



# SHIRE OF ASHBURTON

## BUDGET

FOR THE YEAR ENDED 30TH JUNE 2015

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**SHIRE OF ASHBURTON**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
<b>REVENUE</b>				
Rates	8	19,903,683	24,562,810	15,217,825
Operating Grants, Subsidies and Contributions		7,061,228	4,245,291	6,018,737
Fees and Charges	11	14,096,120	19,110,703	21,489,505
Interest Earnings	2(a)	467,500	395,079	471,240
Other Revenue		402,419	5,297,195	626,135
		<u>41,930,950</u>	<u>53,611,078</u>	<u>43,823,442</u>
<b>EXPENSES</b>				
Employee Costs		(14,096,483)	(12,123,340)	(12,804,291)
Materials and Contracts		(15,416,252)	(13,004,881)	(20,291,436)
Utility Charges		(1,263,419)	(880,107)	(518,718)
Depreciation	2(a)	(8,296,250)	(7,843,834)	(7,887,069)
Interest Expenses	2(a)	(177,658)	(203,448)	(202,946)
Insurance Expenses		(1,291,745)	(1,062,522)	(1,198,131)
Other Expenditure		(800,146)	(391,431)	(578,991)
		<u>(41,341,953)</u>	<u>(35,509,563)</u>	<u>(43,481,582)</u>
		588,997	18,101,515	341,860
Non-Operating Grants, Subsidies and Contributions		33,248,004	19,997,557	23,995,254
Profit on Asset Disposals	4	201,862	4,181,158	4,740,586
Loss on Asset Disposals	4	<u>(1,099,132)</u>	<u>(229,177)</u>	<u>(43,460)</u>
<b>NET RESULT</b>		<b>32,939,731</b>	<b>42,051,053</b>	<b>29,034,240</b>
<b>Other Comprehensive Income</b>				
Nil		<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b><u>32,939,731</u></b>	<b><u>42,051,053</u></b>	<b><u>29,034,240</u></b>

**Notes:**

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

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

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

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

**SHIRE OF ASHBURTON**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
<b>REVENUE (Refer Notes 1,2,8 to 13)</b>				
Governance		774,600	5,129,459	1,045,748
General Purpose Funding		25,097,378	27,228,806	17,995,218
Law, Order, Public Safety		114,030	130,386	113,650
Health		251,196	252,112	238,006
Education and Welfare		220,000	130,948	336,000
Housing		178,952	309,807	249,971
Community Amenities		4,620,491	3,987,246	4,655,766
Recreation and Culture		524,114	1,377,017	955,453
Transport		7,539,783	6,628,413	3,463,504
Economic Services		2,252,970	6,375,161	2,961,353
Other Property and Services		357,436	2,061,723	11,808,775
		<u>41,930,950</u>	<u>53,611,078</u>	<u>43,823,444</u>
<b>EXPENSES EXCLUDING</b>				
<b>FINANCE COSTS (Refer Notes 1,2 &amp; 14)</b>				
Governance		(5,133,964)	(4,217,807)	(4,419,043)
General Purpose Funding		(55,936)	(125,958)	(148,180)
Law, Order, Public Safety		(932,643)	(1,030,751)	(919,149)
Health		(734,023)	(765,678)	(797,405)
Education and Welfare		(487,568)	(393,449)	(611,386)
Housing		(724,027)	(560,355)	(448,130)
Community Amenities		(6,666,591)	(5,009,724)	(6,471,142)
Recreation & Culture		(8,455,143)	(5,794,376)	(6,517,017)
Transport		(11,045,762)	(8,188,258)	(9,916,459)
Economic Services		(4,720,405)	(3,255,017)	(2,426,657)
Other Property and Services		(2,208,233)	(5,964,742)	(10,604,068)
		<u>(41,164,295)</u>	<u>(35,306,115)</u>	<u>(43,278,636)</u>
<b>FINANCE COSTS (Refer Notes 2 &amp; 5)</b>				
Law, Order, Public Safety		0	(614)	(1,749)
Housing		(141,700)	(163,905)	(158,780)
Recreation and Culture		(11,222)	(11,048)	(13,255)
Transport		(24,736)	(27,881)	(29,162)
		<u>(177,658)</u>	<u>(203,448)</u>	<u>(202,946)</u>
<b>NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS</b>				
Governance		2,000,000	0	0
General Purpose Funding		0	0	0
Law, Order, Public Safety		0	422,658	0
Education and Welfare		2,000,000	1,500,000	1,500,000
Community Amenities		300,000	300,927	415,000
Recreation & Culture		14,515,000	4,185,954	4,804,800
Transport		14,433,004	13,568,018	17,255,454
Economic Services		0	20,000	20,000
		<u>33,248,004</u>	<u>19,997,557</u>	<u>23,995,254</u>

**SHIRE OF ASHBURTON**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
<b>PROFIT/(LOSS) ON DISPOSAL OF ASSETS (Refer Note 4)</b>				
Governance		0	(93,576)	0
Law, Order, Public Safety		0	(1,250)	0
Housing		200,000	0	521,394
Recreation and Culture		0	(607)	0
Transport		1,862	8,859	60,564
Transport		(99,132)	(67,494)	(43,460)
Economic Services		0	0	4,158,628
Other Property and Services		0	4,172,299	0
Other Property and Services		(1,000,000)	(66,250)	0
		<u>(897,270)</u>	<u>3,951,981</u>	<u>4,697,126</u>
<b>NET RESULT</b>		<b><u>32,939,731</u></b>	<b><u>42,051,053</u></b>	<b><u>29,034,242</u></b>
<b>Other Comprehensive Income</b>				
Nil		<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b><u><u>32,939,731</u></u></b>	<b><u><u>42,051,053</u></u></b>	<b><u><u>29,034,242</u></u></b>

