



Annual Report

For the Year Ended 30 June 2012

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Administration Details

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The Shire of Plantagenet is a local government area in the Great Southern region of Western Australia.

The Shire's administrative centre, Mount Barker serves a wide and diverse agricultural area, including the settlements of Kendenup, Narrikup, Rocky Gully and Porongurup.

The region is noted for agriculture, principally wheat, sheep, beef cattle, canola and olives. Since the 1960's, Plantagenet has become a significant wine

growing area, with a number of vineyards and wine makers in the region. Plantations of Tasmanian Blue Gums have also become a major industry in the shire.



Mount Barker was first explored in late 1829, nearly four years after the establishment of the penal colony at Albany. The penal colony's surgeon Dr Thomas Braidwood Wilson with a small party consisting of two convicts, an Aboriginal guide named Mokare, a soldier and a Mr Kent, Albany's commissariat officer, set off from Albany on 2 December 1829 to explore the hinterland. They reached Mount Barker (which was named after Captain Collett Barker, the settlement's commandant) in late 1829 and then turned west and south reaching the coast near the present day site of Denmark.

Wilson's report on the area was favourable. Upon his return he wrote of one of the local creeks

'we observed that its banks were covered with luxuriant grass, sprinkled with yellow buttercups which put us in mind of home' and that the 'gently swelling lightly wooded adjacent hills are well adapted for sheep-walks'.

The first settler into the area was Sir Richard Spencer, the Government Resident in Albany. In 1835 he bought 1,940 acres from Captain James Stirling who had been granted 100,000 acres in the area. This farm was an immediate success and although Spencer died in 1839 his wife continued to operate the farm until her death in 1855.

A rough track was eventually established between Perth and Albany which had reached Mount Barker by late 1835 and by 1860 the traffic on the track was sufficient for William Cooper to build the Bush Inn to cater for passing trade.

The Plantagenet Road Board was gazetted on 24 January 1871 as one of 18 elected boards to manage roads and services in Western Australia, and initially included a reasonably large section of the Great Southern Region. On 1 July 1961, it became the Shire of Plantagenet following changes to the Local Government Act.

The area has always been agriculturally rich. Mixed farming was established towards the end of the nineteenth century and by 1910 there were 75 commercial orchards (mostly concentrating on apple growing) in the area. In 1917 the Mount Barker Fruitgrowers Cool Storage Co-operative was established. It was closed in 1975 and the orchards have largely given way to a thriving grape growing industry with high quality vineyards producing a range of excellent wines.



The Shire has some spectacular scenery such as the Porongurup National Park which lies east of Mount Barker and covers 2,350 ha. The Porongurup Range boasts a number of good walks and unusual rock formations such as Castle Rock and the Balancing Rock.

The Stirling Range to the north is breathtaking, being one of the few true rugged mountain ranges in Western Australia. It is one of the world's most spectacular wildflower areas with approximately 1,525 species of plants, of which 87 are found nowhere else in the world.

The chief historical attraction in Mount Barker is the old Police Station Museum. Built in 1867-68 by a convict road party, it originally consisted of a living quarters, coach house and stables for the police horses. Today it is an unusual thematic museum with each room being a careful recreation of the way the rooms were used originally.



Plantagenet at a Glance

• Distance from Perth (from Mount Barker)	359 km
• Distance from Albany (from Mount Barker)	51 km
• Population	5,116 (2011 ABS)
• Area	4,792 km ²
• Number of elected members (Shire)	9
• Number of dwellings	2,275
• Number of rate assessments	3,393
• Length of sealed roads	332 km
• Length of unsealed roads	908 km
• Number of electors	3,360
• Number of bushfire brigades	12



It is with great pleasure that I present to you the 2011/2012 Annual Report for the Shire of Plantagenet. This report provides an overview of the Shire's performance during the year, a year which has presented a number of challenges and opportunities.

The 2011 elections resulted in myself, Crs Andrus Budrikis, Gert Messmer and Chris Pavlovich being elected for a period of four years. I was very, honoured to once again take on the position of Shire President, with Cr Michael Skinner continuing as Deputy Shire President. Former Councillor Simon Grylls retired from the Council after four years and I would like to acknowledge Simon's considerable efforts for the community as an elected representative.



A number of key items of infrastructure and plant were progressed during 2011/2012, including:

- Progression of the plans for the redevelopment of Souness Park, with site layout plans and building elevation plans for the Souness Park Clubrooms and Changerooms being completed.
- \$2.2 million capital roadworks program.
- New fire truck for the Denbarker Bush Fire Brigade.
- The fit out of the new Mount Barker library was largely completed with more furniture and internet access areas being constructed. The Claude Hotchin Art Collection was also displayed in the new library area.
- The carpark at the new Mount Barker Community Resource Centre was completed.
- Work continued on the nature playground at Wilson Park.
- Environmental improvements at the Saleyards were progressed in line with a new Environmental Action Plan.
- A visitor information signage board was erected in front of the visitor centre.
- Significant works were undertaken at the O'Neill Road waste disposal site in order to cater for a tip shop and recycling services.

There was three opening events during the year, namely for the new Mount Barker Library, the new Mount Barker Community Resource Centre and the dedication of the restored historic railway crane. These projects represent the Council's commitment to provide a range of services sought by the community.

Major initiatives are usually many years in the planning and require considerable sums of money, together with time and effort on the part of councillors and staff. An example is the redevelopment of Souness Park, which has been a major focus over the past 12 months and will continue to be for the foreseeable future.

Projects such as these are highly dependent on external grant funding and the applications for funding and co-ordination of grants is problematic. As it stands currently, the Council has secured around \$3.5 million in grant funds for this project, however we were unsuccessful in receiving a \$1.9 million grant from the Regional Development Australia Fund. The plans for Souness Park will continue to be progressed with timelines based on funding availability.

During the year, the Council progressed with its efforts for voluntary structural reform. The City of Albany and the Shires of Broomehill-Tambellup, Cranbrook, Denmark and Kojonup were approached to work with the Shire of Plantagenet in investigating the formation of a Regional Council for the following purposes:

- a) Establish, operate and manage a landfill site or sites for the disposal of waste for the benefit of the participants;
- b) Undertake the recycling, processing, treatment, collection and removal of waste from the Districts of the participants;
- c) Discuss other potential services to be provided by the Regional Council including but not limited to, capital road works, information technology, health services, aged care and the like.

Representatives of each of those Councils attended a forum held at the Shire of Plantagenet to develop a position on the proposal. It was agreed that the Chief Executive Officers of the attending councils continue the discussions and report back to each Council with an agreed joint position with specific recommendations relating to the type of structure, purpose of organisation and resourcing requirements.

During the year, the Council also invited the Shire of Cranbrook to merge with the Shire of Plantagenet as the localities of Cranbrook and Frankland. The Shire of Plantagenet considered that a merger between the Shire of Plantagenet and the Shire of Cranbrook should be seen as a component of the Shire of Plantagenet pursuing suitable local government groupings through the creation of Regional Councils to reform the provision of Waste Management and Road Construction and Maintenance. The Shire of Cranbrook declined the invitation.

Nevertheless, the Shire continued to work with its partners in the Southern Link Voluntary Regional Organisation of Councils (VROC) to progress a number of initiatives including a regional archive repository and a regional waste transfer station project.

The Council continued to strongly pursue grant funding for the road network and a more equitable arrangement for the Regional Roads Group funding regime. Unfortunately the Timber Industry Roads Evaluation Study Group (TIRES) has been phased out in favour of Commodity Route Funding, which means the Shire will be assessed against a wider group of councils for limited funding. The Council has also continued to lobby for the continuation of the Roads to Recovery Program on a permanent basis to assist local government to meet its responsibilities of providing access for its communities.

Total funds spent on grant funded roads during 2011/2012 year was over \$2.19 million (\$1.21 million grant funds and \$980,000 Council contribution), with the main jobs being the continuation of the. In addition, the Council spent \$450,000 on Council funded road upgrades with the main jobs being the improvement of Woogenellup Road, Porongurup Road, Spencer Road and Takalarup Road. The long awaited streetscape improvements in Short Street were also begun.

As Shire President, I have had the pleasure of being involved in many different activities in the last 12 months that do not directly relate to the Shire. Some of the highlights were the Lone Pine Memorial Dedication in Albany and ongoing arrangements the ANZAC centenary in 2014, a ceremony for the 50th Anniversary of the Mt Barker Community College and the Mt Barker Volunteer Fire Service's 50th Anniversary celebrations. I have also had the opportunity to provide input into a myriad of groups such as the WA Racing and Gaming, Container Deposit Scheme and South Coast Natural Resource Management.

The new Strategic Community Plan 2012-2023 was adopted in June 2012 and it now sets the Council's vision for the sort of district we want for our residents into the future. Our Plan reflects our community's values, explains our vision and outlines the exciting possibilities for sustainable development and future growth which enhance the very special qualities of our Shire.

As always, I take this opportunity to publicly thank my fellow councillors and the staff for their continued efforts. Your Councillors, staff and I are here to support local residents and to achieve good strategic outcomes on behalf of our community.

I also recognise the many hardworking community groups that help build our sense of community, set us apart from other local governments and provide the catalyst for volunteer involvement. Service organisations, schools, fire brigades and the like are the backbone of our community, representing issues and being a conduit of new ideas, improved communication channels and providers of local solutions to local issues.

A handwritten signature in blue ink, appearing to read "Ken Clements".

Cr Ken Clements
Shire President

Yet another financial year has passed in an environment of Structural Reform, with the State Government now concentrating its efforts on the Metropolitan area of Perth and the desire to reduce the number of local governments there.

The Shire of Plantagenet has continued in its support of structural reform of our sector as we firmly believe that proper structural reform can give lasting benefits to ratepayers and residents with regard to the provision of services.

During the year, after extensive public consultation that included a questionnaire being sent to every voter in the district, the Council prepared and adopted a Strategic Community Plan for the years 2012-22. This plan will be reviewed every two years.

Due to the public consultation that was undertaken, the plan reflects the wishes of the community as to the forward direction to be taken. The plan though, is more than just a 'wish list'. It is a careful consideration of wants versus needs within our means to pay. Because it will be reviewed every two years, it will always be current.

Teamed with that Plan will be the installation of software that will take our strategic planning to a more sophisticated stage, enabling officers to report where they are with Key Performance Indicators and Strategic Goals.

During 2011/12, the Council focussed its planning regarding a huge financial undertaking being the re-development of the Sounness Park Recreation Precinct.

When Mr T G Sounness first offered to the Council the gift of land that we now know as Sounness Park in June 1950, the elected representatives of that time acknowledged the generosity of the gift, that it should reflect the name 'Sounness' in perpetuity and that it be used as a sports oval for the residents of the district.

When the facilities are finished they will undoubtedly reflect the generosity of the gift first mooted in 1950.

Speaking of generosity, mention should also be made of the Mount Barker Football Club, which, during the year, agreed to sell to the Council the land known as 'Demon Downs' in McDonald Avenue, Mount Barker on generous terms to assist with the development of Sounness Park. This extra land will allow the Council, in future years to accommodate more sporting facilities as funds allow.

The General Meeting of Electors held in December 2011 was a comparatively quiet occasion. Only four members of the public were in attendance. It sometimes difficult to ascertain whether this is good and that members of the public are happy with things and don't feel the need to come along to such meetings or whether the lack of attendance reflects a general apathy regarding local government. Local democracy needs to be robust and participative.



As the Council comes to grips with its responsibilities to the environment, landmark agreements with both the Wilson Inlet Catchment Committee and the Oyster Harbour Catchment Group were signed. These agreements recognise the work that these catchment groups are undertaking relating to natural resources. The agreements recognise the Council's intention to work together with these groups, especially to develop efficient expenditure of funds.

The Council and the whole of the staff continue to work diligently and professionally in all aspects of their roles and responsibilities, providing an extraordinary level of service to our community. As CEO, I am extremely proud of such commitment, which is often 'above and beyond' what would normally be expected.

A handwritten signature in blue ink, appearing to read "Rob Stewart".

Rob Stewart
CHIEF EXECUTIVE OFFICER



**Shire President
Cr Ken Clements**



**Deputy Shire President
Cr Michael Skinner**



Cr Brett Bell



Cr Andrus Budrikis



Cr Sue Etherington



Cr Len Handasyde



Cr Gert Messmer



Cr Jeff Moir



Cr Chris Pavlovich

Chief Executive Officer – Rob Stewart

- Internal Audit
- Economic Development
- Business and Regional Development
- Monitoring
- Legal Services
- Public Relations
- Strengthening Rural Communities
- Corporate and Strategic Planning



Manager Works & Services – Dominic Le Cerf

- Natural Resource Management
- Waste & Recycling
- Infrastructure



Deputy Chief Executive Officer – John Fathers

- Organisational Practice
- Trading Undertakings
- Financial Management
- Administration
- Information Technology



Manager Development Services – Peter Duncan

- Town Planning
- Health Services
- Building Control



Manager Community Services – Nicole Selesnew

- Community Services
- Regulatory Services

EXECUTIVE SERVICES

Governance

An ordinary election for four positions of councillor was held on 15 October 2011. Councillors Ken Clements, Andrus Budrikis, Gert Messmer and Chris Pavlovich were declared elected for a period of four years. Former councillor Simon Grylls did not stand for re-election.

At its meeting held on 29 November 2011, the Council resolved to disband The Townscape Review Steering Committee. Although the brief of the committee was altered in 2009 to encompass the process of reviewing Townscape Improvement Plans for the whole of the Shire, these increased responsibilities had never satisfactorily been completed as street-scaping for other towns within the Shire has not been a high priority of the Council.

The role of the Audit Committee was expanded to include the review of the Shire's annual compliance audit return and to report to the Council on the results of that review, pursuant to Regulation 3A of the Local Government (Audit) Regulations 1996.

A Mondurup Reserve Consultative Group was formed with a view to discussing items and issues relating to the draft Mondurup Reserve Management Plan, prior to its consideration by the Council.

Administration

Property Transactions

- The Council approved a compensation payment to the owners for the acquisition of 4,112m² of land from Lot 146 Beattie Road, Kendenup for inclusion into the existing road reserve of Jutland Road.
- The Council renewed the lease to the Mount Barker Playgroup for Lot 8 Marmion Street, Mount Barker for a period of 21 years.
- The Council entered into a lease of Lot 10 Albany Highway Mount Barker to the Plantagenet Arts Council.
- The Council endorsed a Scheme of Arrangement which proposes that Lot 52 Lowood Road (Tennis Courts) be transferred into the Sounness Park Trust (Lot 149) so that a portion of Lot 53 (Community Resource Centre and Library) can be excised from Lot 149.
- The Department of Regional Development and Lands was requested to transfer the 1.5ha portion of unallocated Crown land adjacent to Reserve 17849 for inclusion into Reserve 17849 and that Power to Lease be included in the Management Order.
- The Council entered into a lease of Lot 363 (Reserve 23870) Booth Street to the Plantagenet Men's Shed Inc.
- The Council purchased Lot 66 Webster Street Mount Barker for townsite drainage purposes.
- The Council agreed to sell portion of Lot 337 Martin Street, containing the Water Corporation's Mount Barker Waste Water Pumping Station No. 3, to the Water Corporation.

Asset Management

In the past, like many local authorities, the Shire has met community needs through investment in creation of new infrastructure without recognising the long-term life cycle costs associated with the ongoing operation, maintenance and renewal of the infrastructure. Improving the management of infrastructure can bring major benefits by ensuring that scarce resources are used in the most cost effective manner.

The Shire of Plantagenet is committed to ensuring that Asset Management is recognised as a major corporate function within the Council and making informed decisions in relation to its assets. To achieve this, the Shire has commenced the preparation of Asset Management Plans.

In particular, unsealed roads throughout the Shire desperately need gravel sheeting/re-sheeting. Road maintenance cannot be completed properly if the materials and extra resources aren't available. The preparation of a long term plan for gravel re-sheeting will enable the council to identify what is required and how much this will cost.

In 2010/2011, the Shire received a sum of \$70,000 from the Department of Local Government to help with Asset Management Capacity Building. A consultant asset management firm was engaged to prepare an Asset Management Strategy and Asset Management Plans, which are nearing completion.

Asset Management Plans will assist in defining the level of service to be provided and will be used to help make informed decisions in relation to considering the need to maintain or renew existing assets, acquire new assets, upgrade existing assets or dispose of assets to support service delivery.

Audits and Compliance

The 2011 Compliance Audit revealed no areas of non-compliance.

Occupational Health and Safety

Workplace safety and health practices were a continued focus throughout the year. As an employer, the Shire of Plantagenet has a responsibility to maintain a safe working environment under the provisions of Occupational Safety and Health Regulations 1996.

The Shire continued to work with the Regional Risk Co-ordinator to update procedures and processes to ensure ongoing compliance with the Silver Certificate of Occupational Safety and Health (OSH) status, which is due to be reviewed via a formal audit later in 2012.

Online contractor induction system was rolled out by Local Government Insurance Services during the year, which ensures that contractors who work for the Shire are aware of OSH requirements and expectations.



Improved 'Danger' Signage – Depot Inspection Pit

Staffing

Although the Shire's staff turnover is stable, 2011/2012 year saw some staff changes.

In Works and Services, Sharon Lynch (Senior Administration/Project Officer), resigned in late July and Megan Beech (who had been relieving in this position) took over on a permanent basis.

The Administration Officer Works & Services position was being shared by Lisa Reynolds and Kaye Skinner on a casual basis. It was decided to make the two positions permanent part time. Kaye Skinner accepted one part time position and, with Lisa wanting to reduce her hours, the other was filled by Amy Chadbourne. Lisa has stayed on at the Shire working one day per week as the Occupational Safety & Health Officer.

