

SHIRE OF PLANTAGENET

12

ANNUAL REPORT

13





## Annual Report

For the Year Ended 30 June 2013

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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 <sup>2</sup>
• Number of elected members (Shire)	9
• Number of dwellings	2,464
• Number of rate assessments	3,358
• Length of sealed roads	332 km
• Length of unsealed roads	908 km
• Number of electors	3,420
• Number of bushfire brigades	12



It is with great pleasure that I present to you the 2012/2013 Annual Report for the Shire of Plantagenet. This report provides an overview of the Shire's activities during the year.

A number of key items of infrastructure and plant were progressed during 2012/2013, including:

- The tender for the redevelopment of Souness Park was let at a cost of \$5.46 million.
- \$1.85 million capital roadworks program.
- Work continued on the nature playground at Wilson Park.
- Significant works were undertaken at the O'Neill Road waste disposal site.
- The CCTV system in and around Lowood Road was upgraded and extended.
- The roof of the Tourist Bureau building was partially retiled.
- The floor at the Recreation Centre was stripped back to bare wood, all lines repainted and resealed.



In addition, now that the saleyards are fully paid for and self funded:

- Soft floor mats were installed in a large area of selling pens at the Saleyards.
- Additional holding pens were constructed on the western side of the Saleyards.
- The saleyards underwent an electrical upgrade.

I am very happy to report that the redevelopment of Souness Park finally commenced, which is one of the biggest projects undertaken by the Shire in its history. The tender for Stage 1 of the redevelopment of Souness Park was let in February 2013 at a cost of \$5.46 million, with the total project cost over \$6 million.

On 20 February 2013 I attended the turning of the sod at Souness Park and, to date, significant progress has been carried out on the realignment of the oval and the construction of clubrooms and changerooms. This project also included the purchase of part of the land known as Demon Downs from the Mount Barker Bulls Football Club for Stages 2 and 3 of the development.

During 2012/2013, there were many discussions to progress the Mount Barker Wetlands project. The wetlands area has been designed to slow the road, railway and town street drainage and to encourage the water to flow through a series of vegetated basins to help strip damaging nutrients and pollutants from the water body before it eventually ends in the Wilson Inlet system.

With the help of the RSL, the project design was modified to incorporate plans for a memorial to the ANZACs. At the time of writing, the Council is still discussing final plans for the wetlands, although it is expected that construction will be finalised in 2013/2014.

Total funds spent on grant funded roads during 2012/2013 year was 1.14 million (\$920,540 grant funds and \$221,372 Council contribution), with the main jobs being the widening and resealing of part of Yellanup Road, widening and resheeting of part of Narrikup Road and improvements in Lowood Road. In addition, the Council spent \$703,570 on Council funded road upgrades with the main jobs being in Quindabellup North Road, Lake Barnes Road, McDonald Avenue, Hay River Road and St Werburghs Road at the Hay River Floodway.

The Council continued to strongly pursue grant funding for the road network and a more equitable arrangement through the Great Southern Regional Road Group. In October 2012 Councillors Bell, Handasyde and I met with the Minister for Police Liza Harvey and discussed the crossing situations on Albany Highway and Lowood Rd.

The Saleyards continues to operate as an efficient, stand alone business unit. During 2012/2013, the 'Great Southern Regional Cattle Saleyards' was renamed the 'Mount Barker Regional Saleyards'. A function to celebrate the 75th anniversary of the livestock sales in the District was held at the Saleyards on 20 February 2013.

2012/2013 also saw the long awaited introduction of a fortnightly recycling service in January 2013. This will go a long way to help with extending the life of the Shire's waste disposal facility at O'Neill Road. The Shire also introduced a domestic kerbside refuse and recycling collection service for residents in Rocky Gully.

During the year, the Council was pleased to provide a \$1.2 million self supporting loan to Plantagenet Village Homes Inc to assist with the development of Collet Barker Court, independent village units for seniors in Marion Street, Mount Barker. The Shire borrowed this money from the Western Australian Treasury Corporation. To date, clearing of the block where the units will be built has been carried out.

This year, a lot of work was undertaken to implement a new Corporate Business Plan for the Shire, which incorporates an Asset Management Plan, Long Term Financial Plan and Workforce Plan. An updated Strategic Community Plan for the ten year period 2013-2023 was adopted 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.

In 2012/2013, the State Government undertook a review of local government in the metropolitan area, with the proposal that 30 Local Governments in the metropolitan area being reduced to 12. This will represent a big change to the industry of local government and will potentially have massive impact on rural local government as well.

Indications are that once the metropolitan amalgamations are complete, the Government will turn its attention to rural areas. The Council submitted its views on the Government's report at its 29 January 2013 Council Meeting.

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 possibility of other ways of resource sharing will continue to be looked at.

During 2012/2013, the issue of Plantagenet's low score on the Australian Early Development Index (AEDI) came into focus. The AEDI is a population measure of young children's development. It creates a snapshot of children's development in communities across Australia and is linked to the predictors of good adult health, education and social outcomes.

In April 2013, a Place of Learning Forum was held at the Community Resource Centre and was well attended by about 40 people from state government, local government, schools and concerned people. A number of subsequent meetings were held to discuss ways of ensuring the children of Plantagenet and surrounding areas are 'school ready' when they start school.

Recently, there has been some concerns raised within the Shire and community in general about the difficulty in raising volunteers. In the past, volunteers have been the lifeblood of regional Australia and no one better exemplifies this than Mrs Cecilia Sounness. On 18 January 2013, it was my great pleasure to attend the CWA meeting where the Hon Robin McSweeney presented a CWA 50 year service medal to Mrs Sounness.

St John Ambulance is an example of an organisation which would struggle without the dedication of its volunteers. In December 2012, I was very pleased to attend the opening of the extensions to the Mount Barker St John Ambulance buildings and the opening of the St John Ambulance sub-branch at Kendenup. A function was also held in February 2013 to mark the 40th anniversary of the Red Cross in Mount Barker.

Over the past 12 months, I have been invited to meet with many of our local clubs and organisations. Some of these include the Mount Barker Arts Council, Rotary Club, Community Resource Centre, Plantagenet Village Homes, Mount Barker Tourist Bureau, Plantagenet Historical Society, Kendenup First Responders, the Friends of the Mount Barker Apple Packing Shed and the District Emergency Management Committee. In September 2012, I opened the annual Plantagenet Arts Exhibition and presented the prizes for the best in each category.

The Council also held a public meeting in Kendenup to discuss a Memorandum of Understanding in regard to the proposed Kendenup Community Resource Centre and another one was held in Porongurup to discuss a number of issues raised by the community there.

As Shire President, I have also 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 ongoing arrangements with the ANZAC interpretive centre in Albany and commemorative ceremonies.

I have also had the opportunity to provide input into a myriad of groups such as WA Racing and Gaming, Container Deposit Scheme and South Coast Natural Resource Management, as well as Chairing the Great Southern Zone of the Western Australian Local Government Association.

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.



Cr Ken Clements  
Shire President



Medium sized rural authorities such as Plantagenet seem to be constantly required to *'fight above their weight'*, to use a boxing analogy.

Why is this so?

The reform that the industry of Local Government is responding to is exactly the same for all local authorities. This means that the standards and requirements are set at the same high level, no matter what resources may be available.

This year has been particularly demanding, with all staff, especially senior staff, being asked to 'fight above their weight' in order to meet deadlines relating to the Community Strategic Plan, Corporate Plan, Asset Management Plan, Long Term Financial Plan and Workforce Plan.



Completed on time and largely 'in house' the response by Plantagenet has been nothing short of exceptional. Each of these plans is now available on the Council's website.

All of this work has occurred while our normal work and high levels of customer response and service have continued.

On top of this the Council resolved, after years of planning, to commence the re-development of Sounness Park. The main construction contract of \$5.5 million was let in January 2013 with work starting almost immediately with an expected completion date of February 2014.

Royalties for Regions and the Country Local Government fund have played a key part in Stage 1. Stages 2 and 3 are, hopefully, to follow, depending on funding.

The Financial Year 2012/2013 did not see a Council election, allowing all elected representatives to settle down to the business of setting the direction for our community in line with our adopted plans. All Councillors undertake these tasks seriously, diligently and effectively. There is no doubt that the role of Councillor is changing, with more time being spent on policy matters and workshops rather than Council meetings.

In February 2013, an amendment to the Local Government (Audit) Regulations required the Council's Audit Committee to (among other things) review the appropriateness and effectiveness of the Local Government's systems and procedures in relation to risk management.

Again, this is a huge task for not only the administration but also the Councillors themselves who will be required to learn and understand new terminology and concepts.

Although Councillors receive fees (for Plantagenet it's \$7,500.00 per annum) the time required to satisfactorily undertake the roles and responsibilities of the office of Councillor grows annually.

The constant theme though, at any meeting of Councillors, is 'Does this benefit the community?' If the answer is 'yes' then it's full steam ahead. If the answer is 'no' then the response is 'why not?'



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

- A Mondurup Reserve Consultative Group was formed to liaise with the Shire in relation to the Mondurup Reserve Management Plan, which will meet six monthly or as required.
- The 'Great Southern Regional Cattle Saleyards Advisory Committee' was renamed the 'Saleyards Advisory Committee'.
- The functions of the Audit Committee were amended in line with changes made to Regulations 16 and 17 of the Local Government (Audit) Regulations 1996.
- In February 2013, the Governor of Western Australia, His Excellency Malcolm McCusker and his wife Tonya visited the Shire as part of a trip to various parts of Western Australia. A number of local people joined councillors in welcoming the Mr and Mrs McCusker.



Governor's Visit to Plantagenet

### Administration

#### Property Transactions

- At the request of Kendenup Fundraisers Incorporated the Council entered into a lease agreement for a portion of Lot 105 First Avenue, Kendenup with St John Ambulance.
- The Council authorised the purchase of approximately 1.53ha of Lot 2002 Wragg Road, Mount Barker to be incorporated into the existing road reserve of Wragg Road.
- Council approved a Memorandum of Understanding between the Narrikup Combined Sporting Association Incorporated and the Shire of Plantagenet, for the Narrikup Sporting Ground at Reserve 17849 and adjacent Crown land, Hannan Way.
- The lease to West Plantagenet Pony Club Inc for Reserves 13982, 9020 and 13852 Martagallup Road, Kendenup was renewed for a period of five years.
- The Council supported a proposal for the management of Reserve 1916 Muir Highway being transferred from the Department of Water to the Department of Environment and Conservation for addition to the Mount Roe National Park.
- The Pedestrian Access Way, Lot 300 (part Reserve 49819) Enright Way, Porongurup was permanently closed in accordance with Section 52 of the Land Administration Act 1997 and amalgamated into the adjacent road reserve.

- A Deed of Amendment of Trust pursuant to the Charitable Trust Act 1962 was implemented which provided for a realignment of the property boundary between the Community Resource Centre and Sounness Park to rectify the long standing issue of the Community Resource Centre (old recreation centre) being built over the property boundary.
- A redesign of the Mount Barker (West) Cemetery was undertaken to configure Section E to an east-west alignment and incorporating coloured concrete beams with single row head stones or bronze plaques.
- Part of Lot 119 Albany Highway, Mount Barker was leased to the Wilson Inlet Catchment Committee Incorporated (WICC) for the use of a community garden.
- The Council entered into a Memorandum of Agreement between the Shires of Broomehill-Tambellup, Cranbrook, Kojonup and Plantagenet relating to the ownership and operation of the Broomehill Regional Archive Repository in the former Broomehill Shire Offices.
- The lease for Reserve 41498 being Loc 7675, Beverley Road, Kendenup to the Kendenup Country Club Inc was renewed for a further term of 21 years.
- The Lease relating to the portion of Reserve 16271 being Lot 504, Porongurup Road Mount Barker to the Mount Barker Speedway Club (Inc) for the purposes of a Speedway was renewed for a period of five years.
- The Shire purchased part of Lot 60 Albany Highway Mount Barker to correct boundary anomalies and encroachments between the Caravan Park and the Reserve immediately to the south (old Museum Police Station complex).

## 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 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. Asset management plans will also link to a long term financial plan setting out what resources can be allocated in the coming years.

At its meeting held on 25 May 2013, the Council adopted a Stage 1 Asset Management Plan that meets basic requirements. It is based on a compilation of existing information from across the organisation. There are a number of information and process gaps that need to be filled over time to produce a more comprehensive plan. A number of recommendations cover the identified gaps and the outcome of the financial modelling.

Further work is being undertaken in regard to asset condition and survey reports for Shire roads and a Shire wide gravel re-sheeting program. This work will assist the Shire in developing Stage 2 Asset Management Plan for road assets. Stage 2 Asset Management Plans will eventually be required for buildings, parks and reserves, waste disposal sites and other assets (including saleyards, cemeteries and radio masts).

## Audits and Compliance

The 2012 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. While an audit undertaken during the year indicated a high level of compliance with processes, the Shire did not retain its Silver Certificate due to the number of workers compensation claims in the recent past.

## Staffing

The 2012/2013 year saw a number of staff changes.

In Works and Services, Megan Beech (Senior Administration/Project Officer), commenced a twelve month period of parental leave in December 2012. The position is being filled on a temporary basis by Vanessa Ward. Lisa Reynolds (Occupational Safety and Health Officer) resigned in April 2013, making a move to Busselton. The position has not been filled and the duties are currently being performed by the Works and Services Administration Officers. Chas Standish commenced as Assistant Principal Works Supervisor in July 2012. Following Jack Childs retirement in January 2013, Chas moved into the position of Principal Works Supervisor. The position of Assistant Principal Works Supervisor remains vacant.

Sharon Lynch (Telephonist) began a period of parental leave in July 2012 and Lisa Clarke subsequently commenced at the Shire as a relief Telephonist. The Shire's other part time Telephonist, Kathryn Entwistle, resigned in February 2013 and was replaced by Rachel Handasyde. At the end of her parental leave, Sharon made the decision not to return and resigned in June 2013. Lisa decided to leave at the end of her relief period and Rachel was offered the position of Telephonist on a full time basis.

In Corporate Services, Jodi Vitler (Customer Service Officer) resigned in February 2013 and was replaced by Jane Gibson. Rayona Evans (Administration Officer) commenced a twelve month period of parental leave in April 2013 and is being relieved by Isabelle Draffehn.

In Executive Services, Linda Sounness took on the half time role of Executive Officer for the Voluntary Regional Organisation of Councils (VROC) in addition to her duties as Executive Officer for the Chief Executive Officer. Abbi Saunders then commenced with the Shire as Administration Assistant in April 2013.