**Notes:**

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

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

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

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

**SHIRE OF ASHBURTON  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		19,915,688	24,210,485	15,229,830
Operating Grants, Subsidies and Contributions		8,016,453	4,483,922	6,973,962
Fees and Charges		14,754,120	21,197,284	22,747,505
Service Charges		0	0	0
Interest Earnings		467,500	395,079	471,240
Goods and Services Tax		315,000	1,935,066	315,000
Other		402,419	5,302,996	626,135
		<u>43,871,180</u>	<u>57,524,832</u>	<u>46,363,672</u>
<b>Payments</b>				
Employee Costs		(14,131,293)	(12,180,431)	(12,841,991)
Materials and Contracts		(15,509,107)	(21,821,051)	(20,384,291)
Utility Charges		(1,304,624)	(880,107)	(559,923)
Insurance Expenses		(1,291,745)	(1,062,522)	(1,198,131)
Interest Expenses		(177,858)	(148,966)	(203,146)
Goods and Services Tax		(275,000)	(1,238,928)	(275,000)
Other		(800,146)	(391,431)	(578,991)
		<u>(33,489,773)</u>	<u>(37,723,436)</u>	<u>(36,041,473)</u>
<b>Net Cash Provided By Operating Activities</b>	15(b)	<u>10,381,407</u>	<u>19,801,396</u>	<u>10,322,199</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Development of Land Held for Resale	3	(1,075,000)	(370,205)	(1,818,500)
Payments for Purchase of Property, Plant & Equipment	3	(27,209,991)	(5,732,472)	(10,639,064)
Payments for Construction of Infrastructure	3	(39,958,383)	(18,742,725)	(25,655,609)
Advances to Community Groups Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		0 33,248,004	0 22,199,879	0 23,995,254
Proceeds from Sale of Plant & Equipment	4	5,265,000	5,018,423	5,396,000
Proceeds from Advances		0	0	0
<b>Net Cash Used in Investing Activities</b>		<u>(29,730,370)</u>	<u>2,372,900</u>	<u>(8,721,919)</u>
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures	5	(2,123,050)	(1,556,916)	(1,556,916)
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		0	0	0
Proceeds from New Debentures	5	3,200,000	225,000	0
<b>Net Cash Provided By (Used In) Financing Activities</b>		<u>1,076,950</u>	<u>(1,331,916)</u>	<u>(1,556,916)</u>
<b>Net Increase (Decrease) in Cash Held</b>		(18,272,013)	20,842,380	43,364
Cash at Beginning of Year		34,295,815	13,453,435	13,488,979
<b>Cash and Cash Equivalents at the End of the Year</b>	15(a)	<u><u>16,023,802</u></u>	<u><u>34,295,815</u></u>	<u><u>13,532,343</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 2015**

	NOTE	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
<b>REVENUES</b>	1,2			
Governance		2,774,600	5,129,459	1,045,748
General Purpose Funding		5,193,695	2,665,996	2,778,890
Law, Order, Public Safety		114,030	553,044	113,650
Health		251,196	252,112	238,006
Education and Welfare		2,220,000	1,630,948	1,836,000
Housing		378,952	309,807	771,365
Community Amenities		4,920,491	4,288,173	5,070,766
Recreation and Culture		15,039,114	5,562,971	5,760,253
Transport		21,974,649	20,205,290	20,779,522
Economic Services		2,252,970	6,395,161	7,139,981
Other Property and Services		357,436	6,234,022	11,808,775
		<u>55,477,133</u>	<u>53,226,983</u>	<u>57,342,956</u>
<b>EXPENSES</b>	1,2			
Governance		(5,133,964)	(4,311,383)	(4,419,043)
General Purpose Funding		(55,936)	(125,958)	(148,180)
Law, Order, Public Safety		(932,643)	(1,032,615)	(920,898)
Health		(734,023)	(765,678)	(797,405)
Education and Welfare		(487,568)	(393,449)	(611,386)
Housing		(865,727)	(724,260)	(606,910)
Community Amenities		(6,666,591)	(5,009,724)	(6,471,142)
Recreation & Culture		(8,466,365)	(5,806,031)	(6,530,272)
Transport		(11,169,630)	(8,283,633)	(9,989,081)
Economic Services		(4,720,405)	(3,255,017)	(2,426,657)
Other Property and Services		(3,208,233)	(6,030,992)	(10,604,068)
		<u>(42,441,085)</u>	<u>(35,738,740)</u>	<u>(43,525,042)</u>
<b>Net Operating Result Excluding Rates</b>		13,036,048	17,488,243	13,817,914
<b>Adjustments for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure and Revenue</b>				
(Profit)/Loss on Asset Disposals	4	897,270	(3,951,981)	(4,697,126)
Movement in Deferred Pensioner Rates (non-current)		0	0	0
Movement in Employee Benefit Provisions (non-current)		0	(6,603)	0
Movement in Leave Reserve/Provisions (Added Back)		0	7,822	0
Rounding		0	1	0
Depreciation on Assets	2(a)	8,296,250	7,843,834	7,887,069
<b>Capital Expenditure and Revenue</b>				
Purchase Land Held for Resale	3	(1,075,000)	(370,205)	(1,818,500)
Purchase Land and Buildings	3	(24,352,730)	(4,051,558)	(8,654,385)
Purchase Furniture and Equipment	3	(107,740)	(239,712)	(515,451)
Purchase Plant and Equipment	3	(2,749,521)	(1,441,202)	(1,469,228)
Purchase Infrastructure Assets - Roads	3	(7,934,239)	(987,525)	(3,937,592)
Purchase Infrastructure Assets - Footpaths	3	(250,000)	0	(1,162,770)
Purchase Infrastructure Assets - Drainage	3	(1,369,000)	(51,132)	(670,000)
Purchase Infrastructure Assets - Parks & Ovals	3	(6,646,900)	(308,677)	(812,500)
Purchase Infrastructure Assets - Airports	3	(8,134,952)	(15,870,143)	(15,226,121)
Purchase Infrastructure Assets - Other	3	(15,623,292)	(1,525,248)	(3,846,626)
Proceeds from Disposal of Assets	4	5,265,000	5,018,423	5,396,000
Repayment of Debentures	5	(2,123,050)	(1,556,916)	(1,556,916)
Proceeds from New Debentures	5	3,200,000	225,000	0
Self-Supporting Loan Principal Income		0	0	0
Transfers to Reserves (Restricted Assets)	6	(8,354,886)	(16,823,214)	(5,934,000)
Transfers from Reserves (Restricted Assets)	6	17,094,459	2,912,588	4,924,038
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	7	11,028,600	153,995	3,039,866
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	7	0	11,028,600	(20,000)
<b>Total Amount Raised from General Rates</b>	8	<u>(19,903,683)</u>	<u>(24,562,810)</u>	<u>(15,216,328)</u>

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

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Basis of Accounting**

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this budget are presented below and have been consistently applied unless stated otherwise.

