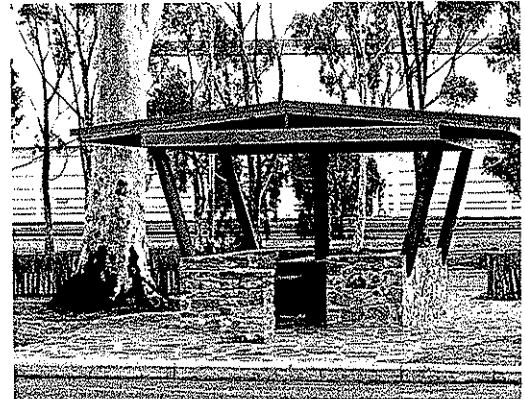


# Shire of Kent



2007/2008

ANNUAL REPORT



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## 1. INTRODUCTION

The Shire of Kent is pleased to present the Annual Report for the 2007/2008 financial year.

This report will provide an overview of the Shire's financial position, achievements attained and an indication of some future directions of Council.

The Annual Report is designed to encourage an understanding of Council's aims, objectives and activities to provide a better environment for residents to live and work in.

## 2. AUTHORITY AND LEGISLATION

The Shire of Kent is a statutory organisation responsible to the Minister for Local Government, The Hon G M (John) Castrilli MLA. The Shire of Kent operates under the provision of the Local Government Act 1995 (as amended).

### SHIRE OFFICE LOCATIONS

Administration Centre:	Richmond Street, Nyabing
Postal Address:	PO Box 15, NYABING WA 6341
Telephone:	(08) 98291051
Facsimile:	(08) 98291083
Email:	<a href="mailto:admin@kent.wa.gov.au">admin@kent.wa.gov.au</a>
Office Hours:	8.30am to 4.30pm, Monday to Friday

Pingrup Library:	Sanderson Street, Pingrup (Pingrup Telecentre)
Nyabing Library:	Administration Centre, Nyabing

### SHIRE STATISTICS

<b>Area</b>	6552sq km	<b>Average Min Temp</b>	4.5(C)
<b>Position</b>	320km SE of Perth	<b>Wool Clip</b>	1,961,000kg
<b>Population</b>	540	<b>Wheat Produced</b>	103,839 tonnes
<b>Length of Roads</b>	224km sealed 1206 gravel	<b>Barley Produced</b>	42,709 tonnes
<b>Rateable Assessments</b>	480	<b>Number of Sheep</b>	347,200
<b>Average Rainfall</b>	383mm	<b>Number of Pigs</b>	700
<b>Average Max Temp</b>	29.9(C)		

(The above agricultural statistics are supplied by the Australian Bureau of Statistics)

### SUBURBS AND LOCALITIES

Pingrup; Nyabing

### SIGNIFICANT LOCAL EVENTS

Pingrup Races – March each year

### FULL COUNCIL MEETING

Meets third Wednesday of each month except for January

### TOURIST ATTRACTIONS

Nampup Soak; Hollands Track; Pink Lakes; Holland Rocks; Lake Bryde; Wildflowers

### LOCAL INDUSTRIES

Wheat; other grains; sheep; associated support businesses

### 3. SHIRE PRESIDENTS REPORT



It is with pleasure that I report on the activities of the Shire of Kent for the period 1 July 2007 to 30 June 2008.

Council has continued with its commitment to ensuring that we work with the ratepayers and residents of the Kent Shire to achieve the goals and expectations to maintain a vibrant rural community.

Firstly I would like to thank Alan Wright and Christie Smith for all their hard work and efforts during the year and their good advice to me in my role as President.

Once again thanks must go to David Long and his works crew who have implemented another successful roadwork's program throughout 2007/08, some projects included the commencement of North Needilup Road which was funded under the Regional Road Group Program, and widening was completed on the Dumbleyung Road under the Roads to Recovery Special Funds Program. Works Crew also continued the works on Ongerup Road under the Roads to Recovery 2 Program.

Works on Steele Road, Nyabing South Road and Range Road were also completed throughout the year from the Shire's own resources.

Due to the upgrade of the truck fleet, the Works Program for 2007/08 was 99% completed where as in the past was about 88% completed, doing the upgrade has increased productivity immensely.

Council's finances continue to be well managed, and for 2007/2008 Council finished the year with a \$413,023 surplus. The majority of these funds relates to pre-committed works to be carried forward in 2008/2009. The balance will be utilised for ongoing projects and to continue to pay off existing loans, therefore reducing Council's overall debt service.

Council's 2008/2009 Program is comprehensive and again provides for significant capital works totalling \$2.1M; of this, major component is \$1.7M which has been set aside for road construction projects and road plant purchases/replacement. Council's operational budget continues to provide for the full range of local government services. Major operational cost increases are evident with respect to fuel costs, government utilities and contracted services. In other areas of Council's operations costs have been generally constrained to CPI or less.

Council and staff strive to continue to operate as a committed team and will continue to pursue objectives that will bring benefits to all our community within the Shire of Kent.

To all Office Staff, thank you for your hard work and dedication to the Shire of Kent.

In conclusion, on behalf of Council, I would like to extend special thanks to Council's management, administration, works crew and other staff for their dedication and commitment to their work, which is often above and beyond the call of duty.

**CR CATHY CROSBY**  
**SHIRE PRESIDENT**

## 4. CHIEF EXECUTIVE OFFICER'S REPORT



Once again I am pleased to present to the electors of Kent a report on the activities for the Shire of Kent for the year ending 30 June 2008.

Council adopted the budget for 2007/2008, which was for an amount of \$4.96 million with which Council was able to place \$384,000 into reserve accounts for future funding assistance to various proposed projects. Council also utilized funds from the Municipal and Reserve funds to purchase of 3 x Station Sedans and two Utilities for the admin and works area. Heavy machinery as budgeted was not purchased during 2007/08 due to manufacturer delays.

Council's cash flow was assisted with a high percentage of the ratepayers taking advantage of the discount, similar to the previous year, and Council finished with a total rate collection for the year of 99.65%. Once again the Loan liability was reduced and the total debt level of \$901,647.75 applies as at the 30 June 2008.

The Roads to Recovery (Auslink) number 2 program continued to provide much needed road funding to Council during the year. The program was utilized with all funds received for the year being spent on the Ongerup road widening and upgrade. Also completed during this program was widening on Dumbleyung Road and the commencement of works on the Gnowangerup Road. The Road program also saw \$292,000 of Council and Regional Road Group funds spent on road upgrades and \$731,000 on road maintenance. Projects to be carried forward into the 2008/09 budget is the completion of sealing on the Gnowangerup Road.

Appreciation is extended to all the staff in all areas within the Council who worked efficiently to meet the objectives and for their team approach towards successfully completing most programs provided for in the 2007/08 budget.

A thank you is given to the many dedicated people in our community who have worked on community committees, have been involved as volunteers, and have been a part of the various projects, giving freely of their time and promoting and making the Shire of Kent a progressive district.

The Works Supervisor David Long is once again thanked for his support and with the workforce having completed the majority of the works program during the year. The workforce which remained basically unchanged during the period, once again have carried out a very good job in all areas, including, parks and gardens, building maintenance, and roadworks.

The year in which the report covers saw several changes in regard to administration staffing and I would like to thank all the administration staff for their efforts over the year.

In October 2007 Council elections were held with the results being Cr Gray resigning, Cr Addis returning, Cr Featherstone being re-elected and Cr Crosby and Cr Altham returned unopposed to Council. Cr Crosby was elected Shire President and Cr Grant-Williams as Deputy Shire President.

Finally a note of appreciating to the Shire President and Councillors who have put in many hours over the year on Council, committees, community, and representation of the electors for the benefit of everyone in the district.

**AB Wright**  
**CHIEF EXECUTIVE OFFICER**

## 5. SHIRE OF KENT MEMBERS - 2007/2008



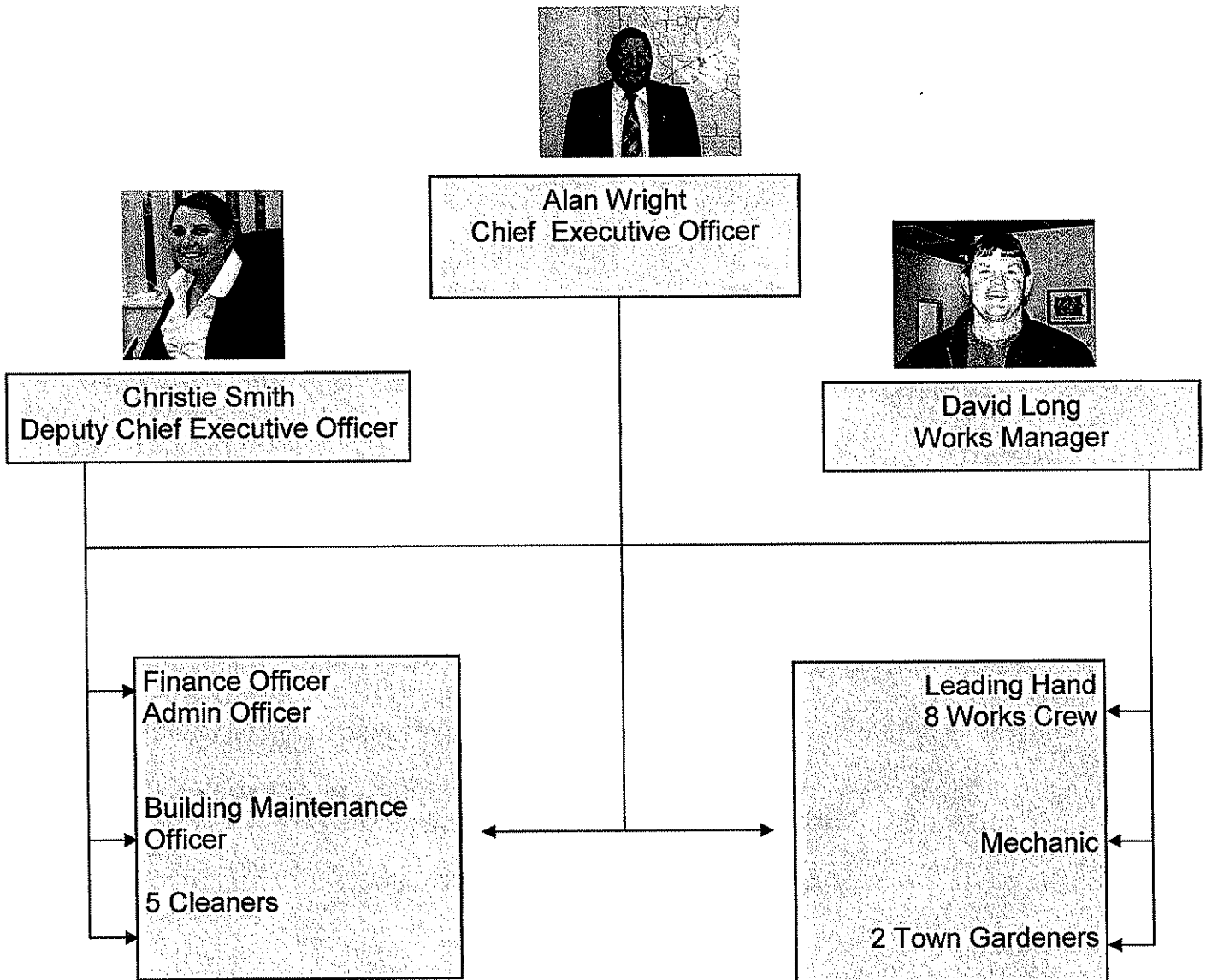
*Front Row:*  
*Cr Lucy Skipsey, Cr Cathy Crosby (Shire President), Cr Megan Tuffley*