In the Community Services Department, Deborah de Jonge (Club Development Officer) returned to work in July 2012 after a period of parental leave, but later resigned in October 2012. Kylie Clarke took on the role in November 2012 to complete the balance of the funded period. Funding has since been extended and Kylie remains in the position. Andrew Buchanan (Community Emergency Services Manager) resigned in March 2013 and was replaced by Joanne Weekes, who made the move from the Department of Fire and Emergency Services.

At the depot, Neil Williams resigned in September 2012 and was replaced by Damian Greaves, a casual employee. Peter Lukaras from Parks and Gardens resigned in October 2012 and was replaced by Barry McHardy who moved over from a Plant Operator position. Barry was replaced at the depot by Howard Evans. Damian Hamilton, a casual employee, was offered a full time position, to replace Ronnie Jacobs who has been on an extended period of sick leave. Ronnie has recently returned to work in a limited capacity as a Transfer Station Operator. Steve Berry resigned in November 2012 and was replaced by Bradley Thomason. Damien Greaves then tendered his resignation in June 2013 and was replaced by Gordon Quicke, who has come from the Shire of Woodanilling.

## 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 (the Act). Regulations were made under S5.56 (2) of the Act in August 2011 which changed the minimum requirements to achieve this.

Councils have been 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.

At its meeting held on 12 June 2012, the Council adopted a Strategic Community Plan for the period 2012 – 2022, which followed an extensive public consultation process.

Changes were sought to the Council's adopted Strategic Community Plan by the Department of Local Government and therefore a new version of the Plan starting from 2013/2014 was developed and adopted by the Council at its meeting held on 25 June 2013.

In addition to the Strategic Community Plan, the Council also adopted a more detailed, four year Corporate Business Plan, which also incorporates the following documents:

- Asset Management Plan (Stage 1);
- Long Term Financial Plan 2013/14 – 2022/23; and
- Workforce Plan 2013/14 – 2017/18.



## CORPORATE SERVICES

### Finance

The Shire's operating net result was \$1,242,358 in 2012/2013. Rate revenue increased from \$5.15 million in 2011/2012 to \$5.46 million in 2012/2013. Outstanding borrowings increased from \$2.34 million in 2011/2012 to \$3.72 million in 2012/2013. This was as a result of a \$1.2 million self supporting loan for Plantagenet Village Homes and \$370,000 for Souness Park redevelopment.

The Council spent \$1,659,718 on land and buildings, \$3,179,989 on infrastructure capital works and \$1,276,238 on purchases of plant and equipment.

The level of reserve funds decreased from \$1,379,982 in 2011/2012 to \$1,194,770 in 2012/2013. The level of unrestricted cash at year end fell from \$1,502,321 to \$964,976 and unspent grant funds on hand increased from \$201,282 to \$695,483.

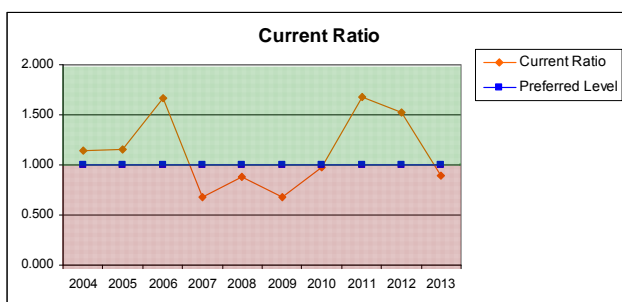
The Council received grants and contributions for the development of assets of \$2.91 million in 2012/2013. Total grants and contributions received was \$5.76 million.

Due to changes to Regulation 16 of the Local Government (Financial Management) Regulations, the Shire's Plant and Equipment was revalued at 30 June 2013 by management, with input by independent valuations for heavy plant. All of the valuations were made on the basis of open market values of similar assets adjusted for condition and comparability. The revaluation resulted in an overall decrease of \$26,182 in the net value. Furniture and equipment was also revalued by management valuation which resulted in an overall increase of \$471,415 in the net value, mainly due to the Shire's art collection.

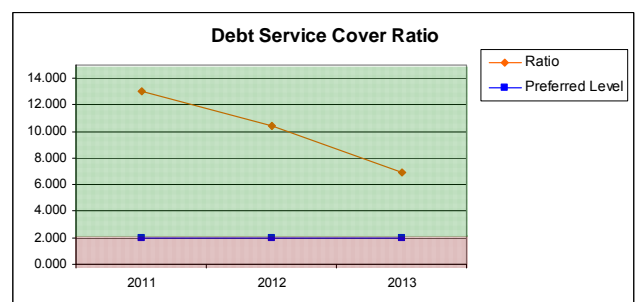
Regulation 16 also required all easements granted in favour of the Council over any land to be recorded as an asset of the Council. A total of 17 easements have been recorded in the Council's asset register, however the fair value was judged to be immaterial and no value has been applied.

### Financial Ratios

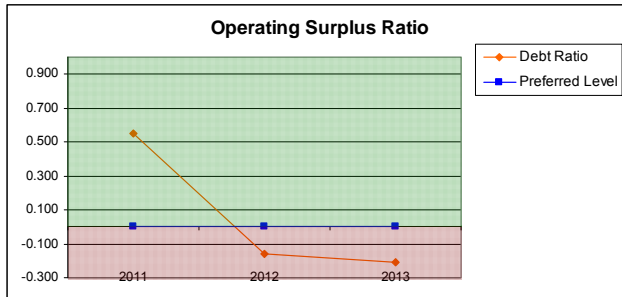
Other changes to Local Government (Financial Management) Regulations established a set of new financial ratios, which are described below:



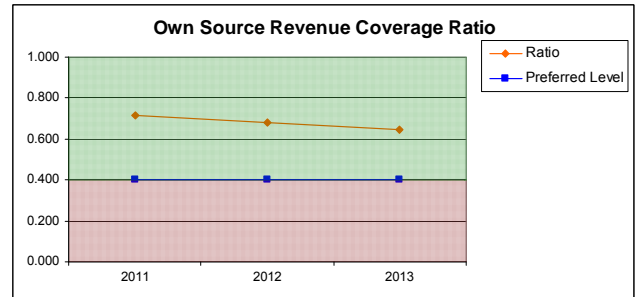
This ratio gives an indication of short term liquidity, or the ability to meet financial obligations when they fall due. The standard is met if the ratio is greater than 1.



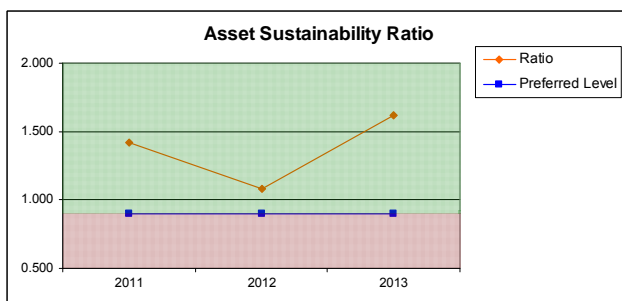
This ratio indicates an ability to repay debts. A ratio greater than 2 is desirable at a basic level and an advanced standard is met if the ratio is greater than 5.



This ratio indicates an ability to cover operational costs and have revenues available for capital funding or other purposes. A basic standard is met between 0 and 0.15. An advanced standard is met over 0.15.



This ratio indicates an ability to cover costs through own source revenue efforts. A basic standard is met between 0.4 and 0.6. An intermediate standard is met between 0.6 and 0.9. An advanced standard is met over 0.9.



This ratio indicates that to what degree the Shire is replacing or renewing existing assets at the same rate that its overall asset stock is wearing out. The standard is met if the ratio is greater than 0.9.

Other new ratios were established which cannot be measured retrospectively, as follows:

- **Asset Consumption Ratio** – This ratio measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost. The standard is met if the ratio is greater than 0.5. The standard is improving if the ratio is between 0.6 and 0.75. The Shire's ratio value is 0.122.
- **Asset Renewal Funding Ratio** - This ratio measures an ability to fund projected asset renewal and replacements in the future. The standard is met if the ratio is between 0.75 and 0.95. The standard is improving if the ratio is between 0.95 and 1.05. The Shire's ratio value is 1.024.

These final two ratios have only been audited to the extent that the values are represented in the Shire's Asset Management Plan and Long Term Financial Plan. There has been no additional effort in auditing the veracity of those plans or the figures used to determine the ratios. Further work is required on those plans to ensure that, in the long term, the Shire has adequate information to ensure that its plans are robust and that assets are maintained in a responsible and sustainable manner.

## 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 \$61,462 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 2012/2013 financial year totalled 11,074, realising \$93,527 in commissions.

## Policy Reviews

The following Council policies were reviewed during 2012/2013:

- RS/V/1 – Vandalism Prevention Reward.
- CS/DG/1 – Financial Assistance (Capital) to Organisations and Clubs.
- CS/DG/2 – Financial Assistance to Incorporated Organisations and Clubs.
- F/FM/6 – Financial Management – Borrowing Program and Asset Financing.
- OP/HRP/3 – Code of Conduct.
- RS/G/1 – Gate Permits.
- A/PA/4 – Halls – Hall Hire Donations.
- A/PA/1 – Hire of Council Controlled Property.
- NRM/C/2 – Native Flora Collection.
- I/R/10 – School Bus Routes.
- TP/SDC/5 – Housing – Relocation of Houses.
- I/PM/1 – Plant – General Policy.
- I/R/7 – Roads – Unconstructed Roads.
- I/T/1 – Tenders – Canvassing of Councillors.
- CS/LP/1 – Access and Inclusion Policy.
- F/AMR/1 – Asset Register.
- A/PA/11 – Vehicle Registration Plates PL 1 and PL 2 Issue.
- I/R/6 – Roads – Log Haul Requirements.
- F/FM/1 – Self Supporting Loans.
- A/PA/12 – Vehicle Registration Plates.
- CE/CS/6 – Briefing Sessions for Councillors.
- TP/SDC/7 – State Administrative Tribunal – Councillor Representation.
- TP/SDC/6 – Scheme Amendment Requests (SAR).
- I/PW/1 – Private Works – External.
- I/PW/2 – Private Works – Internal.
- F/FM/8 – Pensioner Rebates on Rural Properties.
- I/R/19 – Directional, Service and Tourism Signage.
- A/PA/8 – Rate Incentive Prize.
- I/R/18 – Stock on Local Roads.

- I/FM/2 – Vehicle Specifications.
- I/RR/1 Future Street and Reserves Names.
- RS/V/2 – Arson Reward.
- CS/PP/1 – Closed Circuit TV.
- CS/SP/1 – Swimming Carnivals.
- A/PA/15 – Asset Management.
- A/CA/1 – Natural Burials.
- CS/A/PA/15 – Alternative Flags.
- I/PRP/1 Playground Maintenance and Improvement.
- A/PA/17 – Community Halls and Buildings.
- A/PA/13 – Group Rating.
- A/PA/14 – Sporting and Community Organisations Using Council and Vested Land – Rateability.
- I/R/12 Notice of Entry for Public Services and Utilities.
- I/R/13 Vehicle Crossovers.
- I/FM/3 – Vehicle Usage.
- OP/HRS/1 – Injury Management and Rehabilitation.
- OR/HRE/1 – Sexual Harassment.
- OP/HRS/4 – Workplace Bullying.
- A/CA/2 – Cemetery Memorials.
- OP/HRS/2 – Drug and Alcohol
- F/FM/9 – Significant Accounting Policies – Budgets.
- F/FM/8 – Significant Accounting Policies – Financial Statements.

## Policies Adopted

- CE/CS/3 – Committee Meetings and Workshops – Attendance by the Public

## Policies Revoked

- CE/CS/3 – Committee Meetings Attendance by the Public.
- CE/CS/5 – Workshops – Attendance by the Public.
- STP/TPS/1 – Piggeries – Extensive.
- I/OA/2 – Memorial Seating.

## **Great Southern Regional Cattle Saleyards**

It was an average year for the saleyards with a throughput of 66,701 head of cattle.

The Council continued with its preventative maintenance program with repairs to the cattle crush, servicing of the rainwater pumps, ongoing spraying of ponds, calibration of weighing scales and irrigation flow meter, cleaning all of the dirt pens on the eastern side, replacement of a number of airlines in the weighbridges, servicing of plastic troughs and the like.

A lot of time was taken to remove branding fluid from concrete and steel work which was requested by the (then) Department of Environment and Conservation. The bolts on the auctioneer's walkways have been tightened and the chain on weighbridge B out-gate was replaced as it had snapped. A total of 27 walkway lights also needed to be replaced. The white guide lines at the ramps were repainted and the cutting edge on the bobcat bucket was replaced.

New numbers for the dispersal ramps and side ramp were installed, together with more magnetic numbers for pen allocations. Numbers for dispersal ramps were requested by the trucking companies for ease of cattle dispersal.

Security cameras were installed near the front gate to assist in detecting and deterring vandalism at the facility. The site's power supply was also upgraded in order to ensure there is sufficient power for future requirements.

At its meeting held on 27 November 2012, the Council resolved that the 'Great Southern Regional Cattle Saleyards' be renamed the 'Mount Barker Regional Saleyards'. The Saleyards Advisory Committee had been discussing a name change for the saleyards for some time. The previous name was considered too long and was not generally used. A new logo was also adopted (see below) with new signage installed on the office building and Albany Highway:



The provision of additional receival yards alongside the bull pens has been identified by agents as a priority for some years. Stage 1, incorporating six new medium size pens, was opened up for use in March 2013. A lot of good feedback was received about the new yards and stock agents particularly appreciate the additional space. The additional yards minimise on double handling of cattle for weighing and increases the speed of drafting, weighing and penning, reducing personnel and occupational safety and health issues.

In July 2012, Councillor Brett Bell and Saleyards Manager Stewart Smith attended the Australian Livestock Markets Association conference in Bowral in NSW and while there, inspected Goulburn Saleyards and Moss Vale Saleyards. An issue raised while in the eastern states was the possibility of joining the Australian Livestock Marketing Association (ALMA). The benefits include a national voice within the saleyard industry, possible assistance with Federal Government funding and an avenue for advice and support. The Saleyards Advisory Committee endorsed the membership proposal to be reviewed on an annual basis.

Seven hundred Surefoot mats were installed by saleyards staff throughout the facility during the year. The mats cover six receival ramps, around the two paint boxes and 80 selling pens. This has improved the temperament of the cattle coming off trucks and has reduced slippage unloading off the top decks. Mats have also been laid in the top end of the selling pens, which has improved previous problems with sore hooves and shins.