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

**The Local Government Reporting Entity**

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

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

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

**(b) Actual Balances**

Balances shown in this budget as 2013/14 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

**(c) Rounding Off Figures**

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

**(d) 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.

**(e) Goods and Services Tax (GST)**

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

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

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

**(f) Superannuation**

The Council contributes to a number of Superannuation Funds on behalf of employees.

All funds to which the Council contributes are defined contribution plans.

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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

**(g) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

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

**(h) Trade and Other Receivables**

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

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

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

**(i) Inventories**

***General***

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

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

***Land Held for Resale***

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

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

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

**(j) Fixed Assets**

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

***Mandatory Requirement to Revalue Non-Current Assets***

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



**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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

**(j) Fixed Assets (Continued)**

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

(a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and  
(b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -

(i) that are plant and equipment; and

(ii) that are -

(I) land and buildings; or

(II) infrastructure;

and

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

Thereafter, in accordance with the regulations, each asset class must be revalued at least every 3 years.

In 2013, Council commenced the process of adopting Fair Value in accordance with the Regulations.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the budget as necessary.

***Land Under Control***

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

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

Whilst they were initially recorded at cost (being fair value at the date of acquisition (deemed cost) as per AASB 116) they were revalued along with other items of Land and Buildings at 30 June 2014.

***Initial Recognition and Measurement between Mandatory Revaluation Dates***

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

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

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation of the next anniversary date in accordance with the mandatory measurement framework detailed above.

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2015**

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

**(j) Fixed Assets (Continued)**

***Revaluation***

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

***Transitional Arrangement***

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

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

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

***Land Under Roads***

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

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

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

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

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

***Depreciation***

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2015**

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

**(j) Fixed Assets (Continued)**

Major depreciation periods used for each class of depreciable asset are:

Buildings	<i>Straight Line</i>	2-3%	30 to 50 Years
Furniture & Fittings	<i>Straight Line</i>	10-25%	4 to 10 Years
Computer Equipment	<i>Straight Line</i>	33.33%	3 Years
Office Equipment	<i>Straight Line</i>	20%	5 Years
Plant & Equipment	<i>Straight Line</i>	6-20%	5 to 15 Years
Motor Vehicles	<i>Straight Line</i>	10%	10 Years
Infrastructure - Other	<i>Straight Line</i>	2.5%	40 Years
Water Supply Piping & Drainage systems	<i>Straight Line</i>	1.3%	75 Years
Sewerage Piping	<i>Straight Line</i>	1%	100 Years
Footpaths	<i>Straight Line</i>	2.5%	40 Years
<i>Gravel Roads</i>			
Construction/Road Base	<i>Straight Line</i>	2%	50 Years
Gravel Sheet	<i>Straight Line</i>	8.3%	12 Years
<i>Formed roads (Unsealed)</i>			
Construction /Road Base	<i>Straight Line</i>	2%	50 Years
<i>Sealed Roads &amp; Streets</i>			
Construction/Road Base	<i>Straight Line</i>	2%	50 Years
Major re-surfacing Bituminous Seals	<i>Straight Line</i>	5%	20 Years
Asphalt Surfaces	<i>Straight Line</i>	8.3%	12 Years

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

***Capitalisation Threshold***

Expenditure under the thresholds listed below is not capitalised. Rather, it is recorded on an asset inventory listing.

- Land	Nil (All Land Capitalised)
- Buildings	2,000
- Plant & Equipment	2,000
- Furniture & Equipment	2,000
- Infrastructure	5,000

**(k) Fair Value of Assets and Liabilities**

When performing a revaluation, the Council uses a mix of both independent and management valuations using the following as a guide:

Fair Value is the price that Council would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2015**

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

**(k) Fair Value of Assets and Liabilities (Continued)**

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset (i.e. the market with the greatest volume and level of activity for the asset or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

***Fair Value Hierarchy***

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

**Level 1**

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2**

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

***Valuation techniques***

The Council selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Council are consistent with one or more of the following valuation approaches:

**Market approach**

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2015**

**(k) Fair Value of Assets and Liabilities (Continued)**

**Income approach**

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

**Cost approach**

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Council gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability and considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

**(l) Financial Instruments**

**Initial Recognition and Measurement**

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

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

**Classification and Subsequent Measurement**

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

Amortised cost is calculated as:

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

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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

**(I) Financial Instruments (Continued)**

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

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

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short term profit taking. Assets in this category are classified as current assets. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

*(ii) Loans and receivables*

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

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

*(iii) Held-to-maturity investments*

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

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

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

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

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

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

*(v) Financial liabilities*

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

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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

**(l) Financial Instruments (Continued)**

***Impairment***

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

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

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

***Derecognition***

Financial assets are derecognised where the contractual rights for receipt of cash flows expire or the asset is transferred to another party, whereby the Council no longer has any significant continual involvement in the risks and benefits associated with the asset.

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

**(m) Impairment of Assets**

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

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

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

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2015**

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

**(m) Impairment of Assets (Continued)**

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

At the time of adopting this budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2015.

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

**(n) Trade and Other Payables**

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

**(o) Employee Benefits**

**Short-Term Employee Benefits**

Provision is made for the Council's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Council's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Council's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

**Other Long-Term Employee Benefits**

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations or service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Council does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.



