

BUDGET RESOLUTIONS & INFORMATION
For the adoption of the Budget for the year ending 30 June 2014

Vision for the Future

The community placed a high value on health and essential services; communications and technology infrastructure; improved social connectedness; community involvement and participation; a need to retain and grow the population; and to strengthen economic prosperity through the diversification of the local economy.

The Shire in the future is described as:

- A place with a sense of community, one that is thriving, vibrant, engaging and connected.
- A place that nurtures its youth and aging population;
- A place that has a range of services and facilities meeting our needs.
- A place that is growing and has employment opportunities, through local industry, which is based on the Shires local comparative advantages.

Community Aspirations were defined by key emerging goals-

SOCIAL

- Strengthen and enhance essential community services.
- Strengthen community participation, interactions and connections.
- Build and strengthen an active, thriving and vibrant community.
- Actively supports aging in place

ENVIRONMENTAL

- Inspires sustainable living.
- Actively supports recycling and resource recovery.
- Maintains and strengthens Shire infrastructure.
- Explore a range of housing options.

ECONOMIC

- Maximises local business growth.
- Facilitate improved access to communications and technology.

BUDGET RESOLUTIONS & INFORMATION
For the adoption of the Budget for the year ending 30 June 2014

COMMUNITY'S KEY PRIORITIES

- (1) Retain and grow the population.
- (2) Strengthen and enhance essential community services.
- (3) Improve access to telecommunications and technology.
- (4) Build the economic base through local industry diversification and actively supporting local businesses, which will create job opportunities.

COMMUNITY PRIORITIES AGAINST KEY AREAS

Social – Building a sense of community

PRIORITIES	OPPORTUNITIES
(1) Build community services, in particular health services and telecommunication services.	<ul style="list-style-type: none"> (a) Community health services for all ages (doctor/nursing post). (b) Enhance youth activities. (c) Improve telecommunications and technology access. (d) Support continuation of education service.
(2) Build and strengthen community participation, interactions and connections.	<ul style="list-style-type: none"> (a) Increased social events. (b) Strengthen sporting organisations. (c) Support community groups. (d) Facilitate Women's and men's groups to share skills.
(3) Actively support aging in place.	<ul style="list-style-type: none"> (a) Planning for retention elderly residents. (b) Support well aged housing options.

BUDGET RESOLUTIONS & INFORMATION
For the adoption of the Budget for the year ending 30 June 2014

Natural Environment – Preserving and Sustaining our Natural Environment

PRIORITIES	OPPORTUNITIES
(1) Inspire sustainable living.	(a) Promote water harvesting. (b) Increased use of water tanks for houses. (c) Promote grey water reuse systems. (d) Use of solar panels. (e) Lobby for water security for towns.
(2) Enhance the local environment.	(a) Explore a new policy on carbon planting schemes. (b) Investigate use of a landcare facilitator. (c) Improve weed control in road and nature reserves.
(3) Actively support recycling and resource recovery.	(a) Improved recycling opportunities. (b) Build waste transfer stations.
(4) Support renewable energy use.	(a) Solar and wind electricity generation potential.

Built Environment - Enhanced Lifestyle Choices

PRIORITIES	OPPORTUNITIES
(1) Maintain and strengthen Shire infrastructure	(a) Lobby for additional passing lanes on, and widening of, Chesterpass Road. (b) Improve footpath network in Nyabing and Pingrup. (c) Improve road safety including verge clearing and safety signage. (d) Maintain and improve facilities and assets. (e) Explore provision allied health facility.
(2) Create land use capacity	(a) Provide for residential and rural lifestyle subdivisions. (b) Plan for industrial subdivisions.
(3) Increase diversity of housing options	(a) Explore housing options.

BUDGET RESOLUTIONS & INFORMATION
For the adoption of the Budget for the year ending 30 June 2014

Economic Development - Maximise Business and Employment Opportunities

PRIORITIES	OPPORTUNITIES
(1) Maximise local business growth.	(a) Facilitate support for local businesses.
(2) Improve Communications and Technology Infrastructure	(a) Facilitate Improvement of mobile telephony coverage to support businesses. (b) Access to ASDL infrastructure to facilitate new business opportunities.
(3) Promote our district as a place to visit	(a) Tourism attractions diversification with promotion via Hidden Treasures (walk trails, farm tours, Lake Bryde, go-kart events). (b) Develop tourism 'theme(s)' or 'icon(s)' to promote district. (c) Build caravan park in Nyabing.

Governance - Strengthen Shire Leadership

PRIORITIES	OPPORTUNITIES
(1) Maintain and strengthen leadership	(a) Accountable and transparent decisions (b) Maintain high level of services and facilities. (c) Continue consultation with the community
(2) Ensure a sustainable Council	(a) Financial sustainability. (b) Asset Management. (c) Friendly customer service. (d) Workforce capability.
(3) Community participation	(a) Support volunteers and celebrate their contribution. (b) Continued communication and cooperation with the community.

BUDGET RESOLUTIONS & INFORMATION
For the adoption of the Budget for the year ending 30 June 2014

Members of Council



Shire President
Cr C (Cathy) Crosby

Council Committees

Audit, Finance & Administration, Works, Building, Health and Town Planning (PROXY)

Delegate - Committees

Lakes VROC Committee, Bushfire Advisory Committee, Nyabing Pingrup Land Conservation Committee and Lake Magenta Nature Reserve Advisory Committee, Pingrup CRC and Hidden Treasures Committees, Gt Southern Zone - WALGA



Deputy Shire President
Cr M (Mark) Stephens

Council Committees

Audit, Finance and Administration Committee, Works, Plant and Services Committee

Delegate - Committees

Bushfires Advisory Committee, Nyabing Pingrup Land Conservation Committee and Lake Magenta Nature Reserve Advisory Committee (PROXY), Lakes VROC (PROXY)



Cr Grant Collins

Council Committees

Building, Health and Town Planning Committee, Works, Plant and Services Committee

Delegate - Committees

Gt Southern Regional Road Group, Pingrup Ground Improvement Committee



Cr RA (Rena) Jury

Council Committees

Audit, Finance and Administration Committee, Building, Health and Town Planning Committee

Delegate - Committees

Regional Recreation Plan Committee, Pingrup Ground Improvement Committee, Nyabing Sports Club Committee, Pingrup CRC Committee & Hidden Treasures of the Great Southern Committees

BUDGET RESOLUTIONS & INFORMATION
For the adoption of the Budget for the year ending 30 June 2014

Members of Council



Cr Alan Smith

Council Committees

Works, Plant & Services Committee (PROXY) Audit, Finance and Administration Committee (PROXY)

Delegate – Committees

Great Southern Regional Road Group (PROXY), Regional Recreation Plan Committee



Cr M J (Megan) Tuffley

Council Committees

Building, Health and Town Planning Committee, Audit, Finance and Administration Committee (PROXY)

Delegate – Committees

Lakes VROC Committee, Great Southern Zone WALGA, Pingrup Ground Improvement Committee, Pingrup CRC (PROXY) and Hidden Treasures of the Great Southern (PROXY)



Cr GD (Gordon) Browne

Council Committees

Works, Plant and Services Committee

Delegate – Committees

Great Southern Regional Road Group, Bushfire Advisory Committee, Nyabing/Pingrup Land Conservation Committee and Lake Magenta Nature Reserve Advisory Committee, Pingrup Ground Improvement Committee (PROXY), Nyabing Sports Club Committee (PROXY)



Cr BM (Bruce) Altham

Council Committees

Audit, Finance and Administration Committee, Building, Health & Town Planning Committee

Delegate – Committees

Great Southern Zone WALGA (PROXY)

BUDGET RESOLUTIONS & INFORMATION
For the adoption of the Budget for the year ending 30 June 2014

SHIRE PRESIDENTS MESSAGE



Cathy Crosby – Shire President

The 2013/14 budget is significantly larger than the previous few years with a number of significant capital works projects and building maintenance projects for both residential and public buildings.

It has been a difficult budget to frame with the significant costs associated with the State Government imposed Integrated Planning framework costing the ratepayers around \$150,000, which does not come with

any assistance from the State. The Council has almost completed the requirements of these legislative changes.

The Council has been mindful of the tough times in rural areas in particular the eastern areas of our shire and accordingly has increased rates by 5.0% for the 2013/14 financial year. This is the third year running that the Council has managed to maintain relatively low increases in rates to assist our rural sector. While this has seen rates kept low, our grant funding has slowly been reducing to recognise the fact that we are not rating as hard as other councils do to provide a similar level of service.

The following years will see a need to increase rates above this rate to maintain grant funding at similar levels to those seen over the last few years. The formula that the Grants Commission employs is designed to penalise those Councils who have lower increases in rates to make sure that those communities shoulder their share of the economic load. While the Council may not necessarily agree with this principal, it must live by it.

The 2013/14 Budget provides for over \$4.0m in capital expenditure primarily in housing and road projects and significant investment in building maintenance ensuring that our assets are kept in the best possible condition.

The Council will continue to target specific purpose grant funding to complete projects such as public toilets in the parks, works at locations such as pavilions, halls and playgrounds and other townscape improvements while using rate revenue primarily for road project funding and maintenance.