During the year, approval was obtained to install two aerators in waste water pond No. 3 in order to reduce the amount of contaminant concentrations in the waste water. This pond is the source of irrigation water pumped out onto an irrigation paddock. It is important to ensure that the irrigation loadings do not exceed the environmental licence requirements and minimise ground water contamination. The results of the installation of aerators will be monitored as part of the Shire's Environmental Action Plan. The relevant 2012 loadings were less than the loadings of 2011 and were all within limits set by the licence.



New aerators

On 20 February 2013, an open day was held at the Saleyards to celebrate the 75th anniversary of cattle sales in the district and promote recent achievements. Around 50 people attended.



Saleyards Open Day – February 2013



Shire President Cr Ken Clements, Harry Reeves,  
Kevin Forbes AM, Freeman of the Municipality

## COMMUNITY SERVICES

### Community Facilities

#### **Sounness Park Recreation Development**

The Hon Terry Waldron MLA turned the first sod of the Sounness Park Recreation Development on 20 February 2013. Stage One of the development was officially underway when the site was handed over to the construction company, Wauters Enterprises, on 15 March 2013.

Stage One comprises the construction of new clubrooms and changerooms and the refurbishment of Sounness Oval. The oval works include the installation of sub-surface drainage, reticulation, lighting and new turf. Water recycling strategies have been implemented, with all water from the buildings, carparks and oval to be captured and directed through a water basin to strip excess nutrients from the water.

The \$6 million Stage One budget will see the project extend over a 42 week build period, scheduled to conclude in February 2014. Funding has been provided by the Department of Sport and Recreation's Community Sport and Recreation Facilities Fund and the Royalties for Regions Action Agenda Funding Program, with allocations of \$875,000 and \$1.9 million respectively. The Shire has allocated \$1,863,095 of its Country Local Government Fund to the project which has been further supported by \$790,000 of Regional Country Local Government Funds. The Shire of Plantagenet has contributed \$645,000 from its own funding sources.

The local sporting groups continue to work alongside Shire staff to refine the project planning and to implement a future management structures. All of the sporting groups are very enthusiastic about the project and are getting excited as the development matures from a plan to a physical presence.

Shire staff are now actively working on sourcing funding for Stages Two and Three of the development, with an application submitted to the Regional Development Australia Fund-Round Four.



Sounness Park – Turning of the Sod – May 2013



Sounness Park – Aerial View June 2013

## **Mount Barker Wetland Development**

The Mount Barker Wetland Development will improve the environmental efficiency and aesthetics of the town's drainage system, transforming open weed infested drains into a series of landscaped ponds. Located in the highly visible section of rail corridor adjacent to Albany Highway and south of the Tourist Bureau, the Wetland Development will detoxify drainage water from the Albany Highway, town drainage system and the rail corridor prior to the water discharging through a series of water ways leading to the Wilson Inlet.

A series of boardwalks, pathways, landscaped plantings, public art and a war memorial surrounding the wetlands will help beautify the area and provide a community focal point.

The initial stage of the project, being the construction of the ponds, is fully funded. The Department of Environment and Conservation has provided a \$40,000 grant towards the project, which has been complemented by a further \$40,000 sourced from the State Natural Resource Management Office and \$5,000 each from the Wilson Inlet Catchment Committee and the Foundation for Rural and Regional Renewal. The Shire has allocated \$70,000 to complete the budget for the project.

Work is due to commence on the project in the 2013/2014 financial year.

## **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. This has created 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 2013/2014 financial year.

A park lighting plan has also been finalised to ensure safe, welcoming community access into the site throughout the year. Further funds for the playground project have been sought from Lotterywest.

The Shire's work on the Nature Play development was recognised with two Public Health Institute Advocacy Committee awards. The Shire won the Nature Discovery category and the overall Rural category.

The Heart Foundation also recognised the Shire's efforts with a State Award and a National Highly Commended Award for the Nature Based development.

## **Emergency Services**

The Community Emergency Services Manager focused on community education in the lead up to the 2012/2013 fire season with community fire presentations, media releases, school visits and service organisation presentations.

The most significant fire of the season occurred in Narrikup. Fire burnt from an ignition point on private farming property through neighbouring properties and into some reserve bush. A joint effort of local bush fire brigades, plantation company fire resources and aerial fire fighters brought the blaze under control.



The installation and maintenance of strategic firebreaks around townsites and major reserves continued to be 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.

The Local Emergency Management Committee met on a quarterly basis to work through local emergency plans. Evacuation centres were identified in strategic points throughout the Shire and evacuation and welfare plans are being prepared in consultation with the Department for Child Protection.

## **Recreation and Community Programs**

### **Shire Recreation Facilities**

The Plantagenet Libraries continued a strong focus on early childhood development with ongoing support for the Wriggle Giggle and Grow, Summer Discovery and Play in the Park programs. Communities for Children (Amity Health), the Department for Communities and the Bendigo Bank all provided funding assistance to support the childhood development activities.

The Mount Barker Library hosted a Teddy Bears' Picnic which involved 100 children, parents and Teddy Bears celebrating childhood literacy with stories, entertainment and cake.

Library programs were expanded to include a catalogue of downloadable electronic books and access to the Library's own resources on-line through the new Worldshare software system. The Shire continued to subscribe to the 'Overdrive' on-line audio book catalogue.

The Mount Barker Recreation Centre programs encompassed a range of programs 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;
- Kids Club, an after school activities program combining recreation and play activities;
- Active After Schools program which encourages children to engage in structured sports;
- Crèche;
- Barker's Biggest Loser; and
- Les Mills range of fitness programs.

The 'Barker's Biggest Loser' phenomenon spread to an inter-Shire challenge, with a Mount Barker versus Denmark Biggest Loser event. Seven teams across the two Shires challenged each other to a range of activities and the goal of losing the most weight. Denmark won the 2013 title.

The Department of Education carried out architectural investigations into the roof leaks at the centre, identifying a number of issues which would be addressed in the coming financial year.

The Mount Barker Swimming Pool season was well supported with 23,230 visits between October and April. Structured swimming programs continue to be well attended including VacSwim lessons, school swimming lessons and carnivals.

The Mount Barker Swimming Club worked alongside the Shire to source Department of Sport and Recreation funding to upgrade the diving blocks. The antiquated concrete blocks were replaced with new racing / training blocks.

The Mount Barker Swimming Club hosted the Regional Swimming Championships in February 2013. The Championships featured swimmers from throughout the southern half of the state competing over a weekend. Local swimmers fared well throughout the event and the Club spent months of meticulous planning to ensure the weekend was a great success for all involved.

An automated pool vacuum system was installed which proved an efficient method of cleaning the pool bowl and the electrical system was upgraded.

## **Community Programs**

Volunteers from throughout the Shire were recognised at the Thank a Volunteer BBQ. The summer BBQ was held in Centenary / Wilson Park and was attended by 95 volunteers from 28 different volunteer based organisations, ranging from sporting clubs through to Emergency Service groups, local media, environmental groups and playgroups. The Shire President and Chief Executive Officer took lead roles during the BBQ, cooking and serving sausages to the volunteers. Funding was sourced through the Department for Communities to assist with the event.

The Shire entered into a partnership with the City of Albany, Shire of Denmark, Department of Sport and Recreation and Skateboarding Australia to deliver a range of workshops and skating competitions to skaters in Mount Barker, Kendenup and the adjoining localities. The participants were able to learn new skating skills and to put these to test in the competitions. Children through to young adults participated in the programs and learnt from some of the State's top skaters.

The Shire continued to deliver the Kidsport program with funding support from the Department of Sport and Recreation. Vouchers of up to \$200 per child were available for club registration fees, enabling eligible children to participate where they may not have been able to afford to. Assistance was provided to the Shire of Cranbrook to deliver the program into their Shire. A total of 239 vouchers were provided to 175 kids, with 29 sporting clubs participating in the program.

The Shire hosted a workshop to review its Disability Access and Inclusion Plan. Several community members attended the workshop and provided valuable feedback on carparking concerns, footpath access and advocacy issues. This information has been used to update the Disability Access and Inclusion Plan and work has progressed towards forming a Working Group to meet on a regular basis.

The Mount Barker Recreation Centre hosted a highly successful Youth Festival in April 2013. Mount Barker Community College students assisted in planning the event which saw a range of activities. Activities included live music provided by local young musicians, remote cars, face painting, nails and make-up, art exhibition, video game created by local student, bouncy castle, mechanical surf board, giant slide, dunking machine, rotary ice cream van, fairy floss and many other activities. The students assisted on the day, supervising and delivering most of the activities. The event was funded by Department of Communities, Youth Care, and the Shire of Plantagenet. More than 200 students attended the day and were so enthusiastic about the event they are planning for a similar day in 2014.

The 2013 Volunteer 'Have a Go' Youth Expo saw 25 volunteer organisations exhibiting their services and showcasing volunteering opportunities available to young people in a fun and practical way. Approximately 300 students attended the event.

Some of the volunteer organisations participating in the event were St John Ambulance Mount Barker, Mount Barker Fire and Rescue Service, Mount Barker Sporting Groups and Clubs, Girl Guides and Scouts, Mount Barker Rotary Club and several environmental groups. The highlight of the day was a roof rescue off the Mount Barker Recreation Centre conducted by the State Emergency Service.

The 'Have a Go' Youth Expo was funded by the Department for Communities and supported by the Mount Barker Bendigo Bank, the Mount Barker Community College, the Shire of Plantagenet and several local businesses.

## WORKS AND SERVICES

In 2012/2013, 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, 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 road network being maintained by the Shire, the costs demonstrate the need to leverage significant 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) \$816,630
- Main Roads (State) \$148,194

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 \$ 18,810
- Roads to Recovery \$515,578
- Commodity \$210,650
- State Road Projects (RRG) \$156,773
- GSDC (Short Street) \$123,305

Works completed in the 2012/2013 financial year included:

#### Blackspot

- Mitchell Street \$ 45,108

#### Roads to Recovery - (Federal Government Funded)

- Red Gum Pass Road \$ 83,609
- Whitworth Road \$ 62,053
- Lowood Road \$123,418
- Castle Rock Road \$ 18,351
- Jones Road \$ 17,595
- Mount Barker Road \$ 17,169
- Narrikup Road \$155,602

The third round of the RTR commenced its second year of operation. This is the second year of a five year program ending in 2014.

#### Regional Road Group (RRG)

- Beverley Road \$106,474

The State Government contribution for RRG funding is on a two thirds one thirds basis, with \$70,373.00 being allocated to the Shire of Plantagenet for the 2012/2013 financial year.

## Commodity Route / TIRES Funding

• Yellanup Road	\$238,764
• Palmdale Road	\$77,106
• Chorkerup Road	\$74,147
• Reynolds Road	\$64,815
• Spencer Road	\$57,700

The State Government contribution for Commodity Route Funding is on a two thirds one thirds basis, with \$288,193 being allocated to the Shire of Plantagenet for the 2012/2013 financial year.

## Own Source Funding

• Mount Barker Drainage	\$95,617
• Mount Barker Footpaths	\$71,126
• McDonald Avenue	\$75,921
• Quindabellup North Road	\$98,602
• Seymour Road	\$11,283
• Collins Road	\$40,989
• Lake Barnes Road	\$96,107
• Hay River Road	\$53,832
• St Werburghs Road (Hay River)	\$55,728
• Ophir Road	\$ 9,743
• Orient Road	\$18,500
• Spencer Road Drainage	\$34,404

## **Road Maintenance – 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;
- Townsite Rubbish removal;
- 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 \$1,580,386. A sum of \$936,685 was also spent on rectifying damage caused by 2012 storms, which was funded by the State Government through the Western Australia Natural Disaster Relief and Recovery Scheme.

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 2012/2013 the works crew received 540 maintenance requests of which 533 were fulfilled.

Maintenance Requests that were fulfilled also 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 draft annual budget process where appropriate, for consideration.

## Plant Replacement

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

- 12M CAT Articulated Motor Grader;
- 928 CAT Loader.

The total change over figure spent on replacing these plant items was \$459,030. the Council's Volvo Excavator was also sold at auction.

## 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 \$394,768.00. Works included a new Electric BBQ at Wilson Park.

## Waste Management

A total of \$669,912 was spent for all aspects of waste maintenance which included:

- Kerbside waste collection for the townsites of Mount Barker, Kendenup and Narrikup. A rubbish collection service was also begun for Rocky Gully in January 2013;
- Commercial bin collections;
- Recreational site rubbish removal;
- Landfill site maintenance; and
- Introduction of kerbside domestic recycling.

Domestic waste and recycling was collected Warren Blackwood Waste.

The Council purchased a second hand Bomag Waste Compactor for the O'Neill Road Waste Management Facility. This machine compacts the landfill and is designed to extend the life of the landfill site.



Bomag Waste Compactor

Recycling is on the increase now after the Global Financial Crisis and money is being received from the salvage of heavy metal, scrap metal and cardboard.

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.

## 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. 55 – rezones 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 Environmental Protection Authority (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 Western Australian Planning Commission (WAPC) on 20 June 2011. The Amendment was finalised on 4 December 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. In June 2013 the Minister required modifications be carried out.
- Amendment No. 57 – rezoned 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 finalised on 4 December 2012
- Amendment No. 58 – proposes to rezone portion of Lot 4853 Porongurup Road to Rural Residential and Special Site. The Amendment was initiated on 3 July 2012 and the EPA authorised it to proceed to advertising on 31 October 2012. Following advertising the Council adopted the Amendment on 29 January 2013 and referred it to the WAPC on 5 February 2013 for approval. The Amendment was still with the WAPC on 30 June 2013.
- Amendment No. 59 – proposes to rezone the Council depot site on Muir Highway to Industrial and Crown land on Bourke Street to Parks and Recreation. The Amendment was initiated on 11 December 2012 and the EPA authorised it to be advertised on 16 January 2013. Following advertising the Council adopted the Amendment on 26 March 2013 and referred it to the WAPC.

#### 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 prepared and the Council agreed it was suitable for advertising on 28 May 2013. That new policy is:

- Town Planning Scheme Policy No. 22 – Advertising Signs – this policy provides requirements and guidance for all forms of advertising signage throughout the Shire area. Draft Town Planning Scheme Policy No. 22 (Advertising Signs) was considered by the Council on 28 May 2013. The Council agreed the draft be advertised for comment.



In addition to the normal advertising in the press and on notice boards, 17 real estate agencies operating in the Shire area were provided with copies of the draft and invited to comment. The advertising period closed on 27 June 2013. A report will be placed before the Council on 27 August 2013.

## Local Planning Strategy

The Local Planning Strategy (LPS) has been going through a lengthy process set by the Western Australian Planning Commission (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 on various occasions required modifications be carried out. The draft LPS was advertised in 2011 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 required the advertised July 2011 version of the LPS to be adopted by the Council with four modifications.