**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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

**(p) Borrowing Costs**

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

**(q) Provisions**

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

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

**(r) Current and Non-Current Classification**

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

**(s) Comparative Figures**

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

**(t) Budget Comparative Figures**

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

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

	<b>2014/15 Budget \$</b>	<b>2013/14 Actual \$</b>	<b>2013/14 Budget \$</b>
<b>2. REVENUES AND EXPENSES</b>			
<b>(a) Net Result from Ordinary Activities was arrived at after:</b>			
(i) Charging as Expenses:			
<b>Auditors Remuneration</b>			
Audit Services	45,000	67,334	32,500
<b>Depreciation</b>			
<b><u>By Program</u></b>			
Governance	201,830	197,630	238,452
General Purpose Funding	0	0	0
Law, Order, Public Safety	102,300	96,899	25,218
Health	5,500	5,123	9,037
Education and Welfare	7,000	6,829	7,204
Housing	173,900	167,154	170,860
Community Amenities	247,800	244,928	262,300
Recreation and Culture	799,530	653,945	614,139
Transport	5,901,340	5,639,404	5,725,244
Economic Services	55,050	51,521	48,939
Other Property and Services	802,000	780,401	785,676
	<u>8,296,250</u>	<u>7,843,834</u>	<u>7,887,069</u>
<b><u>By Class</u></b>			
Land and Buildings	817,485	772,905	764,083
Furniture and Equipment	187,657	177,424	240,921
Plant and Equipment	946,181	894,583	874,547
Roads	5,350,231	5,058,469	5,148,959
Footpaths	78,378	74,104	77,709
Drainage	188,552	178,270	169,002
Parks	119,161	112,663	97,402
Airports	59,874	56,609	0
Other	548,731	518,807	514,446
	<u>8,296,250</u>	<u>7,843,834</u>	<u>7,887,069</u>
<b>Borrowing Costs (Interest)</b>			
- Debentures ( <i>refer note 5(a)</i> )	177,658	203,448	202,946
	<u>177,658</u>	<u>203,448</u>	<u>202,946</u>
(ii) Crediting as Revenues:			
<b>Interest Earnings</b>	<b>2014/15 Budget \$</b>	<b>2013/14 Actual \$</b>	<b>2013/14 Budget \$</b>
Investments			
- Reserve Funds	250,000	241,531	200,000
- Other Funds	150,000	81,159	230,000
Other Interest Revenue ( <i>refer note 13</i> )	67,500	72,389	41,240
	<u>467,500</u>	<u>395,079</u>	<u>471,240</u>

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2015**

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

**(b) Statement of Objective**

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

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

**GENERAL PURPOSE FUNDING**

Objective: To collect revenue to allow for the provision of services

Activities: Rates, general purpose government grants and interest revenue

**GOVERNANCE**

Objective: To provide a decision making process for the efficient allocation of resources

Activities: 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

**LAW, ORDER, PUBLIC SAFETY**

Objective: To provide services to help ensure a safer community

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

**HEALTH**

Objective: To provide an operational framework for good community health

Activities: Food quality and pest control and operation of child health clinic, analytical testing and Environmental Health Administration.

**EDUCATION AND WELFARE**

Objective: To meet the needs of the community in these areas

Activities: Maintenance of pre-school facilities & donations to schools. Assistance to welfare groups and Youth Services

**HOUSING**

Objective: To manage housing

Activities: Maintenance of staff and rental housing

**COMMUNITY AMENITIES**

Objective: Provide services required by the community

Activities: Rubbish collections, refuse site operations, litter control, administration of the town planning scheme, cemetery operations, public toilet facilities and protection of the environment.

**RECREATION AND CULTURE**

Objective: To establish and manage efficiently infrastructure and resources which will help the social well being of the community

Activities: Maintenance of Halls, swimming pools, sporting facilities, parks & associated facilities, provision of library services in Tom Price, Onslow, Pannawonica & Paraburadoo.

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2015**

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

**(b) Statement of Objective (Continued)**

**TRANSPORT**

Objective: To provide effective and efficient transport services to the community

Activities: Construction and maintenance of streets, roads, bridges, footpaths; street lighting, traffic management and airport. Purchase and disposal of Council's Road Plant.

**ECONOMIC SERVICES**

Objective: To help promote the shire and improve its economic wellbeing

Activities: Building control, management of tourist bureau, tourism and area promotion and standpipes.

**OTHER PROPERTY & SERVICES**

Activities: Private works operations, plant repairs and operation costs, stock and materials, salaries and wages of council employees.

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2015**

<b>3. ACQUISITION OF ASSETS</b>	<b>2014/15 Budget \$</b>
The following assets are budgeted to be acquired during the year:	
<b><u>By Program</u></b>	
Governance	8,185,000
Law, Order, Public Safety	59,840
Health	1,000
Education & Welfare	3,710,000
Housing	2,714,750
Community Amenities	9,589,012
Recreation and Culture	19,760,160
Transport	20,654,102
Economic Services	2,394,510
Other Property and Services	1,175,000
	<b><u>68,243,374</u></b>
 <b><u>By Class</u></b>	
Land Held for Resale	1,075,000
Land and Buildings	24,352,730
Plant and Equipment	2,749,521
Furniture and Equipment	107,740
Infrastructure Assets - Roads	7,934,239
Infrastructure assets - Footpaths	250,000
Infrastructure Assets - Drainage	1,369,000
Infrastructure Assets - Parks and Ovals	6,646,900
Infrastructure Assets - Airports	8,134,952
Infrastructure Assets - Other	15,623,292
	<b><u>68,243,374</u></b>

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

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2015**

**4. DISPOSALS OF ASSETS**

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

<b><u>By Program</u></b>	Net Book Value	Sale Proceeds	Profit(Loss)
	<b>2014/15 BUDGET \$</b>	<b>2014/15 BUDGET \$</b>	<b>2014/15 BUDGET \$</b>
Housing (Profits)	350,000	550,000	200,000
Transport (Profits)	112,138	114,000	1,862
Transport (Losses)	700,132	601,000	(99,132)
Other Property & Services (Losses)	5,000,000	4,000,000	(1,000,000)
	<b>6,162,270</b>	<b>5,265,000</b>	<b>(897,270)</b>

<b><u>By Class</u></b>	Net Book Value	Sale Proceeds	Profit(Loss)
	<b>2014/15 BUDGET \$</b>	<b>2014/15 BUDGET \$</b>	<b>2014/15 BUDGET \$</b>
Plant & Equipment	812,270	715,000	(97,270)
Land and Buildings	5,350,000	4,550,000	(800,000)
	<b>6,162,270</b>	<b>5,265,000</b>	<b>(897,270)</b>

<b><u>Summary</u></b>	<b>2014/15 BUDGET \$</b>
Profit on Asset Disposals	201,862
Loss on Asset Disposals	(1,099,132)
	<u><u>(897,270)</u></u>

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**5. INFORMATION ON BORROWINGS**

