

SHIRE OF KENT



2009/2010

ANNUAL REPORT



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1. INTRODUCTION

The Shire of Kent is pleased to present the Annual Report for the 2009/2010 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: admin@kent.wa.gov.au
 Office Hours: 8.30am to 4.30pm, Monday to Friday

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

SHIRE STATISTICS

Area	6552sq km	Average Min Temp	4.5(C)
Position	320km SE of Perth	Wool Clip	1,961,000kg
Population	540	Wheat Produced	103,839 tonnes
Length of Roads	224km sealed 1206 gravel	Barley Produced	42,709 tonnes
Rateable Assessments	480	Number of Sheep	347,200
Average Rainfall	383mm	Number of Pigs	700
Average Max Temp	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 2009 to 30 June 2010.

Council has continued to endeavour to achieve the goals and expectations to maintain a vibrant rural community.

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

I would like to welcome all new staff to the shire in particular our new CEO, Peter Bentley and thank him for his outstanding work achieved to date.

Once again thanks must go to David Long and his works crew who have implemented another successful roadwork's program throughout 2009/10.

In October, our communities elected three new councilors to represent them in Gordon Browne, Mark Stephens, and Renae Jury. We also welcomed back Megan Tuffley. I would like to show appreciation to all three outgoing councilors and thank them for their commitment and hard work while serving the Shire of Kent.

Council's finances continue to be well managed, and for 2009/2010 Council finished the year with a \$791,378 surplus. A proportion of these funds relates to pre-committed works, including Royalties for Regions and Regional Local Community Infrastructure projects, which are to be carried forward in 2010/2011.

During 2009, council provided a submission to the Minister for Local Government opposing the forced amalgamation of our shire. The Minister requested Council consider participating in a Regional Transition Group in December 2009. Council declined to participate in this group however is committed to continue resource sharing with neighbouring shires as a part of VROC.

Council in conjunction with the Nyabing and Pingrup communities has been working on the 2010-2015 Strategic Plan. It is still in the process of completion and will be available for public comment in 2010.

Support from State and Federal Governments with funding programs during 2009/10 have assisted Council immensely with projects for our communities, the following projects were completed:

Regional and Local Community Infrastructure Program:

- Beautification at Pingrup Caravan Park (fully completed)
- Shade Sails at Nyabing Memorial and Burston Street Parks (fully completed)
- Disabled Toilet at Pingrup Hall (fully completed)
- Part of fencing along Hogley Street Drain Nyabing (fully completed)

Royalties for Regions:

- Sewerage Pond upgrade Nyabing (fully completed)
- Transfer Station at Pingrup Refuse Site (almost completed)
- Part of fencing along Hogley Street Drain Nyabing (fully completed)

In conclusion, I would like to thank all staff members and all Councillors (past and present) for their dedication throughout the year. Also thanks goes to Cr Bruce Altham for his support as Deputy Shire President.

CR CATHY CROSBY
SHIRE PRESIDENT

4. CHIEF EXECUTIVE OFFICER'S REPORT



Council adopted the budget for 2009/2010 which provided for expenditure of \$5.80 million with \$330,400 being deposited into reserve accounts for future funding of proposed projects. The Council also utilized funds from the Municipal and Reserve accounts to purchase a variety of smaller equipment, and replace the Works Supervisors vehicle.

Council finished the year with a total rate collection percentage of 98.1%. Loan liability was reduced and the total debt level of \$770,310.00 applies as at the 30 June 2010.

The Roads to Recovery (Auslink) 2 program continued to provide much needed road funding to Council throughout the year and the program once again targeted the continuation of the Ongerup road widening and upgrade. The Road program also saw \$270,728 of Council and Regional Road Group funds spent on the North Needilup road upgrade, \$280,000 on other own source road works and \$840,000 on road maintenance.

I would like to thank all of my staff, who worked tirelessly to meet the objectives required by the Council and for their team approach towards successfully completing most of the programs provided for in the 2009/10 budget.

There are many dedicated people within our community who have worked on community committees, as volunteers, and have been a part of the various projects and clubs, giving freely of their time and promoting and making the Shire of Kent a progressive district. The community spirit in the Shire of Kent is second to none throughout the State and I applaud the whole community for its achievements.

Works Supervisor David Long has once again managed the Works Crew well having completed the majority of the program during the year. The Crew remained largely unchanged during the period and once again has performed extremely well in all areas, including, parks and gardens, building maintenance, and road works.

This reporting year has seen significant changes in the administration staff and I would like to thank all the administration staff, past and present for their efforts over the year especially my Deputy, Christie Smith who has been our only constant and my predecessor Alan Wright for his past good work.

The structural reform process and the uncertainty it has created continues to take a huge amount of time for both staff and Councillors alike with little result coming from the process that gives us certainty for the future. We will continue to comply with the requests from the State Government, enhancing our planning for the future and capacity, and we will actively seek opportunities to maintain our sustainability

Finally a note of appreciation to the Shire President Cr Crosby, and all other 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.

Peter Bentley
CHIEF EXECUTIVE OFFICER

5. SHIRE OF KENT MEMBERS - 2009/2010



Front Row:

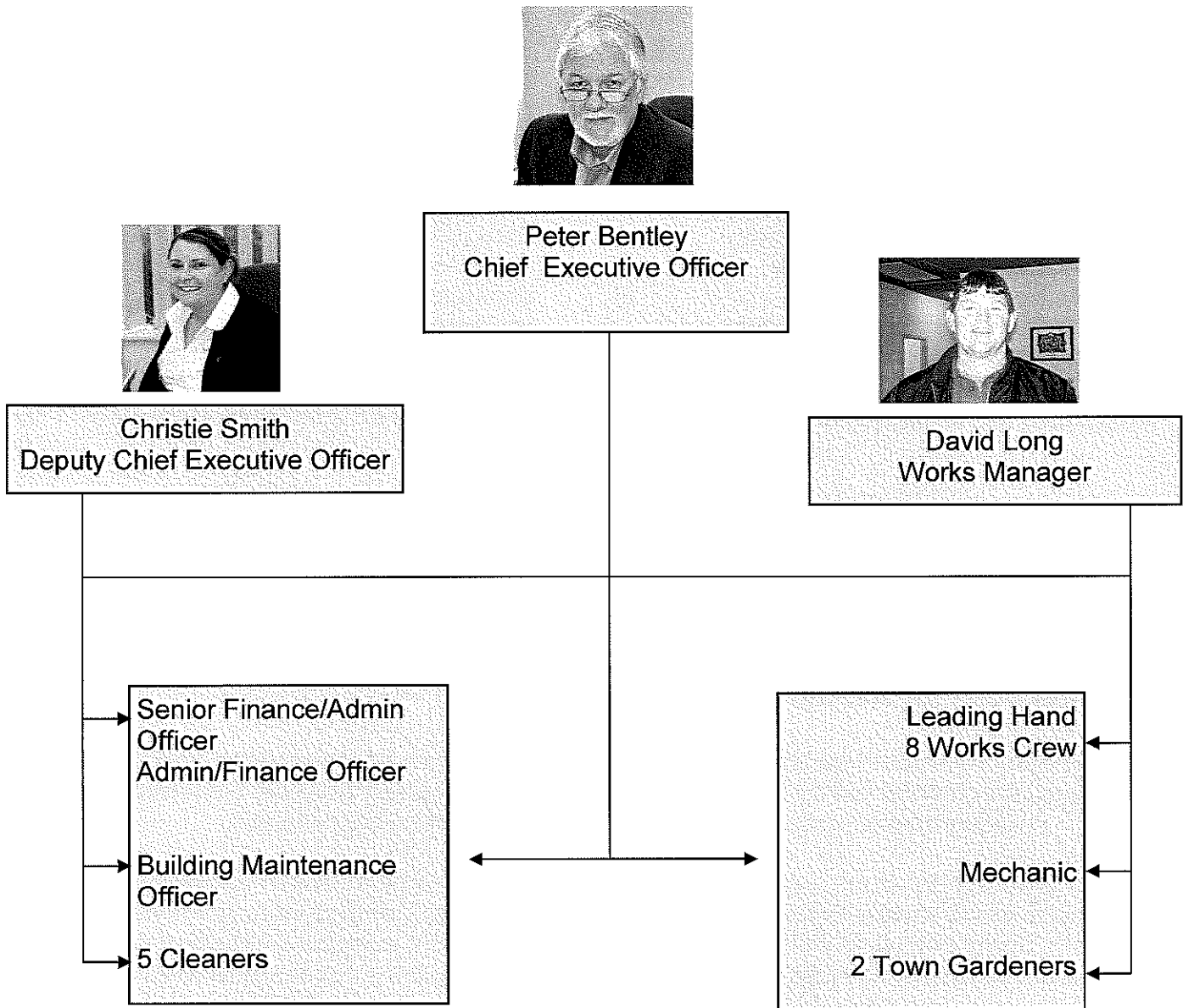
Cr Megan Tuffley, Cr Cathy Crosby (Shire President), Cr Renae Jury, Cr Yvonne Featherstone

