

Shire of Ashburton



ANNUAL REPORT

For Financial Year Ending

30 June 2007

CONTENTS

PROFILE	3
SHIRE PRESIDENTS REPORT	4
CHIEF EXECUTIVE OFFICER REPORT.....	5
COUNCILLORS	7
DISABILITY ACCESS AND INCLUSION PLAN 2006.....	10
NATIONAL COMPETITION POLICY	12
RECORD KEEPING PLAN.....	12
PLAN FOR THE FUTURE 2005-2008	13
ANNUAL FINANCIAL STATEMENTS.....	37



PROFILE

Located in the spectacular and ancient landscape of the Pilbara region of Western Australia, the Shire of Ashburton covers a significant area of 105,647 sq km from 'reef to range'.

The Shire includes the towns of Onslow, Pannawonica, Paraburdoo and Tom Price as well as the Karijini and Millstream-Chichester National Parks.

Diverse and thriving industries within the Shire include iron ore mining, oil and gas, pastoral activities, fishing, salt processing and tourism.

Approximately 6,000 residents call the Shire of Ashburton home, either in one of the four towns or in our remote indigenous communities of Bellary, Wakathuni, Youngalina, Ngurawaana, Bindi Bindi and Peedamulla.

The Shire is enjoying a growth phase which is due to the strong demand for local resources while tourists continue to flock to the region to enjoy its many attractions.

The months of May to September, are mild and dry thus making day to day living a pleasure. Opportunities exist to visit the national parks, join in on mine tours or go four wheel driving, fishing or boating to numerous islands

The easy going lifestyle is reinforced by friendly residents who have placed strong emphasis on ensuring a high level of social interaction.

The Shire of Ashburton provides facilities in each town site including, sport and recreation, environmental health, tourism, waste management, development approvals, libraries and ranger services.

Our Mission

To contribute to the social, economic and environmental prosperity of the Shire of Ashburton by providing in alliance with others, strong community leadership, advocacy, and cost effective facilities and services



SHIRE PRESIDENTS REPORT



The boom time has arrived in the Pilbara and here at the Shire of Ashburton. We are experiencing a period of high economic growth and prosperity. Unprecedented demand for the natural resources of the region has commanded a flurry of activity and enormous wealth is being generated.

As recently as 2003 we were unaware of the growth that was to come in our Shire. We were then being warned of a slow down and the need to plan for self sustaining communities not dependent on mining. The boom has escalated so rapidly that no one was prepared.

It is easy to assume that boom times bring prosperity and benefit to all in our region and perhaps even the state. Business is generated, jobs are many, wages are high, opportunities abound.

The serious shortfall in housing and accommodation, land available for development and labour has caused challenges for some, opportunities for some, but a burden to others.

Quick fix solutions have been implemented by the building of 'temporary' accommodation camps and fly in fly out workers have been recruited from across the state and nation. This keeps the resource machine grinding, but how does it contribute to the development of flourishing, self sustaining communities?

Unfortunately, it often appears that the wealth and benefit generated by the boom is being 'exported' from our region along with the ore, gas and other commodities. Resource companies profit, the Commonwealth and State profit, the FIFO workers take their pay and spend it back home, very little remains or returns to the region.

It is a big challenge right now for the Shire to battle with the boom. We must facilitate and plan for the growth of our Shire's towns and communities, to harness the opportunities of the boom. We need to convince industry to invest in and develop our communities, encouraging permanent employees and population growth which will sustain local small business and healthy, balanced communities. The State and Federal Governments must support industry, small business and the communities in our Shire and region by providing sufficient, effective and practical essential services for which they have responsibility and are obligated to deliver.

Council continues to strongly advocate for the betterment of our region but the wheels turn slowly and I hope that recognition of the problems and implementation of solutions through support from industry and government is not too late.

I look forward to working with councillors, the Shire's Chief Executive Officer, Management Team and Staff during the next exciting and unpredictable year.

A handwritten signature in black ink, appearing to read 'L. Corker'.

Cr Leanne Corker
Shire President

CHIEF EXECUTIVE OFFICER REPORT



The year under review has been one of progress at the local government level. This has, however, been within a broader environment which is characterized by a lack of planning, and equally importantly, a lack of resource allocation within an economy which is placing great stress on local communities.

During the review year, there have been notable achievements. The Paraburdoo Aquatic Centre has benefitted from a significant upgrade, while new public conveniences are being constructed in Tom Price. Onslow has experienced the benefits of innovative community and youth programs and the Shire's road system is strategy to show the benefits of well planned maintenance programs.

As the Shire President has noted so eloquently, however, the "much trumpeted" resources boom of the west has, in many ways, by passed the communities of the Pilbara, in general, and those of the Shire of Ashburton, in particular.

This has occurred for two major reasons. Firstly there has been a lack of strategic planning at all levels and, secondly, a failure of those with financial resources and responsibility to commit to infrastructure and services in order to achieve meaningful and significant outcomes for the local communities.

The lack of long term strategic planning has, in many ways proved cancerous. The failure to develop long term plans and strategies, particularly at regional and state levels, has been detrimental to community well being throughout the Shire. More specifically, short term solutions, with adverse long term implications often become the only decisions available. This, in turn, has compromised future decision making. In other cases policies and strategies that are broadly based, but unsympathetic to the Pilbara are imposed on the region.

An all too painful example of planning failure and lack of resources is the State Government's Health Policy, as it relates to the Shire of Ashburton.

The State has adopted a generic "Spokes and hub" model for the provision of country health services throughout the state. The model proposes each region have a major health facility at the 'hub' and that it be served by private and public transport facilities and services, which are the "spokes". Unfortunately, in the case of the communities within Shire of Ashburton there is no 'hub' and there are no "spokes", the result is a Health system which fails to meet the most basic needs of a significant, but isolated community. This is but one example of planning and resource allocation failure.

The obvious question is what can the Shire do to address these issues? The answer to this is twofold. Firstly, the Shire needs to develop its own robust long term strategy to guide its own decision making for the betterment of all those in the Shire. Secondly the Shire has to strongly advocate the needs and aspirations of its community with other major stakeholders in the region, particularly with major resource companies and with the State Government.

I am pleased to note Council has recognized the importance of having its own clearly, defined, long term strategy in place. This will take the form of the Shire's own strategic plan. This five year plan will be developed over the coming months with major input from major stakeholders, as well as the broad community. The Strategy's importance in guiding future Council decision making cannot be overstated.

I can also say that Council is addressing the need to be a strong advocate for the communities within the Shire, both at a State Government level and in dialogues with major resource organizations. This engagement is reaping its rewards as the Shire is increasingly being perceived as being a significant stakeholder in decision making affecting a wide range of matters within the Pilbara region.

I would like to conclude by placing on record my appreciation and thanks for the personal support I have received from the Shire President, Councillors and staff during my first full year in the role of Chief Executive Officer. The commitment, dedication and hard work contributed by all, is greatly appreciated.



Mr Keith Pearson
Chief Executive Officer

COUNCILLORS

There are six wards within the Shire of Ashburton. The elected members in each ward for the 2006/2007 financial year are detailed below

ASHBURTON WARD



Cr Leanne Corker
Shire President

Elected: 2005
Term Expires: 2007
Home Telephone: (08) 9184 5136
Facsimile: (08) 9184 5136
Email : leannecorker@bigpond.com

PANNAWONICA WARD



Cr Elaine Walsham

Elected: 2005
Term Expires: 2009
Home Telephone: (08) 9184 1018
Mobile : 0408 952 076
Email : crewalsham@ashburton.pilbara.net

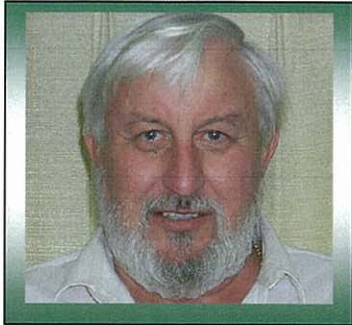
PARABURDOO WARD



Cr Linton Rumble

Elected: 2003
Term Expires: 2007
Home Telephone: (08) 9189 5506
Mobile : 0438 896 552
Email : Linton.rumble@riotinto.com

PARABURDOO WARD Continued...



Cr Peter Foote

Elected: 2004
Term Expires: 2009
Home Telephone: (08) 9189 5351
Mobile : 0419 942 425
Email : bigfoote@bigpond.com

ONSLow WARD



Cr Ann Eyre

Elected: 2004
Term Expires: 2007
Home Telephone: (08) 9184 6458
Mobile : 0417 928 512
Email : ann_ross@bigpond.com

TABLELAND WARD



Cr Lorraine Thomas

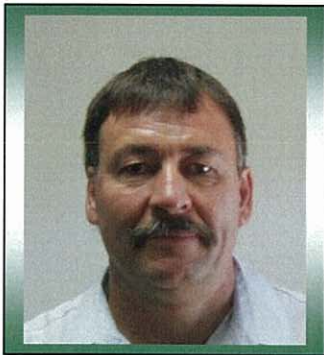
Elected: 2004
Term Expires: 2007
Home Telephone: (08) 9189 7096
Facsimile : (08) 9189 7096

TOM PRICE WARD



Cr Hugh Martin **Deputy President**

Elected: 2005
Term Expires: 2009
Home Telephone: (08) 9188 1030
Mobile : 0438 948 295
Email : hugh.martin@riotinto.com



Cr Tony Bloem

Elected: 2003
Term Expires: 2007
Home Telephone: (08) 9189 2514
Mobile : 0417 920 995
Email : tony.bloem@riotinto.com



Cr Cecilia Fernandez

Elected: 2007 (April)
Term Expires: 2009
Home Telephone: (08) 9189 3204
Mobile : 0429 100 395
Email : cecilif@dcd.wa.gov.au

DISABILITY ACCESS AND INCLUSION PLAN

2006

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

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

Outcome 1. Services and Events

People with disabilities have the same opportunities as other people to access the services of and any event organized by, a public authority

Council ensures people with disabilities are provided with access to all Shire events and to access the services of the Shire.

Outcome 2. Buildings and Other Facilities

People with disabilities have the same opportunities as other people to access the buildings and facilities of a public authority.

Council allocated funds in the 06/07 budget for new public toilets, Central Road, Tom Price. The works were commenced in the review period but completed in the 07/08 financial year.

As part of the Shire of Ashburton's ongoing service delivery, the Shire has provided ramp access from "road pavement to footpath" in all new path construction throughout the Shire. It has also resurfaced uneven paths throughout the towns. This is an ongoing project in upgrading pathways around town centres.

Outcome 3. Information

People with disabilities receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it.

All people requiring a different format are encouraged to contact any of our Shire offices where staff will be more than willing to assist in providing the information in a suitable format.

Outcome 4. Level and Quality of Service

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

Employees of the Shire of Ashburton are made aware that people with disabilities may have different needs. Staff are encouraged to ensure that people with disabilities receive the same level and quality of services as other people receive.

Outcome 5. Complaints Process

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

People with disabilities are able to make complaints and can do this via written letters, email or verbally to a shire office.

Outcome 6. Public Consultation Process

People with disabilities have the same opportunities as other people to participate in any public consultation by a public authority.

In reviewing our DAIP we will conduct a community consultation process which will be advertised in local newspapers and council publications prior to Council endorsing any amendments.

As our DAIP is amended by Council, both staff and the community will be made aware of the availability of the updated plan via the local media, in our own publications and on our website.

During the 2006/2007 financial year no amendments to our DAIP were made.

NATIONAL COMPETITION POLICY

In respect to Council's responsibility in relation to the National Competition Policy, the Shire reports as follows;

- The Shire of Ashburton has assessed its operations and considers that it has no business activity that would be classed as significant under the current guidelines. Also the Shire of Ashburton does not operate a business enterprise that has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or Public Financial Enterprise.
- The Shire of Ashburton is not classified as a natural monopoly, nor does it conduct any business activities that could be classified as public monopolies. Therefore, the principle of structural monopolies does not apply to the Shire of Ashburton.

