



shire of Ashburton
reef to range



Shire of Ashburton

Annual Report 2011/2012

Tom Price | Onslow | Paraburdoo | Pannawonica

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Front cover image by Andrew Stevens.

Welcome

to the Shire of Ashburton

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

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

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

The enormity of the landscape sets the scene for adventurous experiences, including the unforgettable Karijini National Park. From the awe-inspiring gorges to mine tours, four wheel driving, fishing, boating and island exploring - Ashburton is in a league of its own.

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

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

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



Our Towns

Tom Price

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

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

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

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

Onslow

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

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

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



Paraburdoo

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

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

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

Pannawonica

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

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

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

Message from the Commissioner

The 2011/2012 financial year signalled a further period of major investment in our towns. Significant projects were completed during the financial year for the residents of Ashburton and we are proud of these new and upgraded amenities. The Shire generated in excess of \$10.6 million in rates income during the period and this, combined with funding sourced from State and Federal Government, allowed us to continue with our future development plans.

Over \$23 million was spent on community infrastructure during the year with a number of projects being finalised including the Tom Price revitalisation and Onslow Boardwalk refurbishment. The Tom Price Civic Centre refurbishment and establishment of a dog park are just a few of the many projects undertaken during the year.

The Onslow Social Infrastructure Fund, negotiated with Chevron and the WA State Government provided over \$76 million of investment into the Onslow community as a result of the commencement of the Wheatstone project. We thank those Councillors and staff that participated in the negotiations, which were a very positive outcome for Onslow.

It was also pleasing to see new, privately owned residential accommodation being built on land released by the Shire in December 2010. Council continues to rotate its meetings between the four towns in line with its commitment to open government and providing the opportunity for as many people as possible to attend council meetings. Councillors are also involved in many different committees and attend meetings of both a strategic and operational nature with various levels of Government, resource companies and community representatives to discuss issues of common interest.

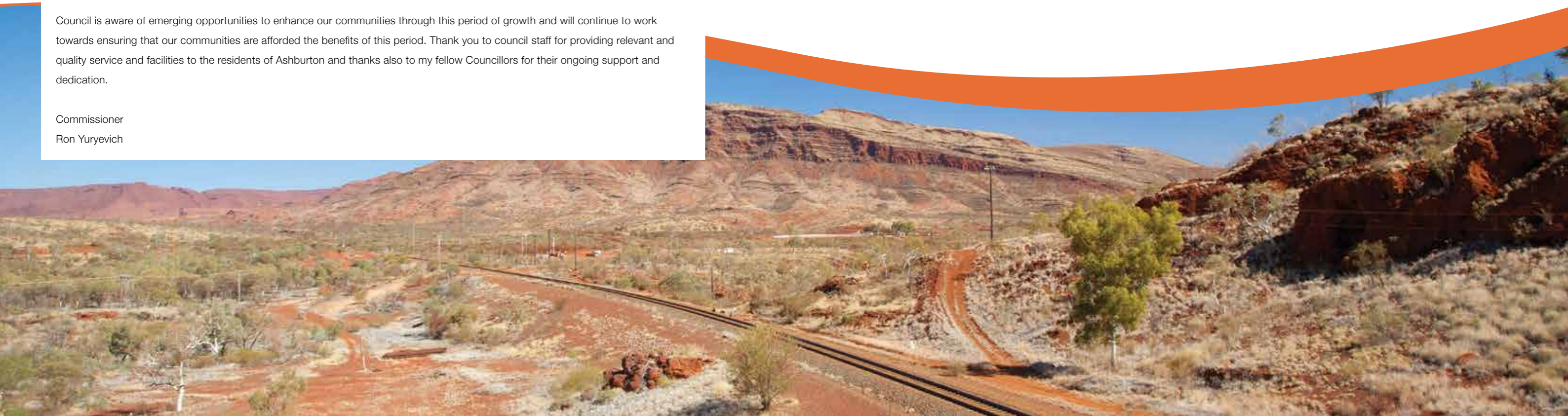
The Shire is well equipped for the future and has completed and implemented an organisational restructure to ensure appropriate staff are in place to move projects forward.

Council is aware of emerging opportunities to enhance our communities through this period of growth and will continue to work towards ensuring that our communities are afforded the benefits of this period. Thank you to council staff for providing relevant and quality service and facilities to the residents of Ashburton and thanks also to my fellow Councillors for their ongoing support and dedication.

Commissioner
Ron Yuryevich

Major Projects 2012 - 2011

	Total Cost
Onslow Aerodrome upgrade (continuing project in 2012 – 2013)	\$2.3 million
Tom Price Town Centre revitalisation (continuing project from 2010 – 2011)	\$3.4 million
Road construction (Weano/Bunjima Dr and Juna Downs Rd)	\$2.4 million
Staff housing (Tom Price and Onslow)	\$2.6 million
Tom Price sporting pavilion (preliminaries)	\$138,100
Onslow boardwalk refurbishment (second stage)	\$225,700
Stormwater drainage of Onslow	\$333,000
Construction of dog exercise park - Tom Price	\$79,600
Land subdivision (Tom Price residential and industrial)	\$2.3 million



Future Strategic Plan

Planning for the Future 2011 - 2022

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

In February 2011, the Shire of Ashburton commenced planning for the Integrated Strategic Plan that will cover 2012 to 2022. In line with new legislation, this plan will include:

- Strategic Community Plan
- Corporate Business Plan

These plans will be supported by the following informing strategies:

- Asset Management Plan
- Long Term Financial Planning
- Workforce Planning
- A Well Managed and Contemporary Corporate
- A Financially Responsible Corporation



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



Strategic Community Plan

Goals and Objectives

1 Vibrant and active communities

Connected, caring and engaged communities

Active people, clubs and associations

Quality education, healthcare, childcare, aged care and youth services

A rich cultural life

2 Economic prosperity

Strong local economies

Enduring partnerships with industry and government

Well-managed tourism

3 Unique heritage and environment

Flourishing natural environments

Leading regional sustainability

Celebration of history and heritage



4 Distinctive and well-serviced places

Quality public infrastructure

Accessible and safe towns

Well-planned towns

5 Inspiring governance

Custodianship

Community ownership

Council leadership

Exemplary team and work environment

Message from the CEO



The 2011/2012 financial year saw another record budget of \$100 million. Both State and Federal Governments provided generous financial contributions that have enabled much needed infrastructure projects to continue to take place throughout the Shire.

The Shire has continued to work collaboratively with the three other Pilbara councils and remains committed to taking a proactive approach to regional issues. Major investments by resource companies operating in the Shire continue to provide positive impacts on our community's economic and social development. A partnership developed with Rio Tinto Iron Ore will continue investment in our communities.

Our biggest project is the commencement of the Onslow Aerodrome upgrade. As part of the Onslow Social Infrastructure Fund, the Shire secured \$30 million in funding to construct a longer runway and establish a passenger terminal. It is anticipated this will be completed mid 2013 to cater for Wheatstone and other activity.

Construction of staff accommodation in both Tom Price and Onslow was completed during the year and is fully utilised. There remains an ongoing and urgent need for additional staff housing in these centres.

The Tom Price Town Centre Revitalisation was completed during the year and has created fantastic amenity for all who live and visit the town. Extensive community consultations have taken place in both Paraburdoo and Onslow for the revitalisation of these towns.

Ongoing development of the Macedon Project and commencement of the Wheatstone Gas Project has seen a major planning effort into the future growth of Onslow. This has resulted in the preparation of the Onslow Expansion Plan by LandCorp. This plan was developed following a 5-day public and stakeholder consultation workshop.

The organisation restructure mentioned in the previous Annual Report is slowly bedding down and will help us as we embark on the integrated planning processes mandated by the Department of Local Government. This process will see the development of a strategic community plan, corporate business plan supported by asset management, long term financial plan and a workforce management plan.

The whole process will provide the basis for improving the practice of strategic planning in local Governments. The timeframe for completing this work is 30 June 2013. This will be a challenge as we continue to plan and complete new projects and maintain our day-to-day activities in a difficult recruiting environment.

Council completed the year with a total comprehensive surplus of \$6,516,580. This was largely due to the difficulty in attracting suitably qualified personnel to complete projects. An analysis of council's ratios indicates we are operating within acceptable parameters, particularly the 'outstanding rate ratio' which has reduced again this year.

I congratulate and thank all Shire staff who have worked hard during the year to ensure we continue to provide valuable services to our communities. Without their dedication, we would not realise our goals.

I would also like to thank all the Councillors for working cooperatively in achieving the goals that we have set ourselves and look forward to continuing this into the future.

Frank Ludovico
A/Chief Executive Officer

The Councillors

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

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

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

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

Five fundamental aims of Council can easily be identified:

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

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



Cr Kerry White
Shire President



Cr Linton Rumble
JP, Deputy Shire President
Paraburdoo Ward



Cr Anne Eyre
Ashburton Ward



Cr Lisa Shields
Tom Price Ward



Cr Peter Foster
Tom Price Ward



Cr Cecilia Fernandez
Tom Price Ward



Cr Dennis Wright
Pannawonica Ward



Cr Lorraine Thomas
Tableland Ward



Cr Ivan Dias
JP, Paraburdoo Ward

The Shire of Ashburton works hard to ensure the balanced physical, social and economic development of local communities.

It is the Shire's role to:

- Lead boldly and plan effectively
- Understand changing global and local contexts
- Listen to and be fully informed on local issues
- Balance the competing demands of the local environment, economy and community
- Ensure equitable allocation of community resources
- Foster civic pride, respect and co-operation
- Forge partnerships to ensure affordable and equitable delivery of local projects, programs and infrastructure
- Co-operate regionally and broadly with government to ensure effective intergovernmental relations

Management

The Council's organisation is structured to complement and reflect the desires of the community and the Council, in pursuing objectives and strategies outlined in the Strategic Plan.

The Chief Executive Officer is responsible for the overall management and day-to-day administration of the organisation and advising Council in relation to the local government matters.

The structure of the organisation is set out with six main departments:

1. Office of the CEO
2. Corporate Services
3. Community Development
4. Strategic and Economic Development
5. Technical Services
6. Operations



Responsibilities of Executive Management

CEO & Executive Managers as at 30 June 2012



Jeff Breen
Office of CEO

Frank Ludovico
Corporate Services

Geoff Brayford
Technical Services

Amanda O'Halloran
Strategic & Economic Development

Deb Wilkes
Community Development & Services

Fiona Keneally
Operations

- HR
- Occupational Safety
- Council Support
- Media
- Business Improvement

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

- Asset Management
- Contract Management
- Design
- Project Management
- GIS
- Planning, Building & Health
- Waste
- Ranger Services
- Emergency Services

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

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

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

July 2011

Approval of \$25 billion Wheatstone gas project

In fantastic news for the Shire of Ashburton, the Environmental Protection Authority (EPA) announced approval of the \$25 billion Wheatstone gas project. This mammoth project will require Onslow to accommodate a projected population increase of 2700 and incorporates one of Australia's largest marine dredging campaigns (dredging of 48 million cubic meters over 3-4 years).

Collaborative communication workshop

To further strengthen fellowship and cooperation between the Shire of Ashburton and Rio Tinto, a 'Collaborative Communication workshop' was held in Tom Price. Outcomes of the workshop included a commitment to collaborative community engagement and a review of current communication models.

The workshop cemented the fact that both the Shire and Rio Tinto are on the same page and are jointly committed to maximising the opportunities that are available to the region.

Passion of the Pilbara festival

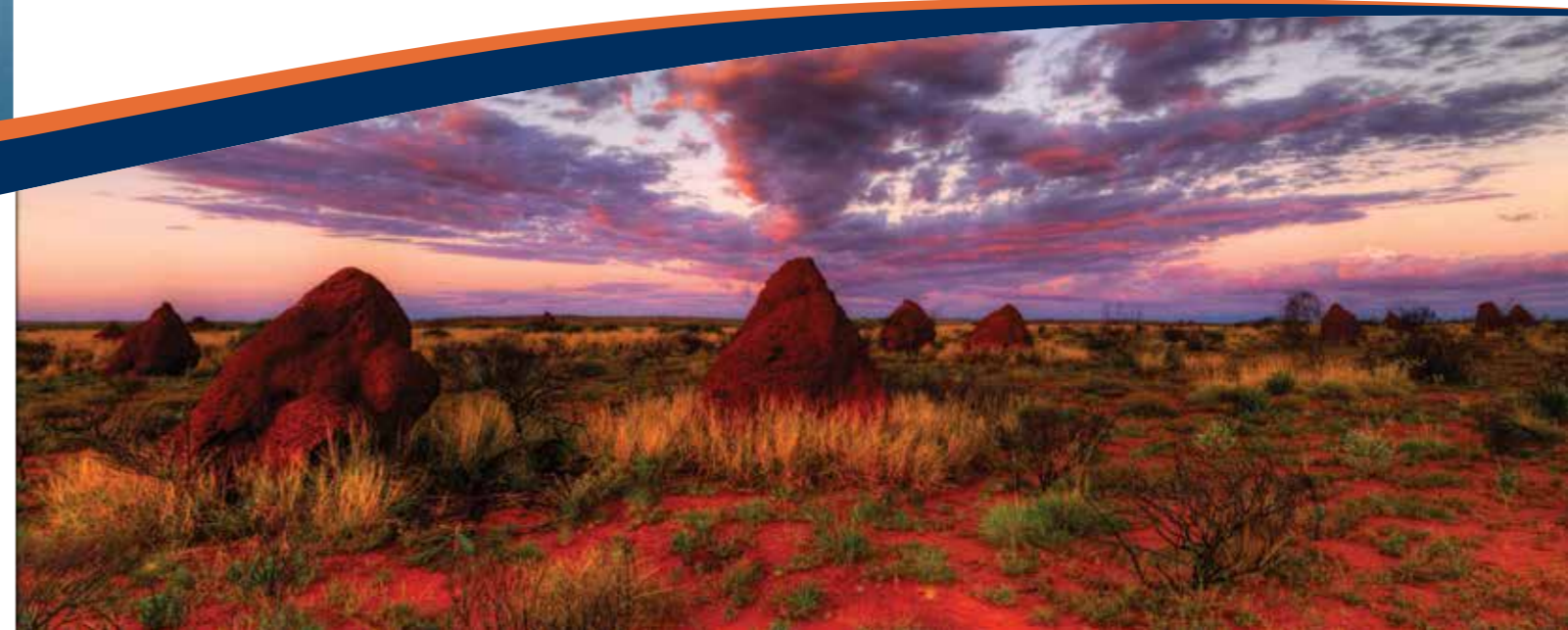
Food, fun and frivolity were in the air on July 9 and 10 as the second 'Passion of the Pilbara Festival' burst into life. This already well-loved family festival utilises celebrity chefs from around the state to promote local food and produce. In addition to cooking demonstrations, all attendees enjoyed fireworks, African Drumming workshops, clowns and magicians and concerts by 'Lady Gaga' and 'Rhianna'.