*Middle Row:*  
*Cr Yvonne Featherstone, Cr Neil Grant-Williams (Deputy President)*

*Back Row:*  
*Cr Vanessa Anderson, Cr Garth Addis, Cr Bruce Altham*

<b>Councillors</b>	<b>Ward</b>	<b>Telephone</b>	<b>Fax</b>
B M (Bruce) Altham	Holland Rock	9820 1064	9820 1040
C (Cathy) Crosby	Nampup	9829 1061	9829 1151
N M (Neil) Grant-Williams	Holland Rock	9820 6025	9820 6025
Y S (Yvonne) Featherstone	Pingarnup	9820 1078	9820 1003
L (Lucy) Skipsey	Pingarnup	9829 6085	9829 6085
M J (Megan) Tuffley	Nampup	9829 1076	9829 1076
V J (Vanessa) Anderson	Mindarabin	9829 1140	9829 1140
A G (Garth) Addis	Mindarabin	9829 1087	9829 1113

## 6. ORGANISATIONAL STRUCTURE



## 7. COUNCIL DOCUMENTS

### DOCUMENTS AVAILABLE FOR INSPECTION

There are various documents available for inspection by members of the public. These include:

Council Agendas	Council Minutes
Annual Budgets	Policy Manual
Annual Financial Statements	Local Laws
Forward Planning Budget	Delegations Register
Town Planning Scheme	Rates Assessment Book
Electoral Roll	Strategic Plan
Customer Service Charter	Sewerage Asset Management Plan
Code of Conduct – Members and Staff	Freedom of Information Statement

In addition to the above documents, Council provides information through the following outlets as a service to the public:

- ⇒ Shire Notes – Nyabing News and Pingrup Post
- ⇒ Community Telephone and Information Directory
- ⇒ Bushfire Information Booklet
- ⇒ Leaflet Drops to Ratepayers

## 8. FREEDOM OF INFORMATION

The Shire of Kent welcomes any enquiries for any information held by Council.

If information cannot be accessed by less formal means, a freedom of information request can be made to:

**The Freedom of Information Officer  
Shire of Kent  
PO Box 15  
NYABING WA 6341**

Council's commitment to open government has meant that this financial year, there has been no need for members of the public to formally apply for information under the Freedom of Information Act.

## 9. STRATEGIC PLAN

The Shire of Kent has adopted a Mission Statement and a series of objectives to support the Strategic Planning goals for the next 5 years:

*To excel at providing fair, efficient and effective services  
and facilities which enhance the quality of life for all residents.*

### **District Viability**

To provide leadership in the development and attraction of facilities, services, and business to the district to ensure its long-term viability.

### **Quality Service**

To ensure services and facilities are maintained or enhanced and delivered in an equitable and effective manner.

### **Financial Viability**

To ensure all funds are used efficiently to ensure long-term financial viability of the Council.

### **Productive and Effective Workforce**

To optimise and develop the Shires human resources to maximise their productive potential.

### **Accountability**

To provide an open and accountable level of local government for the district including honest in dealing with all people and exercising initiative in responding to community needs.

## **ACHIEVING OUR MISSION AND OBJECTIVES**

Council's mission and objectives will be achieved through:

### **Representative Government**

By the people of Kent contributing to decisions about the way their community works and develops, better decisions will result through encouraging the people of Kent to contribute to informed discussion on issues of local and regional importance.

### **Meeting Obligations**

Council is obligated by law, to carry out the statutory responsibilities of local government, and Council will fulfill these responsibilities efficiently and with regard to the particular needs of the people of Kent.

### **Community Advocacy**

As Council is only one level of government, this Council will support and advocate the views and needs of the people of Kent to other levels of government, so as to provide additional and improved facilities for the use of the community.

Apart from being committed to maintaining and improving existing services and facilities, the Shire of Kent faces many new challenges.

## **CHALLENGES**

Given the current environment within local government regarding amalgamation issues, national competition policy, structural reform, and requirements of Council and staff under the Local Government Act, the Council needs to retain its own identity.

Some important factors that require consideration are:

- ⇒ acceptance of change
- ⇒ maintaining appropriate funding levels
- ⇒ raising the Council profile
- ⇒ maintaining financial and time resources of Council and staff
- ⇒ developing community pride and a sense of community help
- ⇒ maintaining our population level and working to increase the district population

## **10. NATIONAL COMPETITION POLICY LEGISLATION**

The Shire of Kent is classified as a Category 1 local government under current National Competition Policy. National Competition Policy is designed to enhance the efficiency and effectiveness of public sector agencies, and lead to more efficient use of economic resources.

Local governments' are required to apply the principal of competitive neutrality to all business activities generating user-pays income in excess of \$200,000.00. The principal being that government businesses should not enjoy a competitive advantage or disadvantage, simply as a result of their public sector ownership.

The Shire of Kent does not operate any activities where the income from fees and charges exceed \$200,000.00 and there is no indication that Council will become involved in any significant business activities during the next financial reporting period.

### **Legislation Review**

All local governments are required periodically to assess which of their local laws might impact on competition and conduct a review of each to determine how any restrictive practices might be overcome.

The Shire of Kent did not undertake any review of Local Laws during the 2007/2008 financial year.

### **Statutory Reform**

For the 2007/2008 financial year, there were no developments for structural reform however the SSS Report has been produced and is in the process of development. Nevertheless, the Shire of Kent is committed to the principals of structural reform under National Competition Policy.

Future reform issues will be addressed in the forthcoming years.

## **11. STATE RECORDS ACT 2000**

The Shire of Kent is in compliance with the requirements of the State Records Act 2000 including the adoption of a Record Keeping Plan.

A new records management system was implemented by 31 December 2004 as noted in the Shire of Kent Recordkeeping Plan and further upgrades will be as required.

Records are forwarded as required to State Archives on a regular basis.

## 12. 2008/2009 DISABILITY SERVICES REPORT

It is a requirement under section 29(2) of the Disability Services Act 1993 to report on the following outcomes in Council's approach to assisting disabled people.

The Western Australia Disability Services Act requires all Local Governments to develop and implement a Disability Access and Inclusion Plan (DAIP) to ensure that people with disabilities have equal access to its facilities and services. Council implemented a DAIP at the Ordinary Meeting of Council held 18 July 2007.

### **Existing services are adapted to ensure they meet the needs of people with disabilities.**

Council continued its process in 2003/2004 to ensure opportunities were created for people with disabilities, their families and carers. Council was receptive to any feedback received and acted immediately on any complaints to ensure people with disabilities could live within our community without unnecessary obstacles.

### **Access to buildings and facilities is improved**

Disabled/pram ramps have been installed on all paved footpaths in Nyabing and Pingrup. Disabled access ramps are also available to provide access to the Pingrup Pavilion for recreational facilities. Toilet and shower facilities for disabled people have been installed at the Pingrup Caravan Park.

Council have received funding from the Department of Local Government & Regional Development through the "Community Facilities" Program and have also budgeted an additional \$25,000 to build a new public toilet building in Nyabing which will include a disabled toilet. These facilities will be a huge upgrade on the current public toilet building we have as they are quite hidden being behind the Public Hall and access is rather difficult.

Construction of these public conveniences is due to commence in February 2009.

A ramp has been put in place at the entrance to the Council Chambers to make the entrance accessible for people in wheelchairs.

### **Information about services is provided in formats which meet the communication requirements of people with disabilities**

With the community of the Shire of Kent having a comparatively small population, it was possible to advise the few people affected with disability in our community by other communication channels. (e.g. verbal). Council is mindful of the need to keep outgoing information in an easy to understand manner for all its constituents.

### **Advice and services are delivered by staff who are aware of and understand the needs of people with disabilities**

Staff at the Shire of Kent are dynamic to resource awareness information when the need arises. When Training courses in relation to disability awareness are offered regionally, staff will attend these courses where possible.

### **Opportunities are provided for people with disabilities to participate in public consultations, grievance mechanisms and decision making processes**

Access to public consultation including public meetings, launches, elections and Council meetings are available with access facilities at the Nyabing Pavilion, Council Chambers, Nyabing Hall and a disabled ramp and toilet at the Pingrup Pavilion.

**SHIRE OF KENT**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

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**Shire of Kent**  
**23/24 Richmond Street**  
**NYABING WA 6341**

**SHIRE OF KENT**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

**LOCAL GOVERNMENT ACT 1995**  
**LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Shire of Kent being the annual financial report and other information for the financial year ended 30th June 2008 are in my opinion properly drawn up to present fairly the financial position of the Shire of Kent at 30th June 2008 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 regulations under that Act.

Signed on the fifth day of November 2008.



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Alan Wright  
Chief Executive Officer

**SHIRE OF KENT**  
**INCOME STATEMENT**  
**BY NATURE OR TYPE**

**FOR THE YEAR ENDED 30TH JUNE 2008**

	NOTE	2008 \$	2008 Budget \$	2007 \$
<b>Revenues From Ordinary Activities</b>				
Rates	20	1,351,674	1,357,312	1,293,060
Grants and Subsidies	26	806,278	890,440	771,439
Contributions Reimbursements and Donations		134,097	1,000	113,329
Service Charges	22	8,760	8,280	7,982
Fees and Charges	25	275,369	253,758	229,872
Interest Earnings	2(a)	135,989	85,500	85,958
Other Revenue		58,047	534,480	433,634
		<u>2,770,214</u>	<u>3,130,770</u>	<u>2,935,274</u>
<b>Expenses From Ordinary Activities</b>				
Employee Costs		(994,754)	(1,087,573)	(1,262,503)
Materials and Contracts		(319,515)	(635,461)	(439,469)
Utilities		(98,614)	(82,585)	(90,141)
Depreciation	2(a)	(1,112,134)	(1,042,760)	(1,064,050)
Interest Expenses	2(a)	(60,067)	(60,068)	(66,778)
Insurance		(110,081)	(128,856)	(111,126)
Other Expenditure		(47,454)	(504,928)	(138,357)
		<u>(2,742,619)</u>	<u>(3,542,231)</u>	<u>(3,172,424)</u>
		27,595	(411,461)	(237,150)
Grants and Subsidies - non-operating	26	649,741	1,111,846	305,239
Profit on Asset Disposals	17	15,658	9,390	65,403
Loss on Asset Disposals	17	(889)	(9,100)	(9,337)
Net Result		<u>692,105</u>	<u>700,675</u>	<u>124,155</u>

