boardwalk Onslow upgrade**

**Onslow Airport and terminal construction**

**Urban Storm Water Drainage for Paraburdoo, Tom Price and Onslow**

**Footpaths (all towns)**



# Our Councillors



CR KERRY WHITE  
SHIRE PRESIDENT



CR LINTON RUMBLE  
JP, DEPUTY SHIRE PRESIDENT  
PARABURDOO WARD



CR ANNE EYRE  
ASHBURTON WARD



CR ANTHONY (TONY) BLOEM  
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, PARABURDO WARD



# CEO's Report

I am very pleased to reflect on the progress made by the organisation during this financial year. Staff and Council have continued to work effectively together and have built on the resilience demonstrated when there have been challenging situations for all to deal with.

For example, staff have worked very patiently and cooperatively following the January 2013 fire in Onslow, which destroyed the Shire's office. The new office being built (and is due for completion in mid 2016) will provide stability for staff following the upheaval of the fire. As a convenient one-stop-shop when finished, the office will offer our customers even better service.

This year we have improved customer service at Paraburdoo with the merging of the library and administration services. This more efficient use of staff and space provides the community with easier access to Shire services, as well as provide financial savings and much needed office space. A minor refurbishment has also provided for more office space for staff in Pannawonica.

Working closely with our partners and stakeholders is always important to the successful completion of projects and one of the Shire's focuses this year has been on strengthening its regional relationships.

We are now more closely engaged with the Pilbara Development Commission (PDC). Working regionally can bring great benefits back to the local community by resource sharing for example and a consistent vision. Regional resource sharing initiatives with payroll and record keeping have been developed, tourist rest stops built and grants secured for the Pilbara. Another priority has been the Pilbara Regional Investment Blueprint, which is a road map for the future prosperity and social and economic growth of the Pilbara.

The Shire also worked with the PDC on the Pilbara Tourism Product Development Plan. This plan highlights the importance of working regionally on tourism initiatives. The Shire has its own tourism strategy and will ensure that the regional focus is reflected in our actions too. Promotions that the Shire participated in include the inaugural My Pilbara Adventure campaign.

The Council updated its Strategic Media Policy to include reference to social media, with a view to reactivating the Shire's Facebook page in the near future (due later in 2014). We recognise that Facebook is one of the world's most popular social media sites and a great way to connect with residents and ratepayers. Making use of social media and Facebook was identified by the community in the Living Life10 Year Community Strategic Plan 2012-2022.

We are in fact, also working on a new 'thumbs up' logo in the Inside Ashburton to show which stories link back to actions identified in the strategic plan. Readers should see this in later 2014 editions of Inside Ashburton.

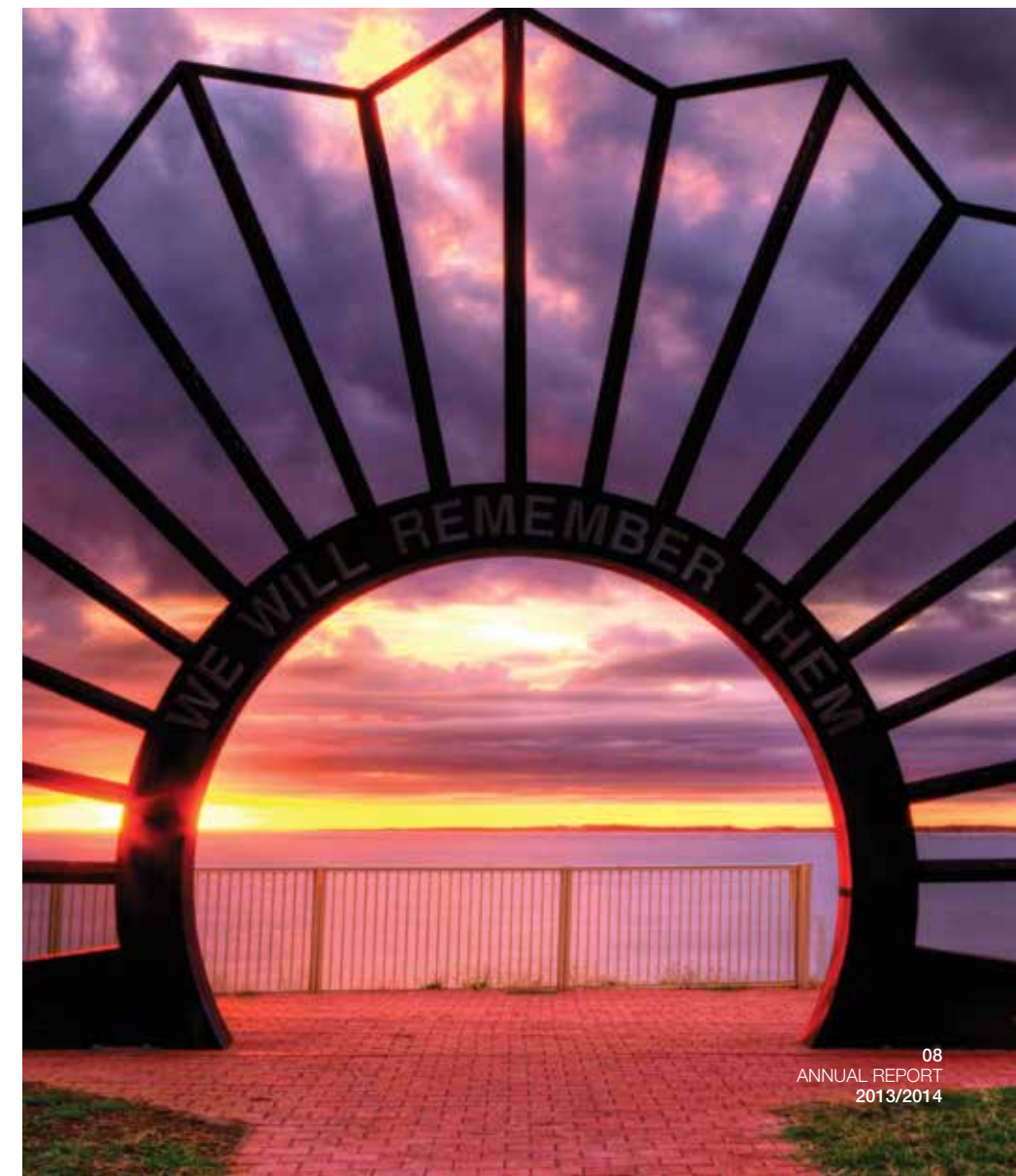
The Councillors play an important role in the overall strategic direction for the Shire and I thank them for their vision, along with the hard work of the Shire officers who help convert the 'big picture', to reality.

Our long term sustainability is an important goal, and the Shire's Finance team has implemented new ways to improve the way our budget is prepared, to make sure our financials are well balanced and controlled.

The Shire of Ashburton's existing Asset Management Strategy and Long Term Financial Plan will be targeted for further refinement over the coming 12 months. These Integrated Planning documents set the service standards and the financial parameters that will ensure that what we build, will remain functional and usable for the longer term. They are the foundation of long term sustainability and are designed to progress the Shire over time, to a stage where we can make sure that the community can confidently rely on the Shire's assets being kept in an acceptable order and condition for them to enjoy.

**Neil Hartley**  
Chief Executive Officer

The Shire has its own tourism strategy and will ensure that the regional focus is reflected in our actions too.





# Our Executive Team

## Neil Hartley

### Office of CEO

- Council Service
- Organisational Development
- Human Resources
- Staff Housing
- Workplace Health and Safety
- Media
- Communications
- Tourism
- Visitor Centre

## Frank Ludovico

### Corporate Services

- Governance
- Financial Services and Reporting
- Budget Preparation, Dissemination and Training
- Administration
- IT, GIS and Knowledge Management
- Financial
- Grants

## Anika Serer

### Strategic & Economic Development

- Project Initiation and Coordination
- Economic Development
- Integrated Planning Framework
- Community Strategic Plan
- Land Development
- Commercial Leases
- Relationship Management

## Deb Wilkes

### Community Development

- Liquor Permits
- Library and Cultural Events, Early Childhood, Youth, Seniors
- Community Reference and Advisory Groups
- Support for Community Groups
- Pools, Halls and Facilities
- Community Volunteers
- Club Development
- Traders Permits (events)

## Brian Cameron

### Development & Regulatory Services

- Contract Management
- Design
- Project Management
- GIS
- Planning, Building and Health
- Ranger Services
- Emergency Services
- Traders Permits (food)

## Troy Davis

### Infrastructure Services

- Airport
- Asset Management
- Building Maintenance (in-house works)
- Engineering
- Fleet
- Parks, Gardens and Infrastructure
- Private Works
- Roads
- Waste Management
- Depots
- Camps



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# Strategic Community Plan

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



The Ten Year Community Strategic Plan provides focus and direction

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# Corporate Business Plan

## Community Goal 1 Community inclusion and participation

### Objective/ Aspirational Outcome

Developing the "whole of Shire" community in all its diversity – geographic, age, culture, employment arrangements etc. – in a challenging context of rapid and fluctuating growth, uncertainty and risk.

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Disability Access and Inclusion	Community Development	DAIP reviewed and updated 2013 -2017. DAIP has been approved by Council, registered with the Disability Services Commission and is available on our website.	⊙				
Multi purpose community complex in Tom Price	Community Development	Tom Price in final stages of completion with final reconciliation as part of mid year budget review.		⊙			
Multi purpose community complex in Paraburdoo	Community Development	Paraburdoo CHub grant application required to be resubmitted (anticipated mid 2016).			⊙		
Multi purpose community complex in Onslow	Community Development	Completed	⊙				
Leased premises for groups and clubs	Community Development	Updated Policy, Delegation, and Community Leases and Licenses endorsed at December OMC. Lease site non-compliances currently being assessed for referral of Council endorsement of actions.		⊙			

- ✓ Completed
- ➔ Progressing
- 🔄 Commenced and ongoing
- ⏸ Delayed or deferred
- ⊙ Target for completion

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Events and cultural activities	Community Development	Funding secured through RTIO for Tom Price, Paraburdoo and Pannawonica until 2017 for a variety of programs. This includes Australia Day, Anzac Day, Welcome to Town events, NAIDOC and Christmas celebrations. Similar funding is currently being sought through Chevron for activities and programs in Onslow. Further funding and/or support for community groups to run program continues (eg Nameless Festival).		⊙	⊙	⊙	⊙
Youth services and programs; family services and programs; general programs	Community Development	Funding secured through RTIO for Tom Price, Paraburdoo and Pannawonica until 2017 for a variety of programs - this includes school holiday programs in Onslow. Similar funding is currently being sought through Chevron for activities and programs in Onslow. Further funding and/or support for community groups to run program continues (eg Nameless Festival).		⊙	⊙	⊙	⊙
Leaping Lizards (expanded to broader community participation)	Community Development	Replaced by Onslow Kids Kitchen Garden. Funding secured through Chevron until 2015.	⊙	⊙			
Community Sustainability (new)	Community Development	Community Development Sustainability roles in place and operating across Tom Price, Paraburdoo and Pannawonica.		⊙	⊙	⊙	⊙

### Objective/ Aspirational Outcome

Community capacity building (e.g. strengthening community groups and clubs)

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Club development (new)	Community Development	Club Development teams in place and operating across Tom Price, Paraburdoo with a Youth Recreation and Development role in Pannawonica. All roles funded by RTIO.		⊙	⊙	⊙	⊙



Community engagement practices are in place across a variety of projects.

**Objective/ Aspirational Outcome**

Improved ways of engaging the community around meaningful options

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Community engagement in strategy development; integrated planning and reporting	Community Development	Community engagement practices already well in place across a variety of projects and programs. Will continue to progress this further in year 2 - 4 of the Corporate Business Plan, once community groups and organisations are well established and supported.	🎯	🎯	🎯	🎯	🎯
External communication and public relations (incl. social media strategy)	Governance & Executive Service	Media Policy adopted by Council in November 2014. Communications Plans developed for RTIO and Chevron partnerships. Inside Ashburton, media releases and general Shire communications all actively engaging with the local communities. Facebook Page re-established.		🎯	🎯	🎯	🎯

**Objective/ Aspirational Outcome**

Supporting volunteerism

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Volunteer Hubs in Paraburdoo, Onslow and Tom Price	Community Development	Volunteer Hub in Tom Price established and operating (at Nintirri Health Centre). Paraburdoo and Onslow still in planning stages. Requires 2015/16 budget allocation to fund works.	🎯	🎯	🎯	🎯	🎯
Club development	Community Development	Monthly Club volunteer awards established and promoted through the Active Ashburton Newsletter (across Tom Price, Paraburdoo and Pannawonica via RTIO funding). Planning in place for similar in Onslow.	🎯	🎯	🎯	🎯	🎯

**Community Goal 2 Provision of Infrastructure that enables economic and social vitality**

**Objective/ Aspirational Outcome**

Community assets (direct provision and/or facilitating provision by others); Sport and recreation, Aged care and medical services, Childcare

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Swimming Pools Tom Price, Paraburdoo (+ new playground) and Onslow (proposed – active pursuit)	Community Development	Tom Price & Paraburdoo have minor capital works projects scheduled for 2014/15. RFT to consultant to design & prepare a business case/feasibility for Onslow Pool being developed. Requires 2015/16 budget allocation to fund housing for staff. Paraburdoo pool facility upgrade (change rooms etc) part of the CHUB Scope.	🎯	🎯	🎯		
Water spray park Paraburdoo (new)	Community Development	Design has been drafted & costed (approx. \$600K) need to wait for final CHUB design to understand location and connections. Requires 2015/16 budget allocation to fund works.			🎯		
Courts (netball, basketball, tennis) Tom Price, Paraburdoo and Onslow	Community Development	RFT for basketball courts in Onslow prepared, but advertising is subject to land tenure being finalised by DSD.		🎯	🎯		







Stage 1 of the Tom Price Town Centre has been successfully completed.

