

annual report

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## Annual Report

For the Year Ended 30 June 2010

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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	5,064 (2009 ABS ERP)
• Area	4,792 km <sup>2</sup>
• Number of elected members	9
• Number of dwellings	2,234
• Number of rate assessments	3,289
• Length of sealed roads	332 km
• Length of unsealed roads	908 km
• Number of electors	3,229
• Number of bushfire brigades	12



It is with great pleasure that I present the 2009/2010 Annual Report for the Shire of Plantagenet. This year has been another exciting and challenging year for everyone involved in the Council's operations.

### *Infrastructure*

A number of key items of infrastructure have been carried out, including:

- Completion of new Plantagenet Medical Centre.
- Construction of Shed to House New Fire Truck - Rocky Gully Bush Fire Brigade.
- Commencement of extension to the Mount Barker cemetery.
- Re-roofing of a portion of the Plantagenet District Hall.
- Upgrade of flooring in the Lesser Hall.
- New blanket for the swimming pool.
- Installation of security door to Recreation Centre gym to enable after hours access.
- New playground equipment in Narrikup.
- Progression of Frost / Souness Parks and Centenary / Wilson Parks improvement plans.
- Commencement of the transformation of the library building (old Recreation Centre) into a Community Resource Centre.
- \$2.85 million capital roadworks program with the improvement of the Lowood Road / Mondurup Street intersection and the continuation of the Spencer Road Bypass being the highlights.
- Installation of chlorination facility at the saleyards, to enable waste water to be used for wash down purposes.
- Further progress was made with the decontamination the old depot site in Menston Street.



### *Local Government Reform*

As indicated in last year's annual report, one of the main challenges for the Shire in the past year has been dealing with the State Government's agenda for local government reform. After a great deal of discussion with nearby councils and extensive public consultation, the council was of the opinion that the best structural reform outcome for the Southern Link Voluntary Regional Organisation of Councils is that the member Councils of Broomehill-Tambellup, Cranbrook, Kojonup and Plantagenet indicate their willingness to amalgamate and form one local government.



Following that outcome, the Shires of Kojonup and Cranbrook decided to oppose such an amalgamation, due primarily to concerns expressed by sectors of their respective communities. The current situation is that the Minister for Local Government has been advised that the Shire of Plantagenet, although agreeing to a further investigation into amalgamation with neighbouring Councils of similar size and outlook, was unable to sign a proposed Regional Transition Group Agreement due to a lack of consensus by all of those Councils. The Shire also advised the Minister that, while it was considering other reform measures, it believes that any proposal to force amalgamations with unwilling partners would work against reform of the sector.

## *New Medical Centre*

In December 2009 the doors of the long awaited Plantagenet Medical Centre were opened. This project began back in 2005 and since then the Shire has supported the concept of constructing a new Medical Centre and leasing the building back to the medical practice. The Council wanted to assist because the project addresses the long term provision of health facilities, which will in turn support a growing population and assist economic development. Without being in a position to provide a modern and versatile consulting facility, the community faced the prospect of losing existing doctors and not being able to attract new ones required to maintain ongoing quality medical services to the area.

The final cost was \$1,543,000 for a magnificent facility built by Mount Barker Building Service, to house five doctors, physiotherapist, three full time nurses, podiatrist, speech therapist, counsellors / psychologist, dietician and diabetes educator and visiting specialists. The Council and staff pulled out all the stops to get this project to completion, with the help of numerous agencies and the local Bendigo Community Bank. The final funding was achieved from the following sources:

• Regional Medical Infrastructure Fund (Commonwealth)	\$400,000
• Regional Infrastructure Funding Program (State)	\$200,000
• Regional Headworks Program Funding (State)	\$20,000
• Shire of Plantagenet (Sale of Property)	\$550,000
• Shire of Plantagenet (Unspent Loan)	\$143,000
• Shire of Plantagenet (Reserve Funds)	\$30,000
• Bendigo Community Bank Interest Free Loan	\$200,000

## *Roadworks Program*

The Council continued to strongly pursue grant funding for the road network, including several discussions with the Timber Industry Roads Evaluation Study Group (TIRES) and the Regional Road Group in respect to future funding plans.

Total funds spent on grant funded roads during 2009/2010 year was over \$2.4 million (\$1.8 million grant funds and \$600k Council contribution), with the main jobs being the Lowood Road / Mondurup Street intersection, continuation of the Spencer Road Bypass and the Mount Barker – Porongurup Road. In addition, the Council spent \$445,000 on Council funded road upgrades with the main jobs being on Millinup Road, Martagallup-Tenterton Road and South Marmion Street.

## *Tourism*

During the year the Council was advised by the Mount Barker Tourist Bureau that it was unable to continue running the Visitor Centre in Mount Barker without a substantial increase in funding. In light of the information presented by the Bureau, the Council considered that it could not provide the increased financial assistance required by the Bureau and the Visitor Centre.

The Council decided to investigate options to address tourism and visitor servicing in Plantagenet and the Lower Great Southern and support alternative methods of provision of services to provide visitor information. The Council recognised the enormous amount of goodwill and work carried out by the Bureau over the years.

## *Saleyards*

Discussions continue with the Minister for Agriculture and other industry stakeholders regarding opportunities coming out of the sale of the Midland saleyards. The Shire also participated in a market sounding exercise facilitated by the Department of Agriculture and Food, Department of Treasury and Finance and the Western Australian Treasury Corporation.

The purpose of this exercise was to assist the State in determining which delivery model provides the best value for money to meet the Government's objectives for the delivery of saleyard services in the near Perth and south west regions. A number of issues including market appetite for a range of ownership and delivery options, commercial / financial issues, timing and areas where the private sector could offer added value to the State were discussed. The Shire is awaiting a final cabinet decision on the outcome of this process.

## *Conclusion*

The 2009/2010 year has again been a very productive year with the Council aiming to provide the levels of service sought by the community in an efficient, effective and sustainable manner. Together, councillors and staff look forward to the challenges in the next financial year.

I want to thank all my fellow Councillors for their time, energy and dedication to serving the Plantagenet communities over the past twelve months. I also thank the professional and hard working staff for their contribution to ensuring the Shire of Plantagenet continues to be a unique and vibrant place to live and visit.

A handwritten signature in blue ink, appearing to read "Ken Clements", with a large, stylized flourish at the end.

Cr Ken Clements  
Shire President

As the global financial crisis hit hard, the Shire of Plantagenet worked diligently to keep rates and charges to a minimum while ensuring that services to the community weren't affected. This required careful attention to our budgeting and ongoing finances.

We continued with the development of our Long Term Financial and Asset Management Planning. Deputy Chief Executive Officer John Fathers and Accountant Cherie Delmage worked tirelessly on these tasks.

The information developed though, is not necessarily good reading. Along with local governments all over Australia, insufficient funds have been invested or put aside for infrastructure renewal. Assets such as roads and public buildings have been identified as having '*maintenance gaps*', requiring urgent attention. This is not to say that Plantagenet or indeed any local government has been sleeping on the job. Rather the allocation of scarce of resources has been put in to more '*soft*' services as communities seek a higher level of community development.

This is one reason that Minister for Local Government John Castrilli sought cooperation from all local governments across the State to commit to structural reform and capacity building, a concept that the Shire of Plantagenet embraced with the formation of the Southern Link Voluntary Regional Organisation of Councils. This collaboration between four Councils, saw as its key the sharing of expertise and resources and the undertaking of joint projects so that the members and their communities could enjoy the benefits that may accrue to a bigger Council without losing the '*local*' part of local government.

The Shire of Plantagenet was well aware of the wholesale amalgamation of local governments that had occurred in other states and, if it was to happen here, wanted the local governments involved to be in control of that process.

My message in this Annual Report is that the face of local government is changing dramatically. Local governments are now required to do more reporting, be more accountable, and, quite frankly, be in a position to justify its own existence.

The Shire of Plantagenet has embraced these challenges and will continue to do so while benefit to our community is evident.



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 Simon Grylls



Cr Len Handasyde



Cr Gert Messmer



Cr Jeff Moir





Shire President Cr  
Kevin Forbes AM



Deputy Shire  
President  
Cr Ken Clements



Cr John Mark



Cr Jeff Moir



Cr Bill  
Hollingworth



Cr Simon Grylls



Cr Deb Nye-Chart



Cr Andrus  
Budrikis



Cr Michael Skinner



## Chief Executive Officer – Rob Stewart

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

#### Council

An ordinary election for five positions of councillor was held 17 October 2009. Crs Brett Bell, Sue Etherington, Len Handasyde, Jeff Moir and Michael Skinner were declared elected for a period of four years. Cr Deb Nye-Chart resigned from her role as Councillor in October 2009. As a result an extraordinary election was held on 17 December 2009, following which Cr Gert Messmer was elected for a period of two years.

During the year the Council decided to move to a three weekly meeting cycle, to reduce the number of meetings held per year.

#### Local Government Reform

In 2008/2009, the Shire of Plantagenet resolved that, to answer the Minister's call for structural reform, the four shires of Broomehill-Tambellup, Cranbrook, Kojonup and Plantagenet (members of the Southern Link Voluntary Regional Organisation of Councils [VROC]) should amalgamate to form one new Council.

The Shire subsequently acknowledged that, except for the Shire of Broomehill-Tambellup, the other two Shires oppose such an amalgamation, due primarily to concerns expressed by sectors of their respective communities.

Since then nothing concrete has progressed for this Shire in terms of reform. The Southern Link VROC has continued to work proactively on a number of joint projects and has now adopted a strategic plan.

### Administration

#### Property Transactions

- On 21 August 2009 the new Home and Community Care building was opened.



New HACC Building

- The Council entered into a lease with the Mount Barker Community Centre (tenant) and the Baptist Union of Western Australia (sponsor) for the building and grounds at Lot 53 Lowood Road, Mount Barker. Following this, building works were commenced at the Mount Barker Community Centre. The upgraded building will continue to house the Shire's public library.
- The lease agreement between the Shire and the Plantagenet Historical Society for Lot 601 and Lot 604 Albany Highway (Historical buildings and museum) was extended for a period of five years.
- The Council purchased Lot 500 (Reserve 6491) cnr Marion Street and Menston Street, Mount Barker (former depot site) from the Department of Regional Development and Lands for the purchase price of \$1.00.
- The Council agreed to the renewal of the sub-lease of the southern portion of the Mount Barker Railway Station Building located on Albany Highway, Mount Barker to the Mount Barker Tourist Bureau Inc.
- On Saturday 20 March 2010 the Council auctioned the following properties to recover outstanding rates:
  - Lot 800 (42) Seventh Avenue, Kendenup;
  - Lot 253 (48) Second Avenue, Kendenup;
  - Lot 52 (105) Hassell Avenue, Kendenup; and
  - Lot 53 (107) Hassell Avenue, Kendenup.

### Occupational Health and Safety

Workplace safety and health practices were a continued focus throughout the year. The Shire has prepared a continuous improvement program to ensure ongoing compliance with the Silver Certificate of Occupational Safety and Health status.

### Audits and Compliance

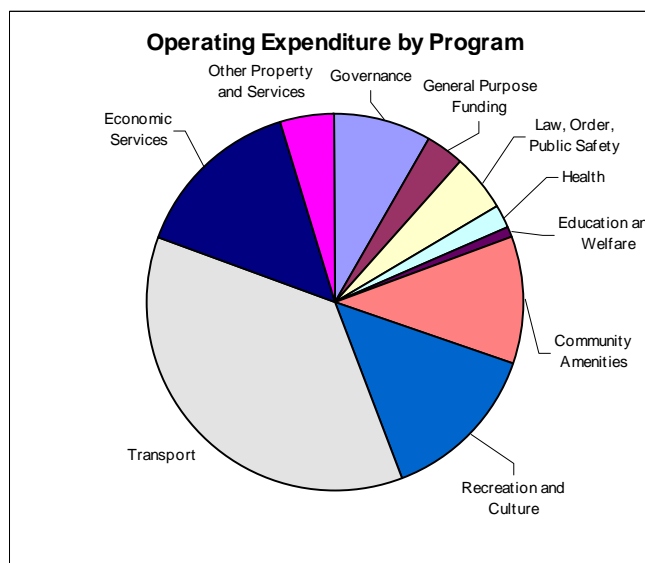
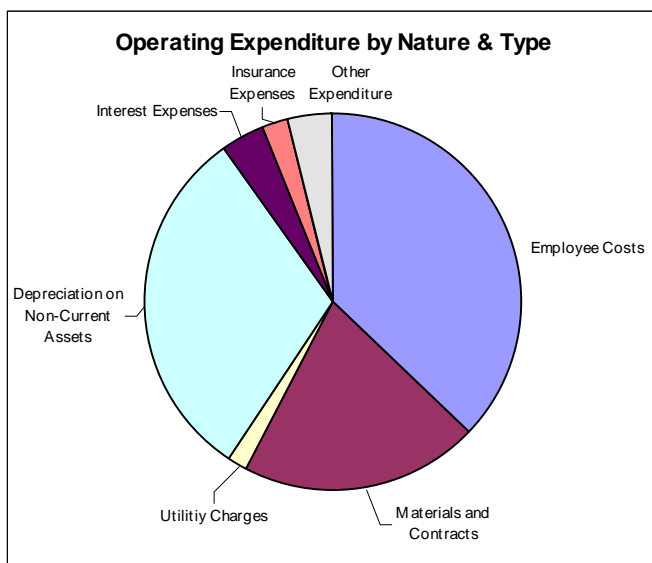
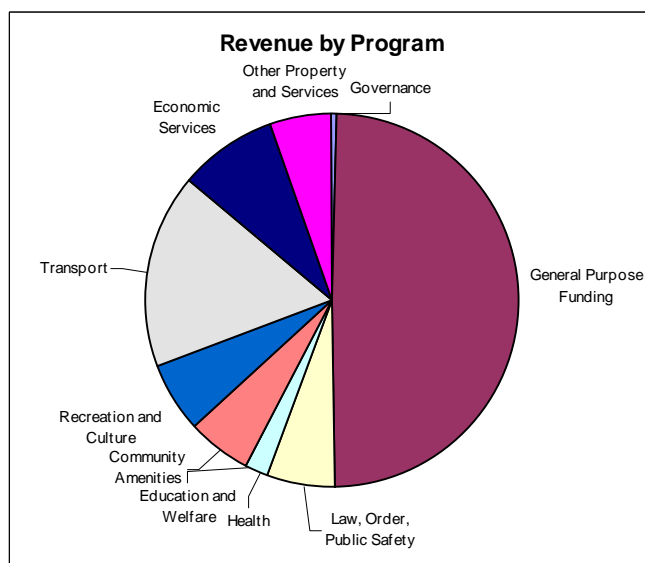
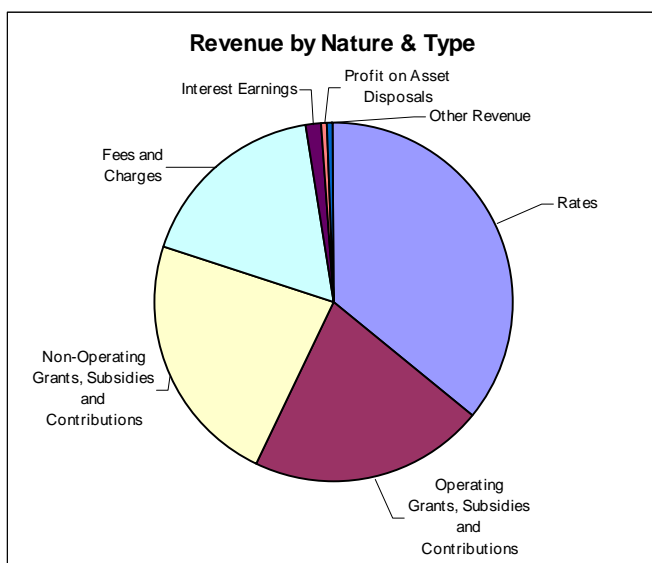
During the year the Shire reviewed its audit service providers and decided to appoint Mr Russell Harrison of Lincolns Accountants and Business Advisors as the Council's auditor for the five year period 1 July 2009 to 30 June 2014. The 2009 Compliance Audit revealed no areas of non-compliance.