(a) Debenture Repayments

Particulars	Interest Rate %	Maturity Date	Principal 1 July 2014	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
					2014/15 Budget \$	2013/14 Actual \$	2014/15 Budget \$	2013/14 Actual \$	2014/15 Budget \$	2013/14 Actual \$
<b>Law, Order, Public Safety</b>										
Loan 112 Colocation Facility	5.97	4/01/2014	0	0	0	38,226	0	0	0	614
<b>Housing</b>										
Loan 117 Staff Housing Plan	5.45	3/06/2023	584,627	0	51,666	48,914	532,961	584,627	31,739	31,898
Loan 121 New Staff Housing	5.97	20/04/2021	1,897,492	0	225,651	212,760	1,671,841	1,897,492	109,961	132,007
<b>Community Amenities</b>										
Loan 122 Onslow Transfer Station	Unknown	Unknown	0	3,200,000	0	0	3,200,000	0	0	0
<b>Recreation &amp; Culture</b>										
Loan 118 Recreation Centre Tom Price	5.82	1/11/2019	200,699	0	31,943	30,162	168,756	200,699	11,222	11,048
<b>Transport</b>										
Loan 116 Onslow Aerodrome	6.79	30/05/2017	170,066	0	52,895	49,431	117,171	170,066	10,822	13,047
Loan 119 Onslow Aerodrome Upgrade	6.36	30/06/2026	221,918	0	12,805	12,027	209,113	221,918	13,914	14,834
<b>Other Property &amp; Services</b>										
DSD Loan Onslow Aerodrome Temporary Camp	0.00	30/11/2015	1,748,090	0	1,748,090	1,165,396	0	1,748,090	0	0
			4,822,892	3,200,000	2,123,050	1,556,916	5,899,842	4,822,892	177,658	203,448

All loan repayments are financed by general purpose income.

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**5. INFORMATION ON BORROWINGS (Continued)**

(b) New Debentures - 2014/15

<b>Particulars/Purpose</b>	<b>Amount Borrowed Budget</b>	<b>Institution</b>	<b>Loan Type</b>	<b>Term (Years)</b>	<b>Total Interest &amp; Charges</b>	<b>Interest Rate %</b>	<b>Amount Used Budget</b>	<b>Balance Unspent \$</b>
Loan 122 Onslow Transfer Station	\$3,200,000	WATC	Debenture	Unknown	Unknown	Unknown	\$3,200,000	\$0

(c) Unspent Debentures

<b>Particulars/Purpose</b>	<b>Date Borrowed</b>	<b>Balance 1/07/2013</b>	<b>Borrowed During Year</b>	<b>Expended During Year</b>	<b>Balance 30/06/2014</b>
Loan 121 New Staff Housing	29/04/2011	1,518,933	0	1,518,933	0

NB: The unspent loan funds above are being held in the Housing Reserve as at 30 June 2014

(d) Overdraft

Council has not utilised an overdraft facility during the financial year although an overdraft facility of \$500,000 with the Westpac Bank does exist. It is not expected that this facility will be utilised during 2014/15.



## SHIRE OF ASHBURTON

## NOTES TO AND FORMING PART OF THE BUDGET

## FOR THE YEAR ENDED 30TH JUNE 2015

	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
<b>6. RESERVES</b>			
<b>(a) Employee Entitlement Reserve</b>			
Opening Balance	316,484	308,662	308,662
Amount Set Aside / Transfer to Reserve	3,310	7,822	6,200
Amount Used / Transfer from Reserve	0	0	0
	<u>319,794</u>	<u>316,484</u>	<u>314,862</u>
<b>(b) Plant Replacement Reserve</b>			
Opening Balance	25,246	24,622	24,622
Amount Set Aside / Transfer to Reserve	264	624	500
Amount Used / Transfer from Reserve	0	0	0
	<u>25,510</u>	<u>25,246</u>	<u>25,122</u>
<b>(c) Infrastructure Reserve</b>			
Opening Balance	2,919,340	1,725,138	1,725,137
Amount Set Aside / Transfer to Reserve	30,528	1,627,717	718,500
Amount Used / Transfer from Reserve	(1,022,000)	(433,515)	(972,538)
	<u>1,927,868</u>	<u>2,919,340</u>	<u>1,471,099</u>
<b>(d) Housing Reserve</b>			
Opening Balance	1,989,231	1,970,400	1,970,400
Amount Set Aside / Transfer to Reserve	638,802	1,518,831	589,400
Amount Used / Transfer from Reserve	(1,500,000)	(1,500,000)	(2,100,000)
	<u>1,128,033</u>	<u>1,989,231</u>	<u>459,800</u>
<b>(e) Onslow Community Infrastructure Reserve</b>			
Opening Balance	37,216	36,296	36,296
Amount Set Aside / Transfer to Reserve	389	920	700
Amount Used / Transfer from Reserve	0	0	0
	<u>37,605</u>	<u>37,216</u>	<u>36,996</u>
<b>(f) Property Development Reserve</b>			
Opening Balance	7,792,033	3,550,320	3,550,320
Amount Set Aside / Transfer to Reserve	4,081,483	4,609,879	4,571,100
Amount Used / Transfer from Reserve	(3,305,000)	(368,166)	(1,821,500)
	<u>8,568,516</u>	<u>7,792,033</u>	<u>6,299,920</u>
<b>(g) Unspent Grants &amp; Contributions Reserve</b>			
Opening Balance	6,466,294	2,380,957	2,380,958
Amount Set Aside / Transfer to Reserve	67,619	4,350,321	47,600
Amount Used / Transfer from Reserve	(6,380,574)	(264,984)	(30,000)
	<u>153,339</u>	<u>6,466,294</u>	<u>2,398,558</u>
<b>(h) Onslow Administration Building Reserve</b>			
Opening Balance	4,361,177	0	0
Amount Set Aside / Transfer to Reserve	45,606	4,707,100	0
Amount Used / Transfer from Reserve	(4,400,000)	(345,923)	0
	<u>6,783</u>	<u>4,361,177</u>	<u>0</u>

SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2015

6. RESERVES (Continued)	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
<b>(j) RTIO Partnership Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	486,885	0	0
Amount Used / Transfer from Reserve	(486,885)	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<b>(k) Onslow Aerodrome Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	3,000,000	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>3,000,000</u>	<u>0</u>	<u>0</u>
<b>Total Reserves</b>	<u>15,167,448</u>	<u>23,907,021</u>	<u>11,006,357</u>

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

**Summary of Transfers  
To Cash Backed Reserves**

**Transfers to Reserves**

Employee Benefits Reserve	3,310	7,822	6,200
Plant Replacement Reserve	264	624	500
Infrastructure Reserve	30,528	1,627,717	718,500
Housing Reserve	638,802	1,518,831	589,400
Onslow Community Infrastructure Reserve	389	920	700
Property Development Reserve	4,081,483	4,609,879	4,571,100
Unspent Grants & Contributions Reserve	67,619	4,350,321	47,600
Onslow Administration Building Reserve	45,606	4,707,100	0
RTIO Partnership Reserve	486,885	0	0
Onslow Aerodrome Reserve	3,000,000	0	0
	<u>8,354,886</u>	<u>16,823,214</u>	<u>5,934,000</u>

