

SHIRE OF ASHBURTON ANNUAL REPORT



**Financial Year Ending
30 June 2008**

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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 townsite including, sport and recreation, environmental health, tourism, waste management, development approvals, libraries and ranger services.



SHIRE PRESIDENTS REPORT

I will start by explaining that I am in the curious position of writing this report despite the fact that I was not a Councillor during the period under review. (It was only shortly after the review period that I joined Council).

It is that context that I note that Shire of Ashburton was in the stewardship of the then Shire President, Cr Leanne Corker, during the 2007/08 Financial Year and I would like to record my appreciation of the strategic direction Cr Corker gave the Shire during this period.

I am specifically referring to the Council's adoption of the Shire of Ashburton Strategic Plan 2007-11 (incorporating the Shire's Plan for the Future) during the review period.

The Strategic Plan represents a four year review for the Shire and the Mission Statement "Working together enhancing lifestyle and economic vitality" recognises the importance of Council working in partnership with the community to identify desired outcome and appropriate means of achieving them.

The plan identifies six strategic objectives, five of which represent community aspirations, while the sixth focuses on the Shire's organisational performance. The objectives are:

- Diversity and Strength in the Economy
- Include and Engage our Community
- Connected and Accessible Region
- Conserve and Enhance the Environmental and Cultural Heritage
- Community Safety and Security
- A well Manage and Contemporary Corporation

Recently a comment was made to me that, in the end, whether the Shire of Ashburton's Strategic Plan is a success or not will be judged by actual results. I agree with this statement. It is essential that the desirable outcomes set out in the plan become reality. It is only then that the plan may be truly judged a success.

I look forward to working with Councillors, the Chief Executive Officer, the Management Team and staff with the objective of making the Strategic Plan a reality, to the benefit of all concerned.

Cr Greg Musgrave
Shire President



CHIEF EXECUTIVE OFFICER REPORT

As an initial comment, it is appropriate that I place on record that this Annual Report is being presented to electors significantly later than it should. This has occurred as a result of the need to overhaul the Shire's financial record keeping system in order to ensure that it meets the needs of a modern and growing Local Government organisation.

It is reassuring that following the extensive work undertaken in relation to the Shire's accounting systems, the independent auditor's report testifies to the financial wellbeing of the Shire.

Equally importantly, I believe that the upgraded financial recording systems will be of major practical assistance in enabling the Shire to progress the provision of services and facilities to the community.

On that score, I noted during my annual report last year:

"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".

I went on to observe that one way the Shire can at least partly address this issue was:

"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".

It is in the context that I am very pleased to record the significant strategy planning progress made by the Shire during the year under review. This has resulted in Council adopting the Shire of Ashburton's Strategic Plan 2007-11 (incorporating the Shire's Plan for the Future).

This document identifies the Shires objectives and goals for the coming four years and will act as the Shire's blueprint to moving forward into the future. At one level it will guide the development of each annual budget and at another it will underscore the Shire's position in its communications with the community stakeholders, as well as its dealings with government at all levels.

At a broader level, change appears to be imminent within Local Government, generally, throughout the state. While the State Government has not specifically identified the form that Local Government reform may take, it is clear that both of the two main political parties are giving consideration to how Local Government will serve communities in the future.

Local Government's representative body the West Australian Local Government Association (WALGA) has been proactive in attempting to develop a response to the drive for change. At



the end of the period under review however, it is clear that the “Regional Model” being promoted by the Association (it proposes the introduction of a type of Regional Government, between local and state governments) is generating significant dissent from many of the state’s 140 local governments.

It is anticipated that the issue of Local Government reform will become even more significant in the coming months.

I would like to conclude by placing on record my appreciation and thanks for the personal support I have received from Cr Corker, as the Shire President during the period under review, Councillors and staff. The commitment, dedication and hard work contributed by all has been greatly appreciated.

Keith Pearson
Chief Executive Officer



COUNCILLORS

There are nine Wards within the Shire of Ashburton. The elected members in each Ward for the 2007/2008 Financial Year are detailed below:

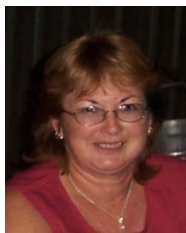
ASHBURTON WARD



Cr Leanne Corker
Shire President

Ashburton Ward – 2011
Contact Ph: 9184 5136
Email: leannecorker@bigpond.com

PANNAWONICA WARD



Cr Stephanie Dann

Pannawonica Ward – 2009
Contact Ph: 9184 1462
Email: stephanne.dann@ashburton.wa.gov.au

PARABURDOO WARD



Cr Linton Rumble
Deputy President

Paraburdoo Ward – 2011
Contact Ph: 0438 896 552
Email: linton.rumble@bigpond.com



Cr Ivan Dias

Paraburdoo Ward – 2009
Contact Ph: 9189 5844
Email: ivan.dias@ashburton.wa.gov.au



ONslow WARD



Cr Kerry White

Onslow Ward – 2011
Contact Ph: 9184 6003
Email: kerry.white@ashburton.wa.gov.au

TABLELAND WARD



Cr Lorraine Thomas

Tableland Ward – 2011
Contact Ph: 9189 7089
Email: lorraine.thomas@ashburton.wa.gov.au

TOM PRICE WARD



Cr Cecilia Fernandez

Tom Price Ward – 2009
Contact Ph: 9189 3204
Email: cecilia.fernandez@ashburton.wa.gov.au



Cr Tony Bloem

Tom Price Ward – 2011
Contact Ph: 9189 2514
Email: tony.bloem@riotinto.com

CR POSITION VACANT – TOM PRICE WARD



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 27 September 2006. Council is required to report on the six outcomes relating to DAIPs annually.

Outcome 1 – Service and Events:

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

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

Outcome 2 – Buildings and Other Facilities:

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

- Council allocated funds in the 07/08 during the review period the shire constructed new public toilets with ramps for those with disabilities in Tom Price.
- 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 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.

- When reviewing the Shire's DIAP the Shire will conduct a community consultation process which will be advertised in local newspapers and council publications prior to Council endorsing any amendments.

The Shire's DIAP 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 2007/2008 financial year no amendments to DIAP were made.



NATIONAL COMPETITION POLICY

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

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

A further requirement of the National Competition Policy is that all Council Local Laws are reviewed every 8 years to determine whether they are in conflict with competitive neutrality and comply with the *Local Government Act 1995*. No Local Laws were amended during the 2007/2008 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 is also a requirement that the Shire to maintain recordkeeping training program which is regularly reviewed.

To comply with this requirement a review and update 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 members on commencement of employment;
- All staff have access to a copy of the Shire's Records Policies and Procedure Manual.

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



PLAN FOR THE FUTURE 2007 – 2011

A copy of the Shire of Ashburton's Strategic Plan (Incorporating the Plan for the Future) 2007 – 2011 is **attached**.

ATTACHMENT 1



ANNUAL FINANCIAL STATEMENTS

BDO Kendalls Correspondence

- Attachment 2: BDO Kendalls covering letter dated 26 October 2008
- Attachment 3: BDO Kendalls – Independent Auditor’s Report to the Electors of the Shire of Ashburton dated 26 October 2008

Annual Financial Report

- Attachment 4: Shire of Ashburton Financial Report for the Year Ended 30th June 2008



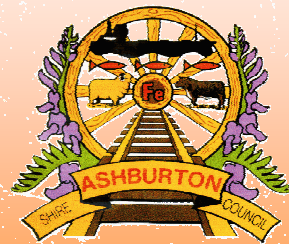
Shire of Ashburton



Strategic Plan

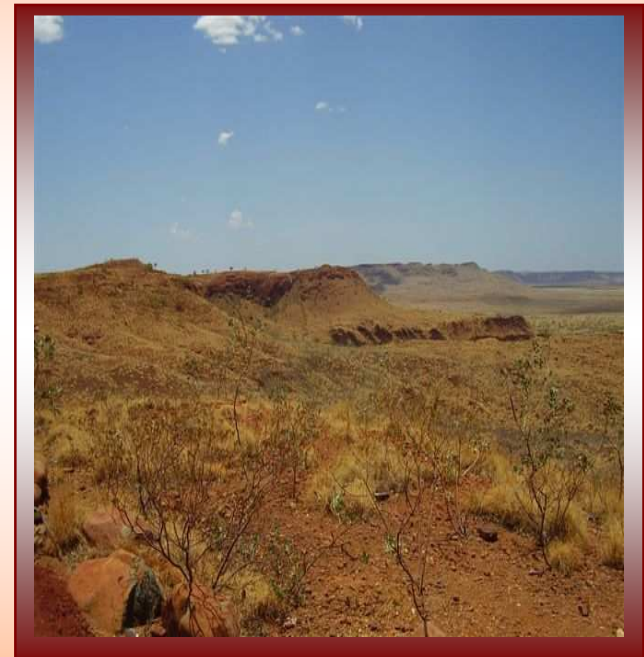
(Incorporating the Plan for the Future)

2007 - 2011



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Shire of Ashburton Profile

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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 townsite including, sport and recreation, environmental health, tourism, waste management, development approvals, libraries and ranger services.

Foreword

The Shire of Ashburton Strategic Plan presents a four year vision for the Shire, focusing on the area's unique natural beauty, relaxed family lifestyle and its significant role in the nation's economy resulting from its dominant industries, particularly the resource industry.

The Strategic Plan also incorporates the Shire's "Plan for the Future", a statutory requirement, which requires the Shire to adopt a short term, two year plan to guide its more immediate budgetary planning.

The Shire's Mission Statement, "Working together enhancing lifestyle and economic vitality" recognises the importance of Council working in partnership with the community to identify desired outcomes and the appropriate means of achieving them.

The Plan identifies six strategic objectives, five of which reflect community aspirations and the sixth which focuses on the Shire's organisational performance. The strategic objectives identified are

Diversify and Strengthen the Economy

- Focuses on ensuring that the Shire's economic base is robust, broad and able to service future growth

Include and Engage Our Community

- Ensures lifestyle is enhanced by providing access to satisfactory health and educational services, as well as quality recreational, community and social services.

A Connected and Accessible Region

- Addresses the need for people to have a high standard of access to their neighbourhood community, region and world by means of high quality transport and communication systems.

Conserve and Enhance the Environmental and Cultural Heritage

- Ensures that the Shire's diverse natural, cultural and built environment is conserved and enhanced.

Community Safety and Security

- Promotes an environment which is safe and secure from both natural and societal risks

A Well Managed and Contemporary Corporation

- Delivers effective and accountable governance and administration within the Shire organisation.

Council is confident that, with community involvement and support, the objectives of the Strategic Plan will be achieved.



Leanne Corker
Cr Leanne Corker
Shire President

A handwritten signature in black ink, which appears to read "Keith Pearson".

Mr Keith Pearson
Chief Executive Officer



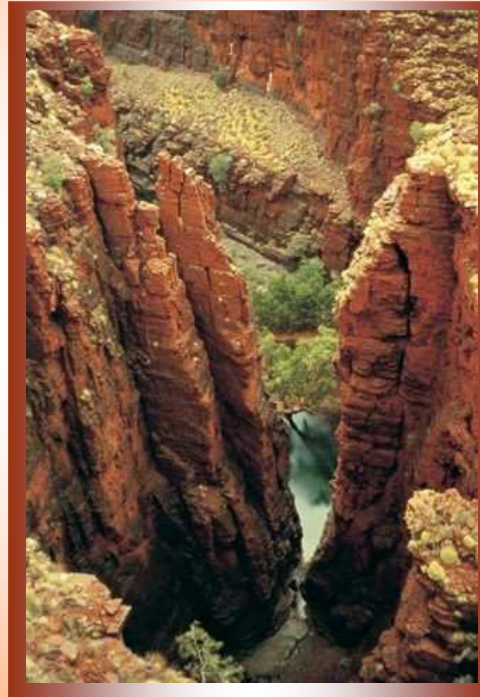
Our Vision

VISION

“The Shire of Ashburton will be a vibrant and prosperous place for work, leisure and living”

MISSION

“Working together, enhancing lifestyle and economic vitality”



OUR FOCUS

The Strategic Plan for the Shire of Ashburton will facilitate the following:

- 1) Economic growth and diversity
- 2) Quality lifestyle and social well-being
- 3) Ecological sustainability and best practice environmental management
- 4) Improved services and infrastructure
- 5) Best practice local government

The Council's focus is to:

Strengthen and diversify opportunities and experiences for people living, visiting, working and learning in the Shire

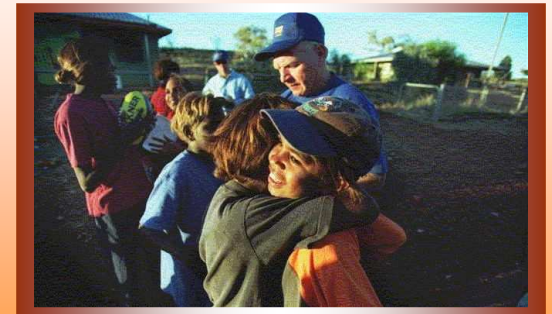
This can only be achieved through Council and State leadership, together with an active engagement with the private sector and community.

It requires the development of cultural, economic, social and environmental programs as well as infrastructure to create the conditions for sustainable activity. This, in turn will attract people to the Ashburton region and will generate the work, study and lifestyle opportunities that are necessary in order for people to choose to stay.

Qualities that People Value Most



- » **Relaxed lifestyle and community**
- » **Laid back way of life**
- » **Outdoors**
- » **Wide open spaces**
- » **Friendliness**
- » **Diverse communities**
- » **Fishing**
- » **Community size**



Governance and Accountability

ROLE OF COUNCIL

The general function of the Council is to provide for the good local governance for people of the district. This includes the provision of works and services to ensure the health, safety and fulfillment of the local community.

Key areas include:

- to direct and uphold the affairs of the Shire;
- provide leadership and direction, in consultation with the community;
- to be responsible for the performance of Council's functions;
- to maximise the Shire's funding opportunities;
- to determine policies to guide local government operations.
- Create partnerships for the benefit of the region and communities;
- Lobby and negotiate with the Government on behalf of the Shire.

The ways in which these aims are interpreted and the range and nature of the responsibilities to which they are applied undergo constant transformation.