## CORPORATE SERVICES

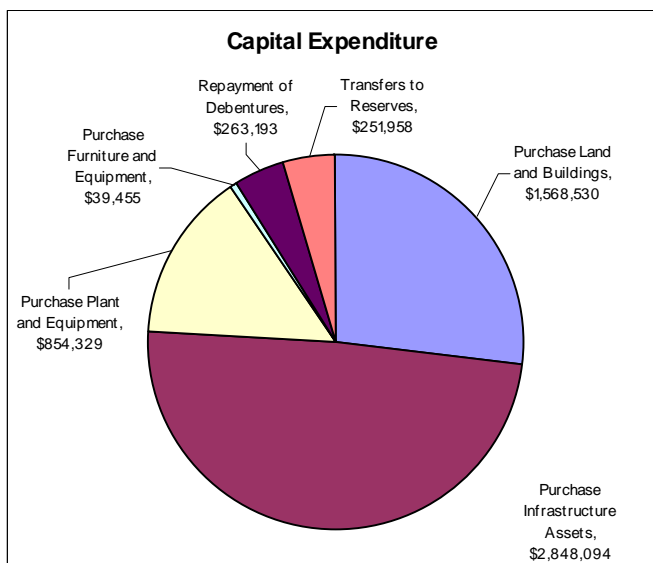
### Finance

The Shire's operating net result was \$2.86 million in 2009/2010. Rate revenue increased from \$3.88 million in 2008/2009 to \$4.09 million in 2009/2010. Outstanding borrowings decreased from \$5.04 million in 2008/2009 to \$4.77 million in 2009/2010. The Council expended \$1,568,530 on land and buildings, \$2,848,095 on infrastructure capital works and \$824,330 on purchases of plant, and equipment.

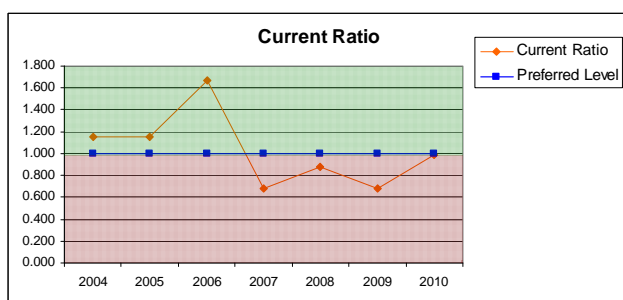
The Council received grants and contributions for the development of assets of \$2.62 million in 2009/2010. Total grants and contributions received was \$5.00 million. The level of reserve funds increased from \$431,308 in 2008/2009 to \$683,267 in 2009/2010. The following graphs indicate where the Council's funds were raised from and what they were spent on:



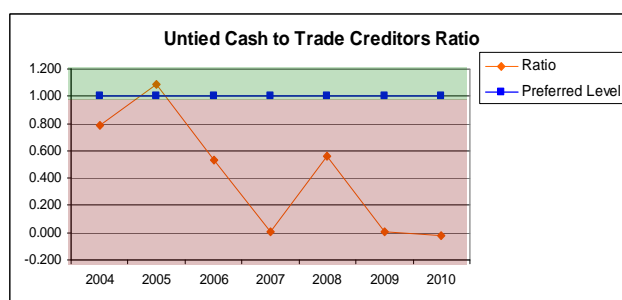




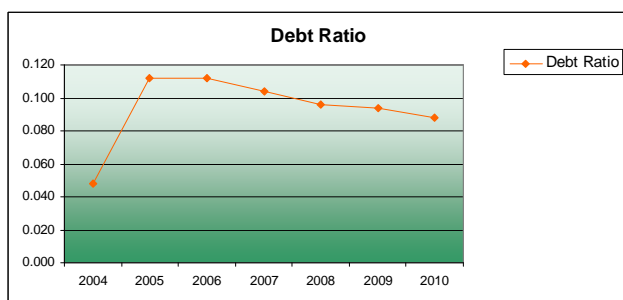
## Financial Ratios



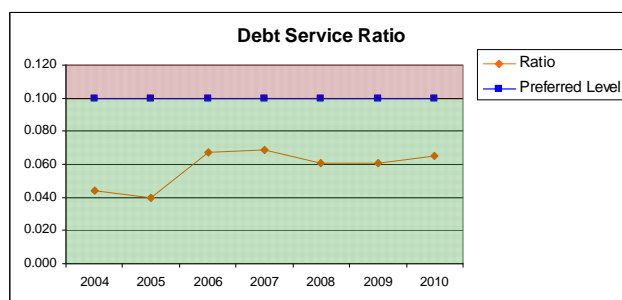
This ratio gives an indication of short term liquidity. That is the ability to meet financial obligations when they fall due. A ratio of greater than 1 is desirable.



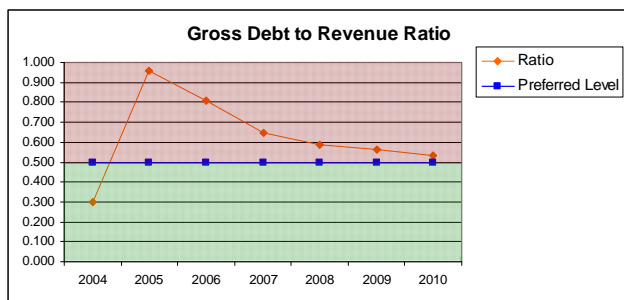
This ratio indicates the ability to meet immediate obligations to creditors with unrestricted / untied cash. A ratio less than 1 requires close examination of cash flow.



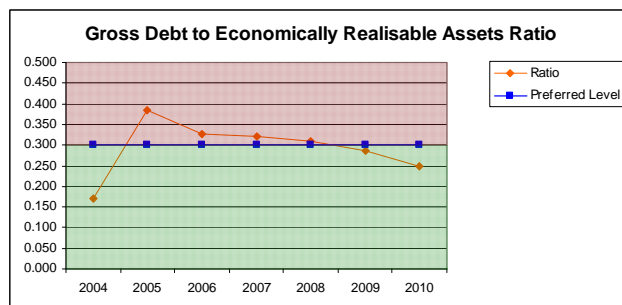
This ratio measures the Council's liabilities as a percentage of its assets. The lower the percentage generally indicates a greater ability to borrow against assets.



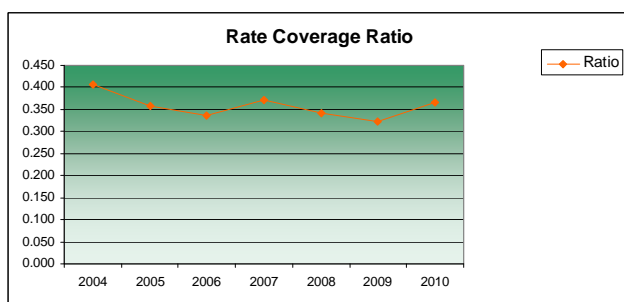
This ratio indicates the Council's ability to service debt.



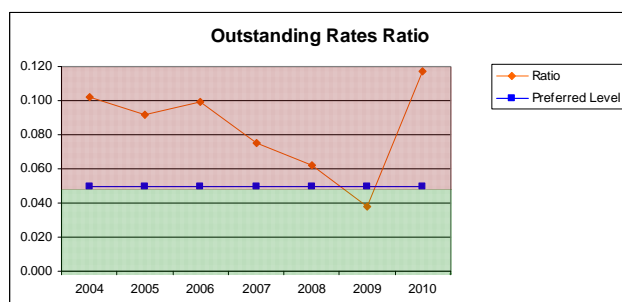
This ratio illustrates the Council's ability to cover debt with its revenue in any given year if required by comparing it to total revenue received.



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



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



This ratio indicates the effectiveness of the Council's rate collection system. The lower the percentage of rates outstanding, the better the performance. The performance this year has been impacted by the inability to collect rates from managed tree farm properties.

Many of these ratios are outside preferred benchmarks, however they largely demonstrate good trends and are within expected levels. The Council will continue to use these key ratios to guide its decision making, especially regarding the use of debt.

In January 2010, the Council welcomed the Western Australian Local Government Grants Commission to the Shire of Plantagenet for a hearing, which take place roughly every five years. The Council made a submission to the Commission about its concern at the decline in the level of General Purpose grant the Commission has calculated the Shire needs. This decline has accelerated to the stage where the Shire is now assessed below the minimum grant level.

## 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 \$119,470 was returned to the community.

## Long Term Financial Plan

The Council has for some years been aware of the need to prepare a Long Term Financial Plan (LTFP). In June 2009, the Council established a Working Group to develop and make a recommendation to the Council in this regard.

The overall objective of the Council's financial plan is to maintain current service levels, achieve a capital works program that meets adequate asset renewal requirements, undertake an optimal plant replacement program and achieve a balanced budget. The LTFP is also intended to be a blueprint for the financial sustainability of our Shire and it ensures that our aspirations for the community are responsibly matched with our capacity to deliver these outcomes.

To date, the Council has approved Stage 1 of the LTFP which sets a broad financial framework for the coming ten financial years.

The Council has continued to work towards the completion of Stage 2, being the clarification of some outstanding issues and addition of detail. It has been working with the Shire of Kojonup's Asset Management Officer in this regard. However further progress has been delayed pending the preparation of a Forward Capital Works Program, which is to be funded by the State Government. This is a new requirement for all local governments and is a pre-requisite to receiving any further Royalties for Regions (CLGF) funding.

### Licencing

The Council continues to provide licensing services on behalf of the Department of Transport. A total of 12,210 transactions were processed in the 2009/2010 financial year, realising \$96,908 in commissions.

### Staffing

The 2009/2010 year saw a number of staff changes.

Ronnie Smith moved from part time Recreation Officer working between the Swimming Pool and the Recreation Centre to the full time position of Recreation Centre Coordinator. Mitchell Berliner, Joanne Warren and Joanne Baird-Orr were all appointed as casual Recreation Officers to help out with after school and school holiday programs. Eleanor Scott was appointed to the casual position of Recreation Centre Cleaner.

Tina Edwards-Pope was appointed as a casual relief Library Officer at the Rocky Gully Library in March 2010.

Jodie Elson was appointed to the casual position of General Hand/Clerk at the Saleyards, with Malcolm Spencer taking on the casual role of General Hand. Malcolm later resigned his position and was replaced by Tim Beech.

2009/2010 saw a restructure of Corporate Services. Donna Stevens (Senior Administration/Human Resources Officer) decided not to return after 12 months maternity leave and Megan Sounness, who had been relieving in that position moved back to her previous position of Administration Officer in the Works and Services Department. Donna McDonald, Accounts Officer took over the role of Senior Administration/Human Resources Officer and Emma Gardner, whose 12 month contract as Administration Officer Works and Services had finished, made the move to Corporate Services in the permanent position of Accounts Officer.

Manager of Works and Services, Ian Bartlett, resigned in July 2009 to take up a similar position in Northam. He was replaced by Dominic Le Cerf in August 2009, who made the move from the Shire of Cranbrook. The position of Principal Works Supervisor, which had remained vacant since the resignation of Wayne Griffiths, was filled by Jack Childs who commenced work in November 2009. Jack also came from the Shire of Cranbrook.

Sharon Lynch, Senior Administration/Project Officer came to the end of her 12 month contract but stayed on when her position was made permanent full time. Due to a serious illness, Megan Sounness (Administration Officer Works and Services), began a period of sick leave in November 2009.



When it became apparent that the sick leave would be protracted a decision was made to employ two casual employees to fill the position on a job share basis until Megan's return. Donna Stevens returned to fill one of the casual roles with the other being filled by Tracy Ravenhill. When both Donna and Tracy had to leave as they were expecting babies in the near future, Lisa Reynolds was hired for a six month period to job share the position with Megan, who is hoped to return to work part time.

Neil Hawkins resigned from his position as Plant Operator/Labourer and was replaced by Jamie Giddens who came over from Parks and Gardens leaving a vacant position in that section.

Plant Operator/Labourer Elvin Rowe also resigned. He was not replaced, however Geoff Scott who had been in the position of Supervisor Maintenance rejoined the Maintenance Crew as a grader operator.

Garry Jenkins and Stephen Berry were appointed as casual traffic controllers. Stephen later moved up to the full time position of Plant Operator/Labourer when Jamie Giddens resigned his position in June 2010.

Andrew Buchanan was appointed to the new position of Community Emergency Services Manager in November 2009.

Linda Sounness commenced work as the new Executive Secretary at the beginning of June 2010 after Kaye Skinner announced her intention to retire on 2 July 2010.

### Local Laws

Two local law amendments were commenced during the year. Amendments were proposed to the Cemeteries Local Law in preparation for the extension of the Mount Barker Cemetery. In particular, the amendments provide for the inclusion of lawn sections and natural earth burial sections.

Minor amendments were also proposed to the Activities in Thoroughfares and Public Places Local Law to amend the definition of a 'person liable for the control of a horse' to exclude children to the extent limited by the provisions of the Criminal Code and to amend a defective definition of 'town planning scheme'. These changes were required by the Parliamentary Joint Standing Committee on Delegated Legislation.

### Policy Reviews

With the majority of policies reviewed in the previous year, the following Council policies relating to Corporate and Executive Services were adopted or reviewed during 2009/2010:

- Purchasing and Tendering
- Financial Assistance to Incorporated Organisations and Clubs
- Internet and Email Usage
- Motor Vehicle Use - Shire President
- Recognition of Councillors and Staff
- Telecommunications – Councillors and Staff
- Halls – Request To Waive Hire Charges
- Code of Conduct
- Hire of Council Controlled Property
- Tourism

### Policy Adoption

- Staff Attendance at External Functions and Reimbursement of Expenses
- Workshops - Attendance by Members of the Public
- Briefing Sessions for Councillors
- Natural Earth Burials
- Payment of Councillors' Attendance Fees and Allowances

### Great Southern Regional Cattle Saleyards

It was another busy year for the saleyards with a throughput of 67,786 cattle. The Eastern States buyers have been present and buying throughout the year. This has increased the workload for looking after and managing these cattle until they are shipped east. There has also been an increase in transit animals and the Council reviewed the fees for this service during the year as a result.