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

**SHIRE OF KENT**  
**INCOME STATEMENT**

**BY PROGRAM**

**FOR THE YEAR ENDED 30TH JUNE 2008**

	NOTE	2008 \$	2008 Budget \$	2007 \$
<b>Revenues From Ordinary Activities</b>	2(a)			
Governance		0	1,200	0
General Purpose Funding		1,779,106	1,727,867	1,650,809
Law, Order, Public Safety		43,934	90,604	46,824
Education and Welfare		421	0	171
Community Amenities		88,318	65,110	37,962
Recreation and Culture		24,533	21,360	49,187
Transport		1,219,430	1,597,082	749,826
Economic Services		64,746	156,600	115,238
Other Property and Services		215,125	592,183	655,899
		<u>3,435,613</u>	<u>4,252,006</u>	<u>3,305,916</u>
<b>Expenses From Ordinary Activities</b>	2(a)			
<b>Excluding Borrowing Costs Expense</b>				
Governance		(166,876)	(206,339)	(170,027)
General Purpose Funding		(62,599)	(72,405)	(72,131)
Law, Order, Public Safety		(69,629)	(75,705)	(58,385)
Health		(6,507)	(10,700)	(7,814)
Education and Welfare		(13,139)	(16,750)	(14,035)
Community Amenities		(103,236)	(144,580)	(104,781)
Recreation & Culture		(453,923)	(504,059)	(399,553)
Transport		(1,449,770)	(1,558,505)	(1,529,214)
Economic Services		(140,202)	(212,325)	(151,885)
Other Property and Services		(217,560)	(689,895)	(607,158)
		<u>(2,683,441)</u>	<u>(3,491,263)</u>	<u>(3,114,983)</u>
<b>Borrowing Costs Expense</b>	2(a)			
Law, Order, Public Safety		(149)	(149)	(758)
Community Amenities		(3,295)	(3,295)	(3,378)
Other Property and Services		(56,623)	(56,624)	(62,642)
		<u>(60,067)</u>	<u>(60,068)</u>	<u>(66,778)</u>
<b>Net Result</b>		<u>692,105</u>	<u>700,675</u>	<u>124,155</u>

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

**SHIRE OF KENT**  
**BALANCE SHEET**

**FOR THE YEAR ENDED 30TH JUNE 2008**

	NOTE	2008 \$	2007 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	3	1,836,108	1,445,896
Trade and Other Receivables	4	81,347	64,962
Inventories	5	40,301	22,781
<b>Total Current Assets</b>		<u>1,957,756</u>	<u>1,533,639</u>
<b>Non-Current Assets</b>			
Other Receivables	4	1,271	615
Property, Plant and Equipment	6	3,968,631	4,018,716
Infrastructure	7	29,389,282	29,002,597
<b>Total Non-Current Assets</b>		<u>33,359,184</u>	<u>33,021,928</u>
<b>Total Assets</b>		<u><u>35,316,940</u></u>	<u><u>34,555,567</u></u>
<b>Current Liabilities</b>			
Trade and Other Payables	8	258,524	149,956
Current Portion of Long Term Borrowings	9	63,635	64,234
Provisions	10	143,406	123,488
<b>Total Current Liabilities</b>		<u>465,565</u>	<u>337,678</u>
<b>Non-Current Liabilities</b>			
Long Term Borrowings	9	838,013	901,648
Provisions	10	15,533	10,517
<b>Total Non-Current Liabilities</b>		<u>853,546</u>	<u>912,165</u>
<b>Total Liabilities</b>		<u><u>1,319,111</u></u>	<u><u>1,249,843</u></u>
<b>Net Assets</b>		<u><u>33,997,829</u></u>	<u><u>33,305,724</u></u>
<b>Equity</b>			
Retained Surplus		21,577,936	21,565,924
Reserves - Cash Backed	11	1,312,257	632,164
Reserves - Asset Revaluation	12	11,107,636	11,107,636
<b>Total Equity</b>		<u><u>33,997,829</u></u>	<u><u>33,305,724</u></u>

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

**SHIRE OF KENT**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

	NOTE	2008 \$	2007 \$
<b>Retained Surplus</b>			
Balance as at 1 July 2007		21,565,924	21,668,480
Net Result		692,105	124,155
Transfer from/(to) Reserves		(680,093)	(226,711)
Balance as at 30 June 2008		<u>21,577,936</u>	<u>21,565,924</u>
<b>Reserves - Cash Backed</b>			
Balance as at 1 July 2007		632,164	405,453
Amount Transferred (to)/from Retained Surplus		680,093	226,711
Balance as at 30 June 2008	11	<u>1,312,257</u>	<u>632,164</u>
<b>Reserves - Asset Revaluation</b>			
Balance as at 1 July 2007		11,107,636	11,107,636
Revaluation Increment		0	0
Revaluation Decrement		0	0
Balance as at 30 June 2008	12	<u>11,107,636</u>	<u>11,107,636</u>
Total Equity		<u>33,997,829</u>	<u>33,305,724</u>

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

**SHIRE OF KENT**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2008**

	NOTE	2008 \$	2008 Budget \$	2007 \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		1,351,291	1,357,039	1,293,267
Grants and Subsidies - operating		806,278	890,440	771,439
Contributions, Reimbursements & Donations		134,097	1,000	113,329
Service Charges		8,760	8,280	7,982
Fees and Charges		270,021	283,166	338,724
Interest Earnings		135,989	85,500	85,958
Goods and Services Tax		45,644	11,445	30,749
Other		58,047	534,480	391,443
		<u>2,810,127</u>	<u>3,171,350</u>	<u>3,032,891</u>
<b>Payments</b>				
Employee Costs		(967,746)	(1,092,573)	(1,254,554)
Materials and Contracts		(229,907)	(688,114)	(368,980)
Utilities (gas, electricity, water, etc)		(98,614)	(82,585)	(90,141)
Insurance		(110,081)	(128,856)	(111,126)
Interest		(60,701)	(60,068)	(65,636)
Goods and Services Tax		(56,954)	0	0
Other		(47,454)	(504,928)	(138,356)
		<u>(1,571,457)</u>	<u>(2,557,124)</u>	<u>(2,028,793)</u>
<b>Net Cash Provided By Operating Activities</b>	13(b)	<u>1,238,670</u>	<u>614,226</u>	<u>1,004,098</u>
<b>Cash Flows from Investing Activities</b>				
<b>Payments for Purchase of</b>				
Property, Plant & Equipment		(393,903)	(764,040)	(447,600)
<b>Payments for Construction of</b>				
Infrastructure		(1,116,898)	(1,172,776)	(620,681)
<b>Grants/Contributions for</b>				
the Development of Assets		649,741	1,111,846	305,239
<b>Proceeds from Sale of Property</b>				
Plant & Equipment	17	76,836	176,000	159,864
Land & Buildings	17	0	0	57,000
<b>Net Cash Used in Investing Activities</b>		<u>(784,224)</u>	<u>(648,970)</u>	<u>(546,178)</u>
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures	19	(64,234)	(64,234)	(91,735)
Proceeds from Self Supporting Loans	4	0	0	26,959
<b>Net Cash Provided By (Used In) Financing Activities</b>		<u>(64,234)</u>	<u>(64,234)</u>	<u>(64,776)</u>
<b>Net Increase (Decrease) in Cash Held</b>		390,212	(98,978)	393,144
<b>Cash at Beginning of Year</b>		1,445,896	1,445,896	1,052,752
<b>Cash and Cash Equivalents at the End of Year</b>	13(a)	<u>1,836,108</u>	<u>1,346,918</u>	<u>1,445,896</u>

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

**SHIRE OF KENT**  
**RATE SETTING STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2008**

	NOTE	2008 \$	2008 Budget \$
<b>Revenues</b>			
Governance		0	1,200
General Purpose Funding		427,432	370,555
Law, Order, Public Safety		43,934	90,604
Health			0
Education and Welfare		421	0
Community Amenities		88,318	65,110
Recreation and Culture		24,533	21,360
Transport		1,219,430	1,597,082
Economic Services		64,746	156,600
Other Property and Services		215,125	592,183
		<u>2,083,939</u>	<u>2,894,694</u>
<b>Expenses</b>			
Governance		(166,876)	(206,339)
General Purpose Funding		(62,599)	(72,405)
Law, Order, Public Safety		(69,778)	(75,854)
Health		(6,507)	(10,700)
Education and Welfare		(13,139)	(16,750)
Community Amenities		(106,531)	(147,875)
Recreation & Culture		(453,923)	(504,059)
Transport		(1,449,770)	(1,558,505)
Economic Services		(140,202)	(212,325)
Other Property and Services		(274,183)	(746,519)
		<u>(2,743,508)</u>	<u>(3,551,331)</u>
<b>Adjustments for Cash Budget Requirements:</b>			
<b>Non-Cash Expenditure and Revenue</b>			
(Profit)/Loss on Asset Disposals	17	(14,769)	(290)
Movement in Accrued Interest		(634)	0
Movement in Deferred Pensioner Rates (non current)		(656)	273
Movement in Accrued Salaries and Wages		2,074	0
Movement in Employee Benefit Provisions		24,934	0
Depreciation on Assets	2(a)	1,112,134	1,042,760
<b>Capital Expenditure and Revenue</b>			
Purchase Land and Buildings		(213,639)	(268,340)
Purchase Infrastructure Assets - Roads		(1,116,898)	(1,160,776)
Purchase Infrastructure Assets - Parks		0	(12,000)
Purchase Plant and Equipment		(172,335)	(438,700)
Purchase Furniture and Equipment		(7,929)	(57,000)
Proceeds from Disposal of Assets	17	76,836	176,000
Repayment of Debentures	19(a)	(64,234)	(64,234)
Transfers to Reserves (Restricted Assets)	11	(695,029)	(421,400)
Transfers from Reserves (Restricted Assets)	11	14,936	52,000
<b>ADD Estimated Surplus/(Deficit) July 1 B/Fwd</b>		776,127	451,032
<b>LESS Estimated Surplus/(Deficit) June 30 C/Fwd</b>		413,023	0
<b>Amount Req'd to be Raised from Rates</b>	<b>20</b>	<u><u>(1,351,674)</u></u>	<u><u>(1,357,312)</u></u>

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

# SHIRE OF KENT

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

### FOR THE YEAR ENDED 30TH JUNE 2008

#### 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 report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying regulations (as amended).

The report has also been prepared on the accrual basis under the convention of historical cost accounting as modified by the accounting treatment relating to the revaluation of financial assets and liabilities at fair value through profit and loss and certain classes of non-current assets.

##### 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 15 to this financial report.

##### (c) Goods and Services Tax

In accordance with recommended practice, 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.

##### (d) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity 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.

For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short term borrowings in current liabilities on the balance sheet.

# SHIRE OF KENT

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

### FOR THE YEAR ENDED 30TH JUNE 2008

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

##### (e) Trade and Other Receivables

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts.

Collectibility of trade 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 valued 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.

Inventories held from trading are classified as current even if not expected to be realised in the next 12 months.

##### (g) Fixed Assets

###### 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 Municipality includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

###### 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 a basis to reflect the already consumed or expired future economic benefits.

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 significantly from that determined using fair value at reporting date.

###### Land under Roads

Land under roads is excluded from infrastructure in accordance with the transition arrangements available under AASB 1045 and in accordance with legislative requirements.