This fantastic festival was only possible thanks to funding partnerships with local corporations. The Shire would like to thank Chevron, BHP, Onslow Salt, LandCorp, Golder Associates, Technip, Pilbara Health Network, Whelans, Horizon Power, Gumala Aboriginal Corporation, Harvey Norman, Mackerel Islands, Onslow General Store and Buurabalayji Thalanyji Assocaition Inc. for their generous funding.

Pilbara Indigenous women's workshop

The Shire of Ashburton affirmed its support for the Indigenous community by attending the Pilbara Indigenous Women's Aboriginal Corporation's (PIWAC) community workshop. The workshop was one of a series of meetings held to discuss the issues facing Indigenous women in the Pilbara. It also provided the opportunity to confer with all of our community groups as we move into a period of consultation for our ten-year strategic plan.

Highlights...



Onslow Planning Charrette

The Onslow Planning Charrette saw over 40 representatives from LandCorp, urban planning groups, Government agencies and the Shire come together in Onslow with the common goal of forging a successful plan to move the region forward. Significant topics covered included a new access road into Onslow, new housing developments and concept planning for the main street and foreshore.

Included in these discussions were key agencies such as the Water Corp, Department of Transport, Horizon Power, FESA, Police, Department of Housing, Onslow Salt and Mackerel, creating the opportunity for all organisations to share their plans for the future.

MPC (Jim's Gym) opens

The health and fitness of Onslow's community received a boost thanks to the opening of a new gym. Located at the MPC, the new gym is a refurbishment of the old fitness centre and is open 24 hours a day. To help ensure member safety, security cameras have been installed.

August 2011

Tom Price town centre revitalisation

The revitalisation of the Tom Price Town Centre gained momentum in August, thanks to the completion of major foundation works and major advances in the erection of the main structure, which made a dramatic impact on the aesthetic appeal of the town. This is just the beginning of a total revitalisation of the town centre, which will become a great meeting point for travellers as well as trying to ensure families are fully catered for. The town centre revitalisation is part of a XX million royalties for regions partnership to invest in services and facilities for the people who live in the Pilbara.

Onslow basketball carnival

On August 26-28, basketball teams from across the Pilbara came together for the Onslow Basketball Carnival; a highly competitive weekend which showcases some truly amazing basketball talent. Team Magic from South Hedland entered the competition as hot favourites, having won the previous two years, but was outdone on the day when Lost in Oz (Yandeyarra) pipped them for the title. Acknowledgment must go to BHP Billiton, Thalanyji and the Department of Child Protection for their generous funding.

40th anniversary of Nameless Jarndunmunha Festival

The Shire was a proud major sponsor of the Nameless Festival, held in Tom Price 5-7 August 2011. This annual community festival is organised, planned and run by the Nameless Committee and celebrates the strong community spirit between Tom Price and Paraburdoo. The festival weekend is focused on families and the youth, with plenty for everyone to enjoy from stalls and games to entertainment for all ages.

In 2011, the Nameless Jarndunmunha Festival celebrated its 40th anniversary. This year, the Committee was proud to involve Andrew Binsair, an Aboriginal artist from Meekatharra who ran several very special Aboriginal art workshops for the community and local schools. He was formally 'Welcomed to Country' by Wayne Stevens of Tom Price at the Tom Price High School - a special cultural formality that students were privileged to experience.

The three-day long festival featured stalls and spectacular fireworks along with amazing floats, children's entertainers, local talent and fun-filled entertainment for all age groups.

September 2011

Record budget

2011/2012 Budget set another record in Ashburton. An ambitious capital works program totalling \$62.39 million has been provided for with investment in:

- Purchase of land and building (including construction and capital works on staff housing, swimming pools, sports pavilions and halls);
- Investment in major transport Infrastructure – Onslow Airport;
- Major investment in road infrastructure – Weano/Banjima Drive, Juna Downs Road and Mt Stuart – Red Hill Road;
- Rubbish Tip upgrades in Tom Price and Onslow; and
- Investment in infrastructure (footpaths and drainage) across Onslow, Paraburdoo and Tom Price;

New street lights for McGrath Ave, Onslow

To enhance the safety and security of Onslow residents in the area, seven new lights were installed on McGrath Ave between Second Ave and Otway Court.



October 2011

Cr Kerry White elected Shire President

The Shire welcomed Kerry White to the position of Shire President.

Tom Price land release

The installation of services commenced at the Boonderoo Road subdivision in Tom Price including water, power, telecommunications and streetlights.

The subdivisions represent the first major land release in Tom Price for approximately 28 years, with some unexpected hurdles encountered along the way proving a major learning curve for all parties involved.

November 2011

Shire earns Waterwise endorsement

The Minister for Environment and Water, Mr. Bill Marmion announced Onslow and the Shire of Ashburton's Waterwise council status in November.

The Shire is the first North West council to receive such an endorsement, which was achieved by demonstrating a commitment to sustainable water practices.

These practices have also supported the implementation of the Onslow Water Spray Park. By reducing water use in one area, it allowed for some of the saved water to be used to benefit families and provide a family space for the community to share.

Onslow community garden project wins award

The Shire of Ashburton took out first place in the Department of Local Government's Best Practice Award for the Community Garden Project in Onslow.

'Get togethers' in the garden often see a large number of volunteers attend, with its unique setting encouraging healthy active lifestyles. The garden is frequently utilised for festivals, events and family gatherings and showcases to the whole of WA that Onslow and the Shire of Ashburton can be leaders in community development.

Indigenous training initiatives and amenity upgrades

The Shire of Ashburton was happy to contribute some \$30,000 to a pergola project at three of our local Aboriginal communities. The project also included the provision of training to local Indigenous community members, teaching skills such as concreting, fencing, roofing, welding, painting and building infrastructure. This fantastic project delivered positive training initiatives while improving amenities at the communities.

Tom Price and Paraburdoo Tidy Towns

Two towns in the Shire received accolades in this year's Tidy Towns – Sustainable Communities Pilbara Category Awards. Paraburdoo won the Community Action Category and Tom Price won the Recycling and Waste Management Award. The Shire's Waste Management Coordinator was also recognised with a Special Commendation Award.

December 2011

Groundbreaking marks start of Wheatstone construction

On 1 December 2011, Chevron Australia Pty Ltd and its joint venture participants commemorated the start of construction of the AUD \$29 billion Wheatstone natural gas project with a special groundbreaking ceremony at Ashburton North, near Onslow on Western Australia's Pilbara coast.

The construction of the project will take about five years with first gas planned for 2016. The accommodation village will house more than 4,300 construction workers. It is forecast to create more than 6,500 direct and indirect jobs at peak construction and result in more than AUD\$17 billion being spent on Australian goods and services.

Construction of staff housing in Tom Price completed

Two new modular homes, built as part of the Staff Housing Program were completed and delivered to Tom Price in December 2011. The homes consisted of a two bedroom, two bathroom home positioned as a rear duplex on an existing Shire property, and a huge seven bedroom, six bathroom staff house on Willow Road.

The residential-style staff house with large open plan living, kitchen, laundry and alfresco was designed to complement the Pilbara climate and style. It has provided quality accommodation for key staff and consultants visiting Tom Price, as well as providing a facility for low-key meetings and events.





January 2012

Day care funding secured

Vital day care funding was secured thanks to BHP Billiton becoming a principal sponsor. The CSSU are the approved operators of the day care.

Minister Brendon Grylls visits Tom Price

The Minister for Regional Development, Hon. Brendon Grylls visited Tom Price to review the developments of the town centre revitalisation (funded by the Royalties for Regions Pilbara Cities program) and to address the hospital upgrades.

Australia Day celebrations

Celebrations were mixed across the Shire for Australia Day as Tom Price, Paraburdoo and Pannawonica enjoyed fine weather and festivities while Onslow experienced far less-pleasant weather thanks to Cyclone Iggy.

Paraburdoo put on a fantastic show for the kids including breakfast, show bags, face painting and jumping castle. The Active Citizenship Award was presented to Jo Barron-Perry for inspiring the Paraburdoo community to win the Tidy Towns award for Pilbara 2011.

Over 550 people attended celebrations at the Vic Hayton Memorial Pool in Tom Price, marking the 30th birthday of the Pilbara regiment with a Freedom of Entry exercise (not performed since 1998). Celebrations were postponed in Onslow due to the impending cyclone and was later rescheduled as a 'dry creek' regatta and held as part of Onslow's Mother's Day celebrations.

February 2012

Fire threatens Pannawonica Township

Pannawonica's Volunteer Fire and Rescue Service were put through their paces in February when lightning strikes wreaked havoc throughout the region, threatening to engulf the small town in flames.

For three days from February 19, the VFRS crew members continued to attend to scrub fires in the area, giving the community a strong reminder that bushfire season should be prepared for in much the same way as cyclone season. The town is now well protected with large firebreaks.

Public workforce forum

A public forum concerning workforce issues was conducted on behalf of the Department of Training and Workforce Development and the Pilbara Workforce Development Alliance in February.

The forum focused on providing a local perspective on key regional workforce trends and challenges, and canvassing potential strategies, actions and priorities that need to be included in the regional workforce development plan.

The forum is part of broader consultations that will result in the preparation of a Pilbara workforce development plan for 2012–2015. The overall purpose of the plan is to identify the current and future workforce development and skills needs of the region and develop strategies to ensure that these needs can be addressed.

March 2012

Pannawonica locals celebrate park opening

Pannawonica residents recently joined Shire of Ashburton and Rio Tinto representatives in officially opening Tony Lyons Park on March 23. With recent upgrades through the support of the Shire of Ashburton in partnership with Rio Tinto, lovely landscaping now complements new play and exercise equipment, barbecue facilities and a gazebo.

New logo for the Shire

The Shire unveiled a modern, innovative new logo in March. This logo is designed to reflect the diverse landscape of the region while capturing the Shire's ongoing advancements, including major developments such as town upgrades, the Wheatstone Project, Onslow airport, sporting complexes and new community initiatives and programs.

Turning point in Australia's modern history

This month marks the 15-year anniversary of the signing of the groundbreaking Yandi Land Use Agreement (YLUA). Signed in March 1997, it was the first major land use agreement signed in Australia. The YLUA paved the way for a string of other land use agreements in the Pilbara and around Australia, which in turn have resulted in major mine developments and an industry that is both the envy of the world and our nation's economic engine room.





New transit house

The Shire of Ashburton has constructed a seven bedroom, six bathroom staff transit house in Tom Price at a cost of around \$850,000. The transit house was built to ease the Shire's current housing shortage for employees. The house has been designed so the Shire can use it for small meetings and training when required. It will serve as temporary accommodation for contractors and staff engaged to complete the multiple projects planned around the Shire.

Onslow's first industry forum is held

On 8 March 2012, the Shire hosted the inaugural Onslow Industry Forum. The forum attracted over 70 participants, bringing industry, local business, Local Government and suppliers together to enable and facilitate business growth and economic development in the Onslow/Ashburton region.

Chevron, BHP Billiton, Water Corp, Small Business Centre West Pilbara and LandCorp all presented on the opportunities that will be coming online in Onslow. LandCorp discussed industrial and residential land releases that are in planning and offered the business community an opportunity to discuss their individual issues direct with them.

Clean up day

Bechtel and the Onslow Community teamed up to clean up the Onslow Front Beach Foreshore as part of the Clean up Australia initiative. Over 30 volunteers worked hard to collect a full trailer load of rubbish, which saw a number of big-ticket items removed from the beach (tin, rusted steel bed, prams, drums, plastic containers and glass). Of most concern was the number of fishing nets that were removed from the beach.