The Council continues to monitor matters related to Local Government Reform, and is of the opinion that Country reform will be upon us during the next 12 to 24 months. We will continue to investigate ways that we can retain the identity of the Shire of Kent, participate in a greater number of regional projects and resource sharing arrangements, continue to maintain or improve the local levels of service to our communities and represent the people of the Shire of Kent by seeking the best possible outcomes from the process.

Cathy Crosby
SHIRE PRESIDENT

BUDGET RESOLUTIONS & INFORMATION
For the adoption of the Budget for the year ending 30 June 2014

CHIEF EXECUTIVE OFFICERS REPORT



Once again the Focus of the Annual Budget has been around the fundamental objectives followed over the past three years:

- Provide value for money services to the community,
- Maximise investment returns within risk management parameters
- Maximise grant funding for community infrastructure needs
- Maintain assets, roads and infrastructure, to contemporary standards
- Base all fees and charges on sustainable service delivery principles.

With these principles in mind the Council has adopted a balanced budget for the 2013/14 financial year incorporating a 5.0% yield increase.

The budget will continue to focus on delivering the best possible road network with capital expenditure on roads for the year expected to be \$1,418,605 and road maintenance forecast to be a further \$712,000 for a total of nearly \$2.2M to be expended on roads alone. A further \$643,000 will be spent on plant upgrades to round out transport expenditure.

A project for the construction of a Principals house in Nyabing is in now on schedule to commence this year and a provision of \$450,000 has been made which will be loan funded with a guaranteed cost recovery over 10 years from GROH.

Council will sell two homes, one in Pingrup and one in Nyabing and the revenue will be put into reserves to assist with funding a new house in Pingrup this year and another in Nyabing.

This process is designed to upgrade the housing stocks of the Shire to assist with the attraction of staff in the future. The Pingrup House partially through Reserves and the balance of funding will come from a loan of \$150,000.

The Council will continue work on the two Parks – Memorial and Burston Street these projects are scheduled to complete during the current financial year. Council has applied to the Lotteries Commission funding to complete both parks.

The bowling green redevelopment was deferred to this year from the 2012/13 for funding through the CSRFF fund from the Department of Sport & Recreation. It will complete in Early 2013/14.

A pilot water treatment plant was deferred from 2012/13 because of cost increases due to the change in sewerage water reuse regulations and it is hoped that this project will also be completed this year.

The Council has made a provision of \$120,000 to complete the Coates Close Subdivision this year and investigations of costs to commence a staged approach to the Gaby Street Subdivision in Pingrup will commence this year or Early in 2014/15.

The Council is proposing to raise two new loans for the housing construction totalling \$600,000. One of these loans (\$450,000) will be fully serviced over its ten year term through contributions for rent from GROH. This means that the real increase in loan liability is \$150,000.

The Loan Principal outstanding at the commencement of the year is \$599,019 and it is forecast to close at \$709,049 if the all housing project loans are drawn down in this financial year.

The normal suite of services will continue to be provided as in the past and fees and charges have increased to reflect a move to cost recovery where appropriate.

Peter Bentley – Chief Executive Officer

BUDGET RESOLUTIONS & INFORMATION

For the adoption of the Budget for the year ending 30 June 2014

Resolutions were adopted by ABSOLUTE MAJORITY at the Ordinary Meeting of Council held on the 21st August 2013 to adopt the Annual Budget including the following matters for the year ended 30 June 2014.

1. GENERAL RATES

That the following Rate in the Dollar be adopted for the Shire of Kent for the year ending 30 June 2014:-

Unimproved Values	1.0197 cents in the dollar
Gross Rental Values	11.8861 cents in the dollar

2. MINIMUM RATES

That the minimum rate for Gross Rental Values is set at \$385 per assessment and the minimum rates for Unimproved Values is set at \$385 per assessment.

3. REFUSE AND RECYCLING CHARGES

That in accordance with the provisions of the Waste Avoidance and Resource Recovery Act 2007 that Council imposes the following refuse and recycling charges (exclusive of GST) for 2013/2014:-

Residential Refuse	\$194.00
Residential Refuse – additional bin	\$ 194.00
Residential - recycling bin	\$102.00
Commercial Refuse	\$194.00
Commercial Refuse - additional bin	\$194.00
Commercial - additional recycling bin	\$102.00
Pensioner Rubbish	\$97.00
240 Litre Wheelie Bin	at cost
Tipping Fee - cubic metre – Non Residents	\$20.00

4. SERVICE CHARGES

Sewerage

Nyabing Residential	-	\$0.0425 cents in the dollar Minimum Charge \$304.00
Nyabing Commercial	-	\$0.0425 cents in the dollar Minimum charge \$680.00
Nyabing Vacant Lot	-	\$206.00 per property
Pingrup Residential	-	\$0.0484 Cents in the dollar Minimum charge \$300.00
Pingrup Commercial	-	0.0491 cents in the dollar Minimum charge \$680.00
Pingrup Vacant Lot	-	\$207.00 per property
Minor Fixture Charge	-	\$207.00
Major Fixture Charge	-	\$680.00
Additional Fixtures	-	\$85.00

BUDGET RESOLUTIONS & INFORMATION
For the adoption of the Budget for the year ending 30 June 2014

5. DISCOUNT

General Rates

That Council does not offer early settlement discount for the 2013/14 financial year.

6. PAYMENT OPTIONS

That Council, in accordance with the provisions of section 6.45 and 6.50 of the Local Government Act 1995, offers the following payment options for the payment of rates:-

(a) Single Instalment

- Payment in full within 35 days of the date of issue of the rate notice.

(b) Two Instalments

- The first instalment of 50% of the total current rates, ESL, refuse charges, instalment charges plus the total outstanding arrears payable, within 35 days from the date of issue of the rate notice.
- The second instalment of 50% of the total current rates, ESL, refuse charges and instalment charges, payable 4 months from the due date of the first instalment.

(c) Four Instalments

- The first instalment of 25% of the total current rates, ESL, refuse charges and instalment charges plus the total outstanding arrears payable, within 35 days from the date of issue of the rate notice.
- The second, third and fourth instalments, each of 25% of the current rates, ESL, refuse charges and instalment charges, payable at two monthly intervals after the due date of the first instalment.

7. INTEREST AND ADMINISTRATION CHARGES FOR INSTALMENT OPTIONS

That Council, in accordance with the provisions of section 6.45 of the Local Government Act 1995 imposes an Administration Fee of \$10 per instalment notice together with an interest charge of 5.5%, both of which applies to the second instalment of the Two Instalment option, and the second, third and fourth instalments of the Four Instalment option.

8. LATE PAYMENT PENALTY INTEREST

That Council, in accordance with the provisions of section 6.13 and 6.51 of the Local Government Act, and Regulations 19A and 70 of the Local Government (Financial Management) Regulations 1996, adopts an interest rate of 9% per annum. Penalty interest will apply to all charges which remain unpaid after 35 days from the date of issue of the rate notice.

Excluded are eligible pensioners, deferred pensioner rates and current instalment amounts not yet due.

9. FEES AND CHARGES

That Council, in accordance with section 6.16 of the Local Government Act 1995, adopts the Schedule of Fees and Charges as set out at Note 16 in the Budget document for the year ending 30 June 2014.

BUDGET RESOLUTIONS & INFORMATION
For the adoption of the Budget for the year ending 30 June 2014

10. DETERMINING MATERIAL VARIANCES

That, in accordance with the provisions of the Local Government (Financial Management) Regulations 1996 section 34(5), the material variance as reported in the Statement of Financial Activity in the financial year ending 30 June 2014 will be 10% or \$10,000.

11. MEMBERS MEETING ATTENDANCE FEES

That Council, in accordance with section 5.99 of the Local Government Act 1995 and Regulation 34 of the Local Government (Administration) Regulations 1996, adopts an annual allowance for meeting attendance fees for 2012/2013 of \$7,000 per annum for the President (maximum \$18,500) and \$7,000 per annum for Councillors. (Maximum \$9,000)

12. PRESIDENT AND DEPUTY PRESIDENT ALLOWANCE

That Council, in accordance with section 5.98(5) and 5.98A of the Local Government Act 1995 and Regulation 33 and 33A of the Local Government (Administration) Regulations 1996, adopts an annual allowance of \$7,000 for the President. (Maximum \$18,500)

13. MEMBERS TRAVELLING EXPENSES

That Council, in accordance with the provisions of section 5.99A of the Local Government Act 1995 and Regulation 34AB of the Local Government (Administration) Regulations 1996, adopts that travelling expenses are reimbursed to elected members at the rate of 80 cents per kilometre.

14. TELECOMMUNICATIONS ALLOWANCE

That Council, in accordance with the provisions of section 5.99A of the Local Government Act 1995, and Regulation 34A of the Local Government (Administration) Regulations 1996, adopts a Telecommunications Allowance of \$1,000 per Councillor per year. (Maximum \$1,000)

15. ADOPTION OF THE ANNUAL BUDGET

That the Annual Budget for the Shire of Kent for the year ending 30 June 2014 comprising the Income Statements, Cash Flow Statement, Rate Setting Statement and associated notes be adopted.