# SHIRE OF KENT

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

### FOR THE YEAR ENDED 30TH JUNE 2008

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

##### (h) Depreciation of Non-Current Assets

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

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
- asphalt surfaces	25 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
Footpaths - concrete & brick paving	40 years
Sewerage piping	100 years
Water supply piping & drainage systems	75 years

##### (i) Investments and Other Financial Assets

###### *Classification*

Council classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

###### *(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.

###### *(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. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

# SHIRE OF KENT

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

### FOR THE YEAR ENDED 30TH JUNE 2008

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

##### (i) Investments and Other Financial Assets (continued)

###### *(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. If Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

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

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

###### *Recognition and derecognition*

Regular purchases and sales of financial assets are recognised on trade-date – the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

###### *Subsequent measurement*

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue from continuing operations when Council's right to receive payments is established. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

###### *Impairment*

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss- measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

# SHIRE OF KENT

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

### FOR THE YEAR ENDED 30TH JUNE 2008

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

##### (j) Estimation of Fair Value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

##### (k) 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 estimate of the recoverable amount of the asset is made in accordance with AASB 136 'Impairment of Assets' and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

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.

##### (l) Trade and Other Payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality 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.

# SHIRE OF KENT

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

### FOR THE YEAR ENDED 30TH JUNE 2008

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

##### (m) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

##### *Wages, Salaries, Annual Leave and Long Service Leave (Short-term benefits)*

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount that the municipality has a present obligation to pay resulting from employees' services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

##### *Long Service Leave (Long-term benefits)*

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

##### (n) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

##### *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.

##### (o) Provisions

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

# SHIRE OF KENT

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

### FOR THE YEAR ENDED 30TH JUNE 2008

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

##### (p) 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 company, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under 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.

##### (q) Rates, Grants, Donations and Other Contributions

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

Where contributions recognised as revenues during the reporting period were obtained on the conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 2(e). 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.

##### (r) Superannuation

The Shire of Kent contributes to the Local Government Superannuation Scheme and the Occupational Superannuation Fund. Both funds are defined contribution schemes.

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

##### (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) 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 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.

**SHIRE OF KENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

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

(v) New Accounting Standards and Interpretations  
 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 2008.

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

Title and Topic	Issued	Applicable (*)	Impact
(i) AASB-I 12 Service Concession Arrangements, AASB 2007-1 Amendments to Australian Accounting Standards arising from AASB Interpretation 12, revised UIG 4 Determining whether an Arrangement contains a Lease and revised UIG 129 Service Concession Arrangements: Disclosures	February 2007	1 January 2008	Nil – Council is not party to any Service Concession Arrangements.
(ii) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8	February 2007	1 January 2009	Nil – The Standard is not applicable to not-for-profit entities.
(iii) Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	June 2007	1 January 2009	Nil – The revised Standard has removed the option to expense all borrowing costs and, when adopted, will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the Council as the council already capitalises borrowing costs relating to qualifying assets.
(iv) AASB-I 13 Customer Loyalty Programmes	August 2007	1 July 2008	Nil – Council has no Customer Loyalty Programmes.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2008

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v)	New Accounting Standards and Interpretations (Continued)	Title and Topic	Issued	Applicable (*)	Impact
(v)	AASB-1 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction		August 2007	1 January 2008	Nil – The Interpretation provides guidance on the maximum amount that may be recognised as an asset in defined benefit plans. Council does not currently contribute to any defined benefit plans. Consequently, there is not expected to be any impact on the financial statements.
(vi)	Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101		September 2007 and December 2007	1 January 2009	Nil – The revised Standard requires the presentation of a Statement of comprehensive income and makes changes to the Statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If Council has made a prior period adjustment or has reclassified items in the financial statements, it is likely it will need to disclose a third balance sheet (Statement of financial position), being as at the beginning of the comparative period.
(vii)	AASB 1049 Whole of Government and General Government Sector Financial		October 2007	1 July 2008(+)	Nil – The Standard is not applicable to Local Governments.

**SHIRE OF KENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

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

(v) New Accounting Standards and Interpretations (Continued)	Issued	Applicable (*)	Impact
Title and Topic			
(viii) AASB 1050 Administered Items: AASB 1051 Land Under Roads, AASB 1052 Disaggregated Disclosures, revised AASB 1004 Contributions, AASB 2007-9 Amendments to Australian Accounting Standards arising from the review of AAS 27, AAS 29 and AAS 31 and revised Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities	December 2007	1 July 2008(+)	<ul style="list-style-type: none"> <li>• AASB 1050 is only applicable to Government departments and will have no impact on Council.</li> <li>• AASB 1051 will allow Council to recognise or not recognise land under roads acquired before 30 June 2008. Land under roads acquired after 30 June 2008 must be recognised.</li> <li>• AASB 1052 requires disclosure of financial information by function or activity. Council already provides this information so there will be no additional impact on the financial statements.</li> <li>• This Standard will have a significant impact on the Council's financial statements.</li> <li>• AASB 1004 requires contributions made to Council to be recognised at fair value when they are controlled and to be appropriately disclosed. Council already accounts for contributions in this manner so there will be no additional impact on the financial statements.</li> </ul>

**Notes:**

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

(+) - Applicable to not-for-profit and/or public sector entities only.

## SHIRE OF KENT

### NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

#### FOR THE YEAR ENDED 30TH JUNE 2008

2. REVENUES AND EXPENSES	2008 \$	2007 \$	
 (a) Result from Ordinary Activities			
The Result from Ordinary Activities includes:			
 (i) Charging as an Expense:			
Auditors Remuneration			
- Audit	11,220	7,450	
- Other Services	2,475	400	
 Depreciation			
Buildings	89,889	89,198	
Furniture and Equipment	25,118	30,247	
Plant and Equipment	266,914	247,797	
Roads	718,005	685,838	
Parks and Reserves	12,208	10,970	
	1,112,134	1,064,050	
 Interest Expenses			
Debentures (refer Note 19(a))	60,067	66,778	
	60,067	66,778	
  (ii) Crediting as Revenue:			
	2008 \$	2008 Budget \$	2007 \$
Interest Earnings			
Investments			
- Reserve Funds	40,839	22,000	24,414
- Other Funds	93,728	62,000	60,922
Other Interest Revenue (refer note 24)	1,422	1,500	622
	135,989	85,500	85,958

**SHIRE OF KENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

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

**(b) Statement of Objective**

The Shire of Kent is dedicated to providing high quality services to the community through the various 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 government grants and interest revenue.

**Law, Order, Public Safety**

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

**Health**

Food quality and pest control, immunisation services, operation of child health clinic.

**Education and Welfare**

Operation of Pre-school facilities, assistance to playgroups and other voluntary services.

**Community Amenities**

Rubbish collection services, operation of tips, administration of the town planning scheme, maintenance of cemeteries and townsite sewerage schemes.

**Recreation and Culture**

Maintenance of halls, recreation centres and various reserves; operation of library.

**Transport**

Construction and maintenance of streets, roads; cleaning and lighting of streets, depot maintenance.

**Economic Services**

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

**Other Property & Services**

Private works operations, plant repairs and operations costs.

# SHIRE OF KENT

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

### FOR THE YEAR ENDED 30TH JUNE 2008

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

	2008	2007
	\$	\$
(c) Conditions Over Contributions		
<p>Grants recognised as revenues in a previous reporting period which were not expended at the close of the previous reporting period (ie opening balances).</p>		
Grants for Crime Prevention (law, order, public safety)	6,200	0
Grants for Roads to Recovery (transport)	280,610	358,713
Grants for Regional Road Group (transport)	0	112,600
Grants for Black Spot (transport)	30,352	0
Grants for Dept of Water - Holland Tank (economic services)	37,000	0
Grants for District Employment Project (other property services)	1,156	11,050
Contribution for CALM - Lake Bryde Project	0	36,356
	355,318	518,719
<p>Add:</p> <p>New grants which were recognised as revenues during the reporting period and which had not yet been fully expended by the contributor.</p>		
Grants for Crime Prevention (law, order, public safety)	0	6,200
Grants for Roads to Recovery (transport)	429,527	0
Grants for Regional Road Group (transport)	132,244	0
Grants for Black Spot (transport)	53,323	42,624
Grants for Dept of Water - Holland Tank (economic services)	0	37,000
Grants for Zero Waste Project	50,000	0
<p>Less:</p> <p>Grants which were recognised as revenues in a previous reporting period and which were expended in the current reporting period in the manner specified by the contributor.</p>		
Grants for Crime Prevention (law, order, public safety)	(6,200)	0
Grants for Roads to Recovery (transport)	(710,137)	(78,103)
Grants for Regional Road Group (transport)	(132,244)	(112,600)
Grants for Black Spot (transport)	(83,675)	(12,272)
Grants for Dept of Water - Holland Tank (economic services)	(37,000)	0
Grants for District Employment Project (other property services)	(1,156)	(9,894)
Contribution for CALM - Lake Bryde Project	0	(36,356)
Grants for Zero Waste Project	(5,723)	0
Closing balances of unexpended grants	44,277	355,318
<p>Comprises:</p>		
Grants for Crime Prevention (law, order, public safety)	0	6,200
Grants for Roads to Recovery (transport)	0	280,610
Grants for Black Spot (transport)	0	30,352
Grants for Dept of Water - Holland Tank (economic services)	0	37,000
Grants for District Employment Project (other property services)	0	1,156
Grants for Zero Waste Project	44,277	0
	44,277	355,318

**SHIRE OF KENT**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

	2008	2007
	\$	\$
<b>3. CASH AND CASH EQUIVALENTS</b>		
Unrestricted	479,574	458,414
Restricted	1,356,534	987,482
	<u>1,836,108</u>	<u>1,445,896</u>

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

Employee Entitlements Reserve	114,833	89,065
Plant Reserve	430,811	149,154
Building Reserve	140,890	132,322
Nyabing Recreation Reserve	22,287	22,014
Pingrup Recreation Reserve	26,600	18,082
Cemetery Reserve	11,747	10,469
Water Supply Reserve	20,730	19,469
Sewerage Reserve	97,424	88,072
Computer Equipment Reserve	63,370	59,517
Administration Vehicle Reserve	37,556	24,000
Refuse Disposal Facilities Reserve	67,455	20,000
Road Reserve	278,554	0
Unspent Grants	44,277	355,318
	<u>1,356,534</u>	<u>987,482</u>

**4. TRADE AND OTHER RECEIVABLES**

Current		
Rates Outstanding	3,839	4,112
Sundry Debtors	54,756	49,408
GST Receivable	22,752	11,442
	<u>81,347</u>	<u>64,962</u>
Non Current		
Rates Deferred	1,271	615
	<u>1,271</u>	<u>615</u>

**5. INVENTORIES**

Current		
Fuel and Materials	40,301	22,781
	<u>40,301</u>	<u>22,781</u>

## SHIRE OF KENT

### NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

#### FOR THE YEAR ENDED 30TH JUNE 2008

	2008	2007
	\$	\$
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
Land and Buildings - Cost	3,540,652	3,326,171
Less Accumulated Depreciation	<u>(1,163,007)</u>	<u>(1,072,524)</u>
	<u>2,377,645</u>	<u>2,253,647</u>
Furniture and Equipment - Cost	474,788	466,860
Less Accumulated Depreciation	<u>(395,874)</u>	<u>(370,757)</u>
	<u>78,914</u>	<u>96,103</u>
Plant and Equipment - Cost	3,310,909	3,267,952
Less Accumulated Depreciation	<u>(1,798,837)</u>	<u>(1,598,986)</u>
	<u>1,512,072</u>	<u>1,668,966</u>
	<u>3,968,631</u>	<u>4,018,716</u>

#### 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 \$	Total \$
Balance as at 1 July 2007	2,253,647	96,103	1,668,966	4,018,716
Additions	213,639	7,929	172,335	393,903
(Disposals)	0	0	(62,067)	(62,067)
Revaluation - Increments	0	0	0	0
- (Decrements)	0	0	0	0
Impairment (losses)/ reversals	0	0	0	0
Depreciation (Expense)	(89,889)	(25,118)	(266,914)	(381,921)
Other Movements	248	0	(248)	0
Balance as at 30 June 2008	<u>2,377,645</u>	<u>78,914</u>	<u>1,512,072</u>	<u>3,968,631</u>

## SHIRE OF KENT

### NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

#### FOR THE YEAR ENDED 30TH JUNE 2008

	2008 \$	2007 \$
<b>7. INFRASTRUCTURE</b>		
Roads - cost	41,961,963	40,845,065
Less Accumulated Depreciation	<u>(12,810,258)</u>	<u>(12,092,253)</u>
	<u>29,151,705</u>	<u>28,752,812</u>
Parks & Ovals - cost	453,433	453,433
Less Accumulated Depreciation	<u>(215,856)</u>	<u>(203,648)</u>
	<u>237,577</u>	<u>249,785</u>
	<u>29,389,282</u>	<u>29,002,597</u>

Effective from 1 July 2004, Council deemed the carrying amount of all the roads, to be their cost.