The telephonist position was again funded in the 2011/2012 budget and the position was filled by Sharon Lynch and Kathryn Entwistle, on a part time job share basis.

In Corporate Services, Vanessa Ward (Rates Officer) resigned in October 2011 and was replaced by Leanne Briggs who made the move from the City of Wanneroo.

Erika Henderson, who had been employed as a Casual General Hand at the Saleyards since November 2010, was offered the permanent full time position of Saleyards Assistant Manager, which she accepted and commenced the position in March 2012.

Deborah de Jonge (Club Development Officer) commenced a 12 month period of parental leave in September 2011. The position was filled on a temporary relief basis by Basil Worner and Sharon Lynch, who shared the position.

At the Depot, Lincoln King, General Hand Parks and Gardens, resigned in October 2011. Plant Operator/General Hand, Stephen Maddocks resigned in February 2012 and was replaced by Christian MacNiven.

Strategic Community Planning

All local governments are currently required to produce a plan for the future under S5.56 (1) of the Local Government Act 1995. Regulations were made under S5.56 (2) of the Act in August 2011 which changed the minimum requirements to achieve this.

Councils were advised that by 1 July 2013, they will need to deliver the following outcomes as part of the new strategic planning framework:

- A long term strategic plan that clearly links the community's aspirations with the Council's vision and long term strategy.
- A corporate business plan that integrates resourcing plans and specific Council plans with the strategic plan.
- A clearly stated vision for the future viability of the local government area.

The first step in this process was the survey of everyone on the electoral roll who lives in the Shire, conducted in 2011. A total of 694 usable surveys were received from that survey. The results were analyzed and a report produced by a consultant.

The Shire received a grant of \$45,000 from the Department of Local Government to appoint consultants to assist with the strategic community planning process. CAM Management Solutions (CAMMS) was subsequently engaged.

Staff and councillor workshops were held in 2012 to progress the strategic community plan, using base information and data from the community survey. The Council also authorised the purchase of some additional software to assist in embedding this integrated planning philosophy within the organisation.

A public meeting was held in the Council Chambers on 22 May 2012 to consider the draft Strategic Community Plan, to which some feedback was received and incorporated. The draft Strategic Community Plan was also advertised for public comment in the Albany Advertiser and the Plantagenet News.

There were a number of changes to the Regulations in August 2011 to introduce the new strategic planning framework. Transitional provisions apply, however given the new Strategic Community Plan is only one element of the 'Plan for the Future', the other element being the Corporate Business Plan, the Shire needed to re-adopt its current Plan for the Future until a Corporate Business Plan is adopted in order to remain compliant.

The Strategic Community Plan captures a shared vision and community aspirations across the Quadruple Bottom Line (social/cultural, economic, environmental and civic leadership) and links in the key organisation outcomes and strategies to deliver in all areas.

It involves concepts of community leadership, self determination and strengthening, as well as partnering with the Council and other government organisations. The Plan has been structured to ensure that supporting plans such as the Corporate Business Plan, other community development plans and planning strategies, Asset Management Plans and the Long Term Financial Plan, are clearly linked.

A methodology was used to develop the Shire of Plantagenet's Strategic Community Plan and Corporate Plan which is aligned to the Department of Local Government's Integrated Planning and Reporting Framework and Guidelines.

The Strategic Community Plan represents the culmination of input from the consultants and facilitated staff and councillor workshops. These activities have synthesised current corporate plans and the results of the community survey into a cohesive and representative high level document, aimed at guiding the direction of the Shire over the next ten years.

At its meeting held on 12 June 2012, the Council adopted the Shire of Plantagenet Strategic Community Plan 2012 – 2022, and resolved that the current Plan for the Future 1 July 2010 to 30 June 2012, be extended without change to 30 June 2013.

CORPORATE SERVICES

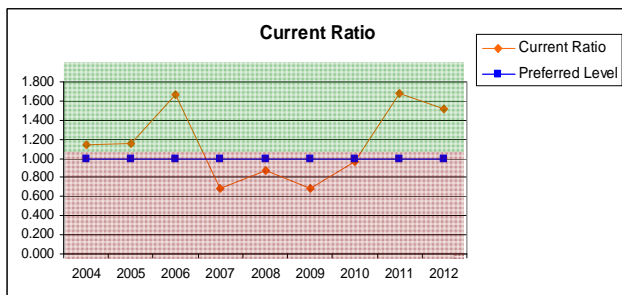
Finance

The Shire's operating net result was \$521,059 in 2011/2012. Rate revenue increased from \$4.49 million in 2010/2011 to \$5.15 million in 2011/2012. Outstanding borrowings decreased from \$2.49 million in 2010/2011 to \$2.34 million in 2011/2012. The Council expended \$765,823 on land and buildings, \$2,394,049 on infrastructure capital works and \$914,689 on purchases of plant and equipment.

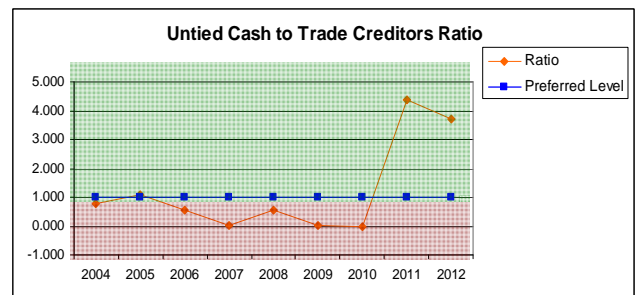
The level of reserve funds increased from \$883,861 in 2010/2011 to \$1,379,982 in 2011/2012. The level of unrestricted cash at year end rose from \$760,314 to 1,502,321 and unspent grant funds on hand reduced from \$402,367 to \$201,282.

The Council received grants and contributions for the development of assets of \$1.65 million in 2011/2012. Total grants and contributions received was \$4.04 million.

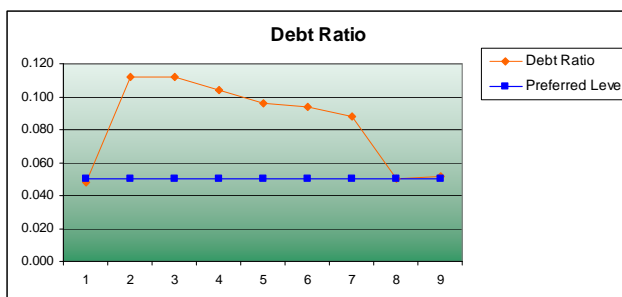
Financial Ratios



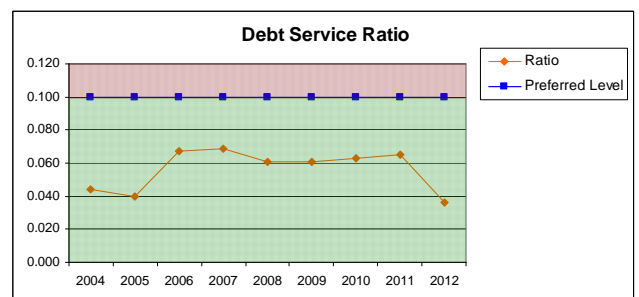
This ratio gives an indication of short term liquidity. That is the ability to meet financial obligations when they fall due. A ratio of greater than 1 is desirable.



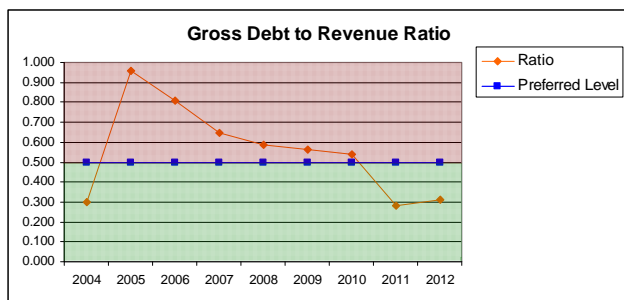
This ratio indicates the ability to meet immediate obligations to creditors with unrestricted / untied cash. A ratio less than 1 requires close examination of cash flow.



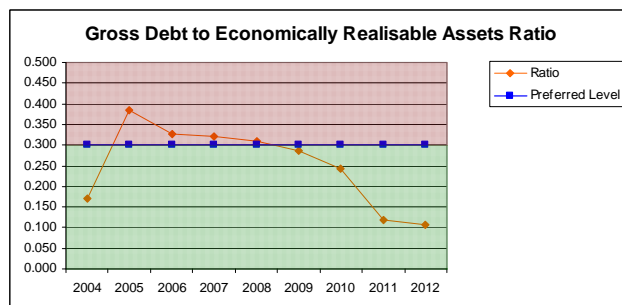
This ratio measures the Council's liabilities as a percentage of its assets. The lower the percentage generally indicates a greater ability to borrow against assets.



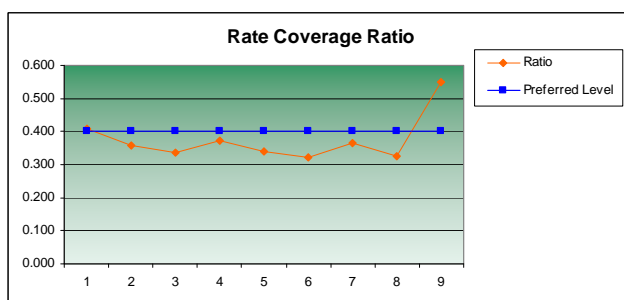
This ratio measures the Council's debt service cost as a percentage of its available operating revenue. This ratio indicates the Council's ability to service debt.



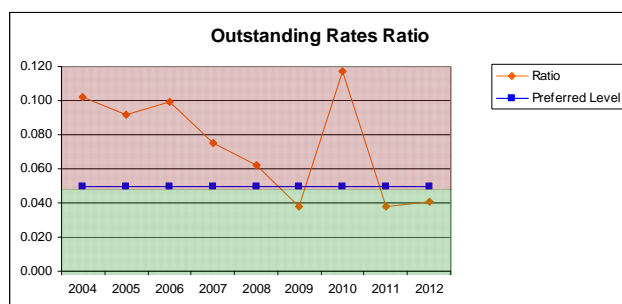
This ratio illustrates the Council's ability to cover debt with its revenue in any given year if required by comparing it to total revenue received.



This ratio indicates the Council's level of debt as a proportion of assets. In conjunction with other debt ratios it provides an indication of reliance upon debt to fund projects.



This ratio measures the use of rates to fund operations. Councils with a higher ratio normally have greater flexibility and budget control to respond to unforeseen events. Lower ratios often indicate reliance upon government and other grant funding that may not be available or sustainable in the long term.



This ratio indicates the effectiveness of the Council's rate collection system. The lower the percentage of rates outstanding, the better the performance.

Community Grants

The Shire again provided financial assistance grants to not-for-profit organisations for services and projects that will benefit the community. This year a total of \$62,340 was returned to the community.

Licensing

The Council continues to provide licensing services on behalf of the Department for Planning and Infrastructure (Regional Licensing Services). Transactions processed in the 2011/2012 financial year totalled 11,641, realising \$96,061 in commissions.

Policy Reviews

The following Council policies relating to Corporate and Executive Services were adopted or reviewed during 2011/2012:

- Staff Attendance at External Functions and Reimbursement of Expenses
- Occupational Health and Safety
- Internet and Email Usage
- Recognition of Councillors and Staff

- Notification to Absentee Landowners – Electoral Roll
- Purchasing and Tendering
- Telecommunications - Councillors and Staff
- Council Owned Buildings - Ceiling Interference

Policy Adoption

- Record Keeping

Great Southern Regional Cattle Saleyards

It was an average year for the saleyards with a throughput of 66,003 head of cattle.

The Council continued with its preventative maintenance program with replacement of airlines, bearings and sprockets for weighbridge gates, greasing of all gates and welding chains. However, there have been continuing problems with broken water pipes, the pump at the truckwash burnt out and some computer and weighbridge scanner problems were experienced. The truckwash pump was replaced with an industrial grade pump, with a better throat clearance, to prevent blockages. It was also decided to seek budget funds for the underground water pipes throughout the facility to be converted to above ground.

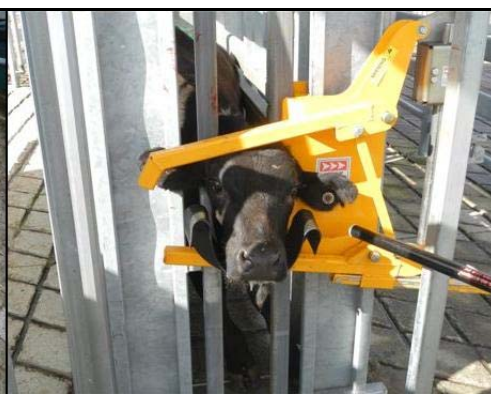
A new cattle crush was installed and an SMS texting system was also introduced to let buyers and transporters know of numbers on the day before sale. The top most portion of sludge in the western effluent ponds was removed by a contracted excavator. The sludge was dried out in one of the truckwash bays, which took longer than desirable.

In July 2011, Cr Michael Skinner, Deputy CEO John Fathers and Saleyards Manager Stewart Smith attended the Rural Press 2011 Australian Livestock Markets Association Conference held in Dubbo on 27-28 July 2011. This involved a tour of Dubbo Regional Livestock Markets and Fletchers International Exports Abattoir. While in NSW, they took the opportunity to visit saleyards in Carcoar and Forbes.

In August 2011, a consultant from Klen International made a presentation on environmental issues and provided advice on how improvements could be made. Subsequently, the Council adopted an Environmental Action Plan which, in the short term involved an investigation of soft floor and reduced water use, implementation of enzyme additives and installation of aerators in the effluent ponds. The soft floor mats were trialed and showed to be hard wearing and beneficial for cattle.



Trial soft floor mats



New cattle crush with head holder

Following further investigations, the Council resolved to purchase two aerators from Sydney supplier, Patrick Charles Pty Ltd. A works approval was sought from the Department of Conservation and Environment which was finally granted in June 2012.

During the year, the Environmental Licence for the Saleyards was renewed, which involved a number of changes, requiring more stringent environmental protection requirements and increased environmental monitoring and reporting. One of the new requirements is that the waste water treatment system shall be managed such that vegetation (emergent or otherwise) is prevented from growing in the ponds or on the pond embankments. The Shire formally objected to this requirement as it was not considered possible to adhere to this. The Hon Minister for the Environment subsequently rejected the Shire's claim.

In April 2011, the Audit Committee requested the Saleyards Committee to meet with the Shire's auditors to discuss the implementation of a business plan which would ensure that the saleyards enterprise is successful and self sustaining. A number of strategic planning sessions were held involving all councillors in order to progress this plan.

COMMUNITY SERVICES

Community Facilities

Sounness Park Recreation Development

A key focus of 2011/2012 was the progression of the Sounness Park Recreation Development which involves the co-location of football, cricket, soccer and hockey at Sounness Park, Mount Barker.

The development comprises the construction of new clubrooms and changerooms, the refurbishment of Sounness Oval with sub-surface drainage, reticulation, lighting and new turf and the construction of a new sporting oval and hockey field. Additional land will need to be purchased adjacent to Sounness Park to accommodate the development. The total project budget is estimated at \$8.9million.

MCG Architects was appointed to prepare the detailed design plans and tender documents for the Sounness Park project. Regular meetings have been held in-house and with sporting group representatives to work through site layout plans, building designs and elevations, culminating in the adoption of the Sounness Park Site Layout Plan on 18 October 2011 and the adoption of the Clubroom and Changeroom Floor Plans and Building Elevations on 10 April 2012.

The Council has committed the Shire's future Country Local Government Fund allocations to the Development.

Funding applications were submitted to the Department of Sport and Recreation's Community Sport and Recreation Facilities Fund and the Royalties for Regions Action Agenda Funding Program which resulted in allocations of \$875,000 and \$1.9million respectively. Funding applications have also been submitted to the Regional Development Australia Fund and the Regional Council Country Local Government Fund which remain outstanding.

Pending the availability of funds, development of Stage One of the three stage project should be underway by December 2012.

Mount Barker Wetland Development

Landscape and Hydrology plans have been prepared for a Wetland Development adjacent to Albany Highway, Mount Barker. The aim of the Wetlands is to collect and detoxify the townsite, railway and highway drainage systems which run along the railway line through the Mount Barker town and eventually discharge into the Wilson Inlet Catchment.

Three wetland ponds will be developed with plantings throughout to help strip the nutrients from the water. A series of boardwalks, pathways, landscaped plantings and public art surrounding the wetlands will help beautify the area and provide a community focal point.

The Department of Environment and Conservation provided a \$40,000 grant towards the project which is due to start in late 2012.

Mitchell House Refurbishments

With the assistance of Shire staff, the Plantagenet Arts Council was successful in receiving funds from the Great Southern Development Commission's Regional Grants Scheme to help refurbish the Mitchell House kitchen.

Mitchell House is owned by the Shire and leased to the Plantagenet Arts Council. The building is used by eight different art and craft groups on a daily basis and is also used for a range of workshops, training days and exhibitions.

The new kitchen area includes new cabinetry, a hot water system, new vinyl floors and a fresh coat of paint throughout. A morning tea was held on 14 June 2012 to celebrate the new kitchen area.

Kendenup Country Club Refurbishments

The Kendenup Country Club Committee was delighted to receive funding from the Department of Sport and Recreation's Community Sport and Recreation Facility Fund and the Great Southern Development Commission's Regional Grants Scheme to help them construct a new ablution block and refurbish their kitchen facilities.