A further requirement of the National Competition Policy is that all Council Local Laws are reviewed every 8 years to determine whether they are in conflict with competitive neutrality and comply with the Local Government Act 1995. No Local Laws were amended during the 2006/2007 financial year.

RECORD KEEPING PLAN

The Shire was required under the State Records Act 2000 to develop a Records Plan which details how the Shire manages its recordkeeping systems. That included control, retention and disposal of the Shire's public records. It also required the Shire to maintain a recordkeeping training program which is regularly reviewed.

To comply with this requirement a review and upgrade of the Records induction program commenced in 2006 and is ongoing into 2007, This review has ensured that Shire employees are informed of their responsibilities in regard to recordkeeping. Education and training has been provided to staff through the following:

- Staff induction given to all new staff member on commencement of employment.
- All staff have access to a copy of the Shire's Records Polices and Procedure manual

The Shire of Ashburton records policies are currently being reviewed for the current financial year.

PLAN FOR THE FUTURE 2005-2008

KEY RESULT AREA	Economic Growth and Diversity
PRINCIPAL ACTIVITY	Onslow Aerodrome Improvements
YEAR FIRST PROPOSED	2006
ACTIVITY LIFESPAN	Finite
OBJECTIVES	To achieve an all-weather runway and to provide an improved, extended sealed landing surface

ANTICIPATED OUTCOME RESULTING FROM THE ACTIVITY

- To enable the aerodrome to be used by all aircraft on a twenty four hour per day basis including RFDS and other emergency needs.
- To Increase the safety of the aerodrome.
- To assist in the securing of future investment for the development of Onslow. Onslow is pivotal in the servicing of off-shore natural resource projects and has a tourist industry that would greatly benefit by improved air services.

COSTS/INCOMES (\$1,000s)

YEAR ENDED 30 JUNE 2007

	2006	2007	2008	2009	Budget Ref
Costs (expenditure) sealing & sub base improvements	1022	0	0	0	
Costs (expenditure) extension	0	0	500	0	
Costs (expenditure) terminal building	0	0	0	0	
Costs (expenditure) ablutions	0	150	0	0	
Income (other than general purpose income) - Loan	500				
- Govt Grants	349	0	250	0	
- Private Contrib.	-				
Nett amount required from general purpose income	174	150	250	0	

PERFORMANCE MEASURES

1. Funding contracts established.
2. Construction time table set to complete project
3. Additional usage of aerodrome from sun down to sun up.
4. Runway extension completed by 2008.

Notes: The Onslow aerodrome improvements could at some point be affected by the proposed BHP development in Onslow requiring alteration to the proposal possibly offset by private contributions to construction work.

KEY RESULT AREA Economic Growth and Diversity

PRINCIPAL ACTIVITY Development of additional land for industry and commerce.

YEAR FIRST PROPOSED 2006

ACTIVITY LIFESPAN Finite

OBJECTIVE: To provide for the establishment of new industry principally within the townships of Tom Price and Onslow to assist in achieving the Council's broader objective of diversifying the economic base of the Shire.

ANTICIPATED OUTCOME RESULTING FROM THE ACTIVITY

- Council recognises that strong investment and development can come from the industrial and commercial sector in Tom Price. Initial funding may be available from the sale of Council land in the Tom Price light industrial area which can be used to finance investigate further investigation and development in both Tom Price and Onslow.

COSTS/INCOMES (\$1,000s)

YEAR ENDED 30 JUNE 2007

	2006	2007	2008	2009	Budget Ref
Costs (expenditure)	200	-	-	-	
Income (other than general purpose income)	200	-	-	-	
Sale of Land					
Reserve Funds	0				
Nett amount required from general purpose income	0	-	-	-	

PERFORMANCE MEASURES

1. New industrial development at Tom Price.
2. Establishment of a Reserve Fund to assist in financing roads and utility costs associated with the further subdivision at Tom Price and Onslow with recoup of moneys through sale of land.
3. New industrial/commercial development at Onslow.

Note: the provision of land beyond 2004/2005 could be subject to negotiations between Pilbara Iron and the State Government so has not been included at this time.

KEY RESULT AREA Economic Growth and Diversity

YEAR FIRST PROPOSED 2006

ACTIVITY LIFESPAN Finite

PRINCIPAL ACTIVITY To redevelop and refurbish the shopping precincts throughout the Shire of Ashburton in accordance with townscape development plans.

OBJECTIVE To create pleasant and functional environments that will act as focal points for the towns and provide greater opportunity for retail and commercial development.

ANTICIPATED OUTCOME RESULTING FROM THE ACTIVITY

- The mining towns in the Shire were built thirty to forty years ago and at that time were constructed with finite lives that have since been passed. The infrastructure is aging and the shopping centres are feeling the affect of time, neglect and a design that was to cater for residents of closed mining towns. Redevelopment will unleash the potential that now exists with tourism, it will capture a greater percentage of resident retail spending, and with the expected growth in resource development cater for the additional life that has now been granted to the towns.

COSTS/INCOMES (\$1,000s)

YEAR ENDED 30 JUNE 2007

	2006	2007	2008	2009	Budget Ref
Costs (expenditure)	100				
Income (other than general purpose income)					
- Pilbara Iron	32				
- Reserve	26				
- Grant	32				
Nett amount required from general purpose income	0				

PERFORMANCE MEASURES

1. Public reaction.
2. Retail activity.
3. Visitor numbers.

Note: Although there will be expenditure on this activity in future years an accurate budget has yet to be determined and possible income is still being sourced.

KEY RESULT AREA Economic Growth and Diversity

PRINCIPAL ACTIVITY Redevelop the Onslow Town Centre in accordance with the Onslow Townscape Development Plan.

YEAR FIRST PROPOSED 2006

ACTIVITY LIFESPAN Finite

OBJECTIVE To create a pleasant and functional environment that will act as a focus for the township.

ANTICIPATED OUTCOME RESULTING FROM THE ACTIVITY

- Onslow is an historic town that has grown over time with little or no thought for planning issues as they relate to retail or commercial centres. Focusing on the retail and commercial development on a designated precinct within Second Avenue will benefit the growth and further this sector.

COSTS/INCOMES (\$1,000s)

YEAR ENDED 30 JUNE 2007

	2006	2007	2008	2009	Budget Ref
Costs (expenditure)	100	100	100	100	
Income (other than general purpose income)	-				
Govt Grant	50	50	50	50	
Nett amount required from general purpose income	50	50	50	50	

PERFORMANCE MEASURES

1. Works Progress
2. Public reaction.
3. Retail activity.
4. Visitor numbers.

KEY RESULT AREA Economic Development and Diversity

PRINCIPAL ACTIVITY Support and promote business development with the intention of broadening the economic base of the Shire.

YEAR FIRST PROPOSED 2006

ACTIVITY LIFESPAN Ongoing

OBJECTIVES
 To create an economic development plan in consultation with stakeholders.
 To develop initiatives and feasibility plans to encourage major investment in tourism accommodation infrastructure.

ANTICIPATED OUTCOME RESULTING FROM THE ACTIVITY

- The development of business opportunities that provide economic growth, employment and a broader economic base

COSTS/INCOMES (\$1,000s)

YEAR ENDED 30 JUNE 2007

	2006	2007	2008	2009	Budget Ref
Costs (expenditure)	40				
Income (other than general purpose income) -					
Grants	-				
WATC	-				
Pilbara Development Commission	20				
Nett amount required from general purpose income	20				

PERFORMANCE MEASURES

1. Number and nature of new economic opportunities identified
2. New economic activity stimulated.
3. Extent of activities will largely depend on external funding.

KEY RESULT AREA Economic Growth and Diversity

PRINCIPAL ACTIVITY Tourism Promotion through strategic infrastructure provision

YEAR FIRST PROPOSED 2006

ACTIVITY LIFESPAN Ongoing with the identification of new infrastructure requirements

OBJECTIVES

- Construct entry statements for Onslow and Tom Price - 2005
- Construct new public toilets near Tom Price Visitor Centre – 2005
- Determine priorities for other infrastructure for 2006 and beyond.

ANTICIPATED OUTCOME RESULTING FROM THE ACTIVITY

- Improved infrastructure which supports tourism activity
- Encouraging tourists to increase length of stay

COSTS/INCOMES (\$1,000s)

YEAR ENDED 30 JUNE 2007

	2006	2007	2008	2009	Budget Ref
Costs (expenditure)	250	200	200	200	
Income (other than general purpose income)					
Pilbara Iron	170				
Govt Grant	30				
Net amount required from general purpose income	50				

PERFORMANCE MEASURES

1. Volume of tourists.
2. Ability of Local Visitor Centres to be self sustaining, without Council assistance.
3. Private expenditure on tourism development.

Note: Although there is anticipated expenditure for providing infrastructure in future years the funding sources have yet to be examined.

KEY RESULT AREA Quality Lifestyle and Social Well Being

PRINCIPAL ACTIVITY Pannawonica Community Development.

YEAR FIRST PROPOSED 2006

ACTIVITY LIFESPAN Ongoing

OBJECTIVE To provide assistance to community groups and organisations.

ANTICIPATED OUTCOME RESULTING FROM THE ACTIVITY

The provision of a part time community development officer is anticipated to result in increased participation by community groups and individuals in the Pannawonica community and greater awareness of Council activities.

This initiative of Council was being funded for the first time in 2004/2005.

COSTS/INCOMES (\$1,000s)

YEAR ENDED 30 JUNE 2007

	2006	2007	2008	2009	Budget Ref
Costs (expenditure)	40	40	40	40	
Income (other than general purpose income) --	0	0	0	0	
Nett amount required from general purpose income	40	40	40	40	

PERFORMANCE MEASURES

1. Customer satisfaction.
2. Increased grant attraction.
3. Improved maintenance of Council facilities.

KEY RESULT AREA	Quality Lifestyle and Social Well Being
PRINCIPAL ACTIVITY	Development of Bicycle/Multi-Use Paths.
YEAR FIRST PROPOSED	2007
ACTIVITY LIFESPAN	Ongoing
OBJECTIVE	To Maintain and enhance the bicycle and pedestrian traffic networks throughout communities in a way which facilitates safe use of these networks safe and minimises conflict between users.

ANTICIPATED OUTCOME RESULTING FROM THE ACTIVITY

- Construction of a network of dual use footpaths which meet community expectations and are built to appropriate standards. The pathways play a key role in Council's commitment to lifestyle activities for all family members. They also provide greater access and links that encourage people into shopping centres, entertainment and recreational areas.
- One identified pathway is the connection of the Tom Price Tourist Park and a major recreational area of Kings Lake with the town centre of Tom Price. This pathway would serve as a major tourist attraction as the anticipated route would take in the views of Mount Nameless and the associated landscapes. A viewing platform for photography enthusiasts could also be constructed adjacent to the railway line.

COSTS/INCOMES (\$1,000s)

YEAR ENDED 30 JUNE 2007

	2006	2007	2008	2009	Budget Ref
Costs (expenditure)	0	150	150	150	
Income (other than general purpose income) -Govt Grants	0	50	50	50	
Nett amount required from general purpose income	0	100	100	100	

PERFORMANCE MEASURES

1. Community satisfaction
2. Completion of works within time frames.
3. Community satisfaction with facilities when complete.

NB: Works may only proceed if funding from external sources is secured.