**Transfers from Reserves**

Employee Benefits Reserve	0	0	0
Plant Replacement Reserve	0	0	0
Infrastructure Reserve	(1,022,000)	(433,515)	(972,538)
Housing Reserve	(1,500,000)	(1,500,000)	(2,100,000)
Onslow Community Infrastructure Reserve	0	0	0
Property Development Reserve	(3,305,000)	(368,166)	(1,821,500)
Unspent Grants & Contributions Reserve	(6,380,574)	(264,984)	(30,000)
Onslow Administration Building Reserve	(4,400,000)	(345,923)	0
RTIO Partnership Reserve	(486,885)	0	0
Onslow Aerodrome Reserve	0	0	0
	<u>(17,094,459)</u>	<u>(2,912,588)</u>	<u>(4,924,038)</u>

<b>Total Transfer to/(from) Reserves</b>	<u>(8,739,573)</u>	<u>13,910,626</u>	<u>1,009,962</u>
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SHIRE OF ASHBURTON

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2015

**6. RESERVES (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.

**Property Development Reserve**

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

**Unspent Grants and Contributions Reserve**

- To preserve unspent Grant and ongoing Capital Works Funds

**Onslow Administration Building Reserve**

- To provide funds to assist the Council in building the new Onslow Administration building

**RTIO Partnership Reserve**

- For the purpose of funding the projects and programs associated with partnership agreements between the Shire of Ashburton and Rio Tinto (RTIO)

**Onslow Aerodrome Reserve**

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

The reserves are not expected to be fully utilised within a set period as further transfers to the reserve accounts are expected as funds are utilised.

**SHIRE OF ASHBURTON**

**NOTES TO AND FORMING PART OF THE BUDGET**

**FOR THE YEAR ENDED 30TH JUNE 2015**

	Note	2014/15 Budget \$	2013/14 Actual \$
<b>7. NET CURRENT ASSETS</b>			
<b>Composition of Estimated Net Current Asset Position</b>			
<b>CURRENT ASSETS</b>			
Cash - Unrestricted	15(a)	706,354	6,927,306
Cash - Restricted Unspent Grants		150,000	1,942,555
Cash - Restricted Unspent Loans		0	1,518,933
Cash - Restricted Reserves	15(a)	15,167,448	23,907,021
Rates - Current		486,005	498,010
Sundry Debtors		2,229,065	3,812,290
Accrued Income		80,225	110,225
Payments in Advance		0	0
GST Receivable		26,135	41,135
Provision For Doubtful Debts		(65,283)	(65,283)
Inventories		154,509	156,559
		18,934,458	38,848,751
<b>LESS: CURRENT LIABILITIES</b>			
Sundry Creditors		(2,481,071)	(2,696,681)
Accrued Expenditure		(147,000)	(142,000)
PAYG Payable		(233,546)	(208,546)
Payroll Creditors		0	0
Withholding Tax Payable		0	0
GST Payable		(27,329)	(2,329)
Other Payables		(106)	(106)
Restricted Funds		0	0
Accrued Interest on Debentures		(29,800)	(30,000)
Accrued Salaries and Wages		(305,096)	(287,096)
Current Employee Benefits Provision		(862,856)	(862,856)
Current Loan Liability		0	0
		(4,086,804)	(4,229,614)
<b>NET CURRENT ASSET POSITION</b>		<b>14,847,654</b>	<b>34,619,137</b>
Less: Cash - Restricted Reserves	15(a)	(15,167,448)	(23,907,021)
Less: Cash - Unspent Grants - Fully Restricted		0	0
Adjustment for Trust Transactions Within Muni		0	0
Add Back : Liabilities Supported by Reserves - Lesser of Leave Provision and Leave Reserve		319,794	316,484
Add Back : Current Loan Liability		0	0
<b>ESTIMATED SURPLUS/(DEFICIENCY) C/FWD</b>		<b>0</b>	<b>11,028,600</b>

The estimated surplus/(deficiency) c/fwd in the 2013/14 actual column represents the surplus (deficit) brought forward as at 1 July 2014.

The estimated surplus/(deficiency) c/fwd in the 2014/15 budget column represents the surplus (deficit) carried forward as at 30 June 2015.

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**8. RATING INFORMATION - 2014/15 FINANCIAL YEAR**

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	2014/15 Budgeted Rate Revenue \$	2014/15 Budgeted Interim Rates \$	2014/15 Budgeted Back Rates \$	2014/15 Budgeted Total Revenue \$	2013/14 Actual \$
<b>Differential General Rate</b>								
GRV - Residential	3.7736	2,353	96,319,130	3,634,697	400,000	(1,240,000)	2,794,697	13,109,970
GRV - Commercial Civic	4.7162	67	16,533,544	779,755	0	0	779,755	742,896
GRV - Tourism	4.7162	5	901,600	42,521	0	0	42,521	41,282
GRV - Community	3.7736	17	594,360	22,429	0	0	22,429	21,776
GRV - Industrial	4.7162	81	4,933,030	232,652	0	0	232,652	226,778
UV - Rural/Pastoral	3.1575	32	7,212,024	227,720	0	0	227,720	221,107
UV - Rural/Industrial	34.7697	46	13,643,608	4,743,842	0	0	4,743,842	4,536,694
UV - Mining Leases	34.7697	749	30,768,619	10,698,157	0	0	10,698,157	5,325,905
UV - Tourism	15.3130	4	345,000	52,830	0	0	52,830	51,291
<b>Sub-Totals</b>		3,354	171,250,915	20,434,603	400,000	(1,240,000)	19,594,603	24,277,699
<b>Minimum Rates</b>	<b>Minimum \$</b>							
GRV - Residential	560	119	576,734	66,640	0	0	66,640	69,850
GRV - Commercial Civic	560	10	20,150	5,600	0	0	5,600	6,050
GRV - Community	560	5	47,000	2,800	0	0	2,800	2,750
GRV - Industrial	560	25	104,495	14,000	0	0	14,000	14,300
UV - Rural/Pastoral	560	9	58,751	5,040	0	0	5,040	4,950
UV - Rural/Industrial	560	27	6,420	15,120	0	0	15,120	14,850
UV - Mining Lease	560	348	254,957	194,880	0	0	194,880	198,000
<b>Sub-Totals</b>		543	1,068,507	304,080	0	0	304,080	310,750
		3,897					19,898,683	24,588,449
Ex-Gratia Rates							5,000	4,950
Discounts							0	0
Movement in Excess Rates							5,000	(29,364)
Rates Written Off							(5,000)	(1,225)
<b>Amount Raised from General Rates</b>							<b>19,903,683</b>	<b>24,562,810</b>
Specified Area Rates (Note 9)							0	0
<b>Total Rates</b>							<b>19,903,683</b>	<b>24,562,810</b>

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

The general rates detailed above for the 2014/15 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2015**

**9. SPECIFIED AREA RATE - 2014/15 FINANCIAL YEAR**

No specified area rate is levied by Council.