#### Objective/ Aspirational Outcome

Community assets (direct provision and/or facilitating provision by others); Sport and recreation, Aged care and medical services, Childcare

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Useable cricket pitch and nets in Paraburdoo (new)	Community Development	✓ Indoor crickets nets have been replaced.		⊙			
Outdoor basketball courts in Onslow (new)	Community Development	➔ RFT for basketball courts in Onslow prepared, but advertising is subject to land tenure being finalised by DSD.		⊙	⊙		
Skate Park Tom Price	Community Development	✓ Tom Price Skate Park completed.	⊙				
Skate Park Paraburdoo	Community Development	➔ Funding application approved by Lotterywest. Tender for facility design now being progressed.		⊙			
Skate Park Onslow	Community Development	➔ Location endorsed at December OMC. Tender for facility design now being progressed.		⊙	⊙		
Ovals in Paraburdoo (upgrade), Tom Price (upgrade) and Onslow	Community Development	➔ Master Plan for Tom Price Are W finalised. Some works to proceed with available 2014/15 budget funds. Requires 2015/16 budget allocation to fund majority of Master Plan works.		⊙	⊙		
Early Years Program Onslow (new)	Community Development	⏸ No present budget allocation for this but Gumala are looking to bring a program to Bindi Bindi.					
Playgrounds (progressive upgrades)	Community Development	➔ Soft fall at Onslow Playground to be replaced 2014. Upgrade to Tom Price Lions Park 2014. Planning for new playground at Clem Thompson (Tom Price) underway (requires 2015/16 budget allocation to fund works).		⊙	⊙		
Leased Premises	Strategic & Economic Development	➔ All commercial properties have current lease agreements (excluding the Tom Price Gymnasium currently being drafted); Sun Chalets lease completed.		⊙			⊙
Aged care services Onslow (expanded)	Community Development	➔ Undertaking upgrades to current facilities 2014.		⊙			
Childcare Paraburdoo (new)	Community Development	➔ Funding secured for Child Care Centre in Paraburdoo. Construction to commence 2015.			⊙		
Tom Price (expanded)	Community Development	➔ Tom Price Child Care to be a focus 2015/16 financial year (requires budget allocation to fund works).			⊙	⊙	

#### Objective/ Aspirational Outcome

Complete Town Centre Revitalisations

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Paraburdoo, Onslow, Tom Price	Strategic & Economic Development	➔ Stage 1 of the Tom Price Town Centre complete – additional funds will be used to install CCTV, improve canopies, carpark lighting & shelter – expected completion is June 2015.  Paraburdoo Town Centre – components of Masterplan being undertaken as funding is identified. Front and rear carparks, gazebo, toilet upgrade complete, Skate Park concept design complete and funding secured to commence final design.  Onslow Town Centre will require public consultation and review of Charette, engagement of an appropriate consultant to develop a Masterplan.		⊙	⊙	⊙	

#### Objective/ Aspirational Outcome

Drainage investigations and upgrading drainage in Paraburdoo and Tom

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Drainage Audit and Data Pick-up, type, depth and Condition/Capacity assessment, investigations on capacity. Tom price, Paraburdoo and Onslow	Infrastructure Services	➔ Paraburdoo and Tom Price drainage works completed/to be finalised in 2014/15.  HQ are in the process of drafting a tender and within late October, early November they will be visiting the area to gather relevant information for that.		⊙	⊙	⊙	

#### Objective/ Aspirational Outcome

Implementing Bike Plan

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Progressive implementation of bike path program	Infrastructure Services	➔ The following work is scheduled for 2014/15: <i>Ashburton Ave, Paraburdoo</i> , 200m connecting new paths with the recently constructed carparks; <i>Meharry Rd from Ashburton Ave North</i> , Paraburdoo, 400m; <i>Yaruga St between North Rd and Pilkena St, Tom Price</i> , 230m. Tenders being called for work to commence early 2015.		⊙	⊙	⊙	⊙



### Objective/ Aspirational Outcome

Waste Site Closures of Existing Burdened Sites to meet Licensing Requirements

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Closure and rehabilitation of the existing Onslow Landfill.	Infrastructure Services	➔ Onslow Landfill Closure and Rehabilitation plan is complete. Contractor will be engaged to undertake the rehabilitation works from May 2015. Completion by end of 2015. <i>Requires 2015/16 budget allocation to complete works.</i>		🎯	🎯	🎯	
Closure and rehabilitation of the existing Paraburdoo Landfill and development of a transfer station	Infrastructure Services	✔️ Talis Consultants are to complete a Waste Strategy Proposal for this site starting February 2015.		🎯			

### Objective/ Aspirational Outcome

Road Upgrades for Improved Access, Safety and Recreational Opportunities

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Complete Upgrade/Seal Banjima Drive	Infrastructure Services	✔️ Completed	🎯	🎯			
Upgrade of Panawonica-Millstream Road	Infrastructure Services	✔️ Completed		🎯			
Unsealed Road Re-sheeting Shire's unsealed road network	Infrastructure Services	➔ Unsealed Road Resheeting Shire's unsealed road network.		🎯	🎯	🎯	🎯
4WD Video Condition & Data Pick-up of Unsealed Roads	Infrastructure Services	➔ 4WD Video Condition & Data Pick-up of Unsealed Roads. Tender is currently being advertised, work is programmed to be completed prior to 30 June 2015.		🎯			
Upgrade of Roebourne-Wittenoom Road	Infrastructure Services	➔ Consultancy let for lobbying/business plan (expected March 2015). Preliminary design work progressing, including best possible long term implementation plan and staging option. Some gravel upgrade works to be undertaken in early 2015 with available 2014/15 funds.		🎯	🎯	🎯	

### Objective/ Aspirational Outcome

Improved Waste Facilities

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Selection and development of a new waste management facility site (transfer station) for Onslow due to required closure of the existing facility	Infrastructure Services	➔ Existing facility to be closed 31 March 2015. Tenders let for construction of transfer station (to be built on reserve 19291 and due to open to the public on 1 April 2015).		🎯			
Development of a Tom Price Landfill Management Plan	Infrastructure Services	➔ Environmental MP and the Operational MP have been revised and completed. Talis Consultants are to complete a Waste Strategy Proposal for this site starting February 2015.		🎯			
Boom Gates for Landfill sites - Tom Price and Paraburdoo	Infrastructure Services	➔ The gates with traffic lights will be erected March 2015.		🎯			
CCTV Cameras - Tom Price and Paraburdoo Landfills	Infrastructure Services	➔ Cameras will be sited in March 2015 at both landfills.		🎯			
New Garden Shed at the Tom Price Landfill in recycling yard	Infrastructure Services	➔ The ground work of the carpark is completed and the shade structure frames are up. The roofing of these structures completed (save for installing minor central roofing sheets not correctly supplied).		🎯			

### Objective/ Aspirational Outcome

Paraburdoo Carpark Upgrade

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Shade Structures and Ground Work Paraburdoo Car Park.	Infrastructure Services	✔️ The ground work of the carpark is completed and the shade structure frames are up. The roofing of these structures completed (save for installing minor central roofing sheets not correctly supplied).		🎯			





The Shire currently has a 'Buy Local' policy, which is used in all procurement processes.

**Objective/ Aspirational Outcome**

Landscaping

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
New tree planting in Camp Road Paraburdoo	Infrastructure Services	Completed		⊙			
Bin Surrounds for the Foreshore - Onslow	Infrastructure Services	Completed		⊙			
Upgrade of backyard - Ashburton Hall Paraburdoo	Infrastructure Services	A scope to be written February 2015 for completion June 2015 (there is potential for this to be incorporated as a component of the Paraburdoo CHUB project).		⊙			

**Objective/ Aspirational Outcome**

Onslow Airport Upgrade

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Improve/upgrade the drainage on taxiway Delta	Infrastructure Services	Completion during March to June 2015.		⊙			
General Aviation Lease Area preparation	Infrastructure Services	Completion during March to June 2015.		⊙			

**Community Goal 3 Provision of Infrastructure that enables economic and social vitality**

**Objective/ Aspirational Outcome**

Land development - industrial and residential

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Land development plan (new) and identification of available land	Strategic & Economic Development	Land identified for development.					⊙

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
De-constraining of available land	Strategic & Economic Development	PRC project being progressed to de-constrain "Golf Course Estate" (Tom Price) subject to understanding costs to purchase initial land. Industrial land disputes still to be settled before additional lands considered. Requires 2015/16 budget allocation to complete works.			⊙	⊙	⊙
Onslow Industrial Subdivision – 55 lots of serviced industrial land at lot 16 Onslow Rd	Strategic & Economic Development	Council decision (December 2014) to seek a Business Plan from Landcorp. Due for April OMC.	⊙	⊙			
Tom Price: Stage 2 Boonderoo Rd Industrial Subdivision – 10 lots of serviced industrial land at Southern end of Boonderoo Rd	Strategic & Economic Development	Project delayed to resolve legal issues. New investigation into demand for land, development costs and appropriate design now required. Requires 2015/16 budget allocation to complete works.			⊙	⊙	
Further residential land development Tom Price and industrial land development Onslow and Tom Price – active pursuit	Strategic & Economic Development	"Golf Course Estate" in Tom Price identified as most appropriate for residential land, being progressed through PRC. Potential exists for Shire to secure this land for revised valuation price of \$400,000. Requires 2015/16 budget allocation to complete works. Stage 2 of Onslow Airport sub division - Council decision (December 2014) to seek a Business Plan from Landcorp (due for April OMC).			⊙	⊙	⊙

**Objective/ Aspirational Outcome**

Accommodation/housing (visitor, service worker, and residential expansion)

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Affordable housing (active pursuit)	Strategic & Economic Development	Working with DoH and PDC to identify affordable housing and service worker accommodation strategies.				⊙	⊙
Caravan park Onslow (improve) and Tom Price	Strategic & Economic Development	\$2.2m in 14/15 budget for Ocean View Caravan Park upgrades – Committee is meeting regularly and design services tender let. Works program established but requires 2015/16 budget allocation to complete works.			⊙	⊙	⊙



**Objective/ Aspirational Outcome**

Tourism development

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Caravan park Onslow (improve) and Tom Price	Governance & Executive Service Strategic & Economic Development	➔ Onslow's Ocean View Caravan Park upgrade details (previous). Tom Price Caravan Park lease to be reviewed – currently for sale so negotiations may be required with assigned lessee (opportunistic).		🎯	🎯	🎯	
Tourist Centre Tom Price (enhance)	Governance & Executive Service	⏸ Upgrade works not funded in the 2014/15 capital works budget. Some minor improvements might be affordable from within the operational budget.  There is though, a 2014/15 budget allocation for tourism which will see implementation of the first stage initiatives within the Shire's Tourism Strategy.		🎯	🎯	🎯	🎯
Review and refresh a clear vision for Tourism (facilitation of enhanced tourism offering and promotion)	Governance & Executive Service	➔ As a partner in the PDC/PRC Pilbara Tourism Product Development Plan, the Shire's initiatives will reflect the overall Pilbara aims of its plan. Existing Plan still effective for foreseeable future.		🎯	🎯	🎯	🎯
Facilitate partnerships with tourism industry and business professionals (more targeted approach)	Governance & Executive Service	➔ The PDC's 'My Pilbara Adventure' promotion to encourage Pilbara tourism and tourism business engagement is to be supported again in 2015 (including a television promotion).					🎯
Heritage Tourism (enhance)	Governance & Executive Service	➔ Old Onslow Project (\$1m) being progressed with PRC & Chevron, first stage of conservation and identifying plan/strategy for future actions & tourism. Rest stop has been installed at Old Onslow.		🎯	🎯		🎯
Harness local and regional resources and opportunities to stimulate tourism activity	Governance & Executive Service	➔ Coordinating Ashburton Tourism opportunities with PDC Tourism Strategy. Banjima Drive sealing to Karijini completed.		🎯	🎯	🎯	🎯
Facilitate partnerships with tourism industry and business professionals	Governance & Executive Service	➔ Coordinating Ashburton Tourism opportunities with PDC Tourism Strategy. Engaged with CCI's of Tom Price and Onslow to develop Business Directory.		🎯	🎯	🎯	🎯

**Objective/ Aspirational Outcome**

Improved support for local business community

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Marketing strategy – place to live, work and do business; “buy local”	Governance & Executive Service	➔ The Shire currently has a 'Buy Local' policy, which is used in all procurement processes. The Shire will also encourage residents to 'buy local' with the following 2014/15 project, namely, the Business Community Directory will be promoted in Shire communications such as Inside Ashburton.		🎯	🎯	🎯	🎯
Relationship building (improved understanding of business issues and needs)	Governance & Executive Service	➔ Development of Business Directory in consultation with CCI's. Preparation of “How to Tender” Presentation. Meetings/Presentations with CCI's underway.		🎯	🎯	🎯	🎯
Business showcase (minimum of 2 forums/ expos per year in Tom Price and Onslow and 1 per year in Paraburdoo)	Strategic & Economic Development	➔ Industry Forums in Onslow have been taken over by the Onslow Chamber of Commerce & Industry (supported by SoA). Strategy for Tom Price being developed.  The Shire will continue to work with Pilbara Inland Chamber of Commerce to develop strategy for Tom Price/Paraburdoo Industry Forums.					🎯
Support business sustainability (enhance support and advocacy to address issues)	Strategic & Economic Development	➔ Various projects underway – working with local businesses to improve their understanding of SoA's procurement processes etc; working with DoH & PRC to facilitate service workers accommodation.		🎯			
Facilitate access to land (enhance support to navigate requirements)	Strategic & Economic Development	➔ Releasing industrial land in Onslow to support local business. Council decision (December 2014) to seek a Business Plan from Landcorp. Stage 1 in Tom Price already complete.		🎯			🎯
Business incubators (four factory units in Onslow as an initial priority) – active pursuit	Strategic & Economic Development	➔ Small Business Centre (West Pilbara) has started a Business Hub in Onslow.  Funding & operating models will need to be identified for construction and management of Business Incubators.					



# The Shire continues to actively seek ways to engage with all our communities.

## Community Goal 4 Staying Ahead of the Game

### Objective/ Aspirational Outcome

Quality of communication from Elected Members to the Community

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Community engagement in strategy development; integrated planning and reporting	Governance & Executive Service	The Shire continues to actively seek ways to engage with all our communities. An Engagement Strategy will be developed to take into account the Community Consultation requirements in relation to Integrated Planning & Reporting.			🎯		🎯
Media, external communication and public relations (incl. social media strategy)	Governance & Executive Service	A part time officer was funded within the 2014/15 budget (equivalent of one day per week for social media) to assist with procedure development and operational activities. The Shire's Strategic Media Policy (including social media) and corresponding operational 'directive' has been reviewed, the Policy was adopted by Council in November 2014 & both Policy & Directive have been implemented.		🎯			🎯
Integrated Planning and Reporting (Council on a continuous improvement path for high quality planning and reporting)	Corporate Services	A schedule has been developed to roll out the key elements of Integrated Planning to Council on an Annual Basis. Key elements are Risk Management, Workforce Management, Long Term Financial Planning & Asset Management. This has been scheduled to take place on Council Meeting dates.					🎯
Integrated Strategic Projects Reporting	Corporate Services	Internal reports have been developed to see updates provided to Council on a six monthly basis commencing by end 2014 via EMACCESS. The initial Annual Report format of reporting on the Corporate Business Plan will be presented to Council with fully audited financials in early 2015.		🎯	🎯	🎯	🎯

### Objective/ Aspirational Outcome

Reflecting on regional issues and collaborating with our neighbouring Shires for the benefit of the regional community (PRC)

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Economic Development Strategy	Strategic & Economic Development	All PRC projects progressing. Involvement with PDC as a Board Member secured.		🎯	🎯	🎯	🎯
Consideration of regional impact in decision-making criteria	Governance & Executive Service	Attendance at all PRD and PDC Meetings. Regular contact maintained with Pilbara CEO's.		🎯	🎯	🎯	🎯
Harness local and regional resources and opportunities to stimulate tourism activity	Governance & Executive Service	Coordinating Ashburton Tourism opportunities with PDC Tourism Strategy. Maintaining close contact with DPAW.		🎯	🎯	🎯	🎯







A Customer Service Charter has been implemented.