BUDGET RESOLUTIONS & INFORMATION
For the adoption of the Budget for the year ending 30 June 2014

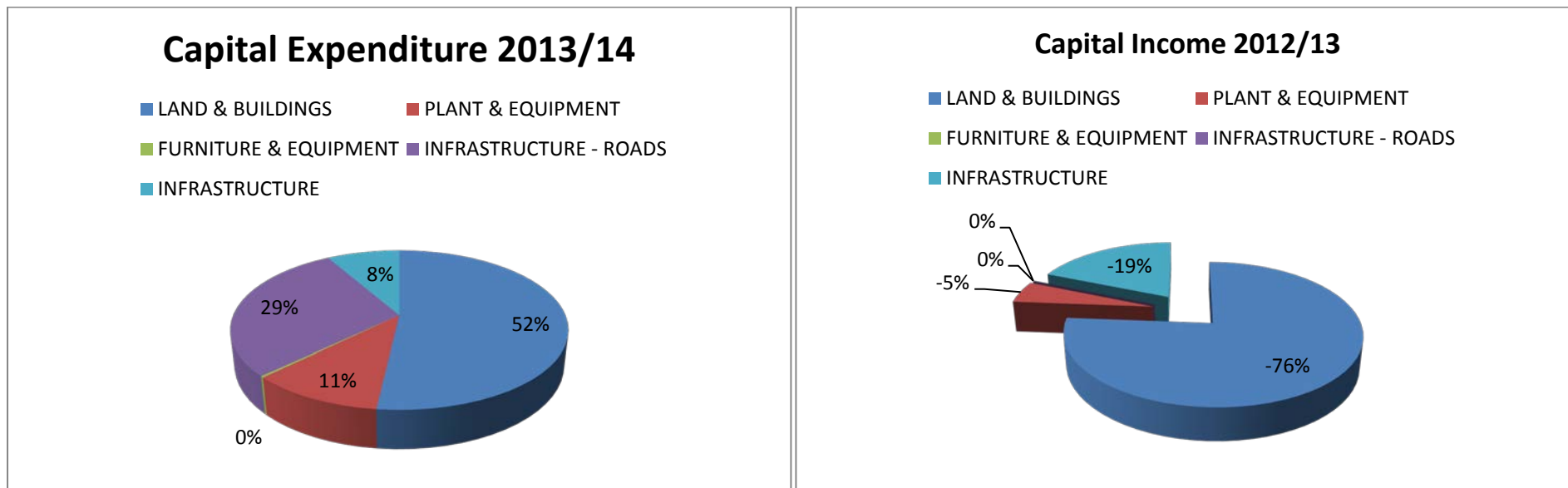
CAPITAL

The 2012/13 budget provides for \$4,510,318 in Capital Expenditure. Projects within the budget include:-

- Plant Replacement of \$643,000
- Road Infrastructure of \$1,418,605
- Other Infrastructure of \$410,000
- Land & Buildings of \$2,024,713

Capital Income will come from the sale of two houses, Vehicle trade-ins and grant funding for infrastructure and Road Infrastructure projects. Total Capital Income net of Government grants is budgeted to be \$392,000.

The following graphs show total Road Construction expense and Capital Income net of Road Grants.



BUDGET RESOLUTIONS & INFORMATION

For the adoption of the Budget for the year ending 30 June 2014

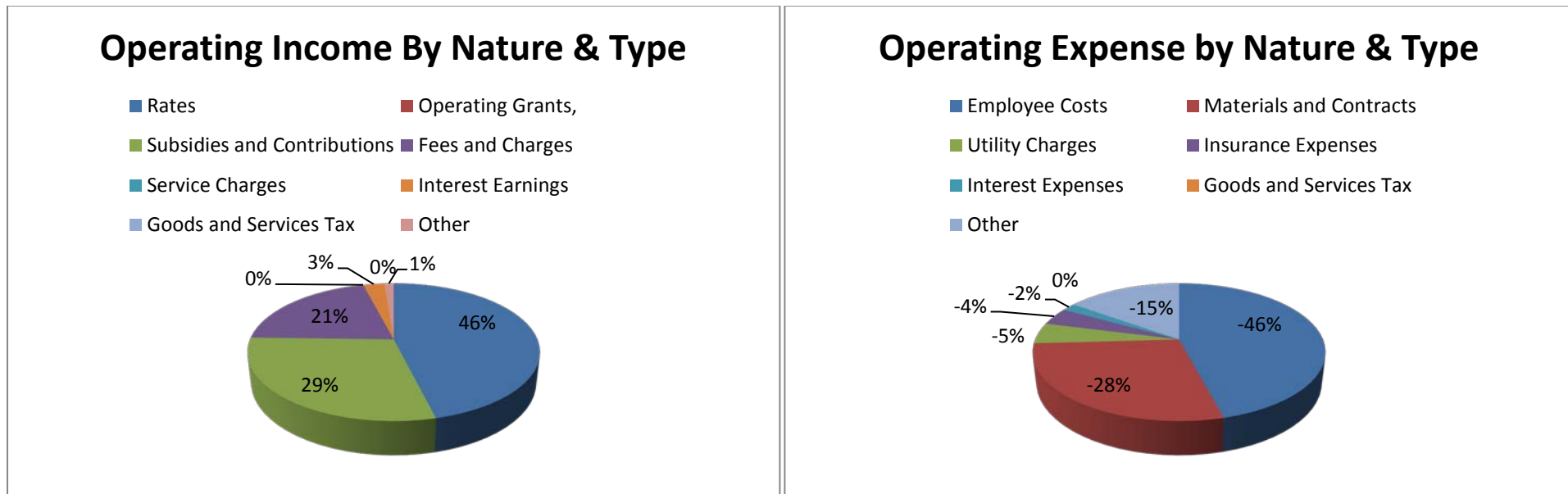
CAPITAL (Continued)

Projects within the Capital Budget include:-

- \$250,000 partially funded by the Bowling Club, Sports Club, CSRFF and the Council through Royalties For Regions.
- Principals House – Nyabing to be fully loan funded and Income from rental to be offset..
- Construction of 2 well aged accommodation units through grant funding
- Water Treatment Plant for sewerage re-use.
- Completion of works at Memorial Park and Burston Street Park.
- Works on the completion and purchase of the Coates Close subdivision.

OPERATING

The Council will continue to provide a range of services as appropriate for the residents of the Shire of Kent and continue to manage and maintain the assets in a similar vain. The following graphs show the breakup by type of operating expense and income.



OPERATING (Continued)

BUDGET RESOLUTIONS & INFORMATION

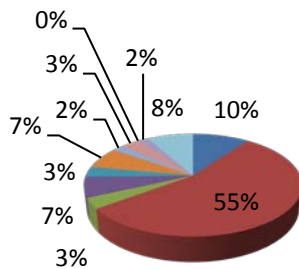
For the adoption of the Budget for the year ending 30 June 2014

Within the operating expense the Council will provide for maintenance of the Building and Housing assets of the Shire. These assets are maintained under a ten year building Maintenance schedule which allocates funds on a needs and priority basis rather than cost alone. This ensures that all assets are maintained to a standard which is sustainable and provides a best value for money management approach.

This also applies to the management of our Parks and Gardens and public buildings where work that needs to occur does so at the time that it is required. The results of this management philosophy can be seen in the standard of our facilities and parks and gardens. The graphs below show the expense breakup over both Building Maintenance and Parks and Gardens. Total expense for Building Maintenance on housing is budgeted at \$174,450, Public Buildings will be \$399,858 and for Parks & Gardens is \$213,793.

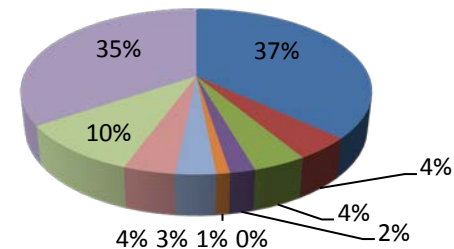
Building Maintenance by Expense Type

- | | |
|----------------------------|-------------------------|
| ■ Salaries & Wages | ■ Repairs & Maintenance |
| ■ Contract Services | ■ Insurances |
| ■ Electricity & Gas | ■ Water Charges |
| ■ Telephone Expenses | ■ Other Sundry Expense |
| ■ Plant Depreciation Costs | ■ Plant Operation Costs |



Parks & Gardens Expense by Expense Type

- | | |
|-------------------------|----------------------------|
| ■ Salaries & Wages | ■ Repairs & Maintenance |
| ■ Contract Services | ■ Chemicals |
| ■ Road Materials | ■ Electricity & Gas |
| ■ Water Charges | ■ Plant Depreciation Costs |
| ■ Plant Operation Costs | ■ Public Works Overhead |

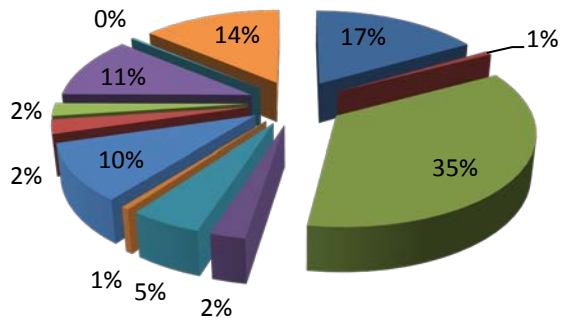


BUDGET RESOLUTIONS & INFORMATION

For the adoption of the Budget for the year ending 30 June 2014

Public Buildings Expense by Expense Type

- Salaries & Wages
- Repairs & Maintenance
- Insurances
- Electricity & Gas
- Other Sundry Expense
- Plant Operation Costs
- Interest on Loans
- Contract Services
- Telephone Expense
- Water Charges
- Administration Allocated
- Public Works Overhead



BUDGET RESOLUTIONS & INFORMATION
For the adoption of the Budget for the year ending 30 June 2014

INTEGRATED PLANNING FRAMEWORK

The Council has progressed with its Integrated Planning Framework obligations and has now a Community Strategic Plan (CSP) and a Workforce plan in place based upon the provisions within the CSP. The process has been complicated by delays in obtaining valuers for the condition reporting of our assets and for the conversion to Fair Value accounting for our assets.