Back Row:

Cr Gordon Browne, Cr Garth Addis, Cr Bruce Altham, Cr Mark Stephens

COUNCILLORS	PHONE	FAX
C (Cathy) Crosby	98291061	
BM (Bruce) Altham	9820 1064	9820 1040
YS (Yvonne) Featherstone	9820 1078	9820 1003
AG (Garth) Addis	9829 1087	9829 1113
GD (Gordon) Browne	9829 1014	9829 1141
M (Mark) Stephens	9829 1114	9829 1048
MJ (Megan) Tuffley	9829 1076	9829 1076
RA (Renae) Jury	9820 1080	9820 1007

6. ORGANISATIONAL STRUCTURE



7. EMPLOYEES REMUNERATION

Local Government (Administration Regulation) 19B requires the annual report to contain details of the number of employees of the local government entitled to an annual salary of \$100,000 or more in bands of \$10,000 for each such band over \$100,000.

The Shire of Kent disclosure is provided as follows:

Salary Range	2010	2009
100,000-109,999	0	0
110,000-119,999	1	0
130,000-139,999	0	0
140,000-149,999	0	0

8. 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

9. FREEDOM OF INFORMATION

The Western Australian Freedom of Information Act 1992 gives you the right to apply for access to documents held by State Public Sector agencies which includes: Government Departments; Local Authorities; Statutory Authorities and Ministers.

The Shire of Kent as an agency is required to assist the public to obtain access to documents at the lowest reasonable cost, and to ensure that personal information held is accurate, complete, up to date and not misleading. Your right to apply is not affected by any reasons you have for wishing to obtain access, or the agency's belief as to what your reasons are for applying.

If the documents you require access to are obtainable via a website or can be purchased or are available under the Local Government Act 1995 then they can not be applied for under the Freedom of Information Act 1992.

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 1992.

The Shire of Kent welcomes any enquiries for any information held by Council. Requests can be made to:

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

10. 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 fulfil 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

11. 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 conduct any activities where the income from fees and charges exceeds \$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 2008/2009 financial year. A full review of local laws is planned for 2010/2011.

Structural Reform

The State Government's Structural Reform processes continue, unfortunately with the focus upon amalgamation as opposed to regional cooperation. The Council remains committed to reform which embraces resource sharing and a regional focus that does not, at this stage, include amalgamation. We are working actively with both our VROC which includes Dumbleyung and Lake Grace and with larger groups on a variety of regional projects.

12. 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.

13. 2009/2010 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 2009/2010 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

The extension of the footpath in Nyabing was completed in June 2010 to assist in the access and safety for people with disabilities. It is planned to complete a similar project in Pingrup for the 2010/11 year.

During 2009/10, Council has installed a disabled toilet in the community of Pingrup. This was achieved through the RLCIP program and will allow greater access to amenities in the town.

The Shire of Kent is committed to improving facilities in both Nyabing and Pingrup helping to assist in meeting the needs of disabled people.

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 2010

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Shire of Kent
23/24 Richmond Street
NYABING WA 6341

SHIRE OF KENT

FINANCIAL REPORT

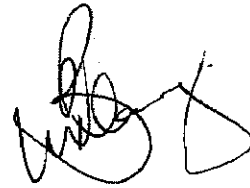
FOR THE YEAR ENDED 30TH JUNE 2010

**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 2010 are in my opinion properly drawn up to present fairly the financial position of the Shire of Kent at 30th June 2010 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed on the 17th day of September 2010.



**JP Bentley
Chief Executive Officer**

SHIRE OF KENT
STATEMENT OF COMPEREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2010

	NOTE	2010 \$	2010 Budget \$	2009 \$
REVENUE				
Rates	22	1,541,889	1,554,203	1,456,725
Operating Grants, Subsidies and Contributions	28	897,879	644,468	1,137,785
Fees and Charges	27	265,948	276,768	268,220
Service Charges	24	9,375	9,375	9,375
Interest Earnings	2(a)	97,677	111,700	110,971
Other Revenue		<u>106,673</u>	<u>90,655</u>	<u>61,841</u>
		2,919,441	2,687,169	3,044,917
EXPENSES				
Employee Costs		(926,512)	(780,813)	(1,142,052)
Materials and Contracts		(582,722)	(598,817)	(209,432)
Utility Charges		(110,496)	(91,430)	(84,857)
Depreciation on Non-Current Assets	2(a)	(1,164,053)	(980,627)	(1,135,573)
Interest Expenses	2(a)	(51,836)	(52,657)	(55,850)
Insurance Expenses		(96,970)	(105,762)	(101,439)
Other Expenditure		<u>(291,869)</u>	<u>(346,960)</u>	<u>(275,761)</u>
		<u>(3,224,458)</u>	<u>(2,957,066)</u>	<u>(3,004,964)</u>
		(305,017)	(269,897)	39,953
Non-Operating Grants, Subsidies and Contributions				
Contributions	28	523,476	562,240	1,474,568
Profit on Asset Disposals	20	12,943	50,454	223,687
Loss on Asset Disposals	20	<u>0</u>	<u>(22,963)</u>	<u>(7,686)</u>
NET RESULT		231,402	319,834	1,730,522
Total Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u>231,402</u>	<u>319,834</u>	<u>1,730,522</u>