Council consists of nine Councillors elected to represent six wards that are widely dispersed across the Shire. The Councillors support the overall function of Council but directly represent their communities of residence.



Our Council

Shire President

Cr Leanne Corker – Ashburton Ward - 2011



Re-elected as Shire President in November 2007

Re-elected in 2007
Term Expires: 2011
Home Telephone: (08) 9184 5136
Facsimile: (08) 9184 5136
E-mail: leannecorker@bigpond.com
Address: Red Hill Station, Via Pannawonica WA 6716

Deputy President

Cr Linton Rumble, JP – Paraburdoo Ward - 2011

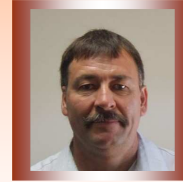


Elected as Deputy President in November 2007

Term Expires : 2011
Telephone : 08 9189 5506
Mobile : 0438 896 552
Facsimile : 08 9189 6552
Email : linton.rumble@riotinto.com
Address : 483 Robe Avenue, Paraburdoo WA 6754

Councillor

Cr Tony Bloem – Tom Price Ward – 2011



Re-elected : 2007
Term Expires: 2011
Home Telephone: (08) 9189 2514
Work Telephone: (08) 9143 3213
E-mail: tony.bloem@riotinto.com
Address: 768 Larnook Street, Tom Price WA 6751

Councillor

Cr Cecilia Fernandez – Tom Price Ward – 2009



Elected: 2007
Term Expires: 2009
Home Telephone: 08 9189 3204
Work Telephone: 08 9189 1592
Mobile: 0429 100 395
E-mail: cecilif@dcd.wa.gov.au
Address: 577 North Rd, Tom Price WA 6751

Councillor

Cr Ivan Dias – Paraburdoo Ward – 2009



Elected : 2007
Term Expires : 2009
Home Telephone : 08 9189 5844
Mobile : 0438 982 910
E-mail : diacdias@bigpond.net.au
Address : 146 Ashburton Avenue, Paraburdoo WA 6754

Councillor

Cr Hugh Martin – Tom Price Ward – 2009



Elected : 2005
Term Expires : 2009
Home Telephone : 08 9188 1030
Work Telephone : 08 9143 3220
Mobile : 0438 948 295
Email : hugh.martin@riotinto.com
Address : 653 Kiah Street, Tom Price WA 6751 (PO Box 286)

Councillor

Cr Kerry White – Onslow Ward - 2011



Elected : 2007
Term Expires : 2011
Work Telephone : 08 9184 6003
Facsimile : 08 9184 6373
Address : 420/13 Third Avenue, Onslow WA 6710

Councillor

Cr Stephanie Dann – Pannawonica Ward - 2009



Elected : 2007
Term Expires : 2009
Home Telephone : 08 9184 1462
Work Telephone : 08 9184 1172
Email : stephanne.dann@det.wa.edu.au
Address : 12A Pannawonica Drive, Pannawonica WA 6716

Councillor

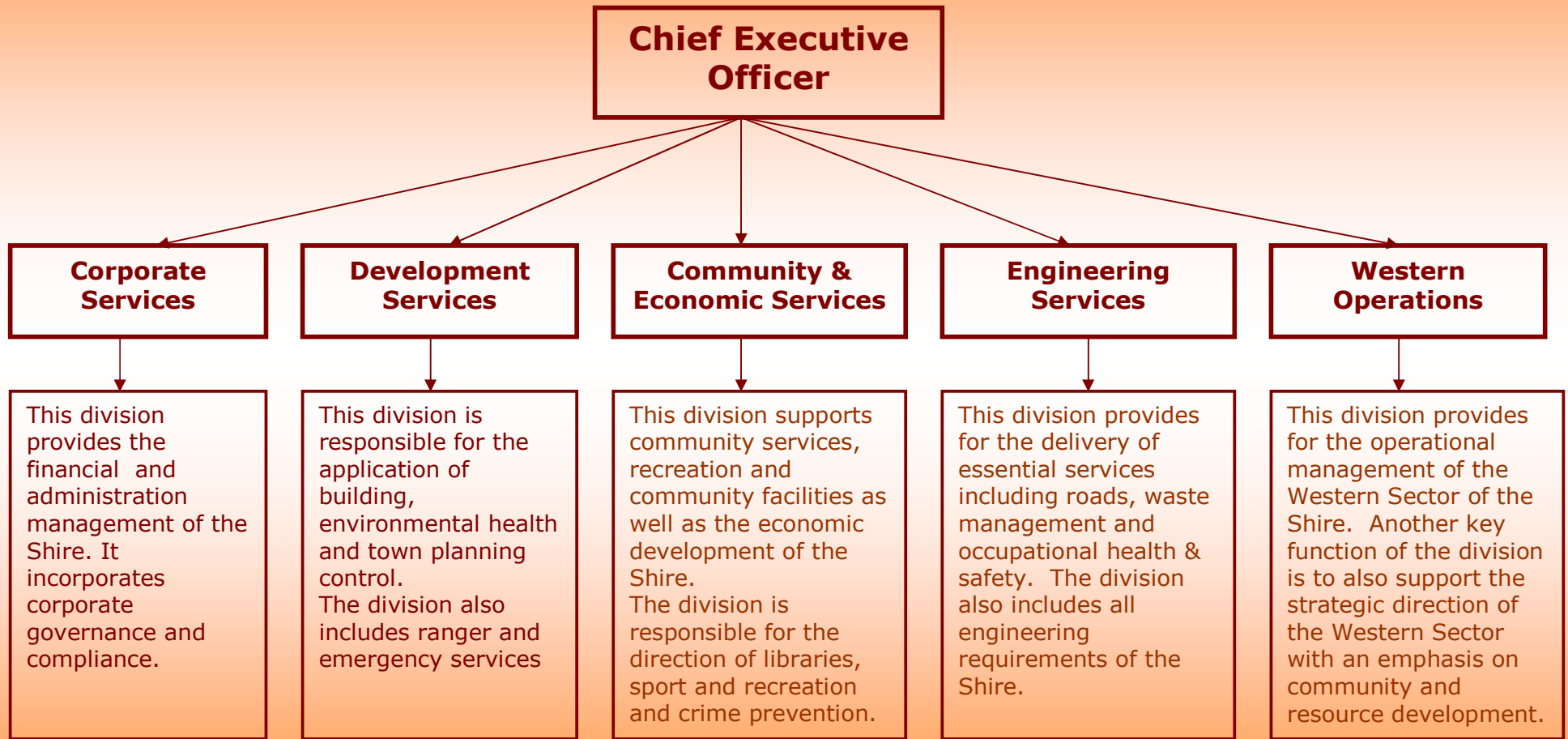
Cr Lorraine Thomas – Tableland Ward - 2011



Re-Elected : 2007
Term Expires : 2011
Home Telephone : 08 9189 7096
Facsimile : 08 9189 7096
Address : 66 Fifth Avenue, Wittenoom WA 6751



Shire of Ashburton Organisational Structure



Major Accomplishments



Reconstruction of the Paraburdoo Swimming Pool



Upgrade of the Onslow Airport



Development of Beadon Point Lookout Onslow



Resealing of Roebourne - Wittenoom Road



Reconstruction of the Tom Price Public Toilets

TOURISM DEVELOPMENT

YOU SAID:

- » Tourism needs to be promoted and better developed.
- » Shire needs to develop a Tourism Development Plan.

WE WILL:

- » Develop a tourism strategy unique to the Shire but consistent with regional and state initiatives.
- » Lobby and assist in the development of new and upgraded infrastructure that will provide an environment in which tourist opportunities flourish.

PATHWAYS

YOU SAID:

- » Improve and repair our footpaths and cycleways.

WE WILL:

- » Commit at least \$100,000 in 2007/08 and 2008/9 towards maintaining and upgrading our pathways network throughout the Shire.
- » Renew 1000 sqm of local footpaths.

COMMUNICATION

YOU SAID:

- » Increase communication between the Shire of Ashburton and the community.

WE WILL:

- » Develop Shire Newsletter/Update to keep the community informed of all key Council initiatives, news, latest works and upcoming events.
- » Increase community awareness of Shire activities by greater use of all media.

PUBLIC SAFETY

YOU SAID:

- » Increase street lighting to give better safety to communities.
- » Ban dogs in playground areas.

WE WILL:

- » Conduct safety audit of street lighting.
- » Establish procedure to ensure more timely maintenance of street lighting.
- » Develop local law and ban dogs in playground areas.

HOUSING AND ACCOMMODATION

YOU SAID:

- » Need subsidised housing to support small business and hospitality.
- » Lobby and encourage State Government to facilitate land release.

WE WILL:

- » Facilitate land development in Tom Price and Onslow.
- » Advocate and lobby with relevant agencies, including utility providers to ensure appropriate levels of service and capacity are available for urban expansion.

RECYCLING

YOU SAID:

- » Implement recycling across the Shire.

WE WILL:

- » Investigate opportunities to conduct kerbside recycling across the Shire.
- » Implement those elements of the Pilbara Regional Council's Waste Management Strategy that are relevant to the Shire of Ashburton.
- » Partner with industry and NGOs to promote sustainable recycling.

Integrated Planning Framework

HOW WE PLAN

Council's Vision and Mission Statement guide the strategic direction for the Shire of Ashburton's Integrated Planning Framework.

Our planning process ensures all Council actions and resources are directed towards achieving these outcomes.

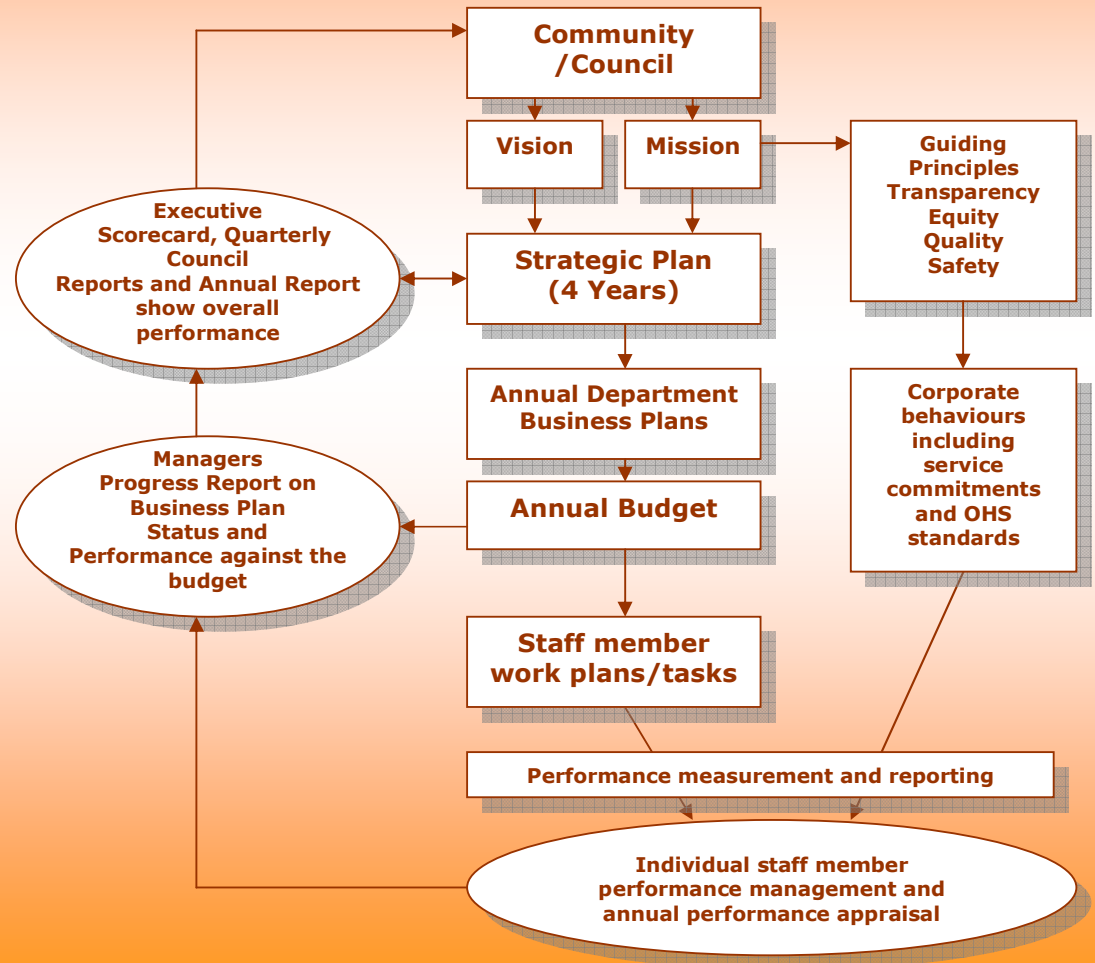
Our dynamic four year Strategic Plan is a vital part of this framework. Through community consultation and research, Councillors and staff have identified long term objectives and strategic priorities to ensure the Ashburton region will be the best place to live and visit both now and into the future. The plan will be reviewed annually with actions for the following year determined and budgets allocated.

HOW WE BUILD IN ACCOUNTABILITY

Supporting the implementation of the Strategic Plan is a series of annual business plans for each division. These plans detail how each functional area will contribute to achieving the Strategic Plan and divisional objectives in the coming year.

This will ensure accountability is built into each level of the planning framework and will also ensure that all actions carried out across the organisation are aligned to and are consistent with Council's strategic objectives.