The Council will have revised valuations in place for all asset classes during this financial year, several years ahead of the requirements to do so for some asset classes.

In coming weeks with the aid of consultants we will have an Asset Management Plan, Corporate Business Plan and Long Term Financial Plan in place which will then complete our current obligations under the new provisions of the Local Government Act.

By the end of the two processes – Integrated Planning and the change to fair value accounting for assets the Council will have spent almost \$170,000 to comply with these changes. The State Government has not assisted in the process with funding. These costs have been paid for directly through rates raised.

RATES

The 2013/14 Annual Budget provides for an increase of 5.0% in the general rate. It should be noted that this is a 5.0% yield over the previous year's rates and that some properties will experience higher and lower increases based upon the valuations of property. The Council is always mindful of keeping rates at a sustainable level for both the operation and the ratepayers.

By comparison with many of our neighbours 5.0% is at the lower end of the scale in terms of increases with many varying between 5% and 8%. Continued prudent management of our assets and a commitment to operate within our means will see a continuation of reasonable increases into the future.

LOCAL GOVERNMENT REFORM

The state Government has made a determination on how reform will take place in the Perth Metropolitan Area with 30 Councils now being transformed to 14. It is likely that over the next few years the State will revisit the reform issue for regional and remote councils.

The Shire of Kent is a large tract of land with a small population and this is an attractive combination which will make it vulnerable to predatory behaviour from neighbours. At some 2000 square kilometres larger than the Greater Perth Metropolitan Area it is still considered small only based upon its population.

The Council has in the past adopted a stance to resist reform by amalgamation where possible and in the survey earlier this year clearly the community overwhelmingly voted to maintain this stance. The Shire of Kent is involved with a number of other Councils in resource sharing arrangements including a regional rubbish tip project and the provision of well aged accommodation. Council will continue to represent your interests on this matter and continue to seek resource sharing opportunities where possible, however we will at some stage be in the hands of the State Government to do with as it sees fit.

BUDGET RESOLUTIONS & INFORMATION
For the adoption of the Budget for the year ending 30 June 2014

RATES AND CHARGES AT A GLANCE

Rates & Charges

Gross Rental Values (Towns)

11.8861 cents in the dollar

Unimproved Values (Rural)

1.0197 cents in the dollar

Minimum Rates

\$385.00 per assessment

Television Re-Transmission

This service charge is no longer provided due to the introduction of Digital Satellite Television.

Recycling

Normal

\$102.00 per bin pa

Refuse Charges

Normal - \$194.00 per bin pa

Pensioner - \$ 97.00 per bin pa

Sewage

Nyabing (Residential and Commercial)

4.25cents in the dollar

Pingrup (Residential)

4.84 cents in the dollar

Pingrup (Commercial)

4.91 cents in the dollar

Minimum Sewage

Domestic - \$304.00 per assessment pa

Commercial - \$680.00 per assessment pa

Vacant - \$207.00 per assessment pa

Prompt Payment Discount

Council has resolved that discount will not be allowed for prompt payment of rates for the 2011/12 budget year. The Council reviewed this decision and again will not be offering settlement discount for prompt payment of Rates.

Council has resolved to offer ratepayers the opportunity to pay by one of the following methods:

Option 1

Payment in full by **ONE installment** only, payment is to be received by 4.30pm Friday 4 October 2013.

Option 2

Payment by **TWO** Installments only

1st Installment date

4:30pm Friday 4 October 2013

2nd Installment date

4:30pm Friday 9 February 2014

A \$15.00 administration fee is applicable.

Option 3

Payment by **FOUR** Installments only

1st Installment date

4:30pm Friday 4 October 2013

2nd Installment date

4:30pm Friday 6 December 2013

3rd Installment date

4.30pm Friday 7 February 2014

4th Installment date

4.30pm Friday 4 April 2014

A \$30.00 administration fee is applicable.

Late Payment Penalty – Rates and Rubbish Charges

A charge of 9.0% per annum, calculated daily at 0.02466% by simple interest will apply as follows:

If NO installment option taken

Interest shall begin to accrue on rates and/or rubbish charges that remain unpaid after 11 October 2013. Eligible pensioners are exempt.

Option 2 or 3 installment options taken

Interest shall begin to accrue daily on any rates/rubbish installments payments that remain unpaid after 11 October 2013, and continue to accrue until such time as the installment is paid. Eligible pensioners are exempt.

Interest on Rates and/or Rubbish Charges Arrears will accrue on a daily basis until the arrears are paid.

Please Note: The Council will NOT provide an officer in Pingrup to collect rate payments during the week prior to the due date. The withdrawal of this service is due to lack of use by rate payers.

BUDGET RESOLUTIONS & INFORMATION
For the adoption of the Budget for the year ending 30 June 2014

Payment Options

Payment Methods

All cheques should be made payable to the "Shire of Kent" and payments may be posted to

Shire of Kent, PO Box 15, NYABING WA 6341

Personal payments to the Council may be made at the Council Offices:

Richmond Street, Nyabing - Monday to Friday 8.30am to 4.30pm

The Shire has its BPOINT service operational. To make payments you have the option of telephone payment or internet payment. The bill payment details are:

By Telephone:	1300 276 468
Payment Code:	000223
Pay Online:	www.kent.wa.gov.au
Payment Code:	000223

Please note: When you are paying your rates, the account number needed to make the payment is also your assessment number.

EFT	
Account Name:	Shire of Kent Municipal Account
BSB:	066-515
Account #:	00000111

Please quote assessment number as a reference

Alternative Arrangements

Ratepayers experiencing difficulty in payment of their rates and charges or those wishing to make a direct transfer to Council's bank account are invited to contact Peter Bentley or Sarah Martin at the Shire Office on (08) 9829 1051 to discuss alternative arrangements prior to the due date.

Emergency Contacts

Shire of Kent

Chief Executive Officer

Peter Bentley	A/H	9829 1022	0429 993 986
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Deputy Chief Executive Officer

Michelle Bamess	A/H	9829 1126	0429 993 985
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Works Supervisor

David Long	A/H	9829 1088	0429 993 987
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Harvest Ban Hotline

For updated information regarding Harvest Bans please call **9829 1247**

PLEASE REMEMBER IN AN EMERGENCY

DIAL '000'

BUDGET RESOLUTIONS & INFORMATION
For the adoption of the Budget for the year ending 30 June 2014

Council – The Shire of Kent



SHIRE OF KENT

BUDGET

FOR THE YEAR ENDED 30TH JUNE 2014

TABLE OF CONTENTS

Statement of Comprehensive Income by Nature or Type	2
Statement of Comprehensive Income by Program	3
Statement of Cash Flows	4
Rate Setting Statement	5
Notes to and Forming Part of the Budget	6 to 32
Supplementary Information	

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

	NOTE	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
REVENUE				
Rates	8	1,903,444	1,811,947	1,809,389
Operating Grants, Subsidies and Contributions		1,194,552	1,275,809	758,420
Fees and Charges	11	841,950	680,660	641,300
Service Charges	10	0	9,767	11,000
Interest Earnings	2(a)	114,265	101,596	117,650
Other Revenue		49,950	68,553	77,200
		<u>4,104,161</u>	<u>3,948,332</u>	<u>3,414,959</u>
EXPENSES				
Employee Costs		(1,406,255)	(1,272,156)	(1,263,614)
Materials and Contracts		(834,574)	(713,388)	(916,760)
Utility Charges		(151,561)	(124,838)	(120,250)
Depreciation	2(a)	(1,097,700)	(1,327,003)	(1,039,983)
Interest Expenses	2(a)	(48,492)	(54,413)	(41,748)
Insurance Expenses		(125,933)	(120,634)	(118,065)
Other Expenditure		(464,315)	(399,807)	(553,385)
		<u>(4,128,830)</u>	<u>(4,012,239)</u>	<u>(4,053,805)</u>
		<u>(24,669)</u>	<u>(63,907)</u>	<u>(638,846)</u>
Non-Operating Grants, Subsidies and Contributions		1,676,323	520,490	1,316,301
Profit on Asset Disposals	4	225,782	12,998	192,700
Loss on Asset Disposals	4	(20,318)	(13,490)	(14,000)
		<u>1,857,118</u>	<u>456,091</u>	<u>856,155</u>
NET RESULT				
Other Comprehensive Income				
Changes on Revaluation of non-current assets				0
Total Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u><u>1,857,118</u></u>	<u><u>456,091</u></u>	<u><u>856,155</u></u>