## Community Goal 5 Governance

### Objective/ Aspirational Outcome Governance

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Effective communication between CEO and Shire President and Councillors	Governance & Executive Service	Internal practices and culture promoted and maintained to ensure positive working relationships secured.		🎯	🎯	🎯	🎯
Councillor Induction	Governance & Executive Service	Induction Program completed for implementation at next Councillor Election.	🎯		🎯		🎯
Councillor Professional Development		Annual Budget Allocation is made to ensure Councillors are able to attend professional development sessions and LG Conferences.		🎯	🎯	🎯	🎯
Councillor support	Governance & Executive Service	Internal practices and culture promoted and maintained to ensure positive working relationships secured.		🎯	🎯	🎯	🎯
Policies and procedures	Corporate Services	An automated electronic register has been developed and implemented so that Officers can review and present to Council all Council Policies on the required 2 year timetable. The formal process is in place and will be monitored to ensure internal compliance. Policies endorsed at November Meeting of Council.	🎯	🎯	🎯	🎯	🎯

### Objective/ Aspirational Outcome

Stakeholder relationships (government and business) and advocacy

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Partnership development – resources sector	Governance & Executive Service	Engagement with key resource stakeholders occurs on an ongoing and as required basis.		🎯	🎯	🎯	🎯
Facilitate partnerships with tourism industry and business professionals	Governance & Executive Service	Coordinating Ashburton Tourism opportunities with PDC Tourism Strategy. Engage with CCI and individual businesses.		🎯	🎯	🎯	🎯
Advocacy for strategic capital projects and to address barriers to land release	Governance & Executive Service	Liaising with Pilbara Regional Council (Lazy Lands Funds), Department of Housing, and Landcorp, to coordinate land development. Requires 2015/16 budget allocation to undertake works.		🎯	🎯	🎯	

### Objective/ Aspirational Outcome

Customer service

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Customer service – reception, phone, bookings, enquiries etc.	Corporate Services	Ongoing review of ways to improve front line service delivery at Shire customer services centres continues. An electronic system for making reservations for Shire properties (such as sporting facilities) is being reviewed. Improvements to Paraburdoo timetabling/roles made.		🎯	🎯	🎯	🎯
Customer action requests	Infrastructure Services	Use of Assetic (Asset Management Software) for management of Customer Action Requests and operational management provided by Infrastructure Services has seen major improvement to the service.	🎯				
Customer service charter (for investigation)	Corporate Services	A Customer Service Charter has been implemented.	🎯				





Plans and negotiations are underway for additional housing in Onslow

## Community Goal 6 Organisational Stability

### Objective/ Aspirational Outcome

Staff housing

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Staff housing (additional accommodation provided)	Governance & Executive Service Strategic & Economic Development	Plans and negotiations are underway for additional housing in Onslow, however currently this may only address as little as half of the forecasted staff housing requirements, with the remainder still having to be leased privately. More capital expenditure needs to be approved to avoid the necessity for private property leases. Alternatively, consideration may need to be given to transit housing and FIFO employees. Negotiations are currently underway to lease additional housing from Rio Tinto in Tom Price. Work shopped with Council in November but requires 2015/16 budget allocation to undertake works.		🎯	🎯	🎯	🎯

### Objective/ Aspirational Outcome

Policies and procedures and records management

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Knowledge management (complete set up and maintain a fully integrated workflow and knowledge management system).	Corporate Services	Stage 3 of the Knowledge Management project has been cancelled. The AIMS system has been fully implemented and additional resources (staffing) have been secured for the Shire's Records Management Team. This has allowed a greater focus on training of new and existing staff and compliance monitoring. Workflow documents will be introduced in the 2014/15 year to assist in streamlining and standardising our processes.	🎯				
Maintain accessible, up to date human resources and financial policies and procedures	Corporate Services	AIMS Stages 1 and 2 are fully complete and the AIM's system is providing Shire staff with up to date policies and procedures, forms in a fully accessible format. All HR Policies are currently under review to ensure best practice approaches and competitiveness with neighbouring Local Governments.		🎯			🎯
Replace Office/Hall & Library Complex in Onslow		Council approved Concept Plans, insurance claim settled, \$2m funding from CVX secured, Construction tenders being assessed. Building expected to be operational mid 2016.		🎯	🎯		



We went from strength  
to strength in 2013-2014.

# Highlights

## July 2013

### Councillors Reinstated

The Shire of Ashburton Councillors were reinstated by Local Government Minister, Hon. Tony Simpson MLA after what had been a challenging six month period. During the first Ordinary Meeting of Council, Councillors were pleased to announce the appointment of a new CEO for the Shire of Ashburton, Neil Hartley.



COUNCILLORS REINSTATED

### NAIDOC Week

NAIDOC Week was celebrated in all towns across the Shire, including the first ever NAIDOC concert in the region hosted by Gumala Aboriginal Corporation. Activities and events focused on acknowledging the invaluable contribution Indigenous people make to Australia's national identity and in particular to the Pilbara region.



NAIDOC WEEK

## August 2013

### Nameless Festival in Tom Price

Tom Price town centre was transformed into a hive of excitement and activity across the 9 and 10 August with a funfair of rides, concerts, local talent show, art exhibitions, firework display and a variety of stalls all to celebrate the 2013 Nameless Jarndunmunha Festival.

Reece Mastin, winner of Australia's X Factor in 2011, was the headline act at a youth concert on Friday night, providing a great night out for residents of all ages.

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

### Onslow Airport

The first charter Fokker100 jet landed on the new runway at Onslow Airport, transporting a full flight of Wheatstone Project workforce from Perth.



## September 2013

### Onslow Industry Forum

The Shire hosted a Community and Business Forum, highlighting the upcoming opportunities and projects that may result as part of the Wheatstone development. The main goal of the Industry Forum was to give local businesses an insight into commercial development, encourage discussion and provide opportunities for business to benefit from the increased activity within the region.

## October 2013

### Council leadership remains stable

The current Shire President and Deputy Shire President, Kerry White and Linton Rumble were again elected to continue their respective roles with the Shire of Ashburton.

Both positions are for two year terms and President White and Deputy President Rumble are keen to lead the Council on its journey over those coming couple of years.

### New CEO commences

This month marked another step forward for the Shire of Ashburton as Mr Neil Hartley commenced his role as Chief Executive Officer.

Shire President Kerry White was pleased to announce Mr Hartley's appointment at the Ordinary Meeting of Council on 18 July. Mr Hartley resigned from his position as CEO for the City of Kwinana to accept the new role, and has worked in local government for over 35 years, including a number of rural communities.

### Community Satisfaction Survey

The Shire of Ashburton launched a Satisfaction Survey as part of a project to improve the lives of community members.

The survey gave residents the opportunity to express opinions and offer recommendations for future improvements to the Shire's services and facilities. The results of the Community Satisfaction Survey have been used as a valuable guide to future planning and service processes.

## November 2013

### Community consultation for Paraburdoo Skate Park

Designers from Convic visited Paraburdoo and hosted a community consultation to find out what residents wanted for their new skate park. These suggestions then helped guide the next stage of the project and development of initial designs and location proposals.

### Christmas Cheer comes early to Onslow

The Shire of Ashburton hosted a Christmas Lunch for all Senior's living in or visiting Onslow. The popular event included bus travel, entertainment and a gourmet Christmas lunch.

## December 2013

### Cyclone Christine brings in the New Year

Tropical Cyclone Christine brought torrential rain and destructive winds to the Shire of Ashburton on December 31. At the height of the storm the Bureau of Meteorology predicted the winds at the eye of the cyclone were gusting to 220km/h, but the powerful system spared a direct hit on any of the Pilbara communities.

New Year celebrations were put on hold as the Shire's emergency and cleanup crews worked tirelessly removing debris and damaged objects, restoring a safe environment to each town.



NEW CEO COMMENCES, MR NEIL HARTLEY



AUSTRALIA DAY 2014

The new facilities will assist in strengthening community connection and participation.

## January 2014

### Australia Day Celebrations

In the true spirit of Australia Day, camaraderie and mateship were on full display as each of the Shire's four towns came together to celebrate Australia Day. Exciting social activities and award presentations were held in each town. Presentations were also held in each town to award the prestigious Premier's Australia Day Active Citizenship Awards to well deserving community members.

### Concept plans for Onslow's new Shire office and Library

Community consultation and an architect site visit during January was an important milestone in the progression of concept plans for the new Shire office and library in Onslow. The proposed layout of the new building will create a contemporary yet traditional presence on the main street of Onslow. Public spaces will occupy the ground floor while the second level will house the Shire's office staff.

## February 2014

### Merging of Paraburdoo services to provide greater efficiency

Paraburdoo library and administration services were merged as part of the Shire's strategy aiming to provide the community with enhanced services. This more efficient use of staff and space provides the community with easier access to Shire services, as well as provide financial savings and much needed office space.

CLEM THOMPSON OFFICIAL OPENING

### Clem Thompson Memorial Oval and Pavilion opens its doors

The highly anticipated Clem Thompson Memorial Oval and Pavilion in Tom Price was officially opened at a twilight ceremony on Thursday, 13 February 2014. The \$10 million community facilities project was possible thanks to funding from Royalties for Regions, Rio Tinto, Department of Sport and Recreation and the Shire of Ashburton.

These state-of-the-art facilities enhance Tom Price's sporting culture and assist in strengthening community connection and participation. In addition to sport, the project has also provided much needed facilities for social, business and community groups





## March 2014

### Lights to shine on the Tom Price Skate Park

Six light towers were commissioned for the Tom Price Skate Park to allow the facility to be enjoyed by young people during the evening, once the hot days have cooled off.

### Onslow Airport successfully directs air traffic

The Onslow airport, the largest project ever undertaken by the Shire of Ashburton, continues to make progress. Chevron is successfully using the runway to transport its fleet of workers for the Wheatstone project. In March 2014 four planes were positioned at the airport all at once, which was a great milestone as we move towards the completion of a highly functioning passenger terminal.

## April 2014

### Residents pay tribute on ANZAC Day

As the first light of dawn appeared across the Pilbara on Friday 25 April nearly 2,000 residents

gathered to commemorate and honour the ANZACs. Dawn services throughout the region gave tribute to those who gave their lives or served in the military and included contributions from Indigenous Australians and New Zealand.

Across the Shire, various traditional ANZAC day activities generously raised thousands of dollars for Legacy.

## May 2014

### Onslow to receive a new basketball precinct

The Shire of Ashburton Council approved concept plans for the construction of a new basketball precinct to be built in Onslow, which means the project is "one step closer" to a reality.

### Volunteer Hub launched in Tom Price

To coincide with International Volunteering Week Celebrations, a Volunteer Hub was launched in Tom Price in partnership between the Shire and the Nintirri Centre. The Volunteer Hub connects community organisations and sporting clubs that have a need for volunteers. Nintirri Centre keep records of all vacant volunteer positions and assist in matching enthusiastic community volunteers with local community groups who need extra support.

## June 2014

### Sealing Works begin for Karijini National Park

The first stage of the sealing works for the Banjima Drive project commenced this month, with sealing works expected to be completed by August 2014. The project includes a "Stage 2" in 2014/15 and will improve the quality of Banjima Drive, which is a main thoroughfare for traffic into Karijini National Park.



ONSLOW AIRPORT

Across the Shire, traditional ANZAC day activities raised thousands of dollars for Legacy.





# Statutory Reports

## 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 2013/14, eight FOI applications were received by the Shire of Ashburton. Seven applications were successfully processed during the reporting period. One application was withdrawn.

## 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. The current Record Keeping Plan is currently under review and will be updated for submission in 2015.

The Shire of Ashburton has increased overall staffing levels in Records to provide improved service to the organisation.

Implementation of a formal training program in relation to Records Management, including induction for all new staff members and refresher training for existing employees, is working to improve staff understanding of their responsibilities in relation to management of records.

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.

## Strategic Planning

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

### 2013/14 Progress Update

The Shire of Ashburton Council set a priority list within the Corporate Business Plan.



## Staffing levels in Records have increased to provide improved service.

### 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:

- 2 employee had a salary of between \$100,000 and \$110,000
- 1 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
- 1 employee had a salary of between \$230,000 and \$240,000

### Disability Access and Inclusion Plan

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

The Disability Services Commission accepted the Shire of Ashburton's new DAIP (2013-2017) on 6 August 2014. Council is required to report on the seven outcomes relating to DAIPs annually.

The Shire of Ashburton is committed to achieving the following outcomes.

#### Outcome 1

People with disability have the same opportunities as other people to access the services of, and any events organised by, a public authority.

- Ensure that the Shire's Policy on Disability Access, and other relevant policies reflect current legislative requirements
- Support and/or develop services to meet the needs to people with disability, their families and carers
- Ensure that as far as possible and practicable, all events have access and provision for people with disability

#### Outcome 2

People to access the buildings and other facilities of a public authority.

- Continue to upgrade and redevelop existing facilities to better meet the needs of people with disability, including the provision of ramps, car parking, accessible bathrooms, and automatic doors
- Ensure adequate car parking for people with disability in all Shire car parks
- Ensure all new building plans include consultation with people with disability, disability service providers before finalisation.
- Ensure that sporting and leisure facilities are accessible
- Ensure that parks and playgrounds are accessible
- Ensure all external contractors are aware of the DAIP
- Allow free entry for Companion Card holders to Shire Swimming Pools in Tom Price and Paraburdoo and the Shire run Onslow Gymnasium



### Outcome 3

People with disability 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.

- Work towards ensuring the Shire website meets best practice standards for people with disability
- Continue to provide accessible books and resources through the Shire Libraries
- Consider the needs of people with disability when producing advertising material for events and activities
- Ensure information on Council and Shire activities and functions is available in alternative formats, including Braille if requested (and able to be provided).
- Where possible, and where available, provide the use of an Auslan interpreter

### Outcome 4

People with disability receive the same level and quality of service from the staff of a public authority as other people receive from the staff of that public authority.

- Ensure staff are aware of disability and access issues, and are trained to respond appropriately when dealing with people with disability

### Outcome 5

People with disability have the same opportunities as other people to make complaints to a public authority.

- Ensure staff are aware of disability and access issues, and are trained to respond appropriately when dealing with people with disability
- Ensure alternative avenues are

available for people with disability to register complaints, including verbally.

### Outcome 6

People to participate in any public consultation by a public authority.

- Ensure consultation is conducted in venues that are accessible for people with disability
- Ensure consultation is advertised in a way that is relevant for people with disability, including by invitation for processes such as reviewing the DAIP, and by utilising exiting disability services.

### Outcome 7

People with disability have the same opportunities as other people to obtain and maintain employment within a public authority

- Review all JDF's are inclusive for people with disability
- Ensure position advertisements are inclusive for people with disability.
- Collect and collate statistics on how many people with disability are employed by the Shire
- Where possible and practicable make reasonable amendments to working conditions to accommodate people with disability.

## 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 2013/14.

## Register of Complaints

One complaint was received by the Shire of Ashburton during the reporting period. Investigation of the complaint resulted in the complaint being found to be baseless and unjustified.

The Shire is committed to supporting the needs of people with disability and their families and carers.