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

SHIRE OF KENT
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2010

	NOTE	2010 \$	2010 Budget \$	2009 \$
REVENUE				
Governance		20,943 ✓	700	0
General Purpose Funding		1,964,471 ✓	1,909,534	1,952,815
Law, Order, Public Safety		57,609 ✓	57,754	109,453
Education and Welfare		0	500	316
Community Amenities		64,711 ✓	52,967	487,517
Recreation and Culture		48,386 ✓	51,405	159,809
Transport		1,026,511 ✓	933,278	1,418,960
Economic Services		84,026 ✓	86,000	290,202
Other Property and Services		189,203	207,725	324,100
	2 (a)	<u>3,455,860</u>	<u>3,299,863</u>	<u>4,743,172</u>
EXPENSES EXCLUDING FINANCE COSTS				
Governance		(206,333) ✓	(255,791)	(167,844)
General Purpose Funding		(75,390) ✓	(80,970)	(63,829)
Law, Order, Public Safety		(68,268) ✓	(93,388)	(68,482)
Health		(12,170) ✓	(11,090)	(9,723)
Education and Welfare		(16,875) ✓	(20,710)	(14,511)
Community Amenities		(137,231) ✓	(171,653)	(167,274)
Recreation & Culture		(454,987) ✓	(468,112)	(421,755)
Transport		(1,767,544) ✓	(1,412,200)	(1,732,483)
Economic Services		(173,652) ✓	(192,388)	(133,640)
Other Property and Services		(260,172) ✓	(221,070)	(177,259)
	2 (a)	<u>(3,172,622)</u>	<u>(2,927,372)</u>	<u>(2,956,800)</u>
BORROWING COST EXPENSE				
Law, Order, Public Safety		0	0	0
Community Amenities		(3,114) ✓	(3,129)	(3,217)
Other Property and Services		(48,722) ✓	(49,528)	(52,633)
	2 (a)	<u>(51,836)</u>	<u>(52,657)</u>	<u>(55,850)</u>
NET RESULT		<u>231,402</u>	<u>319,834</u>	<u>1,730,522</u>
Total Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u><u>231,402</u></u>	<u><u>319,834</u></u>	<u><u>1,730,522</u></u>

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

SHIRE OF KENT
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2010

	NOTE	2010 \$	2009 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	2,274,114	2,523,236
Trade and Other Receivables	4	74,540	371,050
Inventories	5	<u>52,576</u>	<u>21,561</u>
TOTAL CURRENT ASSETS		<u>2,401,230</u>	<u>2,915,847</u>
NON-CURRENT ASSETS			
Other Receivables	4	2,483	1,942
Property, Plant and Equipment	6	5,014,103	4,458,256
Infrastructure	7	<u>29,654,158</u>	<u>29,537,274</u>
TOTAL NON-CURRENT ASSETS		<u>34,670,744</u>	<u>33,997,472</u>
TOTAL ASSETS		<u><u>37,071,974</u></u>	<u><u>36,913,319</u></u>
CURRENT LIABILITIES			
Trade and Other Payables	8	118,524	134,892
Long Term Borrowings	9	54,339	67,703
Provisions	10	<u>217,496</u>	<u>199,025</u>
TOTAL CURRENT LIABILITIES		<u>390,359</u>	<u>401,620</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	715,971	770,310
Provisions	10	<u>5,890</u>	<u>13,038</u>
TOTAL NON-CURRENT LIABILITIES		<u>721,861</u>	<u>783,348</u>
TOTAL LIABILITIES		<u><u>1,112,220</u></u>	<u><u>1,184,968</u></u>
NET ASSETS		<u><u>35,959,754</u></u>	<u><u>35,728,351</u></u>
EQUITY			
Retained Surplus		23,327,995	23,228,879
Reserves - Cash Backed	11	1,524,122	1,391,836
Reserves - Asset Revaluation	12	<u>11,107,636</u>	<u>11,107,636</u>
TOTAL EQUITY		<u><u>35,959,753</u></u>	<u><u>35,728,351</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 2010

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	ASSET REVALUATION RESERVE \$	TOTAL EQUITY \$
Balance as at 1 July 2008		21,577,936	1,312,257	11,107,636	33,997,829
Changes in Accounting Policy		0	0	0	0
Correction of Errors		0	0	0	0
Restated Balance		21,577,936	1,312,257	11,107,636	33,997,829
Net Result		1,730,522	0	0	1,730,522
Total Other Comprehensive Income		0	0	0	0
Reserve Transfers		(79,579)	79,579	0	0
Balance as at 30 June 2009		23,228,879	1,391,836	11,107,636	35,728,351
Net Result		231,402	0	0	231,402
Total Other Comprehensive Income		0	0	0	0
Reserve Transfers		(132,286)	132,286	0	0
Balance as at 30 June 2010		23,327,995	1,524,122	11,107,636	35,959,753

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

SHIRE OF KENT

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30TH JUNE 2010

	NOTE	2010 \$	2010 Budget \$	2009 \$
Cash Flows From Operating Activities				
Receipts				
Rates		1,530,629	1,568,234	1,441,134
Operating Grants, Subsidies and Contributions		897,879	644,468	1,137,785
Fees and Charges		589,928	576,768	(28,840)
Service Charges		9,375	9,375	9,375
Interest Earnings		97,677	111,700	108,856
Goods and Services Tax		66,910	0	133,551
Other Revenue		106,672	90,655	63,958
		<u>3,299,070</u>	<u>3,001,200</u>	<u>2,865,819</u>
Payments				
Employee Costs		(912,564)	(780,813)	(1,083,108)
Materials and Contracts		(631,913)	(587,681)	(319,265)
Utility Charges		(110,496)	(91,430)	(84,857)
Insurance Expenses		(96,970)	(105,762)	(101,439)
Interest expenses		(52,656)	(52,657)	(56,726)
Goods and Services Tax		(83,657)	0	(111,277)
Other Expenditure		(291,869)	(346,960)	(275,761)
		<u>(2,180,125)</u>	<u>(1,965,303)</u>	<u>(2,032,433)</u>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>1,118,945</u>	<u>1,035,897</u>	<u>833,386</u>
Cash Flows from Investing Activities				
Payments for Purchase of				
Property, Plant & Equipment		(1,042,581)	(1,225,676)	(990,195)
Payments for Construction of Infrastructure		(902,000)	(1,182,972)	(906,298)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		523,476	562,240	1,474,568
Proceeds from Sale of Plant & Equipment		108,241	142,100	183,636
Proceeds from Sale of Land & Buildings		12,500	0	155,667
Net Cash Provided By (Used In) Investing Activities		<u>(1,300,364)</u>	<u>(1,704,308)</u>	<u>(82,622)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(67,703)	(67,705)	(63,636)
Net Cash Provided By (Used In) Financing Activities		<u>(67,703)</u>	<u>(67,705)</u>	<u>(63,636)</u>
Net Increase (Decrease) in Cash Held		<u>(249,122)</u>	<u>(736,116)</u>	<u>687,128</u>
Cash at Beginning of Year		<u>2,523,236</u>	<u>2,465,330</u>	<u>1,836,108</u>
Cash and Cash Equivalents at the End of the Year	13(a)	<u><u>2,274,114</u></u>	<u><u>1,729,214</u></u>	<u><u>2,523,236</u></u>