Notes:

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

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

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

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

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 2014

NOTE	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
REVENUE (Refer Notes 1,2,8 to 13)			
Governance	15,500	9,754	15,500
General Purpose Funding	2,597,459	2,993,530	2,500,779
Law, Order, Public Safety	62,590	61,519	62,000
Health	0	0	0
Education and Welfare	1,000	571	1,200
Housing	139,962	83,012	80,000
Community Amenities	182,800	58,969	60,000
Recreation and Culture	290,950	54,486	52,430
Transport	449,700	437,212	468,500
Economic Services	48,500	54,305	37,650
Other Property and Services	315,700	194,972	136,901
	<u>4,104,161</u>	<u>3,948,330</u>	<u>3,414,960</u>
EXPENSES EXCLUDING			
FINANCE COSTS (Refer Notes 1,2 & 14)			
Governance	(487,801)	(291,837)	(432,580)
General Purpose Funding	(146,984)	(62,990)	(163,560)
Law, Order, Public Safety	(81,597)	(104,642)	(109,391)
Health	(19,722)	(7,542)	(23,112)
Education and Welfare	(17,249)	(12,721)	(16,748)
Housing	(183,090)	(259,340)	(163,633)
Community Amenities	(250,979)	(151,894)	(210,433)
Recreation & Culture	(620,153)	(591,410)	(629,486)
Transport	(1,880,738)	(2,280,069)	(1,927,053)
Economic Services	(191,971)	(136,499)	(222,156)
Other Property and Services	(194,650)	(58,880)	(113,906)
	<u>(4,074,934)</u>	<u>(3,957,824)</u>	<u>(4,012,058)</u>
FINANCE COSTS (Refer Notes 2 & 5)			
Housing	(48,492)	(47,559)	(2,772)
Community Amenities	(2,630)	(3,228)	
Other Property and Services	(2,774)	(3,626)	(38,976)
	<u>(53,896)</u>	<u>(54,413)</u>	<u>(41,748)</u>
NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS			
General Purpose Funding	1,232,276	0	658,995
Transport	444,047	520,490	657,306
Economic Services	0	0	0
	<u>1,676,323</u>	<u>520,490</u>	<u>1,316,301</u>
PROFIT/(LOSS) ON DISPOSAL OF ASSETS (Refer Note 4)			
Governance	0	0	(10,000)
Housing	194,584	0	192,700
Transport	10,880	(492)	(4,000)
Other Property and Services	0	0	0
	<u>205,464</u>	<u>(492)</u>	<u>178,700</u>
NET RESULT	1,857,118	456,091	856,155
Other Comprehensive Income			
Changes on Revaluation of non-current assets	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Comprehensive Income	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME	<u>1,857,118</u>	<u>456,091</u>	<u>856,155</u>

Notes:

All fair value adjustments relating to re-measurement of financial assets at fair value through changes on revaluation of non-current assets in accordance with the mandating of fair value measurement through Other Comprehensive Income, is impacted upon by external forces and is not able to be reliably estimated at the time of budget adoption. Fair value adjustments relating to the re-measurement of financial assets at fair value through profit or loss will be assessed at the time they occur, with compensating budget amendments made as necessary.

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

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

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 2014

	NOTE	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
Cash Flows From Operating Activities				
Receipts				
Rates		1,889,794	1,813,893	1,907,907
Operating Grants, Subsidies and Contributions		1,194,552	1,275,809	758,420
Fees and Charges		1,057,237	702,106	641,300
Service Charges		0	9,767	11,000
Interest Earnings		114,265	101,596	117,650
Goods and Services Tax		(23,475)	20,965	0
Other		49,950	68,553	77,200
		<u>4,282,323</u>	<u>3,992,689</u>	<u>3,513,477</u>
Payments				
Employee Costs		(1,414,734)	(1,291,124)	(1,245,999)
Materials and Contracts		(830,100)	(822,833)	(758,852)
Utility Charges		(151,561)	(124,838)	(120,250)
Insurance Expenses		(125,933)	(120,634)	(118,065)
Interest Expenses		(49,918)	(41,787)	(41,748)
Goods and Services Tax		0	0	0
Other		(464,315)	(399,807)	(553,385)
		<u>(3,036,561)</u>	<u>(2,801,023)</u>	<u>(2,838,299)</u>
Net Cash Provided By Operating Activities	15(b)	<u>1,245,762</u>	<u>1,191,666</u>	<u>675,178</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale	3			0
Payments for Purchase of Property, Plant & Equipment	3	(2,681,713)	(471,795)	(1,645,865)
Payments for Construction of Infrastructure	3	(1,835,580)	(1,865,170)	(2,206,009)
Advances to Community Groups Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		1,676,323	520,490	1,316,301
Proceeds from Sale of Plant & Equipment	4	392,000	126,480	290,000
Proceeds from Advances				0
Net Cash Used in Investing Activities		<u>(2,448,970)</u>	<u>(1,689,995)</u>	<u>(2,245,573)</u>
Cash Flows from Financing Activities				
Repayment of Debentures	5	(58,033)	(61,455)	(61,456)
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		0	0	0
Proceeds from New Debentures	5	600,000	0	750,000
Net Cash Provided By (Used In) Financing Activities		<u>541,967</u>	<u>(61,455)</u>	<u>688,544</u>
Net Increase (Decrease) in Cash Held Cash at Beginning of Year		(661,241) 2,125,976	(559,784) 2,685,760	(881,851) 2,681,391
Cash and Cash Equivalents at the End of the Year	15(a)	<u><u>1,464,735</u></u>	<u><u>2,125,976</u></u>	<u><u>1,799,540</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 2014

	NOTE	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
REVENUES	1,2			
Governance		15,500	9,754	15,500
General Purpose Funding		1,926,290	1,181,583	1,350,385
Law, Order, Public Safety		62,590	61,519	62,000
Health		0	0	0
Education and Welfare		1,000	571	1,200
Housing		334,546	83,013	272,700
Community Amenities		182,800	58,969	60,000
Recreation and Culture		290,950	54,486	52,430
Transport		924,945	970,700	1,125,806
Economic Services		48,500	54,305	37,650
Other Property and Services		315,701	194,972	136,901
		<u>4,102,822</u>	<u>2,669,872</u>	<u>3,114,572</u>
EXPENSES	1,2			
Governance		(487,801)	(291,837)	(442,580)
General Purpose Funding		(146,984)	(62,990)	(163,560)
Law, Order, Public Safety		(81,597)	(104,642)	(109,391)
Health		(19,722)	(7,542)	(23,112)
Education and Welfare		(17,249)	(12,721)	(163,633)
Housing		(231,582)	(306,899)	(16,748)
Community Amenities		(253,609)	(155,122)	(213,205)
Recreation & Culture		(620,153)	(591,410)	(629,486)
Transport		(1,901,056)	(2,293,559)	(1,931,053)
Economic Services		(191,971)	(136,499)	(222,156)
Other Property and Services		(197,424)	(62,506)	(152,882)
		<u>(4,149,148)</u>	<u>(4,025,727)</u>	<u>(4,067,806)</u>
Net Operating Result Excluding Rates		(46,326)	(1,355,855)	(953,234)
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
Initial Recognition of Assets due to change in Regulations				0
- Land				0
- Easements				0
(Profit)/Loss on Asset Disposals	4	(205,464)	492	(178,700)
Depreciation on Assets	2(a)	1,097,700	1,327,003	1,039,983
Capital Expenditure and Revenue				
Purchase Land Held for Resale	3			0
Purchase Land and Buildings	3	(2,024,713)	(23,437)	(1,190,000)
Purchase Infrastructure Assets - Roads	3	(1,418,605)	(1,548,192)	(1,666,009)
Purchase Infrastructure Assets - Parks	3	(416,975)	(455,976)	(540,000)
Purchase Plant and Equipment	3	(643,000)	(447,478)	(454,000)
Purchase Furniture and Equipment	3	(14,000)	(880)	(1,865)
Proceeds from Disposal of Assets	4	392,000	126,480	290,000
Repayment of Debentures	5	(58,033)	(61,455)	(61,456)
Proceeds from New Debentures	5	600,000	0	750,000
Self-Supporting Loan Principal Income		0	0	0
Transfers to Reserves (Restricted Assets)	6	(404,000)	(296,858)	(427,000)
Transfers from Reserves (Restricted Assets)	6	680,000	192,150	295,700
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	7	557,972	1,290,031	1,287,192
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	7	0	557,972	0
Total Amount Raised from General Rate	8	<u>(1,903,444)</u>	<u>(1,811,947)</u>	<u>(1,809,389)</u>

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

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations.