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# Financials

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Statement by CEO	43
Statement of Comprehensive Income by Nature or Type	44
Statement of Comprehensive Income by Program	45
Statement of Financial Position	47
Statement of Changes in Equity	48
Statement of Cash Flows	49
Rate Setting Statement	50
Notes to and Forming Part of the Financial Report	51
Independent Auditor's Report	106
Supplementary Ratio Information	108



SHIRE OF ASHBURTON  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2014  
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 supporting notes and other information for the financial year ended 30th June 2014 are in my opinion properly drawn up to present fairly the financial position of the Shire of Ashburton at 30th June 2014 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 19 day of January 2015.

  
Neil Hartley  
Chief Executive Officer

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

	NOTE	2014 \$	2014 Budget \$	2013 \$
<b>Revenue</b>				
Rates	22	24,577,156	15,217,825	12,764,341
Operating Grants, Subsidies and Contributions	28	4,231,252	6,018,737	6,009,354
Fees and Charges	27	19,425,281	21,489,505	17,769,707
Interest Earnings	2(a)	399,480	471,240	525,328
Other Revenue		5,298,649	626,137	2,792,775
		<u>53,931,818</u>	<u>43,823,444</u>	<u>39,861,505</u>
<b>Expenses</b>				
Employee Costs		(12,112,792)	(12,804,291)	(10,522,106)
Materials and Contracts		(13,474,239)	(20,291,436)	(16,357,615)
Utility Charges		(956,415)	(518,718)	(545,466)
Depreciation on Non-Current Assets	2(a)	(7,807,598)	(7,887,069)	(7,771,967)
Interest Expenses	2(a)	(198,759)	(202,946)	(227,337)
Insurance Expenses		(1,062,522)	(1,198,131)	(1,106,093)
Other Expenditure		(795,460)	(578,991)	(259,144)
		<u>(36,407,785)</u>	<u>(43,481,582)</u>	<u>(36,789,728)</u>
		17,524,033	341,862	3,071,777
Non-Operating Grants, Subsidies and Contributions	28	19,414,123	23,995,254	24,155,702
Profit on Asset Disposals	20	4,181,158	4,740,586	5,598,100
Loss on Asset Disposal	20	(542,676)	(43,460)	(789,421)
<b>Net Result</b>		<b>40,576,638</b>	<b>29,034,242</b>	<b>32,036,158</b>
<b>Other Comprehensive Income</b>				
Changes on Revaluation of Non-current Assets	12	46,682,627	0	681,905
<b>Total Other Comprehensive Income</b>		<b>46,682,627</b>	<b>0</b>	<b>681,905</b>
<b>Total Comprehensive Income</b>		<b>87,259,265</b>	<b>29,034,242</b>	<b>32,718,063</b>

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 2014**

	NOTE	2014 \$	2014 Budget \$	2013 \$
<b>Revenue</b>				
Governance		5,131,431	1,045,748	806,793
General Purpose Funding		27,247,554	17,995,218	17,549,824
Law, Order, Public Safety		116,347	113,650	103,519
Health		249,712	238,006	175,209
Education and Welfare		130,948	336,000	231,400
Housing		311,504	249,971	311,642
Community Amenities		3,985,583	4,655,766	4,832,541
Recreation and Culture		1,378,151	955,453	2,525,751
Transport		6,957,999	3,463,504	2,212,470
Economic Services		2,188,567	2,961,353	2,428,676
Other Property and Services		6,234,022	11,808,775	8,683,680
	2(a)	<u>53,931,818</u>	<u>43,823,444</u>	<u>39,861,505</u>
<b>Expenses</b>				
Governance		(4,723,244)	(4,419,043)	(4,397,287)
General Purpose Funding		(132,791)	(148,180)	(150,700)
Law, Order, Public Safety		(1,045,866)	(919,149)	(875,254)
Health		(779,625)	(797,405)	(729,226)
Education and Welfare		(401,333)	(611,386)	(544,084)
Housing		(537,557)	(448,130)	(434,780)
Community Amenities		(5,088,374)	(6,471,142)	(5,284,687)
Recreation and Culture		(5,871,197)	(6,517,017)	(5,683,538)
Transport		(8,359,571)	(9,916,459)	(8,534,150)
Economic Services		(3,530,679)	(2,426,657)	(2,030,125)
Other Property and Services		(5,738,789)	(10,604,068)	(7,898,560)
	2(a)	<u>(36,209,026)</u>	<u>(43,278,636)</u>	<u>(36,562,391)</u>
<b>Finance Costs</b>				
Law, Order, Public Safety		(614)	(1,749)	(2,900)
Housing		(156,358)	(158,780)	(176,902)
Recreation & Culture		(12,907)	(13,255)	(14,669)
Transport		(28,880)	(29,162)	(32,866)
	2(a)	<u>(198,759)</u>	<u>(202,946)</u>	<u>(227,337)</u>
<b>Non-Operating Grants, Subsidies and Contributions</b>				
Law, Order, Public Safety		422,658	0	0
Education and Welfare		1,500,000	1,500,000	0
Community Amenities		323,105	415,000	1,197,566
Recreation & Culture		4,185,954	4,804,800	997,169
Transport		12,962,406	17,255,454	21,960,967
Economic Services		20,000	20,000	0
		<u>19,414,123</u>	<u>23,995,254</u>	<u>24,155,702</u>
<b>Profit/(Loss) on Disposal of Assets</b>				
Governance		(149,208)	0	(184,167)
Law, Order, Public Safety		(3,004)	0	(6,364)
Housing		0	521,394	0
Housing		(119,062)	0	(1,640)
Community Amenities		(6,624)	0	708,862
Recreation & Culture		(120,441)	0	(370,074)
Transport		8,859	60,564	103,231
Transport		(67,495)	(43,460)	(219,473)
Economic Services		4,172,299	4,158,628	0
Economic Services		(10,592)	0	0
Other Property and Services		0	0	4,786,007
Other Property and Services		(66,250)	0	(7,703)
		<u>3,638,482</u>	<u>4,697,126</u>	<u>4,808,679</u>
<b>Net Result</b>		<b>40,576,638</b>	<b>29,034,242</b>	<b>32,036,158</b>

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

	NOTE	2014 \$	2014 Budget \$	2013 \$
<b>Other Comprehensive Income</b>				
Changes on Revaluation of Non-current Assets	12	46,682,627	0	681,905
<b>Total Other Comprehensive Income</b>		<u>46,682,627</u>	<u>0</u>	<u>681,905</u>
<b>Total Comprehensive Income</b>		<u>87,259,265</u>	<u>29,034,242</u>	<u>32,718,063</u>

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



**SHIRE OF ASHBURTON  
STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2014**

	NOTE	2014 \$	2013 \$	2012 \$
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents	3	34,276,627	13,453,435	11,015,503
Trade and Other Receivables	4	3,752,070	9,360,773	4,833,318
Inventories	5	197,818	156,559	2,980,798
<b>TOTAL CURRENT ASSETS</b>		<u>38,226,515</u>	<u>22,970,767</u>	<u>18,829,619</u>
<b>NON-CURRENT ASSETS</b>				
Other Receivables	4	0	265	658
Inventories	5	405,656	232,513	7,785
Property, Plant and Equipment	6	86,388,003	45,533,017	35,211,660
Infrastructure	7	142,036,855	120,017,377	92,445,550
<b>TOTAL NON-CURRENT ASSETS</b>		<u>228,830,514</u>	<u>165,783,172</u>	<u>127,665,653</u>
<b>TOTAL ASSETS</b>		<u>267,057,029</u>	<u>188,753,939</u>	<u>146,495,272</u>
<b>CURRENT LIABILITIES</b>				
Trade and Other Payables	8	4,634,997	12,303,721	4,913,600
Current Portion of Long Term Borrowings	9	1,540,356	1,556,916	368,891
Provisions	10	875,693	825,318	923,152
<b>TOTAL CURRENT LIABILITIES</b>		<u>7,051,046</u>	<u>14,685,955</u>	<u>6,205,643</u>
<b>NON-CURRENT LIABILITIES</b>				
Long Term Borrowings	9	3,282,536	4,597,892	3,466,322
Provisions	10	111,672	117,582	108,938
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>3,394,208</u>	<u>4,715,474</u>	<u>3,575,260</u>
<b>TOTAL LIABILITIES</b>		<u>10,445,254</u>	<u>19,401,429</u>	<u>9,780,903</u>
<b>NET ASSETS</b>		<u>256,611,775</u>	<u>169,352,510</u>	<u>136,714,369</u>
<b>EQUITY</b>				
Retained Surplus		185,398,847	158,674,210	128,599,117
Reserves - Cash Backed	11	23,848,396	9,996,395	8,115,252
Revaluation Surplus	12	47,364,532	681,905	0
<b>TOTAL EQUITY</b>		<u>256,611,775</u>	<u>169,352,510</u>	<u>136,714,369</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 2014**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2012		128,519,195	8,115,252	0	136,634,447
Comprehensive Income					
Net Result		32,036,158	0	0	32,036,158
Changes on Revaluation of Non-Current Assets	12	0	0	681,905	681,905
Total Comprehensive Income		<u>32,036,158</u>	<u>0</u>	<u>681,905</u>	<u>32,718,063</u>
Reserve Transfers		(1,881,143)	1,881,143	0	0
<b>Balance as at 30 June 2013</b>		<u>158,674,210</u>	<u>9,996,395</u>	<u>681,905</u>	<u>169,352,510</u>
Comprehensive Income					
Net Result		40,576,638	0	0	40,576,638
Changes on Revaluation of Non-Current Assets	12	0	0	46,682,627	46,682,627
Total Other Comprehensive Income		<u>40,576,638</u>	<u>0</u>	<u>46,682,627</u>	<u>87,259,265</u>
Reserve Transfers		(13,852,001)	13,852,001	0	0
<b>Balance as at 30 June 2014</b>		<u>185,398,847</u>	<u>23,848,396</u>	<u>47,364,532</u>	<u>256,611,775</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**

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

	NOTE	2014 \$	2014 Budget \$	2013 \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		24,210,484	15,229,830	12,683,513
Operating Grants, Subsidies and Contributions		4,445,487	6,973,962	4,661,369
Fees and Charges		22,596,507	22,747,505	15,159,911
Interest Earnings		399,480	471,240	525,328
Goods and Services Tax		4,509,531	315,000	2,815,805
Other Revenue		5,265,456	626,137	886,972
		<u>61,426,945</u>	<u>46,363,674</u>	<u>36,732,898</u>
<b>Payments</b>				
Employee Costs		(12,067,786)	(12,841,991)	(10,530,570)
Materials and Contracts		(21,209,762)	(20,384,291)	(8,974,661)
Utility Charges		(956,415)	(559,923)	(545,466)
Insurance Expenses		(1,062,522)	(1,198,131)	(1,106,093)
Interest expenses		(179,735)	(203,146)	(231,219)
Goods and Services Tax		(3,729,509)	(275,000)	(3,318,865)
Other Expenditure		(795,460)	(578,991)	(259,144)
		<u>(40,001,189)</u>	<u>(36,041,473)</u>	<u>(24,966,018)</u>
<b>Net Cash Provided By (Used In) Operating Activities</b>	13(b)	<u>21,425,756</u>	<u>10,322,201</u>	<u>11,766,880</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Development of Land Held for Resale		(173,143)	(1,818,500)	(370,315)
Payments for Purchase of Property, Plant & Equipment		(5,618,093)	(10,639,064)	(4,617,469)
Payments for Construction of Infrastructure		(13,084,619)	(25,655,609)	(10,673,593)
Payments for Works in Progress		(6,676,664)	0	(28,603,387)
Non-Operating Grants, Subsidies and Contributions		21,284,948	23,995,254	24,155,702
Proceeds from Sale of Plant & Equipment		4,996,923	5,396,000	8,460,519
<b>Net Cash Provided By (Used In) Investing Activities</b>		<u>729,352</u>	<u>(8,721,919)</u>	<u>(11,648,543)</u>
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures		(1,556,916)	(1,556,916)	(951,589)
Proceeds from New Debentures		225,000	0	3,271,184
<b>Net Cash Provided By (Used In) Financing Activities</b>		<u>(1,331,916)</u>	<u>(1,556,916)</u>	<u>2,319,595</u>
<b>Net Increase (Decrease) in Cash Held</b>		20,823,192	43,366	2,437,932
Cash at Beginning of Year		13,453,435	13,488,979	11,015,503
<b>Cash and Cash Equivalents at the End of the Year</b>	13(a)	<u><u>34,276,627</u></u>	<u><u>13,532,345</u></u>	<u><u>13,453,435</u></u>

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

	NOTE	2014 Actual \$	2014 Budget \$	2013 Actual \$
<b>Revenue</b>				
Governance		5,131,431	1,045,748	806,793
General Purpose Funding		2,670,398	2,777,393	4,785,483
Law, Order, Public Safety		539,005	113,650	103,519
Health		249,712	238,006	175,209
Education and Welfare		1,630,948	1,836,000	231,400
Housing		311,504	771,365	311,642
Community Amenities		4,308,688	5,070,766	6,738,969
Recreation and Culture		5,564,105	5,760,253	3,522,920
Transport		19,929,264	20,779,522	24,276,668
Economic Services		6,380,866	7,139,981	2,428,676
Other Property and Services		6,234,022	11,808,775	13,469,687
		<u>52,949,943</u>	<u>57,341,459</u>	<u>56,850,966</u>
<b>Expenses</b>				
Governance		(4,872,452)	(4,419,043)	(4,581,454)
General Purpose Funding		(132,791)	(148,180)	(150,700)
Law, Order, Public Safety		(1,049,484)	(920,898)	(884,518)
Health		(779,625)	(797,405)	(729,226)
Education and Welfare		(401,333)	(611,386)	(544,084)
Housing		(812,977)	(606,910)	(613,322)
Community Amenities		(5,094,998)	(6,471,142)	(5,284,687)
Recreation and Culture		(6,004,545)	(6,530,272)	(6,068,281)
Transport		(8,455,946)	(9,989,081)	(8,786,489)
Economic Services		(3,541,271)	(2,426,657)	(2,030,125)
Other Property and Services		(5,805,039)	(10,604,068)	(7,906,263)
		<u>(36,950,461)</u>	<u>(43,525,042)</u>	<u>(37,579,149)</u>
<b>Net Result Excluding Rates</b>		15,999,482	13,816,417	19,271,817
<b>Adjustments for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure and Revenue</b>				
Initial Recognition of Assets Due to Change to Regulations - Land and Structures Under Control of Council		0	0	(1,811,477)
(Profit)/Loss on Asset Disposals	20	(3,638,482)	(4,697,126)	(4,808,679)
Movement in Deferred Pensioner Rates (Non-Current)		265	0	393
Movement in Employee Benefit Provisions (Non-Current)		(5,910)	0	8,644
Movement in LSL Reserve (Added Back)		7,822	0	155,551
Depreciation and Amortisation on Assets	2(a)	7,807,598	7,887,069	7,771,967
<b>Capital Expenditure and Revenue</b>				
Purchase Land Held for Resale		(173,143)	(1,818,500)	(370,315)
Purchase Work in Progress		(6,676,664)	0	(28,603,387)
Purchase Land and Buildings		(4,065,117)	(8,654,385)	(1,644,262)
Purchase Plant and Equipment		(1,417,263)	(1,469,228)	(2,773,177)
Purchase Furniture and Equipment		(135,713)	(515,451)	(200,030)
Purchase Infrastructure Assets - Roads		(1,597,296)	(3,937,592)	(2,663,734)
Purchase Infrastructure Assets - Footpaths		0	(1,162,770)	0
Purchase Infrastructure Assets - Drainage		0	(670,000)	(864,132)
Purchase Infrastructure Assets - Parks & Ovals		(279,119)	(812,500)	(763,031)
Purchase Infrastructure Assets - Airports		(10,477,765)	(15,226,121)	(4,472,732)
Purchase Infrastructure Assets - Other		(730,439)	(3,846,626)	(1,909,964)
Proceeds from Disposal of Assets	20	5,018,423	5,396,000	8,460,519
Repayment of Debentures	21	(1,556,916)	(1,556,916)	(951,589)
Proceeds from New Debentures	21	225,000	0	3,271,184
Transfers to Reserves (Restricted Assets)	11	(16,788,214)	(5,934,000)	(7,412,229)
Transfers from Reserves (Restricted Assets)	11	2,936,213	4,924,038	5,531,086
ADD Surplus/(Deficit) July 1 B/Fwd	22(b)	153,995	3,039,866	2,167,231
LESS Surplus/(Deficit) June 30 C/Fwd	22(b)	9,183,913	(20,000)	153,995
<b>Total Amount Raised from General Rate</b>	22(a)	<u><u>(24,577,156)</u></u>	<u><u>(15,217,825)</u></u>	<u><u>(12,764,341)</u></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 2014**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Preparation**

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

Except for cash flow and rate setting information, the report has 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.