This was in accordance with the exemptions on application of Australian Accounting Standard AASB 1 "First-time Adoption of Australian Equivalents to International Financial Reporting Standards". These assets are now being carried at cost. Whilst they are not 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".

#### 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 \$	Parks and Ovals \$	Total \$
Balance as at 1 July 2007	28,752,812	249,785	29,002,597
Additions	1,116,898	0	1,116,898
(Disposals)	0	0	0
Revaluation - Increments - (Decrements)	0 0	0 0	0 0
Impairment (losses)/ reversals	0	0	0
Depreciation (Expense)	(718,005)	(12,208)	(730,213)
Other Movements	0	0	0
Balance as at 30 June 2008	<u>29,151,705</u>	<u>237,577</u>	<u>29,389,282</u>

**SHIRE OF KENT**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

	2008	2007
	\$	\$
<b>8. TRADE AND OTHER PAYABLES</b>		
Current		
Sundry Creditors	219,304	113,471
PAYG Liability	13,172	11,877
Accrued Interest on Debentures	17,785	18,419
Accrued Salaries and Wages	8,263	6,189
	<u>258,524</u>	<u>149,956</u>
<b>9. LONG-TERM BORROWINGS</b>		
Current		
Secured by Floating Charge		
Debentures	63,635	64,234
	<u>63,635</u>	<u>64,234</u>
Non-Current		
Secured by Floating Charge		
Debentures	838,013	901,648
	<u>838,013</u>	<u>901,648</u>
Additional detail on borrowings is provided in Note 19.		
<b>10. PROVISIONS</b>		
Current		
Provision for Annual Leave	60,146	62,564
Provision for Long Service Leave	83,260	60,924
	<u>143,406</u>	<u>123,488</u>
Non-Current		
Provision for Long Service Leave	15,533	10,517
	<u>15,533</u>	<u>10,517</u>

# SHIRE OF KENT

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

### FOR THE YEAR ENDED 30TH JUNE 2008

	2008 \$	2008 Budget \$	2007 \$
<b>11. RESERVES - CASH BACKED</b>			
<b>(a) Employee Entitlements Reserve</b>			
Opening Balance	89,065	89,064	65,086
Amount Set Aside / Transfer to Reserve	20,000	20,000	20,000
Transfer of Interest to Reserve	5,768	3,100	3,979
Amount Used / Transfer from Reserve	0	0	0
	<u>114,833</u>	<u>112,164</u>	<u>89,065</u>
<b>(b) Plant Reserve</b>			
Opening Balance	149,154	149,154	37,416
Amount Set Aside / Transfer to Reserve	272,000	100,000	109,450
Transfer of Interest to Reserve	9,657	5,190	2,288
Amount Used / Transfer from Reserve	0	0	0
	<u>430,811</u>	<u>254,344</u>	<u>149,154</u>
<b>(c) Building Reserve</b>			
Opening Balance	132,322	132,323	75,330
Amount Set Aside / Transfer to Reserve	0	0	57,000
Transfer of Interest to Reserve	8,568	4,605	4,537
Amount Used / Transfer from Reserve	0	0	(4,545)
	<u>140,890</u>	<u>136,928</u>	<u>132,322</u>
<b>(d) Nyabing Recreation Reserve</b>			
Opening Balance	22,014	22,014	53,660
Amount Set Aside / Transfer to Reserve	6,000	6,000	9,000
Transfer of Interest to Reserve	1,255	766	2,975
Amount Used / Reimburse Contribution	0	0	(11,078)
Amount Used / Transfer from Reserve	(6,982)	(2,000)	(32,543)
	<u>22,287</u>	<u>26,780</u>	<u>22,014</u>
<b>(e) Pingrup Recreation Reserve</b>			
Opening Balance	18,082	18,082	16,840
Amount Set Aside / Transfer to Reserve	9,000	9,000	3,000
Transfer of Interest to Reserve	1,272	629	1,029
Amount Used / Transfer from Reserve	(1,754)	(2,000)	(2,787)
	<u>26,600</u>	<u>25,711</u>	<u>18,082</u>
<b>(f) Cemetery Reserve</b>			
Opening Balance	10,469	10,469	9,112
Amount Set Aside / Transfer to Reserve	600	400	800
Transfer of Interest to Reserve	678	365	557
Amount Used / Transfer from Reserve	0	0	0
	<u>11,747</u>	<u>11,234</u>	<u>10,469</u>
<b>(g) Water Supply Reserve</b>			
Opening Balance	19,469	19,469	18,347
Amount Set Aside / Transfer to Reserve	0	0	0
Transfer of Interest to Reserve	1,261	678	1,122
Amount Used / Transfer from Reserve	0	0	0
	<u>20,730</u>	<u>20,147</u>	<u>19,469</u>

## SHIRE OF KENT

### NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

#### FOR THE YEAR ENDED 30TH JUNE 2008

	2008 \$	2008 Budget \$	2007 \$
<b>11. RESERVES - CASH BACKED (Continued)</b>			
<b>(h) Sewerage Reserve</b>			
Opening Balance	88,072	88,073	73,575
Amount Set Aside / Transfer to Reserve	10,000	10,000	10,000
Transfer of Interest to Reserve	5,552	3,065	4,497
Amount Used / Transfer from Reserve	<u>(6,200)</u>	<u>0</u>	<u>0</u>
	<u>97,424</u>	<u>101,138</u>	<u>88,072</u>
<b>(i) Computer Equipment Reserve</b>			
Opening Balance	59,517	59,517	56,087
Amount Set Aside / Transfer to Reserve	0	0	0
Transfer of Interest to Reserve	3,853	2,070	3,430
Amount Used / Transfer from Reserve	<u>0</u>	<u>(48,000)</u>	<u>0</u>
	<u>63,370</u>	<u>13,587</u>	<u>59,517</u>
<b>(j) Administration Vehicles Reserve</b>			
Opening Balance	24,000	24,000	0
Amount Set Aside / Transfer to Reserve	12,000	24,000	24,000
Transfer of Interest to Reserve	1,556	836	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>37,556</u>	<u>48,836</u>	<u>24,000</u>
<b>(k) Refuse Disposal Facilities Reserve</b>			
Opening Balance	20,000	20,000	0
Amount Set Aside / Transfer to Reserve	46,160	30,000	20,000
Transfer of Interest to Reserve	1,295	696	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>67,455</u>	<u>50,696</u>	<u>20,000</u>
<b>(l) Road Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	278,431	200,000	0
Transfer of Interest to Reserve	123	0	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>278,554</u>	<u>200,000</u>	<u>0</u>
<b>Total Cash Backed Reserves</b>	<u><u>1,312,257</u></u>	<u><u>1,001,565</u></u>	<u><u>632,164</u></u>

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

## SHIRE OF KENT

### NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

#### FOR THE YEAR ENDED 30TH JUNE 2008

##### 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 Entitlements Reserve**

This reserve is to be used to fund employee leave requirements.

**Plant Reserve**

This reserve is for the purchase of major plant and equipment.

**Building Reserve**

Funds set aside for the Construction and/or Capital Maintenance of Building Infrastructure.

**Nyabing Recreation Reserve**

This reserve is for the upgrading of Sporting facilities in Nyabing.

**Pingrup Recreation Reserve**

This reserve is for the upgrading of Sporting facilities in Pingrup.

**Reseal Reserve**

Used to provide supplementary funding for Council's Reseal Program.

**Cemetery Reserve**

This reserve is for upgrading the Nyabing and Pingrup cemeteries.

**Water Supply Reserve**

This reserve is for providing water services to rural areas of the Shire.

**Sewerage Reserve**

Used for the upgrading and/or major maintenance of townsite sewerage schemes.

**Computer Equipment Reserve**

This reserve is for upgrading the main administration computer system and software.

**Administration Vehicles Reserve**

This reserve is for future vehicle changeovers for the Chief Executive Officer and Deputy Chief Executive Officer.

**Refuse Disposal Facilities Reserve**

This reserve is for a transfer disposal station to be placed at the Pingrup Rubbish Site.

**Road Reserve**

This reserve is for future upgrade of roads

The Employee Entitlements, Plant, Building, Nyabing Recreation, Pingrup Recreation, Reseal, Cemetery, Water Supply, Sewerage, Computer Equipment, Administration Vehicles and Refuse Disposal Facilities and Road Reserves are not expected to be used within a set period as further transfers to the reserve accounts are expected as funds are utilised.

## SHIRE OF KENT

### NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

#### FOR THE YEAR ENDED 30TH JUNE 2008

12. RESERVES - ASSET REVALUATION	2008	2007
	\$	\$
Asset revaluation reserves have arisen on revaluation of the following classes of assets:		
(a) Roads		
Balance as at 1 July 2007	11,107,636	11,107,636
Revaluation Increment	0	0
Revaluation Decrement	0	0
Balance as at 30 June 2008	<u>11,107,636</u>	<u>11,107,636</u>
 Total Asset Revaluation Reserves	 <u><u>11,107,636</u></u>	 <u><u>11,107,636</u></u>

#### 13. NOTES TO THE STATEMENT OF CASH FLOWS

##### (a) Reconciliation of Cash

For the purposes of the cash flow statement, cash includes cash on hand and in banks and investments, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Balance Sheet as follows:

	2008	2008	2007
	\$	Budget	\$
		\$	
Cash and Cash Equivalents	<u>1,836,108</u>	<u>1,346,918</u>	<u>1,445,896</u>
 (b) Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net Result	692,105	700,675	124,155
Depreciation	1,112,134	1,042,760	1,064,050
(Increase)/Decrease in Receivables	(17,041)	40,580	97,617
(Profit)/Loss on Sale of Asset	(14,769)	(290)	(56,066)
(Increase)/Decrease in Inventories	(17,520)	(2,219)	12,633
Increase/(Decrease) in Payables	108,568	(50,434)	59,921
Increase/(Decrease) in Employee Provisions	24,934	(5,000)	7,027
Grants/Contributions for the Development of Assets	(649,741)	(1,111,846)	(305,239)
Net Cash from Operating Activities	<u><u>1,238,670</u></u>	<u><u>614,226</u></u>	<u><u>1,004,098</u></u>

# SHIRE OF KENT

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

### FOR THE YEAR ENDED 30TH JUNE 2008

#### 13. NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

	2008	2007
	\$	\$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank Overdraft limit	100,000	100,000
Bank Overdraft at Balance Date	0	0
Credit Card limit	8,000	8,000
Credit Card Balance at Balance Date	0	0
Total Amount of Credit Unused	<u>108,000</u>	<u>108,000</u>
(d) Loan Facilities		
Loan Facilities - Current	63,635	64,234
Loan Facilities - Non-Current	838,013	901,648
Total Facilities in Use at Balance Date	<u>901,648</u>	<u>965,882</u>
Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>

#### 14. CAPITAL AND LEASING COMMITMENTS

##### Operating Lease Commitments

Council has no operating lease commitments as at 30 June 2008.