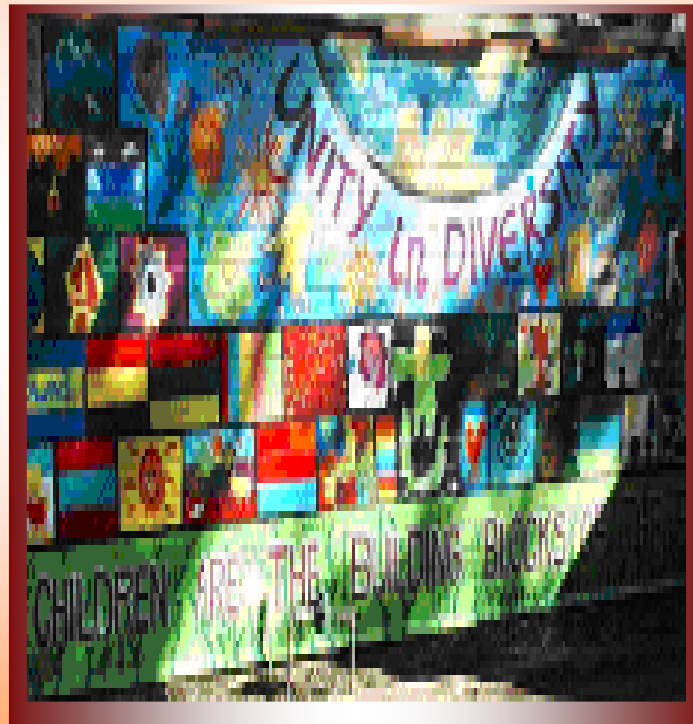
THE FRAMEWORK



Strategic Objectives

Under the headings of six (6) strategic objectives this Plan sets out in detail what the Shire wants to achieve over the next four years.

The first five (5) strategic objectives reflect our aspirations for the Shire and were developed during extensive community consultation throughout 2006 and 2007 as part of the development of the 2007-2011 Strategic Plan.



A further strategic objective focuses on the organisation's internal performance and provides direction for the good governance and management of the organisation.

The Council, in conjunction with the Shire's executive management team, has given considerable time and thought to developing strategies for the next four (4) years.

These strategies build on, and incorporate many of the initiatives of the 2004-2009 Strategic Plan.

Strategic Objectives

- Strategic Objective 1: Diversify and Strengthen the Economy**
- Strategic Objective 2: Include and Engage Our Community**
- Strategic Objective 3: A Connected and Accessible Region**
- Strategic Objective 4: Conserve and Enhance the Environment and Cultural Heritage**
- Strategic Objective 5: Community Safety and Security**
- Strategic Objective 6: A Well Managed and Contemporary Corporation**

1 Diversify and Strengthen the Economy



Tourism

Infrastructure

Business

Small Business

1 Diversify and Strengthen the Economy

Objective

The Shire of Ashburton's objective is to ensure that our economic base is robust, broad and able to service future growth and community needs through a coordinated approach involving government agencies, industry and other key stakeholders.

What is our research data telling us?

Trend

Strong economic growth driven by resource industry development and increased tourism opportunities.

Challenge

Encouraging economic development when faced with regional accommodation shortages, aging infrastructure, non government utility providers and increased competition for valuable resources such as transport, services, staff and land.

Strategies

- » Shire of Ashburton Strategic Plan 2007 – 2011
- » Central Activities Area Revitalisation Plans for Tom Price, Paraburdoo and Onslow
- » Onslow Structure Plan
- » Tom Price Structure Plan
- » Paraburdoo Community Needs Analysis
- » Shire of Ashburton Tourism Strategic Plan incorporating a Business Plan for Visitor Centres
- » Onslow Marine Feasibility Study
- » Asset Management Plan
- » Utility Infrastructure Review

Outcomes

Tourism Measures and Targets

- » Increase in Visitor Centre Activity.
- » Increase in number of visitors to the Shire
- » Increase in the diversity and number of tourism products

Land and Accommodation Development Measures and targets

- » Residential, Commercial and Industrial land development
- » Lobby for the upgrading of utilities Sewage/ Water/ Power to enable development

New Industry Measures and Targets

- » Increase in major investment enquiries
- » Increase in building activity
- » Community satisfaction with economic development
- » Increased employment opportunities

Infrastructure Measures and Targets

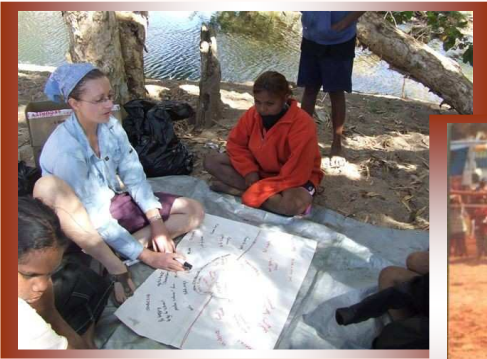
- » Increase in retail business
- » Increase in service trades business
- » Increase in commercial trader's competition

Business Plan Objectives

Project	Process	Time frame	Responsibility	Cost
1. Develop Shire of Ashburton Tourism Strategy	<ul style="list-style-type: none"> » Consultation and relationship development with key stakeholders » Establish market niches and review current services » Develop Business Plan for Tom Price and Paraburdoo Visitor Centres including consultation with Onslow Visitor Centre, as well as other regional centres 	2007 – 2009	EMCES	\$65,000
2. Facilitate land development throughout region	<ul style="list-style-type: none"> » Review and commercialise Council’s existing tourism reserves e.g. Ocean View Caravan Park, Sun Chalets, Beadon Bay Caravan Park and Tom Price Tourist Park 	2007 – 2009	CEO EMES EMCES	\$750,000
	<ul style="list-style-type: none"> » Facilitate the release of land for tourism, accommodation, housing, commerce and industry to support economic development <ul style="list-style-type: none"> • Structure Plans, Town Planning Scheme Amendment, Land Corp and Utility Providers involvement 	2007 -2011	CEO EMES EMCES EMWO	\$450,000
	<ul style="list-style-type: none"> » Plan the revitalisation of Tom Price Town Centre, including the development of vacant land 	2007 – 2008	CEO EMES EMCES	\$75,000
	<ul style="list-style-type: none"> » Implement the revitalisation of Tom Price Town Centre, including development of vacant land 	2008 - 2011	CEO EMES EMCES	\$25 million
3. Small business promotion and marketing	<ul style="list-style-type: none"> » Mentoring of small business » Web site development » Information directory » Lobby the Government for support when required 	2008 -2011	EMCES	\$75,000

4. Townscape Planning	» Develop Townscape Plans for Tom Price and Paraburdoo. (Incorporating town centre revitalisation initiatives, entry statements, public toilets etc..)	2008 – 2011	EMCES EMES EMDS EMWO	\$50,000
	» Progress and review the existing Onslow Townscape Plan	2007 – 2011		\$300,000
	» Implement Townscape Plans for Tom Price and Paraburdoo	2009-2010	EMCES EMES EMDS	\$200,000
5. Strengthen the partnership with industry to assist with future planning	» Develop industry specific relationship portfolios for the Executive Management Team » Develop planning strategies to meet Council priorities and give direction.	2007 - 2011	CEO EMCES EMES EMDS EMWO	\$25,000
6. Encourage private investment within Shire	» Develop relationships with state, regional and local business groups/Chamber of Commerce and Industry » Lobby State Government for support of small business and the tourism sector	2007 - 2011	CEO EMCES EMDS EMWO	\$25,000

2 Include and Engage Our Community



Education

Sport

Art and Culture

Health

2 Include and Engage our Community

Objective

The Shire of Ashburton’s objective is to enhance lifestyle by providing opportunities for quality health and education services, physical activity and social interaction.

What is our research data telling us?

Trend

Aging community, health concerns, increase in leisure and lifestyle, young families, high residential turnover and diverse population demographics

Challenge

Providing adequate health care, leisure opportunities, aged care facilities and services

Strategies

- » Regional Partnership Agreement
- » Pilbara Regional Recreational Study
- » Shire of Ashburton Youth Policy and Strategy
- » Shire of Ashburton Recreational Plan
- » Shire of Ashburton Art and Cultural Strategy
- » Shire of Ashburton Disability Action Plan
- » Shire of Ashburton Health Care Plan incorporating Aged Care Services and Housing Strategy

Outcomes

- Arts and Culture Development Measures and Targets**
 - » Libraries – increased borrowing and increased range of services
 - » Development of reference collections relating to SOA and Pilbara
 - » Increased number of artistic performers visiting Shire towns
 - » Increased financial assistance to arts and cultural activities within the Shire.
- Community Amenities and Facilities Measures and Targets**
 - » Functionality matches community expectation
 - » High level of user satisfaction
- Health and Medical Measures and Targets**
 - » Improved access to health and medical services
 - » Dental service provision
- Aged Care Measures and Targets**
 - » Improved access to facilities, services and activities
 - » Increase in aged care housing

Business Plan Objectives

Project	Process	Time frame	Responsibility	Cost
1. Encourage arts and cultural development in community	» Develop the Shire of Ashburton Regional Art Show	2007 - 2011	EMCES	\$15,000pa
	» Continue with support for events and performances in the Shire through calendar planning and promotion	2007 - 2011		\$50,000pa
	» Increase availability of local history in Shire libraries	2007 - 2011		\$5000pa
2. Develop a youth policy and strategies	» Develop strategy in association with other service providers and with community input	2008 - 2009	CMSO – East and West	\$5,000.00
3. Ensure the provision of adequate child care services in all towns	» Work with Government, industry and private sector service providers to ensure adequate child care services are available in all towns	2007 - 2011	EMCES	\$10,000pa
	» Support the provision of alternative methods of child care if required			
4 Maximise the use of existing Educational facilities and services	» Liaise and cooperate with the Education Department to provide shared amenities and services where mutually beneficial	2007 - 2011	EMCES EMES	\$20,000pa
5. Ensure community facilities are developed and maintained to a standard commensurate with community expectations and affordability	» Assist with the development of additional facilities e.g. Mini Golf, Onslow Race Course, cycling trails	2007 - 2011	EMCES EMWO EMDS	\$35,000
	» All community facilities included in Asset Management Plan with service levels assigned and achieved	2007 - 2008	EMES	\$175,000
	» Review requirement for and functionality of community facilities in all towns	2008	EMCES	\$20,000
	» Upgrade facilities as recommended by review	2008 - 2011	EMCES EMDS	\$1.5 million
	» Redevelopment of Onslow/Thalanyji Oval	2007 - 2008	EMES	\$150,000
	» Redevelopment of Tom Price Pool	2008	EMCES EMES	\$3 million
	» Provide lighting and facilities upgrade - Area W Oval in Tom Price	2008 - 2009	EMES	\$100,000

	» Multi Purpose Complex construction in Onslow	2008 - 2010	EMWO EMES EMDS	\$5.2 million
	» Peter Sutherland Oval/Paraburdoo Oval reticulation upgrade	2007 - 2009	EMES	\$63,000
	» Tom Price and Paraburdoo Netball Courts resurface	2009	EMCES	\$60,000
	» Commence dual purpose pathway Area W - Tom Price	2009 - 2011	EMCES EMES	\$300,000
	» Upgrade Paraburdoo Playgrounds – include Train Park fence and also shade shelters	2008 - 2010	EMCES EMWO	\$200,000
	» Investigate the feasibility of using the existing community facility in Paraburdoo to support all community group users. Include in feasibility study a food outlet near sports pavilion and pool	2008 -2011	EMCES	\$20,000
	» Upgrade existing public toilets near the Paraburdoo Shopping Centre	2008 - 2009	EMCES EMES	\$40,000
	» Include active programs at the Paraburdoo Pool precinct, Beach Volleyball, ½ Basketball court	2009	EMCES	\$25,000
	» Investigate options to upgrade existing street furniture throughout the Shire	2008 -2011	EMES	\$10,000pa
6. Provision of health and medical services	» Review requirement for Services and Facilities (identify initiatives to meet needs)	2007 - 2011	CEO EMCES EMWO	\$50,000
	» Lobby Government and industry for service and facility provision	2007 - 2011		
	» Provide support through housing, wages subsidies if required	2007 - 2011	CEO EMCES EMWO	\$25,000
7. Aged Care	» Develop an Aged Care strategy for the Shire	2008 - 2009	EMCES EMWO	\$5,000
	» Lobby Federal and State Governments for Aged Care services and accommodation	2008 - 2011	CEO EMCES EMWO	\$5,000
8. Paraburdoo Caravan Park	» Facilitate the establishment of a Caravan Park in Paraburdoo	2008 -2009	CEO EMCES EMES	\$5,000

3 A Connected and Accessible Region



Telephone Services



Transport Network



Television Reception

3 A Connected and Accessible Region

Objective

To provide, residents within the Shire, with access to their neighbourhood, community, region and the world, at a standard adequate to meet expectations and affordability.

What is our research data telling us?

Trend

Community expectations of the road network are for a high level of comfort, safety and reduced travel times. People want improved and extended pathways, better mobile phone coverage and access to high speed Internet as well as reliable TV and radio coverage.

Challenge

Attracting sufficient funds and influence to the region.