**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.

**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. A separate statement of those monies appears at Note 19 to these financial statements.

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

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

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

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

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

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

**(c) Cash and Cash Equivalents**

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

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

**(d) Trade and Other Receivables**

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

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

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

**(e) Inventories**

**General**

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

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

**Land Held for Sale**

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

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

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



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

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

**(f) Fixed Assets**

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

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

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

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

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

and

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

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

In 2013, Council 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 was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or Regional significance.

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

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 2014.

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

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

**(f) Fixed Assets (Continued)**

**Initial Recognition and Measurement between Mandatory Revaluation Dates**

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

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

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

**Revaluation**

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

**Transitional Arrangements**

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** 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 only become applicable for the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology in the previous reporting period (year ended 30 June 2013) the Council chose to early adopt AASB 13

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



1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

**Depreciation**

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

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

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

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

Buildings	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 in the period in which they arise.

When revalued assets are disposed of, 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



1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities

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

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

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

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

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

**Fair Value Hierarchy**

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

**Valuation techniques**

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

**Market approach**

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

**Valuation techniques (Continued)**

**Income approach**

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

**Cost approach**

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

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

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

(h) Financial Instruments

**Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the 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 (i.e. trade date accounting is adopted).

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

**Classification and Subsequent Measurement**

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

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and
- (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.

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



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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

**Classification and Subsequent Measurement (Continued)**

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

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

*(ii) Loans and receivables*

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

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

*(iii) Held-to-maturity investments*

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

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

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

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

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

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

*(v) Financial liabilities*

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

**Impairment**

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

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

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

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

**Derecognition**

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

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

**(i) Impairment of Assets**

In accordance with Australian Accounting Standards the 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 (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

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

**(j) Trade and Other Payables**

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



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

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

**(k) Employee Benefits**

**Short-Term Employee Benefits**

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

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

**Other Long-Term Employee Benefits**

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

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

**(l) Borrowing Costs**

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

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

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

**(m) Provisions**

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

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

**(n) Leases**

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

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

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

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

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

**(o) Investment in Associates**

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

The carrying amount of the investment includes, where applicable, 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.

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



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

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

**(p) Interests in Joint Arrangements**

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

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

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

**(q) 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 operations for the current reporting period.

**(r) 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.

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

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the 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 sale where it is held as non-current based on the Council's intentions to release for sale.

**(t) Rounding Off Figures**

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

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

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

**(u) 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, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

**(v) Budget Comparative Figures**

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



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

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

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

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

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

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(i) AASB 9 – Financial Instruments	December 2013	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii) 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 2013	1 January 2018	Nil - The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).

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

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

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

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(iii) AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [Not-For-Profit entities] [AASB 1, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 131, 132, 133, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	December 2012	1 January 2014	Consequential changes to various standards arising from the issuance of AASB 10, 11, 12, 127 and 128.  It is not expected to have a significant impact on Council.
(iv) AASB 2012-3: Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	June 2012	1 January 2014	This Standard adds application guidance to AASB 132: Financial Instruments: Presentation 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.  This Standard is not expected to significantly impact the Council's financial statements.



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

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

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

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(v) AASB 2013 - 3: Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets	June 2013	1 January 2014	This standard makes amendments to AASB 136 and includes requirements to disclose additional information when present value techniques are used to measure the recoverable amount of impaired assets.
(vi) AASB 2013-8: Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities [AASB 10, 12 & 1049]	October 2013	1 January 2014	It is not expected to have a significant impact on Council.  This standard adds Appendix E to AASB 10 to provide implementation guidance for Not-for-Profit entities regarding control criteria from the perspective of not-for-profit entities.  It is not expected to have a significant impact on Council.
(vii) AASB 2013-9: Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments  [Operative dates: Part A Conceptual Framework – 20 December 2013; Part B Materiality – 1 January 2014; Part C Financial Instruments – 1 January 2015]	December 2013	Refer Title column	Part A of this standard makes various editorial corrections to Australian Accounting Standards.  Part B of this standard deletes references to AASB 1031 in various Australian Accounting Standards in advance of the withdrawal of AASB 1031.  Part C of this standard makes consequential amendments to AASB 9 and numerous other standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value.  As the bulk of changes related either to editorial or reference changes it is not expected to have a significant impact on Council.

Notes:

<sup>(1)</sup> 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 2014**

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

**(x) 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 were compiled, became mandatory and which were applicable to its operations.

These new and revised standards were:

AASB 10	AASB 128	AASB 2012 - 2
AASB 11	AASB 2011 - 7	AASB 2012 - 3
AASB 12	AASB 2011 - 9	AASB 2012 - 5
AASB 119	AASB 2011 - 10	AASB 2012 - 10
AASB 127		

Most of the standards adopted had a minimal effect on the accounting and reporting practices of the Council as they did not have a significant impact on the accounting or reporting practices or were either not applicable, 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.



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

2. REVENUE AND EXPENSES	2014	2013
	\$	\$
<b>(a) Net Result</b>		
The Net Result includes:		
(i) Charging as an Expense:		
<b>Auditors Remuneration</b>		
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	0	14,140
Acquittal Audit	811	1,000
<i>UHY Haines Norton</i>		
Audit and review of Financial Report	30,000	12,900
Financial Management Review	0	22,000
Other Services	25,115	0
<b>Depreciation</b>		
Buildings	732,943	1,005,374
Furniture and Equipment	177,424	228,867
Plant and Equipment	894,584	830,790
Leasehold Improvements	0	0
Roads	5,058,469	4,891,334
Footpaths	74,104	73,821
Drainage	178,270	160,547
Parks & Ovals	112,663	92,528
Airports	56,609	0
Other	522,532	488,706
	<u>7,807,598</u>	<u>7,771,967</u>
<b>Interest Expenses (Finance Costs)</b>		
Debentures (refer Note 21(a))	<u>198,759</u>	<u>227,337</u>
<b>Rental Charges</b>		
- Operating Leases	<u>27,069</u>	<u>24,414</u>
(ii) Crediting as Revenue:		
<b>Significant Revenue</b>		
Recreation and Culture	<u>0</u>	<u>1,811,477</u>
	<u>0</u>	<u>1,811,477</u>
This significant revenue in 2013 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.		
<b>Other Revenue</b>		
Reimbursements and Recoveries	4,790,836	251,364
Significant Revenue (Refer Above)	0	1,811,477
Other	507,813	729,934
	<u>5,298,649</u>	<u>2,792,775</u>
	<u>2014</u>	<u>2014</u>
	\$	\$
<b>Interest Earnings</b>		
Investments		
- Reserve Funds	245,932	200,000
- Other Funds	81,159	230,000
Other Interest Revenue (refer note 26)	72,389	40,183
	<u>399,480</u>	<u>471,240</u>
	<u>2013</u>	<u>2013</u>
	\$	\$

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

2. REVENUE AND EXPENSES (Continued)
<b>(b) Statement of Objective</b>
The Shire of Nungarin is dedicated to providing high quality services to the community through the various service orientated programs which it has established.
<b>GOVERNANCE</b>
<b>OBJECTIVE:</b> To provide a decision making process for the efficient allocation of scarce resources.
<b>ACTIVITIES:</b> 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.
<b>GENERAL PURPOSE FUNDING</b>
<b>OBJECTIVE:</b> To collect revenue to allow for the provision of services.
<b>ACTIVITIES:</b> Rates, general purpose Government grants and interest revenue.
<b>LAW, ORDER, PUBLIC SAFETY</b>
<b>OBJECTIVE:</b> To provide services to help ensure a safer community.
<b>ACTIVITIES:</b> Supervision of various by-laws, fire prevention, emergency services and animal control.
<b>HEALTH</b>
<b>OBJECTIVE:</b> To provide an operational framework for good community health.
<b>ACTIVITIES:</b> Food quality and pest control, immunisation services, inspection of abattoir and operation of child health clinic.
<b>EDUCATION AND WELFARE</b>
<b>OBJECTIVE:</b> To provide appropriate care to the aged and disabled.
<b>ACTIVITIES:</b> Provision of Home and Community Care, maintenance to playgroup and telecentre buildings.
<b>HOUSING</b>
<b>OBJECTIVE:</b> To provide adequate staff and community housing.
<b>ACTIVITIES:</b> Maintenance of staff and community housing, collection of various rents.
<b>COMMUNITY AMENITIES</b>
<b>OBJECTIVE:</b> Provide services required by the community.
<b>ACTIVITIES:</b> Rubbish collection services, operation of tips, noise control, administration of the town planning scheme, maintenance of cemeteries, storm water drainage maintenance.
<b>RECREATION AND CULTURE</b>
<b>OBJECTIVE:</b> To establish and manage efficiently infrastructure and resources which will help the social well being of the community.
<b>ACTIVITIES:</b> Maintenance of halls, the aquatic centre, recreation centres and various reserves.
<b>TRANSPORT</b>
<b>OBJECTIVE:</b> To provide effective and efficient transport services to the community.
<b>ACTIVITIES:</b> Construction and maintenance of streets, roads, bridges, cleaning and lighting streets, depot maintenance and airstrip maintenance.
<b>ECONOMIC SERVICES</b>
<b>OBJECTIVES:</b> To help promote the Shire and improve its economic wellbeing.
<b>ACTIVITIES:</b> The regulation and provision of tourism, area promotion, building control, noxious weeds, vermin control and standpipes.
<b>OTHER PROPERTY &amp; SERVICES</b>
<b>ACTIVITIES:</b> 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 2014

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening Balance (@) 1-Jul-12 \$	Received (+) 2012/13 \$	Expended (#) 2012/13 \$	Closing Balance (@) 30-Jun-13 \$	Received (+) 2013/14 \$	Expended (#) 2013/14 \$	Closing Balance 30-Jun-14 \$
Grants for Aboriginal Environmental Health	Law, Order & Public Safety	42,927	145,545	(188,472)	0	209,138	(200,114)	9,024
Country Local Government Fund - Tom Price Town Centre Revitalisation	Community Amenities	1,534,261	0	(228,592)	1,305,669 (*)	0	(257,204)	1,048,465 (*)
Interest on Country Local Government Funding	Recreation & Culture	1,426,097	218,707	(569,515)	1,075,289 (*)	69,747	(8,581)	1,136,455 (*)
Dept of Regional Development - Tom Price Civic Centre Refurbishment	Recreation & Culture	25,579	0	(25,579)	0	0	0	0
Dept of Regional Development - Tom Price Sports Pavilion	Recreation & Culture	3,925,751	0	(3,925,751)	0	0	0	0
Dept of Regional Development - Tom Price Netball/Basketball Courts	Recreation & Culture	286,648	0	(286,648)	0	0	0	0
Chevron - Onslow Community Garden	Community Amenities	14,446	0	(11,418)	3,028	0	(3,028)	0
RLCIP Funding - Tom Price Sports Pavilion	Recreation & Culture	216,000	0	(216,000)	0	0	0	0
MRWA - Regional Road Group Funding	Recreation & Culture	528,271	1,134,331	(1,662,602)	0	742,180	(49,086)	693,094
DOTARS - Roads to Recovery Funding	Transport	107,871	499,337	(607,208)	0	0	0	0
Pilbara Iron - Paraburdoo Junior Area	Transport	104,546	10,454	0	115,000	265,000	(260,170)	119,830
Chevron - Onslow Visioning Project	Community Amenities	18,120	0	(18,120)	0	0	0	0
Pilbara Iron - Thermal Pool Blankets & Reels (Tom Price)	Community Amenities	56,000	0	(56,000)	0	0	0	0

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

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions (Continued)

Grant/Contribution	Function/ Activity	Opening Balance (@) 1-Jul-12 \$	Received (+) 2012/13 \$	Expended (#) 2012/13 \$	Closing Balance (@) 30-Jun-13 \$	Received (+) 2013/14 \$	Expended (#) 2013/14 \$	Closing Balance 30-Jun-14 \$
Crime Prevention Grant - Graffiti Removal	Recreation & Culture	14,342	0	(14,342)	0	0	0	0
Chevron - Tennis Equipment	Recreation & Culture	105	0	(105)	0	0	0	0
Chevron - Storage Shed Town Hall	Recreation & Culture	123	0	(123)	0	0	0	0
Pilbara Iron - Tom Price Sporting Precinct	Recreation & Culture	600,000	0	(586,239)	13,761	100,000	(13,761)	100,000
Chevron - Onslow Goods Shed	Recreation & Culture	1,909	0	(1,909)	0	0	0	0
Chevron - Seniors Workshops	Recreation & Culture	4,191	0	(4,191)	0	0	0	0
Pilbara Iron - Paraburdoo Speed Check Signs	Transport	6,427	0	(6,427)	0	0	0	0
Pilbara Iron - Partnership Agreement (Management)	Governance	0	302,500	(271,415)	31,085	317,625	(348,710)	0
Dept. Of Transport - Onslow Coastal Protection	Community Amenities	0	50,000	(16,684)	33,316	0	(33,316)	0
Dept. Of Regional Development & Lands (CLGF) - Paraburdoo Revitalisation	Community Amenities	0	1,137,111	0	1,137,111	0	(305,172)	831,939
Dept. Of State Development - Four Mile Creek	Recreation & Culture	0	367,170	(286,897)	80,273	85,954	(166,227)	0
Dept of Health - Mosquito Control	Health	0	0	0	0	28,421	(20,426)	7,995
Dept. Of Regional Development & Lands (CLGF) - Paraburdoo Child Care Centre	Education & Welfare	0	0	0	0	1,000,000	(15,195)	984,805 (*)



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

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions (Continued)

Grant/Contribution	Function/ Activity	Opening Balance (@) 1-Jul-12 \$	Received (+) 2012/13 \$	Expended (#) 2012/13 \$	Closing Balance (@) 30-Jun-13 \$	Received (+) 2013/14 \$	Expended (#) 2013/14 \$	Closing Balance 30-Jun-14 \$
Rio Tinto - Paraburdoo Child Care Centre	Education & Welfare	0	0	0	0	500,000	0	500,000 (*)
Pilbara Iron - Partnership Agreement (Community Development & Support)	Recreation & Culture	0	0	0	0	626,005	(141,773)	484,232 (*)
Water Corporation - Waterwise Demonstration Garden	Transport	0	0	0	0	10,000	0	10,000
Pilbara Iron - Tom Price Skate Park Lighting	Recreation & Culture	0	0	0	0	100,000	(79,128)	20,872
Hammersley Iron - Pannawonica Millstream Rd	Transport	0	0	0	0	2,258,689	0	2,258,689 (*)
<b>Total</b>		<b>8,913,614</b>	<b>3,865,155</b>	<b>(8,984,237)</b>	<b>3,794,532</b>	<b>6,312,759</b>	<b>(1,901,891)</b>	<b>8,205,400</b>

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 2013 and at the end of June 2014.