Tom Price Town Reconciliation Action Plan

The Shire supported an exciting initiative by organising a workshop with the Department of Indigenous Affairs (DIA) and Reconciliation Australia to commence the development a town Reconciliation Action Plan (RAP) for the Tom Price community. RAPs are business plans which use a holistic approach to build meaningful relationships and create sustainable opportunities for Aboriginal and Torres Strait Islander Australians and other Australians.



Since the launch of the Reconciliation Action Plan programme (2006) in Australia, over 300 corporate, government and community organisations have developed their own unique RAP. The Tom Price RAP is the first of its kind in Australia and involves individual community members, community organisations and local government, business and industry representatives. The Shire's community services department continues to develop the initiative, and once finalised, it will be the first 'town' RAP developed in this country.

April 2012

Funding application approved for Paraburdoo Town Centre Revitalisation

Shire of Ashburton's application was approved for \$1.1 million in Local Government funding for the much-anticipated refurbishment of the town centre - allowing it to become an attractive, vibrant and sustainable community hub.

WA Premier visits Tom Price

The Hon. Colin Barnett visited Tom Price for the first time in over 20 years. In the three days before his arrival, Mr Barnett visited Millstream and an Aboriginal community near Wickham, and also stayed at a Port Hedland FIFO camp to gain a better understanding of the issues facing Pilbara residents and workers.

New Building Regulations

The Shire's Development Services Department includes Building, Town Planning, Environmental Health, Aboriginal Environmental Health and Pool Safety with the aim of ensuring acceptable standards of structural sufficiency, fire safety, health and amenities are met throughout the Shire of Ashburton.

The new Building Act 2011 commenced on 2 April 2012, introducing a new building approval process for Western Australia and bringing significant changes to the building approvals process, from the design stage right through to occupation of a building. The Shire's Building Services incorporated the new Building Act 2011 within its procedures efficiently and effectively with a total of 829 building permits produced in the 2011-2012 financial year. Developments in the Shire range from small residential renovations to the massive accommodation Chevron camps on Barrow Island and the Onslow Wheatstone LNG Plant development.



Tom Price musicians produce CD

Talented Tom Price musicians were given the exciting opportunity to record their original songs with professional musicians and engineers. The three-week program was part of the Western Australian Music Industry Association's (WAMI) 'sounds of' – a series of regional recording projects aiming to teach remote musicians recording and production skills whilst providing a valuable mentoring service. The project was funded by Rio Tinto and the Shire provided support by donating a house to use as the studio and produced a photographic exhibition documenting the project.

ANZAC Day 2012 in the Pilbara

April 25 marked the Anzac Day dawn services, with hundreds gathering across the region to commemorate and honour the ANZACS who fought and gave their lives for our freedom.

In Onslow, a glorious sunrise greeted over 340 people who assembled for the dawn service at 5.45am. Pannawonica residents stood respectfully in silence at dawn and remembered with a service held at the ANZAC Memorial, Tony Lyons Park. The Anzac Day service at Paraburdoo had exceptional attendance, with over 200 people pouring in to pay their respects. And at RSL Memorial Park in Tom Price, over 600 residents felt the ANZAC spirit as dawn broke over soldiers resting on arms, guarding the Tom Price Memorial.

May 2012

Gumala launches the 3A Project

Gumala Aboriginal Corporation (GAC) launched an exciting new and unique early childhood learning initiative called the '3A Project' - a collaboration between GAC, Tom Price Primary School and the University of Melbourne. Located at the Gumala 0-5 Studio (Early Childhood Centre) at the Wakuthuni Community near Tom Price, the 3A (Australian Abecedarian Approach) Project is a pioneering education model for high quality early childhood education and care. Gumala has appointed local teachers, who, together with some community members, are conducting the classes.

Biggest iron ore 'Start up' project in Australia

Construction at Fortescue Metals Group's Solomon project (70 kilometres north of Tom Price) reached its peak with around 2500 workers with expected increase to 3500, bringing enormous benefits to the Tom Price community.

Industry Forum in Onslow

The Shire of Ashburton hosted the second Industry Forum in Onslow, attracting more than 70 business owners, potential operators and related agencies.

The forum which continues to be a bi-monthly event as a collaborative effort between the Shire, the Small Business Centre and Chamber of Commerce – shares advice and ideas on starting new businesses and facilitates residents and business owners to be informed about the developments happening in the town, especially in the lead up to the development of the Wheatstone Project.

Hands of Harmony

'Hands of Harmony' was created by Tom Price Primary School students to embrace National Reconciliation Week. Students wrote positive messages on 'hand-themed' artwork that celebrated different races and cultures living in harmony and planted them around school grounds. It was an inspiring, encouraging experience for all.

Queensland based RAW Dance tours the Shire

Funded by the Shire and Rio Tinto, RAW Dance's touring 'Bang Crash Tap' performance encouraged young people in all four towns to write and perform a vibrant musical or dance concert for parents and other community members.

Onslow Aerodrome and Business Park planning well under way

The Shire worked with Chevron and the State Government to progress the development of the Onslow Aerodrome final plan, so that construction of the temporary Aerodrome construction camp and planning of the Aerodrome business park could commence. A draft subdivision plan was circulated for comment regarding business park rezoning.

Council endorses conservation plan for Old Onslow

A conservation plan was prepared for Old Onslow as part of the approval process for the Wheatstone project and Ashburton North development, with funding from Chevron by Gaye Nayton Historical Architect and associated specialists. The new plan – designed to deal with the impact of resource industry growth in the region - will be the primary guiding document for future conservation of the much-valued Old Onslow town site and should increase pressure for its heritage protection.



Onslow Cemetery

Development works to the cemetery commenced, including the installation of the 'Tree of Life' gates - a focal point midway between the old and new cemetery. At 2.2m tall and approximately 250kgs each, they are easily visible from the road and are a pleasant sight. The design of the gates is highly symbolic and fitting for the resting place of the people of the town. It depicts the great Axis Mundi Tree growing from the River of Time - its branches reaching the heavens and eternity, symbolising regeneration. The railings bear the emblem of the Ashburton Pea in silhouette, thus linking the artwork to the Onslow Township.

Childcare services open in Onslow

Long-awaited childcare services returned to Onslow on Monday, May 21, with the opening of the Onslow Early Learning Centre at the multi-purpose centre in McGrath Avenue. The centre is operated by the Children's Services Support Unit (CSSU) and has the capacity to care for up to 19 children, with four places catering for children under the age of two years.

New subdivision in Tom Price completed

The Shire of Ashburton was very pleased to announce settlement of the 13 new residential lots at Warara Street, Tom Price on May 31, 2012. The lots, including two duplex-size and two triplex-size development areas, were pre-sold by the Shire at auction in February 2011.

Star of the North: Onslow Expansion Plan

The Onslow Expansion Plan document was published and represents the building blocks for a vibrant, sustainable and prosperous future for Onslow. It was produced as a result of collaborative efforts by the Shire of Ashburton, LandCorp, Pilbara Cities, Department of State Development, Department of Planning, key stakeholders and the Onslow community.

June 2012

Planning applications, approvals and construction activity highlights

- BHP Billiton's residential facility at Third Avenue Onslow received planning approval
- Discovery Parks lodged a planning application for 1st stage accommodation/mess facilities redevelopment
- Second subdivision in Tom Price was completed
- Titles were issued for the Boonderoo Road subdivision following completion of the new lots. 6 new lots, zoned 'General Business' were developed and pre-sold at auction in February 2011.

Onslow hosts its annual Youth Leadership Camp

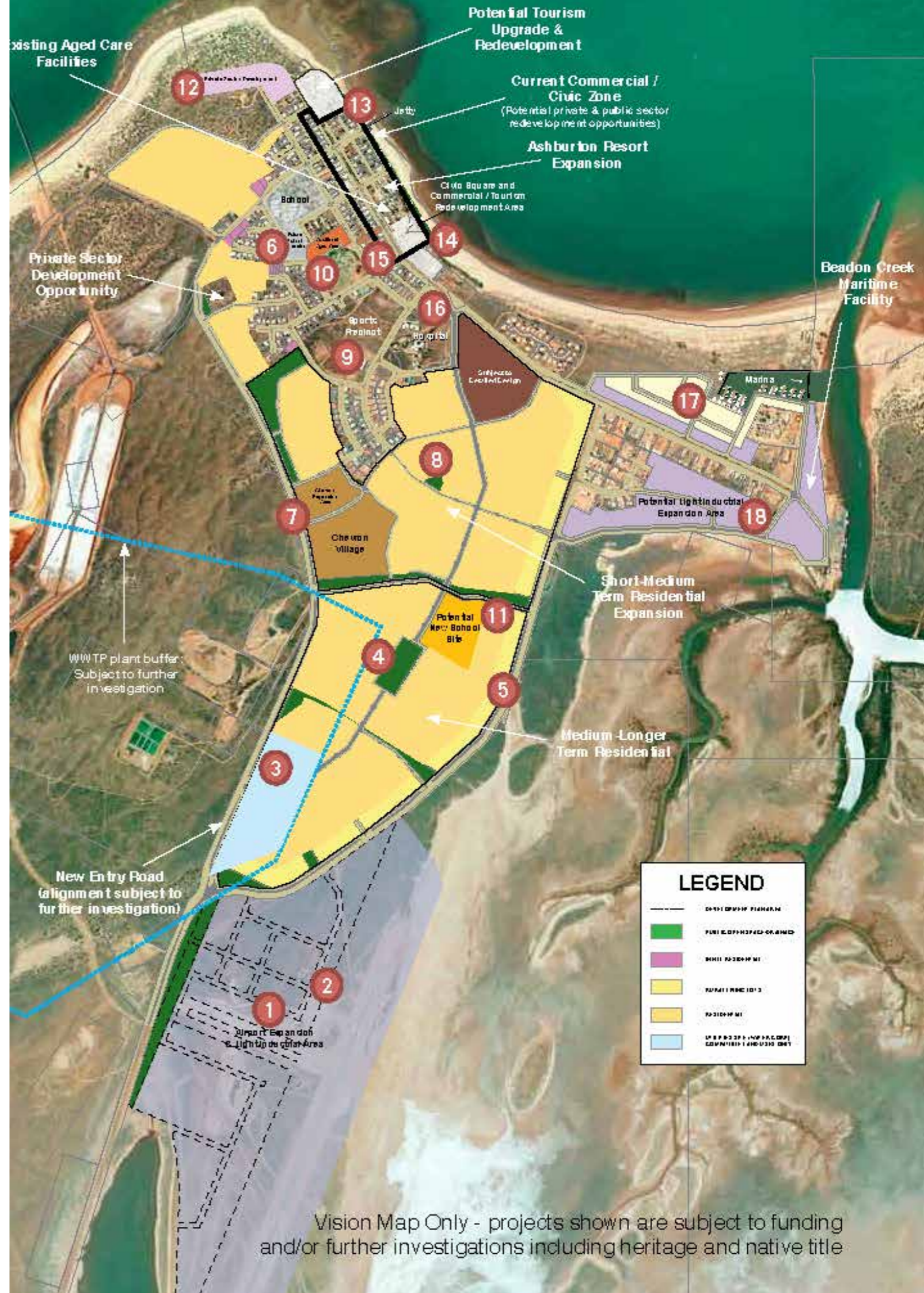
Onslow hosted its annual Youth Leadership Camp on June 2-4. A facilitator from the Perry Lakes Hawks State Basketball Team together with Daniel Mundy from V Swans spent the weekend inspiring potential young leaders in Onslow in a variety of engaging workshops and activities.

Welcome event

Paraburdoo hosted their first 'welcome event' sponsored by Rio Tinto, with more than 100 people attending the breakfast event.

New facilities & upgrades

- Completion of the Tom Price Dog Park
- Commencement of Meeka Park lighting, toilet and landscaping upgrades in Paraburdoo
- Tom Price and Paraburdoo pools received new defibrillators and Lotterywest funds for disabled chair lifts
- Construction starts for new playground equipment at the Vic Hayton Swimming Pool, Tom Price



Overview of Activities completed, proposed to commence or continuing:

- The Ashburton Vision was unveiled in July 2010. It showcased many and current and future projects for the Shire.
- A Tourism Destination Development Strategy has been adopted by the Shire of Ashburton.
- Industrial land (Boonderoo Road) and Residential land (Warara Street) in Tom Price is currently being serviced. It was successfully pre-sold in February/March 2011.
- Construction of additional staff housing in Onslow.
- Recycling plant commencing operations with first shipment of recyclables to Perth.
- Significant lobbying has occurred to upgrade water supply in Onslow to ensure preparedness for proposed LNG Projects.
- The revitalisation of Tom Price and Paraburdoo Town Centres. Substantial funding from Royalties for Regions – Pilbara Fund.
- The completion of the Onslow Multi Purpose Complex. Substantial funding from Royalties for Regions – Pilbara Fund with construction currently underway.
- Vic Hayton Memorial Pool Tom Price reopened after major renovations.
- Overall Master Plan for Onslow Recreation Precinct has been adopted and construction is continuing.
- Royalties for Regions funding obtained to revitalise the Tom Price Sporting Precinct.
- Development of new waste sites in Onslow and Tom Price.
- Working with the Ashburton Aboriginal Corporation and Rio Tinto Pty Ltd to commence a Biodiesel Trial. The hope is that this will lead to a sustainable business for local Indigenous people.
- Shire of Ashburton monthly publication 'Inside Ashburton' is growing in success.
- Structure Planning continuing for "Ashburton North" area and "Special Industry Area to facilitate major projects in Onslow (LNG).
- Financial Ratios remain within industry standards.