The Livestock Compliance Officer from the Department of Agriculture and Food has been regularly attending the sales checking on compliance (ear notches, NLIS tagging and NVDs). A number of cattle have been sent home for non compliance. This has decreased the amount of tagging Shire staff have had to do.

Discussions continued with the Department of Agriculture on a possible buy-out of the yards or financial assistance package by the State Government, in accordance with the principles of the State Saleyards Strategy. This has been brought about by the excess funds from the sale of the Midland Saleyards lots, in order to build a new saleyards in Muchea. The Council engaged in a 'market sounding' process run jointly by the Department of Agriculture and Department of Treasury and Finance and made a formal submission in this regard. It is understood that a submission coming out of this process has been made to State Cabinet and advice is expected in the near future.

The Council continued to pursue environmental improvement works at the Saleyards, however the environmental engineers could not recommend any changes to the treatment system until its performance is monitored and assessed following upgrades to the truck wash. The Council identified the possibility of greater water reuse at the yards if the water quality could be increased sufficiently for human contact. Last year approval was granted to install a waste water re-use system using previously unspent RIFP grant funds. The chlorination shed has now set up and put into operation on 10 July 2009.

The 2009 annual environmental report for the saleyards identified no licence breaches and although nutrient levels were well below licence conditions, there were slightly increased nutrient levels evidenced. It was recommended that this situation be reviewed and the Shire has asked its newly appointed environmental contractor to do this.

## COMMUNITY SERVICES

### Community Facilities

Collaboration and co-operation has been the focus of community services over the past twelve months. The flagship of this focus is the Mount Barker Community Resource Centre project, an initiative guided by the Mount Barker Baptist Church, Baptist Union of Western Australia and the Shire of Plantagenet.

Construction of the \$2.2 million Resource Centre is well underway with support from Lotterywest, the Regional Development Scheme, St Jack Foundation, Indigenous Co-ordination Centre, Regional Co-location Scheme, Shire of Plantagenet, Baptist Union of Western Australia and the Mount Barker Baptist Church.

Services to be provided from the centre include Centrelink, telecentre, office space for visiting agencies and services, after school care, food bank, emergency financial relief, counselling services, training programs and the Mount Barker Public Library. The Community Resource Centre will be finished in early 2011.



Community Resource Centre under construction

Progress towards improving the Shire's playgrounds to comply with Australian Standards got underway with a new playground for Narrikup. Shire funding coupled with contributions from Lotterywest and the Narrikup community saw a \$29,000 play centre installed adjacent to the Narrikup Hall. Future playground installations include Rocky Gully, Kendenup and Centenary / Wilson Parks in Mount Barker.





Narrikup Playground Equipment

Another major project within the Shire was the Plantagenet Medical Centre. The Medical Centre construction spanned 18 months. The Centre was formally opened on 2 December 2009 by former Shire President Kevin Forbes AM, Shire President Cr Ken Clements and Member for Stirling, Terry Redman MLA. Within the first six months of occupancy, the Plantagenet Medical Group has extended patient services, welcomed allied health services into the building including pathologists, physiotherapists and a counsellor and started a number of 'good health' programs.



New Medical Centre

Plans for new projects scheduled for the 2010 / 2011 financial year were also set in motion, including a new set of public toilets for Centenary / Wilson Parks, Skate Parks in Mount Barker and Kendenup and Souness Park Oval improvements.

### Emergency Services

In November 2009 the Shire, in partnership with the Fire and Emergency Services Authority (FESA), engaged a Community Emergency Services Manager (CESM) for a three year period. Andrew Buchanan stepped into the CESM role on the eve of the busy fire season and assisted with a number of wild fires and controlled burns throughout the Shire.

The Local Emergency Management Arrangements (LEMA) were completed and adopted by the Council. The LEMA details the roles of various agencies and people during a range of different emergency situations. Work is progressing on an Evacuation, Response and Recovery Plan.

The bush fire brigades were supported by the FESA Emergency Services Levy (ESL) with the receipt of a refurbished broadacre fire truck for Forest Hill Bush Fire Brigade and new 4.4 rural tanker for the Woogenellup Bush Fire Brigade.

Facilities to support fixed wing, aerial fire attack aircraft were installed at the Karrioak air strip. A shed, pump, hoses and fittings to refill fire attack aircraft in operation are now based on site and Bush Fire Brigade and State Emergency Service volunteers undertook a comprehensive training program on refuelling aircraft. The services were not required during the 2009 / 2010 fire season, however the facilities, when used, will ensure that the aerial fire attack aircraft are able to drop loads of water and fire retardant foam with very little 'down time' between drops.

The Kendenup First Responders group received a donation from the Council to assist build a shed to house their first aid equipment and vehicle. The First Responders Group role is to attend a first aid emergency within the Kendenup townsite, until an ambulance deployed from Mount Barker arrives. All first responders are St John Ambulance trained officers.

The service is quite active and has been invaluable for the Kendenup community.

### Recreation and Community Programs

The Mount Barker Swimming Pool season was well supported including attendance by several swimming groups from adjoining Shires to utilise a 50m pool. Pool blankets were purchased with the assistance of the Department of Sport and Recreation Community Sport and Recreation Facilities Fund which assisted to maintain the water temperature during the pool season. Infant Aquatic Classes were introduced to the swim program and attracted good attendances.

The Recreation Centre program was expanded to include the range of Les Mills Group Fitness classes. A new membership structure was also implemented which allowed 'Gold Members' access to the gymnasium seven days per week, 5.00am through to 10.00pm, with the use of a special access card. The opportunity for extended access into the centre has been popular with a number of gym users.

The YMCA started After School and Vacation Care services from the Recreation Centre crèche room. The service is available every week day and throughout school holidays and is gaining popularity amongst parents of young children.

The sport and recreation precinct planning process which started in the 2008 / 2009 financial year was completed and the plans were endorsed by the Council on 13 October 2009. The planning process was based on a 'consensus design' which required all participants including sporting groups, volunteers, community members and the Shire to agree to the plans.

The Frost and Sounness Park Precinct Development Plan outlines the future for both sporting facilities, with ball sports centred in Sounness Park including expansion into adjoining privately owned land, and equine and agricultural pursuits located at Frost Park. The Council's Recreation Advisory Committee has also set a draft timeline of developments starting with the Sounness Park oval improvements. There is a strong focus towards collaboration and co-location at both Sounness Park and Frost Park facilities.

The Kendenup Precinct Development Plan covers the Agricultural Grounds, Country Club / Golf Club site and rail corridor area adjacent to Hassell Avenue and includes passive and active recreation facilities. Following the preparation of the Development Plan, the Kendenup Community Recreation Centre Committee commissioned a study to determine the feasibility of a new, multi-use building. The study will incorporate community consultation regarding the building uses, management structure and location. The study is ongoing.

## WORKS AND SERVICES

### Roadworks

Roadworks are a major cost challenge for the Shire of Plantagenet. The Shire has developed a robust strategy to address the priorities in the network, and is taking the necessary steps within the Council's means to improve the road standards, improve the level of service and safety, and also to reduce the maintenance cost.

A range of standards have been implemented for all roads which will ensure that the Council's expenditure is effective and that maintenance is sustainable for the long term. The Shire has purchased additional traffic counting devices which we have deployed over numerous routes to obtain data for inclusion with our annual roads grant funding programs, and which we hope will lead to increased grants. Improved updating of our roads network on the ROMAN computerised system will also help to provide the Shire with access to a greater share of the federal government road funding programme.

The following construction works were completed during the year:

- Porongurup Road - Sealed and line marked the section from Magpie Hill Road 6km east towards Porongurup village. Completed clearing and widened shoulders for a 3km section near Knight Road east towards Porongurup village in preparation for pavement upgrade and sealing in 2010.
- Lowood Road / Mondurup Street - Realigned intersection by curving Mondurup Street (east) into Lowood Road (north) and creating a single T junction on the outside of the curve. This work was carried out under the National Blackspot Program. Completed upgrades to drainage, line marking, signage and landscaping.
- Washpool Road - Replaced bridge with culverts.
- Yellanup Road - Completed construction to final trim stage and sealed section from Albany Highway east for 1.5km. Completed shoulder widening, drainage and resealed 2.5km section near Reynolds Road.
- Stirling School Road - Completed gravel re-sheeting and drainage improvements to the full length from Palmdale Road to the Shire boundary.
- Tower Road (access to Mount Barker Hill) - Resealed the full length.
- Spencer Road - Sealed 2.16km of the Spencer Road By-pass. Constructed and sealed slip lanes on Albany Highway. Completed clearing, widened shoulders and sealed 5km section between Crystal Brook Road and Greeuw Road.
- Kendenup Shared Use Path - Carried out construction of shared use path along Hassell Avenue, Austin Street and Seventh Avenue.
- Millinup Road - Pruned overhead trees, cleared and widened corners to improve visibility and constructed pull off bays between Woodlands Road to Rogers Road. Works also included realignment and construction of a 'T' road intersection with Wansbrough Walk.
- Martagallup Tenterden Road - Completed gravel re-sheeting of full length from Martagallup Road to Albany Highway.
- Rocky Gully Townsite - Completed upgrades to town drainage system.
- Fifth Avenue - Completed seal works to the full length of 1.19km.
- Mallawillup Road - Completed upgrade and sealed the floodway.



- Marmion Street - Completed kerbing and footpath upgrade outside the Medical Centre.
- South Marmion Street - Completed clearing, pavement upgrade and sealing from Mount Barker Road to Braidwood Road.
- Road Verge Pruning - Undertaken on Spencer Road, Hay River Road, St Werburghs Road, Millinup Road and Porongurup Road.
- An extensive maintenance program was completed on roads throughout the Shire. Maintenance activities included tree lopping, slashing, grading, drain and road verge clearing.

### Parks and Gardens

The Parks and Gardens maintenance team takes care of the Shire's 11 parks and gardens, 23 Council building grounds, cemeteries and community service areas. Routine maintenance of these areas includes:

- Slashing and spraying road verges.
- Mowing, fertilising, spraying and general grounds maintenance.
- Gardening duties and playground maintenance.
- Maintaining and installing new reticulation systems.
- In addition to routine maintenance, the Parks and Gardens team supports the Shire's weed action groups by assisting in their working bees.
- The following capital works were completed during the year:
- Completed landscaping at the Medical Centre.
- Prepared landscaping plans for the extension of the Mount Barker cemetery.

### Waste Management

The recycling bins at the O'Neill Road landfill site and the Porongurup and Kendenup transfer stations and Narrikup continue to be very popular. A total of 212.7 tonnes of co-mingled waste and 22.7 tonnes of cardboard was deposited during the year.

The Council engaged Great Southern Waste Disposal in October 2009 to collect and dispose of general waste from household and commercial properties within the town sites of Mount Barker, Kendenup and Narrikup. The Shire continues to collect and dispose of the waste collected at the Kendenup and Porongurup transfer stations and from Rocky Gully.

The Council continues to be an active member of the Great Southern Group of Councils. This is a collaborative group that shares skills and knowledge to enable the Shire of Plantagenet to meet its obligations to achieve waste minimisation principles in accordance with the State's vision of Towards Zero Waste. The Group is looking at strategies to reduce waste and expand recycling waste that can be received at the Shires landfill and transfer stations.

## DEVELOPMENT SERVICES

### Town Planning

#### Scheme Amendments

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

- Amendment No. 44 – proposes to rezone Rural zoned Lots 756, 1233 and 1234 to the north of Mount Barker to the Residential zone. The Amendment was initiated by the Council on 13 March 2007 subject to modifications. The Environmental Protection Authority (EPA) authorised the amendment proceed and it was then referred to the Western Australian Planning Commission (WAPC) for approval to advertise. The WAPC granted consent to advertise subject to modifications. Modified documents were received in May 2008 and advertising commenced. The advertising closed on 27 June 2008. The Amendment was referred to the WAPC for a final decision on 24 July 2008. The WAPC and Minister required clarification on some issues and this was provided in January 2010.
- Amendment No. 45 – proposes to rezone land in O'Neill Road from Rural to Rural Residential and was initiated by the Council on 14 October 2008 and referred to the EPA for approval to advertise. The EPA required additional work and consultants are compiling that work and are revising the subdivisional design.
- Amendment No. 46 – proposes to rezone land in Warburton Road from Rural to Rural Residential. The Amendment was initiated on 12 February 2008 subject to modifications. Modified documents were received on 20 May 2008. Advertising was carried out and the Council recommended final approval subject to modification to the WAPC on 21 October 2008. The Amendment was finalised on 16 February 2010.
- Amendment No. 49 – proposes to rezone land to enable the establishment of the Porongurup Rural Village. The Amendment was initiated on 11 March 2008 and referred to the EPA. Authorisation to proceed was received from the EPA on 28 May 2008 and public advertising commenced on 12 June 2008. A public information session was held at the Porongurup Hall on 30 June 2008. Following advertising the Amendment with a modifications schedule was referred to the WAPC on 2 September 2008. In a response from the WAPC after 18 months, the Minister required a structure plan to be prepared. Consultants are now working on that plan.
- Amendment No. 50 – proposes to rezone land in the Kendenup village from Rural to Residential (R5) and an Enterprise Zone. The Amendment was initiated on 12 May 2009 and the EPA authorised advertising to commence on 17 June 2009. The advertising closed on 25 August 2009 and the Council recommended final approval subject to modifications. A decision from the WAPC is still awaited.
- Amendment No. 51 – proposes to rezone portion of Lot 830 Spring Road from Rural to Rural Residential and to adjust an existing subdivision guide plan. The Council initiated the Amendment on 9 June 2009 subject to modifications. Once the EPA authorised the Amendment to proceed, advertising commenced. The advertising closed on 4 March 2010 and the Council on 23 March 2010 recommended final approval. It was referred to the WAPC on 24 March 2010 for a decision.
- Amendment No. 52 – proposes to rezone Lot 5102 Newman Road, Narrikup from the Rural zone to the Rural Residential zone. The Council initiated the Amendment on 25 May 2010 and the EPA does not require a formal assessment. The DOP Albany has advised on 9 June 2010 the WAPC approval to advertise the Amendment is required.

- Amendment No. 53 – proposes to zone various lots in the Rocky Gully Townsite to the Enterprise Zone and to zone the former school oval as Recreation. The Amendment was initiated by the Council on 9 February 2010 and once EPA clearance had been obtained, public advertising was carried out. That advertising closed on 5 May 2010 and the Council on 25 May 2010 recommended final approval. The Amendment is with the WAPC.
- Scheme Amendment Request (SAR) – The Council has considered a SAR which proposes changes to the zonings at Lot 4853 Porongurup Road. The SAR was referred to three Government agencies for comment and then advertised for public comment ending on 30 June 2010. The Council will be considering submissions in July 2010.