	2014	2013
Unspent Grants not transferred to reserve as at 30 June (See Note 3)	1,792,754	1,413,574
Unspent Grants in reserves at 30 June	6,412,646	2,380,958
	<u>8,205,400</u>	<u>3,794,532</u>

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

3. CASH AND CASH EQUIVALENTS

	2014 \$	2013 \$
Unrestricted	8,635,477	2,043,466
Restricted	25,641,150	11,409,969
	<u>34,276,627</u>	<u>13,453,435</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
<b>Reserves</b>		
Employee Benefits Reserve	316,484	308,662
Plant Replacement Reserve	25,246	24,622
Infrastructure Reserve	2,919,340	1,725,137
Housing Reserve	1,989,231	1,970,400
Onslow Community Infrastructure Reserve	37,216	36,296
Onslow Administration Building Reserve	4,381,085	0
Property Development Reserve	7,767,148	3,550,320
Unspent Grants and Contributions Reserve	6,412,646	2,380,958
	<u>23,848,396</u>	<u>9,996,395</u>
Plus		
Restricted Cash - Unspent Grants (refer note 2 (c))	1,792,754	1,413,574
	<u>25,641,150</u>	<u>11,409,969</u>



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

	2014	2013
	\$	\$
<b>4. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Rates Outstanding	512,622	237,496
Sundry Debtors	3,469,158	5,972,993
GST Receivable	0	734,944
Prepayments	30,769	53,978
Accrued Income	177,394	2,437,533
Provision for Doubtful Debts	(437,873)	(76,171)
	<u>3,752,070</u>	<u>9,360,773</u>
<b>Non-Current</b>		
Rates Outstanding - Pensioners	0	265
	<u>0</u>	<u>265</u>
<b>5. INVENTORIES</b>		
<b>Current</b>		
Fuel and Materials	58,714	29,434
Tourist Bureau Stock	139,104	127,125
	<u>197,818</u>	<u>156,559</u>
<b>Non-Current</b>		
Land Held for Resale - Cost		
Cost of Acquisition	22,970	22,970
Development Costs	382,686	209,543
	<u>405,656</u>	<u>232,513</u>

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

	2014	2013
	\$	\$
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
Land and Buildings		
Freehold Land at:		
- Independent Valuation 2014	20,555,000	0
- Cost	0	393,730
Land Vested in and under the control of Council at:		
- Independent Valuation 2014	919,533	0
- Cost	0	919,533
Total Land	<u>21,474,533</u>	<u>1,313,263</u>
Buildings at:		
- Independent Valuation 2014	56,032,613	0
- Management Valuation 2014	44,955	0
- Cost	0	35,777,907
Less Accumulated Depreciation	0	(6,562,455)
Total Buildings	<u>56,077,568</u>	<u>29,215,452</u>
Total Land and Buildings	<u>77,552,101</u>	<u>30,528,715</u>
Furniture and Equipment - Management Valuation 2013	667,505	827,938
Furniture and Equipment - Cost (Additions after Valuation)	135,713	0
Less Accumulated Depreciation	(177,424)	0
	<u>625,794</u>	<u>827,938</u>
Plant and Equipment - Management Valuation 2013	6,477,279	7,004,138
Plant and Equipment - Cost (Additions after Valuation)	1,417,263	0
Less Accumulated Depreciation	(826,306)	0
	<u>7,068,236</u>	<u>7,004,138</u>
Leasehold Improvements - Cost	544,412	0
Less Accumulated Depreciation	(238,061)	0
	<u>306,351</u>	<u>0</u>
Work in Progress	<u>835,521</u>	<u>7,172,226</u>
	<u>86,388,003</u>	<u>45,533,017</u>



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

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

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

The Shire's land and buildings were revalued at 30 June 2014 by independent valuers and management.

In relation to the land and non-specialised buildings, valuations were made on the basis of observable open market values of similar assets, adjusted for condition and comparability, at their highest and best use (Level 2 inputs in the fair value hierarchy).

With regard to specialised buildings, these were valued having regard for their current replacement cost utilising both observable and unobservable inputs being construction costs based on recent contract prices, current condition (Level 2 inputs), residual values and remaining useful life assessments (Level 3 inputs). Given the significance of the Level 3 inputs into the overall fair value measurement, these specialised building 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 of these assets resulted in an overall increase of \$46,682,627 in the net value of the Shire's land and buildings. 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.

With regard to land vested in and under the control of Council, these assets were originally recognised as at 30 June 2013 at deemed cost where cost was effectively the fair value at the date of recognition.

As land vested in and under the control of Council is Crown Land restricted as to usage, it is not possible for an alternative usage to be considered when arriving at the fair value. In addition, due to its nature, any significant value attributable directly to the land would likely be offset by the need to return value to the Crown before any restriction is lifted, thus reducing the net fair value to nil.

Consequently, the original value of deemed cost was obtained having regard for the current replacement cost of the improvements on the land to allow for its current restricted usage.

These included both observable and unobservable inputs being construction costs based on recent contract prices, current condition (Level 2 inputs), residual values and remaining useful life assessments (Level 3 inputs).

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

**Land and Buildings (Continued):**

Given the significance of the Level 3 inputs into the overall fair value measurement, this land vested in and under the control of Council is 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.

Due to the mandatory fair value measurement framework as detailed in Note 1(f), Land Vested in and under the control of Council required a fair value assessment to occur in the current year.

This was performed by management at 30 June 2014 on the same basis as the prior year hence deemed cost valuation was arrived at.

The revaluation of land vested in and under the control of Council resulted in neither an increase nor a decrease in the net value of the Land vested in and under control of the Council. Consequently no adjustment was recognised in either the net result or other comprehensive income in the Statement of Comprehensive Income.

**Plant and Equipment:**

Plant and equipment was revalued in 2013 as part of the mandatory requirements embodied in Local Government (Financial Management) Regulation 17A.

Whilst the additions since that time are shown at cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. Thus, the value is considered in accordance with Local Government (Financial Management (Regulation) 17A (2) which requires these assets to be shown at fair value.

They will be revalued during the year ended 30 June 2016 in accordance with the mandatory asset measurement framework detailed at Note 1(f).

**Furniture and Equipment:**

Furniture and equipment was revalued in 2013 as part of the mandatory requirements embodied in Local Government (Financial Management) Regulation 17A.

Whilst the additions since that time are shown at cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. Thus, the value is considered in accordance with Local Government (Financial Management (Regulation) 17A (2) which requires these assets to be shown at fair value.

They will be revalued during the year ended 30 June 2016 in accordance with the mandatory asset measurement framework detailed at Note 1(f).



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

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.

	Balance at the Beginning of the Year	Additions	(Disposals)	Transfers Change of Input Levels	Transfers Between Asset Classes	Revaluation Increments/ (Decrements)	Depreciation (Expense)	Carrying Amount at the End of Year
	\$	\$	\$	\$	\$	\$	\$	\$
Freehold Land (Level 2)	393,730	0	(327,701)	0	0	20,488,971	0	20,555,000
Land Vested In and Under the Control of Council (Level 3)	919,533	0	0	0	0	0	0	919,533
<b>Total Land</b>	<b>1,313,263</b>	<b>0</b>	<b>(327,701)</b>	<b>0</b>	<b>0</b>	<b>20,488,971</b>	<b>0</b>	<b>21,474,533</b>
Non-Specialised Buildings (Level 2)	10,834,578	2,807,468	(176,600)	(3,520,304)	(2,931,827)	6,349,450	(287,810)	13,074,955
Specialised Buildings (Level 3)	18,380,874	1,257,649	(136,899)	3,520,304	581,612	19,844,206	(445,133)	43,002,613
<b>Total Buildings</b>	<b>29,215,452</b>	<b>4,065,117</b>	<b>(313,499)</b>	<b>0</b>	<b>(2,350,215)</b>	<b>26,193,656</b>	<b>(732,943)</b>	<b>56,077,568</b>
<b>Total Land and Buildings</b>	<b>30,528,715</b>	<b>4,065,117</b>	<b>(641,200)</b>	<b>0</b>	<b>(2,350,215)</b>	<b>46,682,627</b>	<b>(732,943)</b>	<b>77,552,101</b>
Furniture and Equipment (Level 3)	827,938	135,713	(160,433)	0	0	0	(177,424)	625,794
Plant and Equipment (Level 2)	2,914,677	1,417,263	(320,306)	687,376	107,887	0	(407,979)	4,398,918
Plant and Equipment (Level 3)	4,089,461	0	(258,002)	(687,376)	11,840	0	(486,605)	2,669,318
Leasehold Improvements	0	0	0	0	306,351	0	0	306,351
Work in Progress	7,172,226	321,036	0	0	(6,657,741)	0	0	835,521
<b>Total Property, Plant and Equipment</b>	<b>45,533,017</b>	<b>5,939,129</b>	<b>(1,379,941)</b>	<b>0</b>	<b>(8,581,878)</b>	<b>46,682,627</b>	<b>(1,804,951)</b>	<b>86,388,003</b>

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

	2014	2013
	\$	\$
<b>7. INFRASTRUCTURE</b>		
Roads - Cost	114,466,727	112,869,431
Less Accumulated Depreciation	(59,405,854)	(54,347,385)
	<u>55,060,873</u>	<u>58,522,046</u>
Footpaths - Cost	2,964,175	2,964,175
Less Accumulated Depreciation	(1,374,805)	(1,300,701)
	<u>1,589,370</u>	<u>1,663,474</u>
Drainage - Cost	13,090,035	13,090,035
Less Accumulated Depreciation	(3,775,734)	(3,597,464)
	<u>9,314,301</u>	<u>9,492,571</u>
Parks & Ovals - Cost	8,818,474	5,072,509
Less Accumulated Depreciation	(2,508,165)	(2,387,726)
	<u>6,310,309</u>	<u>2,684,783</u>
Airports - Cost	33,998,604	1,132,181
Less Accumulated Depreciation	(56,609)	0
	<u>33,941,995</u>	<u>1,132,181</u>
Other Infrastructure - Cost	30,791,477	23,863,489
Less Accumulated Depreciation	(2,927,279)	(1,616,903)
	<u>27,864,198</u>	<u>22,246,586</u>
Work in Progress	7,955,809	24,275,736
	<u>142,036,855</u>	<u>120,017,377</u>



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

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.

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Transfers Change of Input Levels \$	Transfers Between Asset Classes \$	Revaluation Increments/ (Decrements) \$	Depreciation (Expense) \$	Carrying Amount at the End of Year \$
Roads	58,522,046	1,597,296	0	0	0	0	(5,058,469)	55,060,873
Footpaths	1,663,474	0	0	0	0	0	(74,104)	1,589,370
Drainage	9,492,571	0	0	0	0	0	(178,270)	9,314,301
Parks & Ovals	2,684,783	279,119	0	0	3,459,070	0	(112,663)	6,310,309
Airports	1,132,181	10,477,765	0	0	22,388,658	0	(56,609)	33,941,995
Other	22,246,586	730,439	0	0	5,409,705	0	(522,532)	27,864,198
Work in Progress	24,275,736	6,355,628	0	0	(22,675,555)	0	0	7,955,809
<b>Total Infrastructure</b>	<b>120,017,377</b>	<b>19,440,247</b>	<b>0</b>	<b>0</b>	<b>8,581,878</b>	<b>0</b>	<b>(6,002,647)</b>	<b>142,036,855</b>

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

8. TRADE AND OTHER PAYABLES

Current

	2014 \$	2013 \$
Sundry Creditors	3,781,976	11,074,647
PAYG Payable	208,546	248,845
Income Received in Advance	19,570	37,800
GST Payable	45,078	0
ESL Liability	241	(2,095)
FBT Liability	45,726	23,645
Accrued Expenses	178,611	590,448
Accrued Interest on Loans	25,311	29,496
Accrued Salaries and Wages	329,938	300,935
	<u>4,634,997</u>	<u>12,303,721</u>

9. LONG-TERM BORROWINGS

Current

Secured by Floating Charge Debentures	1,540,356	1,556,916
	<u>1,540,356</u>	<u>1,556,916</u>

Non-Current

Secured by Floating Charge Debentures	3,282,536	4,597,892
	<u>3,282,536</u>	<u>4,597,892</u>

Additional detail on borrowings is provided in Note 21.