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

SHIRE OF KENT

RATE SETTING STATEMENT

FOR THE YEAR ENDED 30TH JUNE 2010

	NOTE	2010 \$	2010 Budget \$
REVENUE			
Governance		20,943 ✓	700
General Purpose Funding		422,582 ✓	355,331
Law, Order, Public Safety		57,609 ✓	57,754
Education and Welfare		0	500
Community Amenities		64,711 ✓	52,967
Recreation and Culture		48,386 ✓	51,405
Transport		1,026,511 ✓	933,278
Economic Services		84,026 ✓	86,000
Other Property and Services		189,203 ✓	207,725
		1,913,971 ✓	1,745,660
EXPENSES			
Governance		(206,333) ✓	(255,791)
General Purpose Funding		(75,390) ✓	(80,970)
Law, Order, Public Safety		(68,268) ✓	(93,388)
Health		(12,170) ✓	(11,090)
Education and Welfare		(16,875) ✓	(20,710)
Community Amenities		(140,345) ✓	(174,782)
Recreation & Culture		(454,987) ✓	(468,112)
Transport		(1,767,544) ✓	(1,412,200)
Economic Services		(173,652) ✓	(192,388)
Other Property and Services		(308,894) ✓	(270,598)
		(3,224,458)	(2,980,029)
Adjustments for Cash Budget Requirements:			
Non-Cash Expenditure and Revenue			
(Profit)/Loss on Asset Disposals		(12,943) ✓	(27,491)
Movement in Accrued Interest		(820) ✓	0
Movement in Deferred Pensioner Rates (Non-Current)		(541)	0
Movement in Accrued Salaries and Wages		2,625	0
Movement in Employee Benefit Provisions		11,323	0
Depreciation and Amortisation on Assets		1,164,053 ✓	980,627
Capital Expenditure and Revenue			
Purchase Land and Buildings		(262,375) ✓	(615,456)
Purchase Infrastructure Assets - Roads		(869,995) ✓	(1,125,972)
Purchase Infrastructure Assets - Parks		(32,005) ✓	(57,000)
Purchase Plant and Equipment		(716,481) ✓	(540,500)
Purchase Furniture and Equipment		(63,725) ✓	(69,720)
Proceeds from Disposal of Assets		120,741 ✓	142,100
Repayment of Debentures		(67,703) ✓	(67,705)
Transfers to Reserves (Restricted Assets)		(361,337) ✓	(330,400)
Transfers from Reserves (Restricted Assets)		229,051 ✓	279,748
ADD Estimated Surplus/(Deficit) July 1 B/Fwd		1,420,108	1,414,864
LESS Estimated Surplus/(Deficit) June 30 C/Fwd		791,378 ✓	302,929
Amount Required to be Raised from Rates	22	(1,541,889) ✓	(1,554,203)

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 2010

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 this experience and other factors combine to form the basis of making judgements about carrying values of assets and liabilities 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 17 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 statement of financial position 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 purposes 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 statement of financial position.

(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 rate method, less any allowance for 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.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2010

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 for trading are classified as current even if not expected to be realised in the next 12 months.

Land Held for Resale

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

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

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

(g) Fixed Assets

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 includes the cost of all materials, direct labour and variable and fixed overheads.

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 balance date.

Land under Roads

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

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

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

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

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

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2010

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Depreciation of Non-Current Assets

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

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

Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
clearing and earthworks	not depreciated
construction/road base	50 years
original surfacing and	
major re-surfacing	
- bituminous seals	20 years
- asphalt services	
Gravel roads	
clearing and earthworks	not depreciated
construction/road base	50 years
gravel sheet	12 years
Formed roads (unsealed)	
clearing and earthworks	not depreciated
construction/road base	50 years
Footpaths - concrete & brick paving	40 years
Sewerage piping	100 years
Water supply piping & drainage systems	75 years

SHIRE OF KENT

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 balance 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 statement of financial position.

(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 balance 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 statement of comprehensive income. 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 statement of comprehensive income as gains and losses from investment securities.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2010

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Investments and Other Financial Assets (Continued)

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 statement of comprehensive income 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 statement of comprehensive income 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 statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments classified as available-for-sale are not reversed through the statement of comprehensive income.

(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 balance 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.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2010

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Impairment

In accordance with Australian Accounting Standards the Council's assets, other than inventories, are assessed at each balance 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 statement of comprehensive income.

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.

(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:

(i) 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 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.

(ii) 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 balance 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.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2010

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

(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) Joint Venture

The municipality does not have an interest in a joint venture program.

(r) Rates, Grants, Donations and Other Contributions

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

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

(s) Superannuation

The Council contributes to 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.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2010

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Current and Non-Current Classification

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

(u) Rounding Off Figures

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

(v) Comparative Figures

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

(w) Budget Comparative Figures

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

FOR THE YEAR ENDED 30TH JUNE 2010

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2010.

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

Title and Topic	Issued	Applicable (*)	Impact
(i) AASB 9– Financial Instruments	December 2009	01 January 2013	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii) AASB 124– Related Party Disclosures	December 2009	01 January 2011	Nil – It is not anticipated the Council will have any related parties as defined by the Standard.
(iii) AASB 2009-5 - Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	May 2009	01 January 2010	Nil – The revisions are part of the AASB's annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRSs. It is not anticipated these will have any effect on the Council.
(iv) AASB 2009-8 - Amendments to Australian Accounting Standards – Group Cash – Settled Share-based Payment Transactions [AASB 2]	July 2009	01 January 2010	Nil - The Council will not have applicable transactions.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2010

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(v) AASB 2009-12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	December 2009	01 January 2011	Nil – The revisions embodied in this standard relate to standards which do not apply to local government (ie AASB8) or are largely editorial in nature and will have minimal effect (if any) on the accounting practices of the Council.
(vi) AASB 2009– 11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	December 2009	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (ii) above).
(vii) AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1]	December 2009	01 July 2010	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2010- 1 Amendment to Australian Accounting Standards – Limited Exemption from Comparative AASB 7 Disclosure for First-time Adopters [AASB 1 & AASB 7]	February 2010	01 July 2010	

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2010

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(vi) (Continued) AASB 2009- 10 Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB132]	October 2009	01 February 2010	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
Interpretation 19– Extinguishing Financial Liabilities with Equity Instruments	December 2009	01 July 2010	
AASB 2009– 14 Amendments to Australian Interpretations – Prepayments of a minimum Funding Requirement [AASB Interpretation 14]	December 2009	01 January 2011	

Notes:

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

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2010

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Adoption of New and Revised Accounting Standards

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

The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of the Council.

AASB 101: Presentation of Financial Statements

In September 2007, the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the Council's financial statements.

Disclosure Impact

Terminology changes – The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity – The revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required owner changes in equity and other comprehensive income to be presented in the statement of changes in equity.

Statement of comprehensive income – The revised AASB 101 requires all income and expenses to be presented in either a single statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The Council has adopted the single statement approach and the financial statements now contain a statement of comprehensive income.