### Policy Reviews

The Council has been regularly reviewing its various policies including those adopted as Town Planning Scheme Policies under the provisions of Town Planning Scheme No. 3. As part of that review one new Town Planning Scheme Policy was finalised after advertising on 9 March 2010. That new policy is:

- Town Planning Scheme Policy No. 18 – Planning Vision which contains the Council's long term planning aspirations for the next 10 to 20 years.

### Local Planning Strategy

The Local Planning Strategy (LPS) is going through a lengthy process set by the WAPC which involves public consultation. As part of the preparation process the Councillors have been briefed on the various components of the document as it was being compiled. Workshops with the 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 refused to accept the TPS policy as a LPS and required modifications be carried out before another advertising period. The modifications required are to delete long term strategic initiatives to suit the WAPC. Staff have been attempting to meet DOP officers since February 2010 to discuss the deletion of the long term strategic components. The actual LPS could be some time away from finalisation.

### Townscape Committee

A Townscape Review Steering Committee was formed several years ago and includes representatives from the community, Councillors and staff. The purpose of that Committee is to provide guidance on townscape improvement initiatives in Mount Barker particularly the Lowood Road upgrading works. The role of the Committee has recently been broadened to look at all of the villages in the Shire including Kendenup, Narrikup, Rocky Gully and Porongurup.

### Development and Subdivision Applications

A broad range of development applications were processed and received planning consent under Town Planning Scheme No. 3. In the 2009/2010 year a total of 54 applications were processed which is an increase from the 29 last year.

A sign of positive growth of the Shire is the level of subdivision activity. During 2009/2010 a total of 22 subdivision applications were considered and recommendations provided to the WAPC which is the government agency that determines subdivisions.

### Building

A total of 142 Building Licences were issued during the year. Some of these licences included 50 houses, three carports, 18 patios and 50 sheds/garages. This total of 142 licences is a slight decrease from 154 issued in the 2008/2009 financial year.

The Council has responsibility for a range of halls and buildings within the Shire. The preparation of a long term financial plan prompted an examination of their usage and revenue and expenditure profiles. Some of the buildings play an important role within the community, contributing to a sense of place and belonging. However, others are either deteriorating through lack of use, being a drain on the Council's limited resources or potentially creating danger through inappropriate building materials such as asbestos. The Council is proposing an extensive community consultation exercise to determine which of these buildings should be demolished, sold, leased or retained.

As part of his ongoing role, the Council's Principal Building Surveyor is compiling a building maintenance asset register for all of the Council's buildings. The Principal Building Surveyor has also played a critical role in supervising the construction of the Plantagenet Medical Centre.

### 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 compliance. The following statistics provide a guide into the environmental health activities during the year:

#### Food Premises

A total of 14 inspections were conducted including routine inspections, follow-up reinspections, temporary food stall approvals and development / renovation of premises.

#### Food Sampling

A total of 75 food samples were collected from Mount Barker Chickens, Ravenhill Dairy and assorted local primary producers for microbiological analysis and composition standards.

#### Water Sampling

- Processing Waters – Mount Barker Chickens – a total of 60 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 five water samples were collected from public and private drinking water supplies for microbiological analysis.

#### Registered Premises

A total of eight inspections were conducted at registered premises. These included hairdressers, body care, tattoo, child care, family day care, clothing and second hand stores.

#### Public Buildings

Ten 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.



### Public Events

Three major public events were approved and this required detailed assessment and consultation with the various parties. These events included the Porongurup Wine Festival, Mount Barker Community Fair and assorted theatrical events.

### Holiday Accommodation

Six inspections were carried out on various forms of holiday accommodation including caravan parks, chalets, lodging houses and bed and breakfast establishments.

### Buildings

As part of the building assessment procedures, all are considered in terms of the health aspects of each proposal. As an example this includes onsite effluent disposal systems proposed for houses. Each onsite disposal system requires a site inspection by the Environmental Health Officer prior to installation and a final inspection for approval to use the system and a total of 37 applications were received and subsequently approved.

### Complaints

Fifteen various 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 complainants (noise and odour), 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 250 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 other departments on activities such as environmental monitoring of the O'Neill Road landfill site, old Shire Depot, Zero Waste, new landfill site and the saleyards.

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

## Record Keeping

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

All elected members, staff and contractors are responsible for maintaining complete, accurate and reliable evidence of all business transactions and ensuring all corporate documents are retained within the Shire's official record keeping system (RMS) 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 & 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 Keeping System, Record Keeping Plan 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, monthly question and answer sessions, 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.

In conjunction with the preparation of the Records Keeping Plan, a self assessment was conducted of the Shire's record keeping systems. On the basis of the staff training, information sessions, publications and performance indicators in place, the Recordkeeping systems were assessed as being efficient and effective within the organization.

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

## Disability Services Plan

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

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

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

Several strategies from the DAIP have been implemented by the Shire including a new website design which is suited for people with vision difficulties, incorporating disability access requirements into the Shire's property inspection forms, introducing the concept of 'inclusive club policies' to sport and recreation clubs, providing large print books through the Mount Barker and Rocky Gully libraries and incorporating the need for access by people with disabilities into public events and festival request forms.

The Shire will be reviewing the DAIP over the next year to ensure an ongoing relevance to the community.

## National Competition Policy

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

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

- Competitive Neutrality
- Legislation Review
- Structural Reform

### Competitive Neutrality

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

### Legislation Review

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

### Structural Reform

The Shire of Plantagenet did not undertake any Structural Reform during the 2009/2010 financial year.

## Employee Remuneration

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

Salary Range	2010	2009
110,000 - 119,999	1	1

## Complaints

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

## Plan for the Future

The Shire of Plantagenet reviews its Plan for the Future annually on a rolling basis to ensure it remains current. This review takes place in conjunction with the Council's annual budget adoption process.

The Shire's Plan for the Future has been shaped with reference to the Council's Community Needs Study undertaken in 2002 and the resulting Strategic Plan. It addresses the objectives of the Council over that period and action plans to achieve those objectives. In planning for the future of the district there is a need to realistically examine the resources available and therefore, wherever specific funds have been allocated, this is cross-referenced to the appropriate budget program.

The Plan is prepared pursuant to Section 5.56 of the Local Government Act 1995 which provides that:

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

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

Two iterations of the Plan for the Future were considered during this reporting period:

### Plan for the Future 1 July 2009 to 30 June 2011

Notification that a draft plan for the future was available for public input and that a public meeting was to be held on 16 June 2009 was given in the Plantagenet News dated Wednesday 20 May 2009, Wednesday 3 June 2009 and the Albany Advertiser dated 19 May 2009. The Plan for the Future was adopted by the Council on 14 July 2009.

### Plan for the Future 1 July 2010 to 30 June 2012

Notification that a draft plan for the future was available for public input and that a public meeting was to be held on 15 June 2010 was given in the Plantagenet News dated 26 May and 9 June 2010 and the Albany Advertiser dated 27 May 2010. The Plan for the Future was adopted by the Council on 6 July 2010.



## 2010/2011 Budget Initiatives

The major initiatives that are included in the 2010/2011 budget are as follows:

### Income

- 10% increase in rate revenue.
- Rubbish collection charge to remain at \$140.
- General Waste Levy to increase to \$110.
- Minimum rate to increase to \$550.

### Expenses

- Financial Assistance Grants to community groups and organisations - \$72,740.
- New FESA fire trucks for Denbarker and Narpyn Bush Fire Brigades - grant funded.
- Upgrades to O'Neill landfill site and transfer stations - \$75,119.
- Purchase new grader - \$345,000 (net cost \$285,000), together with other plant items such as a medium Hino truck, water truck, Dingo bobcat and handy hitch roller.
- Upgrade to depot facilities - \$32,680.
- Continuation of development of the Mount Barker cemetery - grant funded.
- Upgrades to Plantagenet District Hall - \$15,000.
- Software management system for swimming pool and recreation centre - \$8,400.
- New library fit-out, including floor coverings - \$65,000.
- Tourist Bureau Re-roof - \$80,000 - dependent on grant funding.
- Skate Parks - Mount Barker & Kendenup - \$180,000 - grant funded.
- Improvements at Great Southern Regional Cattle Saleyards - \$39,135.
- Road construction program totalling \$2.36 million, including:
  - Porongurup Road - SLK 23.67 to SLK 26.00 - \$380,000.
  - Woogenellup Road - SLK 29.04 To SLK 31.50 - \$309,000.
  - Spencer Road - SLK 8.20 To 12.42 - \$525,000.
  - Eulup-Manurup Road - SLK0.26 to SLK5.56 - \$168,761.
  - Red Gum Pass Road - SLK2 to SLK6 - \$239,400.
  - Moorilup Road - Widen & Resheet - SLK0 to SLK1.65 - \$125,000.
  - Beattie Road - Widen & Resheet - SLK0 to SLK3.49 - \$200,000.
  - Woogenellup Road North - Gravel Resheet - SLK 0.00 To SLK 2.30 - \$100,000.
  - Booth Street - Reseal - SLK 0.20 To SLK 0.99 - \$48,000.
  - Lord Street - Reseal - SLK 0.00 To SLK 0.27 - \$54,000.

## 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 2009/2010 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.

You 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 and Mission Statements

### Vision Statement

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.

### Mission Statement

To improve the quality of life for the people of Plantagenet, both present and future.

## Council Committees

The Council has established the following internal committees:

### Great Southern Regional Cattle Saleyards Committee

The Brief of this committee is to:

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

### Heavy Haulage Advisory Committee

The Brief of this committee is to:

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



## Audit Committee

The Brief of this committee is to:

- Recommend the appointment of the auditor to the Council;
- Assist the auditor to ensure audits are conducted successfully and timely;
- Examine the audit report and ensure appropriate action is taken;
- Prepare reports on actions taken and forward to the Minister;
- Meet with the auditor at least once per year; and
- Review enhanced scope of audit.

## Recreation Advisory Committee

The Brief of this committee is to:

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

Public participation is encouraged on the following committees:

## Townscape Review Steering Committee

This Committee was reinstated this year to guide the process of reviewing Townscape Improvement Plans for the Shire of Plantagenet, that will:

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

The Committee consists of two council representatives, two staff representatives and five community representatives. All vacancies for this Committee are advertised locally when they become available.

## 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.



25 November 2010

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

Dear Council

**Audit for the year ended 30 June 2010**

We are pleased to report that our audit of the Shire of Plantagenet's financial statements and records for the year ended 30 June 2010 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 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.

.../2

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**Partners**  
Russell Harrison  
Gary Philpott  
Craig Anderson  
Brendan Taylor

*Our vision is to be recognised  
committed to excellence*

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*ness with a broad range of skills  
t to our client's success.*

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### **Comment on Financial Position**

We make comment below in relation to the Shire's financial position. Our comments follow:

- (a) The Current Ratio disclosed at Note 18 to the Financial Report, which indicates short term solvency or liquidity, is shown to be .989 at 30 June 2010 (.649 at 30 June 2009). A current ratio of less than 1.0 indicates that current assets are insufficient to meet current liabilities. We note in this regard, that your Rate Setting Statement for the current year indicates that Council has sufficient liquidity to meet debt requirements for the 2010/11 financial year.
- (b) The Untied Cash to Unpaid Trade Creditors Ratio was minus .021 at 30 June 2010 (.026 at 30 June 2009). A ratio of less than 1.0 indicates that short term cash issues may arise in meeting creditor payment liabilities.

It should be noted that there has been an improvement from prior years of these key financial ratios.

### **Other Matters**

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

In conclusion we take this opportunity to thank John 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 either Chris Harrison or myself at this office.

Kind Regards



.....  
Russell Harrison  
Partner  
enc



**SHIRE OF PLANTAGENET  
AUDIT OBSERVATIONS AND COMMENTS SCHEDULE  
FOR THE YEAR ENDED 30 JUNE 2010**

<b>Matter</b>	<b>Present Procedure</b>	<b>Recommendation</b>	<b>Shire's Comments</b>
Rate Debtors Listing	The Rates Debtors Listing provided for audit was a supplementary report printed following July entries being recorded. This resulted in additional audit work to reconcile the Rates Debtors Listing to the General Ledger at 30 June 2010.	We recommend that a final Rates Debtors listing be produced following the processing of all year end entries.	This list is produced as part of the Shire's end of year procedures.
Rate Valuation Reconciliations	Audit testing of the Landgate Valuer General GRV and UV revaluation reports to final values for 2009/10 rates noted unidentified property adjustments that had not been recorded on the reconciliation schedule.	We recommend that the full reconciliations be maintained to clearly identify amendments and corrections to Landgate reported valuations.	A full list of property amendments is being maintained and signed off, however a revised spreadsheet is being developed to clearly identify property amendment details and correct the property count information.
Asset Register	Audit testing of the Asset Register and General Ledger control accounts noted unreconciled items. Management were advised and corrections processed to reconcile the subsidiary ledger with the financial report.	We recommend that the General Ledger control accounts are reconciled to the Asset Register at year end prior to preparation of the financial report	An instruction has been issued to satisfy this request. Already, this full reconciliation is being done on a monthly basis.
Asset Register Depreciation Rates	Council depreciation rates were benchmarked to the WA Local Government Accounting Manual sample listing. Please refer to our email containing specific details. Whereas most were within the broad range the following exceptions were noted; (i) Radio communication equip (#10412) (ii) Telephone system (#10750) (iii) Fire Trucks(#10338,#10716,#10736,#10755,#10776,#10780). The fire trucks are not being depreciated. The depreciation charge on the	We recommend that the asset register depreciation rates are reviewed and updated to incorporate industry accepted rates	This review will be carried out in the near future and the depreciation rates will be corrected on applicable assets for the 2010/2011 financial year. In regard to fire trucks, while there is some inconsistency in the Shire's treatment of their depreciation, our former auditors advised that depreciation should not apply to these vehicles. The Shire agrees with the Lincolns that

Revaluation of Plant Item	<p>above items would not materially effect the financial report so no adjusting journal was requested.</p> <p>Validation testing of asset sales noted that a plant item had been revalued from nil Written down Value to \$30,000. This was booked as an asset disposal profit consequently inflating the Net Result on the Statement of Comprehensive Income.</p> <p>Accounting Standard AASB 116 – Property, Plant and Equipment states “if an item of property, plant and equipment is revalued, the entire class of property, plant and equipment to which that asset belongs shall be revalued”. As the values involved do not materially effect the net results correcting journals were not requested</p>	<p>We recommend that revaluation be reversed to conform with Accounting Standard AASB 116</p>	<p>This matter related to the internal sale of a skid steer loader from the Works and Services Department to the Saleyards. As a result of the auditor’s advice, the relevant internal transactions and revaluations have been reversed for the 2009/2010 annual financial report.</p>	<p>depreciation should apply and will correct this for the 2010/2011 financial year.</p>
Long Overdue Unpresented Cheques	<p>Follow-up testing of bank reconciliations noted two February 2010 dated cheques (#40794 \$67.13 and #40848 \$71.93) were still outstanding at 14 September 2010.</p>	<p>It is recommended that cheques remain outstanding for no longer than three months after date of issue. Follow-up procedure should be in place as part of the review process</p>	<p>The Shire’s Accountant will implement a process which follows up on outstanding cheques after three months.</p>	
Annual Leave Provision	<p>Audit testing noted the Annual Leave Provision was understated by \$3,379 due to a computation error in a supporting schedule. This was corrected and incorporated into the Financial Statements during our audit</p>	<p>We recommend procedures be implemented to review credibility values of provision schedules.</p>	<p>The provision schedules will be reviewed in detail by the Deputy Chief Executive Officer in future.</p>	
Financial Report	<p>Accounting disclosures and technical issues including amendments to the Rate Setting Statement were corrected with our accounting assistance during the course of the audit.</p>	<p>We will provide our correction workpapers for your future use.</p>	<p>Additional non-cash items were included in the Rate Setting Statement and a slightly different methodology was used to calculate the balance carried forward, consistent with the budget format. The Shire concurs with these changes.</p>	

**Shire of Plantagenet**  
**Financial Report**  
**For the Year Ended 30 June 2010**

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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 2010**

**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 other information for the financial year ended 30 June 2010 are, in my opinion, properly drawn up to present fairly the financial position of the Shire of Plantagenet as at 30 June 2010 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and Regulations under that Act.