Strategies

- » Shire of Ashburton Asset Management Plans
 - Roads
 - Drainage
 - Footpaths
 - Kerbs
 - Bridges
 - Plant
- » Shire of Ashburton Bicycle and Walkway Plan
- » Shire of Ashburton Public and Community Transport Strategy
- » Shire of Ashburton Drainage Studies
 - Tom Price
 - Paraburdoo
 - Onslow
 -
- » Shire of Ashburton Long Term Drainage Management Plan
- » Shire of Ashburton Newsletter/ Update
- » Shire of Ashburton Information Technology Strategy

Outcomes

- Pathways Measures and Targets**
 - » Improved community satisfaction
 - » Increased length of pathway
- Public Transport Measures and Targets**
 - » Recommendations from the Public and Community Transport study.
- Improved Communication Network Measures and Targets**
 - » Improved quality of existing mobile telephone services
 - » Increased mobile telephone access along highways
 - » Increased speed of broadband
 - » Increased number of broadband users
- Road Network Measures and Targets**
 - » Improved community satisfaction
 - » Improved access to reliable fuel supply

Business Plan Objectives

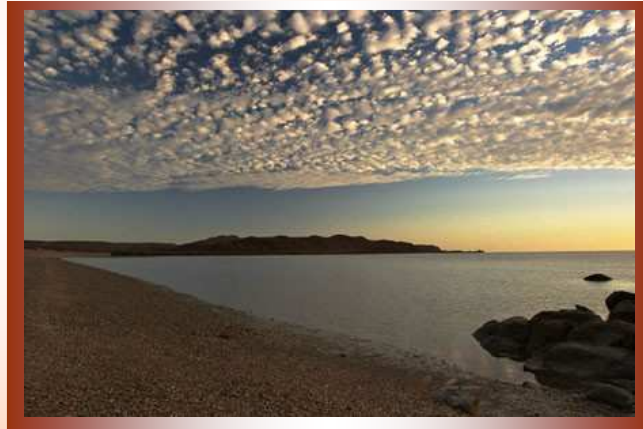
Project	Process	Time frame		Cost
1. Pathways maintenance and renewal.	» Public consultation to establish 5 year plan across all towns	2007 – 2008	EMES	\$10,000
	» Implement outcomes from 5 year plan	2008 – 2011	EMES	\$100,000pa
2. Kerb renewal program.	» Assess state of existing kerbing	2007 – 2008	EMES	\$10,000
	» Develop 5 year renewal plan	2007 -2008	EMES	\$3,000
	» Implementation of the Plan	2008 -2011	EMES	\$100,000pa
3. Road maintenance and construction.	» Develop 5 year plan based on road hierarchy and Asset Management Plan	2007 – 2009	EMES	\$10,000
	» Seek funding from State Government and agencies, Federal Government and industry	2007 – 2011	EMES	\$5,000
	» Implement 5 year plan	Ongoing	EMES	\$3 million pa
4. Investigate the viability of public transport services within the Shire.	» Development of a position paper on the viability of public and community transport within the Shire	2008 – 2009	EMCES	\$15,000
	» Implement the outcomes where appropriate	2009		
5. To promote the development of a telecommunications network to maximise liveability and prosperity	» Development of an information technology strategy to establish way forward	2009 – 2011	EMCES	\$50,000.00
	» Lobby Federal and State Governments, Telstra and other service providers to improve access			
	» Support community IT strategies			
	» Provide public IT access through Shire libraries			
6. Ensure a reliable supply of vehicle fuel is available all year round.	» Lobby existing providers to guarantee continuity of supply	2007 -2009	CEO EMCES	\$5,000
	» Shire to encourage and assist fuel providers to establish in Tom Price	2007 -2009	CEO EMCES	\$10,000

4

Conserve & Enhance the Environment & Cultural Heritage



Water Management



Coastal Management



Historical Management

4 Conserve & Enhance the Environment & Cultural Heritage

Objective

To conserve and enhance the diverse cultural, natural and built environment.

What is our research data telling us?

Trend

Increasing pressure on the natural environment.

Increasing demands for land uses, infrastructure, energy, natural resource consumption and waste management.

Challenge

Balancing the benefits of protecting and enhancing the environment with the need for sustainable regional development.

Strategies

- » Update Shire of Ashburton Town Planning Scheme
- » Regional Water Strategies
- » Shire of Ashburton Sustainable Water Use Plan
- » State Government Water Wise Initiatives
- » Shire of Ashburton Tree Management Strategy
- » Shire of Ashburton Total Waste Management Plan
- » Shire of Ashburton Structure Plans
- » Shire of Ashburton Coastal Action plans
- » Shire of Ashburton Conservation Plan – Old Onslow
- » Shire of Ashburton Municipal Heritage Inventory

Outcomes

Biodiversity Management Measures and Targets

- » Compliance with the Department of Environment and Conservation's statutory requirements

Waste, Recycling and Resource Use Measures and Targets

- » Fifty percent (50%) reduction in Council land fill by 2015
- » Increase range and quantity of recycled materials

Historical Conservation Measures and Targets

- » Conservation of Old Onslow townsite
- » Increased visitation to Old Onslow
- » Increased understanding of Council's heritage and buildings of significance

Water Management Measures and Targets

- » Reduction in residential and municipal use of water
- » Increase in Water Wise initiatives by householders and business

4 Conserve and Enhance the Environment and Cultural Heritage

Business Plan Objectives

Project	Process	Time frame	Responsibility	Cost
1. Total Waste Management Strategy	» Identify recycling options - Develop implementation plans - Set targets	2007 – 2008	EMES	\$5,000
	» Education and community awareness - Involve young people in development of recycling message - Develop marketing strategies	2007 – 2011	EMES	\$10,000 \$5,000pa
	» Work with Industry, NGO's and regional local governments to ensure recycling is all encompassing	2007 – 2011	EMES	\$5,000pa
	» Maximise funding potential for initiatives	2007 – 2011	EMES	\$5,000pa
	» Develop regional opportunities for recycling	2007 – 2011	EMES	\$5,000pa
	» Close and rehabilitate existing Onslow waste site	2008	EMES	\$450,000
	» Establish new Onslow waste site	2008	EMES	\$250,000
	» Establish Onslow waste transfer station	2008	EMES	\$225,000
	» Upgrade Tom Price waste site	2007-2009	EMES	\$85,000

	» Examine the need for the continuation of the Paraburdoo waste site and possible conversion to a waste transfer station	2008	EMES	\$50,000
2. Historic Conservation	» Develop conservation plans for Old Onslow - Work with Onslow Historical Committee and State Agencies on consistent strategy -	2008 – 2009	EMWO EMCES	\$50,000
	» Capture the history of the Shire, individual towns and communities - Develop a collection of historical data, resources and archives to present information using multi media options - Pannawonica Local History Project - Tom Price Local History Project - Paraburdoo Local History Project - Onslow Local History Project -	2009 - 2011	EMCES EMWO	
	» Work in collaboration with traditional landowners on opportunities to support and encourage Aboriginal culture with the townsites and communities e.g. - Thalanyji significant site signage project - Tom Price Arts and Cultural Centre	2008 – 2011	EMCES EMWO	\$10,000
	» Review Shire of Ashburton Municipal Heritage Inventory	2008	EMDS	\$30,000
	» Improve record management of Shire cemeteries	2008	EMCES EMWO	\$5,000
	3. Facilitate irrigation of Tom Price, Paraburdoo and Onslow amenities	» Identify potential users of grey water » Consult with Government agencies usage of grey water to irrigate community facilities » Maximise funding opportunities » Investigate and design reuse facilities (Tom Price, Paraburdoo and Onslow)	2008 - 2011	CEO EMCES EMES EMDS EMWO

5 Community Safety and Security



Street Lighting



Ranger Services



Signage



Emergency Service

5 Community Safety and Security

Objective

To promote a safe and secure environment for our residents and visitors

What is our research data telling us?

Trend

Increased concerns for personal safety and security

Challenge

Natural events (cyclones, flooding and bushfires)

Improving the community's perception of safety issues

Overcoming coastal inundation concerns in Onslow area

Strategies

- » Shire of Ashburton Review of Planning Scheme
- » Shire of Ashburton Asset Management Plan
- » Shire of Ashburton Lighting Audit and Program
- » Shire of Ashburton Emergency Management Plan
- » Shire of Ashburton Public Risk Analysis
- » Shire of Ashburton Neighbourhood Watch Plan
- » Urban Design Strategy
- » Emergency Management Education Plan
- » Playground Upgrade Strategy
- » Shire of Ashburton Fire Management Plan
- » Animal Health Program

Outcomes

- Emergency Management Measures and Targets**
- » Development of emergency management arrangements and risk register
 - » Increased education and training
- Crime Prevention Strategies Measures and Targets**
- » Crime rate (not to exceed Pilbara average rate)
 - » Increase in community perception of safety

Business Plan Objectives

Project	Process	Time frame	Responsibility	Cost
1. Construction of Emergency Evacuation Centre in Onslow (Multi Purpose Complex)	<ul style="list-style-type: none"> » Development of building plans » Source grant funding from PDC, PACC, DSR, State and Indigenous funds, local resource companies and Federal Disaster Mitigation Fund » Develop Multi Purpose Complex that meets evacuation needs and provides valuable sporting and recreation resource for community 	2008 - 2010	EMWO	\$5.2 million
2. Development of emergency management arrangements and plans	<ul style="list-style-type: none"> » Conduct community risk assessment » Develop emergency management arrangements » Develop and establish recovery plan and committee » Provide education to build a resilient community » Seek funding through the AWARE Program 	2007 – 2009	EMWO	\$300,000.00
3. Maintain and upgrade public lighting	<ul style="list-style-type: none"> » Conduct Lighting Audit » Develop process with service providers to ensure timely maintenance. » Install Lighting where required (e.g. Community Centre Car Park Tom Price, North Road Tom Price) 	<p>2008</p> <p>2008 – 2011</p> <p>2007 - 2011</p>	<p>EMES</p> <p>EMES</p> <p>EMES</p>	<p>\$5000</p> <p>\$5000</p> <p>\$40,000pa</p>
4. Improve signage within the Shire	<ul style="list-style-type: none"> » Increase and improve signage around the town sites including notice boards 	2008-2011	EMES	\$10,000pa

6 A Well Managed and Contemporary Corporation



**External
Communication**

**People
Management**

**Leadership and
Governance**

Customer Service



A Well Managed and Contemporary Corporation

Objective

Deliver effective and accountable governance, widely recognised for high calibre staff, services, processes and interaction with key stakeholders.

What is our research data telling us?

Trend

Increasingly difficult to recruit and retain staff, pressure from resource boom and skills shortage

Challenge

Prevailing culture, skills shortage, remote locations, lack of housing and affordable accommodation in the towns

Outcomes

- » Shire of Ashburton Strategic Plan 2007 - 2011
- » Shire of Ashburton Accommodation strategy
- » Shire of Ashburton Council Asset Management Strategy
- » Shire of Ashburton Information Technology Strategy
- » Shire of Ashburton Internal Audit Plan (Audit/Risk and Insurance Management)
- » Shire of Ashburton Department/Division Annual Business Plans
- » Shire of Ashburton Review Policies and Procedures
- » Shire of Ashburton Risk Management Strategy
- » Advocate for the Pilbara and its needs with State and Federal Governments

Strategies

- Communities Perception of Council Measures and targets**
 - » Positive image and reputation of Council
 - » Increased knowledge in community of Councils goals, aspirations, activities and decisions
- External Communication Measures and Targets**
 - » Increased communication in corporate approach to information delivery
 - » Increased Council understanding of the information needs of the community
- Business Management Measures and targets**
 - » Industry accepted level of corporate governance
- People Management Measures and Targets**
 - » Employees who are motivated, enthusiastic and productive
 - » Retention and recruitment
 - » A safe and healthy workplace
- Customer Service Measures and Targets**
 - » Consistent and reliable customer service
 - » Council is recognised as being responsive
 - » Improved flexibility in the delivery of services for customer convenience and ease of access

6

Business Plan Objectives

Project	Process	Time frame	Responsibility	Cost
1. Implement strategy to optimise leadership, performance and staff retention	» Development of a staff accommodation strategy to aid recruitment and retention	2008	EMES & EMWO	\$4,500
	» Review the Shire’s staffing requirements for the immediate and long term	2008	CEO Executive Managers	\$5,000
	» Develop internal communication strategy that results in better informed staff.	2007 – 2011	All Departments	\$5,000
	» Develop financial strategy to support plan	2008	HRA	\$3,000
	» Provide comprehensive training across organisation and allocate \$5,000 per staff member for skills development	2009	HRA	\$400,000pa
	» Conduct an employee opinion survey	2008 – 2011	HRA	\$5,000pa
	» Develop effective and useful performance management system for employees	2008	HRA	\$30,000
	» Implement cultural change program	2008 - 2011	EMES	\$50,000pa
2. Provide high quality, appropriate and timely communication.	» Develop customer service strategy	2008	EMCES	\$10,000
	» Develop internal skills to better manage media	2008-2011	EMCES	\$5,000pa
	» Implement a newsletter type communication strategy on a bimonthly basis	2008 - 2011	EMCES	\$25,000pa
3. Deliver excellence in consultation and advocacy in the community	» Encourage a customer focused culture	2008 – 2010	EMCES	\$20,000.00
	» Undertake customer service audit of service standards	2008 – 2011	EMCES	
	» Implement strategies identified from Audit	2008 - 2011	CEO Executive Managers	\$5,000pa

4. Statutory compliance, compliance with Shire of Ashburton procedures and policies	<ul style="list-style-type: none"> » Undertake systematic review and amend all policies and procedures to support operational and business activities » Implement compliance reporting system 	2008 - 2011	CEO EMES EMCES EMDS EMWO	\$ 20,000pa
5. Increase business prowess - Innovative revenue raising - Cultural change – income driven rather than expenditure focused. - Increase entrepreneurial focus.	<ul style="list-style-type: none"> » Develop niche business opportunities that are non competitive with the private sector, whilst contributing to the profitability of Council. » Develop Profit Centres / business units » Develop Staff performance bonus system » Increase accountability through operational based chart of accounts and reporting system. 	2007 – 2011	CEO EMES EMCES EMDS EMWO	\$25,000pa
6. Implement a transparent, equitable and financially sustainable finance and rates strategy	<ul style="list-style-type: none"> » Develop 4 year (rolling) financial plan » Develop a rates model » Link strategic plan to revenue base. 	2007-2011	CEO Executive Managers	\$60,000
7. Development of council housing management strategy	<ul style="list-style-type: none"> » Develop Housing Development Plan » Plan for future housing needs and upgrades required » Build five new duplexes and four single dwellings in Tom Price » Build two new duplexes and three/four single dwellings in Onslow 	2008 – 2009 2008 - 2011 2007 - 2010	CEO Executive Managers	\$2,500,000 \$1,500,000
8. Implementation of asset management plan	<ul style="list-style-type: none"> » Complete inventory of assets, value and condition rate establish and work towards service levels » Establish the functionality requirements of assets » Implement work procedures to support Asset Management Plan 	2007 -2011	CEO EMES EMDS EMCES EMWO	\$50,000pa

Glossary of Terms

AWARE	All West Australian Reducing Emergencies
CEO	Chief Executive Officer
DOIR	Department of Industry and Resources
DPI	Department of Planning and Infrastructure
DSR	Department of Sport and Recreation
EMCES	Executive Manager Community & Economic Services
EMDS	Executive Manager Development Services
EMES	Executive Manager Engineering Services
EMWO	Executive Manager Western Operations & Finance
GOVT	Government
HRA	Human Resources Advisor
IT	Information Technology
NGO's	Non Government Organisations
OHS	Occupational Health & Safety
PACC	Pilbara Area Consultative Committee
PDC	Pilbara Development Commission
SOA	Shire of Ashburton
WAPC	Western Australian Planning Commission

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 2008, 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) and the Local Government Act 1995. 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 2008 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 26th October 2008

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

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

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Ashburton being the annual financial report and other information for the financial year ended 30th June 2008 are in my opinion properly drawn up to present fairly the financial position of the Shire of Ashburton at 30th June 2008 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and regulations under that Act.