The Country Club is owned by the Shire and leased to the Kendenup Country Club. Several sporting groups use the facility including the Kendenup Golf Club, Tennis Club and Cricket Club. The Country Club raised a significant amount of money to contribute to the \$100,000 project which will increase the number of patrons and improve the quality of their facilities.

Shire staff assisted with the grant application process and the Shire Council provided \$2,250 towards a rainwater tank as part of the development.

Centenary and Wilson Park Improvements

The Centenary and Wilson Park Improvement plans are based on providing a welcome, family focused and safe environment throughout Centenary and Wilson Parks, Mount Barker.

Work has continued on a Nature Play inspired playground development comprising play equipment fabricated from natural products, plantings and landscaping to create a sensory and visually appealing garden and large spaces to encourage children to move throughout the site. A mound with slides and a tunnel, swing set, tractor and fairy garden have been installed with further work to occur in the 2012 / 2013 financial year.



Wilson Park Nature Playground

Emergency Services

The Shire's Bush Fire Brigades were supported by the FESA Emergency Services Levy (ESL) with the receipt of new trucks for the Denbarker and Porongurup Bush Fire Brigades and the completion of the South Porongurup Bush Fire Brigade shed.

The Community Emergency Services Manager focussed on community education in the lead-up to the 2012 fire season with community fire presentations, media releases, school visits and service organisation presentations.

A total of 38 fires occurred during the summer with the most significant fires being in the Muir Highway, Spencer Road and Pile Road area. These fires burnt a total of 170 hectares and required aerial water bombers, numerous Bush Fire Brigade appliances, private fire units and assistance from Plantation Companies and the Department of Environment and Conservation to bring them under control. Fire truck and volunteer support was also provided to Margaret River and the Perth Hills areas.

The Local Emergency Management Committee trialled local emergency systems through two mock incidents: a chemical spill and an earthquake. The chemical spill involved local businesses, the St John Ambulance, Mount Barker Fire and Rescue, State Emergency Service, Mount Barker Police and Bush Fire Brigade assistance.

A mock evacuation was also trialled in Kendenup to determine how long it would take to evacuate a townsite. The Mount Barker Police and Shire Officers conducted the evacuation in five town streets, over a four hour period, and the results highlighted the amount of resources required to conduct an evacuation of a large scale area in a short period of time.

The installation and maintenance of strategic firebreaks around townsites and major reserves was a key focus for the Shire. Strategic burns and hazard reduction work has also occurred in a range of Shire reserves, unallocated crown land and Water Corporation reserves.

Recreation and Community Programs

Shire Recreation Facilities

The Plantagenet Libraries started the year with the official opening of the Mount Barker Library. The celebrations continued throughout the year for Library users with an author visit by Don Tate and numerous kids programs including Wriggle Giggle and Grow, Play in the Park, Captain Bluebeards Birthday Party, Summer Discovery Library Challenge and the Premier's Reading Challenge. Communities for Children (Amity Health) and the Department for Communities provided funding assistance to support the childhood development activities.

Work continued on the new Library fitout with shelving improvements, computer stations and new chairs. A majority of the Claude Hotchin Art Gallery was placed on permanent display along the Library feature walls. Library programs were also expanded with the provision of 'Overdrive', an on-line audio book catalogue that can be accessed from any internet connection using a Library membership card.



Library fitout almost complete

Children's program being held in the Library

The Mount Barker Recreation Centre programs were broadened to cover all age groups and levels of ability, including:

- Living Longer Living Stronger for the 60+ age group;
- Heartmoves designed for people recovering from surgical procedures or referrals from physiotherapists or general practitioners;
- Kinder classes for the 0 - 4 age groups using music and games to improve balance, co-ordination and encourage movement;
- Crèche;
- Teen Dance Classes; and
- Les Mills range of fitness programs.

The 'Barkers Biggest Loser' became a Centre phenomenon with more than 14 teams of six taking part in a concentrated fitness program guided by a personal trainer, to try to achieve the biggest combined weight loss for the program. A total of 350kg of weight has been lost due to the program.

External access to the Centre changerooms was installed so 'Gold Membership' users could use ablution facilities and showers outside of building open hours. An air conditioner / heating system was installed in the gymnasium to improve patron comfort and, in conjunction with the Department of Training, investigations occurred regarding the roof structure to find a solution to the roof leaks.

The Mount Barker Swimming Pool season was well supported with 24,657 visits between October and April. Structured swimming programs continue to be well attended including VacSwim lessons, school swimming lessons and carnivals and the continuation of the popular Infant Aquatic Classes. The Mount Barker Swimming Pool Facebook page was initiated providing details on activities occurring at the pool and a daily water temperature reading.

The pool facilities were upgraded with a chlorine leak detection system installed in the gas chlorine cylinder store, a new hot water system installed for the kiosk and changerooms and repairs to the Plant Room building and pump filtration systems.

Community Programs

Volunteers from throughout the Shire were recognised at the inaugural Thank a Volunteer BBQ. The summer BBQ was held in Centenary / Wilson Park and was attended by 150 volunteers from 28 different volunteer based organisations, ranging from sporting clubs through to Emergency Service groups, the Historical Society, local media and playgroups. The Shire President and Chief Executive Officer took lead roles during the BBQ cooking and serving sausages to the volunteers.



Thank a Volunteer BBQ

On 15 February 2012 skateboarding demonstration team GMTA Skateboards conducted a series of Skateboard demonstrations and workshops at the Mount Barker and Kendenup Skate Parks. The events were open to all skating enthusiasts and were well attended by adults through to young children. Skaters got an opportunity to skate alongside, and learn from, some of the State's best skate boarders. The participants got to share in prizes and giveaways, including a new skate board for two lucky participants.

Sport and recreation received a welcome boost when the Shire and Department of Sport and Recreation entered into a partnership to deliver the 'Kidsport' program. Kidsport provides up to \$200 towards club registration fees for people struggling to raise the funds to participate in sporting activities. One hundred and fifteen community members took advantage of the Kidsport vouchers for sports including football, hockey, equestrian, archery and netball with local recreation groups also benefiting including scouts and girl guides.

A Noongar Sports Officer was engaged through a partnership between the Department of Sport and Recreation and Noongar Sports. The Officer delivered a range of programs throughout the Shire including 'Have A Go' cricket during the summer and 'Beat Ball' basketball tournaments during the Winter. The programs were well supported by local children.

Another first for the district was the establishment of a Men's Shed organisation. The Men's Shed group meets monthly in a premises leased from the Shire, for the purpose of socialisation, networking and participation. The group is fundraising to purchase equipment to fit out their Shed including wood working tools and machinery.

A series of Youth Interagency Meetings was also initiated during the year to bring all the youth support agencies that provide services within Plantagenet together, to discuss their activities and identify opportunities for collaboration. Eighteen different agencies have attended the meetings and have identified resource sharing and joint program delivery opportunities.

WORKS AND SERVICES

In 2011/2012 the Works and Services department completed another substantial construction and maintenance program. The works program was based on maintaining and improving Shire infrastructure including roads, footpaths, bridges, drainage, town site gardens, recreation areas, reserves and waste management facilities.

Roadworks

The Shire of Plantagenet maintains 908km of unsealed roads and 332km of sealed roads. With this amount of road network being maintained by the Shire, the costs demonstrate the need to leverage additional external grants to supplement the Council's own funds. These funds are then used to deliver road projects that promote safety, asset management and improvement to our road network.

Untied Federal and State Grants are as follows:

- Grants Commission (Federal) \$775,136
- Main Roads (State) \$121,792

Federal and State Government road funding grants provide a large percentage of the funding required to maintain and upgrade the Shire's local road and town infrastructure and are as follows:

- Black Spot \$Nil
- Roads to Recovery \$311,691
- TIRES \$160,000
- State Road Projects (RRG) \$572,186

Works completed in the 2011/2012 financial year included;

Roads to Recovery - (Federal Government Funding)

- Takalarup Road \$235,415
- Eulup-Manurup Road \$17,952
- Wilson Road \$89,609
- Lowood Road \$75,287

The third round of the Roads to Recovery Program (RTR) commenced its second year of operation. This is the second year of a five year program ending in 2014.

Regional Road Group (RRG)

- Porongurup Road \$373,799
- Woogenellup Road \$510,381

The State Government contribution for RRG funding is on a two thirds one thirds basis, with \$509,076 being allocated to the Shire of Plantagenet for the 2011/2012 financial year.

Timber Industry Roads (TIRES)

- Spencer Road \$238,246

The State Government contribution for TIRES funding is on a two thirds one thirds basis, with \$350,000 being allocated to the Shire of Plantagenet for the 2011/2012 financial year. The TIRES program will soon end, replaced by a commodity route funding system.

A major roadworks project was also undertaken in Mount Barker which involved Short Street and Lord Street, with funding from the Royalties for Regions Great Southern Town Centre Enhancement Program and the Shire of Plantagenet.



Short Street under construction

Short Street almost complete

Road Maintenance to Rural Roads and Town Streets

Major areas of maintenance expenditure were:

- Grading of unsealed roads;
- Drains and culverts;
- Repairs and maintenance of road infrastructure;
- Verge spraying and pruning;
- Town gardens;
- Townsite Rubbish removal;
- Maintenance of recreation grounds and town reserves;
- Replacement and maintenance of traffic and information signs; and
- Emergency works and call-outs.

The total amount of expenditure for all aspects of road maintenance was \$1,472,246

The road maintenance crew is staffed by a small number of dedicated staff members who undertake a vast array of duties to keep our roads in a safe trafficable standard. In 2011/2012 the works crew received 462 maintenance requests. Some 524 were fulfilled which included some backlog from the previous financial year. Requests for upgrades and significant maintenance cannot always be carried out as the Works and Services Department is limited by the Council's resources. Where requests cannot be funded they are referred to the annual budget process where appropriate.

Parks and Gardens

Maintenance of the various public amenity grounds takes up approximately 95% of the Parks and Gardens Budget which, for the last financial year was \$297,309. Major works included:

- Wilson Park (which is ongoing);
- Plantagenet Medical Centre;

- Roundabout on Albany Highway; and
- Kendenup Entry Statements.



New Kendenup Entry Statement

Waste Management

A total of \$656,630 was spent for all aspects of waste maintenance which included:

- Kerbside waste collection;
- Commercial bin collections;
- Recreational site rubbish removal;
- Land fill site maintenance; and
- Minor recycling.

Domestic waste continued to be collected by Great Southern Waste Disposal. DrumMuster chemical drums are being dropped off after being triple rinsed and a receipt is issued to the person delivering them. The Shire is able to make claims on these via a National program.

During 2011/2012, \$113,304 was spent on rubbish collection, \$588,925 on waste and \$145,818 on waste (capital).

A significant amount of work was completed at the O'Neill Road Waste Management Site in preparation of the introduction of recycling. A new transfer station shed was constructed, along with a number of storage bays for recycled goods and other waste.



Transfer station shed

Storage Bays

Plant Replacement

In accordance with the Council's 12 Year Plant Replacement Program, the following plant items were purchased:

- 12M CAT Articulated Motor Grader;
- Cat skid Steer bobcat and Evertrans Tandem Axle Trailer;
- Medium Isuzu Truck;
- Water Truck; and
- Hitch Roller.

The total changeover figure spent on replacing these plant items was \$468,875.

Other Projects

During the year, a project was undertaken to refurbish an historic crane which was originally located on the western side of the Mount Barker Railway Station. Funding through the Regional and Local Community Infrastructure Program was used to refurbish the crane and erect it near the Visitor Centre in Mount Barker.



Erection of historic crane

Official opening of crane

DEVELOPMENT SERVICES

Town Planning

Scheme Amendments

Several Amendments to the Shire of Plantagenet Town Planning Scheme No. 3 (TPS3) have progressed through various stages of the legislative process. The Amendments include:

- Amendment No. 44 – proposes to rezone Rural zoned Lots 756, 1233 and 1234 to the north of Mount Barker to the Residential zone. The Amendment was initiated by the Council on 13 March 2007 subject to modifications. The Environmental Protection Authority (EPA) authorised the amendment to proceed and it was then referred to the Western Australian Planning Commission (WAPC) for approval to advertise. The WAPC granted consent to advertise subject to modifications. The Amendment was referred to the WAPC for a final decision on 24 July 2008. The Minister for Planning deferred the Amendment in December 2009.
- Amendment No. 49 – proposes to rezone land to enable the establishment of the Porongurup Rural Village. The Amendment was initiated on 11 March 2008 and referred to the EPA. Authorisation to proceed was received from the EPA on 28 May 2008 and public advertising commenced on 12 June 2008. A public information session was held at the Porongurup Hall on 30 June 2008. Following advertising, the Amendment with a modifications schedule was referred to the WAPC on 2 September 2008. In a response from the WAPC after 18 months, the Minister required a Structure Plan to be prepared. Consultants prepared the Structure Plan which was advertised and referred to the WAPC on 25 March 2011. In June 2011, the WAPC required modifications to be carried out to both the Structure Plan and the Amendment. The Amendment was finalised on 7 October 2011 and the Structure Plan was finalised on 31 October 2011.
- Amendment No. 54 – carried out various alterations and corrections to the Scheme Text and was initiated by the Council on 14 June 2011. The EPA authorised the Amendment to proceed and advertising commenced in July 2011. The Council referred the Amendment to the WAPC on 19 October 2011 and it was finalised on 15 June 2012.
- Amendment No. 55 – proposes to rezone lots 504, 505 and 1330 Mitchell Street, Warburton Road and Braidwood Road to Rural Residential and was initiated on 1 March 2011. On 4 April 2011, the EPA authorised it to proceed to advertising. The advertising closed on 26 May 2011 and the Council on 14 June 2011 recommended final approval. The Amendment was referred to the WAPC on 20 June 2011. The Amendment was still with the WAPC on 30 June 2012.
- Amendment No. 56 – proposes to rezone the former Primary School site in Mount Barker to Residential (R17.5) and was initiated on 7 September 2010. The advertising closed on 24 November 2010 and the Council on 14 December 2010 recommended final approval. The Minister for Planning deferred the Amendment in August 2011.
- Amendment No. 57 – proposes to rezone land in O'Neill Road from Rural to Rural Residential and was initiated by the Council on 17 August 2010 and referred to the EPA for approval to advertise. This Amendment replaces an earlier Amendment No. 45. The advertising concluded in December 2010 and the Council adopted the Amendment for final approval and referred it to the WAPC on 28 January 2011. The Amendment was still with the WAPC on 30 June 2012.

Policy Reviews

The Council has been regularly reviewing its various policies including those adopted as Town Planning Scheme Policies under the provisions of Town Planning Scheme No. 3. As part of that review one new Town Planning Scheme Policy was finalised after advertising on 3 July 2012. That new policy is:

- Town Planning Scheme Policy No. 20 – Porongurup Rural Village Design Guidelines – this policy provides requirements and guidance on the form of housing to be developed in the Porongurup Rural Village.

Local Planning Strategy

The Local Planning Strategy (LPS) is going through a lengthy process set by the WAPC which involves public consultation. As part of the preparation process, Councillors were briefed on the various components of the document as it was being compiled. Workshops with Councillors were held on 13 and 27 November 2007, 11 December 2007, 12 February 2008 and 27 May 2008. Department of Planning officers attended most of these workshops.

The full draft of the LPS was adopted by the Council on 10 June 2008 after which it was referred to the WAPC for its approval to advertise for public feedback. The WAPC required modifications be carried out before advertising. The modifications required were to delete long term strategic initiatives to suit the WAPC and the DOP. The WAPC agreed to the draft LPS being advertised in February 2011 subject to more areas being deleted. The Council reluctantly agreed to the additional deletions. The draft LPS was advertised and 80 submissions, mostly in opposition, were received. The Council in November 2011, due to the marked lack of community support required modifications and referred this to the WAPC in November 2011. The WAPC has not determined the matter at 30 June 2012.

Development and Subdivision Applications

A broad range of development applications were processed and received planning consent under Town Planning Scheme No. 3. In the 2011/2012 year a total of 31 applications were processed which is similar to last year.

A sign of positive growth of the Shire is the level of subdivision activity. During 2011/2012 a total of 20 subdivision applications were considered and recommendations provided to the WAPC which is the government agency that determines subdivisions.

New Town Planning Scheme – Shire of Broomehill-Tambellup

As part of the Voluntary Regional Organisation of Councils, the Shires of Plantagenet and Kojonup planners are assisting the Shire of Broomehill-Tambellup prepare its new Town Planning Scheme. The Shire of Broomehill-Tambellup referred its resolution to prepare a new Scheme to the WAPC in December 2010 and the WAPC advised in May 2011 it had accepted that Resolution. The Shire then commenced liaison with numerous State agencies prior to the preparation of a draft Local Planning Strategy and Scheme. Works are still progressing on this new Scheme and Strategy.

Building

A total of 119 Building Licences were issued. Typical approvals were 20 houses, two carports, 14 patios and 46 sheds/garages. This total of 119 licences is a slight decrease from 132 issued in the 2010/2011 financial year.

The Council's Principal Building Surveyor has compiled a building maintenance asset register for all of the Council's buildings. He has also played a critical role in supervising the construction of the new public toilets in Lowood Road and also provided building surveyor support to the Shire of Kojonup. The new State Government Building Act was finalised in April 2012 and several concerns in respect to the Act and its Regulations have been raised by many councils across the State.

During the year, the Shire's Building Surveyor co-ordinated the construction of a new Tourism Signage Board, outside the Visitor Centre in Mount Barker. The project was funded from the Royalties for Regions - Country Local Government Fund.