Other Comprehensive Income – The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises income and expenses not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2010

2. REVENUE AND EXPENSES

2010

2009

\$

\$

(a) Net Result

The Net Result includes:

(i) Charging as an Expense:

Auditors Remuneration

- Audit

10,230

12,870

- Other Services

10,263

3,685

Depreciation

Land and Buildings

92,698

80,366

Furniture and Equipment

26,151

34,716

Plant and Equipment

260,088

262,185

Roads

772,812

747,079

Parks and Reserves

12,304

11,227

1,164,053

1,135,573

Interest Expenses (Finance Costs)

Debentures (refer Note 21(a))

51,836

55,850

51,836

55,850

(ii) Crediting as Revenue:

2010

2010

2009

\$

Budget

\$

\$

Interest Earnings

Investments

- Reserve Funds

50,871

50,000

55,797

- Other Funds

43,086

60,000

53,059

Other Interest Revenue (refer note 26)

3,720

1,700

2,115

97,677

111,700

110,971

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2010

2. REVENUE 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 AND 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 2010

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions	Function/ Activity	Opening		Closing		Expended (#) 2009/10	Expended (\$) 2009/10	Closing Balance 30-Jun-10 \$
		Balance (*) 1-Jul-08 \$	Balance (*) 30-Jun-09 \$	Received (+) 2008/09 \$	Received (+) 2009/10 \$			
Zero Waste Project	10	44,277	0	(44,277)	0	0	0	0
Pingrup Transfer Station (RFR)	10	0	150,000	(28,862)	121,138	(93,454)	27,684	27,684
Zero Waste Project	10	0	15,000	(2,478)	12,522	0	27,522	27,522
Sewerage Upgrade (RFR)	10	0	320,000	0	320,000	(284,825)	35,175	35,175
Pingrup Disabled Toilet (RLCIP)	10	0	20,000	0	20,000	(20,000)	0	0
Shade Sail Pingrup (RLCIP)	11	0	16,000	0	16,000	(16,000)	0	0
Shade Sail Nyabing (RLCIP)	11	0	16,000	0	16,000	(16,000)	0	0
Upgrade Nyabing Cemetery	10	0	15,000	(15,000)	0	0	0	0
Fence Hobley Street (RLCIP/RFR)	12	0	68,000	(7,515)	60,485	(52,701)	7,784	7,784
Pingrup Caravan Park (RLCIP)	13	0	13,000	0	13,000	(13,000)	0	0
Water Harvesting (RFR)	13	0	68,470	0	68,470	(64,644)	3,826	3,826
Forward Capital Works Plan	4	0	0	0	0	0	18,720	18,720
ESL Capital	5	0	0	0	0	0	9,266	9,266
Park Upgrade Pingrup (RLCIP/2)	11	0	0	0	0	0	10,200	10,200
Park Upgrade Nyabing (RCLIP/2)	11	0	0	0	0	0	10,200	10,200
MIRWA Direct Grant	12	0	0	0	0	(91,691)	0	0
Regional Road Group	12	0	0	0	0	(72,366)	24,122	24,122
Roads to Recovery	12	0	0	0	0	(198,067)	79,244	79,244
Solar Pump/2 (RLCIP/2)	13	0	0	0	0	0	9,600	9,600
Total		44,277	701,470	(98,132)	647,615	(922,748)	263,343	263,343

Notes:

(*) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.

(+) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.

(#) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2010

	2010 \$	2009 \$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	486,649	483,785
Restricted	1,787,465	2,039,451
	<u>1747793</u> <u>2,274,114</u>	<u>2,523,236</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Employee Entitlements Reserve	156,221	144,830
Plant Reserve	213,697	182,327
Building Reserve	288,368	282,192
Nyabing Recreation Reserve	34,647	27,637
Pingrup Recreation Reserve	37,338	30,716
Cemetery Reserve	13,986	12,760
Water Supply Reserve	22,610	21,813
Sewerage Reserve	101,625	112,513
Computer Equipment Reserve	1,327	30,675
Administration Vehicle Reserve	80,908	48,577
Refuse Disposal Facilities Reserve	83,938	80,978
Road Reserve	489,457	416,818
Unspent Grants	263,343	647,615
	<u>1,787,465</u>	<u>2,039,451</u>
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	29,481	18,759
Sundry Debtors	43,559	351,813
GST Receivable	1,500	478
	<u>74,540</u>	<u>371,050</u>
Non-Current		
Rates Deferred	2,483	1,942
	<u>2,483</u>	<u>1,942</u>
5. INVENTORIES		
Current		
Fuel and Materials	52,576	21,561
	<u>52,576</u>	<u>21,561</u>

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2010

	2010	2009
	\$	\$
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings - Cost	3,952,486	3,700,111
Less Accumulated Depreciation	<u>(1,294,198)</u>	<u>(1,201,500)</u>
	2,658,288	2,498,611
Furniture and Equipment - Cost	590,845	527,120
Less Accumulated Depreciation	<u>(456,741)</u>	<u>(430,590)</u>
	134,104	96,530
Plant and Equipment - Cost	4,185,612	3,641,902
Less Accumulated Depreciation	<u>(1,963,902)</u>	<u>(1,778,787)</u>
	2,221,710	1,863,115
	<u><u>5,014,102</u></u>	<u><u>4,458,256</u></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 \$
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance as at 1 July 2009	2,498,611	96,530	1,863,115	4,458,256
Additions	262,375	63,725	716,481	1,042,581
(Disposals)	(10,000)	0	(97,798)	(107,798)
Revaluation - Increments	0	0	0	0
- (Decrements)	0	0	0	0
Impairment - (losses)	0	0	0	0
- reversals	0	0	0	0
Depreciation (Expense)	(92,698)	(26,151)	(260,088)	(378,937)
Other Movements	0	0	0	0
Balance as at 30 June 2010	<u><u>2,658,288</u></u>	<u><u>134,104</u></u>	<u><u>2,221,710</u></u>	<u><u>5,014,102</u></u>

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2010

	2010	2009
	\$	\$
7. INFRASTRUCTURE		
Roads - Cost	43,734,102	42,864,107
Less Accumulated Depreciation	<u>(14,330,149)</u>	<u>(13,557,337)</u>
	29,403,953	29,306,770
Parks & Ovals - Cost	489,592	457,587
Less Accumulated Depreciation	<u>(239,387)</u>	<u>(227,083)</u>
	250,205	230,504
	<u><u>29,654,158</u></u>	<u><u>29,537,274</u></u>

Council have adopted a policy of re-valuing roads with sufficient regularity to ensure the carrying amount of each road asset is fairly stated at reporting date.

This policy accords with the requirements of AASB 116.