Signed on the *26th* day of *October* 2009.



Keith Pearson
Chief Executive Officer

SHIRE OF ASHBURTON

INCOME STATEMENT

BY NATURE OR TYPE

FOR THE YEAR ENDED 30TH JUNE 2008

	NOTE	2008 \$	2008 Budget \$	2007 \$
REVENUES FROM ORDINARY ACTIVITIES				
Rates	23	5,151,915	5,222,991	4,675,375
Grants and Subsidies	29	4,481,148	5,883,822	4,373,565
Contributions Reimbursements and Donations - operating		161,790	438,173	1,770,969
Fees and Charges	28	2,128,237	6,861,683	1,626,651
Interest Earnings	2(a)	359,769	82,000	181,878
Other Revenue		160,474	25,251	393,944
		<u>12,443,333</u>	<u>18,513,920</u>	<u>13,022,382</u>
EXPENSES FROM ORDINARY ACTIVITIES				
Employee Costs		(4,889,100)	(5,821,891)	(3,890,311)
Materials and Contracts		(3,907,992)	(10,468,304)	(5,837,208)
Utilities		(463,863)	(687,319)	(571,426)
Depreciation	2(a)	(2,829,159)	(1,726,798)	(2,567,854)
Interest Expenses	2(a)	(127,052)	(140,922)	(160,271)
Insurance		(593,912)	(595,693)	(340,242)
Other Expenditure		(295,482)	(250,899)	(86,207)
		<u>(13,106,560)</u>	<u>(19,691,826)</u>	<u>(13,453,519)</u>
		(663,227)	(1,177,906)	(431,137)
Grants and Subsidies - non-operating	29	3,095,801	3,703,100	3,014,076
Contributions Reimbursements and Donations - non-operating		1,046,666	0	0
Profit on Asset Disposals	21	33,742	2,687,705	70,676
Loss on Asset Disposals	21	<u>(27,934)</u>	<u>(24,360)</u>	<u>0</u>
NET RESULT		<u><u>3,485,048</u></u>	<u><u>5,188,539</u></u>	<u><u>2,653,615</u></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 2008

	NOTE	2008 \$	2008 Budget \$	2007 \$
REVENUES FROM ORDINARY ACTIVITIES				
Governance		78,487	41,900	173,052
General Purpose Funding		9,329,418	9,087,074	8,413,765
Law, Order, Public Safety		255,856	176,383	140,457
Health		104,551	193,290	168,147
Education and Welfare		170,151	214,865	163,263
Housing		186,512	372,617	346,892
Community Amenities		1,521,620	1,422,236	1,004,448
Recreation and Culture		1,447,863	3,049,008	1,915,125
Transport		2,825,717	2,467,521	2,999,380
Economic Services		605,295	419,495	347,246
Other Property and Services		94,072	7,460,338	435,359
	2 (a)	<u>16,619,542</u>	<u>24,904,727</u>	<u>16,107,134</u>
EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING BORROWING COSTS EXPENSE				
Governance		(1,074,883)	(920,533)	(553,949)
General Purpose Funding		(202,521)	(211,263)	(417,753)
Law, Order, Public Safety		(534,059)	(654,814)	(675,026)
Health		(205,678)	(371,097)	(365,515)
Education and Welfare		(341,696)	(440,758)	(164,862)
Housing		(314,105)	(184,419)	(338,785)
Community Amenities		(1,736,668)	(2,327,585)	(1,468,364)
Recreation & Culture		(3,211,409)	(3,628,508)	(3,189,757)
Transport		(4,613,960)	(5,274,278)	(4,780,858)
Economic Services		(706,767)	(817,640)	(860,319)
Other Property and Services		(65,696)	(4,744,371)	(478,060)
	2 (a)	<u>(13,007,442)</u>	<u>(19,575,266)</u>	<u>(13,293,248)</u>
BORROWING COSTS EXPENSE				
Governance		(399)	(924)	(1,573)
Law, Order, Public Safety		(5,663)	(13,273)	(20,651)
Housing		(49,079)	(49,387)	(51,230)
Community Amenities		(765)	(4,663)	(8,458)
Recreation & Culture		(21,248)	(22,072)	(24,497)
Transport		(49,898)	(50,603)	(53,841)
Economic Services		0	0	(21)
	2 (a)	<u>(127,052)</u>	<u>(140,922)</u>	<u>(160,271)</u>
NET RESULT		<u><u>3,485,048</u></u>	<u><u>5,188,539</u></u>	<u><u>2,653,615</u></u>

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

SHIRE OF ASHBURTON

BALANCE SHEET

AS AT 30TH JUNE 2008

	NOTE	2008	2007
		\$	\$
CURRENT ASSETS			
Cash and Cash Equivalents	3	4,472,039	2,804,773
Trade and Other Receivables	4	1,867,203	2,755,616
Inventories	5	60,823	32,042
TOTAL CURRENT ASSETS		<u>6,400,065</u>	<u>5,592,431</u>
NON-CURRENT ASSETS			
Other Receivables	4	1,954	1,954
Other Assets	5	0	442,483
Property, Plant and Equipment	6	17,608,976	15,868,989
Infrastructure	7	65,674,213	65,301,326
TOTAL NON-CURRENT ASSETS		<u>83,285,143</u>	<u>81,614,752</u>
TOTAL ASSETS		<u>89,685,208</u>	<u>87,207,183</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	1,228,673	1,930,478
Short Term Borrowings	9	106,234	185,738
Long Term Borrowings	10	189,601	220,372
Provisions	11	465,645	467,109
TOTAL CURRENT LIABILITIES		<u>1,990,153</u>	<u>2,803,697</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	10	1,979,003	2,131,651
Provisions	11	35,595	76,426
TOTAL NON-CURRENT LIABILITIES		<u>2,014,598</u>	<u>2,208,077</u>
TOTAL LIABILITIES		<u>4,004,751</u>	<u>5,011,774</u>
NET ASSETS		<u>85,680,457</u>	<u>82,195,409</u>
EQUITY			
Retained Surplus		81,155,132	78,951,720
Reserves - Cash Backed	12	4,083,963	2,802,327
Reserves - Asset Revaluation	13	441,362	441,362
TOTAL EQUITY		<u>85,680,457</u>	<u>82,195,409</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 2008

	NOTE	2008 \$	2007 \$
RETAINED SURPLUS			
Balance as at 1 July 2007		78,951,720	77,630,068
Net Result		3,485,048	2,653,615
Transfer from/(to) Reserves		<u>(1,281,636)</u>	<u>(1,331,963)</u>
Balance as at 30 June 2008		<u>81,155,132</u>	<u>78,951,720</u>
RESERVES - CASH BACKED			
Balance as at 1 July 2007		2,802,327	1,470,364
Amount Transferred (to)/from Retained Surplus		<u>1,281,636</u>	<u>1,331,963</u>
Balance as at 30 June 2008	12	<u>4,083,963</u>	<u>2,802,327</u>
RESERVES - ASSET REVALUATION			
Balance as at 1 July 2007		441,362	441,362
Revaluation Increment		0	0
Revaluation Decrement		<u>0</u>	<u>0</u>
Balance as at 30 June 2008	13	<u>441,362</u>	<u>441,362</u>
TOTAL EQUITY		<u>85,680,457</u>	<u>82,195,409</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 2008

	NOTE	2008 \$	2008 Budget \$	2007 \$
Cash Flows From Operating Activities				
Receipts				
Rates		5,119,603	5,230,901	4,675,375
Grants and Subsidies - operating		4,481,148	5,883,822	4,323,238
Contributions, Reimbursements & Donations		185,290	438,173	1,270,969
Fees and Charges		3,031,138	6,864,811	196,881
Interest Earnings		398,433	87,851	181,878
Goods and Services Tax		784,982	297,744	993,442
Other		166,349	19,400	391,830
		<u>14,166,943</u>	<u>18,822,702</u>	<u>12,033,613</u>
Payments				
Employee Costs		(4,995,611)	(5,821,891)	(3,720,774)
Materials and Contracts		(4,565,792)	(10,496,704)	(4,400,165)
Utilities (gas, electricity, water, etc)		(463,863)	(691,179)	(571,426)
Insurance		(593,912)	(595,693)	(340,242)
Interest		(138,852)	(138,222)	(139,385)
Goods and Services Tax		(795,015)	(297,744)	(971,522)
Other		(295,482)	(250,899)	(86,207)
		<u>(11,848,527)</u>	<u>(18,292,332)</u>	<u>(10,229,721)</u>
Net Cash Provided By (Used In) Operating Activities	14(b)	<u>2,318,416</u>	<u>530,370</u>	<u>1,803,892</u>
Cash Flows from Investing Activities				
Payments for Purchase of Property, Plant & Equipment		(2,628,746)	(7,247,900)	(2,678,032)
Payments for Construction of Infrastructure		(2,385,965)	(2,409,680)	(2,103,495)
Payments for Works in Progress		442,483	0	(442,483)
Grants/Contributions for the Development of Assets		4,142,467	3,703,100	3,014,076
Proceeds from Sale of Plant & Equipment		78,486	2,815,000	124,294
		<u>78,486</u>	<u>2,815,000</u>	<u>124,294</u>
Net Cash Provided By (Used In) Investing Activities		(351,275)	(3,139,480)	(2,085,640)
Cash Flows from Financing Activities				
Repayment of Debentures		(220,371)	(224,881)	(261,988)
Repayment of Finance Leases		0	0	0
Proceeds from New Debentures		0	840,000	0
		<u>0</u>	<u>840,000</u>	<u>0</u>
Net Cash Provided By (Used In) Financing Activities		(220,371)	615,119	(261,988)
Net Increase (Decrease) in Cash Held		1,746,770	(1,993,991)	(543,736)
Cash at Beginning of Year		2,619,035	2,614,679	3,162,771
Cash and Cash Equivalents at the End of the Year	14(a)	<u><u>4,365,805</u></u>	<u><u>620,688</u></u>	<u><u>2,619,035</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 2008

	NOTE	2008 \$	2008 Budget \$
REVENUES			
Governance		78,487	3,864,083
General Purpose Funding		4,177,503	41,900
Law, Order, Public Safety		255,856	176,383
Health		104,551	193,290
Education and Welfare		170,151	214,865
Housing		186,512	372,617
Community Amenities		1,521,620	1,422,236
Recreation and Culture		1,447,863	3,049,008
Transport		2,825,717	2,467,521
Economic Services		605,295	419,495
Other Property and Services		94,072	7,460,336
		<u>11,467,627</u>	<u>19,681,734</u>
EXPENSES			
Governance		(1,075,282)	(921,457)
General Purpose Funding		(202,521)	(211,263)
Law, Order, Public Safety		(539,722)	(668,087)
Health		(205,678)	(371,097)
Education and Welfare		(341,696)	(440,758)
Housing		(363,184)	(233,806)
Community Amenities		(1,737,433)	(2,332,248)
Recreation & Culture		(3,232,657)	(3,650,580)
Transport		(4,663,858)	(5,324,881)
Economic Services		(706,767)	(817,640)
Other Property and Services		(65,693)	(4,744,369)
		<u>(13,134,491)</u>	<u>(19,716,186)</u>
Adjustments for Cash Budget Requirements:			
Non-Cash Expenditure and Revenue			
(Profit)/Loss on Asset Disposals	21	(5,808)	(2,663,345)
Depreciation and Amortisation on Assets	2(a)	2,829,159	1,726,799
Movement in Accrued Interest		(4,412)	0
Movement in Accrued Salaries & Wages		26,148	0
Movement in Employee Benefit Provisions		(42,295)	0
Movement on Works in Progress		442,483	0
Capital Expenditure and Revenue			
Purchase Land and Buildings		(618,539)	(5,252,200)
Purchase Plant and Equipment		(1,720,814)	(1,554,000)
Purchase Furniture and Equipment		(289,393)	(441,700)
Purchase Infrastructure Assets - Roads		(1,993,147)	(858,079)
Purchase Infrastructure Assets - Footpaths		(105,683)	(257,264)
Purchase Infrastructure Assets - Drainage		(3,254)	(249,300)
Purchase Infrastructure Assets - Other		(283,881)	(1,045,037)
Proceeds from Disposal of Assets	21	78,486	2,815,000
Repayment of Debentures	22(a)	(183,419)	(224,881)
Proceeds from New Debentures	22	0	840,000
Transfers to Reserves (Restricted Assets)	12	(3,004,929)	(436,500)
Transfers from Reserves (Restricted Assets)	12	1,338,647	1,850,993
ADD Estimated Surplus/(Deficit) July 1 B/Fwd		765,941	440,509
LESS Estimated Surplus/(Deficit) June 30 C/Fwd		710,341	(120,466)
Amount Required to be Raised from Rates	23	<u><u>(5,151,915)</u></u>	<u><u>(5,222,991)</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 2008

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Preparation

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

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

Critical Accounting Estimates

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of this experience and other factors combine to form the basis of making judgements about the useful life of fixed assets which form part of the calculation for depreciation. Actual results may differ from these estimates as assets are used in the business. Due to the significance of capital investment to the Shire, variations between actual and estimated useful lives could result in material differences in depreciation expense charged to the income statement.

(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 20 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.

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Trade and Other Receivables

Trade receivables, which generally have 30 - 90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest 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. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

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 operating statement as at the time of signing a binding contract of sale.

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

(g) Fixed Assets

Initial Recognition

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

Revaluation

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

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

Land under Roads

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

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Depreciation of Non-Current Assets

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

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

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

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Investments and Other Financial Assets

Classification

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

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

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

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

(iii) Held-to-maturity investments

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

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition and derecognition

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

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

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Investments and Other Financial Assets (Continued)

Subsequent measurement

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

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

Impairment

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

(j) Estimation of Fair Value

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

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

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

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

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

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Impairment

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

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

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

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

(l) Trade and Other Payables

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

(m) Employee Benefits

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

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

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Interest-bearing Loans and Borrowings

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

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

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

Borrowing Costs

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

(o) Provisions

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

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

(p) Leases

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

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

(q) Joint Venture

The municipality'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.