Tourism Signage Board - Mount Barker

Environmental Health Services

Environmental Health Services involves monitoring of food premises, wastewater management, providing input to various development applications, investigating notifiable contagious diseases, nuisance complaints, unauthorised camping, temporary accommodation, regulating offensive trades, and inspecting public buildings for health and safety compliance. The following statistics provide a guide into the routine environmental health activities during the year:

Food Premises

The Shire has a total of 78 registered food businesses/premises. These food businesses range from:

- Class 1 food businesses (30) - high risk foods (restaurants, abattoirs, fast food etc.);
- Class 2 food businesses (18) - medium risk foods (cafes, canteens, grocers etc.); and
- Class 3 food businesses (30) - low risk foods (wineries, home food production, community kitchens etc.).

A total of 34 inspections of food businesses were conducted, including routine inspections, follow-up re-inspections and assessment for new premises or renovations.

A total of 62 temporary food stall applications were assessed and approvals issued for an assortment of community fetes, markets and fundraising events.

Permits were also assessed and issued for alfresco dining (3) and trading activities (7) within the Shire.

Food Sampling

A total of 56 food samples were collected from Mount Barker Chickens (22), Ravenhill Dairy (24) and assorted local food manufacturers and/or producers (10) for microbiological analysis and food composition standards.

Water Sampling

- Processing Waters – Mount Barker Chickens – a total of 44 poultry processing water samples were collected for microbiological analysis.
- Swimming Pools – A total of 26 water samples were collected for microbiological analysis.
- Drinking Water Supplies – A total of 65 potable water samples were collected from public and private drinking water supplies for microbiological analysis.
- Environmental Waters – Six water samples were collected from various natural environmental water sources.

Registered Premises

Four inspections were conducted at registered premises. These premises included hairdressers, body care, child care, family day care and second hand clothing stores.

Public Buildings

Two inspections were conducted of public buildings to ensure compliance with relevant legislation and public safety. Public buildings include community halls, recreation centre, sporting clubs and meeting venues.

Offensive Trades

Activities involved registration and inspection of seven offensive trades.

Public Events

Five major public events were approved required detailed assessment and consultation with the various promoters and event organisers. These events were the Porongurup Wine Festival, Mount Barker Grapes and Gallops, Art in the Park, Loritz Circus and the Mount Barker Community Fair.

Holiday Accommodation

Three inspections were carried out on various forms of holiday accommodation including caravan parks and bed and breakfast establishments.

Building Development

As part of the building development process, each building licence application is assessed for health standards, access to potable water supplies and on-site wastewater treatment and disposal. Each on-site wastewater treatment and disposal system application requires an initial site inspection by the Environmental Health Officer to enable site assessment and approval and a second inspection at the time of the systems installation. A total of 35 applications were received and subsequently approved.

Complaints

Twenty-one varied complaints were investigated throughout the year and these included matters such as excessive noise, odour, dust, effluent discharges, chemical spray drift, asbestos and occupation of caravans. These complaints have the potential to require extensive time and resource allocation and in most cases, each complaint will involve multiple issues, detailed investigation, assessment and mediation to resolve.

DrumMuster/ChemCollect

These programs are designed to provide a mechanism for the collection of clean used pesticide containers and unwanted agricultural chemicals. The DrumMuster program collected in excess of 2,000 used chemical containers for reprocessing and the ChemCollect program collected approximately 20 litres of unwanted farm chemicals.

Other Activities

As well as the extensive range of monitoring, reporting and inspection activities listed above, the Council's Environmental Health Officer has been providing invaluable support to the Manager Works and Services on activities such as environmental monitoring of the O'Neill Road landfill site, former Shire Depot (contaminated site investigation), Zero Waste Committee and the investigation of a possible new landfill site.

Local Governments are required to report on other matters which have been imposed through different legislation. In particular these are Records Management, National Competition Policy and Disability Services. The following reports are the Council's compliance with these requirements.

Record Keeping

The Shire of Plantagenet is committed to the reliable and systematic management of records. The Shire submitted to State Records Commission the latest Record Keeping Plan in July 2007 laying out Policies and Procedures for its Record Keeping vision.

All elected members, staff and contractors are responsible for maintaining complete, accurate and reliable evidence of all business transactions and ensuring all corporate documents are retained within the Shire's official record keeping system at the point of creation regardless of the format, in accordance with:

- State Records Act 2000;
- Evidence Act 1906;
- Acts Amendment (Evidence) Act 2000;
- Freedom of Information Act 1992;
- Local Government Act 1995 and associated regulations.

All must abide by the recordkeeping requirements of the Shire as defined in the Recordkeeping Plan, which is a requirement of the State Records Act 2000.

The Shire's Record Keeping Plan provides for continuous education of all staff and elected members, to maintain a stable knowledge and base skills platform for the Electronic Record Management System (RMS), Record Keeping Plan(RKP) and State Records requirements.

To maintain this base level of skills for all staff and elected members the Shire has implemented a number of training and evaluation systems including formal training and presentations to the Council covering topics such as:

- What is a Record;
- Penalties for non-compliance with the Record Keeping Plan;
- Record Keeping responsibilities; and
- Freedom of Information Act.

Evaluation of staff is conducted at induction stage for all new staff, to ascertain level of Records understanding, with follow-up three months later, ensuring that any issues are dealt with on the spot in the intervening period. Evaluation of this procedure is based on feedback from staff that undergo this process. Surveys have been conducted to ascertain the effectiveness of the Electronic Records Keeping System and understanding by staff of their responsibilities under the State Records Act, Freedom of Information Act and Evidence Act.

The Shire's RKP was reviewed during 2011/2012, and initially it was thought that no formal amendment was required. The State Records Office has since recommended that the RKP be amended to reflect updated practices. There have been significant changes to, or development of, recordkeeping practices since the previous RKP was approved in 2007. These changes include:

- Approval of a Shire Policy for record keeping;

- Development of formalised procedures for several aspects of recordkeeping, including correspondence control, disposal, website management, systems management and migration; and
- The intention to develop a group repository for storage of records.

On the basis of the review of the RKP, staff training, information sessions, publications and 2010/2011 survey, the record keeping systems were assessed as being somewhat efficient and effective, although there is room for improvement.

This report has been published in accordance with the State Records Act, 2000.

Disability Services Plan

It is a requirement of the Western Australian Disability Services Act that all local governments report annually on the implementation of their Disability Access and Inclusion Plan (DAIP) that outlines the ways in which the authority will ensure that people with disabilities have equal access to its facilities and services.

Other legislation underpinning access and inclusion includes the Western Australian Equal Opportunity Act and the Commonwealth Disability Discrimination Act, both of which make discrimination on the basis of a person's disability unlawful.

The Shire of Plantagenet is committed to facilitating the inclusion of people with disabilities through the improvement of access to its facilities and services. The Shire's DAIP provides guidance for the Council and the Shire of Plantagenet community to become accessible and inclusive to people with disabilities, their families and carers.

Several strategies from the DAIP have been implemented by the Shire including:

- Providing an audio-book catalogue which can be accessed through the internet, either at home or free of charge at the Library, for Library patrons;
- Purchasing exercise equipment designed for people with limited abilities for the Recreation Centre gymnasium;
- Delivering the Heartmoves program from the Recreation Centre which comprises exercise movements for people with limited abilities; and
- Progressing the Nature Play playground design, including the installation of a tractor funded by the Disability Services Commission, which is designed to suit all young people regardless of impairments to mental or physical development.

Shire staff have attended a training session to enhance their understanding of the legislative and social requirements for disability access and inclusion, prior to updating the Shire's DAIP.

National Competition Policy

Local governments are required to implement the National Competition Policy (NCP) to ensure that it opens up service delivery to competition and that local laws and Council policies do not unduly restrict competition. The obligation arises from the Competition Principles Agreements signed by the State and Territory Governments and the Commonwealth Government.

Each local government must report its progress in achieving NCP reforms in its Annual Report broadly under the following categories:

- Competitive Neutrality
- Legislation Review
- Structural Reform

Competitive Neutrality

The Shire of Plantagenet has not acquired any entities in the 2009/2010 financial year that have required competitive neutrality testing.

Legislation Review

The Council has a limited number of local laws, which were reviewed in the 2007/2008 financial year including a review of compliance with the reporting requirements. The process to amend two local laws, namely the Cemeteries Local Law and Activities in Thoroughfares and Public Places and Trading Local Law, was commenced in April 2010. These amendments took the NCP principles into consideration. The Shire undertook all other relevant NCP checks required as part of its normal review processes.

Structural Reform

The Shire of Plantagenet did not undertake any formal Structural Reform during the 2011/2012 financial year, although the Council progressed with its efforts for voluntary structural reform. The Shire also continued to work with its partners in the Southern Link Voluntary Regional Organisation of Councils (VROC) to progress a number of initiatives including a regional archive repository and a regional waste transfer station project.

Employee 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	2010/2011	2011/2012
110,000 - 119,999	1	1

Complaints

There were no complaints that resulted in action against Councillors under section 5.121 of the Local Government Act 1995.

Plan for the Future

The Plan for the Future for the period 1 July 2010 to 30 June 2012 was adopted by the Council on 6 July 2010. The Plan was prepared pursuant to Section 5.56 of the Local Government Act 1995 which provides that:

'(1) A local government is to plan for the future of the district.'

Further the Local Government (Administration) Regulations provide for, at 19C and 10D, among other things, that the Plan for the Future is to be adopted by the Council and that the electors and ratepayers of the district are consulted during the development of the plan.

During the 2010/2011 financial year, the Council commenced a community planning survey within the Shire of Plantagenet. The results obtained from the research will help the Council develop a strategic community plan, to enable the Council to provide better services and facilities for all residents within our community.

All local governments are currently required to produce a plan for the future under the Local Government Act 1995. The State Government has advised Councils that by 1 July 2013, they will need to prepare a long term strategic plan that clearly links the community's aspirations with the Council's vision and long term strategy. Further information in this regard is included in the Highlights of 2011/2012.

2012/2013 Budget Initiatives

The major initiatives that are included in the 2012/2013 budget are as follows:

Income

- 6% increase in rate revenue.
- Rubbish collection charge to remain at \$180.00 (and additional bins to remain at \$140.00).
- Minimum rate to increase to \$730.00.

Expenses

- Karriook Airstrip - Reseal - \$35,000
- New FESA fire trucks for Bush Fire Brigades - \$980,100 (Grant Funded)
- Purchase of Domestic Recycling Bins - \$90,000
- Continuation of O'Neill Landfill Site Upgrade and Sullage Pond - \$50,455
- CCTV Expansion - \$60,000
- Gym equipment replacement program - \$12,000
- Recreation Centre floor refurbishment - \$49,040
- Continue Wilson Park Playground Development - \$35,000
- Kendenup Ag Grounds - Demolish and Replace Public Toilets - \$120,000
- Continuation of Sounness Park Recreation Plan, including clubrooms in excess of \$4,000,000 (Funded from grant, loan and municipal sources)
- Wilson / Centenary Parks Wetlands Development - \$80,000 (Half grant funded)
- Visitor Centre - Roof Repairs - \$48,000
- Financial Assistance Grants to community groups and organisations - \$61,462
- Upgrades to Great Southern Regional Cattle Saleyards - \$290,000
- Road construction program totaling \$2.25 million, including:
 - Beverley Road - SLK 0.0 to 2.18 - \$105,560
 - Mitchell Street - St Werburghs Road Intersection - \$70,537
 - Yellanup Road - SLK 5.33 to 9.56 - \$225,000
 - Palmdale Road - SLK 4.32 to 13.90 - \$75,000

- Chorkerup Road - SLK 5.02 to 11.98 - \$73,500
- Reynolds Road - SLK 0.00 to 3.16 - \$52,500
- Red Gum Pass Road - SLK 2.00 To SLK 6.00 - \$80,836
- Lowood Road - Co-op Bowser to Fire Station - \$112,000
- Narrikup Road - SLK 0.00 to 7.03 - \$140,093
- Quindabellup North Road - SLK 0 to 4.99 - \$92,800
- Lake Barnes Road - SLK 0.00 to 5.60 (Entire length) - \$86,160
- Hay River Road - SLK 0.03 to 8.48 - \$100,000
- St Werburghs Road - Hay River Floodway - 50,000
- Jackson Road - SLK 6.10 to 9.66 - \$87,500

PROCEDURES AND ACCESS ARRANGEMENTS

FOI Operations

It is the aim of the Shire of Plantagenet to make information available promptly and at the least possible cost, and whenever possible documents will be provided outside the FOI process.

If information is not routinely available, the Freedom of Information Act 1992 provides the right to apply for documents held by the Council and to enable the public to ensure that personal information in documents is accurate, complete, up to date and not misleading.

During the 2011/2012 year, no FOI applications were received.

FOI Applications

Access applications have to:

- be in writing;
- give enough information so that the documents requested can be identified;
- give an Australian address to which notices can be sent; and
- be lodged at the Shire with any application fee payable.

Applications and enquires should be addressed to the Freedom of Information Coordinator, PO Box 48, Mount Barker WA 6324 or telephone 08 9892 1111.

Applications will be acknowledged in writing and you will be notified of the decision within 45 days.

FOI Fees & Charges

A scale of fees and charges is set under the FOI Act Regulations. Apart from the application fee for non-personal information all charges are discretionary. The charges are as follows:

Type of Fee

- | | |
|--|---------|
| • Personal information about the applicant | No Fee |
| • Application fee (for non personal information) | \$30.00 |

Type of charge

- | | |
|---|---------------|
| • Charge for time dealing with application (per hour or pro rata) | As per budget |
| • Access time supervised by staff (per hour or pro rata) | As per budget |
| • Photocopying staff time (per hour or pro rata) | As per budget |
| • Per photocopy | As per budget |
| • Duplicating a tape, film or computer information | Actual Cost |
| • Delivery, packaging and postage | Actual Cost |

Deposits

- | | |
|--|-----|
| • Advance deposit which may be required of the estimated charges | 25% |
| • Further advance deposit may be required to meet the charges for dealing with the application | 75% |
| • Pension concession | 25% |

Access Arrangements

Access to documents can be granted by way of inspection, a copy of a document, a copy of an audio or video tape, a computer disk, a transcript of a recorded, shorthand or encoded document from which words can be reproduced.

Notice of Decision

As soon as possible, but in any case within 45 days, you will be provided with a notice of decision which will include details such as:

- the date which the decision was made;
- the name and the designation of the officer who made the decision;
- if the document is an exempt document the reasons for classifying the matter exempt; or the fact that access is given to an edited document; and/or
- information on the right to review and the procedures to be followed to exercise those rights.

Refusal of Access

Applicants who are dissatisfied with a decision of the Council are entitled to ask for an internal review by the Shire. Applications should be made in writing within 30 days of receiving the notice of decision.

Applicants will be notified of the outcome of the review within 15 days.

If you disagree with the result you then can apply to the Information Commissioner for an external review, and details would be advised to applicants when the internal review decision is issued.

Function of Local Government

The general function of local government as defined in Section 3.1(1) of the Local Government Act 1995 is 'to provide for the good government of persons in its district.'

Role of the Council

Section 2.7 of the Local Government Act 1995 defines the role of the Council as:

2.7

- (1) *The council –*
 - (a) *governs the local government's affairs; and*
 - (b) *is responsible for the performance of the local government's functions.*
- (2) *Without limiting subsection (1), the council is to –*
 - (a) *oversee the allocation of the local government's finances and resources; and*
 - (b) *determine the local government's policies.'*

Vision, Mission and Values Statements

Vision

Plantagenet, building a sustainable community, where natural beauty and diversity provide opportunities for all.

Mission

To enhance the quality of life for the people of Plantagenet and the region, through the provision of leadership, services and infrastructure.

Values

- Integrity through honesty, ethical behaviour and trustworthiness;
- Professionalism through understanding our roles and responsibility, the need to work efficiently and strive for excellence;
- Accountability through openness and transparency;
- Supportiveness by being patient, caring and friendly;
- Responsibility by taking ownership and not blaming others; and
- Customer Focus by understanding needs, being proactive and responsive.

Council Committees

The Council has established the following internal committees:

Great Southern Regional Cattle Saleyards Committee

The brief of this committee is to:

- Make recommendation to the Council regarding the strategic direction of the Saleyards;
- Make recommendation to the Council regarding the Environmental Action Plan for the Saleyards;
- Bring to the attention of the Chief Executive Officer, industry matters regarding the cattle industry that may not be readily available to persons external to that industry; and
- Make recommendation to the Council regarding development works on the site.

Heavy Haulage Advisory Committee

The brief of this committee is to:

- Advise the Council relating to heavy haulage movement within the Shire of Plantagenet; and
- Make recommendations to the Council relating to the use of local roads by classes of heavy vehicles.

Audit Committee

The brief of this committee is to:

- Recommend the appointment of the auditor to the Council;
- Assist the auditor to ensure audits are conducted successfully and timely;
- Examine the audit report and ensure appropriate action is taken;
- Prepare reports on actions taken and forward to the Minister;
- Meet with the auditor at least once per year; and
- Review enhanced scope of audit.
- Development and review of the Shire's Long Term Financial Plan and Forward Capital Works Plan; and
- The review of the Shire's annual compliance audit return and report to the Council on the results of that review.

Recreation Advisory Committee

The brief of this committee is to:

- Prepare a draft Shire of Plantagenet Recreation Strategic Plan for the consideration of the Council;
- Utilise the July 2008 Plantagenet Sport and Recreation Needs Assessment and any other report considered pertinent by the Committee; and
- Liaise as necessary with community groups Recreation Centre Advisory Group, the Department of Sport and Recreation and other bodies.