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 2011/12 one FOI Application was received by the Shire of Ashburton. This application was successfully processed during the reporting period.

The following are some of the documents available for public inspection at the Shire of Ashburton free of charge:

- Council Agenda and Minutes
- Annual Budgets
- Annual Financial Statements
- Annual Reports
- Electoral Rolls



Statutory Reporting



National Competition Policy

In respect of 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. No Local Laws were amended during the 2010/2011 financial year.

Records Management

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 given approval for the maximum period of 5 years without the need for review.

The Shire has continued with a staff training program including inductions for new staff members and updates for all officers throughout the year.

The Shire's electronic records management program SynergySoft has been upgraded and staff are kept informed of new and improved records management tools available for their use, and of their responsibilities relating to record keeping.

Disability Access and Inclusion Report

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

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

Outcome 1 – Service and Events

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

Outcome 2 – Buildings and Other Facilities

- People with disabilities have the same opportunities as other people to access the buildings and facilities of a public authority.
- As part of the Shire of Ashburton's ongoing service delivery, the Shire has provided ramp access from "road pavement to footpath" in all new path construction throughout the Shire. It has also resurfaced uneven paths throughout the towns. This is an ongoing project in upgrading pathways around town centres.
- Budget allowance as made for the installation of automatically opening doors in two community facilities in Tom Price.

Outcome 3 – Information

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

Outcome 4 – Level and Quality of Service

- People with disabilities receive the same level and quality of service from staff of a public authority as other people receive from staff of that public authority.
- Employees of the Shire of Ashburton are made aware that people with disabilities may have different needs. Staff are encouraged to ensure that people with disabilities receive the same level and quality of services as other people receive.

Outcome 5 – Complaints Process

- People with disabilities have the same opportunities as other people to make complaints to a public authority.
- People with disabilities are able to make complaints and can do this via written letters, email or verbally to a Shire office.

Outcome 6 – Public Consultation Process

- People with disabilities have the same opportunities as other people to participate in any public consultation by a public authority.
- Community Consultations are made available to people with disabilities by holding them in places that are readily and easily accessible. Feedback from community consultation process is received and accepted in a variety of formats, including via website, email, in written and verbal formats.
- During the 2010/2011 financial year no amendments to DIAP were made.

Financials

for the year ended 30 June 2012

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SHIRE OF ASHBURTON
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012
LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Ashburton being the annual financial report and other information for the financial year ended 30th June 2012 are in my opinion properly drawn up to present fairly the financial position of the Shire of Ashburton at 30th June 2012 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 on the 21 day of December 2012.



Frank Ludovico
Acting Chief Executive Officer

SHIRE OF ASHBURTON
STATEMENT OF COMPERHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2012

	NOTE	2012 \$	2012 Budget \$	2011 \$
REVENUE				
Rates	22	10,669,261	9,638,676	8,591,524
Operating Grants, Subsidies and Contributions	28	7,858,655	7,262,109	5,823,701
Fees and Charges	27	11,344,255	18,543,277	8,699,968
Interest Earnings	2(a)	589,693	705,050	921,203
Other Revenue		359,800	396,400	333,285
		<u>30,821,664</u>	<u>36,545,512</u>	<u>24,369,681</u>
EXPENSES				
Employee Costs		(9,151,328)	(9,122,226)	(8,277,811)
Materials and Contracts		(12,465,628)	(23,130,780)	(10,543,361)
Utility Charges		(552,562)	(647,676)	(394,200)
Depreciation on Non-Current Assets	2(a)	(6,802,091)	(6,066,173)	(6,276,077)
Interest Expenses	2(a)	(244,053)	(253,764)	(132,202)
Insurance Expenses		(866,096)	(888,704)	(787,018)
Other Expenditure		(186,831)	(303,308)	(234,055)
		<u>(30,268,589)</u>	<u>(40,412,631)</u>	<u>(26,644,724)</u>
		553,075	(3,867,119)	(2,275,043)
Non-Operating Grants, Subsidies and Contributions	28	4,405,086	35,152,034	2,526,354
Profit on Asset Disposals	20	1,576,410	0	798,434
Loss on Asset Disposal	20	(17,991)	0	(17,210)
		<u>6,516,580</u>	<u>31,284,915</u>	<u>1,032,535</u>
NET RESULT				
Other Comprehensive Income				
Nil		0	0	0
Total Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u><u>6,516,580</u></u>	<u><u>31,284,915</u></u>	<u><u>1,032,535</u></u>

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

**SHIRE OF ASHBURTON
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2012**

**SHIRE OF ASHBURTON STATEMENT
OF FINANCIAL POSITION AS AT 30TH
JUNE 2012**

	NOTE	2012 \$	2012 Budget \$	2011 \$
REVENUE				
Governance		304,692	133,100	171,574
General Purpose Funding		17,309,992	13,849,436	14,099,696
Law, Order, Public Safety		143,466	131,364	136,271
Health		237,375	215,002	164,642
Education and Welfare		257,955	363,000	147,191
Housing		58,424	24,000	27,416
Community Amenities		4,707,620	3,500,920	2,688,812
Recreation and Culture		457,261	754,500	613,163
Transport		687,182	1,877,435	406,543
Economic Services		1,398,485	1,637,400	1,440,123
Other Property and Services		5,259,212	14,059,355	4,474,250
	2 (a)	<u>30,821,664</u>	<u>36,545,512</u>	<u>24,369,681</u>
EXPENSES EXCLUDING FINANCE COSTS				
Governance		(3,437,109)	(3,139,293)	(2,634,972)
General Purpose Funding		(461,519)	(433,810)	(284,921)
Law, Order, Public Safety		(676,560)	(751,174)	(786,050)
Health		(512,295)	(482,682)	(396,979)
Education and Welfare		(551,897)	(655,774)	(545,469)
Housing		(492,219)	(196,124)	(519,049)
Community Amenities		(3,753,021)	(3,887,033)	(3,209,009)
Recreation & Culture		(5,483,055)	(5,589,352)	(4,789,964)
Transport		(7,618,192)	(8,519,715)	(7,353,270)
Economic Services		(1,277,537)	(2,857,825)	(1,258,857)
Other Property and Services		(5,761,132)	(13,646,085)	(4,759,508)
	2 (a)	<u>(30,024,536)</u>	<u>(40,158,867)</u>	<u>(26,538,048)</u>
FINANCE COSTS				
Law, Order, Public Safety		(5,050)	(6,058)	(7,078)
Housing		(186,136)	(193,834)	(41,730)
Recreation & Culture		(16,272)	(17,033)	(17,786)
Transport		(36,595)	(36,839)	(40,082)
	2 (a)	<u>(244,053)</u>	<u>(253,764)</u>	<u>(106,676)</u>
NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS				
Community Amenities		137,727	1,137,100	9,810
Recreation & Culture		785,147	2,175,674	981,227
Transport		3,482,212	29,339,260	1,535,317
Economic Services		0	1,500,000	0
Other Property and Services		0	1,000,000	0
		<u>4,405,086</u>	<u>35,152,034</u>	<u>2,526,354</u>
PROFIT/(LOSS) ON DISPOSAL OF ASSETS				
Transport		27,632	0	110,497
Other Property and Services		1,530,787	0	670,727
		<u>1,558,419</u>	<u>0</u>	<u>781,224</u>
NET RESULT		6,516,580	31,284,915	1,032,535
Other Comprehensive Income				
Nil		0	0	0
Total Other Comprehensive Income		0	0	0
TOTAL COMPREHENSIVE INCOME		6,516,580	31,284,915	1,032,535

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

	NOTE	2012 \$	2011 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	11,015,503	15,852,111
Trade and Other Receivables	4	4,833,318	2,928,156
Inventories	5	2,980,798	1,165,505
TOTAL CURRENT ASSETS		18,829,619	19,945,772
NON-CURRENT ASSETS			
Other Receivables	4	658	530
Inventories	5	7,785	0
Property, Plant and Equipment	6	36,834,205	33,269,528
Infrastructure	7	91,836,761	86,840,901
TOTAL NON-CURRENT ASSETS		128,679,409	120,110,959
TOTAL ASSETS		147,509,028	140,056,731
CURRENT LIABILITIES			
Trade and Other Payables	8	4,913,600	3,799,290
Long Term Borrowings	9	368,891	347,575
Provisions	10	923,152	740,685
TOTAL CURRENT LIABILITIES		6,205,643	4,887,550
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	3,466,322	3,835,213
Provisions	10	108,938	122,423
TOTAL NON-CURRENT LIABILITIES		3,575,260	3,957,636
TOTAL LIABILITIES		9,780,903	8,845,186
NET ASSETS		137,728,125	131,211,545
EQUITY			
Retained Surplus		129,171,511	119,178,961
Reserves - Cash Backed	11	8,115,252	11,591,222
Reserves - Asset Revaluation	12	441,362	441,362
TOTAL EQUITY		137,728,125	131,211,545

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 2012

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	ASSET REVALUATION RESERVE \$	TOTAL EQUITY \$
Balance as at 1 July 2010		108,131,080	21,606,568	441,362	130,179,010
Net Result		1,032,535	0	0	1,032,535
Total Other Comprehensive Income		0	0	0	0
Reserve Transfers		10,015,346	(10,015,346)	0	0
Balance as at 30 June 2011		119,178,961	11,591,222	441,362	131,211,545
Net Result		6,516,580	0	0	6,516,580
Total Other Comprehensive Income		0	0	0	0
Reserve Transfers		3,475,970	(3,475,970)	0	0
Balance as at 30 June 2012		129,171,511	8,115,252	441,362	137,728,125

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

SHIRE OF ASHBURTON
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2012

	NOTE	2012 \$	2012 Budget \$	2011 \$
Cash Flows From Operating Activities				
Receipts				
Rates		10,561,378	9,700,681	8,503,486
Operating Grants, Subsidies and Contributions		8,291,030	7,518,709	6,256,076
Fees and Charges		9,295,503	20,098,542	9,627,154
Interest Earnings		589,693	705,050	921,203
Goods and Services Tax		2,558,225	604,081	2,630,093
Other Revenue		360,935	396,400	420,189
		<u>31,656,764</u>	<u>39,023,463</u>	<u>28,358,201</u>
Payments				
Employee Costs		(8,919,793)	(9,168,306)	(8,086,355)
Materials and Contracts		(11,375,407)	(22,758,128)	(12,947,260)
Utility Charges		(552,562)	(647,676)	(394,200)
Insurance Expenses		(866,096)	(888,704)	(787,018)
Interest expenses		(291,173)	(253,764)	(119,775)
Goods and Services Tax		(2,694,972)	(716,817)	(2,904,552)
Other Expenditure		(186,831)	(377,287)	(234,055)
		<u>(24,886,834)</u>	<u>(34,810,682)</u>	<u>(25,473,215)</u>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>6,769,930</u>	<u>4,212,781</u>	<u>2,884,986</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale		(3,299,730)	(2,958,272)	(673,838)
Payments for Purchase of Property, Plant & Equipment		(5,399,382)	(15,826,875)	(9,270,097)
Payments for Construction of Infrastructure		(12,738,541)	(43,611,819)	(6,843,699)
Payments for Works in Progress		2,546,728	0	(2,345,931)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		4,405,086	35,152,034	2,941,604
Proceeds from Sale of Plant & Equipment		3,226,876	12,355,100	1,189,963
		<u>3,226,876</u>	<u>12,355,100</u>	<u>1,189,963</u>
Net Cash Provided By (Used In) Investing Activities		<u>(11,258,963)</u>	<u>(14,889,832)</u>	<u>(15,001,998)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(347,575)	(355,523)	(149,156)
Proceeds from New Debentures		0	562,000	2,500,000
		<u>0</u>	<u>562,000</u>	<u>2,500,000</u>
Net Cash Provided By (Used In) Financing Activities		<u>(347,575)</u>	<u>206,477</u>	<u>2,350,844</u>
Net Increase (Decrease) in Cash Held		<u>(4,836,608)</u>	<u>(10,470,574)</u>	<u>(9,766,168)</u>
Cash at Beginning of Year		15,852,111	15,906,500	25,618,279
Cash and Cash Equivalents at the End of the Year	13(a)	<u>11,015,503</u>	<u>5,435,926</u>	<u>15,852,111</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 2012**