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Rates, Grants, Donations and Other Contributions

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

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

(s) Superannuation

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

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

(t) Rounding Off Figures

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

(u) Comparative Figures

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

(v) Current and Non-Current Classification

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) New Accounting Standards and Interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2008.

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) New Accounting Standards and Interpretations (Continued)

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) New Accounting Standards and Interpretations (Continued)

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

Notes:

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

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

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

2. REVENUES AND EXPENSES

2008
\$

2007
\$

(a) Result from Ordinary Activities

The Result from Ordinary Activities includes:

(i) Charging as an Expense:

Auditors Remuneration

- Audit	12,615	15,657
- Other Services	0	0

Depreciation

Buildings	312,687	298,836
Furniture and Equipment	119,392	66,591
Plant and Equipment	384,002	235,343
Roads	1,669,888	1,643,932
Footpaths	42,748	42,280
Drainage	135,384	135,384
Parks	78,806	79,512
Other	86,252	65,976
	2,829,159	2,567,854

Interest Expenses

Debentures (<i>refer Note 22(a)</i>)	127,052	160,271
	127,052	160,271

Rental Charges

- Operating Leases	40,554	75,685
	40,554	75,685

(ii) Crediting as Revenue:

2008
\$

2008
Budget
\$

2007
\$

Interest Earnings

Investments		
- Reserve Funds	125,062	0
- Other Funds	174,282	70,000
Other Interest Revenue (<i>refer note 27</i>)	60,425	12,000
	359,769	82,000
		181,878

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

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 & Paraburadoo.

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 2008

2. REVENUES AND EXPENSES (Continued)

(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).

	2008	2007
	\$	\$
Grants for Aboriginal Environmental Health	50,327	27,548
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
Grants for R2R (Transport)	0	562,465
Grants for Waylun Mia Safe House (Welfare)	0	14,704
Grants for FESA Funding (Law)	0	75,186
Main Roads Regional Road Group	0	87,970
Main Roads Black Spot	28,526	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
	1,003,963	1,047,310

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

2. REVENUES AND EXPENSES (Continued)	2008	2007
	\$	\$
(c) Conditions Over Contributions (Continued)		
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 Aboriginal Environmental Health	83,330	50,327
National Disaster Mitigation Funds 2006-07	0	90,909
RRG Roebourne-Wittenoom Rd 2006-07	0	47,170
Dept of Education Wattle St Kiss n Drop R2R 2007-08	0	10,000
Main Roads Black Spot 2006-07	524,480	390,000
BHP Youth Services	0	141,571
Chevron Youth Services	0	25,000
FESA Onslow TV Compound	0	40,000
Pilbara Development Commission - Beadon Bay Park	0	99,460
Woodside Energy Onslow Playground Equipment	0	50,000
BHP Onslow Gym	0	20,000
Dept of Sport & Rec - Tom Price Pool Feasibility Study	6,000	11,000
Pilbara Iron - Tom Price Pool	8,750	0
Emergency Management Australia - LEMC Radios Onslow	750,000	0
Onslow Salt - Onslow Playground Upgrade	16,364	0
Pilbara Development Commission - Multi Purpose Complex	85,000	0
Pilbara Development Commission - Onslow Community Garden	499,000	0
Pilbara Development Commission - Onslow Playground	56,704	0
Onslow Salt - Onslow Cemetery Niche Wall & Beautification	56,703	0
Onslow Salt - Onslow Public Toilet Program	20,000	0
Hamersley Iron - Nameless Valley Rd Construction	57,000	0
Dept of Environment & Conservation - Snappy Gum Drive	947,555	0
Dept of Environment & Conservation - Deep Reach Car Park	56,829	0
	40,000	0

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

2. REVENUES AND EXPENSES (Continued)	2008	2007
	\$	\$
(c) Conditions Over Contributions (Continued)		
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)	(610,315)	(562,465)
Grants for Waylun Mia Safe House (Welfare)	0	(14,704)
Grants for Aboriginal Environmental Health	(97,695)	(27,548)
FESA Funding	0	(75,186)
FESA Onslow	0	(87,120)
HI Paraburdoo Drainage	0	(45,246)
Main Roads Regional Road Group	0	(87,970)
PDC Grant Officer	0	(36,364)
PDC Onslow Development	0	(20,000)
PDC Tom Price City Centre	0	(62,181)
BHP Onslow Gym	(12,117)	0
Main Roads Black Spot	(28,526)	0
RRG Roebourne-Wittenoom Rd 2006-07	(47,170)	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
Closing balances of unexpended grants	<u>3,059,824</u>	<u>1,003,963</u>

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

2. REVENUES AND EXPENSES (Continued)	2008	2007
	\$	\$
(c) Conditions Over Contributions (Continued)		
Comprises:		
Grants for Aboriginal Environmental Health	* 35,962 *	50,327
Main Roads Black Spot	0 *	28,526
National Disaster Mitigation Funds 2006-07	* 90,909 *	90,909
RRG Roebourne-Wittenoom Rd 2006-07	0 *	47,170
Dept of Education Wattle St Kiss n Drop	* 10,000 *	10,000
R2R 2006-07 and 2007-08	* 304,165 *	390,000
Main Roads Black Spot 2006-07	0 *	141,571
BHP Youth Services	0 *	25,000
Chevron Youth Services	0 *	40,000
FESA Onslow TV Compound	0 *	99,460
Pilbara Development Commission - Beadon Bay Park	0 *	50,000
Woodside Energy Onslow Playground Equipment	* 20,000 *	20,000
BHP Onslow Gym	* 4,883 *	11,000
Dept of Sport & Rec - Tom Price Pool Feasibility Study	* 8,750	0
Pilbara Iron - Tom Price Pool	* 750,000	0
Emergency Management Australia - LEMC Radios Onslow	* 16,364	0
Onslow Salt - Onslow Playground Upgrade	* 85,000	0
Pilbara Development Commission - Multi Purpose Complex	* 499,000	0
Pilbara Development Commission - Onslow Community Garden	* 56,704	0
Pilbara Development Commission - Onslow Playground	* 56,703	0
Onslow Salt - Onslow Cemetery Niche Wall & Beautification	* 20,000	0
Onslow Salt - Onslow Public Toilet Program	* 57,000	0
Hamersley Iron - Nameless Valley Rd Construction	* 947,555	0
Dept of Environment & Conservation - Snappy Gum Drive	* 56,829	0
Dept of Environment & Conservation - Deep Reach Car Park	* 40,000	0
	<u>3,059,824</u>	<u>1,003,963</u>

* These unspent contributions were held in a reserve fund called Unspent Grants and Contributions at the end of June 2007 and at the end of June 2008.

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

	2008	2007
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	3,430	2,446
Restricted	4,468,609	2,802,327
	<u>4,472,039</u>	<u>2,804,773</u>
<p>The following restrictions have been imposed by regulations or other externally imposed requirements:</p>		
Employee Benefit Reserve	118,201	109,926
Plant Replacement Reserve	68,927	351,216
Infrastructure Reserve	159,412	155,953
Housing Reserve	443,461	603,914
Onslow Community Infrastructure Reserve	27,040	27,037
Onslow Emergency Evacuation Building Reserve	188,746	175,532
Property Development Reserve	358,174	333,100
Town Centre Re-development Reserve	34,618	32,195
Onslow Aerodrome Reserve	10,206	9,491
Unspent Grants and Contributions Reserve	3,059,824	1,003,963
	<u>4,468,609</u>	<u>2,802,327</u>
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	555,740	431,617
Sundry Debtors	1,535,011	2,435,563
Accrued Income	0	62,164
Prepayments	44,340	0
Provision for Doubtful Debts	(267,888)	(173,728)
	<u>1,867,203</u>	<u>2,755,616</u>
Non-Current		
Rates Outstanding - Pensioners	1,954	1,954
	<u>1,954</u>	<u>1,954</u>
5. INVENTORIES		
Current		
Tourist Bureau Stock	60,823	32,042
	<u>60,823</u>	<u>32,042</u>
Non-Current		
Works in Progress	0	442,483
	<u>0</u>	<u>442,483</u>

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

	2008	2007
	\$	\$
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings - Cost	17,734,293	17,115,754
Less Accumulated Depreciation	<u>(4,112,330)</u>	<u>(3,799,643)</u>
	13,621,963	13,316,111
Furniture and Equipment - Cost	1,131,408	842,015
Less Accumulated Depreciation	<u>(644,913)</u>	<u>(525,521)</u>
	486,495	316,494
Plant and Equipment - Cost	6,931,574	5,552,626
Less Accumulated Depreciation	<u>(3,431,056)</u>	<u>(3,316,242)</u>
	3,500,518	2,236,384
	<u><u>17,608,976</u></u>	<u><u>15,868,989</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 2008

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 2007	13,316,111	316,494	2,236,384	15,868,989
Additions	618,539	289,393	1,720,814	2,628,746
(Disposals)	0	0	(72,678)	(72,678)
Depreciation (Expense)	(312,687)	(119,392)	(384,002)	(816,081)
Balance as at 30 June 2008	<u>13,621,963</u>	<u>486,495</u>	<u>3,500,518</u>	<u>17,608,976</u>

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

	2008	2007
	\$	\$
7. INFRASTRUCTURE		
Roads - Cost	85,487,546	83,494,399
Less Accumulated Depreciation	<u>(32,872,838)</u>	<u>(31,202,950)</u>
	52,614,708	52,291,449
Footpaths - Cost	1,815,588	1,709,905
Less Accumulated Depreciation	<u>(998,535)</u>	<u>(955,787)</u>
	817,053	754,118
Drainage - Cost	10,182,490	10,179,236
Less Accumulated Depreciation	<u>(2,845,212)</u>	<u>(2,709,828)</u>
	7,337,278	7,469,408
Parks & Ovals - Cost	3,764,207	3,764,207
Less Accumulated Depreciation	<u>(2,078,370)</u>	<u>(1,999,564)</u>
	1,685,837	1,764,643
Other Infrastructure - Cost	3,687,701	3,403,820
Less Accumulated Depreciation	<u>(468,364)</u>	<u>(382,112)</u>
	3,219,337	3,021,708
	<u><u>65,674,213</u></u>	<u><u>65,301,326</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 2008

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 \$	Total \$
Balance as at 1 July 2007	52,291,449	754,118	7,469,408	1,764,643	3,021,708	65,301,326
Additions	1,993,147	105,683	3,254	0	283,881	2,385,965
Depreciation (Expense)	(1,669,888)	(42,748)	(135,384)	(78,806)	(86,252)	(2,013,078)
Balance as at 30 June 2008	<u>52,614,708</u>	<u>817,053</u>	<u>7,337,278</u>	<u>1,685,837</u>	<u>3,219,337</u>	<u>65,674,213</u>

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

8. TRADE AND OTHER PAYABLES	2008	2007
	\$	\$
Current		
Sundry Creditors	154,756	1,168
PAYG Payable	69,751	60,996
Payroll Creditors	3,179	92,054
GST Payable	11,887	21,920
ESL Liability	35,077	29,202
Accrued Expenses	840,231	1,633,082
Accrued Interest on Loans	16,474	20,886
Accrued Salaries and Wages	97,318	71,170
	<u>1,228,673</u>	<u>1,930,478</u>
 9. SHORT-TERM BORROWINGS		
Unsecured		
Bank Overdraft	106,234	185,738
	<u>106,234</u>	<u>185,738</u>
 10. LONG-TERM BORROWINGS		
Current		
Secured by Floating Charge		
Debentures	189,601	220,372
	<u>189,601</u>	<u>220,372</u>
 Non-Current		
Secured by Floating Charge		
Debentures	1,979,003	2,131,651
	<u>1,979,003</u>	<u>2,131,651</u>
Additional detail on borrowings is provided in Note 22.		
 11. PROVISIONS		
Current		
Provision for Annual Leave	282,117	316,190
Provision for Relocation Repayments	15,734	26,746
Provision for Long Service Leave	167,794	124,173
	<u>465,645</u>	<u>467,109</u>
 Non-Current		
Provision for Long Service Leave	35,595	76,426
	<u>35,595</u>	<u>76,426</u>

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

	2008 \$	2008 Budget \$	2007 \$
12. RESERVES - CASH BACKED			
(a) Employee Benefits Reserve			
Opening Balance	109,926	109,926	109,926
Amount Set Aside / Transfer to Reserve	8,275	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>118,201</u>	<u>109,926</u>	<u>109,926</u>
(b) Plant Replacement Reserve			
Opening Balance	351,216	351,216	171,216
Amount Set Aside / Transfer to Reserve	26,438	0	180,000
Amount Used / Transfer from Reserve	(308,727)	(350,000)	0
	<u>68,927</u>	<u>1,216</u>	<u>351,216</u>
(c) Infrastructure Reserve			
Opening Balance	155,953	155,953	155,953
Amount Set Aside / Transfer to Reserve	3,459	0	0
Amount Used / Transfer from Reserve	0	(110,000)	0
	<u>159,412</u>	<u>45,953</u>	<u>155,953</u>
(d) Housing Reserve			
Opening Balance	603,914	603,914	455,914
Amount Set Aside / Transfer to Reserve	295,461	250,000	148,000
Amount Used / Transfer from Reserve	(455,914)	(603,914)	0
	<u>443,461</u>	<u>250,000</u>	<u>603,914</u>
(e) Onslow Community Infrastructure Reserve			
Opening Balance	27,037	27,037	27,037
Amount Set Aside / Transfer to Reserve	3	0	0
Amount Used / Transfer from Reserve	0	(27,000)	0
	<u>27,040</u>	<u>37</u>	<u>27,037</u>
(f) Onslow Emergency Evacuation Building Reserve			
Opening Balance	175,532	175,533	175,532
Amount Set Aside / Transfer to Reserve	13,214	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>188,746</u>	<u>175,533</u>	<u>175,532</u>

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

	2008 \$	2008 Budget \$	2007 \$
12. RESERVES - CASH BACKED			
(g) Property Development Reserve			
Opening Balance	333,100	333,099	333,100
Amount Set Aside / Transfer to Reserve	25,074	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>358,174</u>	<u>333,099</u>	<u>333,100</u>
(h) Town Centre Redevelopment Reserve			
Opening Balance	32,195	32,195	32,195
Amount Set Aside / Transfer to Reserve	2,423	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>34,618</u>	<u>32,195</u>	<u>32,195</u>
(i) Onslow Aerodrome Reserve			
Opening Balance	9,491	9,491	9,491
Amount Set Aside / Transfer to Reserve	715	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>10,206</u>	<u>9,491</u>	<u>9,491</u>
(j) Unspent Grants and Contributions Reserve			
Opening Balance	1,003,963	953,636	0
Amount Set Aside / Transfer to Reserve	2,629,867	0	1,003,963
Amount Used / Transfer from Reserve	(574,006)	(612,079)	0
	<u>3,059,824</u>	<u>341,557</u>	<u>1,003,963</u>
(k) Onslow Residential Development Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	186,500	0
Amount Used / Transfer from Reserve	0	(148,000)	0
	<u>0</u>	<u>38,500</u>	<u>0</u>
TOTAL CASH BACKED RESERVES	<u>4,468,609</u>	<u>1,337,507</u>	<u>2,802,327</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 2008

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

Onslow Residential Development Reserve

- To be used for the development of staff housing in Onslow.