Public participation is encouraged on the following committees:

Townscape Review Steering Committee (Disbanded on 29 November 2011)

The brief of this committee was to guide the process of reviewing Townscape Improvement Plans for the Shire of Plantagenet that would:

1. Serve as an overall framework for streetscape upgrading projects.
2. Lead to the enhancement of the visual and practical amenity of the area.

The Committee consisted of two council representatives, two staff representatives and five community representatives.

Bush Fire Advisory Committee

This Committee is designed to advise the Council on all matters relating to the preventing, controlling and extinguishing of bush fires, the planning of the layout of fire-breaks in the district, prosecutions for breaches of the Bush Fire Act 1954, the formation of bush fire brigades and the grouping thereof under group brigade officers and the ensuring of co-operation and co-ordination of bush fire brigades in their efforts and activities.

Each bush fire brigade nominates a delegate to represent them on the Committee. To become a member of your local bush fire brigade you are required to contact your brigade delegate.

Community Recreation Centre Advisory Committee

This Committee is designed to provide involvement from the Council, the Education Department and the community into the management of the Mount Barker Recreation Centre. All vacancies for this Committee are advertised locally when they become available.

Roadwise Committee

This committee has been created to provide a structured forum for stakeholders to consider and discuss road safety issues and discuss and make recommendation regarding the identification and appropriate counter measures to negative attitudinal, behavioural and environment factors lined to enforcement, engineering, education, encouragement and evaluation of road safety initiatives.

Porongurup Hall Management Committee

The daily operations of the Porongurup Hall are overseen by a management committee. The Committee consists of one Council representative and four community representatives nominated by the Porongurup Community Association.

Woogenellup Hall Committee

The daily operations of the Woogenellup Hall are overseen by a management committee. The Committee consists of one Council representative and four community representatives nominated by the Woogenellup Progress Association.

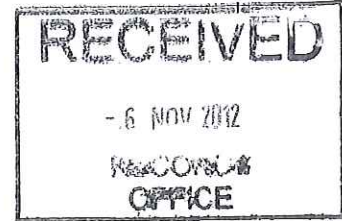
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2 November 2012

Attn : Rob Stewart
 Chief Executive Officer
 Shire of Plantagenet
 PO Box 48
 MT BARKER WA 6324



Dear Council

Audit for the year ended 30 June 2012

We are pleased to report that our audit of the Shire of Plantagenet's financial statements and records for the year ended 30 June 2012 is now complete.

Accordingly we enclose a signed copy of the financial statements and audit certificate for your attention.

We confirm that we will arrange for one copy to be forwarded directly to the Department of Local Government, and Shire President on your behalf.

Prior to reporting findings for Council and Management of the nature of audit tests conducted. The work undertaken by us to form an opinion is permeated by judgment, in particular regarding the nature, timing and extent of the audit procedures for gathering of audit evidence and the drawing of conclusions based on the audit evidence gathered.

In addition, there are inherent limitations in any audit. These include the use of testing, collusion and the fact that most audit evidence is persuasive rather than conclusive. As a result, our audit provides reasonable – not absolute – assurance that the financial systems of the Shire of Plantagenet are functioning reliably.

In general we found the financial statements presented for audit were well prepared and supporting audit papers were complete and readily available.

We undertook a complete assessment of the Shire's financial systems and assessed areas of risk.

We are pleased to report that this review confirmed that there are strong internal controls within the financial and reporting systems of the Shire of Plantagenet.

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Partners
 Russell Harrison
 Gary Philpott
 Craig Anderson
 Brendan Taylor

*Our vision is to be recognised,
 committed to contribu*

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*with a broad range of skills
 our client's success.*

Visit us at: www.lincolns.com.au

70-74 Frederick Street
 PO Box 494
 Albany WA 6331
 Telephone: (08) 9841 1200
 Facsimile: (08) 9842 1034
 Email: info@lincolns.com.au
 Web: www.lincolns.com.au

Comment on Financial Position

We make comment below in relation to the Shires financial position. Our comments follow:

- (a) The Current Ratio disclosed at Note 18 to the Financial Report, which indicates short term solvency or liquidity, is shown to be 1.489 at 30 June 2012 (and 1.688 at 30 June 2011). A current ratio of less than 1.0 indicates that current assets are insufficient to meet current liabilities. We note in this regard, that your Rate Setting Statement for the current year indicates that Council has sufficient liquidity to meet debt requirements for the 2011/12 financial year.
- (b) The Untied Cash to Unpaid Trade Creditors Ratio was 3.882 at 30 June 2012 (4.391 at 30 June 2011). A ratio of less than 1.0 indicates that short term cash issues may arise in meeting creditor payment liabilities.
- (c) Debt ratios are well within benchmarks. This is sound financial management and reflective the low debt structure used by Council.

Other Matters and Internal Controls

We refer you to the attached audit observations and comments schedule.

In conclusion we take this opportunity to thank John, Brendan and your administration staff for their pleasant and co-operative assistance throughout the audit.

Should there be any matters that you would like to discuss further please do not hesitate to contact me.

Kind Regards



.....
Russell Harrison
Partner

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**INDEPENDENT AUDITOR'S REPORT
TO THE RATEPAYERS OF THE SHIRE OF PLANTAGENET**

Report on the Financial Report

We have audited the accompanying financial report of the Shire of Plantagenet, which comprises the balance sheet as at 30 June 2012, and the income statement, statement of changes in equity, cash flow statement, rate setting statement and the notes to and forming part of the financial report for the year ended on that date.

Councils' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have followed applicable independence requirements of Australian professional ethical pronouncements.

**INDEPENDENT AUDITOR'S REPORT
TO THE RATEPAYERS OF THE SHIRE OF PLANTAGENET**

Auditor's Opinion

In our opinion the financial report of the Shire of Plantagenet is in accordance with the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended), including:

- (a) giving a true and fair view of the Shire's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

Other Matters

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

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



Russell Harrison, Partner
Lincolns Accountants and Business Advisers
70 - 74 Frederick Street, Albany WA
Dated this ^{21st} day of November 2012.

Shire of Plantagenet
Financial Report
For the Year Ended 30 June 2012

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Shire of Plantagenet
Principal Place of Business 22-24 Lowood Road, Mount Barker, 6324
Postal Address P.O.Box 48, Mount Barker, 6324

Shire of Plantagenet

Financial Report

For the Year Ended 30 June 2012

Local Government Act 1995
Local Government (Financial Management) Regulations 1996

Statement by Chief Executive Officer

The attached financial report of the Shire of Plantagenet being the annual financial report and supporting notes and other information for the financial year ended 30 June 2012 are, in my opinion, properly drawn up to present fairly the financial position of the Shire of Plantagenet as at 30 June 2012 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed on the *Thirty-first* day of *October* 2012



Rob Stewart
Chief Executive Officer

Shire of Plantagenet
Statement of Comprehensive Income
By Nature Or Type
For the Year Ended 30 June 2012

	Note	2012 \$	2012 Budget \$	2011 \$
Revenue				
Rates	22	5,152,337	5,142,267	4,490,214
Operating Grants, Subsidies and Contributions	28	2,452,638	2,355,251	2,383,741
Fees and Charges	27	1,645,761	1,694,757	2,112,044
Interest Earnings	2(a)	257,706	236,000	243,965
Other Revenue		<u>57,453</u>	<u>42,499</u>	<u>101,078</u>
		9,565,895	9,470,774	9,331,041
Expenses				
Employee Costs		(3,923,268)	(3,849,701)	(3,478,167)
Materials and Contracts		(1,991,681)	(2,519,524)	(1,889,413)
Utility Charges		(230,718)	(213,846)	(214,584)
Depreciation on Non-Current Assets	2(a)	(3,904,030)	(3,588,317)	(3,731,278)
Interest Expenses	2(a)	(137,307)	(62,401)	(302,844)
Insurance Expenses		(215,169)	(227,909)	(192,128)
Other Expenditure		<u>(302,686)</u>	<u>(308,065)</u>	<u>(274,638)</u>
		<u>(10,704,858)</u>	<u>(10,769,762)</u>	<u>(10,083,051)</u>
		(1,138,962)	(1,298,988)	(752,010)
Non-Operating Grants, Subsidies and Contributions	28	1,650,697	2,506,715	4,660,042
Profit on Asset Disposals	20	31,337	16,579	84,189
Loss on Asset Disposals	20	<u>(22,013)</u>	<u>(83,976)</u>	<u>(4,542)</u>
Net Result		521,059	1,140,331	3,987,679
Other Comprehensive Income		0	0	0
Total Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
Total Comprehensive Income		<u><u>521,059</u></u>	<u><u>1,140,331</u></u>	<u><u>3,987,679</u></u>

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

Shire of Plantagenet
Statement of Comprehensive Income
By Program
For the Year Ended 30 June 2012

	Note	2012 \$	2012 Budget \$	2011 \$
Revenue				
Governance		113,967	70,103	149,693
General Purpose Funding		7,260,365	6,510,653	6,174,311
Law, Order, Public Safety		183,053	962,076	433,128
Health		66,612	67,450	72,165
Education and Welfare		322	0	4,594
Community Amenities		345,274	369,700	654,167
Recreation and Culture		338,151	266,733	295,426
Transport		745	500	90,518
Economic Services		1,008,542	932,860	1,152,009
Other Property and Services		248,864	290,700	356,720
		<u>9,565,895</u>	<u>9,470,774</u>	<u>9,382,730</u>
Expenses Excluding Finance Costs				
Governance		(655,473)	(753,911)	(608,411)
General Purpose Funding		(279,372)	(330,558)	(271,134)
Law, Order, Public Safety		(750,247)	(732,642)	(689,493)
Health		(220,206)	(250,024)	(216,426)
Education and Welfare		(65,205)	(79,671)	(93,154)
Community Amenities		(1,204,427)	(1,116,648)	(1,049,407)
Recreation and Culture		(1,651,601)	(1,598,841)	(1,421,951)
Transport		(4,223,680)	(4,139,384)	(3,917,386)
Economic Services		(1,305,158)	(1,391,341)	(1,274,906)
Other Property and Services		(212,180)	(239,199)	(322,128)
		<u>(10,567,550)</u>	<u>(10,632,219)</u>	<u>(9,864,397)</u>
Finance Costs				
Governance		(127,111)	(127,245)	(132,951)
Health		0	0	(2,950)
Recreation and Culture		(10,196)	(10,299)	(11,478)
Economic Services		0	0	(155,464)
	2(a)	<u>(137,307)</u>	<u>(137,544)</u>	<u>(302,844)</u>
Non-Operating Grants, Subsidies and Contributions				
Governance		0	0	0
General Purpose Funding		0	0	0
Law, Order and Public Safety		258,996	6,218	161,810
Health		0	0	0
Education and Welfare		0	0	0
Community Amenities		24,300	26,000	0
Recreation and Culture		270,089	1,160,164	922,295
Transport		1,097,313	1,314,333	1,308,437
Economic Services		0	0	2,300,000
Other Property and Services		0	0	0
		<u>1,650,697</u>	<u>2,506,715</u>	<u>4,692,542</u>

Shire of Plantagenet
Statement of Comprehensive Income
By Program (Continued)
For the Year Ended 30 June 2012

Profit/(Loss) on Disposal of Assets			
Governance	(979)	(10,920)	16,783
General Purpose Funding	-		0
Law, Order and Public Safety	14,524	3,676	0
Health	(1,374)	(6,620)	1,568
Education and Welfare	-	-	(4,537)
Community Amenities	144	(16,463)	635
Recreation and Culture	-	-	0
Transport	-	-	0
Economic Services	15,041	4,147	4,931
Other Property and Services	(18,031)	(41,216)	60,267
	<u>9,324</u>	<u>(67,396)</u>	<u>79,647</u>
Net Result	<u>521,059</u>	<u>1,140,331</u>	<u>3,987,678</u>
Other Comprehensive Income	0	0	0
Total Other Comprehensive Income	<u>0</u>	<u>0</u>	<u>0</u>
Total Comprehensive Income	<u>521,059</u>	<u>1,140,331</u>	<u>3,987,678</u>

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

Shire of Plantagenet
Statement of Financial Position
as at 30 June 2012

	Note	2012 \$	2011 \$
Current Assets			
Cash and Cash Equivalents	3	3,103,585	2,074,958
Trade and Other Receivables	4(a)	451,842	829,224
Inventories	5	49,204	65,107
Total Current Assets		<u>3,604,631</u>	<u>2,969,289</u>
Non-Current Assets			
Other Receivables	4(a)	131,955	158,455
Other Financial Assets	4(b)	4,692	4,692
Property, Plant and Equipment	6	18,351,022	17,986,834
Infrastructure	7	46,238,295	46,473,824
Total Non-Current Assets		<u>64,725,964</u>	<u>64,623,805</u>
Total Assets		<u>68,330,595</u>	<u>67,593,095</u>
Current Liabilities			
Trade and Other Payables	8	553,261	294,267
Current Portion of Long Term Borrowings	9	148,370	142,639
Provisions	10	669,193	588,438
Total Current Liabilities		<u>1,370,824</u>	<u>1,025,344</u>
Non-Current Liabilities			
Long Term Borrowings	9	2,197,936	2,346,307
Provisions	10	77,975	58,642
Total Non-Current Liabilities		<u>2,275,911</u>	<u>2,404,949</u>
Total Liabilities		<u>3,646,735</u>	<u>3,430,293</u>
Net Assets		<u>64,683,861</u>	<u>64,162,802</u>
Equity			
Retained Surplus		63,224,679	63,199,742
Reserves - Cash Backed	11	1,379,982	883,860
Reserves - Asset Revaluation	12	79,200	79,200
Total Equity		<u>64,683,861</u>	<u>64,162,802</u>

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

**Shire of Plantagenet
Statement of Changes in Equity
For the Year Ended 30 June 2012**

	Note	Retained Surplus \$	Reserves Cash Backed \$	Asset Revaluation Reserve \$	Total Equity \$
Balance as at 1 July 2010		59,412,658	683,266	79,200	60,175,124
Changes in Accounting Policy		0	0	0	0
Correction of Errors		0	0	0	0
		<hr/>	<hr/>	<hr/>	<hr/>
Restated Balance		59,412,658	683,266	79,200	60,175,124
Net Result		3,987,679	0	0	3,987,679
Total Other Comprehensive Income		0	0	0	0
Transfers from / (to) Reserves		(200,594)	200,594	0	0
		<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 30 June 2011		63,199,742	883,860	79,200	64,162,802
Net Result		521,058	0	0	521,058
Total Other Comprehensive Income		0	0	0	0
Transfers from / (to) Reserves	11 & 12	(496,122)	496,122	0	0
		<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 30 June 2012		<u>63,224,679</u>	<u>1,379,982</u>	<u>79,200</u>	<u>64,683,861</u>

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

**Shire of Plantagenet
Statement of Cash Flows
For the Year Ended 30 June 2012**

	Note	2012 \$	2012 Budget \$	2011 \$
Cash Flows From Operating Activities				
Receipts				
Rates		5,157,376	5,142,267	4,789,397
Operating Grants, Subsidies and Contributions		2,457,432	2,355,251	2,364,369
Fees and Charges		1,678,458	1,694,757	2,209,473
Interest Earnings		229,540	236,000	244,014
Goods and Services Tax		238,436	366,413	396,568
Other Revenue		<u>57,453</u>	<u>42,499</u>	<u>109,569</u>
		9,818,696	9,837,188	10,113,390
Payments				
Employee Costs		(3,797,512)	(3,771,701)	(3,429,583)
Materials and Contracts		(1,862,781)	(2,107,651)	(2,006,388)
Utility Charges		(230,718)	(210,346)	(217,247)
Insurance Expenses		(211,607)	(227,909)	(192,128)
Interest Expenses		(137,543)	(62,401)	(339,821)
Goods and Services Tax		(251,621)	(407,126)	(396,423)
Other Expenditure		<u>(255,149)</u>	<u>(302,729)</u>	<u>(270,663)</u>
		(6,746,931)	(7,089,862)	(6,852,254)
Net Cash Provided Provided by Operating Activities	13(b)	<u>3,071,765</u>	<u>2,747,326</u>	<u>3,261,136</u>
Cash Flows from Investing Activities				
Purch of Property, Plant and Equipment		(1,843,552)	(3,013,161)	(2,994,655)
Construction of Infrastructure		(2,394,050)	(3,534,976)	(2,294,480)
Advances to Community Groups		0	0	0
Non-operating Grants, Subsidies and Contributions		2,104,851	2,506,715	4,551,025
Proceeds from Sale of Plant and Equipment		<u>214,236</u>	<u>281,163</u>	<u>391,995</u>
Net Cash Provided By (Used in) Investing Activities		(1,918,514)	(3,760,259)	(346,115)
Cash Flows From Financing Activities				
Repayment of Debentures		(142,639)	(142,639)	(2,285,292)
Proceeds from New Debentures		0	0	0
Proceeds from Self Supporting Loans		<u>18,017</u>	<u>18,017</u>	<u>16,789</u>
Net Cash Provided by (used in) Financing Activities		(124,623)	(124,622)	(2,268,503)
Net Increase (Decrease) in Cash Held		1,028,628	(1,137,555)	646,518
Cash at Beginning of Year		2,074,957	2,135,368	1,428,440
Cash and Cash Equivalents at the End of the Year	13(a)	<u><u>3,103,585</u></u>	<u><u>997,813</u></u>	<u><u>2,074,957</u></u>