## Development and Subdivision Applications

A broad range of development applications were processed and received planning consent under Town Planning Scheme No. 3. In the 2012/2013 year a total of 45 applications were processed which is an increase from the 31 last year.

A sign of positive growth of the Shire is the level of subdivision activity. During 2012/2013 a total of 40 subdivision applications were considered and recommendations provided to the WAPC which is the government agency that determines subdivisions. This doubles the 20 received last year.

## New Town Planning Scheme – Shire of Broomehill-Tambellup

As part of the Southern Link Voluntary Regional Organisation of Councils, the Shires of Plantagenet and Kojonup planners have been assisting the Shire of Broomehill-Tambellup in preparing 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. The planner from the Shire of Kojonup prepared a draft Local Planning Strategy in April 2013. Work on the new Scheme Text and maps will be carried out by the Shire of Plantagenet planner as the Kojonup Shire no longer has a planner.

## **Building**

A total of 140 building permits were issued. Typical approvals were 38 houses, three carports, 18 patios and 56 sheds and garages. This total of 140 permits is an increase from 119 issued in the 2011/2012 financial year.

The Council's Principal Building Surveyor continues to update the building maintenance asset register for all of the Councils buildings. He also played a critical role in supervising the repairs to the Railway Station building which were part funded by a Lotteries grant. He continues to provide building surveying support to the Shire of Kojonup.

During the year, the Building Surveyor has co-ordinated the installation of a new bi-lock key system to a large number of Council owned buildings and also continues to update the asbestos register.

## **Environmental Health Services**

Environmental Health Services involves monitoring of food premises, waste water 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 23 inspections of food businesses were conducted, including routine inspections, follow-up reinspections and assessment for new premises or renovations.

A total of 41 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 30 food samples were collected from Mount Barker Chickens (20), Ravenhill Dairy (6) and assorted local food manufacturers and/or producers (4) for microbiological analysis and food composition standards.

### Water Sampling

- Processing Waters – Mount Barker Chickens – a total of 36 poultry processing water samples were collected for microbiological analysis.
- Swimming Pools – A total of 28 water samples were collected for microbiological analysis.
- Drinking Water Supplies – A total of 37 potable water samples were collected from public and private drinking water supplies for microbiological analysis.
- Environmental Waters – A total of 16 water samples were collected from various natural environmental water sources.

### Registered Premises

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

## Public Buildings

Five 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

Registration and inspection of six offensive trades was carried out.

## Public Events

Six major public events were approved requiring 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, Circus Royale, Taylors Carnival and Art in the Hall.

## Holiday Accommodation

Seven 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 waste water 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 22 applications were received and subsequently approved.

## Complaints

A total of 19 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 2,500 used chemical containers for reprocessing and the ChemCollect program collected approximately 120 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) and the Zero Waste Committee.

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. 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.

In 2012/2013, the Plan was formally amended and accepted by the State Records Office. 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;
- The intention to develop a group repository for storage of records; and
- Development of a Records Disaster Management Plan.

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 in 2012/2013, including:

- A safety audit of the IGA car park was conducted which subsequently resulted in car park upgrades which will also improve the pedestrian crossing set up on Lowood Road;
- The Shire has been liaising with business owners regarding disability friendly upgrades to their businesses;
- The Shire web page has been upgraded and now includes links to disability services;
- Monthly inspections of ACROD bays within the Shire have been taking place to ensure parking compliance;
- A Disability Advisory Group was formed with meetings taking place quarterly; and
- Grievance mechanisms were reviewed by the Disability Advisory Group and approved.

## **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 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 2012/2013 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 regional waste transfer station projects.

## **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.

<b>Salary Range</b>	<b>2011/2012</b>	<b>2012/2013</b>
100,000 - 109,999	0	2
110,000 - 119,999	1	0
120,000 - 129,999	0	0
130,000 - 139,999	0	0
140,000 - 149,999	0	0
150,000 - 159,999	0	0
160,000 - 169,999	0	0
170,000 - 179,999	0	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**

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

Councils have been 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.

At its meeting held on 12 June 2012, the Council adopted a Strategic Community Plan for the period 2012 – 2022, which followed an extensive public consultation process.

Changes were sought to the Council's adopted Strategic Community Plan by the Department of Local Government and therefore a new version of the Plan starting from 2013/2014 was adopted by the Council on 25 June 2013.

## **2013/2014 Budget Initiatives**

The major initiatives that are included in the 2013/2014 budget are as follows:

### Income

- 5% increase in rate revenue
- Rubbish collection charge to remain at \$180.00
- Minimum rate to increase to \$770.00

### Expenses

- Financial Assistance Grants to community groups and organisations - \$56,800
- New FESA fire trucks for Perillup and Porongurup, South Porongurup and Middle Ward Bush Fire Brigades - grant funded
- Upgrades to O'Neill landfill site - \$53,487
- Purchase replacement Bomag Roller, Cat 12H Grader and Hino Truck at a net cost of \$433,000
- Upgrades to Halls - \$28,000
- Upgrades to Mount Barker Cemetery - \$17,000
- Upgrades and software management system for swimming pool - \$60,200
- Upgrades and gym equipment for recreation centre - \$64,500
- Improvements to recreation grounds, including completion of upgrades to Sounness Park and the Wilson / Centenary Parks Wetlands Development – \$4,852,448
- Upgrades to the Museum Complex - \$34,000
- Improvements at Great Southern Regional Cattle Saleyards - \$231,949 (Funded from Saleyards operations)
- Continuation of remediation of Menston Street depot – Additional \$40,000
- Road construction program totalling \$2.6 million, including:
  - Settlement Road - SLK 0.0 to 4.7 - \$141,000
  - Woogenellup Road - SLK 6.3 to 21.61 - \$429,000
  - Beverley Road - SLK 2.18 to 4.36 - \$292,250
  - Mitchell Street - St Werburghs Road Intersection - \$25,844
  - St Werburghs Road - Hay River Road Intersection - \$94,300

- Mallowillup Road - SLK 16.07 to 21.95 - \$80,820
- Yellanup Road - SLK 9.56 to 13.03 - \$379,131
- Lake Matilda Road - SLK 0.21 to 3.60 - \$105,660
- Simmons Street - Entire Length - \$83,000
- Healy Road - SLK 0.00 to 5.92 - \$65,000
- Jackson Road - SLK 0.00 to 3.10 - \$59,000
- Woodlands Road - SLK 5.38 to 5.70 - \$95,000
- Sturdee Road - SLK 6.00 to 9.00 - \$106,461
- Seymour Road - SLK 0.00 to 4.96 - \$22,787
- Hay River Road - SLK 0.03 to 8.48 - \$20,685
- Spencer Road / Albany Highway - Rectify Drainage - \$25,596
- Third Avenue - SLK 0.00 to 0.99 - \$8,725
- Osborne Road - SLK 0.00 to 1.05 - \$140,000
- Mitchell Street - SLK 0.00 to 2.49 - \$70,000
- Martin Street - Entire Length - \$99,000
- Lowood Road Roundabout - Replace Paving with Hotmix - \$22,500



## 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 2012/2013 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:

### Saleyards Advisory 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:

1. Provide guidance and assistance to the local government -
  - a) as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act; and
  - b) as to the development of a process to be used to select and appoint a person to be an auditor; and
2. May provide guidance and assistance to the local government as to -
  - a) matters to be audited; and
  - b) the scope of audits; and
  - c) its functions under Part 6 of the Act; and
  - d) the carrying out of its functions relating to other audits and other matters related to financial management; and
3. Is to review a report given to it by the CEO under Regulation 17(3) (the CEO's report) and is to -
  - a) report to the Council the results of that review; and
  - b) give a copy of the CEO's report to the Council.

## 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:

## 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.

21 November 2013

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

Dear Councillors,

**Audit for the year ended 30 June 2013**

We are pleased to report that our audit of the Shire of Plantagenet's financial statements and records for the year ended 30 June 2013 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 the 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 the strong internal controls within the financial and reporting systems of the Shire of Plantagenet.

.../3

**Comment on Financial Position**

The following table compares your financial ratios (note 19) to standards prescribed by the Local Government Regulations:

Ratio	Description	Result	Prescribed Standard
Current Ratio	Indicates the Shire's ability to meet short term debt obligations.	0.887	The standard is met if the ratio is greater than 1.
Asset Sustainability Ratio	Indicates that the Shire is replacing or renewing existing non-financial assets at the same rate that its overall asset stock is wearing out.	1.619	The standard is met if the ratio is 0.9 or higher.
Debt Service Cover Ratio	Indicates the Shire's ability to repay its debt including lease payments.	6.930	A basic standard is met if the ratio is greater than or equal to 2. An advanced standard is met if the ratio is greater than 5.
Operating Surplus Ratio	Indicates the Shire's ability to cover its operational costs and have revenues available for capital funding or other purposes.	(0.206)	A basic standard is met between 0.01 and 0.15. An advanced standard is met if the ratio is greater than 0.15.
Own Source Revenue Coverage Ratio	Indicates the Shire's ability to cover its costs through its own revenue efforts.	0.648	A basic standard is met if the ratio is between 0.4 and 0.6. Intermediate standard is between 0.6 and 0.9. An advanced standard is met if the ratio is greater than 0.9.
Asset Consumption Ratio	Measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost	0.122	The standard is met if the ratio is 0.5 or greater. The standard is improving if the ratio is between 0.6 and 0.75.
Asset Renewal Funding Ratio	Measures the ability of the Shire to fund its projected asset renewal/replacements in the future.	1.024	The standard is met if the ratio is between 0.75 and 0.95. The standard is improving if the ratio is between 0.95 and 1.05.

Other Matters

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 us.

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 2013, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and the rate setting statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Chief Executive Officer.

*Management's Responsibility for the Financial Report*

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended) and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud and error.

*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 2013 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.
- (e) In relation to the Supplementary Ratio Information presented at page 59 of this report, we have reviewed the calculations as presented and in our opinion these are:
  - i) Based on verifiable information; and
  - ii) Reasonable assumptions.



Russell Harrison, Partner

Lincolns Accountants and Business Advisers

70 - 74 Frederick Street, Albany WA

Dated this 11<sup>th</sup> day of November 2013.

**Shire of Plantagenet**  
**Financial Report**  
**For the Year Ended 30 June 2013**

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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 2013

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 2013 are, in my opinion, properly drawn up to present fairly the financial position of the Shire of Plantagenet as at 30 June 2013 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 as authorisation of issue on the 30th day of October 2013.



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Rob Stewart  
Chief Executive Officer

**Shire of Plantagenet**  
**Statement of Comprehensive Income**  
*By Nature Or Type*  
**For the Year Ended 30 June 2013**

	Note	2013 \$	2013 Budget \$	2012 \$
<b>Revenue</b>				
Rates	23	5,463,000	5,459,930	5,152,337
Operating Grants, Subsidies and Contributions	29	2,846,881	1,463,141	2,452,638
Fees and Charges	28	2,007,827	1,674,448	1,645,761
Interest Earnings	2(a)	244,962	228,000	257,706
Other Revenue		116,281	306,422	57,453
		<u>10,678,950</u>	<u>9,131,940</u>	<u>9,565,895</u>
<b>Expenses</b>				
Employee Costs		(4,364,735)	(4,192,560)	(3,923,268)
Materials and Contracts		(3,197,157)	(2,841,480)	(1,991,681)
Utility Charges		(221,138)	(219,208)	(230,718)
Depreciation on Non-Current Assets	2(a)	(3,985,713)	(3,928,734)	(3,904,030)
Interest Expenses	2(a)	(158,971)	(46,911)	(137,307)
Insurance Expenses		(241,162)	(265,414)	(215,169)
Other Expenditure		(273,186)	(299,054)	(302,686)
		<u>(12,442,061)</u>	<u>(11,793,362)</u>	<u>(10,704,858)</u>
		(1,763,111)	(2,661,422)	(1,138,962)
Non-Operating Grants, Subsidies and Contributions	29	2,909,484	4,743,249	1,650,697
Profit on Asset Disposals	21	127,014	43,935	31,337
Loss on Asset Disposals	21	<u>(31,029)</u>	<u>(71,980)</u>	<u>(22,013)</u>
<b>Net Result</b>		1,242,358	2,053,783	521,059
<b>Other Comprehensive Income</b>		0	0	0
Changes on revaluation of non-current assets		445,233	0	0
<b>Total Other Comprehensive Income</b>		<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Comprehensive Income</b>		<u><u>1,687,591</u></u>	<u><u>2,053,783</u></u>	<u><u>521,059</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 2013**

	Note	2013 \$	2013 Budget \$	2012 \$
<b>Revenue</b>				
Governance		90,648	162,939	113,967
General Purpose Funding		7,272,386	6,559,249	7,260,365
Law, Order, Public Safety		197,648	173,164	183,053
Health		69,119	65,600	66,612
Education and Welfare		29,119	265,212	322
Community Amenities		421,121	361,850	345,274
Recreation and Culture		400,232	335,391	338,151
Transport		701,093	500	745
Economic Services		1,052,819	942,275	1,008,542
Other Property and Services		444,764	265,760	248,864
		<u>10,678,949</u>	<u>9,131,940</u>	<u>9,565,895</u>
<b>Expenses Excluding Finance Costs</b>				
Governance		(692,674)	(800,692)	(655,473)
General Purpose Funding		(315,767)	(321,514)	(279,372)
Law, Order, Public Safety		(807,531)	(894,358)	(750,247)
Health		(229,992)	(250,796)	(220,206)
Education and Welfare		(83,220)	(351,359)	(65,205)
Community Amenities		(1,156,382)	(1,256,812)	(1,204,427)
Recreation and Culture		(1,758,713)	(1,812,397)	(1,651,601)
Transport		(5,350,141)	(4,399,145)	(4,223,680)
Economic Services		(1,435,173)	(1,365,759)	(1,305,158)
Other Property and Services		(453,496)	(210,455)	(212,180)
		<u>(12,283,090)</u>	<u>(11,663,286)</u>	<u>(10,567,550)</u>
<b>Finance Costs</b>				
Governance		(120,298)	(121,067)	(127,111)
Education and Welfare		(28,789)	-	-
Recreation and Culture		(9,884)	(9,009)	(10,196)
2(a)		<u>(158,971)</u>	<u>(130,076)</u>	<u>(137,307)</u>
<b>Non-Operating Grants, Subsidies and Contributions</b>				
Governance		0	0	0
General Purpose Funding		0	0	0
Law, Order and Public Safety		36,393	987,400	258,996
Health		0	0	0
Education and Welfare		0	0	0
Community Amenities		0	0	24,300
Recreation and Culture		1,826,725	2,663,731	270,089
Transport		1,025,116	1,070,868	1,097,313
Economic Services		21,250	21,250	0
Other Property and Services		0	0	0
		<u>2,909,485</u>	<u>4,743,249</u>	<u>1,650,697</u>