KEY RESULT AREA Quality Lifestyle and Social Well Being

PRINCIPAL ACTIVITY Swimming Pools Enhancements

YEAR FIRST PROPOSED 2007

ACTIVITY LIFESPAN Finite

OBJECTIVES To maintain and improve existing aquatic facilities in Tom Price and Paraburdoo.
To determine the long term requirements of Tom Price, Paraburdoo and Onslow with regard to the provision of swimming pools.

ANTICIPATED OUTCOME RESULTING FROM THE ACTIVITY

- Increased patronage at aquatic facilities
- Greater range of recreation and programming options particularly for youth
- Increased levels of general physical fitness within the community

COSTS/INCOMES (\$1,000s)

YEAR ENDED 30 JUNE 2007

	2006	2007	2008	2009	Budget Ref
Costs (expenditure)		900			Various
Income (other than general purpose income)					
- Loan Funds		300			
- Govt Grant		300			
- Private Contrib.		300			
Nett amount required from general purpose income					

PERFORMANCE MEASURES

1. Number of people using the facilities
2. Community satisfaction with facilities
3. Level of subsidisation of facilities by Council

Note: This would only proceed if the external funding sources are secured.

KEY RESULT AREA Quality Lifestyle and Social Well Being

PRINCIPAL ACTIVITY Services to Aboriginal Communities

YEAR FIRST PROPOSED 2006

ACTIVITY LIFESPAN Ongoing

OBJECTIVE To ensure the equitable delivery of services to Aboriginal Communities in accordance with Council's capacity to do so.

ANTICIPATED OUTCOME RESULTING FROM THE ACTIVITY

- Improved living standards within Aboriginal communities
- Integration of Aboriginal communities into mainstream service delivery efforts.

COSTS/INCOMES (\$1,000s)

YEAR ENDED 30 JUNE 2007

	2006	2007	2008	2009	Budget Ref
Costs (expenditure)	148	148	148	148	Various
Income (other than general purpose income)	100	100	100	100	
Nett amount required from general purpose income	48	48	48	48	

PERFORMANCE MEASURES

1. Customer satisfaction within Aboriginal communities
2. Improved health standards within communities

KEY RESULT AREA Quality Lifestyle and Social Well Being

PRINCIPAL ACTIVITY Determine short, medium and long term plans for the delivery of services and facilities required by senior residents of the Shire.

YEAR FIRST PROPOSED 2005

ACTIVITY LIFESPAN Finite

OBJECTIVE To determine what is required to encourage senior residents to reside in the Shire of Ashburton and to adequately provide for those senior residents who already choose to do so.

ANTICIPATED OUTCOME RESULTING FROM THE ACTIVITY

- Inclusion in future budgets of infrastructure, community services and social programs.

COSTS/INCOMES (\$1,000s)

YEAR ENDED 30 JUNE 2007

	2006	2007	2008	2009	Budget Ref
Costs (expenditure)	20	0	0	0	
Income (other than general purpose income)					
Nett amount required from general purpose income	20	0	0	0	

PERFORMANCE MEASURES

1. Retention of senior residents who would otherwise have retired in other locations.
2. Improved quality of life for those senior residents already choosing to retire in the Shire of Ashburton.
3. Creation of extended families thereby encouraging greater population retention overall.

KEY RESULT AREA Quality Lifestyle and Social Well Being

PRINCIPAL ACTIVITY Provision of new sports pavilion at the Paraburdoo sports Ground.

YEAR FIRST PROPOSED 2005

ACTIVITY LIFESPAN Finite

OBJECTIVE To enhance sporting facilities in Paraburdoo.

ANTICIPATED OUTCOME RESULTING FROM THE ACTIVITY

- Provision of an alternative location for after sport functions.
- Possible attraction of more sporting events.

COSTS/INCOMES (\$1,000s)

YEAR ENDED 30 JUNE 2007

	2006	2007	2008	2009	Budget Ref
Costs (expenditure)	700				
Income (other than general purpose income)					
Community	20				
Pilbara Iron	680				
Nett amount required from general purpose income	0				

PERFORMANCE MEASURES

1. Usage by sporting groups.
2. attraction of events to Paraburdoo

Note: The \$20,000 contribution by the community is for the planning or architectural stage of the project.

KEY RESULT AREA Quality Lifestyle and Social Well Being

PRINCIPAL ACTIVITY To facilitate the provision of an Auto Teller Machine in Paraburdoo.

YEAR FIRST PROPOSED 2005

ACTIVITY LIFESPAN Finite

OBJECTIVE To provide a reliable source of cash for residents out of hours.

ANTICIPATED OUTCOME RESULTING FROM THE ACTIVITY

- Less reliance on businesses to act as defacto banks.
- Convenience to the community.

COSTS/INCOMES (\$1,000s)

YEAR ENDED 30 JUNE 2007

	2006	2007	2008	2009	Budget Ref
Costs (expenditure)	0	0	0	0	
Income (other than general purpose income)					
Nett amount required from general purpose income	0	0	0	0	

PERFORMANCE MEASURES

1. Provision of Auto Teller Machine
2. Customer satisfaction

Note: This is a facilitation role for Council and requires no financial input.

KEY RESULT AREA Quality Lifestyle and Social Well Being

PRINCIPAL ACTIVITY Upgrade and provide safety and shade to community play ground equipment and areas through the Shire.

YEAR FIRST PROPOSED 2006

ACTIVITY LIFESPAN Finite

OBJECTIVE To provide safe and secure playground areas for families.

ANTICIPATED OUTCOME RESULTING FROM THE ACTIVITY

- Council mindful of the number of families living in the Shire, particularly those with young children.
- Children require safe and secure areas in which to play with pristine equipment and facilities.

COSTS/INCOMES (\$1,000s)

YEAR ENDED 30 JUNE 2007

	2006	2007	2008	2009	Budget Ref
Costs (expenditure)	15	15	15	15	
Income (other than general purpose income)					
Net amount required from general purpose income	15	15	15	15	

PERFORMANCE MEASURES

3. Customer satisfaction
4. Absence of incidents

KEY RESULT AREA Environment Management and Ecological Sustainability

PRINCIPAL ACTIVITY Conservation of Old Onslow Townsite

YEAR FIRST PROPOSED 2006

ACTIVITY LIFESPAN Ongoing

OBJECTIVE Conservation and preservation of the Old Onslow Townsite is a significant tourism opportunity, it secures a vital social link between the old town and the new town and preserves part of the important heritage of the Shire of Ashburton.

ANTICIPATED OUTCOME RESULTING FROM THE ACTIVITY

- Preservation of the town site for the benefit and enjoyment of current and future generations as a significant tourist icon and historical record.

COSTS/INCOMES (\$1,000s)

YEAR ENDED 30 JUNE 2007

	2006	2007	2008	2009	Budget Ref
Costs (expenditure)	30	80	80	80	5307
Income (other than general purpose income) Govt Grant	15	40	40	40	2339
Nett amount required from general purpose income	15	40	40	40	

PERFORMANCE MEASURES

1. Timely implementation of preservation and improvement works.
2. Visitor numbers.

KEY RESULT AREA Environmental Management & Ecological Sustainability

PRINCIPAL ACTIVITY Waste Management

YEAR FIRST PROPOSED 2006

ACTIVITY LIFESPAN Finite

OBJECTIVE To plan for the timely development of required waste disposal facilities at Onslow, Paraburdoo and Tom Price in line with community expectations and legislative requirements.

ANTICIPATED OUTCOME RESULTING FROM THE ACTIVITY

- A new rubbish disposal facility in Onslow (first priority).
- A new rubbish disposal facility for Tom Price (second priority).

COSTS/INCOMES (\$1,000s)

YEAR ENDED 30 JUNE 2007

	2006	2007	2008	2009	Budget Ref
Costs (expenditure)	50	50	1000	0	
Income (other than general purpose income)					
- Reserve Funds			1000	0	
- Loan Funds					
Nett amount required from general purpose income	50	50			

PERFORMANCE MEASURES

1. Customer satisfaction.
2. Compliance with regulations.

KEY RESULT AREA Environmental Management & Ecological Sustainability

PRINCIPAL ACTIVITY Waste Water Re-Use Strategy

YEAR FIRST PROPOSED 2006

ACTIVITY LIFESPAN Finite

OBJECTIVE To plan for the re-use of treated waste water to enhance the appearance of the Shire towns and reduce the dependence on scheme water.

ANTICIPATED OUTCOME RESULTING FROM THE ACTIVITY

Enhanced town-site areas, sporting facilities and reduced scheme water use.

COSTS/INCOMES (\$1,000s)

YEAR ENDED 30 JUNE 2007

	2006	2007	2008	2009	Budget Ref
Costs (expenditure)	50	0	1000		
Income (other than general purpose income)					
- Pilbara Iron	50	0	500		
- Govt Grants	0	0	500		
Net amount required from general purpose income	0	0	0		

PERFORMANCE MEASURES

1. Planning for and work commenced.
2. Customer satisfaction.
3. Compliance with regulations.
4. Improved sporting facilities.

Note: The (estimated) capital expenditure listed for 2008 is entirely dependant on the feasibility study being completed in 2006 and then sourcing external funding for the works.

KEY RESULT AREA	Best Practice Local Government
PRINCIPAL ACTIVITY	The purchase, installation and implementation of an Asset/Business Management System, including the upgrading of information for the ROMAN (Road inventory) system and the plant replacement process.
YEAR FIRST PROPOSED	2006
ACTIVITY LIFESPAN	Finite
OBJECTIVE	To identify and record the condition of all the Shire's physical assets and prepare financial and maintenance plans covering their repair, replacement and funding requirements.

ANTICIPATED OUTCOME RESULTING FROM THE ACTIVITY

- Development of a long term Assets/Business Management Plan that complies with statutory requirements.
- Improved performance of the ROMAN system that will ensure better performance in acquiring grant funds.
- Maintaining a better standard of Shire assets that will assist in maintaining the desirability of the Shire towns as a place to live and in turn increase the attraction of the Shire as a destination for tourists.

COSTS/INCOMES (\$1,000s)

YEAR ENDED 30 JUNE 2007

	2006	2007	2008	2009	Budget Ref
Costs (expenditure)	100	20	20	20	3676
Income (other than general purpose income) -	-	-	-	-	
Nett amount required from general purpose income	100	20	20	20	

PERFORMANCE MEASURES

1. Timely asset disposal or maintenance.
2. Customer satisfaction.

KEY RESULT AREA Best Practice Local Government

PRINCIPAL ACTIVITY Plant Replacement Program

YEAR FIRST PROPOSED 2006

ACTIVITY LIFESPAN Ongoing

OBJECTIVE The timely replacement of Council plant.

ANTICIPATED OUTCOME RESULTING FROM THE ACTIVITY

All plant replacements are funded from reserves

COSTS/INCOMES (\$1,000s)

YEAR ENDED 30 JUNE 2007

	2006	2007	2008	2009	Budget Ref
Costs (expenditure)	1,000	300	300	300	
Income (other than general purpose income)					
- Trade in	150	75	75	75	
Net amount required from general purpose income	850	225	225	225	

PERFORMANCE MEASURES

1. Optimum cost effectiveness in the replacement program.

KEY RESULT AREA Best Practice Local Government

PRINCIPAL ACTIVITY Implementation of the Staff Housing Plan

YEAR FIRST PROPOSED 2006

ACTIVITY LIFESPAN Ongoing

OBJECTIVE To establish and maintain the optimum number of staff houses to a contemporary standard acceptable to the employees and their families.

ANTICIPATED OUTCOME RESULTING FROM THE ACTIVITY

Houses that meet the expectations of staff and support Council's efforts in attracting and retaining high quality staff

COSTS/INCOMES (\$1,000s)

YEAR ENDED 30 JUNE 2007

	2006	2007	2008	2009	Budget Ref
Costs (expenditure)					Various
-Renovations	260	260	260	260	
-Purchases					
-Loan Payments					
-Transfers to Reserves					
Income (other than general purpose income)					Various
- Loan Funds	0	0	0	0	
- Sales	0	0	0	0	
- Reserve Interest	0	0	0	0	
- Reserves	260	260	260	260	
Nett amount required from general purpose income	0	0	0	0	

PERFORMANCE MEASURES

1. Achieve a self supporting financial system for housing maintenance.
2. Staff satisfaction and retention.

Note: Reserves are replenished through rentals and housing subsidies.