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

**Shire of Plantagenet
Rate Setting Statement
For the Year Ended 30 June 2012**

	Note	2012 \$	2012 Budget \$	2011 \$
Revenue				
Governance		113,967	70,103	149,693
General Purpose Funding		2,108,027	1,368,386	1,684,097
Law, Order, Public Safety		456,573	971,970	594,938
Health		66,612	67,450	72,165
Education and Welfare		322	0	4,594
Community Amenities		370,263	395,700	654,167
Recreation and Culture		608,240	1,426,897	1,217,721
Transport		1,098,058	1,314,833	1,398,955
Economic Services		1,024,387	941,953	3,452,009
Other Property and Services		249,145	294,511	356,720
		<u>6,095,592</u>	<u>6,851,802</u>	<u>9,585,058</u>
Expenses				
Governance		(783,563)	(892,076)	(724,579)
General Purpose Funding		(279,372)	(330,558)	(271,134)
Law, Order, Public Safety		(750,247)	(732,642)	(689,493)
Health		(221,580)	(256,644)	(217,808)
Education and Welfare		(65,205)	(79,671)	(97,691)
Community Amenities		(1,204,971)	(1,133,111)	(1,048,772)
Recreation and Culture		(1,661,797)	(1,609,140)	(1,433,429)
Transport		(4,223,680)	(4,139,384)	(3,917,386)
Economic Services		(1,305,962)	(1,396,286)	(1,425,439)
Other Property and Services		(230,491)	(284,227)	(261,861)
		<u>(10,726,871)</u>	<u>(10,853,738)</u>	<u>(10,087,594)</u>
Net Result Excluding Rates		(4,631,278)	(4,001,936)	(502,536)
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
(Profit) / Loss on Asset Disposals	20	(9,324)	67,396	(79,647)
Movement in Accrued Interest		(237)	-	(36,977)
Movement in Deferred Pensioner Rates (Non-Current)		8,930	-	(7,161)
Movement in Accrued Salaries and Wages		26,075	-	16,824
Movement in Employee Benefit Provisions		100,088	-	32,632
Movement in Doubtful Debts Provision		-	-	335
Depreciation and Amortisation on Assets	2(a)	3,904,030	3,855,951	3,731,278
Capital Expenditure & Revenue				
Purchase Land and Buildings		(765,823)	(1,257,097)	(1,574,748)
Purchase Infrastructure Assets		(2,394,049)	(3,754,704)	(2,285,636)
Purchase Plant and Equipment		(914,689)	(1,650,894)	(1,329,327)
Purchase Furniture and Equipment		(163,041)	(295,057)	(99,423)
Proceeds from Disposal of Assets	20	214,236	281,163	391,995
Repayment of Debentures	21(a)	(142,639)	(142,639)	(2,285,291)
Self-Supporting Loan Principal Income		18,017	18,017	16,789
Transfer from Unspent Loan		8,415	0	40,720
Add Transfers to Reserves (Restricted Assets)	11	(797,020)	(773,500)	(763,304)
Less Transfers from Reserves (Restricted Assets)	11	300,898	695,227	562,710
Surplus / (Deficit) July 1 B/Fwd		1,824,389	1,815,805	1,504,943
Surplus / (Deficit) June 30 C/Fwd		1,739,317	0	1,824,389
Amount Required To Be Raised From Rates	22	<u><u>(5,152,337)</u></u>	<u><u>(5,142,267)</u></u>	<u><u>(4,490,214)</u></u>

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

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

Except for cash flow and rate setting information, the report 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.

Critical Accounting Estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect 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 which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

(b) The Local Government Reporting Entity

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

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

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

(c) Goods and Services Tax (GST)

Revenues, expenses and assets capitalised are stated net of any GST recoverable.

Receivables and payables in the statement of financial position are stated inclusive of applicable GST. 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.

(d) Cash and Cash Equivalents

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

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

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

1. Significant Accounting Policies (Continued)

(e) Trade and Other Receivables

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

(f) Inventories

General

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

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

Land Held for Resale

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

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

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

(g) Fixed Assets

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

Initial Recognition

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

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

Revaluation

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 the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

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

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

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

1. Significant Accounting Policies (Continued)

(g) Fixed Assets (Continued)

Revaluation (Continued)

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

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, the Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB1051 - Land Under Roads and the fact that 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 Of Non-Current Assets

All non-current assets having a limited useful life (excluding freehold land) 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.

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

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

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

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

1. Significant Accounting Policies (Continued)

Depreciation Of Non-Current Assets (Continued)

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 with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Capitalisation Threshold

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

(h) 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 at cost.

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

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially
- (d) less any reduction for impairment.

The effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly 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.

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

1. Significant Accounting Policies (Continued)

(h) Financial Instruments

Classification and Subsequent Measurement (Continued)

(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.

(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.

Loans and receivables are included in current assets, except for those which are not 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 and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost.

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.

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

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

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

1. Significant Accounting Policies (Continued)

(h) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

Derecognition

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

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

(i) Impairment

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

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

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

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

(j) 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 and are usually paid within 30 days of recognition.

(k) Employee Benefits

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

(l) Borrowing Costs

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

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

1. Significant Accounting Policies (Continued)

(m) Provisions

Provisions are recognised when:

- a) the Council has a present legal or constructive obligation as a result of past events;
- b) for which it is probable that an outflow of economic benefits will result to settle the obligation; and
- c) 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.

(n) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the company, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for 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.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

(o) Joint Venture

The local government'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 appropriate line items of the financial statement. Information about the joint venture is set out in Note 16.

The Council's interest in joint venture entities are recorded using the equity method of accounting in the financial report.

When the Council contributes assets to the joint venture or if the Council purchases assets from the joint venture, only the portion of gain or loss not attributable to the Council's share of the joint venture shall be recognised. The Council recognises the full amount of any loss when the contribution results in a reduction in the net realisable value of current assets or an impairment loss.

(p) Rates, Grants, Donations and Other Contributions

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

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions as 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.

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

1. Significant Accounting Policies (Continued)

(q) 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.

(s) Current and Non-Current Classification

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

(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.

(t) Comparative Figures

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

When the Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, a statement of financial position as at the beginning of the earliest period will be disclosed.

(u) Budget Comparative Figures

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

**Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012**

1. Significant Accounting Policies (Continued)

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2012.

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

Title and Topic	Issued	Applicable (*)	Impact
(i) AASB 9 – Financial Instruments	December 2009	01 January 2013	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii) AASB 1053 - Application of Tiers of Australian Accounting Standards	June 2010	01 July 2013	Nil - Due to its nature and statutory requirements the Council will be deemed a Tier 1 entity and will continue to prepare general purpose financial statements.
(iii) AASB 2009– 11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12)	December 2009	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

1. Significant Accounting Policies (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(iv) AASB 2010 - 2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050, & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052]	June 2010	01 July 2013	Nil - None of these amendments will have any effect on the financial report as the standard does not apply in the case of general purpose financial statements.
(v) AASB 2010 – 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	December 2010	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(vi) AASB 2010 - 8 Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets [AASB 112]	December 2010	01 January 2012	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

1. Significant Accounting Policies (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(vii) AASB 2010 - 10 Further Amendments to Australian Accounting Standards - Removal of Fixed Dates for First-time Adopters [AASB 2009 - 11 & 2010 - 7]	December 2010	01 January 2013	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2011 - 2 Amendments to Australian Accounting Standards - Arising from the Trans-Tasman Consequence Project - Reduced Disclosure Requirements. [AASB 101 & 1054]	May 2011	01 July 2013	
AASB 2011 - 3 Amendments to Australian Accounting Standards - Orderly Adoption of Changes to ABS GFS manual and related Amendments. [AASB 1049]	May 2011	01 July 2012	
AASB 2011 - 6 Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation - Reduced Disclosure Requirements [AASB 127,128 & 131]	July 2011	01 July 2013	

**Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012**

1. Significant Accounting Policies (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(viii) AASB 10 - Consolidated Financial Statements, AASB 11 - Joint Arrangements, AASB 12 - Disclosure of Interests in Other Entities, AASB 127 - Separate Financial Statements, AASB 128 - Investments in Associates and Joint Ventures, AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards	August 2011	01 January 2013	Nil - None of these, except for AASB 128 , are expected to have significant application to the operations of the Council. With respect to AASB 128, where the Council has an interest in a Joint Venture, the requirements of AASB 128 supercede those of the current Joint Venture Standard AASB 131. The new standard more clearly defines the accounting treatment and disclosure in relation to it. Due to the nature of the Joint Venture, it is not expected to have a significant impact on the Council.
[AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]			

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

1. Significant Accounting Policies (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(ix) AASB 13 - Fair Value Measurement, AASB 2011 - 8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	September 2011	01 January 2013	<p>AASB 13 defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements. AASB 13 requires inputs to all fair value measurements to be categorised in accordance with fair value hierarchy. AASB 13 also requires enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value. AASB 13 will have particular relevance to the process of the Council adopting fair value methodology in relation to its fixed assets as mandated from 1 July 2012. Apart from the changes in value in relation to assets to be revalued (which are mandated by legislation and not changes to the standard) it is not expected to significantly impact the Council as the framework embodied in AASB 13 does not differ significantly from that which is present in existing standards.</p> <p>The amendments to the legislation require the phasing in of fair value in relation to fixed assets over the three years from 1 July 2012. It is not possible to estimate the likely amount of any revaluations.</p>
(x) AASB 2011 - 9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	September 2011	01 July 2013	<p>The main change embodied in this standard is the requirement to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. It effects presentation only and is not expected to significantly impact the Council.</p>

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

1. Significant Accounting Policies (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(xi) AASB 119 - Employee Benefits, AASB 2011 - 10 Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Interpretation 14]	September 2011	01 January 2013	The changes in relation to defined benefit plans contained in this standard are not expected to significantly impact the Council nor are the changes to AASBs in relation to termination benefits.
(xii) AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	September 2011	01 July 2013	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2011 – 12 Amendments to Australian Accounting Standards arising from Interpretation 20 [AASB 1]	November 2011	01 January 2013	
AASB 2011 – 13 Amendments to Australian Accounting Standards – Improvements to AASB 1049	December 2011	01 July 2012	

Notes:

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

**Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012**

1. Significant Accounting Policies (Continued)

(w) Adoption of New and Revised Accounting Standards

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

These new and revised standards were:

- AASB 124
- AASB 1054
- AASB 2009 - 12
- AASB 2009 - 14
- AASB 2010 - 4
- AASB 2010 - 5
- AASB 2010 - 6
- AASB 2010 - 9
- AASB 2011 - 1

The standards adopted had a minimal effect on the accounting and reporting practices of the Council as they were either largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

2. Revenue and Expenses	Note	2012 \$	2011 \$
(a) Net Result			
The Net Result includes:			
(i) Charging as an Expense:			
Auditor's Remuneration			
- Audit		16,500	13,695
- Other Services		8,066	880
Depreciation and Amortisation			
Buildings	6	397,857	340,507
Furniture and Equipment	6	95,590	102,263
Plant and Equipment	6	768,788	737,006
Infrastructure	7	2,560,442	2,471,999
Amortisation of Buildings and Infrastructure	6 & 7	81,354	79,501
		<u>3,904,030</u>	<u>3,731,278</u>
Interest Expenses (Finance Costs)			
Debentures (<i>refer Note 21(a)</i>)		137,307	302,844
		<u>137,307</u>	<u>302,844</u>
Rental Charges			
- Operating Leases		20,206	20,759
		<u>20,206</u>	<u>20,759</u>
(ii) Crediting as Revenue:			
	2012 Actual	2012 Budget	2011 Actual
	\$	\$	\$
Interest Earnings			
Investments			
- Reserve Funds	78,520	55,000	55,594
- Other Funds	129,168	110,000	114,402
Other Interest Revenue (<i>refer Note 26</i>)	50,018	71,000	73,969
	<u>257,706</u>	<u>236,000</u>	<u>243,965</u>

Significant Revenue

In line with government policy on stimulating the economy, the Shire has received its 1st half Financial Assistance Grants for 2012/2013, comprising \$457,142 (Untied Road Grant) and \$249,727 (Untied General Grant). These funds have been included in the carried forward surplus.

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

2. Revenues & Expenses (Continued)

(b) Statement of Objective

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

Our Vision

We see families and economic development as the mainstay for creating a community that will provide everything that is needed: economic security, safety and social networks within an environment that is clean and safe. A district where people will come to raise families because of educational opportunities, health facilities, economic infrastructure and a variety of housing opportunities.

General Purpose Funding

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

Activities: Rates, general purpose government grants and investments.

Governance

Objective: To provide a decision making process for the efficient allocation of scarce 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: Fire prevention, emergency services, animal control and administration of local laws.

Health

Objective: To provide an operational framework for good community health.

Activities: Food quality and pest control, immunisation services, inspection of abattoir and provision of child health clinic building.

Education and Welfare

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

Activities: Operation of Home and Community Care and the provision of the Booth Street Kindergarten building. Assistance to playgroup, Plantagenet Village Homes and other voluntary services.

Community Amenities

Objective: Provide services required by the community.

Activities: Rubbish collection services, cemeteries, public toilets, operation of refuse sites and administration of the Town Planning Scheme.

Recreation and Culture

Objective: To establish and manage infrastructure and resources to assist the social well being of the community.

Activities: Operation of community halls and pavilions, ovals, public swimming pool, libraries, art gallery, recreation centre and various reserves. Provision of Mitchell House (art centre).

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

2. Revenues & Expenses (Continued)

(b) Statement of Objective (Continued)

Transport

Objective: To provide effective and efficient transport infrastructure to the community.

Activities: Construction and maintenance of streets, roads and bridges and lighting of streets.

Economic Services

Objective: To promote the Shire and improve its economic wellbeing.

Activities: The development of tourism and area promotion. Regulation of building control.

Provision of standpipes.

Other Property and Services

Activities: Private works, Public works and plant overhead allocations.

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening Balance (*) 1-Jul-10 \$	Received (+) 2010/2011 \$	Expended (#) 2010/2011 \$	Closing Balance (*) 30-Jun-11 \$	Received (+) 2011/12 \$	Expended (#) 2011/12 \$	Closing Balance 30-Jun-12 \$
CLGF - Royalties for Regions	Various Projects	626,169	0	(520,837)	105,332	0	(105,332)	0
CLGF - Royalties for Regions	Forward Capital Works Plan	35,000	0	(16,862)	18,138	0	(6,295)	11,843
Office of Crime Prevention	Mount Barker Youth Space & Skate Park	20,000	0	(20,000)	0	0	0	0
Dep't of Transport - RLCIP	Forest Hill Hall & Public Art (Crane)	0	30,000	(15,000)	15,000	0	(15,000)	0
Dep't of Agriculture and Food	Dry Season Scheme	0	20,000	(4,618)	15,382	0	(15,382)	0
Dep't of Regional Development	Mount Barker Community Centre - Co-Location	0	90,000	(66,612)	23,388	0	(23,388)	0
Disability Services Commission	Accessible Communities - Wilson Park	0	5,664	0	5,664	0	(5,664)	0
Department of Local Government	Asset Management Capacity Building	0	70,000	0	70,000	0	(38,132)	31,868
Department of Local Government	Long Term Financial Plan	0	25,000	0	25,000	0	(6,700)	18,300
Roads to Recovery	Capital Roadworks (2010/2011)	0	408,161	(283,697)	124,464	311,691	(456,853)	0
Department of Local Government	Strategic Community Plan	0	0	0	0	45,000	(41,569)	3,431
Wescress	Roadworks - Spring Road	0	0	0	0	48,436	0	48,436
WALGA	Road Safety Grant	0	0	0	0	8,100	0	8,100
Dept of Sport and Recreation	Kidsport Program	0	0	0	0	29,000	(11,790)	17,210
DEC	Mt Barker Wetlands Project	0	0	0	0	40,000	(2,207)	37,793
Office of Crime Prevention	CCTV Expansion	0	0	0	0	24,300	0	24,300
Total		681,169	648,825	(927,627)	402,367	506,527	(728,311)	201,282

Notes:

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

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

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

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

	Note	2012 \$	2011 \$
3. Cash and Cash Equivalents			
Unrestricted		1,502,321	760,314
Restricted		1,601,264	1,314,643
		<u>3,103,585</u>	<u>2,074,958</u>

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

Employee Entitlements Reserve	12	5,068	11,163
Plant Replacement Reserve	12	404,492	94,398
Town Drainage Reserve	12	95,389	88,553
Great Southern Regional Cattle Saleyards Reserve	12	96,158	21,342
Land Rehabilitation Reserve	12	0	0
Kendenup Hall and Grounds Reserve	12	0	0
New Waste Disposal Site Reserve	12	251,157	218,578
Recreation Facilities Reserve	12	0	0
Computer Software/Hardware Upgrade Reserve	12	27,205	21,342
Kendenup Townsite Study Reserve	12	0	0
Outstanding Land Resumptions Reserve	12	27,270	23,904
Shire Development and Building Improvements Reserve	12	225,662	295,899
Natural Disaster Reserve	12	111,585	65,996
Plantagenet Medical Centre Reserve	12	87,045	42,685
Recycling Bin Reserve	12	48,952	
Unspent Grants	2(c)	201,282	402,367
Unspent Loans	21(c)	20,000	28,415
		<u>1,601,264</u>	<u>1,314,643</u>