10. PROVISIONS

Analysis of Total Provisions

	2014 \$	2013 \$
Current	875,693	825,318
Non-Current	111,672	117,582
	<u>987,365</u>	<u>942,900</u>

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance as at 1 July 2013	571,694	371,206	942,900
Additional provisions	49,030	(4,565)	44,465
Balance at 30 June 2014	<u>620,724</u>	<u>366,641</u>	<u>987,365</u>

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

	2014 \$	2014 Budget \$	2013 \$
<b>11. RESERVES - CASH BACKED</b>			
<b>(a) Employee Benefits Reserve</b>			
Opening Balance	308,662	308,662	153,111
Amount Set Aside / Transfer to Reserve	7,822	6,200	155,551
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>316,484</u>	<u>314,862</u>	<u>308,662</u>
<b>(b) Plant Replacement Reserve</b>			
Opening Balance	24,622	24,622	116,284
Amount Set Aside / Transfer to Reserve	624	500	403,338
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>(495,000)</u>
	<u>25,246</u>	<u>25,122</u>	<u>24,622</u>
<b>(c) Infrastructure Reserve</b>			
Opening Balance	1,725,137	1,725,137	206,493
Amount Set Aside / Transfer to Reserve	1,627,718	718,500	1,518,644
Amount Used / Transfer from Reserve	<u>(433,515)</u>	<u>(972,538)</u>	<u>0</u>
	<u>2,919,340</u>	<u>1,471,099</u>	<u>1,725,137</u>
<b>(d) Housing Reserve</b>			
Opening Balance	1,970,400	1,970,400	357,441
Amount Set Aside / Transfer to Reserve	1,518,831	589,400	1,612,959
Amount Used / Transfer from Reserve	<u>(1,500,000)</u>	<u>(2,100,000)</u>	<u>0</u>
	<u>1,989,231</u>	<u>459,800</u>	<u>1,970,400</u>
<b>(e) Onslow Community Infrastructure Reserve</b>			
Opening Balance	36,296	36,296	35,026
Amount Set Aside / Transfer to Reserve	920	700	1,270
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>37,216</u>	<u>36,996</u>	<u>36,296</u>
<b>(f) Onslow Administration Building Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	4,727,008	0	0
Amount Used / Transfer from Reserve	<u>(345,923)</u>	<u>0</u>	<u>0</u>
	<u>4,381,085</u>	<u>0</u>	<u>0</u>
<b>(g) Property Development Reserve</b>			
Opening Balance	3,550,320	3,550,320	48,560
Amount Set Aside / Transfer to Reserve	4,589,970	4,571,100	3,501,760
Amount Used / Transfer from Reserve	<u>(373,142)</u>	<u>(1,821,500)</u>	<u>0</u>
	<u>7,767,148</u>	<u>6,299,920</u>	<u>3,550,320</u>

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

	2014 \$	2014 Budget \$	2013 \$
<b>11. RESERVES - CASH BACKED (Continued)</b>			
<b>(j) Unspent Grants and Contributions Reserve</b>			
Opening Balance	2,380,958	2,380,958	7,198,337
Amount Set Aside / Transfer to Reserve	4,315,321	47,600	218,707
Amount Used / Transfer from Reserve	<u>(283,633)</u>	<u>(30,000)</u>	<u>(5,036,086)</u>
	<u>6,412,646</u>	<u>2,398,558</u>	<u>2,380,958</u>
<b>TOTAL CASH BACKED RESERVES</b>	<u>23,848,396</u>	<u>11,006,357</u>	<u>9,996,395</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.

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 Administration Building Reserve**

- To provide funds to assist the Council in building the new Onslow Administration building.

**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 above Reserves, except the Onslow Administration Building Reserve, are not expected to be used within a set period as further transfers to the reserve accounts are expected as funds are utilised. The Onslow Administration Building Reserve is expected to be utilised in the 2015/16 financial year.



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

12. REVALUATION SURPLUS	2014	2013
	\$	\$
Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:		
<b>(a) Land and Buildings</b>		
Opening balance	0	0
Revaluation Increment	46,682,627	0
Revaluation Decrement	0	0
	<u>46,682,627</u>	<u>0</u>
<b>(b) Plant and Equipment</b>		
Opening balance	365,354	0
Revaluation Increment	0	365,354
Revaluation Decrement	0	0
	<u>365,354</u>	<u>365,354</u>
<b>(c) Furniture and Equipment</b>		
Opening balance	316,551	0
Revaluation Increment	0	316,551
Revaluation Decrement	0	0
	<u>316,551</u>	<u>316,551</u>
<b>TOTAL ASSET REVALUATION SURPLUS</b>	<u>47,364,532</u>	<u>681,905</u>

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

**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:

	2014	2014	2013
	\$	Budget	\$
		\$	
Cash and Cash Equivalents	<u>34,276,627</u>	<u>13,532,345</u>	<u>13,453,435</u>
<b>(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net Result	40,576,638	29,034,242	32,036,158
Depreciation	7,807,598	7,887,069	7,771,967
(Profit)/Loss on Sale of Asset	(3,638,482)	(4,697,126)	(4,808,679)
(Increase)/Decrease in Receivables	5,630,468	2,240,230	(4,527,062)
(Increase)/Decrease in Inventories	(41,259)	2,050	(39,256)
Increase/(Decrease) in Payables	(7,668,724)	(148,810)	7,390,121
Increase/(Decrease) in Employee Provisions	44,465	(200)	(89,190)
Grants/Contributions for the Development of Assets	(21,284,948)	(23,995,254)	(24,155,702)
Non-Current Assets recognised due to changes in legislative requirements	0	0	(1,811,477)
Net Cash from Operating Activities	<u>21,425,756</u>	<u>10,322,201</u>	<u>11,766,880</u>
<b>(c) Undrawn Borrowing Facilities</b>			
<b>Credit Standby Arrangements</b>			
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	(29,618)		(23,668)
<b>Total Amount of Credit Unused</b>	<u>535,382</u>		<u>541,332</u>
<b>Loan Facilities</b>			
Loan Facilities - Current	1,540,356		1,556,916
Loan Facilities - Non-Current	3,282,536		4,597,892
<b>Total Facilities in Use at Balance Date</b>	<u>4,822,892</u>		<u>6,154,808</u>
<b>Unused Loan Facilities at Balance Date</b>	<u>1,518,933</u>		<u>1,518,933</u>

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

**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 remained relatively steady 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.

The Shire has a commitment from the State Government that it will support a financial contribution if the wittenoom impost becomes too onerous for the Shire. 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.

**15. CAPITAL AND LEASING COMMITMENTS**

	2014	2013
	\$	\$

**(a) Finance Lease Commitments**

There are no finance lease commitments at 30 June 2014.

**(b) Operating Lease Commitments**

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

Payable:

- not later than one year	27,600	27,069
- later than one year but not later than five years	56,793	82,800
	84,393	109,869

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

**15. CAPITAL AND LEASING COMMITMENTS (continued)**

	2014	2013
	\$	\$

**(c) Capital Expenditure Commitments**

Contracted for:

- Capital Expenditure Projects	0	876,410
- Tom Price Sports Pavilion Construction	0	1,833,556
- Tom Price Clem Thompson Oval Construction	15,312	4,365,172
- Onslow Airport Terminal Construction	0	4,720,534
- Onslow Aerodrome Asphaltting	0	160,796
- Onslow Aerodrome Water Main Diversion	708,108	0
- Onslow Airport Screening Equipment & Baggage Conveyor System	723,420	11,956,468

Payable:

- not later than one year	723,420	11,956,468
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**16. JOINT VENTURE**

The Shire was not involved in any joint ventures at 30 June 2013 and 30 June 2014.

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

Governance	9,675,103	2,109,218
General Purpose Funding	512,622	237,761
Law, Order, Public Safety	1,793,620	988,452
Health	42,011	22,107
Education and Welfare	2,019,530	208,972
Housing	30,582,643	8,810,123
Community Amenities	14,513,838	14,254,501
Recreation and Culture	44,110,614	30,200,845
Transport	133,003,694	108,752,615
Economic Services	3,929,604	1,325,164
Other Property and Services	14,629,117	10,313,188
Unallocated	12,244,633	11,530,993
	267,057,029	188,753,939



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

**18. FINANCIAL RATIOS**

	2014	2013	2012
Current Ratio	1.87	0.80	1.24
Asset Sustainability Ratio	1.05	1.05	1.25
Debt Service Cover Ratio	16.61	13.47	16.51
Operating Surplus Ratio	0.39	0.21	0.11
Own Source Revenue Coverage Ratio	1.46	1.00	0.83

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 68 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 2014**

**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-13 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-14 \$
Public Open Space	225,500	0	0	225,500
Cleaning and Key Deposits	3,655	46,445	(36,760)	13,340
Other Trust Monies	49,589	138,090	(45,565)	142,114
Bonds and Guarantees	27,308	14,124	(8,360)	33,072
Nomination Deposit	80	400	(400)	80
Unclaimed Monies	6,691	0	0	6,691
BCITF Levy	144,475	204,755	(328,501)	20,729
BRB Levy	70,189	0	(52,285)	17,904
Consignment Stock	957	11,941	(12,268)	630
Tour Sales	54,635	170,430	(174,299)	50,766
	<u>583,079</u>			<u>510,826</u>

**20. DISPOSALS OF ASSETS - 2013/14 FINANCIAL YEAR**

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Governance</b>	149,208	0	0	0	(149,208)	0
<b>Law, Order &amp; Public Safety</b>	3,004	0	0	0	(3,004)	0
<b>Health</b>	23,636	0	23,636	0	0	0
<b>Housing</b>	119,062	28,606	0	550,000	(119,062)	521,394
<b>Community Amenities</b>	6,624	0	0	0	(6,624)	0
<b>Recreation &amp; Culture</b>	106,745	0	0	0	(106,745)	0
<b>Transport</b>	553,422	328,896	494,787	346,000	(58,635)	17,104
<b>Economic Services</b>	24,289	341,372	0	4,500,000	(24,289)	4,158,628
<b>Other Property &amp; Services</b>	393,951	0	4,500,000	0	4,106,049	0
	<u>1,379,941</u>	<u>698,874</u>	<u>5,018,423</u>	<u>5,396,000</u>	<u>3,638,482</u>	<u>4,697,126</u>

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

**21. INFORMATION ON BORROWINGS**

(a) Repayments - Debentures

Particulars	Principal 1-Jul-13 \$		New Loans		Principal Repayments		Principal 30-Jun-14		Interest Repayments	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Law, Order &amp; Public Safety</b>										
Loan 112 - Collocation Facility	38,226	0	0	38,226	0	38,226	0	0	614	1,749
<b>Housing</b>										
Loan 117 - Housing Manager	633,541	0	0	48,914	584,627	48,914	584,627	34,292	34,492	34,492
Loan 121 New Staff Housing	2,110,252	0	0	212,760	1,897,492	212,760	1,897,491	122,066	124,288	124,288
<b>Recreation &amp; Culture</b>										
Loan 118 - Community Rec Centre	230,861	0	0	30,163	200,698	30,163	200,698	12,907	13,255	13,255
<b>Transport</b>										
Loan 116 - Onslow Aerodrome	219,497	0	0	49,430	170,067	49,430	170,067	14,007	14,287	14,287
Loan 119 - Onslow Aerodrome	233,945	0	0	12,027	221,918	12,027	221,918	14,873	14,875	14,875
<b>Other Property &amp; Services</b>										
DSD Loan - Onslow Aerodrome	2,688,486	0	225,000	1,165,396	1,748,090	1,165,396	1,748,090	0	0	0
Temporary Camp										
	6,154,808	0	225,000	1,556,916	4,822,892	1,556,916	4,822,891	198,759	202,946	202,946

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

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

(b) New Debentures - 2013/14

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

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	225,000	0	Dept. Of State Development	Debenture	3	0	0.0%	225,000	0	0

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 1-Jul-13 \$	Borrowed During Year \$	Expended During Year \$	Balance 30-Jun-14 \$
Loan 121 New Staff Housing	29/04/2011	1,518,933	0	0	1,518,933 #
		1,518,933	0	0	1,518,933

# - The unspent loan funds have been transferred to the Shire's Housing Reserve as at 30 June 2013 and is still being held in this reserve as at 30 June 2014.

(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 2013 and 30 June 2014 was \$Nil.



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

22. RATING INFORMATION - 2013/14 FINANCIAL YEAR

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
<b>Differential General Rate</b>											
GRV - Residential	3.6637	2,338	95,193,850	3,487,615	29,088	2,712	3,519,415	3,487,615	0	0	3,487,615
GRV - Commercial Civic	4.5788	64	16,224,684	742,896	10,821	0	753,717	742,896	0	0	742,896
GRV - Tourism	4.5788	5	901,600	41,282	0	0	41,282	41,282	0	0	41,282
GRV - Community	3.6637	16	569,360	20,860	916	0	21,776	20,860	0	0	20,860
GRV - Industrial	4.5788	82	4,952,790	226,778	(1,363)	0	225,415	226,778	0	0	226,778
UV - Rural/Pastoral	3.0655	32	7,212,744	221,107	(22)	(7)	221,078	221,107	0	0	221,107
UV - Rural/Industrial	33.757	44	13,439,270	4,536,694	20,731	31,983	4,589,408	4,536,694	0	0	4,536,694
UV - Mining Leases	33.757	728	15,777,186	5,325,905	5,140,322	4,338,354	14,804,581	5,325,905	238,000	7,900	5,571,805
UV - Tourism	14.867	4	345,000	51,291	0	0	51,291	51,291	0	0	51,291
Non Rateable		245	0	0	49,062	674	49,736	0	0	0	0
<b>Sub-Totals</b>		3,558	154,616,484	14,654,428	5,249,555	4,373,716	24,277,699	14,654,428	238,000	7,900	14,900,328
<b>Minimum Rates</b>											
GRV - Residential	550	127	632,224	69,850	0	0	69,850	69,850	0	0	69,850
GRV - Commercial Civic	550	11	32,150	6,050	0	0	6,050	6,050	0	0	6,050
GRV - Tourism	550	0	0	0	0	0	0	0	0	0	0
GRV - Community	550	5	47,000	2,750	0	0	2,750	2,750	0	0	2,750
GRV - Industrial	550	26	112,035	14,300	0	0	14,300	14,300	0	0	14,300
UV - Rural/Pastoral	550	9	68,451	4,950	0	0	4,950	4,950	0	0	4,950
UV - Rural/Industrial	550	27	6,720	14,850	0	0	14,850	14,850	0	0	14,850
UV - Mining Lease	550	360	248,543	198,000	0	0	198,000	198,000	0	0	198,000
<b>Sub-Totals</b>		565	1,147,123	310,750	0	0	310,750	310,750	0	0	310,750
Ex-Gratia Rates							24,588,449				15,211,078
Discounts (refer note 25)							4,950				5,250
Rates Written Off							0				0
Movement in Excess Rates							(1,226)				(3,750)
<b>Total Amount Raised from General Rate/ Total Rates</b>							<b>24,577,156</b>				<b>15,217,825</b>

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

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

(b) Information on Surplus/(Deficit) Brought Forward	2014 (30 June 2014 Carried Forward) \$	2014 (1 July 2013 Brought Forward) \$	2013 (30 June 2013 Carried Forward) \$
<b>Surplus/(Deficit) - Rate Setting Statement</b>	<b>9,183,913</b>	<b>153,995</b>	<b>153,995</b>
<b>Comprises:</b>			
Cash - Unrestricted	8,635,477	2,043,466	2,043,466
Cash - Restricted Unspent Grants	1,792,754	1,413,574	1,413,574
Cash - Restricted Unspent Loans	0	0	0
Cash - Restricted Reserves	23,848,396	9,996,395	9,996,395
Rates Outstanding	512,622	237,496	237,496
Sundry Debtors	3,469,158	5,972,993	5,972,993
GST Receivable	0	734,944	734,944
Prepayments	30,769	53,978	53,978
Accrued Income	177,394	2,437,533	2,437,533
Less: Provision for Doubtful Debts	(437,873)	(76,171)	(76,171)
Inventories			
- Fuel and Materials	58,714	29,434	29,434
- Tourist Bureau Stock	139,104	127,125	127,125
<b>Less:</b>			
Reserves - Restricted Cash			
- Employee Benefit Reserve	(316,484)	(308,662)	(308,662)
- Plant Replacement Reserve	(25,246)	(24,622)	(24,622)
- Infrastructure Reserve	(2,919,340)	(1,725,137)	(1,725,137)
- Housing Reserve	(1,989,231)	(1,970,400)	(1,970,400)
- Onslow Community Infrastructure Reserve	(37,216)	(36,296)	(36,296)
- Onslow Administration Building Reserve	(4,381,085)	0	0
- Property Development Reserve	(7,767,148)	(3,550,320)	(3,550,320)
- Unspent Grants and Contributions Reserve	(6,412,646)	(2,380,958)	(2,380,958)
Sundry Creditors	(3,781,976)	(11,074,647)	(11,074,647)
PAYG Payable	(208,546)	(248,845)	(248,845)
Income Received in Advance	(19,570)	(37,800)	(37,800)
GST Payable	(45,078)	0	0
ESL Liability	(241)	2,095	2,095
FBT Liability	(45,726)	(23,645)	(23,645)
Accrued Expenses	(178,611)	(590,448)	(590,448)
Accrued Interest on Loans	(25,311)	(29,496)	(29,496)
Accrued Salaries and Wages	(329,938)	(300,935)	(300,935)
Current Employee Benefits Provision	(875,693)	(825,318)	(825,318)
Current Loan Liability	(1,540,356)	(1,556,916)	(1,556,916)
Add Back : Component of Leave Liability not Required to be Funded	316,484	308,662	308,662
Add Back : Current Loan Liability	1,540,356	1,556,916	1,556,916
<b>Surplus/(Deficit)</b>	<b>9,183,913</b>	<b>153,995</b>	<b>153,995</b>
<b>Difference:</b>			
There was no difference between the Surplus/(Deficit) 1 July 2013 Brought Forward position used in the 2014 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2013 audited financial report.			