KEY RESULT AREA Improved Services and Infrastructure

PRINCIPAL ACTIVITY Street Lighting

YEAR FIRST PROPOSED 2006

ACTIVITY LIFESPAN Finite

OBJECTIVE To provide and maintain street lighting in the townships of Onslow, Tom Price and Paraburdoo which meets the expectations of the general community.

ANTICIPATED OUTCOME RESULTING FROM THE ACTIVITY

- To identify through safety audits the optimum location for street lighting.
- To enhance the safety of townships throughout the Shire through provision of lights on the main pedestrian routes through the town areas.

COSTS/INCOMES (\$1,000s)

YEAR ENDED 30 JUNE 2007

	2006	2007	2008	2009	Budget Ref
Costs (expenditure)	30	50	250	250	
Income (other than general purpose income)	-	-	250	250	
- Other					
Net amount required from general purpose income	30	50	-	-	

PERFORMANCE MEASURES

1. Rate of installation of lights.
2. Effectiveness and community satisfaction with lighting provided.
3. Compliance with new Australian/New Zealand standards for street lighting.

Note: This is a finite item as it would be anticipated that all new streets throughout the Shire would be constructed with adequate lighting provided at the time by the developer.

KEY RESULT AREA Improved Services and Infrastructure

PRINCIPAL ACTIVITY Streets and Roads Capital Works

YEAR FIRST PROPOSED 2006

ACTIVITY LIFESPAN Ongoing

OBJECTIVE To enhance the streets and roads throughout the Shire thereby providing suitable access to all property.

ANTICIPATED OUTCOME RESULTING FROM THE ACTIVITY

- Improvement of streets and roads to a standard which meets community and business expectations.
- Our roads are a vital asset which supports all Shire businesses and if not maintained to a suitable standard and improved as required will have a detrimental affect on the local economy.

COSTS/INCOMES (\$1,000s)

YEAR ENDED 30 JUNE 2007

	2006	2007	2008	2009	Budget Ref
Costs (expenditure)	2000	2000	2000	2000	Various
Income (other than general purpose income) -Govt Grants	1500	1500	1500	1500	
Nett amount required from general purpose income	500	500	500	500	

PERFORMANCE MEASURES

1. Community and business satisfaction
2. Completion of works within time frames.

NB: Works may only proceed if funding from external sources is secured. Grant sources include Federal, Regional and Direct Road Grants.

KEY RESULT AREA Improved Services and Infrastructure

PRINCIPAL ACTIVITY Onslow Emergency Services Multipurpose Sports Facility

YEAR FIRST PROPOSED 2006

ACTIVITY LIFESPAN Finite

OBJECTIVE To provide an evacuation centre which can be used for a variety of indoor recreational and/or community activities for the people of Onslow.

ANTICIPATED OUTCOME RESULTING FROM THE ACTIVITY

- It is crucial to provide a safe environment to evacuate the community of Onslow in the event of a cyclone or tidal surge.
- An indoor multi purpose facility for the Onslow community consistent with Council's commitment to lifestyle activities.

COSTS/INCOMES (\$1,000s)

YEAR ENDED 30 JUNE 2007

	2006	2007	2008	2009	Budget Ref
Costs (expenditure)	800				3644
Income (other than general purpose income) - - Govt Grants	600				
- Other	100				
Nett amount required from general purpose income	100				

PERFORMANCE MEASURES

1. Timely construction of Facility by June 2007.
2. Community satisfaction with facilities when complete.

Works will only proceed if government grants or other external funding sources are forthcoming.

KEY RESULT AREA Improved Services and Infrastructure

PRINCIPAL ACTIVITY New Shire Office, Civic Centre, Tourist and Library Centre

YEAR FIRST PROPOSED 2004

ACTIVITY LIFESPAN Finite

OBJECTIVE To provide a functional business and community centre satisfying the requirements of the Council, community and visitors.

ANTICIPATED OUTCOME RESULTING FROM THE ACTIVITY

- Functional office and meeting space.
- Central location for library and visitor centre in relation to the shopping centre/main street of Tom Price.
- Focusing the activities associated with the proposed centre would bring many extra potential shoppers and visitors to the heart of the shopping precinct and have a positive impact of the economics of the area.
- The proposal would also free the area currently used by the Visitor Centre and Community Centre creating opportunities for redevelopment.

COSTS/INCOMES (\$1,000s)

YEAR ENDED 30 JUNE 2007

	2006	2007	2008	2008	Budget Ref
Costs (expenditure)		4000			
Income (other than general purpose income) - Reserve Funds					
Land Swap/Sale		1000			
Govt Grants		1000			
Loans		2000			
Nett amount required from general purpose income					

PERFORMANCE MEASURES

1. Timely construction of Facility by 2007.
3. Community and Council satisfaction with facilities when complete.

Works will only proceed if government grants or other funding sources through the redevelopment of the Tom Price Town Centre are forthcoming.

ANNUAL FINANCIAL STATEMENTS

For Year ended 30 June 2007

ATTACHMENT 1 - BDO Letters

ATTACHMENT 2 - Annual Financial Report





BDO Kendalls

BDO Kendalls Audit & Assurance (WA) Pty Ltd
128 Hay St
Subiaco WA 6008
PO Box 700 West Perth WA 6872
Phone 61 8 9380 8400
Fax 61 8 9380 8499
aa.perth@bdo.com.au
www.bdo.com.au

ABN 79 112 284 787

19 June 2008

The Shire Council
Shire of Ashburton
PO Box 567
Tom Price
Western Australia 6751

Dear Shire Council

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

As lead auditor of the Shire of Ashburton for the year ended 30 June 2007, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

This declaration is in respect of the Shire of Ashburton.

Chris Burton
Director

BDO Kendalls

BDO Kendalls Audit & Assurance (WA) Pty Ltd
Subiaco, Western Australia



BDO Kendalls

BDO Kendalls Audit & Assurance (WA) Pty Ltd
128 Hay St
Subiaco WA 6008
PO Box 700 West Perth WA 6872
Phone 61 8 9380 8400
Fax 61 8 9380 8499
aa.perth@bdo.com.au
www.bdo.com.au

ABN 79 112 284 787

INDEPENDENT AUDITOR'S REPORT TO THE ELECTORS OF THE SHIRE OF ASHBURTON

We have audited the accompanying financial report of the Shire of Ashburton, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

Council Responsibility for the Financial Report

Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 and Local Government (Financial Management) Regulations 1996. This responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Auditor's Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of the Shire of Ashburton as of 30 June 2007 and of its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards (including the Accounting Interpretations), the Local Government Act 1995, and Local Government (Financial Management) Regulations 1996.

Report on Other Legal and Regulatory Requirements

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

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

BDO Kendalls Audit & Assurance (WA) Pty Ltd

BDO Kendalls



Chris Burton
Director

Subiaco, Western Australian
Dated this 19th day of June 2008

SHIRE OF ASHBURTON
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

TABLE OF CONTENTS

Statement by Chief Executive Officer	2
Income Statement by Nature or Type	3
Income Statement by Program	4
Balance Sheet	5
Statement of Changes in Equity	6
Cash Flow Statement	7
Rate Setting Statement	8
Notes to and Forming Part of the Financial Report	9 to 40
Independent Audit Report	41 to 43

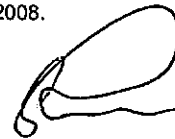
SHIRE OF ASHBURTON
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Ashburton being the annual financial report and other information for the financial year ended 30th June 2007 are in my opinion properly drawn up to present fairly the financial position of the Shire of Ashburton at 30th June 2007 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and regulations under that Act.

Signed on the *19th* day of *June* - 2008.



Keith Pearson
Chief Executive Officer

SHIRE OF ASHBURTON

INCOME STATEMENT

BY NATURE OR TYPE

FOR THE YEAR ENDED 30TH JUNE 2007

	NOTE	2007 \$	2007 Budget \$	2006 \$
REVENUES FROM ORDINARY ACTIVITIES				
Rates	23	4,675,375	4,210,157	3,694,057
Grants and Subsidies	29	4,373,565	4,378,433	3,602,853
Contributions Reimbursements and Donations		1,770,969	375,370	408,340
Fees and Charges	28	1,626,651	1,996,558	1,838,848
Interest Earnings	2(a)	181,878	218,000	252,532
Other Revenue		393,944	1,857	35,778
		<u>13,022,382</u>	<u>11,180,375</u>	<u>9,832,408</u>
EXPENSES FROM ORDINARY ACTIVITIES				
Employee Costs		-3,890,311	-4,917,778	-4,189,402
Materials and Contracts		-5,837,208	-2,892,093	-2,454,933
Utilities		-571,426	-507,500	-506,714
Depreciation	2(a)	-2,567,854	-2,659,394	-2,621,126
Interest Expenses	2(a)	-160,271	-154,874	-145,529
Insurance		-340,242	-416,833	-503,345
Other Expenditure		-86,207	-71,250	-357,747
		<u>-13,453,519</u>	<u>-11,619,722</u>	<u>-10,778,796</u>
		-431,137	-439,347	-946,388
Grants and Subsidies - non-operating	29	3,014,076	3,469,066	1,193,116
Profit on Asset Disposals	21	70,676	181,760	243,731
Loss on Asset Disposals	21	0	-20,859	-908,251
NET RESULT		<u>2,653,615</u>	<u>3,190,620</u>	<u>-417,792</u>

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

SHIRE OF ASHBURTON

INCOME STATEMENT

BY PROGRAM

FOR THE YEAR ENDED 30TH JUNE 2007

	NOTE	2007 \$	2007 Budget \$	2006 \$
REVENUES FROM ORDINARY ACTIVITIES				
Governance		173,052	116,743	12,059
General Purpose Funding		8,413,765	7,833,409	7,131,458
Law, Order, Public Safety		140,457	107,480	181,606
Health		168,147	209,000	115,413
Education and Welfare		163,263	0	25,133
Housing		346,892	328,452	279,931
Community Amenities		1,004,448	1,366,038	991,877
Recreation and Culture		1,915,125	1,726,837	311,732
Transport		2,999,380	2,633,625	1,398,728
Economic Services		347,246	420,627	391,936
Other Property and Services		435,359	88,990	429,382
	2 (a)	16,107,134	14,831,201	11,269,255
EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING BORROWING COSTS EXPENSE				
Governance		-553,949	-1,153,795	-775,564
General Purpose Funding		-417,753	-306,155	-304,545
Law, Order, Public Safety		-675,026	-511,160	-470,704
Health		-365,515	-411,619	-232,169
Education and Welfare		-164,862	-62,467	-34,950
Housing		-338,785	-462,355	-637,511
Community Amenities		-1,468,364	-1,478,616	-1,541,788
Recreation & Culture		-3,189,757	-2,427,171	-2,612,038
Transport		-4,780,858	-3,927,075	-4,220,341
Economic Services		-860,319	-705,292	-614,599
Other Property and Services		-478,060	-40,000	-97,309
	2 (a)	-13,293,248	-11,485,705	-11,541,518
BORROWING COSTS EXPENSE				
Governance		-1,573	-2,095	-2,732
Law, Order, Public Safety		-20,651	-14,823	-15,580
Housing		-51,230	-51,752	-53,835
Community Amenities		-8,458	-7,128	-32,258
Recreation & Culture		-24,497	-24,364	0
Transport		-53,841	-54,641	-38,647
Economic Services		-21	-73	-258
Other Property and Services		0	0	-2,219
	2 (a)	-160,271	-154,876	-145,529
NET RESULT		<u>2,653,615</u>	<u>3,190,620</u>	<u>-417,792</u>