NOTE	2012 \$	2012 Budget \$
REVENUE		
Governance	304,692	133,100
General Purpose Funding	6,640,731	4,210,760
Law, Order, Public Safety	143,466	131,364
Health	237,375	215,002
Education and Welfare	257,955	363,000
Housing	58,424	24,000
Community Amenities	4,845,347	4,638,020
Recreation and Culture	1,242,408	2,930,174
Transport	4,215,017	31,216,695
Economic Services	1,398,485	3,137,400
Other Property and Services	6,789,999	15,059,355
	<u>26,133,899</u>	<u>62,058,870</u>
EXPENSES		
Governance	(3,437,109)	(3,139,293)
General Purpose Funding	(461,519)	(433,810)
Law, Order, Public Safety	(681,610)	(757,232)
Health	(512,295)	(482,682)
Education and Welfare	(551,897)	(655,774)
Housing	(678,355)	(389,958)
Community Amenities	(3,753,021)	(3,887,033)
Recreation & Culture	(5,499,327)	(5,606,385)
Transport	(7,672,778)	(8,556,554)
Economic Services	(1,277,537)	(2,857,825)
Other Property and Services	(5,761,132)	(13,646,085)
	<u>(30,286,580)</u>	<u>(40,412,631)</u>
Net Operating Result Excluding Rates	(4,152,681)	21,646,239
Adjustments for Cash Budget Requirements:		
Non-Cash Expenditure and Revenue		
(Profit)/Loss on Asset Disposals	(1,558,419)	0
Movement in Leave Reserve (Added Back)	5,676	0
Movement in Deferred Pensioner Rates (Non-Current)	(128)	0
Movement in Employee Benefit Provisions (Non-Current)	(13,485)	0
Adjustment for Rounding	0	0
Depreciation on Assets	6,802,091	6,066,173
Capital Expenditure and Revenue		
Purchase Land Held for Resale	(3,299,730)	(2,958,272)
Purchase Work in Progress	2,546,728	0
Purchase Land and Buildings	(3,759,931)	(12,496,799)
Purchase Plant and Equipment	(1,334,310)	(2,838,176)
Purchase Furniture and Equipment	(305,141)	(491,900)
Purchase Infrastructure Assets - Roads	(2,691,635)	(9,390,814)
Purchase Infrastructure Assets - Footpaths	(133,120)	(581,206)
Purchase Infrastructure Assets - Drainage	(547,577)	(1,345,287)
Purchase Infrastructure Assets - Parks & Ovals	(166,506)	(898,000)
Purchase Infrastructure Assets - Other	(9,199,703)	(31,396,512)
Proceeds from Disposal of Assets	3,226,876	12,355,100
Repayment of Debentures	(347,575)	(355,523)
Proceeds from New Debentures	0	562,000
Transfers to Reserves (Restricted Assets)	(498,280)	(3,523,158)
Transfers from Reserves (Restricted Assets)	3,974,250	12,521,537
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	2,950,568	3,485,922
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	2,167,229	0
Amount Required to be Raised from Rates	22 <u>(10,669,261)</u>	<u>(9,638,676)</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 2012**

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Preparation

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

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

Critical Accounting Estimates

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

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

(b) The Local Government Reporting Entity

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

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

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

(c) Goods and Services Tax

Revenues, expenses and assets capitalised are stated net of any GST recoverable.

Receivables and payables in the statement of financial position are stated inclusive of applicable GST. 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.

(d) Cash and Cash Equivalents

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

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

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Trade and Other Receivables

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

(f) Inventories

General

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

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

Land Held for Resale

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

Revenue arising from the sale of property is recognised in the statement of comprehensive income as at the time of signing an unconditional contract of sale.

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

(g) Fixed Assets

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

Initial Recognition

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

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

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Revaluation

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

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

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

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

Land under Roads

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

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

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

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

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

Depreciation of Non-Current Assets

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

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

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Depreciation of Non-Current Assets (Continued)

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

Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets clearing and earthworks construction/road base original surfacing and major re-surfacing	not depreciated 50 years
- bituminous seals	20 years
Gravel roads clearing and earthworks construction/road base gravel sheet	not depreciated 50 years 12 years
Formed roads (unsealed) clearing and earthworks construction/road base	not depreciated 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.

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

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

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

Capitalisation Threshold

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

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

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 (ie trade date accounting is adopted).

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

Classification and Subsequent Measurement

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

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

Amortised cost is calculated as:

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

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

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost.

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

Derecognition

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

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

(i) Impairment

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

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

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

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

(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 and are usually paid within 30 days of recognition.

(k) Employee Benefits

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

(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.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Provisions

Provisions are recognised when:

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

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

(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) Joint Venture

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

The Council's interest in joint venture entities are recorded using the equity method of accounting in the financial report.

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

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

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

(q) 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.

(r) Current and Non-Current Classification

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

(s) Rounding Off Figures

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

(t) Comparative Figures

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

(u) 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 2012**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2012.

Council's assessment of these new standards and interpretations is set out below:

Title and Topic	Issued	Applicable (*)	Impact
(i) AASB 9 – Financial Instruments	December 2009	01 January 2013	Nil – The objective of this Standard is to improve and simplify the approach for classification and 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 1053 - Application of Tiers of Australian Accounting Standards	June 2010	01 July 2013	Nil - Due to its nature and statutory requirements the Council will be deemed a Tier 1 entity and will continue to prepare general purpose financial statements.
(iii) AASB 2009– 11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	December 2009	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect.

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(iv) AASB 2010 - 2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050, & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052]	June 2010	01 July 2013	Nil - None of these amendments will have any effect on the financial report as the standard does not apply in the case of general purpose financial statements.
(v) AASB 2010 – 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	December 2010	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(vi) AASB 2010 - 8 Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets [AASB 112]	December 2010	01 January 2012	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(vii) AASB 2010 - 10 Further Amendments to Australian Accounting Standards - Removal of Fixed Dates for First-time Adopters [AASB 2009 - 11 & 2010 - 7]	December 2010	01 January 2013	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2011 - 2 Amendments to Australian Accounting Standards - Arising from the Trans-Tasman Consequence Project - Reduced Disclosure Requirements. [AASB 101 & 1054]	May 2011	01 July 2013	
AASB 2011 - 3 Amendments to Australian Accounting Standards - Orderly Adoption of Changes to ABS GFS manual and related Amendments. [AASB 1049]	May 2011	01 July 2012	
AASB 2011 - 6 Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation - Reduced Disclosure Requirements [AASB 127, 128 & 131]	July 2011	01 July 2013	

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(ix) AASB 13 - Fair Value Measurement, AASB 2011 - 8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	September 2011	01 January 2013	AASB 13 defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements. AASB 13 requires inputs to all fair value measurements to be categorised in accordance with fair value hierarchy. AASB 13 also requires enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value. AASB 13 will have particular relevance to the process of the Council adopting fair value methodology in relation to its fixed assets as mandated from 1 July 2012. Apart from the changes in value in relation to assets to be revalued (which are mandated by legislation and not changes to the standard) it is not expected to significantly impact the Council as the framework embodied in AASB 13 does not differ significantly from that which is present in existing standards. The amendments to the legislation requires the phasing in of fair value in relation to fixed assets over the three years from 1 July 2012. It is not possible to estimate the likely amount of any revaluations.
(x) AASB 2011 - 9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	September 2011	01 July 2013	The main change embodied in this standard is the requirement to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. It effects presentation only and is not expected to significantly impact the Council.

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(xi) AASB 119 - Employee Benefits, AASB 2011 - 10 Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Interpretation 14]	September 2011	01 January 2013	The changes in relation to defined benefit plans contained in this standard are not expected to significantly impact the Council nor are the changes to AASBs in relation to termination benefits.
(xii) AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	September 2011	01 July 2013	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2011 – 12 Amendments to Australian Accounting Standards arising from Interpretation 20 [AASB 1]	November 2011	01 January 2013	
AASB 2011 – 13 Amendments to Australian Accounting Standards – Improvements to AASB 1049	December 2011	01 July 2012	

Notes:

(*) 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 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Adoption of New and Revised Accounting Standards

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

These new and revised standards were:

AASB 124
AASB 1054
AASB 2009 - 12
AASB 2009 - 14
AASB 2010 - 4
AASB 2010 - 5
AASB 2010 - 6
AASB 2010 - 9
AASB 2011 - 1

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

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

2. REVENUE AND EXPENSES	2012	2011
	\$	\$
(a) Net Result		
The Net Result includes:		
(i) Charging as an Expense:		
Auditors Remuneration		
During the year the following fees were paid or payable for services provided by the following auditors' of the Shire:		
<i>BDO Audit (WA) Pty Ltd</i>		
Audit and review of Financial Report	17,500	7,589
<i>Leonie Bailey</i>		
Audit and review of grant acquittals	0	900
Depreciation		
Buildings	614,751	505,855
Furniture and Equipment	197,814	120,390
Plant and Equipment	737,274	691,042
Roads	4,687,451	4,490,806
Footpaths	69,914	60,632
Drainage	153,882	153,882
Parks	86,020	88,036
Other	254,985	165,434
	<u>6,802,091</u>	<u>6,276,077</u>
Interest Expenses (Finance Costs)		
Debentures (<i>refer Note 21(a)</i>)	244,053	132,202
	<u>244,053</u>	<u>132,202</u>
Rental Charges		
- Operating Leases	3,696	4,032
	<u>3,696</u>	<u>4,032</u>
(ii) Crediting as Revenue:	2012	2012
	\$	Budget
		\$
Interest Earnings		
Investments		
- Reserve Funds	442,699	600,000
- Other Funds	105,148	60,000
Other Interest Revenue (<i>refer note 26</i>)	41,846	45,050
	589,693	<u>705,050</u>
		<u>921,203</u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

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

Council operations as disclosed in this financial report encompasses the following service orientated programs which it has established.

GOVERNANCE

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

GENERAL PURPOSE FUNDING

Rates, general purpose grants and interest on investments.

LAW, ORDER, PUBLIC SAFETY

Supervision of various local laws, fire prevention, emergency services and animal control.

HEALTH

Food control, maintenance & contribution to health services & facilities, aboriginal health.

EDUCATION AND WELFARE

Maintenance of pre-school facilities & donations to schools. Maintenance of Senior Citizens Homes, Day Care Centre, assistance to welfare groups. Aged & Disabled services, Home and Community Care and Respite Care programs.

HOUSING

Maintenance of staff and rental housing.

COMMUNITY AMENITIES

Rubbish collection services, maintenance of refuse sites, control & co-ordination of cemeteries, administration of town planning schemes & other community/environmental services. Heritage issues relating to old Onslow.

RECREATION AND CULTURE

Maintenance of halls, sporting facilities, parks & associated facilities & provision of library services in Tom Price, Onslow, Pannawonica & Paraburdoo.

TRANSPORT

Construction and maintenance of roads, drainage, footpaths, parking facilities, traffic & street signs. Operation of Onslow airport.

ECONOMIC SERVICES

Noxious weeds & vermin control, tourism & area promotion including management of tourist bureau, building control.

OTHER PROPERTY & SERVICES

Public works overheads, plant operating costs & other unclassified works.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening		Received (+)		Expended (#)		Closing						
		Balance (@) 1-Jul-10	\$	2010/11	\$	2011/12	\$	Balance (@) 30-Jun-11	\$	Balance 30-Jun-12	\$			
Grants for Aboriginal Environmental Health	Law, Order & Public Safety	(62,764)		108,108		(67,284)		(21,940)		167,432		(102,565)		42,927
National Disaster Mitigation Funds 2006-07	Recreation & Culture	90,909		0		(90,909)		0		0		0		0
Pilbara Development Commission - Multi Purpose Complex	Recreation & Culture	499,000		0		(499,000)		0		0		0		0
Onslow Salt - Onslow Cemetery Niche Wall & Beautification	Community Amenities	20,000		0		0		20,000 (*)		0		(20,000)		0
Country Local Government Fund - Tom Price Town Centre Revitalisation	Community Amenities	9,455,684 (*)		0		(4,490,009)		4,965,675 (*)		0		(3,431,414)		1,534,261 (*)
Country Local Government Fund - Onslow Multi Purpose Centre / Sporting Precinct	Recreation & Culture	3,976,620		0		(3,976,620)		0		0		0		0
Interest on Country Local Government Funding	Recreation & Culture	620,662		690,149		(323,007)		987,804 (*)		438,293		0		1,426,097 (*)
Country Local Government Fund - Various Projects	Recreation & Culture	478,638		0		(478,638)		0		0		0		0
Dept of Regional Development Forward Capital Works Plan	Governance	35,000		0		(35,000)		0		0		0		0
Dept of Regional Development Tom Price Civic Centre Refurbishment	Recreation & Culture	237,300		0		(127,147)		110,153 (*)		0		(84,574)		25,579 (*)

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions (Continued)

Grant/Contribution	Function/ Activity	Opening		Received (+)		Expended (#)		Closing	
		Balance (@) 1-Jul-10	\$	2010/11	\$	2010/11	\$	Balance (@) 30-Jun-11	\$
	Recreation & Culture	0	0	0	0	0	0	0	0
Chevron - Seniors Workshops	Culture				5,000	(809)			4,191
Pilbara Iron - Paraburdoo	Transport				21,164	(14,737)			6,427
Speed Check Signs									
Total		20,381,609	1,063,036	(10,758,850)	2,581,714	(4,353,895)	10,685,795	(4,353,895)	8,913,614

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 revenue 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 2011 and at the end of June 2012.