Except for cash flow and rate setting information, the budget has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

(b) The Local Government Reporting Entity

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

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

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 16 to this budget document.

(c) 2012/13 Actual Balances

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

(d) Rounding Off Figures

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

(e) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

(f) Goods and Services Tax

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

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

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

(g) Superannuation

The Council contributes to a number of superannuation funds on behalf of employees. All funds to which the Council contributes are defined contribution plans.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Cash and Cash Equivalents (Continued)

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

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

(i) Trade and Other Receivables

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

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

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

(j) Inventories

General

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

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

Land Held for Resale

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

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

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

(k) Fixed Assets

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

Mandatory Requirement to Revalue Non-Current Assets

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

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

(a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and

(b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -

(i) that are plant and equipment; and

(ii) that are -

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

1 SIGNIFICANT ACCOUNTING POLICIES

(k) Fixed Assets (continued)

Mandatory Requirement to Revalue Non-Current Assets (Continued)

- (I) land and buildings; or
- (II) infrastructure;

and

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

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

Land Under Control

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

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

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

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

Initial Recognition

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

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

Revaluation

When performing a revaluation, the Council uses a mix of both independent and management

valuations using the following as a guide:

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

Revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date (Level 1 inputs in the fair value hierarchy).

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Fixed Assets (Continued)

Revaluation (Continued)

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

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

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

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

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

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

Transitional Arrangement

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes.

Those assets carried at cost will be carried in accordance with the policy detailed in the ***Initial Recognition*** section as detailed above.

Those assets carried at fair value will be carried in accordance with the ***Revaluation*** Methodology section as detailed above.

Early Adoption of AASB 13 - Fair Value Measurement

Whilst the new accounting standard in relation to fair value, *AASB 13 - Fair Value Measurement* did not become applicable until the end of the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology for this reporting period, the Council chose to early adopt AASB 13 (as allowed for in the standard).

As a consequence, the principles embodied in *AASB 13 - Fair Value Measurement* were applied to the previous reporting period being year ended 30 June 2013 (2012/13 Actual in this budget document).

Land Under Roads

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Fixed Assets (Continued)

Land Under Roads (Continued)

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

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

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

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

Depreciation of Non-Current Assets

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

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

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

Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
gravel sheet	12 years
Formed roads	
formation	not depreciated
pavement	50 years
Footpaths - slab	40 years
Sewerage piping	100 years
Water supply piping & drainage systems	75 years

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Fixed Assets (Continued)

Depreciation of Non-Current Assets (Continued)

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit and loss in the period which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

(l) Financial Instruments

Capitalisation Threshold

Expenditure on items of equipment under \$2,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Council becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Council commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

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

Classification and Subsequent Measurement

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

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

Amortised cost is calculated as:

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

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

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets. They are subsequently measured at fair value with changes to carrying amount being included in profit or loss.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

Impairment

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired.

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

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

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party, whereby the Council no longer has any significant

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

Derecognition (Continued)

continued involvement in the risks and benefits associated with the asset.

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

(m) Impairment

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

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

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

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

At the time of adopting this budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2014.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on this budget document

(n) Trade and Other Payables

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

(o) Employee Benefits

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

(p) Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Provisions

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

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

(r) Current and Non-Current Classification

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

(s) Comparative Figures

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

(t) Budget Comparative Figures

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

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

	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
2. REVENUES AND EXPENSES			
(a) Net Result from Ordinary Activities was arrived at after:			
(i) Charging as Expenses:			
Auditors Remuneration			
Audit Services	17,500	16,365	14,000
Other Services	0	0	0
Depreciation			
<u>By Program</u>			
Governance	350	327	30,350
General Purpose Funding	0	0	0
Law, Order, Public Safety	6,300	4,972	5,100
Health	0	0	700
Education and Welfare	0	0	0
Housing	53,600	51,717	0
Community Amenities	24,500	23,081	26,250
Recreation and Culture	82,900	82,354	39,950
Transport	606,000	813,564	600,000
Economic Services	16,950	16,883	17,133
Other Property and Services	307,100	334,105	320,500
	<u>1,097,700</u>	<u>1,327,003</u>	<u>1,039,983</u>
<u>By Class</u>			
Land and Buildings	123,250	115,481	95,287
Furniture and Equipment	23,550	22,089	7,500
Plant and Equipment	308,900	337,285	327,196
Roads	642,000	852,148	610,000
Footpaths	0	0	0
Drainage	0	0	0
	<u>1,097,700</u>	<u>1,327,003</u>	<u>1,039,983</u>
Borrowing Costs (Interest)			
- Finance Lease Charges	0	0	0
- Debentures (<i>refer note 5(a)</i>)	48,492	54,413	41,748
	<u>48,492</u>	<u>54,413</u>	<u>41,748</u>
Rental Charges			
- Operating Leases	<u>0</u>	<u>0</u>	<u>0</u>
(ii) Crediting as Revenues:			
Interest Earnings			
Investments			
- Reserve Funds	62,465	65,858	66,400
- Other Funds	45,000	30,288	45,000
Other Interest Revenue (<i>refer note 13</i>)	6,800	5,450	6,250
	<u>114,265</u>	<u>101,596</u>	<u>117,650</u>

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

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

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

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

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 income.

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 hall, recreation centres and various reserves; operation of library.

TRANSPORT

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

ECONOMIC SERVICES

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

OTHER PROPERTY & SERVICES

Private works operations, plant repairs and operation costs.

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

3. ACQUISITION OF ASSETS	2013/14 Budget \$
The following assets are budgeted to be acquired during the year:	
<u>By Program</u>	
Governance	
Furniture and Fittings	10,500
Health	
Infrastructure - Parks and Reserves	80,000
Housing	
Land and Buildings	1,750,000
Community Amenities	
Land and Buildings	120,000
Furniture and Fittings	3,500
Recreation and Culture	
Infrastructure - Parks and Reserves	336,975
Transport	
Infrastructure - Roads	1,418,605
Plant and Equipment	643,000
Economic Services	
Land and Buildings	154,713
	4,517,293

By Class

Land Held for Resale	
Land and Buildings	2,024,713
Infrastructure Assets - Roads	1,418,605
Infrastructure Assets - Parks and Ovals	416,975
Plant and Equipment	643,000
Furniture and Equipment	14,000
	4,517,293

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

- plant replacement programme
- other assets
- road replacement programme
- other infrastructure

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

4. DISPOSALS OF ASSETS

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

By Program	Net Book Value	Sale Proceeds	Profit(Loss)
	2013/14 BUDGET	2013/14 BUDGET	2013/14 BUDGET
	\$	\$	\$
GOVERNANCE			
Toyota Prado (0KT)	51,351	(44,000)	(7,351)
			0
HOUSING			0
Sale of 5 George Street	0	(100,000)	100,000
Sale of 74 Reid St	5,416	(100,000)	94,584
			0
TRANSPORT			0
Holden Colorado Utility - Wks Mgr (50KT)	35,000	(30,000)	(5,000)
Grader (KT027)	30,000	(60,000)	30,000
Mitsubishi Triton Utility (KT003)	12,741	(12,000)	(741)
Mitsubishi Triton Utility (KT017)	12,736	(12,000)	(736)
Mitsubishi Triton Utility (KT014)	12,722	(12,000)	(722)
Mitsubishi Triton Utility (KT020)	17,768	(12,000)	(5,768)
Ride on Mower	8,802	(10,000)	1,198
	186,536	(392,000)	205,464

By Class	Net Book Value	Sale Proceeds	Profit(Loss)
	2013/14 BUDGET	2013/14 BUDGET	2013/14 BUDGET
	\$	\$	\$
LAND & BUILDINGS			
Sale of 5 George Street	0	(100,000)	100,000
Sale of 74 Reid St	5,416	(100,000)	94,584
PLANT & EQUIPMENT			0
Toyota Prado (0KT)	51,351	(44,000)	(7,351)
Holden Colorado Utility - Wks Mgr (50KT)	35,000	(30,000)	(5,000)
Grader	30,000	(60,000)	30,000
Mitsubishi Triton Utility	12,741	(12,000)	(741)
Mitsubishi Triton Utility	12,736	(12,000)	(736)
Mitsubishi Triton Utility	12,722	(12,000)	(722)
Mitsubishi Triton Utility	17,768	(12,000)	(5,768)
Ride on Mower	8,802	(10,000)	1,198
	186,536	(392,000)	205,464

Summary

	2013/14 BUDGET
	\$
Profit on Asset Disposals	225,782
Loss on Asset Disposals	(20,318)
	<u><u>205,464</u></u>

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

5. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 1-Jul-13	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			2013/14 Budget \$	2012/13 Actual \$	2013/14 Budget \$	2012/13 Actual \$	2013/14 Budget \$	2012/13 Actual \$
Community Amenities								
Loan 54, Nyabing Effluent	29,968		1,698	1,556	28,270	29,968	2,630	3,228
Other Property Services								
Loan 88, Nyabing Store	45,642		4,226	3,960	41,416	45,642	2,774	3,626
Loan 90, Principal House, Pingrup	0		0	23,972	0	0	0	935
Loan 91, Various Duplexes	523,409		34,046	31,967	489,363	523,409	32,962	46,624
Loan 92, Principal House, Nyabing	0	450,000	18,063	0	431,937	0	10,126	0
Loan 93, House, Pingrup	0	150,000	0	0	150,000	0		0
	599,019	600,000	58,033	61,455	1,140,986	599,019	48,492	54,413

All debenture repayments are to be financed by general purpose revenue.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2014

5. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2013/14

Particulars/Purpose	Amount Borrowed Budget	Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate %	Amount Used Budget	Balance Unspent \$
Loan 92, Principal House, Nyabing	450,000	Unknown	Debenture	Unknown	Unknown	Unknown	450,000	
Loan 93, House, Pingrup	150,000	Unknown	Debenture	Unknown	Unknown	Unknown	150,000	

(c) Unspent Debentures

Council had no unspent debenture funds as at 30th June 2013 nor is it expected to have unspent debenture funds as at 30th June 2014.