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

SHIRE OF ASHBURTON

BALANCE SHEET

AS AT 30TH JUNE 2007

	NOTE	2007 \$	2006 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	2,754,446	3,162,771
Trade and Other Receivables	4	2,757,570	778,135
Inventories	5	32,042	21,317
TOTAL CURRENT ASSETS		<u>5,544,058</u>	<u>3,962,223</u>
NON-CURRENT ASSETS			
Other Receivables	4	0	11,002
Other Assets	5	442,483	0
Property, Plant and Equipment	6	13,966,717	11,903,113
Infrastructure	7	67,203,598	67,107,147
TOTAL NON-CURRENT ASSETS		<u>81,612,798</u>	<u>79,021,262</u>
TOTAL ASSETS		<u>87,156,856</u>	<u>82,983,485</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	1,932,592	420,476
Short Term Borrowings	9	133,297	0
Long Term Borrowings	10	220,372	220,524
Provisions	11	326,012	196,798
TOTAL CURRENT LIABILITIES		<u>2,612,273</u>	<u>837,798</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	10	2,131,651	2,393,488
Provisions	11	217,523	210,405
TOTAL NON-CURRENT LIABILITIES		<u>2,349,174</u>	<u>2,603,893</u>
TOTAL LIABILITIES		<u>4,961,447</u>	<u>3,441,691</u>
NET ASSETS		<u>82,195,409</u>	<u>79,541,794</u>
EQUITY			
Retained Surplus		79,002,047	77,630,068
Reserves - Cash Backed	12	2,752,000	1,470,364
Reserves - Asset Revaluation	13	441,362	441,362
TOTAL EQUITY		<u>82,195,409</u>	<u>79,541,794</u>

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

SHIRE OF ASHBURTON
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2007

	NOTE	2007 \$	2006 \$
RETAINED SURPLUS			
Balance as at 1 July 2006		77,630,068	78,047,860
Net Result		2,653,615	-417,792
Transfer from/(to) Reserves		-1,281,636	0
Balance as at 30 June 2007		<u>79,002,047</u>	<u>77,630,068</u>
RESERVES - CASH BACKED			
Balance as at 1 July 2006		1,470,364	1,470,364
Amount Transferred (to)/from Retained Surplus		1,281,636	0
Balance as at 30 June 2007	12	<u>2,752,000</u>	<u>1,470,364</u>
RESERVES - ASSET REVALUATION			
Balance as at 1 July 2006		441,362	441,362
Revaluation Increment		0	0
Revaluation Decrement		0	0
Balance as at 30 June 2007	13	<u>441,362</u>	<u>441,362</u>
TOTAL EQUITY		<u>82,195,409</u>	<u>79,541,794</u>

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

**SHIRE OF ASHBURTON
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2007**

	NOTE	2007 \$	2007 Budget \$	2006 \$
Cash Flows From Operating Activities				
Receipts				
Rates		4,675,375	4,170,157	3,694,057
Grants and Subsidies - operating		4,373,565	4,378,433	3,602,853
Contributions, Reimbursements & Donations		1,270,969	375,370	408,340
Fees and Charges		196,881	2,061,558	2,188,398
Interest Earnings		181,878	193,000	252,532
Goods and Services Tax		993,442	1,012,000	521,004
Other		393,944	1,857	40,871
		<u>12,086,054</u>	<u>12,192,375</u>	<u>10,708,055</u>
Payments				
Employee Costs		(3,720,774)	(5,027,994)	(4,133,797)
Materials and Contracts		(4,400,165)	(2,760,640)	(3,137,204)
Utilities (gas, electricity, water, etc)		(571,426)	(507,500)	(506,714)
Insurance		(340,242)	(416,833)	(503,345)
Interest		(139,385)	(154,874)	(145,529)
Goods and Services Tax		(971,522)	(992,000)	(659,854)
Other		(86,207)	(71,250)	(362,440)
		<u>(10,229,721)</u>	<u>(9,931,091)</u>	<u>(9,448,883)</u>
Net Cash Provided By (Used In)				
Operating Activities	14(b)	<u>1,856,333</u>	<u>2,261,284</u>	<u>1,259,172</u>
Cash Flows from Investing Activities				
Payments for Purchase of				
Property, Plant & Equipment		(2,678,032)	(3,722,552)	(1,590,231)
Payments for Construction of				
Infrastructure		(2,103,495)	(4,291,245)	(1,476,155)
Payments for Works in Progress		(442,483)	0	0
Grants/Contributions for				
the Development of Assets		3,014,076	3,469,066	1,193,116
Proceeds from Sale of				
Plant & Equipment		124,294	274,000	284,392
Net Cash Provided By (Used In)				
Investing Activities		<u>(2,085,640)</u>	<u>(4,270,731)</u>	<u>(1,588,878)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(261,988)	(220,524)	(213,255)
Repayment of Finance Leases		0	(84,278)	0
Proceeds from New Debentures		0	500,000	300,000
Net Cash Provided By (Used In)				
Financing Activities		<u>(261,988)</u>	<u>195,198</u>	<u>86,745</u>
Net Increase (Decrease) in Cash Held		<u>(491,295)</u>	<u>(1,814,249)</u>	<u>(242,961)</u>
Cash at Beginning of Year		3,162,771	3,180,312	3,405,732
Cash and Cash Equivalents				
at the End of the Year	14(a)	<u><u>2,671,476</u></u>	<u><u>1,366,063</u></u>	<u><u>3,162,771</u></u>

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

SHIRE OF ASHBURTON

RATE SETTING STATEMENT

FOR THE YEAR ENDED 30TH JUNE 2007

	NOTE	2007 \$	2007 Budget \$
REVENUES			
Governance		173,052	116,743
General Purpose Funding		3,738,390	3,623,252
Law, Order, Public Safety		140,457	107,480
Health		168,147	209,000
Education and Welfare		163,263	0
Housing		346,892	328,452
Community Amenities		1,004,448	1,366,038
Recreation and Culture		1,915,125	1,726,837
Transport		2,999,380	2,633,625
Economic Services		347,246	420,627
Other Property and Services		435,359	88,990
		<u>11,431,759</u>	<u>10,621,044</u>
EXPENSES			
Governance		-554,998	-1,155,890
General Purpose Funding		-438,639	-306,155
Law, Order, Public Safety		-689,009	-525,983
Health		-365,515	-411,619
Education and Welfare		-164,862	-62,467
Housing		-386,244	-514,107
Community Amenities		-1,474,240	-1,485,744
Recreation & Culture		-3,210,302	-2,451,535
Transport		-4,831,310	-3,981,716
Economic Services		-860,340	-705,365
Other Property and Services		-478,060	-40,000
		<u>-13,453,519</u>	<u>-11,640,581</u>
Adjustments for Cash Budget Requirements:			
Non-Cash Expenditure and Revenue			
(Profit)/Loss on Asset Disposals		-70,676	-160,901
Depreciation and Amortisation on Assets		2,567,854	2,659,394
Movement in Employee Benefit Provisions		138,438	0
Movement in Non-Current Receivables		11,002	0
Expenditure on Works in Progress		-442,483	0
Capital Expenditure and Revenue			
Purchase Land and Buildings		-2,083,386	-2,938,500
Purchase Infrastructure Assets - Roads		-1,297,805	-2,384,885
Purchase Infrastructure Assets - Parks		-40,909	-55,000
Purchase Infrastructure Assets - Footpaths		0	-248,060
Purchase Infrastructure Assets - Other		-764,781	-1,603,300
Purchase Plant and Equipment		-383,477	-500,300
Purchase Furniture and Equipment		-211,169	-283,752
Proceeds from Disposal of Assets		124,294	274,000
Repayment of Debentures		-261,988	-220,524
Proceeds from New Debentures		0	500,000
Transfers to Reserves (Restricted Assets)		-1,281,636	-274,494
Transfers from Reserves (Restricted Assets)		0	509,000
ADD Estimated Surplus/(Deficit) July 1 B/Fwd		2,140,446	1,536,702
LESS Estimated Surplus/(Deficit) June 30 C/Fwd		752,205	0
Amount Required to be Raised from Rates	23	<u><u>-4,630,241</u></u>	<u><u>-4,210,157</u></u>

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

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007**

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with applicable Australian Accounting Standards, the Local Government Act 1995 (as amended and accompanying regulations (as amended)). The report has also been prepared on the accrual basis under the convention of historical cost accounting.

Compliance with IFRSs

International Financial Reporting Standards ("IFRSs") form the basis of Australian Accounting Standards adopted by the AASB, being AIFRSs. The financial report of the Shire complies with IFRSs and interpretations adopted by the International Accounting Standards Board except as follows:

- AIFRSs include specific provisions relating to not-for-profit entities. These are not included in IFRSs.
- Australian Accounting Standard AAS27 '*Financial Reporting by Local Governments*' also applies and there is no equivalent standard in IFRSs.

The principal areas of non-compliance with IFRSs include:

- the recognition of non-reciprocal revenue;
- the definition of value in use for the purposes of estimating the recoverable amount of impaired assets; and
- the offsetting of asset revaluation increments and decrements on a class of asset basis rather than individual asset basis.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2007.

Council is of the view the new standards or amendments will have no direct impact on the amounts included in the financial report although the changes may impact upon the way in which some financial information is disclosed.

Critical Accounting Estimates

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

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

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) The Local Government Reporting Entity

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

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

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

(c) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables in the Balance Sheet are stated inclusive of applicable GST.

(d) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

(e) Trade and Other Receivables

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

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

(f) Inventories

General

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

Land Held for Resale

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

Revenue arising from the sale of property is recognised in the Income Statement as at the time of signing a binding contract of sale.

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets

Initial Recognition

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

Revaluation

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

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

Land under Roads

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

(h) Depreciation of Non-Current Assets

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

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

Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets clearing and earthworks construction/road base original surfacing and major re-surfacing - bituminous seals	not depreciated 50 years 20 years
Gravel roads clearing and earthworks construction/road base gravel sheet	not depreciated 50 years 12 years
Formed roads (unsealed) clearing and earthworks construction/road base	not depreciated 50 years
Footpaths - slab	40 years

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Investments and Other Financial Assets

Financial Assets in the scope of AASB 139 '*Financial Instruments: Recognition and Measurement*' are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Council determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year end.

(j) Impairment

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

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 '*Impairment of Assets*' and appropriate adjustments made.

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

(k) Trade and Other Payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(l) Employee Benefits

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

(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

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

(ii) Annual Leave and Long-Service Leave (Long-term Benefits)

The provision for employees' benefits for annual leave and long service leave expected to be settled more than 12 months from the reporting date represents the present value of the estimated future cash outflows to be made by the employer resulting from the employees service to balance date.

(m) Interest-bearing Loans and Borrowings

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

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

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

Borrowing Costs

Borrowing costs are recognised as an expense when incurred.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Shire, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

(o) Joint Venture

The municipality's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the relevant items reported in the Balance Sheet and Income Statement. Information about the joint venture is set out in Note 17.

(p) Rates, Grants, Donations and Other Contributions

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

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

(q) Superannuation

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

(r) Interest Rate Risk

Information on interest rate risk as it applies to financial instruments is disclosed in Note 34.

(s) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to and forming part of the financial report.

The one major concentration of credit risk within the municipality is in relation to its cash and cash equivalent deposits which are all with the one financial institution, excepting for the Commonwealth trading fund for Paraburdoo.

(t) Liquidity Risk

The Council's liquidity risk is managed via the use of its cash and cash equivalent balances, other financial assets and borrowing policy.