Unspent Grants not transferred to reserve as at 30 June

2012	2011
\$	\$
1,715,278	242,839

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

3. CASH AND CASH EQUIVALENTS

	2012	2011
	\$	\$
Cash on Hand - (Unrestricted)	3,970	3,430
Cash at Bank - Municipal	2,896,281	4,257,459
Restricted - Reserves	8,115,252	11,591,222
	<u>11,015,503</u>	<u>15,852,111</u>
Cash at Bank - Municipal		
Unrestricted Cash	(341,739)	1,514,620
Restricted Cash - Unspent Grants (refer note 2 (c))	1,715,278	242,839
Restricted Cash - Unspent Loans (refer note 21 (c))	1,522,742	2,500,000
	<u>2,896,281</u>	<u>4,257,459</u>

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

Employee Benefit Reserve	153,111	147,435
Plant Replacement Reserve	116,284	85,974
Infrastructure Reserve	206,493	198,839
Housing Reserve	357,441	344,192
Onslow Community Infrastructure Reserve	35,026	33,728
Onslow Emergency Evacuation Building Reserve	0	235,428
Property Development Reserve	48,560	46,760
Town Centre Re-development Reserve	0	43,180
Onslow Aerodrome Reserve	0	12,730
Unspent Grants and Contributions Reserve	7,198,337	10,442,956
	<u>8,115,252</u>	<u>11,591,222</u>

4. TRADE AND OTHER RECEIVABLES

Current

Rates Outstanding	156,275	140,331
Sundry Debtors	3,389,046	2,625,973
GST Receivable	231,884	95,137
Prepayments	72,185	27,902
Accrued Income	1,038,084	134,607
Provision for Doubtful Debts	(54,156)	(95,794)
	<u>4,833,318</u>	<u>2,928,156</u>

Non-Current

Rates Outstanding - Pensioners	658	530
	<u>658</u>	<u>530</u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

	2012 \$	2011 \$
5. INVENTORIES		
Current		
Fuel and Materials	12,644	23,746
Tourist Bureau Stock	104,659	130,319
Land Held for Resale - Cost		
Cost of Acquisition	207,123	310,684
Development Costs	2,656,372	700,756
	<u>2,980,798</u>	<u>1,165,505</u>
Non-Current		
Land Held for Resale - Cost		
Cost of Acquisition	0	0
Development Costs	7,785	0
	<u>7,785</u>	<u>0</u>
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings - Cost	36,369,669	32,609,738
Less Accumulated Depreciation	<u>(5,935,663)</u>	<u>(5,320,912)</u>
	30,434,006	27,288,826
Furniture and Equipment - Cost	1,762,907	1,637,064
Less Accumulated Depreciation	<u>(1,055,841)</u>	<u>(1,036,190)</u>
	707,066	600,874
Plant and Equipment - Cost	9,555,744	8,885,146
Less Accumulated Depreciation	<u>(4,416,952)</u>	<u>(4,115,958)</u>
	5,138,792	4,769,188
Works in Progress	<u>554,341</u>	<u>610,640</u>
	<u><u>36,834,205</u></u>	<u><u>33,269,528</u></u>

Whilst none of the above assets are subject to a policy of regular revaluation, they are subject to an annual assessment as to whether there is any indication an asset may have been impaired in accordance with AASB 136 'Impairment of Assets'.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

The following represents the movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land & Buildings \$	Furniture & Equipment \$	Plant & Equipment \$	Works in Progress \$	Total \$
Balance as at 1 July 2011	27,288,826	600,874	4,769,188	610,640	33,269,528
Additions	3,759,931	305,141	1,334,310	(56,299)	5,343,083
(Disposals)	0	(1,135)	(227,432)	0	(228,567)
Depreciation (Expense)	(614,751)	(197,814)	(737,274)	0	(1,549,839)
Balance as at 30 June 2012	<u><u>30,434,006</u></u>	<u><u>707,066</u></u>	<u><u>5,138,792</u></u>	<u><u>554,341</u></u>	<u><u>36,834,205</u></u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

	2012 \$	2011 \$
7. INFRASTRUCTURE		
Roads - Cost	109,918,097	107,226,462
Less Accumulated Depreciation	<u>(49,456,051)</u>	<u>(44,768,600)</u>
	60,462,046	62,457,862
Footpaths - Cost	2,964,175	2,831,055
Less Accumulated Depreciation	<u>(1,226,880)</u>	<u>(1,156,966)</u>
	1,737,295	1,674,089
Drainage - Cost	11,658,737	11,111,160
Less Accumulated Depreciation	<u>(3,436,917)</u>	<u>(3,283,035)</u>
	8,221,820	7,828,125
Parks & Ovals - Cost	4,428,184	4,261,678
Less Accumulated Depreciation	<u>(2,419,890)</u>	<u>(2,333,870)</u>
	2,008,294	1,927,808
Other Infrastructure - Cost	17,547,410	8,347,707
Less Accumulated Depreciation	<u>(1,130,060)</u>	<u>(875,075)</u>
	16,417,350	7,472,632
Works in Progress	<u>2,989,956</u>	<u>5,480,385</u>
	<u>91,836,761</u>	<u>86,840,901</u>

Whilst none of the above assets are subject to a policy of regular revaluation, they are subject to an annual assessment as to whether there is any indication an asset may have been impaired in accordance with AASB 136 'Impairment of Assets'.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

7. INFRASTRUCTURE (Continued)

Movements in Carrying Amounts

The following represents the movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year.

	Roads \$	Footpaths \$	Drainage \$	Parks and Ovals \$	Other Infrastructure \$	Works in Progress \$	Total \$
Balance as at 1 July 2011	62,457,862	1,674,089	7,828,125	1,927,808	7,472,632	5,480,385	86,840,901
Additions	2,691,635	133,120	547,577	166,506	9,199,703	(2,490,429)	10,248,112
Depreciation (Expense)	(4,687,451)	(69,914)	(153,882)	(86,020)	(254,985)	0	(5,252,252)
Balance as at 30 June 2012	<u>60,462,046</u>	<u>1,737,295</u>	<u>8,221,820</u>	<u>2,008,294</u>	<u>16,417,350</u>	<u>2,989,956</u>	<u>91,836,761</u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

	2012	2011
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	3,809,985	3,109,408
PAYG Payable	165,327	130,803
Income Received in Advance	125,000	125,000
ESL Liability	1,431	296
FBT Liability	23,725	87,094
Accrued Expenses	451,107	108,469
Accrued Interest on Loans	33,378	36,215
Accrued Salaries and Wages	303,647	202,005
	<u>4,913,600</u>	<u>3,799,290</u>
9. LONG-TERM BORROWINGS		
Current		
Secured by Floating Charge Debentures	<u>368,891</u>	<u>347,575</u>
	<u>368,891</u>	<u>347,575</u>
Non-Current		
Secured by Floating Charge Debentures	<u>3,466,322</u>	<u>3,835,213</u>
	<u>3,466,322</u>	<u>3,835,213</u>
Additional detail on borrowings is provided in Note 21.		
10. PROVISIONS		
Current		
Provision for Annual Leave	663,551	574,714
Provision for Long Service Leave	259,601	165,971
	<u>923,152</u>	<u>740,685</u>
Non-Current		
Provision for Long Service Leave	108,938	122,423
	<u>108,938</u>	<u>122,423</u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

	2012	2012	2011
	\$	Budget	\$
		\$	
11. RESERVES - CASH BACKED			
(a) Employee Benefits Reserve			
Opening Balance	147,435	147,435	141,122
Amount Set Aside / Transfer to Reserve	5,676	158,603	6,313
Amount Used / Transfer from Reserve	0	0	0
	<u>153,111</u>	<u>306,038</u>	<u>147,435</u>
(b) Plant Replacement Reserve			
Opening Balance	85,974	85,974	82,292
Amount Set Aside / Transfer to Reserve	30,310	417,016	3,682
Amount Used / Transfer from Reserve	0	(80,000)	0
	<u>116,284</u>	<u>422,990</u>	<u>85,974</u>
(c) Infrastructure Reserve			
Opening Balance	198,839	198,839	190,323
Amount Set Aside / Transfer to Reserve	7,654	1,522,760	8,516
Amount Used / Transfer from Reserve	0	(841,075)	0
	<u>206,493</u>	<u>880,524</u>	<u>198,839</u>
(d) Housing Reserve			
Opening Balance	344,192	344,192	329,450
Amount Set Aside / Transfer to Reserve	13,249	370,083	14,742
Amount Used / Transfer from Reserve	0	(140,000)	0
	<u>357,441</u>	<u>574,275</u>	<u>344,192</u>
(e) Onslow Community Infrastructure Reserve			
Opening Balance	33,728	33,728	32,283
Amount Set Aside / Transfer to Reserve	1,298	1,968	1,445
Amount Used / Transfer from Reserve	0	0	0
	<u>35,026</u>	<u>35,696</u>	<u>33,728</u>
(f) Onslow Emergency Evacuation Building Reserve			
Opening Balance	235,428	235,428	225,345
Amount Set Aside / Transfer to Reserve	0	0	10,083
Amount Used / Transfer from Reserve	(235,428)	(235,428)	0
	<u>0</u>	<u>0</u>	<u>235,428</u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

	2012 \$	2012 Budget \$	2011 \$
11. RESERVES - CASH BACKED (Continued)			
(g) Property Development Reserve			
Opening Balance	46,760	46,760	427,626
Amount Set Aside / Transfer to Reserve	1,800	502,728	19,134
Amount Used / Transfer from Reserve	0	0	(400,000)
	<u>48,560</u>	<u>549,488</u>	<u>46,760</u>
(h) Town Centre Redevelopment Reserve			
Opening Balance	43,180	43,180	41,331
Amount Set Aside / Transfer to Reserve	0	0	1,849
Amount Used / Transfer from Reserve	(43,180)	(43,180)	0
	<u>0</u>	<u>0</u>	<u>43,180</u>
(i) Onslow Aerodrome Reserve			
Opening Balance	12,730	12,730	12,185
Amount Set Aside / Transfer to Reserve	0	0	545
Amount Used / Transfer from Reserve	(12,730)	(12,730)	0
	<u>0</u>	<u>0</u>	<u>12,730</u>
(j) Unspent Grants and Contributions Reserve			
Opening Balance	10,442,956	11,981,922	20,124,611
Amount Set Aside / Transfer to Reserve	438,293	550,000	850,385
Amount Used / Transfer from Reserve	(3,682,912)	(11,169,124)	(10,532,040)
	<u>7,198,337</u>	<u>1,362,798</u>	<u>10,442,956</u>
TOTAL CASH BACKED RESERVES	<u>8,115,252</u>	<u>4,131,809</u>	<u>11,591,222</u>

All of the cash backed reserve accounts are supported by money held in financial institutions and match the amounts shown as restricted cash in Note 3.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

11. RESERVES - CASH BACKED (Continued)

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

Employee Benefits Reserve

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

Plant Replacement Reserve

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

Infrastructure Reserve

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

Housing Reserve

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

Onslow Community Infrastructure Reserve

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

Onslow Emergency Evacuation Building Reserve

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

Property Development Reserve

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

Town Centre Redevelopment Reserve

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

Onslow Aerodrome Reserve

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

Unspent Grants and Contributions Reserve

- To preserve unspent Grant and ongoing Capital Works Funds

12. RESERVES - ASSET REVALUATION

	2012 \$	2011 \$
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Asset revaluation reserves have arisen on revaluation of the following classes of assets:

Roads

Balance as at 1 July 2011	441,362	441,362
Revaluation Increment	0	0
Revaluation Decrement	0	0
Balance as at 30 June 2012	<u>441,362</u>	<u>441,362</u>

TOTAL ASSET REVALUATION RESERVES

	<u>441,362</u>	<u>441,362</u>
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SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

13. NOTES TO THE STATEMENT OF CASH FLOWS**(a) Reconciliation of Cash**

For the purposes of the statement of cash flows, cash includes cash on hand 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:

	2012 \$	2012 Budget \$	2011 \$
Cash and Cash Equivalents	11,015,503	5,435,926	15,852,111
(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net Result	6,516,580	31,284,915	1,032,535
Depreciation	6,802,091	6,066,173	6,276,077
(Profit)/Loss on Sale of Asset	(1,558,419)	0	(781,224)
(Increase)/Decrease in Receivables	(1,905,290)	1,854,873	1,580,123
(Increase)/Decrease in Inventories	36,762	2,022	(16,417)
Increase/(Decrease) in Payables	1,114,310	127,807	(2,383,733)
Increase/(Decrease) in Employee Provisions	168,982	29,025	119,229
Grants/Contributions for the Development of Assets	(4,405,086)	(35,152,034)	(2,941,604)
Net Cash from Operating Activities	<u>6,769,930</u>	<u>4,212,781</u>	<u>2,884,986</u>
(c) Undrawn Borrowing Facilities			
Credit Standby Arrangements			
Bank Overdraft limit	500,000		500,000
Bank Overdraft at Balance Date	0		0
Credit Card limit	65,000		55,000
Credit Card Balance at Balance Date	(31,794)		(36,735)
Total Amount of Credit Unused	<u>533,206</u>		<u>518,265</u>
Loan Facilities			
Loan Facilities - Current	368,891		347,575
Loan Facilities - Non-Current	3,466,322		3,835,213
Total Facilities in Use at Balance Date	<u>3,835,213</u>		<u>4,182,788</u>
Unused Loan Facilities at Balance Date	<u>1,522,742</u>		<u>2,500,000</u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

14. CONTINGENT LIABILITIES

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

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

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

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

Disclosure of on-going claims and the manner in which they are concluded has not been documented in the annual report 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

2012
\$ **2011**
\$

(a) Finance Lease Commitments

Council has no finance lease commitments at 30 June 2012.