Signed on the 22nd day of November 2010



---

Rob Stewart  
Chief Executive Officer



**Shire of Plantagenet**  
**Statement of Comprehensive Income**  
*By Nature Or Type*  
**For the Year Ended 30 June 2010**

	<b>Note</b>	<b>2010 \$</b>	<b>2010 Budget \$</b>	<b>2009 \$</b>
<b>Revenue</b>				
Rates	22	4,090,102	4,086,300	3,885,741
Operating Grants, Subsidies and Contributions	28	2,378,004	1,735,718	2,322,587
Fees and Charges	27	1,990,935	2,073,290	2,126,426
Interest Earnings	2(a)	167,687	143,500	197,847
Other Revenue		<u>57,838</u>	<u>54,277</u>	<u>130,692</u>
		8,684,566	8,093,085	8,663,293
<b>Expenses</b>				
Employee Costs		(3,169,066)	(3,290,361)	(3,477,367)
Materials and Contracts		(1,716,214)	(2,274,257)	(2,117,099)
Utility Charges		(126,993)	(157,180)	(169,847)
Depreciation on Non-Current Assets	2(a)	(2,658,317)	(2,357,369)	(2,543,250)
Interest Expenses	2(a)	(297,160)	(302,293)	(311,552)
Insurance Expenses		(191,577)	(188,248)	(253,255)
Other Expenditure		<u>(328,770)</u>	<u>(303,835)</u>	<u>(355,011)</u>
		(8,488,097)	(8,873,543)	(9,227,381)
		196,469	(780,458)	(564,088)
Non-Operating Grants, Subsidies and Contributions	28	2,619,044	2,505,010	2,908,723
Profit on Asset Disposals	20	43,826	37,903	435,383
Loss on Asset Disposals	20	<u>(2,196)</u>	<u>(28,302)</u>	<u>(15,101)</u>
<b>Net Result</b>		2,857,142	1,734,153	2,764,917
<b>Other Comprehensive Income</b>		0	0	0
<b>Total Other Comprehensive Income</b>		<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Comprehensive Income</b>		<u><u>2,857,142</u></u>	<u><u>1,734,153</u></u>	<u><u>2,764,917</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 2010**

	<b>Note</b>	<b>2010 \$</b>	<b>2010 Budget \$</b>	<b>2009 \$</b>
<b>Revenue</b>				
Governance		64,801	60,595	134,879
General Purpose Funding		5,578,571	5,248,818	6,729,546
Law, Order, Public Safety		664,325	404,484	515,369
Health		226,433	220,300	463,862
Education and Welfare		3,752	0	207,936
Community Amenities		625,378	601,670	527,998
Recreation and Culture		705,481	347,487	209,447
Transport		1,939,144	2,216,616	1,147,133
Economic Services		957,292	875,400	813,731
Other Property and Services		<u>582,259</u>	<u>651,027</u>	<u>1,257,498</u>
2(a)		11,347,435	10,626,397	12,007,399
<b>Expenses Excluding Finance Costs</b>				
Governance		(578,144)	(598,326)	(550,111)
General Purpose Funding		(264,085)	(257,744)	(306,450)
Law, Order, Public Safety		(443,175)	(419,633)	(397,559)
Health		(152,014)	(203,962)	(153,977)
Education and Welfare		(57,839)	(55,250)	(419,426)
Community Amenities		(918,839)	(944,129)	(932,540)
Recreation and Culture		(1,180,977)	(1,202,593)	(1,246,526)
Transport		(3,081,737)	(3,207,807)	(3,171,596)
Economic Services		(1,119,921)	(1,141,833)	(1,101,930)
Other Property and Services		<u>(396,403)</u>	<u>(567,878)</u>	<u>(650,815)</u>
2(a)		(8,193,134)	(8,599,155)	(8,930,930)
<b>Finance Costs</b>				
Governance		(138,466)	(138,585)	(143,674)
Health		(9,603)	0	0
Education and Welfare		0	0	(6)
Recreation and Culture		(12,626)	(12,677)	(13,139)
Economic Services		<u>(136,465)</u>	<u>(141,826)</u>	<u>(154,733)</u>
2(a)		(297,160)	(293,088)	(311,552)
<b>Net Result</b>		<u><u>2,857,142</u></u>	<u><u>1,734,154</u></u>	<u><u>2,764,917</u></u>
<b>Other Comprehensive Income</b>		0	0	0
<b>Total Other Comprehensive Income</b>		<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Comprehensive Income</b>		<u><u>2,857,142</u></u>	<u><u>1,734,154</u></u>	<u><u>2,764,917</u></u>

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

**Shire of Plantagenet**  
**Statement of Financial Position**  
**as at 30 June 2010**

	Note	2010 \$	2009 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	3	1,428,440	1,775,912
Trade and Other Receivables	4(a)	1,103,518	597,629
Inventories	5	52,789	48,557
<b>Total Non Current Assets</b>		<u>2,584,747</u>	<u>2,422,098</u>
<b>Non-Current Assets</b>			
Other Receivables	4(a)	169,311	181,944
Other Financial Assets	4(b)	4,692	4,692
Property, Plant and Equipment	6	16,496,487	14,966,459
Infrastructure	7	46,718,663	45,658,150
<b>Total Non-Current Assets</b>		<u>63,389,153</u>	<u>60,811,245</u>
<b>Total Assets</b>		<u>65,973,900</u>	<u>63,233,343</u>
<b>Current Liabilities</b>			
Trade and Other Payables	8	410,091	263,102
Long Term Borrowings	9	278,941	263,193
Provisions	10	549,541	518,158
<b>Total Current Liabilities</b>		<u>1,238,573</u>	<u>1,044,453</u>
<b>Non-Current Liabilities</b>			
Long Term Borrowings	9	4,495,296	4,774,237
Provisions	10	64,907	96,671
<b>Total Non-Current Liabilities</b>		<u>4,560,203</u>	<u>4,870,908</u>
<b>Total Liabilities</b>		<u>5,798,776</u>	<u>5,915,361</u>
<b>Net Assets</b>		<u>60,175,124</u>	<u>57,317,982</u>
<b>Equity</b>			
Retained Surplus		59,412,658	56,807,474
Reserves - Cash Backed	11	683,266	431,308
Reserves - Asset Revaluation	12	79,200	79,200
<b>Total Equity</b>		<u>60,175,124</u>	<u>57,317,982</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 2010**

	<b>Note</b>	<b>Retained Surplus \$</b>	<b>Reserves Cash Backed \$</b>	<b>Asset Revaluation Reserve \$</b>	<b>Total Equity \$</b>
Balance as at 1 July 2008		53,992,468	481,397	79,200	54,553,065
Changes in Accounting Policy		0	0	0	0
Correction of Errors		0	0	0	0
		<hr/>	<hr/>	<hr/>	<hr/>
Restated Balance		53,992,468	481,397	79,200	54,553,065
Net Result		2,764,917	0	0	2,764,917
Total Other Comprehensive Income		0	0	0	0
Reserve Transfers		50,089	(50,089)	0	0
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance as at 30 June 2009</b>		<b>56,807,474</b>	<b>431,308</b>	<b>79,200</b>	<b>57,317,982</b>
Net Result		2,857,142	0	0	2,857,142
Total Other Comprehensive Income		0	0	0	0
Reserve Transfers	11 & 12	(251,958)	251,958	0	0
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance as at 30 June 2010</b>		<b><u>59,412,658</u></b>	<b><u>683,266</u></b>	<b><u>79,200</u></b>	<b><u>60,175,124</u></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 2010**

	<b>Note</b>	<b>2010 \$</b>	<b>2010 Budget \$</b>	<b>2009 \$</b>
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		3,770,141	4,086,300	3,972,811
Operating Grants, Subsidies and Contributions		2,353,538	1,735,718	2,335,044
Fees and Charges		2,075,423	2,073,290	2,296,749
Interest Earnings		167,733	143,500	197,346
Goods and Services Tax		405,516	506,676	444,124
Other Revenue		59,681	54,277	115,692
		<u>8,832,032</u>	<u>8,599,761</u>	<u>9,361,766</u>
<b>Payments</b>				
Employee Costs		(3,226,930)	(3,221,387)	(3,405,951)
Materials and Contracts		(1,510,800)	(2,265,755)	(2,186,856)
Utility Charges		(128,147)	(157,180)	(176,636)
Insurance Expenses		(191,984)	(188,248)	(252,848)
Interest Expenses		(299,766)	(302,293)	(313,495)
Goods and Services Tax		(451,808)	(383,615)	(365,608)
Other Expenditure		(316,512)	(303,835)	(403,509)
		<u>(6,125,947)</u>	<u>(6,822,313)</u>	<u>(7,104,903)</u>
<b>Net Cash Provided By (Used in) Operating Activities</b>	13(b)	<u>2,706,085</u>	<u>1,777,448</u>	<u>2,256,863</u>
<b>Cash Flows from Investing Activities</b>				
Purch of Property, Plant and Equipment		(2,432,315)	(2,457,080)	(3,153,648)
Construction of Infrastructure		(2,848,095)	(3,789,669)	(2,750,985)
Advances to Community Groups		0	0	(187,000)
Non-operating Grants, Subsidies and Contributions		2,401,221	2,505,010	2,781,409
Proceeds from Sale of Plant and Equipment		73,182	210,500	655,857
<b>Net Cash Provided By (Used in) Investing Activities</b>		<u>(2,806,008)</u>	<u>(3,531,239)</u>	<u>(2,654,367)</u>
<b>Cash Flows From Financing Activities</b>				
Repayment of Debentures		(263,193)	(263,193)	(234,182)
Proceeds from New Debentures		0	0	387,000
Proceeds from Self Supporting Loans		15,645	15,645	20,344
<b>Net Cash Provided by (used in) Financing Activities</b>		<u>(247,549)</u>	<u>(247,548)</u>	<u>173,162</u>
<b>Net Increase (Decrease) in Cash Held</b>		<u>(347,471)</u>	<u>(2,001,339)</u>	<u>(224,342)</u>
Cash at Beginning of Year		1,775,912	1,750,117	2,000,254
<b>Cash and Cash Equivalents at the End of the Year</b>	13(a)	<u><u>1,428,441</u></u>	<u><u>(251,222)</u></u>	<u><u>1,775,912</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 2010**

	Note	2010 \$	2010 Budget \$
<b>Revenue</b>			
Governance		64,801	60,706
General Purpose Funding		1,488,468	1,162,518
Law, Order, Public Safety		664,325	404,484
Health		226,433	220,300
Education and Welfare		3,752	0
Community Amenities		625,378	601,670
Recreation and Culture		705,481	347,487
Transport		1,939,144	2,216,616
Economic Services		957,292	905,193
Other Property and Services		<u>582,259</u>	<u>630,725</u>
		7,257,333	6,549,699
<b>Expenses</b>			
Governance		(716,611)	(257,744)
General Purpose Funding		(264,085)	(737,021)
Law, Order, Public Safety		(443,175)	(419,633)
Health		(161,617)	(203,962)
Education and Welfare		(57,839)	(55,250)
Community Amenities		(918,839)	(944,129)
Recreation and Culture		(1,193,603)	(1,215,270)
Transport		(3,081,737)	(3,207,807)
Economic Services		(1,256,386)	(1,313,452)
Other Property and Services		<u>(396,403)</u>	<u>(547,576)</u>
		(8,490,294)	(8,901,844)
<b>Adjustments for Cash Budget Requirements:</b>			
<b>Non-Cash Expenditure and Revenue</b>			
(Profit) / Loss on Asset Disposals	20	(41,630)	(9,601)
Movement in Accrued Interest		(2,606)	0
Movement in Deferred Pensioner Rates (Non-Current)		(4,155)	0
Movement in Accrued Salaries and Wages		(12,056)	0
Movement in Employee Benefit Provisions		(381)	0
Movement in Doubtful Debts Provision		(17,560)	0
Depreciation and Amortisation on Assets	2(a)	2,658,317	2,552,625
<b>Capital Expenditure &amp; Revenue</b>			
Purchase Land and Buildings		(1,568,530)	(1,695,146)
Purchase Infrastructure Assets		(2,848,095)	(3,418,015)
Purchase Plant and Equipment		(824,330)	(1,003,761)
Purchase Furniture and Equipment		(39,455)	(57,173)
Proceeds from Disposal of Assets	20	73,182	210,500
Repayment of Debentures	21(a)	(263,193)	(263,193)
Self-Supporting Loan Principal Income		15,645	15,645
Add Transfer from Unspent Loan		19,452	92,587
Less Transfers to Reserves (Restricted Assets)	11	(326,931)	(225,000)
Transfers from Reserves (Restricted Assets)	11	74,973	261,000
Surplus / (Deficit) July 1 B/Fwd		1,755,156	1,605,377
Surplus / (Deficit) June 30 C/Fwd		1,504,943	<u>(200,000)</u>
<b>Amount Required To Be Raised From Rates</b>	22	<u>(4,090,102)</u>	<u>(4,086,300)</u>

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2010**

**1. Significant Accounting Policies**

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

**(a) Basis Of Preparation**

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

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

**Critical Accounting Estimates**

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

**(b) The Local Government Reporting Entity**

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

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

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

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

In accordance with recommended practice, 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 any applicable GST.

**(d) Cash and Cash Equivalents**

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

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

**(e) Trade and Other Receivables**

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

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

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2010**

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

**(f) Inventories**

***General***

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Inventories held for trading are classified as current even if not expected to be realised in the next twelve months.