**Shire of Plantagenet**  
**Statement of Comprehensive Income**  
**By Program (Continued)**  
**For the Year Ended 30 June 2013**

<b>Profit/(Loss) on Disposal of Assets</b>			
Governance	3,544	(7,813)	(979)
General Purpose Funding	-	-	0
Law, Order and Public Safety	6,858	1,664	14,524
Health	(10,396)	(9,204)	(1,374)
Education and Welfare	-	-	-
Community Amenities	-	-	144
Recreation and Culture	-	-	0
Transport	-	-	0
Economic Services	-	(12,691)	15,041
Other Property and Services	95,979	-	(18,031)
	<u>95,985</u>	<u>(28,044)</u>	<u>9,324</u>
<b>Net Result</b>	<u>1,242,358</u>	<u>2,053,783</u>	<u>521,059</u>
<b>Other Comprehensive Income</b>			
	0	0	0
Changes on revaluation of non-current assets	445,233	0	0
<b>Total Other Comprehensive Income</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Comprehensive Income</b>	<u>1,687,591</u>	<u>2,053,783</u>	<u>521,059</u>

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

**Shire of Plantagenet  
Statement of Financial Position  
as at 30 June 2013**

	Note	2013 \$	2012 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	3	3,160,938	3,103,585
Trade and Other Receivables	4(a)	738,517	451,842
Inventories	5	48,583	49,204
<b>Total Current Assets</b>		<u>3,948,038</u>	<u>3,604,631</u>
<b>Non-Current Assets</b>			
Other Receivables	4(a)	1,168,760	131,955
Other Financial Assets	4(b)	4,692	4,692
Property, Plant and Equipment	6	20,081,896	18,351,022
Infrastructure	7	47,005,973	46,238,295
<b>Total Non-Current Assets</b>		<u>68,261,321</u>	<u>64,725,964</u>
<b>Total Assets</b>		<u>72,209,359</u>	<u>68,330,595</u>
<b>Current Liabilities</b>			
Trade and Other Payables	9	1,255,429	553,261
Current Portion of Long Term Borrowings	10	290,297	148,370
Provisions	11	747,466	669,193
<b>Total Current Liabilities</b>		<u>2,293,192</u>	<u>1,370,824</u>
<b>Non-Current Liabilities</b>			
Long Term Borrowings	10	3,427,459	2,197,936
Provisions	11	117,256	77,975
<b>Total Non-Current Liabilities</b>		<u>3,544,714</u>	<u>2,275,911</u>
<b>Total Liabilities</b>		<u>5,837,906</u>	<u>3,646,735</u>
<b>Net Assets</b>		<u>66,371,452</u>	<u>64,683,861</u>
<b>Equity</b>			
Retained Surplus		64,652,249	63,224,679
Reserves - Cash Backed	12	1,194,770	1,379,982
Revaluation Surplus	13	524,433	79,200
<b>Total Equity</b>		<u>66,371,452</u>	<u>64,683,861</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 2013**

	Note	Retained Surplus \$	Reserves Cash Backed \$	Revaluation Surplus \$	Total Equity \$
Balance as at 1 July 2011		63,199,742	883,860	79,200	64,162,802
Changes in Accounting Policy		0	0	0	0
Correction of Errors		0	0	0	0
		<hr/>	<hr/>	<hr/>	<hr/>
Restated Balance		63,199,742	883,860	79,200	64,162,802
Comprehensive Income					
Net Result		521,058	0	0	521,058
Changes on revaluation of non-current assets	13	0	0	0	0
Total Other Comprehensive Income		0	0	0	0
Transfers from / (to) Reserves		(496,122)	496,122	0	0
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance as at 30 June 2012</b>		<b>63,224,679</b>	<b>1,379,982</b>	<b>79,200</b>	<b>64,683,861</b>
Comprehensive Income					
Net Result		1,242,358	0	0	1,242,358
Changes on revaluation of non-current assets	13	0	0	445,233	445,233
Total Other Comprehensive Income		1,242,358	0	445,233	1,687,591
Transfers from / (to) Reserves	12	185,212	(185,212)	0	0
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance as at 30 June 2013</b>		<b>64,652,249</b>	<b>1,194,770</b>	<b>524,433</b>	<b>66,371,452</b>

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 2013**

	Note	2013 \$	2013 Budget \$	2012 \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		5,418,513	5,459,930	5,157,376
Operating Grants, Subsidies and Contributions		2,860,796	1,463,141	2,457,432
Fees and Charges		1,864,060	1,674,448	1,678,458
Interest Earnings		261,487	228,000	229,540
Goods and Services Tax		378,129	296,172	238,436
Other Revenue		<u>106,764</u>	<u>306,422</u>	<u>57,453</u>
		10,889,748	9,428,113	9,818,696
<b>Payments</b>				
Employee Costs		(4,234,652)	(3,867,532)	(3,797,512)
Materials and Contracts		(2,395,383)	(2,841,480)	(1,862,781)
Utility Charges		(218,880)	(219,208)	(230,718)
Insurance Expenses		(244,723)	(265,414)	(211,607)
Interest Expenses		(152,211)	(46,911)	(137,543)
Goods and Services Tax		(369,204)	(329,080)	(251,621)
Other Expenditure		<u>(355,844)</u>	<u>(299,054)</u>	<u>(255,149)</u>
		(7,970,896)	(7,868,680)	(6,746,931)
<b>Net Cash Provided Provided by Operating Activities</b>	14(b)	<u>2,918,852</u>	<u>1,559,433</u>	<u>3,071,765</u>
<b>Cash Flows from Investing Activities</b>				
Purch of Property, Plant and Equipment		(2,961,731)	(3,267,027)	(1,843,552)
Construction of Infrastructure		(3,490,523)	(6,215,467)	(2,394,050)
Advances to Community Groups		(1,200,000)	(1,200,000)	0
Non-operating Grants, Subsidies and Contributions		2,842,347	4,743,249	2,104,851
Proceeds from Sale of Plant and Equipment		<u>509,206</u>	<u>408,273</u>	<u>214,236</u>
<b>Net Cash Provided By (Used in) Investing Activities</b>		(4,300,701)	(5,530,972)	(1,918,514)
<b>Cash Flows From Financing Activities</b>				
Repayment of Debentures		(198,550)	(228,878)	(142,639)
Proceeds from New Debentures		1,570,000	2,200,000	0
Proceeds from Self Supporting Loans		<u>67,750</u>	<u>17,570</u>	<u>18,017</u>
<b>Net Cash Provided by (used in) Financing Activities</b>		1,439,200	1,988,692	(124,623)
<b>Net Increase (Decrease) in Cash Held</b>		57,353	(1,982,847)	1,028,628
Cash at Beginning of Year		3,103,585	3,022,944	2,074,957
<b>Cash and Cash Equivalents at the End of the Year</b>	14(a)	<u><u>3,160,938</u></u>	<u><u>1,040,098</u></u>	<u><u>3,103,585</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 2013**

	Note	2013 \$	2013 Budget \$	2012 \$
<b>Revenue</b>				
Governance		95,878	162,939	113,967
General Purpose Funding		1,809,386	1,099,319	2,108,027
Law, Order, Public Safety		240,900	1,162,228	456,573
Health		69,119	65,600	66,612
Education and Welfare		29,119	265,212	322
Community Amenities		421,121	361,850	370,263
Recreation and Culture		2,226,957	2,999,122	608,240
Transport		1,726,210	1,071,368	1,098,058
Economic Services		1,074,069	963,525	1,024,387
Other Property and Services		559,690	308,031	249,145
		<u>8,252,448</u>	<u>8,459,195</u>	<u>6,095,592</u>
<b>Expenses</b>				
Governance		(814,657)	(929,572)	(783,563)
General Purpose Funding		(315,767)	(321,514)	(279,372)
Law, Order, Public Safety		(807,531)	(894,358)	(750,247)
Health		(240,389)	(260,000)	(221,580)
Education and Welfare		(112,009)	(351,359)	(65,205)
Community Amenities		(1,156,382)	(1,256,812)	(1,204,971)
Recreation and Culture		(1,768,598)	(1,821,407)	(1,661,797)
Transport		(5,350,141)	(4,399,145)	(4,223,680)
Economic Services		(1,435,173)	(1,365,759)	(1,305,962)
Other Property and Services		(472,443)	(265,417)	(230,491)
		<u>(12,473,090)</u>	<u>(11,865,342)</u>	<u>(10,726,871)</u>
Net Result Excluding Rates		(4,220,642)	(3,406,147)	(4,631,278)
<b>Adjustments for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure and Revenue</b>				
(Profit) / Loss on Asset Disposals	21	(95,985)	28,044	(9,324)
Movement in Accrued Interest		6,760	0	(237)
Movement in Deferred Pensioner Rates (Non-Current)		(8,340)	0	8,930
Movement in Accrued Salaries and Wages		11,066	0	26,075
Movement in Employee Benefit Provisions		117,554	0	100,088
Movement in Doubtful Debts Provision		(1,705)	0	0
Depreciation and Amortisation on Assets	2(a)	3,985,713	4,198,809	3,904,030
<b>Capital Expenditure &amp; Revenue</b>				
Purchase Land and Buildings		(1,659,718)	(695,954)	(765,823)
Purchase Infrastructure Assets		(3,179,989)	(6,541,288)	(2,394,049)
Purchase Plant and Equipment		(1,276,238)	(2,331,215)	(914,689)
Purchase Furniture and Equipment		(336,309)	(411,106)	(163,041)
Proceeds from Disposal of Assets	21	509,206	408,273	214,236
Proceeds from New Debentures		1,570,000	2,200,000	0
Advances to Community Groups		(1,200,000)	(1,200,000)	0
Repayment of Debentures	22(a)	(198,550)	(228,878)	(142,639)
Self-Supporting Loan Principal Income		67,750	17,570	18,017
Add Transfer from Unspent Loan		0	0	8,415
Less Transfers to Reserves (Restricted Assets)	12	(671,302)	(647,823)	(797,020)
Transfers from Reserves (Restricted Assets)	12	856,515	1,230,843	300,898
Surplus / (Deficit) July 1 B/Fwd		1,759,317	1,918,941	1,824,389
Surplus / (Deficit) June 30 C/Fwd		1,498,106	0	1,739,317
<b>Amount Required To Be Raised From Rates</b>	<b>23</b>	<u><b>(5,463,000)</b></u>	<u><b>(5,459,930)</b></u>	<u><b>(5,152,337)</b></u>

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

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2013**

**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 20 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 2013**

**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.

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

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

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

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

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

(i) that are plant and equipment; and

(ii) that are –

(I) land and buildings; or

(II) infrastructure;

and

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

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

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

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

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2013**

**1. Significant Accounting Policies (Continued)**

***Land Under Control***

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

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

***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***

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

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

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

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

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2013**

**1. Significant Accounting Policies (Continued)**

**(g) Fixed Assets (Continued)**

***Revaluation (Continued)***

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

Any accumulated depreciation at the date of revaluation is restated such that the net amount of the asset reflects the remaining useful life.

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

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

***Transitional Arrangement***

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

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

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

***Early Adoption of AASB 13 - Fair Value Measurement***

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

As a consequence, the principles embodied in AASB 13 – Fair Value Measurement have been applied to this reporting period (year ended 30 June 2013).

Due to the nature and timing of the adoption (driven by legislation) the adoption of this standard has had no effect on previous reporting periods.

***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.

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2013**

**1. Significant Accounting Policies (Continued)**

**(g) Fixed Assets (Continued)**

***Land Under Roads (Continued)***

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 100 years
Plant and Equipment	5 to 25 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 2013**

**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 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) Intangible Assets**

**Easements**

Due to legislative changes, easements are required to be recognised as assets. They are initially recorded at cost and have an indefinite useful life.

**(i) 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 2013**

**1. Significant Accounting Policies (Continued)**

**(i) 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 2013**

**1. Significant Accounting Policies (Continued)**

**(i) 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.

**(j) Impairment**

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

Where such an indication exists, an 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.

**(k) 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.

**(l) 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.

**(m) 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 2013**

**1. Significant Accounting Policies (Continued)**

**(n) 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.

**(o) 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.

**(p) Investments in Associates**

Associates are entities in which the Council has significant influence through holding, directly or indirectly, 20% or more of the voting power of the Council. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Council's share of net assets of the associate entity. In addition, the Council's share of the profit or loss of the associate entity is included in the Council's profit or loss

The carrying amount of the investment includes goodwill relating to the associate. Any discount on acquisition, whereby the Council's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Council and the associate are eliminated to the extent of the Council's interest in the associate.

**(q) 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 17.

The Council's interest in joint venture entities are recorded using the equity method of accounting (refer to Note 1 (p) for details) 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.

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2013**

**1. Significant Accounting Policies (Continued)**

**(r) Rates, Grants, Donations and Other Contributions**

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

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

**(s) 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.

**(t) 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.

**(u) Rounding Off Figures**

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

**(v) 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.

**(w) 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 2013**

**1. Significant Accounting Policies (Continued)**

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

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Council.

The Shire's assessment of the new and amended pronouncement that are relevant to the Council, applicable to future reporting periods and which have not yet been adopted are set out as follows.

Title and Topic	Issued	Applicable (*)	Impact
(i) AASB 9 – Financial Instruments	December 2009	1 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.
AASB 2012 – 6 Amendments to Australian Accounting Standards – Mandatory effective date of AASB 9 and Transition Disclosures	September 2012	Deferred AASB 9 until 1 January 2015	
(ii) 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	1 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).

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2013**

**1. Significant Accounting Policies (Continued)**

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

Title and Topic	Issued	Applicable (*)	Impact
(iii) 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	1 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).
(iv) 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 [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 131, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	August 2011	1 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.

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2013**

**1. Significant Accounting Policies (Continued)**

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

Title and Topic	Issued	Applicable (*)	Impact
(v) 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	1 July 2013	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.
(vi) 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	1 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.