**10. SERVICE CHARGES - 2014/15 FINANCIAL YEAR**

The Shire has no service charges in operation

<b>11. FEES &amp; CHARGES REVENUE</b>	<b>2014/15 Budget \$</b>	<b>2013/14 Actual \$</b>
General Purpose Funding	9,750	8,107
Governance	60,900	60,523
Law, Order, Public Safety	62,400	65,637
Health	116,900	100,024
Education and Welfare	0	631
Housing	157,452	291,305
Community Amenities	3,858,279	3,966,264
Recreation & Culture	275,704	361,703
Transport	7,302,200	6,272,926
Economic Services	2,030,100	2,001,764
Other Property & Services	<u>222,435</u>	<u>5,981,819</u>
	<u>14,096,120</u>	<u>19,110,703</u>

**12. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS  
- 2014/15 FINANCIAL YEAR**

No discount scheme is offered to ratepayers.

Council has resolved to waive the applicable landing fees and passenger taxes for Skippers Aviation Regular Passenger Transport services to/from Perth/Onslow on the condition that a suitable control system with Skippers Aviation is established and maintained, to ensure the Shire Airport fees are deducted from the flight ticket price for appropriate "Onslow passengers". A provision of \$92,000 has been included in 2014/15 Budget to accommodate this lost Onslow Airport revenue.

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2015**

**13. INTEREST CHARGES AND INSTALMENTS - 2014/15 FINANCIAL YEAR**

The cost of the instalment plans will comprise of simple interest of 5.5% p.a. calculated from the date the first instalment is due, together with an administration fee of \$10 for each instalment notice (i.e. \$30 for option 3)

The total revenue from the imposition of the interest and administration charge under this option is estimated at \$20,550.

	<b>Interest Rate %</b>	<b>Admin Charge \$</b>	<b>Budgeted Revenue \$</b>	<b>Actual Revenue \$</b>
Interest on Unpaid Rates	11		50,000	55,997
Interest on Instalments Plan	5.5		15,500	14,992
Interest on ESL	11		2,000	1,400
Charges on Instalment Plan		10	5,050	5,010
			<b>72,550</b>	<b>77,399</b>

An interest rate of 11% will be charged on all rate payments which are late. It is estimated this will generate income of \$50,000. Three separate option plans will be available to ratepayers for payment of their rates.

**Option 1**

Full amount of rates and charges including arrears to be paid on or before 35 days after the date of service appearing on the rate notice. See Note 12 for discount provisions under this option.

**Option 2 (2 Instalments)**

First instalment to be received on or before 35 days after the date of service appearing on the rate notice including all arrears and half of the current rates and charges. Second instalments to be made four months thereafter.

**Option 3 (4 Instalments)**

First instalment to be received on or before 35 days after the date of service appearing on the rate notice including all arrears a quarter of the current rates and charges. Second, third and fourth instalments to be at two month intervals thereafter.

Two Instalment Option

1st Instalment Due	15 September 2014
2nd Instalment Due	21 January 2015

Four Instalment Option

1st Instalment Due	15 September 2014
2nd Instalment Due	19 November 2014
3rd Instalment Due	21 January 2015
4th Instalment Due	25 March 2015

**14. ELECTED MEMBERS REMUNERATION**

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

	<b>2014/15 Budget \$</b>	<b>2013/14 Actual \$</b>
Meeting Fees	181,280	176,000
President's Attendance Fees	30,385	29,500
President's Allowance	61,800	60,000
Deputy President's Allowance	15,450	15,000
Travelling Expenses	104,000	97,698
Telecommunications Expenses	4,500	5,000
	<b>397,415</b>	<b>383,198</b>

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**15. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

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

	<b>2014/15 Budget \$</b>	<b>2013/14 Actual \$</b>	<b>2013/14 Budget \$</b>
Cash - Unrestricted	706,354	6,927,306	2,375,988
Cash - Restricted	15,317,448	27,368,509	11,156,357
	<u>16,023,802</u>	<u>34,295,815</u>	<u>13,532,345</u>

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

Employee Benefits Reserve	319,794	316,484	314,862
Plant Replacement Reserve	25,510	25,246	25,122
Infrastructure Reserve	1,927,868	2,919,340	1,471,099
Housing Reserve	1,128,033	1,989,231	459,800
Onslow Community Infrastructure Reserve	37,605	37,216	36,996
Property Development Reserve	8,568,516	7,792,033	6,299,920
Unspent Grants & Contributions Reserve	153,339	6,466,294	2,398,558
Onslow Administration Building Reserve	6,783	4,361,177	0
RTIO Partnership Reserve	0	0	0
Onslow Aerodrome Reserve	3,000,000	0	0
Unspent Grants	150,000	1,942,555	150,000
Unspent Loans	0	1,518,933	0
	<u>15,317,448</u>	<u>27,368,509</u>	<u>11,156,357</u>

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

	<b>2014/15 Budget \$</b>	<b>2013/14 Actual \$</b>	<b>2013/14 Budget \$</b>
Net Result	32,939,731	42,051,053	29,034,240
Depreciation	8,296,250	7,843,834	7,887,069
(Profit)/Loss on Sale of Asset	897,270	(3,951,981)	(4,697,126)
(Increase)/Decrease in Receivables	1,640,230	4,966,725	2,240,230
(Increase)/Decrease in Inventories	2,050	0	2,050
Increase/(Decrease) in Payables	(148,810)	(8,939,292)	(148,810)
Increase/(Decrease) in Employee Provisions	2,690	30,936	(200)
Grants/Contributions for the Development of Assets	(33,248,004)	(22,199,879)	(23,995,254)
<b>Net Cash from Operating Activities</b>	<u>10,381,407</u>	<u>19,801,396</u>	<u>10,322,199</u>