***Land Held for Resale***

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

Revenue arising from the sale of property is recognised in the 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**

***Initial Recognition***

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

***Revaluation***

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

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

***Land under Roads***

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

Effective as at 1 July 2008, the Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB1051 - Land Under Roads and the fact that Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset. Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

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

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2010**

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

**(h) Depreciation Of Non-Current Assets**

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

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

Buildings	50 to 100 years
Furniture and Equipment	10 years
Plant and Equipment	5 to 15 years
Sealed Roads and Streets	
Clearing and Earthworks	not depreciated
Construction / Road Base	50 years
Original Surfacing and	
Major Re-Surfacing	
- Bituminous Seals	20 years
Gravel Roads	
Clearing and Earthworks	not depreciated
Construction / Road Base	50 years
Gravel Sheet	12 years
Formed Roads (Unsealed)	
Clearing and Earthworks	not depreciated
Construction / Road Base	50 years
Footpaths - Slab	40 years

**(i) Investments and Other Financial Assets**

**Classification**

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

**(i) Financial Assets at Fair Value Through Profit and Loss**

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

**(ii) Loans and Receivables**

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



**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2010**

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

**(i) Investments and Other Financial Assets (Continued)**

*(iii) Held-To-Maturity Investments*

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

*(iv) Available-For-Sale Financial Assets*

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

***Recognition & Derecognition***

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

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

***Subsequent Measurement***

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

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

***Impairment***

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

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2010**

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

**(j) Estimation of Fair Value**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets is based on quoted market prices at balance date.

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

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

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

**(k) Impairment**

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

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

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

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

**(l) Trade and Other Payables**

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the local government prior to the end of the financial year that are unpaid and arise when the local government 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.

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2010**

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

**(m) Employee Benefits**

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

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

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

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

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

**(n) Interest-Bearing Loans & Borrowings**

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

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

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

***Borrowing Costs***

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

**(o) Provisions**

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

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

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2010**

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

**(p) Leases**

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

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

**(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 relevant items reported in the Statement of Financial Position and Statement of Comprehensive Income. Information about the joint venture is set out in Note 16.

**(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 balance 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 Shire of Plantagenet contributes the 9% superannuation guarantee to each employee's chosen fund in accordance with the change in legislation that occurred on 1 July 2006. The only exception to this is state and federal funds which do not allow non-employees to contribute.

Any employees who take advantage of the Council's 3% co-contribution must have this portion of the funds contributed to the WA Local Government Superannuation Plan. All funds that the Shire contributes to are defined contribution schemes.

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

**(t) Current & 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 twelve 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 twelve months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next twelve months. Inventories held for trading are classified as current even if not expected to be realised in the next twelve months except for land held for resale where it is held as non-current based on the Council's intentions to release for sale.

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2010**

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

**(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.

**(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 2010**

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

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2010.

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

<b>Title and Topic</b>	<b>Issued</b>	<b>Applicable (*)</b>	<b>Impact</b>
(i) AASB 9– Financial Instruments	December 2009	01 January 2013	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii) AASB 124– Related Party Disclosures	December 2009	01 January 2011	Nil – It is not anticipated the Council will have any related parties as defined by the Standard.
(iii) AASB 2009-5 - Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	May 2009	01 January 2010	Nil – The revisions are part of the AASB's annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRSs. It is not anticipated these will have any effect on the Council.
(iv) AASB 2009-8 - Amendments to Australian Accounting Standards – Group Cash – Settled Share-based Payment Transactions [AASB 2]	July 2009	01 January 2010	Nil - The Council will not have applicable transactions.

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2010**

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

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

Title and Topic	Issued	Applicable (*)	Impact
(v) AASB 2009-12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	December 2009	01 January 2011	Nil – The revisions embodied in this standard relate to standards which do not apply to local government (ie AASB8) or are largely editorial in nature and will have minimal effect (if any) on the accounting practices of the Council.
(vi) AASB 2009– 11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12)	December 2009	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (ii) above).
(vii) AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1]	December 2009	01 July 2010	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2010- 1 Amendment to Australian Accounting Standards – Limited Exemption from Comparative AASB 7 Disclosure for First-time Adopters [AASB 1 & AASB 7]	February 2010	01 July 2010	

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2010**

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

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

<b>Title and Topic</b>	<b>Issued</b>	<b>Applicable (*)</b>	<b>Impact</b>
(vi) (Continued)			
AASB 2009- 10 Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB132]	October 2009	01 February 2010	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
Interpretation 19– Extinguishing Financial Liabilities with Equity Instruments	December 2009	01 July 2010	
AASB 2009– 14 Amendments to Australian Interpretations – Prepayments of a minimum Funding Requirement [AASB Interpretation 14]	December 2009	01 January 2011	

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 2010**

**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.

The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of the Council.

**AASB 101: Presentation of Financial Statements**

In September 2007, the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the Council's financial statements.

*Disclosure Impact*

Terminology changes – The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity – The revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required owner changes in equity and other comprehensive income to be presented in the statement of changes in equity.

Statement of comprehensive income – The revised AASB 101 requires all income and expenses to be presented in either a single statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The Council has adopted the single statement approach and the financial statements now contain a statement of comprehensive income.

Other Comprehensive Income – The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises income and expenses not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2010**

2. Revenue and Expenses		2010 \$	2009 \$
<b>(a) Net Result</b>			
The Net Result includes:			
(i) Charging as an Expense:			
<b>Amortisation</b>			
Capitalised Leased Assets	6		
- Mount Barker Recreation Centre		63,708	63,708
- Home and Community Care Centre		4,328	0
		<u>68,036</u>	<u>63,708</u>
<b>Auditor's Remuneration</b>			
- Audit		14,243	18,750
- Other Services		7,150	6,100
<b>Depreciation</b>			
Buildings	6	298,097	291,762
Furniture and Equipment	6	103,742	102,762
Plant and Equipment	6	517,835	471,440
Infrastructure	7	1,670,607	1,677,286
		<u>2,590,280</u>	<u>2,543,250</u>
<b>Interest Expenses (Finance Costs)</b>			
Debentures (refer Note 21(a))		297,160	311,552
		<u>297,160</u>	<u>311,552</u>
<b>Rental Charges</b>			
- Operating Leases		20,303	16,883
		<u>20,303</u>	<u>16,883</u>
(ii) Crediting as Revenue:	2010 \$	2010 Budget \$	2009 \$
<b>Interest Earnings</b>			
Investments			
- Reserve Funds	16,931	15,000	26,711
- Other Funds	90,665	85,000	125,520
Other Interest Revenue (refer Note 26)	60,091	43,500	45,616
	<u>167,687</u>	<u>143,500</u>	<u>197,847</u>

**Significant Revenue**

In line with government policy on stimulating the economy, the Shire has received its 1st quarter Financial Assistance Grants for 2010/2011, comprising \$205,569 (Untied Road Grant) and \$113,320 (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 2010**

**2. Revenues & Expenses (Continued)**

**(b) Statement of Objective**

The Shire of Plantagenet is dedicated to providing the services and facilities that meet the needs of the members of the Plantagenet community to enable them to enjoy a pleasant and healthy way of life. The Council's principal activities, as disclosed in this financial report, encompass the following service orientated programs:

**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 2010**

**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 2010**

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

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

<b>Grant/Contribution</b>	<b>Function/ Activity</b>	<b>Opening Balance (*) 1-Jul-08 \$</b>	<b>Received (+) 2008/09 \$</b>	<b>Expended (#) 2008/09 \$</b>	<b>Closing Balance (*) 30-Jun-09 \$</b>	<b>Received (+) 2009/10 \$</b>	<b>Expended (#) 2009/10 \$</b>	<b>Closing Balance 30-Jun-10 \$</b>
TIRES	Spencer Road (SLK0 to SLK2.15)	729,895	0	(729,895)	0	0	0	0
RTR	Barrow Road	55,630	0	(55,630)	0	0	0	0
RRG	Mount Barker-Porongurup Road (SLK12 to SLK15)	52,512	101,333	(153,845)	0	0	0	0
Blackspot	Woogenellup Road (Floodway)	68,661	99,927	(168,588)	0	0	0	0
Blackspot	Carbarup Road - Rail Crossing	8,728	62,820	(71,548)	0	0	0	0
Office of Crime Safety	Community Safety and Crime Prevention Grant	3,500	0	(3,500)	0	0	0	0
DEC	Zero Waste Grant	6,000	12,000	0	18,000	0	(18,000)	0
FESA	Community Risk Assessment Program	1,792	0	(1,792)	0	0	0	0
WALGA	Disability and Inclusion Plan	5,985	0	(5,985)	0	0	0	0
TIRES	Spencer Road (SLK 6 to SLK 8)	0	160,000	(131,890)	28,110	0	(28,110)	0
TIRES	Spencer Road (Albany Hwy Slip Lanes)	0	40,000	(18,163)	21,837	0	(21,837)	0
RRG	Mount Barker-Porongurup Road (SLK 15 to SLK 18)	0	202,666	(202,666)	0	0	0	0
Blackspot	Eulup-Manurup Road	0	17,807	(17,807)	0	0	0	0
Blackspot	Lowood Road/Mondurup Street Upgrade	0	94,800	0	94,800	0	(94,800)	0
Dep't of Transport - RLCIP	New Mount Barker Cemetery	0	100,000	(78,090)	21,910	0	(21,910)	0
CLGF - Royalties for Regions	Various Projects	0	1,071,541	0	1,071,541	0	(445,372)	626,169
CLGF - Royalties for Regions	Forward Capital Works Plan	0	0	0	0	35,000	0	35,000
Office of Crime Prevention	Mount Barker Youth Space & Skate Park	0	0	0	0	20,000	0	20,000
<b>Total</b>		<b>932,703</b>	<b>1,962,894</b>	<b>(1,639,399)</b>	<b>1,256,198</b>	<b>55,000</b>	<b>(630,029)</b>	<b>681,169</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 had 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 2010**

	2010 \$	2009 \$
<b>3. Cash and Cash Equivalents</b>		
Cash on Hand - Unrestricted	3,400	3,400
Cash at Bank - Municipal	741,774	1,341,204
Cash at Bank - Reserves - Restricted	683,267	431,308
	<u>1,428,440</u>	<u>1,775,912</u>
<b>Cash at Bank - Municipal</b>		
Represented by:		
Cash at Bank - Municipal - Unrestricted	(8,530)	(3,581)
Cash at Bank - Municipal - Restricted	750,304	1,344,785
	<u>741,774</u>	<u>1,341,204</u>
<b>Cash at Bank - Municipal - Restricted</b>		
Represented by:		
Unspent Grants	681,169	1,256,198
Unspent Loans	69,135	88,587
	<u>750,304</u>	<u>1,344,785</u>
<b>Cash at Bank - Reserves - Restricted</b>		
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Employee Entitlements Reserve	5,461	5,255
Plant Replacement Reserve	213,461	109,175
Town Drainage Reserve	62,983	60,603
Great Southern Regional Saleyards Reserve	0	0
Land Rehabilitation Reserve	0	43,852
Kendenup Hall & Grounds Reserve	1,933	1,859
Waste Management Reserve	184,830	6,833
Recreation Facilities Reserve	31,072	29,898
Electronic Equipment Reserve	0	0
Roadworks Carried Forward Reserve	0	0
Kendenup Townsite Development Study Reserve	4,705	4,528
Cemetery Reserve	0	0
Outstanding Land Resumptions Reserve	17,400	7,121
Shire Development Reserve	119,577	141,164
Flood Damage Reserve	41,845	21,020
	<u>683,267</u>	<u>431,308</u>

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2010**

4(a). Trade and Other Receivables	2010 \$	2009 \$
<b>Current</b>		
Rates Outstanding	487,219	157,280
Sundry Debtors	584,124	423,951
Other Receivables	17,143	20,070
GST Receivable	0	0
Loans - Clubs / Institutions	16,789	15,644
Provision For Doubtful Debts	(1,756)	(19,316)
	<u>1,103,518</u>	<u>597,629</u>
The current rates outstanding amount includes a sum of \$284,435.00 owed by a plantation timber company, which is presently in receivership. In light of advice received by the Council, this sum, plus interest accruing on it is considered to be collectible within 12 months. The Council has contingency plans in place for creditor payments and will continue to monitor this situation with a view to considering the need for ongoing budget and cash flow strategies.		
<b>Non-Current</b>		
Rates Outstanding - Pensioners	24,360	20,205
Loans - Clubs / Institutions	144,951	161,739
	<u>169,311</u>	<u>181,944</u>
<b>4(b). Other Financial Assets</b>		
Investment in Mount Barker Co-operative shares - shareholding of 8,099 shares at cost	4,692	4,692
	<u>4,692</u>	<u>4,692</u>
<b>5. Inventories</b>		
<b>Current</b>		
Fuel and Materials	52,789	48,557
	<u>52,789</u>	<u>48,557</u>
<b>6. Property, Plant and Equipment</b>		
Land and Buildings - Cost	14,149,428	12,181,051
Less Accumulated Depreciation	(2,665,491)	(2,363,066)
	<u>11,483,937</u>	<u>9,817,985</u>
Land and Buildings - Work in Progress - Cost	566,753	913,333
	<u>566,753</u>	<u>913,333</u>
Furniture & Equipment - Cost	849,463	854,869
Less Accumulated Depreciation	(632,313)	(573,432)
	<u>217,150</u>	<u>281,437</u>
Plant and Equipment - Cost	7,322,795	6,625,379
Less Accumulated Depreciation	(3,094,148)	(2,671,675)
	<u>4,228,647</u>	<u>3,953,704</u>
	<u>16,496,487</u>	<u>14,966,459</u>



**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2010**

**6. Property, Plant and Equipment (Continued)**

**Movements in Carrying Amounts**

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

	<b>Land &amp; Buildings \$</b>	<b>Work In Progress (L &amp; B) \$</b>	<b>Furniture &amp; Equipment \$</b>	<b>Plant &amp; Equipment \$</b>	<b>Total \$</b>
Balance as at 1 July 2009	9,817,985	913,333	281,437	3,953,704	14,966,459
Additions	1,001,777	566,753	39,455	824,330	2,432,315
(Disposals)	0	0	0	(31,552)	(31,552)
Impairment - (losses)	0	0	0	0	0
- reversals	0	0	0	0	0
Depreciation (Expense)	(298,097)	0	(103,742)	(517,835)	(919,674)
Amortisation (Expense)	(4,328)	0	0	0	(4,328)
Other Movements	966,600	(913,333)	0	0	53,267
Balance as at 30 June 2010	<u>11,483,937</u>	<u>566,753</u>	<u>217,150</u>	<u>4,228,647</u>	<u>16,496,488</u>