(d) Overdraft

Council has not utilised an overdraft facility during the financial year although an overdraft facility of \$100,000 with the Commonwealth Bank of Australia does exist. It is not anticipated that this facility will be required to be utilised during 2013/14.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2014

	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
6. RESERVES			
(a) Employee Entitlements Reserve			
Opening Balance	148,088	141,964	141,964
Amount Set Aside / Transfer to Reserve	0	0	0
Transfer of Interest to Reserve	5,500	6,124	7,500
Amount Used / Transfer from Reserve	0	0	0
	<u>153,588</u>	<u>148,088</u>	<u>149,464</u>
(b) Plant Reserve			
Opening Balance	355,898	288,454	288,454
Amount Set Aside / Transfer to Reserve	150,000	175,000	175,000
Transfer of Interest to Reserve	12,000	12,444	10,500
Amount Used / Transfer from Reserve	(230,000)	(120,000)	(120,000)
	<u>287,898</u>	<u>355,898</u>	<u>353,954</u>
(c) Land and Buildings Reserve			
Opening Balance	276,659	265,218	265,218
Amount Set Aside / Transfer to Reserve	200,000	0	200,000
Transfer of Interest to Reserve	11,000	11,441	11,000
Amount Used / Transfer from Reserve	(300,000)	0	(125,000)
	<u>187,659</u>	<u>276,659</u>	<u>351,218</u>
(d) Nyabing Recreation Reserve			
Opening Balance	27,789	44,854	44,854
Amount Set Aside / Transfer to Reserve	6,000	6,000	6,000
Transfer of Interest to Reserve	1,000	1,935	1,500
Amount Used / Transfer from Reserve	0	(25,000)	0
	<u>34,789</u>	<u>27,789</u>	<u>52,354</u>
(e) Pingrup Recreation Reserve			
Opening Balance	18,171	7,791	7,791
Amount Set Aside / Transfer to Reserve	3,000	10,000	6,000
Transfer of Interest to Reserve	300	380	700
Amount Used / Transfer from Reserve	0	0	0
	<u>21,471</u>	<u>18,171</u>	<u>14,491</u>
(f) Cemetery Reserve			
Opening Balance	16,217	15,546	15,546
Amount Set Aside / Transfer to Reserve	0	0	0
Transfer of Interest to Reserve	600	671	700
Amount Used / Transfer from Reserve	0	0	0
	<u>16,817</u>	<u>16,217</u>	<u>16,246</u>
(g) Water Supply Reserve			
Opening Balance	26,215	25,131	25,131
Amount Set Aside / Transfer to Reserve	0	0	0
Transfer of Interest to Reserve	1,000	1,084	1,000
Amount Used / Transfer from Reserve	0	0	0
	<u>27,215</u>	<u>26,215</u>	<u>26,131</u>

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2014

	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
6. RESERVES (Continued)			
(h) Sewerage Reserve			
Opening Balance	119,203	104,687	104,687
Amount Set Aside / Transfer to Reserve	25,000	10,000	10,000
Transfer of Interest to Reserve	4,200	4,516	4,000
Amount Used / Transfer from Reserve	0	0	0
	<u>148,403</u>	<u>119,203</u>	<u>118,687</u>
(i) Computer Equipment Reserve			
Opening Balance	1,539	1,475	1,475
Amount Set Aside / Transfer to Reserve	0	0	0
Transfer of Interest to Reserve	65	64	0
Amount Used / Transfer from Reserve	0	0	0
	<u>1,604</u>	<u>1,539</u>	<u>1,475</u>
(j) Admin Vehicle Reserve			
Opening Balance	30,800	45,967	45,967
Amount Set Aside / Transfer to Reserve	20,000	30,000	30,000
Transfer of Interest to Reserve	1,800	1,983	2,500
Amount Set Aside / Transfer to Reserve	(20,000)	(47,150)	(50,700)
	<u>32,600</u>	<u>30,800</u>	<u>27,767</u>
(k) Refuse Disposal Facility Reserve			
Opening Balance	97,322	93,297	93,297
Amount Set Aside / Transfer to Reserve	0	0	0
Transfer of Interest to Reserve	4,000	4,025	4,000
Amount Used / Transfer from Reserve	(30,000)	0	0
	<u>71,322</u>	<u>97,322</u>	<u>97,297</u>
(l) Road Reserve			
Opening Balance	512,431	491,239	491,239
Amount Set Aside / Transfer to Reserve	0	0	0
Transfer of Interest to Reserve	21,000	21,192	23,000
Amount Used / Transfer from Reserve	(100,000)	0	0
	<u>433,431</u>	<u>512,431</u>	<u>514,239</u>
Total Reserves	<u>1,416,797</u>	<u>1,630,332</u>	<u>1,723,323</u>

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

Council have a policy of annual revaluation of road infrastructure. The amount of any revaluation adjustment at 30 June 2014 is not known. Any transfer to or from an asset revaluation reserve will be a non-cash transaction (treated as Other Comprehensive Income) and as such, has no impact on this budget document.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2014

6. RESERVES (Continued)	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
Summary of Transfers			
To Cash Backed Reserves			
Transfers to Reserves			
Employee Entitlements Reserve	0	0	0
Plant Reserve	150,000	175,000	175,000
Land and Buildings Reserve	200,000	0	200,000
Nyabing Recreation Reserve	6,000	6,000	6,000
Pingrup Recreation Reserve	3,000	10,000	6,000
Cemetery Reserve	0	0	0
Water Supply Reserve	0	0	0
Sewerage Reserve	25,000	10,000	10,000
Computer Equipment Reserve	0	0	0
Admin Vehicle Reserve	20,000	30,000	30,000
Refuse Disposal Facility Reserve	0	0	0
Road Reserve	0	0	0
	<u><u>404,000</u></u>	<u><u>231,000</u></u>	<u><u>427,000</u></u>
Transfers from Reserves			
Employee Entitlements Reserve	0	0	0
Plant Reserve	(230,000)	(120,000)	(120,000)
Land and Buildings Reserve	(300,000)	0	(125,000)
Nyabing Recreation Reserve	0	(25,000)	0
Pingrup Recreation Reserve	0	0	0
Cemetery Reserve	0	0	0
Water Supply Reserve	0	0	0
Sewerage Reserve	0	0	0
Computer Equipment Reserve	0	0	0
Admin Vehicle Reserve	(20,000)	(47,150)	(50,700)
Refuse Disposal Facility Reserve	(30,000)	0	0
Road Reserve	(100,000)	0	0
	<u><u>(680,000)</u></u>	<u><u>(192,150)</u></u>	<u><u>(295,700)</u></u>
Total Transfer to/(from) Reserves	<u><u>(276,000)</u></u>	<u><u>38,850</u></u>	<u><u>131,300</u></u>

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2014

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

- funds to be used to fund employee leave requirements.

Plant Reserve

- funds to be used for the purchase of major plant and equipment.

Land and Buildings Reserve

- funds to be set aside for the construction and/or Capital Maintenance of Building Infrastructure and for land acquisition and development.

Nyabing Recreation Reserve

- funds to be used for the upgrading of Sporting facilities in Nyabing.

Pingrup Recreation Reserve

- funds to be used for the upgrading of Sporting facilities in Pingrup.

Reseal Reserve

- funds to be used to provide supplementary funding for Council's Reseal Program.

Cemetery Reserve

- funds to be used for the upgrading of Nyabing and Pingrup Cemeteries.

Water Supply Reserve

- funds to be used for the provision of water services to rural areas of the Shire.

Sewerage Reserve

- funds to be used for the upgrading and/or major maintenance of townsite sewerage schemes.

Computer Equipment Reserve

- funds to be used for the upgrading of the main administration computer system and software as well as computer upgrades.

Administration Vehicles Reserve

- funds to be used for future vehicle changeovers for the CEO, DCEO and Works Supervisors.

Refuse Disposal Facilities Reserve

- funds to be used for the provision of a transfer disposal station to be placed at the Pingrup Rubbish site.

Road Reserve

- funds to be used for capital works on roads within the Shire of Kent for future years.