**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2013**

**1. Significant Accounting Policies (Continued)**

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

Title and Topic	Issued	Applicable (*)	Impact
(vii) AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 32]	June 2012	1 January 2013	<p>Principally amends AASB 7: Financial Instruments: Disclosures to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.</p> <p>This Standard is not expected to significantly impact on the Council's financial statements.</p>
(viii) AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]	June 2013	1 January 2014	<p>This Standard adds application guidance to AASB 132: Financial Instruments: Presentation to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.</p> <p>This Standard is not expected to significantly impact the Council's financial statements.</p>
(ix) AASB 2012-5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle . [AASB1,101,116,132,134 and Interpretation 2]	June 2012	1 January 2013	<p>Outlines changes to the various standards and interpretations as listed. These topics are not currently relevant to Council, nor are they expected to be in the future. As a consequence, this Standard is not expected to significantly impact on the Council's financial statements.</p>

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2013**

**1. Significant Accounting Policies (Continued)**

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

Title and Topic	Issued	Applicable (*)	Impact
(x) AASB 2012-10: Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments. [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Interpretation 12]	December 2012	1 January 2013	Mainly consequential changes relating to transition guidance. It is not expected to have a significant impact on the Council.

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 2013**

**1. Significant Accounting Policies (Continued)**

**(y) 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 2010 – 8

AASB 2011 - 3

AASB 2011 - 13

The standards adopted had a minimal effect on the accounting and reporting practices of the Council as they were either not applicable, 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.

The Council also chose to early adopt AASB 13 – Fair Value Measurement as allowed for in the standard. For further details with respect to this early adoption, refer to Note 1(g).

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2013**

2. Revenue and Expenses	Note	2013 \$	2012 \$
<b>(a) Net Result</b>			
The Net Result includes:			
(i) Charging as an Expense:			
<b>Auditor's Remuneration</b>			
- Audit Services		17,420	16,500
- Other Services		4,300	8,066
<b>Depreciation and Amortisation</b>			
Buildings	6	406,568	397,857
Furniture and Equipment	6	84,949	95,590
Plant and Equipment	6	759,135	768,788
Infrastructure	7	2,646,644	2,560,442
Amortisation of Buildings and Infrastructure	6 & 7	88,417	81,354
		<u>3,985,713</u>	<u>3,904,030</u>
<b>Interest Expenses (Finance Costs)</b>			
Debentures (refer Note 21(a))		158,971	137,307
		<u>158,971</u>	<u>137,307</u>
<b>Rental Charges</b>			
- Operating Leases		17,990	20,206
		<u>17,990</u>	<u>20,206</u>
(ii) Crediting as Revenue:		<b>2013 Actual \$</b>	<b>2013 Budget \$</b>
			<b>2012 Actual \$</b>
<b>Interest Earnings</b>			
Investments			
- Reserve Funds	84,303	55,000	78,520
- Other Funds	112,301	120,000	129,168
Other Interest Revenue (refer Note 26)	48,358	53,000	50,018
	<u>244,962</u>	<u>228,000</u>	<u>257,706</u>

**Significant Revenue**

In line with government policy on stimulating the economy, the Shire has received (approximately) its 1st half Financial Assistance Grants for 2013/2014, comprising \$461,624 (Untied Road Grant) and \$282,534 (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 2013**

**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 2013**

**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 2013**

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

**(c) Conditions Over Grants/Contributions**

Grant/Contribution	Function/ Activity	Opening Balance (*) 1-Jul-11 \$	Received (+) 2011/2012 \$	Expended (#) 2011/2012 \$	Closing Balance (*) 30-Jun-12 \$	Received (+) 2012/2013 \$	Expended (#) 2012/2013 \$	Closing Balance 30-Jun-13 \$
CLGF - Royalties for Regions	Various Projects	105,332	0	(105,332)	0	0	0	0
CLGF - Royalties for Regions	Forward Capital Works Plan	18,138	0	(6,295)	11,843	0	(11,843)	0
Office of Crime Prevention	Mount Barker Youth Space & Skate Park	0	0	0	0	0	0	0
Dep't of Transport - RLCIP	Forest Hill Hall & Public Art (Crane)	15,000	0	(15,000)	0	0	0	0
Dep't of Agriculture and Food	Dry Season Scheme	15,382	0	(15,382)	0	0	0	0
Dep't of Regional Development	Mount Barker Community Centre - Co-Location	23,388	0	(23,388)	0	0	0	0
Disability Services Commission	Accessible Communities - Wilson Park	5,664	0	(5,664)	0	0	0	0
Department of Local Government	Asset Management Capacity Building	70,000	0	(38,132)	31,868	0	(31,868)	0
Department of Local Government	Long Term Financial Plan	25,000	0	(6,700)	18,300	0	(11,636)	6,664
Roads to Recovery	Capital Roadworks (2010/2011)	124,464	311,691	(456,853)	0	0	0	0
Department of Local Government	Strategic Community Plan	0	45,000	(41,569)	3,431	0	(3,431)	0
Wescress	Roadworks - Spring Road	0	48,436	0	48,436	0	0	48,436
WALGA	Road Safety Grant	0	8,100	0	8,100	0	(5,120)	2,980
Dept of Sport and Recreation	Kidsport Program	0	29,000	(11,790)	17,210	0	(17,210)	0
DEC	Mt Barker Wetlands Project	0	40,000	(2,207)	37,793	0	(532)	37,262
Office of Crime Prevention	CCTV Expansion	0	24,300	0	24,300	0	(24,300)	0
Department of Regional Development	CLGF (R for R) - Sounness Park (2010/2011)	0	0	0	0	\$ 675,499	(377,595)	297,904
Department of Regional Development	CLGF (R for R) - Sounness Park (2011/2012)	0	0	0	0	\$ 593,798	(377,726)	216,072
Regional Development Council	Action Agenda - Sounness Park	0	0	0	0	\$ 500,000	(500,000)	0
FRRR	Wetland Restore	0	0	0	0	\$ 5,000	0	5,000
State NRM Office	Wetlands Project	0	0	0	0	\$ 25,000	0	25,000
Dept of Sport and Recreation	Kidsport Program	0	0	0	0	\$ 34,000	(7,042)	26,958
Department of Local Government	Cat Pound Construction	0	0	0	0	\$ 29,093	(1,869)	27,224
Department of Local Government	Cat Act Implementation	0	0	0	0	\$ 2,535	(552)	1,983
				0				
<b>Total</b>		<b>402,367</b>	<b>506,527</b>	<b>(728,311)</b>	<b>201,282</b>	<b>1,864,925</b>	<b>(1,370,724)</b>	<b>695,483</b>

**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 2013**

	Note	2013 \$	2012 \$
<b>3. Cash and Cash Equivalents</b>			
Unrestricted		971,782	1,502,321
Restricted		<u>2,189,156</u>	<u>1,601,264</u>
		<u><u>3,160,938</u></u>	<u><u>3,103,585</u></u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Employee Entitlements Reserve	12	12,067	5,068
Plant Replacement Reserve	12	305,569	404,492
Town Drainage Reserve	12	120,262	95,389
Great Southern Regional Cattle Saleyards Reserve	12	94,769	96,158
Land Rehabilitation Reserve	12	0	0
New Waste Disposal Site Reserve	12	262,200	251,157
Computer Software/Hardware Upgrade Reserve	12	38,740	27,205
Outstanding Land Resumptions Reserve	12	28,469	27,270
Shire Development and Building Improvements Reserve	12	42,615	225,662
Natural Disaster Reserve	12	157,849	111,585
Plantagenet Medical Centre Reserve	12	132,230	87,045
Recycling Bin Reserve	12	0	48,952
Unspent Grants	2(c)	695,483	201,282
Unspent Loans	23(c)	<u>298,903</u>	<u>20,000</u>
		<u><u>2,189,156</u></u>	<u><u>1,601,264</u></u>
<b>4(a). Trade and Other Receivables</b>		<b>2013</b>	<b>2012</b>
		<b>\$</b>	<b>\$</b>
<b>Current</b>			
Rates Outstanding		264,327	212,975
Sundry Debtors		333,637	151,007
Other Receivables		15,470	8,120
GST Receivable		4,115	64,261
Loans - Clubs / Institutions		121,355	17,570
Provision For Doubtful Debts		(386)	(2,091)
		<u>738,517</u>	<u>451,842</u>
<b>Non-Current</b>			
Rates Outstanding - Pensioners		30,931	22,592
Loans - Clubs / Institutions		<u>1,137,829</u>	<u>109,363</u>
		<u><u>1,168,760</u></u>	<u><u>131,955</u></u>
<b>4(b). Other Financial Assets</b>			
Investment in Mount Barker Co-operative shares - shareholding of 8,099 shares at cost		<u>4,692</u>	<u>4,692</u>
		<u><u>4,692</u></u>	<u><u>4,692</u></u>
<b>5. Inventories</b>			
<b>Current</b>			
Fuel and Materials		<u>48,583</u>	<u>49,204</u>
		<u><u>48,583</u></u>	<u><u>49,204</u></u>



**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2013**

**6. Property, Plant and Equipment**

Land and Buildings - Cost	18,381,923	17,036,737
Less Accumulated Depreciation	<u>(3,829,477)</u>	<u>(3,425,989)</u>
	14,552,446	13,610,749
Furniture and Equipment - Cost	0	1,103,077
Less Accumulated Depreciation	<u>0</u>	<u>(822,325)</u>
	0	280,751
Furniture and Equipment - Management Valuation 2013	1,678,905	0
Less Accumulated Depreciation	<u>(675,379)</u>	<u>0</u>
	1,003,526	0
Plant and Equipment - Cost	0	8,405,095
Less Accumulated Depreciation	<u>0</u>	<u>(3,945,574)</u>
	0	4,459,521
Plant and Equipment - Management Valuation 2013	10,542,621	0
Less Accumulated Depreciation	<u>(6,016,698)</u>	<u>0</u>
	4,525,923	0
	<u>20,081,895</u>	<u>18,351,021</u>

**Plant and Equipment**

The Shire's Plant and Equipment was revalued at 30 June 2013 by management, with input by independent valuations for heavy plant. All of the valuations were made on the basis of open market values of similar assets adjusted for condition and comparability (Level 2 inputs in the fair value hierarchy).

The revaluation resulted in an overall decrease of \$26,182 in the net value of the Shire's plant and equipment. All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 13 for further details) and was recognised as changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

**Furniture and Equipment**

The Shire's Furniture and Equipment were revalued at 30 June 2013 by management valuation having regard for their current replacement cost, condition assessment (Level 2 inputs in the fair value hierarchy), residual values and remaining estimated useful life (Level 3 inputs).

Given the significance of the level 3 inputs into the overall fair value measurement, the assets are deemed to have been valued using Level 3 inputs.

These level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

The revaluation resulted in an overall increase of \$471,415 in the net value of the Shire's furniture and equipment. All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 13 for further details) and was recognised as changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2013**

**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.

	<b>Land &amp; Buildings \$</b>	<b>Furniture &amp; Equipment \$</b>	<b>Plant &amp; Equipment \$</b>	<b>Total \$</b>
Balance at 1 July 2012	13,610,749	280,751	4,459,521	18,351,021
Additions	1,659,718	336,309	1,276,238	3,272,265
(Disposals)	0	0	(413,221)	(413,221)
Revaluation Increments (Decrements)	0	471,415	(26,182)	445,233
Impairment - (losses)/reversals	0	0	0	0
Depreciation expense	(406,568)	(84,949)	(759,135)	(1,250,652)
Amortisation expense	(12,217)	0	0	(12,217)
Other Movements	(299,235)	0	(11,298)	(310,534)
Carrying amount at 30 June 2013	<u>14,552,446</u>	<u>1,003,526</u>	<u>4,525,923</u>	<u>20,081,895</u>

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2013**

<b>7. Infrastructure</b>	<b>2013</b> <b>\$</b>	<b>2012</b> <b>\$</b>
Roads - Cost	92,092,566	90,413,827
Less Accumulated Depreciation	<u>(49,553,622)</u>	<u>(46,955,499)</u>
	42,538,944	43,458,328
Drains - Cost	1,255,876	1,160,259
Less Accumulated Depreciation	<u>(68,702)</u>	<u>(53,232)</u>
	1,187,174	1,107,027
Footpaths - Cost	808,017	736,890
Less Accumulated Depreciation	<u>(67,657)</u>	<u>(49,234)</u>
	740,360	687,656
Parks & Ovals - Cost	2,119,226	506,473
Less Accumulated Amortisation	<u>(31,382)</u>	<u>0</u>
	2,087,845	506,473
Recreation Facilities - Cost	1,399,210	1,350,170
Less Accumulated Amortisation	<u>(947,560)</u>	<u>(871,360)</u>
	451,650	478,810
	<u>47,005,973</u>	<u>46,238,294</u>

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2013**

**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.

	<b>Roads</b> \$	<b>Footpaths</b> \$	<b>Drainage</b> \$	<b>Parks &amp; Ovals</b> \$	<b>Recreation Facilities</b> \$	<b>Total</b> \$
Balance at 1 July 2012	43,458,328	687,656	1,107,027	506,473	478,810	46,238,294
Additions	1,678,738	71,126	95,617	1,285,468	49,040	3,179,989
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	(2,598,122)	(18,422)	(15,470)	(14,629)	0	(2,646,644)
Amortisation expense	0	0	0	0	(76,200)	(76,200)
Other Movements	0	0	0	310,534	0	310,534
Carrying amount at 30 June 2013	<u>42,538,945</u>	<u>740,360</u>	<u>1,187,173</u>	<u>2,087,845</u>	<u>451,650</u>	<u>47,005,973</u>

**8. Intangibles**

**Easements**

Due to changes to Regulation 16 of the Local Government (Financial Management) Regulations, an easement granted in favour of the Council over any land is to be recorded as an asset of the Council. An easement is an intangible asset as it confers a right of access only and no ownership over land. A total of 17 easements have been recorded in the Council's asset register, however the fair value is judged to be immaterial and no value has been applied. In addition, easements have an indefinite life and no amortisation would apply.

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2013**

	2013	2012
	\$	\$
<b>9. Trade and Other Payables</b>		
<b>Current</b>		
Sundry Creditors	1,055,338	387,043
Other Creditors	79,360	62,395
ESL Liability	(500)	416
Accrued Interest on Debentures	9,716	2,955
Accrued Salaries and Wages	111,516	100,451
	<u>1,255,429</u>	<u>553,261</u>

**10. Long-Term Borrowings**

**Current**

Secured by Floating Charge Debentures	<u>290,297</u>	<u>148,370</u>
	<u>290,297</u>	<u>148,370</u>

**Non-Current**

Secured by Floating Charge Debentures	<u>3,427,459</u>	<u>2,197,936</u>
	<u>3,427,459</u>	<u>2,197,936</u>

Additional detail on borrowings is provided in Note 22.