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2010**

<b>7. Infrastructure</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Roads - Cost	86,080,457	83,345,648
Less Accumulated Depreciation	<u>(41,983,765)</u>	<u>(40,323,447)</u>
	44,096,692	43,022,201
 Drains - Cost	 1,111,106	 1,097,053
Less Accumulated Depreciation	<u>(23,113)</u>	<u>(17,942)</u>
	1,087,993	1,079,111
 Footpaths - Cost	 542,557	 443,324
Less Accumulated Depreciation	<u>(18,646)</u>	<u>(13,528)</u>
	523,911	429,796
 Parks & Ovals - Cost	 469,685	 522,952
Less Accumulated Amortisation	<u>0</u>	<u>0</u>
	469,685	522,952
 Recreation Facilities - Cost	 1,274,168	 1,274,168
Less Accumulated Amortisation	<u>(733,787)</u>	<u>(670,078)</u>
	540,381	604,090
	<u><u>46,718,663</u></u>	<u><u>45,658,150</u></u>

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2010**

**7. Infrastructure (Continued)**

**Movements in Carrying Amounts**

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

	<b>Roads \$</b>	<b>Footpaths \$</b>	<b>Drainage \$</b>	<b>Parks &amp; Ovals \$</b>	<b>Recreation Facilities \$</b>	<b>Total \$</b>
Balance as at 1 July 2009	43,022,201	429,796	1,079,111	522,952	604,090	45,658,150
Additions	2,734,809	99,233	14,053	0	0	2,848,095
(Disposals)	0	0	0	0	0	0
Impairment - (losses)	0	0	0	0	0	0
- reversals	0	0	0	0	0	0
Depreciation (Expense)	(1,660,318)	(5,118)	(5,171)	0	0	(1,670,607)
Amortisation (Expense)	0	0	0		(63,708)	(63,708)
Other Movements	0	0	0	(53,267)	0	(53,267)
Balance as at 30 June 2010	<u>44,096,692</u>	<u>523,912</u>	<u>1,087,993</u>	<u>469,685</u>	<u>540,382</u>	<u>46,718,663</u>

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2010**

	2010 \$	2009 \$
<b>8. Trade and Other Payables</b>		
<b>Current</b>		
Sundry Creditors	247,311	45,308
Other Creditors	35,187	48,243
GST Payable	0	38,780
ESL Liability	29,872	18,388
Accrued Interest on Debentures	40,169	42,775
Accrued Salaries and Wages	57,552	69,608
	<u>410,091</u>	<u>263,102</u>
<b>9. Long-Term Borrowings</b>		
<b>Current</b>		
Secured by Floating Charge Debentures	<u>278,941</u>	<u>263,193</u>
	<u>278,941</u>	<u>263,193</u>
<b>Non-Current</b>		
Secured by Floating Charge Debentures	<u>4,495,296</u>	<u>4,774,237</u>
	<u>4,495,296</u>	<u>4,774,237</u>
Additional detail on borrowings is provided in Note 21.		
<b>10. Provisions</b>		
<b>Current</b>		
Provision for Annual Leave	332,580	341,826
Provision for Long Service Leave	216,961	176,332
	<u>549,541</u>	<u>518,158</u>
<b>Non-Current</b>		
Provision for Long Service Leave	<u>64,907</u>	<u>96,671</u>
	<u>64,907</u>	<u>96,671</u>

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2010**

	2010 \$	2010 Budget \$	2009 \$
<b>11. Reserves - Cash Backed</b>			
<b>(a) Employee Entitlements Reserve</b>			
Opening Balance	5,255	5,255	0
Amount Set Aside / Transfer to Reserve	206	122	5,255
Amount Used / Transfer from Reserve	0	0	0
	<u>5,461</u>	<u>5,377</u>	<u>5,255</u>
<b>(b) Plant Replacement Reserve</b>			
Opening Balance	109,175	109,175	78,879
Amount Set Aside / Transfer to Reserve	104,286	2,531	30,296
Amount Used / Transfer from Reserve	0	(100,000)	0
	<u>213,461</u>	<u>11,706</u>	<u>109,175</u>
<b>(c) Town Drainage Reserve</b>			
Opening Balance	60,604	60,603	71,599
Amount Set Aside / Transfer to Reserve	2,379	1,405	3,605
Amount Used / Transfer from Reserve	0	(15,000)	(14,600)
	<u>62,983</u>	<u>47,008</u>	<u>60,604</u>
<b>(d) Great Southern Regional Saleyards 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>(e) Land Rehabilitation Reserve</b>			
Opening Balance	43,851	43,852	68,641
Amount Set Aside / Transfer to Reserve	1,721	1,017	3,410
Amount Used / Transfer from Reserve	(45,573)	(44,869)	(28,200)
	<u>0</u>	<u>0</u>	<u>43,851</u>
<b>(f) Kendenup Hall &amp; Grounds Reserve</b>			
Opening Balance	1,860	1,859	1,769
Amount Set Aside / Transfer to Reserve	73	43	91
Amount Used / Transfer from Reserve	0	0	0
	<u>1,933</u>	<u>1,902</u>	<u>1,860</u>
<b>(g) Waste Management Reserve</b>			
Opening Balance	6,833	6,834	6,502
Amount Set Aside / Transfer to Reserve	180,268	184,444	331
Amount Used / Transfer from Reserve	(2,272)	(50,000)	0
	<u>184,830</u>	<u>141,278</u>	<u>6,833</u>
<b>(h) Recreation Facilities Reserve</b>			
Opening Balance	29,898	29,898	28,448
Amount Set Aside / Transfer to Reserve	1,174	693	1,450
Amount Used / Transfer from Reserve	0	(30,000)	0
	<u>31,072</u>	<u>591</u>	<u>29,898</u>

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2010**

	2010 \$	2010 Budget \$	2009 \$
<b>11. Reserves - Cash Backed (continued)</b>			
<b>(i) Electronic Equipment 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>(j) Roadworks Carried Forward 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>(k) Kendenup Townsite Study Reserve</b>			
Opening Balance	4,528	4,528	4,308
Amount Set Aside / Transfer to Reserve	178	105	220
Amount Used / Transfer from Reserve	0	0	0
	<u>4,705</u>	<u>4,633</u>	<u>4,528</u>
<b>(l) Cemetery 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>(m) Outstanding Land Resumptions Reserve</b>			
Opening Balance	7,121	7,121	10,204
Amount Set Aside / Transfer to Reserve	10,280	10,403	10,917
Amount Used / Transfer from Reserve	0	0	(14,000)
	<u>17,400</u>	<u>17,524</u>	<u>7,121</u>
<b>(n) Shire Development Reserve</b>			
Opening Balance	141,164	141,163	211,048
Amount Set Aside / Transfer to Reserve	5,541	3,273	10,116
Amount Used / Transfer from Reserve	(27,128)	(20,000)	(80,000)
	<u>119,577</u>	<u>124,436</u>	<u>141,164</u>
<b>(o) Flood Damage Reserve</b>			
Opening Balance	21,020	21,020	0
Amount Set Aside / Transfer to Reserve	20,825	20,964	21,020
Amount Used / Transfer from Reserve	0	0	0
	<u>41,845</u>	<u>41,984</u>	<u>21,020</u>
<b>Total Cash Backed Reserves</b>	<u><u>683,267</u></u>	<u><u>396,439</u></u>	<u><u>431,308</u></u>



**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2010**

**11. Reserves - Cash Backed (continued)**

All of the cash backed reserve accounts are supported by money held in Bendigo Bank and match the amounts shown as restricted reserves cash in Note 3.

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

**Employee Entitlements (Formerly Long Service Leave) 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 construction and planning of drainage systems.

**Great Southern Regional Cattle Saleyard Reserve**

To assist in the repayment of loans 83, 84 and 89

**Land Rehabilitation Reserve**

For the rehabilitation of Council property.

**Kendenup Hall & Grounds Reserve**

For the maintenance / Improvements to the Kendenup Hall & Grounds

**Waste Management Reserve**

For the upgrading or operations of the Council's waste management facilities.

**Recreation Facilities Reserve**

To improve and develop the Council's recreation facilities.

**Electronic Equipment**

For the upgrade / replacement of electronic equipment

**Roadworks C/Fwd**

Unspent funds from TIRES roadworks

**Kendenup Townsite Study**

For the payment of a study into Kendenup Townsite Development

**Cemetery Reserve**

To fund the purchase of land for cemetery extensions

**Outstanding Land Resumptions Reserve**

To fund old / outstanding obligations for land resumptions associated with road realignments and the like

**Shire Development Reserve**

To fund major projects and developments which the Council may decide to undertake from time to time

**Flood Damage Reserve**

To fund the Council's proportion of major flood damage events

The Employee Entitlements, Plant Replacement, Town Drainage, Outstanding Land Resumptions and Flood Damage 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 Council's Long Term Financial Planning Working Group has made a recommendation to the Council on the rationalisation and use of the remaining reserves. The Council made a decision on this at its meeting held on 6 July 2010, which will take effect in the 2010/2011 financial year.

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2010**

12. Reserves - Asset Revaluation	2010 \$	2009 \$
Asset revaluation reserves have arisen on revaluation of the following classes of assets:		
<b>Bushfire Equipment</b>		
Balance as at 1 July 2009	79,200	79,200
Revaluation Increment	0	0
Revaluation Decrement	0	0
Balance as at 30 June 2010	<u>79,200</u>	<u>79,200</u>
<b>Total Asset Revaluation Reserve</b>	<u><b>79,200</b></u>	<u><b>79,200</b></u>

**13. Notes to the Statement of Cash Flows**

**(a) Reconciliation of Cash**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	2010 \$	2010 Budget \$	2009 \$
Cash and Cash Equivalents	<u>1,428,440</u>	<u>(251,223)</u>	<u>1,775,912</u>

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

Net Result	2,857,142	1,734,152	2,764,917
Amortisation	68,036	63,708	63,708
Depreciation	2,590,281	2,552,625	2,479,542
(Profit) / Loss on Sale of Asset	(41,630)	(9,601)	(420,282)
(Increase) / Decrease in Receivables	(508,900)	(209,748)	166,838
(Increase) / Decrease in Inventories	(4,232)	1,995	(1,648)
Increase / (Decrease) in Payables	146,989	140,379	(28,874)
Increase / (Decrease) in Employee Provisions	(381)	8,947	14,071
Grants / Contributions for the Development of Assets	<u>(2,401,221)</u>	<u>(2,505,010)</u>	<u>(2,781,409)</u>
<b>Net Cash From Operating Activities</b>	<u><b>2,706,085</b></u>	<u><b>1,777,447</b></u>	<u><b>2,256,863</b></u>

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2010**

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

<b>(c) Undrawn Borrowing Facilities</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>Credit Standby Arrangements</b>		
Bank Overdraft limit	500,000	800,000
Bank Overdraft at Balance Date	0	0
Credit Card limit	10,000	10,000
Credit Card Balance at Balance Date	(3,763)	(491)
<b>Total Amount of Credit Unused</b>	<u><u>506,237</u></u>	<u><u>809,509</u></u>
<b>Loan Facilities</b>		
Loan Facilities - Current	278,941	263,193
Loan Facilities - Non-Current	4,495,296	4,774,237
<b>Total Facilities in Use at Balance Date</b>	<u><u>4,774,237</u></u>	<u><u>5,037,430</u></u>
<b>Unused Loan Facilities at Balance Date</b>	<u><u>69,135</u></u>	<u><u>88,587</u></u>

**14. Contingent Liabilities**

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

**15. Capital & Leasing Commitments**

**(a) Finance Lease Commitments**

There are no outstanding finance lease commitments at 30 June 2010.

<b>(b) Operating Lease Commitments</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	30,201	12,817
- later than one year but not later than five years	11,327	15,892
	<u><u>41,528</u></u>	<u><u>28,709</u></u>

**(c) Capital Expenditure Commitments**

Contracted for:

- Capital expenditure projects (New Medical Centre Building)	0	387,646
- Capital expenditure projects (Community Centre / Library)	713,103	0

Payable:

- not later than one year	713,103	387,646
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**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2010**

**16. Joint Venture**

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

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>Non-Current Assets</b>		
Plant and Equipment	1,274,168	1,274,168
Less: Accumulated Amortisation	<u>(733,787)</u>	<u>(670,078)</u>
	<u><b>540,381</b></u>	<u><b>604,090</b></u>

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

Governance	3,058,624	3,147,255
Law, Order, Public Safety	1,767,265	1,263,428
Health	18,881	24,033
Education and Welfare	85,059	88,831
Community Amenities	2,782,483	1,190,703
Recreation and Culture	2,192,312	2,142,280
Transport	45,708,596	44,533,778
Economic Services	3,337,164	3,430,175
Other Property and Services	3,698,012	3,836,446
Unallocated	<u>3,325,503</u>	<u>3,576,414</u>
	<u><b>65,973,900</b></u>	<u><b>63,233,343</b></u>

**Shire of Plantagenet**  
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	2010	2009	2008
<b>18. Financial Ratios</b>			
Current Ratio	0.989	0.649	0.885
Untied Cash to Unpaid Trade Creditors Ratio	-0.021	0.026	0.565
Debt Ratio	0.088	0.094	0.096
Debt Service Ratio	0.065	0.061	0.061
Gross Debt to Revenue Ratio	0.556	0.563	0.584
Gross Debt to Economically Realisable Assets Ratio	0.248	0.287	0.310
Rate Coverage Ratio	0.366	0.327	0.340
Outstanding Rates Ratio	0.117	0.030	0.062

The above ratios are calculated as follows:

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

**Shire of Plantagenet**  
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**19. Trust Funds**

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

	Balance 1-Jul-09 \$	Amounts Received \$	Amounts Paid \$	Balance 30-Jun-10 \$
Feral Pig Eradication Committee	23,192	0	5,874	17,318
Middleward BFB Funds	9343	500	973	8,870
Contribution - Public Open Space	200,492	0	0	200,492
Contribution - Roadworks	44,647	8,631	44,647	8,631
Bonds - Planning Advertising	0	4,000	3,000	1,000
Bonds - Relocatable Dwelling	46000	15,000	28,500	32,500
Bonds - Extractive Industries	6,000	4,000	0	10,000
Bonds - Road Construction Guarantee	93,216	0	0	93,216
Bonds - Tree / Garden / Planting	4,309	0	0	4,309
Bonds - Subdivisional	19,695	6,580	22,275	4,000
Bonds - Parking	3,000	0	0	3,000
Bonds - Footpath	3105	8,570	1,840	9,835
Bonds - Other	10,267	240	6,553	3,954
Bonds - Councillor Nomination	0	1,280	1,280	0
	<u>463,266</u>			<u>397,125</u>