(u) Fair Value

All assets and liabilities recognised in the balance sheet, whether they are carried at cost or at fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Rounding Off Figures

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

(w) Comparative Figures

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

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

2. REVENUES AND EXPENSES	2007	2006
	\$	\$
(a) Result from Ordinary Activities		
The Result from Ordinary Activities includes:		
(i) Charging as an Expense:		
Auditors Remuneration		
- Audit	15,657	13,250
- Other Services	0	0
Depreciation		
Buildings	258,875	250,874
Furniture and Equipment	66,591	70,000
Plant and Equipment	235,343	286,614
Roads	1,643,932	1,618,514
Footpaths	42,280	40,537
Drainage	135,384	135,384
Parks	79,512	80,800
Recreation Facilities	39,961	39,961
Other	65,976	98,442
	<u>2,567,854</u>	<u>2,621,126</u>
Interest Expenses		
Debentures (<i>refer Note 21(a)</i>)	160,271	145,529
	<u>160,271</u>	<u>145,529</u>
Rental Charges		
- Operating Leases	75,685	84,274
	<u>75,685</u>	<u>84,274</u>
(ii) Crediting as Revenue:		
	2007	2007
	\$	Budget
		\$
Interest Earnings		
Investments		
- Reserve Funds	81,511	93,000
- Other Funds	80,639	100,000
Other Interest Revenue (<i>refer note 27</i>)	19,728	25,000
	<u>181,878</u>	<u>218,000</u>
		<u>252,532</u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

In order to discharge its responsibility to the community, the shire has developed a set of operational and financial objectives. These objectives have been established both on an overall basis and for each of its broad activities/programs. Council operations as disclosed in this financial report encompasses the following service orientated programs which it has established.

GOVERNANCE

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

GENERAL PURPOSE FUNDING

Rates, general purpose grants and interest on investments

LAW, ORDER, PUBLIC SAFETY

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

HEALTH

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

EDUCATION AND WELFARE

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

HOUSING

Maintenance of staff and rental housing.

COMMUNITY AMENITIES

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

RECREATION AND CULTURE

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

TRANSPORT

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

ECONOMIC SERVICES

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

OTHER PROPERTY & SERVICES

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

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

2. REVENUES AND EXPENSES (Continued)	2007	2006
	\$	\$
(c) Conditions Over Contributions		
Grants recognised as revenues in a previous reporting period which were not expended at the close of the previous reporting period (ie opening balances).		
Grants for Aboriginal Environmental Health	27,548	105,459
Grants for FESA Onslow	87,120	87,120
Grants for PDC Onslow Development	20,000	20,000
Grants for PDC Tom Price City Centre	62,181	62,181
Grants for PDC Grant Officer	36,364	36,364
Grants for PDC Tom Price Toilets	0	50,000
Grants for Heritage Commission Onslow War Memorial	0	5,000
Grants for HI Paraburdoo Drainage	45,246	45,246
Grants for Culture Arts (Recreation)	0	11,650
Grants for Safety and Crime Prevention (Law & Order)	0	11,200
Grant for Main Roads Nameless Valley Road (Transport)	0	40,000
Grants for R2R (Transport)	562,465	748,170
Grants for Onslow Townscape (Transport)	0	54,763
Grants for Waylun Mia Safe House (Welfare)	14,704	4,237
Grants for FESA Funding (Law)	75,186	24,872
Grants for Onslow Seawall and Flood Mitigation (Transport)	0	99,742
Main Roads Regional Road Group	87,970	0
Main Roads Black Spot	28,526	0
	1,047,310	1,406,004
Add:		
New grants which were recognised as revenues during the reporting period and which had not yet been fully expended by the contributor.		
Grants for R2R (Transport) 2005-06	0	562,465
Grants for Waylun Mia Safe House (Welfare)	0	10,467
Grants for Aboriginal Environmental Health	50,327	27,548
Grants for FESA Funding (Law)	0	75,186
Main Roads Regional Road Group 2005-06	0	87,970
Main Roads Black Spot 2005-06	0	28,526
National Disaster Mitigation Funds 2006-07	90,909	0
RRG Roebourne-Wittenoom Rd 2006-07	47,170	0
Dept of Education Wattle St Kiss n Drop	10,000	0
R2R 2006-07	390,000	0
Main Roads Black Spot 2006-07	141,571	0
BHP Youth Services	25,000	0
Chevron Youth Services	40,000	0
FESA Onslow TV Compound	99,460	0
Pilbara Development Commission - Beadon Bay Park	50,000	0
Woodside Energy Onslow Playground Equipment	20,000	0
BHP Onslow Gym	11,000	0

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

2. REVENUES AND EXPENSES (Continued)	2007	2006
	\$	\$
Less:		
Grants which were recognised as revenues in a previous reporting period and which were expended in the current reporting period in the manner specified by the contributor.		
Grants for R2R (Transport)	-562,465	-748,170
Grants for Waylun Mia Safe House (Welfare)	-14,704	0
Grants for Aboriginal Environmental Health	-27,548	-105,459
Onslow Townscape	0	-54,763
Onslow Seawall and Flood Mitigation	0	-99,742
FESA Funding	-75,186	-24,872
FESA Onslow	-87,120	0
HI Paraburdoo Drainage	-45,246	0
Main Roads Regional Road Group	-87,970	0
PDC Doug Talbert Park	0	-50,000
PDC Grant Officer	-36,364	
PDC Onslow Development	-20,000	
PDC Tom Price City Centre	-62,181	
Heritage Commission Onslow War Memorial	0	-5,000
Department Culture Arts Grant	0	-11,650
Safety & Crime Prevention	0	-11,200
Main Roads Nameless Valley Road	0	-40,000
Closing balances of unexpended grants	<u>1,003,963</u>	<u>1,047,310</u>
Comprises:		
Grants for R2R (Transport)	0	562,465
Grants for Waylun Mia Safe House (Welfare)	0	14,704
Grants for Aboriginal Environmental Health	50,327	27,548
Grants for FESA Funding (Law)	0	75,186
Grants for FESA Onslow	0	87,120
Grants for PDC Onslow Development	0	20,000
Grants for PDC Tom Price City Centre	0	62,181
Grants for PDC Grant Officer	0	36,364
Grants for HI Paraburdoo Drainage	0	45,246
Main Roads Regional Road Group	0	87,970
Main Roads Black Spot	*	28,526
National Disaster Mitigation Funds 2006-07	*	90,909
RRG Roebourne-Wittenoom Rd 2006-07	*	47,170
Dept of Education Wattle St Kiss n Drop	*	10,000
R2R 2006-07	*	390,000
Main Roads Black Spot 2006-07	*	141,571
BHP Youth Services	*	25,000
Chevron Youth Services	*	40,000
FESA Onslow TV Compound	*	99,460
Pilbara Development Commission - Beadon Bay Park	*	50,000
Woodside Energy Onslow Playground Equipment	*	20,000
BHP Onslow Gym	*	11,000
	<u>1,003,963</u>	<u>1,047,310</u>

* These unspent contributions were transferred to a reserve fund called Unspent Grants and Cont at the end of June 2007.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

	2007	2006
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	2,446	345,097
Restricted	2,752,000	2,817,674
	<u>2,754,446</u>	<u>3,162,771</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Employee Benefit Reserve	109,926	109,926
Plant Replacement Reserve	351,216	171,216
Infrastructure Reserve	155,953	155,953
Housing Reserve	603,914	455,914
Onslow Community Infrastructure Reserve	27,037	27,037
Onslow Emergency Evacuation Building Reserve	175,532	175,532
Property Development Reserve	333,100	333,100
Town Centre Re-development Reserve	32,195	32,195
Onslow Aerodrome Reserve	9,491	9,491
Unspent Grants and Contributions Reserve	953,636	1,047,310
Unspent Loans	0	300,000
	<u>2,752,000</u>	<u>2,817,674</u>
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	428,563	343,535
Sundry Debtors	2,440,571	472,728
Accrued Income	62,164	0
Provision for Doubtful Debts	-173,728	-176,978
GST Receivable	0	138,850
	<u>2,757,570</u>	<u>778,135</u>
Non-Current		
Western Power Bond	0	5,858
Tennis Club	0	5,144
	<u>0</u>	<u>11,002</u>
5. INVENTORIES		
Current		
Fuel and Materials	0	1,907
Tourist Bureau Stock	32,042	19,410
	<u>32,042</u>	<u>21,317</u>
Non-Current		
Works in Progress	442,483	0
	<u>442,483</u>	<u>0</u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

	2007 \$	2006 \$
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings - Cost	15,117,702	13,034,316
Less Accumulated Depreciation	<u>-3,703,863</u>	<u>-3,444,988</u>
	11,413,839	9,589,328
Furniture and Equipment - Cost	842,015	630,846
Less Accumulated Depreciation	<u>-525,521</u>	<u>-458,929</u>
	316,494	171,917
Plant and Equipment - Cost	5,552,626	5,451,816
Less Accumulated Depreciation	<u>-3,316,242</u>	<u>-3,309,948</u>
	2,236,384	2,141,868
	<u><u>13,966,717</u></u>	<u><u>11,903,113</u></u>

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

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

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

	Land & Buildings \$	Furniture & Equipment \$	Plant & Equipment \$	Total \$
Balance as at 1 July 2006	9,589,328	171,917	2,141,868	11,903,113
Additions	2,083,386	211,169	383,477	2,678,032
(Disposals)	0	0	-53,618	-53,618
Revaluation - Increments	0	0	0	0
- (Decrements)	0	0	0	0
Impairment - (losses)	0	0	0	0
- reversals	0	0	0	0
Depreciation (Expense)	-258,875	-66,591	-235,343	-560,809
Other Movements	0	-1	0	-1
Balance as at 30 June 2007	<u>11,413,839</u>	<u>316,494</u>	<u>2,236,384</u>	<u>13,966,717</u>

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

	2007 \$	2006 \$
7. INFRASTRUCTURE		
Roads - Cost	83,494,399	82,196,594
Less Accumulated Depreciation	<u>-31,202,950</u>	<u>-29,559,018</u>
	52,291,449	52,637,576
Footpaths - Cost	1,709,905	1,709,904
Less Accumulated Depreciation	<u>-955,787</u>	<u>-913,506</u>
	754,118	796,398
Drainage - Cost	10,179,236	10,179,236
Less Accumulated Depreciation	<u>-2,709,828</u>	<u>-2,574,444</u>
	7,469,408	7,604,792
Parks & Ovals - Cost	3,764,207	3,723,297
Less Accumulated Depreciation	<u>-1,999,564</u>	<u>-1,920,052</u>
	1,764,643	1,803,245
Other Infrastructure - Cost	3,403,820	2,639,039
Less Accumulated Depreciation	<u>-382,112</u>	<u>-316,136</u>
	3,021,708	2,322,903
Recreation Facilities - Cost	1,998,052	1,998,052
Less Accumulated Depreciation	<u>-95,780</u>	<u>-55,819</u>
	1,902,272	1,942,233
	<u>67,203,598</u>	<u>67,107,147</u>

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

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

7. INFRASTRUCTURE (Continued)

Movements in Carrying Amounts

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

	Roads \$	Footpaths \$	Drainage \$	Parks and Ovals \$	Other Infrastructure \$	Recreation Facilities \$	Total \$
Balance as at 1 July 2006	52,637,576	796,398	7,604,792	1,803,245	2,322,903	1,942,233	67,107,147
Additions	1,297,805	0	0	40,909	764,781	0	2,103,495
(Disposals)	0	0	0	0	0	0	0
Revaluation - Increments - (Decrements)	0	0	0	0	0	0	0
Impairment - (losses) - reversals	0	0	0	0	0	0	0
Depreciation (Expense)	-1,643,932	-42,280	-135,384	-79,512	-65,976	-39,961	-2,007,045
Other Movements	0	0	0	1	0	0	1
Balance as at 30 June 2007	<u>52,291,449</u>	<u>754,118</u>	<u>7,469,408</u>	<u>1,764,643</u>	<u>3,021,708</u>	<u>1,902,272</u>	<u>67,203,598</u>