13. RESERVES - ASSET REVALUATION

2008

2007

\$

\$

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

Roads

Balance as at 1 July 2007

441,362

441,362

Revaluation Increment

0

0

Revaluation Decrement

0

0

Balance as at 30 June 2008

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 2008

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:

	2008 \$	2008 Budget \$	2007 \$
Cash and Cash Equivalents	4,472,039	620,688	2,804,773
Bank Overdraft - Note 9	(106,234)	0	(185,738)
	<u>4,365,805</u>	<u>620,688</u>	<u>2,619,035</u>

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

Net Result	3,485,048	5,188,539	2,653,615
Depreciation	2,829,159	1,726,799	2,567,854
(Increase)/Decrease in Receivables	925,365	11,039	(2,020,875)
(Profit)/Loss on Sale of Asset	(5,808)	(2,663,345)	(70,676)
(Increase)/Decrease in Inventories	(28,781)	(12,958)	(10,725)
Increase/(Decrease) in Payables	(701,805)	(16,602)	1,540,901
Increase/(Decrease) in Employee Provisions	(42,295)	0	157,874
Grants/Contributions for the Development of Assets	(4,142,467)	(3,703,100)	(3,014,076)
Net Cash from Operating Activities	<u>2,318,416</u>	<u>530,370</u>	<u>1,803,892</u>

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

Bank Overdraft limit	500,000	500,000
Bank Overdraft at Balance Date	(106,234)	(185,738)
Credit Card limit	37,500	5,000
Credit Card Balance at Balance Date	(5,659)	(2,133)
Total Amount of Credit Unused	<u>425,607</u>	<u>317,129</u>

Loan Facilities

Loan Facilities - Current	189,601	220,372
Loan Facilities - Non-Current	1,979,003	2,131,651
Total Facilities in Use at Balance Date	<u>2,168,604</u>	<u>2,352,023</u>

Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>
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SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

15. CAPITAL AND LEASING COMMITMENTS	2008	2007
	\$	\$
(a) Finance Lease Commitments		
Council has no finance lease commitments at 30 June 2008.		
(b) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	32,926	75,685
- later than one year but not later than five years	1,680	28,203
- later than five years	0	0
	34,606	103,888
(c) Capital Expenditure Commitments		
Contracted for:		
- capital expenditure projects		
- Paraburdoo Swimming Pool Upgrade	0	150,000
- Construction Ashburton Downs Road	0	79,477
- Construction Roebourne/Wittenoom Road	0	38,720
- Construction Twichen Road	0	9,086
- Construction Weano Gorge Road	0	30,088
- Construction Black Spot Roads	0	26,360
- Onslow Broadcasting Tower	0	71,390
- Onslow Airport Upgrade	0	32,042
- Capital Works & Flood Damage	0	5,320
	0	442,483
Payable:		
- not later than one year	0	442,483

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 2008

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 6 as follows:

	2008	2007
	\$	\$
Non-Current Assets		
Land & Buildings	1,998,052	1,998,052
Less: Accumulated Depreciation	(135,741)	(95,780)
	<u>1,862,311</u>	<u>1,902,272</u>

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

Governance	873,573	44,026
General Purpose Funding	557,694	465,970
Law, Order, Public Safety	788,805	791,357
Health	78,906	54,285
Education and Welfare	232,599	235,057
Housing	3,396,389	2,730,664
Community Amenities	8,806,363	8,815,137
Recreation and Culture	10,404,145	9,341,221
Transport	58,786,553	58,278,753
Economic Services	722,753	986,189
Other Property and Services	3,607,764	2,376,999
Unallocated	1,429,664	3,087,525
	<u>89,685,208</u>	<u>87,207,183</u>

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

19. FINANCIAL RATIOS	2008	2007	2006
Current Ratio	1.032	1.036	1.570
Untied Cash to Trade Creditors Ratio	0.022	2.094	1.050
Debt Ratio	0.045	0.057	0.040
Debt Service Ratio	0.025	0.032	0.040
Gross Debt to Revenue Ratio	0.182	0.194	0.310
Gross Debt to Economically Realisable Assets Ratio	0.095	0.116	0.220
Rate Coverage Ratio	0.314	0.292	0.330
Outstanding Rates Ratio	0.098	0.086	0.080

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 2008

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-07	Amounts Received	Amounts Paid	Balance 30-Jun-08
	\$	\$	(\$)	\$
Cleaning and Key Deposits	5,247	0	0	5,247
Other Trust Monies	52,144	1,725	(52,507)	1,362
Bonds and Guarantees	22,365	11,115	(5,451)	28,029
Nomination Deposit	240	1,280	(1,440)	80
Unclaimed Monies	9,565	3,312	(700)	12,177
BCITF Levy	401	139,607	(136,841)	3,168
BRB Levy	103	6,810	(2,338)	4,576
Consignment Stock	0	44,404	(42,458)	1,946
Tour Sales	0	324,458	(294,073)	30,386
Fundraising Aqua Run	700	0	0	700
	<u>90,765</u>			<u>87,669</u>

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

21. DISPOSALS OF ASSETS - 2007/08 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Governance						
(PSW12) 2005 Toyota Prado AS1730	0	35,063	0	25,000	0	(10,063)
Law, Order & Public Safety						
(PUT18) 2002 Toyota Hilux Twin Cab AS606	0	8,294	0	10,000	0	1,706
Housing						
98 Oleander St Tom Price	0	54,425	0	250,000	0	195,575
Community Amenities						
(PSW03) 1999 Toyota Prado GXL 1001AS	10,681	12,182	9,250	8,000	(1,431)	(4,182)
Recreation & Culture						
(PSW11) 2003 Toyota Landcruiser 1002AS	35,659	24,012	24,100	15,000	(11,559)	(9,012)
Transport						
(PUT15) Mazda Bravo Dual Cab AS607	4,894	6,291	6,818	10,000	1,924	3,709
(PUT04) 1998 Toyota Hilux AS657	0	0	0	4,000	0	4,000
(PUT17) 2002 Ford Falcon Ute AS1548	7,174	8,103	6,500	7,000	(674)	(1,103)
(SW04) 2001 Toyota Prado 1003AS	0	0	0	10,000	0	10,000
(PUT16) Toyota Hilux Twin Cab AS1386	0	3,245	0	10,000	0	6,755
(PUT07) Toyota Hilux 2WD AS657	0	0	0	3,000	0	3,000
(PRM07) Kubota F3060 Mower AS1050	0	40	0	1,500	0	1,460
(PRM05) Kubota F2560 Mower	0	0	0	1,500	0	1,500
(PBH01) John Deere Backhoe AS643	0	0	0	7,000	0	7,000
(PTC02) John Deere Tractor	0	0	0	3,000	0	3,000
(PTR01) Rubbish Truck AS682	0	0	31,818	50,000	31,818	50,000
(PRL01) Propac 100 Roller AS627	0	0	0	10,000	0	10,000
CAT 950F Loader - Engine Rehaul	14,267	0	0	0	(14,267)	0
Yardman 5.5hp Chipper/Shredder/Vacuum	3	0	0	0	(3)	0
Other Property & Services						
Onslow Residential Development	0	0	0	500,000	0	500,000
Tom Price Residential Land Development	0	0	0	1,890,000	0	1,890,000
	72,678	151,655	78,486	2,815,000	5,808	2,663,345

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

22. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 1-Jul-07 \$	New Loans		Principal Repayments		Principal 30-Jun-08		Interest Repayments	
		Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Governance									
Loan 106 - Computers	13,002			13,002	13,002	0	0	268	616
Loan 108 - Paraburdoo Office	6,501			6,501	6,501	0	0	131	308
Law, Order & Public Safety									
Loan 112 - Collocation Facility	212,092			13,550	26,702	198,542	198,542	5,663	13,273
Housing									
Loan 14 - Housing	808			808	808	0	0	30	30
Loan 113 - Staff Housing	18,638			5,802	5,802	12,836	12,836	1,187	1,170
Loan 117 - Housing Manager	876,911			35,219	35,219	841,692	841,692	47,862	48,187
Community Amenities									
Loan 111 - Refuse Site	68,990			22,338	44,042	46,652	46,653	765	4,663
Recreation & Culture									
Loan 118 - Community Rec Centre	379,625			21,379	21,378	358,246	358,246	21,248	21,788
Loan 95 - Spinifex Club	0			0	6,607	0	0	0	284
Proposed Tom Price Swimming Pool	0	0	500,000	0	0	0	500,000	0	0
Transport									
Loan 105 - Panna/Millstream	14,951			14,951	14,953	0	0	309	708
Loan 109 - Onslow Footpaths	4,154			2,730	2,729	1,424	1,425	562	202
Loan 110 - Onslow Bitumen	9,063			5,956	5,955	3,107	3,108	754	441
Loan 116 - Onslow Aerodrome	455,047			32,922	32,922	422,125	422,124	30,472	30,795
Loan 119 - Onslow Aerodrome	292,241			8,261	8,261	283,980	283,979	17,801	18,457
Proposed Plant Purchases	0	0	340,000	0	0	0	340,000	0	0
	2,352,023	0	840,000	183,419	224,881	2,168,604	3,008,605	127,052	140,922

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

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

22. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2007/08

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
Proposed Tom Price Swimming Pool	0	500,000	Unknown	Debenture	20	Unknown	Unknown	0	500,000	0
Proposed Plant Purchases	0	340,000	Unknown	Debenture	10	Unknown	Unknown	0	340,000	0

(c) Unspent Debentures

Council had no unspent loan funds as at 30th June 2008 nor did it have any unspent loan funds as at 30th June 2007.

(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 2007 and 30 June 2008 was \$Nil.

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

23. RATING INFORMATION - 2007/08 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	0.1244	2,267	19,041,204	2,368,726	12,915	0	2,381,641	2,368,227	0	0	2,368,227
	Residential Development	0.1244	1	6,136	763	281	647	1,691	0	0	0	0
	Commercial Civic	0.1244	78	3,554,918	442,232	11,232	3,218	456,682	442,232	0	0	442,232
	Tourism	0.1244	2	182,000	22,641	0	0	22,641	22,641	0	0	22,641
	Community	0.1244	10	88,764	11,042	0	0	11,042	11,042	0	0	11,042
	Industrial	0.1244	32	392,464	48,822	(356)	0	48,466	48,823	0	0	48,823
	Industrial Development	0.1244	1	5,700	709	0	0	709	709	0	0	709
UV	Rural/Pastoral	0.0734	35	2,171,604	159,396	734	0	160,130	159,396	0	0	159,396
	Rural/Commercial	0.1781	4	196,000	34,908	0	0	34,908	42,922	0	0	42,922
	Rural/Industrial	0.1781	19	582,440	103,732	0	0	103,732	112,638	0	0	112,638
	Mining Lease	0.1781	67	3,521,559	627,190	(13,189)	2,342	616,343	620,881	120,000	0	740,881
	Exploration Lease	0.1781	326	3,995,719	711,637	52,445	129	764,211	686,077	0	0	686,077
	Petroleum Production	0.1781	6	832,896	148,339	0	0	148,339	148,339	0	0	148,339
	UV Permits	0.1781	11	180,489	32,145	(470)	0	31,675	30,809	0	0	30,809
	General Purpose Lease	0.1781	3	266,176	47,406	16,816	(2,520)	61,702	47,405	0	0	47,405
Sub-Totals			2,862	35,018,069	4,759,688	80,408	3,816	4,843,912	4,742,141	120,000	0	4,862,141
Minimum Rates		Minimum \$										
GRV	Residential	470	171	110,180	80,370	0	0	80,370	81,780	0	0	81,780
	Development	470	3	4,500	1,410	0	0	1,410	0	0	0	0
	Commercial Civic	470	28	42,590	13,160	0	0	13,160	13,160	0	0	13,160
	Tourism	470	1	1,300	470	0	0	470	470	0	0	470
	Community	470	14	13,620	6,580	0	0	6,580	6,580	0	0	6,580
	Industrial	470	31	29,476	14,570	0	0	14,570	14,570	0	0	14,570
UV	Rural/Pastoral	470	4	11,854	1,880	0	0	1,880	1,880	0	0	1,880
	Rural/Commercial	470	5	5,272	2,350	0	0	2,350	2,350	0	0	2,350
	Rural/Industrial	470	34	8,225	15,980	0	0	15,980	15,980	0	0	15,980
	Mining Lease	470	48	29,709	22,560	0	0	22,560	22,560	0	0	22,560
	Exploration Lease	470	155	123,443	72,850	0	0	72,850	70,970	0	0	70,970
	Petroleum Production	470	29	27,236	13,630	0	0	13,630	13,630	0	0	13,630
	UV Permits	470	9	9,668	4,230	0	0	4,230	4,700	0	0	4,700
	General Purpose Lease	470	26	13,915	12,220	0	0	12,220	12,220	0	0	12,220
Sub-Totals			558	430,988	262,260	0	0	262,260	260,850	0	0	260,850
Rate Adjustments								5,106,172				5,122,991
Movement in Excess Rates								(10,233)				100,000
Totals								5,151,915				5,222,991

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

24. SPECIFIED AREA RATE - 2007/08 FINANCIAL YEAR

No specified area rates were charged in the 2007/08 year.