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 2009	29,306,770	230,504	29,537,274
Additions	869,995	32,005	902,000
(Disposals)	0	0	0
Revaluation - Increments	0	0	0
- (Decrements)	0	0	0
Impairment - (losses)	0	0	0
- reversals	0	0	0
Depreciation (Expense)	(772,812)	(12,304)	(785,116)
Other Movements	0	0	0
Balance as at 30 June 2010	<u><u>29,403,953</u></u>	<u><u>250,205</u></u>	<u><u>29,654,158</u></u>

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2010

	2010 \$	2009 \$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	66,535	89,592
PAYG Liability	16,724	14,308
Excess Rates Receipts	2,468	0
Accrued Interest on Debentures	16,089	16,909
Accrued Salaries and Wages	16,708	14,083
	<u>118,524</u>	<u>134,892</u>
9. LONG-TERM BORROWINGS		
Current		
Secured by Floating Charge Debentures	<u>54,339</u>	<u>67,703</u>
	<u>54,339</u>	<u>67,703</u>
Non-Current		
Secured by Floating Charge Debentures	<u>715,971</u>	<u>770,310</u>
	<u>715,971</u>	<u>770,310</u>
Additional detail on borrowings is provided in Note 21.		
10. PROVISIONS		
Current		
Provision for Annual Leave	86,914	88,685
Provision for Long Service Leave	130,582	110,340
	<u>217,496</u>	<u>199,025</u>
Non-Current		
Provision for Long Service Leave	<u>5,890</u>	<u>13,038</u>
	<u>5,890</u>	<u>13,038</u>

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2010

	2010 \$	2010 Budget \$	2009 \$
11. RESERVES - CASH BACKED			
(a) Employee Entitlements Reserve			
Opening Balance	144,830	144,829	114,833
Amount Set Aside / Transfer to Reserve	30,000	30,000	24,000
Transfer of Interest to Reserve	5,293	5,203	5,997
Amount Used / Transfer from Reserve	<u>(23,902)</u>	<u>0</u>	<u>0</u>
	<u>156,221</u>	<u>180,032</u>	<u>144,830</u>
(b) Plant Reserve			
Opening Balance	182,327	182,327	430,811
Amount Set Aside / Transfer to Reserve	114,706	100,000	90,000
Transfer of Interest to Reserve	6,664	6,550	13,516
Amount Used / Transfer from Reserve	<u>(90,000)</u>	<u>(90,000)</u>	<u>(352,000)</u>
	<u>213,697</u>	<u>198,877</u>	<u>182,327</u>
(c) Land & Buildings Reserve			
Opening Balance	282,192	282,192	140,890
Amount Set Aside / Transfer to Reserve	15,000	0	155,600
Transfer of Interest to Reserve	10,314	10,137	7,358
Amount Used / Transfer from Reserve	<u>(19,138)</u>	<u>(79,182)</u>	<u>(21,656)</u>
	<u>288,368</u>	<u>213,147</u>	<u>282,192</u>
(d) Nyabing Recreation Reserve			
Opening Balance	27,637	27,636	22,287
Amount Set Aside / Transfer to Reserve	6,000	6,000	6,000
Transfer of Interest to Reserve	1,010	993	1,165
Amount Used / Transfer from Reserve	<u>0</u>	<u>(2,000)</u>	<u>(1,815)</u>
	<u>34,647</u>	<u>32,629</u>	<u>27,637</u>
(e) Pingrup Recreation Reserve			
Opening Balance	30,716	30,715	26,600
Amount Set Aside / Transfer to Reserve	6,000	6,000	6,000
Transfer of Interest to Reserve	1,123	1,103	1,390
Amount Used / Transfer from Reserve	<u>(500)</u>	<u>(2,000)</u>	<u>(3,274)</u>
	<u>37,339</u>	<u>35,818</u>	<u>30,716</u>
(f) Cemetery Reserve			
Opening Balance	12,760	12,760	11,747
Amount Set Aside / Transfer to Reserve	760	400	400
Transfer of Interest to Reserve	466	458	613
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>13,986</u>	<u>13,618</u>	<u>12,760</u>

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2010

	2010 \$	2010 Budget \$	2009 \$
11. RESERVES - CASH BACKED (cont)			
(g) Water Supply Reserve			
Opening Balance	21,813	21,813	20,730
Amount Set Aside / Transfer to Reserve	0	0	0
Transfer of Interest to Reserve	797	784	1,083
Amount Used / Transfer from Reserve	0	0	0
	<u>22,610</u>	<u>22,597</u>	<u>21,813</u>
(h) Sewerage Reserve			
Opening Balance	112,513	112,513	97,424
Amount Set Aside / Transfer to Reserve	0	0	10,000
Transfer of Interest to Reserve	4,112	4,042	5,089
Amount Used / Transfer from Reserve	(15,000)	(15,000)	0
	<u>101,625</u>	<u>101,555</u>	<u>112,513</u>
(i) Computer Equipment Reserve			
Opening Balance	30,675	30,676	63,370
Amount Set Aside / Transfer to Reserve	0	0	0
Transfer of Interest to Reserve	1,122	1,102	3,308
Amount Used / Transfer from Reserve	(30,470)	(30,470)	(36,003)
	<u>1,327</u>	<u>1,308</u>	<u>30,675</u>
(j) Administration Vehicles Reserve			
Opening Balance	48,577	48,577	37,556
Amount Set Aside / Transfer to Reserve	38,000	38,000	28,000
Transfer of Interest to Reserve	1,776	1,745	1,021
Amount Used / Transfer from Reserve	(7,445)	(18,500)	(18,000)
	<u>80,908</u>	<u>69,822</u>	<u>48,577</u>
(k) Refuse Disposal Facilities Reserve			
Opening Balance	80,978	80,978	67,455
Amount Set Aside / Transfer to Reserve	0	0	10,000
Transfer of Interest to Reserve	2,960	2,909	3,523
Amount Used / Transfer from Reserve	0	0	0
	<u>83,938</u>	<u>83,887</u>	<u>80,978</u>
(l) Road Reserve			
Opening Balance	416,818	416,818	278,554
Amount Set Aside / Transfer to Reserve	100,000	100,000	200,000
Transfer of Interest to Reserve	15,234	14,974	11,734
Amount Used / Transfer from Reserve	(42,596)	(42,596)	(73,470)
	<u>489,456</u>	<u>489,196</u>	<u>416,818</u>
TOTAL CASH BACKED RESERVES	<u>1,524,122</u>	<u>1,442,486</u>	<u>1,391,836</u>

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

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2010

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.

Land & Buildings Reserve

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

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.

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, Land & Buildings, Nyabing Recreation, Pingrup Recreation, 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 2010

	2010	2009
	\$	\$
12. RESERVES - ASSET REVALUATION		
Asset revaluation reserves have arisen on revaluation of the following classes of assets:		
(a) Roads		
Balance as at 1 July 2009	11,107,636	11,107,636
Revaluation Increment	0	0
Revaluation Decrement	0	0
Balance as at 30 June 2010	11,107,636	11,107,636
TOTAL ASSET REVALUATION RESERVES	11,107,636	11,107,636

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the statement of financial position as follows:

	2010	2010	2009
	\$	Budget	\$
		\$	
Cash and Cash Equivalents	2,274,114	1,729,214	2,523,236
(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net Result	231,402	319,834	1,730,522
Depreciation	1,164,053	980,627	1,135,573
(Profit)/Loss on Sale of Asset	(12,943)	(27,491)	(216,001)
(Increase)/Decrease in Receivables	295,969	314,031	(290,375)
(Increase)/Decrease in Inventories	(31,015)	(267)	18,740
Increase/(Decrease) in Payables	(16,368)	11,403	(123,629)
Increase/(Decrease) in Employee Provisions	11,323	0	53,124
Grants/Contributions for the Development of Assets	(523,476)	(562,240)	(1,474,568)
Net Cash from Operating Activities	1,118,945	1,035,897	833,386
(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	108,000		108,000
(d) Loan Facilities			
Loan Facilities - Current	54,339		67,703
Loan Facilities - Non-Current	715,971		770,310
Total Facilities in Use at Balance Date	770,310		838,013
Unused Loan Facilities at Balance Date	0		0

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2010

14. CONTINGENT LIABILITIES

The Shire of Kent has no contingent assets and contingent liabilities as at 30 June 2010.