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

8. TRADE AND OTHER PAYABLES	2007	2006
	\$	\$
Current		
Sundry Creditors	1,168	327,320
Other Payables	206,286	0
Accrued Expenses	1,633,082	0
Accrued Interest on Loans	20,886	24,092
Accrued Salaries and Wages	71,170	69,064
	<u>1,932,592</u>	<u>420,476</u>
9. SHORT-TERM BORROWINGS		
Unsecured		
Bank Overdraft	82,970	0
Unexpended Grant		
Aboriginal Environmental Health	50,327	0
	<u>133,297</u>	<u>0</u>
10. LONG-TERM BORROWINGS		
Current		
Secured by Floating Charge		
Debentures	220,372	220,524
	<u>220,372</u>	<u>220,524</u>
Non-Current		
Secured by Floating Charge		
Debentures	2,131,651	2,393,488
	<u>2,131,651</u>	<u>2,393,488</u>
Additional detail on borrowings is provided in Note 21.		
11. PROVISIONS		
Current		
Provision for Annual Leave	230,924	196,798
Provision for Relocation Repayments	26,746	0
Provision for Long Service Leave	68,342	0
	<u>326,012</u>	<u>196,798</u>
Non-Current		
Provision for Annual Leave	85,266	0
Provision for Long Service Leave	132,257	210,405
	<u>217,523</u>	<u>210,405</u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

	2007 \$	2007 Budget \$	2006 \$
12. RESERVES - CASH BACKED			
(a) Employee Benefits Reserve			
Opening Balance	109,926	115,922	109,926
Amount Set Aside / Transfer to Reserve	0	6,958	0
Amount Used / Transfer from Reserve	0	0	0
	<u>109,926</u>	<u>122,880</u>	<u>109,926</u>
(b) Plant Replacement Reserve			
Opening Balance	171,216	180,555	171,216
Amount Set Aside / Transfer to Reserve	180,000	192,329	0
Amount Used / Transfer from Reserve	0	0	0
	<u>351,216</u>	<u>372,884</u>	<u>171,216</u>
(c) Infrastructure Reserve			
Opening Balance	155,953	164,460	155,953
Amount Set Aside / Transfer to Reserve	0	9,870	0
Amount Used / Transfer from Reserve	0	0	0
	<u>155,953</u>	<u>174,330</u>	<u>155,953</u>
(d) Housing Reserve			
Opening Balance	455,914	480,783	455,914
Amount Set Aside / Transfer to Reserve	148,000	28,806	0
Amount Used / Transfer from Reserve	0	-509,000	0
	<u>603,914</u>	<u>589</u>	<u>455,914</u>
(e) Onslow Community Infrastructure Reserve			
Opening Balance	27,037	28,512	27,037
Amount Set Aside / Transfer to Reserve	0	1,713	0
Amount Used / Transfer from Reserve	0	0	0
	<u>27,037</u>	<u>30,225</u>	<u>27,037</u>
(f) Onslow Emergency Evacuation Building Reserve			
Opening Balance	175,532	185,107	175,532
Amount Set Aside / Transfer to Reserve	0	11,103	0
Amount Used / Transfer from Reserve	0	0	0
	<u>175,532</u>	<u>196,210</u>	<u>175,532</u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

	2007 \$	2007 Budget \$	2006 \$
12. RESERVES - CASH BACKED			
(g) Property Development Reserve			
Opening Balance	333,100	351,270	333,100
Amount Set Aside / Transfer to Reserve	0	21,075	0
Amount Used / Transfer from Reserve	0	0	0
	<u>333,100</u>	<u>372,345</u>	<u>333,100</u>
(h) Town Centre Redevelopment Reserve			
Opening Balance	32,195	33,951	32,195
Amount Set Aside / Transfer to Reserve	0	2,039	0
Amount Used / Transfer from Reserve	0	0	0
	<u>32,195</u>	<u>35,990</u>	<u>32,195</u>
(i) Onslow Aerodrome Reserve			
Opening Balance	9,491	10,009	9,491
Amount Set Aside / Transfer to Reserve	0	601	0
Amount Used / Transfer from Reserve	0	0	0
	<u>9,491</u>	<u>10,610</u>	<u>9,491</u>
(j) Unspent Grants and Contributions Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	953,636	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>953,636</u>	<u>0</u>	<u>0</u>
TOTAL CASH BACKED RESERVES	<u><u>2,752,000</u></u>	<u><u>1,316,063</u></u>	<u><u>1,470,364</u></u>

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

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

12. RESERVES - CASH BACKED (Continued)

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

Employee Benefits Reserve

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

Plant Replacement Reserve

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

Infrastructure Reserve

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

Housing Reserve

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

Onslow Community Infrastructure Reserve

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

Onslow Emergency Evacuation Building Reserve

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

Property Development Reserve

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

Town Centre Redevelopment Reserve

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

Onslow Aerodrome Reserve

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

Unspent Grants and Contributions Reserve

- To preserve unspent Grant and ongoing Capital Works Funds

13. RESERVES - ASSET REVALUATION

	2007	2006
	\$	\$

Asset revaluation reserves have arisen on revaluation of the following classes of assets:

Roads

Balance as at 1 July 2006	441,362	441,362
Revaluation Increment	0	0
Revaluation Decrement	0	0
Balance as at 30 June 2007	441,362	441,362
TOTAL ASSET REVALUATION RESERVES	441,362	441,362

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

14. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	2007 \$	2007 Budget \$	2006 \$
Cash and Cash Equivalents	<u>2,671,476</u>	<u>1,366,063</u>	<u>3,162,771</u>
(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net Result	2,653,615	3,190,620	-417,792
Depreciation	2,567,854	2,659,394	2,621,126
(Increase)/Decrease in Receivables	-1,968,434	90,247	210,700
(Profit)/Loss on Sale of Asset	-70,676	-160,901	664,520
(Increase)/Decrease in Inventories	-10,725	0	14,537
Increase/(Decrease) in Payables	1,540,901	84,279	-696,408
Increase/(Decrease) in Employee Provisions	157,874	-133,289	55,605
Grants/Contributions for the Development of Assets	<u>-3,014,076</u>	<u>-3,469,066</u>	<u>-1,193,116</u>
Net Cash from Operating Activities	<u><u>1,856,333</u></u>	<u><u>2,261,284</u></u>	<u><u>1,259,172</u></u>
(c) Undrawn Borrowing Facilities			
Credit Standby Arrangements			
Bank Overdraft limit	500,000		500,000
Bank Overdraft at Balance Date	-82,970		0
Credit Card limit	5,000		2,000
Credit Card Balance at Balance Date	<u>-2,133</u>		<u>0</u>
Total Amount of Credit Unused	<u><u>419,897</u></u>		<u><u>502,000</u></u>
Loan Facilities			
Loan Facilities - Current	220,372		220,524
Loan Facilities - Non-Current	<u>2,131,651</u>		<u>2,393,488</u>
Total Facilities in Use at Balance Date	<u><u>2,352,023</u></u>		<u><u>2,614,012</u></u>
Unused Loan Facilities at Balance Date	<u><u>0</u></u>		<u><u>300,000</u></u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

	2007	2006
	\$	\$
15. CAPITAL AND LEASING COMMITMENTS		
(a) Finance Lease Commitments		
Council has no finance lease commitments at 30 June 2007.		
(b) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	75,685	84,274
- later than one year but not later than five years	28,203	272,832
- later than five years	0	11,422
	103,888	368,528
(c) Capital Expenditure Commitments		
Contracted for:		
- capital expenditure projects		
- Paraburdoo Swimming Pool Upgrade	150,000	0
- Construction Ashburton Downs Road	79,477	0
- Construction Roebourne/Wittenoom Road	38,720	0
- Construction Twichen Road	9,086	0
- Construction Weano Gorge Road	30,088	0
- Construction Black Spot Roads	26,360	0
- Onslow Broadcasting Tower	71,390	0
- Onslow Airport Upgrade	32,042	0
- Capital Works & Flood Damage	5,320	0
	442,483	0
Payable:		
- not later than one year	442,483	0

16. CONTINGENT LIABILITIES

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

Future potential claims in respect of Wittenoom are not reliably quantifiable, and Council is currently in discussions with the State Government seeking indemnity for the Council and possible shut down of the town of Wittenoom. All cases to date have been settled out of court, and no judgement on the matter has been reached by the court.

In the possible case of a number of court judgements against the Shire, there is potential to have a significant impact on its ability to provide services to ratepayers.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

17. JOINT VENTURE

Recreation Centre - Tom Price Senior High School

The Minister of Education and the Shire of Ashburton jointly funded the construction of the School and Community Recreation Centre during 2004/05. The Recreation Centre was built on land vested in the Ministry of Education, which has granted the Shire a twenty one year licence to use the facilities for recreational purposes. Utilities and maintenance expenses are to be shared on a basis as determined and set out in the lease agreement. Council's share of these assets is included in the Statement of Financial Position and at Note 8 as follows:

	2007	2006
	\$	\$
Non-Current Assets		
Plant & Equipment	1,998,052	1,998,052
Less: Accumulated Depreciation	-95,780	-55,819
	<u>1,902,272</u>	<u>1,942,233</u>

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

Governance	44,026	758,589
General Purpose Funding	427,306	129,216
Law, Order, Public Safety	791,357	874,808
Health	3,958	0
Education and Welfare	235,057	237,150
Housing	2,730,664	2,639,400
Community Amenities	8,815,137	8,810,971
Recreation and Culture	9,341,221	6,972,254
Transport	58,278,753	57,446,780
Economic Services	986,189	970,492
Other Property and Services	2,376,999	1,228,940
Unallocated	3,087,525	2,914,885
	<u>87,118,192</u>	<u>82,983,485</u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

19. FINANCIAL RATIOS	2007	2006	2005
Current Ratio	1.097	1.570	1.050
Untied Cash to Trade Creditors Ratio	0.012	1.050	0.520
Debt Ratio	0.056	0.040	0.040
Debt Service Ratio	0.032	0.040	0.030
Gross Debt to Revenue Ratio	0.190	0.310	0.210
Gross Debt to Economically Realisable Assets Ratio	0.419	0.220	0.220
Rate Coverage Ratio	0.292	0.330	0.280
Outstanding Rates Ratio	0.088	0.080	0.130

The above ratios are calculated as follows:

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

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

20. TRUST FUNDS

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

	Balance 1-Jul-06 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-07 \$
Cleaning and Key Deposits	7,569	11,340	-8,150	10,759
Other Trust Monies	2,567	0	0	2,567
Bonds and Guarantees	21,930	55,940	-4,685	73,185
Nomination Deposit	160	160	-80	240
Unclaimed Monies	1,980	0	0	1,980
	<u>34,206</u>			<u>88,731</u>