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

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

No specified area rates were levied in the 2013/14 financial year.

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

No Service Charges were imposed in the 2013/14 financial year.

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

No discount for early payment applied to rates in the 2013/14 year.

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

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%	N/A	55,997	35,000
Interest on Instalments Plan	5.50%	N/A	14,992	5,440
Interest on ESL	11.00%	N/A	1,400	800
Charges on Instalment Plan	N/A	10	5,010	5,003
			<u>77,399</u>	<u>46,243</u>

Ratepayers had the option of paying rates in four equal instalments, due on 28th October 2013, 6th January 2014, 6th March 2014 and 6th May 2014. Administration charges and interest applied for the final three instalments.

<b>27. FEES &amp; CHARGES</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Governance	62,496	40,243
General Purpose Funding	8,107	9,715
Law, Order, Public Safety	65,637	53,289
Health	97,624	88,179
Education and Welfare	631	6,089
Housing	293,003	266,942
Community Amenities	3,964,601	4,792,041
Recreation and Culture	362,837	338,598
Transport	6,601,057	1,880,745
Economic Services	1,987,469	2,184,327
Other Property and Services	5,981,819	8,109,539
	<u>19,425,281</u>	<u>17,769,707</u>

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 2014**

**28. GRANT REVENUE**

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

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>By Nature and Type:</b>		
Operating Grants, Subsidies and Contributions	4,231,252	6,009,354
Non-Operating Grants, Subsidies and Contributions	<u>19,414,123</u>	<u>24,155,702</u>
	<u>23,645,375</u>	<u>30,165,056</u>
<b>By Program:</b>		
Governance	317,702	652,125
General Purpose Funding	2,252,920	4,234,278
Law, Order, Public Safety	473,368	50,070
Health	152,088	87,030
Education and Welfare	1,630,317	225,311
Housing	11,067	7,916
Community Amenities	344,087	1,238,066
Recreation and Culture	5,119,182	1,360,513
Transport	13,302,207	22,292,692
Economic Services	20,000	17,055
Other Property and Services	22,437	0
	<u>23,645,375</u>	<u>30,165,056</u>

**29. ELECTED MEMBERS REMUNERATION**

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

	<b>2014</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
Meeting Fees	176,000	176,000	28,000
President's Attendance Fee	29,500	29,500	7,000
President's Allowance	60,000	60,000	10,000
Deputy President's Allowance	15,000	15,000	3,125
Travelling Expenses	99,618	70,000	51,586
Telecommunications Allowance	5,000	4,500	2,700
	<u>385,118</u>	<u>355,000</u>	<u>102,411</u>

**30. EMPLOYEE NUMBERS**

The number of full-time equivalent employees at balance date

	<b>2014</b>	<b>2013</b>
	<u>136</u>	<u>152</u>



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

**31. MAJOR LAND TRANSACTIONS**

***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 subdivide this Lot into two Lots, Lot 16 and 9000. Council intends to sell Lot 16 as freehold.

**(b) Current Year Transactions**

	2014	2014 Budget	2013
	\$	\$	\$
<b>OPERATING EXPENDITURE</b>			
Land Transfer Expenditure	0	(30,000)	0
	<u>0</u>	<u>(30,000)</u>	<u>0</u>
<b>Operating Surplus/(Deficit)</b>	<b>0</b>	<b>(30,000)</b>	<b>0</b>
<b>CAPITAL INCOME</b>			
Transfer from Reserves	168,554	240,000	0
	<u>168,554</u>	<u>240,000</u>	<u>0</u>
<b>CAPITAL EXPENDITURE</b>			
Services Installation	0	(140,000)	0
Subdivision, Survey, Plan	0	0	(39,708)
Design & Planning	(168,554)	(147,000)	(149,271)
	<u>(168,554)</u>	<u>(287,000)</u>	<u>(188,979)</u>
<b>NET RESULTS</b>	<u><u>0</u></u>	<u><u>(77,000)</u></u>	<u><u>(188,979)</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 2014.

**(c) Expected Future Cash Flows**

	2014/15	2015/16	2017/18	2018/19	Total
<b>Cash Inflows</b>					
Land Sales	4,000,000	0	0	0	4,000,000
	<u>4,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,000,000</u>
<b>Cash Outflows</b>					
Land Transfer Expenditure	(30,000)	0	0	0	(30,000)
Services Installation	(70,000)	0	0	0	(70,000)
Design & Planning	(150,000)	0	0	0	(150,000)
	<u>(250,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(250,000)</u>
<b>Net Cash Flows</b>	<u><u>3,750,000</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>3,750,000</u></u>

The net cash flows to 30 June 2014 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 \$3,553,236.

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

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

***Onslow Other Land Development***

**(a) Details**

*In 2013/14 financial Council undertook a major land transaction as defined 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 have been transferred to reserves*

**(b) Current Year Transactions**

	2014	2014 Budget	2013
	\$	\$	\$
<b>OPERATING EXPENDITURE</b>			
Land Selling Expenditure	(5,138)	(13,350)	0
	<u>(5,138)</u>	<u>(13,350)</u>	<u>0</u>
<b>Operating Surplus/(Deficit)</b>	<b>(5,138)</b>	<b>(13,350)</b>	<b>0</b>
<b>CAPITAL INCOME</b>			
Land Sales	4,500,000	4,500,000	0
	<u>4,500,000</u>	<u>4,500,000</u>	<u>0</u>
<b>CAPITAL EXPENDITURE</b>			
Transfers to Reserves	(4,500,000)	(4,500,000)	0
	<u>(4,500,000)</u>	<u>(4,500,000)</u>	<u>0</u>
<b>NET RESULTS</b>	<u><u>(5,138)</u></u>	<u><u>(13,350)</u></u>	<u><u>0</u></u>

There are no liabilities in relation to this land transaction as at 30 June 2014.

**(c) Expected Future Cash Flows**

	2014/15	2015/16	2017/18	2018/19	Total
<b>Cash Inflows</b>					
Land Sales	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 Selling Expenditure	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Cash Flows</b>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

The net cash flows to 30 June 2014 in relation to this development is an inflow (or income) of \$4,494,862. The net cash flows of the entire land transaction is expected to result in an inflow/income of \$4,494,862.

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

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

Council did not participate in any trading undertakings or major trading undertakings during the 2013/14 financial year.

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

**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	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and cash equivalents	34,276,627	13,453,435	34,276,627	13,453,435
Receivables	3,752,070	9,361,038	3,752,070	9,361,038
	<u>38,028,697</u>	<u>22,814,473</u>	<u>38,028,697</u>	<u>22,814,473</u>
<b>Financial Liabilities</b>				
Payables	4,634,997	12,303,721	4,634,997	12,303,721
Borrowings	4,822,892	6,154,808	4,158,564	5,470,090
	<u>9,457,889</u>	<u>18,458,529</u>	<u>8,793,561</u>	<u>17,773,811</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 2014**

**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.

	2014	2013
	\$	\$
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	188,582	180,331
- Statement of Comprehensive Income	188,582	180,331

**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 2014**

**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:

	2014	2013
Percentage of Rates and Annual Charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of Other Receivables		
- Current	72.52%	91.26%
- Overdue	27.48%	8.74%
Percentage of Deferred Rates Receivables		
- Current	0.00%	0.00%
- Overdue	0.00%	100.00%

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

**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>2014</u>		<u>2013</u>		
	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
Payables	4,634,997	0	0	4,634,997	4,634,997
Borrowings	1,719,885	2,381,872	1,217,742	5,319,499	4,822,892
	<u>6,354,882</u>	<u>2,381,872</u>	<u>1,217,742</u>	<u>9,954,496</u>	<u>9,457,889</u>
Payables	12,303,721	0	0	12,303,721	12,303,721
Borrowings	1,759,860	3,610,985	1,708,515	7,079,360	6,154,808
	<u>14,063,581</u>	<u>3,610,985</u>	<u>1,708,515</u>	<u>19,383,081</u>	<u>18,458,529</u>

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

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:

	Year Ended 30 June 2014					Total \$	Weighted Average Effective Interest Rate %
	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$		
<b>Borrowings</b>							
<b>Fixed Rate</b>							
Debentures	0	1,748,090	170,066	0	0	2,904,736	3.78%
Weighted Average Effective Interest Rate		0.00%	6.79%			5.89%	
<b>Year Ended 30 June 2013</b>							
<b>Borrowings</b>							
<b>Fixed Rate</b>							
Debentures	38,226	0	2,688,486	219,497	0	3,208,599	3.35%
Weighted Average Effective Interest Rate	5.97%		0.00%	6.79%		5.89%	

34. PRIOR PERIOD CORRECTIONS

The following adjustments have been made to comparative amounts in the 30 June 2014 Financial Report to bring to account financial activity that was incorrectly stated in 2012/13. Details of this activity is listed below:-

- In 2005/06 the Shire contributed towards the construction of the Tom Price Community Recreation Centre which is owned by the Minister for Education. This transaction was capitalised in the books of the Shire, becoming a fixed asset and subsequently depreciated at 2% per annum. This transaction should have been expensed by the Shire in 2005/06. The error has now been identified and the necessary adjustments have been affected.

As a result, Buildings at Cost of \$1,998,052 and total depreciation of \$335,546 was written back prior to 30 June 2013 as follows:

- Buildings at Cost of \$1,998,052 and depreciation of \$295,585 written back prior to 2012/13. These were adjusted against the opening balance of retained surplus as at 1 July 2012.

- Depreciation of \$39,961 written back prior to 2012/13. This was adjusted against depreciation for that year and Land & Buildings accordingly.

- Expenditure of \$55,880 was recognised as Land Vested in and Under the control of Council in 2013 should have been recognised as Infrastructure - Other.

	Refer Notes Above	Financial Report 2013 \$	Corrected Comparative 2013 \$	Adjustment \$
<b>STATEMENT OF COMPREHENSIVE INCOME</b>				
<i>BY NATURE OR TYPE:-</i>				
Expenses - Depreciation	1	(7,811,928)	(7,771,967)	39,961
Net Result	1	31,996,197	32,036,158	39,961
Total Comprehensive Income	1	32,678,102	32,718,063	39,961
<i>BY PROGRAM:-</i>				
Expenses - Recreation & Culture	1	(5,723,499)	(5,683,538)	39,961
Net Result	1	31,996,197	32,036,158	39,961
Total Comprehensive Income	1	32,678,102	32,718,063	39,961
<b>STATEMENT OF FINANCIAL POSITION</b>				
Property, Plant and Equipment	1,2	47,251,403	45,533,017	(1,718,386)
Infrastructure	2	119,961,497	120,017,377	55,880
Retained Surplus	1,2	160,336,716	158,674,210	(1,662,506)
<b>STATEMENT OF CHANGES IN EQUITY</b>				
<i>Retained Surplus:-</i>				
Balance at 1 July 2012	1	130,221,662	128,519,195	(1,702,467)
Balance at 30 June 2013	1	160,336,716	158,674,210	(1,662,506)
<b>RATE SETTING STATEMENT</b>				
Expenses - Recreation & Culture	1	(6,108,242)	(6,068,281)	39,961
Net Result Excluding Rates	1	19,231,856	19,271,817	39,961
Depreciation and Amortisation on Assets	1	7,811,928	7,771,967	(39,961)
<b>NOTE 2 - REVENUES AND EXPENSES</b>				
Depreciation				
Buildings	1	1,045,335	1,005,374	(39,961)



## 34. PRIOR PERIOD CORRECTIONS (Continued)

	Refer Notes Above	Financial Report 2013 \$	Corrected Comparative 2013 \$	Adjustment \$
<b>NOTE 6 - PROPERTY, PLANT AND EQUIPMENT</b>				
Land Vested in and under the control of Council at:				
- Cost	2	975,413	919,533	(55,880)
Buildings:				
- Cost	1,2	37,775,959	35,777,907	(1,998,052)
Accumulated Depreciation - Buildings	1	(6,898,001)	(6,562,455)	335,546
<i>Movements in Carrying Amounts:-</i>				
Balance at the beginning of the year				
- Land	2	1,369,143	1,313,263	(55,880)
- Buildings Specialised	1	20,043,380	18,380,874	(1,662,506)
<b>NOTE 7 - INFRASTRUCTURE</b>				
Other Infrastructure - Cost	2	23,807,609	23,863,489	55,880
<i>Movements in Carrying Amounts:-</i>				
Balance at the beginning of the year - Other	2	22,190,706	22,246,586	55,880
<b>NOTE 17 - TOTAL ASSETS</b>				
Recreation & Culture	1	31,863,351	30,200,845	(1,662,506)

**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 2014, 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. Those 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 management, 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:

- giving a true and fair view of the Shire's financial position as at 30 June 2014 and of its financial performance and its cash flows for the year ended on that date; and
- complying with Australian Accounting Standards (including Australian Accounting Interpretations).

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

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

In accordance with the Local Government (Audit) Regulations 1996, we 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) 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 68 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: 19 January 2015  
Perth, WA

UHY HAINES NORTON  
CHARTERED ACCOUNTANTS  
  
WEN-SHIEN CHAI  
PARTNER

**RATIO INFORMATION**

The following information relates to these ratios which only require attestation they have been checked and are supported by verifiable information.

	2014	2013	2012
Asset Consumption Ratio	0.65	0.50	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 2012 year have not been reported as financial information is not available.**

**NOTE 1 - The Shire had not yet adopted its Asset Management Plans and Long Term Financial Plan so this ratio has not been calculated for 2013 and 2014.**