##### Capital Commitments

Council has committed to purchase a new truck and tipper for the amount of \$265,000 within the 2007/08 financial year, however the truck was not ready for purchase before the end of the financial year and therefore will actually be purchased within the 2008/09 financial year.

## SHIRE OF KENT

### NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

#### FOR THE YEAR ENDED 30TH JUNE 2008

#### 15. TRUST FUNDS

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

Detail	Balance 1-Jul-07 \$	Amounts Received (\$)	Amounts Paid \$	Balance 30-Jun-08 \$
Housing Bonds	0	1,670	(1,670)	0
Bond (Caravan Park Keys)	150	0	0	150
Pingrup Bushfire Brigade	873	0	(873)	0
Logo Number Plates	0	600	(600)	0
Overpayments	0	2,733	(2,733)	0
Employee Superannuation	0	223	(223)	0
Licencing	4,130	3,087	(4,130)	3,087
Nomination Deposits	0	400	(400)	0
BCITF Levy	0	55	0	55
	<u>5,153</u>	<u>8,768</u>	<u>(10,629)</u>	<u>3,292</u>

#### 16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2008 \$	2007 \$
Governance	1,877	2,328
General Purpose Funding	5,110	4,727
Law, Order, Public Safety	78,277	59,729
Health	1,189	1,378
Education and Welfare	0	0
Community Amenities	298,454	207,854
Recreation and Culture	641,537	644,416
Transport	31,146,974	30,654,447
Economic Services	218,348	207,648
Other Property and Services	2,415,200	2,246,128
Unallocated	509,974	526,912
	<u>35,316,940</u>	<u>34,555,567</u>

**SHIRE OF KENT**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

**17. DISPOSALS OF ASSETS - 2007/08 FINANCIAL YEAR**

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Land & Buildings						
Plant & Equipment						
Fire Tender	0	0	2,200	0	2,200	0
Truck & Tipper KT044	0	80,610	0	90,000	0	9,390
Truck Building Mtce KT008	0	14,670	0	13,000	0	(1,670)
Utility Works KT004	15,277	18,300	14,545	18,000	(732)	(300)
Utility Works KT019	11,793	13,830	11,636	13,000	(157)	(830)
CEO Vehicle	21,850	48,300	33,000	42,000	11,150	(6,300)
DCEO Vehicle	13,147	0	15,455	0	2,308	0
	<b>62,067</b>	<b>175,710</b>	<b>76,836</b>	<b>176,000</b>	<b>14,769</b>	<b>290</b>

Summary

Profit on Asset Disposal  
Loss on Asset Disposal

15,658  
(889)  
14,769

## SHIRE OF KENT

### NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

#### FOR THE YEAR ENDED 30TH JUNE 2008

18. FINANCIAL RATIOS	2008	2007	2006
Current Ratio	1.71	1.78	1.59
Untied Cash to Trade Creditors Ratio	2.19	4.04	2.56
Debt Ratio	0.04	0.04	0.04
Debt Service Ratio	0.05	0.05	0.08
Gross Debt to Revenue Ratio	0.32	0.32	0.29
Gross Debt to Economically Realisable Assets	0.15	0.17	0.20
Rate Coverage Ratio	0.39	0.39	0.32
Outstanding Rates Ratio	0.003	0.003	0.004

The above rates are calculated as follows:

Current Ratio equals	$\frac{\text{Current assets minus restricted current assets}}{\text{Current liabilities minus liabilities associated with restricted assets}}$
Untied Cash to Trade Creditors Ratio	$\frac{\text{Untied cash}}{\text{Unpaid trade creditors}}$
Debt Ratio equals	$\frac{\text{Total liabilities}}{\text{Total assets}}$
Debt Service Ratio equals	$\frac{\text{Debt Service Cost (Principal \& Interest)}}{\text{Available operating revenue}}$
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 equals	$\frac{\text{Net rate revenue}}{\text{Operating revenue}}$
Outstanding Rates Ratio equals	$\frac{\text{Rates outstanding}}{\text{Rates collectable}}$

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30TH JUNE 2008

## 19. INFORMATION ON BORROWINGS

## (a) Debenture Repayments

Particulars	Principal 1-Jul-07 \$	New Loans \$	Principal Repayments		Principal 30-Jun-08		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Law, Order & Public Safety Loan 83, Nyabing Fire Truck	4,419		4,419	4,419	0	0	149	149
Community Amenities Loan 54, Nyabing Effluent	37,560		1,007	1,007	36,553	36,553	3,295	3,295
Other Property and Services Loan 86, New House for CEO	45,380		14,056	14,056	31,324	31,324	2,944	2,942
Loan 88, Nyabing Store	63,256		2,859	2,859	60,397	60,397	4,113	4,113
Loan 90, Principal Housing, Pingrup	127,052		18,563	18,563	108,489	108,489	6,323	6,323
Loan 91, Various Duplexes	688,215		23,330	23,330	664,885	664,885	43,243	43,246
	965,882	0	64,234	64,234	901,648	901,648	60,067	60,068

(\*) Self supporting loan financed by payments from third parties.

All other loan repayments were financed by general purpose income.

## (b) New Debentures - 2007/08

No new debentures were issued during the year ending 30 June 2008

## (c) Unspent Debentures

No portion of debentures was unspent as at 30 June 2008

## (d) Overdraft

Council established an overdraft facility of \$100,000 in 2007 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2007 and 30 June 2008 was \$Nil.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

20. RATING INFORMATION - 2007/08 FINANCIAL YEAR

RATE TYPE	Rate in \$ (cents)	Number of Properties	Rateable Value \$	2008	2008	2008	2008	2008	2008	2008	2008	2008	2008	2008	2008
				Actual Rate Revenue \$	Actual Interim Rates \$	Actual Back Rates \$	Actual Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$				
<b>General Rates</b>															
GRV - Residential	9.7041	60	238,108	23,106	483	0	23,589	22,592	0	0	0	22,592	0	22,592	0
GRV - Commercial	9.7041	13	123,704	12,004	0	0	12,004	11,919	0	0	0	11,919	0	11,919	0
UV - Rural	1.4490	373	94,067,500	1,370,768	(1,523)	0	1,369,245	1,371,600	0	0	0	1,371,600	0	1,371,600	0
Mining	1.4490	3	54,965	796	(508)	0	288	796	0	0	0	796	0	796	0
Sub-Totals		449	94,484,277	1,406,674	(1,548)	0	1,405,126	1,406,907	0	0	0	1,406,907	0	1,406,907	0
<b>Minimum Rates</b>															
GRV - Residential	260.10	11	8,890	2,861	0	0	2,861	2,341	0	0	0	2,341	0	2,341	0
GRV - Commercial	260.10	6	5,882	1,561	0	0	1,561	1,561	0	0	0	1,561	0	1,561	0
UV - Rural	260.10	11	130,992	2,861	0	0	2,861	2,862	0	0	0	2,862	0	2,862	0
Mining	260.10	14	78,279	3,642	0	0	3,642	3,641	0	0	0	3,641	0	3,641	0
Sub-Totals		42	224,043	10,925	0	0	10,925	10,405	0	0	0	10,405	0	10,405	0
Discounts															
Totals															
							1,416,051					1,417,312			
							(64,377)					(60,000)			
							1,351,674					1,357,312			

## SHIRE OF KENT

### NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

#### FOR THE YEAR ENDED 30TH JUNE 2008

#### 21. HEALTH RATE - 2007/08 FINANCIAL YEAR

	Rate in \$	Basis of Rate	Rateable Value \$	Rate Revenue \$	Budget Rate Revenue \$	Applied to Costs \$	Budget Applied to Costs \$
<b>Sewerage Rate</b>							
- Nyabing Residential	0.345	GRV	146,316	9,250	9,108	9,250	9,108
- Nyabing Commerical	0.345	GRV	62,686	4,480	3,788	4,480	3,788
- Nyabing Vacant	170.00	GRV	600	510	510	510	510
- Pingrup Residential	0.398	GRV	82,056	5,500	4,844	5,500	4,844
- Pingrup Commerical	0.398	GRV	60,060	5,040	3,562	5,040	3,562
- Pingrup Vacant	170.00	GRV	125	340	170	340	170
- 1st Fixture	158.90	GRV	0	0	0	0	0
- Additional Fixtures	228.80	GRV	0	0	3,608	0	3,608
				25,120	25,590	25,120	25,590

The Health Rate is for the provision of sewerage. The charge is applicable to all owners within a designated area surrounding the townsite.

The proceeds of the health rate are to be applied in full to the costs of maintenance and operation.

#### 22. SERVICE CHARGES - 2007/08 FINANCIAL YEAR

	Amount of Charge \$	Revenue Raised \$	Budget Revenue \$	Applied to Service Costs \$	Budget Applied to Costs \$
Television - Nyabing	120	5,520	5,400	4,526	5,400
Television - Pingrup	120	3,240	2,880	2,549	2,880
		8,760	8,280	7,075	8,280

The service charge is for the provision of television re-broadcasting. The charge is applicable to all owners occupiers within a designated area surrounding the townsite.

The proceeds of the service charge are applied in full to the costs of maintenance and operation. A small surplus has been made as can be seen in the table above, this amount will be applied to an upgrade of equipment within the 2008/09 financial year.

## SHIRE OF KENT

### NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

#### FOR THE YEAR ENDED 30TH JUNE 2008

#### 23. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS - 2007/08 FINANCIAL YEAR

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Discount	6	64,377	60,000
Minimum Rate	Discount	6	0	0
			64,377	60,000
Photocopy Charge	Waiver		0	0
Rate Assessment	Write-Off		0	0

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

Photocopy Charges are waived for certain community groups such as the local newsletter, sporting groups and community organisations. Council considers its support of these groups necessary for the overall benefit of the community.

#### 24. INTEREST CHARGES AND INSTALMENTS - 2007/08 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	9		1,401	1,500
Interest on Deferred Rates	9		21	0
Charges on Instalment Plan		5	930	1,000
			2,352	2,500

Ratepayers had the option of paying rates in two or four equal instalments, the two instalments were due on 31 August 2007 and 4 January 2008. Administration charges applied for the final instalment. The four instalments were due on 31 August 2007, 2 November 2007, 4 January 2008 and 7 March 2008. Administration charges applied for the final three instalments.