25. SERVICE CHARGES - 2007/08 FINANCIAL YEAR

No statutory service charges were imposed in 2007/08.

**26. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2007/08 FINANCIAL YEAR**

No discount for early payment applied to rates in the 2007/08 year.

27. INTEREST CHARGES AND INSTALMENTS - 2007/08 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11		55,430	10,000
Interest on Instalment Plan	5.5		4,995	2,000
Charges on Instalment Plan		6	2,148	800
			<u>62,573</u>	<u>12,800</u>

Ratepayers had the option of paying rates in four equal instalments, due on 1st October 2007, 1st December 2007, 1st February 2008 and 1st April 2008. Administration charges and interest applied for the final three instalments.

28. FEES & CHARGES	2008 \$	2007 \$
Governance	6,566	4,732
General Purpose Funding	2,828	3,961
Law, Order, Public Safety	33,927	34,356
Health	18,660	9,229
Education and Welfare	5,340	13,647
Housing	185,889	29,058
Community Amenities	1,071,574	995,760
Recreation & Culture	171,295	184,657
Transport	9,044	7,824
Economic Services	554,969	336,002
Other Property & Services	68,145	7,425
	<u>2,128,237</u>	<u>1,626,651</u>

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 2008

29. GRANT REVENUE	2008	2007
	\$	\$
By Nature and Type:		
Grants and Subsidies - operating	4,481,148	4,373,565
Grants and Subsidies - non-operating	3,095,801	3,014,076
	<u>7,576,949</u>	<u>7,387,641</u>
By Program:		
General Purpose Funding	3,793,915	3,398,608
Law, Order, Public Sector	170,408	111,555
Health	83,330	126,900
Education and Welfare	82,074	76,449
Community Amenities	450,046	0
Recreation and Culture	1,233,065	1,708,703
Transport	1,765,111	1,942,789
Other Property & Services	0	22,637
	<u>7,577,949</u>	<u>7,387,641</u>

30. COUNCILLORS' REMUNERATION	2008	2008	2007
	\$	Budget	\$
		\$	
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	57,170	48,000	58,021
President's Allowance	5,000	12,000	0
Deputy President's Allowance	1,286	6,250	0
Travelling Expenses	20,867	47,600	45,936
Child Care Allowance	0	1,000	0
Telecommunications Allowance	2,408	2,520	0
	<u>86,731</u>	<u>117,370</u>	<u>103,957</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	2008	2007
\$		
100,000 - 109,999	1	1
110,000 - 119,999	0	0
120,000 - 129,999	2	0
130,000 - 139,999	1	1

32. EMPLOYEE NUMBERS

The number of full-time equivalent Employees at balance date

2008	2007
<u>77</u>	<u>69</u>

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

33. MAJOR LAND TRANSACTIONS

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

34. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

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

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

35. FINANCIAL RISK MANAGEMENT

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

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

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

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2008	2007	2008	2007
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	4,472,039	2,804,773	4,472,039	2,804,773
Receivables	<u>1,869,157</u>	<u>2,757,570</u>	<u>1,869,157</u>	<u>2,757,570</u>
	<u><u>6,341,196</u></u>	<u><u>5,562,343</u></u>	<u><u>6,341,196</u></u>	<u><u>5,562,343</u></u>
Financial Liabilities				
Payables	1,228,673	1,930,478	1,228,673	1,930,478
Borrowings	<u>2,274,838</u>	<u>2,537,761</u>	<u>2,146,056</u>	<u>2,377,596</u>
	<u><u>3,503,511</u></u>	<u><u>4,468,239</u></u>	<u><u>3,374,729</u></u>	<u><u>4,308,074</u></u>

Fair value is determined as follows:

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

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

35. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

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

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

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

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

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

	30-Jun-08	30-Jun-07
	\$	\$
Impact of a 1% (*) movement in interest rates on cash and cash equivalents:		
- Equity	43,658	26,190
- Income Statement	43,658 (+)	26,190 (+)

Notes:

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

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

(+) Maximum impact.

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

35. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

Council's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. Council manages this risk by monitoring outstanding debt and employing debt recovery policies.

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

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

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

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

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

	30-Jun-08	30-Jun-07
Percentage of Rates and Annual Charges		
- Current	45.34%	46.07%
- Overdue	54.66%	53.93%
Percentage of Other Receivables		
- Current	58.43%	74.50%
- Overdue	41.57%	25.50%
Percentage of Deferred Rates Receivables		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

35. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables and Borrowings

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

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2008</u>					
Payables	1,228,673	0	0	1,228,673	1,228,673
Borrowings	423,994	1,036,644	1,760,846	3,221,484	2,274,838
	<u>1,652,667</u>	<u>1,036,644</u>	<u>1,760,846</u>	<u>4,450,157</u>	<u>3,503,511</u>
<u>2007</u>					
Payables	1,930,478	0	0	1,930,478	1,930,478
Borrowings	500,746	1,096,986	2,018,264	3,615,996	2,537,761
	<u>2,431,224</u>	<u>1,096,986</u>	<u>2,018,264</u>	<u>5,546,474</u>	<u>4,468,239</u>

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

35. INTEREST RATE RISK

(c) Payables and Borrowings (Continued)

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs. Council manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

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

Year Ended 30 June 2008	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
	\$	\$	\$	\$	\$	\$	\$	%
Borrowings								
Fixed Rate								
Debentures	51,184	12,836	0	0	0	2,104,584	2,168,604	5.95%
Weighted Average Effective Interest Rate	5.74%	6.70%	0.00%	0.00%	0.00%	5.95%		
Floating Rate								
Overdraft	106,234	0	0	0	0	0	106,234	0.00%
Weighted Average Effective Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		

Note: Bank overdraft balance of \$106,234 at 30 June 2008 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 2008 would have been 10.25%.

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

35. INTEREST RATE RISK (Continued)
(c) Payables and Borrowings (Continued)

<u>Year Ended 30 June 2007</u>	<u><1 year</u> \$	<u>>1<2 years</u> \$	<u>>2<3 years</u> \$	<u>>3<4 years</u> \$	<u>>4<5 years</u> \$	<u>>5 years</u> \$	<u>Total</u> \$	<u>Weighted Average Effective Interest Rate</u> %
Borrowings								
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	185,738	0	0	0	0	0	185,738	0.00%
Weighted Average Effective Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		

Note: Bank overdraft balance of \$185,738 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 2008

36. SUMMARY OF ADJUSTMENTS TO COMPARATIVE AMOUNTS

The following adjustments have been made to comparative amounts in the 30 June 2007 Financial Report to bring to account financial activity that was either omitted or incorrectly stated in 2006/07. Details of this activity is listed below:-

- 1 Unspent Grants of \$50,327, for Aboriginal Environmental Health, were omitted from being transferred to the Unspent Grants & Contributions Reserve in error. This amount was presented in the 30 June 2007 Financial Report as an Unexpended Grant Liability when it should have been part of the Bank Overdraft figure.
- 2 Various Trust items totalling \$2,114 had been recognised in the 30 June 2007 Financial Report as Other Payables in error.
- 3 The Other Payables figure comprised a number of liabilities of Council which have been separated in this Financial Report for comparison purposes.
- 4 Council's Recreation Facilities formed part of Infrastructure Assets in the 30 June 2007 Financial Report. They have now been presented under Land and Buildings.
- 5 Annual Leave and Long Service Leave Provisions have been recalculated and/or reclassified due to changes in Accounting Standards.
- 6 The figures recognised for Sundry Debtors and Rates Outstanding have been recalculated for 30 June 2007 with Deferred Pensioner Rates introduced for the same period.

	Refer Notes Above	Financial Report 2007 \$	Corrected Comparative 2007 \$	Adjustment \$
BALANCE SHEET				
Cash and Cash Equivalents	1	2,754,446	2,804,773	50,327
Trade and Other Receivables	6	2,757,570	2,755,616	(1,954)
Other Receivables	6	0	1,954	1,954
Property, Plant and Equipment	4	13,966,717	15,868,989	1,902,272
Infrastructure	4	67,203,598	65,301,326	(1,902,272)
Trade and Other Payables	2	1,932,592	1,930,478	(2,114)
Short Term Borrowings	1,2	133,297	185,738	52,441
Provisions - Current	5	326,012	467,109	141,097
Provisions - Non-Current	5	217,523	76,426	(141,097)
Retained Surplus	1	79,002,047	78,951,720	(50,327)
Reserves - Cash Backed	1	2,752,000	2,802,327	50,327
STATEMENT OF CHANGES IN EQUITY				
Retained Surplus:-				
Transfer from/(to) Reserves	1	(1,281,636)	(1,331,963)	(50,327)
Balance at 30 June 2007	1	79,002,047	78,951,720	(50,327)
Reserves Cash Backed:-				
Transfer (to)/from Retained Surplus	1	1,281,636	1,331,963	50,327
Balance at 30 June 2007	1	2,752,000	2,802,327	50,327

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

36. SUMMARY OF ADJUSTMENTS TO COMPARATIVE AMOUNTS (Continued)

	Refer Notes Above	Financial Report 2007 \$	Corrected Comparative 2007 \$	Adjustment \$
CASH FLOW STATEMENT				
Cash Flows From Operating Activities:-				
Grants and Subsidies - operating	1,2	4,373,565	4,323,238	(50,327)
Receipts - Other	1,2	393,944	391,830	(2,114)
NOTE 2 - REVENUES AND EXPENSES				
Depreciation				
Buildings	4	258,875	298,836	39,961
Recreation Facilities	4	39,961	0	(39,961)
NOTE 3 - CASH AND CASH EQUIVALENTS				
Restricted	1	2,752,000	2,802,327	50,327
The following restrictions have been imposed by regulations or other externally imposed requirements.				
Unspent Grants and Contributions Reserve	1	953,636	1,003,963	50,327
NOTE 4 - TRADE AND OTHER RECEIVABLES				
Current				
Rates Outstanding	6	428,563	431,617	3,054
Sundry Debtors	6	2,440,571	2,435,563	(5,008)
Non-Current				
Deferred Pensioner Rates	6	0	1,954	1,954
NOTE 6 - PROPERTY, PLANT AND EQUIPMENT				
Land and Buildings - Cost	4	15,117,702	17,115,754	1,998,052
Less Accumulated Depreciation	4	(3,703,863)	(3,799,643)	(95,780)
NOTE 6 - PROPERTY, PLANT AND EQUIPMENT (Continued)				
<i>Movements in Carrying Amounts</i>				
Balance as at 30 June 2007 - Land and Buildings	4	11,413,839	13,316,111 } }	1,902,272
Balance as at 1 July 2007 - Land and Buildings	4			
NOTE 7 - INFRASTRUCTURE				
Recreation Facilities - Cost	4	1,998,052	0	(1,998,052)
Less Accumulated Depreciation	4	(95,780)	0	95,780
NOTE 7 - INFRASTRUCTURE (Continued)				
<i>Movements in Carrying Amounts</i>				
Balance as at 30 June 2007 - Recreation Facilities	4	1,902,272	0 } }	(1,902,272)
Balance as at 1 July 2007 - Recreation Facilities	4			

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

36. SUMMARY OF ADJUSTMENTS TO COMPARATIVE AMOUNTS (Continued)

	Refer Notes Above	Financial Report 2007 \$	Corrected Comparative 2007 \$	Adjustment \$
NOTE 8 - TRADE AND OTHER PAYABLES				
Other Payables	2,3	206,286	0	} (2,114)
Payroll Creditors	3	0	92,054	
PAYG Payable	3	0	60,996	
GST Payable	3	0	21,920	
ESL Levied	3	0	29,202	
NOTE 9 - SHORT-TERM BORROWINGS				
Unsecured				
Bank Overdraft	1,2	82,970	185,738	102,768
Unexpended Grant				
Aboriginal Environmental Health	1	50,327	0	(50,327)
		<u>133,297</u>	<u>185,738</u>	<u>52,441</u>
NOTE 11 - PROVISIONS				
Current				
Provision for Annual Leave	5	230,924	316,190	85,266
Provision for Long Service Leave	5	68,342	124,173	55,831
Non-Current				
Provision for Annual Leave	5	85,266	0	(85,266)
Provision for Long Service Leave	5	132,257	76,426	(55,831)
NOTE 12 - CASH BACKED RESERVES				
(j) Unspent Grants and Contributions Reserve				
Amount Set Aside / Transfer to Reserve	1	953,636	1,003,963	50,327
		<u>953,636</u>	<u>1,003,963</u>	<u>50,327</u>
TOTAL CASH BACKED RESERVES	1	2,752,000	2,802,327	50,327
NOTE 14(a) - Reconciliation of Cash				
Cash and Cash Equivalents	1	2,754,446	2,804,773	50,327
Bank Overdraft - Note 9	1,2	(82,970)	(185,738)	(102,768)
		<u>2,671,476</u>	<u>2,619,035</u>	<u>(52,441)</u>
NOTE 14(b) - Reconciliation of Net Cash Provided By Operating Activities to Net Result				
(Increase)/Decrease in Receivables	1,2	(1,968,434)	(2,020,875)	(52,441)
NOTE 14(c) - Undrawn Borrowing Facilities Credit Standby Arrangements				
Bank Overdraft at Balance Date	1,2	(82,970)	(185,738)	(102,768)

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

36. SUMMARY OF ADJUSTMENTS TO COMPARATIVE AMOUNTS (Continued)

	Refer Notes Above	Financial Report 2007 \$	Corrected Comparative 2007 \$	Adjustment \$
NOTE 18 - TOTAL ASSETS				
Health	1	3,958	54,285	50,327

NOTE 19 - FINANCIAL RATIOS

Restatements 1 to 6 affected the 2007 comparative ratios as follows:

Current Ratio decreased from 1.097 to 1.036

Untied Cash to Trade Creditors Ratio increased from 0.012 to 2.094

Debt Ratio increased from 0.056 to 0.057

Gross Debt to Revenue Ratio increased from 0.190 to 0.194

Gross Debt to Economically Realisable Assets Ratio decreased from 0.419 to 0.116

Outstanding Rates Ratio decreased from 0.088 to 0.086

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 2008, 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) and the Local Government Act 1995. 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 2008 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 26th October 2008