The Employee Entitlements, Plant, Land and Buildings, Nyabing Recreation, Pingrup Recreation, Reseal, Cemetery, Water Supply, Sewerage, Administration Vehicles, Refuse Disposal Facilities and Roads 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 BUDGET

FOR THE YEAR ENDED 30TH JUNE 2014

	Note	2013/14 Budget \$	2012/13 Actual \$
7. NET CURRENT ASSETS			
Composition of Estimated Net Current Asset Position			
CURRENT ASSETS			
Cash - Unrestricted	15(a)	47,937	495,644
Cash - Restricted Reserves	15(a)	1,416,797	1,630,332
Receivables		200,000	298,162
Inventories		50,000	79,108
		<u>1,714,734</u>	<u>2,503,246</u>
LESS: CURRENT LIABILITIES			
Payables and Provisions		<u>(297,937)</u>	<u>(314,942)</u>
NET CURRENT ASSET POSITION		1,416,797	2,188,304
Less: Cash - Restricted Reserves	15(a)	(1,416,797)	(1,630,332)
Less: Cash - Restricted Municipal		<u>0</u>	<u>0</u>
ESTIMATED SURPLUS/(DEFICIENCY) C/FWD		<u>0</u>	<u>557,972</u>

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

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

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

8. RATING INFORMATION - 2013/14 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	2013/14 Budgeted Rate Revenue \$	2013/14 Budgeted Interim Rates \$	2013/14 Budgeted Back Rates \$	2013/14 Budgeted Total Revenue \$	2012/13 Actual \$
General Rates								
GRV - Residential	0.118861	62	438,932	41,470	0	0	41,470	34,334
GRV - Commercial	0.118861	16		10,701			10,701	13,969
UV - Rural	0.010970	365	179,500,000	1,830,362	0	0	1,830,362	1,745,759
UV - Mining	0.010197	3	162,875	1,661	0	0	1,661	0
Sub-Totals		446	180,101,807	1,884,194	0	0	1,884,194	1,794,062
Minimum Rates	Minimum \$							
GRV - Residential	385	17	21,046	6,545	0	0	6,545	4,015
GRV - Commercial	385	6		2,310	0	0	2,310	5,110
UV - Rural	385	8	133,900	3,080	0	0	3,080	0
UV - Mining	385	19	194,437	7,315	0	0	7,315	8,760
Sub-Totals		50	349,383	19,250	0	0	19,250	17,885
Discounts (Note 12)								
Total Amount of General Rates							1,903,444	1,811,947
Specified Area Rates (Note 9)								
Total Rates							1,903,444	1,811,947

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

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

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

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

9. HEALTH RATE - 2013/14 FINANCIAL YEAR

	Rate in \$	Basis of Rate	Rateable Value	2013/14 Budgeted Revenue \$	Budget Applied to Costs \$	2012/13 Actual \$
Sewerage Rate						
Nyabing Residential	0.0425	GRV	172,387	12,160	12,160	11,775
Nyabing Commercial	0.0425	GRV	29,736	4,080	4,080	3,723
Nyabing Vacant	209.00	GRV	12,744	627	627	1,062
Pingrup Residential	0.0491	GRV	157,184	7,600	7,600	5,427
Pingrup Commercial	0.0491	GRV	424,809	6,800	6,800	4,394
Pingrup Vacant	209.00	GRV	12,744	209	209	1,409
				31,476	31,476	27,790

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

10. SERVICE CHARGES - 2013/14 FINANCIAL YEAR

	Amount of Charge \$	2013/14 Budgeted Revenue \$	Budget Applied to Costs \$	2012/13 Actual \$
Television - Nyabing	0	0	0	6,040
Television - Pingrup	0	0	0	3,727
		0	0	9,767

This service charge for the provision of television re-broadcasting is not applicable in 2013/14 due to the change-over from an analogue service to digital service in June 2013.

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

11. FEES & CHARGES REVENUE	2013/14 Budget \$	2012/13 Actual \$
Governance	4,500	2,349
General Purpose Funding	5,500	2,561
Law, Order, Public Safety	33,200	31,471
Health	0	0
Education and Welfare	0	0
Housing	85,000	82,915
Community Amenities	57,550	58,969
Recreation & Culture	2,150	1,539
Transport	321,200	308,290
Economic Services	47,850	54,268
Other Property & Services	285,000	138,298
	<u>841,950</u>	<u>680,660</u>

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

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

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

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

An charge of 9% calculated daily at 0.024657% by simple interest will apply as follows:

All Instalment Options - Interest shall begin to accrue daily on rates instalment payments that remain unpaid after the due date of the instalment and continue to accrue until such time as the instalment is paid. Eligible pensioners are exempt.

Interest on Rates and/or Rubbish Charge arrears will continue to accrue each day until arrears are paid.

Instalment Plan:

The following rate instalment options are available during the reporting period:

Option 1 (Full Payment)

Full amount of rates and charges including arrears to be paid on or before 4th October 2013 or 35 days after the date of service appearing on the rate notice whichever is the later.

There are no discount provisions under this option.

Option 2 (Two Instalments)

First instalment to be received on or before 4th October 2013 or 35 days after the date of service appearing on the rate notice whichever is the later and including all arrears and half the current rates and Emergency Services Levy and rubbish charges. The second instalment will be due on 7th February 2014.

Option 3 (Four Instalments)

First instalment to be received on or before 4th October 2013 or 35 days after the date of service appearing on the rate notice whichever is the later and including all arrears and quarter the current rates and Emergency Services Levy and rubbish charges. The second instalment will be due on 6th December 2013, the third instalment will be due on 7th February 2014 and the fourth instalment will be due on 4th April 2014.

An administration fee of \$5 (Option 2) or \$15 (Option 3) will be applicable.

Upon application, Council may accept payment by way of other than one, two or four instalments (subject to agreement by both parties). A single administration fee of \$15.00 will apply for this type of payment. Eligible pensioners are exempt from this charge.

Total revenue to be derived from interest and administration charges from instalments is estimated to be \$10,800. Dissected as follows:

	2013/14 Budget	2012/13 Actual
	\$	\$
Late Penalty Interest	6,800	5212
Administration Charges	4,000	2312
	10,800	7524

14. ELECTED MEMBERS REMUNERATION

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

	2013/14 Budget	2012/13 Actual
	\$	\$
Meeting Fees	56,000	49,955
President's Allowance	7,000	7,000
Deputy President's Allowance	0	0
Travelling Expenses	19,500	6,704
Childcare Expenses	5,000	310
Telecommunications Allowance	8,000	7,327
	95,500	71,296

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

15. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Estimated cash at the end of the reporting period is as follows:

	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
Cash - Unrestricted	47,937	495,643	76,217
Cash - Restricted	1,416,797	1,630,333	1,723,323
	<u>1,464,734</u>	<u>2,125,976</u>	<u>1,799,540</u>

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

Employee Entitlement Reserve	153,588	148,088	149,464
Plant Reserve	287,898	355,898	353,954
Land & Building Reserve	187,659	276,659	351,218
Nyabing Recreation Reserve	34,789	27,789	52,354
Pingrup Recreation Reserve	21,471	18,171	14,491
Cemetery Reserve	16,817	16,217	16,246
Water Supply Reserve	27,215	26,215	26,131
Sewerage Reserve	148,403	119,203	118,687
Computer Equipment Reserve	1,604	1,539	1,475
Administration Vehicles Reserve	32,600	30,800	27,767
Reuse Disposal Facilities Reserve	71,322	97,322	97,297
Road Reserve	433,431	512,431	514,239
	<u>1,416,797</u>	<u>1,630,332</u>	<u>1,723,323</u>

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

Net Result	1,857,118	456,091	856,155
Amortisation			1,039,983
Depreciation	1,097,700	1,327,003	(178,700)
(Profit)/Loss on Sale of Asset	(205,464)	(492)	98,518
(Increase)/Decrease in Receivables	178,162	44,357	17,840
(Increase)/Decrease in Inventories	5,706	2,134	140,068
Increase/(Decrease) in Payables	(2,658)	(97,967)	17,615
Increase/(Decrease) in Employee Provisions	(8,479)	(18,968)	
Grants/Contributions for the Development of Assets	(1,676,323)	(520,490)	(1,316,301)
Non-Current Assets recognised due to change in Legislative Requirements			
Net Cash from Operating Activities	<u>1,245,762</u>	<u>1,191,668</u>	<u>675,178</u>

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

Bank Overdraft limit	100,000	100,000	100,000
Bank Overdraft at Balance Date			
Credit Card limit	8,000	8,000	8,000
Credit Card Balance at Balance Date			
Total Amount of Credit Unused	<u>108,000</u>	<u>108,000</u>	<u>108,000</u>

Loan Facilities

Loan Facilities in use at Balance Date	<u>599,019</u>	<u>657,770</u>	<u>1,346,315</u>
Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>	<u>0</u>

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

16. TRUST FUNDS

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

Detail	Balance 1-Jul-13 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-14 \$
Housing Bonds	2,190			2,190
Nomination Deposits	0			0
Trust - Other	178			178
BCITF & BRB Levy	0			0
	<u>2,368</u>			<u>2,368</u>

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

17. MAJOR LAND TRANSACTIONS

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

18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

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