25. FEES & CHARGES	2008 \$	2007 \$
Governance	0	0
General Purpose Funding	16,420	15,803
Law, Order, Public Safety	27,945	21,842
Health	0	0
Housing	0	0
Community Amenities	37,420	36,550
Recreation & Culture	5,191	4,842
Transport	0	0
Economic Services	49,167	44,061
Other Property & Services	139,226	106,774
	<u>275,369</u>	<u>229,872</u>

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

# SHIRE OF KENT

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

### FOR THE YEAR ENDED 30TH JUNE 2008

26. GRANT REVENUE	2008 \$	2007 \$
By Nature and Type:		
Grants and Subsidies - operating	806,278	771,439
Grants and Subsidies - non-operating	649,741	305,239
	<u>1,456,019</u>	<u>1,076,678</u>
Grants and subsidies are included as operating revenues in the operating statement in the following programs:		
General Purpose Funding	274,187	257,709
Law, Order, Public Safety	22,554	24,000
Recreation & Culture	0	22,138
Transport	1,158,946	735,831
Economic Services	0	37,000
Other Property & Services	332	0
	<u>1,456,019</u>	<u>1,076,678</u>

27. COUNCILLORS' REMUNERATION	2008 \$	2008 Budget \$	2007 \$
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	38,495	40,000	32,000
President's Allowance	5,000	5,000	4,000
Deputy President's Allowance	0	0	0
Travelling Expenses	4,432	6,000	4,604
Telecommunications Allowance	3,680	3,800	3,619
	<u>51,607</u>	<u>54,800</u>	<u>44,223</u>

28. EMPLOYEE NUMBERS	2008	2007
The number of full-time equivalent Employees at balance date	22	23

#### 29. EMPLOYEES REMUNERATION

There are no employees in the Shire of Kent with a annual salary of \$100,000 or more.

#### 30. ECONOMIC DEPENDENCY

A significant portion of revenue is received by way of grants from the State and Federal Government. The total of grant revenue from government sources is disclosed in Note 26.

#### 31. MAJOR LAND TRANSACTIONS

Council did not participate in any major land transactions during the 2007/08 financial year.

#### 32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2007/08 financial year.

## SHIRE OF KENT

### NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

#### FOR THE YEAR ENDED 30TH JUNE 2008

### 33. FINANCIAL RISK MANAGEMENT

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

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

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

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and cash equivalents	1,836,108	1,445,896	1,836,108	1,445,896
Receivables	82,618	65,577	82,618	65,577
	<u>1,918,726</u>	<u>1,511,473</u>	<u>1,918,726</u>	<u>1,511,473</u>
<b>Financial Liabilities</b>				
Payables	258,524	149,956	258,524	149,956
Borrowings	901,648	965,882	568,266	595,323
	<u>1,160,172</u>	<u>1,115,838</u>	<u>826,790</u>	<u>745,279</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Borrowings, Held-to-Maturity Investments – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.
- Financial Assets at Fair Value through profit and loss, Available for Sale Financial Assets – based on quoted market prices at the reporting date or independent valuation.

## SHIRE OF KENT

### NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

#### FOR THE YEAR ENDED 30TH JUNE 2008

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

##### (a) Cash and Cash Equivalents

Council's objective is to maximise its return on cash whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash in accordance with Council's investment policy which is subject to review by Council.

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

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

Council currently feels there is not a risk with cash investments with the bank due to recent guarantees by the Federal Government.

	30-Jun-08	30-Jun-07
	\$	\$
Impact of a 1% (*) movement in interest rates on cash and cash equivalents:		
- Equity	18,361	14,459
- Income Statement	18,361	14,459

##### 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.

(+) Maximum impact.

## SHIRE OF KENT

### NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

#### FOR THE YEAR ENDED 30TH JUNE 2008

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

##### (b) Receivables

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

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

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

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

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

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

	30-Jun-08	30-Jun-07
Percentage of Rates and Annual Charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of Other Receivables		
- Current	97.62%	99.87%
- Overdue	2.38%	0.13%

**SHIRE OF KENT**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

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

**(c) Payables  
Borrowings**

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

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

	<u>2008</u>	<u>2007</u>		
	Due within 1 year \$	Due between 1 & 5 years \$		
	Due after 5 years \$	Total contractual cash flows \$		
	Carrying values \$			
Payables	258,524	0	258,524	258,524
Borrowings	120,360	840,698	1,391,148	901,648
	<u>378,884</u>	<u>840,698</u>	<u>1,649,672</u>	<u>1,160,172</u>
Payables	149,956	0	149,956	149,956
Borrowings	124,933	943,941	1,516,080	965,882
	<u>274,889</u>	<u>943,941</u>	<u>1,666,036</u>	<u>1,115,838</u>

**SHIRE OF KENT**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

**33. 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:

	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate %
<u>Year Ended 30 June 2008</u>								
<b>Borrowings</b>								
Fixed Rate Debentures	0	0	0	31,324	0	870,324	901,648	6.40%
Weighted Average Effective Interest Rate	0.00%	0.00%	0.00%	7.30%	0.00%	6.40%		
<u>Year Ended 30 June 2007</u>								
<b>Borrowings</b>								
Fixed Rate Debentures	4,419	0	0	45,380	0	916,082	965,881	6.40%
Weighted Average Effective Interest Rate	7.00%	0.00%	0.00%	7.30%	0.00%	6.35%		

**INDEPENDENT AUDIT REPORT  
TO THE ELECTORS OF THE SHIRE OF KENT**

*Report on the Financial Report*

We have audited the accompanying financial report of the Shire of Kent, which comprises the balance sheet as at 30 June 2008 and the income statement by nature or type, income statement by program, statement of changes in equity, cash flow statement and rate setting statement for the year ended on that date and a summary of significant accounting policies and other explanatory notes.

*Council's Responsibility for the Financial Report*

Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying 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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 judgment, 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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 independence requirements of Australian professional ethical pronouncements.

**Auditor's Opinion**

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

- a giving a true and fair view of the Shire's financial position as at 30 June 2008 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

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**INDEPENDENT AUDIT REPORT  
TO THE ELECTORS OF THE SHIRE OF KENT (continued)**

**Statutory Compliance**

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

**Submission of Financial Report**

The accounts and financial report for the year ended 30 June 2008 were not submitted to the auditor by 30 September 2008 as required by Section 6.4(3) of the Act.

**Annual Financial Report**

The annual financial report for the year ended 30 June 2007 was not submitted to the Executive Director of the Department of Local Government within 30 days of receipt of the auditor's report as required by Financial Management Regulation 51(2).

**Other Matters**

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

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) Except as detailed above, no other matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- c) All necessary information and explanations were obtained by us.
- d) All audit procedures were satisfactorily completed in conducting our audit.

UHY HAINES NORTON  
CHARTERED ACCOUNTANTS



GREG GODWIN  
PARTNER

Date: 5 November 2008  
Perth, WA

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## 14. FORWARD PLANNING BUDGET

1 JULY 2008—30 JUNE 2009

Council's Forward Planning Budget provides an overview of the significant activities that were proposed by Council for the four (4) year period 2009/2009—2011/2012.

Forward Planning commenced or continued during the financial year and an assessment of Council's performance in relation to each principal activity are as follows:

### Forward Planning—Plant Replacement

*Replacing plant, vehicles and other assets (but excluding land, buildings and major infrastructure).*

- ⇒ the timely purchase and replacement of major plant assets in accordance with predetermined acquisition and replacement programmes;
- ⇒ minimising vehicle replacement costs;
- ⇒ optimising the performance of the plant fleet;
- ⇒ maintaining a good safe working environment for Council Staff.

### Performance Measures:

An annual assessment of plant and equipment by the Works, Plant and Services Committee:

- ⇒ to be based upon plant costing records and a physical examination of the condition of all items, including general safety;
- ⇒ to take into account plant operating costs and the down-time due to repairs; and
- ⇒ to consider the potential replacement change-over costs.

Item	2008/2009 Proposed Expenditure (Net)	2007/2008 Actual Expenditure (Net)
Plant Purchase Program	323,500	359,158

All purchases were made in accordance with Plant Purchase Program.

### Forward Planning – Capital Infrastructure – Land & Buildings

*The upgrading and effective utilisation of streetscape and properties under the care, control and management of Council.*

### Objective:

To improve the amenity of the Shire and to enhance performance with respect to works and services in general.

### Performance Measures:

- ⇒ An annual assessment by Council's Building, Health and Town Planning Committee of its capital infrastructure requirements including property capital maintenance.

### Funding:

Land and Buildings will be funded from Council's Municipal Fund subject to Grants monies being made available when applicable. Reserve and Loan funds may be used if deemed appropriate.

## 14. FORWARD PLANNING BUDGET (cont.....)

### Proposed Projects—Land & Buildings

- ⇒ Land availability at Pingrup for residential development
- ⇒ Richmond street reserve for Landscape Protection
- ⇒ Ablution block Richmond Street Nyabing
- ⇒ Caravan Park Pingrup
- ⇒ Nyabing—Sale of Bourke Street Units
- ⇒ Continue to investigate land availability for lifestyle blocks around Nyabing and Pingrup

<b>Land &amp; Buildings Program</b>				<b>Table 2</b>
	<b>YEAR ENDED 30 JUNE</b>			
	<b>2008/2009</b>	<b>2009/2010</b>	<b>2010/2011</b>	<b>2011/2012</b>
<i>Land Program</i>				
Townscape	20,000	20,000	24,000	24,000
<b>Total Land</b>	<b>20,000</b>	<b>20,000</b>	<b>24,000</b>	<b>24,000</b>
<i>Buildings Program</i>				
Housing Staff/Community	68,500	66,000	66,000	66,000
Nyabing Hall	4,500	4,500	4,500	9,500
Nyabing Pavilion	16,000	12,000	12,000	12,000
Nyabing Depot	20,000	20,000	20,000	20,000
Nyabing General Store	4,000	4,000	4,000	4,000
Nyabing Caravan Park	500	500	500	500
Nyabing Tennis Club	2,800	3,000	3,000	3,000
Council Chambers	4,950	5,000	4,950	8,300
Administration Centre	26,000	26,000	26,000	20,000
Machinery Shed (Nyabing Depot)	15,000	38,000	15,000	8,500
Pingrup Hall	23,000	8,000	12,000	8,500
(rising damp & disabled toilet)				
Pingrup Pavilion	18,500	12,500	21,000	16,000
Pingrup Caravan Park	23,000	18,000	22,000	22,000
Pingrup Depot	9,000	9,000	9,000	9,000
Pingrup Potters	2,400	2,400	2,400	2,500
<b>Total Buildings</b>	<b>238,150</b>	<b>228,900</b>	<b>222,350</b>	<b>209,800</b>

## 14. FORWARD PLANNING BUDGET (cont.....)

### Forward Planning—Capital Infrastructure—Recreation & Culture

To maintain and enhance lifestyle opportunities for the community.