15. CAPITAL AND LEASING COMMITMENTS

The Shire of Kent has no finance and operating lease commitments as at 30 June 2010.

16. JOINT VENTURE

Council are not participating in any joint ventures as at 30 June 2010.

17. TRUST FUNDS

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

	Balance 1-Jul-09 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-10 \$
Housing Bonds	150	1,620	(1,620)	150
Bond (Caravan Park Keys)	150			150
Nomination Deposits	0	640	(640)	0
BCITF Levy	133	1,816	(1,776)	173
	<u>433</u>	<u>4,076</u>	<u>(4,036)</u>	<u>473</u>

Handwritten notes:
 OP CL DWA
 351574.52 27143.23 = 324431.54
 20700.55 31964.67 = 11264.12
 27143.53 53749.40 = -26605.87
 31964.67 19021.09 = 12943.58
 907.88 655.17 = 252.61
 Sundry Deb Rates
 SUNDREY Rates
 Increase + 6192.01
 - 5084.75
 + 6467.23
 71705.08

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2010

	2010	2009	2008
18. FINANCIAL RATIOS			
Current Ratio	1.572	2.18	1.71
Untied Cash to Unpaid Trade Creditors Ratio	7.314	5.39	2.19
Debt Ratio	0.03	0.03	0.04
Debt Service Ratio	0.041	0.04	0.05
Gross Debt to Revenue Ratio	0.263	0.26	0.32
Gross Debt to Economically Realisable Assets Ratio	0.104	0.11	0.15
Rate Coverage Ratio	0.428	0.31	0.39
Outstanding Rates Ratio	0.019	0.012	0.003

The above ratios are calculated as follows:

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

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2010

19. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2010	2009
	\$	\$
Governance	1,550	1,877
General Purpose Funding	20,701	20,701
Law, Order, Public Safety	112,585	104,081
Health	5,789	6,414
Education and Welfare	0	0
Community Amenities	684,440	287,867
Recreation and Culture	985,216	963,139
Transport	32,088,488	32,030,378
Economic Services	369,492	306,842
Other Property and Services	2,803,712	2,707,755
Unallocated	0	484,265
	<u>37,071,973</u>	<u>36,913,319</u>

20. DISPOSALS OF ASSETS - 2009/10 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$
Plant and Equipment						
Transport						
Mitsub Canter KT007	25,590	27,972	27,005	15,000	1,415	(12,972)
Backhoe KT016	0	1,479	0	35,000	0	33,521
Kluger 50KT	29,351	32,497	29,600	27,000	249	(5,497)
Utility Works KT003	7,042	9,120	8,909	16,200	1,867	7,080
Utility Works KT014	18,477	20,994	19,454	16,500	977	(4,494)
Utility Works KT017	5,543	7,692	8,909	16,200	3,366	8,508
Utility Works KT020	11,795	14,855	14,364	16,200	2,569	1,345
Land and Buildings						
Other Property and Services						
Lot 97 Gaby Street	10,000	0	12,500	0	2,500	0
	<u>107,798</u>	<u>114,609</u>	<u>120,741</u>	<u>142,100</u>	<u>12,943</u>	<u>27,491</u>

Summary

Profit on Asset Disposals
Loss on Asset Disposals

12,943

0

12,943

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2010

21. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 1-Jul-09 \$	New Loans \$	Principal Repayments		Principal 30-Jun-10		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
COMMUNITY AMENITIES								
Loan 54, Nyabing Effluent	35,455	0	1,198	1,198	34,257	34,257	3,114	3,129
OTHER PROPERTY & SERVICES								
Loan 86, New House for CEO	16,223	0	16,223	16,223	0	0	758	894
Loan 88, Nyabing Store	57,345	0	3,258	3,257	54,087	54,088	3,726	3,743
Loan 90, Principal Housing, Pingrup	88,952	0	20,562	20,565	68,390	68,387	4,331	4,345
Loan 91, Various Duplexes	640,038	0	26,462	26,462	613,576	613,576	39,907	40,546
	838,013	0	67,703	67,705	770,310	770,308	51,836	52,657

All debenture repayments were financed by general purpose revenue.

(b) New Debentures - 2009/10

No new debentures were issued during the year ending 30 June 2010.

(c) Unspent Debentures

No portion of debentures was unspent as at 30 June 2010.

(d) Overdraft

Council established an overdraft facility of \$100,000 in 2010 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2009 and 30 June 2010 was \$Nil.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2010

22. RATING INFORMATION - 2009/10 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
GRV - Residential	10.2210	68	240,448	24,577	0	0	24,577	24,576	0	0	24,576
GRV - Commercial	10.2210	20	122,824	12,554	0	0	12,554	12,554	0	0	12,554
UV - Rural	0.8881	378	175,595,000	1,559,459	(893)	0	1,558,566	1,559,459	0	0	1,559,459
Mining	0.8881	0	0	0	0	0	0	339	0	0	339
Sub-Totals		466	175,958,272	1,596,590	(893)	0	1,595,697	1,596,928	0	0	1,596,928
Minimum Rates	Minimum \$										
GRV - Residential	295.00	11	25,833	3,245	(885)	0	2,360	2,655	0	0	2,655
GRV - Commercial	295.00	8	12,851	2,360	0	0	2,360	2,065	0	0	2,065
UV - Rural	295.00	14	124,400	4,130	0	0	4,130	4,130	0	0	4,130
Mining	295.00	18	156,385	5,310	(885)	0	4,425	4,425	0	0	4,425
Sub-Totals		51	319,469	15,045	(1,770)	0	13,275	13,275	0	0	13,275
Discounts (refer note 25)							1,608,972				1,610,203
							(67,083)				(56,000)
Totals							1,541,889				1,554,203

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2010

23. HEALTH RATE - 2009/10 FINANCIAL YEAR

	Rate in \$	Basis of Rate	Rateable Value \$	Rate Revenue \$	Budget Rate Revenue \$	Applied to Costs \$	Budget Applied to Costs \$
Sewage Rate							
-Nyabing Residential	0.345	GRV	153,504	9,750	9,620	9,750	9,620
-Nyabing Commercial	0.345	GRV	66,766	4,502	4,074	4,502	4,074
-Nyabing Vacant	170.00	GRV	900	531	531	531	531
-Pingrup Residential	0.398	GRV	85,480	5,916	5,720	5,916	5,720
-Pingrup Commercial	0.398	GRV	64,860	6,087	5,238	6,087	5,238
-Pingrup Vacant	170.00	GRV	300	177	0	177	0
-1st Vacant	158.90	GRV	0	0	0	0	0
-Additional Fixtures	228.80	GRV	0	0	0	0	0
				26,963	25,183	26,963	25,183

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

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

24. SERVICE CHARGES - 2009/10 FINANCIAL YEAR

	Amount of Charge \$	Revenue Raised \$	Budget Revenue \$	Applied to Service Costs \$	Budget Applied to Costs \$
Television - Nyabing	125	5,875	5,875	5,875	5,875
Television - Pingrup	125	3,500	3,500	3,500	3,500
		9,375	9,375	9,375	9,375

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.