**11. Provisions**

Analysis of total provisions:

Current	747,466	669,193
Non-current	<u>117,256</u>	<u>77,975</u>
	<u>864,722</u>	<u>747,168</u>

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance as at 1 July 2012	348,008	399,160	747,168
Additional Provisions	105,969	111,527	217,496
Amounts Used	(64,679)	(35,264)	(99,942)
Used Amounts Reversed	0	0	0
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	<u>0</u>	<u>0</u>	<u>0</u>
Balance as at 30 June 2013	<u>389,298</u>	<u>475,424</u>	<u>864,722</u>

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2013**

	2013 \$	2013 Budget \$	2012 \$
<b>12. Reserves - Cash Backed</b>			
<b>(a) Employee Entitlements Reserve</b>			
Opening Balance	5,068	5,072	11,163
Amount Set Aside / Transfer to Reserve	6,999	6,897	459
Amount Used / Transfer from Reserve	0	0	(6,554)
	<u>12,067</u>	<u>11,969</u>	<u>5,068</u>
<b>(b) Plant Replacement Reserve</b>			
Opening Balance	404,492	383,578	94,398
Amount Set Aside / Transfer to Reserve	429,842	422,877	475,425
Amount Used / Transfer from Reserve	(528,765)	(744,000)	(165,332)
	<u>305,569</u>	<u>62,455</u>	<u>404,492</u>
<b>(c) Town Drainage Reserve</b>			
Opening Balance	95,389	94,186	88,553
Amount Set Aside / Transfer to Reserve	24,873	23,143	25,356
Amount Used / Transfer from Reserve	0	0	(18,520)
	<u>120,262</u>	<u>117,329</u>	<u>95,389</u>
<b>(d) Great Southern Regional Cattle Saleyards Reserve</b>			
Opening Balance	96,158	93,907	21,342
Amount Set Aside / Transfer to Reserve	82,881	81,183	74,816
Amount Used / Transfer from Reserve	(84,270)	(133,500)	0
	<u>94,769</u>	<u>41,590</u>	<u>96,158</u>
<b>(e) Land Rehabilitation Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<b>(f) New Waste Disposal Site Reserve</b>			
Opening Balance	251,157	248,126	218,578
Amount Set Aside / Transfer to Reserve	11,042	6,612	32,579
Amount Used / Transfer from Reserve	0	(67,727)	0
	<u>262,200</u>	<u>187,010</u>	<u>251,157</u>
<b>(g) Computer Software/Hardware Upgrade Reserve</b>			
Opening Balance	27,205	42,707	21,342
Amount Set Aside / Transfer to Reserve	11,536	11,454	21,863
Amount Used / Transfer from Reserve	0	0	(16,000)
	<u>38,740</u>	<u>54,161</u>	<u>27,205</u>

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2013**

	2013 \$	2013 Budget \$	2012 \$
<b>12. Reserves - Cash Backed (continued)</b>			
<b>(h) Outstanding Land Resumptions Reserve</b>			
Opening Balance	27,270	26,944	23,904
Amount Set Aside / Transfer to Reserve	1,199	718	3,366
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>28,469</u>	<u>27,662</u>	<u>27,270</u>
<b>(i) Shire Development and Building Improvements Reserve</b>			
Opening Balance	225,662	270,513	295,899
Amount Set Aside / Transfer to Reserve	9,452	7,208	24,255
Amount Used / Transfer from Reserve	<u>(192,500)</u>	<u>(238,000)</u>	<u>(94,492)</u>
	<u>42,615</u>	<u>39,721</u>	<u>225,662</u>
<b>(j) Natural Disaster Reserve</b>			
Opening Balance	111,585	109,694	65,996
Amount Set Aside / Transfer to Reserve	46,264	44,189	45,589
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>157,849</u>	<u>153,883</u>	<u>111,585</u>
<b>(k) Plantagenet Medical Centre Reserve</b>			
Opening Balance	87,045	85,416	42,685
Amount Set Aside / Transfer to Reserve	45,185	43,542	44,360
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>132,230</u>	<u>128,958</u>	<u>87,045</u>
<b>(l) Recycling Bin Reserve</b>			
Opening Balance	48,952	47,616	0
Amount Set Aside / Transfer to Reserve	2,028	0	48,952
Amount Used / Transfer from Reserve	<u>(50,980)</u>	<u>(47,616)</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>48,952</u>
<b>Total Reserves</b>	<u><u>1,194,770</u></u>	<u><u>824,738</u></u>	<u><u>1,379,982</u></u>

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2013**

**12. 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.

**New Waste Disposal Site Reserve**

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

**Computer Software/Hardware Upgrade Reserve**

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

**Outstanding Land Resumptions Reserve**

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

**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 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.

In the forthcoming financial year, the Council will review and rationalise some of its reserve accounts.



**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2013**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>13. Revaluation Surplus</b>		
Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:		
<b>Plant, Furniture and Equipment</b>		
Opening Balance	79,200	79,200
Revaluation Increment	445,233	0
Revaluation Decrement	<u>0</u>	<u>0</u>
	<u><b>524,433</b></u>	<u><b>79,200</b></u>
<b>Total Asset Revaluation Surplus</b>	<u><b>524,433</b></u>	<u><b>79,200</b></u>

**14. 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:

	<b>2013</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
Cash and Cash Equivalents	<u>3,160,938</u>	<u>1,040,098</u>	<u>3,103,585</u>
<b>(b) Reconciliation of Net Cash Provided by Operating Activities to Net Result</b>			
Net Result	1,242,358	2,053,783	521,059
Amortisation	88,417	85,269	81,354
Depreciation	3,897,296	4,113,540	3,822,677
(Profit) / Loss on Sale of Asset	(95,985)	28,044	(9,324)
Loss on Revaluation of Assets	0	0	0
(Increase) / Decrease in Receivables	(191,231)	(144,956)	385,865
(Increase) / Decrease in Inventories	621	1,550	15,903
Increase / (Decrease) in Payables	702,168	165,452	258,994
Increase / (Decrease) in Employee Provisions	117,554	0	100,088
Grants / Contributions for the Development of Assets	(2,842,347)	(4,743,249)	(2,104,851)
<b>Net Cash From Operating Activities</b>	<u><b>2,918,852</b></u>	<u><b>1,559,433</b></u>	<u><b>3,071,765</b></u>

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2013**

**14. Notes to the Statement of Cash Flows (Continued)**

<b>(c) Undrawn Borrowing Facilities</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Credit Standby Arrangements</b>		
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>
<b>Total Amount of Credit Unused</b>	<b><u>510,000</u></b>	<b><u>510,000</u></b>
<b>Loan Facilities</b>		
Loan Facilities - Current	290,297	148,370
Loan Facilities - Non-Current	<u>3,427,459</u>	<u>2,197,936</u>
<b>Total Facilities in Use at Balance Date</b>	<b><u>3,717,757</u></b>	<b><u>2,346,307</u></b>
<b>Unused Loan Facilities at Balance Date</b>	<b><u>298,903</u></b>	<b><u>20,000</u></b>

**15. 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.

**16. Capital & Leasing Commitments**

**(a) Finance Lease Commitments**

There are no outstanding finance lease commitments at 30 June 2013.

**(b) Operating Lease Commitments**

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

Payable:

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
- not later than one year	15,563	24,846
- later than one year but not later than five years	<u>13,619</u>	<u>29,182</u>
	<b><u>29,182</u></b>	<b><u>54,028</u></b>

**(c) Capital Expenditure Commitments**

Contracted for:

- Capital expenditure project (Sounness Park Redevelopment)	4,688,253	0
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Payable:

- not later than one year	4,688,253	0
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**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2013**

**17. 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:

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Non-Current Assets</b>		
Plant and Equipment	1,399,210	1,350,170
Less: Accumulated Amortisation	<u>(947,560)</u>	<u>(871,360)</u>
	<u><u>451,650</u></u>	<u><u>478,810</u></u>

**18. Total Assets Classified by Function and Activity**

Governance	3,024,092	2,977,448
Law, Order, Public Safety	1,441,589	2,039,006
Health	36,900	33,692
Education and Welfare	75,982	73,165
Community Amenities	3,334,802	3,057,145
Recreation and Culture	6,875,679	4,170,991
Transport	44,466,478	45,253,012
Economic Services	3,515,669	3,219,384
Other Property and Services	4,281,349	3,765,472
Unallocated	<u>5,156,819</u>	<u>3,741,280</u>
	<u><u>72,209,359</u></u>	<u><u>68,330,595</u></u>

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2013**

	2013	2012	2011
<b>19. Financial Ratios</b>			
Current Ratio	0.887	1.489	1.688
Asset Sustainability Ratio	1.619	1.085	1.418
Debt Service Cover Ratio	6.930	10.368	12.966
Operating Surplus Ratio	-0.206	-0.156	0.552
Own Source Revenue Coverage Ratio	0.648	0.680	0.716

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{Current assets minus restricted assets}}{\text{Current liabilities minus liabilities associated with restricted assets}}$
Asset Sustainability Ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expense}}$
Debt Service Cover Ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating Surplus Ratio	$\frac{\text{operating revenue minus operating expense}}{\text{own source operating revenue}}$
Own Source Revenue Coverage Ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2013**

**20. 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-12 \$	Amounts Received \$	Amounts Paid \$	Balance 30-Jun-13 \$
Feral Pig Eradication Committee	52,517	75,689		128,206
Contribution - Public Open Space	167,992			167,992
Contribution - Roadworks	8,631			8,631
Bonds - Planning Advertising	4,383	3,500	(977)	6,906
Bonds - Relocatable Dwelling	71,500	10,000	(24,000)	57,500
Bonds - Extractive Industries	10,000			10,000
Bonds - Road Construction Guarantee	381,897		(175,000)	206,897
Bonds - Tree / Garden / Planting	5,916			5,916
Bonds - Subdivisional	4,000			4,000
Bonds - Parking	3,000			3,000
Bonds - Footpath	13,835			13,835
Bonds - Other	3,955			3,955
Bonds - Councillor Nomination	0			0
	<u>727,626</u>	<u>89,189</u>	<u>(199,977)</u>	<u>616,838</u>

**21. Disposals of Assets - 2012/2013 Financial Year**

The following assets were disposed of during the year:

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Plant and Equipment</b>						
<i>Governance</i>						
Hyundai i45 - Shire President	15,183	18,309	15,455	16,727	271	(1,582)
Volkswagen Passat - CEO	25,777	31,242	24,091	28,000	(1,686)	(3,242)
Mitsubishi Triton - MCS	20,173	29,353	24,091	26,364	3,918	(2,989)
<i>Law, Order and Public Safety</i>						
Ford Ranger - CESM	11,324	16,518	18,182	18,182	6,858	1,664
<i>Health</i>						
Mazda B3000 - EHO	32,215	31,932	21,818	22,727	(10,396)	(9,204)
<i>Economic Services</i>						
Ford Ranger - Manager Development Services	40,777	-	41,818	-	1,041	-
<i>Other Property &amp; Services</i>						
Mitsubishi Triton - Manager Works and Services	21,330	28,667	24,545	24,545	3,215	(4,121)
Mazda B3000 - Principal Works Supervisor	32,214	31,742	22,727	22,727	(9,487)	(9,014)
Mitsubishi Triton - Depot Works Transporter	9,326	22,954	11,004	11,818	1,678	(11,136)
Mitsubishi Triton - Parks and Gardens Staff	13,235	32,140	18,212	18,182	4,977	(13,958)
Mack Hook Lift Truck (Not sold)	0	0	0	25,000	0	25,000
CAT 928 Loader	27,545	61,729	62,000	79,000	34,455	17,271
CAT 12H Grader	49,400	131,733	120,000	115,000	70,600	(16,733)
Custom Made Bitumen Trailer (Not Sold)	0	0	0	0	0	0
Volvo Excavator	114,723	0	105,263	0	(9,460)	0
<b>TOTAL</b>	<b>413,221</b>	<b>436,317</b>	<b>509,206</b>	<b>408,273</b>	<b>95,985</b>	<b>(28,044)</b>

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
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**22. Information On Borrowings**

(a) Repayments - Debentures

Particulars	Principal 01-Jul-12 \$	New Loans \$	Principal Repayments		Principal 30-Jun-13		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Governance</b>								
New Administration Centre (90)	2,079,373	0	110,800	110,800	1,968,573	1,968,573	120,298	121,067
<b>Health</b>								
Medical Centre (92)	140,000	0	20,000	20,000	120,000	120,000	0	0
*Plantagenet Village Homes (93)	0	1,200,000	50,180	41,439	1,149,820	1,298,561	28,789	265,212
<b>Recreation and Culture</b>								
*Mount Barker Golf Club (91)	126,934	0	17,570	17,570	109,364	109,363	8,989	9,009
Sounness Park (94)	0	370,000	0	39,068	370,000	960,932	895	25,483
	<b>2,346,307</b>	<b>1,570,000</b>	<b>198,550</b>	<b>228,877</b>	<b>3,717,757</b>	<b>4,457,429</b>	<b>158,971</b>	<b>420,771</b>

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

(b) New Debentures - 2012/2013

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
*Plantagenet Village Homes (93)	1,200,000	1,200,000	WATC	Debenture	10	251,859	3.68%	1,200,000	1,200,000	Nil
Sounness Park (94)	370,000	1,000,000	WATC	Debenture	10	81,133	3.84%	91,097	1,000,000	278,903

**Shire of Plantagenet  
Notes to and Forming Part of the Financial Report  
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**22. Information On Borrowings (Cont'd)**

(c) Unspent Debentures

<b>Particulars</b>	<b>Date Borrowed</b>	<b>Balance 30-Jun-12 \$</b>	<b>Borrowed During Year \$</b>	<b>Expended During Year \$</b>	<b>Balance 30-Jun-13 \$</b>
Remedial Works Saleyards (89)	April 2005	20,000	0	0	20,000
Sounness Park (94)	June 2013	0	370,000	91,097	278,903
		20,000	370,000	91,097	298,903

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 2013/2014.

(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 2012 and 30 June 2013 was \$Nil.