**(c) Undrawn Borrowing Facilities**

**Credit Standby Arrangements**

Bank Overdraft limit	500,000	500,000	2,000,000
Bank Overdraft at Balance Date	0	0	0
Credit Card limit	65,000	65,000	65,000
Credit Card Balance at Balance Date	0	(29,618)	0
<b>Total Amount of Credit Unused</b>	<u>565,000</u>	<u>535,382</u>	<u>2,065,000</u>

**Loan Facilities**

Loan Facilities in use at Balance Date	<u>5,899,842</u>	<u>4,822,892</u>	<u>3,449,615</u>
Unused Loan Facilities at Balance Date	<u>0</u>	<u>1,518,933</u>	<u>0</u>



**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2015**

**16. TRUST FUNDS**

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

<b>Detail</b>	<b>Balance 1-Jul-14 \$</b>	<b>Amounts Received \$</b>	<b>Amounts Paid (\$)</b>	<b>Balance 30-Jun-15 \$</b>
Public Open Space	225,500	0	0	225,500
Cleaning and Key Deposits	13,340	5,305	(4,300)	14,345
Other Trust Monies	142,114	0	0	142,114
Bonds & Guarantees	33,072	158,847	(138,742)	53,177
Nomination Deposit	80	800	(800)	80
Unclaimed Monies	6,691	0	0	6,691
BCITF Levy	20,728	929,051	(920,000)	29,779
BRB Levy	17,903	32,192	(32,000)	18,095
Consignment Stock	630	23,211	(20,944)	2,897
Tour Sales	50,766	174,077	(163,402)	61,441
	<u>510,824</u>			<u>554,119</u>

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**17. MAJOR LAND TRANSACTIONS**

**(a) Details**

*In 2013/14 financial Council undertook a major land transaction as defined under the Local Government Act 1995.*

*In 2008/09 Council purchased reserved land at Lot 555 and Lot 556, Beadon Creek Rd, Onslow. Council sought to dispose the Lots in 13/14 to support economic development and meet demand for short-term accommodation in Onslow.*

*The proceeds from the sale of Lot 555 and 556 Beadon Creek Road, Onslow have been transferred to reserves for future use on land/property development in Onslow.*

**(b) Current Year Transactions**

	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
<b>OPERATING EXPENDITURE</b>			
Land Transfer Expenditure	0	(5,138)	(6,675)
Advertising	0	0	(3,142)
Demolition Expenses	0	0	0
Settlement Fees	0	0	(3,533)
	<u>0</u>	<u>(5,138)</u>	<u>(13,350)</u>
<b>Operating Surplus/(Deficit)</b>	<b>0</b>	<b>(5,138)</b>	<b>(13,350)</b>
<b>CAPITAL INCOME</b>			
Land Sales	0	4,500,000	4,500,000
Transfer from Reserve	0	0	0
	<u>0</u>	<u>4,500,000</u>	<u>4,500,000</u>
<b>CAPITAL EXPENDITURE</b>			
Transfer to Reserve	0	(4,500,000)	(4,500,000)
	<u>0</u>	<u>(4,500,000)</u>	<u>(4,500,000)</u>
<b>NET RESULTS</b>	<u><u>0</u></u>	<u><u>(5,138)</u></u>	<u><u>(13,350)</u></u>

**(c) Expected Future Cash Flows**

	2014/15	2015/16	2017/18	2018/19	Total
<b>Cash Inflows</b>					
Land Sales	0	0	0	0	0
Transfers from Reserves	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Cash Outflows</b>					
Land Transfer Expenditure	0	0	0	0	0
Building Construction	0	0	0	0	0
Transfer to Reserve	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**17. MAJOR LAND TRANSACTIONS (Continued)**

*(a) Details*

*During the 2014/15 financial year Council intends to continue a major land transaction as defined under the Local Government Act, 1995.*

*Council own, freehold, Lot 16 Onslow Rd, Onslow, and in order to meet demand for commercial/industrial land, resulting from major resource projects, council intends to subdivide this Lot into two Lots, Lot 16 and Lot 9000. Council intends to sell Lot 9000 and retain Lot 16 as freehold.*

*The proceeds from the sale of Lot 9000 will be transferred to reserves to fund future Council infrastructure projects.*

*(b) Current Year Transactions*

	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
<b>OPERATING INCOME</b>			
Profit on Disposal of Land	3,970,000	0	0
	<u>3,970,000</u>	<u>0</u>	<u>0</u>
<b>OPERATING EXPENDITURE</b>			
Land Transfer Expenditure	(30,000)	0	(30,000)
	<u>(30,000)</u>	<u>0</u>	<u>(30,000)</u>
<b>Operating Surplus/(Deficit)</b>	<b>3,940,000</b>	<b>0</b>	<b>(30,000)</b>
<b>CAPITAL INCOME</b>			
Land Sales	4,000,000	0	0
Transfer from Reserve	220,000	163,578	240,000
	<u>4,220,000</u>	<u>163,578</u>	<u>240,000</u>
<b>CAPITAL EXPENDITURE</b>			
Services Installation	(70,000)	0	(140,000)
Subdivision, Survey, Plan	0	0	0
Design & Planning	(150,000)	(163,748)	(147,000)
Transfer to Reserve	(4,000,000)	0	0
	<u>(4,220,000)</u>	<u>(163,748)</u>	<u>(287,000)</u>
<b>NET RESULTS</b>	<u><u>3,940,000</u></u>	<u><u>(170)</u></u>	<u><u>(77,000)</u></u>

*(c) Expected Future Cash Flows*

	2014/15	2015/16	2017/18	2018/19	Total
<b>Cash Inflows</b>					
Land Sales	4,000,000	0	0	0	4,000,000
Transfers from Reserves	220,000	0	0	0	220,000
	<u>4,220,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,220,000</u>
<b>Cash Outflows</b>					
Land Transfer Expenditure	(30,000)	0	0	0	(30,000)
Services Installation	(70,000)	0	0	0	(70,000)
Design & Planning	(150,000)	0	0	0	(150,000)
Transfer to Reserves	(4,000,000)	0	0	0	(4,000,000)
	<u>(4,250,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(4,250,000)</u>

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2015**

**18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

It is not anticipated any trading undertakings or major trading undertakings will occur in 2014/15, however a Business Plan will be prepared for the Onslow Airport operations to confirm it is not a major trading undertaking.