**20. Disposals of Assets - 2009/2010 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>Governance</b>						
Commodore Omega - DCEO	15,378	14,095	13,182	12,000	(2,196)	(2,095)
Toyota Hilux - MCS		17,794		20,000		2,206
<b>Recreation and Culture</b>						
Library - Automation of Library Services	0	0	0	0	0	0
Library - Two Heaters	0	0	0	0	0	0
Library - Carpet	0	0	0	0	0	0
Library - ABA Security	0	0	0	0	0	0
Library - Four heaters & sweep fans	0	0	0	0	0	0
Library - Commander telephone system	0	0	0	0	0	0
Library - Vertical blinds	0	0	0	0	0	0
Library - Shelving	0	0	0	0	0	0
<b>Economic Services</b>						
Toyota Hilux - Saleyards Manager		14,708		19,500		4,792
Skidsteer Loader - Saleyards	0	0	9,000	25,000	9,000	25,000
<b>Other Property and Services</b>						
Ford Utility - Workshop Supervisor		6,993		8,000		1,007
Ford Ranger - Parks & Gardens		11,976		10,000		(1,976)
Volvo Grader		89,231		65,000		(24,231)
Iveco Acco Rubbish Truck	16,174	20,102	25,000	25,000	8,826	4,898
Lombardi Tri-Axle Low Loader Trailer	0	0	26,000	0	26,000	0
<b>TOTAL</b>	<b>31,552</b>	<b>174,899</b>	<b>73,182</b>	<b>184,500</b>	<b>41,630</b>	<b>9,601</b>



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

(a) Debenture Repayments

Particulars	Principal 01-Jul-09 \$	Loan Adjustments \$	Principal Repayments		Principal 30-Jun-10		Interest Repayments	
			Actual	\$ Budget	Actual	\$ Budget	Actual	\$ Budget
<b>Governance</b>								
New Administration Centre (90)	2,376,065	0	93,281	93,281	2,282,784	2,282,784	138,466	138,585
<b>Health</b>								
Medical Centre (92)	200,000	0	20,000	20,000	180,000	180,000	0	0
Medical Centre (89)	0	122,686	4,800	0	117,886	0	9,603	0
<b>Recreation and Culture</b>								
*Mount Barker Golf Club (86)	4,667	0	1,458	1,458	3,209	3,210	272	278
*Mount Barker Golf Club (91)	172,716	0	14,186	14,186	158,530	158,530	12,354	12,393
<b>Economic Services</b>								
Cattle Yards (83)	160,125	0	25,016	25,016	135,109	135,109	9,708	10,193
Cattle Yards (84)	973,971	0	65,616	65,616	908,355	908,355	65,327	66,666
Cattle Yards (89)	1,149,886	(122,686)	38,836	43,636	988,364	1,142,561	61,431	71,650
	5,037,430	0	263,193	263,193	4,774,237	4,810,549	297,160	299,765

Loan No. 89 raised \$1.3 million for the cattle saleyards, however not all of this had been allocated. A sum of \$143,000 was used as a contribution towards the new Plantagenet Medical Centre in 2008/2009. Therefore 11% of the costs of that loan are listed under Health - Preventive Services Other.

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

All other loan repayments were financed by general purpose revenue.

**Shire of Plantagenet**  
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**21. Information On Borrowings (Cont'd)**

(b) New Debentures - 2009/2010

The Council did not take out any new debentures during the 2009/2010 financial year.

(c) Unspent Debentures

<b>Particulars</b>	<b>Date Borrowed</b>	<b>Balance 1-Jul-09 \$</b>	<b>Borrowed During Year \$</b>	<b>Expended During Year \$</b>	<b>Balance 30-Jun-10 \$</b>
Remedial Works Saleyards (89)	April 2005	88,587	0	(19,452)	69,135
		88,587	0	(19,452)	69,135

(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 2009 and 30 June 2010 was \$Nil.

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
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**22. Rating Information - 2009/2010 - Financial Year**

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	7.88420	757	8,024,962	632,704	7,578	0	640,282	644,807	7,000	0	651,807
GRV - Strata Title	7.88420	2	16,328	1,287	446	0	1,733	1,287	0	0	1,287
GRV - Rural Townsites	7.88420	167	1,381,304	108,905	1,794	0	110,699	108,347	1,000	0	109,347
GRV - Rural	7.88420	60	1,447,358	114,113	1,370	0	115,482	114,113	0	0	114,113
UV - Rural	0.44469	1,376	616,827,000	2,742,968	10,112	0	2,753,080	2,744,546	9,500	0	2,754,046
<b>Sub-Totals</b>		2,362	627,696,952	3,599,977	21,300	0	3,621,277	3,613,100	17,500	0	3,630,600
<b>Minimum Rates</b>	<b>Minimum \$</b>										
GRV - Mount Barker Townsite	525	236	1,316,644	123,900	0	0	123,900	123,375	0	0	123,375
GRV - Strata Title	525	89	179,900	46,725	0	0	46,725	46,725	0	0	46,725
GRV - Rural Townsites	525	356	1,135,814	186,900	0	0	186,900	175,350	0	0	175,350
GRV - Rural	525	14	74,212	7,350	0	0	7,350	7,350	0	0	7,350
UV - Rural	525	190	17,874,940	99,750	0	0	99,750	97,125	0	0	97,125
UV - Mining	525	8	84,727	4,200	0	0	4,200	5,775	0	0	5,775
<b>Sub-Totals</b>		893	20,666,237	468,825	0	0	468,825	455,700	0	0	455,700
<b>Totals</b>				4,068,802			4,090,102				4,086,300

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
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**23. Specified Area Rate - 2009/2010 Financial Year**

There were no specified area rates levied in the 2009/2010 financial year.

**24. Service Charges - 2009/2010 Financial Year**

There were no service charges levied in the 2009/2010 financial year.

**25. Discounts, Incentives, Concessions & Write-Offs - 2009/2010 Financial Year**

	Type	Disc %	Total Cost / Value \$	Budget Cost / Value \$
Rate Assessment	Write-Off	N/A	1,919	0

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

**26. Interest Charges and Instalments - 2009/2010 Financial Year**

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00	N/A	47,953	30,000
Interest on Instalment Plans	5.50	N/A	12,138	13,500
Charges on Instalment Plans	N/A	5.00	7,645	9,500
			67,736	53,000

Ratepayers had the option of paying rates in four equal instalments, due on 21 August 2009, 22 October 2009, 5 January 2010 and 9 March 2010. Administration charges and interest applied for the final three instalments.

<b>27. Fees and Charges</b>	<b>2010 \$</b>	<b>2009 \$</b>
General Purpose Funding	24,759	24,427
Governance	7,580	8,131
Law, Order, Public Safety	15,601	18,768
Health	45,628	4,351
Education and Welfare	244	112,526
Community Amenities	559,869	393,072
Recreation and Culture	169,895	133,145
Transport	364	985
Economic Services	691,363	656,662
Other Property and Services	475,633	774,359
	<u>1,990,935</u>	<u>2,126,426</u>

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

**Shire of Plantagenet**  
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<b>28. Grant Revenue</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>By Nature and Type:</b>		
Operating Grants, Subsidies and Contributions	2,378,004	2,322,587
Non-Operating Grants, Subsidies and Contributions	2,619,044	2,908,723
	<u>4,997,048</u>	<u>5,231,310</u>
<b>By Program:</b>		
Governance	55,602	64,101
General Purpose Funding	1,332,967	2,620,481
Law, Order, Public Safety	648,725	489,135
Health	180,805	459,510
Education and Welfare	3,508	95,410
Community Amenities	63,244	133,600
Recreation and Culture	523,067	63,119
Transport	1,938,780	1,146,147
Economic Services	232,292	133,540
Other Property and Services	18,058	26,267
	<u>4,997,048</u>	<u>5,231,310</u>

<b>29. Councillors' Remuneration</b>	<b>2010</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
The following fees, expenses and allowances were paid to Council members and / or the president.			
President's Allowance	4,480	4,480	4,480
Deputy President's Allowance	1,120	1,120	1,120
Elected Members' Sitting Fees	69,704	70,000	70,000
Travelling Allowance	7,512	8,000	5,218
Councillors Incidental Expenses	12,833	10,000	9,498
Conferences & Training	15,012	15,000	13,469
	<u>110,661</u>	<u>108,600</u>	<u>103,785</u>

<b>30. Employee Numbers</b>	<b>2010</b>	<b>2009</b>
The number of full-time equivalent employees at balance date.	<u>53</u>	<u>53</u>

**Shire of Plantagenet**  
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**31. Major Land Transactions**

The Council did not participate in any major land transactions during the 2009/2010 financial year.

**32. Trading Undertakings and Major Trading Undertakings**

The Great Southern Regional Cattle Saleyards	<b>2010</b> <b>\$</b>	<b>2010</b> <b>Budget</b> <b>\$</b>	<b>2009</b> <b>\$</b>
Number of Cattle Sold	67,786	60,000	64,979
<b>Operating Revenue</b>			
Agent Contributions	67,283	60,000	65,828
Entry Fees	12,800	10,000	12,000
Saleyard Weigh & Pen Fees	428,996	390,000	418,969
Other Operating Income	5,573	3,500	3,535
Avdata Income	15,920	18,000	18,735
NLIS Tagging	10,583	10,000	12,731
Hay Feeding	17,222	10,000	5,937
Stock Removal	2,574	2,000	2,443
Sale of Manure	4,237	4,000	4,900
Shippers / Private Weigh	14,608	10,000	10,112
Profit on Sale of Assets	9,000	29,793	0
	<u>588,795</u>	<u>547,293</u>	<u>555,190</u>



**Shire of Plantagenet**  
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**32. Trading Undertakings and Major Trading Undertakings (Continued)**

The Great Southern Regional Cattle Saleyards	2010 \$	2010 Budget \$	2009 \$
<b>Operating Expenditure</b>			
Conferences & Training	499	3,500	200
Workers Compensation Insurance	6,095	6,095	6,268
Salaries	163,109	184,932	184,654
Superannuation	14,708	12,004	13,531
Uniforms, Clothing & Accessories	2,134	1,600	1,118
Travel & Accommodation	386	1,000	0
Telephone	2,953	3,000	2,971
Computer Equipment Maintenance	8,027	8,000	7,429
Other Operating Costs - Office	0	1,000	207
Insurances	24,865	25,000	24,334
Promotional Material & Public Relations	12,574	15,000	13,756
Water Monitoring	10,565	10,000	10,565
Licence Fees	1,493	2,000	1,390
Other Operating Costs - Other	4,095	3,000	2,926
Feed Purchases	1,550	2,000	0
Tools & Sundry	772	1,000	0
NSQA Expenses	0	5,000	0
Survey of Groundwater Bores	0	0	1,400
Environmental Services	0	7,000	3,670
Admin Services Allocation	51,920	52,246	52,543
Depreciation - Furniture & Fittings	21,028	19,743	20,286
Depreciation - Land and Buildings	86,353	84,984	85,001
Depreciation - Plant, Machinery & Equip	6,537	11,063	10,654
Loss on Sale of Assets	0	0	0
Annual Leave Accrual	-494	0	0
Long Service Leave Accrual	12	0	8
Building Maintenance	9,984	8,000	6,171
Building Operating	17,972	22,000	20,637
Grounds Maintenance	31,124	45,000	46,460
Motor Vehicle Allocations	6,544	6,000	3,689
Loan No. 83 - Saleyards	9,708	10,371	11,315
Loan No. 84 - Saleyards	65,327	67,686	69,755
Loan No. 89 - Saleyards	61,431	63,769	73,663
<b>Total Operating Expenditure</b>	<b>621,271</b>	<b>681,993</b>	<b>674,601</b>
<b>Operating Profit / (Loss)</b>	<b>(32,475)</b>	<b>(134,700)</b>	<b>(119,411)</b>

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
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### 33. Financial Risk Management

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

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

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

The Council held the following financial instruments at balance date:

	<b>Carrying Value</b>		<b>Fair Value</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>				
Cash and cash equivalents	1,428,440	1,775,912	1,428,440	1,775,912
Receivables	1,272,830	779,573	1,272,830	779,573
Available for Sale Financial Assets (Shares)	4,692	4,692	4,692	4,692
	<u>2,705,962</u>	<u>2,560,177</u>	<u>2,705,962</u>	<u>2,560,177</u>
<b>Financial Liabilities</b>				
Payables	410,091	263,102	410,091	263,102
Borrowings	4,774,237	5,037,430	4,722,605	5,056,784
	<u>5,184,328</u>	<u>5,300,532</u>	<u>5,132,696</u>	<u>5,319,886</u>

Fair value is determined as follows:

- \* Cash and Cash Equivalents, Receivables, Payables - estimated to the carrying value which approximates net market value.
- \* Borrowings - estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.
- \* Available For Sale Financial Assets - based on quoted market prices at balance date or independent valuation.

#### (a) Cash and Cash Equivalents

##### Available-for-sale financial assets

The Council's objective is to support the local community bank and achieve a moderate return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The Corporate Services Section manages the cash and investments portfolio with the assistance of Bendigo Bank advisors. The Council has an investment policy and the policy is subject to review by the Council.

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 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 Bendigo Bank term deposits and NCD's. Bendigo Bank has a BBB+ credit rating, the highest for its size and traditionally has a conservative portfolio.

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
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**33. Financial Risk Management (Continued)**

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

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

	<b>30-Jun-10</b>	<b>30-Jun-09</b>
	<b>\$</b>	<b>\$</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	27,100	23,796
- Statement of Comprehensive Income	27,100	23,796

**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-10</b>	<b>30-Jun-09</b>
Percentage of Rates and Annual Charges		
- Current	0.14%	0.00%
- Overdue	99.86%	100.00%
Percentage of Other Receivables		
- Current	86.77%	58.01%
- Overdue	13.23%	41.99%

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
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**33. Financial Risk Management (Continued)**

**(c) Payables**

**Borrowings**

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

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

	<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>2010</u></b>					
Payables	410,091	0	0	410,091	410,091
Borrowings	562,959	2,229,025	4,226,538	7,018,523	4,774,237
	<u>973,050</u>	<u>2,229,025</u>	<u>4,226,538</u>	<u>7,428,614</u>	<u>5,184,328</u>
<b><u>2009</u></b>					
Payables	263,102	0	0	263,102	263,102
Borrowings	562,959	2,248,365	4,770,157	7,581,482	5,037,430
	<u>826,061</u>	<u>2,248,365</u>	<u>4,770,157</u>	<u>7,844,584</u>	<u>5,300,532</u>

**Shire of Plantagenet**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2010**

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

**(c) Borrowings (Continued)**

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

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

	<1 Year \$	>1<2 Years \$	>2<3 Years \$	>3<4 Years \$	>4<5 years	>5 Years \$	Total \$	Weighted Average Effective Interest Rate %
<b><u>Year Ended 30 June 2010</u></b>								
<b>Borrowings</b>								
<b>Fixed Rate</b>								
Debentures	0	3,210	0	0	263,179	4,507,848	4,774,237	5.98%
Weighted Average Effective Interest Rate	N/A	6.45%	N/A	N/A	6.62%	5.99%	5.98%	
<b><u>Year Ended 30 June 2009</u></b>								
<b>Borrowings</b>								
<b>Fixed Rate</b>								
Debentures	0	0	4,668	0	0	5,032,852	5,037,519	5.99%
Weighted Average Effective Interest Rate	N/A	N/A	6.45%	N/A	N/A	5.99%		