(b) Operating Lease Commitments

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

Payable:

- not later than one year	23,352	0
- later than one year but not later than five years	93,408	0
	<u>116,760</u>	<u>0</u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

15. CAPITAL AND LEASING COMMITMENTS (continued)

	2012	2011
	\$	\$
(c) Capital Expenditure Commitments		
Contracted for:		
- Capital Expenditure Projects		
- Design and construct Three 2 x 1 dwellings and One 3 x 2 dwelling in Onslow	0	1,269,024
- Residential Dwellings - Tom Price	0	1,323,914
- Tom Price Revitalisation Construction/Landscaping	450,928	2,403,370
- Tom Price Skate Park Construction	700,000	0
	<u>1,150,928</u>	<u>4,996,308</u>
Payable:		
- not later than one year	1,150,928	4,996,308

16. JOINT VENTURE**Recreation Centre - Tom Price Senior High School**

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

	2012	2011
	\$	\$
Non-Current Assets		
Plant & Equipment	1,998,052	1,998,052
Less: Accumulated Depreciation	<u>(295,585)</u>	<u>(255,622)</u>
	<u>1,702,467</u>	<u>1,742,430</u>

There are no contingent liabilities as a result of this arrangement.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

Governance	1,339,636	2,961,397
General Purpose Funding	156,933	140,861
Law, Order, Public Safety	763,765	782,501
Health	97,804	41,475
Education and Welfare	215,789	215,326
Housing	8,466,220	6,587,695
Community Amenities	11,902,810	19,037,605
Recreation and Culture	27,955,106	27,648,296
Transport	82,857,262	72,968,374
Economic Services	1,121,185	1,131,886
Other Property and Services	7,802,364	5,606,055
Unallocated	4,830,154	2,935,260
	<u>147,509,028</u>	<u>140,056,731</u>

18. FINANCIAL RATIOS

	2012	2011	2010
Current Ratio	1.235	1.184	1.234
Untied Cash to Unpaid Trade Creditors Ratio	0.000	0.456	0.566
Debt Ratio	0.066	0.063	0.063
Debt Service Ratio	0.018	0.011	0.011
Gross Debt to Revenue Ratio	0.118	0.166	0.080
Gross Debt to Economically Realisable Assets Ratio	0.069	0.079	0.031
Rate Coverage Ratio	0.291	0.312	0.196
Outstanding Rates Ratio	0.014	0.016	0.019

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted current assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Untied Cash to Unpaid Trade Creditors Ratio	$\frac{\text{untied cash}}{\text{unpaid trade creditors}}$
Debt Ratio	$\frac{\text{total liabilities}}{\text{total assets}}$
Debt Service Ratio	$\frac{\text{debt service cost}}{\text{available operating revenue}}$
Gross Debt to Revenue Ratio	$\frac{\text{gross debt}}{\text{total revenue}}$
Gross Debt to Economically Realisable Assets Ratio	$\frac{\text{gross debt}}{\text{economically realisable assets}}$
Rate Coverage Ratio	$\frac{\text{net rate revenue}}{\text{operating revenue}}$
Outstanding Rates Ratio	$\frac{\text{rates outstanding}}{\text{rates collectable}}$

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

19. TRUST FUNDS

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

	Balance 1-Jul-11 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-12 \$
Public Open Space	225,500	0	0	225,500
Cleaning and Key Deposits	9,142	5,305	(10,972)	3,475
Other Trust Monies	5,102	30,554	(827)	34,829
Bonds and Guarantees	23,184	258,847	(138,742)	143,289
Nomination Deposit	80	800	(800)	80
Unclaimed Monies	5,189	1,257	0	6,446
BCITF Levy	260,244	929,051	(1,110,421)	78,874
BRB Levy	2,053	32,192	0	34,245
Consignment Stock	1,097	23,211	(20,944)	3,364
Tour Sales	40,838	174,077	(163,402)	51,513
	<u>572,429</u>			<u>581,615</u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

20. DISPOSALS OF ASSETS - 2011/12 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Other Law, Order & Public Safety	0	30,100	0	30,100	0	0
Housing	0	400,000	0	400,000	0	0
Transport	228,567	768,000	256,199	768,000	27,632	0
Other Property & Services	1,439,890	11,157,000	2,970,677	11,157,000	1,530,787	0
	<u>1,668,457</u>	<u>12,355,100</u>	<u>3,226,876</u>	<u>12,355,100</u>	<u>1,558,419</u>	<u>0</u>
					2012	
					\$	
					Profit on Asset Disposals	1,576,410
					Loss on Asset Disposals	(17,991)
						<u>1,558,419</u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

21. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 1-Jul-11 \$		New Loans		Principal Repayments		Principal 30-Jun-12		Interest Repayments	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Law, Order & Public Safety										
Loan 112 - Collocation Facility	108,151	0	0	33,917	33,918	74,234	57,528	5,050	6,058	
Housing										
Loan 117 - Housing Manager	723,691	0	0	43,842	43,842	679,849	679,848	39,385	39,565	
Loan 120 Onslow Residential Development	0	562,000	0	0	8,707	0	553,293	0	7,800	
Loan 121 New Staff Housing	2,500,000	0	0	189,144	189,144	2,310,856	2,310,856	146,751	146,469	
Recreation & Culture										
Loan 118 - Community Rec Centre	286,234	0	0	26,892	26,133	259,342	260,102	16,272	17,033	
Transport										
Loan 116 - Onslow Aerodrome	308,858	0	0	43,168	43,167	265,690	265,691	20,306	20,549	
Loan 119 - Onslow Aerodrome	255,854	0	0	10,612	10,612	245,242	245,150	16,289	16,290	
	4,182,788	0	562,000	347,575	355,523	3,835,213	4,372,468	244,053	253,764	

All debenture repayments are to be financed by general purpose revenue, with the following exceptions, being in the nature of self supporting loans:
Loan 112 the interest component of which is reimbursable by FESA.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

21. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2011/12

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
Loan 120 Onslow Residential Development	0	562,000	Unknown	Debenture	5	Unknown	Unknown	0	562,000	0

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 1-Jul-11 \$	Borrowed During Year \$	Expended During Year \$	Balance 30-Jun-12 \$
Loan 121 New Staff Housing	29/04/2011	2,500,000	0	977,258	1,522,742
		2,500,000	0	977,258	1,522,742

(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 2011 and 30 June 2012 was \$Nil.

22. RATING INFORMATION - 2011/12 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential General Rate											
GRV - Residential	0.084004	2,305	33,433,362	2,808,536	10,891	17,293	2,836,720	2,807,786	0	0	2,807,786
GRV - Residential Development	0.084004	3	48,360	4,062	0	0	4,062	4,062	0	0	4,062
GRV - Commercial Civic	0.084004	98	8,309,545	698,035	15,320	0	713,355	698,035	0	0	698,035
GRV - Tourism	0.084004	3	345,300	29,007	0	0	29,007	29,007	0	0	29,007
GRV - Community	0.084004	11	174,500	14,659	0	0	14,659	14,659	0	0	14,659
GRV - Industrial	0.084004	40	611,964	51,407	1,781	0	53,188	52,264	0	0	52,264
GRV - Industrial Development	0.084004	1	12,400	1,042	0	0	1,042	1,042	0	0	1,042
UV - Rural/Pastoral	0.025266	32	7,072,192	178,686	20,482	5,138	204,306	178,686	0	0	178,686
UV - Rural/Commercial	0.2804	6	49,146	13,779	0	0	13,779	13,779	0	0	13,779
UV - Rural/Industrial	0.2804	35	5,972,891	1,674,631	983,183	543	2,658,357	1,674,631	0	0	1,674,631
UV - Mining Leases	0.2804	527	12,862,593	3,606,311	193,202	15,195	3,814,708	3,523,040	300,000	30,000	3,853,040
UV - Tourism	0.1299	4	320,000	41,555	0	0	41,555	41,555	0	0	41,555
Sub-Totals		3,065	69,212,253	9,121,710	1,224,859	38,169	10,384,738	9,038,546	300,000	30,000	9,368,546
Minimum Rates											
GRV - Residential	530	126	369,519	66,780	0	0	66,780	66,780	0	0	66,780
GRV - Residential Development	530	1	5,940	530	0	0	530	530	0	0	530
GRV - Commercial Civic	530	25	74,324	13,250	0	0	13,250	13,250	0	0	13,250
GRV - Tourism	530	0	0	0	0	0	0	0	0	0	0
GRV - Community	530	4	9,750	2,120	0	0	2,120	2,120	0	0	2,120
GRV - Industrial	530	29	75,850	15,370	0	0	15,370	14,840	0	0	14,840
UV - Rural/Pastoral	530	8	58,606	4,240	0	0	4,240	4,240	0	0	4,240
UV - Rural/Commercial	530	5	3,477	2,650	0	0	2,650	2,650	0	0	2,650
UV - Rural/Industrial	530	23	5,018	12,190	0	0	12,190	12,190	0	0	12,190
UV - Mining Lease	530	305	235,268	161,650	0	0	161,650	159,530	0	0	159,530
Sub-Totals		526	837,752	278,780	0	0	278,780	276,130	0	0	276,130
Ex-Gratia Rates Rates											
Written Off Movement in Excess Rates Discounts (refer note 25)							10,663,518				9,644,676
							4,470				0
							(3,756)				(10,000)
							5,029				4,000
							0				0
Totals							10,669,261				9,638,676

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

22. RATING INFORMATION - 2011/12 FINANCIAL YEAR

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

	2012 (30 June 2012 Carried Forward) \$	2012 (1 July 2011 Brought Forward) \$	2011 (30 June 2011 Carried Forward) \$
Surplus/(Deficit) 1 July 2011 Brought Forward	<u>2,167,229</u>	<u>2,950,568</u>	<u>3,782,038</u>
Comprises:			
Cash - Unrestricted	(337,769)	1,518,050	1,518,050
Cash - Restricted Unspent Grants	1,715,278	242,839	242,839
Cash - Restricted Unspent Loans	1,522,742	2,500,000	2,500,000
Cash - Restricted Reserves	8,115,252	11,591,222	11,591,222
Rates Outstanding	156,275	140,331	140,331
Sundry Debtors	3,389,046	2,625,973	2,625,973
GST Receivable	231,884	95,137	95,137
Prepayments	72,185	27,902	27,902
Accrued Income	1,038,084	134,607	134,607
Less: Provision for Doubtful Debts	(54,156)	(95,794)	(95,794)
Inventories			
- Fuel and Materials	12,644	23,746	23,746
- Tourist Bureau Stock	104,659	130,319	130,319
Less:			
Reserves - Restricted Cash			
- Employee Benefit Reserve	(153,111)	(147,435)	(147,435)
- Plant Replacement Reserve	(116,284)	(85,974)	(85,974)
- Infrastructure Reserve	(206,493)	(198,839)	(198,839)
- Housing Reserve	(357,441)	(344,192)	(344,192)
- Onslow Community Infrastructure Reserve	(35,026)	(33,728)	(33,728)
- Onslow Emergency Evacuation Building Reserve	0	(235,428)	(235,428)
- Property Development Reserve	(48,560)	(46,760)	(46,760)
- Town Centre Re-development Reserve	0	(43,180)	(43,180)
- Onslow Aerodrome Reserve	0	(12,730)	(12,730)
- Unspent Grants and Contributions Reserve	(7,198,337)	(10,442,956)	(10,442,956)
Sundry Creditors	(3,809,985)	(3,109,408)	(3,109,408)
PAYG Payable	(165,327)	(130,803)	(130,803)
Income Received in Advance	(125,000)	(125,000)	(125,000)
GST Payable	0	0	0
ESL Liability	(1,431)	(296)	(296)
FBT Liability	(23,725)	(87,094)	(87,094)
Accrued Expenses	(451,107)	(108,469)	(108,469)
Accrued Interest on Loans	(33,378)	(36,215)	0 *
Accrued Salaries and Wages	(303,647)	(202,005)	0 *
Current Employee Benefits Provision	(923,152)	(740,685)	0 *
Current Loan Liability	(368,891)	(347,575)	0 *
Rounding	(2)	(2)	(2)
Add Back : Component of Leave Liability not Required to be Funded	153,111	147,435	*
Add Back : Current Loan Liability	368,891	347,575	0 *
Surplus/(Deficit)	<u>2,167,229</u>	<u>2,950,568</u>	<u>3,782,038</u>

Difference:

There is a difference between the Surplus/(Deficit) 1 July 2011 Brought Forward position used in the 2012 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2011 audited financial report.

This difference is due to a change in methodology for the calculation of Surplus/(Deficit) position. An * has been placed adjacent to the items that have changed due to the change in methodology.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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23. SPECIFIED AREA RATE - 2011/12 FINANCIAL YEAR

No specified area rates were charged in the 2011/12 year.

24. SERVICE CHARGES - 2011/12 FINANCIAL YEAR

No statutory service charges were imposed in 2011/12.

25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS - 2011/12 FINANCIAL YEAR

No discount for early payment applied to rates in the 2011/12 year.