No transfer to or from reserve accounts has occurred.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2010

25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS - 2009/10 FINANCIAL YEAR

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Discount	6.00%	67,083	56,000
Minimum Rate	Discount	6.00%	0	0
			67,083	56,000
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, St John Ambulance and Volunteer Bush Fire Brigade. Council considers support of these groups necessary for the overall benefit of the community.

26. INTEREST CHARGES AND INSTALMENTS - 2009/10 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	9.00%		3,720	1,700
Interest on Instalments Plan	9.00%		0	0
Charges on Instalment Plan		5	1,040	1,100
			4,760	2,800

Ratepayers had the option of paying rates in four equal instalments, due on 4th September 2009, 6th November 2009, 8th January 2010 and 5th March 2010. Administration charges and interest applied for the final three instalments.

27. FEES & CHARGES	2010 \$	2009 \$
Governance	0	0
General Purpose Funding	18,678	19,344
Law, Order, Public Safety	21,804	24,043
Community Amenities	48,951	43,844
Recreation and Culture	10,348	10,568
Economic Services	57,954	43,486
Other Property and Services	108,213	126,935
	<u>265,948</u>	<u>268,220</u>

Shire of Kent introduced a per hour fee for the hire of the Pingrup Pavilion and the Nyabing Recreation Complex for low impact activities. These activities may include fitness classes and Counselling Services where there is no use of the kitchen or facilities other than floor space areas and where little or no cleaning is required. This fee is set at \$12.00 per hour or part there of and will apply from Monday 28 June 2010, the new fee was approved by Council resolution and advertised in accordance with regulations.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2010

28. GRANT REVENUE	2010	2009
	\$	\$
By Nature and Type:		
Operating Grants, Subsidies and Contributions	897,879	1,137,785
Non-Operating Grants, Subsidies and Contributions	523,476	1,474,568
	<u>1,421,355</u>	<u>2,612,353</u>
By Program:		
Governance	18,720	0
General Purpose Funding	306,228	367,448
Law, Order, Public Safety	31,805	85,410
Education and Welfare	0	316
Community Amenities	15,000	443,274
Recreation and Culture	20,804	139,857
Transport	1,016,069	1,333,524
Economic Services	9,600	238,058
Other Property and Services	3,129	4,466
	<u>1,421,355</u>	<u>2,612,353</u>

29. COUNCILLORS' REMUNERATION	2010	2010	2009
	\$	Budget	\$
		\$	
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	45,723	48,000	39,134
President's Allowance	5,000	5,000	5,000
Travelling Expenses	7,926	8,000	7,757
Telecommunications Allowance	3,692	4,200	0
Childcare Expenses	1,043	0	5,112
	<u>63,384</u>	<u>65,200</u>	<u>57,003</u>

30. EMPLOYEE NUMBERS	2010	2009
The number of full-time equivalent employees at balance date	<u>23</u>	<u>23</u>

31. MAJOR LAND TRANSACTIONS

Council did not participate in any major land transactions during the 2009/10 financial year.

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2009/10 financial year.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2010

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	
	2010	2009	2010	2009
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	2,274,114	2,523,236	2,274,114	2,523,236
Receivables	77,023	372,992	77,023	372,992
	<u>2,351,137</u>	<u>2,896,228</u>	<u>2,351,137</u>	<u>2,896,228</u>
Financial Liabilities				
Payables	118,524	134,892	118,524	134,892
Borrowings	770,310	838,013	702,266	761,686
	<u>888,834</u>	<u>972,905</u>	<u>820,790</u>	<u>896,578</u>

Fair value is determined as follows:

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

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2010

33. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

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

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

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

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

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

	30-Jun-10	30-Jun-09
	\$	\$
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	22,741	25,232
- Income Statement	22,741	25,232

Notes:

(*) Sensitivity percentages based on management's expectation of future possible market movements.

Recent market volatility has seen large market movements for certain types of investments.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2010

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-10	30-Jun-09
Percentage of Rates and Annual Charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of Other Receivables		
- Current	97.37%	95.42%
- Overdue	2.63%	4.58%

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2010

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
Borrowings

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

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

	<u>2010</u>				<u>2009</u>					
	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
Payables	118,524	0	0	118,524	118,524	134,892	0	0	134,892	134,892
Borrowings	103,243	363,159	684,022	1,150,424	770,311	120,360	388,066	762,358	1,270,784	838,013
	<u>221,767</u>	<u>363,159</u>	<u>684,022</u>	<u>1,268,948</u>	<u>888,835</u>	<u>255,252</u>	<u>388,066</u>	<u>762,358</u>	<u>1,405,676</u>	<u>972,905</u>

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2010

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 %
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Year Ended 30 June 2010

Borrowings

Fixed Rate Debentures	0	0	0	68,390	0	701,921	770,311	6.42%
Weighted Average Effective Interest Rate	0.00%	0.00%	0.00%	5.18%	0.00%	6.54%		

Year Ended 30 June 2009

Borrowings

Fixed Rate Debentures	0	16,223	0	0	88,952	732,838	838,013	6.41%
Weighted Average Effective Interest Rate	0.00%	7.30%	0.00%	0.00%	5.18%	6.54%		

**INDEPENDENT AUDITOR'S 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 statement of financial position as at 30 June 2010 and the statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows 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 control 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 2010 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 AUDITOR'S REPORT
TO THE ELECTORS OF THE SHIRE OF KENT (Continued)**

Statutory Compliance

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

Annual Budget

The Annual Budget for the year ended 30 June 2009 was not forwarded to the Department of Local Government within 30 days of its adoption as required by Local Government (Financial Management) Regulation 33.

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 a significant adverse trend in the financial position or the financial management practices of the Shire.
- b) Except as noted above, there are 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

Address: Perth, WA
Date: 19 November 2010

14. FORWARD PLANNING BUDGET

1 JULY 2009—30 JUNE 2010

Council's Forward Planning Budget provides an overview of the significant activities that were proposed by Council for the four (4) year period 2008/2009—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	2009/2010 Proposed Expenditure (Net)	2008/2009 Actual Expenditure (Net)
Plant Purchase Program	374,500	323,500

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 (ongoing)
- ⇒ Richmond street reserve for Landscape Protection
- ⇒ Ablution block Richmond Street Nyabing (completed)
- ⇒ Caravan Park Pingrup
- ⇒ Nyabing—Sale of Bourke Street Units (completed)
- ⇒ Continue to investigate land availability for lifestyle blocks around Nyabing and Pingrup

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

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

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

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.

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.



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

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

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
17,000m³ 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

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