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

4(a). Trade and Other Receivables	2012 \$	2011 \$
Current		
Rates Outstanding	212,975	190,693
Sundry Debtors	151,007	613,285
Other Receivables	8,120	9,320
GST Receivable	64,261	0
Loans - Clubs / Institutions	17,570	18,017
Provision For Doubtful Debts	(2,091)	(2,091)
	<u>451,842</u>	<u>829,224</u>
Non-Current		
Rates Outstanding - Pensioners	22,592	31,521
Loans - Clubs / Institutions	109,363	126,934
	<u>131,955</u>	<u>158,455</u>
4(b). Other Financial Assets		
Investment in Mount Barker Co-operative shares - shareholding of 8,099 shares at cost	4,692	4,692
	<u>4,692</u>	<u>4,692</u>
5. Inventories		
Current		
Fuel and Materials	49,204	65,107
	<u>49,204</u>	<u>65,107</u>
6. Property, Plant and Equipment		
Land and Buildings - Cost	17,036,737	16,276,861
Less Accumulated Depreciation	(3,425,989)	(3,016,484)
	<u>13,610,749</u>	<u>13,260,377</u>
Land and Buildings - Work in Progress - Cost	0	0
	<u>0</u>	<u>0</u>
Furniture and Equipment - Cost	1,103,077	940,036
Less Accumulated Depreciation	(822,325)	(726,736)
	<u>280,751</u>	<u>213,300</u>
Plant and Equipment - Cost	8,405,095	7,940,356
Less Accumulated Depreciation	(3,945,574)	(3,427,199)
	<u>4,459,521</u>	<u>4,513,157</u>
	<u>18,351,021</u>	<u>17,986,834</u>

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

6. Property, Plant and Equipment (Continued)

Movements in Carrying Amounts

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 at 1 July 2011	13,260,377	213,300	4,513,157	17,986,834
Additions	765,823	163,041	914,689	1,843,552
Disposals	(5,377)	0	(199,536)	(204,912)
Revaluation Increments (Decrements)	0	0	0	0
Impairment - (losses)/reversals	0	0	0	0
Depreciation expense	(397,857)	(95,590)	(768,788)	(1,262,235)
Amortisation expense	(12,217)	0	0	(12,217)
Other Movements	0	0	0	0
Carrying amount at 30 June 2012	<u>13,610,749</u>	<u>280,751</u>	<u>4,459,521</u>	<u>18,351,021</u>

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

7. Infrastructure	2012 \$	2011 \$
Roads - Cost	90,413,827	88,146,383
Less Accumulated Depreciation	<u>(46,955,499)</u>	<u>(44,427,158)</u>
	43,458,328	43,719,226
Drains - Cost	1,160,259	1,130,976
Less Accumulated Depreciation	<u>(53,232)</u>	<u>(38,152)</u>
	1,107,027	1,092,823
Footpaths - Cost	736,890	680,820
Less Accumulated Depreciation	<u>(49,234)</u>	<u>(32,214)</u>
	687,656	648,606
Parks & Ovals - Cost	506,473	489,479
Less Accumulated Amortisation	<u>0</u>	<u>0</u>
	506,473	489,479
Recreation Facilities - Cost	1,350,170	1,325,914
Less Accumulated Amortisation	<u>(871,360)</u>	<u>(802,224)</u>
	478,810	523,690
	<u>46,238,294</u>	<u>46,473,824</u>

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

7. Infrastructure (Continued)

Movements in Carrying Amounts

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 & Ovals \$	Recreation Facilities \$	Total \$
Balance at 1 July 2011	43,719,225	648,606	1,092,823	489,479	523,691	46,473,823
Additions	2,267,445	56,071	29,284	16,994	24,256	2,394,049
Disposals	0	0	0	0	0	0
Revaluation Increments (Decrements)	0	0	0	0	0	0
Impairment - (losses)/reversals	0	0	0	0	0	0
Depreciation expense	(2,528,342)	(17,021)	(15,080)	0	0	(2,560,442)
Amortisation expense	0	0	0		(69,136)	(69,136)
Other Movements	0	0	0	0	0	0
Carrying amount at 30 June 2012	<u>43,458,328</u>	<u>687,656</u>	<u>1,107,027</u>	<u>506,473</u>	<u>478,810</u>	<u>46,238,294</u>

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

	2012	2011
	\$	\$
8. Trade and Other Payables		
Current		
Sundry Creditors	387,043	173,158
Other Creditors	62,395	43,973
GST Payable	0	145
ESL Liability	416	(577)
Accrued Interest on Debentures	2,955	3,192
Accrued Salaries and Wages	100,451	74,376
	<u>553,261</u>	<u>294,267</u>
9. Long-Term Borrowings		
Current		
Secured by Floating Charge		
Debentures	148,370	142,639
	<u>148,370</u>	<u>142,639</u>
Non-Current		
Secured by Floating Charge		
Debentures	2,197,936	2,346,307
	<u>2,197,936</u>	<u>2,346,307</u>
Additional detail on borrowings is provided in Note 21.		
10. Provisions		
Current		
Provision for Annual Leave	348,008	325,680
Provision for Long Service Leave	321,185	262,758
	<u>669,193</u>	<u>588,438</u>
Non-Current		
Provision for Long Service Leave	77,975	58,642
	<u>77,975</u>	<u>58,642</u>

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

	2012 \$	2012 Budget \$	2011 \$
11. Reserves - Cash Backed			
(a) Employee Entitlements Reserve			
Opening Balance	11,163	10,912	5,461
Amount Set Aside / Transfer to Reserve	459	453	5,702
Amount Used / Transfer from Reserve	<u>(6,554)</u>	<u>0</u>	<u>0</u>
	<u>5,068</u>	<u>11,365</u>	<u>11,163</u>
(b) Plant Replacement Reserve			
Opening Balance	94,398	111,967	213,461
Amount Set Aside / Transfer to Reserve	475,425	466,127	405,938
Amount Used / Transfer from Reserve	<u>(165,332)</u>	<u>(450,000)</u>	<u>(525,000)</u>
	<u>404,492</u>	<u>128,094</u>	<u>94,398</u>
(c) Town Drainage Reserve			
Opening Balance	88,553	87,104	62,983
Amount Set Aside / Transfer to Reserve	25,356	24,124	25,570
Amount Used / Transfer from Reserve	<u>(18,520)</u>	<u>0</u>	<u>0</u>
	<u>95,389</u>	<u>111,228</u>	<u>88,553</u>
(d) Great Southern Regional Cattle Saleyards Reserve			
Opening Balance	21,342	20,574	0
Amount Set Aside / Transfer to Reserve	74,816	72,640	21,342
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>96,158</u>	<u>93,214</u>	<u>21,342</u>
(e) Land Rehabilitation Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>0</u>
(f) Kendenup Hall and Grounds Reserve			
Opening Balance	0	0	1,933
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>(1,933)</u>
	<u>0</u>	<u>0</u>	<u>0</u>
(g) New Waste Disposal Site Reserve			
Opening Balance	218,578	215,813	184,830
Amount Set Aside / Transfer to Reserve	32,579	29,463	33,748
Amount Used / Transfer from Reserve	<u>0</u>	<u>(47,727)</u>	<u>0</u>
	<u>251,157</u>	<u>197,549</u>	<u>218,578</u>
(h) Recreation Facilities Reserve			
Opening Balance	0	0	31,072
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>(31,072)</u>
	<u>0</u>	<u>0</u>	<u>0</u>

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

	2012 \$	2012 Budget \$	2011 \$
11. Reserves - Cash Backed (continued)			
(i) Computer Software/Hardware Upgrade Reserve			
Opening Balance	21,342	20,574	0
Amount Set Aside / Transfer to Reserve	21,863	21,364	21,342
Amount Used / Transfer from Reserve	<u>(16,000)</u>	<u>0</u>	<u>0</u>
	<u>27,205</u>	<u>41,938</u>	<u>21,342</u>
(j) Kendenup Townsite Study Reserve			
Opening Balance	0	0	4,705
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>(4,705)</u>
	<u>0</u>	<u>0</u>	<u>0</u>
(k) Outstanding Land Resumptions Reserve			
Opening Balance	23,904	23,523	17,400
Amount Set Aside / Transfer to Reserve	3,366	3,027	6,504
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>27,270</u>	<u>26,550</u>	<u>23,904</u>
(l) Shire Development and Building Improvements Reserve			
Opening Balance	295,899	287,467	119,577
Amount Set Aside / Transfer to Reserve	24,255	22,181	176,322
Amount Used / Transfer from Reserve	<u>(94,492)</u>	<u>(197,500)</u>	<u>0</u>
	<u>225,662</u>	<u>112,148</u>	<u>295,899</u>
(m) Natural Disaster Reserve			
Opening Balance	65,996	64,776	41,845
Amount Set Aside / Transfer to Reserve	45,589	43,708	24,151
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>111,585</u>	<u>108,484</u>	<u>65,996</u>
(n) Plantagenet Medical Centre Reserve			
Opening Balance	42,685	41,149	0
Amount Set Aside / Transfer to Reserve	44,360	42,728	42,685
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>87,045</u>	<u>83,877</u>	<u>42,685</u>
(o) Recycling Bin Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	48,952	47,687	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>48,952</u>	<u>47,687</u>	<u>0</u>
Total Reserves	<u>1,379,982</u>	<u>962,134</u>	<u>883,861</u>

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

11. Reserves - Cash Backed (continued)

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

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

Employee Entitlements Reserve

To fund sick, annual and long service leave entitlements for former staff called upon by other local governments.

Plant Replacement Reserve

For the purchase of passenger vehicles and plant and machinery.

Town Drainage Reserve

For the planning and construction of major townsite drainage works.

Great Southern Regional Cattle Saleyard Reserve

For required capital improvements to the Saleyards.

Land Rehabilitation Reserve

For the rehabilitation of the old saleyards site on Woogenellup Road.

Kendenup Hall and Grounds Reserve

For the maintenance / Improvements to the Kendenup Hall & Grounds. (Funds transferred to Shire Development and Building Improvements Reserve and cancelled)

New Waste Disposal Site Reserve

For the construction of a new waste disposal site for the Shire of Plantagenet

Recreation Facilities Reserve

To improve and develop the Council's recreation facilities. (Funds transferred to Shire Development and Building Improvements Reserve and cancelled)

Computer Software/Hardware Upgrade Reserve

For the upgrade of business system software and hardware with latest versions and additional functionality

Kendenup Townsite Study

For the payment of a study into Kendenup Townsite Development. (Funds transferred to Shire Development and Building Improvements Reserve and cancelled)

Outstanding Land Resumptions Reserve

For old / outstanding obligations for land resumptions associated with road realignments and the like.

Shire Development and Building Improvements Reserve

For planned major projects, developments and planned major building improvements and refurbishments.

Natural Disaster Reserve

For the Council's proportion of natural disaster events in the Shire of Plantagenet.

Plantagenet Medical Centre Reserve

For major building improvements and refurbishments to the Plantagenet Medical Centre.

Recycling Bin Reserve

For the purchase of recycling bins to enable such a service to be implemented.

The majority of these reserves are not expected to be used within a set period as further transfers to the reserve accounts are expected as funds are utilised. The New Waste Disposal Site Reserve will be increased until the Council is in a position to determine when it can purchase additional land for a new site. This decision is subject to a number of complicating factors, such as a formal Council decision to purchase a preferred site and discussions with other local governments in regard to possible joint operations.

The Land Rehabilitation Reserve will be funded from part of the proceeds of sale of old depot site land in Menston Street. This will probably not be for some years as the site is still being decontaminated and will need to be subdivided and put on the market at an appropriate time. At that point, the Council will consider an allocation to the rehabilitation of the old saleyards site in Woogenellup Road.

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

12. Reserves - Asset Revaluation	2012 \$	2011 \$
Asset revaluation reserves have arisen on revaluation of the following classes of non-current assets:		
Bushfire Equipment		
Balance as at 1 July 2011	79,200	79,200
Revaluation Increment	0	0
Revaluation Decrement	0	0
Balance as at 30 June 2012	<u>79,200</u>	<u>79,200</u>
Total Asset Revaluation Reserves	<u>79,200</u>	<u>79,200</u>

13. 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. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	2012 \$	2012 Budget \$	2011 \$
Cash and Cash Equivalents	<u>3,103,585</u>	<u>997,814</u>	<u>2,074,958</u>

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

Net Result	521,059	1,140,331	3,987,678
Amortisation	81,354	77,882	79,501
Depreciation	3,822,677	3,778,068	3,651,776
(Profit) / Loss on Sale of Asset	(9,324)	67,396	(79,647)
(Increase) / Decrease in Receivables	385,865	376,382	268,361
(Increase) / Decrease in Inventories	15,903	18,789	(12,318)
Increase / (Decrease) in Payables	258,994	(204,807)	(115,824)
Increase / (Decrease) in Employee Provisions	100,088	0	32,632
Grants / Contributions for the Development of Assets	(2,104,851)	(2,506,715)	(4,551,025)
Net Cash From Operating Activities	<u>3,071,765</u>	<u>2,747,326</u>	<u>3,261,136</u>

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

13. Notes to the Statement of Cash Flows (Continued)

(c) Undrawn Borrowing Facilities	2012	2011
	\$	\$
Credit Standby Arrangements		
Bank Overdraft limit	500,000	500,000
Bank Overdraft at Balance Date	0	0
Credit Card limit	10,000	10,000
Credit Card Balance at Balance Date	<u>0</u>	<u>0</u>
Total Amount of Credit Unused	<u>510,000</u>	<u>510,000</u>
Loan Facilities		
Loan Facilities - Current	148,370	142,639
Loan Facilities - Non-Current	<u>2,197,936</u>	<u>2,346,307</u>
Total Facilities in Use at Balance Date	<u>2,346,307</u>	<u>2,488,946</u>
Unused Loan Facilities at Balance Date	<u>20,000</u>	<u>28,415</u>

14. Contingent Liabilities

The Council has a joint contingent liability with the Baptist Union of WA for the repayment of a \$100,000 loan (for the Mount Barker Community Centre) to the Minister for Regional Development in the event of default of the service at the new centre. The Council has received a letter from the Baptist Union of WA advising that they have undertaken to carry on the service in event of the local Baptist Church defaulting.

15. Capital & Leasing Commitments

(a) Finance Lease Commitments

There are no outstanding finance lease commitments at 30 June 2012.

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts.

Payable:

	2012	2011
	\$	\$
- not later than one year	24,846	11,327
- later than one year but not later than five years	<u>29,182</u>	<u>0</u>
	<u>54,028</u>	<u>11,327</u>

(c) Capital Expenditure Commitments

Contracted for:

- Capital expenditure project (Community Centre / Library)	0	158,344
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Payable:

- not later than one year	0	158,344
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Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

16. Joint Venture

The Minister of Education and the Shire of Plantagenet jointly funded the construction of the School and Community Recreation Centre during 1997/1998. The Recreation Centre was built on land vested in the Ministry of Education which has granted the Shire a 21 year licence to use the facilities for recreational purposes. Whilst utilities and maintenance expenses are to be shared, garden maintenance costs are to be borne entirely by the Ministry. The Council's share of these assets as follows:

	2012	2011
	\$	\$
Non-Current Assets		
Plant and Equipment	1,350,170	1,325,914
Less: Accumulated Amortisation	<u>(871,360)</u>	<u>(802,224)</u>
	<u><u>478,810</u></u>	<u><u>523,690</u></u>

17. Total Assets Classified by Function and Activity

Governance	2,977,448	2,970,073
Law, Order, Public Safety	2,039,006	2,001,044
Health	33,692	24,655
Education and Welfare	73,165	74,927
Community Amenities	3,057,145	2,991,077
Recreation and Culture	4,170,991	3,757,628
Transport	45,253,012	45,460,654
Economic Services	3,219,384	3,234,663
Other Property and Services	3,765,472	3,945,936
Unallocated	<u>3,741,280</u>	<u>3,132,437</u>
	<u><u>68,330,595</u></u>	<u><u>67,593,094</u></u>

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

	2012	2011	2010
18. Financial Ratios			
Current Ratio	1.489	1.688	0.989
Untied Cash to Unpaid Trade Creditors Ratio	3.882	4.391	-0.021
Debt Ratio	0.053	0.051	0.088
Debt Service Ratio	0.036	0.065	0.065
Gross Debt to Revenue Ratio	0.306	0.279	0.556
Gross Debt to			
Economically Realisable Assets Ratio	0.106	0.117	0.244
Rate Coverage Ratio	0.545	0.325	0.366
Outstanding Rates Ratio	0.039	0.038	0.117

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{Current assets minus restricted current assets}}{\text{Current liabilities minus liabilities associated with restricted assets}}$
Untied Cash to Unpaid Trade Creditors Ratio	$\frac{\text{Untied cash}}{\text{Unpaid trade creditors}}$
Debt Ratio	$\frac{\text{Total liabilities}}{\text{Total assets}}$
Debt Service Ratio	$\frac{\text{Debt Service Cost (Principal \& Interest)}}{\text{Available operating revenue}}$
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 Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

19. Trust Funds

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

	Balance 30-Jun-11 \$	Amounts Received \$	Amounts Paid \$	Balance 30-Jun-12 \$
Feral Pig Eradication Committee	17,318	35,199	0	52,517
Middleward BFB Funds	0			0
Contribution - Public Open Space	167,992			167,992
Contribution - Roadworks	8,631			8,631
Bonds - Planning Advertising	3,000	3,500	(2,117)	4,383
Bonds - Relocatable Dwelling	77500	10,000	(16,000)	71,500
Bonds - Extractive Industries	10,000			10,000
Bonds - Road Construction Guarantee	93,216	298,555	(9,874)	381,898
Bonds - Tree / Garden / Planting	4,309	3,559	(1,952)	5,916
Bonds - Subdivisional	4,000			4,000
Bonds - Parking	3,000			3,000
Bonds - Footpath	9835	4,000		13,835
Bonds - Other	4,516	190	(751)	3,956
Bonds - Councillor Nomination	0	80	(80)	0
	<u>403,317</u>	<u>355,083</u>	<u>(30,773)</u>	<u>727,628</u>