**Shire of Plantagenet**  
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**23. Rating Information - 2012/2013 - 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 \$
<b>General Rate</b>											
GRV - Mount Barker Townsite	10.92213	759	8,062,574	880,605	1,069	(2,057)	879,617	881,561	4,000	0	885,561
GRV - Strata Title	10.92213	6	55,744	6,088	0	0	6,088	6,088	0	0	6,088
GRV - Rural Townsites	10.92213	177	1,468,162	160,355	361	785	161,500	160,355	1,000	0	161,355
GRV - Rural	10.92213	49	1,319,948	144,166	0	0	144,166	144,166	0	0	144,166
UV - Rural	0.61984	1,367	569,205,000	3,528,160	3,969	4,323	3,536,453	3,528,941	5,000	0	3,533,941
<b>Sub-Totals</b>		2,358	580,111,428	4,719,375	5,399	3,051	4,727,824	4,721,111	10,000	0	4,731,111
<b>Minimum Rates</b>	<b>Minimum \$</b>										
GRV - Mount Barker Townsite	730	267	1,287,377	194,910	1,820	0	196,730	194,910	0	0	194,910
GRV - Strata Title	730	86	170,600	62,780	0	0	62,780	62,780	0	0	62,780
GRV - Rural Townsites	730	355	922,257	259,150	(60)	(695)	258,395	259,150	0	0	259,150
GRV - Rural	730	25	140,158	18,250	0	0	18,250	18,250	0	0	18,250
UV - Rural	730	252	24,052,800	183,960	2,593	2,181	188,734	183,960	0	0	183,960
UV - Mining	730	16	163,957	11,680	(1,336)	(57)	10,287	11,680	0	0	11,680
<b>Sub-Totals</b>		1,001	26,737,149	730,730	3,017	1,429	735,176	730,730	0	0	730,730
<b>Totals</b>				5,450,105			5,463,000				5,461,841



**Shire of Plantagenet**  
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**23. Rating Information - 2012/2013 - Financial Year (Continued)**

(b) Information on Surplus/(Deficit) Brought Forward

	<b>2013</b> <b>(30 June 2013</b> <b>Carried</b> <b>Forward)</b> <b>\$</b>	<b>2013</b> <b>(1 July 2012</b> <b>Brought</b> <b>Forward)</b> <b>\$</b>	<b>2012</b> <b>(30 June 2012</b> <b>Brought</b> <b>Forward)</b> <b>\$</b>
<b>Surplus/(Deficit) 1 July Brought Forward</b>	<u>1,498,106</u>	<u>1,759,317</u>	<u>1,739,317</u>
<b><u>Comprises:</u></b>			
Cash - Unrestricted	971,782	1,502,321	1,502,321
Cash - Restricted	2,189,156	1,601,264	1,601,264
Rates - Current	264,327	212,975	212,975
Sundry Debtors	349,107	159,127	159,127
GST Receivable	4,115	64,261	64,261
Inventories	48,583	49,204	49,204
<b>Less:</b>			
Reserves - Restricted Cash			
- Employee Entitlements Reserve	(12,067)	(5,068)	(5,068)
- Plant Replacement Reserve	(305,569)	(404,491)	(404,491)
- Town Drainage Reserve	(120,262)	(95,389)	(95,389)
- Great Southern Regional Cattle Saleyards Reserve	(94,769)	(96,158)	(96,158)
- Land Rehabilitation Reserve	-	-	-
- New Waste Disposal Site Reserve	(262,200)	(251,157)	(251,157)
- Computer Software/Hardware Upgrade Reserve	(38,740)	(27,205)	(27,205)
- Outstanding Land Resumptions Reserve	(28,469)	(27,270)	(27,270)
- Shire Development and Building Improvements Reserve	(42,615)	(225,662)	(225,662)
- Natural Disaster Reserve	(157,849)	(111,585)	(111,585)
- Plantagenet Medical Centre Reserve	(132,230)	(87,045)	(87,045)
- Recycling Bin Reserve	0	(48,952)	(48,952)
- Unspent Loan	0	0	(20,000)
Sundry Creditors	(1,134,194)	(449,854)	(449,854)
<b>Surplus/(Deficit)</b>	<u>1,498,106</u>	<u>1,759,317</u>	<u>1,739,317</u>

**Difference:**

There was one difference between the Surplus/(Deficit) 1 July 2012 Brought Forward position used in the 2013 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2012 audited financial report. The difference relates to the treatment of the \$20,000.00 unspent loan.

**Shire of Plantagenet**  
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**24. Specified Area Rate - 2012/2013 Financial Year**

There were no specified area rates levied in the 2012/2013 financial year.

**25. Service Charges - 2012/2013 Financial Year**

There were no service charges levied in the 2012/2013 financial year.

**26. Discounts, Incentives, Concessions and Write-Offs - 2012/2013 Financial Year**

	Type	Disc %	Total Cost / Value \$	Budget Cost / Value \$
Rate Assessment	Write-Off	N/A	139	0

Rates balances under \$2.00 are written off at the end of each year.

**27. Interest Charges and Instalments - 2012/2013 Financial Year**

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00	N/A	31,894	35,000
Interest on Instalment Plans	5.50	N/A	16,463	18,000
Charges on Instalment Plans	N/A	5.00	16,493	13,500
			<u>64,850</u>	<u>66,500</u>

Ratepayers had the option of paying rates in four equal instalments, due on 15 August 2012, 17 October 2012, 2 January 2013 and 6 March 2013. Administration charges and interest applied for the final three instalments.

<b>28. Fees and Charges</b>	<b>2013</b> \$	<b>2012</b> \$
Governance	4,740	7,332
General Purpose Funding	32,707	27,676
Law, Order, Public Safety	29,070	8,944
Health	69,119	66,612
Education and Welfare	330	322
Community Amenities	419,737	343,044
Recreation and Culture	224,822	200,808
Transport	0	745
Economic Services	805,768	769,757
Other Property and Services	421,534	220,522
	<u>2,007,827</u>	<u>1,645,761</u>

There was one change during the year to the amount of the fees or charges detailed in the original budget. The Council adopted a fee of \$65.00 for the replacement of 120 litre bins.

**Shire of Plantagenet**  
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**29. Grant Revenue**

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

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>By Nature and Type:</b>		
Operating Grants, Subsidies and Contributions	2,846,881	2,452,638
Non-Operating Grants, Subsidies and Contributions	<u>2,909,484</u>	<u>1,650,697</u>
	<u><u>5,756,365</u></u>	<u><u>4,103,336</u></u>
<b>By Program:</b>		
Governance	83,018	106,240
General Purpose Funding	1,532,146	1,825,102
Law, Order, Public Safety	201,321	433,105
Health	0	0
Education and Welfare	0	0
Community Amenities	447	25,647
Recreation and Culture	1,991,645	396,917
Transport	1,726,209	1,097,313
Economic Services	221,579	218,231
Other Property and Services	<u>0</u>	<u>780</u>
	<u><u>5,756,365</u></u>	<u><u>4,103,336</u></u>

**30. Councillors' Remuneration**

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

	<b>2013</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
President's Allowance	6,074	5,950	5,916
Deputy President's Allowance	1,364	1,488	1,328
Elected Members' Sitting Fees	70,090	70,000	70,001
Travelling Allowance	1,505	5,000	2,673
Councillors Incidental Expenses	11,363	12,500	10,738
Conferences & Training	<u>22,535</u>	<u>25,000</u>	<u>16,171</u>
	<u><u>112,931</u></u>	<u><u>119,938</u></u>	<u><u>106,827</u></u>

**31. Employee Numbers**

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

	<b>2013</b>	<b>2012</b>
	<u>59</u>	<u>59</u>

**Shire of Plantagenet**  
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**32. Post Balance Date Event**

The Department of Regional Development has advised that the Minister for Regional Development has decided that the Shire's 2012/2013 Country Local Government Fund allocation of \$593,798.00 will not be forthcoming. The adoption of the 2013/2014 State Budget has seen policy changes due to changing economic conditions. The State Government has discontinued the Country Local Government Fund which impacts the Shire's 2013/2014 allocation. In addition, the Shire is advised that country local governments that have acquitted their 2010/2011 individual funding by 30 June 2013 and have entered into a Financial Assistance Agreement (FAA) by 30 December 2012 will be eligible for the 2012/2013 funding.

This withdrawal of this grant funding will have a major impact on the Council, as these funds have already been committed due to the magnitude and ongoing nature of the Sounness Park development over a lengthy period of time. The Shire is making representations to the State Government to have this funding reinstated and there is also a possibility that the Council may receive other funding through the Great Southern Development Commission in lieu of the 2012/2013 CLGF allocation. Otherwise, consideration is being given to the options to deal with this shortfall, which involve a combination of project deferrals, loan funding and reallocation from reserve funds.

**33. Major Land Transactions**

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

**34. Trading Undertakings and Major Trading Undertakings**

	<b>2013</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
The Great Southern Regional Cattle Saleyards			
Number of Cattle Sold	66,701	60,000	66,003
<b>Operating Revenue</b>			
Agent Contributions	63,067	63,525	62,669
Entry Fees	12,000	12,800	12,015
Saleyard Weigh & Pen Fees	493,184	490,000	469,323
Other Operating Income	8,208	8,000	9,230
Avdata Income	20,142	15,000	19,075
NLIS Tagging	11,179	10,000	10,388
Hay Feeding	6,817	8,000	6,940
Stock Removal	3,032	5,000	4,900
Sale of Manure	9,120	5,000	4,451
Shippers / Private Weigh	10,762	17,000	15,187
Profit on Sale of Assets	0	0	0
	<u>637,511</u>	<u>634,325</u>	<u>614,179</u>

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
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**34. Trading Undertakings and Major Trading Undertakings (Continued)**

The Mount Barker Regional Saleyards	2013 \$	2013 Budget \$	2012 \$
<b>Operating Expenditure</b>			
Conferences & Training	333	4,000	1,256
Workers Compensation Insurance	4,511	5,500	5,486
Salaries	212,035	190,550	178,803
Superannuation	19,080	16,035	15,436
Relief Staff / Contractors	0	0	0
Uniforms, Clothing & Accessories	1,448	2,000	989
Travel & Accommodation	932	1,000	488
Medicals & Vaccinations	794	500	65
Telephone	3,812	3,000	3,505
Computer Equipment Maintenance	9,106	10,000	11,479
Other Operating Costs - Office	306	1,000	527
Insurances	35,436	32,000	30,908
Promotional Material & Public Relations	13,728	19,000	14,555
Water Monitoring	10,065	8,000	4,265
Licence Fees	4,333	2,500	1,999
Other Operating Costs - Other	12,281	12,000	9,466
Feed Purchases	2,800	5,000	3,000
Tools & Sundry	0	1,000	883
NSQA Expenses	0	5,000	0
Environmental Services	10,837	8,000	10,026
Sludge Removal	0	25,000	1,885
Admin Services Allocation	68,196	66,263	64,145
Depreciation - Furniture & Fittings	9,167	2,389	12,039
Depreciation - Land and Buildings	88,646	92,545	87,341
Depreciation - Plant, Machinery & Equip	13,580	6,531	6,065
Loss on Sale of Assets	0	0	804
Annual Leave Accrual	2,981	0	935
Long Service Leave Accrual	1,179	0	638
Building Maintenance	4,811	5,000	2,719
Building Operating	30,349	20,000	17,444
Grounds Maintenance	55,139	50,000	43,413
Motor Vehicle Allocations	5,696	10,000	7,532
<b>Total Operating Expenditure</b>	<b>621,581</b>	<b>603,813</b>	<b>538,096</b>
<b>Operating Profit / (Loss)</b>	<b>15,930</b>	<b>30,512</b>	<b>76,083</b>

**Shire of Plantagenet**  
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**35. 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	
	2013	2012	2013	2012
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and cash equivalents	3,160,938	3,103,585	3,160,938	3,103,585
Receivables	1,907,278	583,797	1,907,278	583,797
Available for Sale Financial Assets (Shares)	4,692	4,692	4,692	4,692
	<u>5,072,907</u>	<u>3,692,074</u>	<u>5,072,907</u>	<u>3,692,074</u>
<b>Financial Liabilities</b>				
Payables	1,255,429	553,261	1,255,429	553,261
Borrowings	3,746,939	2,346,307	3,189,203	2,245,925
	<u>5,002,368</u>	<u>2,899,567</u>	<u>4,444,632</u>	<u>2,799,186</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**

**Financial assets at fair value through profit and loss**

**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 NCDs.

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2013**

**35. Financial Risk Management (Continued)**

**(a) Cash and Cash Equivalents (Continued)**

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

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

	<b>30-Jun-13</b>	<b>30-Jun-12</b>
	\$	\$
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	43,207	38,208
- Statement of Comprehensive Income	43,207	38,208

**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:

	<b>30-Jun-13</b>	<b>30-Jun-12</b>
Percentage of Rates and Annual Charges		
- Current	18.16%	28.09%
- Overdue	81.84%	71.91%
Percentage of Other Receivables		
- Current	87.74%	98.06%
- Overdue	12.26%	1.94%

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2013**

**35. 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:

	<b>Due Within One Year \$</b>	<b>Due Between One &amp; Five Years \$</b>	<b>Due After Five Years \$</b>	<b>Total Contractual Cash Flows \$</b>	<b>Carrying Values \$</b>
<b><u>2013</u></b>					
Payables	1,255,429	0	0	1,255,429	1,255,429
Borrowings	468,745	1,874,981	2,521,968	4,865,695	3,717,757
	<u>1,724,174</u>	<u>1,874,981</u>	<u>2,521,968</u>	<u>6,121,124</u>	<u>4,973,186</u>
<b><u>2012</u></b>					
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>2,899,568</u>



**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2013**

**35. 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:

	<b>&lt;1 Year</b>	<b>&gt;1&lt;2 Years</b>	<b>&gt;2&lt;3 Years</b>	<b>&gt;3&lt;4 Years</b>	<b>&gt;4&lt;5 Years</b>	<b>&gt;5 Years</b>	<b>Total</b>	<b>Weighted Average Effective Interest Rate</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>
<b><u>Year Ended 30 June 2013</u></b>								
<b>Borrowings</b>								
<b>Fixed Rate</b>								
Debentures	0	0	0	0	109,363	3,608,394	3,717,757	4.82%
Weighted Average Effective Interest Rate	N/A	N/A	N/A	N/A	7.26%	4.82%	4.82%	
<b><u>Year Ended 30 June 2012</u></b>								
<b>Borrowings</b>								
<b>Fixed Rate</b>								
Debentures	0	0	0	0	0	2,346,307	2,346,307	5.55%
Weighted Average Effective Interest Rate	N/A	0.00%	0.00%	0.00%	0.00%	5.55%	5.55%	

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2013**

**Ratio Information**

The following information relates to those ratios which only require an attestation they have been checked and are supported by verifiable information. It does not form part of the audited annual financial report.

	<b>2013</b>	<b>2012</b>	<b>2011</b>
Asset Consumption Ratio	0.122	N/A	N/A
Asset Renewal Funding Ratio	1.024	N/A	N/A

The above ratios are calculated as follows:

Asset Consumption Ratio 
$$\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciable assets}}$$

Asset Renewal Funding Ratio 
$$\frac{\text{NPV of planned capital renewals over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$$

Note - In keeping with amendments to Local Government (Financial Management) Regulation 50, comparatives for the two preceding years (being 2012 and 2011) have not been reported as financial information is not available.