21. DISPOSALS OF ASSETS - 2006/07 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Governance						
Toyota Landcruiser 4WD Wagon AS1000	13,490	22,163	19,585	25,000	6,095	2,837
Toyota Prado 4WD GLX Wagon AS1001	10,379	2,415	14,477	15,000	4,098	12,585
Toyota Prado 4WD GLX Wagon AS1003	0	17,929	15,000	23,000	15,000	5,071
Health						
Toyota Prado RV6 AS1052	10,302	30,859	23,000	10,000	12,698	-20,859
Housing						
461 Cameron Avenue Onslow *	0	7,500	0	120,000	0	112,500
Recreation & Culture						
Ford Courier Ute AS603	6,651	12,223	10,150	22,000	3,499	9,777
Other Property & Services						
Toyota Hilux Ute AS 609	0	0	15,555	9,000	15,555	9,000
Toyota Hilux Ute AS 672	0	0	5,777	9,000	5,777	9,000
Mitsubishi Canter Truck AS 684	0	0	0	6,000	0	6,000
Toyota Hilux Ute AS 641	0	0	0	9,000	0	9,000
Land Rover Extreme AS 005	12,796	20,010	20,750	26,000	7,954	5,990
	<u>53,618</u>	<u>113,099</u>	<u>124,294</u>	<u>274,000</u>	<u>70,676</u>	<u>160,901</u>

* This house was sold in 2006-07 for \$147,048, this asset was not listed in the asset register, so the proceeds are shown in the statements as cash proceeds.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

22. INFORMATION ON BORROWINGS

Particulars	Principal 1-Jul-06	New Loans		Principal Repayments		Principal 30-Jun-07		Interest Repayments	
	\$	\$	Budget	Actual	Budget	Actual	Budget	Actual	Budget
Government									
Loan 106 - Computers	25,224	12,222	12,223	13,002	13,002	1,046	1,395	527	698
Loan 108 - Paraburdoe Office	12,612	6,111	6,111	6,501	6,501	20,651	14,823		
Law, Order & Public Safety									
Loan 112 - Collocation Facility	250,396	38,304	25,152	212,092	225,244	3,888	145	5,454	1,546
Housing									
Loan 14 - Housing	2,340	1,532	1,531	808	808	45,840	50,063		
Loan 113 - Staff Housing	24,065	5,427	5,427	18,638	18,638	8,458	7,126		
Loan 117 - Housing Manager	910,255	33,343	33,343	876,912	876,912				
Community Amenities									
Loan 111 - Refuse Site	132,273	63,283	41,579	68,990	90,694				
Recreation & Culture									
Loan 118 - Comm Rec Centre	399,811	20,186	20,186	379,625	379,625	19,377	22,880	1,168	1,384
Loan 95 - Spinifex Club	19,015	19,015	12,407	0	6,607				
Transport									
Loan 105 - Panna/Millstream	29,007	14,056	14,056	14,951	14,953	1,203	1,604		
Loan 109 - Onslow Footpaths	6,731	2,577	2,577	4,154	4,154	314	354		
Loan 110 - Onslow Bitumen	14,886	5,623	5,623	9,063	9,063	684	773		
Loan 116 - Onslow Aerodrome	485,313	30,766	30,765	455,047	455,047	32,642	32,951		
Loan 119 - Onslow Aerodrome	300,000	7,759	7,760	292,241	292,240	18,998	18,959		
Economic Services									
Loan 102 - Onslow Tourist Bur	1,784	1,784	1,784	0	0	21	73		
	2,614,012	261,988	220,524	2,352,024	2,393,488	160,271	154,874		

All debenture repayments are to be financed by general purpose revenue, with the following exceptions, being in the nature of self supporting loans:
 Loan 102 which was funded directly by the Onslow Tourist and Progress Committee.
 The Onslow Sun chalet loan (paid up) and being repaid by arrangement with Sunfocus Holdings.
 Loan 112 the interest component of which is reimbursable by FESA.

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
(b) New Debentures - 2006/07										
Paraburdoe Pool	0	500,000	WATC	Debenture	20	387	6.31%	0	500,000	0

SHIRE OF ASHBURTON
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2007

22. INFORMATION ON BORROWINGS (Continued)

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 1-Jul-06 \$	Borrowed During Year \$	Expended During Year \$	Balance 30-Jun-07 \$
Loan 119 - Onslow Aerodrome	28-Jun-06	300,000	0	300,000	0
		300,000	0	300,000	0

(d) Overdraft

Council has an overdraft facility of \$500,000 with Westpac bank to assist with short term liquidity requirements. The physical balance of the bank overdraft at the bank as at 1 July 2006 and 30 June 2007 was \$Nil.

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

23. RATING INFORMATION - 2006/07 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential General Rate											
GRV Residential	0.1185	2,306	19,382,910	2,269,966	6,354	0	2,276,320	2,184,830	10,000	0	2,194,830
Residential Development	0.1185	0	0	0	361	0	361	0	0	0	0
Commercial Civic	0.1185	88	4,645,358	498,737	-7,849	0	490,888	361,363	0	0	361,363
Tourism	0.1185	2	182,000	21,567	0	0	21,567	21,567	0	0	21,567
Community	0.1185	18	148,426	9,941	-8,894	0	1,047	9,592	0	0	9,592
Industrial	0.1185	34	382,324	45,305	0	0	45,305	45,891	0	0	45,891
Industrial Development	0.1185	1	5,700	675	0	0	675	675	0	0	675
Rural/Pastoral	0.0699	36	2,171,604	152,245	0	0	152,245	151,795	10,000	0	161,795
Rural/Commercial	0.1696	4	196,000	33,242	0	0	33,242	33,242	0	0	33,242
Rural/Industrial	0.1696	15	537,000	94,004	3,822	0	97,826	91,075	0	0	91,075
Mining Lease	0.1696	65	2,768,106	469,471	133,186	0	602,657	483,763	0	0	483,763
Exploration Lease	0.1696	408	2,460,728	417,339	115,156	0	532,495	407,111	0	0	407,111
Petroleum Production	0.1696	5	825,396	139,987	0	0	139,987	136,225	0	0	136,225
UV Permits	0.1696	902	109,842	18,629	10,748	0	29,377	18,629	0	0	18,629
General Purpose Lease	0.1696	884	215,205	36,499	8,394	0	44,893	36,499	0	0	36,499
Sub-Totals		4,768	34,030,599	4,207,607	261,278	0	4,468,885	3,982,257	20,000	0	4,002,257
Minimum Rates											
GRV Residential	450	185	142,475	83,250	-9,448	198	74,000	83,700	0	0	83,700
Development	450	4	6,000	1,800	0	0	1,800	0	0	0	0
Commercial Civic	450	22	34,210	9,900	748	0	10,648	9,900	0	0	9,900
Tourism	450	1	1,300	450	0	0	450	450	0	0	450
Community	450	8	13,620	3,600	0	0	3,600	3,600	0	0	3,600
Industrial	450	31	29,476	13,950	0	0	13,950	13,950	0	0	13,950
Rural/Pastoral	450	3	7,854	1,350	450	0	1,800	1,350	0	0	1,350
Rural/Commercial	450	5	5,272	2,250	0	0	2,250	2,250	0	0	2,250
Rural/Industrial	450	38	9,027	17,100	-893	0	16,207	17,100	0	0	17,100
Mining Lease	450	44	30,652	19,800	0	0	19,800	19,800	0	0	19,800
Exploration Lease	450	81	94,497	36,450	3,966	18	40,434	40,500	0	0	40,500
Petroleum Production	450	10	11,460	4,500	3,770	24	8,294	0	0	0	0
UV Permits	450	7	10,234	3,150	-450	-810	1,890	3,600	0	0	3,600
General Purpose Lease	450	26	14,000	11,700	-333	0	11,367	11,700	0	0	11,700
Sub-Totals		465	410,077	209,250	-2,190	-570	206,490	207,900	0	0	207,900
							4,675,375				4,210,157

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

24. SPECIFIED AREA RATE - 2006/07 FINANCIAL YEAR

No specified area rates were charged in the 2006-07 year.

25. SERVICE CHARGES - 2006/07 FINANCIAL YEAR

No statutory service charges were imposed in 2006-07.

**26. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2006/07 FINANCIAL YEAR**

No discount for early payment applied to rates in the 2006-07 year.

27. INTEREST CHARGES AND INSTALMENTS - 2006/07 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	10		19,728	25,000
Charges on Instalment Plan		6	2,868	5,000
			22,596	30,000

Ratepayers had the option of paying rates in four equal instalments, due on 11th November 2006, 13th January 2007, 10th March 2007 and 5th May 2007. Administration charges and interest applied for the final three instalments.

28. FEES & CHARGES	2007	2006
	\$	\$
Governance	4,732	558
General Purpose Funding	3,961	6,059
Law, Order, Public Safety	34,356	47,178
Health	9,229	5,345
Welfare & Education	13,647	0
Housing	29,058	30,628
Community Amenities	995,760	960,059
Recreation & Culture	184,657	128,669
Transport	7,824	144,962
Economic Services	336,002	378,100
Other Property & Services	7,425	137,290
	1,626,651	1,838,848

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

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

29. GRANT REVENUE	2007	2006
	\$	\$
By Nature and Type:		
Grants and Subsidies - operating	4,373,565	3,602,853
Grants and Subsidies - non-operating	3,014,076	1,193,116
	<u>7,387,641</u>	<u>4,795,969</u>
By Program:		
General Purpose Funding	3,398,608	3,174,059
Law, Order, Public Sector	111,555	81,192
Health	126,900	97,612
Education	76,449	25,000
Recreation and Culture	1,708,703	181,881
Transport	1,942,789	1,224,825
Economic Services	0	11,400
Other Property & Services	22,637	0
	<u>7,387,641</u>	<u>4,795,969</u>

30. COUNCILLORS' REMUNERATION	2007	2007	2006
	\$	Budget	\$
		\$	
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	58,021	60,000	58,000
President's Allowance	0	5,000	9,000
Deputy President's Allowance	0	1,250	0
Travelling Expenses	45,936	86,520	51,876
Telecommunications Allowance	0	0	0
	<u>103,957</u>	<u>152,770</u>	<u>118,876</u>

31. EMPLOYEES' REMUNERATION

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

Salary Range	2007	2006
\$		
100,000 - 109,999	1	1
110,000 - 119,999	0	0
120,000 - 129,999	0	0
130,000 - 139,999	1	1

32. EMPLOYEE NUMBERS

The number of full-time equivalent Employees at balance date

	2007	2006
	<u>69</u>	<u>58</u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

33. MAJOR LAND TRANSACTIONS

Council did not participate in any major land transactions during the 2006/07 financial year.

34. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2006/07 financial year.

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

35. INTEREST RATE RISK

The following tables set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

Year Ended 30 June 2007	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
FINANCIAL ASSETS								
Floating Rate								
Cash and Cash Equivalents	2,754,446	0	0	0	0	0	2,754,446	5.06%
Weighted Average								
Effective Interest Rate	5.06%	0.00%	0.00%	0.00%	0.00%	0.00%		
FINANCIAL LIABILITIES								
Fixed Rate								
Debentures	35,264	82,207	18,637	0	0	2,215,915	2,352,023	6.32%
Weighted Average								
Effective Interest Rate	6.30%	5.80%	6.80%	0.00%	0.00%	6.00%		
Floating Rate								
Overdraft	82,970	0	0	0	0	0	82,970	0.00%
Weighted Average								
Effective Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		

Note: Bank overdraft balance of \$82,970 at 30 June 2007 was only a reconciled general ledger overdraft balance. The balance as per the bank was not in overdraft and hence the weighted average interest rate was 0%. If an actual overdraft had existed, the existing overdraft facility interest rate at 30 June 2007 would have been 10.25%.

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

35. INTEREST RATE RISK (Continued)

Year Ended 30 June 2006	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
FINANCIAL ASSETS								
Floating Rate Cash and Cash Equivalents	3,162,771	0	0	0	0	0	3,162,771	4.85%
Weighted Average Effective Interest Rate	4.85%	0.00%	0.00%	0.00%	0.00%	0.00%		
FINANCIAL LIABILITIES								
Fixed Rate Debtentures	23,137	66,846	0	177,756	0	2,346,573	2,614,312	6.06%
Weighted Average Effective Interest Rate	8.45%	6.28%	0.00%	5.97%	0.00%	6.03%		