#### Objective:

- ⇒ maintain existing facilities (ovals, playing fields, parks and gardens etc.) excluding buildings, (refer Buildings Program), to an appropriate standard.
- ⇒ determine community needs and priorities for future facilities.
- ⇒ determine (with the community) minimum viability criteria for retaining recreational and cultural facilities and funding activities.
- ⇒ ensure sufficient resources are allocated to these functions.
- ⇒ determine and deliver optimum levels of service.

#### Performance Measures:

- ⇒ Assessment of user accolades and or complaints.
- ⇒ Revenue generation.

#### Funding:

Recreation and Cultural facilities will be funded from Council's Municipal Fund subject to Grant monies being made available when applicable. Reserve Funds and/or Loan funds may be used if deemed appropriate.

#### Proposed Project

- ⇒ Future playground equipment upgrade at the Nyabing and Pingrup Pavilions
- ⇒ Tourism centre Richmond Street Nyabing

<b>Recreation &amp; Culture Program</b>				<b>Table 3</b>
	<b>YEAR ENDED 30 JUNE</b>			
	<b>2008/2009</b>	<b>2009/2010</b>	<b>2010/2011</b>	<b>2011/2012</b>
Recreation Grounds	260,000	260,000	265,000	265,000
Libraries	25,500	26,000	26,500	27,000
Parks, Gardens & Reserves	76,000	76,000	80,000	85,000
Playground Equipment	44,200	10,000	5,000	5,000
Other Culture	42,000	42,500	43,000	44,000
TV Re-Broadcasting	15,500	18,500	16,000	18,000
<b>Total Land</b>	<b>463,200</b>	<b>433,000</b>	<b>435,500</b>	<b>444,000</b>

## 14. FORWARD PLANNING BUDGET (cont.....)

### Forward Planning—Road Asset Management

*The management of the road infrastructure system including the road pavement, footpaths, drainage, street lighting, verge maintenance, signs and street furniture.*

#### **Objective:**

To maintain and improve the quality and useful economic life of the road infrastructure system in the most efficient manner possible.

#### **Performance Measures:**

- ⇒ An annual evaluation and/or inspection by staff to ascertain road conditions.
- ⇒ Using ROMAN as a principal planning tool, to bridge the gap between present expenditure levels and those necessary to achieve the desired level.

#### **Note:**

The Shire uses ROMAN, a computer modelling system widely recognised in Western Australia, for measuring road asset condition, planning preservation requirements and maximising the economic useful life of roads and associated assets. In conjunction with regular inspection and condition reporting, ROMAN assists the council to determine the desired asset condition to be established or maintained and the optimum works/expenditure scheduling necessary to achieve or maintain that standard.

#### **Funding:**

This activity is funded from several sources. Main Roads WA provides some funding through the Regional Road Program and the untied Direct Road Grant. Federal Funding for specific road projects is currently provided under the Roads to Recovery Austlink Program. Untied funding is also received as the road grant component of the Local Government Grants Commission allocation. In 2006 Council received a once off special grant from the Federal Government of \$280,610, these funds will be fully spent in 2008/09.

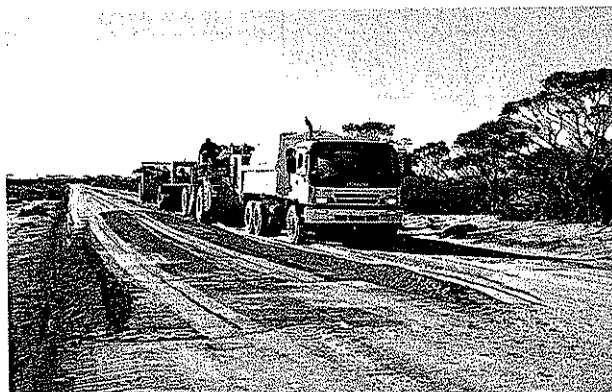
An extension to these funds may be allocated in future years in the form of Black Spot and CALM projects.

Year to year income/expenditure variances are due to Regional Road allocation variations determined in accordance with Regional Road Funding priorities, and reduced projected Roads to Recovery Funding in accordance with the Federal Government's new funding formula.

All other costs are met from general purpose income.

Footpaths – Nyabing and Pingrup

Town drainage



14. FORWARD PLANNING BUDGET (cont.....)

<b>Road Asset Management Program</b>				<b>Table 4</b>
	<b>YEAR ENDED 30 JUNE</b>			
	<b>2008/2009</b>	<b>2009/2010</b>	<b>2010/2011</b>	<b>2011/2012</b>
<i>Grant Funded Projects</i>				
Regional Roads Program	207,500	234,000	240,000	120,000
Roads to Recovery AusLink Program	280,610	280,610	280,610	280,610
AusLink (R2R) Special Funding	58,000			
Black Spot Funding	10,000			
<b>Total Grant Funded Projects</b>	<b>\$556,110</b>	<b>\$514,610</b>	<b>\$520,610</b>	<b>\$400,610</b>
<i>Road Works from Council's own Resources</i>				
Own Resources Re-sheeting	118,500	144,000	208,500	152,000
Own Resources Seals/Reseals	25,500	105,000	157,000	110,000
Road Maintenance (ex depn)	956,000	850,000	870,000	900,000
<b>Total Works from Council's own Resources</b>	<b>\$1,100,000</b>	<b>\$1,099,000</b>	<b>\$1,235,500</b>	<b>\$1,162,000</b>
<b>TOTAL ROAD WORKS</b>	<b>\$1,656,110</b>	<b>\$1,613,610</b>	<b>\$1,765,110</b>	<b>\$1,562,610</b>
<i>Grant Funding</i>				
Regional Road Grants	139,000	156,000	160,000	80,000
Roads to Recovery-AusLink—Program 2 & 3	280,610	280,610	280,610	280,610
AusLink Special Funds	58,000	0	0	0
Direct Grants	90,345	85,500	86,000	86,500
Grants Commission	543,410	550,000	555,000	560,000
Black Spot Funding	10,000	0	0	0
Previous Year C/Fwd	0	0	0	0
<b>Total Grant Funding</b>	<b>\$1,121,365</b>	<b>\$1,072,110</b>	<b>\$1,081,610</b>	<b>\$1,007,110</b>
<b>MUNICIPAL/RESERVE FUNDS</b>	<b>\$534,745</b>	<b>\$541,500</b>	<b>\$683,500</b>	<b>\$555,500</b>

## 14. FORWARD PLANNING BUDGET (cont.....)

### Forward Planning—Economic Services

*Provision of services to the community such as Landcare Co-ordination and Water Supply.*

#### Objective:

##### **Landcare**

- ⇒ Provide ongoing funding for the Landcare Co-ordinator.
- ⇒ Attract funding to investigate and combat salinity problems in town sites – e.g. Rural Towns Liquid Assets Program.
- ⇒ Develop and implement a gravel pit rehabilitation program.

##### **Water Supply**

- ⇒ Provide new water tanks or standpipes for farm water supplies where funding permits.
- ⇒ Maintain existing water tanks and standpipes to an acceptable standard.
- ⇒ Investigate alternative water sources to help drought proof the Shire.
- ⇒ Seek funding for water saving alternatives.

##### **Performance Measures**

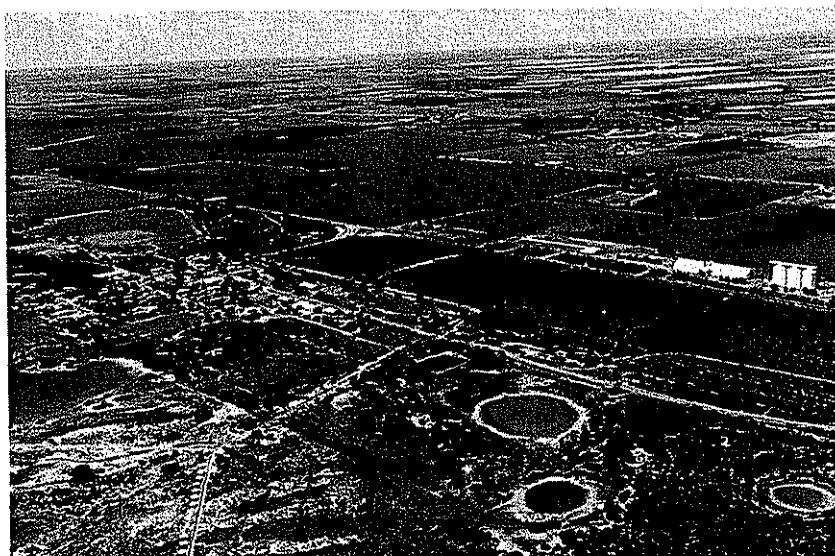
- ⇒ Assessment of the level of funding achieved.
- ⇒ Achieving the objectives.
- ⇒ Customer survey

#### Funding:

Economic Service activities will be funded from Council's Municipal Fund subject to Grant monies being made available when applicable. Reserve Funds and/or Loan funds may be used if deemed appropriate.

#### Proposed Projects:

- Water Tank at Neves Dam site
- Water tanks at Hall and Fed shed Pingrup
- Water catchment and holding tank at recreation centre Nyabing
- Water catchment and sump Pingrup utilising CBH
- Rainwater tanks for all Council buildings and houses
- 17,000m<sup>3</sup> Holding Dam Nyabing



## 14. FORWARD PLANNING BUDGET (cont.....)

### Forward Planning—Waste Disposal and Sewerage

Upgrade existing waste disposal management and waste water systems.

#### Objectives:

- ⇒ Establish effective waste disposal systems in Nyabing and Pingrup.
- ⇒ Investigate transfer station for Pingrup Refuse Site.
- ⇒ Develop an acceptable town sewerage scheme, and upgrade program over five years in conjunction with the State Government's Small Town Sewerage Scheme.

#### Performance Measures:

- ⇒ Achieving objectives on time and within budget.
- ⇒ Number of valid complaints received regarding services provided.

#### Proposed Projects

- ⇒ New rubbish site at Nyabing
- ⇒ Transfer station at Pingrup
- ⇒ Upgrade sewerage system
- ⇒ Look at future combined rubbish sites with neighbouring Councils
- ⇒ Establish Recycling services in Nyabing and Pingrup and expand to the whole region

<b>Waste Disposal and Sewerage Program</b>				<b>Table 7</b>
	<b>YEAR ENDED 30 JUNE</b>			
	<b>2008/2009</b>	<b>2009/2010</b>	<b>2010/2011</b>	<b>2011/2012</b>
<i>Estimated Expenditure</i>				
Collection & Tip Maintenance	35,000	35,000	40,000	40,000
New rubbish site—Nyabing, Build Transfer Station in Pingrup	20,000	10,000	10,000	20,000
Recycling Scheme	13,500	13,500	14,500	14,500
Sewerage Schemes—maintenance and upgrade	110,000	50,000	50,000	50,000
<b>TOTAL</b>	<b>\$178,500</b>	<b>\$108,500</b>	<b>\$114,500</b>	<b>\$124,500</b>
<i>Estimated Funding</i>				
Reserve Funds	120,000	10,000	10,000	20,000
Municipal Funds	17,500	54,500	58,500	56,500
Collection Fees	41,000	44,000	46,000	48,000
<b>TOTAL</b>	<b>\$178,500</b>	<b>\$108,500</b>	<b>\$114,500</b>	<b>\$124,500</b>