20. Disposals of Assets - 2011/2012 Financial Year

The following assets were disposed of during the year:

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Plant and Equipment						
<i>Governance</i>						
Mitsubishi Outlander - DCEO	20,525	30,465	19,545	19,545	(979)	(10,920)
<i>Law, Order and Public Safety</i>						
Toyota Hilux - Ranger	14,567	25,960	29,091	29,090	14,524	3,130
Ford Ranger - CESM (Not Sold)	0	22,184	0	22,730	0	546
<i>Health</i>						
Hyundai i45 - EHO	21,374	26,620	20,000	20,000	(1,374)	(6,620)
<i>Community Amenities</i>						
Mitsubishi Triton - Manager Development Services	24,181	34,380	23,636	21,700	(545)	(12,680)
Mitsubishi Lancer - Planning Officer	8,857	13,283	9,545	9,500	689	(3,783)
<i>Economic Services</i>						
Toyota Aurion - Principal Building Surveyor	10,872	16,305	10,909	11,360	37	(4,945)
Toyota Hilux Ute - Building Maintenance Officer	0	2,942	7,273	7,250	7,273	4,308
Toyota Hilux - Cleaner	101	3,815	8,636	8,600	8,535	4,785
Saleyards Cattle Crush	5,377	0	4,573	0	(804)	0
<i>Other Property & Services</i>						
Mitsubishi Triton - Principal Works Supervisor	26,022	31,680	22,727	22,700	(3,295)	(8,980)
Mack Hook Lift Truck (Not Sold)	0	28,328	0	25,000	0	(3,328)
Sewell Road Broom (Not Sold)	0	22,483	0	11,500	0	(10,983)
Hino Truck (Small)	31,728	42,479	24,545	29,418	(7,182)	(13,062)
Isuzu Crew Cab	27,109	32,360	25,455	34,671	(1,655)	2,311
Howard Slasher	720	1,799	1,000	1,000	280	(799)
Troy Bilt Mower	3,680	0	800	0	(2,880)	0
Kubota Tractor Mower and Trailer	9,800	13,475	6,500	7,100	(3,300)	(6,375)
TOTAL	204,912	348,559	214,236	281,163	9,324	(67,396)

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

21. Information On Borrowings

(a) Repayments - Debentures

Particulars	Principal 01-Jul-11 \$	Principal Repayments		Principal 30-Jun-12		Interest Repayments	
		Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Governance							
New Administration Centre (90)	2,183,995	104,622	104,622	2,079,373	2,079,373	127,111	127,245
Health							
Medical Centre (92)	160,000	20,000	20,000	140,000	140,000	0	0
Recreation and Culture							
*Mount Barker Golf Club (86)	1,655	1,656	1,656	0	0	74	81
*Mount Barker Golf Club (91)	143,295	16,361	16,361	126,934	126,934	10,123	10,219
	2,488,946	142,639	142,639	2,346,307	2,346,306	137,307	137,545

(*) Self supporting loan financed by payments from third parties.

(b) New Debentures - 2011/2012

The Council did not take out any new debentures during the 2011/2012 financial year.

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 30-Jun-11 \$	Borrowed During Year \$	Expended During Year \$	Balance 30-Jun-12 \$
Remedial Works Saleyards (89)	April 2005	28,415	0	(8,415)	20,000
		28,415	0	(8,415)	20,000

While Loan No. 89 was fully repaid to the WATC during in 2010/2011, a sum of \$20,000 remains unspent from this debenture as a part of internal spending controls. This sum is expected to be fully spent during 2012/2013.

(d) Overdraft

The Council established an overdraft facility of \$800,000 in 2008/2009 to assist with short term liquidity requirements. This was reduced to \$500,000 in 2009/2010. The balance of the bank overdraft at 1 July 2011 and 30 June 2012 was \$Nil.

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

22. Rating Information - 2011/2012 - Financial Year

(a) Rates

Rate Type	Rate In \$	Number Of Properties	Original Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
General Rate											
GRV - Mount Barker Townsite	10.42128	751	7,976,350	831,238	10,985	(9)	842,214	831,238	4,000	0	835,238
GRV - Strata Title	10.42128	4	35,516	3,701	2,108	16	5,825	3,701	0	0	3,701
GRV - Rural Townsites	10.42128	172	1,422,590	148,252	211	(376)	148,087	148,252	1,000	0	149,252
GRV - Rural	10.42128	51	1,340,598	139,707	(2,152)	0	137,555	139,707	0	0	139,707
UV - Rural	0.56882	1,318	581,086,000	3,305,333	5,627	0	3,310,961	3,305,333	5,000	0	3,310,333
Sub-Totals		2,296	591,861,054	4,428,232	16,779	(370)	4,444,642	4,428,232	10,000	0	4,438,232
Minimum Rates	Minimum \$										
GRV - Mount Barker Townsite	695	256	1,269,995	177,920	(2,085)	0	175,835	177,920	0	0	177,920
GRV - Strata Title	695	88	175,900	61,160	(1,390)	0	59,770	61,160	0	0	61,160
GRV - Rural Townsites	695	356	920,527	247,420	3,475	0	250,895	247,420	0	0	247,420
GRV - Rural	695	23	127,768	15,985	1,390	0	17,375	15,985	0	0	15,985
UV - Rural	695	282	27,752,800	195,990	0	0	195,990	195,990	0	0	195,990
UV - Mining	695	8	86,240	5,560	2,271	0	7,831	5,560	0	0	5,560
Sub-Totals		1,013	30,333,230	704,035	3,661	0	707,696	704,035	0	0	704,035
Totals				5,132,267			5,152,337				5,142,267

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

22. Rating Information - 2011/2012 - Financial Year (Continued)

(b) Information on Surplus/(Deficit) Brought Forward	2012 (1 July 2011 Brought Forward) \$	2011 (30 June 2011 Carried Forward) \$
Surplus/(Deficit) 1 July Brought Forward	<u><u>1,824,389</u></u>	<u><u>1,824,389</u></u>
<u>Comprises:</u>		
Cash - Unrestricted	760,315	760,315
Cash - Restricted	1,314,643	1,314,643
Investments - Restricted	0	0
Rates - Current	190,693	190,693
Sundry Debtors	622,605	622,605
GST Receivable	0	0
Inventories	65,107	65,107
Less:		
Reserves - Restricted Cash		
- Employee Entitlements Reserve	(11,163)	(11,163)
- Plant Replacement Reserve	(94,398)	(94,398)
- Town Drainage Reserve	(88,553)	(88,553)
- Great Southern Regional Cattle Saleyards Reserve	(21,342)	(21,342)
- Land Rehabilitation Reserve	(0)	(0)
- Kendenup Hall and Grounds Reserve	-	-
- New Waste Disposal Site Reserve	(218,578)	(218,578)
- Recreation Facilities Reserve	-	-
- Computer Software/Hardware Upgrade Reserve	(21,342)	(21,342)
- Kendenup Townsite Study Reserve	-	-
- Outstanding Land Resumptions Reserve	(23,904)	(23,904)
- Shire Development and Building Improvements Reser	(295,899)	(295,899)
- Natural Disaster Reserve	(65,995)	(65,995)
- Plantagenet Medical Centre Reserve	(42,685)	(42,685)
- Unspent Loans	(28,415)	(28,415)
Sundry Creditors	<u>(216,699)</u>	<u>(216,699)</u>
Surplus/(Deficit)	<u><u>1,824,389</u></u>	<u><u>1,824,389</u></u>

Difference:

There was no difference between the Surplus/(Deficit) 1 July 2011 Brought Forward position used in the 2012 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2011 audited financial report.

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

23. Specified Area Rate - 2011/2012 Financial Year

There were no specified area rates levied in the 2011/2012 financial year.

24. Service Charges - 2011/2012 Financial Year

There were no service charges levied in the 2011/2012 financial year.

25. Discounts, Incentives, Concessions and Write-Offs - 2011/2012 Financial Year

	Type	Disc %	Total Cost / Value \$	Budget Cost / Value \$
Rate Assessment	Write-Off	N/A	2,768	0

Rates balances under \$5.00 are written off at the end of each year.

26. Interest Charges and Instalments - 2011/2012 Financial Year

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00	N/A	31,388	55,000
Interest on Instalment Plans	5.50	N/A	18,630	16,000
Charges on Instalment Plans	N/A	5.00	12,240	13,500
			62,258	84,500

Ratepayers had the option of paying rates in four equal instalments, due on 17 August 2011, 19 October 2011, 4 January 2012 and 7 March 2012. Administration charges and interest applied for the final three instalments.

27. Fees and Charges	2012 \$	2011 \$
Governance	7,332	7,487
General Purpose Funding	27,676	26,638
Law, Order, Public Safety	8,944	18,317
Health	66,612	70,597
Education and Welfare	322	252
Community Amenities	343,044	649,923
Recreation and Culture	200,808	177,110
Transport	745	418
Economic Services	769,757	897,942
Other Property and Services	220,522	263,360
	<u>1,645,761</u>	<u>2,112,044</u>

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

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

28. Grant Revenue

Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income.

	2012	2011
	\$	\$
By Nature and Type:		
Operating Grants, Subsidies and Contributions	2,452,638	2,383,741
Non-Operating Grants, Subsidies and Contributions	<u>1,650,697</u>	<u>4,660,042</u>
	<u><u>4,103,336</u></u>	<u><u>7,043,783</u></u>
By Program:		
Governance	106,240	125,561
General Purpose Funding	1,825,102	1,419,060
Law, Order, Public Safety	433,105	576,622
Health	0	0
Education and Welfare	0	3,705
Community Amenities	25,647	1,837
Recreation and Culture	396,917	996,633
Transport	1,097,313	1,398,537
Economic Services	218,231	2,521,373
Other Property and Services	780	456
	<u><u>4,103,336</u></u>	<u><u>7,043,783</u></u>

29. Councillors' Remuneration

The following fees, expenses and allowances were paid to Councillors and / or the Shire President.

	2012	2012	2011
	\$	Budget	\$
		\$	
President's Allowance	5,916	5,795	6,170
Deputy President's Allowance	1,328	1,449	1,589
Elected Members' Sitting Fees	70,001	70,000	71,166
Travelling Allowance	2,673	5,000	1,560
Councillors Incidental Expenses	10,738	12,500	9,437
Conferences & Training	16,171	20,000	17,324
	<u>106,827</u>	<u>114,744</u>	<u>107,246</u>

30. Employee Numbers

The number of full-time equivalent employees at balance date.

	2012	2011
	<u>59</u>	<u>53</u>

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

31. Major Land Transactions

The Council did not participate in any major land transactions during the 2011/2012 financial year.

32. Trading Undertakings and Major Trading Undertakings

The Great Southern Regional Cattle Saleyards	2012 \$	2012 Budget \$	2011 \$
Number of Cattle Sold	66,003	60,000	74,899
Operating Revenue			
Agent Contributions	62,669	63,524	81,961
Entry Fees	12,015	12,800	12,000
Saleyard Weigh & Pen Fees	469,323	473,891	524,511
Other Operating Income	9,230	5,261	10,441
Avdata Income	19,075	15,031	18,687
NLIS Tagging	10,388	11,991	15,520
Hay Feeding	6,940	17,886	63,396
Stock Removal	4,900	3,281	5,193
Sale of Manure	4,451	4,401	3,572
Shippers / Private Weigh	15,187	19,171	23,221
Profit on Sale of Assets	0	0	4,931
	<u>614,179</u>	<u>627,237</u>	<u>763,433</u>

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

32. Trading Undertakings and Major Trading Undertakings (Continued)

The Great Southern Regional Cattle Saleyards	2012 \$	2012 Budget \$	2011 \$
Operating Expenditure			
Conferences & Training	1,256	4,000	307
Workers Compensation Insurance	5,486	6,050	6,038
Salaries	178,803	190,550	183,580
Superannuation	15,436	16,035	15,432
Relief Staff / Contractors	0	0	0
Uniforms, Clothing & Accessories	989	2,000	992
Travel & Accommodation	488	1,000	0
Medicals & Vaccinations	65	500	592
Telephone	3,505	3,000	3,188
Computer Equipment Maintenance	11,479	8,500	9,226
Other Operating Costs - Office	527	1,000	8,077
Insurances	30,908	32,000	31,492
Promotional Material & Public Relations	14,555	19,000	16,942
Water Monitoring	4,265	6,000	3,894
Licence Fees	1,999	2,000	1,452
Other Operating Costs - Other	9,466	10,000	7,820
Feed Purchases	3,000	5,000	6,374
Tools & Sundry	883	2,000	0
NSQA Expenses	0	5,000	0
Environmental Services	10,026	6,000	4,797
Sludge Removal	1,885	40,000	0
Admin Services Allocation	64,145	65,853	56,976
Depreciation - Furniture & Fittings	12,039	13,840	16,575
Depreciation - Land and Buildings	87,341	95,048	86,408
Depreciation - Plant, Machinery & Equip	6,065	10,106	5,639
Loss on Sale of Assets	804	0	0
Annual Leave Accrual	935	0	(245)
Long Service Leave Accrual	638	0	241
Building Maintenance	2,719	5,000	3,114
Building Operating	17,444	32,000	32,257
Grounds Maintenance	43,413	50,000	58,179
Motor Vehicle Allocations	7,532	10,000	9,042
Loan No. 83 - Saleyards	0	0	8,847
Loan No. 84 - Saleyards	0	0	87,948
Loan No. 89 - Saleyards	0	0	58,669
Total Operating Expenditure	538,096	641,482	723,853
Operating Profit / (Loss)	76,083	(14,245)	39,580

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2012

33. Financial Risk Management

The 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.

The 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	
	2012	2011	2012	2011
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	3,103,585	2,074,957	3,103,585	2,074,957
Receivables	583,797	987,679	583,797	987,679
Available for Sale Financial Assets (Shares)	4,692	4,692	4,692	4,692
	<u>3,692,075</u>	<u>3,067,328</u>	<u>3,692,075</u>	<u>3,067,328</u>
Financial Liabilities				
Payables	553,261	294,267	553,261	294,267
Borrowings	2,346,307	2,488,946	2,245,925	2,410,006
	<u>2,899,567</u>	<u>2,783,213</u>	<u>2,799,186</u>	<u>2,704,273</u>

Fair value is determined as follows:

* Cash and Cash Equivalents, Receivables, Payables - estimated to the carrying value which approximates net market value.

* Borrowings - estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

* Available For Sale Financial Assets - based on quoted market prices at balance date or independent valuation.

(a) Cash and Cash Equivalents

Available-for-sale financial assets

The Council reviewed its Investments Policy on 1 March 2011. The Council's objective is to support the local community bank through its operating account, but to maintain sufficient diversity in order to secure the government guarantee on funds. The Council seeks a moderate return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital.

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 the Council.

The Council manages these risks by investing in low risk bank term deposits and NCD's.

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33. Financial Risk Management (Continued)

(a) Cash and Cash Equivalents (Continued)

Available-for-sale financial assets (Continued)

	30-Jun-12	30-Jun-11
	\$	\$
Impact of a 10% (*) movement in price of investments:		
- Equity	469	469
- Statement of Comprehensive Income	469 (+)	469 (+)
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	38,208	30,549
- Statement of Comprehensive Income	38,208	30,549

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.

(b) Receivables

The 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. The Council manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of the Council to recover these debts as a secured charge over the land - that is, the land can be sold to recover the debt. The 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 monitored for acceptable collection performance. The Council makes suitable provision for doubtful receivables as required.

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-12	30-Jun-11
Percentage of Rates and Annual Charges		
- Current	28.09%	19.33%
- Overdue	71.91%	80.67%
Percentage of Other Receivables		
- Current	98.06%	80.98%
- Overdue	1.94%	19.02%

Shire of Plantagenet
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33. Financial Risk Management (Continued)

(c) Payables

Borrowings

Payables and borrowings are both subject to liquidity risk - that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The 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 the Council's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

	Due Within One Year \$	Due Between One & Five Years \$	Due After Five Years \$	Total Contractual Cash Flows \$	Carrying Values \$
<u>2012</u>					
Payables	553,261	0	0	553,261	553,261
Borrowings	278,446	1,113,785	1,921,512	3,313,743	2,346,307
	<u>831,707</u>	<u>1,113,785</u>	<u>1,921,512</u>	<u>3,867,004</u>	<u>2,899,567</u>
<u>2011</u>					
Payables	294,267	0	0	294,267	294,267
Borrowings	280,182	1,113,785	2,199,958	3,593,924	2,488,946
	<u>574,449</u>	<u>1,113,785</u>	<u>2,199,958</u>	<u>3,888,192</u>	<u>2,783,213</u>

Shire of Plantagenet
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33. Financial Risk Management (Continued)

(c) Borrowings (Continued)

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

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

	<1 Year \$	>1<2 Years \$	>2<3 Years \$	>3<4 Years \$	>4<5 Years \$	>5 Years \$	Total \$	Weighted Average Effective Interest Rate %
<u>Year Ended 30 June 2012</u>								
Borrowings								
Fixed Rate								
Debentures	0	0	0	0	0	2,346,307	2,346,307	5.55%
Weighted Average Effective Interest Rate	N/A	N/A	N/A	N/A	N/A	5.55%	5.55%	
<u>Year Ended 30 June 2011</u>								
Borrowings								
Fixed Rate								
Debentures	1,656	0	0	0	0	2,487,290	2,488,946	5.53%
Weighted Average Effective Interest Rate	6.45%	N/A	N/A	N/A	N/A	5.53%	5.53%	