26. INTEREST CHARGES AND INSTALMENTS - 2011/12 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11		35,460	40,000
Interest on Deferred Pensioners	11		0	50
Interest on ESL	11		704	0
Interest on Instalment Plan	5.5		5,682	5,000
Charges on Instalment Plan		10	3,930	3,000
			<u>45,776</u>	<u>48,050</u>

Ratepayers had the option of paying rates in four equal instalments, due on 5th October 2011, 7th November 2011, 9th January 2012 and 9th April 2012. Administration charges and interest applied for the final three instalments.

27. FEES & CHARGES	2012	2011
	\$	\$
Governance	50,751	63,919
General Purpose Funding	7,990	6,808
Law, Order, Public Safety	58,467	51,806
Health	69,943	55,153
Education and Welfare	1,634	7,968
Housing	49,353	25,224
Community Amenities	4,299,481	2,688,812
Recreation and Culture	286,355	267,816
Transport	362,975	34,167
Economic Services	1,160,757	1,185,819
Other Property and Services	4,996,549	4,312,476
	<u>11,344,255</u>	<u>8,699,968</u>

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

SHIRE OF ASHBURTON
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FOR THE YEAR ENDED 30TH JUNE 2012

28. GRANT REVENUE

	2012	2011
	\$	\$
By Nature and Type:		
Operating Grants, Subsidies and Contributions	7,858,655	5,823,701
Non-Operating Grants, Subsidies and Contributions	4,405,086	2,526,354
	<u>12,263,741</u>	<u>8,350,055</u>
By Program:		
Governance	230,348	80,486
General Purpose Funding	6,038,947	4,580,160
Law, Order, Public Safety	84,999	84,466
Health	167,432	109,489
Education and Welfare	256,321	139,223
Housing	9,071	2,192
Community Amenities	545,866	9,810
Recreation and Culture	947,733	1,289,925
Transport	1,178,870	1,907,693
Economic Services	2,640,131	67,814
Other Property and Services	164,023	78,797
	<u>12,263,741</u>	<u>8,350,055</u>

29. COUNCILLORS' REMUNERATION

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

	2012	2012	2011
	\$	Budget	\$
		\$	
Meeting Fees	56,000	60,000	56,000
President's Attendance Fee	14,000	15,000	14,000
President's Allowance	10,000	5,250	5,000
Deputy President's Allowance	1,875	1,250	1,562
Travelling Expenses	81,938	60,000	67,241
Child Care Allowance	40	0	0
Telecommunications Allowance	9,405	3,000	2,203
	<u>173,258</u>	<u>144,500</u>	<u>146,006</u>

30. EMPLOYEES' REMUNERATION

Set out below, in bands of \$10,000, is the number of employees of the Shire entitled to an annual salary of \$100,000 or more.

Salary Range	2012	2011
\$		
100,000 - 109,999	0	3
110,000 - 119,999	2	2
120,000 - 129,999	1	1
120,000 - 139,999	4	0
140,000 - 149,999	1	0
180,000 - 189,999	1	0
190,000 - 199,999	0	1
220,000 - 229,999	0	1

31. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

2012	2011
<u>122</u>	<u>106</u>

SHIRE OF ASHBURTON
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FOR THE YEAR ENDED 30TH JUNE 2012

32. MAJOR LAND TRANSACTIONS***Onslow Residential Development***

- (a) Council own, freehold, 318 Second Ave, Onslow. Council proposes to build triplex units on this land using the proceeds from the sale of 307 First Ave, Onslow, loan borrowings and reserve funds. The reserve funds represent the funds previously set aside from the sale of 1 Hope Court, Onslow, in 2006/07. Council intends to provide staff housing with these units.

- (b) Current Year Transactions

Budget Estimates	2012	2012	2011
	\$	Budget	\$
OPERATING EXPENDITURE			
Land Transfer Expenditure			
Advertising	0	0	0
Demolition Expenses	0	0	0
Settlement Fees	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
Operating Surplus/(Deficit)	0	0	0
 CAPITAL INCOME			
Loan Income	0	562,000	0
Transfer from Reserve	0	140,000	0
	<u>0</u>	<u>702,000</u>	<u>0</u>
 CAPITAL EXPENDITURE			
Building Construction			
318A Second Ave Onslow	(425,561)	(424,000)	(4,534)
318B Second Ave Onslow	(425,561)	(424,000)	(4,534)
318C Second Ave Onslow	(425,561)	(424,000)	(4,534)
	<u>(1,276,683)</u>	<u>(1,272,000)</u>	<u>(13,602)</u>
 NET RESULTS	<u>(1,276,683)</u>	<u>(570,000)</u>	<u>(13,602)</u>

The above capital expenditure is included in Land and Buildings (refer Note 6 to this financial report).

Council had intended to take out a loan of \$562,000 to be used towards the construction of these units, however this loan did not proceed.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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32. MAJOR LAND TRANSACTIONS (Continued)***Tom Price Residential Development***

- (a) Council purchased unallocated crown land at Super Lot 500, Pilkena St/Yaruga St, Tom Price and will subdivide this land into 24 separate lots for on sale.

Council also purchased unallocated crown land at Lots 501 and 502, Warara St, Tom Price and subdivide this land into 13 separate lots.

Council also purchased unallocated crown land at Lot 327, Warara St, Tom Price and subdivided this land into 15 Strata Lots for on sale.

- (b) Current Year Transactions

Budget Estimates	2012	2012	2011
	\$	Budget	\$
OPERATING INCOME			
Profit on Sale of Asset	1,530,787	0	670,727
Miscellaneous Income	880	0	11,771
	<u>1,531,667</u>	<u>0</u>	<u>682,498</u>
 OPERATING EXPENDITURE			
Land Transfer Expenditure	(300)	0	(28,068)
	<u>(300)</u>	<u>0</u>	<u>(28,068)</u>
Operating Surplus/(Deficit)	1,531,367	0	654,430
 CAPITAL INCOME			
Sale Proceeds from Assets	2,970,677	8,687,000	909,818
	<u>2,970,677</u>	<u>8,687,000</u>	<u>909,818</u>
 CAPITAL EXPENDITURE			
Services Installation	(2,294,941)	(1,293,474)	(218,840)
Land Purchase	0	0	(1,593)
Subdivision, Survey, Plan	0	0	(12,932)
Design & Planning	0	0	(163,539)
	<u>(2,294,941)</u>	<u>(1,293,474)</u>	<u>(396,904)</u>
 NET RESULTS	<u>2,207,103</u>	<u>7,393,526</u>	<u>1,167,344</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 2012.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

32. MAJOR LAND TRANSACTIONS (Continued)*Tom Price Industrial Development*

- (a) Council own, freehold, Lot 308 Boonderoo Rd, Tom Price. Council intends to develop 7 lots on this land with the intent of selling 7.

- (b) Current Year Transactions

Budget Estimates	2012	2012	2011
	\$	Budget	\$
		\$	
OPERATING EXPENDITURE			
Land Transfer Expenditure	(500)	0	(6,537)
	<u>(500)</u>	<u>0</u>	<u>(6,537)</u>
Operating Surplus/(Deficit)	(500)	0	(6,537)
CAPITAL INCOME			
Sale Proceeds from Assets	0	2,520,000	0
Transfer from Reserves	0	0	400,000
	<u>0</u>	<u>2,520,000</u>	<u>400,000</u>
CAPITAL EXPENDITURE			
Services Installation	(980,953)	(664,798)	(208,173)
Subdivision, Survey, Plan	(16,052)	0	(65,530)
Design & Planning	0	0	(3,230)
	<u>(997,005)</u>	<u>(664,798)</u>	<u>(276,933)</u>
NET RESULTS	<u>(997,505)</u>	<u>1,855,202</u>	<u>116,530</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 2012.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

32. MAJOR LAND TRANSACTIONS (Continued)*Onslow Industrial Development*

- (a) Council own, freehold, Lot 16 Onslow Rd, Onslow, and in order to meet demand for commercial/industrial land, resulting from major resource projects, council intends to develop up to 62 lots on this land with the intent of selling all these lots.

- (b) Current Year Transactions

Budget Estimates	2012	2012	2011
	\$	Budget	\$
		\$	
OPERATING INCOME			
Profit on Sale of Asset	0	0	0
Onslow Infrastructure Fund	0	1,000,000	0
	<u>0</u>	<u>1,000,000</u>	<u>0</u>
OPERATING EXPENDITURE			
Land Transfer Expenditure	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
Operating Surplus/(Deficit)	0	1,000,000	0
CAPITAL INCOME			
Sale Proceeds from Assets	0	0	0
Transfer from Reserves	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
CAPITAL EXPENDITURE			
Services Installation	0	(800,000)	0
Subdivision, Survey, Plan	(6,725)	(100,000)	0
Design & Planning	(1,060)	(100,000)	0
	<u>(7,785)</u>	<u>(1,000,000)</u>	<u>0</u>
NET RESULTS	<u>(7,785)</u>	<u>0</u>	<u>0</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 2012.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

33. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2011/12 financial year.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

34. 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	
	2012	2011	2012	2011
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	11,015,503	15,852,111	11,015,503	15,852,111
Receivables	4,833,976	2,928,686	4,833,976	2,928,686
	<u>15,849,479</u>	<u>18,780,797</u>	<u>15,849,479</u>	<u>18,780,797</u>
Financial Liabilities				
Payables	4,913,600	3,799,290	4,913,600	3,799,290
Borrowings	3,835,213	4,182,788	3,754,356	4,069,913
	<u>8,748,813</u>	<u>7,982,078</u>	<u>8,667,956</u>	<u>7,869,203</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 2012

34. FINANCIAL RISK MANAGEMENT (Continued)**(a) Cash and Cash Equivalents**

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

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

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

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

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

	30-Jun-12	30-Jun-11
	\$	\$
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	138,522	194,370
- Income Statement	138,522	194,370

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 2012

34. 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:

	30-Jun-12	30-Jun-11
Percentage of Rates and Annual Charges		
- Current	74.52%	80.56%
- Overdue	25.48%	19.44%
Percentage of Other Receivables		
- Current	99.63%	92.89%
- Overdue	0.37%	7.11%
Percentage of Deferred Rates Receivables		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

34. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
Borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. 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:

	2012	2011			
	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
Payables	4,913,600	0	0	4,913,600	4,913,600
Borrowings	594,464	2,257,932	2,199,287	5,051,683	3,835,213
	<u>5,508,064</u>	<u>2,257,932</u>	<u>2,199,287</u>	<u>9,965,283</u>	<u>8,748,813</u>
Payables	3,799,290	0	0	3,799,290	3,799,290
Borrowings	594,464	2,297,907	2,753,776	5,646,147	4,182,788
	<u>4,393,754</u>	<u>2,297,907</u>	<u>2,753,776</u>	<u>9,445,437</u>	<u>7,982,078</u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

34. FINANCIAL RISK MANAGEMENT (Continued)

(c) 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 2012					Weighted Average Effective Interest Rate %		
	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	
Borrowings								
Fixed Rate								
Debentures	0	74,234	0	0	265,690	3,495,289	3,835,213	
Weighted Average Effective Interest Rate	5.97%						6.79%	5.89%
Year Ended 30 June 2011								
Borrowings								
Fixed Rate								
Debentures	0	0	108,151	0	0	4,074,637	4,182,788	
Weighted Average Effective Interest Rate	5.97%						5.95%	5.95%



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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 2012, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the Chief Executive Officer.

Council Responsibility for the Financial Report

The Council of Ashburton are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Local Government Act 1995 Part 6. This responsibility includes such internal controls as the council determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error; selecting and applying the appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Shire's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Shire's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the applicable independence requirements of the Accounting Professional and Ethical Standards Board.



Auditor's Opinion

In our opinion, the financial report of the Shire of Ashburton;

- i. presents fairly, in all material respects, the financial position of Shire of Ashburton as at 30 June 2012, and of its performance and cash flows for the year ended ; and
- ii. Complies with Australian Accounting Standards (including the Australian Accounting Interpretation);and
- iii. Is prepared in accordance with the requirements of the Local Government Act 1995 Part 6 (as amended), and Regulations under that act.

Statutory Compliance

I did not, during the course of my audit, become aware of any instances where the Shire of Ashburton did not comply with the requirements of the Local Government Act 1995 and Local Government (Financial Management) Regulations 1996 as they relate to the financial statements.

Emphasis of Matter

We draw attention to note 14 to the financial statements which describes the uncertainty related to the outcome of claims against the Shire by former miners, residents and visitors to Wittenoom as a result of their suffering from asbestos and related diseases. Our opinion is not modified in respect of this matter.

BDO Audit (WA) Pty Ltd

BDO
 C Burton

Chris Burton
 Director

Perth, Western Australia
 Dated this 21st day of December 2012



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Australia

21 December 2012

The Shire Council
Shire of Ashburton
PO Box 567
TOM PRICE WA 6751

Dear Shire Council,

DECLARATION OF INDEPENDENCE BY CHRIS BURTON TO THE SHIRE COUNCIL OF SHIRE OF ASHBURTON

As lead auditor of Shire of Ashburton for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit;
and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Shire of Ashburton.

A handwritten signature in black ink that reads 'C Burton'.

Chris Burton
Director

BDO Audit (WA) Pty Ltd
Subiaco, Western Australia

